

JEFFERSONVILLE BANCORP

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Press Release

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For Release
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Company Press Release

Jeffersonville Bancorp Announces Third Quarter Earnings of \$1,453,000 or \$0.34 per share and Year to Date Earnings of \$4,502,000 or \$1.06 per share; Declares Dividend of \$0.15

JEFFERSONVILLE, N.Y., November 9, 2021 (PRIME NEWSWIRE) -- Jeffersonville Bancorp, Inc. (OTCQB - JFBC) announced today third quarter net income of \$1,453,000 or \$0.34 per share compared to \$1,296,000 or \$0.30 per share for the same quarter in 2020. The increase in quarterly net income compared to 2020 of \$157,000 was primarily attributable to an increase in securities and other interest and dividends of \$259,000, decreases in provision for loan losses of \$250,000 and in interest expense of \$50,000, and increases in fee income of \$142,000 and service charges of \$47,000. These improvements were partially offset by a decrease in loan interest and fees of \$347,000 and increases in total non-interest expense of \$87,000 and in tax expense of \$54,000.

Year to date net income as of September 30, 2021 was \$4,502,000 or \$1.06 per share compared to \$3,606,000 or \$0.85 per share for the same period in 2020. The increase in year-to-date net income compared to 2020 of \$896,000 was attributable to a decrease in provision for loan losses of \$750,000, an increase in unrealized gains on securities of \$557,000, an increase in securities and other interest and dividends of \$400,000, an increase in fee income of \$327,000, and a decrease in interest expense of \$197,000. These improvements were partially offset by a decrease in loan interest and fees of \$792,000, an increase in tax expense of \$297,000, and an increase in total non-interest expense of \$231,000.

"Covid-19 pandemic related economic stimulus, combined with the inability of consumers to increase spending due to continuing disease outbreaks and supply chain bottlenecks, has led to an industry wide increase in deposits. Due to the excess cash that has resulted from the rise in deposits, competition for earning assets such as loans and securities has driven down both volume and rates in an already historic low-rate environment, pressuring net

interest margins at most financial institutions. On the positive side, the increase in loan losses anticipated by shutdowns and loss of business revenue have not materialized to date. We continue to be optimistic that our focus on our core business, strong capital position, and high levels of liquidity will enable us to take advantage of competitive opportunities as they arise," said George W. Kinne, Jr., President and CEO.

A cash dividend in the amount of fifteen cents (\$0.15) per share on the common stock of the company was declared at the November 9, 2021 meeting of the Board of Directors. The dividend is payable on December 3, 2021 to stockholders of record at the close of business on November 23, 2021.

Jeffersonville Bancorp is a one-bank holding company, which owns all the capital stock of Jeff Bank. Jeff Bank maintains twelve full-service branches in Sullivan and Orange County, New York located in Anawana Lake Road/Monticello, Eldred, Callicoon, Jeffersonville, Liberty, Livingston Manor, Loch Sheldrake, Monticello, Narrowsburg, Port Jervis, White Lake, and Wurtsboro.

Jeffersonville Bancorp and Subsidiary
Consolidated Balance Sheets

(In thousands, except share and per share data)

As of	September 30, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	\$ 165,367	\$ 121,474
Securities available for sale, at fair value	195,575	157,877
Equity securities held at fair value	2,114	1,327
Securities held to maturity, fair value of \$9,915 at September 30, 2021 and \$7,703 at December 31, 2020	9,464	7,118
Loans, net of allowance for loan losses of \$4,085 at September 30, 2021 and \$4,378 at December 31, 2020	287,822	294,781
Accrued interest receivable	2,355	2,361
Bank-owned life insurance	19,623	19,499
Foreclosed real estate	492	717
Premises and equipment, net	6,278	6,630
Restricted investments	487	501
Other assets	<u>3,815</u>	<u>4,311</u>
Total Assets	<u>\$ 693,392</u>	<u>\$ 616,596</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits:		
Demand deposits (non-interest bearing)	\$ 194,334	\$ 159,647
NOW and super NOW accounts	129,352	111,830
Savings and insured money market deposits	220,503	200,561
Time deposits	<u>65,318</u>	<u>63,362</u>
Total Deposits	609,507	535,400
Other liabilities	<u>7,119</u>	<u>6,766</u>
Total Liabilities	<u>616,626</u>	<u>542,166</u>
Stockholders' equity		
Series A preferred stock, no par value; 2,000,000 shares authorized, none issued	—	—
Common stock, \$0.50 par value; 11,250,000 shares authorized, 4,767,786 shares issued with 4,234,505 outstanding	2,384	2,384
Paid-in capital	6,483	6,483
Treasury stock, at cost; 533,281 shares	(4,965)	(4,965)
Retained earnings	73,478	70,882
Accumulated other comprehensive loss	<u>(614)</u>	<u>(354)</u>
Total Stockholders' Equity	<u>76,766</u>	<u>74,430</u>
Total Liabilities and Stockholders' Equity	<u>\$ 693,392</u>	<u>\$ 616,596</u>

