

**ATHENS BANCSHARES CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**

	(Unaudited) March 31, 2016	December 31, 2015
<b>ASSETS</b>		
Cash and due from banks	\$ 14,613,152	\$ 16,527,039
Federal funds sold	201,000	-
Interest-bearing deposits in banks	<u>16,983</u>	<u>1,015,978</u>
Total cash and cash equivalents	14,831,135	17,543,017
Securities available for sale	24,554,028	24,968,061
Investments, at cost	4,230,350	4,005,350
Loans, net of allowance for loan losses of \$3,977,322 and \$3,976,884 at March 31, 2016 and December 31, 2015, respectively	263,876,385	257,886,482
Premises and equipment, net	4,296,838	4,262,185
Accrued interest receivable	984,660	949,423
Cash surrender value of bank owned life insurance	10,433,459	10,366,283
Foreclosed real estate	1,092,885	1,097,885
Other assets	<u>2,743,823</u>	<u>2,725,298</u>
Total assets	<u>\$327,043,563</u>	<u>\$323,803,984</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits:		
Noninterest-bearing	\$ 29,406,766	\$ 27,531,988
Interest-bearing	<u>235,886,940</u>	<u>234,240,364</u>
Total deposits	265,293,706	261,772,352
Accrued interest payable	121,714	119,306
Securities sold under agreements to repurchase	786,856	1,389,838
Federal Home Loan Bank advances	10,000,000	10,000,000
Accrued expenses and other liabilities	<u>4,549,227</u>	<u>4,728,900</u>
Total liabilities	<u>280,751,503</u>	<u>278,010,396</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, \$0.01 par value; 10,000,000 shares authorized; none issued	-	-
Common stock, \$0.01 par value; 50,000,000 shares authorized; 2,777,250 shares issued and 1,792,941 outstanding at March 31, 2016 and 1,806,275 outstanding at December 31, 2015	17,929	18,063
Additional paid-in capital	18,153,493	18,267,897
Common stock acquired by benefit plans:		
Restricted stock	(80,545)	(92,052)
Unallocated common stock held by:		
Employee Stock Ownership Plan Trust	(1,333,079)	(1,333,079)
Retained earnings	29,119,346	28,629,596
Accumulated other comprehensive income	<u>414,916</u>	<u>303,163</u>
Total stockholders' equity	<u>46,292,060</u>	<u>45,793,588</u>
Total liabilities and stockholders' equity	<u>\$327,043,563</u>	<u>\$323,803,984</u>

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**ATHENS BANCSHARES CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>Interest and dividend income:</b>		
Loans, including fees	\$3,416,235	\$3,198,141
Dividends	89,146	69,692
Securities and interest-bearing deposits in other banks	<u>175,995</u>	<u>177,135</u>
Total interest and dividend income	<u>3,681,376</u>	<u>3,444,968</u>
<b>Interest expense:</b>		
Deposits	306,047	403,008
Fed funds purchased and securities sold under agreements to repurchase	327	329
Federal Home Loan Bank advances	<u>10,444</u>	<u>1,745</u>
Total interest expense	<u>316,818</u>	<u>405,082</u>
Net interest income	3,364,558	3,039,886
Provision for loan losses	<u>20,855</u>	<u>106,406</u>
Net interest income after provision for loan losses	<u>3,343,703</u>	<u>2,933,480</u>
<b>Noninterest income:</b>		
Customer service fees	503,357	491,807
Other charges and fees	477,201	421,146
Investment sales commissions	116,217	156,727
Increase in cash surrender value of life insurance	85,421	83,789
Other noninterest income	<u>162,979</u>	<u>157,100</u>
Total noninterest income	<u>1,345,175</u>	<u>1,310,569</u>
<b>Noninterest expenses:</b>		
Salaries and employee benefits	1,834,694	1,893,154
Occupancy and equipment	368,962	376,251
Federal deposit insurance premiums	44,000	48,000
Data processing	447,214	269,151
Advertising	65,366	62,418
Other operating expenses	<u>748,208</u>	<u>725,001</u>
Total noninterest expenses	<u>3,508,444</u>	<u>3,373,975</u>
Net income before income taxes	1,180,434	870,074
<b>Income tax expense</b>	<u>401,773</u>	<u>278,148</u>
Net income	<u>\$ 778,661</u>	<u>\$ 591,926</u>
<b>Earnings per common share</b>		
Basic	\$ 0.47	\$ 0.36
Diluted	\$ 0.44	\$ 0.33
Dividends per common share	\$ 0.05	\$ 0.05

