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For Immediate Release

LifeStore Financial Group Reports Year End Results and Declares Dividend

September 11, 2018 - LifeStore Financial Group, Inc. reported net income of \$3,186,855 for the year ended June 30, 2018, as compared to \$2,345,110 for the year ended June 30, 2017. Basic earnings per share were \$3.13, as compared to \$2.30 for the same period in 2017. Assets increased 5.1% to \$289.8 million at June 30, 2018.

Bob Washburn, President and CEO noted, "We had an outstanding year with net income up 35.9% over the prior year. Continued growth in interest earning assets, an improving business environment and increased commissions from our insurance division contributed to our earnings increase. We appreciate the continued support of our customers at LifeStore Bank and LifeStore Insurance."

The Board of Directors of LifeStore Financial Group, Inc. declared a dividend of twenty-five cents (\$.25) per common share. The dividend is payable on October 16, 2018 to shareholders of record at the close of business on September 28, 2018. Washburn noted, "We are excited to pay this annual dividend to our shareholders and want to thank our shareholders for their support as we retained capital to grow our balance sheet and strengthen the bank over the last several years. LifeStore is committed to remain a locally owned financial institution serving our communities."

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

Except for historical information, all of the statements, expectations, and assumptions contained in this press release are forward-looking statements. Actual results might differ materially from those explicit or implicit in the forward-looking statements. Important factors that could cause actual results to differ materially include, without limitation: the effects of future economic conditions; governmental fiscal and monetary policies; legislative and regulatory changes; the risks of changes in interest rates; management of growth; fluctuations in our financial results; reliance on key personnel; our ability to compete effectively; privacy, security and other risks associated with our business.

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LifeStore Financial Group, Inc. and Subsidiaries

| | As of | |
|--|------------------------|---------------|
| | June 30, 2018 | June 30, 2017 |
| | (Dollars in thousands) | |
| <i>Selected Financial Condition Data:</i> | | |
| Total assets | \$ 289,773 | \$ 275,831 |
| Loans receivable, net ¹ | 182,197 | 176,660 |
| Investment Securities ² | 50,543 | 50,065 |
| Cash and cash equivalents | 29,999 | 20,752 |
| Deposits | 211,656 | 198,183 |
| Borrowings | 47,278 | 49,577 |
| Equity | 26,048 | 23,028 |
| Book value per share | \$ 25.56 | \$ 22.60 |
| Return on assets | 1.13% | 0.87% |
| Return on equity | 12.82% | 10.63% |
| Efficiency ratio ³ | 73.85% | 78.88% |

| | Year Ended | |
|---|------------------------|---------------|
| | June 30, 2018 | June 30, 2017 |
| | (Dollars in thousands) | |
| <i>Selected Operating Data:</i> | | |
| Interest income and dividends | \$ 10,716 | \$ 9,608 |
| Interest expense | 2,343 | 2,155 |
| Net interest income | 8,373 | 7,453 |
| Provision for loan losses | 186 | 196 |
| Net interest income after provision for loan losses | 8,187 | 7,257 |
| Insurance commissions | 5,142 | 4,478 |
| Other non-interest income | 3,182 | 3,122 |
| Non-interest expense | 12,331 | 11,874 |
| Income before income tax expense | 4,180 | 2,983 |
| Income tax expense | 993 | 638 |
| Net Income | 3,187 | 2,345 |
| Basic earnings per share of common stock | \$ 3.13 | \$ 2.30 |

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

² Includes other investments, at cost and investment securities

³ The efficiency ratio represents non-interest expense as a percentage of the sum of net interest income and non-interest income