



Jonestown Bank & Trust Co.
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**JONESTOWN BANK & TRUST COMPANY OF JONESTOWN,
PENNSYLVANIA**

DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

If you participate in the Plan, you will be purchasing shares of our common stock and you should consider carefully the investment risks, including the risk factors identified on page 4 of this Brochure under “RISK FACTORS.”

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this brochure. Any representation to the contrary is a criminal offense.

Shares of common stock of Jonestown Bank & Trust Company and Plan accounts are not savings accounts, deposit accounts or obligations of any bank, are not insured by the FDIC, SIPC or any other government agency, and may lose value.

Neither the Pennsylvania Department of Banking, the FDIC nor any other bank regulatory authority has approved or disapproved of these securities or passed upon the adequacy or accuracy of this brochure.

This brochure is not an offer to sell securities, nor is it a solicitation of an offer to buy securities, in any state or other jurisdiction where the offer or sale is not permitted.

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Table of Contents

	<u>Page</u>
The Company	3
Key Plan Features Summary	3
Risk Factors	4
The Plan	4
1. What is the purpose of the Plan?	5
2. How is the Plan administered?	5
3. How do I contact the Plan Administrator?	5
4. Who can participate in the Plan?	5
5. How do I enroll in the Plan?	6
6. How do I purchase shares with voluntary cash contributions?	6
7. How will purchases be made?	8
8. What is the price I will pay for shares purchased under the Plan?	8
9. What costs and fees will I have to pay?	9
10. What reports will I receive with respect to the Plan?	9
11. How will my Plan shares be voted?	9
12. How will my Plan shares be registered?	10
13. Will I receive certificates for my Plan shares?	10
14. Can I deposit my certificates with the Plan Administrator for safekeeping?	10
15. How do I terminate participation in the Plan?	10
16. Can I sell shares through the Plan?	11
17. What will happen if there is a stock dividend or stock split?	11
18. How many shares will the Company sell under the Plan?	11
19. May the Company amend or discontinue the Plan?	11
20. Who interprets the Plan?	12
21. Is the Company or the Plan Administrator responsible for actions taken or omitted in good faith?	12
Federal Income Tax Consequences	12
Use of Proceeds	14
Where You Can Find More Information	14
Forward-Looking Statements	14

THE COMPANY

Jonestown Bank & Trust Company of Jonestown, Pennsylvania (“JBT,” “we,” “our” or “us”) is a Pennsylvania chartered bank and trust company based in Jonestown, Lebanon County, Pennsylvania. JBT operates under a state bank charter and provides full banking services, including trust services. As a state bank, JBT is subject to regulation by the Pennsylvania Department of Banking and the Federal Deposit Insurance Corporation. The area served by JBT is principally Lebanon County, Pennsylvania. The principal executive offices of JBT are located at 2 West Market Street, Jonestown, PA 17038, telephone (717) 865-4246. See “WHERE YOU CAN FIND MORE INFORMATION” at page 11.

KEY PLAN FEATURES SUMMARY

Advantages. The Jonestown Bank & Trust Company Dividend Reinvestment and Stock Purchase Plan offers shareholders of JBT the ability to:

- Apply cash dividends on shares of JBT toward the purchase of additional shares.
- Invest amounts as low as \$75 per calendar quarter.
- Deposit shares of JBT that you currently hold in stock certificate form into your Plan account for safekeeping.
- Withdraw some or all of your shares and receive a certificate.

Eligible Participants. Shareholders of record of JBT (“you” or “your”).

Plan Administrator. Computershare has been appointed as Plan Administrator and will serve as your agent for all transactions under the Plan. See Question 3 below - “How do I contact the Plan Administrator?”.

Source of Shares and Purchase Price. Shares of our common stock to be purchased for dividend reinvestment or with optional voluntary cash investments will be newly issued shares of our common stock. The price for all the shares purchased will be the fair market value of the shares at the time of purchase as determined by us pursuant to the Plan. See Question 8 below – “What is the price I will pay for shares purchased under the Plan?”.

Summary of Fees. We pay for all other costs of administering the Plan. Currently, the only fees you are responsible for are the following fees charged by the Plan Administrator.

A fee of \$10.00 will be charged to you if you elect to withdraw some or all of your shares from the Plan and receive a stock certificate

Please read this brochure in full as the above is a summary only and does not contain all applicable information.

