

First Advantage Bancorp
Condensed Consolidated Balance Sheets

(Dollars in thousands except per share data)

	March 31, 2018 (Unaudited)	December 31, 2017
Assets		
Cash and due from banks	\$ 6,308	\$ 5,800
Interest-bearing demand deposits with banks	8,335	3,174
Time deposits at other banks	250	-
Federal funds sold	1,600	475
Cash and cash equivalents	16,493	9,449
Available-for-sale securities, at fair value	44,168	44,428
Loans held for sale, at lower of cost or fair value	687	802
Loans, net of allowance for loan losses of \$5,699 and \$5,660 at March 31, 2018 and December 31, 2017, respectively	495,546	483,801
Premises and equipment, net	7,587	7,680
Foreclosed assets held for sale	972	955
Federal Home Loan Bank stock, at cost	2,988	2,988
Accrued interest receivable	2,911	2,978
Bank owned life insurance	14,151	14,075
Deferred tax asset	2,276	1,993
Other assets	1,860	2,353
Total assets	<u>\$ 589,639</u>	<u>\$ 571,502</u>
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Demand	\$ 50,129	\$ 49,195
Savings, checking and money market	273,770	256,680
Time certificates	145,170	138,317
Total deposits	469,069	444,192
Short-term borrowings	10,000	21,000
Long-term borrowings	35,883	31,131
Interest payable and other liabilities	4,377	5,363
Total liabilities	<u>519,329</u>	<u>501,686</u>
Shareholders' Equity		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, no shares issued or outstanding at March 31, 2018 or December 31, 2017	-	-
Common stock, \$0.01 par value, 50,000,000 shares authorized, 3,821,153 shares issued and 3,639,109 outstanding at March 31, 2018 and 3,827,331 shares issued and 3,584,382 outstanding at December 31, 2017	38	38
Additional paid in capital	37,293	37,236
Common stock held by:		
Nonqualified Deferred Compensation Plan	(2,519)	(2,428)
Employee Stock Ownership Plan	(1,263)	(1,263)
2008 Equity Incentive Plan	(385)	(413)
Retained earnings	37,234	36,343
Accumulated other comprehensive income	(88)	303
Total shareholders' equity	70,310	69,816
Total liabilities and shareholders' equity	<u>\$ 589,639</u>	<u>\$ 571,502</u>

The accompanying unaudited interim financial information is not intended to be a complete presentation of the company's financial statements and disclosures in accordance with accounting principles generally accepted in the United States of America

First Advantage Bancorp
Unaudited - Condensed Consolidated Statements of Income
(Dollars in thousands)

	Three Months Ended	
	March 31,	
	2018	2017
Interest and Dividend Income		
Loans	\$ 6,924	\$ 5,850
Investment securities	317	337
Other	78	84
Total interest and dividend income	7,319	6,271
Interest Expense		
Deposits	1,070	829
Federal Home Loan Bank advances	58	124
Borrowings with other banks	219	119
Total interest expense	1,347	1,072
Net Interest Income	5,972	5,199
Provision for Loan Losses	80	101
Net Interest Income After Provision for Loan Losses	5,892	5,098
Noninterest Income		
Service charges on deposit accounts and other fees	277	290
Loan servicing and other fees	40	23
Net gains on sales of loans held for sale	195	144
Net (loss) gain on sales of other real estate owned	6	400
Net realized gain on sales of available-for-sale securities	-	-
Insurance and brokerage commissions	48	37
Net realized loss on sales of other assets held-for-sale	-	2
Income from bank owned life insurance	77	81
Other	17	5
Total noninterest income	660	982
Noninterest Expense		
Salaries and employee benefits	2,855	2,698
Net occupancy expense	321	309
Equipment expense	279	320
Data processing fees	353	324
Professional fees	251	219
Marketing expense	45	59
Supplies and communication	81	104
Loan collection and repossession expense	33	25
Insurance expense	21	20
Mortgage loan outsourced servicing	0	4
Other	459	401
Total noninterest expense	4,698	4,483
Income Before Income Taxes	1,854	1,597
Provision for Income Taxes	431	496
Net Income	\$ 1,423	\$ 1,101
Per common share:		
Basic net income per common share	\$ 0.39	\$0.31
Diluted net income per common share	\$ 0.35	\$0.28
Dividends declared per common share	\$ 0.13	\$0.10
Basic weighted average common shares outstanding	3,642,494	3,559,074
Diluted weighted average common shares outstanding	4,119,575	3,994,834

