

PRESS RELEASE
July 26, 2021
JD Bancshares, Inc.

FOR IMMEDIATE RELEASE
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JD Bancshares, Inc. Reports Improved Financial Results for Q2 2021

Jennings, LA., July 26, 2021 (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, 2021.

Net income for the three-month period ended June 30, 2021 is \$2,593,570 or \$1.51 per common share compared to \$1,919,989 or \$1.12 per share for the linked quarter ended March 31, 2021 and \$1,648,997 or \$0.96 per share for the prior year quarter ended June 30, 2020. Net income for the current period increased by 35% and 57% over the linked and prior year periods, respectively. Pre-tax, pre-provision operating income for the quarter ended June 30, 2021 is \$3,222,715, reflecting a 13% increase over both the \$2,852,906 for the March 31, 2021 quarter and \$2,847,643 for the quarter ended June 30, 2020. Pre-tax, pre-provision operating income excludes taxes, provision for loan losses, losses on the sale of other real estate owned, net gains on the sale of investment securities and other non-recurring items. Earnings in the current period is positively impacted by increases in net interest income and non-interest income which more than offset higher non-interest expenses.

For the six-month period ended June 30, 2021, net income is up 41% to \$4,513,549 or \$2.63 per share compared to \$3,206,711 or \$1.87 per share for the prior year comparative period. Pre-tax, pre-provision operating earnings for the two comparative six-month periods was \$6,075,609 and \$5,349,892, respectively.

Bruce Elder, President and CEO, commented, “The Company experienced unprecedented growth over the last 15 months and it is difficult to determine whether that growth is temporary or more permanent. There remains significant amounts of government sponsored stimulus in the local southern Louisiana economy, coupled with supply chain issues and labor shortages that have resulted in hurricane related insurance proceeds to be held in deposit accounts rather than being spent on repairs. While we continue to monitor trends in asset levels, we are encouraged by Q2 earnings and know we must transition existing assets from cash and investments to loans in order to fully realize the earnings potential of our new size.”

Elder continued by commenting, “Demand for loans is improving as we saw net growth in non-PPP loans of \$25.0 million in Q2 compared to the contraction of non-PPP loans in the first quarter of \$9.5 million. Although we are focused on and committed to growing our loan portfolio in a safe and sound fashion, the continuing repayment of PPP loans is a headwind. We will look to add talented bankers who can help us achieve our loan growth objectives.”

Paycheck Protection Program Lending

The Company participated in the Paycheck Protection Program (PPP) designed to encourage businesses to keep people employed through the COVID-19 pandemic. We made PPP loans in both the initial 2020 roll-out and also the subsequent 2021 extension of the program. In total, we assisted 1,422 borrowers with PPP loans totaling \$110.4 million. As of June 30, 2021, we have \$47.7 million PPP loans outstanding and \$62.7 million have been repaid. Of the original \$74.0 million in 2020 vintage loans, \$61.4 million have been repaid and 23 loans totaling \$12.6 million remain outstanding. We anticipate a large percentage of these loans originated in 2020 will apply for forgiveness and be repaid during the third quarter of 2021. Of the original \$36.4 million PPP loans made in 2021, \$35.1 million remain outstanding.

The Company received origination fees from the Small Business Administration (SBA) for participating in the program. We recognize a portion of the origination fee as interest income, in an amount estimated to be our

internal cost of origination, in the period in which the loan is made and amortize the remainder over the contractual life of the loan. If the loan is forgiven or repaid early, the remaining unamortized portion is recognized as interest income in the month of repayment. Amounts recognized as interest income include \$572,000, \$814,000 and \$633,000 for the quarters ended June 30, 2021, March 31, 2021 and June 30, 2020, respectively. Origination fees recognized for the two six-month periods ended June 30, 2021 and 2020 were \$1,368,000 and \$633,000, respectively. As of June 30, 2021, we had approximately \$1.9 million in deferred PPP origination fees to be recognized in future periods.

Asset Quality

Loans past due 30 to 89 days are \$803,000 representing 0.13% of the total loan portfolio at June 30, 2021 compared to \$1.3 million or 0.28% at December 31, 2020. Although management is encouraged by the current level of past due loans, there continues to be significant liquidity in the economy that could cause current past due loans to be at lesser levels than might otherwise be experienced in a more normal environment. Management will continue to closely monitor the past due levels as the effects of the various stimulus programs begin to ease.

