

PORTER BANCORP, INC.

FORM 8-K (Current report filing)

Filed 11/06/08 for the Period Ending 11/06/08

Address	2500 EASTPOINT PARKWAY LOUISVILLE, KY 40223
Telephone	502-499-4800
CIK	0001358356
Symbol	PBIB
SIC Code	6021 - National Commercial Banks
Industry	Regional Banks
Sector	Financial
Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 6, 2008

PORTER BANCORP, INC.

(Exact name of registrant as specified in its charter)

Kentucky
**(State or other jurisdiction of
incorporation or organization)**

001-33033
**(Commission
File Number)**

61-1142247
**(I.R.S. Employer
Identification No.)**

2500 Eastpoint Parkway, Louisville, Kentucky, 40223
(Address of principal executive offices)

(502) 499-4800
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01. Regulation FD Disclosure.

In a press release dated November 6, 2008, Porter Bancorp, Inc. announced that Maria L. Bouvette, its President and Chief Executive Officer, will make a presentation at the Sandler O'Neill & Partners, L.P. East Coast Financial Services Conference at The Ritz-Carlton in Palm Beach, Florida at 10:55 a.m. Eastern time on Thursday, November 13, 2008.

A copy of the press release, presentation materials and proforma financial information reconciliation table are attached hereto as, respectively, Exhibit 99.1, Exhibit 99.2 and Exhibit 99.3.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	Press Release issued by Porter Bancorp, Inc. on November 6, 2008
99.2	Presentation Materials for Sandler O'Neill & Partners, L.P. East Coast Financial Services Conference
99.3	Proforma Financial Information Reconciliation Table

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 6, 2008

Porter Bancorp Inc.

By: /s/ David B. Pierce
David B. Pierce
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
99.1	Press Release dated November 6, 2008
99.2	Presentation Materials for Sandler O'Neill & Partners, L.P. East Coast Financial Services Conference
99.3	Proforma Financial Information Reconciliation Table

Porter Bancorp to Present at Sandler O ' Neill & Partners, L.P. East Coast Financial Services Conference

LOUISVILLE, Ky.--(BUSINESS WIRE)--November 6, 2008--Porter Bancorp, Inc. (NASDAQ: PBIB) announced that Maria L. Bouvette, its President and Chief Executive Officer, will make a presentation at the Sandler O'Neill & Partners, L.P. East Coast Financial Services Conference at The Ritz-Carlton in Palm Beach, Florida at 10:55 a.m. Eastern time on Thursday, November 13, 2008.

Porter Bancorp's investor presentation will be webcast in real-time on November 13, 2008, beginning at 10:55 a.m. (Eastern Time). The webcast will be available through the Company's website under the Investor Relations tab at www.pbibank.com.

Listeners should visit the site at least five minutes prior to the webcast to register. An on-line replay will follow and continue for 60 days. The related presentation materials will also be available on Porter Bancorp's website (<http://www.pbibank.com>) under Investor Relations.

About Porter Bancorp, Inc.

Porter Bancorp, Inc., a bank holding company headquartered in Louisville, Kentucky, had \$1.6 billion in assets as of September 30, 2008. Through Porter's subsidiary PBI Bank, it operates 20 full-service banking offices in 12 counties in Kentucky. Porter Bancorp's common stock is traded on the Nasdaq Global Market under the symbol "PBIB."

PBIB-F

PBIB-G

CONTACT:

Porter Bancorp, Inc.

Maria L. Bouvette, President & CEO, 502-499-4800



Porter Bancorp, Inc.

NASDAQ: PBIB

November 2008

Relationships You Can Bank On.™



Disclaimer

This presentation contains forward-looking statements that involve risks and uncertainties. These forward-looking statements are based on management's current expectations. Porter Bancorp's actual results in future periods may differ materially from those currently expected due to various factors, including those risk factors described in documents that the Company files with the Securities and Exchange Commission, including the Company's most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q. The forward-looking statements in this presentation are made as of the date of the presentation and Porter Bancorp does not assume any responsibility to update these statements.



Company Overview

- ✓ Louisville, Kentucky headquarters
- ✓ 6th largest bank domiciled in Kentucky
- ✓ 20 offices
- ✓ \$1.6 billion in assets
- ✓ \$1.3 billion in loans
- ✓ \$1.3 billion in deposits
- ✓ Focus on high growth markets within our footprint
- ✓ Efficient operating model
- ✓ Strong capital

Note: Financial data as of September 30, 2008



- **Louisville and Bullitt County**

- 16th largest city in U.S. and largest city in Kentucky
- Above average growth rates for economy and jobs
- Large employers include UPS, GE, Humana, YUM! Brands, Ford
- New UPS hub attracting distribution companies – Best Buy ("Geek Squad"), Gordon Foods, Johnson & Johnson, Zappos
- Home of University of Louisville

- **Owensboro/Daviess County**

- 3rd largest city in Kentucky
- Industrial, medical, retail and cultural hub for Western Kentucky
- Large employers include Owensboro Medical Health System, Texas Gas, and Toyotetsu
- Home of two four year liberal arts colleges (Brescia University and Kentucky Wesleyan College)

- **Lexington/Fayette County**

- 2nd largest city in Kentucky – attractive growth market
- Financial, educational, retail, healthcare and cultural hub for Central and Eastern Kentucky
- "Horse Capital of the World" – host to the World Equestrian Games in 2010
- Large employers include Toyota, Lexmark, IBM Global Services and Valvoline
- Home of University of Kentucky

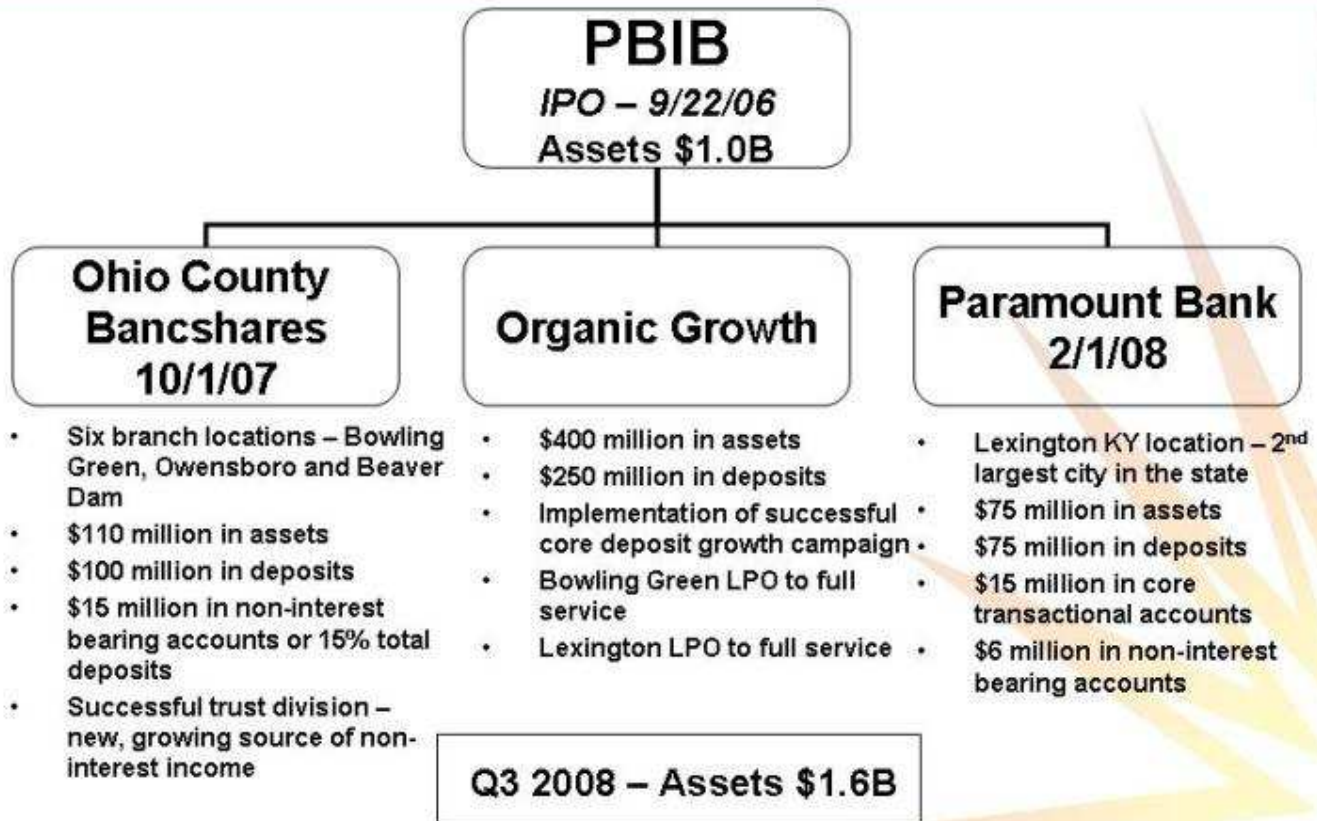
- **Southern/Central Kentucky**

- Includes Bowling Green (Warren County), the 4th largest city in Kentucky, and Barren, Ohio, Hart, Edmonson, Butler & Green counties
- Attractive community and growth markets – stable source of deposits and loans
- PBIB's main back-office operations hub
- Major employers include GM (Corvette), RR Donnelley and FedEx
- Agricultural and service based economy
- Home of Western Kentucky University

