

PRESS RELEASE
October 21, 2021
JD Bancshares, Inc.

FOR IMMEDIATE RELEASE
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JD Bancshares, Inc. Reports Strong Q3 2021 Financial Results

Jennings, LA., October 21, 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 nine-month periods ended September 30, 2021.

Net income is \$3,539,845 or \$1.03 per common share for the three-month period ended September 30, 2021 reflecting a 36.5% increase compared to \$2,593,570 or \$0.76 per share for the linked quarter ended June 30, 2021 and a 109.0% increase over the \$1,693,921 or \$0.49 per share for the prior year quarter ended September 30, 2020. Pre-tax, pre-provision operating income for the current quarter is \$4,075,010 compared to \$3,222,715 for the linked quarter and \$2,637,056 for the comparative prior year quarter. Pre-tax, pre-provision operating income excludes taxes, provision for loan losses, gains or losses on the sale of other real estate owned, gains on the sale of investment securities and other non-operating revenues and expenses. The increase in current quarter pre-tax, pre-provision operating income is primarily due to an increase in interest income on loans as we recognized more origination fee income derived from the Small Business Administration (SBA) Paychecks Protection Program (PPP) and were able to redeploy funds received from PPP forgiveness into loans earning a current market rate of interest. Additionally, we enjoyed higher levels of non-interest income and continued to demonstrate non-interest expense control.

For the nine-month period ended September 30, 2021, net income was \$8,059,912 or \$2.35 per share compared to \$4,900,630 or \$1.43 per share for the prior year comparative period. Pre-tax, pre-provision operating earnings for the two comparative nine-month periods is \$10,157,137 and \$7,986,946, respectively.

Bruce W. Elder, President & CEO commented, “Like many other community banks, our deposits have been elevated over the past 18 months causing a high level of balance sheet liquidity. While our ultimate strategy is to reposition our balance sheet away from excess cash and investment securities into the loan portfolio, we also are experiencing the repayment of PPP loans. The fact that we have seen a \$67.5 million reduction in PPP loans due to forgiveness and are able to still show a slight increase in total loans over the past nine months, speaks to our commitment to the strategy. Higher net interest income, improving non-interest income and paying close attention to overhead expenses has resulted in strong quarterly results for a Company with a loan-to-deposit ratio of 52%. While there remains significant work to be done to achieve our goal of transitioning assets, we are demonstrating that we are up to the challenge.”

Paycheck Protection Program Lending

The Company made 1,422 PPP loans totaling \$110.4 million. As of September 30, 2021, \$34.7 million remain outstanding and \$75.7 million has been repaid through SBA forgiveness and customer payments. Total outstanding PPP loans decreased by \$13.0 million during the third quarter from \$47.7 million outstanding at June 30, 2021. Of the original \$74.0 million in 2020 vintage loans, \$64.0 million have been repaid and 6 loans totaling \$10.0 million remain outstanding. We anticipate a large percentage of these loans will be repaid during the fourth quarter of 2021. Of the original \$36.4 million of PPP loans made in 2021, \$11.7 million have been repaid and 382 loans totaling \$24.7 million remain outstanding. The 2021 vintage borrowers have until the middle of 2022 to apply for forgiveness and therefore some portion of these loans may remain outstanding well into 2022.

The Company received origination fees from the SBA for participating in the program. At origination, we recognized as interest income that portion of the fee estimated to be our internal cost of origination. The

remainder is amortized 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 for the quarters ended September 30, 2021, June 30, 2021 and September 30, 2020 are \$799,000, \$572,000 and \$254,000, respectively. Origination fees recognized for the two nine-month periods ended September 30, 2021 and 2020 are \$2,185,000 and \$887,000, respectively. As of September 30, 2021, we had approximately \$1.1 million in deferred PPP origination fees to be recognized in future periods.

Asset Quality

Loans past due 30 to 89 days as of September 30, 2021 total \$1.1 million or 0.18% of total gross loans compared to \$1.3 million or 0.28% at December 31, 2021. While past due loans remain at a manageable level at September 30, 2021, the stimulus money injected into the US economy over the past 18 months has largely subsided and management is paying close attention to determine whether any trends might develop in the near term. The Company has minimal loan exposure in those areas recently impacted by Hurricane Ida. We have granted payment extensions to three borrowers with residential investment property in affected areas, not because of property damage, but because the tenants in those properties may have experienced a period of lost income. No losses are anticipated.