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**ATHENS BANCSHARES CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Unaudited)

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<u><b>2016</b></u>	<u><b>2015</b></u>
Net income	\$ 778,661	\$ 591,926
Other comprehensive income, before tax:		
Unrealized holding gains on securities available for sale	180,247	156,319
Income tax expense related to other comprehensive income items	<u>(68,494)</u>	<u>(59,401)</u>
Other comprehensive income, net of tax	<u>111,753</u>	<u>96,918</u>
Comprehensive income	<u><u>\$ 890,414</u></u>	<u><u>\$ 688,844</u></u>

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**ATHENS BANCSHARES CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**Three Months Ended March 31, 2016**  
**(Unaudited)**

	Shares of Common Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Common Stock Acquired By Benefit Plans	Accumulated Other Comprehensive Income	Total
Balance, December 31, 2015	1,806,275	\$18,063	\$18,267,897	\$28,629,596	\$(1,425,131)	\$303,163	\$45,793,588
Net income		-	-	778,661	-	-	778,661
Other comprehensive income		-	-	-	-	111,753	111,753
Dividends - \$0.05 per share		-	-	(83,648)	-	-	(83,648)
Release of restricted stock plan shares		-	(11,507)	-	11,507	-	-
Stock compensation expense		-	24,309	-	-	-	24,309
Repurchase and retirement of Company common stock	<u>(13,334)</u>	<u>(134)</u>	<u>(127,206)</u>	<u>(205,263)</u>	<u>-</u>	<u>-</u>	<u>(332,603)</u>
Balance, March 31, 2015	<u>1,792,941</u>	<u>\$17,929</u>	<u>\$18,153,493</u>	<u>\$29,119,346</u>	<u>\$(1,413,624)</u>	<u>\$414,916</u>	<u>\$46,292,060</u>

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**ATHENS BANCSHARES CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	<u>Three Months Ended</u>	
	<u>March 31,</u> <u>2016</u>	<u>March 31,</u> <u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$778,661	\$ 591,926
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	126,095	134,009
Amortization of securities and other assets	46,174	53,858
Provision for loan losses	20,855	106,406
Deferred income taxes	40,919	(66,312)
Other gains and losses, net	1,022	(28,600)
Stock based compensation expense	24,309	98,043
Net change in:		
Cash surrender value of life insurance	(67,176)	(66,664)
Accrued interest receivable	(35,237)	46,104
Accrued interest payable	2,408	1,668
Other assets and liabilities	<u>(940,786)</u>	<u>165,158</u>
Net cash (used in) provided by operating activities	<u>(2,756)</u>	<u>1,035,596</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Securities available for sale:		
Maturities, prepayments and calls	566,440	591,449
Investments, at cost:		
Purchases	(225,000)	-
Loan originations and principal collections, net	(5,395,547)	(6,407,681)
Purchases of premises and equipment	(160,748)	(200,397)
Proceeds from sale of foreclosed real estate	<u>3,608</u>	<u>192,500</u>
Net cash provided used in investing activities	<u>(5,211,247)</u>	<u>(5,824,129)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase in deposits	3,521,354	7,855,104
Net decrease in securities sold under agreements to repurchase	(602,982)	(679,958)
Repurchase and retirement of Company common stock	(332,603)	(122,800)
Dividends paid	<u>(83,648)</u>	<u>(82,429)</u>
Net cash provided by financing activities	<u>2,502,121</u>	<u>6,969,917</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(2,711,882)</u>	<u>2,181,384</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<u>17,543,017</u>	<u>11,925,541</u>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<u>\$14,831,135</u>	<u>\$14,106,925</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Interest paid on deposits and borrowed funds	\$ 314,410	\$ 403,414
Income taxes paid	<u>320,680</u>	<u>719,770</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES:</b>		
Acquisition of real estate acquired through foreclosure	\$ -	\$ 820,640
Financed sales of foreclosed real estate	<u>-</u>	<u>-</u>

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