

## **FOR IMMEDIATE RELEASE**

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### **PERPETUAL FEDERAL SAVINGS BANK OF URBANA, OHIO ANNOUNCES SECOND QUARTER OPERATING RESULTS**

May 10, 2013, Perpetual Federal Savings Bank of Urbana, Ohio (OTCBB: "PFOH") today reported fiscal second quarter net income of \$1.2 million, or basic and diluted earnings per share of \$0.47, for the quarter ended March 31, 2013, compared to net income of \$1.1 million, or basic and diluted earnings per share of \$0.44, for the quarter ended March 31, 2012. For the six months ended March 31, 2013, the Savings Bank reported \$2.1 million of net income, or \$0.86 per share of basic and diluted earnings, compared to \$1.3 million of net income, or \$0.52 per share of basic and diluted earnings for the six months ended March 31, 2012. The factor primarily responsible for the changes in net income for the comparative three and six month periods is the provision for loan losses.

Net interest income remained relatively unchanged for the three and six months ended March 31, 2013 compared to the prior comparable periods. Declines in market interest rates were primarily responsible for decreased interest expense during the three and six month periods ended March 31, 2013 as compared to the same periods in 2012. Similarly, lower rates paid on the Savings Bank's interest-bearing deposits in other financial institutions and loans resulted in decreased interest income for the three and six months ended March 31, 2013 compared to the same periods in 2012.

The Savings Bank recorded a provision for loan losses of \$167,000 and \$441,000 for the three and six months ended March 31, 2013, compared to \$239,000 and \$2.1 million for the three and six months ended March 31, 2012. These entries were recorded as a result of management's analysis of the loan portfolio during the three and six month periods, and charge-off activity during these same periods, and reflect the amounts management believed necessary to maintain the adequacy of the allowance for loan losses. Net interest income after provision for loan losses increased \$131,000 from \$2.6 million for the three months ended March 31, 2012 to \$2.7 million for the three months ended March 31, 2013. Net interest income after provision for loan losses increased \$1.6 million from \$3.8 million for the six months ended March 31, 2012 to \$5.4 million for the six months ended March 31, 2013.

Operating expenses increased \$10,000 from \$945,000 to \$955,000 for the three months ended March 31, 2013, and increased \$327,000 from \$1.8 million for the six months ended March 31, 2013. Noninterest income decreased from \$15,000 to \$9,000 and increased from \$23,000 to \$32,000 for the three and six months ended March 31, 2013, compared to the prior comparable periods. Income tax expense increased by \$39,000 for the three months ended March 31, 2013 and increased by \$439,000 for the six months ended March 31, 2013 compared to the prior comparable periods, principally due to changes in taxable income.

Total assets decreased \$4.6 million, or 1.3%, to \$359.5 million at March 31, 2013 from \$364.1 million at September 30, 2012, the Savings Bank's fiscal year end. Total shareholders'

equity increased \$874,000, or 1.5%, from \$58.4 million at September 30, 2012 to \$59.2 million at March 31, 2013 due to net income less dividends paid. The Savings Bank's ratio of allowance for loan losses to total assets increased from 1.2% at September 30, 2012 to 1.3% at March 31, 2013. This increase is the result of decreased total assets compared to relatively unchanged allowance for loan losses. The Savings Bank's capital ratios remain in excess of those required to be considered well-capitalized under U.S. banking regulations.

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**SELECTED CONSOLIDATED FINANCIAL INFORMATION**

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(In Thousands, except per share data)

Selected Financial Condition Data:	(unaudited)	
	<u>03/31/13</u>	<u>09/30/12</u>
Total assets	\$359,469	\$364,096
Loans receivable, net	285,273	294,658
Allowance for loan losses	4,552	4,524
Interest bearing deposits in other financial institutions	65,522	59,186
Deposits	287,195	289,699
Shareholders' equity	59,239	58,365

  

Selected Operations Data:	Three Months Ended (unaudited)		Six Months Ended (unaudited)	
	03/31/13	03/31/12	03/31/13	03/31/12
Total interest income	\$ 4,060	\$ 4,466	\$ 8,256	\$ 9,136
Total interest expense	<u>1,178</u>	<u>1,642</u>	<u>2,455</u>	<u>3,286</u>
Net interest income	2,882	2,824	5,801	5,850
Provision for loan losses	<u>167</u>	<u>239</u>	<u>441</u>	<u>2,097</u>
Net interest income/loss after provision for loan losses	2,715	2,585	5,360	3,753
Other non-interest income	9	15	32	23
Operating expenses	<u>955</u>	<u>945</u>	<u>2,170</u>	<u>1,843</u>
Income before income taxes	1,769	1,655	3,222	1,933
Income tax expense	<u>598</u>	<u>559</u>	<u>1,089</u>	<u>650</u>
Net Income	<u>\$ 1,171</u>	<u>\$ 1,096</u>	<u>\$ 2,133</u>	<u>\$ 1,283</u>
Earnings per share/Basic and Diluted	<u>\$ 0.47</u>	<u>\$ 0.44</u>	<u>\$ 0.86</u>	<u>\$ 0.52</u>