Total nonperforming assets, including loans on non-accrual status, other real estate owned (OREO) and repossessed assets are \$5.5 million at September 30, 2021 compared to \$9.1 million at December 31, 2020. A comparison of non-performing assets at the current and prior year-end periods show loans on non-accrual status is currently \$5.2 million compared to \$8.8 million, OREO is \$255,000 compared to \$291,000 and repossessed assets are \$23,000 compared to \$33,000. 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 no provision for credit losses in the current quarter compared to \$165,000 for the linked quarter and \$958,000 for the prior year quarter ended September 30, 2020. The allowance for loan losses (ALLL) is \$8.4 million at September 30, 2021 or 1.33% of total loans compared to \$8.6 million at December 31, 2020 or 1.36% of total loans. Net charge-offs are \$538,000 for 2021 year-to-date compared to \$78,000 for the prior year comparative period. The increase in net charge-offs over the comparative year-to-date period is primarily due to a short sale of a financed commercial property occurring during the second quarter of 2021. 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

Net interest income for the current quarter is \$9.4 million, reflecting an increase of \$549,000 compared to the \$8.9 million for the linked quarter and an increase of \$1.1 million over the \$8.3 million reported for the prior year quarter ended September 30, 2020. The net interest margin for the September 2021 quarter was 3.02% and improved by 17 basis points from 2.85% for the linked quarter and declined by 59 basis points compared to 3.61% for the prior year period. The yield on earning assets for the current quarter was 3.36% compared to 3.20% and 4.11% for the two comparative periods, respectively. The cost of funds has declined to 0.35% for current period compared to 0.36% for Q2 2021 and 0.50% from the prior year quarter.

Net margin has been significantly impacted by the lower interest rate environment that has been prevalent since March 2020, the volume of PPP loans priced at 1% and a surge in deposit levels causing high levels of liquidity. As previously discussed, the Company originated approximately \$110.4 million in PPP loans of which \$34.7 million remain outstanding at September 30, 2021. The origination of these loans was important for the well-being of small businesses in our communities, but had an adverse impact on net interest margin. The yield on all loans is 5.39% for the current quarter, which is up from 5.16% for the linked quarter. The increase can be attributed to an increase in the origination fees recognized during the current quarter and the replacement of those 1% PPP loans that were forgiven by core loans priced at current market rates. The loan to deposit ratio at September 30, 2021 is 51.70% compared to 68.99% at September 30, 2020.

For the nine-month period ended September 30, 2021, net interest income is \$26.8 million or \$1.2 million higher than the \$25.6 million for the comparative period ended September 30, 2020. Net interest margin declined during the current nine-month period to 2.91% from 3.99% for the prior year comparative period. The decline in the margin for the nine-month period was due to the large amount of earning assets deployed in interest-bearing cash and investment securities. The yield on loans was relatively stable across the nine-month periods at 5.26% and 5.25%, respectively.

Non-Interest Income

Total non-interest income is \$3.8 million for the three-month period ended September 30, 2021 compared to \$3.2 million for the linked quarter and \$2.9 million for the prior year quarter. Service charges and fees associated with deposit accounts are \$2.3 million up from \$2.2 million at June 30, 2021 and \$1.7 million at September 30, 2020. The largest component of service charges and fees is interchange income on debit card transactions. Interchange revenue is \$1.2 million, \$1.3 million and \$777,000 for the current, linked and prior year quarters, respectively. Revenue from NSF fees continues to rebound as government stimulus ends and is \$665,000 in the current quarter compared to \$523,000 in the linked quarter and \$585,000 in the prior year quarter.

Gains on sale of originated mortgage loans continues to be a great revenue source for the Company and are \$430,000 for the quarter ended September 30, 2021 compared to \$498,000 and \$280,000 for the linked and prior year quarters, respectively. The origination of mortgage loans during the quarter ended September 30, 2020 were adversely impacted by Hurricane Laura which made landfall in southwest Louisiana on August 27, 2020. While we anticipate housing transactions to continue to be robust, particularly in areas of our footprint impacted by the 2020 storms, we also believe that rising interest rates in the foreseeable future could reduce the volume of mortgage originations. Other non-interest income is \$1.1 million for the current quarter compared to \$494,000 for the quarter ended June 30, 2021 and \$845,000 for the prior year quarter. The current quarter included a gain on a real estate swap of \$364,000 and the linked and prior year quarter included gains on the sale of securities of \$5,000 and \$252,000, respectively.

Non-interest income for the nine-month period ended September 30, 2021 was \$9.7 million, a \$2.2 million or 28.7% increase over the \$7.5 million reported for the comparative 2020 period. Both periods included non-recurring gains on the sale of investment securities of \$7,000 for the current period and \$252,000 for the prior year period. In addition, the current period includes the aforementioned gain on a real estate swap. The increase in recurring, operating income was primarily due to a \$1.4 million increase in interchange revenue on debit card transactions and a \$584,000 increase in gains on the sale of originated mortgage loans.

