

Liberty Bancshares, Incorporation, Parent Company of Liberty National Bank, Reports 2021 First Quarter Unaudited Financial Results

ADA, OH / April 9, 2021 / Liberty Bancshares, Inc. (OTC Markets: LBSI), parent company of Liberty National Bank, announced earnings for the three months ended March 31, 2021 of \$1.60 million or \$1.78 earnings per share (EPS). This compares to net income of \$0.87 million and EPS of \$0.98 for the three months ended March 31, 2020.

In terms of operating performance, LBSI's return on average assets (ROAA) was 1.50% for the three months ended March 31, 2021 compared to 0.99% for the three months ended March 31, 2020. Net Interest Margin was 3.98% for the three months ended March 31, 2021 compared to 4.03% for the three months ended March 31, 2020. The Efficiency Ratio was 56.09% for the three months ended March 31, 2021 compared to 69.72% for the three months ended March 31, 2020.

Total assets increased \$27.9 million or 7 percent to \$426.3 million at March 31, 2021, compared to December 31, 2020 assets of \$398.4 million. Loans receivable, net of allowance for loan losses, increased \$10.1 million or 3 percent to \$321.4 million at March 31, 2021 from \$311.3 million at December 31, 2020. Included in March 31, 2021 loan totals are \$19.5 million of Small Business Administration (SBA) Payment Protection Program (PPP) loans. Total Deposits increased \$35.9 million or 11 percent to \$358.6 million at March 31, 2021 from \$322.7 million at December 31, 2020. Federal Home Loan Bank advances and Other Borrowings declined by \$8.9 million or 47% to \$10 million at March 31, 2021 from \$18.9 million at December 31, 2020.

Net interest income for the first quarter ended March 31, 2021 was \$3.97 million compared to \$3.37 million for the same period ended March 31, 2020. Interest income for the first quarter ended March 31, 2021 was \$4.26 million compared to \$4.01 million for the same period ended March 31, 2020. Interest expense decreased \$358,000 or 56% to \$284,000 for the first quarter ended March 31, 2021 from \$642,000 for the same period ended March 31, 2020. Total non-interest income for the first quarter ended March 31, 2021 increased \$477,000 or 120% to \$876,000 compared to \$399,000 for the first quarter ended March 31, 2020. This improvement in non-interest income was due to gains from the sale of secondary market real estate loans and other income. Total non-interest expense increased by \$177,000 or 7% to \$2.79 million for the first quarter ended March 31, 2021 compared to \$2.61 million for the first quarter ended March 31, 2020.

Book value has risen by 2% to \$60.60 per share as of March 31, 2021, compared to \$59.41 per share as of December 31, 2020. The Liberty Bancshares, Inc. stock closed at \$55.75 per share on March 23, 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.

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 3 months ended	
	3/31/21	3/31/20
Interest income		
Loans, including fees	\$ 4,058	\$ 3,677
Securities		
Taxable	141	181
Tax-exempt	36	51
Other	20	103
Total interest income	4,255	4,013
Interest expense		
Deposits	243	593
Borrowings	41	49
Total interest expense	284	642
Net interest income	3,972	3,371
Provision for loan losses	120	75
Net interest income after provision	3,852	3,296
Noninterest income		
Service charges on deposit accounts	185	174
Gain on sale of loans, net	338	88
Gain on sale of securities, net	-	44
Other income	352	94
Total noninterest income	876	399
Noninterest expense		
Salaries and employee benefits	1,684	1,637
Occupancy expense	183	185
Furniture and equipment expense	165	130
Data processing	180	160
State franchise tax	111	104
Deposit insurance premiums	27	-
Other expenses	439	393
Total noninterest expense	2,789	2,612
Income before income tax	1,939	1,084
Provision for income taxes	338	212
Net income	\$ 1,601	\$ 873
Earnings per share	\$ 1.78	\$ 0.98

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 Balance Sheets (unaudited)

(\$ in thousands)

	3/31/21	12/31/20
Assets		
Cash and due from banks	\$ 37,847	\$ 24,551
Securities available for sale, at fair value	42,500	38,409
Securities held to maturity	2,340	2,340
Loans receivable, net	321,416	311,274
Premises and equipment, net	4,962	5,029
Federal Reserve and Federal Home Loan Bank stock	1,554	1,540
Bank owned life insurance	11,169	11,256
Accrued interest receivable	1,290	1,220
Goodwill	1,456	1,456
Other assets	1,759	1,357
Total assets	\$ 426,294	\$ 398,432
Liabilities		
Deposits		
Noninterest-bearing dem and	\$ 124,691	\$ 113,538
Interest-bearing dem and	25,786	23,841
Savings	144,713	124,308
Time certificates of deposit	63,393	61,018
Total deposits	358,583	322,705
Federal Home Loan Bank advances	10,000	10,000
Other Borrowings	-	8,858
Deferred compensation	2,138	2,005
Accrued interest payable and other liabilities	1,046	1,520
Total liabilities	371,767	345,087
Shareholders' Equity		
Preferred stock, no par value	-	-
Common stock, \$1.25 par value	1,130	1,130
Paid-in capital	17,335	17,586
Other paid-in capital - stock warrants	660	660
Retained earnings	39,467	37,866
Unearned ESOP compensation	(52)	(52)
Treasury stock, at cost	(4,360)	(4,637)
Accumulated other comprehensive income (loss)	348	792
Total shareholders' equity	54,527	53,345
Total liabilities and shareholders' equity	\$ 426,294	\$ 398,432
Book Value per Total Shares Outstanding	\$ 60.60	\$ 59.41
Tangible Book Value per Share	\$ 58.98	\$ 57.79

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