

First Advantage Bancorp
Condensed Consolidated Balance Sheets

(Dollars in thousands except per share data)

	September 30, 2016 (Unaudited)	December 31, 2015
Assets		
Cash and due from banks	\$ 6,445	\$ 7,313
Interest-bearing demand deposits with banks	21,932	1,903
Federal funds sold	14,375	1,200
Cash and cash equivalents	42,752	10,416
Available-for-sale securities, at fair value	49,133	48,635
Other investments	1,000	-
Loans held for sale, at lower of cost or fair value	1,672	1,850
Loans, net of allowance for loan losses of \$6,432 and \$5,937 at September 30, 2016 and December 31, 2015, respectively	400,947	397,036
Premises and equipment, net	8,148	8,376
Foreclosed assets held for sale	639	640
Federal Home Loan Bank stock, at cost	2,988	2,988
Accrued interest receivable	2,159	2,045
Bank owned life insurance	13,659	12,775
Deferred tax asset	1,778	1,482
Other assets	827	1,130
Total assets	<u>\$ 525,702</u>	<u>\$ 487,373</u>
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Demand	\$ 43,147	\$ 42,535
Savings, checking and money market	194,188	162,168
Time certificates	176,829	157,561
Total deposits	414,164	362,264
Short-term borrowings	10,000	23,002
Long-term borrowings	32,356	33,000
Interest payable and other liabilities	3,545	2,935
Total liabilities	<u>460,065</u>	<u>421,201</u>
Shareholders' Equity		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, no shares issued or outstanding at September 30, 2016 or December 31, 2015	-	-
Common stock, \$0.01 par value, 50,000,000 shares authorized, 3,775,327 shares issued and 3,529,190 outstanding at September 30, 2016 and 3,875,601 shares issued and 3,628,389 outstanding at December 31, 2015	38	39
Additional paid in capital	35,956	37,298
Common stock held by:		
Nonqualified Deferred Compensation Plan	(2,143)	(2,024)
Employee Stock Ownership Plan	(1,439)	(1,439)
2008 Equity Incentive Plan	(408)	(420)
Retained earnings	33,033	32,205
Accumulated other comprehensive income	600	513
Total shareholders' equity	65,637	66,172
Total liabilities and shareholders' equity	<u>\$ 525,702</u>	<u>\$ 487,373</u>

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Interest and Dividend Income				
Loans	\$ 5,478	\$ 5,196	\$ 16,170	\$ 14,904
Investment securities	351	449	1,075	1,292
Other	86	49	184	133
Total interest and dividend income	5,915	5,694	17,429	16,329
Interest Expense				
Deposits	813	519	2,158	1,466
Securities sold under agreements to repurchase and other short-term borrowings	-	0	0	1
Federal Home Loan Bank advances	121	122	386	276
Borrowings with other banks	129	117	362	361
Total interest expense	1,063	758	2,906	2,104
Net Interest Income	4,852	4,936	14,523	14,225
Provision for Loan Losses	210	312	699	927
Net Interest Income After Provision for Loan Losses	4,642	4,624	13,824	13,298
Noninterest Income				
Service charges on deposit accounts and other fees	291	277	867	833
Loan servicing and other fees	15	16	46	50
Net gains on sales of loans held for sale	284	285	626	664
Net (loss) gain on sales of other real estate owned	-	(9)	-	(13)
Net realized gain on sales of available-for-sale securities	-	90	32	111
Insurance and brokerage commissions	22	11	64	39
Net realized loss on sales of other assets held-for-sale	-	-	-	(7)
Income from bank owned life insurance	85	93	260	280
Other	25	32	36	67
Total noninterest income	722	795	1,931	2,024
Noninterest Expense				
Salaries and employee benefits	2,605	2,386	7,683	7,010
Net occupancy expense	273	249	783	736
Equipment expense	318	260	941	758
Data processing fees	326	314	995	931
Professional fees	62	121	693	691
Marketing expense	90	112	222	311
Supplies and communication	(5)	23	337	321
Loan collection and repossession expense	25	26	37	153
Insurance expense	220	232	74	78
Mortgage loan outsourced servicing	2	2	6	6
Other	447	409	1,287	1,212
Total noninterest expense	4,363	4,134	13,058	12,207
Income Before Income Taxes	1,001	1,285	2,697	3,115
Provision for Income Taxes	246	400	720	933
Net Income	\$ 755	\$ 885	\$ 1,977	\$ 2,182
Per common share:				
Basic net income per common share	\$ 0.21	\$0.24	\$ 0.55	\$0.60
Diluted net income per common share	\$ 0.19	\$0.22	\$ 0.50	\$0.55
Dividends declared per common share	\$ 0.10	\$0.10	\$ 0.30	\$0.30
Basic weighted average common shares outstanding	3,533,429	3,640,873	3,584,537	3,659,260
Diluted weighted average common shares outstanding	3,890,347	3,982,998	3,949,379	3,982,174

