

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

	June 30, 2019 (Unaudited)	December 31, 2018
Assets		
Cash and due from banks	\$ 7,320	\$ 8,476
Interest-bearing demand deposits with banks	5,226	2,710
Time deposits at other banks	250	-
Federal funds sold	1,450	375
Cash and cash equivalents	14,246	11,561
Available-for-sale securities, at fair value	42,224	42,945
Loans held for sale, at lower of cost or fair value	2,794	555
Loans, net of allowance for loan losses of \$5,354 and \$5,332 at June 30, 2019 and December 31, 2018, respectively	592,153	574,931
Premises and equipment, net	8,718	7,835
Foreclosed assets held for sale	1,364	1,269
Federal Home Loan Bank stock, at cost	2,988	2,988
Accrued interest receivable	2,459	3,088
Bank owned life insurance	14,547	14,392
Net deferred tax asset	2,254	2,360
Operating lease right-of-use assets	6,670	-
Other assets	2,111	2,405
Total assets	<u>\$ 692,528</u>	<u>\$ 664,329</u>
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Demand	\$ 57,317	\$ 53,616
Savings, checking and money market	279,968	273,426
Time certificates	225,767	195,564
Total deposits	563,052	522,606
Short-term borrowings	2,000	22,500
Long-term borrowings	34,627	35,132
Operating lease liabilities	6,788	-
Interest payable and other liabilities	6,689	6,841
Total liabilities	613,156	587,079
Shareholders' Equity		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, no shares issued or outstanding at June 30, 2019 or December 31, 2018	-	-
Common stock, \$0.01 par value, 50,000,000 shares authorized, 4,005,539 shares issued and 3,871,649 outstanding at June 30, 2019 and 4,056,664 shares issued and 3,906,881 outstanding at December 31, 2018	40	41
Additional paid in capital	39,162	39,794
Common stock held by:		
Nonqualified Deferred Compensation Plan	(2,811)	(2,632)
Employee Stock Ownership Plan	(963)	(963)
2008 Equity Incentive Plan	(151)	(378)
Retained earnings	43,698	41,610
Accumulated other comprehensive income	397	(222)
Total shareholders' equity	79,372	77,250
Total liabilities and shareholders' equity	<u>\$ 692,528</u>	<u>\$ 664,329</u>

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Interest and Dividend Income				
Loans	\$ 8,789	\$ 7,293	\$ 17,383	\$ 14,217
Investment securities	266	308	523	625
Other	98	80	183	158
Total interest and dividend income	9,153	7,681	18,089	15,000
Interest Expense				
Deposits	2,368	1,235	4,455	2,305
Borrowings	226	275	519	552
Total interest expense	2,594	1,510	4,974	2,857
Net Interest Income	6,559	6,171	13,115	12,143
Provision for Loan Losses	232	125	432	205
Net Interest Income After Provision for Loan Losses	6,327	6,046	12,683	11,938
Noninterest Income				
Service charges on deposit accounts and other fees	329	297	617	574
Loan servicing and other fees	5	30	16	70
Net gain on sales of loans held for sale	472	448	577	643
Net gain on sales of other real estate owned	2	-	20	6
Net realized gain (loss) on sales of available-for-sale securities	43	-	(7)	-
Insurance and brokerage commissions	71	58	182	106
Income from bank owned life insurance	81	81	155	158
Other	59	21	217	38
Total noninterest income	1,062	935	1,777	1,595
Noninterest Expense				
Salaries and employee benefits	2,887	2,744	5,857	5,599
Net occupancy expense	434	314	825	635
Equipment expense	310	268	647	547
Data processing fees	352	330	699	683
Professional fees	362	266	694	517
Marketing expense	63	59	119	104
Supplies and communication	93	84	134	165
Other	616	697	1,204	1,210
Total noninterest expense	5,117	4,762	10,179	9,460
Income Before Income Taxes	2,272	2,219	4,281	4,073
Provision for Income Taxes	500	213	983	644
Net Income	\$ 1,772	\$ 2,006	\$ 3,298	\$ 3,429
Per common share:				
Basic net income per common share	\$ 0.46	\$0.54	\$ 0.85	\$0.93
Diluted net income per common share	\$ 0.42	\$0.49	\$ 0.78	\$0.85
Dividends declared per common share	\$ 0.15	\$0.13	\$ 0.30	\$0.26
Basic weighted average common shares outstanding	3,878,099	3,748,594	3,887,341	3,696,364
Diluted weighted average common shares outstanding	4,223,608	4,115,536	4,232,410	4,055,417

