



2010 ANNUAL REPORT
Safe and Secure

In This 2010 *Report*

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About The Report

The 2010 Annual Report is presented in a summary format to provide information regarding the performance of Lumbee Guaranty Bank in a manner that is meaningful and useful to the widest range of readers. The audited consolidated financial statements of Lumbee Guaranty Bank and subsidiary, Lumbee Guaranty Financial Services, Inc. and other more detailed analytical information regarding the Corporation are contained in the Lumbee Guaranty Bank 2010 on Form 10-K with the Federal Deposit Insurance Corporation.



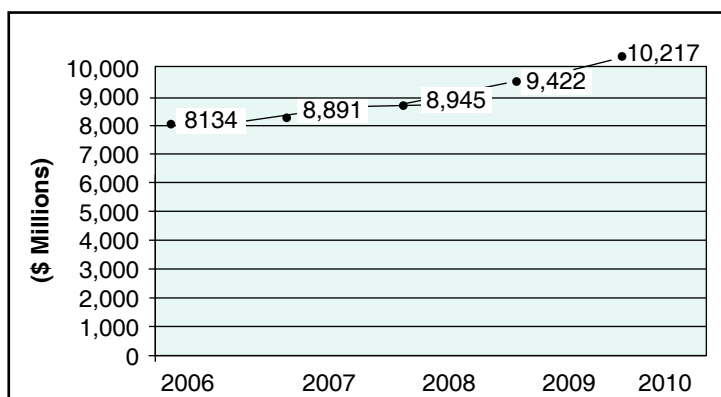
Selected Financial Data

The following table sets forth certain selected financial data concerning the Bank for the years ended December 31, 2010, 2009, 2008, 2007 and 2006. This information should be read in conjunction with and is qualified in its entirety by reference to the detailed audited consolidated financial statements and notes thereto which are included in this Annual Report.

	2010	2009	2008	2007	2006
Income Statement Data (in thousands)					
Interest income	\$13,814	\$13,311	\$13,801	\$14,526	\$ 12,768
Interest expense	3,597	3,888	4,856	5,635	4,636
Net interest income	10,217	9,423	8,945	8,891	8,134
Provision for loan loss	950	646	510	643	9
Net interest income after provision for loan loss	9,267	8,777	8,464	8,248	8,125
Other operating income	2,094	2,500	2,846	2,996	3,059
Other operating expenses	9,855	10,134	8,480	8,417	8,217
Income taxes	100	36	659	756	903
Securities gains (losses)	0	0	0	0	0
Extraordinary items	0	0	0	0	0
Net Income	1,406	\$1,107	\$ 2,142	\$2,071	\$ 2,064
Per Share Data					
Net income	\$0.41	\$0.45	\$ 0.88	\$ 0.85	\$ 0.85
Year end book value	8.33	11.24	10.93	10.11	9.49
Dividends declared	.12	.21	0.27	0.26	0.23
Balance Sheet Data (in thousands)					
Loans, net	167,840	\$168,224	\$ 145,296	\$ 138,789	\$ 132,590
Investments	63,981	53,674	55,362	38,287	23,655
Total Assets	282,995	265,730	236,693	220,534	194,468
Deposits	233,096	213,532	180,532	184,663	164,247
Shareholders' Equity	28,476	27,433	26,677	24,704	22,942

Net Interest Income

(\$ Millions)



To Our Shareholders

The current economic conditions in our country continue to create difficulties and challenges for our customers which result in a difficult operating environment for our bank. Lumbee Guarantee Bank continues to remain profitable with modest growth.

SOME OF THE HIGHLIGHTS FOR 2010

- **Net income \$1,406,000 compared to \$1,107,000 in 2009**
- **Loans grew to \$176,840,000
a 15% increase over 2009**
- **Deposits grew to \$233,096,000
a 29% increase over 2009**
- **Shareholder equity remains strong at 10.07% equity/assets ratio.**

The bank continues to be a 5 star rated bank by Bauer Financial Inc. It is also important to note that our bank continues to exceed regulatory capital requirements and performs well in this environment compared to our peers.

We introduced a new product “Reward Checking” in 2010 which paid approximately 4%. Thanks to our current and new customers, this product grew approximately \$10,000,000.

Our Board of Directors, staff and myself would like to thank all our shareholders for their continued loyalty and support.