Non-Interest Expense

Total non-interest expense is \$9.0 million for the September 30, 2021 quarter compared to \$8.8 million for the linked quarter and \$8.3 million for the prior year quarter. Salary and benefits expense is the largest component of non-interest expenses and is \$4.5 million for all three comparative periods. Personnel expenses for the current quarter reflect the additional expenses of staffing our newest office at 3600 Johnston Street in Lafayette, LA. We anticipate personnel related expenses to increase in future periods as we look to add commercial bankers to our team.

Occupancy expense has remained relatively stable at \$1.4 million for the current quarter compared with \$1.3 million for the linked and prior year quarter. Data processing expense is \$1.0 million for the current quarter, down from \$1.1 million in the linked quarter and up from \$899,000 a year ago. Marketing, business development and public relations expenses total \$269,000 in the current quarter compared to \$376,000 for the June 2021 quarter and \$275,000 for the prior year quarter. Other non-interest expenses were \$1.7 million for Q3 2021, \$1.4 million for Q2 2021 and \$1.2 million for the prior year quarter. Included in total other non-interest expenses are gains on the sale of OREO of \$29,000 and \$1,000 for the current and linked quarters, respectively,

and losses on the sale of OREO of \$3,000 for the prior year quarter. We also incurred a \$200,000 pre-payment penalty on the repayment of a Federal Home Loan Bank (FHLB) advance during the current quarter.

Non-interest expenses for the nine-month period ended September 30, 2021 are \$26.5 million, reflecting a \$1.5 million increase compared to \$24.9 million for the prior year. Increases in miscellaneous expenses, FDIC insurance premiums, OREO expenses, other fraud losses and occupancy are partially offset by a decline in salaries and benefits expense. Losses on the sale of OREO for the current and prior nine-month periods are \$378,000 and \$69,000, respectively. Additionally, we incurred the pre-payment penalty noted above.

Income tax expense is \$728,000 for the current quarter compared to \$470,000 for the June 30, 2021 quarter and \$234,000 for the September 30, 2020 quarter. The larger expense is due to an increase in both pre-tax earnings and the effective tax rate. The effective tax rate is 17.05% compared to 15.34% for the linked quarter and 12.13% for the prior year quarter. A larger portion of current pre-tax earnings is derived from taxable revenue sources than in past quarters. Current year-to-date income tax expense is \$1.6 million with an effective rate of 16.21% compared to \$731,000 and 12.98% for the prior year nine-month period.

Balance Sheet

Total assets have increased by \$57.2 million or 4.44% and are \$1.3 billion at both September 30, 2021 and December 31, 2020. Investment securities have increased by \$152.2 million as we have repositioned \$101.8 million out of interest-bearing deposits with other banks and deployed additional customer deposit growth. Total loans, net of unearned income, have increased by \$1.3 million from \$630.2 million at year end to \$631.5 million at September 30, 2021. Although the net increase in total loans has been minimal, the composition of the net increase demonstrates strong core loan growth. We have produced \$205.2 million in new core loans and lines of credit in 2021 of which approximately \$147.0 million was outstanding at September 30, 2021. This growth has been partially offset by \$78.2 million in principal amortization and \$67.5 million in PPP forgiveness payments from the SBA. Replacing the forgiven PPP loans with new core loans priced at market rates has had a positive impact on both net interest income and net interest margin.

Total deposits have increased by \$57.8 million and total \$1.2 billion at both September 30, 2021 and December 31, 2020. Saving account and money market deposits increased by \$50.4 million and \$30.5 million, respectively, while non-interest bearing demand deposits increased by a more modest \$2.1 million. Both the interest-bearing demand and certificate of deposit categories experienced declines over the nine-month period of \$18.7 million and \$6.5 million, respectively. The Company normally maintains large balances of public deposits at year end and \$12.0 million of the decline in interest-bearing deposits can be attributed to a decrease in public funds. The percentages of total deposits attributed to non-interest bearing demand and certificates of deposit at September 30, 2021 are 36.87% and 9.76%, respectively.

Other liabilities decreased by approximately \$1.4 million since year-end 2020. We pre-paid a long-term FHLB advance which was partially offset by increases in other liabilities due to accruals for income and ad valorem taxes.

