

Quarterly Financial Results

(unaudited)

As of March 31, 2016

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

	March 31, 2016	December 31, 2015	March 31, 2015
Assets:			
Cash and due from banks	$ 14,495	12,215	27,421
Federal funds sold	134	312	253
Total cash and cash equivalents:	14,629	12,527	27,674
Interest bearing deposits in banks	5,977	7,198	250
Investment securities available for sale, at fair value	74,368	73,162	61,539
Investment securities held to maturity; (fair value of $7,535, $7,486, and $948)	7,447	7,492	940
Loans, net of unearned income	303,558	300,514	282,536
Less allowance for loan losses	2,189	2,012	1,784
Loans, net	301,369	298,502	280,752
Premises and equipment, net	14,048	14,177	14,357
Investment in Federal Home Loan Bank stock	973	770	345
Accrued interest receivable	1,152	1,130	1,019
Goodwill and intangible assets, net	2,738	2,820	3,067
Other real estate owned	658	658	1,318
Deferred tax assets	1,551	2,134	2,216
Other assets	1,423	1,233	729
Total assets	**$ 426,333**	**421,803**	**394,206**
Liabilities and shareholders' equity			
Deposits:			
Non interest-bearing demand	$ 93,607	89,432	86,411
Interest-bearing demand	51,931	54,448	51,659
Savings and money market	148,350	152,859	133,446
Time deposits	58,152	56,766	64,343
Total deposits	352,040	353,505	335,859
Advances from Federal Home Loan Bank	14,000	10,000	-
Accrued interest payable	105	95	147
Other liabilities	232	478	2,029
Total liabilities	**366,860**	**364,078**	**338,035**
Shareholders' equity			
Preferred stock, $.01 par value; 5,000,000 shares authorized; no shares issued and outstanding	-	-	-
Common stock, $.01 par value; 20,000,000 shares authorized; 5,994,955 shares issued and outstanding	60	60	60
Additional paid in capital	52,688	52,678	52,661
Retained earnings	6,520	5,782	3,788
Accumulated other comprehensive income, net of tax	205	(795)	(338)
Total shareholders' equity	59,473	57,725	56,171
Total liabilities and shareholders' equity	**$ 426,333**	**421,803**	**394,206**

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

	Three months ended March 31,	
	2016	**2015**
Interest income:		
Loans, including fees	$ 4,053	$ 3,918
Investment securities	408	285
Other interest and investment income	18	14
Total interest income	4,479	4,217
Interest expense:		
Deposits	339	394
Federal Home Loan Bank advances	16	4
Total interest expense	355	398
Net interest income	4,124	3,819
Provision for loan losses	155	41
Net interest income after provision for loan losses	3,969	3,778
Other operating income:		
Service fees on deposit accounts	193	147
Gain on sale of loans	-	465
Gain on sale of securities available for sale	-	29
Gain on sale of other real estate	-	1
Other operating income	156	159
Total non-interest income	349	801
Other operating expense		
Salaries and employee benefits	1,870	1,798
Occupancy and equipment	376	347
Ammortization of intangible assets	82	82
Data processing and communications	249	222
Expenses and valuation adjustments on other real estate	10	17
FDIC insurance	57	64
Legal, accounting and audit fees	127	113
Other operating	356	304
Total non-interest expense	3,127	2,947
Net income before taxes	1,191	1,632
Income tax expense	(453)	(617)
Net income	$ 738	$ 1,015
Basic earnings per common share	$ 0.12	$ 0.17
Basic average common shares outstanding	5,994,955	5,994,955
Diluted earnings per common share	$ 0.12	$ 0.17
Diluted weighted average common shares outstanding	5,995,620	5,994,955

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

	Three months ended March 31,	
	2016	**2015**
Net Income	**$ 738**	**$ 1,015**
Other comprehensive (loss) income items:		
Net unrealized (losses) or gains on available-for-sale investment securities arising during the period	1,614	572
Deferred income tax benefit (expense) related to change in unrealized gains or losses during the period	(614)	(217)
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)	1,000	337
Comprehensive income	$ 1,738	1,352

FirstAtlantic Financial Holdings, Inc.
Consolidated Statement of Changes in Shareholder' Equity
For the Period Ended March 31, 2016
(unaudited)

	Common Stock		Additional Paid-in	Retained	Accumulated Other Comprehensive	
	Shares	Amount	Capital	Earnings	Income	Total
Balance, December 31, 2014	**5,994,455**	**$ 60**	**$ 52,668**	**$ 2,773**	**$ (675)**	**$ 54,826**
Net Income	-	-	-	1,015	-	1,015
Change in unrealized gain on securities available for sale, net of tax	-	-	-	-	337	337
Stock-based compensation	-	-	(7)	-	-	(7)
Balance, March 31, 2015	**5,994,455**	**60**	**52,661**	**3,788**	**(338)**	**56,171**
Balance, December 31, 2015	**5,994,955**	**60**	**52,678**	**5,782**	**(795)**	**57,725**
Net Income	-	-	-	738	-	738
Change in unrealized gain on securities available for sale, net of tax	-	-	-	-	1,000	1,000
Stock-based compensation	-	-	10	-	-	10
Balance, March 31, 2016	**5,994,955**	**$ 60**	**$ 52,688**	**$ 6,520**	**$ 205**	**$ 59,473**

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

	Three months ended March 31,	
	2016	2015
Cash flows from operating activities:		
Net income	$ 738	$ 1,015
Adjustments to reconcile net income to net cash (used for) provided by operating activities		
Provision for loan losses	155	41
Depreciation, amortization and accretion	(1,506)	(75)
Stock-based compensation	10	(7)
Gain from sale of securities available-for-sale	-	29
Net (gain) on sale of other real estate	-	(1)
Changes in		
Interest receivable	(22)	134
Accrued interest payable	10	(33)
Other assets	(221)	36
Other liabilities	237	1,314
Cash (used for) provided by operating activities	(599)	2,453
Cash flows from investing activities		
Net change in interest bearing deposits in banks	1,221	-
Proceeds from sale of securities available-for-sale	-	1,033
Proceeds from maturities and payments of securities available-for-sale	2,274	2,318
Purchases of securities available-for-sale	(1,955)	(986)
Proceeds from maturities and payments of securities held to maturity	15	123
Change in Federal Home Loan Bank stock	(203)	301
Proceeds from sale of portfolio loans	-	1,744
Gain from sale of portfolio loans	-	(465)
Net change in loans	(1,181)	2,658
Proceeds from sales of other real estate owned	-	295
Purchases of premises and equipment	(5)	(56)
Cash provided by investing activities	166	6,965
Cash flows from financing activities		
Net change in deposits	(1,465)	9,833
Net change in Federal Home Loans Bank advances	4,000	(3,000)
Cash provided by financing activities	2,535	6,833
Net change in cash and cash equivalents	2,102	16,251
Cash and cash equivalents, beginning of year	12,527	11,673
Cash and cash equivalents, end of period	$ 14,629	$ 27,924
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	$ 345	$ 431
Cash paid during the year for taxes	$ -	$ -
Non-cash investing and financing activities		
Change in unrealized gain/loss on securities available-for-sale, net of tax	$ 1,000	$ 337
Loans transferred for foreclosed assets, net of impairments	$ -	$ -