Sincerely,



**Larry R. Chavis
President/CEO**



Board of Directors



DR. MARTIN BROOKS
Vice Chairman
Physician, Brooks Medical Clinic



REDELL COLLINS
Secretary
Owner, Redell Collins Construction



SYBIL BULLARD
President, JR Jones Grain



CHARLES A. MAYNOR
Owner, Southern Interiors & Design
Owner, H & M Developers



LARRY T. BROOKS
Retired Principal



JAMES THOMAS
Retired, BellSouth



ARNOLD LOCKLEAR, Attorney,
Chairman
Locklear, Jacobs, Hunt and Brooks



2010 Corporate Team



DERRICK STATEN, SR. EXEC. VP
Administration



THRESIA LOCKLEAR, SR. VP,
Operations



BRYAN MAYNOR, EXEC. VP
Branch Administrator



KYLE R. CHAVIS, EXEC. VP
Credit Administrator



LINDA CHAVIS, VP
Cashier



JANET NEWTON, VP
Corporate Secretary



TOM JERNIGAN, VP
Accounting Officer



JANICE GRAHAM, AVP
Training



LARRY R. CHAVIS,
President, CEO



Management's Discussion

And Analysis of Financial Condition And Results of Operations

The following discussion and analysis should be read in conjunction with the consolidated financial statements and notes included in this report.

General

Lumbee Guaranty Bank is an independent, community bank which conducts its business from twelve full service offices located strategically in Robeson and Cumberland Counties. The Bank extends both commercial and consumer loans throughout its market area and offers a full range of deposit accounts for its customer base.

The bank has experienced significant sustained growth over the past five years in assets and deposits. Assets increased from \$194,467,637 at December 31, 2006 to \$282,994,660 at December 31, 2010, and total deposits increased from \$164,246,900 at December 31, 2006 to \$233,096,294 at December 31, 2010. Dividends paid over the last five years have averaged 26.8% of the average net income of \$1,758,180.

Gross loans have increased from \$134,326,077 at December 31, 2006 to \$171,025,602 at December 31, 2010, while average net annual charge-offs over the last five years was \$308,200. Interest rates on deposits and loans are set at competitive rates while maintaining interest spreads of 4.52% and 4.24% in 2010 and 2009 between interest earned on average loans and investments and interest paid on average interest bearing deposits. The sustained growth provided by operations resulted in a 6.4% growth rate in total assets for 2010.

Gross loans grew .1% in 2010 and 15.9% in 2009. Lumbee Guaranty Bank closely monitors changes in the financial markets in order to maximize the yield on its assets.

Results of Operations

The Bank's earnings are dependent to a large degree on its net interest income defined as the difference between gross interest and fees earned on loans, investment securities, federal funds sold, and securities purchased under agreements to resell and interest paid on deposits. Net interest income is affected by the interest rate earned or paid and by volume changes in interest-earning assets and interest-bearing liabilities.

Net interest income increased 8.4% in 2010 and 5.3% in 2009. Non-interest expenses have increased from \$10,779,960 in 2009 to \$10,804,965 in 2010. This is primarily a result of increased provision for loan losses.



Management's Discussion

Provision for Loan Losses

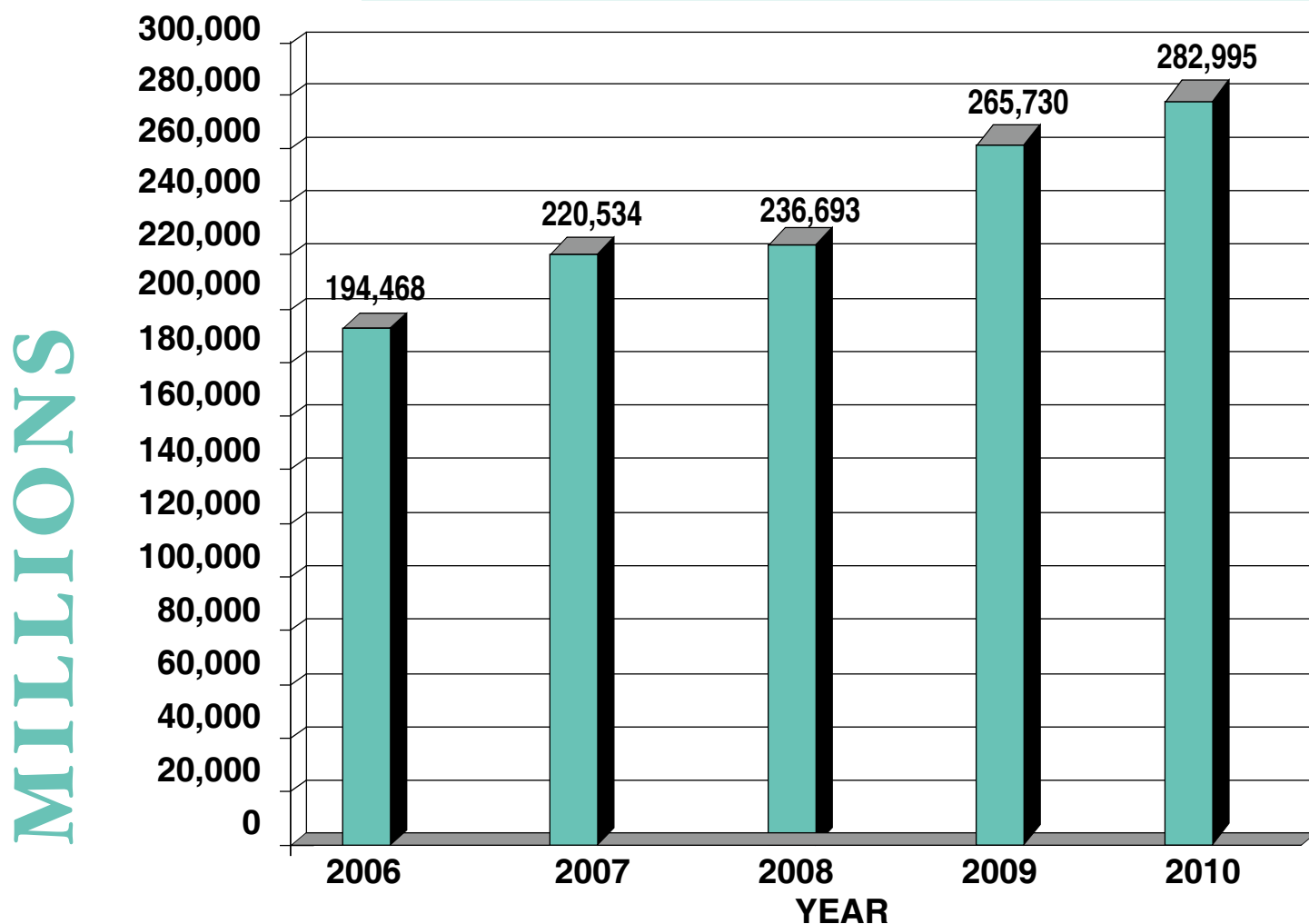
The provision for loan losses was \$949,988, \$645,721, and \$510,450, respectively for the years ended December 31, 2010, 2009, and 2008. The reserve for possible loan losses was \$2,778,138 at December 31, 2010, approximately 1.62% of gross outstanding loans at that date. Management deems the 2010 reserve balance to be adequate for possible charge-offs in subsequent years on the uncollected loan balances at December 31, 2010.

