

**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, 2023

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
(State or other jurisdiction of
incorporation or organization)

61-1484858
(I.R.S. Employer
Identification No.)

655 Main Street, Hazard, Kentucky 41702
(Address of principal executive offices)(Zip Code)

(502) 223-1638
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	KFFB	The NASDAQ Stock Market LLC

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 for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days: Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definition of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-Accelerated filer	<input checked="" type="checkbox"/>	Smaller Reporting Company	<input checked="" type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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, 2024, the latest practicable date, the Corporation had 8,086,715 shares of \$.01 par value common stock outstanding.

INDEX

	Page
PART I FINANCIAL INFORMATION	1
ITEM 1 FINANCIAL STATEMENTS	
Condensed Consolidated Balance Sheets	1
Condensed Consolidated Statements of Operations	2
Condensed Consolidated Statements of Comprehensive Income	3
Consolidated Statements of Changes in Shareholders' Equity	4
Condensed Consolidated Statements of Cash Flows	6

Notes to Condensed Consolidated Financial Statements	8
ITEM 2 Management's Discussion and Analysis of Financial Condition and Results of Operations	30
ITEM 3 Quantitative and Qualitative Disclosures About Market Risk	39
ITEM 4 Controls and Procedures	39
PART II OTHER INFORMATION	40
SIGNATURES	43

PART I-FINANCIAL INFORMATION

ITEM 1: Financial Statements

Kentucky First Federal Bancorp
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except share data)

	<u>December 31,</u> <u>2023</u>	<u>June 30,</u> <u>2023</u>
ASSETS		
Cash and due from financial institutions	\$ 1,992	\$ 2,284
Fed funds sold	684	665
Interest-bearing demand deposits	11,908	5,218
Cash and cash equivalents	14,584	8,167
Securities available-for-sale	10,918	12,080
Securities held-to-maturity, at amortized cost- approximate fair value of \$ 223 and \$259 at December 31, 2023 and June 30, 2023, respectively	234	274
Loans held for sale	270	—
Loans, net of allowance for credit loss of \$ 2,132 and \$1,634 at December 31, 2023 and June 30, 2023, respectively ¹	325,648	313,807
Real estate owned, net	10	70
Premises and equipment, net	4,361	4,435
Federal Home Loan Bank stock, at cost	4,243	4,623
Accrued interest receivable	1,078	902
Bank-owned life insurance	2,873	2,831
Goodwill	947	947
Prepaid federal income taxes	241	144
Prepaid expenses and other assets	840	742
Total assets	\$ 366,247	\$ 349,022
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits	\$ 244,629	\$ 226,309
Federal Home Loan Bank advances	71,008	70,087
Advances by borrowers for taxes and insurance	334	793
Accrued interest payable	167	70
Accrued income taxes	—	—
Deferred income taxes	216	513
Other liabilities	710	539
Total liabilities	317,064	298,311
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	34,891	34,891
Retained earnings	18,509	20,130
Unearned employee stock ownership plan (ESOP)	—	—
Treasury shares at cost, 509,349 common shares at December 31, 2023 and June 30, 2023, respectively	(3,969)	(3,969)
Accumulated other comprehensive income (loss)	(334)	(427)
Total shareholders' equity	49,183	50,711
Total liabilities and shareholders' equity	\$ 366,247	\$ 349,022

¹ Beginning July 1, 2023 the ACL was estimated based on current expected credit loss methodology. Prior to July 1, 2023, the estimate was based on the incurred loss methodology. See additional discussion in Note 1, Basis of Presentation.

Kentucky First Federal Bancorp
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(Dollars in thousands, except per share data)

	Six months ended December 31,		Three months ended December 31,	
	2023	2022	2023	2022
Interest income				
Loans, including fees	\$ 7,087	\$ 5,539	\$ 3,628	\$ 2,895
Mortgage-backed securities	191	229	92	115
Interest-bearing deposits and other	383	248	207	121
Total interest income	7,661	6,016	3,927	3,131
Interest expense				
Interest-bearing demand deposits	16	20	8	9
Savings	112	173	55	71
Certificates of Deposit	2,595	461	1,445	224
Deposits	2,723	654	1,508	304
Borrowings	1,610	482	762	379
Total interest expense	4,333	1,136	2,270	683
Net interest income	3,328	4,880	1,657	2,448
Provision for loan losses	15	113	9	--
Net interest income after provision for loan losses	3,313	4,767	1,648	2,448
Non-interest income				
Earnings on bank-owned life insurance	42	41	21	20
Net gain on sales of loans	6	6	7	(1)
Net gain (loss) on sales of real estate owned	4	--	--	--
Net gain on sale of property and equipment held for sale	--	10	--	--
Other	69	110	18	50
Total non-interest income	121	167	46	69
Non-interest expense				
Employee compensation and benefits	2,515	2,454	1,273	1,260
Data processing	280	230	147	124
Occupancy and equipment	289	313	147	159
FDIC insurance premiums	107	41	72	20
Voice and data communications	57	61	19	27
Advertising	88	79	49	47
Outside service fees	213	104	135	46
Auditing and accounting	172	176	107	95
Regulatory assessments	32	50	15	25
Foreclosure and real estate owned expenses (net)	43	45	20	21
Franchise and other taxes	53	78	20	41
Other	283	327	145	165
Total non-interest expense	4,132	3,958	2,149	2,030
Income (loss) before income taxes	(698)	976	(455)	487
Income tax expense	(162)	229	(94)	113
NET INCOME (LOSS)	<u>\$ (536)</u>	<u>\$ 747</u>	<u>\$ (361)</u>	<u>\$ 374</u>
EARNINGS PER SHARE				
Basic and diluted	\$ (0.07)	\$ 0.09	\$ (0.05)	\$ 0.04
DIVIDENDS PER SHARE	\$ 0.10	\$ 0.20	\$ 0.10	\$ 0.10

See accompanying notes to condensed consolidated financial statements.

