

Liberty Bancshares, Incorporation, Parent Company of Liberty National Bank, Reports
December 31, 2020 Full Year Unaudited Financial Results

ADA, OH / February 23, 2021 / Liberty Bancshares, Inc. (OTC Markets: LBSI), parent company of Liberty National Bank, announced earnings for the twelve months ended December 31, 2020 of \$4.32 million or \$4.84 earnings per share (EPS). This represents a 14 percent increase compared to EPS of \$4.23 for the twelve months ended December 31, 2019. The annual earnings compare favorably in total dollars to 2019 earnings of \$3.75 million.

In terms of operating performance, LBSI's return on average assets (ROAA) was 1.10% for the 12 months ended December 31, 2020 compared to 1.07% for the twelve months ended December 31, 2019. Return on average equity was 8.38% for the twelve months ended December 31, 2020 compared to 7.91% for the twelve months ended December 31, 2019. Net Interest Margin was 3.94% for the twelve months ended December 31, 2020 compared to 4.11% for the twelve months ended 2019. The Efficiency Ratio was 61.42% for the twelve months ended December 31, 2020 compared to 65.20% for the twelve months ended December 31, 2019.

Total assets increased \$61.0 million or 18 percent to \$398.4 million at December 31, 2020, compared to December 31, 2019 assets of \$337.4 million. Loans receivable, net of allowance for loan losses, increased \$51.9 million or 20 percent to \$311.3 million at December 31, 2020 from \$259.4 million at December 31, 2019. Included in December 31, 2020 loan totals are \$19.4 million of Small Business Administration (SBA) Payment Protection Program (PPP) loans. Total Deposits increased \$47.3 million or 17 percent to \$322.7 million at December 31, 2020 from \$275.4 million at December 31, 2019. Federal Home Loan Bank advances and Other Borrowings increased \$8.9 million to \$18.9 million at December 31, 2020 from \$10.0 million at December 31, 2019. This increase in borrowings was used to fund the SBA PPP loans to assist our local businesses. Shareholders' equity increased \$4.2 million or 9 percent to \$53.3 million at December 31, 2020 from \$49.1 million at December 31, 2019.

Net interest income for the year ended December 31, 2020 was \$14.4 million compared to \$13.6 million for the same period 2019. Interest income for the year 2020 was \$16.4 million, the same as for the year 2019. Interest expense decreased \$868,000 to \$1.95 million for the year 2020 compared to \$2.82 for the year 2019. Total non-interest income increased \$1.59 million to \$3.02 million compared to \$1.43 million for the year 2019. This improvement in non-interest income was due to the gains from the sale of secondary market real estate loans and some municipal bonds. Total non-interest expense increased \$758,000 to \$10.8 million for the year 2020 compared to \$10.1 for the year 2019. This increase was largely due to the implementation of some strategic initiatives that included the hiring of additional staff members.

Book value has risen by 7.5 percent to \$59.41 per share as of December 31, 2020, compared to \$55.25 per share as of December 31, 2019. The Liberty Bancshares, Inc. stock closed at \$53.80 per share on February 10, 2021.

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.

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.

For more information contact: Ronald L. Zimmerly, Jr., President & CEO, Liberty Bancshares, Inc. at 419-673-1217 or rzimmerly@myliberty.bank or Bryan L. Marshall, Executive Vice President/CFO, Liberty Bancshares, Inc. at 419-634-5015 or bmarshall@myliberty.bank or on the OTCMarkets trading platform, find us under the ticker symbol LBSI at www.otcmarkets.com.



Consolidated Balance Sheets (unaudited)

(\$ in thousands)

	12/31/20	12/31/19
Assets		
Cash and due from banks	\$ 24,551	\$ 17,033
Securities available for sale, at fair value	38,409	42,711
Securities held to maturity	2,340	2,330
Loans receivable, net	311,274	259,388
Premises and equipment, net	5,029	5,046
Federal Reserve and Federal Home Loan Bank stock	1,540	1,520
Bank owned life insurance	11,256	6,098
Accrued interest receivable	1,220	1,032
Goodwill	1,456	1,456
Other assets	1,357	835
Total assets	\$ 398,432	\$ 337,449
Liabilities		
Deposits		
Noninterest-bearing dem and	\$ 113,538	\$ 79,645
Interest-bearing dem and	23,841	25,095
Savings	124,308	84,210
Time certificates of deposit	61,018	86,478
Total deposits	322,705	275,428
Federal Home Loan Bank advances	10,000	10,000
Other borrowings	8,858	-
Deferred compensation	2,005	1,792
Accrued interest payable and other liabilities	1,519	1,167
Total liabilities	345,087	288,387
Shareholders' Equity		
Preferred stock, no par value	-	-
Common stock, \$1.25 par value	1,130	1,130
Paid-in capital	17,586	17,455
Other paid-in capital - stock warrants	660	660
Retained earnings	37,866	34,622
Unearned ESOP compensation	(52)	(73)
Treasury stock, at cost	(4,637)	(4,988)
Accumulated other comprehensive income	792	256
Total shareholders' equity	53,345	49,062
Total liabilities and shareholders' equity	\$ 398,432	\$ 337,449
Book Value per Total Shares Outstanding	\$ 59.41	\$ 55.25
Tangible Book Value per Share	\$ 57.79	\$ 53.61

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.

Contact Investor Relations at (419) 558-4300 jdearth@myliberty.bank



Consolidated Statements of Income (unaudited)

(\$ in thousands)

	For the year ended		For the 3 months ended	
	12/31/20	12/31/19	12/31/20	12/31/19
Interest income				
Loans, including fees	\$ 15,425	\$ 14,725	\$ 4,049	\$ 3,821
Securities				
Taxable	597	836	124	191
Tax-exempt	178	272	41	65
Other	168	554	20	106
Total interest income	16,368	16,387	4,234	4,183
Interest expense				
Deposits	1,715	2,692	310	677
Borrowings	233	124	47	34
Total interest expense	1,948	2,816	357	711
Net interest income	14,420	13,571	3,877	3,472
Provision for loan losses	1,250	330	1,025	-
Net interest income after provision	13,170	13,241	2,852	3,472
Noninterest income				
Service charges on deposit accounts	827	733	198	189
Gain on sale of loans, net	1,581	335	631	106
Gain on sale of securities, net	44	-	-	-
Other income	569	364	304	99
Total noninterest income	3,021	1,432	1,133	394
Noninterest expense				
Salaries and employee benefits	6,608	5,510	1,686	1,388
Occupancy expense	705	701	179	176
Furniture and equipment expense	638	729	175	261
Data processing	636	616	158	159
State franchise tax	401	385	90	97
Deposit insurance premiums	88	6	29	-
Other expenses	1,737	2,108	554	668
Total noninterest expense	10,813	10,055	2,872	2,749
Income before income tax	5,378	4,618	1,113	1,117
Provision for income taxes	1,062	871	214	210
Net income	\$ 4,316	\$ 3,747	\$ 899	\$ 907
Earnings per share	\$ 4.84	\$ 4.23	\$ 1.01	\$ 1.02

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