Stockholders' equity increased by \$822,000 to \$99.5 million at September 30, 2021 from \$98.7 million at December 31, 2020. The increase is primarily comprised of year-to-date net earnings of \$8.1 million, less the decrease in other comprehensive income of \$4.9 million, less the dividends paid to common shareholders of \$2.3 million. The Company did a 2-for-1 stock split in August 2021 which resulted in total shares outstanding at September 30, 2021 of 3,430,060. Tangible book value per common share is \$27.80 at September 30, 2021 compared to \$27.56 at December 31, 2020.

Key Performance Ratios

Return on average assets (ROA) increased to 1.04% for the current quarter compared to 0.76% for the quarter ended June 30, 2021 and 0.65% for the quarter ended September 30, 2020. Return on average equity (ROE) is 13.91%, 11.11% and 7.06% for the three comparative quarters ended September 2021, June 2021 and

September 2020, respectively. ROA and ROE for the September 2020 quarter was significantly impacted by the large loan loss provisions recorded due to uncertainty related to the pandemic. ROA and ROE for the nine-month periods ended September 30, 2021 and 2020 are 0.80% and 0.67%, and 11.06% and 7.01%, 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 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.otcmartets.com/stock/JDVB/overview.

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 Sep 2021 | Actual Dec 2020 | \$ Variance | % Variance |
|---|----------------------|----------------------|-------------------|------------|
| Assets | | | | |
| Cash and due from banks | 25,986,977 | 23,526,805 | 2,460,172 | 10.5 |
| Interest bearing deposits with banks | 140,777,614 | 241,606,805 | (100,829,191) | (41.7) |
| Investment Securities - Taxable | 361,202,815 | 218,990,753 | 142,212,062 | 64.9 |
| Investment Securities - Tax-exempt | 131,516,962 | 121,492,318 | 10,024,644 | 8.3 |
| Mortgage loans held for sale | 1,482,612 | 918,649 | 563,963 | 61.4 |
| Loans, net of unearned income | 631,485,801 | 630,199,440 | 1,286,361 | 0.2 |
| Less: Allowance for loan losses | (8,375,005) | (8,583,238) | 208,233 | 2.4 |
| Premises and equipment, net | 23,599,556 | 23,130,055 | 469,501 | 2.0 |
| Accrued interest receivable | 4,255,832 | 4,837,067 | (581,235) | (12.0) |
| Other real estate | 254,623 | 290,700 | (36,077) | (12.4) |
| Other assets | 32,761,906 | 31,351,043 | 1,410,863 | 4.5 |
| Total Assets | 1,344,949,693 | 1,287,760,397 | 57,189,296 | 4.4 |
| Liabilities | | | | |
| Non-Interest Bearing Deposits | 450,345,993 | 448,228,877 | 2,117,116 | 0.5 |
| Interest bearing demand deposits | 225,636,369 | 244,337,657 | (18,701,288) | (7.7) |
| Savings and Money Market Deposits | 426,159,092 | 345,297,866 | 80,861,226 | 23.4 |
| Time Deposits - Retail | 119,212,126 | 125,681,460 | (6,469,334) | (5.1) |
| Total Deposits | 1,221,353,580 | 1,163,545,860 | 57,807,720 | 5.0 |
| Accrued expenses and other liabilities | 6,281,988 | 4,962,954 | 1,319,034 | 26.6 |
| FHLB Advances | - | 2,763,431 | (2,763,431) | (100.0) |
| Other Borrowings | 17,772,392 | 17,768,330 | 4,062 | - |
| Total Liabilities | 1,245,407,960 | 1,189,040,575 | 56,367,385 | 4.7 |
| Equity | | | | |
| Common stock; \$6.25 par value | | | | |
| 3,430,060 shares outstanding at 9.30.21 | | | | |
| 1,558,757 shares outstanding at 12.31.20 | 21,437,875 | 9,742,231 | 11,695,644 | 120.1 |
| Capital surplus | 10,525,694 | 3,790,069 | 6,735,625 | 177.7 |
| Retained earnings | 66,067,210 | 78,783,577 | (12,716,367) | (16.1) |
| Accumulated other comprehensive income (loss) | 1,681,456 | 6,606,445 | (4,924,989) | (74.5) |
| Less: Notes Receivable common stock | (170,502) | (202,500) | 31,998 | 15.8 |
| Total Equity | 99,541,733 | 98,719,822 | 821,911 | 0.8 |
| Total Liabilities & Equity | 1,344,949,693 | 1,287,760,397 | 57,189,296 | 4.4 |

