

First Advantage Bancorp
Condensed Consolidated Balance Sheets

(Dollars in thousands except per share data)

	December 31, 2018 (Unaudited)	December 31, 2017
Assets		
Cash and due from banks	\$ 8,476	\$ 5,800
Interest-bearing demand deposits with banks	2,710	3,174
Time deposits at other banks	250	-
Federal funds sold	375	475
Cash and cash equivalents	11,811	9,449
Available-for-sale securities, at fair value	42,945	44,428
Loans held for sale, at lower of cost or fair value	555	802
Loans, net of allowance for loan losses of \$5,332 and \$5,660 at December 31, 2018 and December 31, 2017, respectively	574,931	483,801
Premises and equipment, net	7,835	7,680
Foreclosed assets held for sale	1,269	955
Federal Home Loan Bank stock, at cost	2,988	2,988
Accrued interest receivable	3,088	2,978
Bank owned life insurance	14,392	14,075
Deferred tax asset	2,360	1,993
Other assets	2,155	2,353
Total assets	<u>\$ 664,329</u>	<u>\$ 571,502</u>
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Demand	\$ 53,616	\$ 49,195
Savings, checking and money market	273,426	256,680
Time certificates	195,564	138,317
Total deposits	522,606	444,192
Short-term borrowings	22,500	21,000
Long-term borrowings	35,132	31,131
Interest payable and other liabilities	6,841	5,363
Total liabilities	<u>587,079</u>	<u>501,686</u>
Shareholders' Equity		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, no shares issued or outstanding at December 31, 2018 or December 31, 2017	-	-
Common stock, \$0.01 par value, 50,000,000 shares authorized, 4,056,664 shares issued and 3,906,881 outstanding at December 31, 2018 and 3,827,331 shares issued and 3,584,382 outstanding at December 31, 2017	41	38
Additional paid in capital	39,794	37,236
Common stock held by:		
Nonqualified Deferred Compensation Plan	(2,632)	(2,428)
Employee Stock Ownership Plan	(963)	(1,263)
2008 Equity Incentive Plan	(378)	(413)
Retained earnings	41,610	36,343
Accumulated other comprehensive income	(222)	303
Total shareholders' equity	77,250	69,816
Total liabilities and shareholders' equity	<u>\$ 664,329</u>	<u>\$ 571,502</u>

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

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2018	2017	2018	2017
Interest and Dividend Income				
Loans	\$ 8,601	\$ 6,789	\$ 30,723	\$ 25,194
Investment securities	273	322	1,194	1,335
Other	79	67	317	275
Total interest and dividend income	8,953	7,178	32,234	26,804
Interest Expense				
Deposits	1,738	976	5,460	3,482
Federal Home Loan Bank advances	-	122	1,165	608
Borrowings with other banks	376	169	58	483
Total interest expense	2,114	1,267	6,683	4,573
Net Interest Income	6,839	5,911	25,551	22,231
Provision for Loan Losses	174	(1,100)	604	(420)
Net Interest Income After Provision for Loan Losses	6,665	7,011	24,947	22,651
Noninterest Income				
Service charges on deposit accounts and other fees	323	284	1,192	1,179
Loan servicing and other fees	19	12	119	66
Net gains on sales of loans held for sale	116	282	914	855
Net (loss) gain on sales of other real estate owned	-	6	6	539
Net realized gain on sales of available-for-sale securities	93	-	93	12
Insurance and brokerage commissions	79	67	262	200
Income from bank owned life insurance	79	81	317	329
Other	134	29	228	55
Total noninterest income	843	761	3,131	3,235
Noninterest Expense				
Salaries and employee benefits	2,659	2,686	11,093	10,625
Net occupancy expense	315	331	1,274	1,262
Equipment expense	240	292	1,036	1,221
Data processing fees	338	321	1,345	1,314
Professional fees	518	335	1,284	1,060
Marketing expense	70	79	252	293
Supplies and communication	90	106	338	446
Loan collection and repossession expense	85	74	384	114
Insurance expense	26	25	100	93
Mortgage loan outsourced servicing	(3)	(2)	(7)	9
Other	484	419	1,903	1,599
Total noninterest expense	4,822	4,666	19,002	18,036
Income Before Income Taxes	2,686	3,106	9,076	7,850
Provision for Income Taxes	654	2,083	1,715	3,555
Net Income	\$ 2,032	\$ 1,023	\$ 7,361	\$ 4,295
Per common share:				
Basic net income per common share	\$ 0.52	\$0.28	\$ 1.94	\$1.19
Diluted net income per common share	\$ 0.48	\$0.25	\$ 1.79	\$1.06
Dividends declared per common share	\$ 0.13	\$0.10	\$ 0.52	\$0.40
Basic weighted average common shares outstanding	3,891,566	3,611,768	3,789,654	3,600,104
Diluted weighted average common shares outstanding	4,233,972	4,056,865	4,122,191	4,042,720