Liquidity and Capital Resources

The Bank's liquidity position is primarily dependent upon its need to respond to loan demand and short-term demand for funds caused by withdrawals from deposit accounts and upon the liquidity of its assets. The Bank's primary liquidity sources include cash and amounts due from other banks, federal funds sold and U.S. Agency securities as well as other short-term investment securities. In addition, the Bank has the ability to borrow funds from the Federal Reserve System and to purchase federal funds from other financial institutions. The Bank's management believes its liquidity sources are adequate to meet its operating needs.

Total shareholder's equity was \$28,476,071 or 10.0% of total assets and \$27,432,625 or 10.3% of total assets at December 31, 2010 and 2009.

TOTAL ASSETS



Management's Discussion

Risk Elements

As of the end of December 31, 2009 and 2008, past due and non-accrual loans, in thousands, as extracted from the Call Reports, Schedule RC-N of December 31, 2009 and 2008 were as follows:

	Past due 30 through 89 days and still accruing		Past due 90 days or more and still accruing		non-accrual	
	2010	2009	2010	2009	2010	2009
Real Estate Loans	\$ 841	\$ 2,129	\$ 128	\$ 220	\$2235	\$1397
Installment Loans	340	401	10	32	178	249
Credit Cards and Related Plans	0	0	0	0	0	0
Commercial and all Other Loans	0	298	0	0	330	40
Total	\$ 1,181	\$ 2,828	\$ 129	\$ 252	\$ 2,743	\$ 1,686

Allowance for Loan Losses and Summary of Loan Loss Experience

As a matter of policy, the Bank maintains an allowance for loan losses. The allowance for loan losses is created by direct charges to income, and losses on loans are charges against the allowance when realized. The amount of the allowance is based upon an evaluation of the portfolio, current economic conditions, historical loan loss experience, and other factors management deems appropriate. The Bank's management believes its allowance for loan losses is adequate under existing economic conditions.

The following table summarizes the Bank's loan loss experience as of the end of December 31, 2010 and 2009.

	2010	2009
Balance at beginning of period	\$ 2,183	\$ 1,782
Charge-offs		
Commercial, Financial and Agricultural	26	31
Real Estate	261	133
Installment Loans to Individuals	154	181
Credit Cards and Related Plans	0	0
Total Charge-offs	\$ 441	\$ 345
Recoveries		
Commercial, Financial and Agricultural	0	5
Real Estate	26	6
Installment Loans to Individuals	42	78
Credit Cards and Related Plans	0	0
Total Recoveries	74	89
Net Charge-offs	\$ 367	\$ 256
Additions Charged to Operations	\$ 962	\$ 657
Balance at end of period	\$ 2,778	\$ 2,183
Ratio of Charge-offs during the period to Average Gross Loans Outstanding during the period	.2%	.2%

Key Ratios

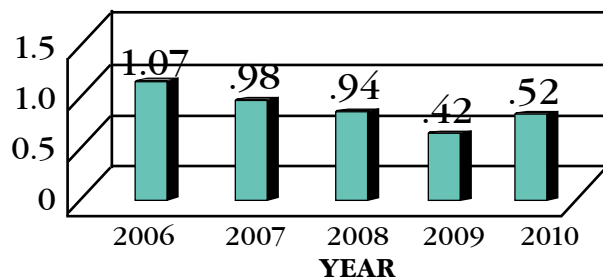
The following schedule of key ratios is presented for the years December 31, 2008, 2007 and 2006.

