Condensed Consolidated Balance Sheets

(Dollars in thousands except per share data)

| Assets 5 4,863 S 7,313 Incress-bearing demand deposits with banks 1,559 1,003 Federal funds sold 2,400 1,200 Cash and cash equivalents 8,822 10,016 Available-for-sale securities, at fair value 49,100 48,635 Loans, net of allowance for loan losses of 55,113 and 55,937 397,299 397,036 at March 31, 2016 and December 31, 2015, respectively 8,235 8,876 Premises and equipment, net 8,235 8,376 Forcelosed assets held for sale 6,39 6,409 Accrued interst receivable 1,3081 12,775 Bank owned life insurance 13,081 12,775 Deferred tax asset 1,654 1,482 Other assets 2,97 1,130 Total assets \$ 39,726 \$ 484,536 Deposits 2 5 39,726 \$ 42,535 Demand \$ 39,726 \$ 42,535 S 30,726 \$ 2,535 Total assets 373,171 362,264 33,000 Interest payable and ot | | : | arch 31, 2016 audited) | Dec | cember 31, 2015 |
|--|---|----|--|-----|--|
| Available-for-sale securities, at fair value 49,100 48,635 Loans, net of allowance for loan losses of \$6,113 and \$5,937 397,299 397,036 at March 31, 2016 and December 31, 2015, respectively 397,299 397,036 Premises and equipment, net 8,235 8,376 Foreclosed assets held for sale 6,39 640 Foreclosed assets held for sale 1,939 2,045 Bank owned life insurance 1,3081 12,775 Deferred tax asset 1,634 1,482 Other assets 297 1,130 Total assets 5 484,536 5 487,373 Liabilities and Shareholders' Equity 112,071 362,264 162,168 Deposits 39,726 5 42,535 Savings, checking and money market 159,651 162,168 Time certificates 173,794 157,561 Total deposits 373,171 362,264 Short-term borrowings 2,2,400 33,000 Long-term borrowings 2,2,40 33,000 Long-term borrowings 2,2,40 33,000 Short-term borrowings <td< th=""><th>Cash and due from banks Interest-bearing demand deposits with banks</th><th>\$</th><th>1,559</th><th>\$</th><th>1,903</th></td<> | Cash and due from banks Interest-bearing demand deposits with banks | \$ | 1,559 | \$ | 1,903 |
| Loans held for sale, at lower of cost or fair value 502 1,850 Loans, net of allowance for loan losses of \$6,113 and \$5,937 397,299 397,036 at March 31, 2016 and December 31, 2015, respectively 82,235 8,376 Premises and equipment, net 82,235 8,376 Foreclosed assets held for sale 639 640 Federal Home Loan Bank stock, at cost 2,988 2,988 Accured interest receivable 1,034 1,482 Other assets 1,634 1,482 Other assets 297 1,130 Total assets 297 1,130 Deposits 297 1,634 Deposits 297 1,634 Deposits 297 1,634 Total assets 39,726 \$ 42,535 Savings, checking and money market 173,794 157,561 Total deposits 373,171 362,264 Short-term borrowings 2,002 23,840 33,000 Interest payable and other liabilities 2,476 2,935 Total labilities 34, | Cash and cash equivalents | | 8,822 | | 10,416 |
| at March 31, 2016 and December 31, 2015, respectively $397,299$ $397,036$ Premises and equipment, net $8,235$ $8,376$ Foreclosed assets held for sale 639 640 Pederal Home Loan Bank stock, at cost $2,988$ $2,988$ Accrued interest receivable $1,939$ $2,045$ Bank owned life insurance $13,081$ $12,775$ Deferred tax asset $1,634$ $1,432$ Other assets 297 $1,130$ Total assets 5 $484,536$ $$$ Deposits Deposits 297 $152,168$ Deposits $373,171$ $362,264$ $159,651$ $162,168$ Total deposits $373,171$ $362,264$ $33,000$ $2,3002$ Long-term borrowings $32,2840$ $33,000$ $2,476$ $2,2935$ Total labilities $2,476$ $2,2935$ $-66,076$ $-2,935$ Total liabilities $2,106$ $-66,077$ $-2,935$ Total deposits $33,000,000$ $38,75,001$ par value, $10,000,000$ $-66,077$ $-2,935$ Total liabilities | Loans held for sale, at lower of cost or fair value | | | | |
| Foreclosed assets held for sale639640Federal Home Loan Bank stock, at cost2,9882,988Accrued interest receivable1,9392,045Bank owned life insurance13,08112,775Deferred tax asset1,6341,482Other assets2971,130Total assets\$ 484,536\$ 487,373LiabilitiesDeposits2971,130DepositsDeposits10,905\$ 42,535Savings, checking and money market159,951162,168Total deposits373,171362,264Short-term borrowings10,00223,002Long-term borrowings2,4762,935Total liabilities2,4762,935Total liabilities2,4762,935Total liabilities33,57,601 par value, 10,000,000shares insued or outstanding at March 31, 2016 or December 31, 2015-Common stock, 50,01 par value, 50,000,0003875,601 shares issued or outstanding at March 31, 2016 and 3,597,889 outstanding at March 31, 2016 and 3,875,601 shares issued and 3,597,889 outstanding at March 31, 2016 and 3,875,601 shares issued and 3,628,389 outstanding at March 31, 2016 and 3,875,601 shares issued and 3,628,389 outstanding at March 31, 2016 and 3,875,601 shares issued and 3,628,389 outstanding at March 31, 2016 and 3,875,601 shares issued and 3,628,389 outstanding at March 31, 2016 and 3,875,601 shares issued and 3,628,389 outstanding at March 31, 2016 and 3,875,601 shares issued and 3,628,389 outstanding at March 31, 2016 and 3,875,601 shares issued and 3,628,389 outstanding at March 31, 2016 and 3,875,601 shares issued and 3,628,89 outstanding at March 31, 2016 and 3,875,601 shares issued | | | 397,299 | | 397,036 |
| LiabilitiesDepositsDemandSavings, checking and money marketTime certificatesTotal deposits373,171362,264Short-term borrowings10,002Long-term borrowings10,00223,84033,000Interest payable and other liabilities2,4762,935Total liabilities418,489421,201Shareholders' EquityPreferred stock, S0.01 par value, 10,000,000shares authorized, no shares issued or outstanding at March 31, 2016 or December 31, 2015Common stock, S0.01 par value, 50,000,000shares authorized, no shares issued and 3,597,889 outstanding at December 31, 2015Additional paid in capital3839Additional paid in capital2005 Equity Incentive PlanNonqualified Deferred Compensation Plan(2,071)(2,071)2008 Equity Incentive Plan4200Accumulated other comprehensive income499513Total shareholders' equity | Foreclosed assets held for sale Federal Home Loan Bank stock, at cost Accrued interest receivable Bank owned life insurance Deferred tax asset | | 639 2,988 1,939 13,081 1,634 | | 640 2,988 2,045 12,775 1,482 |
