

First Advantage Bancorp
Condensed Consolidated Balance Sheets

(Dollars in thousands except per share data)

	June 30, 2017 (Unaudited)	December 31, 2016
Assets		
Cash and due from banks	\$ 7,003	\$ 7,996
Interest-bearing demand deposits with banks	3,347	13,664
Time deposits at other banks	250	-
Federal funds sold	1,450	8,975
Cash and cash equivalents	12,050	30,635
Available-for-sale securities, at fair value	45,817	46,489
Loans held for sale, at lower of cost or fair value	610	1,186
Loans, net of allowance for loan losses of \$6,767 and \$6,498 at June 30, 2017 and December 31, 2016, respectively	452,580	417,244
Premises and equipment, net	7,990	8,018
Foreclosed assets held for sale	588	845
Federal Home Loan Bank stock, at cost	2,988	2,988
Accrued interest receivable	2,386	2,392
Bank owned life insurance	13,908	13,745
Deferred tax asset	3,299	2,061
Other assets	2,120	2,837
Total assets	<u>\$ 544,336</u>	<u>\$ 528,440</u>
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Demand	\$ 48,394	\$ 45,120
Savings, checking and money market	224,137	206,250
Time certificates	143,159	165,558
Total deposits	415,690	416,928
Short-term borrowings	25,000	10,000
Long-term borrowings	31,624	32,113
Interest payable and other liabilities	4,034	3,853
Total liabilities	<u>476,348</u>	<u>462,894</u>
Shareholders' Equity		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, no shares issued or outstanding at June 30, 2017 or December 31, 2016	-	-
Common stock, \$0.01 par value, 50,000,000 shares authorized, 3,830,215 shares issued and 3,616,669 outstanding at June 30, 2017 and 3,762,497 shares issued and 3,546,176 outstanding at December 31, 2016	38	38
Additional paid in capital	37,154	36,079
Common stock held by:		
Nonqualified Deferred Compensation Plan	(2,324)	(2,169)
Employee Stock Ownership Plan	(1,557)	(1,562)
2008 Equity Incentive Plan	(414)	(408)
Retained earnings	34,947	33,573
Accumulated other comprehensive income	144	(5)
Total shareholders' equity	67,988	65,546
Total liabilities and shareholders' equity	<u>\$ 544,336</u>	<u>\$ 528,440</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 June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Interest and Dividend Income				
Loans	\$ 6,178	\$ 5,314	\$ 12,028	\$ 10,692
Investment securities	344	352	681	724
Other	59	48	143	98
Total interest and dividend income	6,581	5,714	12,852	11,514
Interest Expense				
Deposits	839	705	1,668	1,345
Federal Home Loan Bank advances	120	121	266	257
Borrowings with other banks	142	128	239	241
Total interest expense	1,101	954	2,173	1,843
Net Interest Income	5,480	4,760	10,679	9,671
Provision for Loan Losses	281	309	382	489
Net Interest Income After Provision for Loan Losses	5,199	4,451	10,297	9,182
Noninterest Income				
Service charges on deposit accounts and other fees	302	302	592	576
Loan servicing and other fees	17	16	40	31
Net gains on sales of loans held for sale	228	216	372	342
Net (loss) gain on sales of other real estate owned	-	-	400	-
Net realized gain on sales of available-for-sale securities	-	6	-	32
Insurance and brokerage commissions	36	20	73	42
Net realized loss on sales of other assets held-for-sale	6	-	8	-
Income from bank owned life insurance	81	93	162	175
Other	4	7	9	11
Total noninterest income	674	660	1,656	1,209
Noninterest Expense				
Salaries and employee benefits	2,583	2,484	5,281	5,078
Net occupancy expense	311	255	620	510
Equipment expense	306	312	626	623
Data processing fees	336	363	660	669
Professional fees	70	69	476	473
Marketing expense	121	103	129	160
Supplies and communication	24	23	225	247
Loan collection and repossession expense	23	26	49	42
Insurance expense	257	240	43	49
Mortgage loan outsourced servicing	2	2	6	4
Other	389	465	790	840
Total noninterest expense	4,422	4,342	8,905	8,695
Income Before Income Taxes	1,451	769	3,048	1,696
Provision for Income Taxes	418	210	914	474
Net Income	\$ 1,033	\$ 559	\$ 2,134	\$ 1,222
Per common share:				
Basic net income per common share	\$ 0.29	\$0.15	\$ 0.59	\$0.34
Diluted net income per common share	\$ 0.25	\$0.14	\$ 0.53	\$0.31
Dividends declared per common share	\$ 0.10	\$0.10	\$ 0.20	\$0.20
Basic weighted average common shares outstanding	3,614,781	3,607,678	3,587,082	3,610,372
Diluted weighted average common shares outstanding	4,079,161	3,972,700	4,039,256	3,974,825