Kentucky First Federal Bancorp
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(In thousands)

	Six months ended December 31,		Three months ended December 31,	
	2023	2022	2023	2022
Net income (loss)	\$ (536)	\$ 747	\$ (361)	\$ 374
Other comprehensive gains (losses), net of tax:				
Unrealized holding gains (losses) on securities designated as available-for-sale, net of taxes of \$31, \$(114), \$77 and \$29 during the respective periods	93	(343)	231	87

Comprehensive income (loss)	\$ (443)	\$ 404	\$ (130)	\$ 461
-----------------------------	----------	--------	----------	--------

See accompanying notes to condensed consolidated financial statements.

3

Kentucky First Federal Bancorp
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the six months ended
(Dollar amounts in thousands, except per share data)

December 31, 2023

	Common stock	Additional paid-in capital	Retained earnings	Treasury shares	Accumulated other comprehensive income (loss)	Total
Balance at June 30, 2023	\$ 86	\$ 34,891	\$ 20,130	\$ (3,969)	\$ (427)	\$ 50,711
Cumulative impact of adoption of ASC 326, net tax	—	—	(414)	—	—	(414)
Balance at July 1, 2023	86	34,891	19,716	(3,969)	(427)	50,297
Net loss	—	—	(536)	—	—	(536)
Other comprehensive loss	—	—	—	—	93	93
Cash dividends of \$0.10 per common share	—	—	(671)	—	—	(671)
Balance at December 31, 2023	<u>\$ 86</u>	<u>\$ 34,891</u>	<u>\$ 18,509</u>	<u>\$ (3,969)</u>	<u>\$ (334)</u>	<u>\$ 49,183</u>

December 31, 2022

	Common stock	Additional paid-in capital	Retained earnings	Unearned employee stock ownership plan (ESOP)	Treasury shares	Accumulated other comprehensive loss	Total
Balance at June 30, 2022	\$ 86	\$ 34,892	\$ 20,560	\$ (5)	\$ (3,508)	\$ —	\$ 52,025
Net income	—	—	747	—	—	—	747
Allocation of ESOP shares	—	—	—	5	—	—	5
Acquisition of shares for Treasury	—	—	—	—	(108)	—	(108)
Other comprehensive loss	—	—	—	—	—	(343)	(343)
Cash dividends of \$0.20 per common share	—	—	(685)	—	—	—	(685)
Balance at December 31, 2022	<u>\$ 86</u>	<u>\$ 34,892</u>	<u>\$ 20,622</u>	<u>\$ —</u>	<u>\$ (3,616)</u>	<u>\$ (343)</u>	<u>\$ 51,641</u>

See accompanying notes to condensed consolidated financial statements.

4

Kentucky First Federal Bancorp
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the three months ended
(Dollar amounts in thousands, except per share data)

December 31, 2023

	Common stock	Additional paid-in capital	Retained earnings	Unearned employee stock ownership plan (ESOP)	Treasury shares	Accumulated other comprehensive income	Total
Balance at September 30, 2023	\$ 86	\$ 34,891	\$ 19,206	\$ —	\$ (3,969)	\$ (565)	\$ 49,649
Net income (loss)	—	—	(361)	—	—	—	(361)
Allocation of ESOP shares	—	—	—	—	—	—	—
Acquisition of shares for Treasury	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	—	231	231
Cash dividends of \$0.10 per common share	—	—	(336)	—	—	—	(336)

Balance at December 31, 2023	<u>\$ 86</u>	<u>\$ 34,891</u>	<u>\$ 18,509</u>	<u>\$ –</u>	<u>\$ (3,969)</u>	<u>\$ (334)</u>	<u>\$ 49,183</u>
December 31, 2022							
	Common stock	Additional paid-in capital	Retained earnings	Unearned employee stock ownership plan (ESOP)	Treasury shares	Accumulated other comprehensive income	Total
Balance at September 30, 2022	\$ 86	\$ 34,892	\$ 20,591	\$ (2)	\$ (3,508)	\$ (430)	\$ 51,629
Net income	–	–	374	–	–	–	374
Allocation of ESOP shares	–	–	–	2	–	–	2
Acquisition of shares for Treasury	–	–	–	–	(108)	–	(108)
Other comprehensive income	–	–	–	–	–	87	87
Cash dividends of \$0.10 per common share	–	–	(343)	–	–	–	(343)
Balance at December 31, 2022	<u>\$ 86</u>	<u>\$ 34,892</u>	<u>\$ 20,622</u>	<u>\$ –</u>	<u>\$ (3,616)</u>	<u>\$ (343)</u>	<u>\$ 51,641</u>

See accompanying notes to condensed consolidated financial statements.

Kentucky First Federal Bancorp
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Six months ended December 31,	
	2023	2022
Cash flows from operating activities:		
Net income (loss)	\$ (536)	\$ 747
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	119	132
Accretion of purchased loan credit discount	(11)	(23)
Amortization of deferred loan origination costs (fees)	1	(3)
Amortization of premiums on investment securities	(11)	(11)
Net gain on sale of loans	(6)	(6)
Net (gain) loss on sale of real estate owned	(4)	–
Net (gain) loss on sale of property & equipment	–	(10)
ESOP compensation expense	–	5
Earnings on bank-owned life insurance	(42)	(41)
Provision for loan losses	15	113
Origination of loans held for sale	(782)	(157)
Proceeds from loans held for sale	518	315
Deferred Income Taxes	(192)	–
Increase (decrease) in cash, due to changes in:		
Accrued interest receivable	(176)	(191)
Prepaid expenses and other assets	(195)	(51)
Accrued interest payable	97	3
Other liabilities	113	(47)
Income taxes	–	28
Net cash used in operating activities	(1,092)	803
Cash flows from investing activities:		
Purchase of investments available for sale	–	(4,974)
Maturities of time deposits in other financial institutions	–	–
Securities maturities, prepayments and calls:		
Held to maturity	37	33
Available for sale	1,301	1,468
Proceeds from sale of FHLB stock	532	1,549
Purchase of FHLB stock	(152)	(44)
Loans originated for investment, net of principal collected	(12,338)	(24,468)
Proceeds from sale of property and equipment held for sale	–	180
Proceeds from sale of real estate owned	64	–
Additions to premises and equipment, net	(45)	(116)
Net cash provided by (used in) investing activities	(10,601)	(26,372)
Cash flows from financing activities:		
Net increase (decrease) in deposits	18,320	(30,474)
Payments by borrowers for taxes and insurance, net	(459)	(495)
Proceeds from Federal Home Loan Bank advances	48,800	94,800
Repayments on Federal Home Loan Bank advances	(47,879)	(55,638)
Treasury stock purchased	–	(108)
Dividends paid on common stock	(671)	(685)
Net cash provided by financing activities	18,111	7,400