| LiabilitiesDepositsDemand\$ 39,726\$ 42,535Savings, checking and money market159,651162,168Time certificates173,794157,561Total deposits373,171362,264Short-term borrowings10,00223,002Long-term borrowings2,24762,935Total liabilities2,4762,935Total liabilities418,489421,201Shareholders' EquityPreferred stock, \$0.01 par value, 10,000,000shares authorized, no shares issued or outstanding at March 31, 2016 or December 31, 2015-Common stock, \$0.01 par value, 50,000,000shares authorized, 345,101 shares issued and 3,597,889 outstanding at December 31, 20153839Additional paid in capital Decembersine36,95937,298Common stock Held by: Nonqualified Deferred Compensation Plan Employee Stock Ownership Plan 2008 Equity Incentive Plan(1,439)(1,439)Qualified Deferred Compensation Plan (420)(420)(420)(420)Retained earnings Accumulated other comprehensive income4995113Total shareholders' equity66,04766,172 | Total assets | \$ | 484,536 | \$ | 487,373 |
| $\begin{array}{c c c c c c c c c c c c c c c c c c c $ | Liabilities and Shareholders' Equity | | | | |
| Demand\$ 39,726\$ 42,535Savings, checking and money market159,651162,168Time certificates173,794157,561Total deposits373,171362,264Short-tern borrowings10,00223,002Long-term borrowings32,84033,000Interest payable and other liabilities2,4762,935Total liabilities418,489421,201Shareholders' EquityPreferred stock, \$0.01 par value, 10,000,000shares authorized, no shares issued or outstanding at March 31, 2016 on December 31, 2015-Common stock, \$0.01 par value, 50,000,000shares authorized, 3,845,101 shares issued and 3,575,601 shares issued and 3,628,389 outstanding at December 31, 201538Mittional paid in capital36,95937,298Common stock held by: Nonqualified Deferred Compensation Plan Employee Stock Ownership Plan 2008 Equity Incentive Plan(2,071) (420)Nonqualified Deferred Comprehensive income 499513Total shareholders' equity66,04766,172 | | | | | |
| Short-term borrowings $10,002$ $23,002$ Long-term borrowings $32,840$ $33,000$ Interest payable and other liabilities $2,476$ $2,935$ Total liabilities $418,489$ $421,201$ Shareholders' EquityPreferred stock, \$0.01 par value, 10,000,000shares authorized, no shares issued or outstanding at March 31, 2016 or December 31, 2015-Common stock, \$0.01 par value, 50,000,000shares authorized, 3,845,101 shares issued and 3,597,889 outstanding at March 31, 2016 and $3,875,601$ shares issued and 3,628,389 outstanding at December 31, 2015 38 39 Additional paid in capital $36,959$ $37,298$ $37,298$ Common stock held by: Nonqualified Deferred Compensation Plan Equity Incentive Plan (420) (420) (420) (420) Notal shareholders' equity $66,047$ $66,172$ | Demand Savings, checking and money market | \$ | 159,651 | \$ | 162,168 |
| Long-term borrowings32,84033,000Interest payable and other liabilities2,4762,935Total liabilities418,489421,201Shareholders' EquityPreferred stock, \$0.01 par value, 10,000,000 shares authorized, no shares issued or outstanding at March 31, 2016 or December 31, 2015-Common stock, \$0.01 par value, 50,000,000 shares issued and 3,597,889 outstanding at March 31, 2016 and | Total deposits | | 373,171 | | 362,264 |
| Shareholders' EquityPreferred stock, \$0.01 par value, 10,000,000 shares authorized, no shares issued or outstanding at March 31, 2016 or December 31, 2015-Common stock, \$0.01 par value, 50,000,000 shares authorized, 3,845,101 shares issued and 3,597,889 outstanding at March 31, 2016 and 3,875,601 shares issued and 3,628,389 outstanding at December 31, 2015-Additional paid in capital Common stock held by: Nonqualified Deferred Compensation Plan Employee Stock Ownership Plan 2008 Equity Incentive Plan(1,439) (1,439) (1,439) (1,439) (1,439) 2008 Equity Incentive PlanTotal shareholders' equity66,04766,172 | Long-term borrowings | | 32,840 | | 33,000 |
| Preferred stock, \$0.01 par value, 10,000,000 shares authorized, no shares issued or outstanding at March 31, 2016 or December 31, 2015-Common stock, \$0.01 par value, 50,000,000 shares authorized, 3,845,101 shares issued and 3,597,889 outstanding at March 31, 2016 and 3,875,601 shares issued and 3,628,389 outstanding at December 31, 2015Additional paid in capital Common stock held by: Nonqualified Deferred Compensation Plan 2008 Equity Incentive Plan(2,071) (2,024) (1,439) (1,439) (1,439) (1,439) 2008 Equity Incentive Plan(1,439) (1,439) (1,439) (1,439) (2,025) Accumulated other comprehensive income32,481 499 513Total shareholders' equity66,047 (66,17266,172 | Total liabilities | | 418,489 | | 421,201 |
| Additional paid in capital36,95937,298Common stock held by:(2,071)(2,024)Nonqualified Deferred Compensation Plan(1,439)(1,439)2008 Equity Incentive Plan(420)(420)Retained earnings32,48132,205Accumulated other comprehensive income499513Total shareholders' equity66,04766,172 | Preferred stock, \$0.01 par value, 10,000,000 shares authorized, no shares issued or outstanding at March 31, 2016 or December 31, 2015 Common stock, \$0.01 par value, 50,000,000 shares authorized, 3,845,101 shares issued and 3,597,889 outstanding at March 31, 2016 and 3,875,601 shares issued and 3,628,389 outstanding | | - | | - |
| Employee Stock Ownership Plan(1,439)(1,439)2008 Equity Incentive Plan(420)(420)Retained earnings32,48132,205Accumulated other comprehensive income499513Total shareholders' equity66,04766,172 | Additional paid in capital Common stock held by: | | 36,959 | | 37,298 |
| | Employee Stock Ownership Plan 2008 Equity Incentive Plan Retained earnings | | (1,439) (420) 32,481 | | (1,439) (420) 32,205 |
| Total liabilities and shareholders' equity <u>\$ 484,536</u> <u>\$ 487,373</u> | Total shareholders' equity | | 66,047 | | 66,172 |
| | Total liabilities and shareholders' equity | \$ | 484,536 | \$ | 487,373 |

