Jefferson Bank

VIEW & OVERVIEW

Third Quarter 2010 www.JeffersonBankFL.com Issue 3 Vol 3

CHAIRMAN'S LETTER

Dear Fellow Jefferson Shareholder:

Monthly we continue to operate in the black, however, during September a loan relationship had deteriorated to a point where the Board prudently set aside reserves which resulted in a third quarter loss of $1,501,000 and a year-to-date loss of $1,447,000. Management continues to work with the customer to achieve the maximum recovery.

During this time the loan portfolio was reviewed, internally and externally, to identify any weaknesses of which a few were identified and recognized during the quarter. Because the Board acted decisively with the loan issues, we closed the quarter with no non-performing assets.

At September 30, 2010, Total Assets were $107,907,000 up 34% from a year ago. Total Loans and Total Deposits (including Customer Repo's) were up 29% and 28%, respectively. The Book Value per share is $8.31 per share down from $9.20 a year ago.

Bank regulators have designated the highest capitalization level as "Well Capitalized" which requires all banks to meet three capital levels: Leverage of 5%, Tier 1 Risk Based of 6% and Total Risk Based of 10%. At September 30, 2010 Jefferson's capital ratios are respectively: 14.46%, 24.76% and 26.04%. Despite the setback, Jefferson is and remains very "Well Capitalized."

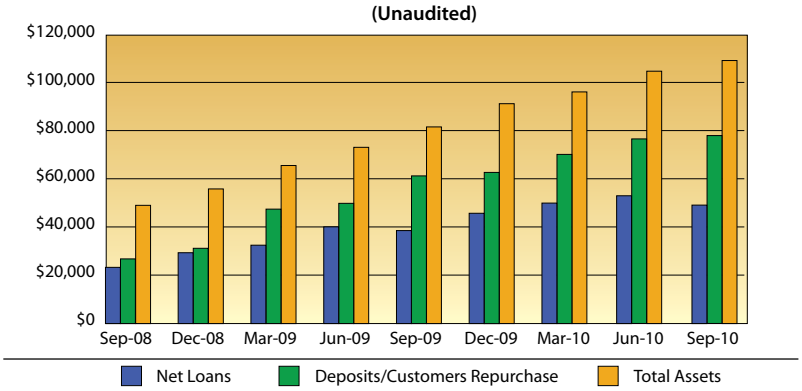
Jefferson's mortgage lending showed strong growth during the quarter thanks to Elena Katsulos. Many of you have taken advantage of record low mortgage rates and that opportunity still exists. Elena's cell is 813-394-4693. The consensus is rates have more upside than downside, so now is the time to act by calling Elena today.

On December 3rd, Jefferson Bank will be three years old. We have accomplished much during this time, all with the support of our fellow shareholders. In fact, 73 % of our shareholders have an account with Jefferson. To achieve our goals, it is incumbent upon us to move that number closer to 100% and to earn the primary banking business of those shareholders who keep the bulk of their banking elsewhere. To reach this goal, beginning this quarter, you will see and hear from us more often.

Sincerely,

Robert B. McGivney
Chairman / CEO

Financial Highlights $(000)
(Unaudited)



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EQUAL HOUSING LENDER

JEFFERSON BANK OF FLORIDA
OLDSMAR, FLORIDA
THIRD QUARTER, 2010
(UNAUDITED)

ASSETS		LIABILITIES AND STOCKHOLDERS' EQUITY	
Cash & Due From Banks	$1,574,000	Deposits	$74,363,000
Securities	53,916,000	Customer Repurchase Agreements	3,568,000
		Total Deposits & Repurchase Agreements	$77,931,000
Total Loans	$50,362,000		
Allowance for Loan Loss	(2,072,000)	Total Borrowings	$12,850,000
Net Loans	$48,290,000	Other Liabilities	504,000
		Total Liabilities	$91,285,000
Premises & Equipment	$1,289,000		
Other Assets	2,838,000	Stockholders' Equity	16,622,000
Total Assets	$107,907,000	Total Liabilities & Stockholders' Equity	$107,907,000

Jefferson Bank

Jefferson Bank Focus

Rose Fasano, our Personal Banker, joined the Jefferson Bank team in November, 2007 and has been at Jefferson Bank from day one! She previously was a Personal Banker for Synovus Bank and before that Peoples Bank. Rose has 22 years of banking experience and most of those years were in Pinellas & Pasco Counties.

Rose hails from Queens, NY where for a couple of years she worked for Pioneer Savings & Loan. During that time, her husband Enzo owned and operated an Italian restaurant on Wall Street.

When asked how she sees herself at Jefferson Bank, Rose replies. "At Jefferson Bank, I am able to offer our customers and shareholders customized banking solutions. I have said this before, and still believe it, we value deposits but mostly we value your relationship. It's gratifying to know here at Jefferson Bank that I will only recommend services that you need, not a "product-of-the-month" quota.

Rose has been married to Enzo for 30 years and enjoys reading, cooking, and spending time with her husband, son Carmine, and her grand-puppy Parker – a dashing young pup.

You will find Rose and her beautiful smile and great sense of humor in Oldsmar or at 813.749.2755 or email her for more information at Rfasano@JeffersonBankFL.com.