Total nonperforming assets, including loans on non-accrual status, other real estate owned (OREO) and repossessed assets decreased to \$6.1 million at June 30, 2021 from \$9.1 million at December 31, 2020. Loans on non-accrual status declined to \$5.6 million from \$8.8 million at year end 2020. OREO increased to \$353,000 from \$291,000 and repossessed assets increased to \$142,000 from \$33,000 during the first six months of 2021. 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 \$165,000 in provisions for credit losses in both the current and linked quarters of 2021 compared to \$897,000 in the quarter ended June 30, 2020. The allowance for loan losses (ALLL) is \$8.4 million at June 30, 2021 or 1.33% of total loans compared to \$8.6 million at December 31, 2020 or 1.36% of total loans. PPP loans carry a 100% SBA guarantee and when these loans are excluded from the calculation, the allowance as a percentage of total loans at June 30, 2021 and December 31, 2020 are 1.44% and 1.51%, respectively. Net charge offs are \$511,000 for the first six months of 2021 compared to \$51,000 for the comparative 2020 period. While we believe the current level of our ALLL is adequate, 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

For the quarter ended June 30, 2021, net interest income is \$8.9 million, reflecting a \$485,000 increase over the \$8.4 million for the linked March quarter and a \$179,000 increase over the \$8.7 million reported for the prior year period. The net interest margin for the three-month period ended June 30, 2021 is 2.85% compared to 4.05% for the comparative prior year period ended June 30, 2020. Although net interest income has increased over the comparative period, net interest margin continued to contract due to the high level of liquidity invested in low yielding assets. Average earning assets for the current quarter are \$399.4 million greater than that of the quarter ended June 30, 2020, but the yield on those assets has dropped by 140 basis points from 4.60% to 3.20%. The cost of funds for the current quarter is 0.36% compared to 0.54% for the prior year period. The net interest margin for the linked three-month period ended March 31, 2021 was 2.87%.

The sharp increase in average assets has been driven by the surge in deposits caused by the previously mentioned PPP program, stimulus dollars being injected by the U.S. Government and insurance proceeds received by customers waiting for resolutions to supply chain and labor shortages in order to repair hurricane damage. Although new non-PPP loan demand has improved over the last three months, the percentage of loans held for investment to total earning assets has declined to 49% in the current quarter compared to 76% in the quarter ended June 30, 2020. The significant increase in assets invested in interest bearing accounts with other banks and investment securities, the yields of which remain depressed in the post-pandemic economy, has

caused a sharp decline in net interest margin while still providing an incremental improvement in net interest income.

Net interest income is \$17.3 million for both six-month periods ended June 30, 2021 and 2020. Net interest margin for the current six-month period is 2.85% compared to 4.20% for the comparative 2020 period. The total yield on earning assets declined from 4.79% to 3.23% due to the high volume of earning assets invested in low yielding assets. The cost of funds declined by 21 basis points from 0.59% to 0.38%.

Non-Interest Income

Total non-interest income is \$3.2 million for the current quarter compared to \$2.7 million for the linked March quarter and \$2.3 million for the prior year quarter. Service charges and fees associated with deposit accounts accounted for the largest increases growing by \$227,000 and \$589,000 over the linked and prior year quarters, respectively. Interchange revenue from debit card usage and ATM surcharge fees increased to \$1.4 million compared to \$1.2 million for the quarter ended March 31, 2021 and \$893,000 for the prior year quarter. The increase reflects the impact of the economic re-opening and the volume of new customer acquisition over the past 12 months. Another revenue source showing some positive signs of pandemic recovery is NSF fees. NSF fees are \$523,000 for the quarter ended June 30, 2021 compared to \$474,000 for the linked quarter and \$442,000 for the prior year quarter.

Revenue from the sale of mortgage loans in the current period is \$498,000, representing a \$161,000 increase over the \$337,000 recognized for the second quarter of 2021 and a \$232,000 increase over the \$266,000 recorded in the prior year quarter. Mortgage rates continue to be at levels making both refinancing and new purchase money transactions very attractive. Other non-interest income is \$494,000 for the current quarter compared to \$378,000 for the linked quarter and \$484,000 for the prior year quarter. Both the current and linked quarters included net gains on the sale of investment securities of \$5,000 and \$2,000, respectively.

