

First Advantage Bancorp
Condensed Consolidated Balance Sheets

(Dollars in thousands except per share data)

	June 30, 2018 (Unaudited)	December 31, 2017
Assets		
Cash and due from banks	\$ 6,271	\$ 5,800
Interest-bearing demand deposits with banks	4,151	3,174
Time deposits at other banks	250	-
Federal funds sold	450	475
Cash and cash equivalents	11,122	9,449
Available-for-sale securities, at fair value	44,878	44,428
Loans held for sale, at lower of cost or fair value	377	802
Loans, net of allowance for loan losses of \$5,635 and \$5,660 at June 30, 2018 and December 31, 2017, respectively	512,406	483,801
Premises and equipment, net	7,473	7,680
Foreclosed assets held for sale	1,115	955
Federal Home Loan Bank stock, at cost	2,988	2,988
Accrued interest receivable	2,758	2,978
Bank owned life insurance	14,233	14,075
Deferred tax asset	2,320	1,993
Other assets	2,886	2,353
Total assets	<u>\$ 602,556</u>	<u>\$ 571,502</u>
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Demand	\$ 57,974	\$ 49,195
Savings, checking and money market	268,356	256,680
Time certificates	147,258	138,317
Total deposits	473,588	444,192
Short-term borrowings	14,000	21,000
Long-term borrowings	35,634	31,131
Interest payable and other liabilities	5,398	5,363
Total liabilities	<u>528,620</u>	<u>501,686</u>
Shareholders' Equity		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, no shares issued or outstanding at June 30, 2018 or December 31, 2017	-	-
Common stock, \$0.01 par value, 50,000,000 shares authorized, 4,020,250 shares issued and 3,839,876 outstanding at June 30, 2018 and 3,827,331 shares issued and 3,584,382 outstanding at December 31, 2017	40	38
Additional paid in capital	39,509	37,236
Common stock held by:		
Nonqualified Deferred Compensation Plan	(2,576)	(2,428)
Employee Stock Ownership Plan	(1,263)	(1,263)
2008 Equity Incentive Plan	(380)	(413)
Retained earnings	38,733	36,343
Accumulated other comprehensive income	(127)	303
Total shareholders' equity	73,936	69,816
Total liabilities and shareholders' equity	<u>\$ 602,556</u>	<u>\$ 571,502</u>

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
Interest and Dividend Income				
Loans	\$ 7,293	\$ 6,178	\$ 14,217	\$ 12,028
Investment securities	308	344	625	681
Other	80	59	158	143
Total interest and dividend income	7,681	6,581	15,000	12,852
Interest Expense				
Deposits	1,235	839	2,305	1,668
Federal Home Loan Bank advances	0	120	494	266
Borrowings with other banks	275	142	58	239
Total interest expense	1,510	1,101	2,857	2,173
Net Interest Income	6,171	5,480	12,143	10,679
Provision for Loan Losses	125	281	205	382
Net Interest Income After Provision for Loan Losses	6,046	5,199	11,938	10,297
Noninterest Income				
Service charges on deposit accounts and other fees	297	302	574	592
Loan servicing and other fees	30	17	70	40
Net gains on sales of loans held for sale	448	228	643	372
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	58	36	106	73
Net realized loss on sales of other assets held-for-sale	-	6	-	8
Income from bank owned life insurance	81	81	158	162
Other	21	4	38	9
Total noninterest income	935	674	1,595	1,656
Noninterest Expense				
Salaries and employee benefits	2,744	2,583	5,599	5,281
Net occupancy expense	314	311	635	620
Equipment expense	268	306	547	626
Data processing fees	330	336	683	660
Professional fees	266	70	517	476
Marketing expense	59	121	104	129
Supplies and communication	84	24	165	225
Loan collection and repossession expense	142	23	175	49
Insurance expense	26	257	47	43
Mortgage loan outsourced servicing	(3)	2	(3)	6
Other	532	389	991	790
Total noninterest expense	4,762	4,422	9,460	8,905
Income Before Income Taxes	2,219	1,451	4,073	3,048
Provision for Income Taxes	213	418	644	914
Net Income	\$ 2,006	\$ 1,033	\$ 3,429	\$ 2,134
Per common share:				
Basic net income per common share	\$ 0.54	\$0.29	\$ 0.93	\$0.59
Diluted net income per common share	\$ 0.49	\$0.25	\$ 0.85	\$0.53
Dividends declared per common share	\$ 0.13	\$0.10	\$ 0.26	\$0.20
Basic weighted average common shares outstanding	3,748,594	3,614,781	3,696,364	3,587,082
Diluted weighted average common shares outstanding	4,115,536	4,079,161	4,055,417	4,039,256

