

PRESS RELEASE  
April 21, 2022  
JD Bancshares, Inc.

FOR IMMEDIATE RELEASE  
For more information contact:  
Bruce Elder (CEO) (337-246-5399)  
Paul Brummett (CFO) (337-246-5395)  
Website: www.jdbank.com

### **JD Bancshares, Inc. Reports Financial Results for Q1 2022**

Jennings, La., April 21, 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 quarter ended March 31, 2022.

Net income for the three-month period ended March 31, 2022 is \$2,108,163 or \$0.62 per share compared to \$2,977,470 or \$0.87 per share for the linked quarter ended December 31, 2021 and \$1,919,989 or \$0.56 per share for the prior year period ended March 31, 2021. Pre-tax, pre-provision operating income for the current quarter was \$2,291,078 compared to \$3,056,080 for the linked quarter and \$2,038,890 for the prior year quarter. Pre-tax, pre-provision operating income excludes taxes, loan loss provision, net losses on the sale of other real estate owned, net gains on the disposal of available for sale investment securities and the recognition of origination fees on loans made pursuant to the Paychecks Protection Program (PPP). The decrease in pre-tax, pre-provision operating earnings in the current period compared to the linked period is primarily due to a decline in non-interest income and an increase in non-interest expenses. The increase compared to the prior year quarter is due to an increase in net interest income and partially offset by increases in non-interest expenses.

Bruce Elder, President and CEO, commented, “While current quarter net income increased over the prior year period, changes in PPP fee recognition, the impact of interest rate volatility on equity investments and mortgage originations, and a more pronounced occurrence of check and debit card fraud makes for challenging comparisons. Net income did increase by 9.8% over the March 31, 2021, but declined by 29.2% over the linked quarter. Net interest income is \$193,000 lower than the December 31, 2021 quarter, but is adversely impacted by a \$292,000 decline in PPP fee recognition. Non-interest income is \$639,000 lower and includes a \$199,000 fair market adjustment to an equity investment and a \$103,000 decrease in gains on the sale of mortgage originations. Non-interest expenses are \$220,000 higher than the linked quarter due, in part, to a \$172,000 increase in losses attributable to fraud on deposit accounts. Overall, we are pleased with the results and believe we made strides in reallocating our balance sheet to higher earning asset categories. We experienced a net increase in our loan portfolio of \$19.8 million and shifted cash into our investment portfolio for a net increase of \$30.7 million before accounting for unrealized losses from interest rate fluctuations. We will continue to look for quality opportunities to enhance our net interest margin.”

#### Paycheck Protection Program Lending (PPP)

As of March 31, 2022, there are 133 PPP loans totaling \$10.3 million that remain outstanding. During the first three months of 2022, we received \$5.9 million in repayments from SBA forgiveness and customer payments. There are four borrowers who initially received loans in 2020 totaling \$1.5 million and 129 borrowers who received loans in 2021 totaling \$8.8 million. The 2020 borrowers are making payments and the 2021 borrowers have until the middle of 2022 to apply for forgiveness.

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 March 31, 2022, December 31, 2021, and March 31, 2021 are \$206,000, \$498,000 and \$814,000, respectively. As of March 31, 2022, we had approximately \$406,000 in deferred PPP origination fees to be recognized in future periods.

### Asset Quality

Loans past due 30 to 89 days at March 31, 2022 are \$1.1 million or 0.17% of the total loans outstanding compared to \$1.3 million or 0.21% of total loans reported at December 31, 2021. Total nonperforming assets, including loans on non-accrual status, other real estate owned (OREO) and repossessed assets were \$6.1 million at March 31, 2022, increasing from \$5.2 million at December 31, 2021. When comparing non-performing assets at March 31, 2022 to December 31, 2021, loans on non-accrual status increased by \$1.0 million to \$5.1 million from \$4.1 million and OREO decreased slightly to \$960,000 from \$1.1 million. There are no repossessed assets at either of those dates. 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 Company did not record any provisions for credit losses in the current and linked quarters compared to a \$165,000 provision in Q1 2021. The allowance for loan losses (ALLL) is \$8.1 million at March 31, 2022 or 1.27% of total loans compared to \$8.2 million at December 31, 2021 or 1.32% of total loans. Net charge offs are \$50,000 for the current period compared to \$185,000 for the quarter ended December 31, 2021 and \$387,000 for the prior year comparative period. We believe the current level of our ALLL is adequate. However; 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 Q1 2022 is \$8.8 million compared to \$9.0 million for the linked quarter and \$8.4 million for the prior year quarter. When excluding the aforementioned recognition of PPP origination fees, net interest income increased by \$99,000 compared to Q4 2021 and \$995,000 compared to Q1 2021. Net interest income is influenced by both the volume and mix of interest-earning assets and interest-bearing liabilities. As the Federal Reserve begins to increase short-term interest rates to help curb inflation and the size of our loan portfolio continues to expand, we anticipate that net interest income will increase throughout the remainder of 2022.