Unaudited - Condensed Consolidated Statements of Income (Dollars in thousands)

| | Three Months Ended March 31, | | | | | | |
|---|---------------------------------|------------|----|------------|--|--|--|
| | 2 | 016 | 2 | 2015 | | | |
| Interest and Dividend Income | | | | | | | |
| Loans | \$ | 5,378 | \$ | 4,783 | | | |
| Investment securities | | 372 | | 400 | | | |
| Other | | 50 | | 36 | | | |
| Total interest and dividend income | | 5,800 | | 5,219 | | | |
| Interest Expense | | | | | | | |
| Deposits | | 640 | | 468 | | | |
| Securities sold under agreements to repurchase and other short- | | | | | | | |
| term borrowings | | - | | 1 | | | |
| Federal Home Loan Bank advances | | 120 | | 119 | | | |
| Borrowings with other banks | | 129 | | 64 | | | |
| Total interest expense | | 889 | | 652 | | | |
| Net Interest Income | | 4,911 | | 4,567 | | | |
| Provision for Loan Losses | | 180 | | 310 | | | |
| Net Interest Income After Provision for Loan Losses | | 4,731 | | 4,257 | | | |
| Noninterest Income | | | | | | | |
| Service charges on deposit accounts and other fees | | 274 | | 258 | | | |
| Loan servicing and other fees | | 15 | | 25 | | | |
| Net gains on sales of loans held for sale | | 126 | | 159 | | | |
| Net (loss) gain on sales of other real estate owned | | - | | 2 | | | |
| Net realized gain on sales of available-for-sale securities | | 26 | | - | | | |
| Insurance and brokerage commissions | | 22 | | 21 | | | |
| Net realized loss on sales of other assets held-for-sale | | - | | 21 | | | |
| Income from bank owned life insurance | | 82 | | 92 | | | |
| Other | | 4 | | 21 | | | |
| Total noninterest income | | 549 | | 599 | | | |
| Noninterest Expense | | | | | | | |
| Salaries and employee benefits | | 2,594 | | 2,348 | | | |
| Net occupancy expense | | 255 | | 245 | | | |
| Equipment expense | | 311 306 | | 224 323 | | | |
| Data processing fees Professional fees | | 306 91 | | 525 86 | | | |
| Marketing expense | | 91 144 | | 80 98 | | | |
| Supplies and communication | | 144 | | 98 68 | | | |
| Loan collection and repossession expense | | 23 | | 26 | | | |
| Insurance expense | | 233 | | 230 | | | |
| Mortgage loan outsourced servicing | | 200 | | 200 | | | |
| Other | | 375 | | 380 | | | |
| Total noninterest expense | | 4,353 | | 4,030 | | | |
| Income Before Income Taxes | | 927 | | 826 | | | |
| Provision for Income Taxes | | 264 | | 243 | | | |
| Net Income | \$ | 663 | \$ | 583 | | | |
| Per common share: | | | | | | | |
| Basic net income per common share | \$ | 0.18 | | \$0.16 | | | |
| Diluted net income per common share | \$ | 0.17 | | \$0.15 | | | |
| | | 0.10 | | \$0.10 | | | |
| - | .h | | | | | | |
| Dividends declared per common share Basic weighted average common shares outstanding | \$ | ,613,080 | 3 | ,675,126 | | | |

