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LifeStore Financial Group Announces Strong Earnings

West Jefferson, NC – LifeStore Financial Group (LSFG), the holding company for LifeStore Bank and LifeStore Insurance Services, Inc., announced financial results for the first quarter ending September 30, 2017. Net income was \$725,000 or \$0.71 per share for the quarter ending on September 30, 2017, compared to \$590,000, or \$0.58 per share, for the first quarter of 2016. This follows the June 30, 2017 year end results where the Financial Group reported net income of \$2,345,110.

Assets for LifeStore increased \$5.5 million or 2% to \$281.3 million at September 30, 2017 from \$275.8 million at June 30, 2017. This increase was funded by a \$4.8 million increase in deposits. LifeStore Insurance earned revenue of \$1,187,289 during the quarter ending September 30, 2017, an increase of 23% over the quarter ending September 30, 2016. The revenue and net income increases were aided by the purchase of Greystone Insurance, which is now operating as a division of LifeStore Insurance. Jody Brown commented “We are pleased with our first quarter results, our net income was up substantially and I believe we are well positioned to continue to serve our clients even better in the future.”

LifeStore President and CEO Bob Washburn said, “We believe our niche is working side by side with the businesses and communities where we operate. We share in the desire to make our towns stronger. In a recent survey our customers identified friendliness and personable service as strengths that bring them back and we recognize that during an era when banks are getting larger, there is strength in our local service.”

Washburn adds, “We believe this commitment has contributed to the growth we are reporting in deposits and loans. Our loan portfolio grew \$3.6 million dollars during the quarter and we are also pleased to have 5% growth in our deposits. We are delighted with the growth LifeStore experienced in the quarter, and we are looking forward to continued positive results as we work in our local markets to help individuals and businesses prosper.”

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, 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.

LifeStore Financial Group and Subsidiaries

	As of	
	September 30, 2017	September 30, 2016
	(Dollars in thousands)	
Selected Financial Condition Data:		
Total assets	\$ 281,296	\$ 266,857
Loans receivable, net ¹	180,080	163,808
Investment Securities ²	49,276	52,009
Cash and cash equivalents	24,563	24,700
Deposits	202,975	189,251
Borrowings	49,563	51,615
Equity	23,771	22,023
Return on assets	1.04%	0.89%
Return on equity	12.40%	10.78%
	Three Months Ended	
	September 30, 2017	September 30, 2016
	(Dollars in thousands)	
Selected Operating Data:		
Interest income and dividends	\$ 2,606	\$ 2,373
Interest expense	564	535
Net interest income	2,042	1,838
Provision for loan losses	112	13
Net interest income after provision for loan losses	1,930	1,825
Insurance commissions	1,187	964
Other non-interest income	870	933
Non-interest expense	3,054	2,942
Income before income tax expense	933	780
Income tax expense	208	190
Net Income	725	590

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 FHLB stock and investment securities

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