Net increase (decrease) in cash and cash equivalents	6,418	(18,169)
Beginning cash and cash equivalents	8,167	25,823
Ending cash and cash equivalents	<u>\$ 14,584</u>	<u>\$ 7,654</u>

See accompanying notes to condensed consolidated financial statements.

Kentucky First Federal Bancorp
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(Unaudited)
(In thousands)

	Six months ended December 31,	
	2023	2022
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Income taxes	<u>\$ 125</u>	<u>\$ 200</u>
Interest on deposits and borrowings	<u>\$ 4,236</u>	<u>\$ 1,133</u>

See accompanying notes to condensed consolidated financial statements.

Kentucky First Federal Bancorp
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023
(unaudited)

The Kentucky First Federal Bancorp ("Kentucky First" or the "Company") was incorporated under federal law in March 2005 and is the mid-tier holding company for First Federal Savings and Loan Association of Hazard, Hazard, Kentucky ("First Federal of Hazard") and Frankfort First Bancorp, Inc. ("Frankfort First"). Frankfort First is the holding company for First Federal Savings Bank of Kentucky, Frankfort, Kentucky ("First Federal of Kentucky"). First Federal of Hazard and First Federal of Kentucky (hereinafter collectively the "Banks") are Kentucky First's primary operations, which consist of operating the Banks as two independent, community-oriented savings institutions.

In December 2012, the Company acquired CKF Bancorp, Inc., a savings and loan holding company which operated three banking locations in Boyle and Garrard Counties in Kentucky. In accounting for the transaction, the assets and liabilities of CKF Bancorp were recorded on the books of First Federal of Kentucky in accordance with accounting standard ASC 805, Business Combinations.

Note 1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements, which represent the condensed consolidated balance sheets and results of operations of the Company, were prepared in accordance with the instructions for Form 10-Q and, therefore, do not include information or footnotes necessary for a complete presentation of financial position, results of operations and cash flows in conformity with U.S. generally accepted accounting principles. However, in the opinion of management, all adjustments (consisting of only normal recurring adjustments) which are necessary for a fair presentation of the condensed consolidated financial statements have been included. The results of operations for the six-month period ended December 31, 2023, are not necessarily indicative of the results which may be expected for an entire fiscal year. The condensed consolidated balance sheet as of June 30, 2023, has been derived from the audited consolidated balance sheet as of that date. Certain information and note disclosures normally included in the Company's annual financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Form 10-K annual report for 2023 filed with the Securities and Exchange Commission.

Principles of Consolidation - The consolidated financial statements include the accounts of the Company, Frankfort First, and its wholly-owned banking subsidiaries, First Federal of Hazard and First Federal of Kentucky (collectively hereinafter "the Banks"). All intercompany transactions and balances have been eliminated in consolidation.

Critical Accounting Policies and Estimates

Investments – Management determines the classification of debt securities at purchase as held-to-maturity, trading, or available-for-sale. Held-to-maturity securities are those we have both the intent and ability to hold to maturity and are reported at amortized cost. Securities that are not considered held-to-maturity are considered either trading or available-for-sale securities in accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") 320, *Investments – Debt Securities*, and are reported at fair value in the statement of financial position. We have no trading securities. The adjustment to fair value for available-for-sale securities for unrealized gains and losses is included as a separate component of shareholders' equity, net of tax.

Loans – Loans for which we have the ability and intent to hold until maturity and/or payoff are reported at the carrying value of the unpaid principal reduced by unearned interest, an allowance for credit losses and unamortized deferred fees and costs and premiums. Interest income is accrued on a level yield basis. In circumstances where management believes that collection of interest income is uncollectible on specific loans, after considering economic and business conditions, collateral value and collection efforts, interest accrual is discontinued. Interest income may be recognized on the cash basis when received unless a determination has been made by management to apply all of the payment against principal.

Kentucky First Federal Bancorp
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
December 31, 2023
(unaudited)

Note 1. Basis of Presentation (continued)

Critical Accounting Policies and Estimates (continued)

Allowance for Credit Losses – We account for the allowance for credit losses under ASC 326, Measurement of Credit Losses on Financial Instruments, which is commonly known as CECL. We measure expected credit losses of financial assets on a weighted average remaining maturity (WARM) basis.

We maintain an allowance for credit losses (“ACL”) at a level that is appropriate to cover estimated credit losses on individually evaluated loans, as well as estimated credit losses inherent in the estimated life of the loan portfolio. Credit losses are charged to and recoveries are credited to the ACL.

Loans with similar risk characteristics are evaluated on a collective basis within homogeneous loan pools under ASC 326. Our homogeneous loan pools are primarily determined by loan purpose and collateral type. Pools include residential real estate (composed of one-to four-family, multi-family, and construction), land, farm, nonresidential real estate, commercial and industrial, and consumer loans (composed of Loans on deposit, home equity, automobile, and unsecured). Credits that are nonaccrual status are subject to individual evaluation.