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

	September 30	
	2016	2015
Operating Activities		
Net income	\$ 1,977	\$ 2,182
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	699	927
Depreciation, amortization and accretion	775	722
Deferred income taxes	(349)	(147)
Funding of mortgage loans held for sale	(20,416)	(22,085)
Proceeds from sale of mortgage loans held for sale	21,220	22,285
Net gain on sales of loans held for sale	(626)	(664)
Net realized gain on available for sale securities	(32)	(111)
Net realized gain on sales of other assets held-for-sale	-	-
Net writedown and losses on sale of other real estate owned	-	96
Net gain on sale of repossessed assets	-	(1)
Stock-based compensation	314	332
Bank owned life insurance	(259)	(758)
Increase in other assets	(355)	(82)
Decrease in other liabilities	610	946
Net cash provided by operating activities	3,558	3,642
Investing Activities		
Purchases of other investments	(1,000)	-
Proceeds from maturities of other investments	-	-
Purchases of securities available-for-sale	(15,600)	(11,709)
Proceeds from call/maturities and repayments of securities available-for-sale	10,611	2,167
Proceeds from sales of securities available-for-sale	5,069	1,834
Net increase in loans	(4,610)	(40,597)
Purchase of premises and equipment	(409)	(414)
Proceeds from sales of premises and equipment	-	-
Purchase of other assets held for sale	-	-
Purchase of bank owned life insurance	(625)	(280)
Proceeds from sale of other assets	-	-
Proceeds from sale of other real estate owned	1	801
Net cash used in by investing activities	(6,563)	(48,198)
Financing Activities		
Net (decrease) increase in demand deposits, money market, checking and savings accounts	32,632	7,336
Net increase in time deposits	19,268	18,890
Net decrease in short-term borrowings	(13,002)	(989)
Net (decrease) increase in long-term borrowings	(644)	21,500
Proceeds from stock option exercises	321	-
Stock repurchase/retired - repurchase program	(2,085)	(977)
Cash paid for dividends	(1,149)	(1,178)
Net cash provided by financing activities	35,341	44,582
Increase in Cash and Cash Equivalents	32,336	26
Cash and Cash Equivalents, Beginning of Period	10,416	10,727
Cash and Cash Equivalents, End of Period	42,752	10,753

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FIRST ADVANTAGE BANCORP
SELECTED FINANCIAL DATA

(Unaudited-Dollars in thousands)

