

FOR IMMEDIATE RELEASE

Contact: Michael R. Melvin

Telephone: (937) 653-1700

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

October 25, 2013, Perpetual Federal Savings Bank of Urbana, Ohio (OTCBB: "PFOH") today reported fiscal fourth quarter net income of \$1.0 million, or basic and diluted earnings per share of \$0.42, for the quarter ended September 30, 2013, compared to net income of \$840,000, or basic and diluted earnings per share of \$0.34, for the quarter ended September 30, 2012. For the twelve months ended September 30, 2013, the Savings Bank reported \$3.9 million of net income, or \$1.60 per share of basic and diluted earnings, compared to \$3.3 million of net income, or \$1.34 per share of basic and diluted earnings for the twelve months ended September 30, 2012. The factor primarily responsible for the changes in net income for the comparative three and twelve month periods is the provision for loan losses.

Net interest income decreased for the three and twelve months ended September 30, 2013 compared to the prior comparable periods. Declines in market interest rates were primarily responsible for decreased interest expense during the three and twelve month periods ended September 30, 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 twelve months ended September 30, 2013 compared to the same periods in 2012.

The Savings Bank recorded a provision for loan losses of \$237,000 and \$837,000 for the three and twelve months ended September 30, 2013, compared to \$368,000 and \$2.7 million for the three and twelve months ended September 30, 2012. These entries were recorded as a result of management's analysis of the loan portfolio during the three and twelve 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 \$114,000 from \$2.6 million for the three months ended September 30, 2012 to \$2.5 million for the three months ended September 30, 2013. Net interest income after provision for loan losses increased \$1.4 million from \$9.2 million for the twelve months ended September 30, 2012 to \$10.6 million for the twelve months ended September 30, 2013.

Operating expenses decreased \$419,000 from \$1.4 million to \$977,000 for the three months ended September 30, 2013, and increased \$426,000 from \$4.3 million for the twelve months ended September 30, 2013. This was primarily due to prepayment penalties on the early payment of borrowings from the Federal Home Loan Bank of Cincinnati in the 2012 period. Noninterest income decreased from \$11,000 to \$8,000 and increased from \$45,000 to \$47,000 for the three and twelve months ended September 30, 2013, compared to the prior comparable periods. Income tax expense increased by \$101,000 for the three months ended September 30, 2013 and increased by \$332,000 for the twelve months ended September 30, 2013 compared to the prior comparable periods, principally due to changes in taxable income.

Total assets decreased \$12.5 million, or 3.4%, to \$351.6 million at September 30, 2013 from \$364.1 million at September 30, 2012, the Savings Bank's fiscal year end. Total shareholders' equity increased \$1.8 million, or 3.2%, from \$58.4 million at September 30, 2012 to \$60.2 million at September 30, 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 September 30, 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.

Perpetual Federal Savings Bank
120 North Main Street
P.O. Box 71
Urbana, OH 43078-1659

SELECTED CONSOLIDATED FINANCIAL INFORMATION

(In Thousands, except per share data)

Selected Financial Condition Data:	(unaudited)	
	<u>09/30/13</u>	<u>09/30/12</u>
Total assets	\$351,608	\$364,096
Loans receivable, net	285,274	294,658
Allowance for loan losses	4,598	4,524
Interest bearing deposits in other financial institutions	57,634	59,186
Deposits	282,229	289,699
Shareholders' equity	60,208	58,365

Selected Operations Data:	Three Months Ended (unaudited)		Twelve Months Ended (unaudited)	
	09/30/13	09/30/12	09/30/13	09/30/12
Total interest income	\$ 3,839	\$ 4,441	\$ 16,097	\$ 17,966
Total interest expense	<u>1,063</u>	<u>1,420</u>	<u>4,669</u>	<u>6,071</u>
Net interest income	2,776	3,021	11,428	11,895
Provision for loan losses	<u>237</u>	<u>368</u>	<u>837</u>	<u>2,705</u>
Net interest income/loss after provision for loan losses	2,539	2,653	10,591	9,190
Other non-interest income	8	11	47	45
Operating expenses	<u>977</u>	<u>1,396</u>	<u>4,686</u>	<u>4,260</u>
Income before income taxes	1,570	1,268	5,952	4,975
Income tax expense	<u>529</u>	<u>428</u>	<u>2,009</u>	<u>1,677</u>
Net Income	<u>\$ 1,041</u>	<u>\$ 840</u>	<u>\$ 3,943</u>	<u>\$ 3,298</u>
Earnings per share/Basic and Diluted	<u>\$ 0.42</u>	<u>\$ 0.34</u>	<u>\$ 1.60</u>	<u>\$ 1.34</u>