

PRESS RELEASE  
January 20, 2022  
JD Bancshares, Inc.

FOR IMMEDIATE RELEASE  
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**JD Bancshares, Inc. Reports Financial Results for Three and Twelve-Month  
Periods Ended December 31, 2021**

Jennings, LA., January 20, 2022 (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 twelve-month periods ended December 31, 2021.

Net income is \$2,977,819 or \$0.87 per common share for the three-month period ended December 31, 2021 compared to \$3,539,845 or \$1.03 per common share for the linked quarter ended September 30, 2021 and \$2,303,079 or \$0.67 per share for the prior year quarter ended December 31, 2020. Although net income improved over the prior year comparative quarter, the impact of lower interest income in Q4 2021, combined with the net effect of two non-recurring items in the third quarter, resulted in a decline in net income compared to the linked quarter. Pre-tax, pre-provision operating income for the current quarter is \$3,554,464 compared to \$4,075,010 for the linked quarter and \$2,508,474 for the comparative prior year quarter. Pre-tax, pre-provision operating income excludes taxes, provision for loan losses, net losses on the sale of other real estate owned, gains on the sale of investment securities and net gains on the disposal of fixed assets.

For the twelve-month period ended December 31, 2021, net income was \$11,015,318 or \$3.21 per share compared to \$7,203,708 or \$2.10 per share for the prior year comparative period. Pre-tax, pre-provision operating earnings for the two comparative twelve-month periods was \$13,689,189 and \$10,443,300, respectively.

Bruce W. Elder, President & CEO commented, “Despite a second year of COVID-19 and a slow moving recovery from the 2020 hurricane season, the Company showed improved earnings and solid net, non-PPP loan growth in 2021. Net income of \$11.0 million for 2021 reflects a 52.9% increase over that of 2020. As economic conditions have improved, loan demand from businesses and consumers has increased and we enjoyed the best core, net loan growth since 2015. We still have a tremendous volume of liquidity on our balance sheet and will continue to look for opportunities to transition lower yielding assets to higher yielding assets.”

Elder continued by saying “During the month of December, we were able to issue \$30.0 million in new subordinated debt at a rate of 3.75%. A portion of the money was used on January 15, 2022 to redeem \$17.5 million of previously issued subordinated debt carrying an interest rate of 6.75%. The remaining proceeds will be used to support our future growth and for other general corporate purposes.”

**Paycheck Protection Program Lending (PPP)**

The Company made 1,422 PPP loans totaling \$110.4 million between April 2020 and May 2021. Of the \$74.0 million of PPP loans made in 2020, \$60.7 million in loans remained outstanding at the end of 2020. An additional \$36.4 million PPP loans were originated in 2021. As of December 31, 2021, \$16.2 million in loans remain outstanding and \$94.2 million have been repaid through SBA forgiveness and customer payments. Of the \$94.2 million in total PPP loan repayments, \$80.9 million in repayments occurred in 2021. Of the original \$74.0 million in 2020 vintage loans, \$72.3 million have been repaid and 5 loans totaling \$1.7 million remain outstanding. Of the original \$36.4 million of PPP loans made in 2021, \$21.9 million have been repaid and 240 loans totaling \$14.5 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 December 31, 2021, September 30, 2021 and December 31, 2020 are \$498,000, \$799,000 and \$555,000, respectively. Origination fees recognized for the two twelve-month periods ended December 31, 2021 and 2020 are \$2,683,000 and \$1,442,000, respectively. As of December 31, 2021, we had approximately \$619,000 in deferred PPP origination fees to be recognized in future periods.

#### Asset Quality

Loans past due of 30 to 89 days at December 31, 2021 are \$1.3 million or 0.21% of the total loans outstanding compared to \$1.1 million or 0.18% of the total loan portfolio at September 30, 2021 and \$1.3 million or 0.21% of total loans reported at December 31, 2020. Total nonperforming assets, including loans on non-accrual status, other real estate owned (OREO) and repossessed assets are \$5.2 million at December 31, 2021 compared to \$9.1 million at December 31, 2020. Loans on non-accrual status at December 31, 2021 decreased to \$4.1 million from \$8.8 million at December 31, 2020, OREO increased to \$1.1 million from \$291,000 and there are currently no repossessed assets compared to \$33,000 a year ago. Management performs a quarterly evaluation of OREO properties and repossessions and believes the 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 Company did not record a provision for credit losses in either the current or linked quarters compared to \$190,000 for the prior year quarter. The allowance for loan losses (ALLL) is \$8.2 million at December 31, 2021 or 1.32% of total loans compared to \$8.6 million at December 31, 2020 or 1.36% of total loans. Net charge offs are \$723,000 for 2021 compared to \$755,000 for the prior year comparative period. We believe the current level of our ALLL is adequate, but there is no assurance that regulators, increased risks in the loan portfolio, or changes in economic conditions will not require future adjustments to the ALLL.

