PRESS RELEASE
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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 Strong Financial Results for Three and Twelve-Month Periods Ended December 31, 2022

Jennings, LA., January 19, 2023 (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, 2022.

Net income is $3,492,661 or $1.02 per share for the three-month period ended December 31, 2022 compared to $3,388,452 or $0.99 per share for the linked quarter ended September 30, 2022 and $2,977,469 or $0.87 per common share for the prior year quarter ended December 31, 2021. Pre-tax, pre-provision operating income (PTPPOI) for the current quarter is $4,734,605 compared to $4,261,659 for the linked quarter and $3,056,079 for the comparative prior year quarter. The 11.10% and 54.92% increases in PTPPOI over the linked and prior year quarters, respectively, are due primarily to increases in the volume of loans outstanding and the impact of higher interest rates on both loan and investment securities income. PTPPOI excludes taxes, provision for loan losses, recognized origination fees earned from the Paycheck Protection Program (PPP), net gains and losses on the sale of other real estate owned (OREO), gains on the sale of investment securities and other non-recurring items.

For the twelve-month period ended December 31, 2022, net income is $12,166,756 or $3.56 per share compared to $11,014,968 or $3.21 per share for the prior year period ended December 31, 2021. Pre-tax, pre-provision operating earnings for the two comparative twelve-month periods increased by 33.68% and is $14,712,149 compared to $11,005,324.

Bruce W. Elder, President & CEO commented, "After growing total assets by 53% or $471.3 million between December 31, 2019 and December 31, 2021 due to COVID-19 stimulus and insurance proceeds resulting from hurricanes in southwest Louisiana, we experienced outflows from deposit accounts as pandemic relief came to an end and our customers were able to finally make repairs to their homes and businesses. Total assets shrunk by 9% or $120.4 million during 2022. Approximately half of the total decrease is due to declines in deposit levels. Approximately 43% of the decrease in the balance sheet is attributable to a decline in the fair market value of investment securities, net of the tax benefits. In 2020 and 2021, we invested significant portions of excess liquidity in investment securities and when interest rates moved higher beginning in March 2022, the value of those investments declined. While those unrealized losses adversely impact our book capital, they will only become realized should we sell the securities prior to maturity."

Elder continued "we are very pleased with earnings performance for both the three and twelve-month periods of 2022. The sharp increase in interest rates had a positive impact on net interest income, but also dampened the demand for mortgage loans which had a negative impact on non-interest income. We made progress improving our loan to deposit ratio from 52% to 59% and we continue to see reasonably strong loan demand into 2023. Several headwinds will need to be successfully navigated in 2023 including our eastern expansion into Baton Rouge and the Northshore of Louisiana, the ability to continue to control deposit rates in the face of growing pressure and our ability to manage overhead expenses. Despite these challenges, we remain cautiously optimistic for 2023."

Paycheck Protection Program Lending

During 2020 and 2021, the Company made 1,422 PPP loans totaling $110.4 million. As of December 31, 2022, there are two loans totaling $1.2 million that remain outstanding and $109.2 million have been repaid through

Small Business Administration (SBA) forgiveness and customer payments. The two remaining PPP borrowers have received partial forgiveness from the SBA and are in the process of appeal and/or are making payments on the loans. Prior to year-end, the Company requested the SBA to honor its guarantee on one of the loans and we received payment in full of $210,000 in early January, 2023. The Company continues to have the full guarantee of the SBA for the one remaining PPP loan.

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. There are no recognition of PPP origination fees for the quarter ended December 31, 2022, $32,000 in the linked quarter and $498,000 in the prior year quarter. Origination fees recognized for the two twelve-month periods ended December 31, 2022 and 2021 are $605,000 and $2,683,000, respectively. These fee recognitions have been excluded from PTPPOI calculations. As of December 31, 2022, the Company has recognized 100% of the origination fees collected pursuant to the PPP program.

