

Quarterly Financial Results

(unaudited)

As of September 30, 2015

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

	September 30, 2015	December 31, 2014	September 30, 2014
Assets:			
Cash and due from banks	$ 2,461	$ 2,480	$ 2,412
Interest bearing deposits in banks	63,217	8,823	17,704
Federal funds sold	422	370	270
Total cash and cash equivalents:	66,100	11,673	20,386
Investment securities available for sale, at fair value	63,324	63,476	71,334
Investment securities held to maturity (fair value of $7,045, $1,082, and $1,070)	7,029	1,076	1,081
Loans, net of unearned income	289,900	286,123	265,070
Less allowance for loan losses	2,173	1,789	1,850
Loans, net	287,727	284,334	263,220
Premises and equipment, net	14,241	14,442	14,529
Investment in Federal Home Loan Bank stock	345	646	781
Accrued interest receivable	992	1,153	1,084
Goodwill and intangible assets, net	2,903	3,150	3,232
Other real estate owned	704	1,612	2,561
Deferred tax assets	2,800	2,388	3,114
Other assets	931	797	396
Total assets	**$ 447,096**	**$ 384,747**	**$ 381,718**
Liabilities and shareholders' equity			
Deposits:			
Non interest-bearing demand	$ 90,665	$ 81,408	$ 73,250
Interest-bearing demand	65,825	50,360	47,943
Savings and money market	171,180	123,571	128,202
Time deposits	58,968	70,687	70,981
Total deposits	386,638	326,026	320,376
Advances from Federal Home Loan Bank	-	3,000	7,600
Accrued interest payable	102	180	177
Income taxes payable	559	-	-
Contingent CenterBank acquisition liability	-	-	2,150
Other liabilities	2,443	715	628
Total liabilities	**389,742**	**329,921**	**330,931**
Shareholder's equity			
Preferred stock, $.01 par value; 5,000,000 shares authorized; no shares issued and outstanding	-	-	-
Common stock, $.01 par value; 20,000,000 shares authorized; 5,994,955shares issued and outstanding at September 30, 2015 5,994,955 shares issued and outstanding at December 31, 2014 5,701,228 shares issued and outstanding at September 30, 2014	60	60	57
Additional paid in capital	52,675	52,668	49,853
Retained earnings	4,868	2,773	1,806
Accumulated other comprehensive income, net of tax	(249)	(675)	(929)
Total shareholder's equity	57,354	54,826	50,787
Total liabilities and shareholders' equity	**$ 447,096**	**$ 384,747**	**$ 381,718**

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

	Nine months ended September 30,		Three months ended September 30,	
	2015	**2014**	**2015**	**2014**
Interest income:				
Loans, including fees	$ 12,170	$ 13,279	$ 4,169	$ 4,160
Investment securities - taxable	875	1,111	293	353
Investment securities - tax exempt	11	-	10	-
Federal funds sold	61	20	33	8
Other	15	28	4	7
Total interest income	13,132	14,438	4,509	4,528
Interest expense:				
Deposits	1,181	1,276	395	415
Federal Home Loan Bank advances	5	108	-	35
Total interest expense	1,186	1,384	395	450
Net interest income	11,946	13,054	4,114	4,078
Provision for loan losses	501	1,485	235	985
Net interest income after provision for loan losses	11,445	11,569	3,879	3,093
Other operating income:				
Service fees on deposit accounts	475	426	171	152
Gain on sale of loans	779	93	89	44
Gain on sale of securities available for sale	29	-	-	-
Gain on sale of other real estate	47	15	35	(11)
Other operating income	499	504	169	170
Total non-interest income	1,829	1,038	464	355
Other operating expense				
Salaries and employee benefits	5,237	5,278	1,714	1,711
Occupancy and equipment	1,087	1,068	377	359
Ammortization of intangible assets	247	247	82	82
Data processing and communications	733	720	256	237
Expenses and valuation adjustments on other real estate	111	465	18	257
FDIC insurance	191	236	65	75
Legal, accounting and audit fees	332	394	136	110
Expense for contingent liability	-	950	-	150
Other operating	992	929	330	277
Total non-interest expense	8,930	10,287	2,978	3,258
Net income before taxes	4,344	2,320	1,365	190
Income tax expense	(1,650)	(881)	(518)	(69)
Net income	$ 2,694	$ 1,439	$ 847	$ 121
Basic and diluted earnings per common share	$ 0.45	$ 0.25	$ 0.14	$ 0.02
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)