- 1988** *Porter Bancorp organized with merger of 3 banks*
- 1988 – 1999** *Porter Bancorp acquires 3 banks*
- 1999** *Ascencia Bank established*
- 1999 – 2005** *Porter Bancorp acquires 2 banks*
- 2005** *Porter Bancorp consolidates all subsidiary banks under PBI Bank name on December 31, 2005*
- 2006** *Porter Bancorp IPO completed on September 22, 2006*
- 2007** *Porter Bancorp acquires Kentucky Trust Bank with 6 offices in Southern Kentucky on October 1, 2007*
- 2008** *Porter Bancorp acquires Paramount Bank in Lexington, KY on February 1, 2008*

Expand in fast growing markets by adding strategically located new offices and selective acquisitions

- ✓ Focus on markets with attractive growth prospects
- ✓ Strategic de novo branching
- ✓ Selective acquisitions
 - ✓ Experienced integrators
 - ✓ Extensive market knowledge and contacts
 - ✓ Accretive to earnings in first year
- ✓ Continue marketing our new brand – top of mind awareness
- ✓ Increasing core deposits



- ✓ **Streamline operational efficiency, including full integration of recent acquisitions**
- ✓ **Increase market share of existing franchise**
 - ✓ Opened new retail office in Bullitt County in Q2
 - ✓ Expansion into new modern retail facility in Ohio County – now under construction
 - ✓ Open new Technology/Operations Center and additional retail banking office in Barren County
- ✓ **Continuing execution of successful core deposit development initiatives and non-interest income improvement strategies**
- ✓ **Carefully manage growth and capital in this uncertain economic environment**
- ✓ **Issued \$9.0 million subordinated capital note in July, qualifying as Tier 2 capital**

Financial Highlights



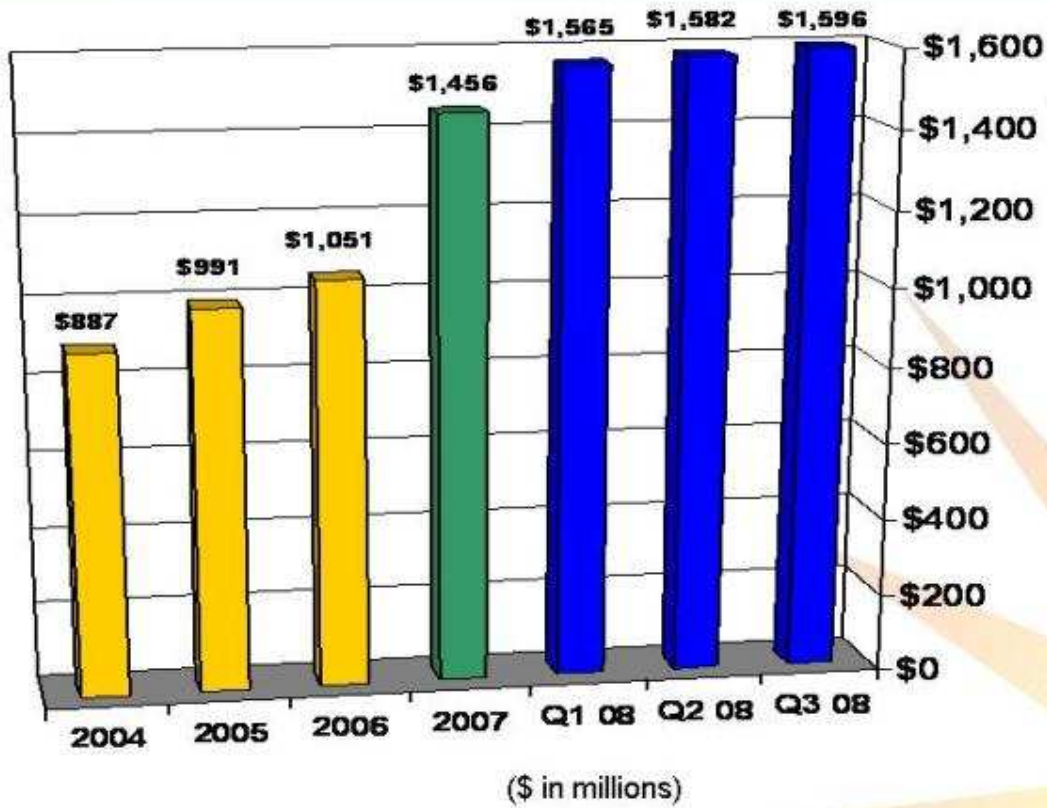
- ✓ **Net Income of \$14.2 million**
- ✓ **Above peer financial performance**

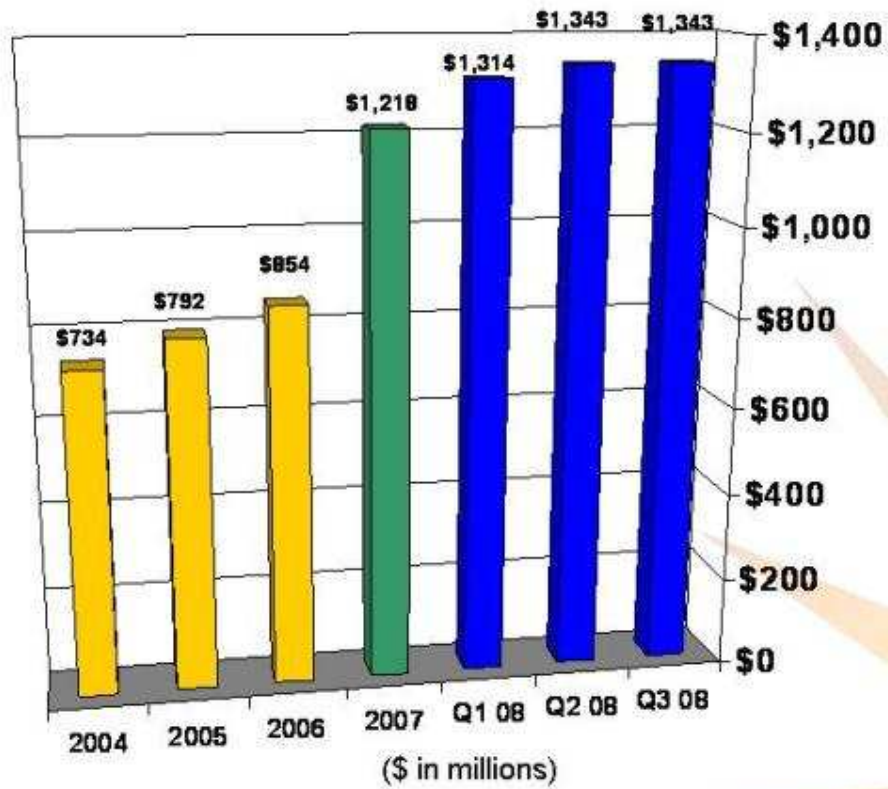
	<u>PBIB</u>	<u>Peer (1)</u>
ROAA	1.16%	1.02%
ROAE	12.39%	11.45%
NIM	3.67%	3.65%
Efficiency	46.97%	62.66%

- ✓ **Record asset growth to \$1.5 billion**
- ✓ **Record loans of \$1.2 billion and deposits of \$1.2 billion**
- ✓ **Record core customer non-interest bearing deposit account growth to \$83.1 million**