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

	June 30	
	2019	2018
Operating Activities		
Net income	\$ 3,298	\$ 3,429
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	432	205
Depreciation, amortization and accretion	719	553
Deferred income taxes	(106)	(167)
Funding of mortgage loans held for sale	(11,247)	(11,203)
Proceeds from sale of mortgage loans held for sale	9,585	12,271
Net gain on sales of loans held for sale	(577)	(643)
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	(46)	(30)
Stock-based compensation	522	333
Bank owned life insurance	(155)	(158)
Decrease in other assets	674	8
(Decrease) increase in other liabilities	(152)	35
Net cash provided by operating activities	2,950	4,627
Investing Activities		
Purchases of securities available-for-sale	(8,369)	(6,164)
Proceeds from call/maturities and repayments of securities available-for-sale	4,174	4,622
Proceeds from sales of securities available-for-sale	5,825	-
Net increase in loans	(18,685)	(28,970)
Purchase of premises and equipment	(1,336)	(199)
Proceeds from sale of other real estate owned	583	6
Proceeds from sale of repossessed assets	419	30
Net cash used in by investing activities	(17,389)	(30,675)
Financing Activities		
Net increase in demand deposits, money market, checking and savings accounts	10,243	20,455
Net increase in time deposits	30,203	8,941
Net decrease in short-term borrowings	(20,500)	(7,000)
Net (decrease) increase in long-term borrowings	(505)	19,503
Repayment of long-term debt	-	(15,000)
Proceeds from stock option exercises	16	2,158
Stock repurchase/retired - repurchase program	(1,123)	(331)
Cash paid for dividends	(1,210)	(1,005)
Net cash provided by financing activities	17,124	27,721
Increase in Cash and Cash Equivalents	2,685	1,673
Cash and Cash Equivalents, Beginning of Period	11,561	9,449
Cash and Cash Equivalents, End of Period	14,246	11,122

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FIRST ADVANTAGE BANCORP
SELECTED FINANCIAL DATA

(Unaudited-Dollars in thousands)

