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PERPETUAL FEDERAL SAVINGS BANK OF URBANA, OHIO ANNOUNCES FOURTH QUARTER AND YEAR-END OPERATING RESULTS

October 30, 2015, Perpetual Federal Savings Bank of Urbana, Ohio (OTCBB: "PFOH") today reported fiscal fourth quarter net income of \$1.3 million, or basic and diluted earnings per share of \$0.52, for the quarter ended September 30, 2015, compared to net income of \$1.2 million, or basic and diluted earnings per share of \$0.48, for the quarter ended September 30, 2014. For the fiscal year ended September 30, 2015, the Savings Bank reported \$5.0 million of net income, or \$2.03 per share of basic and diluted earnings, compared to \$2.7 million of net income, or \$1.10 per share of basic and diluted earnings, for the twelve months ended September 30, 2014. The factor primarily responsible for the changes in net income for the comparative twelve month periods is the provision for loan losses. Specifically, during the fiscal second quarter of fiscal 2014, management reevaluated its relationship with Urbana University which resulted in a larger provision for loan losses during the previous fiscal year.

Net interest income increased for the three and decreased for the twelve months ended September 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 fourth fiscal quarter. This resulted in increased interest expense during the three month period ended September 30, 2015, as compared to the same period in 2014. Interest expense for the year ended September 30, 2015 remained slightly lower than the prior comparable period. Increased loan volume and increased market interest rates resulted in increased interest income for the three months ended September 30, 2015. Market interest rates decreased during the first and second fiscal quarters of 2015 and then increased at the end of the third fiscal quarter. Although loan volume was increased, interest income for the year ended September 30, 2015 decreased due to market interest rates not increasing until the end of the third fiscal quarter 2015.

The Savings Bank recorded a provision for loan losses of \$49,000 and \$213,000 for the three and twelve months ended September 30, 2015, compared to \$152,000 and \$3.8 million for the three and twelve months ended September 30, 2014. These entries were recorded as a result of management's analysis of the loan portfolio and charge-off activity during the three and twelve month periods and reflect as of such time the amounts management believes necessary to maintain the adequacy of the allowance for loan losses. Net interest income after provision for loan losses increased \$127,000 from a net interest income after provision for loan losses of \$2.6 million for the three months ended September 30, 2015, compared to the three months ended September 30, 2014. Net interest income after provision for loan losses increased \$3.4 million from \$7.5 million for the year ended September 30, 2015.

Operating expenses decreased \$41,000 from \$821,000 to \$780,000 for the three months ended September 30, 2015, and decreased \$106,000 from \$3.5 million for the year ended September 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 twelve month

period was primarily due to decreased state franchise taxes, federal deposit insurance premiums and legal expense. Noninterest income decreased from \$7,000 to \$6,000 and remained unchanged at \$29,000 for the three and twelve months ended September 30, 2015, compared to the prior comparable periods. Income tax expense increased by \$54,000 and increased by \$1.2 million for the three and twelve months ended September 30, 2015, compared to the prior comparable periods, principally due to changes in taxable income.

Total assets increased \$6.7 million, or 1.9%, to \$352.7 million at September 30, 2015, from \$346.0 million at September 30, 2014. Total shareholders' equity increased \$3.1 million, or 5.1%, from \$61.2 million at September 30, 2014, to \$64.3 million at September 30, 2015, due to net income less dividends paid. The Savings Bank's ratio of allowance for loan losses to total assets increased to 1.5% on September 30, 2015 compared to 1.4% on September 30, 2014. 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>09/30/15</u>	<u>09/30/14</u>
Total assets	\$352,661	\$345,974
Loans receivable, net	311,689	286,592
Allowance for loan losses	5,124	4,978
Interest bearing deposits in other financial institutions	30,447	50,807
Deposits	279,589	275,610
Shareholders' equity	64,255	61,153

Selected Operations Data:	Three Months Ended		Year-Ended	
	09/30/15	09/30/14	09/30/15	09/30/14
	(unaudited)		(unaudited)	
Total interest income	\$ 3,790	\$ 3,741	\$ 15,053	\$ 15,302
Total interest expense	<u>1,005</u>	<u>980</u>	<u>3,937</u>	<u>3,960</u>
Net interest income	2,785	2,761	11,116	11,342
Provision for loan losses	<u>49</u>	<u>152</u>	<u>213</u>	<u>3,794</u>
Net interest income after provision for loan losses	2,736	2,609	10,903	7,548
Other non-interest income	6	7	29	29
Operating expenses	<u>780</u>	<u>821</u>	<u>3,354</u>	<u>3,460</u>
Income before income taxes	1,962	1,795	7,578	4,117
Income tax expense	<u>665</u>	<u>611</u>	<u>2,574</u>	<u>1,394</u>
Net Income	<u>\$ 1,297</u>	<u>\$ 1,184</u>	<u>\$ 5,004</u>	<u>\$ 2,723</u>
Earnings per share/Basic and Diluted	<u>\$ 0.52</u>	<u>\$ 0.48</u>	<u>\$ 2.03</u>	<u>\$ 1.10</u>