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First Advantage Bancorp
Unaudited - Condensed Consolidated Statements of Cash Flows
(Dollars in thousands)

	March 31	
	2018	2017
Operating Activities		
Net income	\$ 1,423	\$ 1,101
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	80	101
Depreciation, amortization and accretion	273	280
Deferred income taxes	(137)	(146)
Funding of mortgage loans held for sale	(5,762)	(4,830)
Proceeds from sale of mortgage loans held for sale	6,072	5,392
Net gain on sales of loans held for sale	(195)	(144)
Net realized gain on available for sale securities	-	-
Net realized gain on sales of other assets held-for-sale	-	(400)
Net gain on sale of other real estate owned	(6)	-
Net gain on sale of repossessed assets	(13)	(2)
Stock-based compensation	171	130
Bank owned life insurance	(76)	(81)
Decrease in other assets	795	1,128
Increase in other liabilities	(986)	(528)
Net cash provided by operating activities	1,639	2,001
Investing Activities		
Purchases of securities available-for-sale	(2,070)	(994)
Proceeds from call/maturities and repayments of securities available-for-sale	1,458	947
Net increase in loans	(11,842)	(22,640)
Purchase of premises and equipment	(114)	(58)
Proceeds from sale of other assets	-	400
Proceeds from sale of other real estate owned	6	-
Proceeds from sale of repossessed assets	13	2
Net cash used in by investing activities	(12,549)	(22,343)
Financing Activities		
Net increase in demand deposits, money market, checking and savings accounts	18,024	21,484
Net increase (decrease) in time deposits	6,853	(12,502)
Net decrease in short-term borrowings	(11,000)	-
Net increase (decrease) in long-term borrowings	19,752	(244)
Repayment of long-term debt	(15,000)	-
Proceeds from stock option exercises	15	438
Stock repurchase/retired - repurchase program	(192)	(62)
Cash paid for dividends	(498)	(377)
Net cash provided by financing activities	17,954	8,737
Increase (decrease) in Cash and Cash Equivalents	7,044	(11,605)
Cash and Cash Equivalents, Beginning of Period	9,449	30,635
Cash and Cash Equivalents, End of Period	16,493	19,030

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FIRST ADVANTAGE BANCORP SELECTED FINANCIAL DATA

(Unaudited-Dollars in thousands)

