

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

ADA, OH / October 14, 2021 / Liberty Bancshares, Inc. (OTC Markets: LBSI), parent company of Liberty National Bank, announced earnings for the nine months ended September 30, 2021 of \$4.29 million or \$4.77 per share (EPS). This compares to net income of \$3.42 million and EPS of \$3.83 for the nine months ended September 30, 2020.

In terms of operating performance, LBSI's return on average assets (ROAA) was 1.31% for the nine months ended September 30, 2021, compared to 1.18% for the nine months ended September 30, 2020. Net interest margin was 3.93% for the nine months ended September 30, 2021, compared to 3.84% for the nine months ended September 30, 2020. The Efficiency Ratio was 59.57% for the first nine months ended September 30, 2021, compared to 63.52% for the nine months ended September 30, 2020.

Total assets increased \$46.8 million or 12 percent to \$445.2 million at September 30, 2021, compared to December 31, 2020 assets of \$398.4 million. Loans receivable, net of allowance for loan losses increased \$4.2 million or 1 percent to \$315.5 million at September 30, 2021 from \$311.3 million at December 31, 2020. Included in September 30, 2021 loan totals are \$5.2 million of Small Business Administration (SBA) Payment Protection Program (PPP) loans. Total Deposits increased \$52.4 million or 16 percent to \$375.1 million at September 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 \$10.0 million at September 30, 2021 from \$18.9 million at December 31, 2020.

Net interest income for the first nine months ended September 30, 2021 was \$12.21 million compared to \$10.54 million for the same period ended September 30, 2020. Interest income for the first nine months ended September 30, 2021 was \$12.96 million compared to \$12.14 million for the same period ended September 30, 2020. Interest expense decreased \$844,000 or 53 percent to \$ 748,000 for the first nine months ended September 30, 2021 from \$1.59 million for the same period ended September 30, 2020. Total non-interest income for the first nine months ended September 30, 2021 increased \$134,000 or 7 percent to \$2.02 million compared to \$1.89 million for the first nine months ended September 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 \$654,000 or 8 percent to \$8.60 million for the first nine months ended September 30, 2021, compared to \$7.94 million for the same period ended September 30, 2020.

Book value has risen by 7 percent to \$63.27 per share as of September 30, 2021, compared to \$59.41 per share as of December 31, 2020. The Liberty Bancshares, Inc. stock closed at \$61.00 per share on August 20, 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 nine months ended		For the 3 months ended	
	9/30/21	9/30/20	9/30/21	9/30/20
Interest income				
Loans, including fees	\$ 12,358	\$ 11,376	\$ 4,180	\$ 3,858
Securities				
Taxable	423	472	142	133
Tax-exempt	108	137	36	42
Other	71	148	32	24
Total interest income	12,960	12,135	4,390	4,059
Interest expense				
Deposits	636	1,405	190	369
Borrowings	112	187	36	69
Total interest expense	748	1,592	226	438
Net interest income	12,212	10,542	4,165	3,620
Provision for loan losses	360	225	120	75
Net interest income after provision	11,852	10,317	4,045	3,545
Noninterest income				
Service charges on deposit accounts	593	629	207	302
Gain on sale of loans, net	797	950	182	468
Gain on sale of securities, net	3	44	-	-
Other income	629	265	142	104
Total noninterest income	2,022	1,888	532	874
Noninterest expense				
Salaries and employee benefits	5,200	4,922	1,879	1,822
Occupancy expense	538	526	177	170
Furniture and equipment expense	482	463	154	159
Data processing	525	477	177	166
State franchise tax	337	311	113	102
Deposit insurance premiums	84	59	27	26
Other expenses	1,430	1,184	612	488
Total noninterest expense	8,596	7,942	3,139	2,933
Income before income tax	5,278	4,265	1,438	1,485
Provision for income taxes	992	848	273	292
Net income	\$ 4,286	\$ 3,417	\$ 1,165	\$ 1,193
Earnings per share	\$ 4.77	\$ 3.83	\$ 1.29	\$ 1.33

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)

	9/30/21	12/31/20	9/30/20
Assets			
Cash and due from banks	\$ 62,447	\$ 24,551	\$ 44,090
Securities available for sale, at fair value	42,929	38,409	35,973
Securities held to maturity	2,340	2,340	2,337
Loans receivable, net	315,456	311,274	305,814
Premises and equipment, net	4,885	5,029	5,051
Federal Reserve and Federal Home Loan Bank stock	1,554	1,540	1,540
Bank owned life insurance	11,323	11,256	6,208
Accrued interest receivable	1,226	1,220	1,443
Goodwill	1,456	1,456	1,456
Other assets	1,608	1,357	1,774
Total assets	\$ 445,224	\$ 398,432	\$ 405,688
Liabilities			
Deposits			
Noninterest-bearing dem and	\$ 131,195	\$ 113,538	\$ 99,985
Interest-bearing dem and	25,631	23,841	28,798
Savings	150,567	124,308	127,030
Time certificates of deposit	67,743	61,018	67,394
Total deposits	375,136	322,705	323,207
Federal Home Loan Bank advances	10,000	10,000	10,000
Other Borrowings	-	8,858	15,033
Deferred compensation	2,211	2,005	1,951
Accrued interest payable and other liabilities	946	1,520	2,531
Total liabilities	388,293	345,087	352,722
Shareholders' Equity			
Preferred stock, no par value	-	-	-
Common stock, \$1.25 par value	1,130	1,130	1,130
Paid-in capital	17,527	17,586	17,492
Other paid-in capital - stock warrants	660	660	660
Retained earnings	41,476	37,866	37,582
Unearned ESOP compensation	(34)	(52)	(73)
Treasury stock, at cost	(4,360)	(4,637)	(4,628)
Accumulated other comprehensive income (loss)	532	792	803
Total shareholders' equity	56,931	53,345	52,967
Total liabilities and shareholders' equity	\$ 445,224	\$ 398,432	\$ 405,688
Book Value per Total Shares Outstanding	\$ 63.27	\$ 59.41	\$ 58.98
Tangible Book Value per Share	\$ 61.65	\$ 57.79	\$ 57.36

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