#### Net Interest Income

Net interest income for the current quarter is \$9.0 million, a decrease of \$484,000 compared to the \$9.4 million for the linked quarter, and is \$522,000 higher than the \$8.4 million reported for the prior year quarter. The decline in net interest income between the September and December 2021 quarters is due to a reduction in average outstanding loan balances during the respective periods as well as a decrease in PPP origination fee recognition. Average loans outstanding for the current period were down \$8.0 million compared to that of the linked quarter. Additionally, origination fees recognized as interest income due to PPP forgiveness was \$301,000 more in Q3 than Q4. The increase in current quarter net interest over the prior year comparative quarter is primarily due to an increase in interest income from higher volumes of investment securities, partially offset by lower interest income on loans.

Net interest income for the year ended December 31, 2021 increased by \$1.7 million or 4.9% to \$35.7 million compared to \$34.0 million for the year ended December 31, 2020. The increase is primarily attributable to higher interest income on securities and lower interest expense, offset by a decrease in interest income on loans. Due an overall increase in average volume of investment securities of \$245.5 million, interest income from securities is \$2.6 million more than the prior year. Interest expense declined by \$346,000 despite an increase in average interest-bearing deposits of \$193.0 million. Interest income on loans declined by \$1.2 million during the year as a net result of lower average loan volume, partially offset by higher PPP origination fees.

The net interest margin for the current quarter was 2.90% and declined by 12 basis points from 3.02% for the linked quarter and 29 basis points compared to 3.19% for the prior year quarter. The yield on earning assets for the current quarter is 3.25% compared to 3.36% and 3.63% for the two comparative periods, respectively. The cost of funds is 0.35% for both the current and linked quarters compared to 0.43% for the prior year quarter. Net interest margin for the current year period is 2.91% compared to 3.76% for the prior year. The yield on

earning assets and cost of funds for the two comparative year end periods were 3.27% and 4.28%, respectively, and 0.36% and 0.52%, respectively. Margins for the three and twelve month 2021 periods were adversely impacted by the volume of liquid assets on the Company's balance sheet invested in a low interest rate environment.

The Federal Open Market Committee (the "Committee") of the Federal Reserve Bank has signaled a tapering of their asset purchases to remove some of the accommodations of monetary policy during the first quarter of 2022. Additionally, Committee members believe that a number of future short-term rate hikes may be appropriate over the coming year. The Company's balance sheet is well positioned to benefit from a rising interest rate environment which will have a positive impact on net income. Additionally, with the majority of our PPP loan originations having been repaid and no longer being a significant headwind to net new loan growth, average loan volumes should improve during 2022.

#### Non-Interest Income

Total non-interest income is \$3.3 million for the current three-month period compared to \$3.8 million for the linked quarter and \$3.0 million for the prior year quarter. Service charges and fees associated with deposit accounts are \$2.3 million for Q4 2021 and increased by \$30,000 and \$431,000 compared to the linked and prior year quarters, respectively. Interchange revenue from debit card usage continues to be an important component of non-interest income contributing \$1.3 million for both the current and linked quarters and \$1.1 million for the prior year quarter.

While mortgage rates through the end of 2021 remained at attractive levels, the volume of mortgage activity in the fourth quarter tends to lag other quarters of the year due to the holidays. Gains on the sale of originated mortgages is \$342,000 for the current quarter compared to \$430,000 for the September 30, 2021 quarter and \$249,000 for the prior year comparative quarter. Although interest rates on conventional mortgages may begin to increase in 2022, we anticipate rates to remain at attractive levels and demand for housing in our footprint continues to be robust as the region recovers from the hurricanes of 2020.