Asset Quality

Loans past due of 30 to 89 days at December 31, 2022 are $2.3 million or 0.35% of the total loans outstanding compared to $2.0 million or 0.30% of the total loan portfolio at September 30, 2022 and $1.3 million or 0.21% of total loans reported at December 31, 2021. Total nonperforming assets, including loans on non-accrual status, OREO and repossessed assets are $14.3 million at December 31, 2022 compared to $5.2 million at December 31, 2021. Loans on non-accrual status at December 31, 2022 increased to $13.4 million from $4.1 million at December 31, 2021, OREO declined to $863,000 from $1.1 million and repossessed assets are $37,000 compared to $33,000 a year ago. During the fourth quarter of 2022, the Company moved one relationship totaling approximately $11.0 million to nonaccrual status. Management believes the issues associated with this relationship will be resolved in a favorable manner and all principal and interest should be repaid in accordance with the terms of the underlying loan contracts. We perform a quarterly evaluation of OREO properties and repossessions and believe 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 recognized a provision for credit losses in the current quarter of $533,000 compared to $189,000 for the linked quarter and no provision for the prior year quarter. The allowance for loan losses (ALLL) is $9.2 million at December 31, 2022 or 1.37% of total loans compared to $8.2 million at December 31, 2021 or 1.32% of total loans. Provision for credit losses for the twelve-months ended December 31, 2022 is $722,000 compared to $330,000 for the comparative prior year period. The Company recorded net recoveries in 2022 of $296,000 and net charge offs of $723,000 for 2021. Approximately $488,000 of recoveries were recognized as a result of adjusting a loan accounting process in the second quarter of 2022. 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 $11.3 million compared to $10.5 million for the linked quarter and $9.0 million compared to the prior year quarter. Current quarter net interest income increased by 6.85% and 25.27% over the linked and prior year periods, respectively. The increase is primarily attributable to higher interest income due to a larger volume of outstanding loans and higher average yields on loans, investment securities and other interest earning assets. Average loans outstanding for the current period are $674.3 million or $53.0 million higher than that of the prior year quarter. Yields on loans averaged 5.47% for the three-month period ended December 31, 2022 compared to 5.12% for the December 31, 2021 period and the average yield on all other assets increased by 83 basis points to 4.08%. There are no PPP origination fees recognized in the current quarter and therefore no impact on average loan yields. The recognition of PPP origination fees during the prior year quarter represented 0.32% of the total average yield on loans. Interest expense is relatively flat over the three comparative periods with an $82,000 increase between current and linked due to a slightly higher cost of funds and a $50,000 decrease between current and prior year due to a decline in the volume of interest-bearing liabilities.

Net interest income for the year ended December 31, 2022 is $40.5 million reflecting a $4.7 million or 13.15% increase over the $35.8 million reported for the year ended December 31, 2021. The increase is attributable to higher volumes of loans and investment securities and the higher interest rate environment. The average volume of loans and investment securities for the current year increased by $23.2 million and $67.6 million, respectively compared to the prior year. The average yield on all earning assets increased by 41 basis points to 3.68% for 2022 from 3.27% for 2021. The increase in average yield of 99 basis points on interest-earning deposits with banks had a positive impact on interest income despite the $114.9 million decline in volume for that category of earning assets. The recognition of PPP origination fees is $605,000 for 2022 compared to $2.7 million in 2021 and account for 8 basis points of the total average yield from loans of 5.26% for 2022 and 44 basis points of the 5.23% for the prior year. Interest expense declined by $570,000 year over year due to a reduction in the average cost of the overall volume of interest-bearing liabilities. The average volume of interest-bearing deposits declined by $23.7 million while the average volume of borrowings increased by $11.5 million. In late December 2021, the Company issued $30 million in subordinated debt at 3.75% which replaced $17.5 million of subordinated debt at a rate of 6.75%. The lower rate on the debt was the primary driver of the reduction in overall cost of interest-bearing liabilities. In the second quarter of 2022, we recorded a one-time addition to interest income of $291,000 due to an adjustment in the manner in which our loan system accounted for loan payments applied to loans previously charged-off and in non-accrual status.

The net interest margin for the current quarter is 3.74% and increased by 25 basis points from 3.49% for the linked quarter and 84 basis points compared to 2.90% for the prior year quarter. The yield on earning assets for the current quarter is 4.08% compared to 3.81% and 3.25% for the two comparative periods, respectively. The cost of funds is 0.35% for both the current and prior year quarters compared to 0.32% for the linked quarter. Net interest margin for the twelve-month period ended December 31, 2022 is 3.36% compared to 2.91% for the prior year. For the two comparative year end periods, the yield on earning assets is 3.68% and 3.27%, respectively, and the cost of funds is 0.33% and 0.36%, respectively. After experiencing lower margins in 2021 due to large amounts of on balance sheet liquid assets earning very low rates of interest, margins were positively impacted in 2022 from the Company's ability to deploy some liquidity into the loan portfolio and the sharp increases in interest rates initiated by the Federal Reserve Open Market Committee (FOMC).