Interest income on loans, excluding PPP origination fees, increased by \$233,000 for the current quarter compared with the prior year period. Although the average loans outstanding for both Q1 2022 and 2021 are the same at \$624.2 million, a significant amount of PPP loans with interest rates of 1% were replaced by higher earning loans. The average yield on loans, excluding PPP origination fees, increased to 4.87% from 4.71% a year ago. Due to the net increase in volume of asset categories other than loans, the yield on total earning assets dropped to 3.25% in the current quarter compared to 3.26% in the prior year quarter. Total cost of funds declined to 0.34% in the current quarter from 0.40% a year ago. The lower cost of funds, coupled with the strong volume of loan originations offsetting PPP loan repayments, resulted in an improved net interest margin of 2.91% compared to 2.86% a year ago.

Compared to the linked quarter, net interest margin is unchanged at 2.91%. Yield on total earning assets declined slightly from 3.26% at Q4 2021 and was adversely impacted by a decline in PPP origination fees recognized of \$292,000. The cost of funds declined by just 1 basis point from 0.35% for the linked quarter.

### Non-Interest Income

Total non-interest income is \$2.7 million for the quarter ended March 31, 2022 compared to \$3.3 million for the linked quarter and \$2.7 million for the prior year quarter. Service charges and fees associated with deposit accounts are \$2.2 million for the current quarter; \$77,000 lower than the December 2021 quarter and \$264,000 higher than March 2021 quarter. The reduction in service charges and fee income between current and linked quarters is primarily due to a decrease in debit card interchange revenue of \$78,000. The increase in service charges and fee income between current and prior year quarters is due to increases in NSF fees and interchange revenue of \$230,000 and \$24,000, respectively.

Mortgage loan activity has slowed as housing inventory is low and interest rates began to increase. Gains from the sale of mortgage loans originated in the current period are \$239,000 compared to \$342,000 and \$337,000

reported for the linked and prior year quarters. Other non-interest income is \$201,000 for the current quarter, \$660,000 for the linked quarter and \$376,000 for the quarter ended March 31, 2021. Other non-interest income for the current quarter is adversely impacted by mark-to-market losses on an equity investment. Fair value losses associated with market fluctuations amounted to \$237,000 for the current quarter compared to \$38,000 for the linked quarter and \$65,000 for the prior year quarter. The largest components of other non-interest income over the three comparative periods continues to be from trust and brokerage services. Those two revenue sources totaled \$259,000, \$474,000 and \$265,000, respectively, for the three periods. The prior year quarter includes a gain on the disposal of available for sale securities of \$2,200.

#### Non-Interest Expense

Total non-interest expense is \$9.0 million compared to \$8.7 million for the linked quarter and \$8.6 million for the prior year quarter. Salaries and benefits is the largest component of non-interest expenses and decreased by \$23,000 compared to the December 2021 quarter and increased by \$258,000 compared to the March 2021 quarter. Total salaries and benefits expense is \$4.6 million, \$4.6 million and \$4.3 million for the three comparative quarters.

Data processing expenses are \$1.2 million for the quarter ended March 31, 2022 compared to \$1.0 for the linked quarter and \$978,000 for the prior year quarter. Data processing expenses are elevated during the first quarter of the year due to additional charges for year-end processing routines, creation of tax documents and other annual processes. The level of data processing expenses are tied to the number of accounts and tend to increase with new customer acquisition.