Historical loss rates for loans are adjusted for significant factors that, in management's judgment, reflect the impact of any current conditions on loss recognition. Qualitative factors used to derive our ACL include delinquency trends, current economic conditions and trends, strength of supervision and administration of the loan portfolio, levels of underperforming loans, trends in loan losses and underwriting exceptions. Reasonable and supportable economic forecasts that may offset collectibility are also included as factors in our ACL model. Management continually reevaluates the other subjective factors included in its ACL analysis.

Income Taxes – Income tax expense is based on the taxes due on the consolidated tax return plus deferred taxes on the expected future tax benefits and consequences of temporary differences between carrying amounts and tax bases of assets and liabilities, using enacted tax rates.

New Accounting Standards

FASB ASC 326 - In June 2016, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. This standard requires credit losses on most financial assets and certain other instruments to be measured using an expected loss model, which is referred to as the current expected credit loss (CECL) model. Under this model entities estimate credit losses over the entire contractual term of the instrument (considering estimated prepayments, but not expected extensions or modifications) from the date of initial recognition of that instrument. The ASU replaces the current accounting model for purchased credit impaired and debt securities. The allowance for credit losses for purchased financial assets with a more-than-insignificant amount of credit deterioration since origination (referred to as “PCD assets”), should be determined in a similar manner to other financial assets measured on an amortized cost basis. However, upon initial recognition, the allowance for credit losses is added to the purchase price to determine the initial amortized cost basis. The subsequent accounting for PCD financial assets is the same expected loss model described herein.

Kentucky First Federal Bancorp
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
December 31, 2023
(unaudited)

Note 1. Basis of Presentation (continued)

New Accounting Standards (continued)

The Company will now use forward-looking information to enhance its credit loss estimates. The amendment requires enhanced disclosures to aid investors and other users of financial statements to better understand significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of our portfolio. The largest impact to the Company was on its allowance for loan and lease losses, although the ASU also amends the accounting for credit losses on available-for-sale debt securities, held-to-maturity securities, and purchased financial assets with credit deterioration. The standard was effective for public companies for annual periods and interim periods within those annual periods beginning after December 15, 2019. However, the FASB delayed the implementation of the ASU for smaller reporting companies until years beginning after December 15, 2022, or in the Company's case the fiscal year beginning July 1, 2023. ASU 2016-13 was applied through a cumulative effect adjustment to retained earnings (modified-retrospective approach).

In addition, ASC 326 made changes to the accounting for available-for-sale (“AFS”) debt securities. One such change requires credit losses to be presented as an allowance rather than as a write-down on AFS securities. Management does not intend to sell or believes that it is more likely than not that they will be required to sell.

We adopted ASC 326 effective July 1, 2023, using the modified retrospective method for all financial assets measured at amortized cost and off-balance sheet (“OBS”) credit exposures. Results for reporting periods beginning after July 1, 2023 are presented under ASC 326, while prior period amounts continue to be reported in accordance with previously applicable GAAP.

Upon adoption of the ASU we recorded an increase in the allowance for credit loss (“ACL”) for loans which represented a \$ 497,000 increase from the Allowance for Loan Losses (“ALLL”) at June 30, 2023. This transaction further resulted in an increase of \$54,000 to the ACL for unfunded commitments, a decrease of \$414,000 to retained earnings and a deferred tax asset of \$ 137,000.

The following table illustrates the impact of ASC 326 at July 1, 2023:

	As Reported	Pre-ASC	Impact of
--	-------------	---------	-----------

(Dollars in thousands)	Under ASC 326	326 Adoption	ASC 326 Adoption
Assets:			
Loans			
Residential real estate:			
One- to four-family	\$ 1,597	\$ 857	\$ 740
Multi-family	133	278	(145)
Construction	138	41	97
Land	15	1	14
Farm	6	4	2
Nonresidential real estate	184	405	(221)
Commercial and industrial	5	23	(18)
Consumer and other:			
Loans on deposits	-	1	(1)
Home equity	51	23	28
Automobile	1	-	1
Unsecured	1	1	-
Allowance for credit losses on loans	\$ 2,131	1,634	497
Liabilities:			
Allowance for credit losses on unfunded credit exposures	\$ 54	-	54

10

Kentucky First Federal Bancorp
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
December 31, 2023
(unaudited)

Note 1. Basis of Presentation (continued)

New Accounting Standards (continued)

ASU 2019-05, Financial Instruments-Credit Losses, Targeted Transition Relief, allows entities to irrevocably elect, upon adoption of ASU 2016-13, the fair value option on financial instruments that (1) were previously recorded at amortized cost and (2) are within the scope of ASC 326-20, if the instruments are eligible for the fair value option under ASC 825-10. The fair value option election does not apply to held-to-maturity debt securities. Entities are required to make this election on an instrument-by-instrument basis. ASU 2019-05 has the same effective date as ASU 2016-13. We adopted ASU 2019-05 on July 1, 2023, and did not elect the fair value option on any financial instruments.

ASU No. 2022-02, Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures, eliminates the accounting guidance for troubled debt restructurings (“TDRs”) by creditors in Subtopic 310-40, Receivables-Troubled Debt Restructurings by Creditors, for entities that have adopted the current expected credit loss model introduced by ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. ASU 2022-02 also requires disclosure by public business entities of current-period gross write-offs by year of origination for financing receivables and net investments in leases within the scope of Subtopic 326-20, Financial Instruments-Credit Losses-Measured at Amortized Cost. The Company adopted the standard on July 1, 2023.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on the Company’s financial position, results of operations or cash flows.