Unaudited - Condensed Consolidated Statements of Cash Flows

(Dollars in thousands)

| | | Marc | ch 31 | |
|---|----|----------|-------|---------|
| | 2 | 2016 | | 2015 |
| Operating Activities | | | | |
| Net income | \$ | 663 | \$ | 583 |
| Adjustments to reconcile net income to net cash provided by operating activities: | Ψ | 005 | Ψ | 565 |
| Provision for loan losses | | 180 | | 310 |
| Depreciation, amortization and accretion | | 250 | | 234 |
| Deferred income taxes | | (142) | | (171) |
| Funding of mortgage loans held for sale | | (4,454) | | (4,616) |
| Proceeds from sale of mortgage loans held for sale | | 5,928 | | 3,839 |
| Net gain on sales of loans held for sale | | (126) | | (159) |
| Net realized gain on available for sale securities | | (26) | | (21) |
| Net realized gain on sales of other assets held-for-sale | | - | | - |
| Net writedown and losses on sale of other real estate owned | | - | | 43 |
| Net gain on sale of repossessed assets | | - | | (2) |
| Stock-based compensation | | 101 | | 148 |
| Bank owned life insurance | | (81) | | (93) |
| Increase Decrease in other assets | | 520 | | 210 |
| Decrease in other liabilities | | (459) | | (333) |
| Net cash provided by (used in) operating activities | | 2,354 | | (28) |
| Investing Activities | | | | |
| Purchases of securities available-for-sale | | (9,899) | | - |
| Proceeds from call/maturities and repayments of securities available-for-sale | | 5,290 | | 594 |
| Proceeds from sales of securities available-for-sale | | 4,528 | | 480 |
| Net increase in loans | | (443) | | (8,452) |
| Purchase of premises and equipment | | (72) | | (93) |
| Purchase of bank owned life insurance | | (225) | | (98) |
| Proceeds from sale of other assets | | - | | - |
| Proceeds from sale of other real estate owned | | 1 | | 208 |
| Net cash used in by investing activities | | (820) | | (7,361) |
| Financing Activities | | | | |
| Net (decrease) increase in demand deposits, money market, checking and | | | | |
| savings accounts | | (5,326) | | 1,828 |
| Net increase in time deposits | | 16,233 | | 9,890 |
| Net decrease in short-term borrowings | | (13,000) | | (988) |
| Net decrease in long-term borrowings | | (160) | | (3,500) |
| Proceeds from stock option exercises | | - | | - |
| Stock repurchase/retired - repurchase program | | (488) | | (445) |
| Cash paid for dividends | | (387) | | (394) |
| Net cash (used in) provided by financing activities | | (3,128) | | 6,391 |
| Decrease in Cash and Cash Equivalents | | (1,594) | | (998) |
| Cash and Cash Equivalents, Beginning of Period | | 10,416 | | 10,727 |
| Cash and Cash Equivalents, End of Period | | 8,822 | | 9,729 |

FIRST ADVANTAGE BANCORP SELECTED FINANCIAL DATA

(Unaudited-Dollars in thousands)