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

	December 31	
	2018	2017
Operating Activities		
Net income	\$ 7,361	\$ 4,295
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	604	(420)
Depreciation, amortization and accretion	1,135	1,110
Deferred income taxes	(174)	(51)
Funding of mortgage loans held for sale	(20,884)	(22,659)
Proceeds from sale of mortgage loans held for sale	22,045	23,898
Net gain on sales of loans held for sale	(914)	(855)
Net realized gain on available for sale securities	(93)	(12)
Effective tax rate changes	0	(34)
Net realized gain on sales of other assets held-for-sale	0	(400)
Net gain on sale of other real estate owned	(6)	(285)
Net gain on sale of repossessed assets	(191)	(18)
Stock-based compensation	711	612
Bank owned life insurance	(317)	(330)
Decrease (increase) in other assets	218	(11)
Increase in other liabilities	1,478	1,510
Net cash provided by operating activities	10,973	6,350
Investing Activities		
Purchases of securities available-for-sale	(9,403)	(2,855)
Proceeds from call/maturities and repayments of securities available-for-sale	6,734	3,970
Proceeds from sales of securities available-for-sale	3,031	1,076
Net increase in loans	(92,048)	(66,662)
Purchase of premises and equipment	(958)	(519)
Proceeds from sale of other assets	-	400
Proceeds from sale of other real estate owned	6	699
Proceeds from sale of repossessed assets	191	18
Net cash used in by investing activities	(92,447)	(63,873)
Financing Activities		
Net increase in demand deposits, money market, checking and savings accounts	21,167	54,505
Net increase (decrease) in time deposits	57,247	(27,241)
Net increase in short-term borrowings	1,500	11,000
Net increase (decrease) in long-term borrowings	19,001	(982)
Repayment of long-term debt	(15,000)	-
Proceeds from stock option exercises	2,718	779
Stock repurchase/retired - repurchase program	(737)	(199)
Cash paid for dividends	(2,060)	(1,525)
Net cash provided by financing activities	83,836	36,337
Increase (decrease) in Cash and Cash Equivalents	2,362	(21,186)
Cash and Cash Equivalents, Beginning of Period	9,449	30,635
Cash and Cash Equivalents, End of Period	11,811	9,449

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FIRST ADVANTAGE BANCORP SELECTED FINANCIAL DATA

(Unaudited-Dollars in thousands)

