

## Liberty Bancshares, Incorporation, Parent Company of Liberty National Bank, Reports 2022 First Quarter Unaudited Financial Results

ADA, OH / April 15, 2022 / Liberty Bancshares, Inc. (OTC Markets: LBSI), parent company of Liberty National Bank (the “Bank”), announced earnings for the three months ended March 31, 2022 of \$0.98 million and earnings per share (EPS) of \$1.09. This compares to net income of \$1.60 million and EPS of \$1.78 for the three months ended March 31, 2021.

In terms of operating performance, LBSI’s return on average assets (ROAA) was 0.85% for the three months ended March 31, 2022 compared to 1.50% for the three months ended March 31, 2021. Net interest Margin was 3.34% for the three months ended March 31, 2022 compared to 3.98% for the three months ended March 31, 2021. The reduction in net interest margin is largely attributable to the Bank having significant balances in low yielding cash and federal funds during the quarter ended March 31, 2022. On March 31, 2022, the Bank had \$46.7 million in cash and federal funds. The Efficiency Ratio was 68.16% for the three months ended March 31, 2022 compared to 56.09% for the three months ended March 31, 2021.

Total assets increased \$3.8 million to \$437.3 million at March 31, 2022, compared to December 31, 2021 assets of \$433.5 million. Loans receivable, net of allowance for loan losses, increased \$1.1 million to \$292.0 at March 31, 2022 from \$290.9 million at December 31, 2021.

Securities available for sale, at fair value, increased \$17.7 million or 36 percent to \$66.5 million at March 31, 2022 from \$48.8 million at December 31, 2021. Total Deposits increased \$5.3 million to \$378.8 million at March 31, 2022 from \$373.5 million at December 31, 2021.

Net interest income for the first quarter ended March 31, 2022 was \$3.61 million compared to \$3.97 million for the same period ended March 31, 2021. Interest income for the first quarter ended March 31, 2022 was \$3.75 million compared to \$4.26 million for the same period ended March 31, 2021. Interest expense decreased \$148,000 or 52 percent to \$136,000 for the first quarter ended March 31, 2022 from \$284,000 for the same period ended March 31, 2021.

Total non-interest income for the first quarter ended March 31, 2022 decreased \$421,000 or 48 percent to \$455,000 compared to \$876,000 for the first quarter ended March 31, 2021.

This reduction in non-interest income was due to a reduction in real estate loans that were sold in the secondary market and a reduction in fees from SBA PPP loans. Total non-interest expense increased by \$78,000 or 3 percent to \$2.87 million for the first quarter ended March 31, 2022 compared to \$2.79 million for the first quarter ended March 31, 2021.

Book value has declined by 2 percent to \$61.43 per share as of March 31, 2022, compared to \$63.05 per share as of December 31, 2021. This reduction is a result of the mark – to – market adjustment in which the company posted an unrealized loss of \$3.0 million in the investment portfolio which translates to a \$2.4 million accumulated other comprehensive loss as of March 31, 2022 in the company’s equity. Increases in market interest rates combined with expectations that the Federal Reserve will be increasing interest rates numerous times over the remainder of 2022 caused the reduction in the market value of the investment securities. The Liberty Bancshares, Inc. stock closed at \$67.05 per share on March 9, 2022.

Liberty Bancshares, Inc. is a registered Ohio bank holding company and the parent of Liberty National Bank which operates six offices in central and northwest Ohio. The administrative office for Liberty Bancshares, Inc. is located at 118 South Main Street, Ada, Ohio 45810. Liberty National Bank is headquartered at 100 East Franklin Street, Kenton, Ohio 43326.

#### Safe Harbor Statement

This release contains forward-looking statements that reflect management's current view of future events and operations. These forward-looking statements are based on information currently available to the Company as of the date of this release. It is important to note that these forward-looking statements are not guarantees of future performance and involved risks and uncertainties, including, but not limited to, the ability of the Company to implement its strategy and expand its lending operations.

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## Consolidated Statements of Income (unaudited)

(\$ in thousands)

	<b>For the 3 months ended</b>	
	<b>3/31/22</b>	<b>3/31/21</b>
<b>Interest income</b>		
Loans, including fees	\$ 3,406	\$ 4,058
Securities		
Taxable	245	141
Tax-exempt	58	36
Other	40	20
Total interest income	<u>3,749</u>	<u>4,255</u>
<b>Interest expense</b>		
Deposits	136	243
Borrowings	0	41
Total interest expense	<u>136</u>	<u>284</u>
<b>Net interest income</b>	<u>3,613</u>	<u>3,972</u>
<b>Provision for loan losses</b>	-	120
<b>Net interest income after provision</b>	<u>3,613</u>	<u>3,852</u>
<b>Noninterest income</b>		
Service charges on deposit accounts	193	185
Gain on sale of loans, net	113	338
Gain on sale of securities, net	-	-
Other income	149	352
Total noninterest income	<u>455</u>	<u>876</u>
<b>Noninterest expense</b>		
Salaries and employee benefits	1,690	1,684
Occupancy expense	168	183
Furniture and equipment expense	150	165
Data processing	190	180
State franchise tax	116	111
Deposit insurance premiums	30	27
Other expenses	524	438
Total noninterest expense	<u>2,868</u>	<u>2,790</u>
<b>Income before income tax</b>	<u>1,200</u>	<u>1,938</u>
<b>Provision for income taxes</b>	222	338
<b>Net income</b>	<u>\$ 978</u>	<u>\$ 1,601</u>
<b>Earnings per share</b>	\$ 1.09	\$ 1.78

Liberty Bancshares, Inc. is a bank holding company headquartered in Kenton, Ohio and the sole shareholder of Liberty National Bank, a nationally chartered community bank founded in 1893.

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## Consolidated Balance Sheets (unaudited)

(\$ in thousands)

	3/31/22	12/31/21
<b>Assets</b>		
Cash and due from banks	\$ 46,688	\$ 66,280
Securities available for sale, at fair value	66,539	48,835
Securities held to maturity	6,643	6,643
Loans receivable, net	292,037	290,851
Premises and equipment, net	4,807	4,815
Federal Reserve and Federal Home Loan Bank stock	1,554	1,554
Bank owned life insurance	13,850	10,666
Accrued interest receivable	1,177	894
Goodwill	1,456	1,456
Other assets	2,524	1,535
Total assets	\$ 437,275	\$ 433,529
<b>Liabilities</b>		
Deposits		
Noninterest-bearing dem and	\$ 152,618	\$ 142,037
Interest-bearing dem and	22,934	18,107
Savings	147,677	145,386
Time certificates of deposit	55,564	67,991
Total deposits	378,793	373,520
Federal Home Loan Bank advances	-	-
Deferred compensation	2,390	2,308
Accrued interest payable and other liabilities	687	756
Total liabilities	381,870	376,584
<b>Shareholders' Equity</b>		
Preferred stock, no par value	-	-
Common stock, \$1.25 par value	1,130	1,130
Paid-in capital	17,775	17,738
Other paid-in capital - stock warrants	660	660
Retained earnings	42,705	41,729
Unearned ESOP compensation	(23)	(29)
Treasury stock, at cost	(4,440)	(4,478)
Accumulated other comprehensive income (loss)	(2,402)	195
Total shareholders' equity	55,405	56,945
Total liabilities and shareholders' equity	\$ 437,275	\$ 433,529
Book Value per Total Shares Outstanding	\$ 61.43	\$ 63.05
Tangible Book Value per Share	\$ 59.82	\$ 61.44

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