

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 9, 2021

Company Press Release

Jeffersonville Bancorp Announces Fourth Quarter Earnings of \$1,204,000 and Year to Date Earnings of \$4,810,000; Declares Dividend of \$0.15

JEFFERSONVILLE, N.Y., February 9, 2021 (PRIME NEWSWIRE) -- Jeffersonville Bancorp, Inc. (OTCQB - JFBC) announced today fourth quarter net income of \$1,204,000 or \$0.28 per share compared to \$1,045,000 or \$0.25 per share for the same quarter in 2019. The increase in quarterly net income was primarily due to decreases in provision for loan losses of \$250,000, tax expense of \$151,000, total non-interest expenses of \$75,000 and interest expense of \$49,000 and increases in securities income of \$215,000 and total non-interest income of \$98,000. These improvements were partially offset by decreases in interest on loans of \$441,000 and other interest and dividend income of \$238,000.

For the year ended December 31, 2020, net income was \$4,810,000 or \$1.14 per share compared to \$6,506,000 or \$1.54 per share in 2019. The decrease in year to date net income was primarily due to decreases in interest on loans of \$1,706,000, other interest and dividend income of \$1,084,000, and total non-interest income of \$332,000. These items were partially offset by a decrease in income taxes of \$675,000, an increase in securities income of \$594,000, a decrease in interest expense of \$111,000, and a decrease in total non-interest expense of \$46,000.

"Due to the ongoing global pandemic, the Federal Reserve early in the year cut the federal funds rate to near zero and recently indicated they expect it to remain there for several years. This extreme low interest rate environment has caused loans and investment securities to re-price lower, causing net interest margins to shrink. At the same time, the government has injected unprecedented levels of stimulus into the economy, causing deposits to swell. Virtually every financial institution is navigating these challenging conditions with uncertainty as to the future course of the pandemic and its impact on economic conditions," said George W. Kinne, Jr., President and CEO, "We were fortunate that our historically conservative approach to operations positioned us to face the current challenges with a strong capital position and a high level of profitability and liquidity. We intend to maintain our focus on our core business and conservatively balance the trade-off

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between current income and future risks. We believe this approach will allow us to continue to add to our already strong capital base for the long term.”

At its February 9, 2021 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, 2021 to stockholders of record at the close of business on February 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 December 31,	2020	2019
ASSETS		
Cash and cash equivalents	\$ 121,474	\$ 72,886
Securities available for sale, at fair value	157,877	92,845
Equity securities held at fair value	1,327	1,283
Securities held to maturity, fair value of \$7,703 at December 31, 2020 and \$7,828 at December 31, 2019	7,118	7,437
Loans, net of allowance for loan losses of \$4,378 at December 31, 2020 and \$3,503 at December 31, 2019	295,020	305,023
Accrued interest receivable	2,361	1,593
Bank-owned life insurance	19,499	18,680
Foreclosed real estate	717	786
Premises and equipment, net	6,630	7,181
Restricted investments	501	535
Other assets	4,072	3,349
Total Assets	<u>\$ 616,596</u>	<u>\$ 511,598</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits:		
Demand deposits (non-interest bearing)	\$ 159,647	\$ 117,828
NOW and super NOW accounts	111,830	88,381
Savings and insured money market deposits	200,561	164,765
Time deposits	63,362	64,246
Total Deposits	535,400	435,220
Other liabilities	6,766	6,189
Total Liabilities	<u>542,166</u>	<u>441,409</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	70,882	68,612
Accumulated other comprehensive loss	(354)	(2,325)
Total Stockholders' Equity	<u>74,430</u>	<u>70,189</u>
Total Liabilities and Stockholders' Equity	<u>\$ 616,596</u>	<u>\$ 511,598</u>

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

For the Three Months Ended December 31,	2020	2019
Interest and Dividend Income		
Loan interest and fees	\$ 3,540	\$ 3,981
Securities:		
Taxable	545	372
Tax-exempt	445	403
Other interest and dividend income	54	292
Total Interest and Dividend Income	<u>4,584</u>	<u>5,048</u>
Interest Expense on Deposits		
	<u>128</u>	<u>177</u>
Net interest income	4,456	4,871
Provision for loan losses	350	600
Net Interest Income after Provision for Loan Losses	<u>4,106</u>	<u>4,271</u>
Non-Interest Income		
Service charges	209	277
Fee income	414	388
Earnings on bank-owned life insurance	79	84
Net loss on sales of securities	41	—
Unrealized gain on equity securities	115	81
Other non-interest income	162	92
Total Non-Interest Income	<u>1,020</u>	<u>922</u>
Non-Interest Expense		
Salaries and employee benefits	2,435	2,546
Occupancy and equipment expenses	439	428
Foreclosed real estate expense, net	42	(32)
Other non-interest expenses	1,009	1,058
Total Non-Interest Expenses	<u>3,925</u>	<u>4,000</u>
Income before income tax expense	1,201	1,193
Income tax (benefit) expense	(3)	148
Net Income	<u>\$ 1,204</u>	<u>\$ 1,045</u>
Basic earnings per common share	<u>\$ 0.28</u>	<u>\$ 0.25</u>
Average common shares outstanding	<u>4,235</u>	<u>4,235</u>
Cash dividends declared per share	<u>\$ 0.15</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,	2020	2019
Interest and Dividend Income		
Loan interest and fees	\$ 15,023	\$ 16,729
Securities:		
Taxable	1,930	1,370
Tax-exempt	1,791	1,757
Other interest and dividend income	<u>389</u>	<u>1,473</u>
Total Interest and Dividend Income	19,133	21,329
Interest Expense on Deposits		
	<u>608</u>	<u>719</u>
Net interest income	18,525	20,610
Provision for loan losses	<u>1,100</u>	<u>1,100</u>
Net Interest Income after Provision for Loan Losses	<u>17,425</u>	<u>19,510</u>
Non-Interest Income		
Service charges	798	1,099
Fee income	1,651	1,545
Earnings on bank-owned life insurance	319	339
Net loss on sales of securities	177	—
Unrealized gain (loss) on equity securities	(138)	101
Other non-interest income	<u>297</u>	<u>352</u>
Total Non-Interest Income	<u>3,104</u>	<u>3,436</u>
Non-Interest Expense		
Salaries and employee benefits	9,487	9,404
Occupancy and equipment expenses	1,693	1,741
Foreclosed real estate expense, net	66	91
Other non-interest expenses	<u>3,840</u>	<u>3,896</u>
Total Non-Interest Expenses	<u>15,086</u>	<u>15,132</u>
Income before income tax expense	5,443	7,814
Income tax expense	<u>633</u>	<u>1,308</u>
Net Income	<u>\$ 4,810</u>	<u>\$ 6,506</u>
Basic earnings per common share	<u>\$ 1.14</u>	<u>\$ 1.54</u>
Average common shares outstanding	<u>4,235</u>	<u>4,235</u>
Cash dividends declared per share	<u>\$ 0.60</u>	<u>\$ 0.70</u>