The FOMC began raising short-term interest rates on March 17, 2022 with a 25 basis points increase which moved the Wall Street Journal (WSJ) Prime Rate from 3.25% to 3.50%. There have been six additional rate hikes, the last of which occurred on December 15, 2022, which has pushed the WSJ Prime to 7.50%. The FOMC has signaled that they plan to continue to push rates higher in order to curb inflation. The Consumer Price Index is currently 6.5% and has declined for several consecutive months. Many economists expect the FOMC to continue to raise short-term interest rates into the first half of 2023. Despite the FOMC's goal to fight inflation by reducing demand for goods and services, the economy remains relatively resilient due to a strong labor market. While we still believe that a recession in the second half of 2023 is likely, if the economy remains strong, perhaps the recession will be mild and short-lived.

Non-Interest Income

Total non-interest income is $2.9 million for the current three-month period compared to $3.0 million for the linked quarter and $3.3 million for the prior year quarter. Service charges and fees associated with deposit accounts are $2.3 million for quarter ended December 31, 2022 and have declined by $101,000 and $49,000 compared to the linked and prior year quarters. Interchange revenue from debit card usage is the largest component of service charges and fees and is $1.3 million in both the current and prior year quarters and $1.2 million for the linked quarter. During the fourth quarter of 2022, the Company discontinued charging additional NSF fees on items presented against a customers' deposit accounts multiple times. Although the Company had properly disclosed the possibility of incurring this additional fee, there has been intense regulatory pressure to discontinue this practice. The Company anticipates a reduction in NSF fees in future periods.

The actions of the FOMC beginning in March 2022 have resulted in higher interest rates on home mortgage loan products. The higher interest rate environment over the past nine months has significantly impacted our mortgage loan origination activities and therefore the gains we recognize on the sale of those originations. Gain on the sale of mortgages for the current quarter is $98,000 compared to $222,000 for the linked quarter and $342,000 for the prior year quarter. Although our region continues to recover from the hurricanes of 2020 keeping demand for housing elevated, the higher mortgage loan rates will have an adverse impact on our level of mortgage originations in the foreseeable future.

Other non-interest income is $580,000 for the current quarter compared to $424,000 for the linked quarter and $660,000 for the prior year quarter. Revenue from our Trust and Wealth Divisions are the largest components of other non-interest income. Revenue from trust services is $203,000, $146,000 and $161,000 and revenue from wealth activities is $82,000, $71,000 and $313,000 for the three comparative periods, respectively. There are no non-recurring, non-operating revenue items attributable to any of the three comparative periods.

Non-interest income for the twelve-month period ended December 31, 2022 was $11.7 million, a decrease of $1.2 million compared to the $12.9 million reported for the comparative 2021 period. Service charges and fees increased by $430,000 to $9.2 million. Gain on the sale of originated mortgage loans is $839,000 compared to $1.6 million for the prior year. Other non-interest income declined by 33.36% to $1.7 million in the 2022 compared to $2.6 million in 2021. The decrease is due to a non-recurring, non-operating gain on a land swap completed in 2021, a $415,000 decline in wealth management revenue and the net loss on an investment in marketable equity securities. In addition to the aforementioned gain on the land swap, the prior year period also included a $7,000 gain on the sale of investment securities.

<u>Non-Interest Expense</u>

Total non-interest expense is $9.5 million for the current quarter compared to $9.3 million for linked quarter and $8.7 million for the fourth quarter of 2021. Salary and benefits expense is the largest component of non-interest expenses and is $4.9 million for the current period compared to $4.7 million for the linked and $4.6 million for the prior year quarter. Salary expenses have increased as we are executing on our strategy to expand into Baton Rouge and the Northshore of Louisiana.

Occupancy and data processing expenses are $1.4 million and $1.2 million, respectively, for the quarter ended December 31, 2022 and $1.3 million and $1.0 million, respectively, for both the linked September 30, 2022 quarter and the December 31, 2021 quarter. Advertising and public relations expenses total $401,000 in the current quarter compared to $387,000 in the linked quarter and $313,000 for the prior year quarter. Other non-interest expenses were $1.6 million for the current quarter compared to $1.8 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 $(12,000), $41,400 and $5,000 for the three comparative periods, respectively.

Non-interest expenses for the twelve-month period ended December 31, 2022 are $36.9 million, reflecting a $1.7 million increase compared to $35.2 million for the prior year. Increases in salary and employee benefits, advertising and public relations, data processing, and professional fees were partially offset by decreases in OREO expenses, FDIC insurance premiums, and occupancy expenses. Net losses on the sale of OREO for the current and prior twelve-month periods are $30,000 and $384,000, respectively. Other non-recurring, non-operating expense include a $283,000 loss on the sale of a former bank branch in 2022 and a $200,000 penalty on the pre-payment of a Federal Home Loan Bank advance in 2021.

