

CCSB

FINANCIAL CORP.

FINANCIAL STATEMENTS (UNAUDITED)
December 31, 2009

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CCSB FINANCIAL CORP. CONSOLIDATED BALANCE SHEETS

December 31, 2009 and September 30, 2009

	December 31 2009 (Unaudited)	September 30, 2009
ASSETS:		
Cash and due from banks	\$ 1,794,284	\$ 1,806,610
Interest-bearing deposits in banks	4,610,824	9,961,073
Federal funds sold	-	-
Total cash and cash equivalents	6,405,108	11,767,683
Interest-bearing time deposits	-	-
Available-for-sale securities	8,975,941	7,186,350
Federal Home Loan Bank stock	522,500	574,200
Loans, net of allowance for loan losses of \$594,184 and \$574,184 at December 31, 2009, and September 30, 2009, respectively	72,315,422	72,612,202
Other real estate owned and repossessed assets	823,005	830,029
Premises and equipment, net	5,407,731	5,471,267
Accrued interest receivable	378,821	361,770
Bank-owned life insurance - cash surrender value	3,111,164	3,077,440
Other assets	1,115,543	610,213
TOTAL ASSETS	\$ 99,055,235	\$ 102,491,154
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Deposits:		
Demand	\$ 4,976,323	\$ 6,095,502
Savings, NOW and money market	33,190,411	33,516,455
Time deposits	40,493,856	41,744,713
Total deposits	78,660,590	81,356,670
Federal Home Loan Bank advances	8,000,000	8,000,000
Advances from borrowers for taxes and insurance	74,376	675,119
Interest payable and other liabilities	134,654	235,258
TOTAL LIABILITIES	86,869,620	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	9,302,944	9,297,659
Treasury stock, at cost, of 195,120 shares at December 31, 2009, and September 30, 2009.	(2,881,226)	(2,881,226)
Unearned ESOP shares	(358,589)	(372,176)
Unearned RRP shares	-	(277)
Retained earnings - substantially restricted	6,301,146	6,301,510
Accumulated other comprehensive loss	(188,447)	(131,170)
TOTAL STOCKHOLDERS' EQUITY	12,185,615	12,224,107
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 99,055,235	\$ 102,491,154

See notes to consolidated financial statements.

CCSB FINANCIAL CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three Months Ended December 31, 2009 and 2008 (Unaudited)

	Three Months Ended December 31,	
	2009	2008
INTEREST AND DIVIDEND INCOME:		
Loans	\$ 1,013,801	\$ 1,061,858
Investment and mortgage-backed securities	71,877	109,827
Federal Home Loan Bank stock	2,895	2,779
Other interest-earning assets	1,942	12,000
TOTAL INTEREST AND DIVIDEND INCOME	1,090,515	1,186,464
INTEREST EXPENSE:		
Deposits	317,074	401,603
Borrowings	59,591	84,684
TOTAL INTEREST EXPENSE	376,665	486,287
NET INTEREST INCOME	713,850	700,177
Provision for loan losses	(20,000)	-
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	693,850	700,177
NONINTEREST INCOME:		
Charges and other fees on loans	28,763	27,871
Amortization of mortgage servicing rights	(12,746)	(5,654)
Charges and other fees on deposit accounts	82,793	86,325
Increase in cash surrender value of bank-owned life insurance	33,724	27,412
Net gain on the sale of loans	10,925	7,961
Net gain on disposition of other real estate owned and repossessed assets	725	4,231
Other	4,264	5,493
TOTAL NONINTEREST INCOME	148,448	153,639
NONINTEREST EXPENSE:		
Compensation and benefits	492,845	509,437
Occupancy and equipment	131,971	129,695
Data processing	59,287	73,359
Federal Deposit Insurance Corporation insurance premium	31,092	15,300
Audit, legal and other professional services	34,225	27,379
Advertising & marketing	6,569	25,559
Correspondent banking service charges	5,400	11,955
Net loss on operations of other real estate owned	3,670	1,271
Other	89,051	100,826
TOTAL NONINTEREST EXPENSE	854,110	894,781
LOSS BEFORE INCOME TAXES	(11,811)	(40,965)
CREDIT FOR INCOME TAXES	(11,447)	(15,625)
NET LOSS	\$ (364)	\$ (25,340)
BASIC AND DILUTED LOSS PER SHARE	\$ (0.0005)	\$ (0.03)

See notes to consolidated financial statements.