	Three Months Ended March		Year Ended December 2017
	2018	2017	
SELECTED FINANCIAL CONDITION DATA: END OF PERIOD BALANCES			
Assets	\$ 589,639	\$ 537,874	\$ 571,502
Available-for-sale Securities, at fair value	44,168	46,427	44,428
Loans, gross	501,245	446,239	489,461
Allowance for Loan Losses	5,699	6,513	5,660
Deposits	469,069	425,910	444,192
FHLB Advances and Other Borrowings	45,883	41,869	52,131
Common Shareholders' Equity	70,310	66,770	69,816
SELECTED FINANCIAL CONDITION DATA: AVERAGE BALANCES			
Assets	\$ 578,826	\$ 527,766	\$ 542,071
Earning Assets	549,822	497,941	513,178
Investment Securities	43,372	45,899	45,496
Other Investments	10,157	21,520	12,106
Loans, gross	496,293	430,522	455,576
Deposits	450,511	416,222	418,927
FHLB Advances and Other Borrowings	54,337	41,979	51,039
Common Shareholders' Equity	69,230	66,205	68,147
SELECTED OPERATING RESULTS:			
Interest and Dividend Income	\$ 7,319	\$ 6,271	\$ 26,804
Interest Expense	1,347	1,072	4,573
Net Interest Income	5,972	5,199	22,231
Provision for Loan Losses	80	101	(420)
Net Interest Income After Provision for Loan Losses	5,892	5,098	22,651
Noninterest Income	660	982	3,235
Noninterest Expense	4,698	4,483	18,036
Income Before Income Tax Expense	1,854	1,597	7,850
Income Tax Expense	431	496	3,555
Net Income	\$ 1,423	\$ 1,101	\$ 4,295
Basic Net Income Per Common Share	\$ 0.39	\$ 0.31	\$ 1.19
Diluted Net Income per Common Share	0.35	0.28	1.06
Dividends paid per common share	0.13	0.10	0.40
Book Value Per Common Share	18.40	17.56	18.24
Book Value Per Common Share - Diluted	17.07	16.71	17.27
Common Shares Outstanding	3,821,153	3,801,868	3,827,331
Basic Weighted Average Common Shares Outstanding	3,642,494	3,559,074	3,600,104
Diluted Weighted Average Common Shares Outstanding	4,119,575	3,994,834	4,042,720
SELECTED RATIOS (quarterly rates annualized):			
Return on Average Assets	1.00 %	0.85 %	0.79 %
Return on Average Common Shareholders' Equity	8.34	6.74	6.30
Average Common Shareholders' Equity to Average Assets	11.96	12.54	12.57
Net Interest Margin	4.41	4.23	4.33
Efficiency: Expense to Revenue	70.84	72.53	70.82
SELECTED ASSET QUALITY:			
Net (Recoveries) Charge-offs	\$ 36	\$ 85	\$ 418
Classified Assets	8,947	13,930	9,080
Nonperforming Loans	4,955	6,518	3,938
Nonperforming Assets	5,927	7,420	4,893
Troubled Debt Restructurings	2,111	2,783	2,287
Total Nonperforming Loans to Total Loans	1.00 %	1.48 %	0.81 %
Total Nonperforming Loans to Total Assets	0.84 %	1.21 %	0.69 %
Total Nonperforming Assets to Total Assets	1.01 %	1.38 %	0.86 %

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First Advantage Bancorp

Loan Portfolio Composition

(Dollars in thousands)

	<u>At March 31,</u>		<u>At December 31,</u>	
	<u>2018</u>		<u>2017</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
	<u>(Dollars in thousands)</u>		<u>(Dollars in thousands)</u>	
Real estate loans:				
Permanent loans:				
One-to-four family	\$ 64,788	12.9 %	\$ 66,259	13.5 %
Multi-family	26,220	5.2	27,136	5.5
Nonresidential	165,251	32.8	163,249	33.3
Construction loans:				
One-to-four family	24,439	4.9	25,049	5.1
Multi-family	2,100	0.4	1,169	0.2
Nonresidential	28,045	5.6	26,679	5.5
Land loans	16,629	3.3	13,872	2.8
Total real estate loans	<u>327,472</u>	<u>65.1</u>	<u>323,413</u>	<u>65.9</u>
Consumer:				
Home equity loans and lines of credit	22,653	4.5	22,238	4.5
Auto loans	124	-	159	-
Deposit loans	0	-	0	-
Overdrafts	50	-	65	-
Other	96,335	19.2	89,690	18.3
Total consumer and other loans	<u>119,162</u>	<u>23.7</u>	<u>112,152</u>	<u>22.8</u>
Commercial loans	<u>56,418</u>	<u>11.2</u>	<u>55,672</u>	<u>11.3</u>
Total loans	503,052	100.0 %	491,237	100.00 %
Allowance for loan losses	(5,699)		(5,661)	
Net deferred loan costs	<u>(1,807)</u>		<u>(1,774)</u>	
Loans receivable, net	<u>\$ 495,546</u>		<u>\$ 483,802</u>	

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First Advantage Bancorp

Breakdown of Allowance for Loan Losses

(Dollars in thousands)