Income tax expense is $721,000 for the current quarter compared to $675,000 for the linked quarter and $571,000 for prior year quarter. The effective tax rates for the three consecutive quarters are 17.11%, 16.61% and 16.10%, respectively. Income tax expense for the twelve months ended December 31, 2022 is $2.4 million with an effective rate of 16.52% compared to $2.1 million and 16.21% 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 $1.2 billion at December 31, 2022, reflecting a $120.4 million or 8.87% decline from the $1.4 billion at December 31, 2021. The decline was attributable to an outflow of deposits generated during the past several years from pandemic related stimulus, insurance proceeds received from customers related to damages sustained during a series of hurricanes in the fall of 2020 and the impact of higher interest rates on our available for sale investment portfolio. Changes in the balance sheet include a reduction in interest bearing deposits with banks of $153.8 million. The money was used to fund a net increase in loans and investment securities of $50.1 million and $33.3 million, respectively, a decrease in deposits of $57.4 million, and the redemption of $17.5 million in subordinated debt. The total investment portfolio at December 31, 2022 was $452.7 million reflecting a $32.7 million decline from $485.3 million at December 31, 2021. The decrease resulted from $66.0 million in fair market value declines on available for sale securities due to the higher interest rate environment which is partially offset by new purchases net of principal repayments of $33.3 million. The loan portfolio, net of unearned income, is $672.6 million compared to $622.6 million a year ago. The percentage loan growth for the year was 8.04%.

Total deposits are $1.1 billion at December 31, 2022, reflecting a $57.4 million or 4.78% decline over the total deposits reported at year end 2021. Money market accounts experienced the largest decrease of $25.6 million to $52.8 million from $78.4 million. We lost a $16.0 million relationship early in 2022 as a long-term customer sold their business to a larger, state-wide competitor. Savings account balances decreased by $24.1 million to $323.3 million from $347.4 million. These two deposit categories benefited most over the two years prior to 2022 from the pandemic stimulus and the hurricane insurance proceeds. For the two-year period between December 31, 2019 and December 31, 2021, we experienced a combined increase of $194.9 million in savings and money market deposits. The 2022 decrease represents 25% of the total increase in the prior years. Time deposits declined over the past year by $13.4 million or 11.62% to $102.2 million from $115.6 million. Non-interest bearing and interest-bearing demand deposits increased by $2.2 million and $3.4 million, respectively.

Other borrowings declined by $17.4 million to $29.8 million at December 31, 2022. The decrease is due to the repayment of $17.5 million in subordinated debt in January 2022. The Company had issued $30.0 million in subordinated debt in December 2021 at a rate of 3.75% to replace the $17.5 million issued in January 2017 at a rate of 6.75%. Accrued expenses and other liabilities decreased by $1.4 million to $5.3 million at December 31, 2022.

Stockholders' equity decreased by $44.1 million to $57.2 million at December 31, 2022 from $101.2 million at December 31, 2021. The decrease is primarily due to a decline in the fair market value of available for sale securities, net of associated tax benefits, of $52.1 million. Partially offsetting this decrease is an $8.0 million increase in capital comprised of net income of $12.2 million less dividends paid of $3.4 million and repurchases of outstanding shares of $0.8 million. The tangible equity to assets ratio decreased to 4.29% at December 31, 2022 from 7.15% at December 31, 2021 due to the drop in accumulated other comprehensive income. There were 3,420,560 common shares outstanding at December 31, 2022 and 3,430,060 shares outstanding at December 31, 2021. The decrease in shares issued and outstanding results from the repurchase of 26,500 shares and partially offset by the issuance of 17,000 shares under a long-term equity incentive plan. Tangible book value per common share decreased to $15.49 at December 31, 2022 compared to $28.29 at December 31, 2021.

Key Performance Ratios

Return on average assets (ROA) is 1.12% for the current quarter compared to 1.07% for the linked quarter and 0.88% for prior year quarter. Return on average equity (ROE) is 28.20%, 20.61% and 11.87% for the three comparative quarters, respectively. ROA and ROE for the twelve-month periods ended December 31, 2022 and 2021 were 0.95% and 0.82%, and 16.47% and 11.24%, respectively. ROE for all 2022 periods is favorably impacted by the significant drop in accumulated other comprehensive income during the course of the year.

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 south 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 22 full service branch offices and two Loan Production/Deposit Production offices located along the Interstate 10/12 corridor from Lake Charles to Mandeville, Louisiana. JD Bancshares, Inc. may be accessed on its website at 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 otcmarkets.com.