JD BANCSHARES, INC. AND SUBSIDIARIES
JENNINGS, LOUISIANA

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

| | QTD Actual Sep 2021 | QTD Actual Jun 2021 | \$ Variance | % Variance | QTD Actual Sep 2020 | \$ Variance | % Variance |
|---|---------------------------|---------------------------|------------------|--------------|---------------------------|------------------|--------------|
| Interest Income | | | | | | | |
| Interest on Loans | 8,541,665 | 8,119,069 | 422,596 | 5.2 | 8,213,811 | 327,854 | 4.0 |
| Mortgage Loans Held For Sale | 9,043 | 11,093 | (2,050) | (18.5) | 12,876 | (3,833) | (29.8) |
| Interest on deposits with banks | 37,399 | 42,119 | (4,720) | (11.2) | 77,917 | (40,518) | (52.0) |
| Investment Securities - Taxable | 1,166,788 | 1,060,427 | 106,361 | 10.0 | 462,296 | 704,492 | 152.4 |
| Investment Securities - Tax-exempt | 795,120 | 806,077 | (10,957) | (1.4) | 698,208 | 96,912 | 13.9 |
| Total Interest Income | 10,550,015 | 10,038,785 | 511,230 | 5.1 | 9,465,108 | 1,084,907 | 11.5 |
| Interest Expense | | | | | | | |
| Interest bearing demand deposits | 219,322 | 231,346 | (12,024) | (5.2) | 219,666 | (344) | (0.2) |
| Savings and Money Market Deposits | 225,446 | 215,488 | 9,959 | 4.6 | 164,187 | 61,259 | 37.3 |
| Time Deposits - Retail | 296,849 | 326,831 | (29,982) | (9.2) | 420,346 | (123,496) | (29.4) |
| Total Interest Expense on Deposits | 741,617 | 773,665 | (32,047) | (4.1) | 804,199 | (62,581) | (7.8) |
| FHLB Advances | 24,572 | 30,435 | (5,862) | (19.3) | 29,887 | (5,315) | (17.8) |
| Interest on other borrowings | 338,534 | 338,533 | 1 | - | 338,534 | (1) | - |
| Total Interest Expense | 1,104,723 | 1,142,633 | (37,908) | (3.3) | 1,172,620 | (67,897) | (5.8) |
| Net Interest Income | 9,445,291 | 8,896,152 | 549,139 | 6.2 | 8,292,488 | 1,152,803 | 13.9 |
| Provision for loan losses | - | 165,000 | (165,000) | (100.0) | 958,000 | (958,000) | (100.0) |
| Net In. Inc. After Prov. for Loan Losses | 9,445,291 | 8,731,152 | 714,139 | 8.2 | 7,334,488 | 2,110,803 | 28.8 |
| Non Interest Income | | | | | | | |
| Service charges and fees | 2,272,365 | 2,188,293 | 84,072 | 3.8 | 1,732,995 | 539,370 | 31.1 |
| Mortgage loan and related fees | 429,548 | 497,890 | (68,342) | (13.7) | 280,115 | 149,433 | 53.3 |
| Other noninterest income | 1,105,527 | 494,005 | 611,522 | 123.8 | 845,114 | 260,413 | 30.8 |
| Total Non Interest Income | 3,807,440 | 3,180,188 | 627,252 | 19.7 | 2,858,224 | 949,216 | 33.2 |
| Non Interest Expense | | | | | | | |
| Salaries and employee benefits | 4,507,170 | 4,546,180 | (39,010) | (0.9) | 4,543,931 | (36,761) | (0.8) |
| Occupancy | 1,415,715 | 1,342,845 | 72,870 | 5.4 | 1,321,475 | 94,239 | 7.1 |
| Advertising and public relations | 269,098 | 376,300 | (107,202) | (28.5) | 274,592 | (5,494) | (2.0) |
| Data Processing | 1,046,492 | 1,135,337 | (88,845) | (7.8) | 899,379 | 147,113 | 16.4 |
| Other noninterest expense | 1,746,617 | 1,447,001 | 299,616 | 20.7 | 1,225,545 | 521,072 | 42.5 |
| Total Non Interest Expense | 8,985,092 | 8,847,663 | 137,429 | 1.6 | 8,264,922 | 720,169 | 8.7 |
| Income Before Taxes | 4,267,639 | 3,063,677 | 1,203,962 | 39.3 | 1,927,790 | 2,339,850 | 121.4 |
| Income taxes | 727,794 | 470,107 | 257,687 | 54.8 | 233,869 | 493,925 | 211.2 |
| Net Income | 3,539,845 | 2,593,570 | 946,275 | 36.5 | 1,693,921 | 1,845,925 | 109.0 |