Note 2. Earnings Per Share

Diluted earnings per share is computed taking into consideration common shares outstanding and dilutive potential common shares to be issued or released under the Company’s share-based compensation plans. The factors used in the basic and diluted earnings per share computations follow:

	Six months ended December 31,		Three months ended December 31,	
	2023	2022	2023	2022
Net income allocated to common shareholders, basic and diluted	<u>\$ (536,000)</u>	<u>\$ 747,000</u>	<u>\$ (361,000)</u>	<u>\$ 374,000</u>
EARNINGS PER SHARE	<u>\$ (0.07)</u>	<u>\$ 0.09</u>	<u>\$ (0.05)</u>	<u>\$ 0.04</u>
Weighted average common shares outstanding, basic and diluted	<u>8,098,715</u>	<u>8,152,477</u>	<u>8,098,715</u>	<u>8,150,718</u>

There were no stock option shares outstanding for the six- or three-month periods ended December 31, 2023 and 2022.

11

Kentucky First Federal Bancorp
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
December 31, 2023
(unaudited)

Note 3. Investment Securities

The following table summarizes the amortized cost and fair value of securities available-for-sale and securities held-to-maturity at December 31, 2023 and June 30, 2023, the corresponding amounts of gross unrealized gains recognized in accumulated other comprehensive income and gross unrecognized gains and losses:

		December 31, 2023			
		Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
(in thousands)					
Available-for-sale Securities					
Agency mortgage-backed: residential		\$ 11,363	\$ 1	\$ 446	\$ 10,918
Held-to-maturity Securities					
Agency mortgage-backed: residential		\$ 234	\$ --	\$ 11	\$ 223
		June 30, 2023			
		Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
(in thousands)					
Available-for-sale Securities					
Agency mortgage-backed: residential		\$ 12,649	\$ --	\$ 569	\$ 12,080
Held-to-maturity Securities					
Agency mortgage-backed: residential		\$ 274	\$ --	\$ 15	\$ 259

At December 31, 2023 and June 30, 2023 the Company's debt securities consisted of mortgage-backed securities, which do not have a single maturity date. Actual maturities may differ from contractual maturities, because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

Our pledged securities totaled \$0 and \$5.9 million at December 31, 2023 and June 30, 2023, respectively. In addition, at December 31, 2023 and June 30, 2023, our pledged assets included overnight deposits of \$0 and \$1.5 million, respectively. The Banks began utilizing FHLB letters of credit to secure public deposits in the recently ended quarter.

We evaluated securities in unrealized loss positions for evidence of credit loss, considering duration, severity, financial condition of the issuer, our intention to sell or requirement to sell. Those securities were agency mortgage-backed securities, which carry a very limited amount of risk. Also, we have no intention to sell nor feel that we will be compelled to sell such securities before maturity. Based on our evaluation, no reserve for credit loss was considered necessary. Debt securities in an unrealized loss position as a percent of total debt securities were 99.9% and 100% at December 31, 2023 and June 30, 2023, respectively. The following table provides the amortized cost, gross unrealized losses, fair value, and length of time the individual securities have been in a continuous unrealized loss position as of December 31, 2023.

December 31, 2023

Available-for-Sale

		Amortized Cost	Gross Unrealized (losses)	Fair Value
(in thousands)				
Less Than 12 Months				
Agency mortgage-backed securities		\$ --	\$ --	\$ --
12 Months or More				
Agency mortgage-backed securities		11,354	(446)	10,908
Total temporarily impaired AFS securities		\$ 11,354	\$ (446)	\$ 10,908

Kentucky First Federal Bancorp NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued) December 31, 2023 (unaudited)

Note 3. Investment Securities (continued)

Held to Maturity

		Amortized Cost	Gross Unrealized (losses)	Fair Value
(in thousands)				
Less Than 12 Months				
Agency mortgage-backed securities		\$ 70	\$ (1)	\$ 69
12 Months or More				
Agency mortgage-backed securities		164	(10)	154
Total temporarily impaired HTM securities		\$ 234	\$ (11)	\$ 223

June 30, 2023

Available-for-Sale

		Amortized Cost	Gross Unrealized (losses)	Fair Value
(in thousands)				
Less Than 12 Months				
Agency mortgage-backed securities		\$ 12,649	\$ 569	\$ 12,080

12 Months or More

Agency mortgage-backed securities	-	-	-
Total temporarily impaired AFS securities	\$ 12,649	\$ 569	\$ 12,080

Held to Maturity

(in thousands)	Amortized Cost	Gross Unrealized Losses	Fair Value
Less Than 12 Months			
Agency mortgage-backed securities	\$ -	\$ -	\$ -
12 Months or More			
Agency mortgage-backed securities	274	15	259
Total temporarily impaired HTM securities	\$ 274	\$ 15	\$ 259

Note 4. Loans receivable

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at the principal amount outstanding, adjusted for deferred loan origination costs, net, discounts on purchased loans, and the allowance for credit losses. Interest income is accrued on the unpaid principal balance unless the collectability of the loan is in doubt. Loan origination fees, net of certain direct origination costs, are deferred and recognized in interest income using the level-yield method without anticipating prepayments. Interest income on one- to four-family residential loans is generally discontinued at the time a loan is 180 days delinquent and on other loans at the time a loan is 90 days delinquent. All other loans are moved to non-accrual status in accordance with the Company's policy, typically 90 days after the loan becomes delinquent. Past due status is based on the contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged-off at an earlier date if collection of principal or interest is considered doubtful. Nonaccrual loans and loans past due 90 days still on accrual include both smaller balance homogeneous loans that are collectively evaluated for impairment and individually classified impaired loans.

