

## LIBERTY BANCORP, INC.

**Consolidated Balance Sheets**

(Unaudited)

<b>Assets</b>	<b>June 30, 2010</b>	<b>September 30, 2009</b>
Cash and due from banks	\$ 10,864,482	26,512,327
Federal funds sold	29,372,000	-
Total cash and cash equivalents	40,236,482	26,512,327
Securities available for sale- taxable, at market value (amortized cost of \$3,751,789 and \$10,222,298, respectively)	4,546,845	10,849,552
Securities available for sale - non-taxable, at market value (amortized cost of \$9,053,576 and \$9,765,909, respectively)	8,960,053	9,914,624
Mortgage-backed securities - available for sale, at market value (amortized cost of \$5,547,805 and \$4,201,489, respectively)	5,687,426	8,956,810
Stock in Federal Home Loan Bank ("FHLB") of Des Moines	3,501,300	3,910,100
Loans receivable, net of allowance for loan losses of \$4,002,403 and \$3,536,837, respectively	353,074,420	302,246,097
Loans held for sale	4,878,668	459,270
Premises and equipment, net	12,256,815	12,702,627
Bank-owned life insurance ("BOLI")	9,301,838	8,975,562
Foreclosed real estate, net	10,416,827	2,822,423
Accrued interest receivable	1,651,674	1,557,970
Goodwill	1,191,603	1,191,603
Core deposit intangible, net	1,297,333	865,333
FDIC loss share receivable	23,782,370	-
Other assets	4,136,790	1,433,540
Total assets	<u>\$ 484,920,444</u>	<u>392,397,838</u>
<b>Liabilities and Stockholders' Equity</b>		
Deposits	\$ 365,799,875	276,203,274
Accrued interest payable	221,997	307,911
Advances from FHLB of Des Moines	68,311,782	69,140,862
Securities sold under agreement to repurchase	756,950	547,019
Advances from borrowers for taxes and insurance	809,424	1,079,264
Other liabilities	2,072,553	1,334,817
Total liabilities	<u>437,972,581</u>	<u>348,613,147</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value; 1,000,000 shares authorized; shares issued and outstanding - none	-	-
Common stock, \$0.01 par value; 20,000,000 shares authorized; 4,761,712 shares issued	47,617	47,617
Treasury stock, at cost, 1,196,243 shares and 1,139,837 shares	(11,646,019)	(11,100,506)
Additional paid-in capital	32,812,616	32,600,040
Common stock acquired by ESOP	(127,368)	(268,805)
Accumulated other comprehensive earnings, net	259,932	640,636
Retained earnings - substantially restricted	25,601,085	21,865,709
Total stockholders' equity	<u>46,947,863</u>	<u>43,784,691</u>
Total liabilities and stockholders' equity	<u>\$ 484,920,444</u>	<u>392,397,838</u>

## LIBERTY BANCORP, INC.

## Consolidated Statements of Earnings

(Unaudited)

	Nine Months Ended	
	June 30,	
	2010	2009
Interest income:		
Loans receivable	\$ 14,825,560	13,409,778
Mortgage-backed securities	195,426	401,633
Securities - taxable	242,857	517,693
Securities - non-taxable	332,717	396,468
Other interest-earning assets, net of service charges	6,576	5,557
Total interest income	15,603,136	14,731,129
Interest expense:		
Deposits	2,790,049	4,049,277
Securities sold under agreement to repurchase	12,475	20,514
Advances from FHLB	1,185,103	1,118,538
Total interest expense	3,987,627	5,188,329
Net interest income	11,615,509	9,542,800
Provision for loan losses	2,054,464	790,912
Net interest income after provision for loan losses	9,561,045	8,751,888
Noninterest income:		
Loan service charges	79,842	69,046
Gain on sale of loans	648,331	261,713
Gain on sale of securities available for sale	244,271	54,293
Gain on sale of MBSs available for sale	(3,852)	51,620
Other-than-temporary impairment ("OTTI") loss on equity security		(113,126)
Change in cash surrender value of BOLI	326,276	328,387
Deposit account and other service charges	1,176,164	933,368
Gain on Bargain Purchase	3,167,000	-
Total noninterest income	5,638,032	1,585,301
Noninterest expense:		
Compensation and benefits	4,544,125	3,836,001
Occupancy expense	685,153	664,782
Equipment and data processing expense	974,826	918,962
Operations from foreclosed real estate, net	238,656	853,590
FDIC premium expense	351,619	416,000
Professional and regulatory services	674,039	398,474
Advertising	540,773	221,198
Correspondent banking charges	83,692	95,181
Supplies	105,759	142,372
Amortization of core deposit intangible	155,001	138,667
Other	822,830	648,396
Total noninterest expense	9,176,473	8,333,623
Earnings before income taxes	6,022,604	2,003,566
Income taxes	2,021,000	552,900
Net earnings	\$ 4,001,604	1,450,666
Basic earnings per share	\$ 1.12	0.40
Diluted earnings per share	\$ 1.10	0.40
Dividends per share	\$ 0.075	0.075

## LIBERTY BANCORP, INC.

**Consolidated Statements of Comprehensive Earnings**  
(Unaudited)

	<b>Nine Months Ended</b>	
	<b>June 30,</b>	
	<b>2010</b>	<b>2009</b>
Net earnings	\$ 4,001,604	1,450,666
Other comprehensive earnings (loss):		
Reclassification adjustment for gains in earnings, net of tax of \$(84,147) and \$(62,423), respectively	(156,273)	(43,490)
Reclassification adjustment of OTTI loss, net of tax \$0	-	113,126
Unrealized gains (losses), net of tax of \$(122,508) and \$115,040, respectively	(214,639)	121,224
Amortization of unrecognized gain, net on benefit plans	(9,792)	(9,792)
Comprehensive earnings (loss)	<u>\$ 3,620,900</u>	<u>1,631,734</u>

## LIBERTY BANCORP, INC.

**Earnings Per Share**

Following is a summary of basic and diluted earnings per common share for the Company for the nine months ended June 30, 2010

**Nine Months Ended  
June 30, 2010**

**Basic earnings per share:**

Net earnings	\$	4,001,604
Less dividends paid:		
Common stock		264,196
Participating securities		3,582
Undistributed earnings	\$	<u>3,733,826</u>
Weighted-average basic shares outstanding		3,525,337
Add: weighted-average participating securities outstanding		47,760
Total weighted-average basic shares and participating securities outstanding		<u>3,573,097</u>
Distributed earnings per share	\$	<u>0.07</u>
Undistributed earnings per share	\$	<u>1.05</u>
Net earnings per share	\$	<u>1.12</u>

**Diluted earnings per share:**

Undistributed earnings	\$	<u>3,733,826</u>
Total weighted-average basic shares and participating securities outstanding		3,573,097
Add: Dilutive stock options		21,392
Total weighted-average diluted shares and participating securities outstanding		<u>3,594,489</u>
Distributed earnings per share	\$	<u>0.07</u>
Undistributed earnings per share	\$	<u>1.03</u>
Net earnings per share	\$	<u>1.10</u>
Anti-dilutive option shares		<u>31,549</u>