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PERPETUAL FEDERAL SAVINGS BANK OF URBANA, OHIO ANNOUNCES THIRD QUARTER OPERATING RESULTS

July 27, 2015, Perpetual Federal Savings Bank of Urbana, Ohio (OTCBB: "PFOH") today reported fiscal third quarter net income of \$1.2 million, or basic and diluted earnings per share of \$0.49, for the quarter ended June 30, 2015, compared to net income of \$1.4 million, or basic and diluted negative earnings per share of \$0.58, for the quarter ended June 30, 2014. For the nine months ended June 30, 2015, the Savings Bank reported \$3.7 million of net income, or \$1.50 per share of basic and diluted earnings, compared to \$1.5 million of net income, or \$0.62 per share of basic and diluted earnings for the nine months ended June 30, 2014. The factor primarily responsible for the changes in net income for the comparative nine month periods is the provision for loan losses. Specifically, during the fiscal second quarter of 2014, management reevaluated its relationship with Urbana University which resulted in a larger provision for loan losses during that period.

Net interest income decreased for the three and nine months ended June 30, 2015, as compared to the prior comparable periods. Declines in market interest rates were partially offset by an increased volume of deposits during the third fiscal quarter. This resulted in increased interest expense during the three month period ended June 30, 2015, as compared to the same period in 2014. Interest expense for the nine month period ended June 30, 2015, remained lower than the prior comparable period. Increased loan volume was offset by declines in market interest rates which resulted in decreased interest income for the three and nine months ended June 30, 2015, compared to the same periods in 2014.

The Savings Bank recorded a provision for loan losses of \$7,000 and \$164,000 for the three and nine months ended June 30, 2015, compared to \$69,000 and \$3.8 million for the three and nine months ended June 30, 2014. These entries were recorded as a result of management's analysis of the loan portfolio during the three and nine 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 decreased \$150,000 from a net interest income after provision for loan losses of \$2.8 million for the three months ended June 30, 2015, compared to the three months ended June 30, 2014. Net interest income after provision for loan losses increased \$3.4 million from \$4.7 million for the nine months ended June 30, 2015.

Operating expenses decreased \$31,000 from \$869,000 to \$838,000 for the three months ended June 30, 2015, and decreased \$65,000 from \$2.6 million for the nine months ended June 30, 2015. The decrease for the three month period was primarily due to decreased federal deposit insurance premiums and legal expense. The decrease for the nine month period was primarily due to decreased state franchise taxes and legal expense. Noninterest income decreased from \$208,000 to \$11,000 and decreased from \$224,000 to \$23,000 for the three and nine months ended June 30, 2015, compared to the prior comparable periods. Income tax

expense decrease by \$110,000 and increased by \$1.1 million for the three and nine months ended June 30, 2015, compared to the prior comparable periods, principally due to changes in taxable income.

Total assets increased \$6.4 million, or 1.8%, to \$352.4 million at June 30, 2015, from \$346.0 million at September 30, 2014, the Savings Bank's fiscal year end. Total shareholders' equity increased \$2.3 million, or 3.8%, from \$61.2 million at September 30, 2014, to \$63.5 million at June 30, 2015, due to net income less dividends paid. The Savings Bank's ratio of allowance for loan losses to total assets remained unchanged at 1.4% on September 30, 2014, and June 30, 2015. The Savings Bank's capital ratios remain in excess of those required to be considered well-capitalized under U.S. banking regulations.

Perpetual Federal Savings Bank
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SELECTED CONSOLIDATED FINANCIAL INFORMATION

(In Thousands, except per share data)

Selected Financial Condition Data:	(unaudited)	
	<u>06/30/15</u>	<u>09/30/14</u>
Total assets	\$352,350	\$345,974
Loans receivable, net	308,233	286,592
Allowance for loan losses	5,107	4,978
Interest bearing deposits in other financial institutions	34,429	50,807
Deposits	279,968	275,610
Shareholders' equity	63,452	61,153

Selected Operations Data:	Three Months Ended (unaudited)		Nine Months Ended (unaudited)	
	06/30/15	06/30/14	06/30/15	06/30/14
Total interest income	\$ 3,656	\$ 3,861	\$ 11,263	\$ 11,561
Total interest expense	<u>981</u>	<u>974</u>	<u>2,932</u>	<u>2,980</u>
Net interest income	2,675	2,887	8,331	8,581
Provision for loan losses	<u>7</u>	<u>69</u>	<u>164</u>	<u>3,843</u>
Net interest income after provision for loan losses	2,668	2,818	8,167	4,738
Other non-interest income	11	208	23	224
Operating expenses	<u>838</u>	<u>869</u>	<u>2,574</u>	<u>2,639</u>
Income before income taxes	1,841	2,157	5,616	2,323
Income tax expense	<u>624</u>	<u>734</u>	<u>1,908</u>	<u>784</u>
Net Income	<u>\$ 1,217</u>	<u>\$ 1,423</u>	<u>\$ 3,708</u>	<u>\$ 1,539</u>
Earnings per share/Basic and Diluted	<u>\$ 0.49</u>	<u>\$ 0.58</u>	<u>\$ 1.50</u>	<u>\$ 0.62</u>