

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

ADA, OH / November 12, 2020 / Liberty Bancshares, Inc. (OTCQX: LBSI), parent company of Liberty National Bank, announced unaudited earnings for the nine months dated September 30, 2020 of \$3.42 million or \$3.83 earnings per share (EPS) – a 19% increase compared to the EPS for the first nine months of 2019. The first nine months earnings compare favorably in total dollars to 2019 earnings of \$2.84 million. This year to date (YTD) September 2020 performance translates to a return on average assets (ROAA) of 1.18% compared to a 1.07% for the same period in 2019.

Total assets increased \$68.2 million to \$405.7 million at September 30, 2020, compared to December 31, 2019 assets of \$337.4 million. Loans receivable, net of allowance for loan losses, increased \$46.4 million to \$305.8 million at September 30, 2020 from \$259.4 million at December 31, 2019. Total Deposits increased \$47.8 million to \$323.2 million at September 30, 2020 from \$275.4 million at December 31, 2019. Federal Home Loan Bank advances and Other Borrowings increased \$15.0 million to \$25.0 million at September 30, 2020 from \$10.0 million at December 31, 2019. This increase in borrowings was used to fund the SBA Paycheck Protection Program (“PPP”) loans to assist our local businesses.

Net interest income for the first nine months ended September 30, 2020 was \$10.5 million compared to \$10.1 million for the same period 2019. Interest income for the first nine months of 2020 was \$12.1 million compared to \$12.2 million for the same period 2019. Interest expense decreased \$514,000 to \$1.592 million for the nine months ended September 30, 2020 compared to \$2.106 million for the nine months ended September 30, 2019.

Total non-interest income increased \$849,000 to \$1.888 million for the nine months ended September 30, 2020 compared to \$1.039 million 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 \$634,000 to \$7.941 million for the nine months ended September 30, 2020 compared to \$7.307 million for the nine months ended September 30, 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% to \$58.98 per share as of September 30, 2020, compared to \$55.25 per share as of December 31, 2019. The Liberty Bancshares, Inc. stock closed at \$55.00 per share on October 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 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)

	For the nine months ended		For the 3 months ended	
	9/30/20	9/30/19	9/30/20	9/30/19
Interest income				
Loans, including fees	\$ 11,377	\$ 10,904	\$ 3,858	\$ 3,696
Securities				
Taxable	473	644	133	203
Tax-exempt	137	207	42	68
Other	148	448	25	165
Total interest income	12,135	12,204	4,059	4,133
Interest expense				
Deposits	1,405	2,015	369	793
Borrowings	187	91	69	23
Total interest expense	1,592	2,106	438	816
Net interest income	10,543	10,098	3,620	3,317
Provision for loan losses	225	330	75	55
Net interest income after provision	10,318	9,768	3,545	3,262
Noninterest income				
Service charges on deposit accounts	629	545	302	195
Gain on sale of loans, net	950	229	468	102
Gain on sale of securities, net	44	-	-	-
Other income	265	266	103	93
Total noninterest income	1,888	1,039	874	390
Noninterest expense				
Salaries and employee benefits	4,922	4,122	1,822	1,451
Occupancy expense	526	526	170	169
Furniture and equipment expense	463	468	159	198
Data processing	477	457	166	147
State franchise tax	311	288	102	95
Deposit insurance premiums	59	6	26	(26)
Other expenses	1,183	1,441	488	462
Total noninterest expense	7,941	7,307	2,934	2,496
Income before income tax	4,265	3,500	1,485	1,155
Provision for income taxes	848	661	292	217
Net income	\$ 3,417	\$ 2,839	\$ 1,193	\$ 939
Earnings per share	\$ 3.83	\$ 3.21	\$ 1.33	\$ 1.06

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 Balance Sheets (unaudited)

(\$ in thousands)

	9/30/20	12/31/19	9/30/19
Assets			
Cash and due from banks	\$ 44,090	\$ 17,033	\$ 16,628
Securities available for sale, at fair value	35,973	42,711	45,589
Securities held to maturity	2,337	2,330	2,327
Loans receivable, net	305,814	259,388	261,402
Premises and equipment, net	5,051	5,046	5,111
Federal Reserve and Federal Home Loan Bank stock	1,540	1,520	1,520
Bank owned life insurance	6,208	6,098	6,062
Accrued interest receivable	1,443	1,032	1,339
Goodwill	1,456	1,456	1,456
Other assets	1,775	835	1,225
Total assets	\$ 405,687	\$ 337,449	\$ 342,660
Liabilities			
Deposits			
Noninterest-bearing dem and	\$ 99,985	\$ 79,645	\$ 77,483
Interest-bearing dem and	28,798	25,095	25,286
Savings	127,030	84,210	88,821
Time certificates of deposit	67,394	86,478	94,544
Total deposits	323,207	275,428	286,134
Federal Home Loan Bank advances	10,000	10,000	5,000
Other Borrowings	15,033	-	-
Deferred compensation	1,951	1,792	1,748
Accrued interest payable and other liabilities	2,531	1,167	1,149
Total liabilities	352,722	288,387	294,031
Shareholders' Equity			
Preferred stock, no par value	-	-	-
Common stock, \$1.25 par value	1,130	1,130	1,130
Paid-in capital	17,491	17,455	17,455
Other paid-in capital - stock warrants	660	660	660
Retained earnings	37,582	34,622	34,279
Unearned ESOP compensation	(73)	(73)	(74)
Treasury stock, at cost	(4,628)	(4,988)	(4,988)
Accumulated other comprehensive income (loss)	803	256	166
Total shareholders' equity	52,965	49,062	48,629
Total liabilities and shareholders' equity	\$ 405,687	\$ 337,449	\$ 342,660
Book Value per Total Shares Outstanding	\$ 58.98	\$ 55.25	\$ 54.76
Tangible Book Value per Share	\$ 57.36	\$ 53.61	\$ 53.12

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