

PRESS RELEASE  
July 23, 2020  
JD Bancshares, Inc.

FOR IMMEDIATE RELEASE  
For more information contact:  
Bruce Elder (CEO) (337-246-5399)  
Paul Brummett (CFO) (337-824-1422)  
Website: [www.jdbank.com](http://www.jdbank.com)

### **JD Bancshares, Inc. Reports Financial Results for Q2 2020**

Jennings, LA., July 23, 2020 (ACCESSWIRE) – JD Bancshares, Inc. (the “Company”), (OTCQX: JDVB), the parent holding company of JD Bank (the “Bank”), reports its unaudited financial results for the three and six month periods ended June 30, 2020.

Net income for the three-month period ended June 30, 2020 was \$1,648,996 or \$1.06 per common share compared to \$1,557,713 or \$1.00 per share for the linked quarter ended March 31, 2020 and \$2,442,925 or \$1.57 per share for the prior year quarter ended June 30, 2019. Financial results for the current year quarters were impacted by large loan loss provisions in consideration of the uncertainty surrounding the COVID-19 pandemic crisis. Due to the large provisions, evaluating the Company on a pre-tax, pre-provision operating income basis provides greater insight when comparing recurring financial performance over periods. Pre-tax, pre-provision operating income for the quarter ended June 30, 2020 was \$2,847,642 compared to \$2,502,248 for the linked quarter and \$2,762,858 for the comparative prior year quarter. Pre-tax, pre-provision operating income excludes taxes, provision for loan losses, losses on the sale of other real estate owned and gains on the sale of investment securities. Pre-tax, pre-provision operating earnings for the current period were positively affected by the recognition of a portion of fees received as a result of our participation in the Small Business Administration (SBA) Paychecks Protection Program. (PPP). Other factors having a significant impact on current quarter earnings include the 150 basis point decline in short-term interest rates occurring in March 2020, the impact on non-PPP loan demand given the uncertainty of economic conditions and the excess liquidity generated as a result of substantial deposit growth since year end.

For the six-month period ended June 30, 2020, net income was \$3,206,709 or \$2.06 per share compared to \$4,483,899 or \$2.88 per share for the prior year comparative period. Pre-tax, pre-provision operating earnings for the two comparative six month periods was \$5,349,890 and \$5,454,444, respectively.

Bruce Elder, President and CEO, commented, “Through the many challenges we face with the COVID-19 pandemic, the Company is pleased with the financial results for the second quarter. Despite the economic headwinds, we were able to add value to our customer base, our employees and the communities we serve while still rewarding stockholders with a \$0.59 quarterly dividend. The pandemic has shrouded the future with uncertainty, which needs to be carefully navigated. From asset quality on the existing loan portfolio and prudent underwriting for new loan requests, to the long and short-term economic effects on our communities and the nation, we prepare for various possible scenarios and hope the coming months bring greater clarity.”

#### COVID-19 Activities and Impact

In keeping with our mission to meet the financial needs of our customers and the communities we serve, the Company has responded through several different channels to the pandemic. We participated in the SBA’s PPP loan program and made approximately 750 loans totaling \$73.5 million. These loans are for terms ranging from two to five years and carry an interest rate of 1%. The Company received approximately \$2.5 million in fees from the SBA, of which \$633,000 were recognized as interest income during the current quarter. The remaining fees will be recognized over the life of the loans.

We also assisted existing loan customers who experienced challenges as a result of the pandemic by extending 90 day payment deferrals to approximately 1,200 customers with loans totaling \$208.6 million. Many of those payment deferrals will have their next regularly scheduled payment due during the early part of the third quarter

and while many have indicated a desire to resume their payments, we do anticipate continuing to work with our customers and approving a second 90 day deferral if appropriate.

Past due loans of 90 days or less represent 0.16% of the total loan portfolio at June 30, 2020 compared with 0.52% at December 31, 2019. While the current quarter end results are significantly improved over year-end, the improvement could reflect the intended impact of the payment deferrals previously mentioned. Management is attempting to identify those borrowers and industries that are most impacted by the pandemic, but the overall uncertainty of the length and magnitude of COVID-19 makes it very difficult to determine potential issues with any degree of precision. As a result, the Company has attempted to use certain qualitative factors when trying to assess the adequacy of its loan loss reserve.

As a community bank, our success is closely tied to the prosperity of those communities we serve. In April 2020, the Board of Directors responded to a need in our communities by making a \$100,000 donation to fight food insecurity. This donation was allocated throughout the Company's footprint.

