

First Advantage Bancorp
Condensed Consolidated Balance Sheets

(Dollars in thousands except per share data)

	September 30, 2017 (Unaudited)	December 31, 2016
Assets		
Cash and due from banks	\$ 6,931	\$ 7,996
Interest-bearing demand deposits with banks	2,583	13,664
Time deposits at other banks	250	-
Federal funds sold	425	8,975
Cash and cash equivalents	10,189	30,635
Available-for-sale securities, at fair value	44,533	46,489
Loans held for sale, at lower of cost or fair value	1,487	1,186
Loans, net of allowance for loan losses of \$6,936 and \$6,498 at September 30, 2017 and December 31, 2016, respectively	463,203	417,244
Premises and equipment, net	7,791	8,018
Foreclosed assets held for sale	538	845
Federal Home Loan Bank stock, at cost	2,988	2,988
Accrued interest receivable	2,573	2,392
Bank owned life insurance	13,993	13,745
Deferred tax asset	3,456	2,061
Other assets	1,932	2,837
Total assets	<u>\$ 552,683</u>	<u>\$ 528,440</u>
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Demand	\$ 48,319	\$ 45,120
Savings, checking and money market	236,908	206,250
Time certificates	139,442	165,558
Total deposits	424,669	416,928
Short-term borrowings	23,000	10,000
Long-term borrowings	31,378	32,113
Interest payable and other liabilities	4,744	3,853
Total liabilities	<u>483,791</u>	<u>462,894</u>
Shareholders' Equity		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, no shares issued or outstanding at September 30, 2017 or December 31, 2016	-	-
Common stock, \$0.01 par value, 50,000,000 shares authorized, 3,825,654 shares issued and 3,612,108 outstanding at September 30, 2017 and 3,762,497 shares issued and 3,546,176 outstanding at December 31, 2016	38	38
Additional paid in capital	37,286	36,079
Common stock held by:		
Nonqualified Deferred Compensation Plan	(2,404)	(2,169)
Employee Stock Ownership Plan	(1,557)	(1,562)
2008 Equity Incentive Plan	(412)	(408)
Retained earnings	35,703	33,573
Accumulated other comprehensive income	238	(5)
Total shareholders' equity	68,892	65,546
Total liabilities and shareholders' equity	<u>\$ 552,683</u>	<u>\$ 528,440</u>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Interest and Dividend Income				
Loans	\$ 6,377	\$ 5,478	\$ 18,405	\$ 16,170
Investment securities	332	351	1,013	1,075
Other	65	86	208	184
Total interest and dividend income	6,774	5,915	19,626	17,429
Interest Expense				
Deposits	838	813	2,506	2,158
Federal Home Loan Bank advances	122	121	439	386
Borrowings with other banks	173	129	361	362
Total interest expense	1,133	1,063	3,306	2,906
Net Interest Income	5,641	4,852	16,320	14,523
Provision for Loan Losses	312	210	694	699
Net Interest Income After Provision for Loan Losses	5,329	4,642	15,626	13,824
Noninterest Income				
Service charges on deposit accounts and other fees	303	291	895	867
Loan servicing and other fees	14	15	54	46
Net gains on sales of loans held for sale	201	284	573	626
Net (loss) gain on sales of other real estate owned	133	-	533	-
Net realized gain on sales of available-for-sale securities	12	-	12	32
Insurance and brokerage commissions	60	22	133	64
Income from bank owned life insurance	86	85	248	260
Other	9	25	26	36
Total noninterest income	818	722	2,474	1,931
Noninterest Expense				
Salaries and employee benefits	2,658	2,605	7,939	7,683
Net occupancy expense	311	273	931	783
Equipment expense	303	318	929	941
Data processing fees	333	326	993	995
Professional fees	249	220	725	693
Marketing expense	85	62	214	222
Supplies and communication	115	90	340	337
Loan collection and repossession expense	(9)	(5)	40	37
Insurance expense	25	25	68	74
Mortgage loan outsourced servicing	5	2	11	6
Other	375	447	1,165	1,287
Total noninterest expense	4,450	4,363	13,355	13,058
Income Before Income Taxes	1,697	1,001	4,745	2,697
Provision for Income Taxes	558	246	1,472	720
Net Income	\$ 1,139	\$ 755	\$ 3,273	\$ 1,977
Per common share:				
Basic net income per common share	\$ 0.32	\$0.21	\$ 0.91	\$0.55
Diluted net income per common share	\$ 0.28	\$0.19	\$ 0.81	\$0.50
Dividends declared per common share	\$ 0.10	\$0.10	\$ 0.30	\$0.30
Basic weighted average common shares outstanding	3,614,058	3,533,429	3,596,173	3,584,537
Diluted weighted average common shares outstanding	4,053,457	3,890,347	4,044,092	3,949,379