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

	June 30	
	2018	2017
Operating Activities		
Net income	\$ 3,429	\$ 2,134
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	205	382
Depreciation, amortization and accretion	553	553
Deferred income taxes	(167)	(1,328)
Funding of mortgage loans held for sale	(11,203)	(10,267)
Proceeds from sale of mortgage loans held for sale	12,271	11,215
Net gain on sales of loans held for sale	(643)	(372)
Net realized gain on available for sale securities	-	-
Net realized gain on sales of other assets held-for-sale	-	(400)
Net (gain) loss on sale of other real estate owned	(6)	367
Net gain on sale of repossessed assets	(30)	(8)
Stock-based compensation	333	270
Bank owned life insurance	(158)	(163)
Decrease in other assets	8	711
Decrease in other liabilities	35	181
Net cash provided by operating activities	4,627	3,275
Investing Activities		
Purchases of securities available-for-sale	(6,164)	(994)
Proceeds from call/maturities and repayments of securities available-for-sale	4,622	1,790
Net increase in loans	(28,970)	(35,828)
Purchase of premises and equipment	(199)	(398)
Proceeds from sale of other assets	-	400
Proceeds from sale of other real estate owned	6	-
Proceeds from sale of repossessed assets	30	8
Net cash used in by investing activities	(30,675)	(35,022)
Financing Activities		
Net increase in demand deposits, money market, checking and savings accounts	20,455	21,161
Net increase (decrease) in time deposits	8,941	(22,399)
Net (decrease) increase in short-term borrowings	(7,000)	15,000
Net increase (decrease) in long-term borrowings	19,503	(489)
Repayment of long-term debt	(15,000)	-
Proceeds from stock option exercises	2,158	759
Stock repurchase/retired - repurchase program	(331)	(110)
Cash paid for dividends	(1,005)	(760)
Net cash provided by financing activities	27,721	13,162
Increase (decrease) in Cash and Cash Equivalents	1,673	(18,585)
Cash and Cash Equivalents, Beginning of Period	9,449	30,635
Cash and Cash Equivalents, End of Period	11,122	12,050

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FIRST ADVANTAGE BANCORP
SELECTED FINANCIAL DATA

(Unaudited-Dollars in thousands)

