

First Advantage Bancorp
Condensed Consolidated Balance Sheets

(Dollars in thousands except per share data)

	December 31, 2017 (Unaudited)	December 31, 2016
Assets		
Cash and due from banks	\$ 5,800	\$ 7,996
Interest-bearing demand deposits with banks	3,174	13,664
Time deposits at other banks	250	-
Federal funds sold	475	8,975
Cash and cash equivalents	9,699	30,635
Available-for-sale securities, at fair value	44,428	46,489
Loans held for sale, at lower of cost or fair value	802	1,186
Loans, net of allowance for loan losses of \$5,660 and \$6,498 at December 31, 2017 and December 31, 2016, respectively	483,801	417,244
Premises and equipment, net	7,680	8,018
Foreclosed assets held for sale	955	845
Federal Home Loan Bank stock, at cost	2,988	2,988
Accrued interest receivable	2,978	2,392
Bank owned life insurance	14,075	13,745
Deferred tax asset	1,993	2,061
Other assets	2,103	2,837
Total assets	<u>\$ 571,502</u>	<u>\$ 528,440</u>
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Demand	\$ 49,195	\$ 45,120
Savings, checking and money market	256,680	206,250
Time certificates	138,317	165,558
Total deposits	444,192	416,928
Short-term borrowings	21,000	10,000
Long-term borrowings	31,131	32,113
Interest payable and other liabilities	5,363	3,853
Total liabilities	<u>501,686</u>	<u>462,894</u>
Shareholders' Equity		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, no shares issued or outstanding at December 31, 2017 or December 31, 2016	-	-
Common stock, \$0.01 par value, 50,000,000 shares authorized, 3,827,331 shares issued and 3,584,382 outstanding at December 31, 2017 and 3,762,497 shares issued and 3,546,176 outstanding at December 31, 2016	38	38
Additional paid in capital	37,236	36,079
Common stock held by:		
Nonqualified Deferred Compensation Plan	(2,428)	(2,169)
Employee Stock Ownership Plan	(1,263)	(1,562)
2008 Equity Incentive Plan	(413)	(408)
Retained earnings	36,343	33,573
Accumulated other comprehensive income	303	(5)
Total shareholders' equity	69,816	65,546
Total liabilities and shareholders' equity	<u>\$ 571,502</u>	<u>\$ 528,440</u>

The accompanying unaudited interim financial information is not intended to be a complete presentation of the company's financial statements and disclosures in accordance with accounting principles generally accepted in the United States of America

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

	Three Months Ended December 31,		Year Ended December 31,	
	2017	2016	2017	2016
Interest and Dividend Income				
Loans	\$ 6,789	\$ 5,584	\$ 25,194	\$ 21,754
Investment securities	322	349	1,335	1,424
Other	67	84	275	268
Total interest and dividend income	7,178	6,017	26,804	23,446
Interest Expense				
Deposits	976	831	3,482	2,989
Federal Home Loan Bank advances	122	122	608	514
Borrowings with other banks	169	128	483	484
Total interest expense	1,267	1,081	4,573	3,987
Net Interest Income	5,911	4,936	22,231	19,459
Provision for Loan Losses	(1,100)	116	(420)	815
Net Interest Income After Provision for Loan Losses	7,011	4,820	22,651	18,644
Noninterest Income				
Service charges on deposit accounts and other fees	284	289	1,179	1,156
Loan servicing and other fees	12	15	66	61
Net gains on sales of loans held for sale	282	262	855	888
Net (loss) gain on sales of other real estate owned	6	-	539	-
Net realized gain on sales of available-for-sale securities	-	13	12	45
Insurance and brokerage commissions	67	26	200	90
Income from bank owned life insurance	81	86	329	346
Other	29	5	55	41
Total noninterest income	761	696	3,235	2,627
Noninterest Expense				
Salaries and employee benefits	2,686	2,496	10,625	10,179
Net occupancy expense	331	297	1,262	1,080
Equipment expense	292	325	1,221	1,266
Data processing fees	321	332	1,314	1,327
Professional fees	335	(175)	1,060	1,014
Marketing expense	79	107	293	47
Supplies and communication	106	28	446	444
Loan collection and repossession expense	74	26	114	65
Insurance expense	25	321	93	100
Mortgage loan outsourced servicing	(2)	2	9	8
Other	419	365	1,599	1,652
Total noninterest expense	4,666	4,124	18,036	17,182
Income Before Income Taxes	3,106	1,392	7,850	4,089
Provision for Income Taxes	2,083	475	3,555	1,195
Net Income	\$ 1,023	\$ 917	\$ 4,295	\$ 2,894
Per common share:				
Basic net income per common share	\$ 0.28	\$0.25	\$ 1.19	\$0.80
Diluted net income per common share	\$ 0.25	\$0.23	\$ 1.06	\$0.73
Dividends declared per common share	\$ 0.10	\$0.10	\$ 0.40	\$0.40
Basic weighted average common shares outstanding	3,611,768	3,670,029	3,600,104	3,606,441
Diluted weighted average common shares outstanding	4,056,865	4,064,445	4,042,720	3,985,425

