

PRESS RELEASE
July 25, 2024
JD Bancshares, Inc.

FOR IMMEDIATE RELEASE
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JD Bancshares, Inc. Announces Q2 2024 Financial Results

Jennings, LA., July 25, 2024 (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 six-month periods ended June 30, 2024.

Net income for the three-month period ended June 30, 2024 is \$3,028,833 or \$0.88 per common share compared to \$3,652,396 or \$1.07 per common share for the linked quarter ended March 31, 2024 and \$3,216,519 or \$0.94 per share for the prior year quarter ended June 30, 2023. Pre-tax, pre-provision operating income (PTPPOI) for the quarter ended June 30, 2024 is \$3,951,414 compared to \$3,709,245 for the linked quarter and \$4,373,181 for the prior year quarter. PTPPOI excludes taxes, provision for credit losses, net losses on the sale of other real estate owned (OREO), net losses on the sale of investment securities and other non-recurring expense items. The \$242,000 increase in the current quarter PTPPOI compared to the linked quarter is due to a \$127,000 increase in net interest income and a \$115,000 increase in recurring non-interest income. The \$422,000 decrease between current and prior year PTPPOI is due to a \$413,000 decline in net interest income, a \$134,000 decrease in recurring non-interest income and partially offset by a decrease in recurring non-interest expenses of \$125,000.

For the six-month period ended June 30, 2024, net income is \$6,681,230 or \$1.95 per share compared to \$5,301,748 or \$1.55 per share for the prior year comparative period. PTPPOI for the current six-month period is \$7,660,660 compared to \$8,655,274 for the prior year period. The \$995 million decrease is primarily due to a \$595,000 decrease in net interest income, a \$183,000 decrease in recurring non-interest income, and a \$217,000 increase in non-interest expenses.

Bruce Elder, President and CEO, commented, “We are pleased to present financial results for the three and six-month periods ended June 30, 2024. Due to a variety of non-recurring, non-operating items for the current and prior year six-month periods, net income for those periods does not provide an accurate comparison. Although net income for the current six-month period improved compared to that of the prior year, increases in interest expense, non-interest expense and a decrease in non-interest income caused pre-tax, pre-provision operating income to decline by \$1.0 million. However, the improvement shown in the current quarter compared to the March 31, 2024 quarter is encouraging as we increased both net interest income and non-interest income while holding recurring operating expenses flat. We believe that we can continue to increase our net interest income as we deploy lower yielding cash and principal paydowns from the investment securities into the loan portfolio. Although total deposits experienced an overall decrease thus far in 2024, deposits increased by \$10.2 million between March and June 2024. This is the first quarterly increase in deposits since the second quarter of 2021.”

Elder continued by commenting, “In addition to our optimism on the earnings front, we have made good progress in improving asset quality which has allowed us to release a portion of our allowance for credit losses back into earnings. As we move through the remainder of 2024 and navigate through potential short-term rate cuts, we will make decisions in a strategic manner keeping in mind our mission to create value for customers, employees, shareholders, and communities.”

Paycheck Protection Program Lending

During 2020 and 2021, the Company made 1,422 Paycheck Protection Program (PPP) loans totaling \$110.4 million. As of June 30, 2024, all PPP loans have been paid in full.

Asset Quality

Loans past due 30 to 89 days are \$3.1 million representing 0.43% of the total loan portfolio at June 30, 2024 compared to \$4.2 million or 0.61% at December 31, 2023. Total nonperforming assets, including loans on non-accrual status, OREO and repossessed assets declined to \$8.2 million at June 30, 2024 from \$12.1 million at December 31, 2023. Loans currently in non-accrual status declined to \$6.8 million from \$10.6 million at year-end 2023 and OREO is currently \$1.4 million compared to \$1.5 million. There are no repossessed assets at either June 30, 2024 or December 31, 2023. 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.

Provisions for credit losses for the quarters ended June 30, 2024 and 2023 are \$156,000 and \$364,000, respectively. For the linked quarter ended March 31, 2024, there was a release from the allowance for credit losses (ACL) of \$686,000. The large Q1 2024 release resulted in a net ACL release of \$529,000 for the current six-month period compared to provision expense of \$966,000 for the prior year six-month period. The ACL is \$9.4 million at June 30, 2024 or 1.31% of total loans compared to \$9.9 million at December 31, 2023 or 1.45% of total loans. We recognized net charge-offs in the current quarter of \$2,000 compared to \$78,000 for the linked quarter and \$335,000 for the prior year quarter. Net charge-offs for the comparative six-month periods ended June 30, 2024 and 2023 are \$80,000 and \$363,000, respectively. We believe the current level of our ACL 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 ACL.