Other non-interest income is \$691,000 for the current quarter compared to \$1.1 million for the linked quarter and \$895,000 for the prior year quarter. Revenue from our Trust and Investment Divisions are typically the largest components of other non-interest income. Revenue from investment activities is \$313,000, \$208,000 and \$139,000 and revenue from trust activities is \$161,000, \$144,000 and \$142,000 for the three comparative periods, respectively. The linked September 2021 and the prior year December 2020 quarters include non-recurring, non-operating revenue items. The September 30, 2021 quarter includes a \$364,000 gain on a real estate land swap and the quarter ended December 31, 2020 includes a gain from disposal of fixed assets of \$454,000.

Non-interest income for the twelve-month period ended December 31, 2021 was \$13.0 million, an increase of \$2.5 million over the \$10.5 million reported for the comparative 2020 period. Interchange revenue from debit card usage increased by \$1.7 million year over year, gain on sale of originated mortgage loans increased by \$676,000 and other non-interest income increased by \$23,000. Both periods include non-recurring gains on the sale of investment securities of \$7,000 for the current period and \$252,000 for the prior year period. The current year included the aforementioned gain on a real estate land swap of \$364,000 and the prior year included gains on disposal of fixed assets of \$506,000.

#### Non-Interest Expense

Total non-interest expense is \$8.7 million for the current quarter compared to \$9.0 million for linked quarter and \$8.5 million for the fourth quarter of 2020. Salary and benefits expense is the largest component of non-interest expenses and is \$4.6 million for the current period compared to \$4.5 million for both the linked and prior year quarters. The prior year quarter salary expense includes a severance payment made to a former contractual employee who is no longer with the Company.

All other non-interest expense categories remained relatively stable over the three comparative periods. Occupancy expense is \$1.4 million for the current and linked quarters compared with \$1.3 million for the prior year quarter. Data processing expense is \$1.0 million for both the current and linked quarters compared to \$910,000 for the quarter from a year ago. Marketing, business development and public relations expenses total \$313,000 in the current quarter compared to \$269,000 in the linked quarter and \$362,000 for the prior year quarter. Other non-interest expenses were \$1.4 million for the current quarter compared to \$1.7 million for the linked quarter and \$1.5 million for the prior year quarter. The largest components of other non-interest expenses include real estate ad valorem fees, professional fees, FDIC insurance premiums, telecommunication costs, and losses associated with fraud. Net losses (gains) on the sale of OREO are \$5,000, \$(29,000) and \$45,000 for the three comparative periods, respectively.

Non-interest expenses for the twelve-month period ended December 31, 2021 are \$35.2 million, reflecting a \$1.8 million increase compared to \$33.5 million for the prior year. Increases in occupancy, data processing, FDIC insurance premiums, OREO expenses and fraud losses were partially offset by decreases in salary and employee benefits. Net losses on the sale of OREO for the current and prior twelve-month periods are \$384,000 and \$114,000, respectively. The Company also paid a penalty on the pre-payment of an FHLB advance of \$200,000 in the current year.

Income tax expense is \$571,000 for the current quarter compared to \$728,000 for the Q3 2021 and \$424,000 for Q4 2020. Income tax expense for the twelve months ended December 31, 2021 is \$2.1 million with an effective rate of 16.21% compared to \$1.1 million and 13.82% for the prior year twelve-month period. The increase in effective tax rate is primarily due to a larger percentage of revenue being derived from taxable sources.

#### Balance Sheet

Total assets are \$1.4 billion at December 31, 2021, reflecting a \$68.2 million or 5.3% increase over the \$1.3 billion at December 31, 2020. Investment securities are up \$144.9 million or 42.6% to \$485.4 million from \$340.5 million at the prior year end. Over the course of 2021, we transitioned \$70.9 million of cash and interest-earning deposits with banks into the investment portfolio. The growth in our deposit base and additional liquidity generated through the issuance of a new tranche of subordinated debt was also deployed into the investment portfolio. The loan portfolio, net of unearned income, declined by \$7.9 million during 2021 to \$622.3 million from \$630.2 million. As previously disclosed, we experienced \$80.9 million in PPP loan repayments during 2021. Excluding the PPP repayments, the loan growth for 2021, was \$73.0 million of which \$36.4 million represented 2021 vintage PPP loans. Therefore, net new non-PPP related loan growth was \$36.6 million or 5.8% year-over-year growth. This represents the largest net loan growth for the Company since 2015.

