

CCSB

FINANCIAL CORP.

FINANCIAL STATEMENTS (UNAUDITED)
December 31, 2007

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CCSB FINANCIAL CORP. CONSOLIDATED BALANCE SHEETS

December 31, 2007 and September 30, 2007

	December 31 2007 (Unaudited)	September 30, 2007
ASSETS:		
Cash and due from banks	\$ 2,725,926	\$ 2,981,393
Interest-bearing deposits in banks	78,436	90,748
Federal funds sold	1,093,000	2,869,000
Total cash and cash equivalents	<u>3,897,362</u>	<u>5,941,141</u>
Certificates of deposit	2,455,000	-
Available-for-sale securities	10,021,610	10,327,105
Federal Home Loan Bank stock	507,700	531,000
Loans, net of allowance for loan losses of \$382,554 at December 31, 2007, and September 30, 2007	69,167,670	70,512,858
Real estate owned and other repossessed assets	404,775	703,382
Premises and equipment, net	5,661,614	5,708,082
Accrued interest receivable	466,306	462,040
Bank-owned life insurance - cash surrender value	2,876,462	2,848,794
Other assets	405,621	376,558
TOTAL ASSETS	<u><u>\$ 95,864,120</u></u>	<u><u>\$ 97,410,960</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Deposits:		
Demand	\$ 4,549,844	\$ 5,016,529
Savings, NOW and money market	26,738,632	26,947,912
Time deposits	43,487,513	43,218,711
Total deposits	<u>74,775,989</u>	<u>75,183,152</u>
Federal Home Loan Bank advances	7,690,244	8,212,012
Advances from borrowers for taxes and insurance	77,316	678,167
Interest payable and other liabilities	218,583	229,275
Deferred federal income taxes	2,087	-
TOTAL LIABILITIES	<u>82,764,219</u>	<u>84,302,606</u>
<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	9,290,124	9,284,004
Treasury stock, at cost, of 151,781 and 144,731 shares at December 31, 2007, and September 30, 2007, respectively.	(2,268,614)	(2,167,373)
Unearned ESOP shares	(469,457)	(484,102)
Unearned RRP shares	(105,462)	(133,772)
Retained earnings - substantially restricted	6,639,472	6,627,502
Accumulated other comprehensive income (loss)	4,051	(27,692)
TOTAL STOCKHOLDERS' EQUITY	<u>13,099,901</u>	<u>13,108,354</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 95,864,120</u></u>	<u><u>\$ 97,410,960</u></u>

See notes to consolidated financial statements.

CCSB FINANCIAL CORP.
CONSOLIDATED STATEMENTS OF INCOME (LOSS)

For the Three Months Ended December 31, 2007 and 2006 (Unaudited)

	Three Months Ended December 31,	
	2007	2006
INTEREST AND DIVIDEND INCOME:		
Loans	\$ 1,254,058	\$ 1,184,834
Investment and mortgage-backed securities	124,657	110,095
Federal Home Loan Bank stock	6,362	7,315
Other interest-earning assets	52,791	80,452
TOTAL INTEREST AND DIVIDEND INCOME	1,437,868	1,382,696
INTEREST EXPENSE:		
Deposits	648,786	592,796
Borrowings	80,612	110,723
TOTAL INTEREST EXPENSE	729,398	703,519
NET INTEREST INCOME	708,470	679,177
Provision for loan losses	-	3,750
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	708,470	675,427
NONINTEREST INCOME:		
Charges and other fees on loans	26,463	26,445
Amortization of mortgage servicing rights	(4,400)	(6,330)
Charges and other fees on deposit accounts	88,047	64,513
Net gain on the sale of loans	6,164	3,733
Increase in cash surrender value of bank-owned life insurance	27,668	26,574
Other	11,790	13,868
TOTAL NONINTEREST INCOME	155,732	128,803
NONINTEREST EXPENSE:		
Compensation and benefits	506,708	507,746
Occupancy and equipment	136,334	131,007
Data processing	62,897	63,674
Federal Deposit Insurance Corporation insurance premium	2,174	2,148
Audit, legal and other professional services	23,280	16,949
Advertising & marketing	15,307	12,231
Correspondent banking service charges	9,341	9,663
Other	98,329	99,823
TOTAL NONINTEREST EXPENSE	854,370	843,241
INCOME (LOSS) BEFORE INCOME TAXES	9,832	(39,011)
CREDIT FOR INCOME TAXES	(2,138)	(19,535)
NET INCOME (LOSS)	\$ 11,970	\$ (19,476)
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE	\$ 0.02	\$ (0.02)

See notes to consolidated financial statements.