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

	June 30	
	2017	2016
Operating Activities		
Net income	\$ 2,134	\$ 1,222
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	382	489
Depreciation, amortization and accretion	553	514
Deferred income taxes	(1,328)	(267)
Funding of mortgage loans held for sale	(10,267)	(11,849)
Proceeds from sale of mortgage loans held for sale	11,215	11,069
Net gain on sales of loans held for sale	(372)	(342)
Net realized gain on available for sale securities	-	(32)
Net realized gain on sales of other assets held-for-sale	(400)	-
Net writedown and losses on sale of other real estate owned	367	-
Net gain on sale of repossessed assets	(8)	-
Stock-based compensation	270	207
Bank owned life insurance	(163)	(174)
Decrease (increase) in other assets	711	(104)
Increase in other liabilities	181	228
Net cash provided by operating activities	3,275	961
Investing Activities		
Purchases of securities available-for-sale	(994)	-
Proceeds (purchase) from call/maturities and repayments of securities available-for-sale	1,790	(10,477)
Proceeds from sales of securities available-for-sale	-	6,802
Net (increase) decrease in loans	(35,828)	5,069
Purchase of premises and equipment	(398)	(1,871)
Proceeds from sales of premises and equipment	-	(225)
Proceeds from sale of other assets	400	(625)
Proceeds from sale of repossessed assets	8	1
Net cash used in by investing activities	(35,022)	(1,326)
Financing Activities		
Net increase (decrease) in demand deposits, money market, checking and savings accounts	21,161	9,265
Net (decrease) increase in time deposits	(22,399)	10,511
Net increase (decrease) in short-term borrowings	15,000	(13,002)
Net decrease in long-term borrowings	(489)	(401)
Proceeds from stock option exercises	759	232
Stock repurchase/retired - repurchase program	(110)	(1,767)
Cash paid for dividends	(760)	(771)
Net cash provided by financing activities	13,162	4,067
(Decrease) increase in Cash and Cash Equivalents	(18,585)	3,702
Cash and Cash Equivalents, Beginning of Period	30,635	10,416
Cash and Cash Equivalents, End of Period	12,050	14,118

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FIRST ADVANTAGE BANCORP
SELECTED FINANCIAL DATA

(Unaudited-Dollars in thousands)

