

BANCORP34

BANCORP 34, INC.
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Bancorp 34, Inc. Reports Third Quarter Performance, Announces Sixth Stock Buyback Program and Quarterly Dividend

Alamogordo, New Mexico – Bancorp 34, Inc. (OTCQB: BCTF), the parent company for Bank 34, reports third quarter performance, announces sixth stock buyback program and quarterly dividend.

Bancorp 34, Inc. reported net income and diluted EPS for the quarter ended September 30, 2021 of \$1.5 million and \$0.54, respectively, compared with \$0.3 million and \$0.09 for the same period in 2020. The Company reported consolidated total assets of \$511.1 million, up from \$442.0 million as of December 31, 2020.

Commenting on the quarter Jim Crotty, President and Chief Executive Officer of Bancorp 34, stated “We continue to successfully improve the value of our franchise through strong earnings, quality asset growth, and successful stock buybacks. We remain committed to driving additional shareholder value and building the premier community bank in our markets.”

The Company’s Board of Directors approved a quarterly cash dividend of \$0.05 per share of common stock, payable on November 26, 2021 to shareholders of record as of the close of business on November 12, 2021.

The Company is nearly complete with the fifth stock repurchase program, having repurchased 435,046 shares of common stock. The Board of Directors approved a sixth repurchase program allocating up to \$2 million for additional repurchases of the Company’s outstanding common stock.

ABOUT BANCORP 34, INC. - Bank 34 has four full-service community bank branches, one each in Otero and Dona Ana Counties in the cities of Alamogordo and Las Cruces in southern New Mexico and two in Maricopa County, Arizona in the cities of Scottsdale and Peoria.

FORWARD-LOOKING STATEMENTS - Certain statements herein constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements may be identified by words such as

“believes,” “will,” “expects,” “project,” “may,” “could,” “developments,” “strategic,” “launching,” “opportunities,” “anticipates,” “estimates,” “intends,” “plans,” “targets” and similar expressions. These statements are based upon the current beliefs and expectations of the Company’s management and are subject to significant risks and uncertainties. Actual results may differ materially from those set forth in the forward-looking statements as a result of numerous factors. Factors that could cause such differences to exist include, but are not limited to, general economic conditions, changes in interest rates, the effects of any health pandemic, regulatory considerations, competition and the other risks. Further, given the ongoing and dynamic nature of the COVID-19 outbreak, it is difficult to predict the impact on our business which will depend on highly uncertain future developments including when the coronavirus can be controlled and abated and when and how the economy may be reopened or remain open. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Forward-looking statements speak only as of the date they are made, and we assume no obligation to update any of these statements in light of new information, future events or otherwise unless required under federal securities laws.

BANCORP 34, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited)

	<u>September 30, 2021</u>	<u>Dec. 31, 2020</u>
ASSETS		
Total cash and cash equivalents	\$ 26,649,229	\$ 11,986,201
Available-for-sale securities, at fair value	68,853,568	54,343,254
Loans held for investment, net	387,183,521	348,744,652
Other Assets	<u>28,396,289</u>	<u>26,847,569</u>
TOTAL ASSETS	<u><u>\$ 511,082,607</u></u>	<u><u>\$ 441,921,676</u></u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Total deposits	\$ 413,062,374	\$ 370,749,824
Other Borrowings	25,000,000	19,000,000
Sub Debt	25,000,000	-
Accrued interest and other liabilities	<u>7,260,079</u>	<u>6,138,467</u>
Total liabilities	<u><u>470,322,453</u></u>	<u><u>395,888,291</u></u>
 Total stockholders' equity	 40,760,154	 46,033,385
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 511,082,607</u></u>	<u><u>\$ 441,921,676</u></u>
 Tangible Book Value Per Share	 \$16.12	 \$14.76
Equity to Assets	7.98%	10.42%
Non-Performing Assets to Total Assets	0.86%	0.60%
Shares Outstanding	2,524,217	3,111,514

BANCORP 34, INC.
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(Unaudited)

	<u>Nine Months Ended September 30,</u>		<u>Three Months Ended September 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Total interest income	\$ 15,303,657	\$ 14,686,107	\$ 5,635,214	\$ 4,862,898
Total interest expense	1,524,140	3,090,721	650,671	851,168
Net interest income	<u>13,779,517</u>	<u>11,595,386</u>	<u>4,984,543</u>	<u>4,011,730</u>
Provision for loan losses	250,000	1,544,000	250,000	495,000
Total noninterest income	1,242,234	521,637	480,291	270,970
Total noninterest expense	9,537,312	9,209,466	3,208,942	3,435,207
Income from continuing operations before provision for income taxes	<u>5,234,439</u>	<u>1,363,557</u>	<u>2,005,892</u>	<u>352,493</u>
Provision for income taxes	1,268,736	307,304	488,140	76,433
NET INCOME	<u>\$ 3,965,703</u>	<u>\$ 1,056,253</u>	<u>\$ 1,517,752</u>	<u>\$ 276,060</u>
Earnings per common share - Diluted	\$ 1.33	\$ 0.33	\$ 0.54	\$ 0.09
Return on Assets	1.13%	0.33%	1.23%	0.24%
Return on Equity	11.49%	3.07%	13.34%	2.38%
Net Interest Margin	4.16%	3.82%	4.25%	3.69%