



FOR RELEASE:

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LUMBEE GUARANTY BANK REPORTS 3rd QUARTER 2019 EARNINGS

Company reports stable earnings, steady growth and improving credit quality

- \$2.28 million in net income for the first nine months of 2019
- Annual growth of 3% for loans and 2% for assets and deposits
- Nonperforming loans continue to decline

PEMBROKE, NC . . . For the quarter ended September 30, 2019, Lumbee Guaranty Bank (“Lumbee” or “Bank”), reported net income of \$804,000, or earnings per share of \$0.24, compared to net income of \$868,000, or earnings per share of \$0.25, for the same period in 2018. For the nine-month period ended as of the same date, Lumbee reported net income of \$2.278 million in 2019, or earnings per share of \$0.67, compared to net income of \$2.350 million for the nine months ended September 30, 2018, or earnings per share of \$0.69.

As of September 30, 2019, Lumbee reported assets of \$346.2 million, an increase of almost 2% over assets of \$340.4 million as of September 30, 2018. Loans were up over 3% to \$190.3 million, compared to loans of \$184.0 million reported September 30, 2018. Deposits grew to \$299.5 million at quarter-end, an increase of 1.5% over September 30, 2018 deposits of \$295.1 million. Capital levels remained strong, as shareholders equity totaled \$41.0 million, or 12% of assets at September 30, 2019, versus \$37.3 million, or 11% of assets at the year-ago date.

Earnings in the third quarter of 2019 were slightly below the year-ago figures, yet still beat expectations by \$0.01/share. The Bank’s capital position remains strong, as all capital ratios exceed the regulatory minimums to be considered “Well Capitalized”. Lastly, nonperforming assets decreased by 22% from the third quarter of 2018.

“Our primary goal is to continue to pursue strategies designed to grow shareholder value.” said Kyle R. Chavis, Chief Executive Officer of Lumbee. “We look forward to continuing our positive impact on the economy of southeastern NC by seeking to meet the financial needs of our customers. We are also pleased to announce that as of November 5, 2019, Raymond James became our primary market maker, and our common stock is now publicly traded on the OTC-Pink under the stock symbol LUMB. We have since applied to join the OTC-QX and look forward to approval and listing. This trading symbol only applies to the Bank’s common stock and does not cover the Bank’s Class A common stock. Shareholders who want to sell shares of their Class A common stock should contact our corporate office”

Lumbee Guaranty Bank is a community bank headquartered in Pembroke, NC and serves Robeson, Cumberland, and Hoke Counties through its network of thirteen strategically located branch offices over the three-county area.

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The information as of and for the quarter ended September 30, 2019, 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, 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) September 30,****2019** **2018**

(Dollars in thousands)

Assets

Cash and due from banks	\$ 4,370	\$ 4,539
Interest-earning deposits with banks	26,766	32,976
Total cash and cash equivalents	31,136	37,515
Net Investments	103,411	95,990
Loans receivable	189,942	183,629
Allowance for loan losses	2,171	2,096
Net loans receivable	187,771	181,533
Bank premises & equipment, net	8,847	8,608
Other assets	14,994	16,749
Total assets	\$ 346,159	\$ 340,395

Liabilities and Shareholders' Equity

Deposits:

Demand deposits, Money market & NOW	\$ 188,472	\$ 186,789
Savings	25,943	24,357
Time deposits	85,117	83,959
Total deposits	299,532	295,105
Securities Sold under Agreement to Repurchase	573	642
Other borrowed money	861	2,999
Accrued interest payable and other liabilities	4,098	4,303
Total liabilities	305,064	303,049
Total shareholders' equity	41,095	37,346
Total liabilities and shareholders' equity	\$ 346,159	\$ 340,395

Book value per share	\$ 12.02	\$ 10.93
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LUMBEE GUARANTY BANK**Statement of Operations (unaudited) Nine Months Ended,
September 30,**

	2019	2018
	(Dollars in thousands, except per share data)	
Interest Income	10,889	9,869
Interest Expense	1,313	688
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Net Interest Income	9,576	9,181
Provision for loan losses	-	99
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Net Interest Income after provision	9,576	9,082
Service charges on deposit accounts	1,010	1,069
Other	529	564
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Total noninterest Income	1,539	1,633
Personnel costs	4,714	4,632
Occupancy and equipment	971	951
Data processing fees	1,036	863
Other	1,749	1,554
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Total noninterest expense	8,470	8,000
Net Income before income taxes	2,645	2,715
Income taxes	367	365
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Net Income	2,278	2,350
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Net income per common share	\$ 0.67	\$ 0.69

LUMBEE GUARANTY BANK**Statement of Operations (unaudited) Three Months Ended,
September 30,**

	2019	2018
	(Dollars in thousands, except per share data)	
Interest Income	3,666	3,494
Interest Expense	473	307
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Net Interest Income	3,193	3,187
Provision for loan losses	-	74
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Net Interest Income after provision	3,193	3,113
Service charges on deposit accounts	353	362
Other	186	136
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Total noninterest Income	539	498
Personnel costs	1,558	1,461
Occupancy and equipment	350	307
Data processing fees	359	296
Other	526	531
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Total noninterest expense	2,793	2,595
Net Income before income taxes	939	1,016
Income taxes	135	147
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Net Income	804	868