

# CCSB

FINANCIAL CORP.

FINANCIAL STATEMENTS (UNAUDITED)  
March 31, 2010

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**CCSB FINANCIAL CORP.**  
**CONSOLIDATED BALANCE SHEETS**

March 31, 2010 and September 30, 2009

	<b>March 31 2010 (Unaudited)</b>	<b>September 30, 2009</b>
<b>ASSETS:</b>		
Cash and due from banks	\$ 2,087,027	\$ 1,806,610
Interest-bearing deposits in banks	8,388,359	9,961,073
Total cash and cash equivalents	10,475,386	11,767,683
Available-for-sale securities	8,973,091	7,186,350
Federal Home Loan Bank stock	522,500	574,200
Loans, net of allowance for loan losses of \$613,946 and \$574,184 at March 31, 2010, and September 30, 2009, respectively	69,804,195	72,612,202
Other real estate owned and repossessed assets	1,006,612	830,029
Premises and equipment, net	5,346,560	5,471,267
Accrued interest receivable	352,557	361,770
Bank-owned life insurance - cash surrender value	3,143,556	3,077,440
Other assets	1,097,366	610,213
<b>TOTAL ASSETS</b>	<b>\$ 100,721,823</b>	<b>\$ 102,491,154</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>		
<b>Deposits:</b>		
Demand	\$ 5,603,658	\$ 6,095,502
Savings, NOW and money market	35,177,102	33,516,455
Time deposits	39,291,742	41,744,713
Total deposits	80,072,502	81,356,670
Federal Home Loan Bank advances	8,000,000	8,000,000
Advances from borrowers for taxes and insurance	298,268	675,119
Interest payable and other liabilities	130,454	235,258
<b>TOTAL LIABILITIES</b>	88,501,224	90,267,047
<i>Commitments and contingencies:</i>		
Preferred stock, \$0.01 par value; 500,000 shares authorized; none issued	-	-
Common stock, \$0.01 par value; 2,500,000 shares authorized; 978,650 shares issued	9,787	9,787
Additional paid-in capital	9,308,023	9,297,659
Treasury stock, at cost, of 195,120 shares at March 31, 2010, and September 30, 2009.	(2,881,226)	(2,881,226)
Unearned ESOP shares	(345,532)	(372,176)
Unearned RRP shares	-	(277)
Retained earnings - substantially restricted	6,250,139	6,301,510
Accumulated other comprehensive loss	(120,592)	(131,170)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	12,220,599	12,224,107
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 100,721,823</b>	<b>\$ 102,491,154</b>

See notes to consolidated financial statements.

**CCSB FINANCIAL CORP.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

For the Three & Six Months Ended March 31, 2010 and 2009 (Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2010	2009	2010	2009
<b>INTEREST AND DIVIDEND INCOME:</b>				
Loans	\$ 967,628	\$ 1,003,595	\$ 1,981,430	\$ 2,065,453
Investment and mortgage-backed securities	77,869	108,258	149,746	218,085
FHLB stock	3,118	(79)	6,012	2,700
Other interest-earning assets	1,056	548	2,998	12,548
<b>TOTAL INTEREST AND DIVIDEND INCOME</b>	<b>1,049,671</b>	<b>1,112,322</b>	<b>2,140,186</b>	<b>2,298,786</b>
<b>INTEREST EXPENSE:</b>				
Deposits	285,304	371,914	602,378	773,516
Borrowings	46,326	78,743	105,917	163,427
<b>TOTAL INTEREST EXPENSE</b>	<b>331,630</b>	<b>450,657</b>	<b>708,295</b>	<b>936,943</b>
<b>NET INTEREST INCOME</b>	<b>718,041</b>	<b>661,665</b>	<b>1,431,891</b>	<b>1,361,843</b>
Provision for loan losses	30,000	7,500	50,000	7,500
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>688,041</b>	<b>654,165</b>	<b>1,381,891</b>	<b>1,354,343</b>
<b>NONINTEREST INCOME:</b>				
Charges and other fees on loans	29,232	33,223	57,996	61,094
Charges and other fees on deposit accounts	73,799	73,990	156,592	160,315
Amortization of mortgage servicing rights	(13,613)	(8,782)	(26,359)	(14,436)
Net gain on the sale of loans	22,204	50,983	33,129	58,944
Net gain on sale of real estate owned	735	293	1,460	4,524
Increase in cash surrender value of bank owned life insurance	32,392	26,984	66,116	54,396
Other	3,039	3,854	7,303	9,348
<b>TOTAL NONINTEREST INCOME</b>	<b>147,788</b>	<b>180,545</b>	<b>296,237</b>	<b>334,185</b>
<b>NONINTEREST EXPENSE:</b>				
Compensation and benefits	511,021	492,521	1,003,866	1,001,959
Occupancy and equipment	139,758	136,536	271,729	266,231
Data processing	66,143	76,473	125,430	149,831
FDIC deposit insurance premium	31,463	15,900	62,554	31,200
Audit, legal and other professional services	32,634	28,765	66,859	56,145
Advertising	16,506	23,441	23,075	49,001
Correspondent banking charges	5,002	8,867	10,402	20,822
Other	112,082	101,168	204,804	203,265
<b>TOTAL NONINTEREST EXPENSE</b>	<b>914,609</b>	<b>883,671</b>	<b>1,768,719</b>	<b>1,778,454</b>
<b>LOSS BEFORE INCOME TAXES</b>	<b>(78,780)</b>	<b>(48,961)</b>	<b>(90,591)</b>	<b>(89,926)</b>
<b>CREDIT FOR INCOME TAXES</b>	<b>(27,773)</b>	<b>(17,148)</b>	<b>(39,220)</b>	<b>(32,773)</b>
<b>NET LOSS</b>	<b>\$ (51,007)</b>	<b>\$ (31,813)</b>	<b>\$ (51,371)</b>	<b>\$ (57,153)</b>
<b>BASIC AND DILUTED LOSS PER SHARE</b>	<b>\$ (0.07)</b>	<b>\$ (0.04)</b>	<b>\$ (0.07)</b>	<b>\$ (0.08)</b>

See notes to consolidated financial statements.

