

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

ADA, OH / February 10, 2022 / Liberty Bancshares, Inc. (OTC Markets: LBSI), parent company of Liberty National Bank, announced earnings for the twelve months ended December 31, 2021 of \$5.21 million or \$5.81 per share (EPS). This compares to net income of \$4.32 million and EPS of \$4.84 for the twelve months ended December 31, 2020.

In terms of operating performance, LBSI's return on average assets (ROAA) was 1.19% for the twelve months ended December 31, 2021 compared to 1.10% for the twelve months ended December 31, 2020. Return on average equity was 9.40% for the twelve months ended December 31, 2021 compared to 8.38% for the twelve months ended December 31, 2020. Net interest margin was 3.94% for the twelve months ended December 31, 2021 as well as for the twelve months ended December 31, 2020. The Efficiency Ratio was 62.60% for the twelve months ended December 31, 2021 compared to 61.42% for the twelve months ended December 31, 2020.

Total assets increased \$35.1 million or 9 percent to \$433.5 million at December 31, 2021, compared to December 31, 2020 assets of \$398.4 million. Loans receivable, net of allowance for loan losses decreased \$16.9 million or 5 percent to \$290.9 million at December 31, 2021 from \$307.8 million at December 31, 2020. Included in December 31, 2021 loan totals are \$777,000 of Small Business Administration (SBA) Payment Protection Program (PPP) loans. Total Deposits increased \$50.8 million or 16 percent to \$373.5 million at December 31, 2021 from \$322.7 million at December 31, 2020. Federal Home Loan Bank advances and Other Borrowings of \$18.9 million at December 31, 2020 had both been repaid in full as of December 31, 2021.

Net interest income for the year ended December 31, 2021 was \$16.24 million compared to \$14.42 million for the same period 2020. Interest income for the year 2021 increased \$788,000 or 5 percent to \$17.16 million compared to \$16.37 million for the same period ended December 31, 2020. Interest expense decreased \$1.03 million or 53 percent to \$915,000 for the year ended December 31, 2021 from \$1.95 million for the same period ended December 31, 2020. Total non-interest income decreased \$448,000 or 15 percent to \$2.57 million compared to \$3.02 million for the same period ended December 31, 2020. This reduction in non-interest income was a result of less gains realized from the sale of secondary market real estate loans. Total non-interest expense increased by \$1.11 million or 10 percent to \$11.92 million for the year ended December 31, 2021 compared to \$10.81 million for the same period ended December 31, 2020. During the fourth quarter, Management used some of the Bank's excess liquidity to payoff the \$10.0 million in FHLB borrowings and incurred a prepayment penalty of \$219,000.

Book value has risen by 6 percent to \$63.05 per share as of December 31, 2021 compared to \$59.41 per share as of December 31, 2020. The Liberty Bancshares, Inc. stock closed at \$67.00 per share on December 30, 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.

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.otcm Markets.com.



Consolidated Statements of Income (unaudited)

(\$ in thousands)

	For the year ended	
	12/31/21	12/31/20
Interest income		
Loans, including fees	\$ 16,208	\$ 15,299
Securities		
Taxable	594	612
Tax-exempt	246	290
Other	109	168
Total interest income	<u>17,157</u>	<u>16,369</u>
Interest expense		
Deposits	800	1,715
Borrowings	115	233
Total interest expense	<u>915</u>	<u>1,948</u>
Net interest income	<u>16,242</u>	<u>14,420</u>
Provision for loan losses	480	1,250
Net interest income after provision	<u>15,762</u>	<u>13,170</u>
Noninterest income		
Service charges on deposit accounts	800	827
Gain on sale of loans, net	966	1,581
Gain on sale of securities, net	3	44
Other income	803	569
Total noninterest income	<u>2,572</u>	<u>3,021</u>
Noninterest expense		
Salaries and employee benefits	7,163	6,608
Occupancy expense	714	705
Furniture and equipment expense	634	638
Data processing	693	636
State franchise tax	450	401
Deposit insurance premiums	115	88
FHLB prepayment penalty	219	-
Other expenses	1,928	1,735
Total noninterest expense	<u>11,916</u>	<u>10,812</u>
Income before income tax	<u>6,418</u>	<u>5,378</u>
Provision for income taxes	1,206	1,062
Net income	<u>\$ 5,212</u>	<u>\$ 4,316</u>
Earnings per share	\$ 5.81	\$ 4.84

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)

	12/31/21	12/31/20
Assets		
Cash and due from banks	\$ 66,280	\$ 24,551
Securities available for sale, at fair value	48,835	38,409
Securities held to maturity	6,643	5,850
Loans receivable, net	290,851	307,764
Premises and equipment, net	4,815	5,029
Federal Reserve and Federal Home Loan Bank stock	1,554	1,540
Bank owned life insurance	10,666	11,256
Accrued interest receivable	894	1,220
Goodwill	1,456	1,456
Other assets	1,535	1,357
Total assets	\$ 433,529	\$ 398,432
Liabilities		
Deposits		
Noninterest-bearing dem and	\$ 142,037	\$ 113,538
Interest-bearing dem and	18,107	23,841
Savings	145,386	124,308
Time certificates of deposit	67,990	61,018
Total deposits	373,520	322,705
Federal Home Loan Bank advances	-	10,000
Other borrowings	-	8,858
Deferred compensation	2,308	2,005
Accrued interest payable and other liabilities	756	1,519
Total liabilities	376,584	345,087
Shareholders' Equity		
Preferred stock, no par value	-	-
Common stock, \$1.25 par value	1,130	1,130
Paid-in capital	17,738	17,586
Other paid-in capital - stock warrants	660	660
Retained earnings	41,729	37,866
Unearned ESOP compensation	(29)	(52)
Treasury stock, at cost	(4,478)	(4,637)
Accumulated other comprehensive income	195	792
Total shareholders' equity	56,945	53,345
Total liabilities and shareholders' equity	\$ 433,529	\$ 398,432
Book Value per Total Shares Outstanding	\$ 63.05	\$ 59.41
Tangible Book Value per Share	\$ 61.44	\$ 57.79

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