	2010	2009	2008	2007
Return on Equity and Assets				
Return on Assets	.52%	.42%	.94%	.98%
Return on Equity	5.01%	4.04%	8.39%	8.72%
Dividend Payout Ratio	29.94%	46.32%	30.77%	30.47%
Equity to Assets (averages)	10.07%	11.22%	11.22%	11.15%
Ending Equity to Ending Assets	10.06%	10.32%	11.27%	11.20%
Average Interest Earning Assets to Average Total Assets	85.31%	86.71%	88.19%	87.53%
Average Net Loans to Average Total Loans	98.30%	98.49%	98.53%	98.61%
Average Interest Earning Assets to Average Interest Bearing Liabilities	101.21%	107.27%	106.09%	100.70%

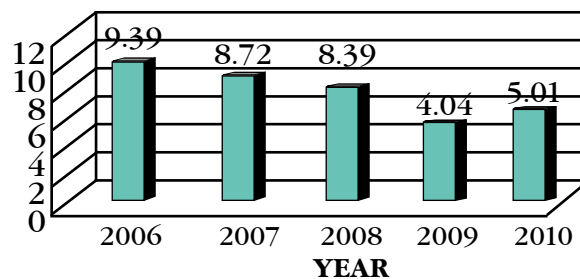
Market for Our Common Stock

Our common stock is traded primarily in privately negotiated transactions and there are currently no public trading markets or published prices for the stock. On December 31, 2010, there were 1926 shareholders of record. During 2008, 2009, and 2010 we paid dividends as shown on “consolidated statement of shareholder equity.” Our stock as of December 31, 2010 is trading at \$16.00 per share.

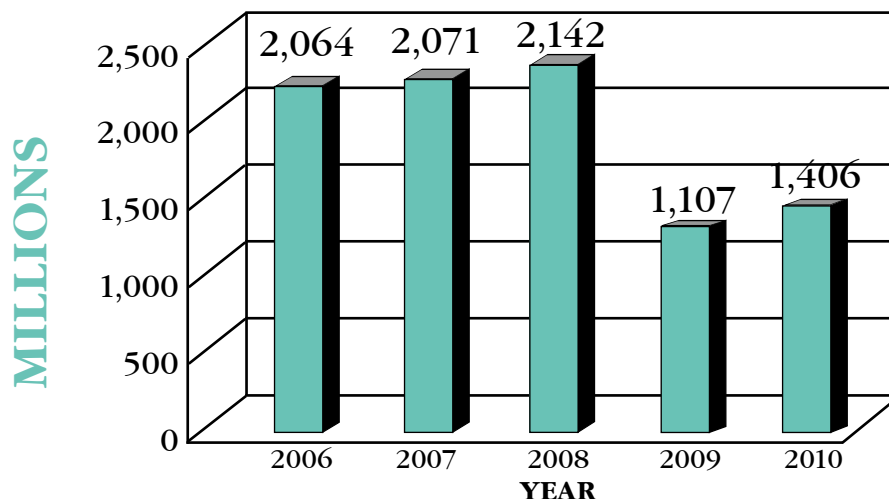
Return On Assets (%)



Return On Equity (%)



NET INCOME



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Shareholders
Lumbee Guaranty Bank
Pembroke, North Carolina

We have audited the accompanying consolidated statements of condition of Lumbee Guaranty Bank and Subsidiary as of December 31, 2010, 2009 and 2008, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2010. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Lumbee Guaranty Bank and Subsidiary at December 31, 2010, 2009, and 2008, and the consolidated results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

February 7, 2011

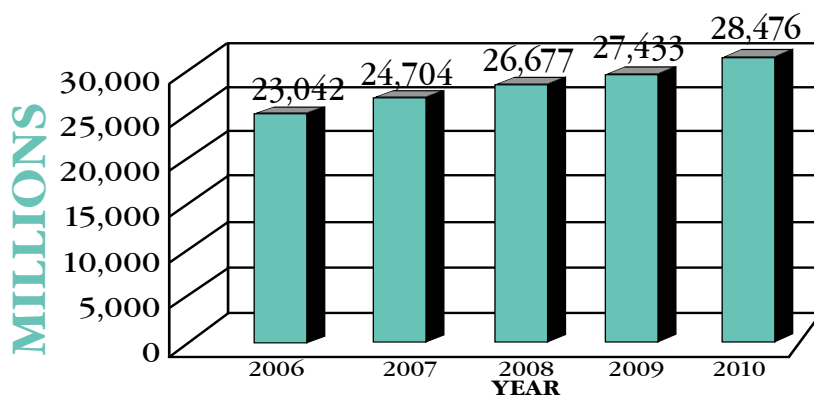
Nelson Price & Associates P.A.
NELSON PRICE & ASSOCIATES, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

