

First Advantage Bancorp
Condensed Consolidated Balance Sheets
(Dollars in thousands except per share data)

	September 30, 2019 (Unaudited)	December 31, 2018
Assets		
Cash and due from banks	\$ 10,038	\$ 8,476
Interest-bearing demand deposits with banks	14,141	2,710
Time deposits at other banks	250	-
Federal funds sold	8,750	375
Cash and cash equivalents	33,179	11,561
Available-for-sale securities, at fair value	41,758	42,945
Loans held for sale, at lower of cost or fair value	2,288	555
Loans, net of allowance for loan losses of \$5,420 and \$5,332 at September 30, 2019 and December 31, 2018, respectively	614,530	574,931
Premises and equipment, net	8,508	7,835
Foreclosed assets held for sale	1,572	1,269
Federal Home Loan Bank stock, at cost	2,988	2,988
Accrued interest receivable	2,409	3,088
Bank owned life insurance	14,627	14,392
Net deferred tax asset	2,216	2,360
Operating lease right-of-use assets	6,481	-
Other assets	2,006	2,405
Total assets	<u>\$ 732,562</u>	<u>\$ 664,329</u>
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Demand	\$ 62,208	\$ 53,616
Savings, checking and money market	302,290	273,426
Time certificates	238,455	195,564
Total deposits	602,953	522,606
Short-term borrowings	-	22,500
Long-term borrowings	34,373	35,132
Operating lease liabilities	6,617	-
Interest payable and other liabilities	7,795	6,841
Total liabilities	<u>651,738</u>	<u>587,079</u>
Shareholders' Equity		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, no shares issued or outstanding at September 30, 2019 or December 31, 2018	-	-
Common stock, \$0.01 par value, 50,000,000 shares authorized, 4,012,105 shares issued and 3,861,215 outstanding at September 30, 2019 and 4,056,664 shares issued and 3,906,881 outstanding at December 31, 2018	40	41
Additional paid in capital	39,557	39,794
Common stock held by:		
Nonqualified Deferred Compensation Plan	(2,876)	(2,632)
Employee Stock Ownership Plan	(963)	(963)
2008 Equity Incentive Plan	(526)	(378)
Retained earnings	44,981	41,610
Accumulated other comprehensive income	611	(222)
Total shareholders' equity	80,824	77,250
Total liabilities and shareholders' equity	<u>\$ 732,562</u>	<u>\$ 664,329</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,	
	2019	2018	2019	2018
Interest and Dividend Income				
Loans	\$ 9,177	\$ 7,905	\$ 26,560	\$ 22,122
Investment securities	277	296	800	921
Other	128	80	311	238
Total interest and dividend income	9,582	8,281	27,671	23,281
Interest Expense				
Deposits	2,583	1,417	7,038	3,722
Borrowings	174	295	693	847
Total interest expense	2,757	1,712	7,731	4,569
Net Interest Income	6,825	6,569	19,940	18,712
Provision for Loan Losses	225	225	657	430
Net Interest Income After Provision for Loan Losses	6,600	6,344	19,283	18,282
Noninterest Income				
Service charges on deposit accounts and other fees	365	295	982	869
Loan servicing and other fees	2	30	18	100
Net gain on sales of loans held for sale	550	155	1,127	798
Net gain on sales of other real estate owned	-	-	20	6
Net realized gain (loss) on sales of available-for-sale securities	169	-	162	-
Insurance and brokerage commissions	77	77	259	183
Income from bank owned life insurance	80	80	235	238
Other	(147)	56	70	94
Total noninterest income	1,096	693	2,873	2,288
Noninterest Expense				
Salaries and employee benefits	3,236	2,835	9,093	8,434
Net occupancy expense	443	324	1,268	959
Equipment expense	299	249	946	796
Data processing fees	350	324	1,049	1,007
Professional fees	307	249	1,001	766
Marketing expense	75	78	194	182
Supplies and communication	93	83	227	248
Other	402	578	1,606	1,788
Total noninterest expense	5,205	4,720	15,384	14,180
Income Before Income Taxes	2,491	2,317	6,772	6,390
Provision for Income Taxes	609	417	1,592	1,061
Net Income	\$ 1,882	\$ 1,900	\$ 5,180	\$ 5,329
Per common share:				
Basic net income per common share	\$ 0.49	\$0.49	\$ 1.33	\$1.42
Diluted net income per common share	\$ 0.45	\$0.45	\$ 1.22	\$1.30
Dividends declared per common share	\$ 0.15	\$0.13	\$ 0.45	\$0.39
Basic weighted average common shares outstanding	3,875,555	3,871,279	3,883,369	3,755,310
Diluted weighted average common shares outstanding	4,222,682	4,210,975	4,231,021	4,086,360