Total deposits are \$1.2 billion at December 31, 2021, reflecting a \$37.9 million or 3.3% increase over the total deposits reported at year end 2020. Savings accounts balances increased by \$48.4 million or 16.2% and money market account balances increased by \$32.0 million or 69.0%. Non-interest bearing demand deposits, time deposits and interest-bearing demand deposits declined by \$29.2 million, \$10.1 million and \$3.3 million, respectively. The volume of government stimulus flowing into both personal and business deposit accounts during 2021 allowed customers to transfer excess funds from non-interest bearing accounts into interest-bearing money market and savings accounts. In 2021, we opened approximately 5,100 new non-maturity accounts with average opening balances of \$17,800.

Other liabilities increased by approximately \$27.8 million to \$53.3 million at December 31, 2021. The increase is primarily due to the issuance of \$30.0 million in new subordinated debt. The \$17.5 million in subordinated debt issued in January 2017 was redeemed on January 15, 2022.

Stockholders' equity increased by \$2.5 million to \$101.2 million at December 31, 2021 from \$98.7 million at December 31, 2020. The increase is primarily comprised of 2021 net income of \$11.0 million, less the decrease in other comprehensive income of \$5.3 million, less the dividends paid to common shareholders of \$2.6 million. The tangible equity to assets ratio decreased to 7.16% at December 31, 2021 from 7.34% at December 31, 2020

primarily due to the drop in other comprehensive income. There were 3,430,060 common shares outstanding at December 31, 2021 and 1,558,757 shares outstanding at December 31, 2020. The increase in shares outstanding reflects a 10% stock dividend and a 2-for-1 stock split occurring in 2021. Tangible book value per common share increased to \$28.30 at December 31, 2021 compared to \$27.55 at December 31, 2020, as adjusted for the stock dividend and split.

#### Key Performance Ratios

Return on average assets (ROA) is 0.88% for the current quarter compared to 1.04% for the linked quarter and 0.76% for prior year quarter. Return on average equity (ROE) is 11.87%, 13.91% and 9.52% for the three comparative quarters ended December 2021, September 2021 and December 2020, respectively. ROA and ROE for the twelve-month periods ended December 31, 2021 and 2020 were 0.82% and 0.70%, and 11.24% and 7.65%, 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 [jdbank.com](http://jdbank.com).

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 [otcm Markets.com](http://otcm Markets.com).

#### Forward-Looking Statements

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

(More)

(OTCQX: JDVB)

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

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

	Actual Dec 2021	Actual Dec 2020	\$ Variance	% Variance
<b>Assets</b>				
Cash and due from banks	18,552,783	23,526,805	(4,974,022)	(21.1)
Interest bearing deposits with banks	175,657,295	241,606,805	(65,949,510)	(27.3)
Investment Securities - Taxable	354,300,423	218,990,753	135,309,670	61.8
Investment Securities - Tax-exempt	131,081,611	121,492,318	9,589,293	7.9
Mortgage loans held for sale	705,950	918,649	(212,699)	(23.2)
Loans, net of unearned income	622,289,427	630,199,440	(7,910,013)	(1.3)
Less: Allowance for loan losses	(8,189,747)	(8,583,238)	393,491	4.6
Premises and equipment, net	23,160,984	23,130,055	30,929	0.1
Accrued interest receivable	4,443,379	4,837,067	(393,688)	(8.1)
Other real estate	1,053,698	290,700	762,998	262.5
Other assets	32,930,439	31,351,043	1,579,396	5.0
<b>Total Assets</b>	<b>1,355,986,242</b>	<b>1,287,760,397</b>	<b>68,225,845</b>	<b>5.3</b>
<b>Liabilities</b>				
Non-Interest Bearing Deposits	419,021,687	448,228,877	(29,207,190)	(6.5)
Interest bearing demand deposits	241,045,730	244,337,657	(3,291,927)	(1.3)
Savings and Money Market Deposits	425,749,299	345,297,866	80,451,433	23.3
Time Deposits - Retail	115,623,464	125,681,460	(10,057,996)	(8.0)
<b>Total Deposits</b>	<b>1,201,440,180</b>	<b>1,163,545,860</b>	<b>37,894,320</b>	<b>3.3</b>
Accrued expenses and other liabilities	6,112,509	4,962,953	1,149,556	23.2
FHLB Advances	-	2,763,431	(2,763,431)	(100.0)
Other Borrowings	47,203,744	17,768,331	29,435,413	165.7
<b>Total Liabilities</b>	<b>1,254,756,433</b>	<b>1,189,040,575</b>	<b>65,715,858</b>	<b>5.5</b>
<b>Equity</b>				
Common stock				
3,430,060 shares outstanding at 12.31.21				
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	68,165,101	78,783,577	(10,618,476)	(13.5)
Accumulated other comprehensive income (loss)	1,271,641	6,606,445	(5,334,804)	(80.8)
Less: Notes Receivable common stock	(170,502)	(202,500)	31,998	15.8
<b>Total Equity</b>	<b>101,229,809</b>	<b>98,719,822</b>	<b>2,509,987</b>	<b>2.5</b>
<b>Total Liabilities &amp; Equity</b>	<b>1,355,986,242</b>	<b>1,287,760,397</b>	<b>68,225,845</b>	<b>5.3</b>

