

First Advantage Bancorp
Condensed Consolidated Balance Sheets

(Dollars in thousands except per share data)

	June 30, 2016 (Unaudited)	December 31, 2015
Assets		
Cash and due from banks	\$ 5,966	\$ 7,313
Interest-bearing demand deposits with banks	7,902	1,903
Federal funds sold	250	1,200
Cash and cash equivalents	14,118	10,416
Available-for-sale securities, at fair value	48,198	48,635
Loans held for sale, at lower of cost or fair value	2,972	1,850
Loans, net of allowance for loan losses of \$6,322 and \$5,937 at June 30, 2016 and December 31, 2015, respectively	398,418	397,036
Premises and equipment, net	8,176	8,376
Foreclosed assets held for sale	639	640
Federal Home Loan Bank stock, at cost	2,988	2,988
Accrued interest receivable	2,025	2,045
Bank owned life insurance	13,574	12,775
Deferred tax asset	1,594	1,482
Other assets	646	1,130
Total assets	<u>\$ 493,348</u>	<u>\$ 487,373</u>
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Demand	\$ 41,596	\$ 42,535
Savings, checking and money market	172,372	162,168
Time certificates	168,072	157,561
Total deposits	382,040	362,264
Short-term borrowings	10,000	23,002
Long-term borrowings	32,599	33,000
Interest payable and other liabilities	3,163	2,935
Total liabilities	<u>427,802</u>	<u>421,201</u>
Shareholders' Equity		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, no shares issued or outstanding at June 30, 2016 or December 31, 2015	-	-
Common stock, \$0.01 par value, 50,000,000 shares authorized, 3,787,614 shares issued and 3,541,477 outstanding at June 30, 2016 and 3,875,601 shares issued and 3,628,389 outstanding at December 31, 2015	38	39
Additional paid in capital	36,059	37,298
Common stock held by:		
Nonqualified Deferred Compensation Plan	(2,124)	(2,024)
Employee Stock Ownership Plan	(1,439)	(1,439)
2008 Equity Incentive Plan	(408)	(420)
Retained earnings	32,656	32,205
Accumulated other comprehensive income	764	513
Total shareholders' equity	65,546	66,172
Total liabilities and shareholders' equity	<u>\$ 493,348</u>	<u>\$ 487,373</u>

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Interest and Dividend Income				
Loans	\$ 5,314	\$ 4,925	\$ 10,692	\$ 9,708
Investment securities	352	443	724	843
Other	48	48	98	84
Total interest and dividend income	5,714	5,416	11,514	10,635
Interest Expense				
Deposits	705	479	1,345	947
Securities sold under agreements to repurchase and other short-term borrowings	-	0	0	1
Federal Home Loan Bank advances	121	120	257	159
Borrowings with other banks	128	95	241	239
Total interest expense	954	694	1,843	1,346
Net Interest Income	4,760	4,722	9,671	9,289
Provision for Loan Losses	309	305	489	615
Net Interest Income After Provision for Loan Losses	4,451	4,417	9,182	8,674
Noninterest Income				
Service charges on deposit accounts and other fees	302	298	576	556
Loan servicing and other fees	16	9	31	34
Net gains on sales of loans held for sale	216	220	342	379
Net (loss) gain on sales of other real estate owned	-	(6)	-	(4)
Net realized gain on sales of available-for-sale securities	6	-	32	21
Insurance and brokerage commissions	20	7	42	28
Net realized loss on sales of other assets held-for-sale	-	-	-	(7)
Income from bank owned life insurance	93	95	175	187
Other	7	7	11	35
Total noninterest income	660	630	1,209	1,229
Noninterest Expense				
Salaries and employee benefits	2,484	2,276	5,078	4,624
Net occupancy expense	255	242	510	487
Equipment expense	312	274	623	498
Data processing fees	363	294	669	617
Professional fees	69	104	473	459
Marketing expense	103	111	160	190
Supplies and communication	23	62	247	209
Loan collection and repossession expense	26	26	42	130
Insurance expense	240	229	49	52
Mortgage loan outsourced servicing	2	2	4	4
Other	465	423	840	803
Total noninterest expense	4,342	4,043	8,695	8,073
Income Before Income Taxes	769	1,004	1,696	1,830
Provision for Income Taxes	210	290	474	533
Net Income	\$ 559	\$ 714	\$ 1,222	\$ 1,297
Per common share:				
Basic net income per common share	\$ 0.15	\$0.19	\$ 0.34	\$0.35
Diluted net income per common share	\$ 0.14	\$0.18	\$ 0.31	\$0.33
Dividends declared per common share	\$ 0.10	\$0.10	\$ 0.20	\$0.20
Basic weighted average common shares outstanding	3,607,678	3,668,460	3,610,372	3,661,868
Diluted weighted average common shares outstanding	3,972,700	3,982,998	3,974,825	3,982,174