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

	September 30	
	2019	2018
Operating Activities		
Net income	\$ 5,180	\$ 5,329
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	657	430
Depreciation, amortization and accretion	1,151	835
Deferred income taxes	(142)	(256)
Funding of mortgage loans held for sale	(31,867)	(16,771)
Proceeds from sale of mortgage loans held for sale	31,261	17,495
Net gain on sales of loans held for sale	(1,127)	(798)
Net realized loss on available for sale securities	7	-
Net realized loss on sales of other assets held-for-sale	16	-
Net gain on sale of other real estate owned	(20)	(6)
Net gain on sale of repossessed assets	(65)	(81)
Stock-based compensation	726	493
Bank owned life insurance	(235)	(238)
Decrease in other assets	828	376
Increase in other liabilities	954	1,065
Net cash provided by operating activities	7,324	7,873
Investing Activities		
Purchases of securities available-for-sale	(9,675)	(6,164)
Proceeds from call/maturities and repayments of securities available-for-sale	6,050	5,731
Proceeds from sales of securities available-for-sale	5,825	-
Net increase in loans	(41,791)	(60,720)
Purchase of premises and equipment	(1,355)	(319)
Proceeds from sale of other real estate owned	583	6
Proceeds from sale of repossessed assets	734	81
Net cash used in by investing activities	(39,629)	(61,385)
Financing Activities		
Net increase in demand deposits, money market, checking and savings accounts	37,456	13,600
Net increase in time deposits	42,891	26,787
Net (decrease) increase in short-term borrowings	(22,500)	9,000
Net (decrease) increase in long-term borrowings	(759)	19,252
Repayment of long-term debt	-	(15,000)
Proceeds from stock option exercises	73	2,715
Stock repurchase/retired - repurchase program	(1,429)	(398)
Cash paid for dividends	(1,809)	(1,531)
Net cash provided by financing activities	53,923	54,425
Increase in Cash and Cash Equivalents	21,618	913
Cash and Cash Equivalents, Beginning of Period	11,561	9,449
Cash and Cash Equivalents, End of Period	33,179	10,362

