



2013 Press Release

## **Portage Bancshares, Inc. Announces Record Earnings for 2012**

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**Date:** May 14, 2013

**RAVENNA, OHIO** Richard J. Coe, Chief Executive Officer of Portage Community Bank and a Director of Portage Bancshares, Inc. announced the Company's 2012 financial performance at the Annual Shareholders Meeting, held at the Rusty Nail Restaurant in Kent.

"Although today's banking industry is getting stronger, there are still many challenges that banks have to face. With all the changes and challenges, I am extremely proud of the Bank's accomplishments in 2012. The continued Growth in key areas of the Bank, including Loans, Income, and Total Assets contributed to a record breaking year," began Mr. Coe. He went on to highlight Portage Community Bank's performance for 2012. Portage Bancshares, Inc. produced net income of \$1.7 million, which represents a 29.7% increase compared to 2011.

Total Net Loans grew by \$15 Million or 8.4% over the previous year. Portage Community Bank was able to fund these requests and prove our continued commitment to re-invest within the community. Loan Provision, OREO and FDIC Expenses were all down over prior year, 2011, thus helping contribute to our Record Earnings.

Portage Community Bank has continued to be defined as a Well Capitalized Bank based on the FDIC Act of 1991. Its ratios of Total Risk Based Capital, Tier

1 Risk Based Capital and Leverage Capital exceed the minimum capital ratios to be considered a well-capitalized bank. In addition, Bauer Financial Inc. has awarded an Excellent Five Star Rating to Portage Community Bank and placed the Bank on their Recommended Bank Report. This recommendation highlights Portage Community Bank's sixth consecutive year as one of the strongest banks in the nation. "This comes at a time when strength, stability, safety and security in a local bank mean a great deal more to our customers and shareholders," continued Mr. Coe.

In addition to these strong results, we had many other accomplishments: We made steps to increase our efficiency and completed our second Super Stock Subscription offering with 10 new Shareholders raising \$326,398 in additional capital. We have also completed our due diligence to introduce new products and services, and are pleased by the warm reception our customers have shown, Mr. Coe explained.

Mr. Coe extended his thanks to the Board of Directors for their continued leadership, Shareholders for their continued trust in their Bank, and acknowledged the 58 dedicated employees of the Bank. He said, "Their dedication and compassion to build a solid foundation of customer service has been unprecedented since the day our doors opened."

At the end of the evenings presentation Mr. Coe stated, "We are very proud that our shareholders recognize we are truly "Neighbors Serving Neighbors" while at the same time increasing the return they receive for their investment." He announced that the Board of Directors of Portage Bancshares Inc. unanimously voted to pay a dividend of \$.75 a share, to shareholders as of record on March 28, 2013. This figure represents a 7.1% increase in the dividends from last year. This dividend, paid on an annual basis, will be distributed in June 2013.

Portage Community Bank is a wholly owned subsidiary of Portage Bancshares, Inc. To learn more about Portage Community Bank, please visit their website at [www.pcbbank.com](http://www.pcbbank.com). Portage Community Bank is an equal housing lender and FDIC Insured.