PRESS RELEASE
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JD Bancshares, Inc.

FOR IMMEDIATE RELEASE
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JD Bancshares, Inc. Reports Financial Results for Q3 2023

Jennings, LA., October 26, 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 nine-month periods ended September 30, 2023.

Net income is $3,492,852 or $1.02 per share for the three-month period ended September 30, 2023, compared to $3,216,519 or $0.94 per share for the linked quarter ended June 30, 2023 and $3,388,452 or $0.99 per share for the three-month period ended September 30, 2022. Pre-tax, pre-provision operating income for the current quarter is $4,154,284, reflecting a small decline compared to $4,373,181 and $4,261,659 for the linked and prior year quarters, respectively. Pre-tax, pre-provision operating income (PTPPI) excludes taxes, provision for loan losses, losses on the sale of other real estate owned, losses on the sale of investment securities, recognized origination fees earned from the Paycheck Protection Program (PPP) and other non-operating revenues and expenses. The decline in PTPPI between the current and linked quarter is primarily due to a combination of lower levels of net interest and non-interest income, and the decline between the current and prior year quarter is attributable to an increase in non-interest expenses and partially offset by higher net interest income.

For the nine-month period ended September 30, 2023, net income is $8,794,599 or $2.57 per share compared to $8,672,339 or $2.54 per share for the prior year comparative period. PTPPI for the current nine-month period is $12,809,557 reflecting a 28% increase over $9,975,321 for the prior year period. The increase is attributable to a 13.1% increase in net interest income.

Bruce W. Elder, President & CEO commented, "We are pleased to report our third quarter net income results of $3.5 million, which exceeds net income for both the June 30, 2023 and September 30, 2022 quarters. While our year-to-date financial performance is relatively flat when compared to last year, the current year's results includes an after-tax loss realized on the sale of investment securities in the first quarter of $998,000. Thus far, the improved revenue due to higher yielding earning assets has been able to offset increases in overhead expenses and declines in mortgage banking revenues. We believe our ability to maintain and grow earnings into the future will be predicated on generating quality, well-priced loan growth in the face of rising funding costs and non-interest expenses. While the economy continues to show a great deal of resilience, we do believe interest rates will remain at elevated levels for the near future and that a recession in 2024 is likely. The Company will continue to be vigilant and use sound judgment in its decisions and face future challenges head on."

Paycheck Protection Program Lending

During 2020 and 2021, the Company made 1,422 PPP loans totaling $110.4 million. As of September 30, 2023, there is one loan for $758,000 that remains outstanding. The remaining PPP borrower has received partial forgiveness from the Small Business Administration (SBA) and is making payments on the loan. The Company continues to have the full guarantee of the SBA for this 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 origination fees recognized as interest income for the quarters ended September 30, 2023 and June 30, 2023 and $32,000 recognized for the September 30, 2022 quarter. There have been no origination fees recognized for the current nine-month period compared to $605,000 for the prior nine-month period. These fee recognitions have been excluded from PTPPI calculations.

Asset Quality

Loans past due 30 to 89 days as of September 30, 2023 total $1.3 million or 0.19% of total gross loans compared to $2.3 million or 0.35% at December 31, 2022. Past due loans remain at a manageable level on September 30, 2023, but inflation and the actions of the Federal Reserve Open Market Committee (FOMC) to combat inflation continue to serve as a headwind to local and national economic conditions. Management is paying close attention to determine whether any adverse trends might develop in the near term.

Total nonperforming assets, including loans on non-accrual status, other real estate owned (OREO) and repossessed assets are $13.9 million at September 30, 2023 compared to $14.3 million at December 31, 2022. As of September 30, 2023 and December 31, 2022, loans in non-accrual status are $12.9 million and $13.4 million, respectively; OREO is $955,000 compared to $863,000 and there are currently no repossessed assets compared to $37,000 at the prior year end. The level of non-accrual loans is elevated at September 30, 2023 primarily due to a $7.2 million relationship consisting of multiple loans. Management and the borrower are working toward a resolution, and we anticipate progress to be made over the coming quarters. 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.

Beginning January 1, 2023, the Company is applying the current expected credit loss (CECL) method to account for the allowance for credit losses (ACL). The Bank released $37,000 of its ACL in the current quarter compared to recording provisions of $364,000 and $189,000 for the linked and prior year quarters, respectively. The ACL is $9.9 million at September 30, 2023 or 1.47% of total loans compared to $9.2 million at December 31, 2022 or 1.32% of total loans. Net charge-offs are $486,000 for the first nine months of 2023 compared to net recoveries of $353,000 for the prior year comparative period. During a review of loan system parameters in Q2 2022, it was noted that payments collected and applied to loans charged-off in prior periods were not properly accounted for as recoveries. The correction of this issue resulted in an addition to the ACL of approximately $488,000 in the prior year. While we believe the current level of our ACL is adequate, there is no assurance that regulators, increased risks in the loan portfolio, or changes in economic conditions will not require additional adjustments to the ACL.