	Three Months Ended December		Year Ended December	
	2018	2017	2018	2017
SELECTED FINANCIAL CONDITION DATA: END OF PERIOD BALANCES				
Assets	\$ 664,329	\$ 571,502	\$ 664,329	\$ 571,502
Available-for-sale Securities, at fair value	42,945	44,428	42,945	44,428
Loans, gross	580,263	489,461	580,263	489,461
Allowance for Loan Losses	5,332	5,660	5,332	5,660
Deposits	522,606	444,192	522,606	444,192
FHLB Advances and Other Borrowings	57,632	52,131	57,632	52,131
Common Shareholders' Equity	77,250	69,816	77,250	69,816
SELECTED FINANCIAL CONDITION DATA: AVERAGE BALANCES				
Assets	\$ 651,452	\$ 562,647	\$ 609,740	\$ 542,071
Earning Assets	620,271	533,805	579,378	513,178
Investment Securities	42,909	44,104	43,954	45,496
Other Investments	8,751	8,549	9,567	12,106
Loans, gross	568,612	481,152	525,857	455,576
Deposits	499,633	432,304	472,026	418,927
FHLB Advances and Other Borrowings	68,352	55,743	58,469	51,039
Common Shareholders' Equity	76,840	69,714	73,799	68,147
SELECTED OPERATING RESULTS:				
Interest and Dividend Income	\$ 8,953	\$ 7,178	\$ 32,234	\$ 26,804
Interest Expense	2,114	1,267	6,683	4,573
Net Interest Income	6,839	5,911	25,551	22,231
Provision for Loan Losses	174	(1,100)	604	(420)
Net Interest Income After Provision for Loan Losses	6,665	7,011	24,947	22,651
Noninterest Income	843	761	3,131	3,235
Noninterest Expense	4,822	4,666	19,002	18,036
Income Before Income Tax Expense	2,686	3,106	9,076	7,850
Income Tax Expense	654	2,083	1,715	3,555
Net Income	\$ 2,032	\$ 1,023	\$ 7,361	\$ 4,295
Basic Net Income Per Common Share	\$ 0.52	\$ 0.28	\$ 1.94	\$ 1.19
Diluted Net Income per Common Share	0.48	0.25	1.79	1.06
Dividends paid per common share	0.13	0.10	0.52	0.40
Book Value Per Common Share	19.04	18.24	19.04	18.24
Book Value Per Common Share - Diluted	18.25	17.21	18.74	17.27
Common Shares Outstanding	4,056,664	3,827,331	4,056,664	3,827,331
Basic Weighted Average Common Shares Outstanding	3,891,566	3,611,768	3,789,654	3,600,104
Diluted Weighted Average Common Shares Outstanding	4,233,972	4,056,865	4,122,191	4,042,720
SELECTED RATIOS (quarterly rates annualized):				
Return on Average Assets	1.24 %	0.72 %	1.21 %	0.79 %
Return on Average Common Shareholders' Equity	10.49	5.82	9.97	6.30
Average Common Shareholders' Equity to Average Assets	11.80	12.39	12.10	12.57
Net Interest Margin	4.37	4.39	4.41	4.33
Efficiency: Expense to Revenue	62.77	69.93	66.25	70.82
SELECTED ASSET QUALITY:				
Net (Recoveries) Charge-offs	\$ 545	\$ 176	\$ 929	\$ 418
Classified Assets	10,124	9,080	10,124	9,080
Nonperforming Loans	5,892	3,938	5,892	3,938
Nonperforming Assets	7,161	4,893	7,161	4,893
Troubled Debt Restructurings	2,505	2,287	2,505	2,287
Total Nonperforming Loans to Total Loans	1.02 %	0.81 %	1.02 %	0.81 %
Total Nonperforming Loans to Total Assets	0.89 %	0.69 %	0.89 %	0.69 %
Total Nonperforming Assets to Total Assets	1.08 %	0.86 %	1.08 %	0.86 %

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First Advantage Bancorp

Loan Portfolio Composition

(Dollars in thousands)