CCSB FINANCIAL CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE OPERATIONS

For the Three Months Ended December 31, 2009 and 2008 (Unaudited)

	Three Months Ended December 31	
	<u>2009</u>	<u>2008</u>
Net loss	\$ (364)	\$ (25,340)
Other comprehensive income:		
Unrealized loss on securities available for sale, net	<u>(57,277)</u>	<u>(26,192)</u>
Comprehensive loss	<u>\$ (57,641)</u>	<u>\$ (51,532)</u>

See notes to consolidated financial statements.

CCSB FINANCIAL CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Three Months Ended December 31, 2009 and 2008 (Unaudited)

	Three Months Ended December 31,	
	2009	2008
CASH FLOW FROM OPERATING ACTIVITIES:		
Net loss	\$ (364)	\$ (25,340)
Items not requiring (providing) cash:		
Depreciation and amortization	71,522	64,163
Provision for loan losses	20,000	-
Amortization of premiums and discounts on securities	5,433	605
Amortization of mortgage-servicing rights	12,746	5,654
Compensation related to incentive plans	277	17,900
Compensation related to ESOP	18,872	12,406
Deferred income taxes	(11,447)	11,000
Deferred loan fees, net	(6,013)	(9,469)
Originations of mortgage loans held for sale	(658,420)	(466,650)
Proceeds from the sale of mortgage loans	669,345	474,611
Net gain on sale of loans	(10,925)	(7,961)
Net gain on sale of real estate owned and other repossessed assets	(725)	(4,231)
Changes in:		
Accrued interest receivable	(17,051)	(27,612)
Cash surrender value of bank-owned life insurance	(33,724)	(28,058)
Other assets	(477,125)	(27,412)
Accrued income taxes	-	(26,625)
Interest payable and other liabilities	(100,605)	(300,945)
NET CASH USED IN OPERATING ACTIVITIES	(518,204)	(337,964)
CASH FLOW FROM INVESTING ACTIVITIES:		
Net change in loans	283,518	(963,811)
Repayment of principal on mortgage-backed securities	135,289	125,196
Purchases of available-for-sale securities	(2,017,690)	(3,496,500)
Principal collections on available-for-sale securities	596	810
Proceeds from maturity of interest-bearing time deposits	-	2,257,000
Redemption of FHLB stock, net	51,700	-
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	-	8,213
Purchases of premises and equipment	(961)	(105,458)
NET CASH USED IN INVESTING ACTIVITIES	(1,547,548)	(2,103,694)
CASH FLOW FROM FINANCING ACTIVITIES:		
Net change in deposits	(2,696,080)	(773,698)
Proceeds from Federal Home Loan Bank fixed-maturity advances	1,500,000	500,000
Repayments of Federal Home Loan Bank fixed-maturity advances	(1,500,000)	-
Net decrease in advances from borrowers for taxes and insurance	(600,743)	(574,445)
NET CASH USED IN FINANCING ACTIVITIES	(3,296,823)	(848,143)
DECREASE IN CASH AND CASH EQUIVALENTS	(5,362,575)	(3,289,801)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	11,767,683	6,278,001
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 6,405,108	\$ 2,988,200

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-month period ended December 31, 2009, 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 months ended December 31, 2009, and 2008, respectively:

	Three Months Ended	
	December 31,	
	2009	2008
Net loss	<u>\$ (364)</u>	<u>\$ (25,340)</u>
Weighted-average shares - Basic EPS	746,312	740,823
Stock options - treasury stock method	-	-
Weighted-average shares - Diluted EPS	<u>746,312</u>	<u>740,823</u>
Basic and diluted loss per common share	<u>\$ (0.0005)</u>	<u>\$ (0.03)</u>