Net Interest Income

Net interest income for the current quarter is $10.8 million, reflecting a decrease of $468,000 compared to $11.3 million for the linked quarter ended June 30, 2023. The current quarter results reflect an increase of $291,000 compared to $10.5 million reported for the prior year quarter ended September 30, 2022. Comparing net interest income for the September and June 2023 quarters, the decline is primarily due to a combination of lower yields on earning assets and the higher cost of interest-bearing liabilities. The increase in net interest income between the current and prior year quarter is due to a higher yield on earning assets and partially offset by increased funding costs and reduced levels of both earning assets and interest-bearing liabilities.

Total interest income on all earning assets for the current quarter is $13.1 million compared to $13.2 million for the linked quarter and $11.5 million for the prior year quarter. Interest income on loans is $10.1 million, $10.3 million and $8.7 million for the three comparative quarters, respectively. Average loans outstanding are $672.6 million for Q3 2023, $674.8 million for Q2 2023 and $656.0 million for Q3 2022. The yield on loans declined to 5.93% in the current quarter from 6.11% in linked quarter and increased from 5.25% for the prior year quarter. During Q2 2023, the Company resolved a large problem loan relationship and recognized $555,000 of previously reversed and unaccrued interest income which positively impacted the yield on loans in Q2 2023 by approximately 33 basis points. Interest income from all other earning assets is $3.0 million for Q3 2023, $2.9 million for Q2 2023 and $2.8 million in Q3 2022. Yields and average volumes of all other earning assets are relatively constant for the current and linked quarters. Despite average volumes of all other earning assets decreasing by approximately $68.1 million from the prior year quarter, the higher yields on other earning assets in the current quarter more than offset the volume impact.

Total interest expense is $2.3 million, $1.9 million and $963,000 for the three comparative quarters, respectively. Interest expense on deposits is $1.6 million in Q3 2023, $1.4 million in Q2 2023 and $649,000 in Q3 2022. The cost of interest-bearing deposits is 1.06% for the current quarter, 0.90% for the linked quarter and 0.43% for the prior year quarter. The average volume of interest-bearing deposits is $786.3 million for the current quarter, reflecting declines of $24.7 million and $77.4 million from the linked and prior year quarters, respectively. Interest expense on subordinated debt and other borrowings is $699,000 in the current quarter compared to $502,000 in the linked quarter and $315,000 in the prior year quarter. The increase in interest expense from borrowings is due to increases in both the volume of borrowing and the cost of those borrowings. The cost of funds, which includes the impact of noninterest-bearing deposits, is 0.79% for the current period compared to 0.68% for Q2 2023 and 0.32% for Q3 2022.

Net interest income for the current nine-month period is $33.1 million compared to $29.2 million for the prior year period. Total interest income from earning assets is $38.6 million producing a yield of 4.46% compared to $32.2 million and a yield of 3.54% a year ago. Despite a decline in the volume of average earning assets outstanding of $61.5 million, the 92 basis point increase in yields on those assets resulted in the $6.4 million increase. Total interest expense increased from $2.9 million and a cost of interest-bearing funds of 0.43% for the prior year period to $5.5 million and 0.86% for the current nine-month period. The higher interest expense is due to the 43 basis point increase in the cost of interest-bearing funds and is partially offset by a $55.3 million reduction in the average volume of interest-bearing funds outstanding. The cost of total funds is currently 0.65% compared to 0.32% a year ago. In June 2022, the Company became aware of a loan system setting which affected the accounting for loan payments collected in prior years and impacted loans previously charged-off and in non-accrual status. The setting adjustment resulted in the recognition of $291,000 in interest income which is considered non-recurring, non-operating revenue for the nine-month period ended September 30, 2022.

In our June 30, 2023 press release, we cautioned that we could experience some net interest margin compression due to the FOMC's aggressive actions to tame inflation pressures. The higher interest rates have increased our cost of funds and is putting downward pressure on our net interest margin. The net interest margin is 3.74% for the current quarter compared to 3.92% in the linked quarter. The cost of funds increased by 11 basis points and the yield on earning assets declined by 7 basis points resulting in the 18 basis point decline. However, when discounting the aforementioned $555,000 recognized through the resolution of the large loan relationship, net margin would have been 3.75% for Q2 2023, and therefore net interest margin would have declined by only 1 basis point. For the nine-month periods ended September 30, 2023 and 2022, net interest margin increased by 59 basis points from 3.22% to 3.81%. The increase is due to the yield on earning assets increasing by 92 basis points and is partially offset by an increase in the total cost of funds of 33 basis points.