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First Advantage Bancorp
Unaudited - Condensed Consolidated Statements of Cash Flows
(Dollars in thousands)

	June 30	
	2016	2015
Operating Activities		
Net income	\$ 1,222	\$ 1,297
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	489	615
Depreciation, amortization and accretion	514	479
Deferred income taxes	(267)	(149)
Funding of mortgage loans held for sale	(11,849)	(13,318)
Proceeds from sale of mortgage loans held for sale	11,069	11,461
Net gain on sales of loans held for sale	(342)	(379)
Net realized gain on available for sale securities	(32)	(21)
Net realized gain on sales of other assets held-for-sale	-	-
Net writedown and losses on sale of other real estate owned	-	87
Net gain on sale of repossessed assets	-	3
Stock-based compensation	207	237
Bank owned life insurance	(174)	(187)
Increase in other assets	(104)	(345)
Decrease in other liabilities	228	84
Net cash provided by (used in) operating activities	961	(136)
Investing Activities		
Purchases of securities available-for-sale	(10,477)	(10,259)
Proceeds from call/maturities and repayments of securities available-for-sale	6,802	1,389
Proceeds from sales of securities available-for-sale	5,069	480
Net increase in loans	(1,871)	(20,023)
Purchase of premises and equipment	(225)	(266)
Purchase of bank owned life insurance	(625)	(98)
Proceeds from sale of other assets	-	-
Proceeds from sale of other real estate owned	1	445
Net cash used in by investing activities	(1,326)	(28,332)
Financing Activities		
Net (decrease) increase in demand deposits, money market, checking and savings accounts	9,265	1,733
Net increase in time deposits	10,511	13,747
Net decrease in short-term borrowings	(13,002)	(989)
Net (decrease) increase in long-term borrowings	(401)	13,500
Proceeds from stock option exercises	232	-
Stock repurchase/retired - repurchase program	(1,767)	(665)
Cash paid for dividends	(771)	(787)
Net cash provided by financing activities	4,067	26,539
Increase (Decrease) in Cash and Cash Equivalents	3,702	(1,929)
Cash and Cash Equivalents, Beginning of Period	10,416	10,727
Cash and Cash Equivalents, End of Period	14,118	8,798

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FIRST ADVANTAGE BANCORP
SELECTED FINANCIAL DATA

(Unaudited-Dollars in thousands)