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

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

	QTD Actual Dec 2021	QTD Actual Sep 2021	\$ Variance	% Variance	QTD Actual Dec 2020	\$ Variance	% Variance
<b>Interest Income</b>							
Interest on Loans	8,018,863	8,541,665	(522,802)	(6.1)	8,327,843	(308,980)	(3.7)
Mortgage Loans Held For Sale	7,634	9,043	(1,409)	(15.6)	9,441	(1,807)	(19.1)
Interest on deposits with banks	32,778	37,399	(4,621)	(12.4)	51,956	(19,178)	(36.9)
Investment Securities - Taxable	1,198,469	1,166,788	31,681	2.7	507,798	690,671	136.0
Investment Securities - Tax-exempt	799,025	795,120	3,905	0.5	735,946	63,079	8.6
Total Interest Income	10,056,769	10,550,015	(493,246)	(4.7)	9,632,984	423,785	4.4
<b>Interest Expense</b>							
Interest bearing demand deposits	212,282	219,322	(7,040)	(3.2)	248,121	(35,839)	(14.4)
Savings and Money Market Deposits	222,433	225,446	(3,013)	(1.3)	178,807	43,626	24.4
Time Deposits - Retail	267,077	296,849	(29,772)	(10.0)	396,605	(129,528)	(32.7)
Total Interest Expense on Deposits	701,792	741,617	(39,825)	(5.4)	823,533	(121,741)	(14.8)
FHLB Advances	-	24,572	(24,572)	(100.0)	30,655	(30,655)	(100.0)
Interest on other borrowings	393,261	338,535	54,727	16.2	338,674	54,587	16.1
Total Interest Expense	1,095,053	1,104,724	(9,670)	(0.9)	1,192,862	(97,809)	(8.2)
<b>Net Interest Income</b>	<b>8,961,716</b>	<b>9,445,291</b>	<b>(483,576)</b>	<b>(5.1)</b>	<b>8,440,122</b>	<b>521,594</b>	<b>6.2</b>
Provision for loan losses	-	-	-	-	190,000	(190,000)	(100.0)
<b>Net In. Inc. After Prov. for Loan Losses</b>	<b>8,961,716</b>	<b>9,445,291</b>	<b>(483,576)</b>	<b>(5.1)</b>	<b>8,250,122</b>	<b>711,594</b>	<b>8.6</b>
<b>Non Interest Income</b>							
Service charges and fees	2,302,098	2,272,365	29,733	1.3	1,871,350	430,748	23.0
Mortgage loan and related fees	341,546	429,548	(88,002)	(20.5)	249,131	92,415	37.1
Other noninterest income	691,355	1,105,527	(414,172)	(37.5)	894,955	(203,600)	(22.7)
Total Non Interest Income	3,334,999	3,807,440	(472,441)	(12.4)	3,015,436	319,563	10.6
<b>Non Interest Expense</b>							
Salaries and employee benefits	4,619,398	4,507,170	112,228	2.5	4,467,426	151,972	3.4
Occupancy	1,351,567	1,415,715	(64,148)	(4.5)	1,329,177	22,390	1.7
Advertising and public relations	312,802	269,098	43,704	16.2	362,350	(49,548)	(13.7)
Data Processing	1,046,661	1,046,492	169	0.0	909,798	136,863	15.0
Other noninterest expense	1,417,021	1,746,617	(329,596)	(18.9)	1,469,363	(52,342)	(3.6)
Total Non Interest Expense	8,747,449	8,985,092	(237,643)	(2.6)	8,538,114	209,335	2.5
<b>Income Before Taxes</b>	<b>3,549,266</b>	<b>4,267,639</b>	<b>(718,373)</b>	<b>(16.8)</b>	<b>2,727,444</b>	<b>821,822</b>	<b>30.1</b>
Income taxes	571,447	727,794	(156,347)	(21.5)	424,365	147,082	34.7
<b>Net Income</b>	<b>2,977,819</b>	<b>3,539,845</b>	<b>(562,026)</b>	<b>(15.9)</b>	<b>2,303,079</b>	<b>674,740</b>	<b>29.3</b>
<b>Per common share data:**</b>							
Earnings	\$ 0.87	\$ 1.03			\$ 0.67		
Weighted average number of shares outstanding	3,430,060	3,430,060			3,431,582		