While we believe there continues to be pressure on the net interest margin, we can minimize the impact by improving our loan to deposit ratio and transitioning lower earning assets to higher earning asset categories. Our loan to deposit ratio has grown from 58.7% at December 31, 2022 to 64.2% at September 30, 2023. While we do believe that economic conditions are softening and could negatively impact future loan demand, south Louisiana is still in the process of recovering from three 2020 hurricanes which could fuel future loan growth for the Company.

Non-Interest Income

Total non-interest income is $2.9 million for the three-month period ended September 30, 2023 compared to $3.0 million for both the linked quarter and the prior year quarter. Service charges and fees associated with deposit accounts are $2.2 million for both the current quarter and linked quarter and are down from $2.4 million for the prior year quarter. The largest component of service charges and fees is interchange revenue on debit card transactions. Interchange revenue is $1.2 million for the current quarter, $1.3 million for the linked quarter and $1.2 million for the prior year quarter. Revenue from non-sufficient funds (NSF) is $754,000 in the current quarter compared to $696,000 in the linked quarter and $870,000 in the prior year quarter. The decrease in NSF fee revenue in the current year quarters compared to 2022 is primarily due to the Company's decision to no longer charge fees for those items returned against a customer's account more than once.

Gains on the sale of originated mortgage loans continues to be impacted by the higher interest rate environment. Gains on the sale of originated mortgages is $124,000 for the current quarter compared to $152,000 for Q2 2023 and $222,000 for Q3 2022. Although the demand for housing remains strong, the current level of mortgage loan rates is causing more people to reconsider home ownership, and existing homeowners from giving up their current 3% mortgage loan to move into larger homes. We anticipate mortgage originations to remain at or below current levels in the near term.

Other non-interest income is $563,000 for the current quarter compared to $587,000 for the linked quarter and $424,000 for the prior year quarter. Revenues from trust and brokerage activities comprise the largest components of other non-interest income. The sum of these two revenue streams is $247,000, $271,000 and $217,000 for the three comparative quarters respectively. There are no non-recurring, non-operating revenue items for any of the comparative quarters.

Non-interest income for the nine-month period ended September 30, 2023 is $7.4 million, compared to $8.8 million for the prior year period. Service charges and fees declined by $230,000 to $6.7 million from $6.9 million and were negatively impacted by a $198,000 decrease in NSF fees. Debit card interchange revenue is relatively stable and is $3.8 million for both periods. Gains on sale of originated mortgage loans is $386,000 compared to $741,000 and other non-interest income is $304,000 compared to $1.1 million. Other non-interest income for the current nine-month period includes a $1,263,000 non-recurring realized loss on the sale of investment securities recognized in the first quarter.

<u>Non-Interest Expense</u>

Total non-interest expense is $9.6 million for the September 30, 2023 quarter compared to $10.0 million for the linked quarter and $9.3 million for the prior year quarter. Salary and benefits expense is the largest component of non-interest expenses and is $5.1 million for the current quarter, $5.2 million for the linked quarter and $4.7 million for the prior year quarter. We recently rounded out our lending team in the Baton Rouge market and salary and benefits expense should increase slightly through year-end.

Occupancy expenses are $1.4 million for both the current and linked quarters and $1.3 million for the prior year quarter. Two components of occupancy expense that have increased in 2023 periods compared to Q3 2022 are depreciation and lease expense. Depreciation expense has increased as a result of the new Sale Road Branch in Lake Charles and lease expense has increased due to the expansion into the Baton Rouge and Mandeville, LA markets.

Data processing expense is $1.4 million for the current quarter, $1.3 million in the linked quarter and $1.0 million for the prior year quarter. Data processing expenses increase as the Company adds new accounts, new products and due to contractual annual consumer price index adjustments. Advertising and public relations expenses total $250,000 in the current quarter compared to $351,000 for the June 2023 quarter and $387,000 for the September 2022 quarter. Other non-interest expenses are $1.5 million for Q3 2023, $1.9 million for Q2 2023 and $1.8 million for Q3 2022. The largest components of other non-interest expenses are professional fees, ad valorem taxes, FDIC insurance assessments and other losses. Included in other non-interest expenses are net losses on the sale of OREO of $3,000, $1,000 and $41,000 for each of the comparative quarters. Additionally, $153,000 of non-recurring, non-operating expenses were incurred during Q2 2023 to reimburse certain customers who had been charged, in accordance with the Company's disclosures, multiple NSF fees on represented items. We decided to reimburse those charges due to recent regulatory scrutiny regarding fees on represented items.