Non-interest income for the six-month period ended June 30, 2021 is \$5.9 million, increasing by \$1.2 million or 26% from the \$4.7 million reported for the first half of 2020. Due to a surge in interchange revenue and surcharge fees, service charges and fees associated with deposit accounts is up \$804,000 to \$4.1 million and revenue from the sale of mortgage loans is up \$434,000 to \$835,000 for the current six-month period. Other non-interest income declined by \$34,000 to \$872,000. Net gains on the sale of investment securities is \$7,000 for the current period with no sales occurring in the prior year period.

Non-Interest Expense

Total non-interest expense is \$8.8 million for the quarter ended June 30, 2021 compared to \$8.6 million and \$8.3 million for the March 2021 and June 2020 quarters, respectively. Salary and employee benefits expense for the current quarter is \$4.5 million, \$4.3 million for the linked quarter and \$4.5 million for the prior year quarter. Items contributing to the current quarter increase include annual merit increases which take effect on April 1 of each year, the opening of a new branch in Lafayette, Louisiana and the larger commissions paid due to the higher volume of mortgage loans originated. We continue to explore hiring additional commercial lending personnel and therefore anticipate salaries and employee benefits expense to increase in future periods.

Occupancy expense is relatively stable at \$1.3 million in each of the three comparative quarters. Data processing expense is \$1.1 million, up \$157,000 over the \$978,000 recorded in the linked quarter and up \$218,000 over the \$918,000 for the quarter ended June 30, 2020. The increases relate to the volume of accounts being processed, technology expenses related to the Bank's PPP program and the implementation of additional products. Marketing, business development and public relations expenses are \$376,000 reflecting a slight increase over the \$352,000 and \$349,000 for the linked and prior year periods, respectively. Other non-interest expenses are \$1.4 million for the current quarter, \$1.7 million for the linked quarter and \$1.2 million for the prior year quarter. The three-month period ended March 31, 2021 included \$408,000 of losses on OREO. The primary reason for the increase in recurring, operating expenses is FDIC insurance assessments which increased by \$131,000 compared to the linked quarter and \$166,000 compared to the prior year quarter. The largest

components of non-interest expenses are comprised of professional fees, FDIC insurance assessments, telecommunication expenses, accruals for ad valorem taxes and other losses.

Non-interest expenses for the six-month period ended June 30, 2021 are \$17.5 million, up \$820,000 or 5% from \$16.7 million for the prior year. Increases in losses on OREO, data processing, FDIC insurance premiums and debit card fraud are partially offset by a decrease in salaries and employee benefits expense.

Income tax expense is \$470,000 for the current quarter compared to \$362,000 for the March 2021 quarter and \$261,000 for the June 2020 quarter. The increase is primarily due to growth in pre-tax income. The effective tax rate is 15.34% in the current quarter compared to 15.85% for the linked quarter and 13.66% in the prior year quarter. A smaller percentage of total pre-tax income in the current quarter is from tax-exempt sources than a year ago. Year-to-date, income tax expense was \$832,000 with an effective rate of 15.56% compared to \$497,000 and 13.43% for the prior year six-month period.

Balance Sheet

Total assets are \$1.4 billion at June 30, 2021, reflecting a \$75.9 million or 6% increase over the \$1.3 billion at December 31, 2020. Loans held for investment constitutes the largest asset category at \$632.7 million, reflecting a \$2.5 million increase over the \$630.2 million reported at year-end 2020. The \$2.5 million increase is comprised of a net increase of \$15.5 million in non-PPP loans and a net decline in PPP loans of \$13.0 million. Investment securities grew by \$149.4 million or 44% to \$489.9 million at June 30, 2021. Cash and interest bearing deposits with banks declined by \$79.6 million as a portion of these low yielding funds were deployed into slightly higher yielding investments.

Total deposits increased by \$73.6 million or 6% to \$1.2 billion at June 30, 2021. Savings, money market and non-interest bearing demand increased by \$47.0 million, \$32.9 million and \$10.2 million, respectively, and interest-bearing demand and time deposits declined by \$12.4 million and \$4.1 million, respectively. The total of all other liabilities increased by \$1.1 million to \$26.6 million from \$25.5 million at December 31, 2020.

Stockholders' equity increased by \$1.1 million to \$99.8 million at June 30, 2021 from \$98.7 million at December 31, 2020. Net income of \$4.5 million was partially offset by a \$1.9 million decline in other comprehensive income and dividends paid of \$1.5 million. The Company paid a 10% stock dividend in January 2021 resulting in 1,715,030 common shares outstanding at June 30, 2021 compared to 1,558,757 common shares outstanding at December 31, 2020. Tangible book value per common share increased to \$55.76 at June 30, 2021 compared to \$55.12 at December 31, 2020.