Forward-Looking Statements

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

(More)

JD BANCSHARES, INC. AND SUBSIDIARIES
JENNINGS, LOUISIANA

CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	Actual Dec 2022	Actual Dec 2021	$ Variance	% Variance
Assets				
Cash and due from banks	26,434,524	18,552,783	7,881,741	42.48
Interest bearing deposits with banks	21,855,505	175,657,295	(153,801,790)	(87.56)
Investment Securities - Taxable	321,185,999	354,300,423	(33,114,424)	(9.35)
Investment Securities - Tax-exempt	131,488,014	131,081,611	406,403	0.31
Mortgage loans held for sale	549,984	705,950	(155,966)	(22.09)
Loans, net of unearned income	672,632,940	622,565,024	50,067,916	8.04
Less: Allowance for loan losses	(9,208,070)	(8,189,747)	(1,018,323)	12.43
Premises and equipment, net	22,692,381	23,160,984	(468,603)	(2.02)
Accrued interest receivable	4,985,487	4,492,037	493,450	10.98
Other real estate	863,101	1,053,698	(190,597)	(18.09)
Other assets	42,724,704	33,196,334	9,528,370	28.70
Total Assets	**1,236,204,569**	**1,356,576,392**	**(120,371,823)**	**(8.87)**
Liabilities				
Non-Interest Bearing Deposits	421,213,684	419,021,687	2,191,997	0.52
Interest bearing demand deposits	244,493,968	241,045,730	3,448,238	1.43
Savings and Money Market Deposits	376,093,240	425,749,299	(49,656,060)	(11.66)
Time Deposits - Retail	102,193,314	115,623,464	(13,430,149)	(11.62)
Total Deposits	1,143,994,206	1,201,440,180	(57,445,974)	(4.78)
Accrued expenses and other liabilities	5,279,111	6,703,008	(1,423,897)	(21.24)
Other Borrowings	29,764,526	47,203,745	(17,439,219)	(36.94)
Total Liabilities	**1,179,037,843**	**1,255,346,933**	**(76,309,090)**	**(6.08)**
Equity				
Common stock	21,378,500	21,437,875	(59,375)	(0.28)
3,420,560 shares outstanding at 12.31.22				
3,430,060 shares outstanding at 12.31.21				
Capital surplus	10,312,636	10,525,694	(213,058)	(2.02)
Retained earnings	76,915,899	68,164,751	8,751,148	12.84
Accumulated other comprehensive income (loss)	(50,873,123)	1,271,641	(52,144,764)	(4,100.59)
Less: Unearned common stock awards	(567,186)	(170,502)	(396,684)	232.66
Total Equity	**57,166,726**	**101,229,459**	**(44,062,733)**	**(43.53)**
Total Liabilities & Equity	**1,236,204,569**	**1,356,576,392**	**(120,371,823)**	**(8.87)**

JD BANCSHARES, INC. AND SUBSIDIARIES
JENNINGS, LOUISIANA

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	QTD Actual Dec 2022	QTD Actual Sep 2022	$ Variance	% Variance	QTD Actual Dec 2021	$ Variance	% Variance
Interest Income							
Interest on Loans	9,295,379	8,704,143	591,236	6.79	8,018,863	1,276,516	15.92
Mortgage Loans Held For Sale	7,729	10,009	(2,280)	(22.78)	7,634	95	1.24
Interest on deposits with banks	264,754	254,078	10,676	4.20	64,297	200,457	311.77
Investment Securities - Taxable	1,933,989	1,726,262	207,727	12.03	1,198,469	735,520	61.37
Investment Securities - Tax-exempt	809,529	812,774	(3,245)	(0.40)	799,025	10,504	1.31
Total Interest Income	12,311,380	11,507,266	804,114	6.99	10,088,288	2,223,092	22.04
Interest Expense							
Interest bearing demand deposits	220,006	215,821	4,185	1.94	212,282	7,724	3.64
Savings and Money Market Deposits	325,950	253,011	72,939	28.83	222,433	103,517	46.54
Time Deposits - Retail	182,799	179,686	3,113	1.73	267,077	(84,278)	(31.56)
Total Interest Expense on Deposits	728,755	648,518	80,237	12.37	701,792	26,963	3.84
Interest on other borrowings	316,366	314,788	1,578	0.50	393,261	(76,895)	(19.55)
Total Interest Expense	1,045,121	963,306	81,815	8.49	1,095,053	(49,932)	(4.56)
Net Interest Income	**11,266,259**	**10,543,960**	**722,299**	**6.85**	**8,993,235**	**2,273,024**	**25.27**
Provision for loan losses	533,000	189,000	344,000	182.01	-	533,000	-
Net In. Inc. After Prov. for Loan Losses	**10,733,259**	**10,354,960**	**378,299**	**3.65**	**8,993,235**	**1,740,024**	**19.35**
Non Interest Income							
Service charges and fees	2,253,309	2,354,001	(100,692)	(4.28)	2,302,098	(48,789)	(2.12)
Mortgage loan and related fees	97,928	221,542	(123,614)	(55.80)	341,546	(243,618)	(71.33)
Other noninterest income	580,365	423,536	156,829	37.03	659,837	(79,472)	(12.04)
Total Non Interest Income	2,931,602	2,999,079	(67,477)	(2.25)	3,303,481	(371,879)	(11.26)
Non Interest Expense							
Salaries and employee benefits	4,867,737	4,743,698	124,039	2.61	4,619,398	248,339	5.38
Occupancy	1,367,330	1,343,839	23,491	1.75	1,297,825	69,505	5.36
Advertising and public relations	400,555	387,039	13,516	3.49	312,802	87,753	28.05
Data Processing	1,216,896	1,039,588	177,308	17.06	1,046,661	170,235	16.26
Other noninterest expense	1,598,786	1,776,588	(177,802)	(10.01)	1,471,213	127,573	8.67
Total Non Interest Expense	9,451,304	9,290,752	160,552	1.73	8,747,899	703,405	8.04
Income Before Taxes	**4,213,557**	**4,063,287**	**150,270**	**3.70**	**3,548,816**	**664,741**	**18.73**
Income taxes	720,896	674,835	46,061	6.83	571,347	149,549	26.17
Net Income	**3,492,661**	**3,388,452**	**104,209**	**3.08**	**2,977,469**	**515,192**	**17.30**