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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
	2019	2018	2019	2018	2018
SELECTED FINANCIAL CONDITION DATA: END OF PERIOD BALANCES					
Assets	\$ 732,562	\$ 632,185	\$ 732,562	\$ 632,185	\$ 664,329
Available-for-sale Securities, at fair value	41,758	43,390	41,758	43,390	42,945
Loans, gross	619,950	549,523	619,950	549,523	580,263
Allowance for Loan Losses	5,420	5,702	5,420	5,702	5,332
Deposits	602,953	484,579	602,953	484,579	522,606
FHLB Advances and Other Borrowings	34,373	65,383	34,373	65,383	57,632
Common Shareholders' Equity	80,824	75,795	80,824	75,795	77,250
SELECTED FINANCIAL CONDITION DATA: AVERAGE BALANCES					
Assets	\$ 706,664	\$ 612,822	\$ 687,734	\$ 595,330	\$ 609,740
Earning Assets	666,994	582,590	649,860	565,598	579,378
Investment Securities	41,596	44,295	41,816	44,307	43,954
Other Investments	18,184	8,920	13,177	9,842	9,567
Loans, gross	607,214	529,404	594,867	511,449	525,857
Deposits	577,845	474,854	553,843	462,722	472,026
FHLB Advances and Other Borrowings	48,388	56,930	54,776	55,138	58,469
Common Shareholders' Equity	80,413	75,344	79,115	72,421	73,799
SELECTED OPERATING RESULTS:					
Interest and Dividend Income	\$ 9,582	\$ 8,281	\$ 27,671	\$ 23,281	\$ 32,234
Interest Expense	2,757	1,712	7,731	4,569	6,683
Net Interest Income	6,825	6,569	19,940	18,712	25,551
Provision for Loan Losses	225	225	657	430	600
Net Interest Income After Provision for Loan Losses	6,600	6,344	19,283	18,282	24,951
Noninterest Income	1,096	693	2,873	2,288	3,131
Noninterest Expense	5,205	4,720	15,384	14,180	19,006
Income Before Income Tax Expense	2,491	2,317	6,772	6,390	9,076
Income Tax Expense	609	417	1,592	1,061	1,715
Net Income	\$ 1,882	\$ 1,900	\$ 5,180	\$ 5,329	\$ 7,361
Basic Net Income Per Common Share	\$ 0.49	\$ 0.49	\$ 1.33	\$ 1.42	\$ 1.94
Diluted Net Income per Common Share	0.45	0.45	1.22	1.30	1.79
Dividends paid per common share	0.15	0.13	0.45	0.39	0.52
Book Value Per Common Share	20.93	18.62	20.93	18.62	19.04
Book Value Per Common Share - Diluted	19.14	18.00	19.10	18.55	18.74
Common Shares Outstanding	3,861,215	4,070,364	3,861,215	4,070,364	3,906,881
Basic Weighted Average Common Shares Outstanding	3,875,555	3,871,279	3,883,369	3,755,310	3,789,654
Diluted Weighted Average Common Shares Outstanding	4,222,682	4,210,975	4,231,021	4,086,360	4,122,191
SELECTED RATIOS (quarterly rates annualized):					
Return on Average Assets	1.06 %	1.23 %	1.01 %	1.20 %	1.21 %
Return on Average Common Shareholders' Equity	9.29	10.00	8.75	9.84	9.97
Average Common Shareholders' Equity to Average Assets	11.38	12.29	11.50	12.16	12.10
Net Interest Margin	4.06	4.47	4.10	4.42	4.41
Efficiency: Expense to Revenue	65.71	65.00	67.44	67.52	66.26
SELECTED ASSET QUALITY:					
Net (Recoveries) Charge-offs	\$ 159	\$ 158	\$ 562	\$ 384	\$ 929
Classified Assets	17,218	10,076	17,218	10,076	10,124
Nonperforming Loans	5,608	5,747	5,608	5,747	5,892
Nonperforming Assets	7,180	6,972	7,180	6,972	7,161
Troubled Debt Restructurings	2,440	3,031	2,440	3,031	2,505
Total Nonperforming Loans to Total Loans	0.91 %	1.06 %	0.91 %	1.06 %	1.02 %
Total Nonperforming Loans to Total Assets	0.77 %	0.91 %	0.77 %	0.91 %	0.89 %
Total Nonperforming Assets to Total Assets	0.98 %	1.10 %	0.98 %	1.10 %	1.08 %

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First Advantage Bancorp

Loan Portfolio Composition

(Dollars in thousands)