Key Performance Ratios

Return on average assets (ROA) is 0.76% for the current quarter compared to 0.60% for the linked quarter and 0.66% for the prior year quarter. ROA for both the current and prior year six-month periods ended June 30, 2021 and 2020 is 0.68%. Return on average equity (ROE) is 11.11% for the current three-month period, 7.97% for the linked period and 7.12% for the prior year period. ROE for the six-month period ended June 30, 2021 is 9.51% compared to 6.98% for the prior year period. ROA and ROE for the three-month period ended March 31, 2021 and the six-month period ended June 30, 2021 were adversely impacted by the loss on OREO. Both performance metrics for the three and six-month periods ended June 30, 2020 were impacted by significant loan loss provisions due to the pandemic.

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 23 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.

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.otcmarkets.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 2021	Actual Dec 2020	\$ Variance	% Variance
Assets				
Cash and due from banks	30,978,105	23,526,805	7,451,300	31.7
Interest bearing deposits with banks	154,594,600	241,606,805	(87,012,205)	(36.0)
Investment Securities - Taxable	363,733,317	218,990,753	144,742,564	66.1
Investment Securities - Tax-exempt	126,132,837	121,492,318	4,640,519	3.8
Mortgage loans held for sale	2,651,195	918,649	1,732,546	188.6
Loans, net of unearned income	632,675,028	630,199,440	2,475,588	0.4
Less: Allowance for loan losses	(8,403,621)	(8,583,238)	179,617	(2.1)
Premises and equipment, net	23,043,549	23,130,055	(86,506)	(0.4)
Accrued interest receivable	4,692,660	4,837,067	(144,407)	(3.0)
Other real estate	352,946	290,700	62,246	21.4
Other assets	33,167,642	31,351,043	1,816,599	5.8
Total Assets	1,363,618,258	1,287,760,397	75,857,861	5.9
Liabilities				
Non-Interest Bearing Deposits	458,435,626	448,228,877	10,206,749	2.3
Interest bearing demand deposits	231,942,734	244,337,657	(12,394,923)	(5.1)
Savings and Money Market Deposits	425,186,064	345,297,866	79,888,198	23.1
Time Deposits - Retail	121,601,427	125,681,460	(4,080,033)	(3.2)
Total Deposits	1,237,165,851	1,163,545,860	73,619,991	6.3
Accrued expenses and other liabilities	6,277,971	4,962,954	1,315,017	26.5
FHLB Advances	2,637,170	2,763,431	(126,261)	(4.6)
Other Borrowings	17,729,197	17,768,330	(39,133)	(0.2)
Total Liabilities	1,263,810,189	1,189,040,575	74,769,614	6.3
Equity				
Common stock	10,715,812	9,742,231	973,581	10.0
Capital surplus	10,525,694	3,790,069	6,735,625	177.7
Retained earnings	69,498,422	71,579,869	(2,081,447)	(2.9)
Accumulated other comprehensive income (loss)	4,699,140	6,606,445	(1,907,305)	(28.9)
Less: Notes Receivable common stock	(144,547)	(202,500)	57,953	(28.6)
Net Income	4,513,548	7,203,708	(2,690,160)	(37.3)
Total Equity	99,808,069	98,719,822	1,088,247	1.1
Total Liabilities & Equity	1,363,618,258	1,287,760,397	75,857,861	5.9

