

Quarterly Financial Results

(unaudited)

As of June 30, 2015

FirstAtlantic Financial Holdings, Inc.
Consolidated Balance Sheet (in thousands, except share data)
(unaudited)

	June 30, 2015	December 31, 2014	June 30, 2014
Assets:			
Cash and due from banks	$ 2,347	$ 2,480	$ 2,344
Interest bearing deposits in banks	38,799	8,823	13,194
Federal funds sold	136	370	132
Total cash and cash equivalents:	41,282	11,673	15,670
Investment securities available for sale, at fair value	64,266	63,476	74,764
Investment securities held to maturity (fair value of $2,643, $1,082, and $1,084)	2,655	1,076	1,090
Loans, net of unearned income	285,496	286,123	275,547
Less allowance for loan losses	1,783	1,789	2,468
Loans, net	283,713	284,334	273,079
Premises and equipment, net	14,277	14,442	14,614
Investment in Federal Home Loan Bank stock	345	646	781
Accrued interest receivable	1,040	1,153	1,153
Goodwill and intangible assets, net	2,985	3,150	3,314
Other real estate owned	777	1,612	2,510
Deferred tax assets	3,075	2,388	2,576
Other assets	932	797	784
Total assets	**$ 415,347**	**$ 384,747**	**$ 390,335**
Liabilities and shareholders' equity			
Deposits:			
Non interest-bearing demand	$ 98,866	$ 81,408	$ 72,833
Interest-bearing demand	57,408	50,360	46,956
Savings and money market	139,518	123,571	127,816
Time deposits	61,758	70,687	78,786
Total deposits	357,550	326,026	326,391
Advances from Federal Home Loan Bank	-	3,000	9,600
Accrued interest payable	136	180	181
Income taxes payable	374	-	855
Contingent CenterBank acquisition liability	-	-	2,000
Other liabilities	1,247	715	608
Total liabilities	**359,307**	**329,921**	**339,635**
Shareholder's equity			
Preferred stock, $.01 par value; 5,000,000 shares authorized; no shares issued and outstanding	-	-	-
Common stock, $.01 par value; 20,000,000 shares authorized; 5,994,955shares issued and outstanding at June 30, 2015 5,994,955 shares issued and outstanding at December 31, 2014 5,701,228 shares issued and outstanding at June 30, 2014	60	60	57
Additional paid in capital	52,667	52,668	49,847
Retained earnings	4,023	2,773	1,685
Accumulated other comprehensive income, net of tax	(710)	(675)	(889)
Total shareholder's equity	56,040	54,826	50,700
Total liabilities and shareholders' equity	**$ 415,347**	**$ 384,747**	**$ 390,335**

FirstAtlantic Financial Holdings, Inc.
Consolidated Statement of Operations (in thousands except share data)
(unaudited)

	Six months ended June 30,		Three months ended June 30,	
	2015	**2014**	**2015**	**2014**
Interest income:				
Loans, including fees	$ 8,001	$ 9,119	$ 4,082	$ 4,622
Investment securities - taxable	582	758	297	382
Investment securities - tax exempt	1	-	1	-
Federal funds sold	27	12	19	8
Total interest income	8,611	9,889	4,399	5,012
Interest expense:				
Deposits	786	862	392	437
Federal Home Loan Bank advances	4	73	-	35
Total interest expense	790	935	392	472
Net interest income	7,821	8,954	4,007	4,540
Provision for loan losses	266	500	225	250
Net interest income after provision for loan losses	7,555	8,454	3,782	4,290
Other operating income:				
Service fees on deposit accounts	304	274	157	142
Gain on sale of loans	690	48	225	48
Gain on sale of securities available for sale	29	-	-	-
Gain on sale of other real estate	12	26	11	18
Other operating income	341	357	177	179
Total non-interest income	1,376	705	570	387
Other operating expense				
Salaries and employee benefits	3,523	3,567	1,725	1,786
Occupancy and equipment	710	709	364	351
Ammortization of intangible assets	165	165	82	82
Data processing and communications	477	483	255	259
Expenses and valuation adjustments on other real estate	93	208	76	166
FDIC insurance	127	161	63	79
Legal, accounting and audit fees	207	283	94	97
Expense for contingent liability	-	800	-	400
Other operating	648	653	344	353
Total non-interest expense	5,950	7,029	3,003	3,573
Net income before taxes	2,981	2,130	1,349	1,104
Income tax expense	(1,132)	(812)	(515)	(409)
Net income	$ 1,849	$ 1,318	$ 834	$ 695
Basic and diluted earnings per common share	$ 0.31	$ 0.23	$ 0.14	$ 0.12
Basic and diluted weighted average common shares outstanding	5,994,955	5,701,228	5,994,955	5,701,228

