

Liberty Bancshares, Incorporation, Parent Company of Liberty National Bank, Reports 2022 Second Quarter Unaudited Financial Results

ADA, OH / July 21, 2022 / Liberty Bancshares, Inc. (OTC Markets: LBSI), parent company of Liberty National Bank, announced earnings for the six months ended June 30, 2022 of \$2.13 million or \$2.36 per share (EPS). This compares to net income of \$3.12 million and EPS of \$3.47 for the six months ended June 30, 2021.

In terms of operating performance, LBSI's return on average assets (ROAA) was 0.96% for the six months ended June 30, 2022 compared to 1.45% for the six months ended June 30, 2021. Net interest margin was 3.56% for the six months ended June 30, 2022 compared to 3.97% for the six months ended June 30, 2021. The Efficiency Ratio was 65.52% for the six months ended June 30, 2022 compared to 56.11% for the six months ended June 30, 2021.

Total assets decreased \$5.2 million to \$428.3 million at June 30, 2022, compared to \$433.5 million at December 31, 2021. Loans receivable, net of allowance for loan losses decreased \$8.4 million to \$282.5 million at June 30, 2022 from \$290.9 million at December 31, 2021. Total Deposits decreased \$2.1 million to \$371.4 million at June 30, 2022 from \$373.5 million at December 31, 2021.

Net interest income for the first six months ended June 30, 2022 was \$7.48 million compared to \$8.05 million for the same period ended June 30, 2021. Interest income for the first six months ended June 30, 2022 was \$7.77 million compared to \$8.57 million for the same period ended June 30, 2021. Interest expense decreased \$232,000 or 44 percent to \$290,000 for the first six months ended June 30, 2022 from \$522,000 for the same period ended June 30, 2021. Total non-interest income for the first six months ended June 30, 2022 decreased \$545,000 or 37 percent to \$945,000 compared to \$1.49 million for the first six months ended June 30, 2021. This decline in non-interest income was due primarily to a reduction in gains from the sale of secondary market real estate loans and other income. Total non-interest expense increased by \$350,000 or 6 percent to \$5.81 million for the first six months ended June 30, 2022 compared to \$5.46 million for the same period ended June 30, 2021.

Book value was \$58.33 per share as of June 30, 2022, compared to \$63.05 per share as of December 31, 2021. The decline in the Company's book value was largely due to the unrealized losses on the Bank's fixed-rate investment securities. The Federal Reserve has increased the federal funds rate by 150 basis points this year with additional rate increases expected in an attempt to curtail inflation. The Liberty Bancshares, Inc. stock closed at \$67.25 per share on July 18, 2022.

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.

For more information contact: Ronald L. Zimmerly, Jr., President & CEO, Liberty Bancshares, Inc. at 419-673-1217 or rzimmerly@myliberty.bank or Bryan L. Marshall, Executive Vice President/CFO, Liberty Bancshares, Inc. at 419-634-5015 or bmarshall@myliberty.bank or on the OTCMarkets trading platform, find us under the ticker symbol LBSI at www.otcmarkets.com.



Consolidated Statements of Income (unaudited)

(\$ in thousands)

	For the 6 months ended		For the 3 months ended	
	6/30/22	6/30/21	6/30/22	6/30/21
Interest income				
Loans, including fees	\$ 6,965	\$ 8,178	\$ 3,559	\$ 4,120
Securities				
Taxable	551	280	306	140
Tax-exempt	115	72	57	37
Other	135	39	94	18
Total interest income	7,766	8,569	4,016	4,315
Interest expense				
Deposits	290	446	154	203
Borrowings	0	76	0	35
Total interest expense	290	522	154	239
Net interest income	7,476	8,047	3,862	4,076
Provision for loan losses	-	240	-	120
Net interest income after provision	7,476	7,807	3,862	3,956
Noninterest income				
Service charges on deposit accounts	404	386	211	201
Gain on sale of loans, net	233	615	120	277
Gain on sale of securities, net	-	3	-	3
Other income	308	486	159	134
Total noninterest income	945	1,490	490	615
Noninterest expense				
Salaries and employee benefits	3,335	3,321	1,645	1,637
Occupancy expense	348	361	179	178
Furniture and equipment expense	304	328	154	163
Data processing	354	347	165	168
State franchise tax	234	224	118	113
Deposit insurance premiums	61	56	30	29
Other expenses	1,170	819	645	380
Total noninterest expense	5,806	5,456	2,937	2,669
Income before income tax	2,615	3,840	1,415	1,903
Provision for income taxes	482	719	260	382
Net income	\$ 2,133	\$ 3,121	\$ 1,155	\$ 1,521
Earnings per share	\$ 2.36	\$ 3.47	\$ 1.27	\$ 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)

	6/30/22	12/31/21	6/30/21
Assets			
Cash and due from banks	\$ 50,384	\$ 66,280	\$ 43,729
Securities available for sale, at fair value	61,806	48,835	42,138
Securities held to maturity	6,643	6,643	2,340
Loans receivable, net	282,492	290,851	330,180
Premises and equipment, net	4,726	4,815	4,928
Federal Reserve and Federal Home Loan Bank stock	1,554	1,554	1,554
Bank owned life insurance	13,841	10,666	11,245
Accrued interest receivable	1,160	894	1,174
Goodwill	1,456	1,456	1,456
Other assets	4,233	1,535	2,480
Total assets	\$ 428,295	\$ 433,529	\$ 441,225
Liabilities			
Deposits			
Noninterest-bearing dem and	\$ 147,071	\$ 142,037	\$ 131,163
Interest-bearing dem and	22,806	18,107	26,084
Savings	144,697	145,386	149,987
Time certificates of deposit	56,863	67,991	65,007
Total deposits	371,437	373,520	372,240
Federal Home Loan Bank advances	-	-	10,000
Deferred compensation	2,469	2,308	2,153
Accrued interest payable and other liabilities	1,482	756	1,312
Total liabilities	375,388	376,584	385,705
Shareholders' Equity			
Preferred stock, no par value	-	-	-
Common stock, \$1.25 par value	1,130	1,130	1,130
Paid-in capital	17,891	17,738	17,431
Other paid-in capital - stock warrants	660	660	660
Retained earnings	43,182	41,729	40,312
Unearned ESOP compensation	(18)	(29)	(52)
Treasury stock, at cost	(4,477)	(4,478)	(4,360)
Accumulated other comprehensive income (loss)	(5,461)	195	399
Total shareholders' equity	52,907	56,945	55,521
Total liabilities and shareholders' equity	\$ 428,295	\$ 433,529	\$ 441,225
Book Value per Total Shares Outstanding	\$ 58.33	\$ 63.05	\$ 61.70
Tangible Book Value per Share	\$ 56.72	\$ 61.44	\$ 60.08

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