Non-interest expenses for the nine-month period ended September 30, 2023 are $29.1 million compared to $27.5 million for the prior year. Increases in salaries and employee benefits, data processing and occupancy are partially offset by decreases in advertising and public relations expenses and fraud losses. Losses on the sale of OREO for the current and prior nine-month periods are $4,000 and $42,000, respectively. Non-recurring, non-operating expenses for the two comparative nine-month periods include the aforementioned $153,000 for the current period and $283,000 on the disposal of a former bank branch in the prior period.

Income tax expense is $695,000 for the current quarter compared to $638,000 for the linked quarter and $675,000 for the September 30, 2022 quarter. The effective tax rate is 16.60%, 16.56% and 16.61% for the three comparative quarters, respectively. Current year-to-date income tax expense is $1.7 million with an effective rate of 15.92% compared to $1.7 million and 16.27% for the prior year nine-month period.

Balance Sheet

Total assets are $1.2 billion at both September 30, 2023 and December 31, 2022, but did decline by 5.03% or $62.1 million. The decline is the net effect of using cash, investment securities and new borrowings to fund declines in deposits and new net loan growth. A portion of the decline is due to the net after-tax impact of rising interest rates on the Company's available for sale investment securities portfolio.

In the nine months since December 31, 2022, the Company has raised $43.3 million in cash from its investment portfolio through securities sales and principal amortizations. We have also raised $30.1 million in cash through additional borrowed funds. The cash generated from these activities, plus $12.7 million of existing cash and $4.9 million of net income, less dividends paid stockholders, has been used to fund the decline in total deposits and new net loan growth. Total deposits have declined by $91.8 million through September 30, 2023. The largest decline has occurred in interest-bearing demand accounts, which have decreased by $68.9 million. Savings accounts and noninterest-bearing demand accounts have experienced year-to-date declines of $41.1 million and $3.4 million, respectively. Deposit types showing year-to-date increases include time deposits, increasing by $18.5 million, and money market accounts, increasing by $3.1 million. New net loan growth for 2023 is $3.1 million. The Company has no brokered deposits within its funding mix at September 30, 2023 or December 31, 2022.

The decline in deposit levels between December 31, 2022 and September 30, 2023 is attributed to a combination of factors. The FOMC has aggressively increased interest rates in response to inflationary conditions and bank customers now have more alternatives as to where they invest their cash. In the midst and aftermath of the COVID-19 pandemic, the US Government injected trillions of stimulus dollars into the economy in the form of PPP loans to small businesses and direct payments to consumers, which created a substantial buffer for customers who placed excess cash in savings and interest-bearing accounts. As inflation increased through the US economy, the price of goods and services spiked and much of that buffer is being exhausted. Southwest Louisiana experienced two hurricanes in the fall of 2020. Due to insurance delays, the scarcity of labor and supply chain issues, customers were delayed making repairs to their properties. Those repairs have been ongoing over the past two years and have resulted in a use of funds. Finally, a small number of bank failures occurring between March and July 2023 caused customers to more carefully consider FDIC insurance coverage levels. Although the Company is financially strong, is well capitalized and has access to significant off-balance sheet liquidity, some depositors may have decided to diversify their deposits across multiple banks. It should be noted that the Company was the recipient of new deposits from customers of other financial institutions who made those same diversification decisions. Despite the outflow of deposits over the past 21 months, total deposits have still increased by $280.1 million since December 2019.

Stockholders' equity decreased by $3.4 million to $53.7 million at September 30, 2023 from $57.1 million at December 31, 2022. The decrease is primarily comprised of an increase in the accumulated other comprehensive loss of $8.4 million, dividends paid to common shareholders of $2.8 million, the one-time CECL implementation adjustment of $1.2 million and is partially offset by year-to-date earnings of $8.8 million.

Tangible book value per common share is $14.48 at September 30, 2023 compared to $15.47 at December 31, 2022.

Key Performance Ratios

Return on average assets (ROA) increased to 1.16% for the current quarter compared to 1.07% for both the linked and prior year quarters. Return on average equity (ROE) is 21.43%, 19.21% and 20.61% for the three comparative quarters ended September 2023, June 2023 and September 2022, respectively. ROA and ROE for the nine-month periods ended September 30, 2023 and 2022 are 0.98% and 0.90%, and 18.64% and 14.10%, respectively. The ROA and ROE for the current nine-month period are negatively impacted by the realized loss on available for sale investment securities. The pre-tax realized loss was $1.3 million and the after-tax loss was $998,000.

