

CAPITAL MARKETS ANNOUNCEMENT

Jacksonville Bancorp, Inc. (NASDAQ: JAXB; Jacksonville, FL) Closes \$50.0 Million Private Placement of Perpetual Preferred Stock

Sandler O'Neill + Partners L.P. served as sole placement agent for this transaction.

This transaction represents the 194th public offering or private placement of common or preferred stock for a bank or thrift since January 1, 2009 for which Sandler O'Neill acted as book manager, co-manager or placement agent, more than any other investment bank during that period. These transactions have raised over \$53 billion for our clients.¹

About the Offering:

On December 31, 2012, Jacksonville Bancorp, Inc. (the "Company" or "JAXB") completed a \$50 million private placement of JAXB Series A mandatorily convertible, noncumulative, nonvoting, perpetual preferred stock. Each share of preferred stock is expected to mandatorily convert into approximately 2,000 shares of JAXB's common stock at an initial conversion price of \$0.50 per share, subject to shareholder approval, in early 2013. The Company expects to use the net proceeds from this transaction primarily to support the capital of The Jacksonville Bank. Sandler O'Neill + Partners, L.P. acted as sole placement agent in this transaction.

Immediately prior to closing, JAXB sold approximately \$25.1 million of classified assets, other loans and other real estate owned for approximately \$11.7 million. The asset purchaser was also an investor in the capital raise. Sandler O'Neill Mortgage Finance L.P. acted as exclusive financial advisor to JAXB in connection with the asset sale.

This announcement is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell securities.

About the Company:

The Company is a financial holding company that operates The Jacksonville Bank, a state-chartered, independent community bank insured by the FDIC. The Company provides a full range of financial services from its eight full-service branch locations throughout the Jacksonville metropolitan area and has a lending focus on small business, professionals and commercial real estate.

(1) Source: SNL Financial

December 31, 2012

\$50.0 Million
Perpetual Preferred Stock



Sole Placement Agent

SANDLER O'NEILL + PARTNERS

Financial Highlights

(Dollars in thousands)

Total Assets	\$551,551
Net Loans	\$418,654
Total Deposits	\$493,205
Total Equity	\$13,579
TCE / TA	1.33%
Tier 1 Capital Ratio	3.33%
Total Risk-Based Capital Ratio	6.28%

Note: Financial data as of 9/30/12

Source: SNL Financial

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