

Jefferson Bank

V I E W & O V E R V I E W

Fourth Quarter 2010

www.JeffersonBankFL.com

Issue 4 Vol 3

CHAIRMAN'S LETTER



Dear Fellow Jefferson Shareholder:

Net income for the Fourth Quarter was \$101,000. Asset Quality remains very high with no non-performing assets or past due loans. During the fourth quarter intermediate and long term treasury rates increased an average of 75 basis points which caused a negative market valuation reserve for our U. S. Government Agency investment portfolio. During January, rates have stabilized in the same narrow range.

In 2010 loans and deposits increased 28% and 30% respectively. The Board delayed branch plans to keep overhead low in this slow growth economy. We are keeping a close eye on branching opportunities as 2011 is predicted to be another year of numerous bank closings. We continue to experience clean examinations and audits during these difficult times for most banks.

During 2010 we operated in the black for 7 months, including the last 3.

The best economic index we have is the collective expectations of our customers, who

see 2011 as another recovery year; better than 2010, though still recovering. The positive expectations are spread across virtually all lines of business. For example, some of our commercial contractors are rehiring and backlogs are building to the highest level in 3 years. Some manufacturers are seeing volumes firm. All this speaks to a continued recovery though at more modest growth rates than previous recoveries.

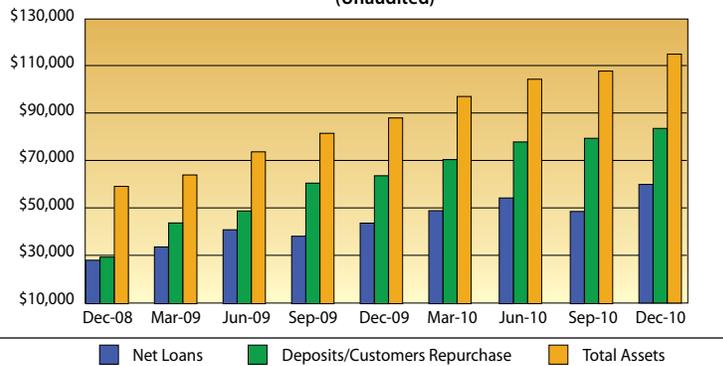
The successes we have experienced in 2010 are due to our customers seeking stability in their banking relationships and shareholders like you believing their business can help "move the needle" for ALL Jefferson shareholders. If you are banking with Jefferson, THANK YOU. If you are not yet, I strongly encourage you to make 2011 the year you help "move the needle".

On behalf of the Board and our team of Jefferson Bankers, I thank you for your confidence, business, and referrals.

Respectfully,

Robert B. McGivney
Chairman / CEO

Financial Highlights \$(000)
(Unaudited)



Member FDIC



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

ASSETS

LIABILITIES AND STOCKHOLDERS' EQUITY

Cash & Due From Banks	\$546,000	Deposits	\$75,358,000
Securities	52,171,000	Customer Repurchase Agreements	4,854,000
		Total Deposits & Repurchase Agreements	\$80,212,000
Total Loans	\$58,642,000		
Allowance for Loan Loss	(2,212,000)	Total Borrowings	\$17,350,000
Net Loans	\$56,430,000	Other Liabilities	463,000
		Total Liabilities	\$98,025,000
Premises & Equipment	\$1,237,000		
Other Assets	3,356,000	Stockholders' Equity	15,715,000
Total Assets	<u>\$113,740,000</u>	Total Liabilities & Stockholders' Equity	<u>\$113,740,000</u>

Jefferson Bank

Relationship Solutions

As you review some of the relationship solutions Jefferson's Commercial Lending and Treasury Management departments have crafted for our customers in 2010, please keep Jefferson Bank in mind for you or your friends and associates banking needs.

Treasury Management Solutions

- \$100,000** employment background research company, on-line banking and JEFF
- \$4,800,000** municipality, on-line banking, positive pay, bill pay, JEFF
- \$210,000** church, JEFF, on-line banking
- \$300,000** property management company, on-line banking, JEFF
- \$300,000** surgery center, on-line banking

Lending & Deposit Solutions

- \$1,300,000** to purchase and renovate a professional office building to move a law firm into.
- \$1,200,000** to convert a service station into the State's first "green" c-store and gas station.
- \$425,000** to help a company purchase an apartment complex.
- \$350,000** to help a company start a new business on Gandy Blvd.
- \$1,250,000** to develop a store for a national retailer.
- \$750,000** to develop a retail store for a national telephone company.
- \$805,000** to help corporate officers buy into their company's stock plan.
- \$616,250** to help a designer purchase an office building for the business.
- \$2,000,000** line of credit for a wholesaler.
- \$1,600,000** to purchase a foreclosed property for an investment.
- \$350,000** to a builder to construct two spec homes.
- \$550,000** to finance a corporate jet.
- \$875,000** to help a writer construct his dream house.
- \$2,200,000** in new letters of credit to help businesses do business.
- \$1,950,000** to develop two new stores for a national retailer.
- \$1,200,000** to help a hotelier procure a reduction of debt in a property.

By meeting our customers' needs we accomplished a great deal in 2010 and by working together we will continue to "Move the Needle" on your investment.



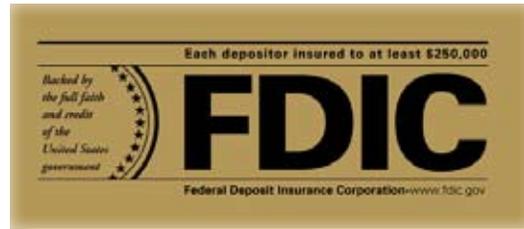
**Our team of Commercial Lenders consist of
Joe M. LaRussa, Vice President,
Jim Nelson, President / COO / Sr. Lender, and
Susan L. Martin, Senior Vice President.**

Symbol of Confidence

The Federal Deposit Insurance Corporation is an independent federal agency created in 1933 to promote public confidence and stability in the nation's banking system.