Occupancy expense in the current quarter is \$1.2 million compared to \$1.3 million for the December 2021 quarter and is in line with the \$1.2 million recorded in the prior year quarter. We announced opening a new office in July in Lake Charles, Louisiana that will replace a branch destroyed during Hurricane Laura. In conjunction with the opening, we will be closing and consolidating the operations of another branch in close proximity to the new branch location. Other than some non-recurring charges related to the consolidation efforts, occupancy expenses associated with the new branch should be offset by savings from the closed branch. Advertising, marketing and business development expenses are also relatively constant at \$342,000, \$313,000 and \$352,000 for the comparative quarters. Marketing expenses are likely to increase in Q2 2022 as we celebrate our 75<sup>th</sup> anniversary.

All other non-interest expenses are \$1.7 million for the current quarter compared to \$1.5 million for the linked quarter and \$1.7 million in the comparative prior year quarter. All three comparative quarters included non-operating losses on the disposal or write-downs on OREO property. Write-downs or losses on OREO for the current quarter are \$1,000, \$5,000 for the linked quarter and \$408,000 in the prior year quarter. The largest components of non-interest expenses in the current quarter are comprised of fraud losses, professional fees, ad valorem taxes, FDIC deposit insurance assessments and telecommunications. Losses associated with debit card and check fraud increased by 154% and 293% compared to the linked and prior year quarters, respectively.

Income tax expense is \$388,000 for the current quarter compared with \$571,000 for the linked quarter and \$362,000 for the prior year quarter. Effective tax rates for the three comparative quarters are relatively stable at 15.54%, 16.10% and 15.85%, respectively.

#### Balance Sheet

Total assets declined by \$47.6 million or 3.5% to \$1.31 billion at March 31, 2021 from \$1.36 billion at December 31, 2021. The net decline in total assets results from the Company's redemption of subordinated debt issued in 2017, a net decrease in deposits and the decline in the market value of investment securities available for sale. During the current quarter, the Company used \$73.6 million in cash to increase the investment portfolio by a net \$30.7 million, increase loans held for investment by a net \$19.8 million, redeem \$17.5 million in previously issued subordinated debt and fund a net decrease in deposits of \$5.6 million. Due to the sharp rise in interest rates, the fair market value of our available securities decreased by \$29.2 million during the first

quarter of 2022. This resulted in an increase in the deferred income tax asset of \$6.1 million and the difference of \$23.1 million was a reduction in equity in the form of unrealized loss on available for sale securities.

As previously mentioned, deposits declined by \$5.6 million during the first three months of 2022. Decreases of \$5.3 million in money market accounts, \$5.1 million in interest-bearing demand and \$1.9 million in certificates of deposit were partially offset by increases of \$5.3 million in non-interest demand and \$1.4 million in savings accounts. The Company historically sees public fund deposits increase in advance of year-end and flow back out after the first of the year. Public funds, which are in the interest-bearing demand category, declined by \$7.7 million.

Other liabilities decreased by \$19.8 during the three month period as a result of the subordinated debt redemption and the payment of previously accrued expenses.

Stockholders' equity declined by \$22.2 million to \$79.0 million at March 31, 2022 from \$101.2 million at December 31, 2021. The decrease is primarily due to the reduction in accumulated other comprehensive income of \$23.1 million since December 31, 2021 as rising interest rates had an adverse impact on the net fair market value of the Company's investment portfolio. Other changes to stockholders' equity include net income of \$2.1 million less \$858,000 in cash dividends declared and paid during the quarter and \$393,000 in share repurchases. Due to the decline in accumulated other comprehensive income, tangible book value per common share decreased to \$21.90 at March 31, 2022 compared to \$28.28 at December 31, 2021.

#### Key Performance Ratios

Return on average assets (ROA) in the current quarter is 0.64% compared to 0.88% and 0.60% for the linked and prior year quarters, respectively. The decline in ROA between Q1 2022 and Q4 2021 was due to a reduction in net income primarily as a result of a decrease in PPP origination fees recognized, a decline in non-interest income and higher non-interest expenses. ROA on a non-GAAP pre-tax, pre-provision operating basis for the three comparative periods is 0.70%, 0.90% and 0.63%, respectively. Return on average equity (ROE) is 8.42% for the current quarter, 11.87% for the linked quarter and 7.99% for the prior year quarter. On a non-GAAP, pre-tax, pre-provision operating basis, the ROE for the three comparative periods was 9.15%, 12.18% and 8.48%, 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.

