

ATHENS BANCSHARES CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

	(Unaudited) March 31, 2017	December 31, 2016
ASSETS		
Cash and due from banks	\$ 63,319,841	\$ 51,216,738
Federal funds sold	3,000	7,391,000
Interest-bearing deposits in banks	<u>17,027</u>	<u>17,011</u>
Total cash and cash equivalents	63,339,868	58,624,749
Securities available for sale	63,340,179	64,887,744
Investments, at cost	4,479,750	4,470,300
Loans, net of allowance for loan losses of \$4,282,517 and \$4,148,828 at March 31, 2017 and December 31, 2016, respectively	297,024,098	285,217,654
Premises and equipment, net	7,445,785	7,536,892
Accrued interest receivable	1,062,321	1,113,588
Cash surrender value of bank owned life insurance	11,786,079	10,636,077
Foreclosed real estate	914,100	961,100
Core deposit intangible	3,303,244	3,394,159
Other assets	<u>3,162,685</u>	<u>3,024,876</u>
Total assets	<u>\$455,858,109</u>	<u>\$439,867,139</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits:		
Noninterest-bearing	\$ 49,122,688	\$ 47,103,663
Interest-bearing	<u>345,917,734</u>	<u>330,296,022</u>
Total deposits	395,040,422	377,399,685
Accrued interest payable	227,044	233,780
Securities sold under agreements to repurchase	941,558	1,684,522
Note payable to bank	5,500,000	7,500,000
Accrued expenses and other liabilities	<u>5,243,054</u>	<u>5,211,530</u>
Total liabilities	<u>406,952,078</u>	<u>392,029,517</u>
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
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 1,791,244 outstanding at March 31, 2017 and 1,783,428 outstanding at December 31, 2016	17,912	17,834
Additional paid-in capital	18,367,896	18,355,172
Common stock acquired by benefit plans:		
Restricted stock	(34,520)	(46,026)
Unallocated common stock held by:		
Employee Stock Ownership Plan Trust	(1,184,960)	(1,184,960)
Retained earnings	32,068,958	31,111,591
Accumulated other comprehensive loss	<u>(329,255)</u>	<u>(415,989)</u>
Total stockholders' equity	<u>48,906,031</u>	<u>47,837,622</u>
Total liabilities and stockholders' equity	<u>\$455,858,109</u>	<u>\$439,867,139</u>

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

	Three Months Ended March 31,	
	2017	2016
Interest and dividend income:		
Loans, including fees	\$3,722,450	\$3,416,235
Dividends	38,486	89,146
Securities and interest-bearing deposits in other banks	<u>438,119</u>	<u>175,995</u>
Total interest and dividend income	<u>4,199,055</u>	<u>3,681,376</u>
Interest expense:		
Deposits	422,424	306,047
Fed funds purchased and securities sold under agreements to repurchase	361	327
Federal Home Loan Bank advances	-	10,444
Note payable to bank	<u>63,486</u>	<u>-</u>
Total interest expense	<u>486,271</u>	<u>316,818</u>
Net interest income	3,712,784	3,364,558
Provision for loan losses	<u>181,527</u>	<u>20,855</u>
Net interest income after provision for loan losses	<u>3,531,257</u>	<u>3,343,703</u>
Noninterest income:		
Customer service fees	588,389	503,357
Other charges and fees	526,159	477,201
Investment sales commissions	147,197	116,217
Increase in cash surrender value of life insurance	94,846	85,421
Other noninterest income	<u>589,585</u>	<u>162,979</u>
Total noninterest income	<u>1,946,176</u>	<u>1,345,175</u>
Noninterest expenses:		
Salaries and employee benefits	2,028,797	1,834,694
Occupancy and equipment	506,968	368,962
Federal deposit insurance premiums	37,650	44,000
Data processing	346,018	447,214
Advertising	73,551	65,366
Other operating expenses	<u>866,047</u>	<u>748,208</u>
Total noninterest expenses	<u>3,859,031</u>	<u>3,508,444</u>
Net income before income taxes	1,618,402	1,180,434
Income tax expense	<u>577,788</u>	<u>401,773</u>
Net income	<u>\$ 1,040,614</u>	<u>\$ 778,661</u>
Earnings per common share		
Basic	\$ 0.62	\$ 0.47
Diluted	\$ 0.57	\$ 0.44
Dividends per common share	\$ 0.05	\$ 0.05