	Three Months Ended		Six Months Ended		Twelve Months Ended
	2016	2015	2016	2015	December 2015
SELECTED FINANCIAL CONDITION DATA: END OF PERIOD BALANCES					
Assets	\$ 493,348	\$ 470,206	\$ 493,348	\$ 470,206	\$ 487,373
Available-for-sale Securities, at fair value	48,198	49,523	48,198	49,523	48,635
Loans, gross	404,740	385,058	404,740	385,058	402,973
Allowance for Loan Losses	6,322	5,387	6,322	5,387	5,937
Deposits	382,040	344,980	382,040	344,980	362,264
FHLB Advances and Other Borrowings	42,599	58,002	42,599	58,002	56,002
Common Shareholders' Equity	65,546	65,280	65,546	65,280	66,172
SELECTED FINANCIAL CONDITION DATA: AVERAGE BALANCES					
Assets	\$ 490,814	\$ 458,536	\$ 488,659	\$ 452,978	\$ 467,382
Earning Assets	464,669	433,023	462,721	427,909	441,645
Investment Securities	48,691	48,601	48,839	45,292	47,207
Other Investments	11,722	8,345	9,953	7,427	7,565
Loans, gross	404,286	376,077	403,930	375,189	386,873
Deposits	378,285	340,524	373,916	338,890	347,724
FHLB Advances and Other Borrowings	46,287	50,541	48,477	46,602	51,719
Common Shareholders' Equity	66,241	65,684	66,266	65,770	65,738
SELECTED OPERATING RESULTS:					
Interest and Dividend Income	\$ 5,714	\$ 5,416	\$ 11,514	\$ 10,635	\$ 22,115
Interest Expense	954	694	1,843	1,346	2,906
Net Interest Income	4,760	4,722	9,671	9,289	19,209
Provision for Loan Losses	309	305	489	615	1,235
Net Interest Income After Provision for Loan Losses	4,451	4,417	9,182	8,674	17,974
Noninterest Income	660	630	1,209	1,229	2,813
Noninterest Expense	4,342	4,043	8,695	8,073	15,977
Income Before Income Tax Expense	769	1,004	1,696	1,830	4,810
Income Tax Expense	210	290	474	533	1,453
Net Income	\$ 559	\$ 714	\$ 1,222	\$ 1,297	\$ 3,357
Basic Net Income Per Common Share	\$ 0.15	\$ 0.19	\$ 0.34	\$ 0.35	\$ 0.92
Diluted Net Income per Common Share	0.14	0.18	0.31	0.33	0.85
Dividends paid per common share	0.10	0.10	0.20	0.20	0.40
Book Value Per Common Share - Basic	18.51	17.87	18.51	17.87	18.24
Book Value Per Common Share - Diluted	16.50	16.39	16.49	16.39	16.69
Common Shares Outstanding	3,541,477	3,652,568	3,541,477	3,652,568	3,628,389
Basic Weighted Average Common Shares Outstanding	3,607,678	3,668,460	3,610,372	3,661,868	3,637,581
Diluted Weighted Average Common Shares Outstanding	3,972,700	3,982,998	3,974,825	3,982,174	3,965,607
SELECTED RATIOS (quarterly rates annualized):					
Return on Average Assets	0.46 %	0.62 %	0.50 %	0.58 %	0.72 %
Return on Average Common Shareholders' Equity	3.39	4.36	3.71	3.98	5.11
Average Common Shareholders' Equity to Average Assets	13.50	14.32	13.56	14.52	14.07
Net Interest Margin	4.12	4.37	4.20	4.38	4.35
Efficiency: Expense to Revenue	80.11	75.54	79.92	76.75	72.55
SELECTED ASSET QUALITY:					
Net (Recoveries) Charge-offs	\$ 91	\$ 208	\$ 95	\$ 494	\$ 564
Classified Assets	13,597	16,271	13,597	16,271	16,228
Nonperforming Loans	8,446	7,666	8,446	7,666	10,080
Nonperforming Assets	9,085	8,692	9,085	8,692	10,721
Troubled Debt Restructurings	1,995	2,665	1,995	2,665	1,460
Total Nonperforming Loans to Total Loans	2.08 %	1.98 %	2.08 %	1.98 %	2.50 %
Total Nonperforming Loans to Total Assets	1.71 %	1.63 %	1.71 %	1.63 %	2.07 %
Total Nonperforming Assets to Total Assets	1.84 %	1.85 %	1.84 %	1.85 %	2.20 %

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First Advantage Bancorp

Loan Portfolio Composition

(Dollars in thousands)