RISK FACTORS

Investing in the common stock of JBT involves risks. Before purchasing any shares of our common stock you should carefully consider the risks involved, including the following:

- There is currently a limited market for our common stock. As such, you may be unable to sell your shares at the time you desire.
- The price at which our shares will be purchased from us under the Plan will be set by us.
- As with any stock investment, the price at which shares are purchased may be higher or lower than the price at which you may be able to sell the shares in the future.
- Because we are a bank, an investment in our common stock is subject to the risks inherent in an investment in a regulated financial institution.
- Because our common stock is not registered with the Securities and Exchange Commission, there is only limited information publicly available concerning our affairs.

Any of these risks, as well as other risks and uncertainties, could have an adverse affect on our financial condition, results of operation and cash flows, and on the value of your investment.

THE PLAN

The JBT & Trust Company Dividend Reinvestment and Stock Purchase Plan has been adopted by our Board of Directors. The following, in question and answer format, is a description of the Plan. A copy of the Plan as adopted by the Board is available from us upon request.

1. What is the purpose of the Plan?

The purpose of the Plan is to provide the shareholders of JBT with a simple and convenient method of investing cash dividends and voluntary cash contributions in additional shares of the common stock of JBT.

2. How is the Plan Administered?

The Plan is administered by the Plan Administrator. We have appointed Computershare as Plan Administrator. All shares of our common stock held for you under the Plan will be registered in the name of the Plan Administrator (or its nominee), as agent for you, and will be credited to your Plan account.

3. How do I contact the Plan Administrator?

You can contact the Plan Administrator the following ways:

Telephone:	1-800-368-5948 (toll free)
Internet:	www.computershare.com
Mail:	Computershare Attn: Dividend Reinvestment Department P.O. Box 505000 Louisville, KY 40233

4. Who can participate in the Plan?

All holders of record of at least one (1) whole share of our common stock are eligible to participate in the Plan. In the event that you sign up to participate in the Plan and then cease to be a record owner of at least one (1) whole share of Stock, we will automatically terminate your participation in the Plan, in which case you will be treated as though a notice to withdraw from the Plan had been received from you on the effective date of such termination. See Question 15 below – “How do I terminate participation in the Plan?”.

Beneficial owners of our common stock may participate in two ways. A beneficial owner may participate directly by becoming a record owner by having one or more shares of our common stock transferred into the beneficial owner’s name from that of the broker, bank or other nominee holding shares on behalf of the beneficial owner. Alternatively, a beneficial owner may seek to arrange with the beneficial owner’s broker, bank or other nominee to participate in the Plan on the beneficial owner’s behalf.

An otherwise eligible shareholder may participate in the Plan only if shares of our common stock may lawfully be offered and sold pursuant to the Plan under applicable state securities laws. We shall use reasonable best efforts to take all steps

necessary to permit shares to be legally offered and sold pursuant to the Plan in all states in which shareholders wishing to participate in the Plan reside; provided, however, that we shall not be required to take such steps in any state if we determine, in our sole discretion and in light of the number of persons residing in that state who wish to participate in the Plan, that to do so would be burdensome or impractical for reasons of cost or otherwise.

No otherwise eligible shareholder shall be entitled to purchase shares of our common stock through the Plan to the extent the purchase would violate any law or regulation applicable to us or the shareholder.

5. How do I enroll in the Plan?

If you are a shareholder of record, you may enroll in the Plan at any time by completing and signing an authorization form and returning it to the Plan Administrator. If an authorization form requesting reinvestment of dividends is received by the Plan Administrator between the 1st and the 21st day in the months of January, April, July and October, reinvestment will commence with that dividend. If an authorization form is not received between the 1st and the 21st day in the months of January, April, July and October, the reinvestment of dividends will begin on the dividend payment date (sometimes referred to as an “investment date”) following the next record date if you are still a holder of record. You may designate on the authorization form the reinvestment through the Plan of the dividends on all shares of our common stock held in your name or on any lesser number of whole shares of our common stock held in your name. If you elect dividend reinvestment, dividends on all shares held by the Plan Administrator in your Plan account will be reinvested.

6. How do I purchase shares with voluntary cash contributions?

Provided you are a Shareholder of Record of JBT, you may make voluntary cash contributions to the Plan of not less than \$75.00 per calendar quarter nor more than \$15,000.00 per calendar quarter, whether or not you have elected dividend reinvestment on shares held of record by you outside of the Plan. The same amount need not be invested in each quarter. You are under no obligation to make any voluntary cash contribution.