Kentucky First Federal Bancorp
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
December 31, 2023
(unaudited)

Note 4. Loans receivable (continued)

The composition of the loan portfolio was as follows:

(in thousands)	December 31, 2023	June 30, 2023
Residential real estate		
One- to four-family	\$ 250,922	\$ 240,076
Multi-family	18,727	19,067
Construction	13,165	12,294
Land	841	470
Farm	1,337	1,346
Nonresidential real estate	30,493	30,217
Commercial nonmortgage	1,113	1,184
Consumer and other:		
Loans on deposits	795	855
Home equity	9,614	9,217
Automobile	156	104
Unsecured	617	611
	327,780	315,441
Allowance for loan losses	(2,132)	(1,634)
	\$ 325,648	\$ 313,807

The amounts above include net deferred loan costs of \$ 314,000 and \$330,000 as of December 31, 2023 and June 30, 2023, respectively.

The allowance for credit losses is a valuation allowance that is deducted from the loans' amortized cost basis to present the net amount expected to be collected for the loans. Loan losses are charged off against the allowance when management believes the uncollectability of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

Management estimates the allowance balance required using relevant available information, from internal and external sources, relating to past events, current conditions and reasonable and supportable forecasts. Historical credit loss experience, derived from the Company's data, provides the basis for estimation of expected credit losses, although management also compares the Company's data with peer group data. Adjustments to historical loss information may be made for differences in: lending policy, procedures and practice; economic conditions; the nature and volume of the loan portfolio; volume delinquent and problem loans; the current and anticipated economic conditions in the primary lending area; and other external factors. Allocations of the allowance may be made for specific loans, but the entire allowance is available for any loan that, in management's judgment, should be charged off.

Loans that do not share risk characteristics are evaluated on an individual basis. Loans evaluated individually are not included in the pool evaluation. When management determines that foreclosure is probable or when the borrower is experiencing financial difficulty at the reporting date and repayment is expected to be provided substantially through the sale of the collateral, the expected credit losses are based on the fair value of the collateral at the reporting date, less any discounts and selling costs.

Management monitors loan performance on a monthly basis and performs a quarterly evaluation of the adequacy of the ACL. The Banks begin enhanced monitoring of all loans rated 5-Watch or worse and obtain a new appraisal or asset valuation for most loans placed on nonaccrual status. New appraisals are usually not obtained on loans with outstanding principal amounts of \$50,000 or less. Management, at its discretion, may determine that additional

adjustments to the appraisal or valuation are required. Valuation adjustments will be made as necessary based on factors, including, but not limited to: the economy, deferred maintenance, industry, type of collateral, age of the appraisal, etc., and the knowledge Management has about a particular situation. In addition, the cost to sell or liquidate the collateral is also estimated and deducted from the valuation in order to determine the net realizable value to the Banks. When determining the ACL, certain factors involved in the evaluation are inherently subjective and require material estimates that may be susceptible to significant change, including the amounts and timing of future cash flows. Management monitors the adequacy of the ACL on an ongoing basis and reports its adequacy quarterly to the Board of Directors. Management believes the ACL at December 31, 2023 is adequate.

Kentucky First Federal Bancorp
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
December 31, 2023
(unaudited)

Note 4. Loans receivable (continued)

Expected credit losses are estimated over the contractual term of the loans, adjusted for expected prepayments, when appropriate. The contractual term excludes expected extensions, renewals, and modifications unless either of the following applies: management has a reasonable expectation at the reporting date that a modification will be executed with an individual borrower or the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by the Banks.

The Banks categorize loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, and current economic trends, among other factors. Management utilizes a risk rating scale ranging from 1-Highest Pass to 9-Loss to evaluate loan quality. Consumer purpose loans are identified as either performing or nonperforming based on the payment status of the loans. Nonperforming consumer loans are loans that are nonaccrual or 90 days or more past due and still accruing.

Our portfolio segments include residential real estate, nonresidential real estate, farm, land, commercial and industrial, and consumer and other loans. Risk factors associated with our portfolio segments are as follows:

Residential Real Estate

Our primary lending activity is the origination of mortgage loans, which enable a borrower to purchase or refinance existing homes in the Banks' respective market areas. We further classify our residential real estate loans as one- to four-family (owner-occupied vs nonowner-occupied), multi-family or construction. We believe that our first mortgage position on loans secured by residential real estate presents lower risk than our other loans, with the exception of loans secured by deposits.

We offer a mix of adjustable-rate and fixed-rate mortgage loans with terms up to 30 years for owner-occupied properties. For these properties a borrower may be able to borrow up to 97% of the value with private mortgage insurance. Alternatively, the borrower may be able to borrow up to 90% of the value through other programs offered by the bank.

We offer loans on one- to four-family rental properties at a maximum of 80% loan-to-value ("LTV") ratio and we generally charge a slightly higher interest rate on such loans.

We also originate loans to individuals to finance the construction of residential dwellings for personal use or for use as rental property. We lend to builders for construction of speculative or custom residential properties for resale. Construction loans are generally less than one year in length, do not exceed 80% of the appraised value, and provide for the payment of interest only during the construction phase. Funds are disbursed as progress is made toward completion of the construction.

Multi-family Loans

We offer mortgage loans secured by residential multi-family (five or more units). Generally, these loans are originated for 25 years or less and do not exceed 80% of the appraised value. Loans secured by multi-family generally have larger balances and involve a greater degree of risk than one- to four-family residential mortgage loans. These loans depend on the borrower's creditworthiness and the feasibility and cash flow potential of the project. Payments on loans secured by income properties often depend on successful operation and management of the properties. As a result, repayment on such loans may be subject to a greater extent to adverse conditions in the real estate market or economy than owner-occupied residential loans.

Kentucky First Federal Bancorp
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
December 31, 2023
(unaudited)

Note 4. Loans receivable (continued)

Nonresidential Loans

We offer mortgage loans secured by nonresidential real estate comprised generally of commercial office buildings, churches and properties used for other purposes. Generally, these loans are originated for 25 years or less and do not exceed 80% of the appraised value. As with multi-family loans, commercial real estate loans generally have larger balances and involve a greater degree of risk than one- to four-family residential mortgage loans and these loans depend on the borrower's creditworthiness, as well as the feasibility and cash flow potential of the project. Payments on loans secured by nonresidential properties often depend on successful operation and management of the properties. As a result, repayment on such loans may be subject to a greater extent to adverse conditions in the real estate market or economy than owner-occupied residential loans.