	Three Months Ended September		Nine Months Ended September		Twelve Months Ended December
	2016	2015	2016	2015	2015
SELECTED FINANCIAL CONDITION DATA: END OF PERIOD BALANCES					
Assets	\$ 525,702	\$ 489,981	\$ 525,702	\$ 489,981	\$ 487,373
Available-for-sale Securities, at fair value	49,133	49,106	49,133	49,106	48,635
Loans, gross	407,379	405,582	407,379	405,582	402,973
Allowance for Loan Losses	6,432	5,646	6,432	5,646	5,937
Deposits	414,164	355,726	414,164	355,726	362,264
FHLB Advances and Other Borrowings	42,356	66,002	42,356	66,002	56,002
Common Shareholders' Equity	65,637	65,447	65,637	65,447	66,172
SELECTED FINANCIAL CONDITION DATA: AVERAGE BALANCES					
Assets	\$ 515,432	\$ 477,695	\$ 497,648	\$ 461,307	\$ 467,382
Earning Assets	488,352	451,117	471,327	435,730	441,645
Investment Securities	48,687	49,354	48,788	46,661	47,207
Other Investments	33,939	7,634	18,007	7,497	7,565
Loans, gross	405,726	394,129	404,533	381,572	386,873
Deposits	403,988	352,007	384,013	343,310	347,724
FHLB Advances and Other Borrowings	46,648	57,724	47,527	50,350	51,719
Common Shareholders' Equity	65,795	65,594	66,108	65,710	65,738
SELECTED OPERATING RESULTS:					
Interest and Dividend Income	\$ 5,915	\$ 5,694	\$ 17,429	\$ 16,329	\$ 22,115
Interest Expense	1,063	758	2,906	2,104	2,906
Net Interest Income	4,852	4,936	14,523	14,225	19,209
Provision for Loan Losses	210	312	699	927	1,235
Net Interest Income After Provision for Loan Losses	4,642	4,624	13,824	13,298	17,974
Noninterest Income	722	795	1,931	2,024	2,813
Noninterest Expense	4,363	4,134	13,058	12,207	15,977
Income Before Income Tax Expense	1,001	1,285	2,697	3,115	4,810
Income Tax Expense	246	400	720	933	1,453
Net Income	\$ 755	\$ 885	\$ 1,977	\$ 2,182	\$ 3,357
Basic Net Income Per Common Share	\$ 0.21	\$ 0.24	\$ 0.55	\$ 0.60	\$ 0.92
Diluted Net Income per Common Share	0.19	0.22	0.50	0.55	0.85
Dividends paid per common share	0.10	0.10	0.30	0.30	0.40
Book Value Per Common Share - Basic	18.60	18.02	18.60	18.02	18.24
Book Value Per Common Share - Diluted	16.87	16.43	16.62	16.43	16.69
Common Shares Outstanding	3,529,190	3,631,842	3,529,190	3,631,842	3,628,389
Basic Weighted Average Common Shares Outstanding	3,533,429	3,640,873	3,584,537	3,659,260	3,637,581
Diluted Weighted Average Common Shares Outstanding	3,890,347	3,982,998	3,949,379	3,982,174	3,965,607
SELECTED RATIOS (quarterly rates annualized):					
Return on Average Assets	0.58 %	0.74 %	0.53 %	0.63 %	0.72 %
Return on Average Common Shareholders' Equity	4.57	5.35	3.99	4.44	5.11
Average Common Shareholders' Equity to Average Assets	12.77	13.73	13.28	14.24	14.07
Net Interest Margin	3.95	4.34	4.12	4.36	4.35
Efficiency: Expense to Revenue	78.27	72.13	79.36	75.12	72.55
SELECTED ASSET QUALITY:					
Net (Recoveries) Charge-offs	\$ 90	\$ 46	\$ 185	\$ 547	\$ 564
Classified Assets	14,031	15,571	14,031	15,571	16,228
Nonperforming Loans	8,158	9,660	8,158	9,660	10,080
Nonperforming Assets	8,797	10,321	8,797	10,321	10,721
Troubled Debt Restructurings	1,975	1,748	1,975	1,748	1,460
Total Nonperforming Loans to Total Loans	2.00 %	2.37 %	2.00 %	2.37 %	2.50 %
Total Nonperforming Loans to Total Assets	1.55 %	1.97 %	1.55 %	1.97 %	2.07 %
Total Nonperforming Assets to Total Assets	1.67 %	2.11 %	1.67 %	2.11 %	2.20 %

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First Advantage Bancorp

Loan Portfolio Composition

(Dollars in thousands)

