

First Advantage Bancorp
Condensed Consolidated Balance Sheets

(Dollars in thousands except per share data)

	September 30, 2018 (Unaudited)	December 31, 2017
Assets		
Cash and due from banks	\$ 6,306	\$ 5,800
Interest-bearing demand deposits with banks	2,881	3,174
Time deposits at other banks	250	-
Federal funds sold	925	475
Cash and cash equivalents	10,362	9,449
Available-for-sale securities, at fair value	43,390	44,428
Loans held for sale, at lower of cost or fair value	876	802
Loans, net of allowance for loan losses of \$5,702 and \$5,660 at September 30, 2018 and December 31, 2017, respectively	543,821	483,801
Premises and equipment, net	7,395	7,680
Foreclosed assets held for sale	1,225	955
Federal Home Loan Bank stock, at cost	2,988	2,988
Accrued interest receivable	2,858	2,978
Bank owned life insurance	14,313	14,075
Deferred tax asset	2,465	1,993
Other assets	2,492	2,353
Total assets	<u>\$ 632,185</u>	<u>\$ 571,502</u>
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Demand	\$ 58,382	\$ 49,195
Savings, checking and money market	261,093	256,680
Time certificates	165,104	138,317
Total deposits	484,579	444,192
Short-term borrowings	30,000	21,000
Long-term borrowings	35,383	31,131
Interest payable and other liabilities	6,428	5,363
Total liabilities	<u>556,390</u>	<u>501,686</u>
Shareholders' Equity		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, no shares issued or outstanding at September 30, 2018 or December 31, 2017	-	-
Common stock, \$0.01 par value, 50,000,000 shares authorized, 4,070,364 shares issued and 3,889,990 outstanding at September 30, 2018 and 3,827,331 shares issued and 3,584,382 outstanding at December 31, 2017	41	38
Additional paid in capital	40,187	37,236
Common stock held by:		
Nonqualified Deferred Compensation Plan	(2,604)	(2,428)
Employee Stock Ownership Plan	(1,263)	(1,263)
2008 Equity Incentive Plan	(382)	(413)
Retained earnings	40,107	36,343
Accumulated other comprehensive income	(291)	303
Total shareholders' equity	75,795	69,816
Total liabilities and shareholders' equity	<u>\$ 632,185</u>	<u>\$ 571,502</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,	
	2018	2017	2018	2017
Interest and Dividend Income				
Loans	\$ 7,905	\$ 6,377	\$ 22,122	\$ 18,405
Investment securities	296	332	921	1,013
Other	80	65	238	208
Total interest and dividend income	8,281	6,774	23,281	19,626
Interest Expense				
Deposits	1,417	838	3,722	2,506
Federal Home Loan Bank advances	0	122	789	439
Borrowings with other banks	295	173	58	361
Total interest expense	1,712	1,133	4,569	3,306
Net Interest Income	6,569	5,641	18,712	16,320
Provision for Loan Losses	225	312	430	694
Net Interest Income After Provision for Loan Losses	6,344	5,329	18,282	15,626
Noninterest Income				
Service charges on deposit accounts and other fees	295	303	869	895
Loan servicing and other fees	30	14	100	54
Net gains on sales of loans held for sale	155	201	798	573
Net (loss) gain on sales of other real estate owned	-	133	6	533
Net realized gain on sales of available-for-sale securities	-	12	-	12
Insurance and brokerage commissions	77	60	183	133
Income from bank owned life insurance	80	86	238	248
Other	56	9	94	26
Total noninterest income	693	818	2,288	2,474
Noninterest Expense				
Salaries and employee benefits	2,835	2,658	8,434	7,939
Net occupancy expense	324	311	959	931
Equipment expense	249	303	796	929
Data processing fees	324	333	1,007	993
Professional fees	249	249	766	725
Marketing expense	78	85	182	214
Supplies and communication	83	115	248	340
Loan collection and repossession expense	124	(9)	299	40
Insurance expense	27	25	74	68
Mortgage loan outsourced servicing	(1)	5	(4)	11
Other	428	375	1,419	1,165
Total noninterest expense	4,720	4,450	14,180	13,355
Income Before Income Taxes	2,317	1,697	6,390	4,745
Provision for Income Taxes	417	558	1,061	1,472
Net Income	\$ 1,900	\$ 1,139	\$ 5,329	\$ 3,273
Per common share:				
Basic net income per common share	\$ 0.49	\$0.32	\$ 1.42	\$0.91
Diluted net income per common share	\$ 0.45	\$0.28	\$ 1.30	\$0.81
Dividends declared per common share	\$ 0.13	\$0.10	\$ 0.39	\$0.30
Basic weighted average common shares outstanding	3,871,279	3,614,058	3,755,310	3,596,173
Diluted weighted average common shares outstanding	4,210,975	4,053,457	4,086,360	4,044,092