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.

JD BANCSHARES, INC. AND SUBSIDIARIES
JENNINGS, LOUISIANA

CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	Actual Sep 2023	Actual Dec 2022	$ Variance	% Variance
Assets				
Cash and due from banks	23,325,862	26,434,524	-3,108,662	(11.8)
Interest bearing deposits with banks	12,285,799	21,855,505	-9,569,706	(43.8)
Investment Securities - Taxable	271,980,397	321,185,999	-49,205,602	(15.3)
Investment Securities - Tax-exempt	126,761,049	131,488,014	-4,726,965	(3.6)
Mortgage loans held for sale	77,515	549,984	-472,469	(85.9)
Loans, net of unearned income	675,001,620	671,942,133	3,059,487	0.5
Less: Allowance for credit losses	-9,921,686	-9,208,070	-713,616	7.7
Premises and equipment, net	21,911,685	22,692,381	-780,696	(3.4)
Accrued interest receivable	4,620,441	4,985,487	-365,046	(7.3)
Other real estate	955,965	863,101	92,864	10.8
Other assets	46,308,340	42,656,191	3,652,149	8.6
Total Assets	**1,173,306,987**	**1,235,445,249**	**-62,138,262**	**(5.0)**
Liabilities				
Non-Interest Bearing Deposits	278,535,633	281,921,238	-3,385,605	(1.2)
Interest bearing demand deposits	314,833,161	383,786,414	-68,953,253	(18.0)
Savings and Money Market Deposits	338,079,103	376,093,240	-38,014,137	(10.1)
Time Deposits - Retail	120,739,082	102,193,314	18,545,768	18.1
Total Deposits	1,052,186,979	1,143,994,206	-91,807,227	(8.0)
Accrued expenses and other liabilities	7,558,890	4,590,785	2,968,105	64.7
Other Borrowings	59,871,093	29,764,526	30,106,567	101.1
Total Liabilities	**1,119,616,962**	**1,178,349,517**	**-58,732,555**	**(5.0)**
Equity				
Common stock	21,372,250	21,378,500	-6,250	(0.0)
3,419,560 shares outstanding at 9.30.23				
3,420,560 shares outstanding at 12.31.22				
Capital surplus	10,294,678	10,312,636	-17,958	(0.2)
Retained earnings	81,699,617	76,844,905	4,854,712	6.3
Accumulated other comprehensive income (loss)	-59,278,411	-50,873,123	-8,405,288	16.5
Less: Unearned common stock awards	-398,109	-567,186	169,077	(29.8)
Total Equity	**53,690,025**	**57,095,732**	**-3,405,707**	**(6.0)**
Total Liabilities & Equity	**1,173,306,987**	**1,235,445,249**	**-62,138,262**	**(5.0)**

