

FOR IMMEDIATE RELEASE

Contact: Michael R. Melvin

Telephone: (937) 653-1700

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

February 1, 2016, Perpetual Federal Savings Bank of Urbana, Ohio (OTCBB: "PFOH") today reported fiscal first quarter net income of \$1.2 million, or basic and diluted earnings per share of \$0.48, for the quarter ended December 31, 2015, compared to net income of \$1.2 million, or basic and diluted earnings per share of \$0.49, for the quarter ended December 31, 2014.

Net interest income decreased for the three months ended December 31, 2015, as compared to the prior comparable period. An increased volume of deposits resulted in increased interest expense during the three month period ended December 31, 2015, as compared to the same period in 2014. Increased loan volume and increased market interest rates resulted in increased interest income for the three months ended December 31, 2015.

The Savings Bank recorded a provision for loan losses of \$50,000 for the three months ended December 31, 2015, compared to \$97,000 for the three months ended December 31, 2014. These entries were recorded as a result of management's analysis of the loan portfolio and charge-off activity during the three 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 \$33,000 to a net interest income after provision for loan losses of \$2.7 million for the three months ended December 31, 2015, compared to the three months ended December 31, 2014.

Operating expenses increased \$49,000 from \$852,000 to \$901,000 for the three months ended December 31, 2015. The increase for the three month period was primarily due to increased salary and benefits expense. Noninterest income increased from \$6,000 to \$15,000 for the three months ended December 31, 2015, compared to the prior comparable period. Income tax expense decreased by \$5,000 for the three months ended December 31, 2015, compared to the prior comparable period, principally due to changes in taxable income.

Total assets increased \$10.1 million, or 2.9%, to \$362.8 million at December 31, 2015, from \$352.7 million at September 30, 2015. Total shareholders' equity increased \$703,000, or 1.1%, from \$64.3 million at September 30, 2015, to \$65.0 million at December 31, 2015, due to net income less dividends paid. The Savings Bank's ratio of allowance for loan losses to total assets decreased to 1.2% on December 31, 2015 compared to 1.5% on September 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
 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>12/31/15</u>	<u>09/30/15</u>
Total assets	\$362,801	\$352,661
Loans receivable, net	317,594	311,689
Allowance for loan losses	4,210	5,124
Interest bearing deposits in other financial institutions	36,123	30,447
Deposits	283,274	279,589
Shareholders' equity	64,958	64,255

Selected Operations Data:	Three Months Ended	
	12/31/15 (unaudited)	12/31/14 (unaudited)
Total interest income	\$ 3,793	\$ 3,740
Total interest expense	<u>1,045</u>	<u>978</u>
Net interest income	2,748	2,762
Provision for loan losses	<u>50</u>	<u>97</u>
Net interest income after provision for loan losses	2,698	2,665
Other non-interest income	15	6
Operating expenses	<u>901</u>	<u>852</u>
Income before income taxes	1,812	1,819
Income tax expense	<u>614</u>	<u>619</u>
Net Income	<u>\$ 1,198</u>	<u>\$ 1,200</u>
Earnings per share/Basic and Diluted	<u>\$ 0.48</u>	<u>\$ 0.49</u>