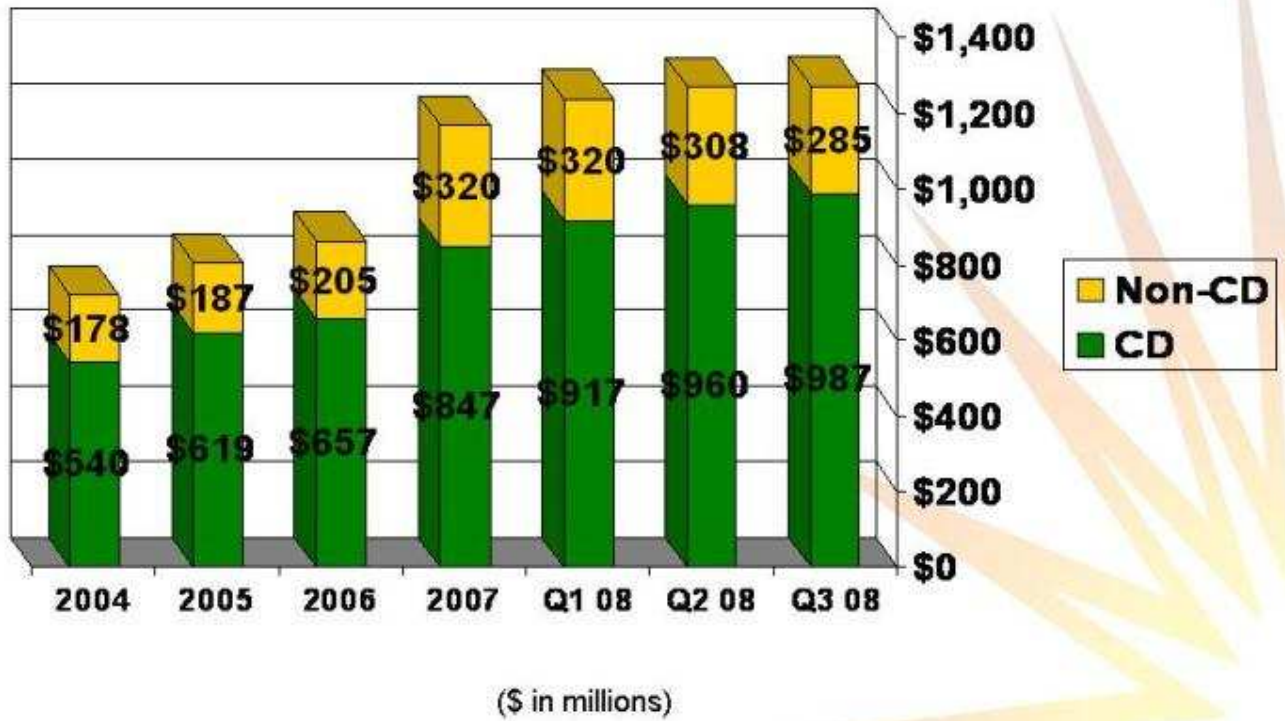
Note: (1) For the Year Ended 12/31/07 Peer Median Core Financial Performance per SNL

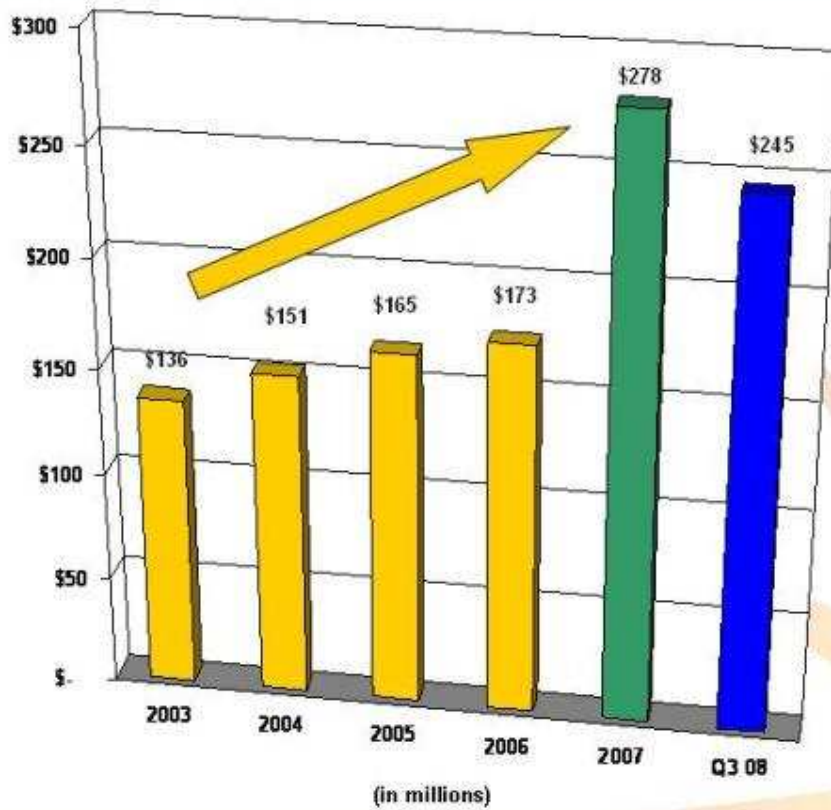
- ✓ **Growth exceeded expectations**
 - ✓ Loans – 42.8%
 - ✓ Deposits – 35.4%
 - ✓ Assets – 38.5%
 - ✓ **Efficient operations – 47.0% efficiency ratio**
 - ✓ **Sound credit quality**
 - ✓ 1.17% NPA to assets
 - ✓ 1.04% NPL to loans
 - ✓ **ROAA – 1.16%**
 - ✓ **ROAE – 12.39%**
 - ✓ **Above peer financial performance**
- 