JD BANCSHARES, INC. AND SUBSIDIARIES
JENNINGS, LOUISIANA

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	QTD Actual Jun 2021	QTD Actual Mar 2021	\$ Variance	% Variance	QTD Actual Jun 2020	\$ Variance	% Variance
Interest Income							
Interest on Loans	8,119,069	8,068,107	50,962	0.6	8,729,091	(610,022)	(7.0)
Mortgage Loans Held For Sale	11,093	8,580	2,514	29.3	7,115	3,978	55.9
Interest on deposits with banks	42,119	58,765	(16,646)	(28.3)	85,381	(43,262)	(50.7)
Investment Securities - Taxable	1,060,427	664,049	396,378	59.7	405,179	655,249	161.7
Investment Securities - Tax-exempt	806,077	800,813	5,263	0.7	709,402	96,674	13.6
Total Interest Income	10,038,785	9,600,314	438,471	4.6	9,936,168	102,617	1.0
Interest Expense							
Interest bearing demand deposits	231,346	244,836	(13,490)	(5.5)	216,511	14,835	6.9
Savings and Money Market Deposits	215,488	211,300	4,188	2.0	173,370	42,118	24.3
Time Deposits - Retail	326,831	364,277	(37,445)	(10.3)	453,825	(126,994)	(28.0)
Total Interest Expense on Deposits	773,665	820,413	(46,747)	(5.7)	843,706	(70,041)	(8.3)
FHLB Advances	30,435	30,256	178	0.6	36,892	(6,457)	(17.5)
Interest on other borrowings	338,533	338,792	(259)	(0.1)	338,534	-	-
Total Interest Expense	1,142,633	1,189,461	(46,828)	(3.9)	1,219,132	(76,498)	(6.3)
Net Interest Income	8,896,152	8,410,853	485,299	5.8	8,717,036	179,115	2.1
Provision for loan losses	165,000	165,000	-	-	897,000	(732,000)	(81.6)
Net In. Inc. After Prov. for Loan Losses	8,731,152	8,245,853	485,299	5.9	7,820,036	911,115	11.7
Non Interest Income							
Service charges and fees	2,188,293	1,961,005	227,289	11.6	1,599,294	589,000	36.8
Mortgage loan and related fees	497,890	336,766	161,124	47.8	266,170	231,720	87.1
Other noninterest income	494,005	377,681	116,323	30.8	483,694	10,311	2.1
Total Non Interest Income	3,180,188	2,675,452	504,736	18.9	2,349,158	831,031	35.4
Non Interest Expense							
Salaries and employee benefits	4,546,180	4,337,839	208,340	4.8	4,537,459	8,721	0.2
Occupancy	1,342,845	1,307,920	34,925	2.7	1,267,802	75,043	5.9
Advertising and public relations	376,300	351,774	24,526	7.0	348,689	27,611	7.9
Data Processing	1,135,337	977,918	157,419	16.1	917,778	217,559	23.7
Other noninterest expense	1,447,001	1,664,135	(217,134)	(13.0)	1,187,492	259,509	21.9
Total Non Interest Expense	8,847,663	8,639,586	208,076	2.4	8,259,220	588,443	7.1
Income Before Taxes	3,063,677	2,281,719	781,959	34.3	1,909,974	1,153,703	60.4
Income taxes	470,107	361,730	108,377	30.0	260,977	209,130	80.1
Net Income	2,593,570	1,919,989	673,582	35.1	1,648,997	944,573	57.3

Per common share data:**

Earnings	\$ 1.51	\$ 1.12	\$ 0.96
Weighted average number of shares outstanding	1,714,695	1,714,530	1,716,000

** Prior period shares outstanding adjusted for 10% stock dividend

JD BANCSHARES, INC. AND SUBSIDIARIES
JENNINGS, LOUISIANA

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	YTD Actual Jun 2021	YTD Actual Jun 2020	\$ Variance	% Variance
Interest Income				
Interest on Loans	16,187,176	17,371,313	(1,184,137)	(6.8)
Mortgage Loans Held For Sale	19,673	13,453	6,220	46.2
Interest on deposits with banks	100,884	144,223	(43,339)	(30.0)
Investment Securities - Taxable	1,724,477	859,669	864,808	100.6
Investment Securities - Tax-exempt	1,606,890	1,429,714	177,176	12.4
Total Interest Income	19,639,100	19,818,372	(179,272)	(0.9)
Interest Expense				
Interest bearing demand deposits	476,182	444,091	32,092	7.2
Savings and Money Market Deposits	426,788	385,534	41,254	10.7
Time Deposits - Retail	691,108	926,011	(234,904)	(25.4)
Total Interest Expense on Deposits	1,594,078	1,755,636	(161,558)	(9.2)
FHLB Advances	60,691	91,405	(30,715)	(33.6)
Interest on other borrowings	677,326	671,449	5,876	0.9
Total Interest Expense	2,332,095	2,518,490	(186,397)	(7.4)
Net Interest Income	17,307,005	17,299,882	7,125	-
Provision for loan losses	330,000	1,580,000	(1,250,000)	(79.1)
Net In. Inc. After Prov. for Loan Losses	16,977,005	15,719,882	1,257,125	8.0
Non Interest Income				
Service charges and fees	4,149,298	3,345,773	803,525	24.0
Mortgage loan and related fees	834,656	400,569	434,086	108.4
Other noninterest income	871,675	905,487	(33,812)	(3.7)
Total Non Interest Income	5,855,629	4,651,829	1,203,799	25.9
Non Interest Expense				
Salaries and employee benefits	8,884,019	9,160,162	(276,143)	(3.0)
Occupancy	2,650,765	2,562,107	88,658	3.5
Advertising and public relations	728,075	716,839	11,236	1.6
Data Processing	2,113,255	1,875,816	237,439	12.7
Other noninterest expense	3,111,135	2,352,704	758,431	32.2
Total Non Interest Expense	17,487,249	16,667,628	819,621	4.9
Income Before Taxes	5,345,385	3,704,083	1,641,303	44.3
Income taxes	831,836	497,372	334,464	67.2
Net Income	4,513,549	3,206,711	1,306,839	40.8