Net Interest Income

For the quarter ended June 30, 2024, net interest income is \$10.9 million, reflecting a \$127,000 increase over the \$10.8 million for the linked March quarter and a \$413,000 decline compared to the \$11.3 million reported for the prior year quarter. When comparing the current quarter's net interest income to the linked quarter, the favorable impact on interest income due to a higher volume of average earning assets and higher yields more than offset the increase in interest expense due to a higher volume of interest-bearing liabilities and the higher cost of funds. The decline in net interest income compared to the prior year quarter is due to an increase in interest expense as a larger percentage of interest-bearing liabilities were in time deposits and borrowings.

Total interest income for the current quarter is \$14.2 million compared to \$13.8 million for the linked quarter and \$13.2 million for the prior year quarter. Interest income on loans for the current quarter is \$11.3 million, reflecting a \$438,000 increase compared to the linked quarter and a \$1.0 million increase over the prior year quarter. Average loans outstanding are \$710.8 million, \$687.9 million and \$674.8 million for the current, linked, and prior year quarter, respectively. The average yield on the loan portfolio for the three comparative quarters is 6.40%, 6.35%, and 6.11%. Interest income from other earning assets is \$2.9 million for Q2 2024, reflecting a small decrease from the \$3.0 million recorded in both Q1 2024 and Q2 2023. The decline in interest income from other earning assets was due to the net effect of decreases in volume of earning assets and increases in average yield. The overall yield on earning assets is 5.07%, 4.99% and 4.59% for the three comparative quarters, respectively.

Total interest expense is \$3.3 million for the current quarter, \$3.1 million in the linked quarter and \$1.9 million in the prior year quarter. The \$257,000 increase in interest expense between the current and linked quarters is attributed to both a \$3.9 million increase in the average interest-bearing liabilities outstanding as well as a 12-basis point increase in the average cost of interest-bearing liabilities. The \$1.4 million increase in interest expense between the current and prior year quarter is attributable to a 68-basis point increase in the cost of interest-bearing funds and is partially offset by a \$14.9 million decline in the average interest-bearing liabilities outstanding. The cost of interest-bearing liabilities is 1.58% for the current quarter compared to 1.46% and 0.90% for the linked and prior year quarters, respectively. When taking into account the effect of noninterest-bearing deposits, the cost of total funds is 1.21% for the current quarter, 1.13% for the linked quarter and 0.68% for the prior year quarter.

The net interest margin is 3.90% in both the current and linked quarters compared to 3.93% for the prior year quarter. The increases in the yield on earning assets and the cost of funds between the first and second quarters of 2024 offset each other resulting in no change in the net interest margin. Comparing the net interest margin between the current and prior year quarters, the increase in the cost of funds is more pronounced than the increase in yield on earning assets resulting in a decline in the net interest margin of 3-basis points. After increasing short-term interest rates by 525 basis over the course of a sixteen-month period from March 2022 through July 2023, the Federal Reserve Open Market Committee (FOMC) has paused and is monitoring the impacts of those increases on the economy, employment and inflation. A variety of current data appears to suggest that the interest rate increases are having the desired effect and the FOMC might be able to successfully engineer a “soft landing.” The consensus among economists is that the FOMC will begin to reduce short-term rates sometime in the third quarter and take a methodical approach to ensure inflation does not reignite. We believe, in the near term, that an environment where interest rates decline in a very moderate and measured manner, we will continue to price renewing loans and originate new loans at levels above the average yield of the existing portfolio. The cost of funds should moderate, and we believe the resulting net interest margin can remain at healthy levels.

Net interest income is \$21.7 million for the six-month period ended June 30, 2024, compared to \$22.2 million for the prior year period ended June 30, 2023. Net interest margin for the current six-month period is 3.90% compared to 3.86% for the comparative 2023 period. The total yield on earning assets increased to 5.03% from 4.43% due to increases in both yield and volume of loans outstanding. The cost of interest-bearing liabilities increased to 1.52% from 0.76% and the overall cost of funds increased to 1.17% from 0.57%.

