

Liberty Bancshares, Incorporation, Parent Company of Liberty National Bank, Reports 2020 Second Quarter Unaudited Earnings

ADA, OH / August 12, 2020 / Liberty Bancshares, Inc. (OTCQX: LBSI), parent company of Liberty National Bank, announced unaudited earnings for the six months dated June 30, 2020 of \$2.22 million or \$2.49 earnings per share (EPS) – a 16% increase compared to the EPS for the first six months of 2019. The first half earnings compare favorably in total dollars to 2019 earnings of \$1.90 million. This year to date (YTD) June 2020 performance translates to a return on average assets (ROAA) of 1.20% compared to 1.08% for the same period in 2019.

Total assets increased \$62.9 million to \$405.6 million at June 30, 2020, compared to December 31, 2019 assets of \$342.7 million. Loans receivable, net of allowance for loan losses, increased \$31.6 million to \$293.0 million at June 30, 2020 from \$261.4 million at December 31, 2019. Total Deposits increased \$33.6 million to \$319.7 million at June 30, 2020 from \$286.1 million at December 31, 2019. Federal Home Loan Bank advances and Other Borrowings increased \$25.0 million to \$30.0 million at June 30, 2020 from \$5.0 million at December 31, 2019. A large amount of these borrowings was used to fund the SBA Paycheck Protection Program (“PPP”) loans to assist our local businesses.

Net interest income for the first six months ended June 30, 2020 was \$6.9 million compared to \$6.8 million for the same period 2019. Interest income for the first six months of \$8.1 million was unchanged when compared to the same period in 2019. Interest expense decreased \$137,000 to \$1.153 million for the six months ended June 30, 2020 compared to \$1.290 million for the six months ended June 30, 2019.

Total non-interest income increased \$365,000 to \$1.014 million for the six months ended June 30, 2010 compared to \$649,000 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 \$198,000 to \$5.0 million for the six months ended June 30, 2020 compared to \$4.8 million for the six months ended June 30, 2020. This increase was largely due to the implementation of some strategic initiatives that included the hiring of additional staff members.

Book value per share has risen by 6% to \$57.79 per share as of June 30, 2020, compared to \$54.76 per share as of December 31, 2019. The Liberty Bancshares, Inc. stock closed at \$52.15 per share on July 30, 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 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 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)

	6/30/20	12/31/19	6/30/19
Assets			
Cash and due from banks	\$ 55,122	\$ 16,627	\$ 32,035
Securities available for sale, at fair value	37,425	45,589	46,668
Securities held to maturity	2,335	2,327	2,324
Loans receivable, net	293,023	261,402	260,597
Premises and equipment, net	5,081	5,111	5,187
Federal Reserve and Federal Home Loan Bank stock	1,540	1,520	1,520
Bank owned life insurance	6,171	6,061	6,025
Accrued interest receivable	1,595	1,339	1,267
Goodwill	1,456	1,456	1,456
Other assets	1,831	1,225	2,151
Total assets	\$ 405,579	\$ 342,659	\$ 359,231
Liabilities			
Deposits			
Noninterest-bearing dem and	\$ 108,112	\$ 77,484	\$ 76,413
Interest-bearing dem and	26,079	25,286	23,982
Savings	112,727	88,822	90,549
Time certificates of deposit	72,783	94,544	112,218
Total deposits	319,701	286,134	303,162
Federal Home Loan Bank advances	15,000	5,000	5,000
Other borrowings	15,033	-	-
Deferred compensation	1,895	1,748	1,704
Accrued interest payable and other liabilities	2,429	1,149	1,896
Total liabilities	354,058	294,031	311,762
Shareholders' Equity			
Preferred stock, no par value	-	-	-
Common stock, \$1.25 par value	1,130	1,130	1,130
Paid-in capital	17,495	17,455	17,407
Other paid-in capital - stock warrants	660	660	660
Retained earnings	36,389	34,279	33,341
Unearned ESOP compensation	(73)	(74)	(80)
Treasury stock, at cost	(4,862)	(4,988)	(5,118)
Accumulated other comprehensive income (loss)	782	166	129
Total shareholders' equity	51,521	48,628	47,469
Total liabilities and shareholders' equity	\$ 405,579	\$ 342,659	\$ 359,231
Book Value per Total Shares Outstanding	\$ 57.79	\$ 54.76	\$ 53.67
Tangible Book Value per Share	\$ 56.16	\$ 53.12	\$ 52.02

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 6 months ended		For the 3 months ended	
	6/30/20	6/30/19	6/30/20	6/30/19
Interest income				
Loans, including fees	\$ 7,518	\$ 7,208	\$ 3,841	\$ 3,700
Securities				
Taxable	340	441	159	219
Tax-exempt	95	139	44	69
Other	123	282	20	118
Total interest income	8,076	8,070	4,064	4,106
Interest expense				
Deposits	1,036	1,222	443	672
Borrowings	117	68	68	33
Total interest expense	1,153	1,290	511	705
Net interest income	6,923	6,780	3,553	3,401
Provision for loan losses	150	275	75	110
Net interest income after provision	6,773	6,505	3,478	3,291
Noninterest income				
Service charges on deposit accounts	327	350	154	180
Gain on sale of loans, net	482	127	394	87
Gain on sale of securities, net	44	0	0	0
Other income	161	172	67	87
Total noninterest income	1,014	649	615	354
Noninterest expense				
Salaries and employee benefits	3,100	2,670	1,463	1,239
Occupancy expense	357	357	172	174
Furniture and equipment expense	303	270	173	132
Data processing	311	310	151	154
State franchise tax	208	192	104	97
Deposit insurance premiums	33	31	33	23
Other expenses	695	979	302	546
Total noninterest expense	5,007	4,809	2,398	2,365
Income before income tax	2,780	2,345	1,695	1,280
Provision for income taxes	556	444	344	248
Net income	\$ 2,224	\$ 1,901	\$ 1,351	\$ 1,032
Earnings per share	\$ 2.49	\$ 2.15	\$ 1.51	\$ 1.17

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