| | | Three Mo M | onths Er arch | nded | | Twelve Months Ended December |
|--|----|--|------------------|---|----|--|
| | | 2016 | | 2015 | | 2015 |
| SELECTED FINANCIAL CONDITION DATA: END OF PERIOD BALANCES | | | | | | |
| Assets Available-for-sale Securities, at fair value Loans, gross Allowance for Loan Losses | \$ | 484,536 \$ 49,100 403,412 6,113 | 5 | 449,365 41,126 374,364 5,291 | \$ | 487,373 48,635 402,973 5,937 |
| Deposits FHLB Advances and Other Borrowings Common Shareholders' Equity | | 373,171 42,842 66,047 | | 341,218 41,003 65,617 | | 362,264 56,002 66,172 |
| SELECTED FINANCIAL CONDITION DATA: AVERAGE BALANCES | | | | | | |
| Assets Earning Assets Investment Securities Other Investments Loans, gross Deposits FHLB Advances and Other Borrowings Common Shareholders' Equity | \$ | 486,505 460,743 48,986 8,183 403,574 369,547 50,667 66,290 | \$ | 447,358 422,738 41,947 6,499 374,292 337,238 42,619 65,857 | \$ | 467,382 441,645 47,207 7,565 386,873 347,724 51,719 65,738 |
| SELECTED OPERATING RESULTS: | | | | | | |
| Interest and Dividend Income Interest Expense | \$ | 5,800 889 | \$ | 5,219 652 | \$ | 22,115 2,906 |
| Net Interest Income Provision for Loan Losses Net Interest Income After Provision | | 4,911 180 | | 4,567 310 | | 19,209 1,235 |
| for Loan Losses Noninterest Income Noninterest Expense | | 4,731 549 4,353 | | 4,257 599 4,030 | | 17,974 2,813 15,977 |
| Income Before Income Tax Expense Income Tax Expense Net Income | \$ | 927 264 663 | s | 826 243 583 | ~ | 4,810 1,453 3,357 |
| Net income | φ | 003 | φ | 565 | °= | 3,337 |
| Basic Net Income Per Common Share Diluted Net Income per Common Share Dividends paid per common share Book Value Per Common Share - Basic Book Value Per Common Share - Diluted Common Shares Outstanding Basic Weighted Average Common Shares Outstanding Diluted Weighted Average Common Shares Outstanding | \$ | 0.18 0.17 0.10 18.36 16.74 3,597,889 3,613,080 3,946,041 | \$ | 0.16 0.15 0.10 17.90 16.45 3,666,493 3,675,126 3,988,262 | \$ | $\begin{array}{c} 0.92 \\ 0.85 \\ 0.40 \\ 18.24 \\ 16.69 \\ 3.628,389 \\ 3.637,581 \\ 3.965,607 \end{array}$ |
| SELECTED RATIOS (quarterly rates annualized): | | | | | | |
| Return on Average Assets Return on Average Common Shareholders' Equity Average Common Shareholders' Equity to Average Assets Net Interest Margin Efficiency: Expense to Revenue | | 0.55 9 4.02 13.63 4.29 79.73 | % | 0.53 3.59 14.72 4.38 78.01 | % | 0.72 % 5.11 14.07 4.35 72.55 |
| SELECTED ASSET QUALITY: | | | | | | |
| Net (Recoveries) Charge-offs Classified Assets Nonperforming Loans Nonperforming Assets Troubled Debt Restructurings Total Nonperforming Loans to Total Loans Total Nonperforming Loans to Total Assets Total Nonperforming Assets to Total Assets | \$ | 4 \$ 14,375 8,423 9,062 1,718 2.08 1.74 5 1.74 5 1.74 5 1.87 | % | 285 15,319 8,456 9,099 2,678 2.25 1.88 2.02 | % | 564 16,228 10,080 10,721 1,460 2.50 % 2.07 % 2.20 % |

Loan Portfolio Composition

(Dollars in thousands)

| | | At Mare | ch 31, | | | At Decem | ber 31, |
|---------------------------------------|----|----------------|-----------|---|----|----------------|-----------|
| | | 201 | 6 | | | 201 | 5 |
| | 1 | Amount | Percent | - | A | Amount | Percent |
| | | (Dollars in tl | nousands) | _ | | (Dollars in th | nousands) |
| Real estate loans: | | | | | | | |
| Permanent loans: | | | | | | | |
| One-to-four family | \$ | 68,290 | 16.9 | % | \$ | 68,882 | 17.1 % |
| Multi-family | | 31,662 | 7.8 | | | 30,421 | 7.5 |
| Nonresidential | | 124,626 | 30.8 | | | 130,259 | 32.2 |
| Construction loans: | | | - | | | | - |
| One-to-four family | | 39,651 | 9.8 | | | 35,898 | 8.9 |
| Multi-family | | 13,755 | 3.4 | | | 13,796 | 3.4 |
| Nonresidential | | 5,754 | 1.4 | | | 6,607 | 1.6 |
| Land loans | | 18,294 | 4.5 | | | 19,921 | 4.9 |
| Total real estate loans | | 302,032 | 74.6 | _ | | 305,784 | 75.6 |
| Consumer: | | | | | | | |
| Home equity loans and lines of credit | | 20,971 | 5.2 | | | 21,271 | 5.3 |
| Auto loans | | 172 | - | | | 182 | 0.1 |
| Deposit loans | | 208 | 0.1 | | | 121 | - |
| Overdrafts | | 38 | - | | | 42 | - |
| Other | | 32,657 | 8.1 | | | 28,058 | 6.9 |
| Total consumer and other loans | | 54,046 | 13.4 | - | | 49,674 | 12.3 |
| Commercial loans | | 48,347 | 12.0 | _ | | 48,477 | 12.1 |
| Total loans | | 404,425 | 100.00 | % | | 403,935 | 100.00 % |
| Allowance for loan losses | | (6,112) | | | | (5,937) | |
| Net deferred loan costs | | (1,014) | | | | (962) | |
| Loans receivable, net | \$ | 397,299 | | | \$ | 397,036 | |
| | | | | | | | |

Breakdown of Allowance for Loan Losses

(Dollars in thousands)

| | | | At March 31, | | At December 31, | | | | | | | | |
|---------------------------------|----|-------|--------------|----------|-----------------|-------|-----------|----------|--|--|--|--|--|
| | | | 2016 | | 2015 | | | | | | | | |
| | | | | % of | | | | % of | | | | | |
| | | | % of | Loans in | | | % of | Loans in | | | | | |
| | | | Allowance | Category | | | Allowance | Category | | | | | |
| | | | to Total | to Total | | | to Total | to Total | | | | | |
| | А | mount | Allowance | Loans | Α | mount | Allowance | Loans | | | | | |
| One-to-four family | \$ | 344 | 5.6 % | 16.9 % | \$ | 450 | 7.6 % | 17.1 % | | | | | |
| Multi-family and nonresidential | Ψ | 2,145 | 35.1 | 38.6 | Ψ | 2,033 | 34.2 | 39.7 | | | | | |
| Construction | | 172 | 2.8 | 14.6 | | 172 | 2.9 | 13.9 | | | | | |
| Land | | 173 | 2.8 | 4.5 | | 165 | 2.8 | 4.9 | | | | | |
| Consumer | | 634 | 10.4 | 13.4 | | 577 | 9.7 | 12.3 | | | | | |
| Commercial | | 2,644 | 43.3 | 12.0 | | 2,540 | 42.8 | 12.1 | | | | | |
| Total allowance for loan losses | \$ | 6,112 | 100.0 % | 100.0 % | \$ | 5,937 | 100.0 % | 100.0 % | | | | | |