Noninterest Income

Total noninterest income is \$2.8 million for the current quarter, up \$116,000 from \$2.7 million for the linked quarter and \$134,000 less than the \$3.0 million for the prior year quarter. Service charges and fees associated with deposits accounted for the largest category of noninterest income and is \$2.2 million in both the current and prior year quarters and \$2.1 million in the linked quarter. Interchange revenue from debit card usage remains relatively stable at \$1.2 million for the current and linked quarters compared to \$1.3 million for the prior year quarter. NSF fees totaled \$722,000 for the quarter ended June 30, 2024 compared to \$749,000 for the linked quarter and \$696,000 for the prior year quarter. Service charges on deposit accounts remain relatively constant at \$212,000, \$201,000 and \$217,000 for the three comparative periods, respectively.

Revenue from the sale of mortgage loans is \$124,000 for the current quarter compared to \$68,000 for the linked quarter and \$152,000 for the prior year quarter. The sharp increase in mortgage rates beginning in March 2022 had an adverse impact on the volume of mortgages being originated. The demand for housing remains strong and that demand is being satisfied to a larger extent by new construction as opposed to existing inventory. Many national builders have their own mortgage lending arms that handle the financing. However, mortgage rates remain low from historical standards and people are becoming more accustomed to current levels. This, and the prospect for lower interest rates in the future, should create a better opportunity for the Bank to grow its mortgage-related revenue.

Other noninterest income is \$534,000 for the current quarter, \$496,000 for the linked quarter and \$587,000 for the prior year quarter. The largest components of other noninterest income are revenues from trust services and wealth management. The total of these two revenue streams is \$288,000, \$217,000 and \$272,000 for the three periods, respectively. There are no non-recurring revenue items impacting any of the three comparative quarters.

Noninterest income for the six-month period ended June 30, 2024 is \$5.5 million compared to \$4.4 million for the prior year six-month period. Service charges and fees on deposit accounts are \$4.3 million, reflecting a \$138,000 decrease, gains on the sale of mortgage loans are \$192,000, reflecting a \$70,000 decrease and other non-interest income is \$1.0 million or \$1.3 million higher than the (\$258,000) recorded for the prior year period.

Other noninterest income for the prior six-month period includes a \$1.3 million realized loss on the sale of securities.

Noninterest Expense

Total noninterest expense is \$9.9 million for the quarter ended June 30, 2024 compared to \$9.8 million and \$10.0 million for the March 2024 and June 2023 quarters, respectively. Salary and employee benefit expenses for the current quarter are \$5.5 million, \$5.3 million for the linked quarter and \$5.2 million for the prior year quarter. The \$169,000 or 3.2% increase between the current and linked quarter is associated with annual merit increases which are effective April 1 of each year. The \$257,000 or 4.9% increase between the current and prior period is attributed to annual merit increases, health insurance premium increases and increases associated with grant awards pursuant to our 2022 Omnibus Incentive Plan.

Occupancy expenses have remained relatively stable over the current and linked quarters at \$1.3 million compared to \$1.4 million for the prior year quarter. Advertising and public relations expenses are \$398,000, \$334,000 and \$351,000 for the three comparative quarters, respectively. Data processing expenses are \$1.0 million in the current quarter, reflecting decreases of \$274,000 and \$217,000 compared to the linked and prior period, respectively. We have been able to negotiate some cost reductions with respect to current data processing usage but continue to evaluate new technologies which could increase costs in the future.

Other noninterest expenses are \$1.7 million for Q2 2024, \$1.5 million for Q1 2024 and \$1.8 million for Q2 2023. The largest components of noninterest expenses are comprised of professional fees, accruals for ad valorem taxes, fraud and other losses, FDIC insurance assessments, and telecommunication expenses. The increase between the current and linked quarter is primarily due to an increase in expenses associated with OREO of \$165,000 and increases in fraud and other losses of \$76,000. The decrease in other noninterest expenses between the current and prior year period is primarily attributable to lower fraud and other losses, a decrease in FDIC insurance premiums, a reduction in printing and office supplies and are partially offset by an increase in other OREO expenses. There are non-recurring expenses associated with all three comparative quarters; \$178,000 in losses on OREO in the current quarter, \$12,000 in losses on OREO in the linked quarter and the prior year quarter included both a \$153,000 reimbursement of NSF fees charged on NSF items presented multiple times in the prior two-year period and \$1,000 in losses on OREO.