	At June 30,		At December 31,	
	2016		2015	
	Amount	Percent	Amount	Percent
	(Dollars in thousands)		(Dollars in thousands)	
Real estate loans:				
Permanent loans:				
One-to-four family	\$ 68,509	16.9 %	\$ 68,882	17.1 %
Multi-family	28,248	7.0	30,421	7.5
Nonresidential	127,112	31.3	130,259	32.2
Construction loans:		-		-
One-to-four family	35,167	8.7	35,898	8.9
Multi-family	10,931	2.7	13,796	3.4
Nonresidential	8,191	2.0	6,607	1.6
Land loans	17,402	4.3	19,921	4.9
Total real estate loans	<u>295,560</u>	<u>72.9</u>	<u>305,784</u>	<u>75.6</u>
Consumer:				
Home equity loans and lines of credit	20,488	5.0	21,271	5.3
Auto loans	110	-	182	0.1
Deposit loans	274	-	121	-
Overdrafts	44	-	42	-
Other	41,277	10.2	28,058	6.9
Total consumer and other loans	<u>62,193</u>	<u>15.2</u>	<u>49,674</u>	<u>12.3</u>
Commercial loans	<u>48,129</u>	<u>11.9</u>	<u>48,477</u>	<u>12.1</u>
Total loans	405,882	100.00 %	403,935	100.00 %
Allowance for loan losses	(6,322)		(5,937)	
Net deferred loan costs	(1,142)		(962)	
Loans receivable, net	<u>\$ 398,418</u>		<u>\$ 397,036</u>	

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First Advantage Bancorp

Breakdown of Allowance for Loan Losses

(Dollars in thousands)

	At June 30,			At December 31,		
	2016			2015		
	Amount	% of Allowance to Total Allowance	% of Loans in Category to Total Loans	Amount	% of Allowance to Total Allowance	% of Loans in Category to Total Loans
One-to-four family	\$ 320	5.1 %	16.9 %	\$ 450	7.6 %	17.1 %
Multi-family and nonresidential	2,033	32.1	38.3	2,033	34.2	39.7
Construction	295	4.7	13.4	172	2.9	13.9
Land	146	2.3	4.3	165	2.8	4.9
Consumer	808	12.8	15.2	577	9.7	12.3
Commercial	2,720	43.0	11.9	2,540	42.8	12.1
Total allowance for loan losses	\$ 6,322	100.0 %	100.0 %	\$ 5,937	100.0 %	100.0 %

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First Advantage Bancorp

Credit Quality Indicators as of June 30, 2016

(Dollars in thousands)

	<u>One-to-Four Family</u>	<u>Multi-family/ Nonresidential</u>	<u>Construction</u>	<u>Land</u>	<u>Consumer and Other</u>	<u>Commercial</u>	<u>Total</u>
Credit Risk Profile by Internally Assigned Grade							
Grade:							
Pass	\$ 67,059	\$ 148,063	\$ 53,724	\$ 16,869	\$ 61,471	\$ 44,360	\$ 391,546
Special mention	340	3,834	-	152	-	76	4,402
Substandard	1,110	3,463	565	381	722	3,693	9,934
Doubtful	-	-	-	-	-	-	-
Total	<u>\$ 68,509</u>	<u>\$ 155,360</u>	<u>\$ 54,289</u>	<u>\$ 17,402</u>	<u>\$ 62,193</u>	<u>\$ 48,129</u>	<u>\$ 405,882</u>

Credit Quality Indicators as of December 31, 2015

(Dollars in thousands)

	<u>One-to-Four Family</u>	<u>Multi-family/ Nonresidential</u>	<u>Construction</u>	<u>Land</u>	<u>Consumer and Other</u>	<u>Commercial</u>	<u>Total</u>
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	<u>\$ 68,882</u>	<u>\$ 160,680</u>	<u>\$ 56,301</u>	<u>\$ 19,921</u>	<u>\$ 49,674</u>	<u>\$ 48,477</u>	<u>\$ 403,935</u>

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First Advantage Bancorp

Breakdown of Nonaccrual Loans

(Dollars in thousands)

	At June 30, 2016	At December 31, 2015
Non-accrual loans:		
One- to four-family	922	818
Multi-family and nonresidential	2,532	3,933
Construction	560	939
Land	193	216
Mortgage - 2nd	106	3
Consumer and other	584	379
Commercial	3,549	3,792
Total	8,446	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	9,085	10,721
Total non-performing loans to total loans	2.08%	2.50%
Total non-performing loans to total assets	1.71%	2.07%
Total non-performing assets to total assets	1.84%	2.20%

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First Advantage Bancorp

Age Analysis of Past Due Loans

As of June 30, 2016

(Dollars in thousands)