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

	September 30	
	2017	2016
Operating Activities		
Net income	\$ 3,273	\$ 1,977
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	694	699
Depreciation, amortization and accretion	832	775
Deferred income taxes	(1,542)	(349)
Funding of mortgage loans held for sale	(17,272)	(20,416)
Proceeds from sale of mortgage loans held for sale	17,544	21,220
Net gain on sales of loans held for sale	(573)	(626)
Net realized gain on available for sale securities	(12)	(32)
Net realized gain on sales of other assets held-for-sale	(400)	-
Net gain on sale of other real estate owned	(279)	-
Net gain on sale of repossessed assets	(13)	-
Stock-based compensation	406	314
Bank owned life insurance	(248)	(259)
Decrease (increase) in other assets	711	(355)
Increase in other liabilities	890	610
	<u>4,012</u>	<u>3,558</u>
Net cash provided by operating activities		
Investing Activities		
Purchase of other investments	-	(1,000)
Purchases of securities available-for-sale	(1,567)	(15,600)
Proceeds from call/maturities and repayments of securities available-for-sale	1,361	10,611
Proceeds from sales of securities available-for-sale	2,387	5,069
Net increase in loans	(47,023)	(4,610)
Purchase of premises and equipment	(415)	(409)
Purchase of bank owned life insurance	-	(625)
Proceeds from sale of other assets	400	-
Proceeds from sale of other real estate owned	956	1
Proceeds from sale of repossessed assets	13	-
	<u>(43,888)</u>	<u>(6,563)</u>
Net cash used in by investing activities		
Financing Activities		
Net increase in demand deposits, money market, checking and savings accounts	33,857	32,632
Net (decrease) increase in time deposits	(26,116)	19,268
Net increase (decrease) in short-term borrowings	13,000	(13,002)
Net decrease in long-term borrowings	(735)	(644)
Proceeds from stock option exercises	759	321
Stock repurchase/retired - repurchase program	(192)	(2,085)
Cash paid for dividends	(1,143)	(1,149)
	<u>19,430</u>	<u>35,341</u>
Net cash provided by financing activities		
(Decrease) increase in Cash and Cash Equivalents	(20,446)	32,336
Cash and Cash Equivalents, Beginning of Period	<u>30,635</u>	<u>10,416</u>
Cash and Cash Equivalents, End of Period	<u><u>10,189</u></u>	<u><u>42,752</u></u>

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FIRST ADVANTAGE BANCORP
SELECTED FINANCIAL DATA

(Unaudited-Dollars in thousands)