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

	September 30	
	2018	2017
Operating Activities		
Net income	\$ 5,329	\$ 3,273
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	430	694
Depreciation, amortization and accretion	835	833
Deferred income taxes	(256)	(1,542)
Funding of mortgage loans held for sale	(16,771)	(17,272)
Proceeds from sale of mortgage loans held for sale	17,495	17,544
Net gain on sales of loans held for sale	(798)	(573)
Net realized gain on available for sale securities	-	(12)
Net realized gain on sales of other assets held-for-sale	-	(400)
Net (gain) loss on sale of other real estate owned	(6)	(279)
Net gain on sale of repossessed assets	(81)	(13)
Stock-based compensation	492	406
Bank owned life insurance	(238)	(248)
Decrease in other assets	375	711
Decrease in other liabilities	1,065	890
Net cash provided by operating activities	7,872	4,012
Investing Activities		
Purchases of securities available-for-sale	(6,164)	(1,567)
Proceeds from call/maturities and repayments of securities available-for-sale	5,731	1,361
Proceeds from sales of securities available-for-sale	-	2,387
Net increase in loans	(60,719)	(47,023)
Purchase of premises and equipment	(319)	(415)
Proceeds from sale of other assets	-	400
Proceeds from sale of other real estate owned	6	956
Proceeds from sale of repossessed assets	81	13
Net cash used in by investing activities	(61,384)	(43,888)
Financing Activities		
Net increase in demand deposits, money market, checking and savings accounts	13,600	33,857
Net increase (decrease) in time deposits	26,787	(26,116)
Net (decrease) increase in short-term borrowings	9,000	13,000
Net increase (decrease) in long-term borrowings	19,252	(735)
Repayment of long-term debt	(15,000)	-
Proceeds from stock option exercises	2,715	759
Stock repurchase/retired - repurchase program	(398)	(192)
Cash paid for dividends	(1,531)	(1,143)
Net cash provided by financing activities	54,425	19,430
Increase (decrease) in Cash and Cash Equivalents	913	(20,446)
Cash and Cash Equivalents, Beginning of Period	9,449	30,635
Cash and Cash Equivalents, End of Period	10,362	10,189