	At December 31, 2018		At December 31, 2017	
	Amount	Percent	Amount	Percent
	(Dollars in thousands)		(Dollars in thousands)	
Real estate loans:				
Permanent loans:				
One-to-four family	\$ 70,695	12.1 %	\$ 66,259	13.5 %
Multi-family	25,029	4.3	27,136	5.5
Nonresidential	193,157	33.3	163,249	33.3
Construction loans:		-		-
One-to-four family	24,674	4.2	25,049	5.1
Multi-family	6,666	1.1	1,169	0.2
Nonresidential	37,445	6.4	26,679	5.5
Land loans	12,757	2.2	13,872	2.8
Total real estate loans	<u>370,423</u>	<u>63.6</u>	<u>323,413</u>	<u>65.9</u>
Consumer:				
Home equity loans and lines of credit	22,708	3.9	22,238	4.5
Auto loans	130	-	159	-
Deposit loans	0	-	0	-
Overdrafts	100	-	65	-
Other	124,318	21.3	89,690	18.3
Total consumer and other loans	<u>147,256</u>	<u>25.2</u>	<u>112,152</u>	<u>22.8</u>
Commercial loans	<u>64,964</u>	<u>11.2</u>	<u>55,672</u>	<u>11.3</u>
Total loans	582,643	100.0 %	491,237	100.00 %
Allowance for loan losses	(5,332)		(5,661)	
Net deferred loan costs	(2,380)		(1,775)	
Loans receivable, net	<u>\$ 574,931</u>		<u>\$ 483,801</u>	

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First Advantage Bancorp

Breakdown of Allowance for Loan Losses

(Dollars in thousands)

	At December 31,			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	\$ 105	2.0 %	12.1 %	\$ 217	3.8 %	13.5 %
Multi-family and nonresidential	1,788	33.5	37.6	1,272	22.5	38.8
Construction	172	3.2	11.7	101	1.8	10.8
Land	24	0.5	2.2	65	1.2	2.8
Consumer	1,282	24.0	25.2	1,230	21.7	22.8
Commercial	1,961	36.8	11.2	2,775	49.0	11.3
Total allowance for loan losses	<u>\$ 5,332</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>\$ 5,660</u>	<u>100.0 %</u>	<u>100.0 %</u>

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First Advantage Bancorp

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>

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 December 31, 2018	At December 31, 2017
Non-accrual loans:		
One- to four-family	420	731
Multi-family and nonresidential	1,369	583
Construction	-	-
Land	-	164
Mortgage - 2nd	368	296
Consumer and other	1,625	1,150
Commercial	2,110	1,014
Total	5,892	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	882	615
Total non-performing assets	7,161	4,893
Total non-performing loans to total loans	1.02%	0.81%
Total non-performing loans to total assets	0.89%	0.69%
Total non-performing assets to total assets	1.08%	0.86%

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First Advantage Bancorp

Age Analysis of Past Due Loans

As of December 31, 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	\$ 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	<u>\$ 924</u>	<u>\$ 1,067</u>	<u>\$ 2,342</u>	<u>\$ 4,333</u>	<u>\$ 578,310</u>	<u>\$ 582,643</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 December 31, 2018

(Unaudited - dollars in thousands)

December 31, 2018

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Approximate Fair Value</u>
Available-for-sale				
U. S. Government agencies and corporations	\$ 3,102	\$ 13	\$ -	\$ 3,115
Mortgage-backed securities	17,423	78	(400)	17,101
State and political subdivisions	22,984	95	(334)	22,745
Total	<u>\$ 43,509</u>	<u>\$ 186</u>	<u>\$ (734)</u>	<u>\$ 42,961</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 December 31, 2018

(Unaudited - dollars in thousands)

	December 31, 2018		December 31, 2017	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	\$ 597	\$ 601	\$ 2,271	\$ 2,284
Due after one but within five years	1,680	1,695	1,874	1,926
Due after five but within ten years	9,403	9,366	6,130	6,116
Due after ten years	14,406	14,198	15,886	16,031
	<u>26,086</u>	<u>25,860</u>	<u>26,161</u>	<u>26,357</u>
Mortgage-backed securities	17,423	17,101	17,932	18,071
	<u>\$ 43,509</u>	<u>\$ 42,961</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 December 31, 2018

(Unaudited - dollars in thousands)

	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)

	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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