#### Asset Quality

Total nonperforming assets, including loans on non-accrual status, other real estate owned (OREO) and repossessed assets increased to \$9.7 million at June 30, 2020 from \$8.7 million at December 31, 2019. Loans on non-accrual status increased to \$9.2 million from \$7.7 million at December 31, 2019. While loans migrate to and from non-accrual status during the past six-months, one loan in the amount of \$1.4 million moving to non-accrual in June accounts for the majority of the increase. OREO decreased by \$552,000 to \$404,000 at June 30, 2020 from \$956,000 at the year-end December 31, 2019, reflecting foreclosure activity net of sales and write-downs of certain real estate properties. Management performs a quarterly evaluation of OREO properties and believes their adjusted carrying values are representative of their fair market values, although there is no assurance that the ultimate sales will be equal or greater than the carrying values.

The Bank recorded \$897,000 in provisions for credit losses in Q2 2020 compared to \$683,000 for the first quarter and \$90,000 for the prior year quarter ended June 30, 2019. The allowance for loan losses (ALLL) was \$8.1 million at June 30, 2020 or 1.36% of total non-PPP loans compared to \$6.6 million at December 31, 2019 or 1.06% of total loans. Net charge offs were \$51,000 for 2020 year-to-date compared to \$168,000 for the prior year comparative period. While we believe the current level of our ALLL is adequate, there remains a great deal of uncertainty with respect to the impact of the pandemic on asset quality and there is no assurance that regulators, increased risks in the loan portfolio, or changes in economic conditions will not require additional adjustments to the ALLL.

#### Net Interest Income

Net interest income of \$8.7 million for the current quarter was up \$132,000 from the \$8.6 million for the quarter ended March 31, 2020 and \$39,000 lower than the \$8.8 million reported for the prior year quarter ended June 30, 2019. The net interest margin for the current quarter was 4.06% and declined by 33 and 36 basis points compared to the March 2020 and June 2019 periods, respectively. The yield on earning assets for the current quarter was 4.62% and was over 40 basis points lower than both comparative periods. As previously mentioned, the Company did recognize \$633,000 in SBA PPP fees which had a 38 basis point positive impact on the yield on earning assets. The cost of funds was 0.54% for the current quarter; down from 0.66% for the March 2020 quarter and 0.61% from the prior year comparative quarter.

Net interest margin was impacted by the sharp reduction in short-term interest rates, the high volume of low priced PPP loans, soft new loan demand and a surge in deposit levels causing high levels of liquidity. In March, the Federal Reserve Bank (FRB) reduced short-term interest rates by 150 basis points in response to COVID-19. Since that action, the FRB has announced the anticipation that rates will remain at these low levels through 2022. The Company originated approximately \$73.5 million in new PPP loans priced at 1%. The origination of these loans was important for the well-being of small businesses and our communities, but had an adverse impact on net interest margin. The pandemic also suppressed the desire of small businesses to expand and grow,

which had a negative impact on new loan demand. Businesses and individuals are paying down debt in anticipation of challenging times ahead. Finally, deposit levels have increased significantly. While the Company continues to look at opportunities to decrease interest rates paid on deposits, there remains uncertainty as to how long deposits remain at current levels and therefore, we are cautious about investing the funds in anything other than short-term assets.

For the six-month period ended June 30, 2020, net interest income was \$17.3 million, down \$180,000 from \$17.5 million for the six-month period ended June 30, 2019. Net interest margin declined during the current six-month period to 4.22% from 4.45% for the prior year comparative period.

#### Non-Interest Income

Total non-interest income was \$2.3 million for both the current and linked quarter, with the current quarter increasing by \$48,000, and was \$2.8 million for the prior year quarter reflecting a \$497,000 decline. Service charges and fees associated with deposit accounts were \$1.6 million and declined by \$147,000 and \$161,000 compared to the March 2020 and June 2019 quarters, respectively. The pandemic has caused customers to be much more cautious with their spending and as a result, NSF fees for the current quarter are down by \$339,000 compared to the linked quarter and \$270,000 compared to the prior year quarter. After declining significantly in April and May, interchange fees on debit card transactions rebounded nicely and were \$893,000 for the current quarter reflecting 18% and 11% increases over the comparative periods, respectively.

Revenue from the sale of mortgage loans in the current period was \$266,000, representing a \$132,000 increase over the \$134,000 recognized for the first quarter of 2020 and a \$127,000 increase over the \$139,000 recorded in the prior year quarter. Mortgage rates have retraced to historically low levels and both refinance and purchase money activity is robust. Other non-interest income was \$484,000 for the current quarter compared to \$420,000 for the quarter ended March 31, 2020 and \$947,000 for the prior year quarter. The prior year quarter included a \$388,000 gain on the sale of securities.

Non-interest income for the six-month period ended June 30, 2020 was \$4.6 million, down \$400,000 from the \$5.0 million reported for the first half of 2019. The aforementioned gain on sale of securities accounts for the majority of the difference. Increased gains on the sale of mortgage loans and trust revenue was more than offset by declines in service charges, related deposit account fees and brokerage fees.