Total noninterest expenses for the six-month period ended June 30, 2024 are \$19.7 million, up \$252,000 or 1.3% from \$19.5 million for the prior year. Increases in salaries and employee benefits (\$570,000) and advertising and public relations (\$77,000) are partially offset by declines in occupancy (\$117,000), data processing (\$203,000) and other non-interest expenses (\$77,000). Non-recurring expenses for the two six-month periods include losses on OREO of \$190,000 and \$1,000 for the current and prior year periods, respectively, and \$153,000 in NSF fee reimbursements for the prior year period.

Income tax expense is \$589,000 for the current quarter compared to \$730,000 for the linked quarter and \$638,000 for the June 2023 quarter. The decrease in income tax expense is primarily due to a reduction in pre-tax income in the current quarter compared to the linked and prior year quarters. The effective tax rate is relatively constant over the three comparative periods at 16.3% in the current quarter compared to 16.7% for the linked quarter and 16.6% in the prior year quarter. Year-to-date, income tax expense is \$1.3 million with an effective tax rate of 16.5% compared to \$970,000 with an effective rate of 15.47% for the prior year six-month period.

Balance Sheet

Although total assets at both June 30, 2024 and December 31, 2023 are \$1.2 billion, they have declined by \$12.3 million or 1% over the current six-month period. Gross loans, net of unearned income, represent the largest asset category at \$720.5 million and have increased by \$34.9 million or at an annualized rate of 10.2% from \$685.6 million reported at the prior year-end. The six-month increase in loans is comprised of \$11.2 million in net growth from December 31, 2023 to March 31, 2024 and \$23.7 million from March 31, 2024 to June 30,

2024. Total cash has declined by \$38.3 million from \$74.5 million at December 31, 2023 to \$36.2 million at June 30, 2024. Cash is used to fund loans and growth in other asset categories, as well as to satisfy deposit fluctuations. Investment securities declined by \$13.9 million to \$355.9 million from \$369.8 million and is the result of principal paydowns of \$9.8 million plus a \$4.1 million decrease in the fair market value of the portfolio. In June 2024, the Company purchased an additional \$2.7 million in Bank Owned Life Insurance.

Over the past six months, total deposits decreased by \$13.9 million or 1.4% and are \$1.0 billion at both June 30, 2024 and December 31, 2023. Noninterest bearing demand is down by \$19.6 million, savings deposits are down by \$15.1 million, and interest-bearing demand is down by \$13.9 million. Offsetting these declines are increases of \$30.0 million in time deposits and \$4.7 million in money market account balances. The Company has deposit relationships with several municipalities and other public unit entities whose deposit balances tend to be very large at year-end and then run-off throughout the year. Deposit balances categorized as public unit deposits have decreased by \$18.1 million over the current six-month period. The overall six month decline in deposits is comprised of a \$24.1 million decrease between December 31, 2023 and March 31, 2024 and a \$10.2 million increase between March 31, 2024 and June 30, 2024.

The total of all other liabilities increased by \$141,000 to \$86.3 million from \$86.2 million at December 31, 2023. The increase is attributable to an increase in accrued liabilities and partially offset by a decrease in other borrowings.

Stockholders' equity increased by \$1.5 million to \$75.8 million at June 30, 2024 from \$74.3 million at December 31, 2023. The increase is attributed to \$6.7 million in net income and is partially offset by a \$3.3 million increase in the accumulated other comprehensive loss (AOCL) and \$2.0 million in dividends paid to shareholders. Total shares outstanding at June 30, 2024 are 3,435,396 compared to 3,419,560 at December 31, 2023. Tangible book value per share is currently \$20.85 compared to \$20.52 at December 31, 2023.

Key Performance Ratios

Return on average assets (ROA) under Generally Accepted Accounting Principles (GAAP) is 1.03% for the current quarter compared to 1.26% for the linked quarter and 1.07% for the prior year quarter. GAAP ROA for the six-month period ended June 30, 2024 is 1.15% compared to 0.89% for the prior year period. On a PTPPOI basis, ROA is 1.35%, 1.28% and 1.46% for the three comparative quarters respectively, and 1.31% and 1.45% for the comparative six-month periods. GAAP return on average equity (ROE) is 16.12% for the current three-month period, 19.42% for the linked period and 19.20% for the prior year period. ROE for the six-month period ended June 30, 2024 is 17.77% compared to 17.16% for the prior year period. On a PTPPOI basis, ROE is 21.02%, 19.72% and 26.11% for the three comparative quarters and 20.37% and 28.02% for the two comparative six-month periods.