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

	December 31	
	2017	2016
Operating Activities		
Net income	\$ 4,295	\$ 2,894
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	(420)	815
Depreciation, amortization and accretion	1,110	1,043
Deferred income taxes	(51)	(257)
Funding of mortgage loans held for sale	(22,659)	(28,618)
Proceeds from sale of mortgage loans held for sale	23,898	30,170
Net gain on sales of loans held for sale	(855)	(888)
Net realized gain on available for sale securities	(12)	(45)
Effective tax rate changes	(34)	-
Net realized gain on sales of other assets held-for-sale	(400)	-
Net gain on sale of other real estate owned	(285)	-
Net gain on sale of repossessed assets	(18)	-
Stock-based compensation	612	498
Bank owned life insurance	(330)	(345)
Decrease (increase) in other assets	239	(1,944)
Increase in other liabilities	1,510	918
Net cash provided by operating activities	6,600	4,241
Investing Activities		
Purchase of other investments	-	-
Purchases of securities available-for-sale	(2,855)	(18,197)
Proceeds from call/maturities and repayments of securities available-for-sale	3,970	12,652
Proceeds from sales of securities available-for-sale	1,076	6,588
Net increase in loans	(66,662)	(21,229)
Purchase of premises and equipment	(519)	(487)
Purchase of bank owned life insurance	-	(625)
Proceeds from sale of other assets	400	-
Proceeds from sale of other real estate owned	699	1
Proceeds from sale of repossessed assets	18	-
Net cash used in by investing activities	(63,873)	(21,297)
Financing Activities		
Net increase in demand deposits, money market, checking and savings accounts	54,505	46,667
Net (decrease) increase in time deposits	(27,241)	7,997
Net increase (decrease) in short-term borrowings	11,000	(13,002)
Net decrease in long-term borrowings	(982)	(887)
Proceeds from stock option exercises	779	283
Stock repurchase/retired - repurchase program	(199)	(2,257)
Cash paid for dividends	(1,525)	(1,526)
Net cash provided by financing activities	36,337	37,275
(Decrease) increase in Cash and Cash Equivalents	(20,936)	20,219
Cash and Cash Equivalents, Beginning of Period	30,635	10,416
Cash and Cash Equivalents, End of Period	9,699	30,635

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FIRST ADVANTAGE BANCORP SELECTED FINANCIAL DATA

(Unaudited-Dollars in thousands)

	Three Months Ended December		Year Ended December	
	2017	2016	2017	2016
SELECTED FINANCIAL CONDITION DATA: END OF PERIOD BALANCES				
Assets	\$ 571,502	\$ 528,440	\$ 571,502	\$ 528,440
Available-for-sale Securities, at fair value	44,428	46,489	44,428	46,489
Loans, gross	489,461	423,742	489,461	423,742
Allowance for Loan Losses	5,660	6,498	5,660	6,498
Deposits	444,192	416,928	444,192	416,928
FHLB Advances and Other Borrowings	52,131	42,113	52,131	42,113
Common Shareholders' Equity	69,816	65,546	69,816	65,546
SELECTED FINANCIAL CONDITION DATA: AVERAGE BALANCES				
Assets	\$ 562,647	\$ 523,266	\$ 542,071	\$ 504,088
Earning Assets	533,805	495,147	513,178	477,315
Investment Securities	44,104	48,373	45,496	48,684
Other Investments	8,549	35,197	12,106	22,328
Loans, gross	481,152	411,577	455,576	406,303
Deposits	432,304	411,722	418,927	390,978
FHLB Advances and Other Borrowings	55,743	42,221	51,039	44,068
Common Shareholders' Equity	69,714	65,629	68,147	65,987
SELECTED OPERATING RESULTS:				
Interest and Dividend Income	\$ 7,178	\$ 6,017	\$ 26,804	\$ 23,446
Interest Expense	1,267	1,081	4,573	3,987
Net Interest Income	5,911	4,936	22,231	19,459
Provision for Loan Losses	(1,100)	116	(420)	815
Net Interest Income After Provision for Loan Losses	7,011	4,820	22,651	18,644
Noninterest Income	761	696	3,235	2,627
Noninterest Expense	4,666	4,124	18,036	17,182
Income Before Income Tax Expense	3,106	1,392	7,850	4,089
Income Tax Expense	2,083	475	3,555	1,195
Net Income	\$ 1,023	\$ 917	\$ 4,295	\$ 2,894
Basic Net Income Per Common Share	\$ 0.28	\$ 0.25	\$ 1.19	\$ 0.80
Diluted Net Income per Common Share	0.25	0.23	1.06	0.73
Dividends paid per common share	0.10	0.10	0.40	0.40
Book Value Per Common Share	18.24	18.48	18.24	18.48
Book Value Per Common Share - Diluted	17.21	16.13	17.27	16.45
Common Shares Outstanding	3,827,331	3,546,176	3,827,331	3,546,176
Basic Weighted Average Common Shares Outstanding	3,611,768	3,670,029	3,600,104	3,606,441
Diluted Weighted Average Common Shares Outstanding	4,056,865	4,064,445	4,042,720	3,985,425
SELECTED RATIOS (quarterly rates annualized):				
Return on Average Assets	0.72 %	0.70 %	0.79 %	0.57 %
Return on Average Common Shareholders' Equity	5.82	5.56	6.30	4.39
Average Common Shareholders' Equity to Average Assets	12.39	12.54	12.57	13.09
Net Interest Margin	4.39	3.97	4.33	4.08
Efficiency: Expense to Revenue	69.93	73.22	70.82	77.80
SELECTED ASSET QUALITY:				
Net (Recoveries) Charge-offs	\$ 176	\$ 33	\$ 418	\$ 219
Classified Assets	9,080	15,603	9,080	15,603
Nonperforming Loans	3,938	8,237	3,938	8,237
Nonperforming Assets	4,893	9,082	4,893	9,082
Troubled Debt Restructurings	2,287	1,965	2,287	1,965
Total Nonperforming Loans to Total Loans	0.81 %	1.97 %	0.81 %	1.97 %
Total Nonperforming Loans to Total Assets	0.69 %	1.56 %	0.69 %	1.56 %
Total Nonperforming Assets to Total Assets	0.86 %	1.72 %	0.86 %	1.72 %