#### Non-Interest Expense

Total non-interest expense was \$8.3 million in the quarter ended June 30, 2020 compared to \$8.4 million and \$8.5 million for the March 2020 and June 2019 quarters, respectively. Salary and benefits expense is the largest component of non-interest expenses and was \$4.5 million for the June 2020 quarter, down \$85,000 and \$122,000 compared to the linked and prior year quarters, respectively. Expenses for the first quarter of 2020 include approximately \$100,000 in pre-tax severance payments. The reductions in personnel expense were not the result of COVID-19 related issues. The Company considers our employees to be our most valuable asset and has continued to compensate the team at normal levels despite a modified operating schedule. We would anticipate personnel expenses to increase in future quarters as we look to increase staff for the commercial lending function and for two additional branch offices in the second half of 2020.

Occupancy expense was \$1.3 million in the current quarter, down \$27,000 from the linked quarter and \$64,000 from the prior year quarter. The realized cost savings are in the area of maintenance and repairs. Current quarter data processing expense was \$918,000, down \$40,000 from the linked quarter of \$958,000 and up \$118,000 from the prior year quarter of \$800,000. The increase from the June 2019 quarter relates primarily to the outsourcing of our ATM fleet to a third party. Marketing, business development and public relations expenses were \$349,000 in the current quarter compared to \$368,000 for the March 2020 quarter and \$434,000 for the prior year quarter. The pandemic has limited the normal level of activity in these categories. As previously mentioned, the current quarter does include a \$100,000 donation to fight food insecurity in our

footprint. Other non-interest expenses were \$1.2 million for both the current and linked quarter and \$1.3 million for the prior year quarter.

Non-interest expenses for the six-month period ended June 30, 2020 were \$16.7 million, down \$168,000 from \$16.8 million for the prior year. We experienced decreases in salary and benefits, occupancy, marketing and business development, amortization of core deposit intangibles, professional fees and travel, which were partially offset by increases in data processing and audit fees.

Income tax expense was \$260,000 for the current quarter compared to \$236,000 for the March 2020 quarter and \$530,000 for the June 2019 quarter. The decline was primarily due to a reduction in the effective tax rate to 13.66% compared to 13.18% for the linked quarter and 17.82% for the prior year quarter. The downward shift in the effective tax rate from 2019 to 2020 is due to the restructure of the investment portfolio in the second quarter of 2019 to a higher concentration of tax-exempt securities. Year-to-date, income tax expense was \$497,000 with an effective rate of 13.43% compared to \$942,000 and 17.36% for the prior year six-month period.

#### Balance Sheet

Total assets are \$1.0 billion at June 30, 2020, reflecting a \$142.0 million or 16% increase over the \$885.0 million at December 31, 2019. Categories experiencing the largest increases include cash and interest-bearing deposits with banks up \$57.8 million, loans held for investment are up \$49.2 million and investment securities are up \$30.2 million. As previously mentioned, the Company has originated \$73.5 million of PPP loans and the demand for non-PPP loans has been impacted by the economic conditions resulting from the pandemic. Borrowers also appear to be paying down debt in the face of future uncertainty, which has resulted in a decline of approximately \$24.4 million in non-PPP loans since December 31, 2019.

As we headed into the pandemic, we were aware of the impact the SBA's PPP program might have on the asset side of our balance sheet and were preparing for a potential liquidity crunch. However, as the PPP loan proceeds and consumer stimulus checks flowed to customer accounts, along with continued success of new customer acquisition, deposit levels increased substantially. We remain cautious with respect to our current liquidity position and continue to maintain large sums of cash.

Total deposits increased by \$134.3 million or 17% to \$906.4 million at June 30, 2020 from \$772.1 million at December 31, 2019. All five primary deposit categories have experienced increases over the six month period. Non-interest bearing checking increased by \$75.0 million, savings deposits by \$26.2 million, money market by \$21.4 million, interest-bearing checking by \$6.3 million and time deposits by \$5.4 million.

Other liabilities increased by approximately \$2.4 million since year-end 2019. A short-term advance we had taken down prior to March 31, 2020 was repaid during the second quarter.

Stockholders' equity increased by \$5.4 million to \$94.2 million at June 30, 2020 from \$88.9 million at December 31, 2019. The increase is comprised of year-to-date net earnings of \$3.2 million, plus the increase in other comprehensive income of \$4.0 million, less the declared/paid dividend to common shareholders of \$1.8 million. The tangible equity to assets ratio decreased to 8.29% at June 30, 2020 from 9.46% at December 31, 2019 due to asset growth. There were 1,560,000 common shares outstanding at both June 30, 2020 and December 31, 2019. Tangible book value per common share increased to \$54.61 at June 30, 2020 compared to \$53.70 for the 2019 year-end.