	At March 31,			At December 31,		
	2018			2017		
	Amount	% of Allowance to Total Allowance	% of Loans in Category to Total Loans	Amount	% of Allowance to Total Allowance	% of Loans in Category to Total Loans
One-to-four family	\$ 153	2.7 %	12.9 %	\$ 217	3.8 %	13.5 %
Multi-family and nonresidential	1,335	23.4	38.0	1,272	22.5	38.8
Construction	87	1.5	10.9	101	1.8	10.8
Land	55	1.0	3.3	65	1.2	2.8
Consumer	1,260	22.1	23.7	1,230	21.7	22.8
Commercial	2,809	49.3	11.2	2,775	49.0	11.3
Total allowance for loan losses	\$ 5,699	100.0 %	100.0 %	\$ 5,660	100.0 %	100.0 %

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First Advantage Bancorp

Credit Quality Indicators as of March 31, 2018

(Dollars in thousands)

	<u>One-to-Four Family</u>	<u>Multi-family/ Nonresidential</u>	<u>Construction</u>	<u>Land</u>	<u>Consumer and Other</u>	<u>Commercial</u>	<u>Total</u>
Credit Risk Profile by Internally Assigned Grade							
Grade:							
Pass	\$ 63,529	\$ 189,069	\$ 54,584	\$ 16,170	\$ 116,952	\$ 53,895	\$ 494,199
Special mention	321	-	-	-	-	166	487
Substandard	938	2,402	-	459	2,210	2,357	8,366
Doubtful	-	-	-	-	-	-	-
Total	<u>\$ 64,788</u>	<u>\$ 191,471</u>	<u>\$ 54,584</u>	<u>\$ 16,629</u>	<u>\$ 119,162</u>	<u>\$ 56,418</u>	<u>\$ 503,052</u>

Credit Quality Indicators as of December 31, 2017

(Dollars in thousands)

	<u>One-to-Four Family</u>	<u>Multi-family/ Nonresidential</u>	<u>Construction</u>	<u>Land</u>	<u>Consumer and Other</u>	<u>Commercial</u>	<u>Total</u>
Credit Risk Profile by Internally Assigned Grade							
Grade:							
Pass	\$ 64,762	\$ 187,969	\$ 52,897	\$ 13,413	\$ 110,156	\$ 52,960	\$ 482,157
Special mention	323	-	-	-	95	313	731
Substandard	1,174	2,416	-	459	1,901	2,399	8,349
Doubtful	-	-	-	-	-	-	-
Total	<u>\$ 66,259</u>	<u>\$ 190,385</u>	<u>\$ 52,897</u>	<u>\$ 13,872</u>	<u>\$ 112,152</u>	<u>\$ 55,672</u>	<u>\$ 491,237</u>

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First Advantage Bancorp

Breakdown of Nonaccrual Loans

(Dollars in thousands)

	At March 31, 2018	At December 31, 2017
Non-accrual loans:		
One- to four-family	608	731
Multi-family and nonresidential	576	583
Construction	-	-
Land	164	164
Mortgage - 2nd	379	296
Consumer and other	1,306	1,150
Commercial	1,922	1,014
Total	4,955	3,938
Accruing loans past due 90 days or more:		
One- to four-family	-	-
Multi-family and nonresidential	-	-
Construction	-	-
Land	-	-
Consumer and other	-	-
Commercial	-	-
Total	-	-
Real estate owned	262	340
Other non-performing assets	710	615
Total non-performing assets	5,927	4,893
Total non-performing loans to total loans	1.00%	0.81%
Total non-performing loans to total assets	0.84%	0.69%
Total non-performing assets to total assets	1.01%	0.86%

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First Advantage Bancorp

Age Analysis of Past Due Loans

As of March 31, 2018

(Dollars in thousands)

	<u>30-59 Days Past Due</u>	<u>60-89 Days Past Due</u>	<u>Greater Than 90 Days</u>	<u>Total Past Due</u>	<u>Current</u>	<u>Total Loans</u>	<u>Loans >90 Days and Accruing</u>
One-to-four family	\$ 221	\$ -	\$ 273	\$ 494	\$ 64,294	\$ 64,788	\$ -
Multifamily/nonresidential	-	-	601	\$ 601	190,870	191,471	-
Construction	34	-	-	\$ 34	54,550	54,584	-
Land	-	-	18	\$ 18	16,611	16,629	-
Consumer and other	534	305	1,331	\$ 2,170	116,992	119,162	-
Commercial	282	255	911	\$ 1,448	54,970	56,418	-
Total	<u>\$ 1,071</u>	<u>\$ 560</u>	<u>\$ 3,134</u>	<u>\$ 4,765</u>	<u>\$ 498,287</u>	<u>\$ 503,052</u>	<u>\$ -</u>