	<u>30-59 Days Past Due</u>	<u>60-89 Days Past Due</u>	<u>Greater Than 90 Days</u>	<u>Total Past Due</u>	<u>Current</u>	<u>Total Loans</u>	<u>Loans >90 Days and Accruing</u>
One-to-four family	\$ 121	\$ 13	\$ 494	\$ 628	\$ 67,881	\$ 68,509	\$ -
Multifamily/nonresidential	-	-	1,404	\$ 1,404	153,956	155,360	-
Construction	107	-	452	\$ 559	53,730	54,289	-
Land	-	-	-	\$ -	17,402	17,402	-
Consumer and other	312	221	204	\$ 737	61,456	62,193	-
Commercial	153	-	424	\$ 577	47,552	48,129	-
Total	<u>\$ 693</u>	<u>\$ 234</u>	<u>\$ 2,978</u>	<u>\$ 3,905</u>	<u>\$ 401,977</u>	<u>\$ 405,882</u>	<u>\$ -</u>

Age Analysis of Past Due Loans

As of December 31, 2015

	<u>30-59 Days Past Due</u>	<u>60-89 Days Past Due</u>	<u>Greater Than 90 Days</u>	<u>Total Past Due</u>	<u>Current</u>	<u>Total Loans</u>	<u>Loans >90 Days and Accruing</u>
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	<u>\$ 2,890</u>	<u>\$ 166</u>	<u>\$ 3,008</u>	<u>\$ 6,064</u>	<u>\$ 397,871</u>	<u>\$ 403,935</u>	<u>\$ -</u>

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First Advantage Bancorp

Investment Securities Portfolio

As of June 30, 2016

(Unaudited - dollars in thousands)

June 30, 2016

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Approximate Fair Value</u>
Available-for-sale				
U. S. Treasury	\$ -	\$ -	\$ -	\$ -
U. S. Government agencies and corporations	3,000	-	(7)	2,993
Mortgage-backed securities	15,658	817	-	16,475
State and political subdivisions	27,612	1,118	-	28,730
Total	<u>\$ 46,270</u>	<u>\$ 1,935</u>	<u>\$ (7)</u>	<u>\$ 48,198</u>

December 31, 2015

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Approximate Fair Value</u>
Available-for-sale				
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	<u>\$ 47,721</u>	<u>\$ 1,238</u>	<u>\$ (324)</u>	<u>\$ 48,635</u>

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First Advantage Bancorp

Contractual Maturities of Investment Securities

As of June 30, 2016

(Unaudited - dollars in thousands)

	June 30, 2016		December 31, 2015	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	\$ 1,087	\$ 1,101	\$ 5,842	\$ 5,912
Due after one but within five years	2,386	2,510	1,832	1,951
Due after five but within ten years	4,002	4,175	3,612	3,732
Due after ten years	23,137	23,937	24,337	24,314
	<u>30,612</u>	<u>31,723</u>	<u>35,623</u>	<u>35,909</u>
Mortgage-backed securities	15,658	16,475	12,098	12,726
	<u>\$ 46,270</u>	<u>\$ 48,198</u>	<u>\$ 47,721</u>	<u>\$ 48,635</u>

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First Advantage Bancorp

Age Analysis of Gross Unrealized Losses on Investment Securities

As of June 30, 2016

(Unaudited - dollars in thousands)

	June 30, 2016					
	Less Than 12 months		12 months or more		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Available-for-sale						
U. S. Government agencies and corporations:	\$ 2,993	\$ (7)	\$ -	\$ -	\$ 2,993	\$ (7)
Mortgage-backed securities	-	-	-	-	-	-
State and political subdivisions	-	-	-	-	-	-
Total	<u>\$ 2,993</u>	<u>\$ (7)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,993</u>	<u>\$ (7)</u>

	December 31, 2015					
	Less Than 12 months		12 months or more		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Available-for-sale						
U. S. Government agencies and corporations:	\$ -	\$ -	\$ 4,282	\$ (217)	\$ 4,282	\$ (217)
Mortgage-backed securities	1,815	(16)	1,121	(28)	2,936	(44)
State and political subdivisions	5,616	(63)	-	-	5,616	(63)
Total	<u>\$ 7,431</u>	<u>\$ (79)</u>	<u>\$ 5,403</u>	<u>\$ (245)</u>	<u>12,834</u>	<u>\$ (324)</u>

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