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LifeStore Financial Group, Inc. Reports Strong Earnings

West Jefferson, NC - LifeStore Financial Group, Inc. reported net income of \$1,289,269 for the quarter ended March 31, 2019 compared to \$1,076,509 for the quarter ended March 31, 2018, or an increase of 19.8%. Net income for the nine months ended March 31, 2019 was \$3.1 million compared to \$2.5 million for the nine months ended March 31, 2018, or an increase of 24.1%.

The company also reported an increase of \$8.6 million, or 3.0%, in net assets from \$288.6 million at March 31, 2018 to \$297.2 million at March 31, 2019. Deposit growth was solid, growing \$11.2 million, or 5.3% compared to last year. Nonperforming loans to total loans decreased from .87% at March 31, 2018 to .81% at March 31, 2019.

Bob Washburn, President and CEO noted, "We are pleased to report these positive results for the quarter ended March 31, 2019. Our net income growth was supported by solid interest earning asset growth, disciplined expense management, stable credit quality, and increases in noninterest income both in the bank and insurance. None of this would occur if our employees did not continually provide a superior level of service to our customers."

LifeStore Insurance has recently expanded its footprint into the Avery County market with the purchase of Andrews and Andrews Insurance. The office will be relocating in May to 151 Cranberry Street in Newland. Additionally, we have begun a major renovation of our Jefferson location. It will include interior renovations; expanded drive thru lanes and the addition of a drive-up ATM allowing us to better serve our customers.

LifeStore Financial Group, Inc. headquartered in West Jefferson, provides banking, investment and insurance services. It is a state chartered holding company that owns 100% of the common stock of LifeStore Bank (Member FDIC and Equal Housing Lender) and LifeStore Insurance Services, Inc. LifeStore Bank operates branches in Boone, Jefferson, and West Jefferson. LifeStore Insurance is an independent insurance agency that serves these markets along with Elkin, Lenoir, Newland, 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			
	March 31, 2019	March 31, 2018		
	(Dollars in thousands)			
Selected Financial Condition Data:				
Total assets	\$ 297,183	\$ 288,551		
Loans receivable, net ¹	182,106	186,408		
Investment Securities ²	62,169	50,534		
Cash and cash equivalents	26,578	24,770		
Deposits	222,501	211,265		
Borrowings	40,451	47,384		
Equity	29,486	25,305		
Book value per share	\$ 28.93	\$ 24.83		
Return on assets	1.37%	1.17%		
Return on equity	14.59%	13.67%		
Efficiency ratio ³	71.21%	73.33%		
	Three Months Ended		Nine Months Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(Dollars in thousands)			
Selected Operating Data:				
Interest income and dividends	\$ 2,958	\$ 2,704	\$ 8,765	\$ 7,965
Interest expense	745	582	2,072	1,737
Net interest income	2,213	2,122	6,693	6,228
Provision for loan losses	18	14	52	150
Net interest income after provision for loan losses	2,195	2,108	6,641	6,078
Insurance commissions	1,933	1,933	4,244	4,162
Other non-interest income	750	672	2,343	2,313
Non-interest expense	3,303	3,296	9,457	9,315
Income before income tax expense	1,575	1,417	3,771	3,238
Income tax expense	286	340	686	751
Net Income	1,289	1,077	3,085	2,487
Basic earnings per share of common stock	\$ 1.27	\$ 1.06	\$3.03	\$2.44
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				