	Three Months Ended		Six Months Ended		Year Ended
	2018	2017	2018	2017	December 2017
SELECTED FINANCIAL CONDITION DATA: END OF PERIOD BALANCES					
Assets	\$ 602,556	\$ 544,336	\$ 602,556	\$ 544,336	\$ 571,502
Available-for-sale Securities, at fair value	44,878	45,817	44,878	45,817	44,428
Loans, gross	518,041	459,347	518,041	459,347	489,461
Allowance for Loan Losses	5,635	6,767	5,635	6,767	5,660
Deposits	473,588	415,690	473,588	415,690	444,192
FHLB Advances and Other Borrowings	49,634	56,624	49,634	56,624	52,131
Common Shareholders' Equity	73,936	67,988	73,936	67,988	69,816
SELECTED FINANCIAL CONDITION DATA: AVERAGE BALANCES					
Assets	\$ 593,970	\$ 534,607	\$ 586,440	\$ 531,206	\$ 542,071
Earning Assets	564,021	506,202	556,960	502,094	513,178
Investment Securities	46,244	46,258	45,313	46,080	45,496
Other Investments	9,491	9,873	10,325	15,664	12,106
Loans, gross	508,286	450,070	502,323	440,350	455,576
Deposits	462,535	414,491	456,556	415,352	418,927
FHLB Advances and Other Borrowings	54,120	48,845	54,228	45,431	51,039
Common Shareholders' Equity	72,624	67,855	70,937	67,034	68,147
SELECTED OPERATING RESULTS:					
Interest and Dividend Income	\$ 7,681	\$ 6,581	\$ 15,000	\$ 12,852	\$ 26,804
Interest Expense	1,510	1,101	2,857	2,173	4,573
Net Interest Income	6,171	5,480	12,143	10,679	22,231
Provision for Loan Losses	125	281	205	382	(420)
Net Interest Income After Provision for Loan Losses	6,046	5,199	11,938	10,297	22,651
Noninterest Income	935	674	1,595	1,656	3,235
Noninterest Expense	4,762	4,422	9,460	8,905	18,036
Income Before Income Tax Expense	2,219	1,451	4,073	3,048	7,850
Income Tax Expense	213	418	644	914	3,555
Net Income	\$ 2,006	\$ 1,033	\$ 3,429	\$ 2,134	\$ 4,295
Basic Net Income Per Common Share	\$ 0.54	\$ 0.29	\$ 0.93	\$ 0.59	\$ 1.19
Diluted Net Income per Common Share	0.49	0.25	0.85	0.53	1.06
Dividends paid per common share	0.13	0.10	0.26	0.20	0.40
Book Value Per Common Share	18.39	17.75	18.39	17.75	18.24
Book Value Per Common Share - Diluted	17.97	16.67	18.23	16.83	17.27
Common Shares Outstanding	4,020,250	3,830,215	4,020,250	3,830,215	3,827,331
Basic Weighted Average Common Shares Outstanding	3,748,594	3,614,781	3,696,364	3,587,082	3,600,104
Diluted Weighted Average Common Shares Outstanding	4,115,536	4,079,161	4,055,417	4,039,256	4,042,720
SELECTED RATIOS (quarterly rates annualized):					
Return on Average Assets	1.35 %	0.78 %	1.18 %	0.81 %	0.79 %
Return on Average Common Shareholders' Equity	11.08	6.11	9.75	6.42	6.30
Average Common Shareholders' Equity to Average Assets	12.23	12.69	12.10	12.62	12.57
Net Interest Margin	4.39	4.34	4.40	4.29	4.33
Efficiency: Expense to Revenue	67.01	71.86	68.86	72.19	70.82
SELECTED ASSET QUALITY:					
Net (Recoveries) Charge-offs	\$ 189	\$ 26	\$ 225	\$ 111	\$ 418
Classified Assets	8,663	13,912	8,663	13,912	9,080
Nonperforming Loans	4,741	6,464	4,741	6,464	3,938
Nonperforming Assets	5,856	7,052	5,856	7,052	4,893
Troubled Debt Restructurings	2,111	2,667	2,111	2,667	2,287
Total Nonperforming Loans to Total Loans	0.93 %	1.43 %	0.93 %	1.43 %	0.81 %
Total Nonperforming Loans to Total Assets	0.79 %	1.19 %	0.79 %	1.19 %	0.69 %
Total Nonperforming Assets to Total Assets	0.97 %	1.30 %	0.97 %	1.30 %	0.86 %

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First Advantage Bancorp

Loan Portfolio Composition

(Dollars in thousands)

	At June 30,		At December 31,	
	2018		2017	
	Amount	Percent	Amount	Percent
	(Dollars in thousands)		(Dollars in thousands)	
Real estate loans:				
Permanent loans:				
One-to-four family	\$ 64,395	12.4 %	\$ 66,259	13.5 %
Multi-family	25,426	4.9	27,136	5.5
Nonresidential	167,912	32.3	163,249	33.3
Construction loans:		-		-
One-to-four family	22,746	4.4	25,049	5.1
Multi-family	5,086	1.0	1,169	0.2
Nonresidential	28,954	5.5	26,679	5.5
Land loans	13,932	2.7	13,872	2.8
Total real estate loans	<u>328,451</u>	<u>63.2</u>	<u>323,413</u>	<u>65.9</u>
Consumer:				
Home equity loans and lines of credit	23,234	4.5	22,238	4.5
Auto loans	116	-	159	-
Deposit loans	0	-	0	-
Overdrafts	70	-	65	-
Other	107,761	20.7	89,690	18.3
Total consumer and other loans	<u>131,181</u>	<u>25.2</u>	<u>112,152</u>	<u>22.8</u>
Commercial loans	<u>60,398</u>	<u>11.6</u>	<u>55,672</u>	<u>11.3</u>
Total loans	520,030	100.0 %	491,237	100.00 %
Allowance for loan losses	(5,635)		(5,661)	
Net deferred loan costs	(1,989)		(1,774)	
Loans receivable, net	<u>\$ 512,406</u>		<u>\$ 483,802</u>	