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

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

	Actual Mar 2022	Actual Dec 2021	\$ Variance	% Variance
<b>Assets</b>				
Cash and due from banks	26,030,341	18,552,783	7,477,558	40.3
Interest bearing deposits with banks	94,402,206	175,657,295	(81,255,089)	(46.3)
Investment Securities - Taxable	356,477,697	354,300,423	2,177,274	0.6
Investment Securities - Tax-exempt	130,330,150	131,081,611	(751,461)	(0.6)
Mortgage loans held for sale	571,761	705,950	(134,189)	(19.0)
Loans, net of unearned income	642,364,180	622,565,024	19,799,156	3.2
Less: Allowance for loan losses	(8,139,523)	(8,189,747)	50,224	(0.6)
Premises and equipment, net	22,807,152	23,160,984	(353,832)	(1.5)
Accrued interest receivable	3,846,095	4,492,037	(645,942)	(14.4)
Other real estate	959,570	1,053,698	(94,128)	(8.9)
Other assets	39,370,347	33,196,334	6,174,013	18.6
<b>Total Assets</b>	<b>1,309,019,976</b>	<b>1,356,576,392</b>	<b>(47,556,416)</b>	<b>(3.5)</b>
<b>Liabilities</b>				
Non-Interest Bearing Deposits	424,311,529	419,021,687	5,289,842	1.3
Interest bearing demand deposits	235,910,790	241,045,730	(5,134,940)	(2.1)
Savings and Money Market Deposits	421,929,847	425,749,299	(3,819,452)	(0.9)
Time Deposits - Retail	113,725,476	115,623,464	(1,897,988)	(1.6)
Total Deposits	1,195,877,642	1,201,440,180	(5,562,538)	(0.5)
Accrued expenses and other liabilities	4,437,071	6,703,008	(2,265,937)	(33.8)
Other Borrowings	29,695,209	47,203,745	(17,508,536)	(37.1)
<b>Total Liabilities</b>	<b>1,230,009,922</b>	<b>1,255,346,933</b>	<b>(25,337,011)</b>	<b>(2.0)</b>
<b>Equity</b>				
Common stock				
3,416,060 shares outstanding at 3.31.22				
3,430,060 shares outstanding at 12.31.21	21,351,625	21,437,875	(86,250)	(0.4)
Capital surplus	10,218,644	10,525,694	(307,050)	(2.9)
Retained earnings	69,415,302	68,164,751	1,250,551	1.8
Accumulated other comprehensive income (loss)	(21,862,967)	1,271,641	(23,134,608)	(1,819.3)
Less: Notes receivable common stock	(112,550)	(170,502)	57,952	(34.0)
<b>Total Equity</b>	<b>79,010,054</b>	<b>101,229,459</b>	<b>(22,219,405)</b>	<b>(21.9)</b>
<b>Total Liabilities &amp; Equity</b>	<b>1,309,019,976</b>	<b>1,356,576,392</b>	<b>(47,556,416)</b>	<b>(3.5)</b>