Consolidated Statements of Condition

Lumbee Guaranty Bank and Subsidiary

	December 31 2010	December 31 2009	December 31 2008
Assets			
Cash and Due From Banks	\$ 29,711,100	\$ 22,530,234	\$ 14,624,550
Investment Securities available for sale	31,593,925	25,942,378	31,943,406
Investment Securities held to maturity	30,871,356	26,046,165	23,418,436
Federal Funds sold and repos	1,000,000	1,000,000	1,100,000
Loans, net	167,839,919	168,224,059	145,296,183
Bank Premises and Equipment, net	8,942,018	9,341,938	9,698,906
Foreclosed Real Estate	915,596	870,916	776,820
Accrued Interest Receivable	1,258,325	1,220,412	1,269,805
Prepaid Expenses	1,303,548	1,506,059	364,753
Other Assets	9,558,873	9,184,811	8,199,762
Total Assets	\$ 282,994,660	\$ 265,866,972	\$ 236,692,621
Liabilities and Shareholders' Equity			
Deposits			
Demand	\$ 45,049,640	\$ 47,753,855	\$ 41,733,939
N.O.W. and Money Market accounts	59,361,528	46,741,130	43,553,323
Savings	10,810,157	10,618,478	10,357,200
Time Certificates of Deposit of \$100,000 or more	51,321,107	45,750,561	26,843,390
Other Time Deposits	66,553,862	62,668,351	58,044,483
Total Deposits	233,096,294	213,532,375	180,532,335
Reserve for Interest due depositors	282,969	297,319	410,991
Other Liabilities	21,139,326	24,604,653	29,072,418
Total Liabilities	\$ 254,518,589	\$ 238,434,347	\$ 210,015,744
Shareholders' Equity			
Common Stock, par value \$2.00 Authorized 5,000,000 shares issued & outstanding 3,417,565, 2,441,570 and 2,441,570 shares, respectfully	6,835,130	4,883,140	4,983,140
Surplus	7,007,215	4,247,247	4,196,039
Undivided Profits	13,991,159	17,667,147	17,072,691
Net unrealized holding gains (losses) on AFS Securities	642,567	635,091	425,007
Total Shareholders' Equity	28,476,091	27,432,625	26,676,877
Total Liabilities and Shareholders' Equity	\$ 282,994,660	\$ 265,866,972	\$ 236,692,621

Shareholders Equity Growth



Consolidated Statements of Earnings

Lumbee Guaranty Bank and Subsidiary

	December 31 2010	December 31 2009	December 31 2008
Operating Income			
Interest and Other Fees on Loans	\$ 11,522,451	\$ 10,988,320	\$ 11,223,250
Interest on Federal Funds Sold and Securities Purchased under Resale Agreement	995	1,155	58,896
Interest on Securities:			
Federal Agency	120,898	77,467	97,170
State, County, and Municipals	1,081,820	901,038	910,743
Interest on Time Deposits and Other Investments	<u>1,088,129</u>	<u>1,343,381</u>	<u>1,511,413</u>
Total Interest	13,814,293	13,311,361	13,801,472
Service Charges on Deposit Accounts	1,726,036	1,825,273	2,240,120
Other Operating Income	<u>368,062</u>	<u>675,485</u>	<u>605,704</u>
Total Operating Income	\$ 15,908,391	\$ 15,812,119	\$ 16,647,296
Operating Expenses			
Interest Paid on NOW and Money Market Accounts	448,988	262,354	456,234
Interest Paid on Savings	18,563	18,500	43,211
Interest Paid on Time Certificates of Deposit of \$100,000 or more	1,101,612	1,044,025	1,187,598
Interest Paid on Other Time Deposits	<u>2,027,775</u>	<u>2,563,714</u>	<u>3,168,801</u>
Total Interest Expense	3,596,938	3,888,593	4,855,844
Salaries and Wages	3,833,026	4,013,213	3,571,543
Other Personnel Costs	<u>1,699,864</u>	<u>1,898,691</u>	<u>1,214,928</u>
Total Personnel Expense	5,532,890	5,911,904	4,786,471
Net Occupancy Expense	579,172	533,934	465,075
Equipment Expense	403,467	432,164	501,836
Provision for Loan Losses	949,988	645,721	510,450
Other Operating Expense	<u>3,339,448</u>	<u>3,256,237</u>	<u>2,726,226</u>
Total Other Noninterest Expense	<u>10,804,965</u>	<u>10,779,960</u>	<u>8,990,058</u>
Total Operating Expenses	\$ 14,401,903	\$ 14,668,553	\$ 13,845,902
Income Before Income Taxes and Securities Gain (Losses), and Extraordinary Items	1,506,488	1,143,566	2,801,394
Applicable Income Taxes	100,139	36,381	658,932
Income Before Securities Gains (Losses) and Extraordinary Items	\$ 1,406,349	\$ 1,107,185	\$ 2,142,462
Securities Gains (Losses) less related Taxes (Benefits)	0	0	0
Extraordinary items	<u>0</u>	<u>0</u>	<u>0</u>
Net Income	\$ 1,406,349	\$ 1,107,185	\$ 2,142,462
PER SHARE DATA (Based on the weighted average number of shares outstanding.)			
Income Before Securities Gains (Losses) and Extraordinary Items	\$.41	\$.45	\$.88
Net Income	\$.41	\$.45	\$.88
Cash Dividends	\$.12	\$.21	\$.27