	Three Months Ended		Six Months Ended		Year Ended
	2017	2016	2017	2016	2016
SELECTED FINANCIAL CONDITION DATA: END OF PERIOD BALANCES					
Assets	\$ 544,336	\$ 493,348	\$ 544,336	\$ 493,348	\$ 528,440
Available-for-sale Securities, at fair value	45,817	48,198	45,817	48,198	46,489
Loans, gross	459,347	404,740	459,347	404,740	423,742
Allowance for Loan Losses	6,767	6,322	6,767	6,322	6,498
Deposits	415,690	382,040	415,690	382,040	416,928
FHLB Advances and Other Borrowings	56,624	42,599	56,624	42,599	42,113
Common Shareholders' Equity	67,988	65,546	67,988	65,546	65,546
SELECTED FINANCIAL CONDITION DATA: AVERAGE BALANCES					
Assets	\$ 534,607	\$ 490,814	\$ 531,206	\$ 488,659	\$ 504,088
Earning Assets	506,202	464,669	502,094	462,721	477,315
Investment Securities	46,258	48,691	46,080	48,839	48,684
Other Investments	9,873	11,722	15,664	9,953	22,328
Loans, gross	450,070	404,286	440,350	403,930	406,303
Deposits	414,491	378,285	415,352	373,916	390,978
FHLB Advances and Other Borrowings	48,845	46,287	45,431	48,477	44,068
Common Shareholders' Equity	67,855	66,241	67,034	66,266	65,987
SELECTED OPERATING RESULTS:					
Interest and Dividend Income	\$ 6,581	\$ 5,714	\$ 12,852	\$ 11,514	\$ 23,446
Interest Expense	1,101	954	2,173	1,843	3,987
Net Interest Income	5,480	4,760	10,679	9,671	19,459
Provision for Loan Losses	281	309	382	489	815
Net Interest Income After Provision for Loan Losses	5,199	4,451	10,297	9,182	18,644
Noninterest Income	674	660	1,656	1,209	2,627
Noninterest Expense	4,422	4,342	8,905	8,695	17,182
Income Before Income Tax Expense	1,451	769	3,048	1,696	4,089
Income Tax Expense	418	210	914	474	1,195
Net Income	\$ 1,033	\$ 559	\$ 2,134	\$ 1,222	\$ 2,894
Basic Net Income Per Common Share	\$ 0.29	\$ 0.15	\$ 0.59	\$ 0.34	\$ 0.80
Diluted Net Income per Common Share	0.25	0.14	0.53	0.31	0.73
Dividends paid per common share	0.10	0.10	0.20	0.20	0.40
Book Value Per Common Share	17.75	18.51	17.75	18.51	18.48
Book Value Per Common Share - Diluted	16.67	16.50	16.83	16.49	16.45
Common Shares Outstanding	3,830,215	3,541,477	3,830,215	3,541,477	3,546,176
Basic Weighted Average Common Shares Outstanding	3,614,781	3,607,678	3,587,082	3,610,372	3,606,441
Diluted Weighted Average Common Shares Outstanding	4,079,161	3,972,700	4,039,256	3,974,825	3,985,425
SELECTED RATIOS (quarterly rates annualized):					
Return on Average Assets	0.78 %	0.46 %	0.81 %	0.50 %	0.57 %
Return on Average Common Shareholders' Equity	6.11	3.39	6.42	3.71	4.39
Average Common Shareholders' Equity to Average Assets	12.69	13.50	12.62	13.56	13.09
Net Interest Margin	4.34	4.12	4.29	4.20	4.08
Efficiency: Expense to Revenue	71.86	80.11	72.19	79.92	77.80
SELECTED ASSET QUALITY:					
Net (Recoveries) Charge-offs	\$ 26	\$ 91	\$ 111	\$ 95	\$ 219
Classified Assets	13,912	13,597	13,912	13,597	15,603
Nonperforming Loans	6,464	8,446	6,464	8,446	8,237
Nonperforming Assets	7,052	9,085	7,052	9,085	9,082
Troubled Debt Restructurings	2,667	1,995	2,667	1,995	1,965
Total Nonperforming Loans to Total Loans	1.43 %	2.08 %	1.43 %	2.08 %	1.97 %
Total Nonperforming Loans to Total Assets	1.19 %	1.71 %	1.19 %	1.71 %	1.56 %
Total Nonperforming Assets to Total Assets	1.30 %	1.84 %	1.30 %	1.84 %	1.72 %