Per common share data:**

Earnings	\$	2.63	\$	1.87
Weighted average number of shares outstanding		1,714,613		1,716,000

** Prior period shares outstanding adjusted for 10% stock dividend

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	Actual	
	Jun 2021	Jun 2020		Jun 2021	Jun 2020		Jun 2021	Jun 2020	
Earning Assets									
Loans	5.16	5.25	(0.09)	631,722,987	668,932,880	(37,209,893)	8,119,069	8,729,091	(610,022)
Mortgage loans held for sale	2.73	2.78	(0.05)	1,626,938	1,024,414	602,523	11,093	7,115	3,978
Deposits with banks	0.09	0.72	(0.63)	192,397,277	47,708,728	144,688,549	42,119	85,381	(43,262)
Investment securities - taxable	1.27	2.34	(1.07)	333,067,386	69,226,938	263,840,448	1,060,427	405,179	655,249
Investment securities - tax-exempt	3.27	3.69	(0.42)	124,923,272	97,464,172	27,459,100	806,077	709,402	96,674
Total Earning Assets	3.20	4.60	(1.40)	1,283,737,859	884,357,132	399,380,727	10,038,785	9,936,168	102,618
Interest bearing liabilities									
Interest bearing demand	0.39	0.52	(0.13)	239,369,603	165,954,419	73,415,184	231,346	216,511	14,835
Savings and Money Market	0.21	0.26	(0.05)	410,979,581	271,545,940	139,433,641	215,488	173,370	42,118
Time deposits - Retail	1.05	1.55	(0.50)	125,124,844	117,666,743	7,458,100	326,831	453,825	(126,994)
Total interest bearing deposits	0.40	0.61	(0.21)	775,474,029	555,167,102	220,306,926	773,666	843,706	(70,040)
Federal home Loan Bank advances	4.51	1.47	3.04	2,669,211	9,919,082	(7,249,871)	30,435	36,892	(6,457)
Other borrowings	7.56	7.64	(0.08)	17,708,780	17,540,168	168,611	338,533	338,534	-
Total borrowed funds	7.16	5.41	1.75	20,377,991	27,459,250	(7,081,260)	368,968	375,426	(6,458)
Total interest-bearing liabilities	0.57	0.84	(0.26)	795,852,019	582,626,353	213,225,666	1,142,633	1,219,132	(76,498)
Net interest rate spread	2.63	3.76	(1.14)				8,896,152	8,717,036	179,116
Effect of non-interest bearing deposits	(0.21)	(0.30)	0.08	467,574,966	324,018,573	143,556,393			
Cost of funds	0.36	0.54	(0.18)						
Net interest margin	2.85	4.05	(1.20)						