	Dec 2022	Sep 2022	Dec 2021
Per common share data:			
Earnings	**$ 1.02**	**$ 0.99**	**$ 0.87**
Weighted average number of shares outstanding	**3,414,370**	**3,410,364**	**3,430,060**

JD BANCSHARES, INC. AND SUBSIDIARIES
JENNINGS, LOUISIANA

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	YTD Actual Dec 2022	YTD Actual Dec 2021	$ Variance	% Variance
Interest Income				
Interest on Loans	34,202,175	32,747,691	1,454,484	4.44
Mortgage Loans Held For Sale	35,584	36,350	(766)	(2.11)
Interest on deposits with banks	773,624	260,892	512,732	196.53
Investment Securities - Taxable	6,241,272	4,089,734	2,151,538	52.61
Investment Securities - Tax-exempt	3,219,465	3,201,034	18,431	0.58
Total Interest Income	44,472,120	40,335,701	4,136,419	10.25
Interest Expense				
Interest bearing demand deposits	851,903	907,787	(55,884)	(6.16)
Savings and Money Market Deposits	988,669	874,667	114,002	13.03
Time Deposits - Retail	810,995	1,255,034	(444,039)	(35.38)
Total Interest Expense on Deposits	2,651,567	3,037,488	(385,921)	(12.71)
FHLB Advances	-	85,263	(85,263)	(100.00)
Interest on other borrowings	1,309,850	1,409,120	(99,270)	(7.04)
Total Interest Expense	3,961,417	4,531,871	(570,454)	(12.59)
Net Interest Income	**40,510,703**	**35,803,830**	**4,706,873**	**13.15**
Provision for loan losses	722,000	330,000	392,000	118.79
Net In. Inc. After Prov. for Loan Losses	**39,788,703**	**35,473,830**	**4,314,873**	**12.16**
Non Interest Income				
Service charges and fees	9,154,181	8,723,760	430,421	4.93
Mortgage loan and related fees	839,341	1,605,749	(766,408)	(47.73)
Other noninterest income	1,718,176	2,578,260	(860,084)	(33.36)
Total Non Interest Income	11,711,698	12,907,769	(1,196,071)	(9.27)
Non Interest Expense				
Salaries and employee benefits	18,935,649	18,010,588	925,061	5.14
Occupancy	5,151,139	5,187,603	(36,464)	(0.70)
Advertising and public relations	1,519,603	1,309,977	209,626	16.00
Data Processing	4,534,272	4,206,408	327,864	7.79
Other noninterest expense	6,785,960	6,521,077	264,883	4.06
Total Non Interest Expense	36,926,623	35,235,653	1,690,970	4.80
Income Before Taxes	**14,573,778**	**13,145,946**	**1,427,832**	**10.86**
Income taxes	2,407,022	2,130,978	276,044	12.95
Net Income	**12,166,756**	**11,014,968**	**1,151,788**	**10.46**
Per common share data:				
Earnings	$ **3.56**	$ **3.21**		
Weighted average number of shares outstanding	**3,416,143**	**3,429,564**		