	Three Months Ended September		Nine Months Ended September		Year Ended December
	2017	2016	2017	2016	2016
SELECTED FINANCIAL CONDITION DATA: END OF PERIOD BALANCES					
Assets	\$ 552,683	\$ 525,702	\$ 552,683	\$ 525,702	\$ 528,440
Available-for-sale Securities, at fair value	44,533	49,133	44,533	49,133	46,489
Loans, gross	470,139	407,379	470,139	407,379	423,742
Allowance for Loan Losses	6,936	6,432	6,936	6,432	6,498
Deposits	424,669	414,164	424,669	414,164	416,928
FHLB Advances and Other Borrowings	54,378	42,356	54,378	42,356	42,113
Common Shareholders' Equity	68,892	65,637	68,892	65,637	65,546
SELECTED FINANCIAL CONDITION DATA: AVERAGE BALANCES					
Assets	\$ 542,870	\$ 515,432	\$ 535,137	\$ 497,648	\$ 504,088
Earning Assets	514,356	488,352	506,226	471,327	477,315
Investment Securities	45,739	48,687	45,965	48,788	48,684
Other Investments	8,661	33,939	13,304	13,007	22,328
Loans, gross	459,955	405,726	446,957	404,533	406,303
Deposits	412,585	403,988	414,419	384,013	390,978
FHLB Advances and Other Borrowings	61,517	45,648	53,099	47,527	44,068
Common Shareholders' Equity	68,768	65,795	67,619	66,108	65,987
SELECTED OPERATING RESULTS:					
Interest and Dividend Income	\$ 6,774	\$ 5,915	\$ 19,626	\$ 17,429	\$ 23,446
Interest Expense	1,133	1,063	3,306	2,906	3,987
Net Interest Income	5,641	4,852	16,320	14,523	19,459
Provision for Loan Losses	312	210	694	699	815
Net Interest Income After Provision for Loan Losses	5,329	4,642	15,626	13,824	18,644
Noninterest Income	818	722	2,474	1,931	2,627
Noninterest Expense	4,450	4,363	13,355	13,058	17,182
Income Before Income Tax Expense	1,697	1,001	4,745	2,697	4,089
Income Tax Expense	558	246	1,472	720	1,195
Net Income	\$ 1,139	\$ 755	\$ 3,273	\$ 1,977	\$ 2,894
Basic Net Income Per Common Share	\$ 0.32	\$ 0.21	\$ 0.91	\$ 0.55	\$ 0.80
Diluted Net Income per Common Share	0.28	0.19	0.81	0.50	0.73
Dividends paid per common share	0.10	0.10	0.30	0.30	0.40
Book Value Per Common Share	18.01	18.60	18.01	18.60	18.48
Book Value Per Common Share - Diluted	17.00	16.87	17.04	16.62	16.45
Common Shares Outstanding	3,825,654	3,529,190	3,825,654	3,529,190	3,546,176
Basic Weighted Average Common Shares Outstanding	3,614,058	3,533,429	3,596,173	3,584,537	3,606,441
Diluted Weighted Average Common Shares Outstanding	4,053,457	3,890,347	4,044,092	3,949,379	3,985,425
SELECTED RATIOS (quarterly rates annualized):					
Return on Average Assets	0.83 %	0.58 %	0.82 %	0.53 %	0.57 %
Return on Average Common Shareholders' Equity	6.57	4.57	6.47	3.99	4.39
Average Common Shareholders' Equity to Average Assets	12.67	12.77	12.64	13.28	13.09
Net Interest Margin	4.35	3.95	4.31	4.12	4.08
Efficiency: Expense to Revenue	68.90	78.27	71.06	79.36	77.80
SELECTED ASSET QUALITY:					
Net (Recoveries) Charge-offs	\$ 131	\$ 90	\$ 242	\$ 185	\$ 219
Classified Assets	13,930	14,031	13,930	14,031	15,603
Nonperforming Loans	6,854	8,158	6,854	8,158	8,237
Nonperforming Assets	7,392	8,797	7,392	8,797	9,082
Troubled Debt Restructurings	2,671	1,975	2,671	1,975	1,965
Total Nonperforming Loans to Total Loans	1.48 %	2.00 %	1.48 %	2.00 %	1.97 %
Total Nonperforming Loans to Total Assets	1.24 %	1.55 %	1.24 %	1.55 %	1.56 %
Total Nonperforming Assets to Total Assets	1.34 %	1.67 %	1.34 %	1.67 %	1.72 %

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First Advantage Bancorp

Loan Portfolio Composition

(Dollars in thousands)

	At September 30,		At December 31,	
	2017		2016	
	Amount	Percent	Amount	Percent
	(Dollars in thousands)		(Dollars in thousands)	
Real estate loans:				
Permanent loans:				
One-to-four family	\$ 67,038	14.2 %	\$ 65,421	15.4 %
Multi-family	28,538	6.0	35,306	8.3
Nonresidential	158,920	33.7	146,103	34.4
Construction loans:				
One-to-four family	23,821	5.0	29,764	7.0
Multi-family	733	0.2	5,254	1.2
Nonresidential	22,974	4.9	7,459	1.8
Land loans	12,074	2.6	14,771	3.5
Total real estate loans	<u>314,098</u>	<u>66.6</u>	<u>304,078</u>	<u>71.6</u>
Consumer:				
Home equity loans and lines of credit	22,420	4.8	21,103	5.0
Auto loans	168	-	116	-
Deposit loans	0	-	326	-
Overdrafts	64	-	55	-
Other	80,579	17.1	53,421	12.6
Total consumer and other loans	<u>103,231</u>	<u>21.9</u>	<u>75,021</u>	<u>17.6</u>
Commercial loans	<u>54,364</u>	<u>11.5</u>	<u>45,943</u>	<u>10.8</u>
Total loans	471,693	100.0 %	425,042	100.00 %
Allowance for loan losses	(6,936)		(6,498)	
Net deferred loan costs	(1,554)		(1,300)	
Loans receivable, net	<u>\$ 463,203</u>		<u>\$ 417,244</u>	

