

Liberty Bancshares, Incorporation, Parent Company of Liberty National Bank, Reports 2020 First Quarter Unaudited Earnings Press Release

ADA, OH / May 1, 2020 / Liberty Bancshares, Inc. (OTCQX: LBSI), parent company of Liberty National Bank, announced unaudited earnings for the three months ended March 31, 2020 of \$873,000 or \$0.98 earnings per share (EPS). This compares to net income of \$869,000 and EPS of \$0.98 for the three months ended March 31, 2019. This year to date (YTD) March 2020 performance translates to a return on average assets (ROAA) of 0.99%, compared to the same period of 2019 of 0.98%.

Total assets increased \$14.0 million to \$351.4 at March 31, 2020, compared to December 31, 2019 assets of \$337.4 million. Loans receivable, net of allowance for loan losses, increased \$8.5 million to \$267.9 million at March 31, 2020 from \$259.4 million at December 31, 2019. Total deposits increased \$7.4 million to \$282.8 million at March 31, 2020 from \$275.4 million at December 31, 2019.

Net interest income for the three months ended March 31, 2020 of \$3.4 million was unchanged when compared to the three months ended March 31, 2019. Interest income increased \$48,000 to \$4.013 million for the three months ended March 31, 2020 compared to \$3.965 million for the three months ended March 31, 2019. Interest expense increased \$57,000 to \$642,000 for the three months ended March 31, 2020 compared to \$585,000 for the three months ended March 31, 2019.

Total non-interest income increased \$104,000 to \$400,000 for the three months ended March 31, 2020 compared to \$296,000 over the same period in 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 \$165,000 to \$2.6 million for the three months ended March 31, 2020 compared to the three months ended March 31, 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 2.6% to \$56.71 per share at March 2020, compared to \$55.25 per share at December 31, 2019. The Liberty Bancshares Inc. stock closed at \$50.25 per share on April 13, 2020.

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 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)

	3/31/20	12/31/19
Assets		
Cash and due from banks	\$ 25,498	\$ 17,033
Securities available for sale, at fair value	38,840	42,711
Securities held to maturity	2,332	2,330
Loans receivable, net	267,859	259,388
Premises and equipment, net	5,122	5,046
Federal Reserve and Federal Home Loan Bank stock	1,540	1,520
Bank owned life insurance	4,807	6,098
Accrued interest receivable	1,164	1,032
Goodwill	1,456	1,456
Other assets	2,759	835
Total assets	\$ 351,377	\$ 337,449
Liabilities		
Deposits		
Noninterest-bearing dem and	\$ 83,242	\$ 79,645
Interest-bearing dem and	23,626	25,095
Savings	98,658	84,210
Time certificates of deposit	77,253	86,478
Total deposits	282,779	275,428
Federal Home Loan Bank advances	15,000	10,000
Deferred compensation	1,841	1,792
Accrued interest payable and other liabilities	1,194	1,167
Total liabilities	300,814	288,387
Shareholders' Equity		
Preferred stock, no par value	-	-
Common stock, \$1.25 par value	1,130	1,130
Paid-in capital	17,496	17,455
Other paid-in capital - stock warrants	660	660
Retained earnings	35,484	34,622
Unearned ESOP compensation	(73)	(73)
Treasury stock, at cost	(4,862)	(4,988)
Accumulated other comprehensive income (loss)	728	256
Total shareholders' equity	50,563	49,062
Total liabilities and shareholders' equity	\$ 351,377	\$ 337,449
Book Value per Total Shares Outstanding	\$ 56.71	\$ 55.25
Tangible Book Value per Share	\$ 55.08	\$ 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 3 months ended	
	3/31/20	3/31/19
Interest income		
Loans, including fees	\$ 3,678	\$ 3,508
Securities		
Taxable	181	223
Tax-exempt	51	70
Other	103	164
Total interest income	<u>4,013</u>	<u>3,965</u>
Interest expense		
Deposits	593	550
Borrowings	49	35
Total interest expense	<u>642</u>	<u>585</u>
Net interest income	<u>3,371</u>	<u>3,380</u>
Provision for loan losses	75	165
Net interest income after provision	<u>3,296</u>	<u>3,215</u>
Noninterest income		
Service charges on deposit accounts	174	170
Gain on sale of loans, net	88	40
Gain on sale of securities, net	44	-
Other income	94	86
Total noninterest income	<u>400</u>	<u>296</u>
Noninterest expense		
Salaries and employee benefits	1,637	1,432
Occupancy expense	185	183
Furniture and equipment expense	130	138
Data processing	160	157
State franchise tax	104	95
Deposit insurance premiums	-	8
Other expenses	395	433
Total noninterest expense	<u>2,611</u>	<u>2,446</u>
Income before income tax	<u>1,085</u>	<u>1,065</u>
Provision for income taxes	212	196
Net income	<u>\$ 873</u>	<u>\$ 869</u>
Earnings per share	\$ 0.98	\$ 0.98

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