	At September 30,		At December 31,	
	2019		2018	
	Amount	Percent	Amount	Percent
	(Dollars in thousands)		(Dollars in thousands)	
Real estate loans:				
Permanent loans:				
One-to-four family	\$ 72,474	11.6 %	\$ 70,695	12.1 %
Multi-family	20,686	3.3	25,029	4.3
Nonresidential	206,029	33.1	193,157	33.3
Construction loans:		-		-
One-to-four family	21,145	3.4	24,674	4.2
Multi-family	6,661	1.1	6,666	1.1
Nonresidential	40,841	6.6	37,445	6.4
Land loans	15,067	2.4	12,757	2.2
Total real estate loans	<u>382,903</u>	<u>61.5</u>	<u>370,423</u>	<u>63.6</u>
Consumer:				
Home equity loans and lines of credit	19,772	3.2	22,708	3.9
Auto loans	98	-	130	-
Deposit loans	0	-	0	-
Overdrafts	135	-	100	-
Other	149,374	24.0	124,318	21.3
Total consumer and other loans	<u>169,379</u>	<u>27.2</u>	<u>147,256</u>	<u>25.2</u>
Commercial loans	<u>70,151</u>	<u>11.3</u>	<u>64,964</u>	<u>11.2</u>
Total loans	622,433	100.0 %	582,643	100.00 %
Allowance for loan losses	(5,420)		(5,332)	
Net deferred loan costs	(2,483)		(2,380)	
Loans receivable, net	<u>\$ 614,530</u>		<u>\$ 574,931</u>	

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First Advantage Bancorp

Breakdown of Allowance for Loan Losses

(Dollars in thousands)

	At September 30,			At December 31,		
	2019			2018		
	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	\$ 106	2.0 %	11.6 %	\$ 105	2.0 %	12.1 %
Multi-family and nonresidential	1,454	26.8	36.4	1,788	33.5	37.6
Construction	154	2.8	11.1	172	3.2	11.7
Land	23	0.4	2.4	24	0.5	2.2
Consumer	1,495	27.6	27.2	1,282	24.0	25.2
Commercial	2,188	40.4	11.3	1,961	36.8	11.2
Total allowance for loan losses	\$ 5,420	100.0 %	100.0 %	\$ 5,332	100.0 %	100.0 %

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First Advantage Bancorp

Credit Quality Indicators as of September 30, 2019

(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	\$ 71,344	\$ 220,780	\$ 68,638	\$ 15,067	\$ 166,039	\$ 63,347	\$ 605,215
Special mention	140	3,475	-	-	174	1,090	4,879
Substandard	990	2,460	9	-	3,166	5,714	12,339
Doubtful	-	-	-	-	-	-	-
Total	<u>\$ 72,474</u>	<u>\$ 226,715</u>	<u>\$ 68,647</u>	<u>\$ 15,067</u>	<u>\$ 169,379</u>	<u>\$ 70,151</u>	<u>\$ 622,433</u>

Credit Quality Indicators as of December 31, 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	\$ 69,888	\$ 214,553	\$ 68,785	\$ 12,757	\$ 144,205	\$ 62,331	\$ 572,519
Special mention	-	-	-	-	-	6	\$ 6
Substandard	807	3,633	-	-	3,051	2,627	\$ 10,118
Doubtful	-	-	-	-	-	-	-
Total	<u>\$ 70,695</u>	<u>\$ 218,186</u>	<u>\$ 68,785</u>	<u>\$ 12,757</u>	<u>\$ 147,256</u>	<u>\$ 64,964</u>	<u>\$ 582,643</u>

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First Advantage Bancorp

Breakdown of Nonaccrual Loans

(Dollars in thousands)

	At September 30, 2019	At December 31, 2018
Non-accrual loans:		
One- to four-family	398	420
Multi-family and nonresidential	1,441	1,369
Construction	-	-
Land	-	-
Mortgage - 2nd	138	368
Consumer and other	1,933	1,625
Commercial	1,698	2,110
Total	5,608	5,892
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	87	387
Other non-performing assets	1,485	882
Total non-performing assets	7,180	7,161
Total non-performing loans to total loans	0.91%	1.02%
Total non-performing loans to total assets	0.77%	0.89%
Total non-performing assets to total assets	0.98%	1.08%