	At September 30,		At December 31,	
	2016		2015	
	Amount	Percent	Amount	Percent
	(Dollars in thousands)		(Dollars in thousands)	
Real estate loans:				
Permanent loans:				
One-to-four family	\$ 66,592	16.3 %	\$ 68,882	17.1 %
Multi-family	28,861	7.1	30,421	7.5
Nonresidential	126,810	31.0	130,259	32.2
Construction loans:		-		-
One-to-four family	33,970	8.3	35,898	8.9
Multi-family	7,132	1.8	13,796	3.4
Nonresidential	14,044	3.4	6,607	1.6
Land loans	14,794	3.6	19,921	4.9
Total real estate loans	<u>292,203</u>	<u>71.5</u>	<u>305,784</u>	<u>75.6</u>
Consumer:				
Home equity loans and lines of credit	19,914	4.9	21,271	5.3
Auto loans	125	-	182	0.1
Deposit loans	0	-	121	-
Overdrafts	47	-	42	-
Other	48,201	11.8	28,058	6.9
Total consumer and other loans	<u>68,287</u>	<u>16.7</u>	<u>49,674</u>	<u>12.3</u>
Commercial loans	<u>48,094</u>	<u>11.8</u>	<u>48,477</u>	<u>12.1</u>
Total loans	408,584	100.00 %	403,935	100.00 %
Allowance for loan losses	(6,432)		(5,937)	
Net deferred loan costs	<u>(1,205)</u>		<u>(962)</u>	
Loans receivable, net	<u>\$ 400,947</u>		<u>\$ 397,036</u>	

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First Advantage Bancorp

Breakdown of Allowance for Loan Losses

(Dollars in thousands)

	At September 30,			At December 31,		
	2016			2015		
	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	\$ 295	4.6 %	16.3 %	\$ 450	7.6 %	17.1 %
Multi-family and nonresidential	2,153	33.5	38.1	2,033	34.2	39.7
Construction	194	3.0	13.5	172	2.9	13.9
Land	137	2.1	3.6	165	2.8	4.9
Consumer	950	14.8	16.7	577	9.7	12.3
Commercial	2,703	42.0	11.8	2,540	42.8	12.1
Total allowance for loan losses	\$ 6,432	100.0 %	100.0 %	\$ 5,937	100.0 %	100.0 %

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First Advantage Bancorp

Credit Quality Indicators as of September 30, 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	\$ 64,866	\$ 148,581	\$ 55,121	\$ 14,260	\$ 67,276	\$ 44,449	\$ 394,553
Special mention	337	4,611	-	153	-	75	5,176
Substandard	1,389	2,479	25	381	1,011	3,570	8,855
Doubtful	-	-	-	-	-	-	-
Total	<u>\$ 66,592</u>	<u>\$ 155,671</u>	<u>\$ 55,146</u>	<u>\$ 14,794</u>	<u>\$ 68,287</u>	<u>\$ 48,094</u>	<u>\$ 408,584</u>

Credit Quality Indicators as of December 31, 2015

(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	\$ 67,427	\$ 152,020	\$ 55,360	\$ 19,130	\$ 49,275	\$ 44,495	\$ 387,707
Special mention	421	-	-	389	187	149	1,146
Substandard	1,034	8,660	941	402	212	3,833	15,082
Doubtful	-	-	-	-	-	-	-
Total	<u>\$ 68,882</u>	<u>\$ 160,680</u>	<u>\$ 56,301</u>	<u>\$ 19,921</u>	<u>\$ 49,674</u>	<u>\$ 48,477</u>	<u>\$ 403,935</u>

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First Advantage Bancorp

Breakdown of Nonaccrual Loans

(Dollars in thousands)

	At September 30, 2016	At December 31, 2015
Non-accrual loans:		
One- to four-family	1,195	818
Multi-family and nonresidential	2,372	3,933
Construction	218	939
Land		216
Mortgage - 2nd	101	3
Consumer and other	819	379
Commercial	3,453	3,792
Total	8,158	10,080
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	639	639
Other non-performing assets	-	2
Total non-performing assets	8,797	10,721
Total non-performing loans to total loans	2.00%	2.50%
Total non-performing loans to total assets	1.55%	2.07%
Total non-performing assets to total assets	1.67%	2.20%