**CCSB FINANCIAL CORP.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE OPERATIONS**

For the Three & Six Months Ended March 31, 2010 and 2009 (Unaudited)

	Three Months Ended		Six Months Ended	
	March 31		March 31	
	2010	2009	2010	2009
Net loss	\$ (51,007)	\$ (31,813)	\$ (51,371)	\$ (57,153)
Other comprehensive income:				
Unrealized gain (loss) on securities available for sale, net	67,855	478	10,578	(25,714)
Comprehensive income (loss)	<u>\$ 16,848</u>	<u>\$ (31,335)</u>	<u>\$ (40,793)</u>	<u>\$ (82,867)</u>

See notes to consolidated financial statements.

**CCSB FINANCIAL CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the Six Months Ended March 31, 2010 and 2009 (Unaudited)

	Six Months Ended March 31,	
	2010	2009
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (51,371)	\$ (57,153)
Items not requiring (providing) cash:		
Depreciation and amortization	142,347	128,004
Provision for loan losses	50,000	7,500
Amortization of premiums and discounts on securities	10,367	1,099
Amortization of mortgage-servicing rights	26,359	14,436
Compensation related to incentive plans	277	18,315
Compensation related to ESOP	37,008	25,277
Deferred income taxes	(32,661)	(35,852)
Deferred loan fees, net	(9,441)	(18,624)
Originations of mortgage loans held for sale	(1,799,139)	(4,299,950)
Proceeds from the sale of mortgage loans	1,832,268	4,358,894
Net gain on sale of loans	(33,129)	(58,944)
Net gain on sale of real estate owned and other repossessed assets	(1,460)	(4,524)
Changes in:		
Accrued interest receivable	9,213	30,043
Cash surrender value of bank-owned life insurance	(66,116)	(54,396)
Other assets	(479,743)	(65,504)
Accrued income taxes	(6,559)	3,079
Interest payable and other liabilities	(104,805)	(314,163)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(476,585)</b>	<b>(322,463)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Net change in loans	2,578,276	(1,437,473)
Repayment of principal on mortgage-backed securities	235,418	289,092
Purchases of available-for-sale securities	(2,017,690)	(4,496,500)
Proceeds from sales, maturity or call of available-for-sale securities	-	1,424,948
Principal collections on available-for-sale securities	1,193	1,705
Proceeds from maturity of interest-bearing time deposits	-	2,257,000
Redemption of FHLB stock, net	51,700	(20,700)
Net proceeds from sale of other real estate owned and other repossessed assets	-	70,856
Net change to other real estate owned and repossessed assets	-	(131,029)
Purchases of premises and equipment	(3,590)	(75,025)
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>845,307</b>	<b>(2,117,126)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Net change in deposits	(1,284,168)	5,468,382
Proceeds from Federal Home Loan Bank fixed-maturity advances	4,250,000	2,000,000
Repayments of Federal Home Loan Bank fixed-maturity advances	(4,250,000)	(1,572,000)
Net decrease in advances from borrowers for taxes and insurance	(376,851)	(374,326)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>(1,661,019)</b>	<b>5,522,056</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,292,297)</b>	<b>3,082,467</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>11,767,683</b>	<b>6,278,001</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 10,475,386</b>	<b>\$ 9,360,468</b>

See notes to consolidated financial statements.

# CCSB FINANCIAL CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

### Note 1 – Basis of Presentation

The accompanying consolidated financial statements include the accounts of CCSB Financial Corp. (Company) and its wholly owned subsidiary, Clay County Savings Bank (Bank). All significant intercompany accounts and transactions have been eliminated in consolidation. The accompanying unaudited interim consolidated financial statements have been prepared by management and have not been reviewed or audited by the Company's independent accountants. While management has intended to prepare the financial statements in accordance with generally accepted accounting principles, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all material adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. The consolidated balance sheet of the Company, as of September 30, 2009, has been derived from the audited consolidated balance sheet for the Company as of that date. Operating results for the three- and six-month periods ended March 31, 2010, are not necessarily indicative of the results that may be expected for the entire fiscal year. These financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the year ended September 30, 2009, contained in the Company's Annual Report.

### Note 2 – Earnings Per Share

Basic and diluted earnings (loss) per share are based upon the weighted-average shares outstanding. The options to purchase shares are not included in the computation of diluted earnings per share, since the exercise price was greater than the average market price of the common stock in each reporting period. ESOP shares that have been committed to be released are considered outstanding. Following is a summary of basic and diluted earnings per common share for the three and six months ended March 31, 2010, and 2009, respectively:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2010	2009	2010	2009
Net loss	\$ (51,007)	\$ (31,813)	\$ (51,371)	\$ (57,153)
Weighted-average shares - Basic EPS	747,671	742,236	746,984	741,522
Stock options - treasury stock method	-	-	-	-
Weighted-average shares - Diluted EPS	747,671	742,236	746,984	741,522
Basic and diluted loss per common share	\$ (0.07)	\$ (0.04)	\$ (0.07)	\$ (0.08)