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First Advantage Bancorp

Age Analysis of Past Due Loans

As of September 30, 2019

(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	\$ 331	\$ 23	\$ 159	\$ 513	\$ 71,961	\$ 72,474	\$ -
Multifamily/nonresidential	-	-	-	\$ -	226,715	226,715	-
Construction	-	-	-	\$ -	68,647	68,647	-
Land	-	-	-	\$ -	15,067	15,067	-
Consumer and other	904	303	1,099	\$ 2,306	167,073	169,379	-
Commercial	-	-	233	\$ 233	69,918	70,151	-
Total	\$ 1,235	\$ 326	\$ 1,491	\$ 3,052	\$ 619,381	\$ 622,433	\$ -

Age Analysis of Past Due Loans

As of December 31, 2018

	<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	\$ 145	\$ 23	\$ 123	\$ 291	\$ 70,404	\$ 70,695	\$ -
Multifamily/nonresidential	-	795	640	\$ 1,435	216,751	218,186	-
Construction	-	-	-	\$ -	68,785	68,785	-
Land	-	-	-	\$ -	12,757	12,757	-
Consumer and other	642	187	1,385	\$ 2,214	145,042	147,256	-
Commercial	137	62	194	\$ 393	64,571	64,964	-
Total	\$ 924	\$ 1,067	\$ 2,342	\$ 4,333	\$ 578,310	\$ 582,643	\$ -

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First Advantage Bancorp

Investment Securities Portfolio

As of September 30, 2019

(Unaudited - dollars in thousands)

September 30, 2019

Available-for-sale	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
U. S. Government agencies and corporations	\$ 5,107	\$ 19	\$ -	\$ 5,126
Mortgage-backed securities	14,969	166	(18)	15,117
State and political subdivisions	20,682	654	(2)	21,334
Other Securities	178	3	-	181
Total	<u>\$ 40,936</u>	<u>\$ 842</u>	<u>\$ (20)</u>	<u>\$ 41,758</u>

December 31, 2018

Available-for-sale	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
U. S. Government agencies and corporations	\$ 3,089	\$ 13	\$ -	\$ 3,102
Mortgage-backed securities	17,420	78	(400)	17,098
State and political subdivisions	22,984	95	(334)	22,745
Total	<u>\$ 43,493</u>	<u>\$ 186</u>	<u>\$ (734)</u>	<u>\$ 42,945</u>

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First Advantage Bancorp

Contractual Maturities of Investment Securities

As of September 30, 2019

(Unaudited - dollars in thousands)

	September 30, 2019		December 31, 2018	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	\$ 288	\$ 288	\$ 584	\$ 588
Due after one but within five years	1,279	1,285	1,680	1,695
Due after five but within ten years	8,122	8,392	9,403	9,366
Due after ten years	16,278	16,676	14,406	14,198
	<u>25,967</u>	<u>26,641</u>	<u>26,073</u>	<u>25,847</u>
Mortgage-backed securities	14,969	15,117	17,420	17,098
	<u>\$ 40,936</u>	<u>\$ 41,758</u>	<u>\$ 43,493</u>	<u>\$ 42,945</u>

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First Advantage Bancorp

Age Analysis of Gross Unrealized Losses on Investment Securities

As of September 30, 2019

(Unaudited - dollars in thousands)

	September 30, 2019					
	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	\$ 4,644	\$ (2)	\$ 1,034	\$ (16)	\$ 5,678	\$ (18)
State and political subdivisions	1,512	-	276	(2)	1,788	(2)
Total	\$ 6,156	\$ (2)	\$ 1,310	\$ (18)	7,466	\$ (20)

	December 31, 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	\$ 415	\$ (5)	\$ 9,886	\$ (395)	\$ 10,301	\$ (400)
State and political subdivisions	9,311	(91)	8,083	(243)	17,394	(334)
Total	\$ 9,726	\$ (96)	\$ 17,969	\$ (638)	27,695	\$ (734)

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