Credit Quality Indicators as of March 31, 2016

(Dollars in thousands)

| One- | to-Four | Mu | ılti-family/ | | | | | | Consumer | | | | |
|------|---------|-----------|---|--|---|---|--|--|--|--|--|---|--|
| Fa | mily | Nor | nresidential | Cor | struction | | Land | | and Other | Co | ommercial | | Total |
| | | | | | | | | _ | | | | | |
| | | | | | | | | | | | | | |
| \$ | 66,847 | \$ | 149,013 | \$ | 58,601 | \$ | 17,649 | \$ | 53,504 | \$ | 44,440 | \$ | 390,054 |
| | 421 | | - | | - | | 243 | | 187 | | 144 | | 995 |
| | 1,022 | | 7,275 | | 559 | | 402 | | 355 | | 3,763 | | 13,376 |
| | - | | - | | - | | - | | - | | - | | - |
| \$ | 68,290 | \$ | 156,288 | \$ | 59,160 | \$ | 18,294 | \$ | 54,046 | \$ | 48,347 | \$ | 404,425 |
| | | 421 1,022 | Family Nor \$ 66,847 \$ 421 1,022 - | Family Nonresidential \$ 66,847 \$ 149,013 421 - - 1,022 7,275 - | Family Nonresidential Con \$ 66,847 \$ 149,013 \$ 421 - - - - 1,022 7,275 - - - | Family Nonresidential Construction \$ 66,847 \$ 149,013 \$ 58,601 421 - - - - - 1,022 7,275 559 - - - | Family Nonresidential Construction \$ 66,847 \$ 149,013 \$ 58,601 \$ 421 - | Family Nonresidential Construction Land \$ 66,847 \$ 149,013 \$ 58,601 \$ 17,649 421 - - 243 243 1,022 7,275 559 402 | Family Nonresidential Construction Land \$ 66,847 \$ 149,013 \$ 58,601 \$ 17,649 \$ 421 - - 243 - 243 - 243 - - 243 - - 243 - - - 243 - <td< td=""><td>Family Nonresidential Construction Land and Other \$ 66,847 \$ 149,013 \$ 58,601 \$ 17,649 \$ 53,504 421 - - 243 187 1,022 7,275 559 402 355</td><td>Family Nonresidential Construction Land and Other Construction \$ 66,847 \$ 149,013 \$ 58,601 \$ 17,649 \$ 53,504 \$ 421 - - 243 187 1,022 7,275 559 402 355</td><td>Family Nonresidential Construction Land and Other Commercial \$ 66,847 \$ 149,013 \$ 58,601 \$ 17,649 \$ 53,504 \$ 44,440 421 - - 243 187 144 1,022 7,275 559 402 355 3,763</td><td>Family Nonresidential Construction Land and Other Commercial \$ 66,847 \$ 149,013 \$ 58,601 \$ 17,649 \$ 53,504 \$ 44,440 \$ 421 - - 243 187 144 144 1,022 7,275 559 402 355 3,763</td></td<> | Family Nonresidential Construction Land and Other \$ 66,847 \$ 149,013 \$ 58,601 \$ 17,649 \$ 53,504 421 - - 243 187 1,022 7,275 559 402 355 | Family Nonresidential Construction Land and Other Construction \$ 66,847 \$ 149,013 \$ 58,601 \$ 17,649 \$ 53,504 \$ 421 - - 243 187 1,022 7,275 559 402 355 | Family Nonresidential Construction Land and Other Commercial \$ 66,847 \$ 149,013 \$ 58,601 \$ 17,649 \$ 53,504 \$ 44,440 421 - - 243 187 144 1,022 7,275 559 402 355 3,763 | Family Nonresidential Construction Land and Other Commercial \$ 66,847 \$ 149,013 \$ 58,601 \$ 17,649 \$ 53,504 \$ 44,440 \$ 421 - - 243 187 144 144 1,022 7,275 559 402 355 3,763 |

Credit Quality Indicators as of December 31, 2015

(Dollars in thousands)

| | One | to-Four | Μ | fulti-family/ | | | | Consumer | | | |
|--|-----|---------|----|---------------|----|------------|--------------|---------------|----|-----------|---------------|
| | Fa | amily | No | onresidential | Co | nstruction | Land | and Other | C | ommercial | Total |
| Credit Risk Profile by Internally Assigned Grade | | | | | | | | | | | |
| Grade: | | | | | | | | | | | |
| Pass | \$ | 67,427 | \$ | 152,020 | \$ | 55,360 | \$ 19,130 | \$ 49,275 | \$ | 44,495 | \$ 387,707 |
| Special mention | | 421 | | - | | - | 389 | 187 | | 149 | 1,146 |
| Substandard | | 1,034 | | 8,660 | | 941 | 402 | 212 | | 3,833 | 15,082 |
| Doubtful | | - | | - | | - | - | - | | - | - |
| Total | \$ | 68,882 | \$ | 160,680 | \$ | 56,301 | \$ 19,921 | \$ 49,674 | \$ | 48,477 | \$ 403,935 |