Consolidated Statements of Shareholders' Equity

Lumbee Guaranty Bank and Subsidiary

	Common Stock	Surplus	Undivided Profits	Net Unrealized Loss of Securities	Total Shareholder's Equity
Year Ended December 31, 2010					
Balance at beginning of year	\$4,883,140	\$4,247,247	\$17,667,146	\$635,091	27,432,624
Net Income			1,406,349		
Issuance of common stock	1,951,990	1,951,990			
Cash dividends paid on Common Stock					
June. 2010 - \$.5 a share			[170,878]		
Dec. 2010 - \$.07 a share			[239,230]		
Net change in Unrealized Gain (Loss) of Available for Sale Securities				7,476	
Stock-based compensation		51,216			
Other adjustments		4,660,742	4,672,228		
Balance at End of Year	\$ 6,835,130	\$ 7,007,215	\$ 13,991,159	\$ 642,567	28,476,071
Year Ended December 31, 2009					
Balance at beginning of year	\$4,883,140	\$4,196,039	\$17,072,691	\$425,007	26,576,877
Net Income			1,107,185		
Issuance of common stock					
Cash dividends paid on Common Stock					
June. 2009 - \$.14 a share			[341,820]		
Dec. 2009 - \$.07 a share			[170,910]		
Net change in Unrealized Gain (Loss) of Available for Sale Securities				210,084	
Stock-based compensation		51,208			
Balance at End of Year	\$ 4,883,140	\$ 4,247,247	\$ 17,667,146	\$ 635,091	27,432,624
Year Ended December 31, 2008					
Balance at beginning of year	\$4,968,418	\$4,046,054	\$15,589,453	\$100,551	24,704,476
Net Income			2,142,462		
Issuance of common stock	14,722	98,785			
Cash dividends paid on Common Stock					
June. 2008 - \$.13 a share			[317,404]		
Dec. 2008 - \$.14 a share			[341,820]		
Net change in Unrealized Gain (Loss) of Available for Sale Securities				324,456	
Stock-based compensation		51,200			
Balance at End of Year	\$ 4,983,140	\$ 4,196,039	\$ 17,072,691	\$ 425,007	26,676,877

Statements of Cash Flows

Lumbee Guaranty Bank and Subsidiary

	December 31 2010	December 31 2009	December 31 2008
Operating Activities			
Net Income	\$1,406,349	\$1,107,185	\$ 2,142,462
Adjustments to Reconcile Net Income to Net Cash Provided			
Provision for Possible Loan Losses	949,988	645,721	510,450
[Gain] Loss on Sale of Securities	[11,102]	[40,175]	[21,328]
Depreciation and Amortization	481,418	526,300	587,684
Amortization of Premiums (discount)	92,022	73,816	24,843
Deferred Income Taxes	[214,010]	[136,760]	4,016
Decrease [increase] in Accrued Interest Receivable	37,913	49,393	113,731
Increase [decrease] in Accrued Interest Payable	[14,350]	[113,672]	[165,944]
Decrease [increase] in Prepaid Expenses and Other Assets	[896,427]	[2,845,141]	[2,341,598]
Increase [decrease] in Accrued Expenses and Other Liabilities	[3,465,327]	[4,467,765]	18,482,971
Net Cash Provided by (used by) Operating Activities	[1,709,352]	[5,201,098]	19,337,287
Investing Activities			
Net (increase) decrease in loans	[384,140]	[22,927,876]	[6,507,148]
Purchases of Premises and Equipment	[81,498]	[169,332]	[288,205]
Purchase of Investment Securities	[25,844,573]	[11,176,086]	[29,145,925]
Proceeds from Sale of Securities	15,275,813	14,725,570	11,322,902
Decrease [increase] in Real Estate acquired in Settlement of Loans	[44,680]	[94,096]	229,151
Net cash provided by (used by) Investing Activities	[10,310,7980]	[19,641,820]	[24,847,527]
Financing Activities			
Net Increase (decrease) in Deposit Accounts	19,563,919	33,000,040	[4,131,039]
Cash Dividends	[421,595]	[512,730]	[659,224]
Proceeds from Issuance of Stock	[0]	[100,000]	113,507
Increase (Decrease) Unrealized Gain / Loss	7,476	210,084	324,456
Stock-Based Compensation	51,216	51,208	51,200
Net cash provided by (used by) Financing Activities	19,201,016	32,648,602	[4,301,100]
Increase(decrease) in cash and cash equivalents	7,180,866	7,965,148	[9,811,340]
Cash and Cash Equivalents at Beginning of Period	23,530,234	15,724,550	25,535,890
Cash and Cash Equivalents at End of Period	30,711,100	23,689,698	15,724,550
Supplemental Disclosures of Cash Flow Information			
Cash paid during the year for:			
Interest	\$3,611,268	\$4,002,265	\$ 5,021,787
INCOME TAXES	\$206,000	\$266,673	\$ 739,675