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 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.
(OTCQX: JDVB)

JD BANCSHARES, INC. AND SUBSIDIARIES
JENNINGS, LOUISIANA

CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	Actual Jun 2024	Actual Dec 2023	\$ Variance	% Variance
Assets				
Cash and due from banks	23,140,376	27,407,077	(4,266,701)	(15.6)
Interest bearing deposits with banks	13,082,573	47,128,161	(34,045,588)	(72.2)
Investment Securities - Taxable	230,808,641	243,375,614	(12,566,973)	(5.2)
Investment Securities - Tax-exempt	125,138,704	126,485,908	(1,347,204)	(1.1)
Loans, net of unearned income	720,547,591	685,618,017	34,929,574	5.1
Less: Allowance for credit losses	(9,417,049)	(9,907,722)	490,673	5.0
Premises and equipment, net	21,019,592	21,668,586	(648,994)	(3.0)
Accrued interest receivable	5,304,657	4,908,323	396,334	8.1
Other real estate	1,417,809	1,513,964	(96,155)	(6.4)
Other assets	45,126,250	40,271,967	4,854,283	12.1
Total Assets	1,176,169,144	1,188,469,895	(12,300,751)	(1.0)
Liabilities				
Non-Interest Bearing Deposits	234,882,474	254,516,587	(19,634,113)	(7.7)
Interest bearing demand deposits	297,843,037	311,708,545	(13,865,508)	(4.4)
Savings and Money Market Deposits	306,682,179	317,061,228	(10,379,049)	(3.3)
Time Deposits - Retail	174,624,779	144,650,491	29,974,288	20.7
Total Deposits	1,014,032,469	1,027,936,851	(13,904,382)	(1.4)
Accrued expenses and other liabilities	6,567,323	6,267,474	299,849	4.8
Other Borrowings	79,748,095	79,906,591	(158,496)	(0.2)
Total Liabilities	1,100,347,887	1,114,110,916	(13,763,029)	(1.2)
Equity				
Common stock	21,471,225	21,372,250	98,975	0.5
Capital surplus	10,554,284	10,294,678	259,606	2.5
Retained earnings	83,255,512	78,562,644	4,692,868	6.0
Accumulated other comprehensive income (loss)	(38,765,543)	(35,506,973)	(3,258,570)	(9.2)
Less: unearned stock awards	(694,221)	(363,620)	(330,601)	(90.9)
Total Equity	75,821,257	74,358,979	1,462,278	2.0
Total Liabilities & Equity	1,176,169,144	1,188,469,895	(12,300,751)	(1.0)