Per common share data:**

| | | | |
|---|-----------|-----------|-----------|
| Earnings | \$ 1.03 | \$ 0.76 | \$ 0.49 |
| Weighted average number of shares outstanding | 3,430,060 | 3,429,060 | 3,432,000 |

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

JD BANCSHARES, INC. AND SUBSIDIARIES
JENNINGS, LOUISIANA

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

| | YTD Actual Sep 2021 | YTD Actual Sep 2020 | \$ Variance | % Variance |
|---|---------------------------|---------------------------|------------------|-------------|
| Interest Income | | | | |
| Interest on Loans | 24,728,841 | 25,585,124 | (856,283) | (3.3) |
| Mortgage Loans Held For Sale | 28,716 | 26,329 | 2,387 | 9.1 |
| Interest on deposits with banks | 137,957 | 222,139 | (84,182) | (37.9) |
| Investment Securities - Taxable | 2,891,265 | 1,321,964 | 1,569,301 | 118.7 |
| Investment Securities - Tax-exempt | 2,402,010 | 2,127,922 | 274,088 | 12.9 |
| Total Interest Income | 30,188,789 | 29,283,478 | 905,311 | 3.1 |
| Interest Expense | | | | |
| Interest bearing demand deposits | 695,505 | 663,757 | 31,748 | 4.8 |
| Savings and Money Market Deposits | 652,234 | 549,721 | 102,513 | 18.6 |
| Time Deposits - Retail | 987,957 | 1,346,357 | (358,400) | (26.6) |
| Total Interest Expense on Deposits | 2,335,696 | 2,559,835 | (224,139) | (8.8) |
| FHLB Advances | 85,263 | 121,292 | (36,029) | (29.7) |
| Interest on other borrowings | 1,015,859 | 1,009,984 | 5,875 | 0.6 |
| Total Interest Expense | 3,436,818 | 3,691,111 | (254,293) | (6.9) |
| Net Interest Income | 26,751,971 | 25,592,367 | 1,159,604 | 4.5 |
| Provision for loan losses | 330,000 | 2,538,000 | (2,208,000) | (87.0) |
| Net In. Inc. After Prov. for Loan Losses | 26,421,971 | 23,054,367 | 3,367,604 | 14.6 |
| Non Interest Income | | | | |
| Service charges and fees | 6,421,663 | 5,078,768 | 1,342,895 | 26.4 |
| Mortgage loan and related fees | 1,264,203 | 680,684 | 583,519 | 85.7 |
| Other noninterest income | 1,977,202 | 1,750,601 | 226,601 | 12.9 |
| Total Non Interest Income | 9,663,068 | 7,510,053 | 2,153,015 | 28.7 |
| Non Interest Expense | | | | |
| Salaries and employee benefits | 13,391,189 | 13,704,093 | (312,904) | (2.3) |
| Occupancy | 4,066,480 | 3,883,582 | 182,898 | 4.7 |
| Advertising and public relations | 997,174 | 991,430 | 5,744 | 0.6 |
| Data Processing | 3,159,747 | 2,775,196 | 384,551 | 13.9 |
| Other noninterest expense | 4,850,906 | 3,578,248 | 1,272,658 | 35.6 |
| Total Non Interest Expense | 26,465,496 | 24,932,549 | 1,532,947 | 6.1 |
| Income Before Taxes | 9,619,543 | 5,631,871 | 3,987,672 | 70.8 |
| Income taxes | 1,559,631 | 731,241 | 828,389 | 113.3 |
| Net Income | 8,059,912 | 4,900,630 | 3,159,283 | 64.5 |

Per common share data:**

| | | | | |
|---|----|-----------|----|-----------|
| Earnings | \$ | 2.35 | \$ | 1.43 |
| Weighted average number of shares outstanding | | 3,430,060 | | 3,432,000 |