#### Key Performance Ratios

Return on average assets (ROA) declined in for the current quarter compared with linked and prior year periods. ROA is 0.66% for the three months ended June 30, 2020 compared to 0.70% for March 31, 2020 and 1.11% for June 30, 2019. Return on average equity (ROE) is 7.09% for the current period, 6.81% for the linked quarter and 11.55% for the prior year period. ROA and ROE for both 2020 periods were significantly impacted by the

large loan loss provision recorded in the current quarter. ROA and ROE for the six-month periods ended June 30, 2020 and 2019 were 0.68% and 1.03%, and 6.97% and 10.82%, respectively.

About JD Bancshares, Inc.

JD Bancshares, Inc. is the bank holding company of JD Bank, a state chartered bank headquartered in Jennings, Louisiana. JD Bank has been serving the citizens of southwest Louisiana since 1947 and offers a variety of personal and commercial lending and deposit products through both physical and digital delivery channels. The Bank also offers both trust and investment services. JD Bank operates through 21 full service branch offices located along the Interstate 10 corridor from Lake Charles to Lafayette, Louisiana. JD Bancshares, Inc. may be accessed on its website at [www.jdbank.com/investor relations](http://www.jdbank.com/investor-relations).

JD Bancshares, Inc. (OTCQX: JDVB) trades on the OTCQX Best Market. Companies meet high financial standards, follow best practice corporate governance, demonstrate compliance with U.S. securities laws, and have a professional third-party sponsor introduction. Investors can find current financial disclosure and Real-Time Level 2 quotes for the Company on [www.otcm Markets.com](http://www.otcm Markets.com).

Forward-Looking Statements

Statements contained in this release, which are not historical facts, are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from those currently anticipated due to a number of factors which include the effects of future economic conditions, governmental fiscal and monetary policies, legislative and regulatory changes, the risks of changes in interest rates, the effects of competition, and including without limitation to other factors that could cause actual results to differ materially as discussed in documents filed by the Company with the Securities and Exchange Commission from time to time.

(More)

(OTCQX: JDVB)

**JD BANCSHARES, INC. AND SUBSIDIARIES**  
**JENNINGS, LOUISIANA**

**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

	Actual Jun 30, 2020	Actual Dec 31, 2019	\$ Variance	% Variance
<b>Assets</b>				
Cash and due from banks	67,794,515	30,370,742	37,423,773	123.2
Interest bearing deposits with banks	32,322,957	11,982,637	20,340,320	169.7
Investment Securities - Taxable	102,740,371	69,127,279	33,613,092	48.6
Investment Securities - Tax-exempt	97,350,826	100,803,434	(3,452,608)	(3.4)
Mortgage loans held for sale	2,014,827	1,041,433	973,394	93.5
Loans, net of unearned income	669,895,298	620,734,159	49,161,139	7.9
Less: Allowance for loan losses	(8,138,563)	(6,609,790)	(1,528,773)	(23.1)
Premises and equipment, net	23,693,575	24,335,806	(642,231)	(2.6)
Accrued interest receivable	5,413,548	3,456,611	1,956,937	56.6
Other real estate	404,290	955,977	(551,687)	(57.7)
Other assets	33,682,636	28,850,470	4,832,166	16.7
<b>Total Assets</b>	<b>\$ 1,027,174,280</b>	<b>\$ 885,048,758</b>	<b>\$ 142,125,522</b>	<b>16.1</b>
<b>Liabilities</b>				
Non-Interest Bearing Deposits	343,339,969	268,308,603	75,031,366	28.0
Interest bearing demand deposits	165,024,884	158,753,030	6,271,854	4.0
Savings and Money Market Deposits	278,486,031	230,802,149	47,683,882	20.7
Time Deposits - Retail	119,594,018	114,239,259	5,354,759	4.7
<b>Total Deposits</b>	<b>906,444,902</b>	<b>772,103,041</b>	<b>134,341,861</b>	<b>17.4</b>
Accrued expenses and other liabilities	6,037,740	3,582,141	2,455,599	68.6
FHLB Advances	2,888,157	3,011,367	(123,210)	(4.1)
Other Borrowings	17,559,438	17,490,445	68,993	0.4
<b>Total Liabilities</b>	<b>\$ 932,930,237</b>	<b>\$ 796,186,994</b>	<b>\$ 136,743,243</b>	<b>17.2</b>
<b>Equity</b>				
Common stock	9,750,000	9,750,000	-	-
Capital surplus	3,598,000	3,598,000	-	-
Retained earnings	72,751,738	65,644,694	7,107,044	10.8
Accumulated other comprehensive income (loss)	5,228,026	1,270,276	3,957,750	311.6
Less: Treasury stock, at cost	(290,430)	(349,050)	58,620	16.8
Net Income	3,206,709	8,947,844	(5,741,135)	(64.2)
<b>Total Equity</b>	<b>\$ 94,244,043</b>	<b>\$ 88,861,764</b>	<b>\$ 5,382,279</b>	<b>6.1</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$ 1,027,174,280</b>	<b>\$ 885,048,758</b>	<b>\$ 142,125,522</b>	<b>16.1</b>