\*\* 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 Dec 2021	YTD Actual Dec 2020	\$ Variance	% Variance
<b>Interest Income</b>				
Interest on Loans	32,747,704	33,912,967	(1,165,263)	(3.4)
Mortgage Loans Held For Sale	36,350	35,769	581	1.6
Interest on deposits with banks	170,593	274,095	(103,502)	(37.8)
Investment Securities - Taxable	4,089,734	1,829,762	2,259,972	123.5
Investment Securities - Tax-exempt	3,201,034	2,863,868	337,166	11.8
Total Interest Income	40,245,415	38,916,461	1,328,954	3.4
<b>Interest Expense</b>				
Interest bearing demand deposits	907,787	911,878	(4,091)	(0.4)
Savings and Money Market Deposits	874,667	728,528	146,139	20.1
Time Deposits - Retail	1,255,034	1,742,962	(487,928)	(28.0)
Total Interest Expense on Deposits	3,037,488	3,383,368	(345,880)	(10.2)
FHLB Advances	85,263	151,948	(66,685)	(43.9)
Interest on other borrowings	1,409,120	1,348,658	60,462	4.5
Total Interest Expense	4,531,871	4,883,974	(352,103)	(7.2)
<b>Net Interest Income</b>	<b>35,713,544</b>	<b>34,032,487</b>	<b>1,681,057</b>	<b>4.9</b>
Provision for loan losses	330,000	2,728,000	(2,398,000)	(87.9)
<b>Net In. Inc. After Prov. for Loan Losses</b>	<b>35,383,544</b>	<b>31,304,487</b>	<b>4,079,057</b>	<b>13.0</b>
<b>Non Interest Income</b>				
Service charges and fees	8,723,760	6,950,118	1,773,642	25.5
Mortgage loan and related fees	1,605,749	929,815	675,934	72.7
Other noninterest income	2,668,546	2,645,557	22,989	0.9
Total Non Interest Income	12,998,055	10,525,490	2,472,565	23.5
<b>Non Interest Expense</b>				
Salaries and employee benefits	18,010,588	18,171,519	(160,931)	(0.9)
Occupancy	5,418,047	5,212,760	205,287	3.9
Advertising and public relations	1,309,977	1,353,780	(43,803)	(3.2)
Data Processing	4,206,408	3,684,994	521,414	14.1
Other noninterest expense	6,290,183	5,047,610	1,242,573	24.6
Total Non Interest Expense	35,235,203	33,470,663	1,764,540	5.3
<b>Income Before Taxes</b>	<b>13,146,396</b>	<b>8,359,314</b>	<b>4,787,082</b>	<b>57.3</b>
Income taxes	2,131,078	1,155,606	975,472	84.4
<b>Net Income</b>	<b>11,015,318</b>	<b>7,203,708</b>	<b>3,811,610</b>	<b>52.9</b>

Per common share data:\*\*

Earnings	\$ 3.21	\$ 2.10
Weighted average number of shares outstanding	3,429,646	3,431,582

