

JEFFERSONVILLE BANCORP

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Press Release

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Company Press Release

Jeffersonville Bancorp Announces Third Quarter Earnings of \$1,698,000 or \$0.40 per share and Year to Date Earnings of \$5,461,000 or \$1.29 per share; Declares Dividend of \$0.15

JEFFERSONVILLE, N.Y., November 12, 2019 (PRIME NEWSWIRE) -- Jeffersonville Bancorp, Inc. (OTCQB - JFBC) announced today third quarter net income of \$1,698,000 or \$0.40 per share compared to \$1,762,000 or \$0.42 per share for the same quarter in 2018. The decrease in quarterly net income compared to 2018 of \$64,000 was primarily attributable to an increase in provision for loan losses of \$300,000 partially offset by an increase in total interest and dividend income of \$149,000 and total non-interest income of \$33,000.

Year to date net income as of September 30, 2019 was \$5,461,000 or \$1.29 per share compared to \$5,066,000 or \$1.20 per share for the same period in 2018. The increase in year to date net income compared to 2018 was attributable to several factors. Interest income on loans increased by \$984,000, interest on excess reserves at the Federal Reserve Bank increased by \$207,000, and total non-interest income increased by \$141,000. These improvements were partially offset by an increase in provision for loan losses of \$500,000, an increase in salaries and employee benefits expense of \$358,000, and an increase in tax expense of \$133,000.

"The Company has continued to benefit from low core funding costs. We also benefitted from higher average loan balances as compared to 2018. We are pleased with the results we have achieved in a challenging interest rate environment." 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 12, 2019 meeting of the Board of Directors.

The dividend is payable on December 4, 2019 to stockholders of record at the close of business on November 25, 2019.

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, 2019	December 31, 2018
ASSETS		
Cash and cash equivalents	\$ 72,570	\$ 60,554
Securities available for sale, at fair value	98,444	68,815
Equity securities held at fair value	1,021	906
Securities held to maturity, fair value of \$7,475 at September 30, 2019 and \$31,923 at December 31, 2018	7,010	31,874
Loans, net of allowance for loan losses of \$3,717 at September 30, 2019 and \$3,311 at December 31, 2018	305,210	311,816
Accrued interest receivable	1,787	1,704
Bank-owned life insurance	18,596	18,341
Foreclosed real estate	1,027	1,351
Premises and equipment, net	7,274	6,707
Restricted investments	535	519
Other assets	4,016	4,082
Total Assets	<u>\$ 517,489</u>	<u>\$ 506,669</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits:		
Demand deposits (non-interest bearing)	\$ 122,823	\$ 116,260
NOW and super NOW accounts	89,713	82,746
Savings and insured money market deposits	160,052	160,513
Time deposits	67,449	76,166
Total Deposits	440,037	435,685
Other liabilities	6,905	5,762
Total Liabilities	<u>446,942</u>	<u>441,447</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	68,626	65,070
Accumulated other comprehensive loss	(1,981)	(3,750)
Total Stockholders' Equity	<u>70,547</u>	<u>65,222</u>
Total Liabilities and Stockholders' Equity	<u>\$ 517,489</u>	<u>\$ 506,669</u>

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

For the Three Months Ended September 30,	2019	2018
Interest and Dividend Income		
Loan interest and fees	\$ 4,203	\$ 4,056
Securities:		
Taxable	344	332
Tax-exempt	423	461
Other interest and dividend income	<u>402</u>	<u>374</u>
Total Interest and Dividend Income	5,372	5,223
Interest Expense on Deposits		
Net interest income	<u>183</u>	<u>195</u>
Provision for loan losses	5,189	5,028
Net Interest Income after Provision for Loan Losses	<u>300</u>	<u>—</u>
	<u>4,889</u>	<u>5,028</u>
Non-Interest Income		
Service charges	280	303
Fee income	423	388
Earnings on bank-owned life insurance	84	84
Unrealized gain (loss) on equity securities	6	(34)
Other non-interest income	<u>45</u>	<u>64</u>
Total Non-Interest Income	<u>838</u>	<u>805</u>
Non-Interest Expense		
Salaries and employee benefits	2,341	2,163
Occupancy and equipment expenses	453	438
Foreclosed real estate expense, net	27	26
Other non-interest expenses	<u>831</u>	<u>1,070</u>
Total Non-Interest Expenses	<u>3,652</u>	<u>3,697</u>
Income before income tax expense	2,075	2,136
Income tax expense	<u>377</u>	<u>374</u>
Net Income	<u>\$ 1,698</u>	<u>\$ 1,762</u>
Basic earnings per common share	<u>\$ 0.40</u>	<u>\$ 0.42</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>

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

For the Nine Months Ended September 30,	2019	2018
Interest and Dividend Income		
Loan interest and fees	\$ 12,748	\$ 11,764
Securities:		
Taxable	998	887
Tax-exempt	1,354	1,519
Other interest and dividend income	1,181	971
Total Interest and Dividend Income	<u>16,281</u>	<u>15,141</u>
Interest Expense on Deposits		
	<u>542</u>	<u>587</u>
Net interest income	15,739	14,554
Provision for loan losses	500	—
Net Interest Income after Provision for Loan Losses	<u>15,239</u>	<u>14,554</u>
Non-Interest Income		
Service charges	822	880
Fee income	1,157	1,093
Earnings on bank-owned life insurance	255	252
Net gain on sales of securities	—	25
Unrealized gain (loss) on equity securities	20	(34)
Other non-interest income	260	157
Total Non-Interest Income	<u>2,514</u>	<u>2,373</u>
Non-Interest Expense		
Salaries and employee benefits	6,858	6,500
Occupancy and equipment expenses	1,313	1,309
Foreclosed real estate expense, net	123	99
Other non-interest expenses	2,838	2,926
Total Non-Interest Expenses	<u>11,132</u>	<u>10,834</u>
Income before income tax expense	6,621	6,093
Income tax expense	1,160	1,027
Net Income	<u>\$ 5,461</u>	<u>\$ 5,066</u>
Basic earnings per common share	<u>\$ 1.29</u>	<u>\$ 1.20</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>