JD BANCSHARES, INC. AND SUBSIDIARIES
JENNINGS, LOUISIANA

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	QTD Actual Sep 2023	QTD Actual Jun 2023	$ Variance	% Variance	QTD Actual Sep 2022	$ Variance	% Variance
Interest Income							
Interest on Loans	10,054,185	10,287,045	(232,860)	(2.3)	8,704,143	1,350,042	15.5
Mortgage Loans Held For Sale	8,213	11,239	(3,026)	(26.9)	10,009	(1,796)	(17.9)
Interest on deposits with banks	317,052	217,110	99,942	46.0	252,489	64,563	25.6
Investment Securities - Taxable	1,933,021	1,940,442	(7,421)	(0.4)	1,727,851	205,170	11.9
Investment Securities - Tax-exempt	781,796	785,478	(3,682)	(0.5)	812,774	(30,978)	(3.8)
Total Interest Income	13,094,267	13,241,314	(147,047)	(1.1)	11,507,266	1,587,001	13.8
Interest Expense							
Interest bearing demand deposits	333,127	346,809	(13,682)	(3.9)	215,821	117,306	54.4
Savings and Money Market Deposits	507,377	502,290	5,087	1.0	253,011	254,366	100.5
Time Deposits - Retail	720,298	560,918	159,380	28.4	179,686	540,612	300.9
Total Interest Expense on Deposits	1,560,802	1,410,017	150,785	10.7	648,518	912,284	140.7
FHLB Advances	-	25,686	(25,686)	(100.0)	-	-	-
Interest on other borrowings	698,643	502,353	196,290	39.1	314,788	383,855	121.9
Total Interest Expense	2,259,445	1,938,056	321,389	16.6	963,306	1,296,139	134.6
Net Interest Income	**10,834,822**	**11,303,258**	**(468,436)**	**(4.1)**	**10,543,960**	**290,862**	**2.8**
Provision for credit losses	(36,920)	364,080	(401,000)	(110.1)	189,000	(225,920)	(119.5)
Net In. Inc. After Prov. for Loan Losses	**10,871,742**	**10,939,178**	**(67,436)**	**(0.6)**	**10,354,960**	**516,782**	**5.0**
Non Interest Income							
Service charges and fees	2,224,841	2,217,554	7,287	0.3	2,354,001	(129,160)	(5.5)
Mortgage loan and related fees	123,787	152,199	(28,412)	(18.7)	221,542	(97,755)	(44.1)
Other noninterest income	562,600	586,641	(24,041)	(4.1)	423,537	139,063	32.8
Total Non Interest Income	2,911,228	2,956,394	(45,166)	(1.5)	2,999,080	(87,852)	(2.9)
Non Interest Expense							
Salaries and employee benefits	5,128,945	5,199,103	(70,158)	(1.3)	4,743,698	385,247	8.1
Occupancy	1,390,439	1,386,800	3,639	0.3	1,343,839	46,600	3.5
Advertising and public relations	250,061	351,454	(101,393)	(28.8)	387,039	(136,978)	(35.4)
Data Processing	1,366,432	1,251,898	114,534	9.1	1,039,588	326,844	31.4
Other noninterest expense	1,458,952	1,851,651	(392,699)	(21.2)	1,776,589	(317,637)	(17.9)
Total Non Interest Expense	9,594,829	10,040,906	(446,077)	(4.4)	9,290,753	304,076	3.3
Income Before Taxes	**4,188,141**	**3,854,666**	**333,475**	**8.7**	**4,063,287**	**124,854**	**3.1**
Income taxes	695,289	638,147	57,142	9.0	674,835	20,454	3.0
Net Income	**3,492,852**	**3,216,519**	**276,333**	**8.6**	**3,388,452**	**104,400**	**3.1**
Per common share data:							
Earnings	**$ 1.02**	**$ 0.94**			**$ 0.99**		
Weighted average number of shares outstanding	**3,419,560**	**3,420,549**			**3,416,740**		

Note: Some items may have been reclassified from prior presentations

JD BANCSHARES, INC. AND SUBSIDIARIES
JENNINGS, LOUISIANA

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	YTD Actual Sep 2023	YTD Actual Sep 2022	$ Variance	% Variance
Interest Income				
Interest on Loans	29,559,390	24,906,796	4,652,594	18.7
Mortgage Loans Held For Sale	25,226	27,855	(2,629)	(9.4)
Interest on deposits with banks	773,467	475,593	297,874	62.6
Investment Securities - Taxable	5,871,876	4,340,560	1,531,316	35.3
Investment Securities - Tax-exempt	2,363,406	2,409,936	(46,530)	(1.9)
Total Interest Income	38,593,365	32,160,740	6,432,625	20.0
Interest Expense				
Interest bearing demand deposits	904,688	631,897	272,791	43.2
Savings and Money Market Deposits	1,436,723	662,718	774,005	116.8
Time Deposits - Retail	1,613,964	628,196	985,768	156.9
Total Interest Expense on Deposits	3,955,375	1,922,811	2,032,564	105.7
FHLB Advances	36,522	-	36,522	-
Interest on other borrowings	1,517,768	993,485	524,283	52.8
Total Interest Expense	5,509,665	2,916,296	2,593,369	88.9
Net Interest Income	**33,083,700**	**29,244,444**	**3,839,256**	**13.1**
Provision for credit losses	928,749	189,000	739,749	391.4
Net In. Inc. After Prov. for Loan Losses	**32,154,951**	**29,055,444**	**3,099,507**	**10.7**
Non Interest Income				
Service charges and fees	6,670,437	6,900,872	(230,435)	(3.3)
Mortgage loan and related fees	385,614	741,412	(355,798)	(48.0)
Other noninterest income	304,265	1,135,589	(831,324)	(73.2)
Total Non Interest Income	7,360,316	8,777,873	(1,417,557)	(16.1)
Non Interest Expense				
Salaries and employee benefits	15,242,826	14,067,912	1,174,914	8.4
Occupancy	4,135,285	3,783,808	351,477	9.3
Advertising and public relations	904,803	1,119,048	(214,245)	(19.1)
Data Processing	3,913,459	3,317,376	596,083	18.0
Other noninterest expense	4,858,684	5,187,174	(328,490)	(6.3)
Total Non Interest Expense	29,055,057	27,475,318	1,579,739	5.7
Income Before Taxes	**10,460,210**	**10,357,999**	**102,211**	**1.0**
Income taxes	1,665,611	1,685,660	(20,049)	(1.2)
Net Income	**8,794,599**	**8,672,339**	**122,260**	**1.4**
Per common share data:				
Earnings	**$ 2.57**	**$ 2.54**		
Weighted average number of shares outstanding	**3,420,219**	**3,416,740**		