JD BANCSHARES, INC. AND SUBSIDIARIES
JENNINGS, LOUISIANA

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	QTD Actual Jun 2024	QTD Actual Mar 2024	\$ Variance	% Variance	QTD Actual Jun 2023	\$ Variance	% Variance
Interest Income							
Interest on Loans	11,305,380	10,867,803	437,577	4.0	10,287,045	1,018,335	9.9
Mortgage Loans Held For Sale	4,784	3,341	1,443	43.2	11,239	(6,455)	(57.4)
Interest on deposits with banks	355,310	402,025	(46,715)	(11.6)	217,110	138,200	63.7
Investment Securities - Taxable	1,773,973	1,779,010	(5,037)	(0.3)	1,940,442	(166,469)	(8.6)
Investment Securities - Tax-exempt	775,604	779,305	(3,701)	(0.5)	785,478	(9,874)	(1.3)
Total Interest Income	14,215,051	13,831,484	383,567	2.8	13,241,314	973,737	7.4
Interest Expense							
Interest bearing demand deposits	331,079	327,900	3,179	1.0	346,809	(15,730)	(4.5)
Savings and Money Market Deposits	580,933	530,266	50,667	9.6	502,290	78,643	15.7
Time Deposits - Retail	1,496,576	1,296,316	200,260	15.4	560,918	935,658	166.8
Total Interest Expense on Deposits	2,408,588	2,154,482	254,106	11.8	1,410,017	998,571	70.8
FHLB Advances	-	-	-	-	25,686	(25,686)	(100.0)
Interest on other borrowings	916,318	913,618	2,700	0.3	502,353	413,965	82.4
Total Interest Expense	3,324,906	3,068,100	256,806	8.4	1,938,056	1,386,850	71.6
Net Interest Income	10,890,145	10,763,384	126,761	1.2	11,303,258	(413,113)	(3.7)
Provision for credit losses	156,281	(685,588)	841,869	(122.8)	364,080	(207,799)	(57.1)
Net In. Inc. After Prov. for Credit Losses	10,733,864	11,448,972	(715,108)	(6.2)	10,939,178	(205,314)	(1.9)
Non Interest Income							
Service charges and fees	2,164,976	2,142,249	22,727	1.1	2,217,554	(52,578)	(2.4)
Mortgage loan and related fees	123,900	68,162	55,738	81.8	152,199	(28,299)	(18.6)
Other noninterest income	533,519	496,456	37,063	7.5	586,641	(53,122)	(9.1)
Total Non Interest Income	2,822,395	2,706,867	115,528	4.3	2,956,394	(133,999)	(4.5)
Non Interest Expense							
Salaries and employee benefits	5,485,248	5,315,813	169,435	3.2	5,228,269	256,979	4.9
Occupancy	1,289,716	1,338,312	(48,596)	(3.6)	1,386,800	(97,084)	(7.0)
Advertising and public relations	398,434	333,505	64,929	19.5	351,454	46,980	13.4
Data Processing	1,035,135	1,309,359	(274,224)	(20.9)	1,251,898	(216,763)	(17.3)
Other noninterest expense	1,730,143	1,476,181	253,962	17.2	1,822,485	(92,342)	(5.1)
Total Non Interest Expense	9,938,676	9,773,170	165,506	1.7	10,040,906	(102,230)	(1.0)
Income Before Taxes	3,617,583	4,382,669	(765,086)	(17.5)	3,854,666	(237,083)	(6.2)
Income taxes	588,750	730,273	(141,523)	(19.4)	638,147	(49,397)	(7.7)
Net Income	3,028,833	3,652,396	(623,563)	(17.1)	3,216,519	(187,686)	(5.8)

Per common share data:

Earnings	\$ 0.88	\$ 1.07	\$ 0.94
Weighted average number of shares outstanding	3,427,853	3,421,698	3,420,549

JD BANCSHARES, INC. AND SUBSIDIARIES
JENNINGS, LOUISIANA

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	YTD Actual Jun 2024	YTD Actual Jun 2023	\$ Variance	% Variance
Interest Income				
Interest on Loans	22,173,183	19,505,205	2,667,978	13.7
Mortgage Loans Held For Sale	8,125	17,013	(8,888)	(52.2)
Interest on deposits with banks	757,335	456,415	300,920	65.9
Investment Securities - Taxable	3,552,984	3,938,854	(385,870)	(9.8)
Investment Securities - Tax-exempt	1,554,909	1,581,610	(26,701)	(1.7)
Total Interest Income	28,046,536	25,499,097	2,547,439	10.0
Interest Expense				
Interest bearing demand deposits	658,979	571,561	87,418	15.3
Savings and Money Market Deposits	1,111,200	929,346	181,854	19.6
Time Deposits - Retail	2,792,892	893,666	1,899,226	212.5
Total Interest Expense on Deposits	4,563,071	2,394,573	2,168,498	90.6
FHLB Advances	-	36,522	(36,522)	(100.0)
Interest on other borrowings	1,829,937	819,124	1,010,813	123.4
Total Interest Expense	6,393,008	3,250,219	3,142,789	96.7
Net Interest Income	21,653,528	22,248,878	(595,350)	(2.7)
Provision for credit losses	(529,307)	965,669	(1,494,976)	(154.8)
Net In. Inc. After Prov. for Credit Losses	22,182,835	21,283,209	899,626	4.2
Non Interest Income				
Service charges and fees	4,307,225	4,445,597	(138,372)	(3.1)
Mortgage loan and related fees	192,062	261,827	(69,765)	(26.6)
Other noninterest income	1,029,974	(258,336)	1,288,310	(498.7)
Total Non Interest Income	5,529,261	4,449,088	1,080,173	24.3
Non Interest Expense				
Salaries and employee benefits	10,801,060	10,230,750	570,310	5.6
Occupancy	2,628,027	2,744,846	(116,819)	(4.3)
Advertising and public relations	731,937	654,744	77,193	11.8
Data Processing	2,344,494	2,547,027	(202,533)	(8.0)
Other noninterest expense	3,206,325	3,282,860	(76,535)	(2.3)
Total Non Interest Expense	19,711,843	19,460,227	251,616	1.3
Income Before Taxes	8,000,253	6,272,070	1,728,183	27.6
Income taxes	1,319,023	970,322	348,701	35.9
Net Income	6,681,230	5,301,748	1,379,482	26.0

