

LIBERTY BANCORP, INC.

PRESS RELEASE

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Liberty Bancorp, Inc. Announces Financial Results for the Quarter Ended June 30, 2012

Liberty, Missouri (July 20, 2012) - Liberty Bancorp, Inc. (OTCQB: LBCP) (the "Company") announced today net earnings for the quarter ended June 30, 2012 of \$1.4 million, or \$0.43 per diluted share, compared to net earnings of \$834,000, or \$0.24 per diluted share, for the quarter ended June 30, 2011. Net earnings for the nine months ended June 30, 2012 decreased by \$1.1 million to \$1.7 million, or \$0.53 per diluted share, compared to net earnings of \$2.8 million, or \$0.80 per diluted share, for the nine months ended June 30, 2011.

Effective for the current year, the Company and BankLiberty (the "Bank") changed its fiscal year end to December 31st. The board of directors believes this change is in the best interests of shareholders as it will make certain financial and regulatory reporting more efficient and consistent with industry standards. Audited balance sheets as of December 31, 2012 and other financial statements for the fifteen-month period ended December 31, 2012 will be prepared and presented in the 2012 Annual Report.

Net earnings increased by \$550,000 for the three-month period ended June 30, 2012 as compared to the same period in 2011 due to higher net interest income and lower noninterest expense, partially offset by a higher provision for loan losses and higher income tax expense. The Company recognized a gain on the sale of real estate, which was partially offset primarily by charge-downs of certain loans acquired at a discount resulting in virtually the same noninterest income for both three-month periods in 2012 and 2011.

In April 2012, the Company sold its land lease position and certain furniture and equipment in a commercial building in Creve Coeur, Missouri and recorded a pre-tax gain of \$983,000. This gain was recognized in the quarter ending June 30, 2012. From April 2010 through October 2011 the Bank operated a retail banking facility at this location.

For the comparable nine-month periods, net earnings decreased due to lower net interest income and a higher provision for loan losses, partially offset by higher noninterest income, lower noninterest expense and lower income tax expense. Higher noninterest income in 2012 was primarily due to a gain on the sale of real estate, partially offset by a decrease in gains on the sale of loans. Lower noninterest expense was primarily due to lower occupancy, equipment and data processing expense, lower FDIC assessment fees and lower expenses related to the maintenance and liquidation of foreclosed assets, primarily offset by higher advertising expense, amortization of core deposit intangible and miscellaneous expenses.

Excluding foreclosed property expense and one-time adjustments related to the acquisition of Champion Bank, noninterest (operating) expense decreased \$302,000, or 3.35%, for the nine-month period ended June 30, 2012. For the three months ended June 30, 2012 as compared to the same period in 2011 operating expenses, excluding foreclosed property, decreased \$225,000.

Total assets decreased \$40.5 million from September 30, 2011 to June 30, 2012 primarily due to a \$37.9 million decrease in cash and to a lesser extent a decrease in other assets, partially offset by a slight increase in loans receivable. Total liabilities decreased \$39.8 million due to decreases in deposits, FHLB advances and other liabilities. Total deposits decreased \$26.5 million due to a decrease of \$43.0 million related to the sale of a branch bank in Creve Coeur, Missouri, partially offset primarily by an \$11.0 million increase in retail deposits at existing branches. Total stockholders' equity decreased \$659,000 primarily due to shares repurchases and the payment of cash dividends, partially offset by net earnings. Total common shares outstanding as of June 30, 2012 decreased to 3,183,519 as compared to 3,326,514 as of September 30, 2011 due to share repurchases which are now recorded as treasury shares.

The Company conducts substantially all of its operations through its wholly owned subsidiary, BankLiberty. The Bank offers full service banking services to both commercial and personal customers. As it was when it opened in 1955, the Bank is headquartered in Liberty, Missouri. It has ten retail banking facilities in the Kansas City metropolitan area, including the largest branch network in the Kansas City Northland area of Clay and Platte counties. It maintains a solid Four Star rating from BauerFinancial, Inc. BankLiberty was recently named 2012 "Best of The Northland" for Best Bank, Best Mortgage, and Best Place to Work.

This press release contains statements that are forward-looking, as that term is defined by the Private Securities Litigation Act of 1995 or the Securities and Exchange Commission in its rules, regulations, and releases. The Bank and Company intend that such forward-looking statements be subject to the safe harbors created thereby. All forward-looking statements are based on current expectations regarding important risk factors including, but not limited to, real estate values and the impact of interest rates on financing. Accordingly, actual results may differ from those expressed in the forward-looking statements, and the making of such statements should not be regarded as a representation by the Bank or Company or any other person that results expressed therein will be achieved.

LIBERTY BANCORP, INC.**Financial Highlights**

(Dollars in thousands, except per share data)

CONDENSED CONSOLIDATED BALANCE SHEETS

	<u>June 30, 2012</u> (Unaudited)	<u>September 30, 2011</u>
ASSETS		
Cash and cash equivalents	\$ 44,223	\$ 82,122
Securities	5,595	6,715
Loans and mortgage-backed securities	313,596	309,940
Other assets	<u>58,472</u>	<u>63,577</u>
Total Assets	<u>\$ 421,886</u>	<u>\$ 462,354</u>
LIABILITIES		
Deposits	\$ 299,045	\$ 325,569
FHLB advances	55,621	66,407
Other liabilities	<u>2,704</u>	<u>5,203</u>
Total Liabilities	357,370	397,179
Total Stockholders' Equity	<u>64,516</u>	<u>65,175</u>
Total Liabilities & Stockholders' Equity	<u>\$ 421,886</u>	<u>\$ 462,354</u>

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)

	Three Months Ended		Nine Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Interest income	\$ 5,338	\$ 5,211	\$ 15,717	\$ 17,270
Interest expense	<u>827</u>	<u>1,088</u>	<u>2,818</u>	<u>3,545</u>
Net interest income	4,511	4,123	12,899	13,725
Provision for loan losses	<u>681</u>	<u>301</u>	<u>3,704</u>	<u>1,327</u>
Net interest income after provision for loan losses	3,830	3,822	9,195	12,398
Total noninterest income	1,482	1,434	3,673	2,595
Total noninterest expense	<u>3,225</u>	<u>4,034</u>	<u>10,454</u>	<u>10,848</u>
Earnings before income taxes	2,087	1,222	2,414	4,145
Income taxes	<u>703</u>	<u>388</u>	<u>697</u>	<u>1,347</u>
Net Earnings	<u>\$ 1,384</u>	<u>\$ 834</u>	<u>\$ 1,717</u>	<u>\$ 2,798</u>
Basic and diluted earnings per share	<u>\$ 0.43</u>	<u>\$ 0.24</u>	<u>\$ 0.53</u>	<u>\$ 0.80</u>

