

PRESS RELEASE
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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