Throughout its history, the FDIC has provided bank customers with prompt access to their insured deposits whenever an FDIC-insured bank or savings association has failed.

In the FDIC's history, no customer has ever lost a single penny of insured deposits.



The FDIC official teller sign – posted at every insured bank and savings association across the country – is a symbol of confidence for depositors.

Customers know, when they see the FDIC official teller sign, that they will get back all of their insured deposits in the unlikely event their insured bank or savings association should fail.

How FDIC Insurance Works

Insurance is automatic whenever a customer opens any type of deposit account at an FDIC-insured bank or savings association, including checking, NOW and savings accounts, money market deposit accounts, and certificates of deposit (CDs). Insured banks and savings associations pay the FDIC for deposit insurance coverage.

The FDIC does not insure investments in stocks, bonds, mutual funds, life insurance policies, annuities, or municipal securities, even if a customer purchases them from an FDIC-insured bank or savings association.

Basic Insurance Limit

The basic insurance limit is \$250,000 per depositor at each insured bank and savings association. All funds in a "non interest-bearing" transaction account are insured in full including "IOLTAs".

If you have less than \$250,000 in your deposit accounts, you do not need to worry; your funds are fully covered.

If you have more than \$250,000 at one FDIC-insured institution, you should know that deposit accounts in different ownership categories are separately insured. This means you might qualify for more than \$250,000 in coverage.

To learn more about the FDIC's insurance coverage rules, visit the FDIC's Web site at www.fdic.gov or give Jefferson Bank a call and talk with Rose 813.749.2755 or Kathleen 813.749.2754.

Jefferson Bank

Jefferson Bank Board of Directors:

Gary L. Blackwell,
Real Estate Developer and Investor

David L. Brandon, President
Brandon Construction Company, Inc.

Ronald S. Hockman, President
Hockman Insurance Agency, Inc.

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

Robert B. McGivney, Chairman/CEO,
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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Chairman/CEO

James P. Nelson
President/Chief Operating Officer
Senior Lending Officer

Mickey Orr
Executive Vice President
Chief Financial Officer

Susan L. Martin
Senior Vice President
Commercial Lending

Patricia C. Rhodes
Vice President/Operations

Maggie Mathey
Vice President/Loan Operations

Joseph M. LaRussa
Vice President/Commercial Lending

Renee K. Jones
Vice President/Treasury Management

Linda Jouben
BSA/Bank Compliance Officer

Elena Katsulos
Reverse Mortgage Specialist
Mortgage Loan Originator

Jefferson Bank Focus



Donna Thompson, Head Teller has been with Jefferson Bank since day one. Customers enjoy Donna's warm welcome and can count on her to quickly and accurately process their Jefferson transactions.

Donna has been working in and out of Banking since she was 17 years old. She grew up in Michigan and her family spent winters in Florida. Her

dad was a Marine Contractor so when the cold weather came in Michigan they headed to Florida.

When asked what sets Jefferson Bank apart from the others? Donna's response is "customer service." "Jefferson Bank believes in customer relationship building and that is all there is to it!"

Donna and her husband Jim, have lived, worked and raised their kids in the area for 39 years. Donna enjoys the outdoors and spending time with family and her 7 grandchildren and 2 great grandchildren.

Donna can be reached at 813.749.2751 or
Dthompson@JeffersonBankFL.com.



Eleanor Riela, Teller, joined Jefferson Bank in 2008. Eleanor, originally from Long Island, NY has 10 years of banking experience. Previously in her career as a teller, Eleanor successfully worked for Florida Credit Union, St. Johns Teachers Credit Union and RG Crown Bank.

Eleanor and her husband Jerry have been married for 47 years. Along with their 3 daughters, Eleanor has 2 grandchildren that she enjoys spoiling. Before banking entered Eleanor's life she and her husband ran a successful water well drilling business in Ocala for 25 years.

Along with spending time with her family Eleanor enjoys classic cars and cooking.

Eleanor has a key role in being a lead representative for Jefferson Bank and customers can count on her to greet and give them her undivided attention to their banking needs.

Eleanor can be reached at 727-781-7500 x2751 or
Ereila@JeffersonBankFL.com.

Jefferson Bank



WITH
JEFFERSON
BANK

Interest rates remain near record lows and you can count on Jefferson Bank to create a hassle-free process whether you are buying or re-financing. Elena Katsulos, Mortgage Loan Originator/Reverse Mortgage Specialist, will help you through the process.

- We are a local bank and believe in doing business in person, but have the ability to complete most of the transaction over the phone and through fax/email if you prefer.
- Visit Elena in person or fill out an Application at www.jeffersonbankfl.com/mortgage.html and click on "Get Started."

Jefferson Bank has streamlined the home loan process from application to closing and we strive to ensure that each loan closes quickly and trouble-free. With Jefferson Bank, we offer a wide variety of borrowing opportunities and because we are a community bank we have more flexibility in approving your loan.

- **\$200.00** rebate on all Jefferson Bank mortgage loans closed by March 28th, 2011.

Elena – direct: 813.749.2730 or 727.781.7500 x 2730.

Member FDIC



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V I E W & O V E R V I E W

3711 Tampa Road
Oldsmar, FL 34677

Jefferson Bank
A Better Banking Experience