**JD BANCSHARES, INC. AND SUBSIDIARIES**  
**JENNINGS, LOUISIANA**

**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

	QTD Actual Jun 2020	QTD Actual Mar 2020	\$ Variance	% Variance	QTD Actual Jun 2019	\$ Variance	% Variance
<b>Interest Income</b>							
Interest on Loans	8,729,051	8,644,002	85,049	1.0	8,581,485	147,566	1.7
Mortgage Loans Held For Sale	7,115	6,338	777	12.3	5,210	1,904	36.6
Funds Transfer Interest	-	-	-	-	98	(98)	(100.0)
Interest on deposits with banks	85,381	58,842	26,539	45.1	292,217	(206,836)	(70.8)
Investment Securities - Taxable	405,179	454,490	(49,311)	(10.8)	661,649	(256,470)	(38.8)
Investment Securities - Tax-exempt	709,402	720,311	(10,909)	(1.5)	430,669	278,733	64.7
Total Interest Income	9,936,128	9,883,983	52,145	0.5	9,971,328	(35,201)	(0.4)
<b>Interest Expense</b>							
Interest bearing demand deposits	216,511	227,580	(11,069)	(4.9)	237,602	(21,091)	(8.9)
Savings and Money Market Deposits	173,370	212,164	(38,794)	(18.3)	187,021	(13,651)	(7.3)
Time Deposits - Retail	453,825	472,186	(18,361)	(3.9)	362,073	91,752	25.3
Total Interest Expense on Deposits	843,706	911,930	(68,224)	(7.5)	786,696	57,010	7.2
FHLB Advances	36,892	54,513	(17,621)	(32.3)	120,601	(83,709)	(69.4)
Interest on other borrowings	338,534	332,916	5,618	1.7	307,664	30,869	10.0
Total Interest Expense	1,219,132	1,299,359	(80,227)	(6.2)	1,214,961	4,170	0.3
<b>Net Interest Income</b>	<b>8,716,996</b>	<b>8,584,624</b>	<b>132,372</b>	<b>1.5</b>	<b>8,756,367</b>	<b>(39,371)</b>	<b>(0.4)</b>
Provision for loan losses	897,000	683,000	214,000	31.3	90,000	807,000	896.7
<b>Net In. Inc. After Prov. for Loan Losses</b>	<b>7,819,996</b>	<b>7,901,624</b>	<b>(81,628)</b>	<b>(1.0)</b>	<b>8,666,367</b>	<b>(846,371)</b>	<b>(9.8)</b>
<b>Non Interest Income</b>							
Service charges and fees	1,599,294	1,746,479	(147,185)	(8.4)	1,760,265	(160,971)	(9.1)
Mortgage loan and related fees	266,170	134,400	131,770	98.0	139,409	126,761	90.9
Other noninterest income	483,733	420,013	63,720	15.2	946,957	(463,221)	(48.9)
Total Non Interest Income	2,349,197	2,300,892	48,305	2.1	2,846,631	(497,431)	(17.5)
<b>Non Interest Expense</b>							
Salaries and employee benefits	4,537,459	4,622,703	(85,244)	(1.8)	4,659,085	(121,626)	(2.6)
Occupancy	1,267,802	1,294,305	(26,503)	(2.0)	1,331,815	(64,013)	(4.8)
Advertising and public relations	348,689	368,149	(19,460)	(5.6)	433,864	(85,175)	(24.4)
Data Processing	917,778	958,038	(40,260)	(4.4)	800,282	117,496	12.8
Other noninterest expense	1,187,492	1,165,213	22,279	1.9	1,315,302	(127,810)	(10.8)
Total Non Interest Expense	8,259,220	8,408,408	(149,188)	(1.8)	8,540,348	(281,128)	(3.3)
<b>Income Before Taxes</b>	<b>1,909,973</b>	<b>1,794,108</b>	<b>115,865</b>	<b>6.5</b>	<b>2,972,650</b>	<b>(1,062,677)</b>	<b>(35.7)</b>
Income taxes	260,977	236,395	24,582	10.4	529,725	(268,748)	(50.7)
<b>Net Income</b>	<b>\$ 1,648,996</b>	<b>\$ 1,557,713</b>	<b>\$ 91,283</b>	<b>5.9</b>	<b>\$ 2,442,925</b>	<b>\$ (793,929)</b>	<b>(32.5)</b>

Per common share data:

Earnings	\$ 1.06	\$ 1.00	\$ 1.57
Weighted average number of shares outstanding	1,560,000	1,560,000	1,559,156