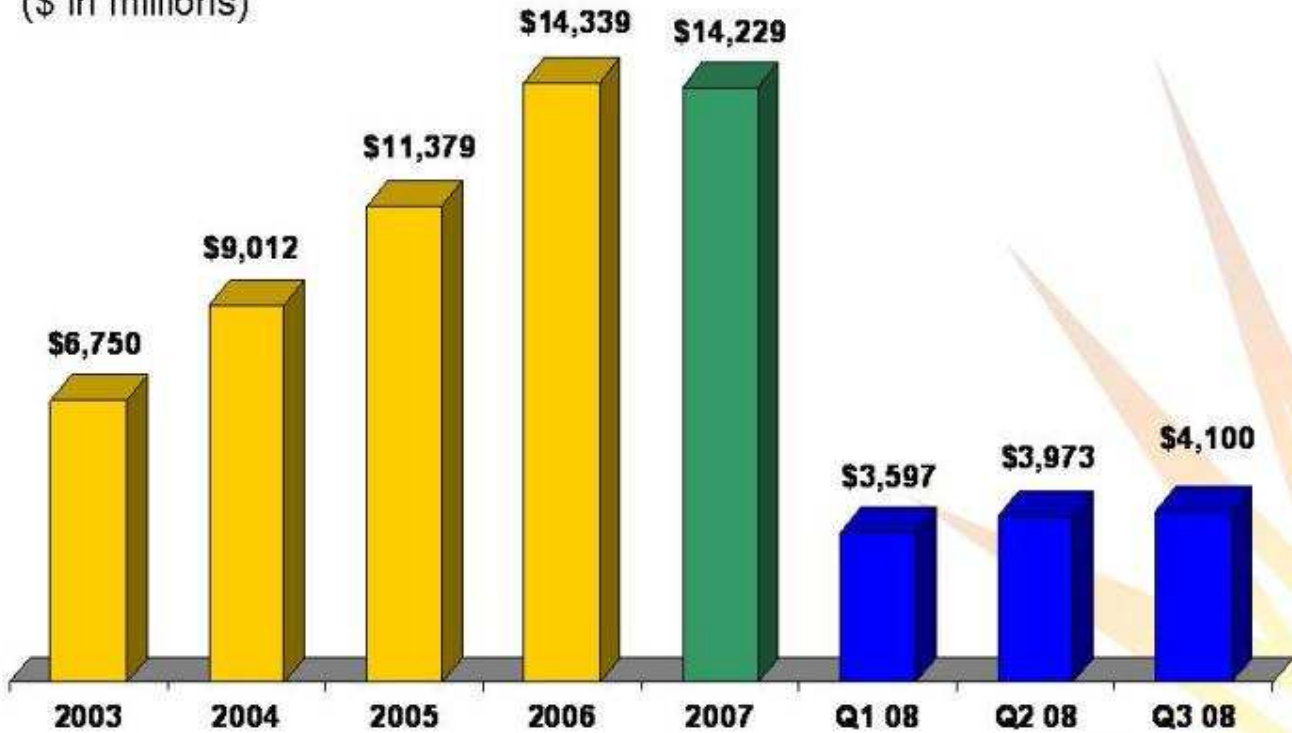


Deposit Growth

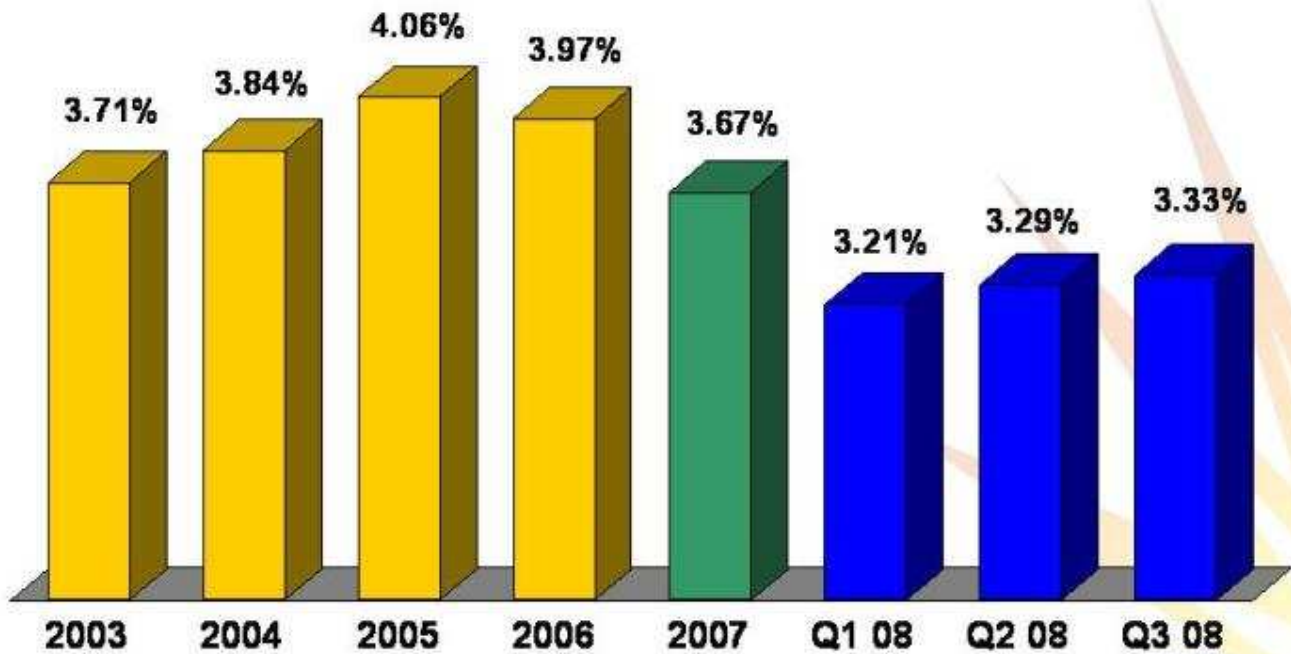


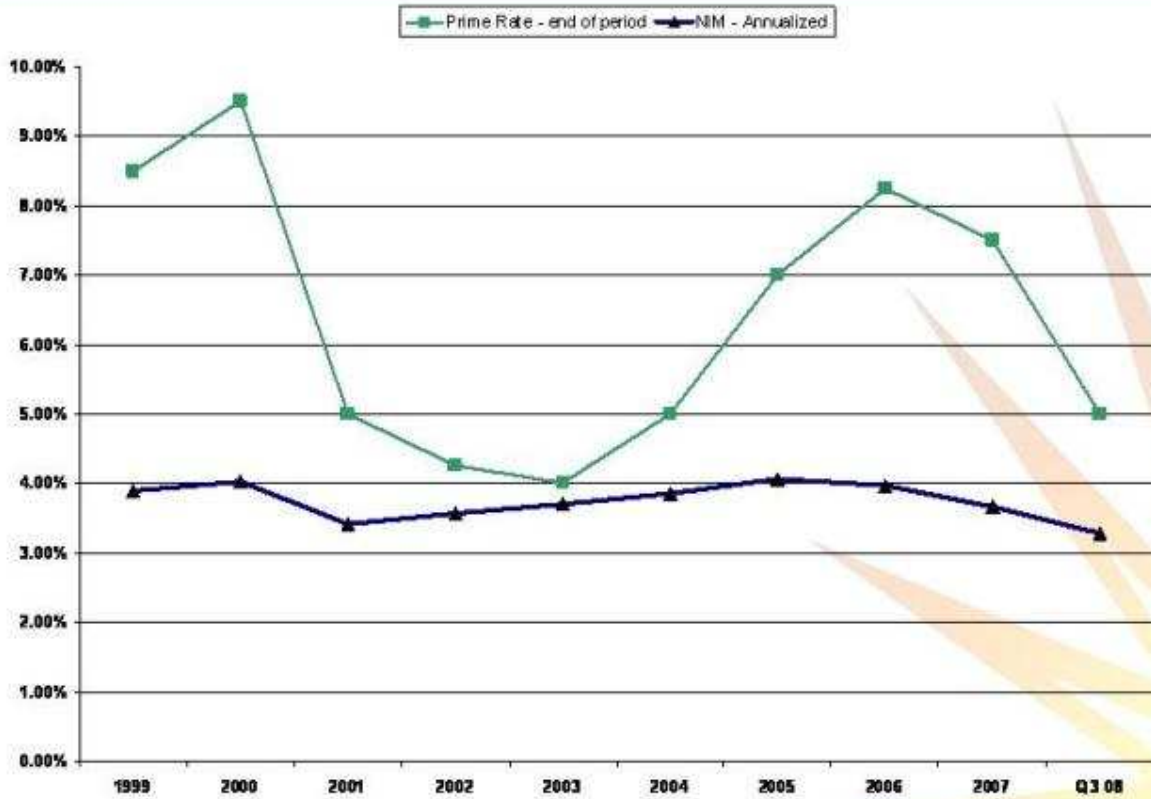


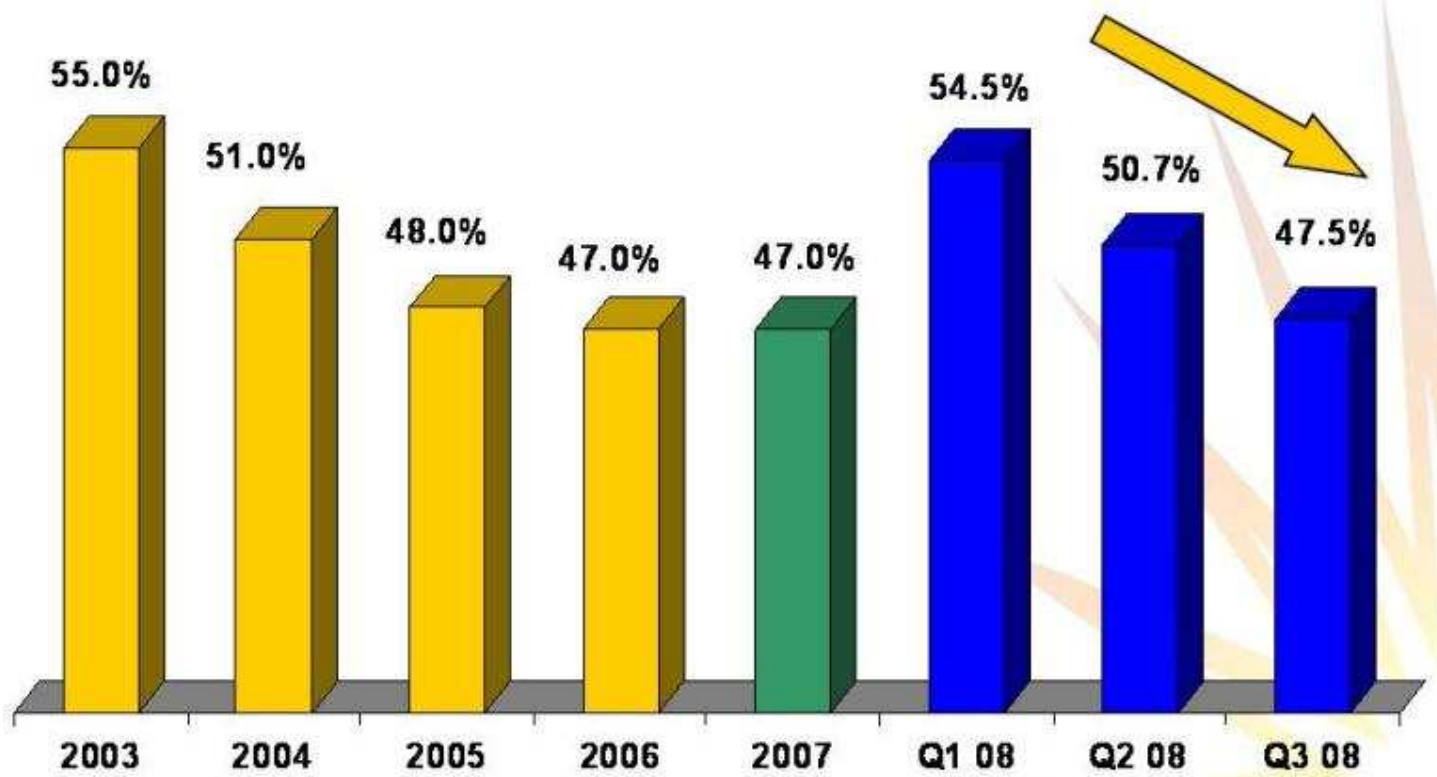
(\$ in millions)