Note: Some items may have been reclassified from prior presentations

JD BANCSHARES, INC. AND SUBSIDIARIES

Margin Analysis Compare

	Average Yield and Rate			Average Funds			Interest Income/Expense		
	QTD Actual Sep 2023	QTD Actual Sep 2022	Change	QTD Actual Sep 2023	QTD Actual Sep 2022	Change	QTD Actual Sep 2023	QTD Actual Sep 2022	Change
Earning Assets									
Loans	5.93	5.25	0.68	672,609,097	655,982,188	16,626,909	10,054,185	8,672,115	1,382,070
PPP fee recognition	-	0.01	(0.01)	-	-	-	-	32,028	(32,028)
Loans with fees	5.93	5.26	0.67	672,609,097	655,982,188	16,626,909	10,054,185	8,704,143	1,350,042
Mortgage loans held for sale	8.72	5.93	2.79	376,875	675,460	(298,585)	8,213	10,009	(1,796)
Deposits with banks	5.84	2.26	3.58	21,540,204	44,337,345	(22,797,141)	317,052	252,489	64,563
Investment securities - taxable	2.22	1.78	0.44	348,900,279	388,791,156	(39,890,877)	1,933,021	1,727,851	205,170
Investment securities - tax-exempt	3.11	3.11	-	127,314,013	132,442,096	(5,128,083)	781,796	812,774	(30,978)
Total Earning Assets	**4.53**	**3.81**	**0.72**	**1,170,740,468**	**1,222,228,245**	**(51,487,777)**	**13,094,267**	**11,507,266**	**1,587,001**
Interest bearing liabilities									-
Interest bearing demand	0.42	0.24	0.18	313,936,339	361,368,509	(47,432,170)	333,127	215,821	117,306
Savings and Money Market	0.57	0.25	0.32	351,842,925	398,283,640	(46,440,715)	507,377	253,011	254,366
Time deposits - Retail	2.37	0.69	1.68	120,539,555	104,048,520	16,491,035	720,298	179,686	540,612
Total interest bearing deposits	0.79	0.30	0.49	786,318,819	863,700,669	(77,381,850)	1,560,802	648,517	912,285
Other borrowings	4.46	4.12	0.34	61,259,186	29,886,370	31,372,816	698,643	314,788	383,855
Total borrowed funds	4.46	4.12	0.34	61,259,186	29,886,370	31,372,816	698,643	314,788	383,855
Total interest-bearing liabilities	**1.06**	**0.43**	**0.63**	**847,578,005**	**893,587,039**	**(46,009,034)**	**2,259,445**	**963,306**	**1,296,139**
Net interest rate spread	**3.47**	**3.38**	**0.09**				**10,834,822**	**10,543,960**	**290,862**
Effect of non-interest bearing deposits	(0.27)	(0.11)	(0.16)	278,960,273	292,240,136	(13,279,863)			
Cost of funds	0.79	0.32	0.47						
Net interest margin	**3.74**	**3.49**	**0.25**						