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First Advantage Bancorp

Age Analysis of Past Due Loans

As of June 30, 2017

(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	\$ 169	\$ 55	\$ 244	\$ 468	\$ 66,061	\$ 66,529	\$ -
Multifamily/nonresidential	-	-	608	\$ 608	192,507	193,115	-
Construction	-	-	-	\$ -	38,946	38,946	-
Land	-	-	-	\$ -	14,816	14,816	-
Consumer and other	261	193	696	\$ 1,150	92,775	93,925	-
Commercial	-	759	497	\$ 1,256	52,187	53,443	-
Total	<u>\$ 430</u>	<u>\$ 1,007</u>	<u>\$ 2,045</u>	<u>\$ 3,482</u>	<u>\$ 457,292</u>	<u>\$ 460,774</u>	<u>\$ -</u>

Age Analysis of Past Due Loans

As of December 31, 2016

	<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	\$ 537	\$ 459	\$ 298	\$ 1,294	\$ 64,127	\$ 65,421	\$ -
Multifamily/nonresidential	-	-	609	609	180,800	181,409	-
Construction	-	-	-	-	42,477	42,477	-
Land	-	-	-	-	14,771	14,771	-
Consumer and other	335	65	652	1,052	73,969	75,021	-
Commercial	-	27	291	318	45,625	45,943	-
Total	<u>\$ 872</u>	<u>\$ 551</u>	<u>\$ 1,850</u>	<u>\$ 3,273</u>	<u>\$ 421,769</u>	<u>\$ 425,042</u>	<u>\$ -</u>

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First Advantage Bancorp

Breakdown of Allowance for Loan Losses

(Dollars in thousands)

	At June 30,			At December 31,		
	2017			2016		
	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	\$ 305	4.5 %	14.4 %	\$ 312	4.8 %	15.4 %
Multi-family and nonresidential	2,106	31.1	41.9	2,279	35.1	42.7
Construction	101	1.5	8.5	167	2.6	10.0
Land	86	1.3	3.2	120	1.8	3.5
Consumer	1,319	19.5	20.4	1,044	16.1	17.6
Commercial	2,850	42.1	11.6	2,576	39.6	10.8
Total allowance for loan losses	\$ 6,767	100.0 %	100.0 %	\$ 6,498	100.0 %	100.0 %

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First Advantage Bancorp

Breakdown of Nonaccrual Loans

(Dollars in thousands)

	At June 30, 2017	At December 31, 2016
Non-accrual loans:		
One- to four-family	907	1,082
Multi-family and nonresidential	2,611	2,810
Construction	-	24
Land	192	193
Mortgage - 2nd	428	266
Consumer and other	871	623
Commercial	1,455	3,239
Total	6,464	8,237
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	388	755
Other non-performing assets	200	90
Total non-performing assets	7,052	9,082
Total non-performing loans to total loans	1.43%	1.97%
Total non-performing loans to total assets	1.19%	1.56%
Total non-performing assets to total assets	1.30%	1.72%

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First Advantage Bancorp

Credit Quality Indicators as of June 30, 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	\$ 65,062	\$ 185,857	\$ 38,867	\$ 14,435	\$ 92,015	\$ 50,627	\$ 446,863
Special mention	-	-	-	-	95	141	236
Substandard	1,467	7,258	79	381	1,815	2,675	13,675
Doubtful	-	-	-	-	-	-	-
Total	<u>\$ 66,529</u>	<u>\$ 193,115</u>	<u>\$ 38,946</u>	<u>\$ 14,816</u>	<u>\$ 93,925</u>	<u>\$ 53,443</u>	<u>\$ 460,774</u>

Credit Quality Indicators as of December 31, 2016

(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	\$ 63,755	\$ 173,877	\$ 42,452	\$ 14,237	\$ 73,953	\$ 41,165	\$ 409,439
Special mention	-	-	-	-	-	1,235	1,235
Substandard	1,666	7,532	25	534	1,068	3,543	14,368
Doubtful	-	-	-	-	-	-	-
Total	<u>\$ 65,421</u>	<u>\$ 181,409</u>	<u>\$ 42,477</u>	<u>\$ 14,771</u>	<u>\$ 75,021</u>	<u>\$ 45,943</u>	<u>\$ 425,042</u>