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

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 |
| | Sep 2021 | Sep 2020 | | Sep 2021 | Sep 2020 | | Sep 2021 | Sep 2020 | |
| Earning Assets | | | | | | | | | |
| Loans | 5.39 | 4.93 | 0.46 | 629,211,002 | 663,035,980 | (33,824,979) | 8,541,665 | 8,213,811 | 327,854 |
| Mortgage loans held for sale | 3.05 | 3.20 | (0.15) | 1,186,987 | 1,609,449 | (422,463) | 9,043 | 12,876 | (3,833) |
| Deposits with banks | 0.10 | 0.44 | (0.34) | 153,548,401 | 70,630,360 | 82,918,041 | 37,399 | 77,917 | (40,518) |
| Investment securities - taxable | 1.30 | 1.79 | (0.49) | 360,274,862 | 103,530,798 | 256,744,064 | 1,166,788 | 462,296 | 704,492 |
| Investment securities - tax-exempt | 3.17 | 3.68 | (0.51) | 126,808,971 | 96,064,395 | 30,744,575 | 795,120 | 698,208 | 96,912 |
| Total Earning Assets | 3.36 | 4.11 | (0.75) | 1,271,030,221 | 934,870,983 | 336,159,238 | 10,550,015 | 9,465,108 | 1,084,907 |
| Interest bearing liabilities | | | | | | | | | |
| Interest bearing demand | 0.38 | 0.52 | (0.14) | 227,435,076 | 167,885,293 | 59,549,783 | 219,322 | 219,666 | (344) |
| Savings and Money Market | 0.21 | 0.23 | (0.02) | 427,513,155 | 280,009,740 | 147,503,415 | 225,446 | 164,187 | 61,259 |
| Time deposits - Retail | 0.97 | 1.40 | (0.43) | 121,862,817 | 119,330,425 | 2,532,392 | 296,849 | 420,346 | (123,496) |
| Total interest bearing deposits | 0.38 | 0.56 | (0.18) | 776,811,048 | 567,225,457 | 209,585,591 | 741,618 | 804,199 | (62,581) |
| Federal home Loan Bank advances | 4.99 | 4.10 | 0.89 | 1,925,469 | 2,854,283 | (928,814) | 24,572 | 29,887 | (5,315) |
| Other borrowings | 7.46 | 7.53 | (0.07) | 17,750,631 | 17,580,872 | 169,759 | 338,534 | 338,534 | (1) |
| Total borrowed funds | 7.22 | 7.05 | 0.17 | 19,676,100 | 20,435,155 | (759,055) | 363,106 | 368,421 | (5,315) |
| Total interest-bearing liabilities | 0.55 | 0.79 | (0.24) | 796,487,148 | 587,660,612 | 208,826,536 | 1,104,724 | 1,172,621 | (67,896) |
| Net interest rate spread | 2.82 | 3.32 | (0.50) | | | | 9,445,291 | 8,292,488 | 1,152,803 |
| Effect of non-interest bearing deposits | (0.20) | (0.29) | 0.09 | 451,873,451 | 346,974,631 | 104,898,820 | | | |
| Cost of funds | 0.35 | 0.50 | (0.15) | | | | | | |
| Net interest margin | 3.02 | 3.61 | (0.59) | | | | | | |

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 | |
| | Sep 2021 | Sep 2020 | | Sep 2021 | Sep 2020 | | Sep 2021 | Sep 2020 | |
| Earning Assets | | | | | | | | | |
| Loans | 5.26 | 5.25 | 0.01 | 628,410,075 | 650,861,593 | (22,451,519) | 24,728,841 | 25,585,124 | (856,283) |
| Mortgage loans held for sale | 2.82 | 2.96 | (0.14) | 1,357,863 | 1,184,165 | 173,697 | 28,716 | 26,329 | 2,388 |
| Deposits with banks | 0.09 | 0.63 | (0.54) | 195,637,496 | 46,991,935 | 148,645,562 | 137,957 | 222,139 | (84,181) |
| Investment securities - taxable | 1.25 | 2.21 | (0.96) | 307,821,481 | 79,793,663 | 228,027,817 | 2,891,265 | 1,321,965 | 1,569,300 |
| Investment securities - tax-exempt | 3.25 | 3.68 | (0.43) | 124,792,398 | 97,551,632 | 27,240,767 | 2,402,010 | 2,127,922 | 274,088 |
| Total Earning Assets | 3.27 | 4.55 | (1.27) | 1,258,019,312 | 876,382,988 | 381,636,324 | 30,188,789 | 29,283,478 | 905,311 |
| Interest bearing liabilities | | | | | | | | | |
| Interest bearing demand | 0.40 | 0.54 | (0.14) | 233,803,049 | 162,909,855 | 70,893,194 | 695,505 | 663,757 | 31,748 |
| Savings and Money Market | 0.22 | 0.28 | (0.06) | 405,065,171 | 262,301,004 | 142,764,167 | 652,235 | 549,721 | 102,513 |
| Time deposits - Retail | 1.06 | 1.53 | (0.47) | 124,753,579 | 117,368,572 | 7,385,006 | 987,957 | 1,346,357 | (358,400) |
| Total interest bearing deposits | 0.41 | 0.63 | (0.22) | 763,621,799 | 542,579,432 | 221,042,367 | 2,335,696 | 2,559,835 | (224,139) |
| Federal home Loan Bank advances | 4.61 | 2.04 | 2.57 | 2,440,502 | 7,813,584 | (5,373,082) | 85,263 | 121,292 | (36,029) |
| Other borrowings | 7.54 | 7.43 | 0.11 | 17,761,981 | 17,849,844 | (87,864) | 1,015,859 | 1,009,984 | 5,875 |
| Total borrowed funds | 7.19 | 5.79 | 1.40 | 20,202,483 | 25,663,428 | (5,460,945) | 1,101,122 | 1,131,276 | (30,154) |
| Total interest-bearing liabilities | 0.58 | 0.86 | (0.28) | 783,824,282 | 568,242,860 | 215,581,422 | 3,436,819 | 3,691,111 | (254,293) |
| Net interest rate spread | 2.69 | 3.69 | (0.99) | | | | 26,751,971 | 25,592,367 | 1,159,604 |
| Effect of non-interest bearing deposits | (0.21) | (0.30) | 0.09 | 455,450,677 | 311,591,427 | 143,859,249 | | | |
| Cost of funds | 0.37 | 0.56 | (0.19) | | | | | | |
| Net interest margin | 2.91 | 3.99 | (1.08) | | | | | | |