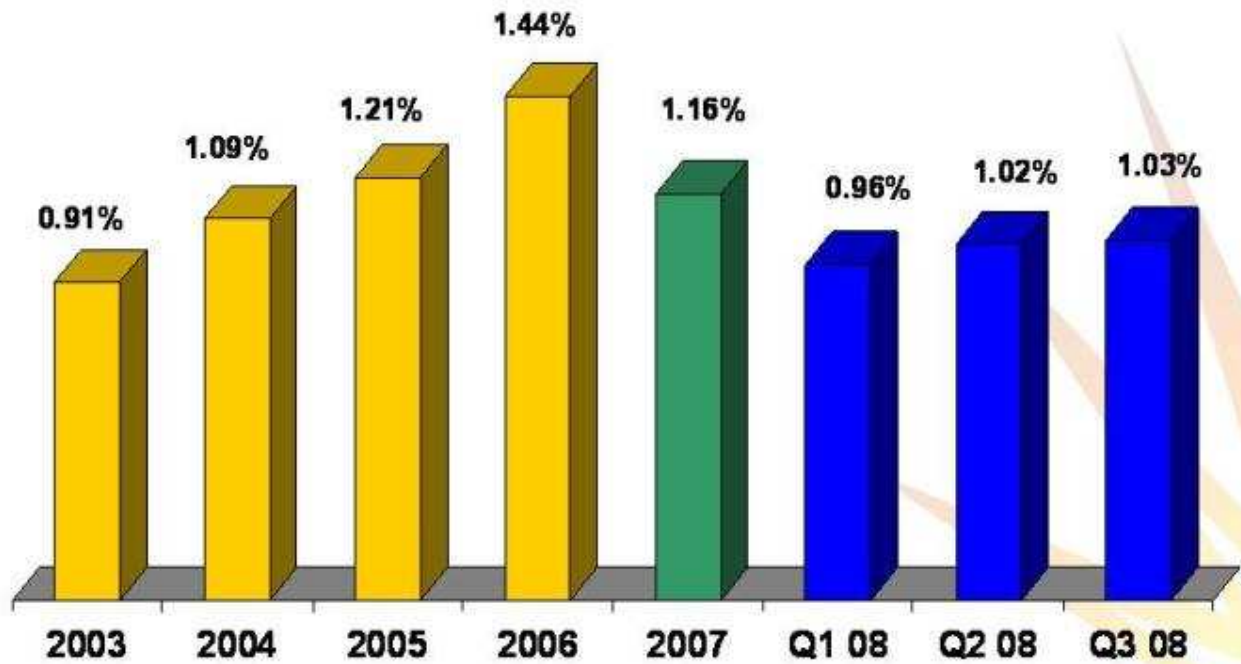


Note: Adjusted for consolidation through add-back of minority interests, deduction of applicable income taxes and deduction of acquisition funding (net of tax).

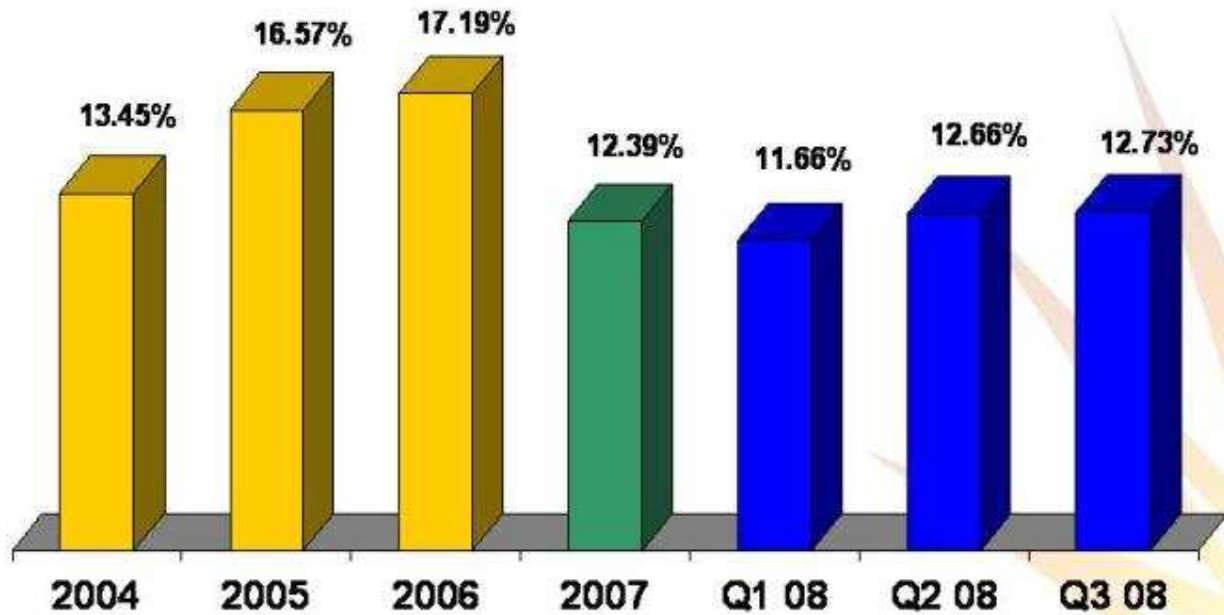








Note: Adjusted for consolidation through add-back of minority interests, deduction of applicable income taxes and deduction of acquisition funding (net of tax).



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2008 Operating Performance thru Q3

✓ **Strong Growth**

- ✓ **Loans – 10.2%**
- ✓ **Deposits – 9.0%**
- ✓ **Assets – 9.6%**
- ✓ **EPS – 18.2% comparative quarter increase from \$.44 to \$.52**

✓ **Solid Financial Performance**

	Q1	Q2	Q3	Peer ⁽¹⁾
ROAA	.96%	1.02%	1.03%	.94%
ROAE	11.66%	12.66%	12.73%	11.14%
NIM	3.21%	3.29%	3.33%	3.76%
Efficiency	54.47%	50.70%	47.47%	60.59%

✓ **Sound credit quality**

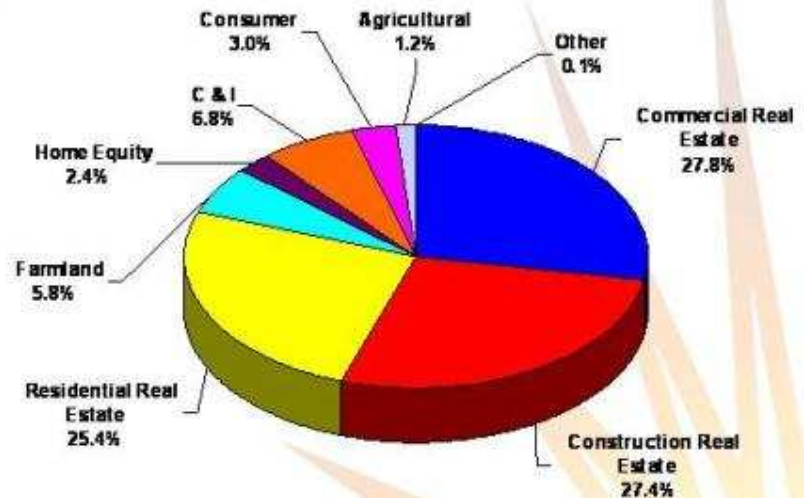
- ✓ **1.44% NPA to assets**
- ✓ **1.15% NPL to loans**

Note: (1) For the Quarter Ended 6/30/08 Peer Median Core Financial Performance per SNL

Highlights

- ✓ Primary focus on residential and commercial real estate
- ✓ Granular portfolio
- ✓ No “toxic” ARM exposure
- ✓ No “subprime” exposure
- ✓ Loyal and experienced producers
- ✓ Team approach to customers
- ✓ Locally empowered lenders