CCSB FINANCIAL CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Three Months Ended December 31, 2007 and 2006 (Unaudited)

	Three Months Ended December 31	
	<u>2007</u>	<u>2006</u>
Net income (loss)	\$ 11,970	\$ (19,476)
Other comprehensive income:		
Unrealized gain on securities available for sale, net	31,743	19,567
Comprehensive income	<u>\$ 43,713</u>	<u>\$ 91</u>

See notes to consolidated financial statements.

CCSB FINANCIAL CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Three Months Ended December 31, 2007 and 2006 (Unaudited)

	Three Months Ended December 31,	
	2007	2006
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 11,970	\$ (19,476)
Items not requiring (providing) cash:		
Depreciation and amortization	61,779	70,326
Provision for loan losses	-	3,750
Amortization of premiums and discounts on securities	4,305	7,065
Amortization of mortgage-servicing rights	4,400	6,330
Compensation related to incentive plans	28,310	43,092
Compensation related to ESOP	20,765	22,240
Deferred income taxes	5,000	(23,200)
Deferred loan fees, net	(16,849)	(27,452)
Originations of mortgage loans held for sale	(589,500)	(290,000)
Proceeds from the sale of mortgage loans	595,664	293,733
Net gain on sale of loans	(6,164)	(3,733)
Changes in:		
Accrued interest receivable	(4,266)	3,119
Cash surrender value of bank-owned life insurance	(27,668)	(26,573)
Other assets	(45,591)	6,735
Accrued income taxes	(7,138)	2,975
Interest payable and other liabilities	(10,692)	(214,604)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	24,325	(145,673)
CASH FLOW FROM INVESTING ACTIVITIES:		
Repayment of principal on mortgage-backed securities	348,646	563,798
Purchase of available-for-sale securities	-	(500,000)
Purchase of certificates of deposit	(2,455,000)	(500,000)
Proceeds from sales, maturity or call of available-for-sale securities	-	500,000
Principal collections on available-for-sale securities	640	18,083
Redemption of FHLB stock, net	23,300	23,200
Net change in loans	1,660,644	(539,890)
Purchase of premises and equipment	(15,311)	(6,473)
NET CASH USED IN INVESTING ACTIVITIES	(437,081)	(441,282)
CASH FLOW FROM FINANCING ACTIVITIES:		
Net change in deposits	(407,163)	(630,284)
Repayments of Federal Home Loan Bank fixed-maturity advances	(521,768)	(520,844)
Acquisition of treasury stock	(101,241)	(381,015)
Net decrease in advances from borrowers for taxes and insurance	(600,851)	(603,967)
NET CASH USED IN FINANCING ACTIVITIES	(1,631,023)	(2,136,110)
DECREASE IN CASH AND CASH EQUIVALENTS	(2,043,779)	(2,723,065)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	5,941,141	9,040,577
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 3,897,362	\$ 6,317,512

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, 2007, has been derived from the audited consolidated balance sheet for the Company as of that date. Operating results for the three-month period ended December 31, 2007, 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, 2007, 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 months ended December 31, 2007 and 2006:

	Three Months Ended	
	December 31,	
	2007	2006
Net income (loss)	<u>\$ 11,970</u>	<u>\$ (19,476)</u>
Weighted-average shares - Basic EPS	781,281	795,851
Stock options - treasury stock method	-	-
Weighted-average shares - Diluted EPS	<u>781,281</u>	<u>795,851</u>
Basic and diluted earnings (loss) per common share	<u>\$ 0.02</u>	<u>\$ (0.02)</u>