



FOR RELEASE:

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Kyle R. Chavis, Chief Executive Officer

Lumbee Guaranty Bank

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LUMBEE GUARANTY BANK REPORTS 4th QUARTER 2025 EARNINGS

- \$1.109 million in net income for the quarter ended December 31, 2025.
- 8.0% year-over-year asset growth driven by strong 5.5% loan growth.
- Deposits grew 6.5% year-over-year.
- Asset quality improves quarter-over-quarter and year-over-year.

PEMBROKE, NC . . . For the quarter ended December 31, 2025, Lumbee Guaranty Bank (“Lumbee” or “Bank”), reported net income of \$1,109,000, or earnings per share of \$0.33, compared to net income of \$584,000, or earnings per share of \$0.18, for the same period in 2024. For the twelve-month period ended as of the same date, Lumbee reported net income of \$4.146 million in 2025 or earnings per share of \$1.25, compared to net income of \$3.849 million for the twelve months ended December 31, 2024, or earnings per share of \$1.16. The main causes of the difference between the two quarters were an increase in net interest income and a reduction in income taxes.

As of December 31, 2025, Lumbee reported assets of \$561.4 million, an increase of 8.0% over assets of \$519.9 million as of December 31, 2024. Loans increased 5.5% to \$229.9 million, compared to loans of \$218.0 million reported December 31, 2024. Investments increased to \$267.3 million from \$247.1 million at the year-ago date, an increase of 8.2%. Deposits grew to \$496.4 million at December 31, 2025, an increase of 6.5% from December 31, 2024 deposits of \$466.1 million. Capital levels continued to grow, as shareholders’ equity totaled \$51.7 million, or 9.2% of assets at December 31, 2025, versus \$45.1 million, or 8.7% of assets at the year-ago date.

Net interest income totaled \$3.8 million in the fourth quarter of 2025, up 3.7% from \$3.6 million in the year-ago quarter. The increase in net interest income was a result of an increase in interest income coupled with a reduction in interest expense. Noninterest income remained relatively flat at \$847 thousand in 2025’s fourth quarter from \$844 thousand in the year-ago quarter. Noninterest expense was also relatively flat at \$3.43 million in the fourth quarter of 2025 from \$3.45 million in the year-ago quarter.

Nonperforming assets (“NPAs”) at December 31, 2025, (including nonaccruing loans, loans more than 90 days past due and still accruing, and OREO) were \$594 thousand, or 0.11% of total assets, which was down from \$847 thousand, or 0.16% of total assets, at December 31, 2024, and also down from \$1.266 million, or 0.23% of total assets, at September 30, 2025. The allowance for loan losses was \$1.19 million, or 0.52% of gross loans, at December 31, 2025, versus \$1.42 million, or 0.65% of gross loans, at the year-ago date.

“We are proud of the growth we achieved in 2025 and the meaningful improvement in our profitability year over year,” said Kyle R. Chavis, Chief Executive Officer of the Bank. “By carefully managing our funding costs, we reduced interest expense and increased net interest income. Although rates did not decline as much as we anticipated, which moderated the pace of earnings growth, our team continued to deliver strong, consistent results.”

“We generated solid loan and deposit growth, driving asset growth of nearly eight percent, while further strengthening asset quality and maintaining strong capital and liquidity levels. At the same time, we continued

investing in technology and operational efficiencies to better serve our customers and manage overhead responsibly. Also, our successful 2025 regulatory examination is a clear reflection of the discipline, integrity, and commitment our employees bring to their work every day.”

“We also took important steps to position the Bank for the future, including the acquisition of the former Walgreens site in Pembroke, adjacent to our headquarters. We plan to renovate this property into an operations center to support our long-term growth, and we look forward to sharing our plans for the site with the community in the coming months.”

“As we look ahead, we remain focused on investing in our communities, supporting our customers, and creating lasting value for our shareholders. That commitment, combined with our strong financial performance, enabled our Board of Directors to increase our semi-annual dividend in December for the ninth consecutive year. As always, it continues to be our privilege to serve the small businesses and consumers of southeastern North Carolina.”

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 thirteen 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.

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The information as of and for the quarter ended December 31, 2025, 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) December 31, 2025**2025 2024
(Dollars in thousands)**Assets**

Cash and due from banks	\$7,784	\$7,416
Interest-earning deposits with banks	24,262	17,661
Total cash and cash equivalents	<u>32,046</u>	<u>25,077</u>
Net Investments	267,313	247,064
Loans receivable	229,925	217,970
Allowance for loan losses	1,187	1,424
Net loans receivable	<u>228,738</u>	<u>216,546</u>
Bank premises & equipment, net	9,621	7,705
Other assets	23,676	23,510
Total assets	<u>\$561,394</u>	<u>\$519,902</u>

Liabilities and Shareholders' Equity

Deposits:

Demand deposits, Money market & NOW	\$291,213	\$254,759
Savings	39,504	38,211
Time deposits	165,642	173,129
Total deposits	<u>496,359</u>	<u>466,099</u>
Securities Sold under Agreement to Repurchase	0	5,326
Other borrowed money	10,000	0
Accrued interest payable and other liabilities	3,350	3,344
Total liabilities	<u>509,709</u>	<u>474,769</u>
Total shareholders' equity	51,685	45,133
Total liabilities and shareholders' equity	<u>\$561,394</u>	<u>\$519,902</u>

Book value per share	\$15.62	\$13.58
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LUMBEE GUARANTY BANK**Statement of Operations (unaudited) Twelve Months Ended, December 31, 2025**

	2025	2024
	(Dollars in thousands, except per share data)	
Interest Income	21,205	20,848
Interest Expense	6,748	7,041
Net Interest Income	14,457	13,807
Provision for loan losses	-147	-323
Net Interest Income after provision	14,604	14,130
Service charges on deposit accounts	1,520	1,514
Other	1,835	1,797
Total noninterest Income	3,355	3,311
Realized gains/(loss) on AFS securities	30	0
Personnel costs	7,328	7,012
Occupancy and equipment	1,683	1,876
Data processing fees	1,583	1,450
Other	2,603	2,356
Total noninterest expense	13,197	12,694
Net Income before income taxes	4,792	4,747
Income taxes	646	898
Net Income	4,146	3,849
Net income per common share	\$1.25	\$1.16

LUMBEE GUARANTY BANK**Statement of Operations (unaudited) Twelve Months
Ended, December 31, 2025****2025** **2024**(Dollars in thousands,
except per share data)

Interest Income	5,600	5,394
Interest Expense	1,827	1,755
Net Interest Income	3,773	3,639
Provision for loan losses	-79	-121
Net Interest Income after provision	3,852	3,760
Service charges on deposit accounts	380	370
Other	467	474
Total noninterest Income	847	844
Realized gains/(loss) on AFS securities	0	0
Personnel costs	1,892	1,635
Occupancy and equipment	417	562
Data processing fees	411	405
Other	714	847
Total noninterest expense	3,434	3,449
Net Income before income taxes	1,265	1,155
Income taxes	156	571
Net Income	1,109	584
Net income per common share	\$0.33	\$0.18