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First Advantage Bancorp

Age Analysis of Past Due Loans

As of September 30, 2016

(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	\$ 114	\$ 26	\$ 385	\$ 525	\$ 66,067	\$ 66,592	\$ -
Multifamily/nonresidential	-	-	1,403	\$ 1,403	154,268	155,671	-
Construction	-	-	-	\$ -	55,146	55,146	-
Land	41	-	-	\$ 41	14,753	14,794	-
Consumer and other	537	38	371	\$ 946	67,341	68,287	-
Commercial	31	151	357	\$ 539	47,555	48,094	-
Total	<u>\$ 723</u>	<u>\$ 215</u>	<u>\$ 2,516</u>	<u>\$ 3,454</u>	<u>\$ 405,130</u>	<u>\$ 408,584</u>	<u>\$ -</u>

Age Analysis of Past Due Loans

As of December 31, 2015

	<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	\$ 737	\$ -	\$ 144	\$ 881	\$ 68,001	\$ 68,882	\$ -
Multifamily/nonresidential	309	166	1,403	1,878	158,802	160,680	-
Construction	-	-	834	834	55,467	56,301	-
Land	-	-	-	-	19,921	19,921	-
Consumer and other	651	-	74	725	48,949	49,674	-
Commercial	1,193	-	553	1,746	46,731	48,477	-
Total	<u>\$ 2,890</u>	<u>\$ 166</u>	<u>\$ 3,008</u>	<u>\$ 6,064</u>	<u>\$ 397,871</u>	<u>\$ 403,935</u>	<u>\$ -</u>

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First Advantage Bancorp

Investment Securities Portfolio

As of September 30, 2016

(Unaudited - dollars in thousands)

September 30, 2016

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Approximate Fair Value</u>
Available-for-sale				
U. S. Treasury	\$ -	\$ -	\$ -	\$ -
U. S. Government agencies and corporations	-	-	-	-
Mortgage-backed securities	19,144	807	(23)	19,928
State and political subdivisions	28,391	822	(8)	29,205
Total	<u>\$ 47,535</u>	<u>\$ 1,629</u>	<u>\$ (31)</u>	<u>\$ 49,133</u>

December 31, 2015

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Approximate Fair Value</u>
Available-for-sale				
U. S. Treasury	\$ 4,505	\$ 40	\$ -	\$ 4,545
U. S. Government agencies and corporations	7,999	14	(217)	7,796
Mortgage-backed securities	12,098	672	(44)	12,726
State and political subdivisions	23,119	512	(63)	23,568
Total	<u>\$ 47,721</u>	<u>\$ 1,238</u>	<u>\$ (324)</u>	<u>\$ 48,635</u>

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First Advantage Bancorp

Contractual Maturities of Investment Securities

As of September 30, 2016

(Unaudited - dollars in thousands)

	September 30, 2016		December 31, 2015	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	\$ 1,098	\$ 1,103	\$ 5,842	\$ 5,912
Due after one but within five years	2,376	2,479	1,832	1,951
Due after five but within ten years	4,592	4,753	3,612	3,732
Due after ten years	20,325	20,870	24,337	24,314
	28,391	29,205	35,623	35,909
Mortgage-backed securities	19,144	19,928	12,098	12,726
	\$ 47,535	\$ 49,133	\$ 47,721	\$ 48,635

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First Advantage Bancorp

Age Analysis of Gross Unrealized Losses on Investment Securities

As of September 30, 2016

(Unaudited - dollars in thousands)

	September 30, 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	4,215	(23)	-	-	4,215	(23)
State and political subdivisions	760	(8)	-	-	760	(8)
Total	\$ 4,975	\$ (31)	\$ -	\$ -	4,975	\$ (31)

	December 31, 2015					
	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:	\$ -	\$ -	\$ 4,282	\$ (217)	\$ 4,282	\$ (217)
Mortgage-backed securities	1,815	(16)	1,121	(28)	2,936	(44)
State and political subdivisions	5,616	(63)	-	-	5,616	(63)
Total	\$ 7,431	\$ (79)	\$ 5,403	\$ (245)	12,834	\$ (324)

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