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First Advantage Bancorp

Loan Portfolio Composition

(Dollars in thousands)

	<u>At June 30,</u>		<u>At December 31,</u>	
	<u>2017</u>		<u>2016</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	\$ 66,529	14.4 %	\$ 65,421	15.4 %
Multi-family	32,332	7.0	35,306	8.3
Nonresidential	160,783	34.9	146,103	34.4
Construction loans:				
One-to-four family	22,731	4.9	29,764	7.0
Multi-family	203	0.1	5,254	1.2
Nonresidential	16,012	3.5	7,459	1.8
Land loans	14,816	3.2	14,771	3.5
Total real estate loans	<u>313,406</u>	<u>68.0</u>	<u>304,078</u>	<u>71.6</u>
Consumer:				
Home equity loans and lines of credit	22,106	4.8	21,103	5.0
Auto loans	175	0.1	116	-
Deposit loans	0	-	326	-
Overdrafts	142	-	55	-
Other	71,502	15.5	53,421	12.6
Total consumer and other loans	<u>93,925</u>	<u>20.4</u>	<u>75,021</u>	<u>17.6</u>
Commercial loans	<u>53,443</u>	<u>11.6</u>	<u>45,943</u>	<u>10.8</u>
Total loans	460,774	100.00 %	425,042	100.00 %
Allowance for loan losses	(6,767)		(6,498)	
Net deferred loan costs	(1,427)		(1,300)	
Loans receivable, net	<u>\$ 452,580</u>		<u>\$ 417,244</u>	

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First Advantage Bancorp

Age Analysis of Gross Unrealized Losses on Investment Securities

As of June 30, 2017

(Unaudited - dollars in thousands)

	June 30, 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						
U. S. Government agencies and corporations:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mortgage-backed securities	7,698	(176)	-	-	7,698	(176)
State and political subdivisions	9,043	(209)	-	-	9,043	(209)
Total	\$ 16,741	\$ (385)	\$ -	\$ -	16,741	\$ (385)

	December 31, 2016					
	Less Than 12 months		12 months or more		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Available-for-sale						
U. S. Government agencies and corporations:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mortgage-backed securities	11,822	(327)	-	-	11,822	(327)
State and political subdivisions	12,089	(432)	-	-	12,089	(432)
Total	\$ 23,911	\$ (759)	\$ -	\$ -	23,911	\$ (759)

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First Advantage Bancorp

Contractual Maturities of Investment Securities

As of June 30, 2017

(Unaudited - dollars in thousands)

	June 30, 2017		December 31, 2016	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	\$ 1,746	\$ 1,781	\$ 467	\$ 479
Due after one but within five years	1,982	2,068	2,139	2,213
Due after five but within ten years	3,676	3,747	4,560	4,597
Due after ten years	20,575	20,578	20,052	19,695
	27,979	28,174	27,218	26,984
Mortgage-backed securities	17,622	17,935	19,306	19,505
	\$ 45,601	\$ 46,109	\$ 46,524	\$ 46,489

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First Advantage Bancorp

Investment Securities Portfolio

As of June 30, 2017

(Unaudited - dollars in thousands)

June 30, 2017

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
Available-for-sale				
U. S. Treasury	\$ -	\$ -	\$ -	\$ -
U. S. Government agencies and corporations	-	-	-	-
Mortgage-backed securities	17,622	489	(176)	17,935
State and political subdivisions	27,979	404	(209)	28,174
Total	<u>\$ 45,601</u>	<u>\$ 893</u>	<u>\$ (385)</u>	<u>\$ 46,109</u>

December 31, 2016

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
Available-for-sale				
U. S. Treasury	\$ -	\$ -	\$ -	\$ -
U. S. Government agencies and corporations	-	-	-	-
Mortgage-backed securities	19,306	526	(327)	19,505
State and political subdivisions	27,218	198	(432)	26,984
Total	<u>\$ 46,524</u>	<u>\$ 724</u>	<u>\$ (759)</u>	<u>\$ 46,489</u>

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