JD BANCSHARES, INC. AND SUBSIDIARIES

Margin Analysis Compare

	Average Yield and Rate			Average Funds			Interest Income/Expense		
	QTD Actual Dec 2022	QTD Actual Dec 2021	Change	QTD Actual Dec 2022	QTD Actual Dec 2021	Change	QTD Actual Dec 2022	QTD Actual Dec 2021	Change
Earning Assets									
Loans	5.47	4.80	0.67	674,321,703	621,353,466	52,968,237	9,295,379	7,520,928	1,774,451
PPP fee recognition	-	0.32	(0.32)	-	-	-	-	497,935	(497,935)
Loans with fees	5.47	5.12	0.35	674,321,703	621,353,466	52,968,237	9,295,379	8,018,863	1,276,516
Mortgage loans held for sale	6.12	2.81	3.31	504,835	1,088,271	(583,436)	7,729	7,634	95
Deposits with banks	4.18	0.17	4.01	25,146,127	146,023,699	(120,877,572)	264,754	64,297	200,457
Investment securities - taxable	1.99	1.34	0.65	388,281,819	357,287,190	30,994,629	1,933,989	1,198,469	735,520
Investment securities - tax-exempt	3.11	3.08	0.03	131,796,919	131,548,819	248,100	809,529	799,025	10,504
Total Earning Assets	**4.08**	**3.25**	**0.83**	**1,220,051,403**	**1,257,301,445**	**(37,250,042)**	**12,311,380**	**10,088,288**	**2,223,092**
Interest bearing liabilities									
Interest bearing demand	0.38	0.37	0.01	228,555,290	228,041,526	513,764	220,006	212,282	7,724
Savings and Money Market	0.33	0.21	0.12	386,683,300	425,268,651	(38,585,351)	325,950	222,433	103,517
Time deposits - Retail	0.71	0.91	(0.20)	101,531,576	116,582,367	(15,050,791)	182,799	267,077	(84,278)
Total interest bearing deposits	0.40	0.36	0.04	716,770,166	769,892,545	(53,122,379)	728,755	701,792	26,963
Other borrowings	4.16	6.77	(2.61)	29,759,059	22,745,272	7,013,787	316,366	393,261	(76,895)
Total borrowed funds	4.16	6.77	(2.61)	29,759,059	22,745,272	7,013,787	316,366	393,261	(76,895)
Total interest-bearing liabilities	**0.55**	**0.55**	**-**	**746,529,225**	**792,637,816**	**(46,108,591)**	**1,045,121**	**1,095,053**	**(49,932)**
Net interest rate spread	**3.53**	**2.70**	**0.83**				**11,266,259**	**8,993,235**	**2,273,024**
Effect of non-interest bearing deposits	(0.20)	(0.20)	-	434,222,972	440,778,234	(6,555,262)			
Cost of funds	0.35	0.35	-						
Net interest margin	**3.74**	**2.90**	**0.84**						

