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

January 26, 2015, Perpetual Federal Savings Bank of Urbana, Ohio (OTCQB: "PFOH") today reported fiscal first quarter net income of \$1.2 million, or basic and diluted earnings per share of \$0.49, for the quarter ended December 31, 2014, compared to net income of \$1.2 million, or basic and diluted earnings per share of \$0.47, for the quarter ended December 31, 2013.

Net interest income decreased for the three months ended December 31, 2014 compared to the prior comparable period. Declines in market interest rates were primarily responsible for decreased interest expense during the three month period ended December 31, 2014 as compared to the same period in 2013. 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, 2014 compared to the same period in 2013.

The Savings Bank recorded a provision for loan losses of \$97,000 for the three months ended December 31, 2014, compared to \$257,000 for the three months ended December 31, 2013. 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 \$40,000 from \$2.6 million for the three months ended December 31, 2014 compared to the three months ended December 31, 2013.

Operating expenses decreased \$43,000 from \$895,000 to \$852,000 for the three months ended December 31, 2014. The decrease for the three month period was primarily due to decreased state franchise taxes. Noninterest income decreased from \$7,000 to \$6,000 for the three months ended December 31, 2014, compared to the prior comparable period. Income tax expense increased by \$32,000 for the three months ended December 31, 2014 compared to the prior comparable period, principally due to changes in taxable income.

Total assets increased \$3.1 million, or 0.9%, to \$349.1 million at December 31, 2014 from \$346.0 million at September 30, 2014, the Savings Bank's fiscal year end. Total shareholders' equity increased \$730,000, or 1.2%, from \$61.2 million at September 30, 2014 to \$61.9 million at December 31, 2014 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 December 31, 2014. 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>12/31/14</u>	<u>09/30/14</u>
Total assets	\$349,143	\$345,974
Loans receivable, net	292,366	286,592
Allowance for loan losses	5,036	4,978
Interest bearing deposits in other financial institutions	48,417	50,807
Deposits	277,921	275,610
Shareholders' equity	61,883	61,153

Selected Operations Data:	Three Months Ended (unaudited)	
	12/31/14	12/31/13
Total interest income	\$ 3,740	\$ 3,910
Total interest expense	<u>978</u>	<u>1,027</u>
Net interest income	2,762	2,883
Provision for loan losses	<u>97</u>	<u>257</u>
Net interest income after provision for loan losses	2,665	2,625
Other non-interest income	6	7
Operating expenses	<u>852</u>	<u>895</u>
Income before income taxes	1,819	1,737
Income tax expense	<u>619</u>	<u>587</u>
Net Income	<u>\$ 1,200</u>	<u>\$ 1,150</u>
Earnings per share/Basic and Diluted	<u>\$ 0.49</u>	<u>\$ 0.47</u>