A voluntary cash contribution is made by forwarding a check, drawn on a U.S. Bank, in U.S. currency, payable to the Plan Administrator, with a completed authorization form when enrolling, or thereafter, with written acknowledgment that

the payment is being sent as part of the Plan's voluntary cash contribution option. The Plan Administrator will apply each voluntary cash contribution received between the 1st and the 21st day, in the months of January, April, July and October, to purchase our common stock for your Plan account on the dividend payment date. The Plan Administrator will return to you any cash contribution made by check that is received after this time frame.

If you have a checking or savings account with a qualified financial institution, you may make a voluntary cash contribution through an automatic withdrawal from your account via the Automated Clearing House system. The Plan Administrator will apply each voluntary cash contribution received from you through such a transaction one (1) day before a dividend payment date to the purchase of shares for your Plan account on the dividend payment date. In order to use this option, you must complete the "automatic quarterly contribution" section of the authorization form and enclose a blank deposit slip for a savings account or voided check for a checking account.

A voluntary cash contribution will not be deemed to have been made by you or received by the Plan Administrator until the funds so contributed are actually collected. If the Plan Administrator does not receive a contribution because of insufficient funds in your account or incorrect draft information, the requested purchase will be deemed void, and the Plan Administrator will immediately remove from your account any shares purchased in anticipation of receiving such funds. Voluntary cash contributions will be returned to you upon written request to the Plan Administrator, provided that the request is received no less than five (5) days prior to the next scheduled dividend payment date.

Interest will not be paid on voluntary cash contributions and voluntary cash contributions made more than thirty (30) days prior to the next dividend payment date will be returned.

Future dividends will be reinvested with respect to all shares acquired with voluntary cash distributions so long as the shares are held in your Plan account.

7. How will purchases be made?

On each dividend payment date, the Plan Administrator will receive dividends on all shares held for you in your Plan account and on all shares for which you are holder of record with respect to which you have chosen dividend reinvestment and will automatically reinvest those dividends in our common stock.

The Plan Administrator will use that amount, in addition to your voluntary cash contributions, if any, to purchase shares of common stock from us on the dividend payment date for your account. Dividend payment dates typically fall in January, April, July and October of each year. The price of the shares purchased from us will be the fair market value of the shares, as of the dividend payment date, as determined by the Board of Directors at a regularly scheduled Board Meeting during the month of the dividend payment date. No shares will be sold by us to the Plan for less than par value (\$2.00 per share). See Question 8 below – “What is the price I will pay for shares purchased under the Plan?”.

Your account will be credited with the number of whole and fractional shares (calculated to four (4) decimal places) equal to the amount invested divided by the applicable purchase price.

No interest will be paid on uninvested dividends or voluntary cash contributions.

8. What is the price I will pay for shares purchased under the Plan?

Shares will be purchased at the “fair market value” of a share on the dividend payment date. Because our shares are not listed on an established stock exchange or the Nasdaq Stock Market, Inc., the fair market value per share shall be determined in good faith by us. In exercising our discretion to determine the price, we may, but are not limited to, consider some or all of the following factors:

- the average closing bid and asked quotations of our shares of Common Stock, if any, as quoted on the OTC Bulletin Board;
- the last sales price;
- average last sale prices and/or weighted average sale prices over some period of time selected by the Board of Directors;
- multiples of earnings or book value based on a peer group selected by the Board of Directors; or
- any combination of the foregoing.

In the event that our shares become listed on an established stock exchange or the Nasdaq Stock Market®, Inc. the fair market value per share will be the average closing bid and asked quotations of our shares of common stock on the applicable date, as reported by no less than two (2) brokerage firms to be selected by us which are then making a market in the stock.

9. What costs and fees will I have to pay?

No brokerage fees will be charged to you in connection with the Plan.

The Plan Administrator will charge a fee of \$10.00 should you withdraw all or part of your shares from the Plan and receive a stock certificate.

At present, all other costs of administration of the Plan will be borne by us; provided, however, that we or the Plan Administrator may, in our discretion and with prior written notice to you, require the payment of a service fee in connection with any Plan transaction (including, without limitation, the deposit of certificates, the reinvestment of dividends, the investment of voluntary cash contributions and the issuance of a stock certificate). We or the Plan Administrator may in our discretion, at any time and from time to time, and with prior written notice to you modify the fees charged in connection with Plan transactions.

10. What reports will I receive with respect to my Plan account?

As soon as practicable after completion of each investment for your Plan account, the Plan Administrator will mail you a statement showing (i) the amount of the dividend and the voluntary cash contribution, if any, applied toward such investment, (ii) the taxes withheld, if any, (iii) the net amount invested, (iv) the number of shares purchased, (v) the average cost per share, and (vi) the total shares you have accumulated under the Plan, computed to three decimal places. You will receive annually Internal Revenue Service Form 1099 reporting dividend income received.