**JD BANCSHARES, INC. AND SUBSIDIARIES**  
**JENNINGS, LOUISIANA**

**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

	YTD Actual Jun 2020	YTD Actual Jun 2019	\$ Variance	% Variance
<b>Interest Income</b>				
Interest on Loans	17,373,053	17,202,011	171,042	1.0
Mortgage Loans Held For Sale	13,453	11,729	1,724	14.7
Funds Transfer Interest	-	98	(98)	(100.0)
Interest on deposits with banks	144,223	447,857	(303,634)	(67.8)
Investment Securities - Taxable	859,669	1,357,715	(498,046)	(36.7)
Investment Securities - Tax-exempt	1,429,712	886,049	543,663	61.4
Total Interest Income	19,820,110	19,905,459	(85,349)	(0.4)
<b>Interest Expense</b>				
Interest bearing demand deposits	444,091	466,775	(22,684)	(4.9)
Savings and Money Market Deposits	385,534	346,422	39,112	11.3
Time Deposits - Retail	926,011	674,158	251,853	37.4
Total Interest Expense on Deposits	1,755,636	1,487,355	268,281	18.0
FHLB Advances	91,405	317,336	(225,931)	(71.2)
Interest on other borrowings	671,449	618,872	52,577	8.5
Total Interest Expense	2,518,490	2,423,563	94,927	3.9
<b>Net Interest Income</b>	<b>17,301,620</b>	<b>17,481,896</b>	<b>(180,276)</b>	<b>(1.0)</b>
Provision for loan losses	1,580,000	270,000	1,310,000	485.2
<b>Net In. Inc. After Prov. for Loan Losses</b>	<b>15,721,620</b>	<b>17,211,896</b>	<b>(1,490,276)</b>	<b>(8.7)</b>
<b>Non Interest Income</b>				
Service charges and fees	3,345,773	3,403,724	(57,951)	(1.7)
Mortgage loan and related fees	400,569	317,143	83,426	26.3
Other noninterest income	903,747	1,328,876	(425,129)	(32.0)
Total Non Interest Income	4,650,089	5,049,743	(399,654)	(7.9)
<b>Non Interest Expense</b>				
Salaries and employee benefits	9,160,162	9,227,487	(67,325)	(0.7)
Occupancy	2,562,107	2,588,597	(26,490)	(1.0)
Advertising and public relations	716,839	864,855	(148,016)	(20.6)
Data Processing	1,875,816	1,508,560	367,256	19.6
Other noninterest expense	2,352,704	2,646,313	(293,609)	(12.5)
Total Non Interest Expense	16,667,628	16,835,812	(168,184)	(1.0)
<b>Income Before Taxes</b>	<b>3,704,081</b>	<b>5,425,827</b>	<b>(1,721,746)</b>	<b>(31.7)</b>
Income taxes	497,372	941,928	(444,556)	(47.2)
<b>Net Income</b>	<b>\$ 3,206,709</b>	<b>\$ 4,483,899</b>	<b>\$ (1,277,190)</b>	<b>(28.5)</b>

Per common share data:

Earnings	\$	2.06	\$	2.88
Weighted average number of shares outstanding		1,560,000		1,559,156

## JD BANCSHARES, INC. AND SUBSIDIARIES

### Margin Analysis Compare

	Average Yield and Rate			Average Funds			Interest Income/Expense		
	QTD Actual	QTD Actual	Change	QTD Actual	QTD Actual	Change	QTD Actual	QTD Actual	Change
	Jun 2020	Mar 2020		Jun 2020	Mar 2020		Jun 2020	Mar 2020	
<b>Earning Assets</b>									
Loans with fees	5.27	5.6	-0.33	666,565,011	620,487,435	46,077,576	8,729,051	8,644,002	85,049
Mortgage loans held for sale	3.15	3.54	-0.39	904,186	715,730	188,456	7,115	6,338	777
Deposits with banks	0.66	1.38	-0.72	52,180,780	17,094,203	35,086,577	85,381	58,842	26,539
Investment securities - taxable	2.52	2.74	-0.22	64,300,443	66,439,061	-2,138,618	405,179	454,490	-49,311
Investment securities - tax-exempt	3.68	3.69	-0.01	97,531,827	98,970,950	-1,439,122	709,402	720,311	-10,909
<b>Total Earning Assets</b>	<b>4.62</b>	<b>5.04</b>	<b>-0.42</b>	<b>881,482,248</b>	<b>803,707,379</b>	<b>77,774,869</b>	<b>9,936,128</b>	<b>9,883,983</b>	<b>52,145</b>
<b>Interest bearing liabilities</b>									
Interest bearing demand	0.53	0.61	-0.08	164,364,465	149,952,342	14,412,123	216,511	227,580	-11,069
Savings and Money Market	0.25	0.36	-0.11	273,462,089	235,240,671	38,221,418	173,370	212,164	-38,794
Time deposits - Retail	1.55	1.65	-0.1	117,827,863	115,281,374	2,546,489	453,825	472,186	-18,361
Total interest bearing deposits	0.61	0.73	-0.12	555,654,417	500,474,387	55,180,030	843,706	911,930	-68,224
Federal home Loan Bank advances	1.42	2.31	-0.89	10,302,440	9,337,584	964,856	36,892	54,513	-17,621
Other borrowings	7.64	7.15	0.49	17,537,784	18,434,746	-896,962	338,534	332,916	5,618
Total borrowed funds	5.33	5.52	-0.19	27,840,223	27,772,329	67,894	375,426	387,429	-12,004
<b>Total interest-bearing liabilities</b>	<b>0.84</b>	<b>0.98</b>	<b>-0.15</b>	<b>583,494,640</b>	<b>528,246,717</b>	<b>55,247,924</b>	<b>1,219,132</b>	<b>1,299,359</b>	<b>-80,228</b>
<b>Net interest rate spread</b>	<b>3.78</b>	<b>4.05</b>	<b>-0.27</b>				<b>8,716,996</b>	<b>8,584,624</b>	<b>132,372</b>
Effect of non-interest bearing deposits	-0.3	-0.32	0.03	326,018,950	264,195,122	61,823,828			
Cost of funds	0.54	0.66	-0.12						
<b>Net interest margin</b>	<b>4.06</b>	<b>4.39</b>	<b>-0.33</b>						