FirstAtlantic Financial Holdings, Inc.
Consolidated Statement of Comprehensive Income (in thousands)
(unaudited)

	Six months ended June 30,		Three months ended June 30,	
	2015	**2014**	**2015**	**2014**
Net Income	**$ 1,849**	**$ 1,318**	**$ 834**	**$ 695**
Other comprehensive (loss) income items:				
Net unrealized (losses) or gains on available-for-sale investment securities arising during the period	(28)	1,238	(599)	605
Deferred income tax benefit (expense) related to change in unrealized gains or losses during the period	11	(470)	228	(229)
Reclassification adjustment for realized gains on sale of available-for-sale investment securities	(29)	-	-	-
Income tax expense on realized gains on sale of available-for-sale investment securities	11	-	-	-
Other comprehensive income (loss)	(35)	768	(371)	376
Comprehensive income	$ 1,814	2,086	$ 463	1,071

FirstAtlantic Financial Holdings, Inc.
Consolidated Statement of Changes in Shareholder' Equity
For the Period Ended June 30, 2015
(unaudited)

	Common Stock				Accumulated Other Comprehensive	
	Shares	Amount	Surplus	Retained Earnings	Income	Total
Balance, December 31, 2013	**5,701,228**	**57**	**49,836**	**367**	**(1,658)**	**48,602**
Net Income	-	-	-	1,318	-	1,318
Change in unrealized gain on securities available for sale, net of tax	-	-	-	-	769	769
Stock-based compensation	-	-	11	-	-	11
Balance, June 30, 2014	**5,701,228**	**57**	**49,847**	**1,685**	**(889)**	**50,700**
Balance, December 31, 2014	**5,994,455**	**60**	**52,668**	**2,773**	**(675)**	**54,826**
Net Income	-	-	-	1,849	-	1,849
Cash dividends paid to shareholders				(599)		(599)
Change in unrealized gain on securities available for sale, net of tax	-	-	-	-	(35)	(35)
Stock-based compensation	-	-	(1)	-	-	(1)
Balance, June 30, 2015	**5,994,455**	**$ 60**	**$ 52,667**	**$ 4,023**	**$ (710)**	**$ 56,040**

FirstAtlantic Financial Holdings, Inc.
Consolidated Statements of Cash Flows (in thousands)
(unaudited)

	Six months ended June 30,	
	2015	2014
Cash flows from operating activities:		
Net income	$ 1,849	$ 1,318
Adjustments to reconcile net income to net cash provided by operating activities		
Provision for loan losses	266	500
Depreciation, amortization and accretion	(293)	(1,296)
Stock-based compensation	(1)	11
Gain from sale of securities available-for-sale	29	-
Net (gain) on sale of other real estate	(12)	(26)
Impairment of other real estate owned	50	-
CenterBank acquisition settlement expense	-	800
Changes in		
Interest receivable	113	67
Accrued interest payable	(44)	1
Other assets	(800)	(307)
Other liabilities	906	(1,893)
Cash provided by (used for) operating activities	2,063	(825)
Cash flows from investing activities		
Proceeds from sale of securities available-for-sale	1,033	-
Proceeds from maturities and payments of securities available-for-sale	4,797	5,638
Purchases of securities available-for-sale	(6,857)	-
Proceeds from maturities and payments of securities held to maturity	128	-
Purchases of securities held to maturity	(1,722)	(1,090)
Change in Federal Home Loan Bank stock	301	260
Proceeds from sale of portfolio loans	1,969	-
Gain from sale of portfolio loans	(690)	-
Net change in loans	(95)	(1,194)
Proceeds from sales of other real estate owned	875	2,533
Purchases of premises and equipment	(118)	(136)
Cash (used for) provided by investing activities	(379)	6,011
Cash flows from financing activities		
Net change in deposits	31,524	5,336
Net change in Federal Home Loans Bank advances	(3,000)	(4,500)
Dividends paid	(599)	-
Cash provided by financing activities	27,925	836
Net change in cash and cash equivalents	29,609	6,022
Cash and cash equivalents, beginning of year	11,673	9,648
Cash and cash equivalents, end of period	$ 41,282	$ 15,670
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	$ 834	$ 933
Cash paid during the year for taxes	$ 1,490	$ 2,600
Non-cash investing and financing activities		
Change in unrealized gain/loss on securities available-for-sale, net of tax	$ (35)	$ 769
Loans transferred for foreclosed assets, net of impairments	$ 78	$ 116