JD BANCSHARES, INC. AND SUBSIDIARIES

Margin Analysis Compare

	Average Yield and Rate			Average Funds			Interest Income/Expense		
	YTD Actual Dec 2022	YTD Actual Dec 2021	Change	YTD Actual Dec 2022	YTD Actual Dec 2021	Change	YTD Actual Dec 2022	YTD Actual Dec 2021	Change
Earning Assets									
Loans	5.18	4.79	0.39	649,820,293	626,641,787	23,178,506	33,596,678	30,064,276	3,532,402
PPP fee recognition	0.08	0.44	(0.36)	-	-	-	605,497	2,683,415	(2,077,918)
Loans with fees	5.26	5.23	0.03	649,820,293	626,641,787	23,178,506	34,202,175	32,747,691	1,454,484
Mortgage loans held for sale	4.90	2.82	2.08	726,499	1,289,911	(563,412)	35,584	36,350	(766)
Deposits with banks	1.13	0.14	0.99	68,194,035	183,132,101	(114,938,066)	773,624	260,892	512,732
Investment securities - taxable	1.63	1.28	0.35	382,434,419	320,289,550	62,144,869	6,241,272	4,089,734	2,151,538
Investment securities - tax-exempt	3.09	3.20	(0.11)	131,912,664	126,495,386	5,417,278	3,219,465	3,201,034	18,431
Total Earning Assets	**3.68**	**3.27**	**0.41**	**1,233,087,910**	**1,257,848,735**	**(24,760,825)**	**44,472,121**	**40,335,702**	**4,136,419**
Interest bearing liabilities									
Interest bearing demand	0.37	0.39	(0.02)	230,819,557	232,350,830	(1,531,273)	851,903	907,787	(55,884)
Savings and Money Market	0.25	0.21	0.04	403,127,597	410,157,555	(7,029,958)	988,669	874,667	114,002
Time deposits - Retail	0.75	1.02	(0.27)	107,601,836	122,693,986	(15,092,150)	810,995	1,255,034	(444,039)
Total interest bearing deposits	0.36	0.40	(0.04)	741,548,990	765,202,371	(23,653,381)	2,651,567	3,037,489	(385,922)
Federal home Loan Bank advances	-	4.61	(4.61)	-	1,825,362	(1,825,362)	-	85,263	(85,263)
Other borrowings	4.23	7.31	(3.08)	30,509,532	19,018,043	11,491,489	1,309,850	1,409,120	(99,270)
Total borrowed funds	4.23	7.07	(2.84)	30,509,532	20,843,405	9,666,127	1,309,850	1,494,383	(184,533)
Total interest-bearing liabilities	**0.51**	**0.57**	**(0.06)**	**772,058,522**	**786,045,776**	**(13,987,254)**	**3,961,417**	**4,531,872**	**(570,455)**
Net interest rate spread	**3.17**	**2.70**	**0.47**				**40,510,704**	**35,803,830**	**4,706,874**
Effect of non-interest bearing deposits	(0.18)	(0.21)	0.03	427,684,861	451,752,417	(24,067,556)			
Cost of funds	0.33	0.36	(0.03)						
Net interest margin	**3.36**	**2.91**	**0.45**						

JD BANCSHARES, INC. AND SUBSIDIARIES

SUPPLEMENTAL FINANCIAL INFORMATION

Financial Ratios

	For the Qtr Ended December 31, 2022	For the Qtr Ended September 30, 2022	For the Qtr Ended December 31, 2021	For the Twelve Months Ended December 31, 2022	For the Twelve Months Ended December 31, 2021
Performance Ratios					
Return on Average Assets (ROA)	1.12%	1.07%	0.88%	0.95%	0.82%
ROA based on Pre-tax, pre-provision operating income	1.52%	1.35%	0.90%	1.15%	0.82%
Return on Average Equity (ROE)	28.20%	20.61%	11.87%	16.47%	11.24%
ROE based on Pre-tax, pre-provision operating income	38.22%	25.92%	12.18%	19.91%	11.23%
Earnings per Share	$1.02	$0.99	$0.87	$3.56	$3.21
Net Interest Margin	3.74%	3.49%	2.90%	3.36%	2.91%
Efficiency Ratio **	65.66%	67.22%	69.89%	69.36%	70.44%
Non-Interest Income as a % of Avg. Assets**	0.94%	0.95%	0.99%	0.89%	0.93%
Non-Interest Expense as a % of Avg. Assets**	3.04%	2.92%	2.59%	2.86%	2.58%

	As of December 31, 2022	As of December 31, 2021
Bank Level Capital Ratios:		
Tier 1 Leverage Ratio	10.04% (Est.)	9.04%
Common Equity Tier 1 Ratio	15.37% (Est.)	16.07%
Tier 1 Risk-Based Capital Ratio	15.37% (Est.)	16.07%
Total Risk-Based Capital Ratio	16.46% (Est.)	17.17%
Company:		
Tangible Equity / Total Assets	4.29%	7.15%
Tangible Book Value per Share	$ 15.49	$ 28.29

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

	For the Qtr Ended December 31, 2022	For the Qtr Ended September 30, 2022	For the Qtr Ended December 31, 2021	For the Twelve Months Ended December 31, 2022	For the Twelve Months Ended December 31, 2021
Net Income (GAAP)	$ 3,492,661	$ 3,388,452	$ 2,977,469	$ 12,166,756	$ 11,014,968
Provision for Loan Lossess	533,000	189,000	-	722,000	330,000
Net (Gain) Loss on OREO	(11,952)	41,400	5,198	30,034	383,569
Net (Gain) Loss on Securities	-	-	-	-	(6,682)
Non-recurring Revenue	-	-	-	(291,127)	(363,750)
Non-recurring Expenses	-	-	-	282,961	199,656
Nonrecurring Revenue - PPP origination fees	-	(32,028)	(497,935)	(605,497)	(2,683,415)
Income Tax Expense	720,896	674,835	571,347	2,407,022	2,130,978
Pre-tax, Pre-Provision Operating Income	$ 4,734,605	$ 4,261,659	$ 3,056,079	$ 14,712,149	$ 11,005,324

** Non-recurring items are eliminated for this ratio