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First Advantage Bancorp

Breakdown of Allowance for Loan Losses

(Dollars in thousands)

	At September 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	\$ 304	4.4 %	14.2 %	\$ 312	4.8 %	15.4 %
Multi-family and nonresidential	1,843	26.6	39.7	2,279	35.1	42.7
Construction	101	1.5	10.1	167	2.6	10.0
Land	70	1.0	2.6	120	1.8	3.5
Consumer	1,528	22.0	21.9	1,044	16.1	17.6
Commercial	3,090	44.5	11.5	2,576	39.6	10.8
Total allowance for loan losses	\$ 6,936	100.0 %	100.0 %	\$ 6,498	100.0 %	100.0 %

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First Advantage Bancorp

Credit Quality Indicators as of September 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	\$ 65,495	\$ 183,516	\$ 47,449	\$ 11,694	\$ 101,126	\$ 51,604	\$ 460,884
Special mention	326	-	-	-	95	138	559
Substandard	1,217	3,942	79	380	2,010	2,622	10,250
Doubtful	-	-	-	-	-	-	-
Total	<u>\$ 67,038</u>	<u>\$ 187,458</u>	<u>\$ 47,528</u>	<u>\$ 12,074</u>	<u>\$ 103,231</u>	<u>\$ 54,364</u>	<u>\$ 471,693</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

Breakdown of Nonaccrual Loans

(Dollars in thousands)

	At September 30, 2017	At December 31, 2016
Non-accrual loans:		
One- to four-family	972	1,082
Multi-family and nonresidential	2,704	2,810
Construction	-	24
Land	192	193
Mortgage - 2nd	421	266
Consumer and other	1,140	623
Commercial	1,425	3,239
Total	6,854	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	78	755
Other non-performing assets	460	90
Total non-performing assets	7,392	9,082
Total non-performing loans to total loans	1.48%	1.97%
Total non-performing loans to total assets	1.24%	1.56%
Total non-performing assets to total assets	1.34%	1.72%

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First Advantage Bancorp

Age Analysis of Past Due Loans

As of September 30, 2017

(Dollars in thousands)

	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans	Loans >90 Days and Accruing
One-to-four family	\$ 375	\$ 304	\$ 352	\$ 1,031	\$ 66,007	\$ 67,038	\$ -
Multifamily/nonresidential	323	-	604	\$ 927	186,531	187,458	-
Construction	429	-	-	\$ 429	47,099	47,528	-
Land	-	-	-	\$ -	12,074	12,074	-
Consumer and other	208	263	960	\$ 1,431	101,800	103,231	-
Commercial	70	734	500	\$ 1,304	53,060	54,364	-
Total	\$ 1,405	\$ 1,301	\$ 2,416	\$ 5,122	\$ 466,571	\$ 471,693	\$ -

Age Analysis of Past Due Loans

As of December 31, 2016

	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans	Loans >90 Days and Accruing
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	\$ 872	\$ 551	\$ 1,850	\$ 3,273	\$ 421,769	\$ 425,042	\$ -

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First Advantage Bancorp

Investment Securities Portfolio

As of September 30, 2017

(Unaudited - dollars in thousands)

September 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	17,403	445	(194)	17,654
State and political subdivisions	26,761	290	(172)	26,879
Total	<u>\$ 44,164</u>	<u>\$ 735</u>	<u>\$ (366)</u>	<u>\$ 44,533</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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First Advantage Bancorp

Contractual Maturities of Investment Securities

As of September 30, 2017

(Unaudited - dollars in thousands)

	September 30, 2017		December 31, 2016	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	\$ 1,751	\$ 1,772	\$ 467	\$ 479
Due after one but within five years	1,911	1,982	2,139	2,213
Due after five but within ten years	7,148	7,176	4,560	4,597
Due after ten years	15,951	15,949	20,052	19,695
	26,761	26,879	27,218	26,984
Mortgage-backed securities	17,403	17,654	19,306	19,505
	\$ 44,164	\$ 44,533	\$ 46,524	\$ 46,489

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First Advantage Bancorp

Age Analysis of Gross Unrealized Losses on Investment Securities

As of September 30, 2017

(Unaudited - dollars in thousands)

	September 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	5,598	(71)	-	-	5,598	(71)
State and political subdivisions	10,266	(155)	-	-	10,266	(155)
Total	\$ 15,864	\$ (226)	\$ -	\$ -	15,864	\$ (226)

	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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