11. How will my Plan shares be voted?

For each meeting of shareholders, you will receive a proxy card that will enable you to vote all whole shares registered in your name, if any, as well as whole shares credited to your Plan account. If your proxy card is properly signed and returned, the named proxies will vote the shares as marked. As is the case with all shareholders, if your signed proxy is not properly marked as to any item, all of your shares will be voted on the item in accordance with the recommendations of the Board of Directors. If the proxy card is not returned or returned unsigned, those shares will be voted only if you or your duly appointed proxy votes in person at the meeting.

12. How will my Plan shares be registered?

All shares held in your Plan account will be registered in the name of the Plan Administrator or its nominee, as agent for you.

13. Will I receive certificates for my Plan shares?

Certificates for shares held in your Plan account will not be issued to you unless you so request in writing to withdraw shares from your Plan account. The Plan Administrator will issue you a certificate for the requested number of whole shares from your Plan account within five (5) days after the date on which your request is received. Any remaining whole or fractional shares in your Plan account will continue to be held by the Plan Administrator as agent for you. Certificates for fractional shares will not be issued under any circumstances.

14. Can I deposit my certificates with the Plan Administrator for safekeeping?

You may deposit with the Plan Administrator for safekeeping one or more certificates for shares of our common stock registered in your name, which shares shall upon receipt be registered in the name of the Plan Administrator or its nominee and credited to your account under the Plan.

15. How do I terminate participation in the Plan?

You may terminate participation in the Plan at any time by giving written notice to the Plan Administrator. Within five (5) days after the date on which such notice is received by the Plan Administrator, the Plan Administrator will issue to you: (i) a certificate for all whole shares held in your Plan account, (ii) a check representing any uninvested dividends and voluntary cash contributions, and (iii) a check in lieu of the issuance of a fractional share, equal to the fractional shares from your Plan account multiplied by the fair market value per share of the common stock as of the most recent investment date.

16. Can I sell shares through the Plan?

You may not sell Plan Shares through the Plan. If you wish to sell any shares, you must either withdraw the shares to be sold from your Plan account or completely terminate your participation in the Plan and receive shares as a result. See Question

13 above – “Will I receive certificates for my Plan shares?” and Question 15 above – “How do I terminate participation in the Plan?”.

17. What will happen if there is a stock dividend or stock split?

Any stock dividends or split shares distributed by us on the shares held in your Plan account will be credited to your account with the Plan Administrator. Certificates for stock dividends or split shares on shares not held in your Plan account will be sent to you.

We may in our discretion authorize the Plan Administrator to temporarily suspend transaction processing pending the completion of any stock dividend, stock split, rights offering or other transaction.

18. How many shares will the Company sell under the Plan?

Shares of common stock sold under the Plan will be original issue shares acquired from us. We may at any time and from time to time limit the number of shares of our common stock available for sale to participants under the Plan, either temporarily or on an ongoing basis.

19. May the Company amend or discontinue the Plan?

We may amend, supplement, suspend, modify or terminate the Plan at any time, including the period between a dividend record date and dividend payment date, without the approval of the participants in the Plan. Written notice of any suspension, termination, material amendment or modification shall be sent to all shareholders, including all participants in the Plan, who shall in all events have the right to withdraw from the Plan. Any such amendment, suspension, modification or termination shall conclusively be deemed to be accepted by a participant in the Plan, unless, before the effective date of any such amendment as set forth in the notice, the Plan Administrator receives written notice of termination of the Participant’s account.

We have the right at any time upon written notice to you to suspend or terminate your participation in the Plan if we determine in our sole discretion that suspension or termination is appropriate because shares of common stock may not lawfully be offered or sold in the state in which you reside or that you are using the Plan for purposes inconsistent with the intended purpose of the Plan, or for any other

reason. In the event that your right to participate in the Plan is terminated, you will be treated as though a notice to withdraw from the Plan had been received on the effective date of such termination.

20. Who interprets the Plan?

The Plan, the authorization form and your Plan account will be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania and applicable state and federal securities laws. Any question of interpretation arising under the Plan will be determined by our Board of Directors pursuant to applicable federal and state laws and the rules and regulations of all regulatory authorities, and such determination shall be final and binding on all Participants. We or the Plan Administrator may adopt rules and regulations at any time to facilitate the administration of the Plan.