	Nine months ended September 30,		Three months ended September 30,	
	2015	**2014**	**2015**	**2014**
Net Income	**$ 2,694**	**$ 1,439**	**$ 847**	**$ 121**
Other comprehensive (loss) income items:				
Net unrealized (losses) or gains on available-for-sale investment securities arising during the period	715	1,175	743	(63)
Deferred income tax benefit (expense) related to change in unrealized gains or losses during the period	(271)	(447)	(282)	24
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)	426	728	461	(39)
Comprehensive income	$ 3,120	2,167	$ 1,308	82

FirstAtlantic Financial Holdings, Inc.
Consolidated Statement of Changes in Shareholder' Equity
For the Period Ended September 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	-	-	-	1,439	-	1,439
Change in unrealized gain on securities available for sale, net of tax	-	-	-	-	729	729
Stock-based compensation	-	-	17	-	-	17
Balance, September 30, 2014	**5,701,228**	**57**	**49,853**	**1,806**	**(929)**	**50,787**
Balance, December 31, 2014	**5,994,955**	**60**	**52,668**	**2,773**	**(675)**	**54,826**
Net Income	-	-	-	2,694	-	2,694
Cash dividends paid to shareholders				(599)		(599)
Change in unrealized gain on securities available for sale, net of tax	-	-	-	-	426	426
Stock-based compensation	-	-	7	-	-	7
Balance, September 30, 2015	**5,994,955**	**$ 60**	**$ 52,675**	**$ 4,868**	**$ (249)**	**$ 57,354**

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

	Nine months ended September 30,	
	2015	2014
Cash flows from operating activities:		
Net income	$ 2,694	$ 1,439
Adjustments to reconcile net income to net cash provided by (used for) operating activities		
Provision for loan losses	501	1,485
Depreciation, amortization and accretion	(669)	(1,638)
Stock-based compensation	7	17
Gain from sale of securities available-for-sale	29	-
Net (gain) on sale of other real estate	(47)	(15)
Impairment of other real estate owned	50	269
CenterBank acquisition settlement expense	-	950
Changes in		
Interest receivable	161	136
Accrued interest payable	(78)	(3)
Other assets	(806)	(434)
Other liabilities	2,287	(2,727)
Cash provided by (used for) operating activities	4,129	(521)
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	7,575	8,883
Purchases of securities available-for-sale	(8,040)	-
Proceeds from maturities and payments of securities held to maturity	222	7
Purchases of securities held to maturity	(6,218)	(1,090)
Change in Federal Home Loan Bank stock	301	260
Proceeds from sale of portfolio loans	2,991	-
Gain from sale of portfolio loans	(779)	-
Net change in loans	(4,564)	7,349
Proceeds from sales of other real estate owned	983	3,222
Purchases of premises and equipment	(220)	(193)
Cash (used for) provided by investing activities	(6,716)	18,438
Cash flows from financing activities		
Net change in deposits	60,613	(679)
Net change in Federal Home Loans Bank advances	(3,000)	(6,500)
Dividends paid	(599)	-
Cash provided by (used for) financing activities	57,014	(7,179)
Net change in cash and cash equivalents	54,427	10,738
Cash and cash equivalents, beginning of year	11,673	9,648
Cash and cash equivalents, end of period	$ 66,100	$ 20,386
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	$ 1,264	$ 1,387
Cash paid during the year for taxes	$ 1,830	$ 3,950
Non-cash investing and financing activities		
Change in unrealized gain/loss on securities available-for-sale, net of tax	$ 426	$ 729
Loans transferred for foreclosed assets, net of impairments	$ 78	$ 2,554