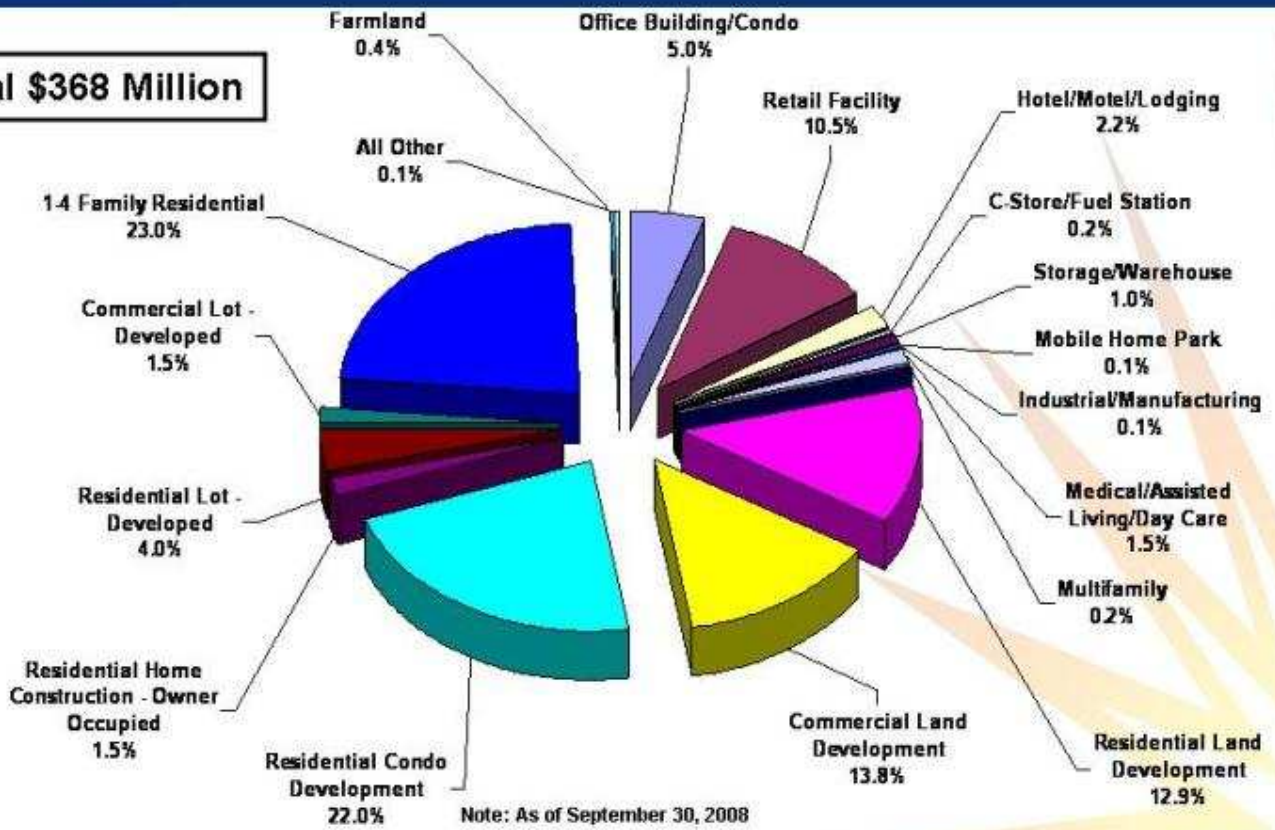
Loan Portfolio (1)