This does not represent complete financial statements. Complete financial statements may be found at www.jeffbank.com

Jeffersonville Bancorp and Subsidiary
Consolidated Statements of Income
(In thousands, except per share data)

For the Three Months Ended September 30,	2021	2020
Interest and Dividend Income		
Loan interest and fees	\$ 3,427	\$ 3,774
Securities:		
Taxable	666	480
Tax-exempt	519	486
Other interest and dividend income	80	40
Total Interest and Dividend Income	<u>4,692</u>	<u>4,780</u>
Interest Expense on Deposits	<u>88</u>	<u>138</u>
Net interest income	4,604	4,642
Provision for loan losses	—	250
Net Interest Income after Provision for Loan Losses	<u>4,604</u>	<u>4,392</u>
Non-Interest Income		
Service charges	219	172
Fee income	605	463
Earnings on bank-owned life insurance	80	79
Net gain on sales of securities	16	72
Unrealized (loss) gain on equity securities	(30)	30
Other non-interest income	46	34
Total Non-Interest Income	<u>936</u>	<u>850</u>
Non-Interest Expense		
Salaries and employee benefits	2,391	2,348
Occupancy and equipment expenses	398	373
Foreclosed real estate expense, net	11	17
Other non-interest expenses	984	959
Total Non-Interest Expenses	<u>3,784</u>	<u>3,697</u>
Income before income tax expense	1,756	1,545
Income tax expense	303	249
Net Income	<u>\$ 1,453</u>	<u>\$ 1,296</u>
Basic earnings per common share	<u>\$ 0.34</u>	<u>\$ 0.30</u>
Average common shares outstanding	<u>4,235</u>	<u>4,235</u>
Cash dividends declared per share	<u>\$ 0.15</u>	<u>\$ 0.15</u>

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Consolidated Statements of Income
(In thousands, except per share data)

For the Nine Months Ended September 30,	2021	2020
Interest and Dividend Income		
Loan interest and fees	\$ 10,691	\$ 11,483
Securities:		
Taxable	1,766	1,385
Tax-exempt	1,498	1,346
Other interest and dividend income	<u>202</u>	<u>335</u>
Total Interest and Dividend Income	14,157	14,549
Interest Expense on Deposits		
	<u>283</u>	<u>480</u>
Net interest income	13,874	14,069
Provision for loan losses	<u>—</u>	<u>750</u>
Net Interest Income after Provision for Loan Losses	<u>13,874</u>	<u>13,319</u>
Non-Interest Income		
Service charges	616	589
Fee income	1,564	1,237
Earnings on bank-owned life insurance	232	240
Net gain on securities	19	136
Unrealized (loss) gain on equity securities	304	(253)
Other non-interest income	<u>218</u>	<u>135</u>
Total Non-Interest Income	<u>2,953</u>	<u>2,084</u>
Non-Interest Expense		
Salaries and employee benefits	7,224	7,052
Occupancy and equipment expenses	1,290	1,254
Foreclosed real estate expense, net	28	24
Other non-interest expenses	<u>2,850</u>	<u>2,831</u>
Total Non-Interest Expenses	<u>11,392</u>	<u>11,161</u>
Income before income tax expense	5,435	4,242
Income tax expense	<u>933</u>	<u>636</u>
Net Income	<u>\$ 4,502</u>	<u>\$ 3,606</u>
Basic earnings per common share	<u>\$ 1.06</u>	<u>\$ 0.85</u>
Average common shares outstanding	<u>4,235</u>	<u>4,235</u>
Cash dividends declared per share	<u>\$ 0.45</u>	<u>\$ 0.45</u>

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