



**For further Information contact:**  
**Bob Washburn**  
**(336) 246-4344**  
**PO Box 26**  
**West Jefferson, NC 28694**  
**[rwashburn@golifestore.com](mailto:rwashburn@golifestore.com)**

### **LifeStore Financial Group Reports Earnings**

West Jefferson, NC – LifeStore Financial Group (LSFG), the holding company for LifeStore Bank and LifeStore Insurance Services, Inc., recently reported net income of \$380,102 for the six months ended December 31, 2013.

LifeStore President and CEO Bob Washburn said, “I am pleased with the progress we have made in several areas. We have continued to reduce problem assets and increased reserves while seeing some improvement in our local economies. The only negative in earnings is a reduction in mortgage fee income as long term rates have begun to creep up which has slowed refinances. However, we have seen an increase in construction lending and new home purchases.”

LifeStore Bank continues to see improved capital ratios. The Total Risk Weighted ratio increased to 14.74% while anything over 10.0% is considered well capitalized. LifeStore Insurance reports a positive increase in earnings. They continue to enroll people in health insurance and over the past few months have been able to help a significant number of individuals and families sign up for health coverage through the Affordable Care Act.

*LifeStore Financial Group, headquartered in West Jefferson, provides banking, investment and insurance services. It is a federally chartered thrift holding company that owns 100% of the common stock of LifeStore Bank (Member FDIC and Equal Housing Lender) and operates branches in Boone, Jefferson, Warrentsville and West Jefferson. LifeStore Insurance is an independent insurance agency that serves these markets along with Elkin, Lenoir, North Wilkesboro and Sparta.*

###

## Financial Highlights

(In thousands)		
<b>Six Months Ended December 31,</b>	<b>2013</b>	<b>2012</b>
Selected Financial Condition Data:		
Total assets	\$258,823	\$268,094
Loans receivable, net <sup>1</sup>	189,401	184,580
Investment securities <sup>2</sup>	30,926	32,061
Cash and cash equivalents	16,938	27,037
Deposits	181,368	190,269
Borrowings	57,742	57,784
Equity	17,166	17,014
Selected Operating Data:		
Interest income and dividends	\$5,461	\$5,845
Interest expense	1,247	1,456
Net interest income	4,214	4,389
Provision for loan losses	353	933
Net interest income after provision for loan losses	3,861	3,456
Non-interest income	2,430	3,066
Non-interest expense	5,846	6,024
Income (loss) before income tax expense	446	498
Income tax expense (benefit)	65	82
Net income (loss)	\$380	\$417

<sup>1</sup>Loans receivable, net is comprised of total loans less allowance for loan losses, loans sold, undisbursed loan funds and deferred loan fees.

<sup>2</sup>Includes FHLB stock and investment securities.