



**FOR RELEASE:**

**April 27, 2021**

Kyle R. Chavis, Chief Executive Officer  
Lumbee Guaranty Bank

(910) 521-9707; [kylechavis@lumbeeguarantybank.com](mailto:kylechavis@lumbeeguarantybank.com); [www.lumbeeguarantybank.com](http://www.lumbeeguarantybank.com)

**LUMBEE GUARANTY BANK REPORTS 1<sup>st</sup> QUARTER 2021 EARNINGS**

*Company reports strong earnings and improved asset quality*

- \$1.062 million in net income for the quarter-ended March 31, 2021
- Improving asset quality ratios
- Bank is considered “Well-Capitalized” by regulators

**PEMBROKE, NC** . . . For the quarter ended March 31, 2021, Lumbee Guaranty Bank (“Lumbee” or “Bank”), reported net income of \$1,062,000, or earnings per share of \$0.31, compared to net income of \$722,000, or earnings per share of \$0.21, for the same period in 2020. As of the quarter-end, Lumbee reported assets of \$436.4 million, an increase of 27.7% over assets of \$341.8 million as of March 31, 2020. Loans rose 1.2% to \$199.6 million, compared to loans of \$197.3 million reported March 31, 2020. Deposits grew to \$386.6 million at March 31, 2021, an increase of 34.0% from March 31, 2020 deposits of \$288.5 million. Capital levels remained strong, as shareholders equity totaled \$42.7 million, or 9.8% of assets at March 31, 2021, versus \$42.6 million, or 12.46% of assets at the year-ago date.

In 2021’s first quarter, noninterest income rose 11.3% to \$592,000 from \$532,000 in the year-ago quarter. Noninterest expense decreased 2.7% to \$2.73 million the quarter ending March 31, 2021 from \$2.81 million in the year-ago quarter. At March 31, 2021, the Bank reported nonperforming assets (including nonaccruing loans, loans more than 90 days past due and still accruing, and OREO) of \$4.3 million, or 0.98% of total assets, down from \$4.6 million, or 0.98% of total assets, at the year-ago date.

“Our first quarter yielded strong results as we were able to recognize fee income from participating in the first two rounds of the Paycheck Protection Program in 2020 and also demonstrated the success of our cost-containment measures implemented over the course of the past several months” said Kyle R. Chavis, Chief Executive Officer of Lumbee. Chavis continued, “As we serve our customers with the third round of PPP lending, our bankers are diligently providing needed capital as our local economy continues to recover.” Chavis further stated, “We are pleased with our asset quality and are actively seeking lending opportunities across our three-county primary market area. Our solid capital position and excellent liquidity levels provide the foundation we need to continue to assist businesses and families with all of their financial needs.”

Lumbee Guaranty Bank is a community bank headquartered in Pembroke, NC and serves Robeson, Cumberland, and Hoke Counties. Established in 1971, the Bank offers a full array of financial services through its network of fourteen strategically located branch offices over the three-county area. The Bank’s common stock is traded on the OTC-QX under the stock symbol LUMB.

###

*The information as of and for the quarter ended March 31, 2021, as presented is unaudited. This news release contains forward-looking statements. Actual results may differ materially from those projected, for various reasons, including our ability to manage growth, our limited operating history, substantial changes in financial markets, regulatory changes, changes in interest rates, loss of deposits and loan demand to other savings and financial institutions, and changes in real estate values and the real estate market.*

**LUMBEE GUARANTY BANK****Balance Sheets (unaudited) March 31,****2021**      2020  
(Dollars in thousands)**Assets**

Cash and due from banks	<b>\$5,364</b>	\$7,490
Interest-earning deposits with banks	<b>38,824</b>	12,861
Total cash and cash equivalents	<b>44,188</b>	20,351
Net Investments	<b>170,112</b>	102,342
Loans receivable	<b>199,563</b>	197,265
Allowance for loan losses	<b>2,282</b>	2,056
Net loans receivable	<b>197,281</b>	195,209
Bank premises & equipment, net	<b>8,789</b>	9,123
Other assets	<b>16,064</b>	14,746
Total assets	<b>\$436,434</b>	\$341,771

**Liabilities and Shareholders' Equity**

## Deposits:

Demand deposits, Money market & NOW	<b>\$269,575</b>	\$175,781
Savings	<b>35,787</b>	27,614
Time deposits	<b>81,219</b>	85,097
Total deposits	<b>386,581</b>	288,492
Securities Sold under Agreement to Repurchase	<b>1,650</b>	906
Other borrowed money	<b>106</b>	5,137
Accrued interest payable and other liabilities	<b>5,426</b>	4,634
Total liabilities	<b>393,763</b>	299,169
Total shareholders' equity	<b>42,671</b>	42,602
Total liabilities and shareholders' equity	<b>\$436,434</b>	\$341,771

Book value per share      **\$12.63**      \$12.49

**LUMBEE GUARANTY BANK****Statement of Operations (unaudited) Three Months Ended,  
March 31,****2021**      2020(Dollars in thousands,  
except per share data)

Interest Income	<b>3,611</b>	3,548
Interest Expense	<b>219</b>	434
	<hr/>	
Net Interest Income	<b>3,392</b>	3,114
Provision for loan losses	<b>0</b>	0
	<hr/>	
Net Interest Income after provision	<b>3,392</b>	3,114
Service charges on deposit accounts	<b>289</b>	333
Other	<b>303</b>	199
	<hr/>	
Total noninterest Income	<b>592</b>	532
Personnel costs	<b>1,602</b>	1,563
Occupancy and equipment	<b>372</b>	395
Data processing fees	<b>310</b>	323
Other	<b>450</b>	530
	<hr/>	
Total noninterest expense	<b>2,734</b>	2,811
Net Income before income taxes	<b>1,250</b>	835
Income taxes	<b>188</b>	113
	<hr/>	
<b>Net Income</b>	<b>1,062</b>	722
	<hr/> <hr/>	
Net income per common share	<b>\$0.31</b>	\$0.21