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

January 25, 2013, Perpetual Federal Savings Bank of Urbana, Ohio (OTCBB: "PFOH") today reported fiscal first quarter net income of \$962,000, or basic and diluted earnings per share of \$0.39, for the quarter ended December 31, 2012, compared to net income of \$187,000, or basic and diluted earnings per share of \$0.08, for the quarter ended December 31, 2011. 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 months ended December 31, 2012 compared to the prior comparable period primarily due to changes in interest expense. Declines in market interest rates were primarily responsible for decreased interest expense during the three month period ended December 31, 2012 as compared to the same period in 2011. 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 months ended December 31, 2012 compared to the same period in 2011.

The Savings Bank recorded a provision for loan losses of \$274,000 for the three months ended December 31, 2012, compared to \$1.9 million for the three months ended December 31, 2011. These entries were recorded as a result of management's analysis of the loan portfolio during the three 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 \$1.4 million from \$1.2 million for the three months ended December 31, 2011 to \$2.6 million for the three months ended December 31, 2012.

Operating expenses increased \$317,000 from \$898,000 to \$1.2 million for the three months ended December 31, 2012. Noninterest income increased from \$8,000 to \$23,000 for the three months ended December 31, 2012, compared to the prior comparable period. Income tax expense increased by \$399,000 for the three months ended December 31, 2012 compared to the prior comparable period, principally due to changes in taxable income.

Total assets decreased \$6.2 million, or 1.7%, to \$357.9 million at December 31, 2012 from \$364.1 million at September 30, 2012, the Savings Bank's fiscal year end. Total shareholders' equity increased \$122,000, or 0.2%, from \$58.4 million at September 30, 2012 to \$58.5 million at December 31, 2012 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 December 31, 2012. 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

(In Thousands, except per share data)

Selected Financial Condition Data:	(unaudited) <u>12/31/12</u>	<u>09/30/12</u>
Total assets	\$357,914	\$364,096
Loans receivable, net	286,941	294,658
Allowance for loan losses	4,543	4,524
Interest bearing deposits in other financial institutions	62,202	59,186
Deposits	285,980	289,699
Shareholders' equity	58,487	58,365

Selected Operations Data:	Three Months Ended (unaudited)	
	12/31/12	12/31/11
Total interest income	\$ 4,196	\$ 4,670
Total interest expense	<u>1,277</u>	<u>1,644</u>
Net interest income	2,919	3,026
Provision for loan losses	<u>274</u>	<u>1,858</u>
Net interest income/loss after provision for loan losses	2,645	1,168
Other non-interest income	23	8
Operating expenses	<u>1,215</u>	<u>898</u>
Income before income taxes	1,453	278
Income tax expense	<u>491</u>	<u>91</u>
Net Income	<u>\$ 962</u>	<u>\$ 187</u>
Earnings per share/Basic and Diluted	<u>\$ 0.39</u>	<u>\$ 0.08</u>