



2014 Press Release

Portage Bancshares Inc. Announces Record Earnings for 2013

Contact Info: Mr. Richard J. Coe
Portage Community Bank
Chief Executive Officer
(330) 296-8090
rcoe@pcbcbank.com

Date: May 14, 2014

RAVENNA, OHIO Richard J. Coe, Chief Executive Officer of Portage Community Bank and a Director of Portage Bancshares, Inc. announced the Company's 2013 financial performance last night at the Annual Shareholders Meeting. The meeting, held at the Rusty Nail Restaurant in Kent provided those in attendance with a delicious dinner before Mr. Coe made his presentation.

He stated, "We had record earnings of \$1,954,894 surpassing last year's record earnings of \$1,689,275, representing a 15.72% increase. Earnings per share were \$4.54 for 2013 as compared to \$3.98 in 2012 and resulting in an earnings improvement of 14.07% on a per share basis. We are extremely proud of these outstanding financial results."

Coe continued to elaborate on other successes of the Bank. "We continued to see improvement in Asset Quality in all categories of our Loan Portfolio. The bank also achieved an "Outstanding" Community Reinvestment Act Rating, which continues to show our commitment to meeting the credit needs of the communities in which we operate with safe and sound operations."

Mr. Coe discussed the performance of the Portage Community Financial Services Division and the Real Estate Lending Division. He stated, "The Financial Services Division continued to excel by growing assets under management from \$37.4 million in 2012 to \$44.1million in 2013 for a 17.91% increase. The Real Estate Lending Division had another record year with

\$565,437 in secondary market fees; which is just another example of our Bank helping customers purchase the homes they desire.”

Mr. Coe stated, “We completed a very successful third Super Stock Subscription offering generating 10 new shareholders, with 5,725 shares sold at \$74.30 for \$419,716 in proceeds, net of offering expenses of \$5,651. We negotiated naming rights for Portage Community Bank Stadium, formerly known as RHS Stadium. This partnership with the Ravenna School District shows our commitment to be a leader in the local communities we serve.”

Continuing in his presentation, Mr. Coe highlighted the achievements of the Bank in regards to their commitment to small business owners. “Portage Community Bank was again recognized as one of the top ten Small Business Administration (SBA) Lenders in Northeast Ohio by Crain’s Cleveland Business. The Bank continued to participate in the SBA Preferred Lender Program,” adding “this program is reserved for banks that show an exceptional performance record” and boasted “this earned status is the highest distinction a bank can receive from the SBA.” In addition, Portage Community Bank was the first Bank in the State of Ohio to kick-off the SBA Veterans Pledge Initiative. “Our commitment to our Veterans to assist them in starting their businesses after serving our country is a great source of pride for us.”

In addition to all the accomplishments discussed, Mr. Coe was very enthusiastic to discuss Portage Community Bank’s new products and service enhancements. “The roll out of our new KASASA® branded rewards deposit accounts may be the most exciting products we have offered to our customers since we started the Bank. Launching our new mobile banking application and online account opening functions through our website are convenient banking features for customers who are looking for the enhanced convenience associated with electronic banking. You will continue to see these products promoted in the months to come!” stated Mr. Coe.

Mr. Coe extended his thanks to the Board of Directors for their continued leadership and acknowledged the 61 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 for over fifteen years 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 \$0.80 a share to shareholders as of record on March 19, 2014. This figure represents a 6.67% increase in the dividends from last year. This dividend, paid on an annual basis, will be distributed in June 2014.

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. Portage Community Bank is an equal housing lender and FDIC Insured.