JD BANCSHARES, INC. AND SUBSIDIARIES

SUPPLEMENTAL FINANCIAL INFORMATION

Financial Ratios

| | For the Qtr Ended September 30, 2021 | For the Qtr Ended June 30, 2021 | For the Qtr Ended September 30, 2020 | For the Nine Months Ended September 30, 2021 | For the Nine Months Ended September 30, 2020 |
|--|--|---------------------------------------|--|---|---|
| Performance Ratios | | | | | |
| Return on Average Assets (ROA) | 1.04% | 0.76% | 0.65% | 0.80% | 0.67% |
| ROA based on Pre-tax, pre-provision operating income | 1.19% | 0.95% | 1.01% | 1.01% | 1.09% |
| Return on Average Equity (ROE) | 13.91% | 11.11% | 7.06% | 11.06% | 7.01% |
| ROE based on Pre-tax, pre-provision operating income | 16.02% | 13.80% | 11.00% | 13.93% | 11.42% |
| Earnings per Share*** | \$1.03 | \$0.76 | \$0.49 | \$2.35 | \$1.43 |
| Net Interest Margin | 3.02% | 2.85% | 3.61% | 2.91% | 3.98% |
| Efficiency Ratio ** | 67.28% | 72.03% | 74.53% | 70.57% | 74.41% |
| Non-Interest Income as a % of Avg. Assets** | 1.01% | 0.94% | 1.10% | 0.96% | 1.02% |
| Non-Interest Expense as a % of Avg. Assets** | 2.58% | 2.61% | 3.17% | 2.58% | 3.39% |

| | As of September 30, 2021 | As of December 31, 2020 |
|----------------------------------|-----------------------------|----------------------------|
| Capital | | |
| Tier 1 Leverage Ratio | 6.99% | 7.44% |
| Common Equity Tier 1 Ratio | 12.78% | 13.12% |
| Tier 1 Risk-Based Capital Ratio | 12.78% | 13.12% |
| Total Risk-Based Capital Ratio | 13.92% | 14.37% |
| Tangible Equity / Total Assets | 7.09% | 7.34% |
| Tangible Book Value per Share*** | \$27.80 | \$27.56 |

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

| | For the Qtr Ended September 30, 2021 | For the Qtr Ended June 30, 2021 | For the Qtr Ended September 30, 2020 | For the Nine Months Ended September 30, 2021 | For the Nine Months Ended September 30, 2020 |
|---|--|---------------------------------------|--|---|---|
| Net Income (GAAP) | \$ 3,539,845 | \$ 2,593,570 | \$ 1,693,921 | \$ 8,059,912 | \$ 4,900,630 |
| Provision for Loan Lossess | - | 165,000 | 958,000 | 330,000 | 2,538,000 |
| Net (Gain) Loss on OREO | (28,535) | (1,454) | 3,223 | 378,370 | 69,032 |
| Less: Net Gain on Securities | - | (4,508) | (251,957) | (6,682) | (251,957) |
| Non-recurring Expenses | 199,656 | - | - | 199,656 | - |
| Nonrecurring Revenue | (363,750) | - | - | (363,750) | - |
| Income Tax Expense | 727,794 | 470,107 | 233,869 | 1,559,631 | 731,241 |
| Pre-tax, Pre-Provision Operating Income | \$ 4,075,010 | \$ 3,222,715 | \$ 2,637,056 | \$ 10,157,137 | \$ 7,986,946 |

** Non-recurring items are eliminated for this ratio

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