Per common share data:

Earnings	\$ 1.95	\$ 1.55
Weighted average number of shares outstanding	3,427,853	3,420,554

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	
	Jun 2024	Jun 2023		Jun 2024	Jun 2023		Jun 2024	Jun 2023	
Earning Assets									
Loans	6.40	6.11	0.29	710,781,316	674,834,317	35,946,999	11,305,380	10,287,045	1,018,335
Loan fees	-	-	-	-	-	-	-	-	-
Loans with fees	6.40	6.11	0.29	710,781,316	674,834,317	35,946,999	11,305,380	10,287,045	1,018,335
Mortgage loans held for sale	7.31	7.06	0.25	261,596	636,757	(375,161)	4,784	11,239	(6,455)
Deposits with banks	5.65	5.14	0.51	25,303,487	16,946,877	8,356,610	355,310	217,110	138,200
Investment securities - taxable	2.52	2.20	0.32	281,837,041	353,480,368	(71,643,327)	1,773,973	1,940,442	(166,469)
Investment securities - tax-exempt	3.13	3.10	0.03	125,361,238	128,360,650	(2,999,412)	775,604	785,478	(9,874)
Total Earning Assets	5.07	4.59	0.48	1,143,544,678	1,174,258,969	(30,714,291)	14,215,051	13,241,314	973,737
Interest bearing liabilities									
Interest bearing demand	0.45	0.43	0.02	294,373,716	321,084,288	(26,710,572)	331,079	346,809	(15,730)
Savings and Money Market	0.76	0.54	0.22	308,635,228	373,387,706	(64,752,478)	580,933	502,290	78,643
Time deposits - Retail	3.74	1.93	1.81	160,930,741	116,552,284	44,378,457	1,496,576	560,918	935,658
Total interest bearing deposits	1.27	0.70	0.57	763,939,685	811,024,278	(47,084,593)	2,408,588	1,410,017	998,571
Federal home Loan Bank advances	5.76	4.87	0.89	11	2,087,912	(2,087,901)	-	25,686	(25,686)
Other borrowings	4.55	4.37	0.18	79,730,356	45,449,398	34,280,958	916,318	502,353	413,965
Total borrowed funds	4.55	4.39	0.16	79,730,367	47,537,310	32,193,057	916,318	528,039	388,279
Total interest-bearing liabilities	1.58	0.90	0.68	843,670,052	858,561,588	(14,891,536)	3,324,906	1,938,056	1,386,850
Net interest rate spread	3.49	3.69	(0.20)				10,890,145	11,303,258	(413,113)
Effect of non-interest bearing deposits	(0.37)	(0.22)	(0.15)	253,026,327	272,323,468	(19,297,141)			
Cost of funds	1.21	0.68	0.53						
Net interest margin	3.90	3.93	(0.03)						