\*\* 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	QTD	Change	QTD	QTD	Change	QTD	QTD	Change
	Actual	Actual		Actual	Actual		Actual	Actual	
	Dec 2021	Dec 2020		Dec 2021	Dec 2020		Dec 2021	Dec 2020	
<b>Earning Assets</b>									
Loans	5.12	5.12	-	621,196,811	647,367,342	(26,170,531)	8,018,863	8,327,843	(308,980)
Mortgage loans held for sale	2.81	3.05	(0.24)	1,088,271	1,238,141	(149,870)	7,634	9,441	(1,807)
Deposits with banks	0.09	0.13	(0.04)	146,023,699	164,779,741	(18,756,043)	32,778	51,956	(19,178)
Investment securities - taxable	1.34	1.28	0.06	357,287,190	158,431,627	198,855,563	1,198,469	507,798	690,672
Investment securities - tax-exempt	3.08	3.51	(0.43)	131,548,819	106,214,538	25,334,281	799,025	735,946	63,079
<b>Total Earning Assets</b>	<b>3.25</b>	<b>3.63</b>	<b>(0.38)</b>	<b>1,257,144,789</b>	<b>1,078,031,390</b>	<b>179,113,400</b>	<b>10,056,769</b>	<b>9,632,983</b>	<b>423,786</b>
<b>Interest bearing liabilities</b>									
Interest bearing demand	0.37	0.47	(0.10)	228,041,526	212,156,507	15,885,019	212,282	248,121	(35,839)
Savings and Money Market	0.21	0.22	(0.01)	425,268,651	325,458,543	99,810,108	222,433	178,807	43,626
Time deposits - Retail	0.91	1.28	(0.37)	116,582,367	122,874,110	(6,291,743)	267,077	396,605	(129,527)
Total interest bearing deposits	0.36	0.50	(0.14)	769,892,545	660,489,160	109,403,385	701,792	823,533	(121,741)
Federal home Loan Bank advances	-	4.30	(4.30)	-	2,786,576	(2,786,576)	-	30,655	(30,655)
Other borrowings	6.77	7.49	(0.72)	22,745,272	17,701,345	5,043,927	393,261	338,674	54,587
Total borrowed funds	6.77	7.05	(0.28)	22,745,272	20,487,921	2,257,351	393,261	369,329	23,932
<b>Total interest-bearing liabilities</b>	<b>0.55</b>	<b>0.69</b>	<b>(0.15)</b>	<b>792,637,816</b>	<b>680,977,080</b>	<b>111,660,736</b>	<b>1,095,053</b>	<b>1,192,862</b>	<b>(97,809)</b>
<b>Net interest rate spread</b>	<b>2.70</b>	<b>2.94</b>	<b>(0.24)</b>				<b>8,961,716</b>	<b>8,440,122</b>	<b>521,594</b>
Effect of non-interest bearing deposits	(0.20)	(0.26)	0.07	440,778,234	418,451,260	22,326,974			
Cost of funds	0.35	0.43	(0.08)						
<b>Net interest margin</b>	<b>2.90</b>	<b>3.19</b>	<b>(0.29)</b>						

# JD BANCSHARES, INC. AND SUBSIDIARIES

## Margin Analysis Compare

	Average Yield and Rate			Average Funds			Interest Income/Expense		
	YTD	YTD	Change	YTD	YTD	Change	YTD	YTD	Change
	Actual	Actual		Actual	Actual		Actual	Actual	
	Dec 2021	Dec 2020		Dec 2021	Dec 2020		Dec 2021	Dec 2020	
<b>Earning Assets</b>									
Loans	5.23	5.22	0.01	626,591,937	649,983,257	(23,391,320)	32,747,704	33,912,967	(1,165,263)
Mortgage loans held for sale	2.82	2.99	(0.17)	1,289,911	1,197,733	92,178	36,350	35,769	581
Deposits with banks	0.09	0.36	(0.27)	183,132,101	76,599,799	106,532,302	170,593	274,095	(103,502)
Investment securities - taxable	1.28	1.84	(0.56)	320,289,550	99,560,583	220,728,966	4,089,734	1,829,762	2,259,972
Investment securities - tax-exempt	3.20	3.63	(0.43)	126,495,386	99,729,193	26,766,194	3,201,034	2,863,868	337,166
<b>Total Earning Assets</b>	<b>3.27</b>	<b>4.28</b>	<b>(1.01)</b>	<b>1,257,798,885</b>	<b>927,070,565</b>	<b>330,728,320</b>	<b>40,245,416</b>	<b>38,916,461</b>	<b>1,328,955</b>
<b>Interest bearing liabilities</b>									
Interest bearing demand	0.39	0.52	(0.13)	232,350,830	175,288,795	57,062,035	907,787	911,878	(4,091)
Savings and Money Market	0.21	0.26	(0.05)	410,157,555	278,176,670	131,980,885	874,667	728,528	146,139
Time deposits - Retail	1.02	1.47	(0.45)	122,693,986	118,752,478	3,941,508	1,255,034	1,742,962	(487,927)
Total interest bearing deposits	0.40	0.59	(0.19)	765,202,371	572,217,943	192,984,428	3,037,489	3,383,368	(345,879)
Federal home Loan Bank advances	4.61	2.28	2.33	1,825,362	6,549,964	(4,724,602)	85,263	151,948	(66,684)
Other borrowings	7.31	7.45	(0.14)	19,018,043	17,812,517	1,205,526	1,409,120	1,348,658	60,462
Total borrowed funds	7.07	6.06	1.01	20,843,405	24,362,481	(3,519,076)	1,494,383	1,500,605	(6,222)
<b>Total interest-bearing liabilities</b>	<b>0.57</b>	<b>0.81</b>	<b>(0.24)</b>	<b>786,045,775</b>	<b>596,580,424</b>	<b>189,465,352</b>	<b>4,531,872</b>	<b>4,883,973</b>	<b>(352,101)</b>
<b>Net interest rate spread</b>	<b>2.69</b>	<b>3.47</b>	<b>(0.77)</b>				<b>35,713,544</b>	<b>34,032,488</b>	<b>1,681,056</b>
Effect of non-interest bearing deposits	(0.21)	(0.29)	0.08	451,752,417	338,452,369	113,300,048			
Cost of funds	0.36	0.52	(0.16)						
<b>Net interest margin</b>	<b>2.91</b>	<b>3.76</b>	<b>(0.85)</b>						

