

Liberty Bancshares, Incorporation, Parent Company of Liberty National Bank, Reports 2019 Fourth Quarter Unaudited Earnings Press Release

ADA, OH / February 28, 2020 / Liberty Bancshares, Inc. (OTCQX: LBSI), parent company of Liberty National Bank, announced unaudited earnings for the twelve months ended December 31, 2019 of \$3.75 million or \$4.23 earnings per share (EPS) – an 18% decrease compared to the EPS for the first twelve months of 2018. 2019 earnings compare favorable in total dollars to the 2018 earnings of \$3.66 million. The reduction in EPS was a result of 250,176 additional shares issued in the 2018 capital raise. 2019's financial performance translates to a return of average assets (ROAA) of 1.07% compared to 1.13% in 2018.

Book value has risen by 8% to \$55.25 per share as of December 31, 2019 compared to \$51.20 per share at December 31, 2018. The Liberty Bancshares, Inc. stock closed at \$53.00 per share on February 26, 2020.

Total assets decreased \$1.6 million to \$337.4 million at December 31, 2019, compared to December 31, 2018 assets of \$339.0. Loan receivable, net of allowances for loan losses, decreased \$5.2 million to \$259.4 million at December 31, 2019 from \$264.6 million at December 31, 2018. Total deposits declined \$0.8 million to \$275.4 million at December 31, 2019 from \$276.2 million at December 31, 2018.

Net interest income before provision expense for 2019 was \$13.6 million compared to \$12.6 million for 2018, an increase of \$1.0 million. Interest income increased by \$2.1 million, the cost of funds increased by \$1.1 million.

Total non-interest income for 2019 increased by \$15,000 when compared to 2018. Additional service charges and fees received during the year accounted for this improvement.

Non-interest expense for 2019 increased by \$1.2 million compared to a year ago. The hiring of additional staff members to further the Bank's growth, along with other strategic initiatives contributed to this increase.

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. The Bank was founded in 1893, provides full-service commercial, small business, and consumer banking services along with other financial products and services. Liberty National Bank is a member of the Federal Reserve, a member of the FDIC and an Equal Housing Lender.

Harbor Statement

This release contains forward-looking statements that reflect management's current views 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 involve 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 Balance Sheets (unaudited)

(\$ in thousands)

	12/31/19	12/31/18
Assets		
Cash and due from banks	\$ 17,033	\$ 9,415
Securities available for sale, at fair value	42,711	46,297
Securities held to maturity	2,330	2,319
Loans receivable, net	259,388	264,562
Premises and equipment, net	5,046	4,961
Federal Reserve and Federal Home Loan Bank stock	1,520	1,520
Bank owned life insurance	6,098	5,946
Accrued interest receivable	1,032	1,241
Goodwill	1,456	1,456
Other assets	835	1,296
Total assets	\$ 337,449	\$ 339,013
Liabilities		
Deposits		
Noninterest-bearing dem and	\$ 79,645	\$ 69,787
Interest-bearing dem and	25,095	21,101
Savings	84,210	106,289
Time certificates of deposit	86,478	79,040
Total deposits	275,428	276,217
Federal Home Loan Bank advances	10,000	15,000
Deferred compensation	1,792	1,607
Accrued interest payable and other liabilities	1,167	1,069
Total liabilities	288,387	293,893
Shareholders' Equity		
Preferred stock, no par value	-	-
Common stock, \$1.25 par value	1,130	1,130
Paid-in capital	17,455	17,364
Other paid-in capital - stock warrants	660	660
Retained earnings	34,622	32,027
Unearned ESOP compensation	(73)	(90)
Treasury stock, at cost	(4,988)	(5,232)
Accumulated other comprehensive income (loss)	256	(739)
Total shareholders' equity	49,062	45,120
Total liabilities and shareholders' equity	\$ 337,449	\$ 339,013
Book Value per Total Shares Outstanding	\$ 55.25	\$ 51.20
Tangible Book Value per Share	\$ 53.61	\$ 49.55

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 Statements of Income (unaudited)

(\$ in thousands)

	For the year ended		For the 3 months ended	
	12/31/19	12/31/18	12/31/19	12/31/18
Interest income				
Loans, including fees	\$ 14,725	\$ 12,884	\$ 3,821	\$ 3,488
Securities				
Taxable	836	786	191	211
Tax-exempt	272	294	65	72
Other	554	311	106	67
Total interest income	16,387	14,275	4,183	3,838
Interest expense				
Deposits	2,692	1,630	677	477
Borrowings	124	102	33	31
Total interest expense	2,816	1,732	710	508
Net interest income	13,571	12,543	3,473	3,330
Provision for loan losses	330	600	-	150
Net interest income after provision	13,241	11,943	3,473	3,180
Noninterest income				
Service charges on deposit accounts	733	724	188	184
Gain on sale of loans, net	335	222	106	50
Other income	364	471	98	92
Total noninterest income	1,432	1,417	392	326
Noninterest expense				
Salaries and employee benefits	5,510	4,861	1,388	1,184
Occupancy expense	701	666	175	168
Furniture and equipment expense	729	583	261	133
Data processing	616	551	159	146
State franchise tax	384	277	96	70
Deposit insurance premiums	5	136	-	17
Other expenses	2,110	1,800	669	448
Total noninterest expense	10,055	8,874	2,748	2,167
Income before income tax	4,618	4,486	1,117	1,338
Provision for income taxes	871	826	210	261
Net income	\$ 3,747	\$ 3,660	\$ 907	\$ 1,077
Earnings per share	\$ 4.23	\$ 5.13	\$ 1.02	\$ 1.22

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