	Three Months Ended		Six Months Ended		Year Ended
	2019	2018	2019	2018	December 2018
SELECTED FINANCIAL CONDITION DATA: END OF PERIOD BALANCES					
Assets	\$ 692,528	\$ 602,556	\$ 692,528	\$ 602,556	\$ 664,329
Available-for-sale Securities, at fair value	42,224	44,878	42,224	44,878	42,945
Loans, gross	597,507	518,041	597,507	518,041	580,263
Allowance for Loan Losses	5,354	5,635	5,354	5,635	5,332
Deposits	563,052	473,588	563,052	473,588	522,606
FHLB Advances and Other Borrowings	36,627	49,634	36,627	49,634	57,632
Common Shareholders' Equity	79,372	73,936	79,372	73,936	77,250
SELECTED FINANCIAL CONDITION DATA: AVERAGE BALANCES					
Assets	\$ 687,102	\$ 593,970	\$ 678,121	\$ 586,440	\$ 609,740
Earning Assets	647,494	564,021	641,152	556,960	579,378
Investment Securities	41,954	46,244	41,927	45,313	43,954
Other Investments	12,054	9,491	10,632	10,325	9,567
Loans, gross	593,486	508,286	588,592	502,323	525,857
Deposits	552,588	462,535	541,643	456,556	472,026
FHLB Advances and Other Borrowings	42,732	54,120	48,158	54,228	58,469
Common Shareholders' Equity	78,950	72,624	78,455	70,937	73,799
SELECTED OPERATING RESULTS:					
Interest and Dividend Income	\$ 9,153	\$ 7,681	\$ 18,089	\$ 15,000	\$ 32,234
Interest Expense	2,594	1,510	4,974	2,857	6,683
Net Interest Income	6,559	6,171	13,115	12,143	25,551
Provision for Loan Losses	232	125	432	205	600
Net Interest Income After Provision for Loan Losses	6,327	6,046	12,683	11,938	24,951
Noninterest Income	1,062	935	1,777	1,595	3,131
Noninterest Expense	5,117	4,762	10,179	9,460	19,006
Income Before Income Tax Expense	2,272	2,219	4,281	4,073	9,076
Income Tax Expense	500	213	983	644	1,715
Net Income	\$ 1,772	\$ 2,006	\$ 3,298	\$ 3,429	\$ 7,361
Basic Net Income Per Common Share	\$ 0.46	\$ 0.54	\$ 0.85	\$ 0.93	\$ 1.94
Diluted Net Income per Common Share	0.42	0.49	0.78	0.85	1.79
Dividends paid per common share	0.15	0.13	0.30	0.26	0.52
Book Value Per Common Share	20.50	18.39	20.50	18.39	19.04
Book Value Per Common Share - Diluted	18.79	17.97	18.75	18.23	18.74
Common Shares Outstanding	3,871,649	4,020,250	3,871,649	4,020,250	3,906,881
Basic Weighted Average Common Shares Outstanding	3,878,099	3,748,594	3,887,341	3,696,364	3,789,654
Diluted Weighted Average Common Shares Outstanding	4,223,608	4,115,536	4,232,410	4,055,417	4,122,191
SELECTED RATIOS (quarterly rates annualized):					
Return on Average Assets	1.03 %	1.35 %	0.98 %	1.18 %	1.21 %
Return on Average Common Shareholders' Equity	9.00	11.08	8.48	9.75	9.97
Average Common Shareholders' Equity to Average Assets	11.49	12.23	11.57	12.10	12.10
Net Interest Margin	4.06	4.39	4.12	4.40	4.41
Efficiency: Expense to Revenue	67.14	67.01	68.35	68.86	66.26
SELECTED ASSET QUALITY:					
Net (Recoveries) Charge-offs	\$ 113	\$ 189	\$ 403	\$ 225	\$ 929
Classified Assets	17,538	8,663	17,538	8,663	10,124
Nonperforming Loans	5,762	4,741	5,762	4,741	5,892
Nonperforming Assets	7,126	5,856	7,126	5,856	7,161
Troubled Debt Restructurings	2,494	2,111	2,494	2,111	2,505
Total Nonperforming Loans to Total Loans	0.97 %	0.93 %	0.97 %	0.93 %	1.02 %
Total Nonperforming Loans to Total Assets	0.83 %	0.79 %	0.83 %	0.79 %	0.89 %
Total Nonperforming Assets to Total Assets	1.03 %	1.01 %	1.03 %	0.97 %	1.08 %

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First Advantage Bancorp

Loan Portfolio Composition

(Dollars in thousands)

	At June 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	\$ 71,478	11.9 %	\$ 70,695	12.1 %
Multi-family	18,586	3.1	25,029	4.3
Nonresidential	200,386	33.4	193,157	33.3
Construction loans:		-		-
One-to-four family	19,028	3.2	24,674	4.2
Multi-family	5,525	0.9	6,666	1.1
Nonresidential	38,315	6.4	37,445	6.4
Land loans	13,849	2.3	12,757	2.2
Total real estate loans	<u>367,167</u>	<u>61.2</u>	<u>370,423</u>	<u>63.6</u>
Consumer:				
Home equity loans and lines of credit	20,502	3.4	22,708	3.9
Auto loans	120	-	130	-
Deposit loans	0	-	0	-
Overdrafts	91	-	100	-
Other	142,820	23.9	124,318	21.3
Total consumer and other loans	<u>163,533</u>	<u>27.3</u>	<u>147,256</u>	<u>25.2</u>
Commercial loans	<u>69,264</u>	<u>11.5</u>	<u>64,964</u>	<u>11.2</u>
Total loans	599,964	100.0 %	582,643	100.00 %
Allowance for loan losses	(5,354)		(5,332)	
Net deferred loan costs	(2,457)		(2,380)	
Loans receivable, net	<u>\$ 592,153</u>		<u>\$ 574,931</u>	