JD BANCSHARES, INC. AND SUBSIDIARIES

Margin Analysis Compare

	Average Yield and Rate			Average Funds			Interest Income/Expense		
	YTD Actual Sep 2023	YTD Actual Sep 2022	Change	YTD Actual Sep 2023	YTD Actual Sep 2022	Change	YTD Actual Sep 2023	YTD Actual Sep 2022	Change
Earning Assets									
Loans	5.88	5.07	0.81	671,611,674	641,107,152	30,504,522	29,559,390	24,301,299	5,258,091
Loan fees	-	0.12	(0.12)	-	-	-	-	605,497	(605,497)
Loans with fees	5.88	5.19	0.69	671,611,674	641,107,152	30,504,522	29,559,390	24,906,796	4,652,594
Mortgage loans held for sale	7.58	4.64	2.94	443,722	801,199	(357,477)	25,226	27,855	(2,629)
Deposits with banks	5.71	0.82	4.89	18,108,955	82,701,022	(64,592,067)	773,467	508,870	264,597
Investment securities - taxable	2.19	1.51	0.68	356,830,249	380,463,866	(23,633,617)	5,871,876	4,307,283	1,564,593
Investment securities - tax-exempt	3.10	3.08	0.02	128,517,551	131,951,669	(3,434,118)	2,363,406	2,409,936	(46,530)
Total Earning Assets	**4.46**	**3.54**	**0.92**	**1,175,512,152**	**1,237,024,909**	**(61,512,757)**	**38,593,365**	**32,160,740**	**6,432,625**
Interest bearing liabilities			-						
Interest bearing demand	0.37	0.23	0.14	330,772,678	365,999,561	(35,226,883)	904,688	631,897	272,791
Savings and Money Market	0.52	0.22	0.30	367,929,248	408,669,264	(40,740,016)	1,436,723	662,718	774,005
Time deposits - Retail	1.88	0.77	1.11	114,500,220	109,647,492	4,852,728	1,613,964	628,196	985,768
Total interest bearing deposits	0.65	0.29	0.36	813,202,146	884,316,317	(71,114,171)	3,955,374	1,922,811	2,032,563
Federal home Loan Bank advances	5.22	-	5.22	923,077	-	923,077	36,522	-	36,522
Other borrowings	4.39	4.26	0.13	45,620,492	30,762,438	14,858,054	1,517,768	993,485	524,283
Total borrowed funds	4.40	4.26	0.14	46,543,569	30,762,438	15,781,131	1,554,290	993,485	560,805
Total interest-bearing liabilities	**0.86**	**0.43**	**0.43**	**859,745,715**	**915,078,755**	**(55,333,040)**	**5,509,664**	**2,916,296**	**2,593,368**
Net interest rate spread	**3.60**	**3.11**	**0.49**				**33,083,700**	**29,244,444**	**3,839,256**
Effect of non-interest bearing deposits	(0.21)	(0.11)	(0.10)	274,238,437	291,080,255	(16,841,817)			
Cost of funds	0.65	0.32	0.33						
Net interest margin	**3.81**	**3.22**	**0.59**						

JD BANCSHARES, INC. AND SUBSIDIARIES

SUPPLEMENTAL FINANCIAL INFORMATION

Financial Ratios

	For the Qtr Ended September 30, 2023	For the Qtr Ended June 30, 2023	For the Qtr Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Performance Ratios					
Return on Average Assets (ROA)	1.16%	1.07%	1.07%	0.98%	0.90%
ROA based on Pre-tax, pre-provision operating income	1.38%	1.46%	1.35%	1.42%	1.03%
Return on Average Equity (ROE)	21.43%	19.21%	20.61%	18.64%	14.10%
ROE based on Pre-tax, pre-provision operating income	25.49%	26.11%	25.92%	27.14%	16.22%
Earnings per Share	$1.02	$0.94	$0.99	$2.57	$2.54
Net Interest Margin	3.74%	3.92%	3.49%	3.81%	3.22%
Efficiency Ratio **	68.74%	68.33%	67.22%	68.26%	70.76%
Non-Interest Income as a % of Avg. Assets**	0.96%	0.99%	0.95%	0.96%	0.89%
Non-Interest Expense as a % of Avg. Assets**	3.18%	3.29%	2.92%	3.21%	2.81%

	As of September 30, 2023	As of December 31, 2022
Bank Level Capital Ratios:		
Tier 1 Leverage Ratio	10.84% (Est.)	10.04%
Common Equity Tier 1 Ratio	16.51% (Est.)	15.45%
Tier 1 Risk-Based Capital Ratio	16.51% (Est.)	15.45%
Total Risk-Based Capital Ratio	17.73% (Est.)	16.55%
Company:		
Tangible Equity / Total Assets	4.22%	4.28%
Tangible Book Value per Share	$ 14.48	$ 15.47

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

	For the Qtr Ended September 30, 2023	For the Qtr Ended June 30, 2023	For the Qtr Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Net Income (GAAP)	$ 3,492,852	$ 3,216,519	$ 3,388,452	$ 8,794,599	$ 8,672,339
Provision for Loan Lossess	(36,920)	364,080	189,000	928,749	189,000
Net (Gain) Loss on OREO	3,063	1,022	41,400	4,085	41,985
Net (Gain) Loss on Securities	-	-	-	1,263,100	-
Non-recurring Revenue	-	-	-	-	(291,127)
Non-recurring Expenses	-	153,413	-	153,413	282,961
Nonrecurring Revenue - PPP origination fees	-	-	(32,028)	-	(605,497)
Income Tax Expense	695,289	638,147	674,835	1,665,611	1,685,660
Pre-tax, Pre-Provision Operating Income	$ 4,154,284	$ 4,373,181	$ 4,261,659	$ 12,809,557	$ 9,975,321

** Non-recurring items are eliminated for this ratio