Tips to Avoid ID Theft

- Report lost or stolen credit cards immediately.
- If you applied for a credit card and didn't receive it when expected, call the financial institution.
- Sign new credit cards immediately--before someone else does.
- Never leave transaction receipts at ATM machines, on counters at financial institutions, or at gasoline pumps.
- Don't carry your Social Security card or birth certificate--leave them in a secure location.
- Don't disclose credit card or other financial account numbers on a Web site unless the site offers a secure transaction. Before you input personal or financial information on a Web page, first make sure the site offers a secure--that is, encrypted--data transaction. There are two ways you can check whether a Web page provides a secure data transaction:
  - An icon of a lock will appear in the bottom strip of the Web browser page.
  - The URL for the Web page will change from "http" to "https" for the page at which you input the personal data.
- Closely monitor the expiration dates on your credit cards and contact the issuer if you don't receive a replacement prior to the expiration date.
- Match your credit card receipts against your monthly bills and check your monthly financial statements for accuracy.
- Watch for your monthly financial statements and bills. If you don't get them when expected, contact the sender.

Jefferson Bank Focus

Kathleen McPhillips, Assistant Manager, joined Jefferson Bank November 2007. Kathleen's 32 years of banking experience has been with Crown Bank and Bank of America, which through mergers and acquisitions had been Landmark Bank, C&S Bank and Nations Bank.

Kathleen was born and raised in New York where 32 years ago she left the cold and ice to come to sparkling Clearwater, Florida. Kathleen is active in her community through her affiliations with the Clearwater Police Department's Neighborhood Watch Program and the City of Clearwater. For the past 14 years Kathleen has served as President on her Condominium Association Board.

Kathleen enjoys shopping and traveling. Kathleen has traveled across the USA and throughout Europe. One of the highlights of her trip through Europe was in London, where she danced in the Grand Ballroom of Buckingham Palace.

Kathleen finds her position at Jefferson Bank rewarding as she puts her 32 years of skills to work not only as an Assistant Branch Manager but also from time to time stepping into the roll as a teller or a personal banker. Kathleen is highly knowledgeable about all the services that Jefferson Bank can offer you and she can also be called upon to help you understand any new service Jefferson may offer.

Call Kathleen when you need that individual service to help manage your accounts – reach her at 813.749.2754 or Kmcphillips@JeffersonBankFL.com.

Free withdrawals at ALL Publix Presto! ATMs for Jefferson Customers.

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Jefferson Bank Board of Directors:

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Real Estate Developer and Investor

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Brandon Construction Company, Inc.

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Stephen H. Jacobs, M.D., Board Certified Internal Medicine and President of Morton Plant Mease Primary Care

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Jefferson Bank of Florida

Joseph L. Oliveri, A.I.A., Oliveri Architects

Paul J. Wikle, CCIM, Coldwell Banker/Commercial NRT/
Real Estate Investor

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Senior Lending Officer

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Executive Vice President
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Renee K. Jones
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Linda Jouben
BSA/Bank Compliance Officer

Elena Katsulos
Reverse Mortgage Specialist
Mortgage Loan Originator

Sweepstakes / Prize Scams

Every day, thousands of American consumers receive sweepstakes promotions by phone, over the Internet or in the mail. Legitimate sweepstakes are advertising and marketing techniques that offer participating consumers a chance to win a prize or money with no purchase or entry fee required. But if you have to pay to play or pay to receive your “winnings,” the promotion is a scam.

You should never have to pay to enter a sweepstakes. That includes paying shipping and handling fees, taxes, or buying a product to receive your “prize”. Those sweepstakes that notify you by a postcard that you’ve won a free prize are run by con artists whose sole purpose is to rip you off. And that “free prize” could end up costing you hundreds of dollars.

A legitimate sweepstakes will never charge you to win. If you receive a promotion congratulating you on winning a prize, but requiring a shipping and handling fee, it is not a sweepstakes and may be fraudulent. You should never have to pay any fee in order to receive a prize in a sweepstakes.

Ask the following questions to evaluate the legitimacy of sweepstakes or other promotions:

- Are the rules and entry instructions for the promotion easy to find and understand? If you can’t understand what you must do to be eligible, think twice about responding.
- Does the advertising copy state that no purchase is necessary to win? Remember, you never have to pay to play when the contest is legitimate.
- Are the prizes worth winning? Make sure the prizes you are trying for are desirable and worth the effort. Do you really want to win them? Is there a cash option?
- Does the prize company ask for your credit card number, bank account information or social security number? No legitimate prize company asks for this information to declare you a winner.

For more information or to file a complaint log on to the Federal Trade Commission’s website at http://www.ftc.gov/ftc/contact.shtm or 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261.

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"JEFFERSON BANK OPENED A BRANCH RIGHT IN MY OFFICE!"

Let us open a branch in your office with "JEFF"- our Remote Deposit Scanner.

Running a business requires a lot of time. You or your staff can now do the banking without leaving the office – Saving your company ***Time and Money.*** And if you do need our bank, our "JEFF" courier can come to your office. If your company has multiple locations, you can remote deposit from each into ONE deposit account. Now how simple and easy is that? For more information or to schedule an in-office demonstration call Renee Jones 813.855.7500/ 727.781.7500.

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Jefferson Bank

A BETTER BANKING EXPERIENCE

Located in Oldsmar (Tampa Road & Forest Lakes Blvd.) and "Virtually" everywhere. *www.JeffersonBankFL.com*

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3711 Tampa Road
Oldsmar, FL 34677

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