## JD BANCSHARES, INC. AND SUBSIDIARIES

### Margin Analysis Compare

	Average Yield and Rate			Average Funds			Interest Income/Expense		
	QTD	QTD	Change	QTD	QTD	Change	QTD	QTD	Change
	Actual	Actual		Actual	Actual		Actual		
	Jun 2020	Jun 2019		Jun 2020	Jun 2019		Jun 2020	Jun 2019	
<b>Earning Assets</b>									
Loans with fees	5.27	5.55	-0.28	666,565,011	620,424,557	46,140,455	8,729,051	8,581,583	147,468
Mortgage loans held for sale	3.15	4.66	-1.51	904,186	447,240	456,947	7,115	5,210	1,904
Deposits with banks	0.66	3.03	-2.37	52,180,780	38,650,573	13,530,207	85,381	292,217	-206,836
Investment securities - taxable	2.52	2.73	-0.21	64,300,443	96,785,879	-32,485,435	405,179	661,649	-256,470
Investment securities - tax-exempt	3.68	4.47	-0.79	97,531,827	48,740,701	48,791,126	709,402	430,669	278,733
<b>Total Earning Assets</b>	<b>4.62</b>	<b>5.02</b>	<b>-0.41</b>	<b>881,482,248</b>	<b>805,048,949</b>	<b>76,433,299</b>	<b>9,936,128</b>	<b>9,971,329</b>	<b>-35,201</b>
<b>Interest bearing liabilities</b>									
Interest bearing demand	0.53	0.64	-0.11	164,364,465	147,827,608	16,536,857	216,511	237,602	-21,091
Savings and Money Market	0.25	0.33	-0.08	273,462,089	230,271,185	43,190,904	173,370	187,021	-13,651
Time deposits - Retail	1.55	1.29	0.26	117,827,863	112,778,237	5,049,626	453,825	362,073	91,752
Time Deposits - Wholesale	0	0	0	0	-298	298	0	0	0
Total interest bearing deposits	0.61	0.64	-0.03	555,654,417	490,876,732	64,777,685	843,706	786,695	57,011
Federal home Loan Bank advances	1.42	2.75	-1.33	10,302,440	17,339,864	-7,037,424	36,892	120,601	-83,709
Other borrowings	7.64	6.96	0.68	17,537,784	17,483,869	53,915	338,534	307,664	30,869
Total borrowed funds	5.33	4.87	0.46	27,840,223	34,823,732	-6,983,509	375,426	428,265	-52,839
<b>Total interest-bearing liabilities</b>	<b>0.84</b>	<b>0.92</b>	<b>-0.09</b>	<b>583,494,640</b>	<b>525,700,464</b>	<b>57,794,176</b>	<b>1,219,132</b>	<b>1,214,960</b>	<b>4,172</b>
<b>Net interest rate spread</b>	<b>3.78</b>	<b>4.1</b>	<b>-0.32</b>						
Effect of non-interest bearing deposits	-0.3	-0.31	0.02	326,018,950	268,070,870	57,948,080			
Cost of funds	0.54	0.61	-0.07						
<b>Net interest margin</b>	<b>4.06</b>	<b>4.42</b>	<b>-0.36</b>						