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

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

	QTD Actual Mar 2022	QTD Actual Dec 2021	\$ Variance	% Variance	QTD Actual Mar 2021	\$ Variance	% Variance
<b>Interest Income</b>							
Interest on Loans	7,692,991	8,018,863	(325,872)	(4.1)	8,068,094	(375,103)	(4.6)
Mortgage Loans Held For Sale	6,666	7,634	(968)	(12.7)	8,580	(1,914)	(22.3)
Interest on deposits with banks	82,507	64,297	18,210	28.3	60,923	21,584	35.4
Investment Securities - Taxable	1,246,884	1,198,469	48,415	4.0	664,049	582,835	87.8
Investment Securities - Tax-exempt	791,016	799,025	(8,009)	(1.0)	800,813	(9,797)	(1.2)
Total Interest Income	9,820,064	10,088,288	(268,224)	(2.7)	9,602,459	217,605	2.3
<b>Interest Expense</b>							
Interest bearing demand deposits	205,294	212,282	(6,988)	(3.3)	244,836	(39,542)	(16.2)
Savings and Money Market Deposits	212,474	222,433	(9,959)	(4.5)	211,300	1,174	0.6
Time Deposits - Retail	238,005	267,077	(29,072)	(10.9)	364,277	(126,272)	(34.7)
Total Interest Expense on Deposits	655,773	701,792	(46,019)	(6.6)	820,413	(164,640)	(20.1)
FHLB Advances	-	-	-	-	30,256	(30,256)	(100.0)
Interest on other borrowings	363,909	393,261	(29,352)	(7.5)	338,792	25,117	7.4
Total Interest Expense	1,019,682	1,095,053	(75,371)	(6.9)	1,189,461	(169,779)	(14.3)
<b>Net Interest Income</b>	<b>8,800,382</b>	<b>8,993,235</b>	<b>(192,853)</b>	<b>(2.1)</b>	<b>8,412,998</b>	<b>387,384</b>	<b>4.6</b>
Provision for loan losses	-	-	-	-	165,000	(165,000)	(100.0)
<b>Net In. Inc. After Prov. for Loan Losses</b>	<b>8,800,382</b>	<b>8,993,235</b>	<b>(192,853)</b>	<b>(2.1)</b>	<b>8,247,998</b>	<b>552,384</b>	<b>6.7</b>
<b>Non Interest Income</b>							
Service charges and fees	2,224,632	2,302,098	(77,466)	(3.4)	1,961,005	263,627	13.4
Mortgage loan and related fees	238,911	341,546	(102,635)	(30.1)	336,766	(97,855)	(29.1)
Other noninterest income	200,507	659,837	(459,330)	(69.6)	375,537	(175,030)	(46.6)
Total Non Interest Income	2,664,050	3,303,481	(639,431)	(19.4)	2,673,308	(9,258)	(0.3)
<b>Non Interest Expense</b>							
Salaries and employee benefits	4,596,179	4,619,398	(23,219)	(0.5)	4,337,839	258,340	6.0
Occupancy	1,203,330	1,297,825	(94,495)	(7.3)	1,240,511	(37,181)	(3.0)
Advertising and public relations	342,034	312,802	29,232	9.3	351,774	(9,740)	(2.8)
Data Processing	1,151,010	1,046,661	104,349	10.0	977,918	173,092	17.7
Other noninterest expense	1,675,690	1,471,213	204,477	13.9	1,731,545	(55,855)	(3.2)
Total Non Interest Expense	8,968,243	8,747,899	220,344	2.5	8,639,587	328,656	3.8
<b>Income Before Taxes</b>	<b>2,496,189</b>	<b>3,548,817</b>	<b>(1,052,628)</b>	<b>(29.7)</b>	<b>2,281,719</b>	<b>214,470</b>	<b>9.4</b>
Income taxes	388,026	571,347	(183,321)	(32.1)	361,730	26,296	7.3
<b>Net Income</b>	<b>2,108,163</b>	<b>2,977,470</b>	<b>(869,307)</b>	<b>(29.2)</b>	<b>1,919,989</b>	<b>188,174</b>	<b>9.8</b>

