



## ANNUAL FINANCIAL STATEMENT - DECEMBER 31, 2020

### ASSETS

First Mortgage Loans.....	\$72,946,306.02
Other Loans.....	46,009,338.69
Cash on Hand & In Banks .....	15,151,600.44
Investments & Securities.....	115,091,406.46
Office Building & Fixtures .....	1,448,504.64
Other Assets .....	12,728,940.60
<b>TOTAL ASSETS .....</b>	<b>\$263,376,096.85</b>

### LIABILITIES

Savings Deposits.....	\$203,114,902.41
Other Liabilities.....	4,355,429.79
FHLB Advance.....	3,200,000.00
Retained Earnings.....	52,705,764.65
<b>TOTAL LIABILITIES</b>	
<b>&amp; CAPITAL.....</b>	<b>\$263,376,096.85</b>

### OUR GROWTH

1950.....	\$1,186,176.84
1970.....	\$14,651,500.52
1990.....	\$79,523,918.44
2010.....	\$183,190,672.59
2020.....	\$263,376,096.85

### Our message to stakeholders and the communities we serve...

Our community bank managed to grow and prosper in 2020 despite the partial shut-down of the economy in response to the COVID-19 pandemic. We worked hard to minimize service disruption and found opportunity in adversity by delivering interest savings to hundreds of borrowers and implementing new technology in an effort to expand access and convenience to our valued customers.

Never before have we experienced more rapid growth of our balance sheet (assets increased 16.60% to \$263,376,096). By welcoming new customers and expanding existing relationships, we increased deposits, issued a record number of loans, and amassed more capital than in any single year since the bank was established back in 1923.

The year began routinely until the outbreak of COVID-19 in March forced us to turn our attention toward modifying operations to protect the physical and financial health of staff and customers. Social distancing and the use of personal protection equipment (PPE) were implemented to adhere with the Governor's pandemic response plan. We never closed the bank, curtailed our lending nor limited the function we serve as a business designated "essential" by the government. Management quickly devised an emergency program which included penalty-free time deposit withdrawals, late fee waivers, and loan payment relief. Payments on a combined \$8,937,616 in outstanding loans were deferred as borrowers seized the opportunity to preserve cash during the height of uncertainty in the spring.

Deposits surged in 2020 with a net increase of \$32,573,245 representing 19.1% growth. We were fortunate to benefit from an increase in household savings as families and businesses spent less throughout the year and prudently built reserves. Our community banking model attracted new customers from competitors whose mergers and branch closures left some depositors seeking greater stability. The technologies we introduced provides all customers the advantages of modern mobile banking services many thought would only be offered by larger institutions. Remote deposit capture and other new delivery channels facilitated new deposit accounts with existing loan customers in Durham, Orange and other markets in which we lend.

Intense loan demand resulted from Federal Reserve actions to stimulate the economy by cutting interest rates to the lowest levels on record. We are pleased to have assisted 203 families with mortgage loans in 2020. The introduction of our online mortgage application in January proved fortuitous and paid immediate dividends. The convenience the portal offers customers and the efficiency created within the loan department, proved invaluable as we worked tirelessly to deliver affordable financing to households in our community.

\$67,369,336 in new loans originated this past year included credit issued to small businesses, churches, and local government. During the summer, it became apparent that many organizations were facing budget shortfalls. We were compelled to offer support by reviewing financial statements for opportunities to reduce interest expense. This initiative proved highly successful for both bank and borrower as evidenced by projected interest savings of \$350,589 and \$228,889 over the life of loans issued to the City of Roxboro and Bahama Volunteer Fire Department respectively.

Low interest rates compressed our margins in 2020 and continue to pressure our earnings. Fortunately, the quantity of loans produced generated transaction revenues which more than offset our diminished interest income. The bank realized \$3,252,050 in profit for the year. Retention of this historic profit (the largest sum in our ninety-eight year history), and the appreciation of our security holdings, enhanced our capital position. We are well capitalized by every regulatory measure with total equity in the amount of \$52,705,764 as of 12/31/2020.

Fulfillment of our mission includes contributing a portion of profits back into the community. In 2020, we were pleased to support the United Way of Person County, Habitat for Humanity (both the Durham and Person agencies), Piedmont Community College, Person County Schools, Roxboro Community School, Roxboro Housing Authority, Christian Help Center's food pantry, and numerous other organizations.

We were forced to focus on short term concerns in 2020, as the COVID-19 crisis occurred without warning. The willingness of our staff to work harder and extra hours ensured that longer term strategic goals planned for 2020 were still achieved. Conversion to a new core operating system (one of the largest scale projects we have ever undertaken) was completed in October. Modernizing our infrastructure promotes safe, modern, accessible, convenient and adaptive products and services which we are committed to offering current and future generations of Roxboro Savings Bank customers.

Remarkably, we did not suffer a single loan loss in 2020. There is no more telling statistic which speaks to the character and fortitude of the customers we proudly serve.

On behalf of each of the thirty talented Community Bankers who operate your bank, and the nine dedicated Independent Directors who govern the institution, we offer our sincere gratitude for your continued trust, loyalty, and patronage.

  
 Keith Epstein, EVP/CEO  
 Community Banker

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