JD BANCSHARES, INC. AND SUBSIDIARIES

Margin Analysis Compare

	Average Yield and Rate			Average Funds			Interest Income/Expense		
	YTD	YTD	Change	YTD	YTD	Change	YTD	YTD	Change
	Actual	Actual		Actual	Actual		Actual	Actual	
	Jun 2024	Jun 2023		Jun 2024	Jun 2023		Jun 2024	Jun 2023	
Earning Assets									
Loans	6.38	5.86	0.52	699,323,893	671,104,697	28,219,196	22,173,183	19,505,205	2,667,978
Loan fees	-	-	-	-	-	-	-	-	-
Loans with fees	6.38	5.86	0.52	699,323,893	671,104,697	28,219,196	22,173,183	19,505,205	2,667,978
Mortgage loans held for sale	7.27	7.12	0.15	223,575	477,700	(254,125)	8,125	17,013	(8,888)
Deposits with banks	5.49	4.85	0.64	27,756,612	18,957,979	8,798,633	757,335	456,415	300,920
Investment securities - taxable	2.50	2.18	0.32	283,762,005	360,860,952	(77,098,947)	3,552,984	3,938,855	(385,871)
Investment securities - tax-exempt	3.13	3.10	0.03	125,786,657	129,129,294	(3,342,637)	1,554,909	1,581,610	(26,701)
Total Earning Assets	5.03	4.43	0.60	1,136,852,742	1,180,530,621	(43,677,879)	28,046,536	25,499,098	2,547,438
Interest bearing liabilities									
Interest bearing demand	0.45	0.34	0.11	295,320,013	339,190,848	(43,870,835)	658,979	571,561	87,418
Savings and Money Market	0.72	0.50	0.22	311,160,624	376,105,721	(64,945,097)	1,111,200	929,346	181,854
Time deposits - Retail	3.61	1.62	1.99	155,433,787	111,430,503	44,003,284	2,792,892	893,666	1,899,226
Total interest bearing deposits	1.20	0.58	0.62	761,914,423	826,727,072	(64,812,649)	4,563,071	2,394,573	2,168,498
Federal home Loan Bank advances	5.76	5.22	0.54	5	1,392,265	(1,392,260)	-	36,522	(36,522)
Other borrowings	4.54	4.32	0.22	79,813,050	37,671,543	42,141,507	1,829,937	819,125	1,010,812
Total borrowed funds	4.54	4.36	0.18	79,813,056	39,063,808	40,749,248	1,829,937	855,647	974,290
Total interest-bearing liabilities	1.52	0.76	0.76	841,727,479	865,790,880	(24,063,401)	6,393,008	3,250,220	3,142,788
Net interest rate spread	3.51	3.67	(0.16)				21,653,528	22,248,878	(595,350)
Effect of non-interest bearing deposits	(0.35)	(0.19)	(0.16)	250,220,645	271,877,520	(21,656,875)			
Cost of funds	1.17	0.57	0.60						
Net interest margin	3.90	3.86	0.04						

JD BANCSHARES, INC. AND SUBSIDIARIES

SUPPLEMENTAL FINANCIAL INFORMATION

Financial Ratios

	For the Qtr Ended June 30, 2024	For the Qtr Ended March 31, 2024	For the Qtr Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Performance Ratios					
Return on Average Assets (ROA)	1.03%	1.26%	1.07%	1.15%	0.89%
ROA based on Pre-tax, pre-provision operating income	1.35%	1.28%	1.46%	1.31%	1.45%
Return on Average Equity (ROE)	16.12%	19.42%	19.20%	17.77%	17.16%
ROE based on Pre-tax, pre-provision operating income	21.02%	19.72%	26.11%	20.37%	28.02%
Earnings per Share	\$0.88	\$1.07	\$0.94	\$1.95	\$1.55
Net Interest Margin	3.90%	3.92%	3.92%	3.90%	3.86%
Efficiency Ratio **	70.13%	71.37%	68.33%	70.74%	68.02%
Non-Interest Income as a % of Avg. Assets**	0.96%	0.93%	0.98%	0.95%	0.95%
Non-Interest Expense as a % of Avg. Assets**	3.33%	3.37%	3.29%	3.35%	3.23%

	As of June 30, 2024	As of December 31, 2023
Bank Level Capital Ratios:		
Tier 1 Leverage Ratio	11.18% (Est.)	10.67%
Common Equity Tier 1 Ratio	16.06% (Est.)	15.72%
Tier 1 Risk-Based Capital Ratio	16.06% (Est.)	15.72%
Total Risk-Based Capital Ratio	17.21% (Est.)	16.96%
Company:		
Tangible Equity / Total Assets	6.09%	5.91%
Tangible Book Value per Share	\$ 20.85	\$ 20.52

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

	For the Qtr Ended June 30, 2024	For the Qtr Ended March 31, 2024	For the Qtr Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Net Income (GAAP)	\$ 3,028,833	\$ 3,652,396	\$ 3,216,519	\$ 6,681,230	\$ 5,301,748
Provision for Loan Losses	156,281	(685,588)	364,080	(529,307)	965,669
Net (Gain) Loss on OREO	177,550	12,164	1,022	189,714	1,022
Net (Gain) Loss on Securities	-	-	-	-	1,263,100
Non-recurring Expenses	-	-	153,413	-	153,413
Income Tax Expense	588,750	730,273	638,147	1,319,023	970,322
Pre-tax, Pre-Provision Operating Income	<u>\$ 3,951,414</u>	<u>\$ 3,709,245</u>	<u>\$ 4,373,181</u>	<u>\$ 7,660,660</u>	<u>\$ 8,655,274</u>

** Non-recurring items are eliminated for this ratio