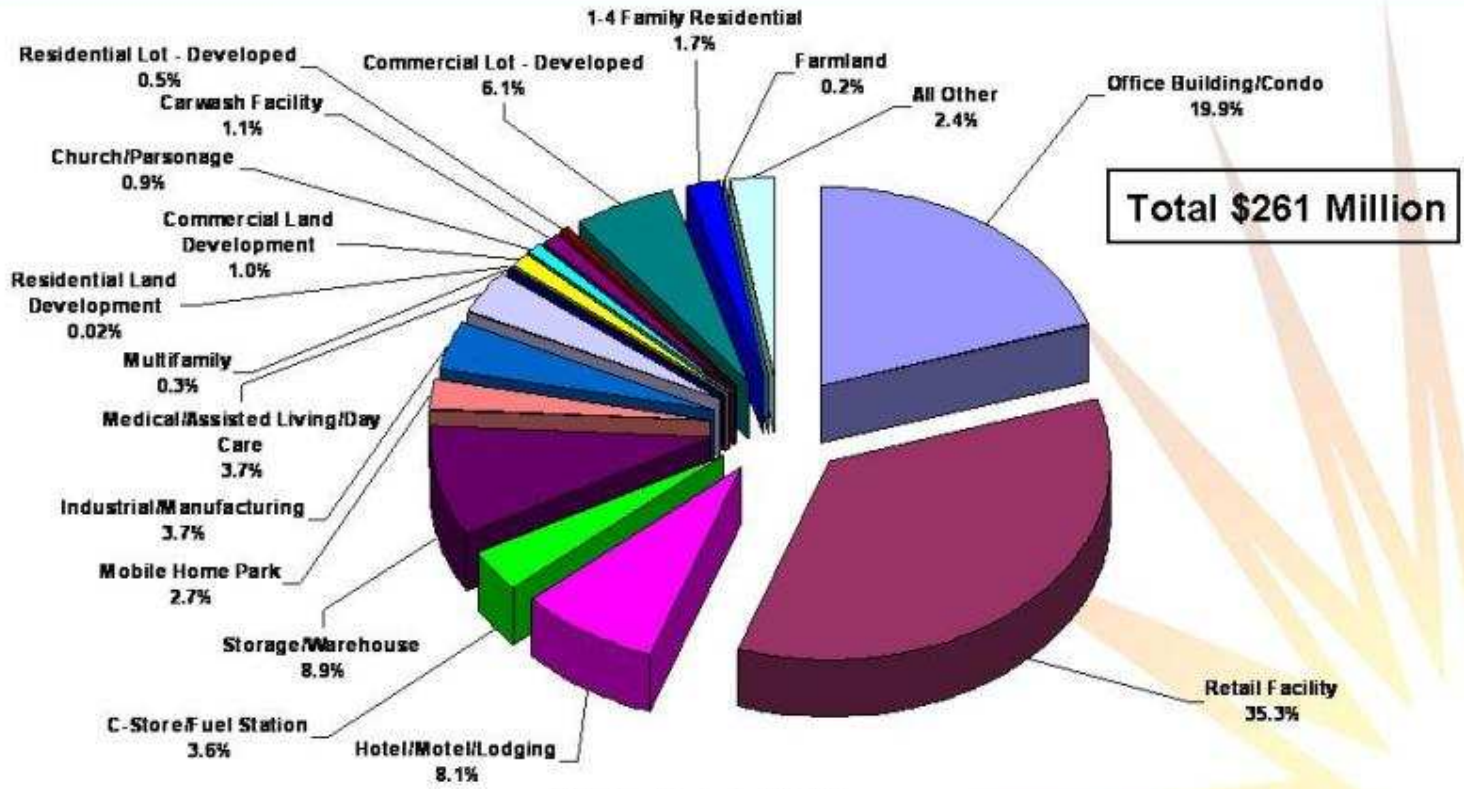


Total Loans: \$1.34 B

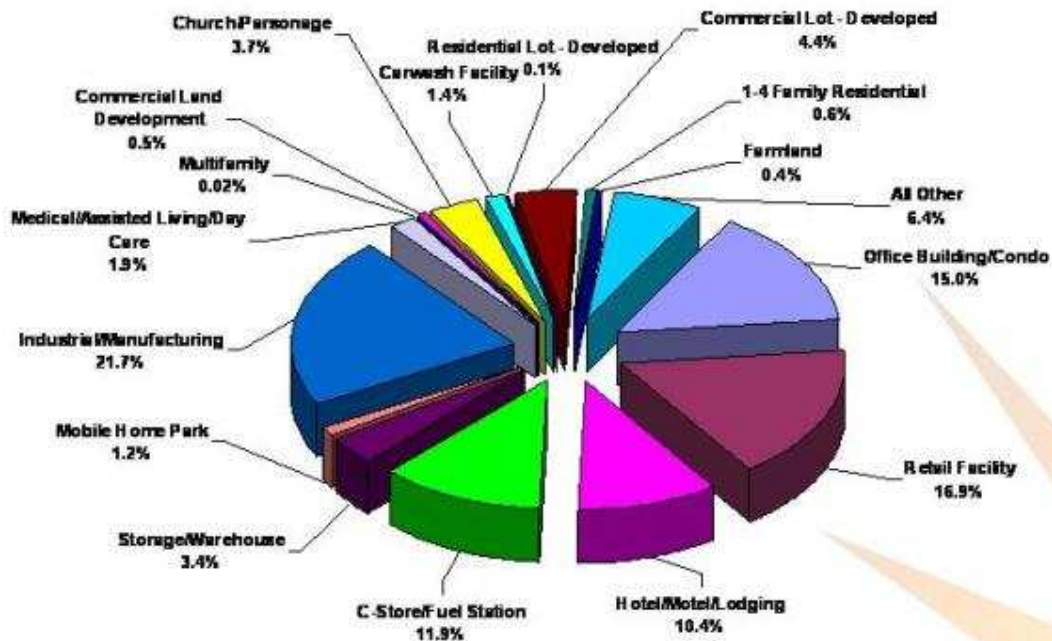
Note:
(1) As of September 30, 2008

Total \$368 Million





Note: As of September 30, 2008



Total \$111 Million

Note: As of September 30, 2008



Historical Loan Portfolio Statistics

Porter Bancorp, Inc. Loan Statistics

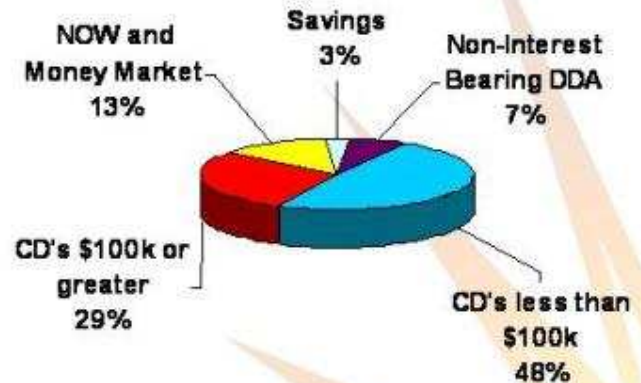
	<u>Q1 07</u>	<u>Q2 07</u>	<u>Q3 07</u>	<u>Q4 07</u>	<i>Peer</i> <i>Q2 08</i>	<u>Q1 08</u>	<u>Q2 08</u>	<u>Q3 08</u>
NPA/Assets	0.98%	0.94%	1.21%	1.17%	1.38%	1.10%	1.24%	1.44%
NPL/Loans	0.89%	0.73%	0.78%	1.04%	1.37%	0.77%	0.96%	1.15%
NCO/Avg Loan	0.03%	0.05%	0.05%	0.08%	0.29%	0.02%	0.05%	0.06%
Loan Loss Reserve	1.43%	1.37%	1.35%	1.34%	1.08%	1.37%	1.35%	1.39%

Note: Peer Data is for the Quarter Ended 6/30/08 - Peer Median Core Financial Performance per SNL

Highlights

- ✓ **Effective core deposit growth initiatives**
- ✓ **High CD retention rates**
- ✓ **Focus on core deposit development**
- ✓ **Online banking division a ready source of alternative funding without high cost of new branches**

Deposit Mix (1)



Total Deposits: \$1.3 B

Cost of Deposits:⁽¹⁾ 3.72%

Note: (1) For the quarter ended September 30, 2008; rate based on average daily deposit balances

Investment Highlights



- ✓ Experienced management team
- ✓ Extensive market knowledge and community relationships
- ✓ Acquisition and integration capabilities
- ✓ Scalable operating platform
- ✓ Highly efficient organizational structure
- ✓ Diversified funding sources
- ✓ Highly focused on profits
- ✓ Strong capital

- ✓ **Attractive, diversified growth markets**
 - ✓ **Successful history of executing growth strategy**
 - ✓ **Scalable platform for expansion**
 - ✓ **Efficient operating model**
 - ✓ **Solid operating performance**
 - ✓ **Undervalued investment opportunity**
- 

Current Market Price (10/27/08) (4) \$18.05

Trading Multiples:

	<u>Value</u>	<u>Multiple</u>
EPS (1)	\$2.01	8.98x
Tangible BV Per Share (2)	\$12.86	140%
Annual Dividend (3)	\$.84	4.65%

Note:

- (1) Mean 2008 EPS estimates per analyst estimates reported by NASDAQ Market Report as of October 24, 2008
- (2) For the quarter ended September 30, 2008
- (3) Annualized based on financial data for the nine months ended September 30, 2008
- (4) The information above does not contemplate the effects of a 5% stock dividend declared on October 23, 2008 having a record date of November 3, 2008

Addendum





Experienced Management Team

<u>Name</u>	<u>Position</u>	<u>Industry Experience</u>	<u>Porter Experience</u>
J. Chester Porter	Chairman of the Board, General Counsel and Director of Porter Bancorp and PBI Bank	26	22
Maria L. Bouvette	President, CEO and Director of Porter Bancorp and PBI Bank	26	22
David B. Pierce	CFO of Porter Bancorp, Chief Strategic Officer and Director of PBI Bank	22	19
C. Bradford Harris	Corporate General Counsel and EVP	11	2
Phil Barnhouse	CFO of PBI Bank	10	10
Jim Grubbs	Sr. VP Commercial Lending	28	4
Fred Catlett	Executive Vice President	31	12
Avery Matney	Regional President	27	12
Todd Young	Chief Operations Officer	24	14
Charles Darst	Chief Development Officer	22	12
Eric Satterly	Chief Technology Officer	10	9

Headquarters:
 2500 Eastpoint Parkway
 Louisville, KY 40223
 (502) 499-4800

Average Years of Experience

22

13



Peer Metrics

Porter Bancorp, Inc. Comparable Group
 Financial Information as of the year ended 12/31/07
 (\$ in thousands)

Company Name	Ticker	City	State	Total Assets	Cost MOA	Cost MOA	Net Interest Margin	Efficiency Ratio	NPLs/ Assets	Nonperforming Assets/ Assets	Nonperforming Loans/ Loans	ROA/ Avg Assets	ROE/ Assets
Integ. Bank Corporation	IBNK	Deerfield	IN	\$1,950,126	1.04%	10.71%	8.45%	68.18%	0.80%	146.97%	1.18%	0.18%	0.64%
Republic Bankers, Inc.	RECA	Louisville	KY	8,163,858	0.77%	9.75%	8.17%	69.78%	0.80%	158.88%	0.58%	0.28%	0.28%
Community Trust Bankers, Inc.	CTBI	Pineville	KY	2,302,834	1.00%	12.13%	8.90%	57.12%	1.00%	126.05%	1.36%	0.27%	1.04%
Farmers Capital Bank Corporation	FBCT	Frankfort	KY	2,268,247	0.88%	8.88%	8.44%	65.48%	1.02%	78.66%	1.02%	0.11%	1.17%
S.Y. Bankers, Inc.	SYBT	Louisville	KY	1,482,215	1.20%	12.26%	4.18%	54.88%	0.20%	458.28%	1.11%	0.20%	0.63%
Bank of Kentucky Financial Corporation	BFKY	Cynthiana Hills	KY	1,282,234	0.93%	12.85%	8.83%	62.14%	0.67%	188.13%	0.83%	0.11%	0.82%
First Financial Service Corporation	FFNY	Ellettsville	KY	672,811	1.01%	12.88%	8.88%	60.67%	1.15%	85.13%	1.08%	0.18%	1.38%
Community Bank Shares of Indiana, Inc.	CSIN	New Albany	IN	828,594	0.48%	5.28%	8.02%	75.67%	1.01%	98.58%	0.55%	0.10%	0.82%
High				\$1,950,126	1.20%	12.26%	4.18%	75.67%	1.02%	458.28%	1.36%	0.27%	1.38%
Low				828,594	0.48%	5.28%	8.02%	54.88%	0.20%	78.66%	0.58%	0.10%	0.28%
Average				1,387,206	1.01%	11.38%	8.81%	68.84%	0.80%	158.36%	1.01%	0.27%	0.82%
Median				1,275,288	1.02%	11.45%	8.83%	65.63%	0.80%	128.58%	1.07%	0.18%	0.82%

Note: Data per SNL



Peer Metrics

Porter Bancorp, Inc. Comparable Group
 Financial Information as of or for the Quarter Ended 6/30/08
 (\$ in thousands)

Company Name	Ticker	City	State	Total Assets	Cost of Funds	Cost of Funds	Net Interest Margin	Efficiency Ratio	ROA	Return on Assets	Return on Assets	ROE	ROE
					FCR	FCR	%	%	%	%	%	%	%
Integrus Bank Corp	IBNK	Decaturville	IN	\$8,401,210	0.88%	0.87%	8.42%	67.53%	2.02%	8.83%	1.83%	0.47%	1.63%
Republic Bancorp, Inc	RECA	Lafayette	IN	\$,058,203	1.18%	1.06%	8.95%	58.83%	0.73%	101.24%	0.76%	0.11%	0.83%
Community Trust Bancorp, Inc	CTBI	Pikeville	IN	\$,878,844	1.18%	1.13%	8.83%	58.23%	1.23%	102.03%	1.28%	0.88%	1.83%
FarmersCapital Bank Corp	FCBT	Pikeville	IN	\$,132,848	0.83%	10.37%	8.42%	62.43%	1.43%	76.83%	1.13%	0.03%	1.43%
S Y Bancorp, Inc	SYBT	Lafayette	IN	1,596,830	1.03%	18.23%	4.03%	55.13%	0.87%	292.23%	1.03%	0.18%	0.50%
Bank of Kentucky Financial Corp	BOFY	Castletown Hills	IN	1,208,176	0.87%	11.13%	8.83%	57.83%	0.93%	88.43%	0.93%	0.54%	1.03%
First Financial Service Corp	FRFY	Ellettsville	IN	\$5,887	0.83%	11.83%	8.83%	62.53%	1.03%	58.83%	1.03%	0.18%	1.83%
Community Bank Bancorp of Indiana, Inc	CBIN	New Albany	IN	\$40,888	0.01%	0.18%	8.13%	24.13%	8.43%	81.83%	1.03%	0.87%	2.83%
High				\$8,401,210	1.03%	18.23%	4.03%	24.13%	8.43%	292.23%	1.83%	0.87%	2.83%
Low				\$40,888	0.01%	0.18%	8.13%	55.13%	0.87%	81.83%	0.76%	0.03%	0.50%
Average				\$,008,780	0.88%	10.03%	8.73%	61.83%	1.53%	102.53%	1.03%	0.84%	1.43%
Median				1,858,882	0.94%	11.14%	8.73%	60.53%	1.23%	85.10%	1.03%	0.23%	1.83%