Age Analysis of Past Due Loans

As of December 31, 2017

	<u>30-59 Days Past Due</u>	<u>60-89 Days Past Due</u>	<u>Greater Than 90 Days</u>	<u>Total Past Due</u>	<u>Current</u>	<u>Total Loans</u>	<u>Loans >90 Days and Accruing</u>
One-to-four family	\$ 38	\$ 27	\$ 540	\$ 605	\$ 65,654	\$ 66,259	\$ -
Multifamily/nonresidential	-	-	602	602	189,783	190,385	-
Construction	-	-	-	-	52,897	52,897	-
Land	-	-	-	-	13,872	13,872	-
Consumer and other	439	162	881	1,482	110,670	112,152	-
Commercial	212	720	218	1,150	54,522	55,672	-
Total	<u>\$ 689</u>	<u>\$ 909</u>	<u>\$ 2,241</u>	<u>\$ 3,839</u>	<u>\$ 487,398</u>	<u>\$ 491,237</u>	<u>\$ -</u>

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First Advantage Bancorp

Investment Securities Portfolio

As of March 31, 2018

(Unaudited - dollars in thousands)

March 31, 2018

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Approximate Fair Value</u>
Available-for-sale				
Mortgage-backed securities	\$ 19,357	\$ 301	\$ (457)	\$ 19,201
State and political subdivisions	25,283	109	(425)	24,967
Total	<u>\$ 44,640</u>	<u>\$ 410</u>	<u>\$ (882)</u>	<u>\$ 44,168</u>

December 31, 2017

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Approximate Fair Value</u>
Available-for-sale				
Mortgage-backed securities	\$ 17,932	\$ 358	\$ (219)	\$ 18,071
State and political subdivisions	26,161	309	(113)	26,357
Total	<u>\$ 44,093</u>	<u>\$ 667</u>	<u>\$ (332)</u>	<u>\$ 44,428</u>

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First Advantage Bancorp

Contractual Maturities of Investment Securities

As of March 31, 2018

(Unaudited - dollars in thousands)

	March 31, 2018		December 31, 2017	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	\$ 2,000	\$ 2,003	\$ 2,271	\$ 2,284
Due after one but within five years	2,328	2,367	1,874	1,926
Due after five but within ten years	5,609	5,478	6,130	6,116
Due after ten years	15,346	15,119	15,886	16,031
	25,283	24,967	26,161	26,357
Mortgage-backed securities	19,357	19,201	17,932	18,071
	<u>\$ 44,640</u>	<u>\$ 44,168</u>	<u>\$ 44,093</u>	<u>\$ 44,428</u>

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First Advantage Bancorp

Age Analysis of Gross Unrealized Losses on Investment Securities

As of March 31, 2018

(Unaudited - dollars in thousands)

	March 31, 2018					
	Less Than 12 months		12 months or more		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Available-for-sale						
Mortgage-backed securities	\$ 743	\$ (131)	\$ 6,102	\$ (326)	\$ 6,845	\$ (457)
State and political subdivisions	9,775	(166)	6,342	(259)	16,117	(425)
Total	\$ 10,518	\$ (297)	\$ 12,444	\$ (585)	22,962	\$ (882)

	December 31, 2017					
	Less Than 12 months		12 months or more		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Available-for-sale						
Mortgage-backed securities	\$ 5,229	\$ (36)	\$ 6,356	\$ (183)	\$ 11,585	\$ (219)
State and political subdivisions	5,181	(89)	3,138	(24)	8,319	(113)
Total	\$ 10,410	\$ (125)	\$ 9,494	\$ (207)	19,904	\$ (332)

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