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 2021	Jun 2020		Jun 2021	Jun 2020		Jun 2021	Jun 2020	
Earning Assets									
Loans	5.20	5.42	(0.22)	628,002,974	644,707,508	(16,704,534)	16,187,176	17,371,313	(1,184,137)
Mortgage loans held for sale	2.72	2.78	(0.06)	1,444,717	969,187	475,530	19,673	13,453	6,220
Deposits with banks	0.09	0.83	(0.74)	217,030,849	35,042,840	181,988,008	100,884	144,223	(43,339)
Investment securities - taxable	1.23	2.54	(1.31)	281,160,093	67,794,672	213,365,421	1,724,477	859,669	864,808
Investment securities - tax-exempt	3.29	3.68	(0.39)	123,767,400	98,303,421	25,463,979	1,606,890	1,429,714	177,176
Total Earning Assets	3.23	4.79	(1.56)	1,251,406,033	846,817,628	404,588,404	19,639,100	19,818,370	(179,271)
Interest bearing liabilities									
Interest bearing demand	0.41	0.56	(0.15)	237,039,809	160,394,799	76,645,011	476,183	444,091	32,092
Savings and Money Market	0.22	0.31	(0.09)	393,655,146	253,349,336	140,305,810	426,788	385,534	41,254
Time deposits - Retail	1.10	1.60	(0.50)	126,222,916	116,376,867	9,846,050	691,108	926,011	(234,904)
Total interest bearing deposits	0.42	0.67	(0.25)	756,917,872	530,121,002	226,796,870	1,594,078	1,755,636	(161,558)
Federal home Loan Bank advances	4.47	1.75	2.72	2,702,287	10,320,483	(7,618,196)	60,691	91,405	(30,715)
Other borrowings	7.58	7.39	0.19	17,767,749	17,985,809	(218,059)	677,325	671,449	5,876
Total borrowed funds	7.17	5.33	1.84	20,470,036	28,306,291	(7,836,255)	738,016	762,855	(24,839)
Total interest-bearing liabilities	0.60	0.90	(0.30)	777,387,908	558,427,293	218,960,615	2,332,094	2,518,491	(186,396)
Net interest rate spread	2.63	3.89	(1.26)				17,307,005	17,299,880	7,126
Effect of non-interest bearing deposits	(0.22)	(0.31)	0.09	457,268,935	293,705,413	163,563,523			
Cost of funds	0.38	0.59	(0.21)						
Net interest margin	2.85	4.20	(1.35)						

JD BANCSHARES, INC. AND SUBSIDIARIES

SUPPLEMENTAL FINANCIAL INFORMATION

Financial Ratios

	For the Qtr Ended June 30, 2021	For the Qtr Ended March 31, 2021	For the Qtr Ended June 30, 2020	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Performance Ratios					
Return on Average Assets (ROA)	0.76%	0.60%	0.66%	0.68%	0.68%
ROA based on Pre-tax, pre-provision operating income	0.95%	0.88%	1.14%	0.92%	1.13%
Return on Average Equity (ROE)	11.11%	7.97%	7.12%	9.51%	6.98%
ROE based on Pre-tax, pre-provision operating income	13.80%	11.84%	12.29%	12.80%	11.64%
Earnings per Share***	\$ 1.51	\$ 1.12	\$ 0.96	\$ 2.63	\$ 1.87
Net Interest Margin	2.85%	2.86%	4.05%	2.85%	4.20%
Efficiency Ratio **	72.03%	72.86%	73.02%	72.43%	74.34%
Non-Interest Income as a % of Avg. Assets**	0.94%	0.83%	0.94%	0.88%	0.99%
Non-Interest Expense as a % of Avg. Assets**	2.61%	2.55%	3.28%	2.58%	3.53%

	As of June 30, 2021	As of December 31, 2020
Capital		
Tier 1 Leverage Ratio	6.71%(est.)	7.44%
Common Equity Tier 1 Ratio	12.41%(est.)	13.12%
Tier 1 Risk-Based Capital Ratio	12.41%(est.)	13.12%
Total Risk-Based Capital Ratio	13.55%(est.)	14.37%
Tangible Equity / Total Assets	7.01%	7.34%
Tangible Book Value per Share***	\$55.76	\$55.12

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

	For the Qtr Ended June 30, 2021	For the Qtr Ended March 31, 2021	For the Qtr Ended June 30, 2020	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Net Income (GAAP)	\$ 2,593,570	\$ 1,919,989	\$ 1,648,997	\$ 4,513,549	\$ 3,206,711
Provision for Loan Lossess	165,000	165,000	897,000	330,000	1,580,000
Net (Gain) Loss on OREO	(1,454)	408,360	40,669	406,906	65,809
Less: Net Gain on Securities	(4,508)	(2,173)	-	(6,682)	-
Income Tax Expense	470,107	361,730	260,977	831,836	497,372
Pre-tax, Pre-Provision Operating Income	\$ 3,222,715	\$ 2,852,906	\$ 2,847,643	\$ 6,075,609	\$ 5,349,892

** Non-recurring items are eliminated for this ratio

*** Prior period shares outstanding adjusted for 10% stock dividend