## JD BANCSHARES, INC. AND SUBSIDIARIES

### Margin Analysis Compare

	Average Yield and Rate			Average Funds			Interest Income/Expense		
	YTD	YTD	Change	YTD	YTD	Change	YTD	YTD	Change
	Actual	Actual		Actual	Actual		Actual	Actual	
	Jun 2020	Jun 2019		Jun 2020	Jun 2019		Jun 2020	Jun 2019	
<b>Earning Assets</b>									
Loans with fees	5.43	5.58	-0.15	643,526,223	621,861,693	21,664,531	17,373,053	17,202,109	170,944
Mortgage loans held for sale	3.32	4.45	-1.13	809,958	527,627	282,332	13,453	11,729	1,724
Deposits with banks	0.84	2.94	-2.1	34,637,491	30,729,825	3,907,667	144,223	447,857	-303,634
Investment securities - taxable	2.63	2.74	-0.11	65,369,752	98,983,385	-33,613,632	859,669	1,357,715	-498,046
Investment securities - tax-exempt	3.68	4.51	-0.83	98,251,389	49,787,173	48,464,215	1,429,714	886,050	543,663
<b>Total Earning Assets</b>	<b>4.82</b>	<b>5.06</b>	<b>-0.24</b>	<b>842,594,814</b>	<b>801,889,702</b>	<b>40,705,112</b>	<b>19,820,110</b>	<b>19,905,460</b>	<b>-85,349</b>
<b>Interest bearing liabilities</b>									
Interest bearing demand	0.57	0.63	-0.06	157,158,404	148,337,593	8,820,811	444,091	466,775	-22,684
Savings and Money Market	0.3	0.31	-0.01	254,351,380	225,215,666	29,135,714	385,534	346,422	39,112
Time deposits - Retail	1.6	1.19	0.41	116,554,618	113,898,677	2,655,941	926,011	674,159	251,853
Time Deposits - Wholesale	0	0	0	0	-150	150	0	0	0
Total interest bearing deposits	0.67	0.62	0.05	528,064,402	487,451,786	40,612,616	1,755,636	1,487,355	268,280
Federal home Loan Bank advances	1.84	2.7	-0.86	9,820,012	23,410,565	-13,590,553	91,405	317,336	-225,931
Other borrowings	7.39	6.95	0.44	17,986,265	17,712,119	274,146	671,449	618,872	52,577
Total borrowed funds	5.43	4.53	0.9	27,806,276	41,122,684	-13,316,407	762,855	936,208	-173,353
<b>Total interest-bearing liabilities</b>	<b>0.91</b>	<b>0.92</b>	<b>-0.01</b>	<b>555,870,678</b>	<b>528,574,470</b>	<b>27,296,209</b>	<b>2,518,491</b>	<b>2,423,564</b>	<b>94,927</b>
<b>Net interest rate spread</b>	<b>3.91</b>	<b>4.14</b>	<b>-0.23</b>				<b>17,301,620</b>	<b>17,481,896</b>	<b>-180,276</b>
Effect of non-interest bearing deposits	-0.32	-0.31	-0.01	295,107,036	262,836,364	32,270,672			
Cost of funds	0.59	0.61	-0.02						
<b>Net interest margin</b>	<b>4.22</b>	<b>4.45</b>	<b>-0.23</b>						

# JD BANCSHARES, INC. AND SUBSIDIARIES

## SUPPLEMENTAL FINANCIAL INFORMATION

### Financial Ratios

	For the Qtr Ended June 30, 2020	For the Qtr Ended March 31, 2020	For the Qtr Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
<b>Performance Ratios</b>					
Return on Average Assets	0.66%	0.70%	1.11%	0.68%	1.03%
Return on Average Equity	7.09%	6.81%	11.55%	6.97%	10.82%
Earnings per Share	\$ 1.06	\$ 1.00	\$ 1.57	\$ 2.06	\$ 2.88
Net Interest Margin	4.06%	4.39%	4.42%	4.22%	4.45%

	As of June 30, 2020	As of December 31, 2019
<b>Capital</b>		
Tier 1 Leverage Ratio	8.32%	9.51%
Common Equity Tier 1 Ratio	12.30%	13.04%
Tier 1 Risk-Based Capital Ratio	12.30%	13.04%
Total Risk-Based Capital Ratio	13.48%	14.07%
Tangible Equity / Total Assets	8.29%	9.46%
Tangible Book Value per Share	\$54.61	\$53.70

### Reconciliation of GAAP to Pre-tax, Pre-Provision Operating Income:

	For the Qtr Ended June 30, 2020	For the Qtr Ended March 31, 2020	For the Qtr Ended June 30, 2019	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
Net Income (GAAP)	\$ 1,648,996	\$ 1,557,713	\$ 2,442,925	\$ 3,206,709	\$ 4,483,899
Provision for Loan Losses	897,000	683,000	90,000	1,580,000	270,000
Loss on OREO	40,669	25,140	88,606	65,809	147,015
Less: Gain on Securities	-	-	(388,398)	-	(388,398)
Income Tax Expense	260,977	236,395	529,725	497,372	941,928
Pre-tax, Pre-Provision Operating Income	<u>\$ 2,847,642</u>	<u>\$ 2,502,248</u>	<u>\$ 2,762,858</u>	<u>\$ 5,349,890</u>	<u>\$ 5,454,444</u>