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First Advantage Bancorp

Breakdown of Allowance for Loan Losses

(Dollars in thousands)

	At June 30,			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	\$ 151	2.7 %	12.4 %	\$ 217	3.8 %	13.5 %
Multi-family and nonresidential	1,144	20.3	37.2	1,272	22.5	38.8
Construction	90	1.6	10.9	101	1.8	10.8
Land	64	1.1	2.7	65	1.2	2.8
Consumer	1,418	25.2	25.2	1,230	21.7	22.8
Commercial	2,768	49.1	11.6	2,775	49.0	11.3
Total allowance for loan losses	\$ 5,635	100.0 %	100.0 %	\$ 5,660	100.0 %	100.0 %

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First Advantage Bancorp

Credit Quality Indicators as of June 30, 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	\$ 63,290	\$ 190,948	\$ 56,786	\$ 13,522	\$ 128,976	\$ 57,845	\$ 511,367
Special mention	318	-	-	-	-	14	332
Substandard	787	2,390	-	410	2,205	2,539	8,331
Doubtful	-	-	-	-	-	-	-
Total	<u>\$ 64,395</u>	<u>\$ 193,338</u>	<u>\$ 56,786</u>	<u>\$ 13,932</u>	<u>\$ 131,181</u>	<u>\$ 60,398</u>	<u>\$ 520,030</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 June 30, 2018	At December 31, 2017
Non-accrual loans:		
One- to four-family	509	731
Multi-family and nonresidential	570	583
Construction	-	-
Land	164	164
Mortgage - 2nd	320	296
Consumer and other	1,314	1,150
Commercial	1,864	1,014
Total	4,741	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	349	340
Other non-performing assets	766	615
Total non-performing assets	5,856	4,893
Total non-performing loans to total loans	0.93%	0.81%
Total non-performing loans to total assets	0.79%	0.69%
Total non-performing assets to total assets	0.97%	0.86%

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First Advantage Bancorp

Age Analysis of Past Due Loans

As of June 30, 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	\$ 89	\$ -	\$ 427	\$ 516	\$ 63,879	\$ 64,395	\$ -
Multifamily/nonresidential	-	-	600	\$ 600	192,738	193,338	-
Construction	-	-	-	\$ -	56,786	56,786	-
Land	-	362	18	\$ 380	13,552	13,932	-
Consumer and other	507	173	1,091	\$ 1,771	129,410	131,181	-
Commercial	69	46	37	\$ 152	60,246	60,398	-
Total	<u>\$ 665</u>	<u>\$ 581</u>	<u>\$ 2,173</u>	<u>\$ 3,419</u>	<u>\$ 516,611</u>	<u>\$ 520,030</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 June 30, 2018

(Unaudited - dollars in thousands)

June 30, 2018

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
Available-for-sale				
Mortgage-backed securities	\$ 22,295	\$ 246	\$ (505)	\$ 22,036
State and political subdivisions	23,195	92	(442)	22,845
Total	<u>\$ 45,490</u>	<u>\$ 338</u>	<u>\$ (947)</u>	<u>\$ 44,881</u>

December 31, 2017

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
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 June 30, 2018

(Unaudited - dollars in thousands)

	June 30, 2018		December 31, 2017	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	\$ 275	\$ 280	\$ 2,271	\$ 2,284
Due after one but within five years	2,021	2,049	1,874	1,926
Due after five but within ten years	5,598	5,435	6,130	6,116
Due after ten years	15,301	15,081	15,886	16,031
	23,195	22,845	26,161	26,357
Mortgage-backed securities	22,295	22,036	17,932	18,071
	<u>\$ 45,490</u>	<u>\$ 44,881</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 June 30, 2018

(Unaudited - dollars in thousands)

	June 30, 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	\$ 8,921	\$ (152)	\$ 5,803	\$ (353)	\$ 14,724	\$ (505)
State and political subdivisions	9,175	(163)	6,301	(279)	15,476	(442)
Total	\$ 18,096	\$ (315)	\$ 12,104	\$ (632)	\$ 30,200	\$ (947)

	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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