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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
	2018	2017	2018	2017	2017
SELECTED FINANCIAL CONDITION DATA: END OF PERIOD BALANCES					
Assets	\$ 632,185	\$ 552,683	\$ 632,185	\$ 552,683	\$ 571,502
Available-for-sale Securities, at fair value	43,390	44,533	43,390	44,533	44,428
Loans, gross	549,523	470,139	549,523	470,139	489,461
Allowance for Loan Losses	5,702	6,936	5,702	6,936	5,660
Deposits	484,579	424,669	484,579	424,669	444,192
FHLB Advances and Other Borrowings	65,383	54,378	65,383	54,378	52,131
Common Shareholders' Equity	75,795	68,892	75,795	68,892	69,816
SELECTED FINANCIAL CONDITION DATA: AVERAGE BALANCES					
Assets	\$ 612,822	\$ 542,870	\$ 595,330	\$ 535,137	\$ 542,071
Earning Assets	582,590	514,356	565,598	506,226	513,178
Investment Securities	44,295	45,739	44,307	45,965	45,496
Other Investments	8,920	8,661	9,842	13,304	12,106
Loans, gross	529,404	459,955	511,449	446,957	455,576
Deposits	474,854	412,585	462,722	414,419	418,927
FHLB Advances and Other Borrowings	56,930	61,517	55,138	53,099	51,039
Common Shareholders' Equity	75,344	68,768	72,421	67,619	68,147
SELECTED OPERATING RESULTS:					
Interest and Dividend Income	\$ 8,281	\$ 6,774	\$ 23,281	\$ 19,626	\$ 26,804
Interest Expense	1,712	1,133	4,569	3,306	4,573
Net Interest Income	6,569	5,641	18,712	16,320	22,231
Provision for Loan Losses	225	312	430	694	(420)
Net Interest Income After Provision for Loan Losses	6,344	5,329	18,282	15,626	22,651
Noninterest Income	693	818	2,288	2,474	3,235
Noninterest Expense	4,720	4,450	14,180	13,355	18,036
Income Before Income Tax Expense	2,317	1,697	6,390	4,745	7,850
Income Tax Expense	417	558	1,061	1,472	3,555
Net Income	\$ 1,900	\$ 1,139	\$ 5,329	\$ 3,273	\$ 4,295
Basic Net Income Per Common Share	\$ 0.49	\$ 0.32	\$ 1.42	\$ 0.91	\$ 1.19
Diluted Net Income per Common Share	0.45	0.28	1.30	0.81	1.06
Dividends paid per common share	0.13	0.10	0.39	0.30	0.40
Book Value Per Common Share	18.62	18.01	18.62	18.01	18.24
Book Value Per Common Share - Diluted	18.00	17.00	18.55	17.04	17.27
Common Shares Outstanding	4,070,364	3,825,654	4,070,364	3,825,654	3,827,331
Basic Weighted Average Common Shares Outstanding	3,871,279	3,614,058	3,755,310	3,596,173	3,600,104
Diluted Weighted Average Common Shares Outstanding	4,210,975	4,053,457	4,086,360	4,044,092	4,042,720
SELECTED RATIOS (quarterly rates annualized):					
Return on Average Assets	1.23 %	0.83 %	1.20 %	0.82 %	0.79 %
Return on Average Common Shareholders' Equity	10.00	6.57	9.84	6.47	6.30
Average Common Shareholders' Equity to Average Assets	12.29	12.67	12.16	12.64	12.57
Net Interest Margin	4.47	4.35	4.42	4.31	4.33
Efficiency: Expense to Revenue	65.00	68.90	67.52	71.06	70.82
SELECTED ASSET QUALITY:					
Net (Recoveries) Charge-offs	\$ 158	\$ 131	\$ 384	\$ 242	\$ 418
Classified Assets	10,076	13,930	10,076	13,930	9,080
Nonperforming Loans	5,747	6,854	5,747	6,854	3,938
Nonperforming Assets	6,972	7,392	6,972	7,392	4,893
Troubled Debt Restructurings	3,031	2,671	3,031	2,671	2,287
Total Nonperforming Loans to Total Loans	1.06 %	1.48 %	1.06 %	1.48 %	0.81 %
Total Nonperforming Loans to Total Assets	0.91 %	1.24 %	0.91 %	1.24 %	0.69 %
Total Nonperforming Assets to Total Assets	1.10 %	1.34 %	1.10 %	1.34 %	0.86 %

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First Advantage Bancorp

Loan Portfolio Composition

(Dollars in thousands)

	At September 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	\$ 68,326	12.4 %	\$ 66,259	13.5 %
Multi-family	24,261	4.4	27,136	5.5
Nonresidential	176,455	32.0	163,249	33.3
Construction loans:		-		-
One-to-four family	26,777	4.9	25,049	5.1
Multi-family	5,076	0.9	1,169	0.2
Nonresidential	33,034	5.9	26,679	5.5
Land loans	12,642	2.3	13,872	2.8
Total real estate loans	<u>346,571</u>	<u>62.8</u>	<u>323,413</u>	<u>65.9</u>
Consumer:				
Home equity loans and lines of credit	23,551	4.3	22,238	4.5
Auto loans	101	-	159	-
Deposit loans	0	-	0	-
Overdrafts	95	-	65	-
Other	117,653	21.3	89,690	18.3
Total consumer and other loans	<u>141,400</u>	<u>25.6</u>	<u>112,152</u>	<u>22.8</u>
Commercial loans	<u>63,738</u>	<u>11.6</u>	<u>55,672</u>	<u>11.3</u>
Total loans	551,709	100.0 %	491,237	100.00 %
Allowance for loan losses	(5,702)		(5,661)	
Net deferred loan costs	(2,186)		(1,774)	
Loans receivable, net	<u>\$ 543,821</u>		<u>\$ 483,802</u>	