21. Is the Company or the Plan Administrator responsible for actions taken or omitted in good faith?

Neither we nor the Plan Administrator shall be liable to you for any act done in good faith or for any good faith omission to act, including, without limitation, any claim of liability arising out of the prices at which the shares of common stock are purchased or sold, or the times when purchases or sales are made.

FEDERAL INCOME TAX CONSEQUENCES

Generally, the U.S. federal income tax consequences of participating in the Plan are as follows:

Reinvested Dividends

In the case of reinvested dividends, when shares are acquired for your account directly from us, you must include in gross income a dividend equal to the number of shares purchased for your account with reinvested dividends multiplied by the per share fair market value of the common stock on the relevant payment date, plus the amount of any federal income tax withheld if you are subject to federal income tax withholding on dividend income. Your basis in such shares will be equal to the fair market value of the shares purchased for your account on the relevant payment date, plus fees or other charges, if any, paid by you.

Voluntary Cash Payments

When shares are purchased with optional cash payments, your basis in such shares will be equal to the purchase price of the shares, plus fees or other charges, if any, paid by you.

Additional Information

The foregoing discussion assumes that we will, from time to time, have earnings and profits for federal tax purposes in excess of our distributions to shareholders, which is expected to be the case. The holding period for shares of common stock acquired pursuant to the Plan will begin the day after the date the shares are credited to your account. If you are a person as to whom federal income tax withholding on dividends is required, the Plan Administrator will reinvest dividends net of the amount of tax withheld.

You will not realize taxable income upon the issuance of a certificate for a whole number of shares held for your account under the Plan. However, if you receive a cash payment in lieu of the issuance of a fractional share, you will realize gain or loss with respect to such fractional share. Gain or loss will also be realized upon the sale or exchange of shares of common stock acquired under the Plan. The amount of such gain or loss will be the difference between the amount received upon disposition and the tax basis of such shares or fractional share. Any such gain or loss will be a capital gain or loss if the shares sold were held as a capital asset. Such capital gain or loss will be long-term if the shares sold were held by you for the applicable holding period and otherwise will be short-term.

The discussion above is a summary of the important U.S. federal income tax consequences of your participation in the Plan. The summary is based on the Internal Revenue Code of 1986, as amended, U.S. Treasury Regulations, administrative rulings and court decisions, as in effect as of the date of this document, all of which are subject to change at any time, possibly with retroactive effect. This summary is not a complete description of all of the tax consequences of your participation in the Plan and does not constitute tax advice. For example, it does not address any state, local or foreign tax consequences of your participation. The summary may not address the tax consequences to any given participant in view of the participant's individual circumstances. You should consult your own tax advisor about tax consequences of your participation in the Plan. We do not calculate tax basis in shares for shareholders.

USE OF PROCEEDS

We will receive proceeds from your purchase of our common stock through the Plan. We will use any such proceeds for general corporate purposes.

WHERE YOU CAN FIND MORE INFORMATION

You can obtain additional information about JBT, including, without limitation, our most recent annual report (including our audited financial statements) from our website www.bankjbt.com. We hereby incorporate by reference our latest annual report and all subsequent reports to shareholders. Such incorporation is not intended to imply that there has been no change in our affairs since the date of any such reports.

FORWARD-LOOKING STATEMENTS

This brochure contains or incorporates statements that we believe are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to our financial condition, results of operations, plans, objectives, future performance or business. They usually can be identified by the use of forward-looking language such as “will likely result,” “may,” “are expected to,” “is anticipated,” “estimate,” “forecast,” “projected,” “intends to” or other similar words. You should not place undue reliance on these forward-looking statements, as they are subject to risks and uncertainties, including but not limited to those described in this prospectus or the documents incorporated by reference herein. When considering these forward-looking statements, you should keep in mind these risks and uncertainties, as well as any cautionary statements we may make. Moreover, you should treat these statements as speaking only as of the date they are made and based only on information then actually known to us. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

These forward-looking statements are based on current expectations, estimates and projections about our business, management’s beliefs and assumptions made by management. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, all of which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in these forward-looking statements.

We have not authorized any person to give any information or make any representation that is different from, or in addition to, that contained in this brochure or in any document that we incorporate by reference into this brochure. If anyone gives you any such information, you should not rely on it.

We do not imply by the delivery to you of this brochure or the sale of any of our common stock hereunder that there has been no change in the affairs of JBT since the date of this brochure or that the information in this brochure is correct as of any time subsequent to the date of this brochure.



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