

ASB FINANCIAL CORP.

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FOR IMMEDIATE RELEASE:

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ASB Financial Corp. Reports Net Earnings for the Twelve and Three Months ended June 30, 2013

Portsmouth, Ohio - ASB Financial Corp, parent company of American Savings Bank, fsb, reported net earnings of \$1.6 million, or diluted earnings per share of \$0.98, for the twelve months ended June 30, 2013. This represents a decrease of \$0.1 million, or 5.9%, from the \$1.7 million, or \$1.04 per diluted share, in net earnings recorded for the twelve months ended June 30, 2012.

The decrease in net earnings was primarily the result of \$1.1 million, or 18.0%, increase in general, administrative and other expenses due to acquisition costs. The increased expenses were partially offset by increased net interest income of \$0.4 million, or 4.9%; increased other income of \$0.1 million, or 8.3%; reduced provision for losses on loans of \$0.5 million, or 50.0%; and lower federal income taxes of \$0.1 million, or 5.9%. The increase in net interest income was a combination of an improvement in overall market interest rates and additional net interest income provided by the acquisition of the Cottage loan portfolio in relation to its funding base. The decrease in provision for losses on loans was due to management's analysis of the appropriate level for the allowance for loan losses.

Net earnings for the three months ended June 30, 2013, totaled \$394,000, or \$0.25 per diluted share, compared to net earnings of \$445,000, or \$0.28 per diluted share, for the quarter ended June 30, 2012. The decrease in net earnings of \$51,000, or 11.5%, was due primarily to the increase in general, administrative and other expenses associated with the larger banking network in the June 30 quarter of this year that was not existent in the same quarter of last year. These costs, which include occupancy and employee expenses, increased \$394,000, or 26.1%. The increases were partially offset by a \$65,000, or 3.2%, increase in net interest income, and no loan loss provision being necessary in the quarter.

On November 16, 2012, American Savings Bank acquired all of the outstanding shares of Cottage Savings Bank. All Cottage Savings Bank locations and operations were merged into American Savings Bank and its two offices are now branches of American Savings Bank.

At June 30, 2013, ASB Financial Corp. reported total assets of \$260.8 million, total liabilities of \$239.7 million, including deposits of \$220.5 million, and shareholders' equity of \$21.1 million. The consolidated financial statements below reflect adjustments and restatements effective in the quarter ended December 31, 2012 made after the earnings release.

American Savings Bank, fsb, serving Southern Ohio, Cincinnati and Northeastern Kentucky, was founded in 1892. The common shares of ASB Financial are traded through Pinksheets.com under the symbol ASBN.

ASB FINANCIAL CORP.
Condensed Consolidated Statements of Financial Condition
(In thousands, except share data)
(unaudited)

ASSETS	June 30, 2013	June 30, 2012
Cash and cash equivalents	\$ 15,070	\$ 16,514
Available-for-sale securities	36,534	43,505
Loans receivable - net	191,895	167,260
Other assets	<u>17,262</u>	<u>10,816</u>
Total assets	<u>\$ 260,761</u>	<u>\$ 238,095</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits	\$ 220,531	\$ 199,995
Borrowings	16,058	13,903
Other liabilities	<u>3,085</u>	<u>3,102</u>
Total liabilities	239,674	217,000
Shareholders' equity	<u>21,087</u>	<u>21,095</u>
Total liabilities and shareholders' equity	<u>\$ 260,761</u>	<u>\$ 238,095</u>

ASB FINANCIAL CORP.
Condensed Consolidated Statements of Earnings
(In thousands, except per share data)
(unaudited)

	For the twelve months ended June 30,		For the three months ended June 30,	
	2013	2012	2013	2012
Total interest income	\$ 10,788	\$ 10,426	\$ 2,739	\$ 2,583
Total interest expense	<u>2,318</u>	<u>2,287</u>	<u>632</u>	<u>541</u>
Net interest income	8,470	8,139	2,107	2,042
Provision for losses on loans	<u>460</u>	<u>975</u>	<u>-</u>	<u>250</u>
Net interest income after provision for losses on loans	8,010	7,164	2,107	1,792
Other income	1,300	1,170	280	321
General, administrative and other expense	<u>7,230</u>	<u>6,080</u>	<u>1,905</u>	<u>1,511</u>
Earnings before income taxes	2,080	2,254	482	602
Federal income taxes	<u>515</u>	<u>601</u>	<u>88</u>	<u>157</u>
NET EARNINGS	<u>\$ 1,565</u>	<u>\$ 1,653</u>	<u>\$ 394</u>	<u>\$ 445</u>
 EARNINGS PER SHARE				
Basic	<u>\$ 0.98</u>	<u>\$ 1.04</u>	<u>\$ 0.25</u>	<u>\$ 0.28</u>
Diluted	<u>\$ 0.98</u>	<u>\$ 1.04</u>	<u>\$ 0.25</u>	<u>\$ 0.28</u>