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First Advantage Bancorp

Breakdown of Allowance for Loan Losses

(Dollars in thousands)

	At September 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	\$ 172	3.0 %	12.4 %	\$ 217	3.8 %	13.5 %
Multi-family and nonresidential	1,430	25.1	36.4	1,272	22.5	38.8
Construction	90	1.6	11.7	101	1.8	10.8
Land	45	0.8	2.3	65	1.2	2.8
Consumer	1,461	25.6	25.6	1,230	21.7	22.8
Commercial	2,504	43.9	11.6	2,775	49.0	11.3
Total allowance for loan losses	\$ 5,702	100.0 %	100.0 %	\$ 5,660	100.0 %	100.0 %

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First Advantage Bancorp

Credit Quality Indicators as of September 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	\$ 67,472	\$ 197,053	\$ 64,887	\$ 12,232	\$ 138,929	\$ 61,064	\$ 541,637
Special mention	315	-	-	-	-	10	325
Substandard	539	3,663	-	410	2,471	2,664	9,747
Doubtful	-	-	-	-	-	-	-
Total	<u>\$ 68,326</u>	<u>\$ 200,716</u>	<u>\$ 64,887</u>	<u>\$ 12,642</u>	<u>\$ 141,400</u>	<u>\$ 63,738</u>	<u>\$ 551,709</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 September 30, 2018	At December 31, 2017
Non-accrual loans:		
One- to four-family	448	731
Multi-family and nonresidential	1,395	583
Construction	-	-
Land	164	164
Mortgage - 2nd	313	296
Consumer and other	1,410	1,150
Commercial	2,017	1,014
Total	5,747	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	387	340
Other non-performing assets	838	615
Total non-performing assets	6,972	4,893
Total non-performing loans to total loans	1.06%	0.81%
Total non-performing loans to total assets	0.91%	0.69%
Total non-performing assets to total assets	1.10%	0.86%

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First Advantage Bancorp

Age Analysis of Past Due Loans

As of September 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	\$ 56	\$ -	\$ 97	\$ 153	\$ 68,173	\$ 68,326	\$ -
Multifamily/nonresidential	1,123	-	324	\$ 1,447	199,269	200,716	-
Construction	-	-	-	\$ -	64,887	64,887	-
Land	-	-	380	\$ 380	12,262	12,642	-
Consumer and other	1,435	175	1,093	\$ 2,703	138,697	141,400	-
Commercial	193	45	320	\$ 558	63,180	63,738	-
Total	\$ 2,807	\$ 220	\$ 2,214	\$ 5,241	\$ 546,468	\$ 551,709	\$ -

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	\$ 689	\$ 909	\$ 2,241	\$ 3,839	\$ 487,398	\$ 491,237	\$ -

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First Advantage Bancorp

Investment Securities Portfolio

As of September 30, 2018

(Unaudited - dollars in thousands)

September 30, 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	\$ 21,178	\$ 227	\$ (582)	\$ 20,823
State and political subdivisions	23,117	71	(621)	22,567
Total	<u>\$ 44,295</u>	<u>\$ 298</u>	<u>\$ (1,203)</u>	<u>\$ 43,390</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 September 30, 2018

(Unaudited - dollars in thousands)

	September 30, 2018		December 31, 2017	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	\$ 275	\$ 278	\$ 2,271	\$ 2,284
Due after one but within five years	1,999	2,018	1,874	1,926
Due after five but within ten years	5,824	5,656	6,130	6,116
Due after ten years	15,019	14,615	15,886	16,031
	23,117	22,567	26,161	26,357
Mortgage-backed securities	21,178	20,823	17,932	18,071
	\$ 44,295	\$ 43,390	\$ 44,093	\$ 44,428

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First Advantage Bancorp

Age Analysis of Gross Unrealized Losses on Investment Securities

As of September 30, 2018

(Unaudited - dollars in thousands)

	September 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	\$ 4,633	\$ (82)	\$ 7,865	\$ (499)	\$ 12,498	\$ (581)
State and political subdivisions	10,315	(238)	7,507	(384)	17,822	(622)
Total	\$ 14,948	\$ (320)	\$ 15,372	\$ (883)	\$ 30,320	\$ (1,203)

	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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