Note: Data per SNL

Porter Bancorp, Inc.
(per call report)

Loan Portfolio Composition	September 30, 2008		June 30, 2008		March 31, 2008		December 31, 2007		September 30, 2007	
Real Estate:										
Commercial Real Estate	372,468	27.6%	373,426	27.6%	361,127	27.5%	352,573	29.0%	329,031	30.6%
Construction Real Estate	369,424	27.4%	366,230	27.3%	347,591	26.5%	318,461	26.2%	294,114	26.4%
Residential Real Estate	341,081	25.4%	328,157	24.4%	317,396	24.2%	288,636	23.7%	243,775	22.7%
Farmland	77,218	5.6%	85,935	6.4%	73,976	5.6%	69,891	5.7%	68,561	6.4%
Home Equity	32,833	2.4%	32,538	2.4%	32,805	2.5%	25,381	2.1%	19,563	1.8%
C & I										
Consumer	91,316	6.6%	98,245	7.3%	124,571	9.5%	108,585	8.9%	82,239	7.6%
Agricultural	39,317	3.0%	39,990	3.0%	39,511	3.0%	38,009	3.1%	31,822	3.0%
Other	16,581	1.2%	15,900	1.2%	14,259	1.1%	14,855	1.2%	15,002	1.4%
	3,229	0.2%	2,795	0.2%	1,839	0.1%	1,367	0.1%	972	0.1%
Total	1,342,467	100.0%	1,343,216	100.0%	1,314,075	100.0%	1,217,698	100.0%	1,075,069	100.0%

(in thousands)



Construction and Commercial Real Estate Loan Mix

Detail of Construction and Commercial Real Estate Loans
As of September 30, 2008

	Construction		Commercial Real Estate - Non-Owner Occupied		Commercial Real Estate - Owner Occupied	
Office Building/Condo	\$ 18,577,886	5.0%	\$ 51,965,365	19.9%	\$ 16,615,003	15.0%
Retail Facility	\$ 38,705,370	10.5%	\$ 92,249,745	35.3%	\$ 18,758,307	16.9%
Hotel/Motel/Lodging	\$ 7,933,031	2.2%	\$ 21,252,071	8.1%	\$ 11,569,499	10.4%
C-Store/Fuel Station	\$ 853,862	0.2%	\$ 9,316,347	3.6%	\$ 13,242,426	11.9%
Storage/Warehouse	\$ 3,819,551	1.0%	\$ 23,144,817	8.9%	\$ 3,803,198	3.4%
Mobile Home Park	\$ 192,867	0.1%	\$ 7,102,913	2.7%	\$ 1,332,973	1.2%
Industrial/Manufacturing/Other Production Facilities	\$ 259,175	0.1%	\$ 8,740,035	3.7%	\$ 24,082,595	21.7%
Medical/Assisted Living/Day Care	\$ 5,563,287	1.5%	\$ 9,594,573	3.7%	\$ 2,104,301	1.9%
Multifamily	\$ 993,442	0.2%	\$ 715,380	0.3%	\$ 18,352	0.02%
Residential Land Development	\$ 47,607,955	12.9%	\$ 94,731	0.02%		
Commercial Land Development	\$ 50,884,411	13.8%	\$ 2,626,334	1.0%	\$ 628,722	0.6%
Residential Condo Development	\$ 81,057,599	22.0%				
Residential Home Construction - Owner Occupied	\$ 5,422,335	1.5%				
Residential Lot - Developed	\$ 14,729,844	4.0%	\$ 1,411,265	0.5%	\$ 180,892	0.1%
Commercial Lot - Developed	\$ 5,381,521	1.5%	\$ 15,886,623	6.1%	\$ 4,895,219	4.4%
1-4 Family Residential	\$ 84,681,612	23.0%	\$ 4,493,313	1.7%	\$ 709,887	0.6%
Farm/land	\$ 1,215,684	0.4%	\$ 579,993	0.2%	\$ 470,567	0.4%
Car Wash Facility			\$ 2,765,239	1.1%	\$ 1,582,419	1.4%
Church/Parsonage			\$ 2,299,521	0.9%	\$ 4,072,885	3.7%
All Other	\$ 545,069	0.1%	\$ 5,260,733	2.4%	\$ 7,055,683	6.4%
	<u>\$ 368,424,000</u>	<u>100.0%</u>	<u>\$ 261,464,000</u>	<u>100.0%</u>	<u>\$ 111,004,000</u>	<u>100.0%</u>

\$ 372,468,000

(in thousands)

Porter Bancorp, Inc.
Proforma Financial Reconciliation
(dollars in thousands except for share and per share data)

(Dollars in thousands except per share data)	As of and for the Years Ended December 31,		
	2005	2004	2003
Net Income:			
As reported	\$ 14,615	\$ 10,887	\$ 8,386
Adjustments			
Add-back of minority interests (1)	1,314	898	731
Additional taxes (2)	(3,963)	(2,186)	(1,780)
Acquisition funding (3)	(587)	(587)	(587)
Adjusted net income	<u>\$ 11,379</u>	<u>\$ 9,012</u>	<u>\$ 6,750</u>
Period End Shares Outstanding:			
As reported and adjusted for stock split	5,868,224	5,868,224	5,868,224
Shares issued in reorganization	464,223	464,223	464,223
Adjusted shares outstanding	<u>6,332,447</u>	<u>6,332,447</u>	<u>6,332,447</u>
Balance Sheet Data:			
Stockholders' equity			
As reported	\$ 71,876	\$ 66,221	\$ 62,236
Adjustment for consolidation (4)	-	4,328	4,701
Adjustment for effect of net income adjustments	(3,236)	(1,875)	(1,636)
Adjusted stockholders' equity	<u>\$ 68,640</u>	<u>\$ 68,674</u>	<u>\$ 65,301</u>
Total Assets			
As reported	\$ 991,481	\$ 887,201	\$ 767,074
Adjustment for cash-out in reorganization	(5,313)	(5,313)	(5,313)
Adjustment for net change in intangibles	-	8,100	8,100
Adjusted total assets	<u>\$ 986,168</u>	<u>\$ 889,988</u>	<u>\$ 769,861</u>
Common Share Data:			
Basic earnings per share (5)	1.80	1.42	1.07
Diluted earnings per share (5)	1.80	1.42	1.07
Book value per share	10.84	10.84	10.31
Tangible book value per share	8.81	8.79	8.32
Selected Performance Ratios (6):			
Return on average equity	16.57%	13.45%	N/A
Return on average assets	1.21	1.09	0.91%

- (1) This adjustment reflects the minority interests purchased in our reorganization. The minority interests were reported on an after-tax, C corporation basis.
- (2) This adjustment represents a tax rate of 34% applied to reported pre-tax income less reported income tax expense to reflect the conversion from Subchapter S corporation to C corporation status.
- (3) Acquisition funding includes \$9,500,000 in senior notes at an annual 6% interest rate and \$5,313,000 in cash at an assumed annual 6% interest rate; net of tax at a 34% tax rate.
- (4) This adjustment represents the equity value of convertible non-voting common stock issued to acquire the minority interest of Ascencia Bancorp at a fair market value of \$25.50 per share and the net book value of the minority interests.
- (5) The 40,000 shares of unvested restricted stock granted under our 2006 stock incentive plan that were outstanding as of December 31, 2006 have not been included in computing earnings per share because they are unvested and anti-dilutive.
- (6) Average asset and average equity calculations utilize two-point period averages that reflect the adjustments for the reorganization and the conversion from subchapter S corporation to C corporation status. Ratios for the year ended December 31, 2006 are actual results.