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First Advantage Bancorp

Loan Portfolio Composition

(Dollars in thousands)

	At December 31,		At December 31,	
	2017		2016	
	Amount	Percent	Amount	Percent
	(Dollars in thousands)		(Dollars in thousands)	
Real estate loans:				
Permanent loans:				
One-to-four family	\$ 66,259	13.5 %	\$ 65,421	15.4 %
Multi-family	27,136	5.5	35,306	8.3
Nonresidential	163,249	33.3	146,103	34.4
Construction loans:				
One-to-four family	25,049	5.1	29,764	7.0
Multi-family	1,169	0.2	5,254	1.2
Nonresidential	26,679	5.5	7,459	1.8
Land loans	13,872	2.8	14,771	3.5
Total real estate loans	<u>323,413</u>	<u>65.9</u>	<u>304,078</u>	<u>71.6</u>
Consumer:				
Home equity loans and lines of credit	22,238	4.5	21,103	5.0
Auto loans	159	-	116	-
Deposit loans	0	-	326	-
Overdrafts	65	-	55	-
Other	89,690	18.3	53,421	12.6
Total consumer and other loans	<u>112,152</u>	<u>22.8</u>	<u>75,021</u>	<u>17.6</u>
Commercial loans	<u>55,672</u>	<u>11.3</u>	<u>45,943</u>	<u>10.8</u>
Total loans	491,237	100.0 %	425,042	100.00 %
Allowance for loan losses	(5,661)		(6,498)	
Net deferred loan costs	(1,774)		(1,300)	
Loans receivable, net	<u>\$ 483,802</u>		<u>\$ 417,244</u>	

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First Advantage Bancorp

Breakdown of Allowance for Loan Losses

(Dollars in thousands)

	At December 31,			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	\$ 217	3.8 %	13.5 %	\$ 312	4.8 %	15.4 %
Multi-family and nonresidential	1,272	22.5	38.8	2,279	35.1	42.7
Construction	101	1.8	10.8	167	2.6	10.0
Land	65	1.2	2.8	120	1.8	3.5
Consumer	1,230	21.7	22.8	1,044	16.1	17.6
Commercial	2,775	49.0	11.3	2,576	39.6	10.8
Total allowance for loan losses	<u>\$ 5,660</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>\$ 6,498</u>	<u>100.0 %</u>	<u>100.0 %</u>

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First Advantage Bancorp

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>

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 December 31, 2017	At December 31, 2016
Non-accrual loans:		
One- to four-family	731	1,082
Multi-family and nonresidential	583	2,810
Construction	-	24
Land	164	193
Mortgage - 2nd	296	266
Consumer and other	1,150	623
Commercial	1,014	3,239
Total	3,938	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	340	755
Other non-performing assets	615	90
Total non-performing assets	4,893	9,082
Total non-performing loans to total loans	0.81%	1.97%
Total non-performing loans to total assets	0.69%	1.56%
Total non-performing assets to total assets	0.86%	1.72%

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First Advantage Bancorp

Age Analysis of Past Due Loans

As of December 31, 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	\$ 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	\$ -

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 December 31, 2017

(Unaudited - dollars in thousands)

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>

December 31, 2016

	<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	\$ 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 December 31, 2017

(Unaudited - dollars in thousands)

	December 31, 2017		December 31, 2016	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	\$ 2,271	\$ 2,284	\$ 467	\$ 479
Due after one but within five years	1,874	1,926	2,139	2,213
Due after five but within ten years	6,130	6,116	4,560	4,597
Due after ten years	15,886	16,031	20,052	19,695
	26,161	26,357	27,218	26,984
Mortgage-backed securities	17,932	18,071	19,306	19,505
	<u>\$ 44,093</u>	<u>\$ 44,428</u>	<u>\$ 46,524</u>	<u>\$ 46,489</u>

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First Advantage Bancorp

Age Analysis of Gross Unrealized Losses on Investment Securities

As of December 31, 2017

(Unaudited - dollars in thousands)

	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)

	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						
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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