

We have continued our investment in a digital transformation by rolling out a new mobile application in May. This updated app improves the user experience by integrating and unifying our on-line, mobile, and debit card management systems. It increases account security and allows for enhanced client optionality and functionality.

I hope that you are enjoying the summer and that you share our excitement for the future of JBT. We appreciate your continued confidence and investment.



Troy A. Peters  
President & CEO

#### BOARD OF DIRECTORS

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*Chief Executive Officer*

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*Chief Financial Officer*

**Edward T. Martel, Jr.**  
*Chief Operating Officer*

**Richard M. Rollman**  
*Chief Lending Officer*

**Timothy D. Gingrich**  
*Chief Information Officer*

**Michael E. Grenier**  
*Chief Risk Officer*



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2ND QUARTER REPORT



JBT BANCORP, INC.



Inspiring  
Confidence

JUNE 30 2022

## LETTER TO SHAREHOLDERS

I am pleased to report that the JBT Bancorp, Inc. Board of Directors has declared a second quarter dividend of \$0.22 per share for shareholders of record as of July 25, 2022 and payable on July 29, 2022. The company has produced six-month earnings of \$3,293,000, up 4.24% from \$3,159,000 in the prior year. Earnings per share rose by 3.85% from \$1.30 to \$1.35. Overall earnings were positively affected by favorable net interest income movement.

Loan growth continues to be strong with a year-to-date increase of 7.50%. We continue to perform very well with our indirect auto and commercial lending activities. However, new and refinanced home mortgage activity has declined substantially as rising rates and low home inventories have contributed to a mortgage banking income decline of 79.14% compared to the prior year.

As of this writing, the last of the Paycheck Protection Program loans that we issued over the past two years has been forgiven by the Small Business Administration. I am extremely proud of our team's efforts to aid in stabilizing our local communities during the pandemic by helping to deliver much needed funds to our clients and ultimately their employees.

Deposits grew by 2.43% year-to-date and are up 5.67% year-over-year (YOY). Deposit related fee income is up 44.21% YOY and led by the doubling of fees earned from cannabis related businesses. We continue to serve this niche market very effectively and we have aggressive plans to continue our growth in this area.

During the quarter, the Federal Open Market Committee (FOMC) continued to raise rates. On the heels of a quarter increase in March, there was a half percent increase in May, followed by a three-quarters percent increase in June. This letter is being written in advance of the July FOMC meeting where another three-quarters of a percent increase is widely expected. This would total 2.25% in 2022 and the most upward movement in over forty years. Despite this rate pressure, we have been able to sustain a relatively strong net interest margin of 3.44%.

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## Balance Sheet (Unaudited)

as of June 30, 2022

(Dollars in thousands)

<b>Assets</b>	<b>2022</b>	<b>2021</b>
Cash and due from banks	\$ 30,748	\$ 57,182
Securities	30,690	27,279
Loans receivable net of the allowance for loan losses	742,554	680,474
Premises/equipment, net	11,231	11,927
Other assets	22,428	23,980
<b>Total Assets</b>	<b>\$ 837,651</b>	<b>\$ 800,842</b>

## Liabilities and Shareholders' Equity

<b>Liabilities</b>		
Non-interest bearing deposits	\$ 130,132	\$ 106,850
Interest bearing deposits	<u>611,664</u>	<u>595,156</u>
<b>Total Deposits</b>	<b>741,796</b>	702,006
Long-term debt	22,719	28,102
Other liabilities	<u>5,658</u>	<u>6,340</u>
<b>Total Liabilities</b>	<b>770,173</b>	736,448
<b>Shareholders' Equity</b>		
Common stock: Par value \$2.00 per share, 6,000,000 authorized shares, issued and outstanding 2,433,696 shares	4,867	4,867
Surplus	7,394	7,394
Undivided profits	56,577	52,101
Accumulated other comprehensive income	<u>(1,360)</u>	<u>32</u>
<b>Total Shareholders' Equity</b>	<b>67,428</b>	64,394
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 837,651</b>	<b>\$ 800,842</b>

## Income Statement (Unaudited)

for the 6 Months Ending June 30, 2022

(Dollars in thousands except per share amounts)

<b>Interest Income</b>	<b>2022</b>	<b>2021</b>
Loans receivable	\$ 14,300	\$ 13,869
Taxable securities	528	336
Tax-exempt securities	57	58
Other	<u>82</u>	<u>31</u>
<b>Total Interest Income</b>	<b>14,967</b>	14,294

## Interest Expense

Deposits	896	1,187
Borrowed funds	<u>339</u>	<u>290</u>
Total interest expense	<u>1,235</u>	<u>1,477</u>
<b>Net Interest Income</b>	<b>13,732</b>	12,817
Provision for loan losses	<u>720</u>	<u>496</u>
<b>Net Interest Income After Provision for Loan Losses</b>	<b>13,012</b>	<u>12,321</u>

## Other Income

Mortgage banking activities	112	537
Service charges on deposits	760	527
Other income	<u>1,070</u>	<u>1,072</u>
Total other income	<u>1,942</u>	<u>2,136</u>

## Other Expenses

Salaries/employee benefits	5,794	5,633
Occupancy	690	724
Equipment	304	333
Marketing	294	242
Other operating expenses	<u>3,799</u>	<u>3,696</u>
Total other expenses	<u>10,881</u>	<u>10,628</u>
<b>Income Before Income Taxes</b>	<b>4,073</b>	3,829
Federal income taxes	<u>780</u>	<u>670</u>
<b>Net income</b>	<b>\$ 3,293</b>	<u>\$ 3,159</u>
<b>Net income per Share</b>	<b>\$1.35</b>	<u>\$1.30</u>

## SELECTED FINANCIAL DATA

<b>June 30,</b>	<b>2022</b>	<b>2021</b>
Return on assets	0.79%	0.83%
Return on equity	9.95%	10.12%
Book value	\$27.73	\$26.48
Earnings per share	\$1.35	\$1.30