

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

ADA, OH / July 7, 2021 / Liberty Bancshares, Inc. (OTC Markets: LBSI), parent company of Liberty National Bank, announced earnings for the six months ended June 30, 2021 of \$3.12 million or \$3.47 per share (EPS). This compares to net income of \$2.22 million and EPS of \$2.49 for the six months ended June 30, 2020.

In terms of operating performance, LBSI's return on average assets (ROAA) was 1.45% for the six months ended June 30, 2021 compared to 1.20% for the six months ended June 30, 2020. Net interest margin was 3.97% for the six months ended June 30, 2021 compared to 3.95% for the six months ended June 30, 2020. The Efficiency Ratio was 56.11% for the six months ended June 30, 2021 compared to 62.56% for the six months ended June 30, 2020.

Total assets increased \$42.8 million or 11 percent to \$441.2 million at June 30, 2021, compared to December 31, 2020 assets of \$398.4 million. Loans receivable, net of allowance for loan losses increased \$18.9 million or 6 percent to \$330.2 million at June 30, 2021 from \$311.3 million at December 31, 2020. Included in June 30, 2021 loan totals are \$13.6 million of Small Business Administration (SBA) Payment Protection Program (PPP) loans. Total Deposits increased \$49.5 million or 15 percent to \$372.2 million at June 30, 2021 from \$322.7 million at December 31, 2020. Federal Home Loan Bank advances and Other Borrowings declined by \$8.9 million or 47 percent to \$10 million at June 30, 2021 from \$18.9 million at December 31, 2020.

Net interest income for the first six months ended June 30, 2021 was \$8.05 million compared to \$6.92 million for the same period ended June 30, 2020. Interest income for the first six months ended June 30, 2021 was \$8.57 million compared to \$8.08 million for the same period ended June 30, 2020. Interest expense decreased \$631,000 or 55 percent to \$522,000 for the first six months ended June 30, 2021 from \$1.15 million for the same period ended June 30, 2020. Total non-interest income for the first six months ended June 30, 2021 increased \$476,000 or 47 percent to \$1.49 million compared to \$1.01 million for the first six months ended June 30, 2020. This improvement in non-interest income was a result of gains from the sale of secondary market real estate loans and other income. Total non-interest expense increased by \$452,000 or 9 percent to \$5.46 million for the first six months ended June 30, 2021 compared to \$5.01 million for the same period ended June 30, 2020. Book value has risen by 4 percent to \$61.70 per share as of June 30, 2021, compared to \$59.41 per share as of December 31, 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.

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 6 months ended		For the 3 months ended	
	6/30/21	6/30/20	6/30/21	6/30/20
Interest income				
Loans, including fees	\$ 8,178	\$ 7,518	\$ 4,120	\$ 3,841
Securities				
Taxable	281	339	140	159
Tax-exempt	72	95	37	44
Other	39	123	18	20
Total interest income	8,570	8,075	4,315	4,063
Interest expense				
Deposits	446	1,036	203	443
Borrowings	76	117	35	68
Total interest expense	522	1,153	239	511
Net interest income	8,048	6,922	4,076	3,552
Provision for loan losses	240	150	120	75
Net interest income after provision	7,808	6,772	3,956	3,477
Noninterest income				
Service charges on deposit accounts	386	327	201	154
Gain on sale of loans, net	615	482	277	394
Gain on sale of securities, net	3	44	3	0
Other income	486	160	134	67
Total noninterest income	1,490	1,014	614	616
Noninterest expense				
Salaries and employee benefits	3,321	3,100	1,637	1,463
Occupancy expense	361	357	178	172
Furniture and equipment expense	328	303	163	173
Data processing	347	311	168	151
State franchise tax	224	208	113	104
Deposit insurance premiums	56	33	29	33
Other expenses	821	696	380	302
Total noninterest expense	5,458	5,006	2,669	2,397
Income before income tax	3,840	2,780	1,902	1,696
Provision for income taxes	719	556	382	344
Net income	\$ 3,121	\$ 2,224	\$ 1,520	\$ 1,351
Earnings per share	\$ 3.47	\$ 2.49	\$ 1.69	\$ 1.51

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)

	6/30/21	12/31/20	6/30/20
Assets			
Cash and due from banks	\$ 43,729	\$ 24,551	\$ 55,122
Securities available for sale, at fair value	42,138	38,409	37,425
Securities held to maturity	2,340	2,340	2,335
Loans receivable, net	330,180	311,274	293,023
Premises and equipment, net	4,928	5,029	5,081
Federal Reserve and Federal Home Loan Bank stock	1,554	1,540	1,540
Bank owned life insurance	11,245	11,256	6,171
Accrued interest receivable	1,174	1,220	1,595
Goodwill	1,456	1,456	1,456
Other assets	2,480	1,357	1,830
Total assets	\$ 441,224	\$ 398,432	\$ 405,580
Liabilities			
Deposits			
Noninterest-bearing dem and	\$ 131,161	\$ 113,538	\$ 108,112
Interest-bearing dem and	26,084	23,841	26,079
Savings	149,987	124,308	112,727
Time certificates of deposit	65,007	61,018	72,783
Total deposits	372,239	322,705	319,700
Federal Home Loan Bank advances	10,000	10,000	15,000
Other borrowings	-	8,858	15,033
Deferred compensation	2,153	2,005	1,895
Accrued interest payable and other liabilities	1,312	1,520	2,429
Total liabilities	385,704	345,087	354,058
Shareholders' Equity			
Preferred stock, no par value	-	-	-
Common stock, \$1.25 par value	1,130	1,130	1,130
Paid-in capital	17,431	17,586	17,496
Other paid-in capital - stock warrants	660	660	660
Retained earnings	40,312	37,866	36,389
Unearned ESOP compensation	(52)	(52)	(73)
Treasury stock, at cost	(4,360)	(4,637)	(4,862)
Accumulated other comprehensive income (loss)	399	792	782
Total shareholders' equity	55,520	53,345	51,522
Total liabilities and shareholders' equity	\$ 441,224	\$ 398,432	\$ 405,580
Book Value per Total Shares Outstanding	\$ 61.70	\$ 59.41	\$ 57.79
Tangible Book Value per Share	\$ 60.08	\$ 57.79	\$ 56.16

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