Lumbee Guaranty Bank
Lumbee Guaranty Financial Services, Inc.

Our Team

CORPORATE ADMINISTRATION

Larry Chavis President, CEO
Derrick Staten Executive Vice President, Credit Branch Administrator
Thresia Locklear Senior Vice President, Operations
Kyle Chavis Senior Vice President, Credit Administrator
Bryan Maynor Senior Vice President, Branch Administrator
Linda Chavis Vice President, Cashier Compliance
Janet Newton Vice President, Corporate Secretary, Personnel
Janice Graham Assistant Vice President, Training
Tom Jernigan Assitant Vice President, Accounting Officer
Kim B. Jacobs Executive Administrative Assistant
Debra Jefferson Accounts Payable Assistant

BOOKKEEPING, DATA PROCESSING

Yvonne Locklear Supervisor, Operations Officer
Austin Maynor Computer Services
Denise McNeill
Maxine Lowry
Christina C. Lowry
Jessica Hubbard

LOAN CONSOLIDATION

Sheila Locklear Operations Credit Officer
Tiki Aubin
Betty Vaughn
Paula Lowry Betty
JoAnn Chavis

INTERNAL AUDITOR

Tom Beatty

PROBLEM ASSETS

Sheryl Griffin



PEMBROKE BRANCH

Kent Chavis City Executive
Crese Ransom Assistant Branch Manager
Barbara Jacobs
Marcus Bryant Loan Officer
Eulalia (Lala) Graham Lender
Nancy Blue Customer Service
Lottie Locklear Receptionist, Administrative Assistant
Heather Locklear
Brandi Poorboy
April Bonilla
Adriana Locklear
Harrison Sweat
Linda Wilkins
Amanda Stickland MSML Trainee

LUMBERTON PINE STREET

Jay Britt Vice President, City Executive
Ann N. Britt AVP, Branch Manager
Janice Hay Assistant / Receptionist
Mary Herring Head Teller
Lorena Case
Amy Romine

ST. PAULS BRANCH

Susanne Malloy Asst. VP, Branch Manager
Yolanda Smith CSR, Loan Processor
Pam Miller Head Teller
Virginia Faircloth
Sherrie McBee

HOPE MILLS BRANCH

Debby Malone Branch Manager
Datta Parikh
Olympia Reed
Kelly Deese

MAXTON BRANCH

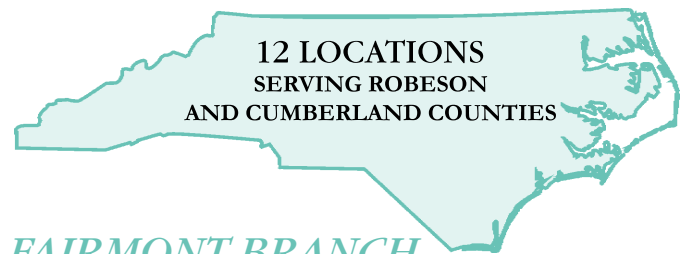
William Jeffery Walters Branch Manager
Connie Locklear Loans
Sarah Sheppard Head Teller
Victoria Oxendine
Laura Hunt
Victoria Talley
Rosa Hunt

RED SPRINGS BRANCH

Dwayne Jacobs AVP, Branch Manager
Flora Locklear Head Teller
April Locklear
Chona Oxendine
Teresa Richardson

ROWLAND BRANCH

Mike Smith Branch Manager, Loan Officer
Francine McDonald
Amy Cribbs
Deidra Barton



FAIRMONT BRANCH

Crystal Collins Branch Manager
Betty Chavis Head Teller
Geraldine Ivey
Teresa Hursey

LUMBERTON WEST 5th STREET

Judith Hunt AVP, Branch Manager
Cheryl Howington Head Teller
Michele Smith
Angela Locklear

