

# JEFFERSONVILLE BANCORP

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## Press Release

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For Release  
November 14, 2018

### Company Press Release

#### **Jeffersonville Bancorp Announces Third Quarter Earnings of \$1,762,000 or \$0.42 per share and Year to Date Earnings of \$5,066,000 or \$1.20 per share; Declares Dividend of \$0.15**

JEFFERSONVILLE, N.Y., November 14, 2018 (PRIME NEWSWIRE) -- Jeffersonville Bancorp, Inc. (OTCQB - JFBC) announced today third quarter net income of \$1,762,000 or \$0.42 per share compared to \$1,343,000 or \$0.32 per share for the same quarter in 2017. The increase in quarterly net income compared to 2017 of \$419,000 was primarily attributable to an increase in interest earned on loans of \$450,000 and an increase in interest on excess reserves (IOER) at the Federal Reserve Bank of \$165,000 partially offset by an increase in non-interest expense of \$339,000.

Year to date net income as of September 30, 2018 was \$5,066,000 or \$1.20 per share compared to \$4,039,000 or \$0.95 per share for the same period in 2017. The increase in year to date net income compared to 2017 was attributable to several factors. Interest income on loans increased by \$665,000, IOER at the Federal Reserve Bank increased by \$575,000, and total non-interest income increased by \$119,000. In addition, occupancy expense decreased by \$85,000, and tax expense decreased by \$167,000 compared to the same period in 2017. These improvements were partially offset by other non-interest expense increasing by \$282,000 and a non-recurring negative provision to loan losses of \$300,000, due to a large recovery of a previously charged off loan, that the Company recognized in the first half of 2017.

"The Company continues to perform very well this year due to loan growth, low core funding costs, and rising interest rates. Net income is up \$1,027,000 or 25% year to date compared to the same period one year ago." 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 13, 2018 meeting of the Board of Directors. The dividend is payable on December 3, 2018 to stockholders of record at the close of business on November 27, 2018.

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, 2018	December 31, 2017
<b>ASSETS</b>		
Cash and cash equivalents	\$ 67,015	\$ 73,437
Securities available for sale, at fair value	74,276	80,018
Securities held to maturity, fair value of \$32,660 at September 30, 2018 and \$32,305 at December 31, 2017	32,556	30,450
Loans, net of allowance for loan losses of \$3,589 at September 30, 2018 and \$3,526 at December 31, 2017	309,077	286,800
Accrued interest receivable	1,982	1,682
Bank-owned life insurance	17,757	17,506
Foreclosed real estate	927	948
Premises and equipment, net	6,769	7,079
Restricted investments	519	507
Other assets	<u>3,870</u>	<u>3,630</u>
Total Assets	<u>\$ 514,748</u>	<u>\$ 502,057</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Liabilities		
Deposits:		
Demand deposits (non-interest bearing)	\$ 121,749	\$ 114,755
NOW and super NOW accounts	87,709	79,091
Savings and insured money market deposits	154,033	148,758
Time deposits	<u>81,099</u>	<u>91,058</u>
Total Deposits	444,590	433,662
Other liabilities	<u>5,176</u>	<u>6,016</u>
Total Liabilities	<u>449,766</u>	<u>439,678</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	64,992	61,563
Accumulated other comprehensive loss	<u>(3,912)</u>	<u>(3,086)</u>
Total Stockholders' Equity	<u>64,982</u>	<u>62,379</u>
Total Liabilities and Stockholders' Equity	<u>\$ 514,748</u>	<u>\$ 502,057</u>

**Jeffersonville Bancorp and Subsidiary**

**Consolidated Statements of Income**

(In thousands, except per share data)

<b>For the Three Months Ended September 30,</b>	<b>2018</b>	<b>2017</b>
<b>Interest and Dividend Income</b>		
Loan interest and fees	\$ 4,056	\$ 3,606
Securities:		
Taxable	332	271
Tax-exempt	461	520
Other interest and dividend income	374	209
Total Interest and Dividend Income	<u>5,223</u>	<u>4,606</u>
<b>Interest Expense on Deposits</b>		
Net interest income	195	203
Provision for loan losses	5,028	4,403
Net Interest Income after Provision for Loan Losses	<u>—</u>	<u>—</u>
	<u>5,028</u>	<u>4,403</u>
<b>Non-Interest Income</b>		
Service charges	303	288
Fee income	388	357
Earnings on bank-owned life insurance	84	90
Unrealized loss on equity securities	(34)	—
Other non-interest income	64	45
Total Non-Interest Income	<u>805</u>	<u>780</u>
<b>Non-Interest Expense</b>		
Salaries and employee benefits	2,163	2,146
Occupancy and equipment expenses	438	470
Foreclosed real estate expense, net	26	78
Other non-interest expenses	1,070	731
Total Non-Interest Expenses	<u>3,697</u>	<u>3,425</u>
Income before income tax expense	2,136	1,758
Income tax expense	374	415
Net Income	<u>\$ 1,762</u>	<u>\$ 1,343</u>
Basic earnings per common share	<u>\$ 0.42</u>	<u>\$ 0.32</u>
Average common shares outstanding	<u>4,235</u>	<u>4,235</u>
Cash dividends declared per share	<u>\$ 0.15</u>	<u>\$ 0.14</u>

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

<b>For the Nine Months Ended September 30,</b>	<b>2018</b>	<b>2017</b>
<b>Interest and Dividend Income</b>		
Loan interest and fees	\$ 11,764	\$ 11,099
Securities:		
Taxable	887	778
Tax-exempt	1,519	1,706
Other interest and dividend income	971	396
Total Interest and Dividend Income	<u>15,141</u>	<u>13,979</u>
<b>Interest Expense on Deposits</b>		
	<u>587</u>	<u>616</u>
Net interest income	14,554	13,363
Provision (credit) for loan losses	—	(300)
Net Interest Income after Provision for Loan Losses	<u>14,554</u>	<u>13,663</u>
<b>Non-Interest Income</b>		
Service charges	880	848
Fee income	1,093	1,021
Earnings on bank-owned life insurance	252	267
Net gain on sales of securities	25	1
Unrealized loss on equity securities	(34)	—
Other non-interest income	157	151
Total Non-Interest Income	<u>2,373</u>	<u>2,288</u>
<b>Non-Interest Expense</b>		
Salaries and employee benefits	6,500	6,485
Occupancy and equipment expenses	1,309	1,443
Foreclosed real estate expense, net	99	146
Other non-interest expenses	2,926	2,644
Total Non-Interest Expenses	<u>10,834</u>	<u>10,718</u>
Income before income tax expense	6,093	5,233
Income tax expense	1,027	1,194
Net Income	<u>\$ 5,066</u>	<u>\$ 4,039</u>
Basic earnings per common share	<u>\$ 1.20</u>	<u>\$ 0.95</u>
Average common shares outstanding	<u>4,235</u>	<u>4,235</u>
Cash dividends declared per share	<u>\$ 0.45</u>	<u>\$ 0.42</u>