Breakdown of Nonaccrual Loans

(Dollars in thousands)

| | At March 31, 2016 | At December 31, 2015 |
|---|-------------------|----------------------|
| Non-accrual loans: | | |
| One- to four-family | 874 | 818 |
| Multi-family and nonresidential | 2,583 | 3,933 |
| Construction | 556 | 939 |
| Land | 215 | 216 |
| Mortgage - 2nd | 2 | 3 |
| Consumer and other | 517 | 379 |
| Commercial | 3,676 | 3,792 |
| Total | 8,423 | 10,080 |
| | | |
| Accruing loans past due 90 days or more: | | |
| One- to four-family | - | - |
| Multi-family and nonresidential | - | - |
| Construction | - | - |
| Land | - | - |
| Consumer and other | - | - |
| Commercial | - | - |
| Total | - | - |
| Real estate owned | 639 | 639 |
| Other non-performing assets | - | 2 |
| Total non-performing assets | 9,062 | 10,721 |
| Total non-performing loans to total loans | 2.08% | 2.50% |
| Total non-performing loans to total assets | 1.74% | 2.07% |
| Total non-performing assets to total assets | 1.87% | 2.20% |

Age Analysis of Past Due Loans

As of March 31, 2016

(Dollars in thousands)

| | | | | G | reater | | | | | | | L | oans | | | | |
|----------------------------|-----|-------------------|------------------|----|-----------------|----|-----------------|----|---------|----|---------------------------------------|----|-------------------|--|-----------|--|---------|
| | | 59 Days st Due | 9 Days st Due | | Than 90 Days | | Than 90 Davs | | | | Total Past Due Current Total Loans | | Total Past Due | | tal Loans | | ays and |
| | 1 a | | | | J | | | | | | | | Accruing | | | | |
| One-to-four family | \$ | 622 | \$ 255 | \$ | 302 | \$ | 1,179 | \$ | 67,111 | \$ | 68,290 | \$ | - | | | | |
| Multifamily/nonresidential | | 44 | - | | 1,712 | \$ | 1,756 | | 154,532 | | 156,288 | | - | | | | |
| Construction | | - | 107 | | 452 | \$ | 559 | | 58,601 | | 59,160 | | - | | | | |
| Land | | - | - | | - | \$ | - | | 18,294 | | 18,294 | | - | | | | |
| Consumer and other | | 387 | 7 | | 72 | \$ | 466 | | 53,580 | | 54,046 | | - | | | | |
| Commercial | | 8 | - | | 510 | \$ | 518 | | 47,829 | | 48,347 | | - | | | | |
| Total | \$ | 1,061 | \$ 369 | \$ | 3,048 | \$ | 4,478 | \$ | 399,947 | \$ | 404,425 | \$ | - | | | | |

Age Analysis of Past Due Loans

As of December 31, 2015

| | 59 Days st Due | 9 Days t Due | , | reater Fhan) Days | Fotal st Due | Current | То | tal Loans | Loans Days and ccruing |
|----------------------------|-------------------|-----------------|----|--------------------------|-----------------|---------------|----|-----------|------------------------------|
| One-to-four family | \$ 737 | \$ - | \$ | 144 | \$ 881 | \$ 68,001 | \$ | 68,882 | \$ - |
| Multifamily/nonresidential | 309 | 166 | | 1,403 | 1,878 | 158,802 | | 160,680 | - |
| Construction | - | - | | 834 | 834 | 55,467 | | 56,301 | - |
| Land | - | - | | - | - | 19,921 | | 19,921 | - |
| Consumer and other | 651 | - | | 74 | 725 | 48,949 | | 49,674 | - |
| Commercial | 1,193 | - | | 553 | 1,746 | 46,731 | | 48,477 | - |
| Total | \$ 2,890 | \$ 166 | \$ | 3,008 | \$ 6,064 | \$ 397,871 | \$ | 403,935 | \$ - |

Investment Securities Portfolio

As of March 31, 2016

(Unaudited - dollars in thousands)

| March 31, 2016 | | | | | | | | | | | | |
|--|----|------------------|----|----------------------------|-----|--------------------------|------------------------------|--------|--|--|--|--|
| Available-for-sale | | nortized Cost | Un | Gross realized Gains | Unr | ross ealized osses | Approximate Fair Value | | | | | |
| U. S. Treasury | \$ | - | \$ | - | \$ | - | \$ | - | | | | |
| U. S. Government agencies and corporations | | 3,500 | | - | | (55) | | 3,445 | | | | |
| Mortgage-backed securities | | 16,677 | | 735 | | (4) | | 17,408 | | | | |
| State and political subdivisions | | 27,614 | | 659 | | (26) | | 28,247 | | | | |
| Total | \$ | 47,791 | \$ | 1,394 | \$ | (85) | \$ | 49,100 | | | | |

| December 31, | 2015 | |
|--------------|------|--|
|--------------|------|--|

| Available-for-sale | | nortized Cost | Un | Fross realized Fains | Unr | ross ealized osses | Approximate Fair Value | | |
|--|----|------------------|----|----------------------------|-----|--------------------------|------------------------------|--------|--|
| U. S. Treasury | \$ | 4,505 | \$ | 40 | \$ | - | \$ | 4,545 | |
| U. S. Government agencies and corporations | | 7,999 | | 14 | | (217) | | 7,796 | |
| Mortgage-backed securities | | 12,098 | | 672 | | (44) | | 12,726 | |
| State and political subdivisions | | 23,119 | | 512 | | (63) | | 23,568 | |
| Total | \$ | 47,721 | \$ | 1,238 | \$ | (324) | \$ | 48,635 | |

