

Kentucky First Federal Bancorp  
Form 10-Q  
February 16, 2016

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-Q**

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2015

OR

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 0-51176

**KENTUCKY FIRST FEDERAL BANCORP**  
(Exact name of registrant as specified in its charter)

United States of America      61-1484858  
(State or other jurisdiction of      (I.R.S. Employer Identification No.)  
incorporation or organization)

216 West Main Street, Frankfort, Kentucky 40601  
(Address of principal executive offices)(Zip Code)

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(502) 223-1638

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months or such shorter period that the issuer was required to file such reports and (2) has been subject to such filing requirements for the past ninety days: Yes

x No "

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company," in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer "

Accelerated filer "

Non-accelerated filer "

Smaller Reporting Company x

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.)

Yes "

No x

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: At February 9, 2016, the latest practicable date, the Corporation had 8,439,515 shares of \$.01 par value common stock outstanding.

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## PART I

ITEM 1: Financial Information**Kentucky First Federal Bancorp****CONSOLIDATED BALANCE SHEETS**

(Unaudited)

(In thousands, except share data)

	December 31, 2015	June 30, 2015
<b>ASSETS</b>		
Cash and due from financial institutions	\$ 5,305	\$3,864
Interest-bearing demand deposits	9,175	9,771
Cash and cash equivalents	14,480	13,635
Securities available for sale	137	159
Securities held-to-maturity, at amortized cost- approximate fair value of \$15,989 and \$6,534 at December 31, 2015 and June 30, 2015, respectively	15,916	6,423
Loans held for sale	—	100
Loans, net of allowance of \$1,568 at December 31, 2015 and June 30, 2015	243,968	243,815
Real estate owned, net	1,138	1,593
Premises and equipment, net	5,980	5,235
Federal Home Loan Bank stock, at cost	6,482	6,482
Accrued interest receivable	685	725
Bank-owned life insurance	3,018	2,971
Goodwill	14,507	14,507
Prepaid federal income taxes	26	—
Prepaid expenses and other assets	501	653
Total assets	\$ 306,838	\$296,298
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Deposits	\$ 192,485	\$199,701
Federal Home Loan Bank advances	44,532	26,635
Advances by borrowers for taxes and insurance	235	699
Accrued interest payable	32	32
Accrued federal income taxes	—	78
Deferred federal income taxes	706	569
Deferred revenue	603	610
Other liabilities	654	661

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Total liabilities	239,247	228,985
Commitments and contingencies	-	-
Shareholders' equity		
Preferred stock, 500,000 shares authorized, \$.01 par value; no shares issued and outstanding	-	-
Common stock, 20,000,000 shares authorized, \$.01 par value; 8,596,064 shares issued	86	86
Additional paid-in capital	34,628	34,638
Retained earnings	34,917	34,711
Unearned employee stock ownership plan (ESOP), 112,973 shares and 122,311 shares at December 31, 2015 and June 30, 2015, respectively	(1,130 )	(1,223 )
Treasury shares at cost, 112,563 common shares at December 31, 2015 and June 30, 2015	(937 )	(937 )
Accumulated other comprehensive income	27	38
Total shareholders' equity	67,591	67,313
Total liabilities and shareholders' equity	\$ 306,838	\$296,298

See accompanying notes.

**Kentucky First Federal Bancorp****CONSOLIDATED STATEMENTS OF INCOME**

(Unaudited)

(Dollars in thousands, except per share data)

	Six months ended December		Three months ended December	
	31,		31,	
	2015	2014	2015	2014
Interest income				
Loans, including fees	\$ 5,786	\$ 6,055	\$ 2,894	\$ 3,055
Mortgage-backed securities	44	57	21	28
Other securities	10	13	5	7
Interest-bearing deposits and other	129	130	65	66
Total interest income	5,969	6,255	2,985	3,156
Interest expense				
Interest-bearing demand deposits	14	16	7	8
Savings	130	118	65	59
Certificates of Deposit	404	452	196	230
Deposits	548	586	268	297
Borrowings	144	119	74	57
Total interest expense	692	705	342	354
Net interest income	5,277	5,550	2,643	2,802
Provision for loan losses	11	266	—	210
Net interest income after provision for loan losses	5,266	5,284	2,643	2,592
Non-interest income				
Earnings on bank-owned life insurance	47	47	24	24
Net gain on sales of loans	41	15	22	9
Net gain on sales of OREO	53	142	37	143
Valuation adjustments of OREO	(39 )	(14 )	(21 )	(14 )
Other	138	138	64	70
Total non-interest income	240	328	126	232
Non-interest expense				
Employee compensation and benefits	2,639	2,509	1,360	1,132
Occupancy and equipment	316	271	168	140
Outside service fees	91	87	43	49
Legal fees	40	26	11	19
Data processing	191	209	94	107
Auditing and accounting	130	130	63	65
FDIC insurance premiums	110	119	56	56
Franchise and other taxes	127	134	64	67

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Foreclosure and OREO expenses (net)	53	121	25	68
Other	537	521	285	255
Total non-interest expense	4,234	4,127	2,169	1,958
Income before income taxes	1,272	1,485	600	866
Federal income tax expense	330	490	196	287
NET INCOME	\$ 942	\$ 995	\$ 404	\$ 579
EARNINGS PER SHARE				
Basic and diluted	\$ 0.11	\$ 0.12	\$ 0.05	\$ 0.07
DIVIDENDS PER SHARE	\$ 0.20	\$ 0.20	\$ 0.10	\$ 0.10

See accompanying notes.

**Kentucky First Federal Bancorp****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Unaudited)

(In thousands)

	Six months ended December 31,		Three months ended December 31,	
	2015	2014	2015	2014
Net income	\$ 942	\$ 995	\$ 404	\$ 579
Other comprehensive loss, net of tax benefits: Unrealized holding gains (losses) on securities designated as available for sale, net of tax benefits of \$(6), \$(18), \$(6) and \$(5) during the respective periods	(11 )	(34 )	(11 )	(10 )
Comprehensive income	\$ 931	\$ 961	\$ 393	\$ 569

See accompanying notes.