

JEFFERSONVILLE BANCORP

PO Box 398

Jeffersonville, NY 12748

845-482-4000

Press Release

For More Information, call: 845-482-4000

Contact: George W. Kinne, Jr., President – CEO

For Release
February 11, 2020

Company Press Release

Jeffersonville Bancorp Announces Record Earnings For 2019

JEFFERSONVILLE, N.Y., February 11, 2020 (PRIME NEWSWIRE) -- Jeffersonville Bancorp, Inc. (OTCQB - JFBC) announced today fourth quarter net income of \$1,045,000 or \$0.25 per share compared to \$1,137,000 or \$0.27 per share for the same quarter in 2018. The decrease in quarterly net income was primarily due to a decrease in interest on loans of \$247,000 and an increase in provision for loan losses of \$250,000, partially offset by an increase in total non-interest income of \$295,000.

For the year ended December 31, 2019, net income was \$6,506,000 or \$1.54 per share compared to \$6,203,000 or \$1.46 per share in 2018. The increase in year to date net income was primarily due to increases in interest on loans of \$737,000 and total non-interest income of \$436,000, and a decrease in interest expense of \$56,000, partially offset by increases in provision for loan losses of \$750,000 and income taxes of \$152,000.

“We are pleased to report our second consecutive year of record earnings by the Company,” said George W. Kinne, Jr., President and CEO, “We believe our strategy of pursuing controlled growth has enabled us to maintain profitability in a challenging operating environment. As a result of our increased profitability, we were again able to reward our shareholders with a special dividend in December and to recognize the hard work of our employees through our profit-sharing program.”

At its February 11, 2020 meeting, the Board of Directors declared a quarterly cash dividend in the amount of fifteen cents (\$0.15) per share on the common stock of the company. The dividend is payable on March 2, 2020 to stockholders of record at the close of business on February 24, 2020.

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 December 31,	2019	2018
ASSETS		
Cash and cash equivalents	\$ 72,886	\$ 60,554
Securities available for sale, at fair value	92,845	68,815
Equity securities held at fair value	1,283	906
Securities held to maturity, fair value of \$7,828 at December 31, 2019 and \$31,923 at December 31, 2018	7,437	31,874
Loans, net of allowance for loan losses of \$3,503 at December 31, 2019 and \$3,311 at December 31, 2018	305,023	311,816
Accrued interest receivable	1,593	1,704
Bank-owned life insurance	18,680	18,341
Foreclosed real estate	786	1,351
Premises and equipment, net	7,181	6,707
Restricted investments	535	519
Other assets	3,349	4,082
Total Assets	<u>\$ 511,598</u>	<u>\$ 506,669</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits:		
Demand deposits (non-interest bearing)	\$ 117,828	\$ 116,260
NOW and super NOW accounts	88,381	82,746
Savings and insured money market deposits	164,765	160,513
Time deposits	64,246	76,166
Total Deposits	435,220	435,685
Other liabilities	6,189	5,762
Total Liabilities	<u>441,409</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	68,612	65,070
Accumulated other comprehensive loss	(2,325)	(3,750)
Total Stockholders' Equity	<u>70,189</u>	<u>65,222</u>
Total Liabilities and Stockholders' Equity	<u>\$ 511,598</u>	<u>\$ 506,669</u>

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

For the Three Months Ended December 31,	2019	2018
Interest and Dividend Income		
Loan interest and fees	\$ 3,981	\$ 4,228
Securities:		
Taxable	372	224
Tax-exempt	403	491
Other interest and dividend income	<u>292</u>	<u>472</u>
Total Interest and Dividend Income	5,048	5,415
Interest Expense on Deposits		
	<u>177</u>	<u>188</u>
Net interest income	4,871	5,227
Provision for loan losses	<u>600</u>	<u>350</u>
Net Interest Income after Provision for Loan Losses	<u>4,271</u>	<u>4,877</u>
Non-Interest Income		
Service charges	277	286
Fee income	388	390
Earnings on bank-owned life insurance	84	83
Net loss on sales of securities	—	(160)
Unrealized gain (loss) on equity securities	81	(18)
Other non-interest income	<u>92</u>	<u>46</u>
Total Non-Interest Income	<u>922</u>	<u>627</u>
Non-Interest Expense		
Salaries and employee benefits	2,546	2,463
Occupancy and equipment expenses	428	457
Foreclosed real estate expense, net	(32)	66
Other non-interest expenses	<u>1,058</u>	<u>1,252</u>
Total Non-Interest Expenses	<u>4,000</u>	<u>4,238</u>
Income before income tax expense	1,193	1,266
Income tax expense	<u>148</u>	<u>129</u>
Net Income	<u>\$ 1,045</u>	<u>\$ 1,137</u>
Basic earnings per common share	<u>\$ 0.25</u>	<u>\$ 0.27</u>
Average common shares outstanding	<u>4,235</u>	<u>4,235</u>
Cash dividends declared per share	<u>\$ 0.25</u>	<u>\$ 0.25</u>

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

For the Year Ended December 31,	2019	2018
Interest and Dividend Income		
Loan interest and fees	\$ 16,729	\$ 15,992
Securities:		
Taxable	1,370	1,111
Tax-exempt	1,757	2,010
Other interest and dividend income	1,473	1,443
Total Interest and Dividend Income	<u>21,329</u>	<u>20,556</u>
Interest Expense on Deposits		
	<u>719</u>	<u>775</u>
Net interest income	20,610	19,781
Provision for loan losses	1,100	350
Net Interest Income after Provision for Loan Losses	<u>19,510</u>	<u>19,431</u>
Non-Interest Income		
Service charges	1,099	1,166
Fee income	1,545	1,483
Earnings on bank-owned life insurance	339	335
Net loss on sales of securities	—	(135)
Unrealized gain (loss) on equity securities	101	(52)
Other non-interest income	352	203
Total Non-Interest Income	<u>3,436</u>	<u>3,000</u>
Non-Interest Expense		
Salaries and employee benefits	9,404	8,963
Occupancy and equipment expenses	1,741	1,766
Foreclosed real estate expense, net	91	165
Other non-interest expenses	3,896	4,178
Total Non-Interest Expenses	<u>15,132</u>	<u>15,072</u>
Income before income tax expense	7,814	7,359
Income tax expense	1,308	1,156
Net Income	<u>\$ 6,506</u>	<u>\$ 6,203</u>
Basic earnings per common share	<u>\$ 1.54</u>	<u>\$ 1.46</u>
Average common shares outstanding	<u>4,235</u>	<u>4,235</u>
Cash dividends declared per share	<u>\$ 0.70</u>	<u>\$ 0.70</u>