Contractual Maturities of Investment Securities As of March 31, 2016

(Unaudited - dollars in thousands)

| | March 31, 2016 | | | | | December 31, 2015 | | | |
|-------------------------------------|----------------|--------|-------|--------|-----------|-------------------|-------|--------|--|
| | Amortized Fair | | | | Amortized | | Fair | | |
| | Cost | | Value | | Cost | | Value | | |
| Due in one year or less | \$ | 1,077 | \$ | 1,098 | \$ | 5,842 | \$ | 5,912 | |
| Due after one but within five years | | 2,396 | | 2,529 | | 1,832 | | 1,951 | |
| Due after five but within ten years | | 3,189 | | 3,305 | | 3,612 | | 3,732 | |
| Due after ten years | | 24,451 | | 24,760 | | 24,337 | | 24,314 | |
| | | 31,113 | | 31,692 | | 35,623 | | 35,909 | |
| Mortgage-backed securities | | 16,677 | | 17,408 | | 12,098 | | 12,726 | |
| | \$ | 47,790 | \$ | 49,100 | \$ | 47,721 | \$ | 48,635 | |

Age Analysis of Gross Unrealized Losses on Investment Securities As of March 31, 2016

(Unaudited - dollars in thousands)

| | March 31, 2016 | | | | | | | | | | | | |
|---|---------------------|---------------------------------|--------|--------------------|-------|--------------------------------|--------|---------------------|-------|----------------------------------|------------|------------------------|--|
| | Less Than 12 months | | | | | 12 month | s or m | ore | Total | | | | |
| | | Fair | | Unrealized | | Fair | | Unrealized | | Fair | Unrealized | | |
| Available-for-sale | | Value | Losses | | Value | | Losses | | Value | | Losses | | |
| U. S. Government agencies and corporations: | \$ | 500 | \$ | - | \$ | - | \$ | - | \$ | 500 | \$ | - | |
| Mortgage-backed securities | | 5,992 | | (47) | | 9,346 | | (688) | | 15,338 | | (735) | |
| State and political subdivisions | | 16,344 | | (314) | | 8,575 | | (345) | | 24,919 | | (659) | |
| Total | \$ | 22,836 | \$ | (361) | \$ | 17,921 | \$ | (1,033) | | 40,757 | \$ | (1,394) | |
| U. S. Government agencies and corporations: Mortgage-backed securities State and political subdivisions | \$ \$ | Value 500 5,992 16,344 | L | - (47) (314) | \$ | Value 9,346 8,575 | | - (688) (345) | \$ | Value 500 15,338 24,919 | - | Losses (735 (659 | |

December 31, 2015

| Less Than 12 months | | | | 12 months or more | | | | | Total | | | |
|---------------------|--------------|---|--|---|--|--|---|--|--|--|---|--|
| Fair | | Unrealized | | Fair | | Unrealized | | Fair | | Unrealized Losses | | |
| | Value Losses | | Value Losses | | | | Value | | | | | |
| \$ | - | \$ | - | \$ | 4,282 | \$ | (217) | \$ | 4,282 | \$ | (217) | |
| | 1,815 | | (16) | | 1,121 | | (28) | | 2,936 | | (44) | |
| | 5,616 | | (63) | | - | | - | | 5,616 | | (63) | |
| \$ | 7,431 | \$ | (79) | \$ | 5,403 | \$ | (245) | | 12,834 | \$ | (324) | |
| | \$ | Fair Value \$ - 1,815 5,616 | Fair Umr Value L \$ - \$ 1,815 5,616 - | Fair Unrealized Value Losses \$ - 1,815 (16) 5,616 (63) | Fair Unrealized Value Losses Value \$ - \$ - \$ 1,815 (16) 5,616 | Fair Unrealized Fair Value Losses Value \$ - \$ - \$ 4,282 1,815 (16) 1,121 5,616 (63) - | Fair Unrealized Fair Unrealized Value Losses Value L \$ - \$ - \$ 4,282 \$ 1,815 (16) 1,121 5,616 63) - | Fair Unrealized Fair Unrealized Value Losses Value Losses \$ - \$ - \$ 4,282 \$ (217) 1,815 (16) 1,121 (28) 5,616 (63) - - | Fair Unrealized Fair Unrealized Value Losses Value Losses \$ - \$ 4,282 \$ (217) \$ 1,815 (16) 1,121 (28) 5,616 (63) - - | Fair Unrealized Fair Unrealized Fair Value Losses Value Losses Value \$ - \$ - \$ 4,282 \$ (217) \$ 4,282 1,815 (16) 1,121 (28) 2,936 5,616 (63) - - 5,616 | Fair Unrealized Fair Unrealized Fair Unrealized Value Losses Value Losses Value Losses Lasses Lasses Lasses Value Lasses Lasses Value Lasses Value Lasses Lasses Value Lasses Lasses Value Lasses Lasses Lasses Lasses Lasses Value Lasses Lasses Lasses Lasses Lasses Value Lasses Lasses <thlasses< th=""> <thlasses< th=""> <thlasse< td=""></thlasse<></thlasses<></thlasses<> | |