# JD BANCSHARES, INC. AND SUBSIDIARIES

## SUPPLEMENTAL FINANCIAL INFORMATION

### Financial Ratios

	For the Qtr Ended December 31, 2021	For the Qtr Ended September 30, 2021	For the Qtr Ended December 31, 2020	For the Twelve Months Ended December 31, 2021	For the Twelve Months Ended December 31, 2020
<b>Performance Ratios</b>					
Return on Average Assets (ROA)	0.88%	1.04%	0.76%	0.82%	0.70%
ROA based on Pre-tax, pre-provision operating income	1.05%	1.19%	0.83%	1.36%	1.35%
Return on Average Equity (ROE)	11.87%	13.91%	9.52%	11.24%	7.65%
ROE based on Pre-tax, pre-provision operating income	14.17%	16.02%	10.37%	13.97%	11.09%
Earnings per Share***	\$0.87	\$1.03	\$0.67	\$3.21	\$2.10
Net Interest Margin	2.90%	3.02%	3.19%	2.91%	3.75%
Efficiency Ratio **	69.89%	68.80%	75.85%	70.44%	74.86%
Non-Interest Income as a % of Avg. Assets**	0.99%	1.01%	1.00%	0.97%	1.02%
Non-Interest Expense as a % of Avg. Assets**	2.59%	2.64%	2.81%	2.58%	3.23%

	As of December 31, 2021	As of December 31, 2020
<b>Capital</b>		
Tier 1 Leverage Ratio	7.20% (Est.)	7.44%
Common Equity Tier 1 Ratio	12.70% (Est.)	13.12%
Tier 1 Risk-Based Capital Ratio	12.70% (Est.)	13.12%
Total Risk-Based Capital Ratio	13.78% (Est.)	14.37%
Tangible Equity / Total Assets	7.16% (Est.)	7.34%
Tangible Book Value per Share***	\$28.30	\$27.55

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

	For the Qtr Ended December 31, 2021	For the Qtr Ended September 30, 2021	For the Qtr Ended December 31, 2020	For the Twelve Months Ended December 31, 2021	For the Twelve Months Ended December 31, 2020
Net Income (GAAP)	\$ 2,977,819	\$ 3,539,845	\$ 2,303,079	\$ 11,015,318	\$ 7,203,708
Provision for Loan Losses	-	-	190,000	330,000	2,728,000
Net (Gain) Loss on OREO	5,198	(28,535)	45,300	383,569	114,332
Less: Net Gain on Securities	-	-	-	(6,682)	(251,957)
Non-recurring Expenses	-	199,656	-	199,656	-
Nonrecurring Revenue	-	(363,750)	(454,270)	(363,750)	(506,389)
Income Tax Expense	571,447	727,794	424,365	2,131,078	1,155,606
Pre-tax, Pre-Provision Operating Income	\$ 3,554,464	\$ 4,075,010	\$ 2,508,474	\$ 13,689,189	\$ 10,443,300

\*\* Non-recurring items are eliminated for this ratio

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