

NEFFS BANCORP, INC.

U.S. INTERNAL REVENUE CODE SECTION 6045B INFORMATION REPORTING

Information Reporting Requirement. Effective January 1, 2011, issuers of corporate stock must begin reporting corporate actions that effect the shareholder's stock basis, including but not limited to mergers and recapitalizations. The following information is intended to meet the requirements of public disclosure pursuant to Section 6045B of the Internal Revenue Code of 1986, as amended (the "Code") and Treasury Regulation Section 1.6045B-1(a)(3) and (b)(4) for Neffs Bancorp, Inc. (the "Company").

Brief Description of Transaction. On July 29, 2011, the Company completed its "going-private" transaction through the merger of NBI Merger Sub, Inc., a subsidiary of the Company, with and into the Company (the "Merger"). As a result of the Merger, shareholders that held 100 or less shares of Company common stock ("Common Stock") exchanged their Common Stock for cash or Series A Preferred Stock of the Company ("Preferred Stock"), as described in more detail below. Shareholders that held more than 100 shares of Stock did not exchange their Common Stock as a result of the Merger.

(i) Reporting Issuer

Neffs Bancorp, Inc.
EIN: 23-2400383

(ii) Security Identifiers

CUSIP : 640098109 for Common Stock and 640098208 for Preferred Stock
Symbol: NEFB.PK for Common Stock
NEFBP.PK for Preferred Stock
Exchange: Pink OTC Markets Pink Quote
Security: Common Stock and Preferred Stock

(iii) Contact at Reporting Issuer

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(iv) Information about Action

Shareholders approved a "going-private" transaction at the Company's Annual Meeting of Shareholders on July 21, 2011. The "going-private" transaction was effected through the merger of NBI Merger Sub, Inc. with and into the Company on July 29, 2011 whereby:

- (i) each share of Common Stock then held by a shareholder of record who as of the April 15, 2011 record date for the annual meeting of shareholders (the "Record Date") held 25 or fewer shares was converted into the right to receive \$286.00 in cash per share from the Company, as to the shares held of record on the Record Date;
- (ii) each share of Common Stock then held by a shareholder of record who as of the Record Date held more than 25 but fewer than 101 shares of Common Stock was converted into the right to receive, as to the shares held of record on the Record Date, at the election of the shareholder, either (a) the per share cash consideration of \$286.00, or (b) one share of Preferred Stock; and
- (iii) each share of Common Stock then held by a shareholder of record who as of the Record Date held 101 or more shares remained as outstanding Common Stock.

(v) Effect of the Action

Shareholders Who Retain Their Common Stock. There is no change in the basis of Common Stock for shareholders who did not exchange their Common Stock for cash or Preferred Stock as a result of the Merger.

Shareholders Who Receive Cash For Their Common Stock. Pursuant to Section 302 of the Code, for shareholders who received cash for all of their Common Stock as a result of the Merger, such shareholders will be treated as having received full payment for their Common Stock. Consequently, since the shareholders did not receive any new stock, there will be no new basis to compute.

Shareholders Who Receive Preferred Stock For Their Common Stock. Pursuant to Section 368 of the Code, shareholders who received Preferred Stock in exchange for their Common Stock as a result of the Merger will have the same basis in the Preferred Stock that such shareholders had in the shares of Common Stock exchanged.

Posted to Neffs Bancorp, Inc. website on November 29, 2011

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The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending any transaction or matter addressed herein.