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First Advantage Bancorp

Breakdown of Allowance for Loan Losses

(Dollars in thousands)

	At June 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	\$ 105	2.0 %	11.9 %	\$ 105	2.0 %	12.1 %
Multi-family and nonresidential	1,702	31.8	36.5	1,788	33.5	37.6
Construction	154	2.9	10.5	172	3.2	11.7
Land	24	0.4	2.3	24	0.5	2.2
Consumer	1,477	27.6	27.3	1,282	24.0	25.2
Commercial	1,892	35.3	11.5	1,961	36.8	11.2
Total allowance for loan losses	<u>\$ 5,354</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>\$ 5,332</u>	<u>100.0 %</u>	<u>100.0 %</u>

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First Advantage Bancorp

Credit Quality Indicators as of June 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	\$ 70,365	\$ 212,960	\$ 62,868	\$ 13,849	\$ 160,054	\$ 62,330	\$ 582,426
Special mention	305	3,515	-	-	483	4,836	9,139
Substandard	808	2,497	-	-	2,996	2,098	8,399
Doubtful	-	-	-	-	-	-	-
Total	<u>\$ 71,478</u>	<u>\$ 218,972</u>	<u>\$ 62,868</u>	<u>\$ 13,849</u>	<u>\$ 163,533</u>	<u>\$ 69,264</u>	<u>\$ 599,964</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 June 30, 2019	At December 31, 2018
Non-accrual loans:		
One- to four-family	402	420
Multi-family and nonresidential	1,490	1,369
Construction	-	-
Land	-	-
Mortgage - 2nd	141	368
Consumer and other	1,942	1,625
Commercial	1,787	2,110
Total	5,762	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	1,277	882
Total non-performing assets	7,126	7,161
Total non-performing loans to total loans	0.97%	1.02%
Total non-performing loans to total assets	0.83%	0.89%
Total non-performing assets to total assets	1.03%	1.08%

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First Advantage Bancorp

Age Analysis of Past Due Loans

As of June 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	\$ 69	\$ -	\$ 89	\$ 158	\$ 71,320	\$ 71,478	\$ -
Multifamily/nonresidential	-	-	788	\$ 788	218,184	218,972	-
Construction	-	-	-	\$ -	62,868	62,868	-
Land	-	-	-	\$ -	13,849	13,849	-
Consumer and other	941	74	1,154	\$ 2,169	161,364	163,533	-
Commercial	95	3	165	\$ 263	69,001	69,264	-
Total	\$ 1,105	\$ 77	\$ 2,196	\$ 3,378	\$ 596,586	\$ 599,964	\$ -

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 June 30, 2019

(Unaudited - dollars in thousands)

June 30, 2019

	<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	\$ 5,275	\$ 29	\$ -	\$ 5,304
Mortgage-backed securities	16,530	125	(68)	16,587
State and political subdivisions	19,708	456	(10)	20,154
Other Securities	178	1	-	179
Total	<u>\$ 41,691</u>	<u>\$ 611</u>	<u>\$ (78)</u>	<u>\$ 42,224</u>

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	\$ 3,089	\$ 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 June 30, 2019

(Unaudited - dollars in thousands)

	June 30, 2019		December 31, 2018	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	\$ 337	\$ 339	\$ 584	\$ 588
Due after one but within five years	1,296	1,306	1,680	1,695
Due after five but within ten years	8,446	8,643	9,403	9,366
Due after ten years	15,082	15,349	14,406	14,198
	25,161	25,637	26,073	25,847
Mortgage-backed securities	16,530	16,587	17,420	17,098
	<u>\$ 41,691</u>	<u>\$ 42,224</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 June 30, 2019

(Unaudited - dollars in thousands)

	June 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	\$ 1,015	\$ (1)	\$ 4,870	\$ (67)	\$ 5,885	\$ (68)
State and political subdivisions	-	-	1,125	(10)	1,125	(10)
Total	\$ 1,015	\$ (1)	\$ 5,995	\$ (77)	\$ 7,010	\$ (78)

	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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