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

	Three Months Ended	
	March 31,	
	<u>2017</u>	<u>2016</u>
Net income	\$1,040,614	\$ 778,661
Other comprehensive income, before tax:		
Unrealized holding gains on securities available for sale	139,894	180,247
Income tax expense related to other comprehensive income items	<u>(53,160)</u>	<u>(68,494)</u>
Other comprehensive income, net of tax	<u>86,734</u>	<u>111,753</u>
Comprehensive income	<u><u>\$1,127,348</u></u>	<u><u>\$ 890,414</u></u>

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ATHENS BANCSHARES CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
Three Months Ended March 31, 2017
(Unaudited)

	Shares of Common Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Common Stock Acquired By Benefit Plans	Accumulated Other Comprehensive (Loss) Income	Total
Balance, December 31, 2016	1,783,428	\$17,834	\$18,355,172	\$31,111,591	\$(1,230,986)	\$(415,989)	\$47,837,622
Net income		-	-	1,040,614	-	-	1,040,614
Other comprehensive income		-	-	-	-	86,734	86,734
Dividends - \$0.05 per share		-	-	(83,247)	-	-	(83,247)
Release of restricted stock plan shares		-	(11,506)	-	11,506	-	-
Stock compensation expense		-	24,308	-	-	-	24,308
Repurchase and retirement of Company common stock		-	-	-	-	-	-
Issuance of Company common stock	<u>7,816</u>	<u>78</u>	<u>(78)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, March 31, 2017	<u>1,791,244</u>	<u>\$17,912</u>	<u>\$18,367,896</u>	<u>\$32,068,958</u>	<u>\$(1,219,480)</u>	<u>\$(329,255)</u>	<u>\$48,906,031</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>2017</u>	<u>March 31,</u> <u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$1,040,614	\$ 778,661
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	190,080	126,095
Amortization of securities and other assets	168,182	46,174
Provision for loan losses	181,527	20,855
Deferred income taxes	-	40,919
Other gains and losses, net	(457,948)	1,022
Stock based compensation expense	24,308	24,309
Net change in:		
Cash surrender value of life insurance	(1,150,002)	(67,176)
Accrued interest receivable	51,267	(35,237)
Accrued interest payable	(6,736)	2,408
Other assets and liabilities	<u>345,274</u>	<u>(940,786)</u>
Net cash (used in) provided by operating activities	<u>386,566</u>	<u>(2,756)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Securities available for sale:		
Purchases	(1,037,610)	-
Maturities, prepayments and calls	2,647,802	566,440
Investments, at cost:		
Purchases	(9,450)	(225,000)
Loan originations and principal collections, net	(12,052,742)	(5,395,547)
Purchases of premises and equipment	(98,973)	(160,748)
Proceeds from sale of foreclosed real estate	<u>65,000</u>	<u>3,608</u>
Net cash provided used in investing activities	<u>(10,485,973)</u>	<u>(5,211,247)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase in deposits	17,640,737	3,521,354
Net decrease in securities sold under agreements to repurchase	(742,964)	(602,982)
Net decrease in note payable to bank	(2,000,000)	-
Repurchase and retirement of Company common stock	-	(332,603)
Dividends paid	<u>(83,247)</u>	<u>(83,648)</u>
Net cash provided by financing activities	<u>14,814,526</u>	<u>2,502,121</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,715,119	(2,711,882)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>58,624,749</u>	<u>17,543,017</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$63,339,868</u>	<u>\$14,831,135</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid on deposits and borrowed funds	\$ 493,007	\$ 314,410
Income taxes paid	<u>30,000</u>	<u>320,680</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES:		
Acquisition of real estate acquired through foreclosure	\$ -	\$ -
Financed sales of foreclosed real estate	<u>-</u>	<u>-</u>

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