Per common share data:\*\*

Earnings	\$ 0.62	\$ 0.87	\$ 0.56
Weighted average number of shares outstanding	3,426,160	3,429,564	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	QTD	Change	QTD	QTD	Change	QTD	QTD	Change
	Actual	Actual		Actual	Actual		Actual	Actual	
	Mar 2022	Mar 2021		Mar 2022	Mar 2021		Mar 2022	Mar 2021	
<b>Earning Assets</b>									
Loans	4.87	4.71	0.16	624,205,639	624,241,627	(35,988)	7,486,877	7,254,078	232,799
PPP fee recognition	0.13	0.53	(0.39)	-	-	-	206,114	814,016	(607,902)
Loans with fees	5.00	5.24	(0.24)	624,205,639	624,241,627	(35,988)	7,692,991	8,068,094	(375,103)
Mortgage loans held for sale	3.50	2.72	0.78	761,398	1,260,471	(499,073)	6,666	8,580	(1,914)
Deposits with banks	0.25	0.10	0.15	135,360,577	241,938,127	(106,577,550)	82,507	60,923	21,584
Investment securities - taxable	1.38	1.16	0.22	361,214,796	228,676,053	132,538,743	1,246,884	664,049	582,835
Investment securities - tax-exempt	3.06	3.31	(0.25)	130,697,324	122,598,685	8,098,639	791,016	800,813	(9,797)
<b>Total Earning Assets</b>	<b>3.25</b>	<b>3.26</b>	<b>(0.01)</b>	<b>1,252,239,734</b>	<b>1,218,714,963</b>	<b>33,524,771</b>	<b>9,820,064</b>	<b>9,602,459</b>	<b>217,605</b>
<b>Interest bearing liabilities</b>									
Interest bearing demand	0.35	0.42	(0.07)	235,823,039	234,684,129	1,138,910	205,294	244,836	(39,542)
Savings and Money Market	0.20	0.23	(0.03)	421,404,354	376,138,216	45,266,138	212,474	211,300	1,174
Time deposits - Retail	0.84	1.16	(0.32)	114,662,693	127,333,190	(12,670,497)	238,005	364,276	(126,271)
Total interest bearing deposits	0.34	0.45	(0.11)	771,890,086	738,155,535	33,734,551	655,773	820,412	(164,639)
Federal home Loan Bank advances	-	4.42	(4.42)	-	2,735,730	(2,735,730)	-	30,256	(30,256)
Other borrowings	4.45	7.60	(3.15)	32,701,242	17,827,374	14,873,868	363,909	338,792	25,117
Total borrowed funds	4.45	7.18	(2.73)	32,701,242	20,563,104	12,138,138	363,909	369,048	(5,139)
<b>Total interest-bearing liabilities</b>	<b>0.51</b>	<b>0.63</b>	<b>(0.12)</b>	<b>804,591,328</b>	<b>758,718,639</b>	<b>45,872,689</b>	<b>1,019,682</b>	<b>1,189,460</b>	<b>(169,778)</b>
<b>Net interest rate spread</b>	<b>2.74</b>	<b>2.63</b>	<b>0.11</b>				<b>8,800,382</b>	<b>8,412,999</b>	<b>387,383</b>
Effect of non-interest bearing deposits	(0.17)	(0.23)	0.06	422,062,777	446,848,393	(24,785,616)			
Cost of funds	0.34	0.40	(0.06)						
<b>Net interest margin</b>	<b>2.91</b>	<b>2.86</b>	<b>0.05</b>						

# JD BANCSHARES, INC. AND SUBSIDIARIES

## SUPPLEMENTAL FINANCIAL INFORMATION

### Financial Ratios

	For the Qtr Ended March 31, 2022	For the Qtr Ended December 31, 2021	For the Qtr Ended March 31, 2021
<b>Performance Ratios</b>			
Return on Average Assets (ROA)	0.64%	0.88%	0.60%
ROA based on Pre-tax, pre-provision operating income	0.70%	0.90%	0.63%
Return on Average Equity (ROE)	8.42%	11.87%	7.99%
ROE based on Pre-tax, pre-provision operating income	9.15%	12.18%	8.48%
Earnings per Share***	\$0.62	\$0.87	\$0.56
Net Interest Margin	2.91%	2.91%	2.86%
Efficiency Ratio **	78.19%	72.79%	78.52%
Non-Interest Income as a % of Avg. Assets**	0.73%	0.83%	0.81%
Non-Interest Expense as a % of Avg. Assets**	2.67%	2.59%	2.50%

	As of March 31, 2022	As of December 31, 2021
<b>Bank Level Capital Ratios:</b>		
Tier 1 Leverage Ratio	9.22% (Est.)	9.04%
Common Equity Tier 1 Ratio	16.40% (Est.)	16.07%
Tier 1 Risk-Based Capital Ratio	16.40% (Est.)	16.07%
Total Risk-Based Capital Ratio	17.49% (Est.)	17.17%
Company:		
Tangible Equity / Total Assets	5.72%	7.15%
Tangible Book Value per Share***	\$ 21.90	\$ 28.28

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

	For the Qtr Ended March 31, 2022	For the Qtr Ended December 31, 2021	For the Qtr Ended March 31, 2021
Net Income (GAAP)	\$ 2,108,163	\$ 2,977,470	\$ 1,919,989
Provision for Loan Lossess	-	-	165,000
Net (Gain) Loss on OREO	1,003	5,198	408,360
Net (Gain) Loss on Securities	-	-	(2,173)
Non-recurring Expenses	-	-	-
Nonrecurring Revenue - PPP origination fees	(206,114)	(497,935)	(814,016)
Income Tax Expense	388,026	571,347	361,730
Pre-tax, Pre-Provision Operating Income	<u>\$ 2,291,078</u>	<u>\$ 3,056,080</u>	<u>\$ 2,038,890</u>

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

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