LUMBERTON FAYETTEVILLE ROAD

Alan Avant VP, Branch Manager
Paula Strickland Head Teller
Jeff Baldwin Collector
Barbara Schiavo
Crystal Jacobs
Catherine Davis

FALCON VILLAGE

W. Mae Gantt Branch Manager
Judy Simpson Head Teller
Melva Green

LAKE RIM

Allen Davidson VP Branch Manager
Carmen Serbio, III VP Business Development Officer
Jennifer Lambert Head Teller
Nita Carter
Kelly Hargrove

ROVERS

Kataria Oxendine Jose Gonzalez
Clara Hewitt Greg Goins
Bradley Strickland

MAINTENANCE TECHNICIAN

Garry Hunt

LUMBEE GUARANTY FINANCIAL SERVICES, INC.

Brent Brooks Investment Manager
(Pembroke Office)
Sheila Humphrey Mortgage Manager
(Fayetteville Road Office)
Gail Lassiter Mortgage
(Fayetteville Road Office)
Linda West Mortgage
(Fayetteville Road Office)

Lumbree Guaranty Bank Advisory Boards



Pembroke

Roy Lacy Cummings
Archie Oxendine
LeMark Harris
Bobby Maynor
Linda Sheppard
Lycurous Lowry

Lumberton

Al Kahn
Elizabeth Matthews
Dr. J.C. Humphrey, Jr.
J.W. Hammonds

Fairmont

Gosnald "Butch" N. Floyd, Jr.
W.B. "Butch" Lennon
Rayford "Ray" Lupo
Zeb B. Oxendine

Hope Mills

Belton Jones
Dr. Kim Krivet

Maxton

R.L. Locklear
James Harold Collins
John Wilkerson
Charles David Locklear

Red Springs

John C. Ray
Baker Locklear
Alton McNeill
Madie Rae Locklear
George Thomas Ammons

Rowland

Sylvia Pate
Mady Owens
Donald Bonner

St. Pauls

Glennis Hunt
Truett Canady

Stockholder Information

Notice of Annual Meeting

The Annual Stockholders' Meeting of
Lumbee Guaranty Bank
will be held May 25, 2011
Main Office, Pembroke

Form 10-K

More detailed information relating to Lumbee Guaranty Bank is contained on Form 10-K Annual Report to the Federal Deposit Insurance Corporation. A copy of the 10-K for 2009 can be mailed, without charge, upon request to:

Lumbee Guaranty Bank
P.O. Box 908
Pembroke, NC 28372

Stock Transfer Agent

First Citizens Bank
for information contact:
Lumbee Guaranty Bank
P.O. Box 908
Pembroke, NC 28372

Independent Accountants

Nelson Price & Associates
4904-B Salem Square Professional Park
Fayetteville Road
Lumberton, NC 28358

Member Federal Deposit Insurance Corporation

This statement has not been reviewed for accuracy or relevancy by the Federal Deposit Insurance Corporation.

FAIRMONT

301 North Walnut Street
Fairmont, NC 28340
(910) 628-7840 Phone
(910) 628-9924 Fax

HOPE MILLS

PO Box 589
3500 N. Main Street
Hope Mills, NC 28348
(910) 424-0010 Phone
(910) 423-2386 Fax

FAYETTEVILLE

Falcon Village Branch
6313 Raeford Road
Fayetteville, NC 28304
(910) 867-0286 Phone
(910) 867-0810 Fax

Lake Rim Branch
2315 Bloom Avenue
Fayetteville, NC 28304
(910) 487-2415 Phone
(910) 860-0561 Fax

LUMBERTON

Pine Street Branch
PO Box 1486
600 North Pine Street
Lumberton, NC 28359
(910) 738-3200 Phone
(910) 618-9647 Fax

West 5th Street Branch
2899 W. 5th Street
Lumberton, NC 28358
(910) 739-8787 Phone
(910) 739-8781 Fax

Fayetteville Road Branch
4845 Fayetteville Road
Lumberton, NC 28358
(910) 671-9011 Phone
(910) 671-8753 Fax

MAXTON

104 Martin L. King, Jr. Drive
Maxton, NC 28364
(910) 844-3001 Phone
(910) 844-4067 Fax

RED SPRINGS

PO Box 151, 215 E. 4th Street
Red Springs, NC 28377
(910) 843-5171 Phone
(910) 843-1199 Fax

ROWLAND

PO Box 398
201 N. Bond Street
Rowland, NC 28383
(910) 422-3572 Phone
(910) 422-8650 Fax

ST. PAULS

PO Box 176
306 South 5th Street
St. Pauls, NC 28384
(910) 865-4196 Phone
(910) 865-8415 Fax

PEMBROKE

PO Box 908
403 East Third Street
Pembroke, NC 28372
(910) 521-9707 Phone
(910) 521-0772 Fax