Consumer lending

Our consumer loans include home equity lines of credit, loans secured by savings deposits, automobile loans, and unsecured loans. Home equity loans are generally second mortgage loans subordinate only to first mortgages also held by the bank and do not exceed 80% of the estimated value of the property. We do offer home equity loans up to 90% of the estimated value to qualified borrowers and these loans carry a premium interest rate. Loans

secured by savings are originated up to 90% of the depositor's savings account balance and bear interest at a rate higher than the rate paid on the deposit account. Because the deposit account must be pledged as collateral to secure the loan, the inherent risk of this type of loan is minimal. Loans secured by automobiles are made directly to consumers (there are no relationships with dealers) and are based on the value of the vehicle and the borrower's creditworthiness. Vehicle loans present a higher level of risk because of the natural decline in the value of the property as well as its mobility. Unsecured loans are based entirely on the borrower's creditworthiness and present the highest level of risk to the bank.

Impaired loans

The Banks choose the most appropriate method for accounting for impaired loans. For secured loans, which make up the vast majority of the loans in the Banks' portfolio, this method involves determining the fair value of the collateral, reduced by estimated selling costs. Where appropriate, the Banks would account for impaired loans by determining the present value of expected future cash flows discounted at the loan's effective interest rate.

A loan is considered impaired when, based on current information and events, it is probable that a creditor will be unable to collect all amounts due according to the contractual terms of the loan agreement. Although most of our loans are secured by collateral, we rely heavily on the capacity of our borrowers to generate sufficient cash flow to service their debt. As a result, our loans do not become collateral-dependent until there is deterioration in the borrower's cash flow and financial condition, which makes it necessary for us to look to the collateral for our sole source of repayment. Collateral-dependent loans which are more than ninety days delinquent are considered to constitute more than a minimum delay in repayment and are evaluated for impairment under the policy at that time.

We utilize updated independent appraisals to determine fair value for collateral-dependent loans, adjusted for estimated selling costs, in determining our specific reserve. In some situations, management does not secure an updated independent appraisal. These situations may involve small loan amounts or loans that, in management's opinion, have an abnormally low loan-to-value ratio.

With respect to the Banks' investment in troubled debt restructurings, multi-family and nonresidential loans, and the evaluation of impairment thereof, such loans are nonhomogenous and, as such, may be deemed to be collateral-dependent when they become more than 90 days delinquent. We obtain updated independent appraisals in these situations or when we suspect that the previous appraisal may no longer be reflective of the property's current fair value. This process varies from loan to loan, borrower to borrower, and also varies based on the nature of the collateral.

Kentucky First Federal Bancorp
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
December 31, 2023
(unaudited)

Note 4. Loans receivable (continued)

The following table presents the activity in the ACL by portfolio segment for the six months ended December 31, 2023, after restatement of beginning balance for adoption of ASC 326:

December 31, 2023:

(in thousands)	Pre-ASC 326 Adoption	Impact of ASC 326 Adoption	As Reported Under ASC 326	Provision (credit) for loan losses	Loans charged off	Recoveries	Credit Losses for Unfunded Liabilities	Ending balance
Residential real estate								
One- to four-family	\$ 857	\$ 740	\$ 1,597	\$ (1)	\$ (9)	\$ -	-	\$ 1,587
Multi-family	278	(145)	133	(3)	-	-	-	130
Construction	41	97	138	(11)	-	-	(3)	124
Land	1	14	15	7	-	-	-	22
Farm	4	2	6	(1)	-	-	-	5
Nonresidential real estate	405	(221)	184	14	-	-	-	198
Commercial and industrial	23	(18)	5	1	-	-	-	6
Consumer and other								
Loans on deposits	1	(1)	-	-	-	-	-	-
Home equity	23	28	51	10	-	-	(2)	59
Automobile	-	1	1	(1)	-	-	-	-
Unsecured	1	-	1	-	-	-	-	1
	<u>\$ 1,634</u>	<u>\$ 497</u>	<u>\$ 2,131</u>	<u>\$ 15</u>	<u>\$ (9)</u>	<u>\$ -</u>	<u>(5)</u>	<u>\$ 2,132</u>

For the six months ended December 31, 2023, the provision for credit losses totaled \$ 20,000 including \$15,000 for provision for credit loss on loans and \$5,000 for credit losses on unfunded commitments. At December 31, 2023, the allowance for credit losses on unfunded commitments totaled \$ 58,000.

The following table presents the activity in the ALLL by portfolio segment for the six months ended December 31, 2022:

(in thousands)	Beginning balance	Provision for loan losses	Loans charged off	Recoveries	Ending balance
Residential real estate:					
One- to four-family	\$ 800	\$ (35)	\$ -	\$ 13	\$ 778
Multi-family	231	132	-	-	363
Construction	4	22	-	-	26
Land	3	(2)	-	-	1
Farm	5	-	-	-	5
Nonresidential real estate	461	(4)	-	-	457
Commercial nonmortgage	2	-	-	-	2
Consumer and other:					
Loans on deposits	1	-	-	-	1
Home equity	21	-	-	-	21
Automobile	-	-	-	-	-

Unsecured	1	—	—	—	1
Totals	\$ 1,529	\$ 113	\$ —	\$ 13	\$ 1,655

Kentucky First Federal Bancorp
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
December 31, 2023
(unaudited)

Note 4. Loans receivable (continued)

The following table presents the activity in the allowance for loan losses by portfolio segment for the three months ended December 31, 2023:

(in thousands)	Beginning balance	Provision for loan losses	Loans charged off	Recoveries	Credit Losses for Unfunded Liabilities	Ending balance
Residential real estate:						
One- to four-family	\$ 1612	\$ (25)	\$ –	\$ –		\$ 1,587
Multi-family	130	–	–	–		130
Construction	128	(2)	–	–	-2	124
Land	14	8	–	–		22
Farm	5	–	–	–		5
Nonresidential real estate	179	19	–	–		198
Commercial nonmortgage	5	1	–	–		6
Consumer and other:						
Loans on deposits	–	–	–	–		–
Home equity	52	8	–	–	-1	59
Automobile	–	–	–	–		–
Unsecured	1	–	–	–		1
Totals	\$ 2,126	\$ 6	\$ –	\$ –	-3	\$ 2,132

The following table presents the activity in the allowance for loan losses by portfolio segment for the three months ended December 31, 2022:

(in thousands)	Beginning balance	Provision for loan losses	Loans charged off	Recoveries	Ending balance
Residential real estate:					
One- to four-family	\$ 808	\$ (43)	\$ –	\$ 13	\$ 778
Multi-family	381	(18)	–	–	363
Construction	14	12	–	–	26
Land	–	1	–	–	1
Farm	6	(1)	–	–	5
Nonresidential real estate	410	47	–	–	457
Commercial nonmortgage	2	–	–	–	2
Consumer and other:					
Loans on deposits	1	–	–	–	1
Home equity	19	2	–	–	21
Automobile	–	–	–	–	–
Unsecured	1	–	–	–	1
Totals	\$ 1,642	\$ –	\$ –	\$ 13	\$ 1,655

Kentucky First Federal Bancorp
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
December 31, 2023
(unaudited)

Note 4. Loans receivable (continued)

The following table presents the amortized cost basis of collateral-dependent loans by portfolio class as of December 31, 2023. The recorded investment in loans excludes accrued interest receivable due to immateriality.

December 31, 2023:

(in thousands)	Amortized Cost Basis	Ending allowance on collateral-dependent loans
Loans individually evaluated for impairment:		
Residential real estate:		
One- to four-family	\$ 3,285	\$ –
Nonresidential real estate	1,980	–

Commercial and industrial		-	-
		5,265	-

Real estate stands as collateral for loans individually evaluated for impairment.

The following tables present the balance in the ALLL and the recorded investment in loans by portfolio class and based on impairment method as of December 31, 2023.

December 31, 2023:

(in thousands)	Loans individually evaluated	Loans acquired with deteriorated credit quality*	Ending loans balance	Ending allowance attributed to loans
Loans individually evaluated for impairment:				
Residential real estate				
One- to four-family	\$ 3,285	\$ 185	\$ 3,448	\$ -
Nonresidential real estate	1,980	-	1,980	-
Home Equity	-	-	-	-
	5,265	185	5,450	-
Loans collectively evaluated for impairment:				
Residential real estate				
One- to four-family			\$ 247,452	\$ 1,587
Multi-family			18,727	130
Construction			13,165	124
Land			841	22
Farm			1,337	5
Nonresidential real estate			28,513	198
Commercial and industrial			1,113	6
Consumer and other				
Loans on deposits			795	-
Home equity			9,614	59
Automobile			156	-
Unsecured			617	1
			322,330	2,132
			\$ 327,780	\$ 2,132

* These loans were evaluated at acquisition date at their estimated fair value and there has been no subsequent deterioration since acquisition.

Kentucky First Federal Bancorp
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
December 31, 2023
(unaudited)

Note 4. Loans receivable (continued)

The following tables present the balance in the allowance for loan losses and the recorded investment in loans by portfolio class and based on impairment method as of June 30, 2023.

June 30, 2023:

(in thousands)	Loans individually evaluated	Loans acquired with deteriorated credit quality*	Ending loans balance	Ending allowance attributed to loans
Loans individually evaluated for impairment:				
Residential real estate				
One- to four-family	\$ 2,833	\$ 196	\$ 3,029	\$ -
Nonresidential real estate	1,717	-	1,717	-
Home Equity	267	-	267	-
	4,817	196	5,013	-
Loans collectively evaluated for impairment:				
Residential real estate				
One- to four-family			\$ 237,047	\$ 857
Multi-family			19,067	278
Construction			12,294	41
Land			470	1
Farm			1,346	4
Nonresidential real estate			28,500	405
Commercial and industrial			1,184	23
Consumer and other				
Loans on deposits			855	1
Home equity			8,950	23
Automobile			104	-
Unsecured			611	1
			310,428	1,634
			\$ 315,441	\$ 1,634

* These loans were evaluated at acquisition date at their estimated fair value and there has been no subsequent deterioration since acquisition.

Kentucky First Federal Bancorp
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
December 31, 2023
(unaudited)

Note 4. Loans receivable (continued)

The following table presents interest income on loans individually evaluated for impairment by class of loans for the six months ended December 31:

	Average Recorded Investment	Interest Income Recognized	Cash Basis Income Recognized	Average Recorded Investment	Interest Income Recognized	Cash Basis Income Recognized
(in thousands)	2023			2022		
With no related allowance recorded:						
One- to four-family	\$ 2,966	\$ 44	\$ 44	\$ 3,234	\$ 82	\$ 82
Multi-family	—	--	--	564	10	10
Farm	—	—	—	266	—	—
Nonresidential real estate	1,849	51	51	1,065	29	29
Consumer	134	--	--	46	4	4
Purchased credit-impaired loans	191	7--	7--	387	11	11
	<u>5,140</u>	<u>102</u>	<u>102</u>	<u>5,562</u>	<u>136</u>	<u>136</u>
With an allowance recorded:						
One- to four-family	—	—	—	—	—	—
	<u>\$ 5,140</u>	<u>\$ 102</u>	<u>\$ 102</u>	<u>\$ 5,562</u>	<u>\$ 136</u>	<u>\$ 136</u>

The following table presents interest income on loans individually evaluated for impairment by class of loans for the three months ended December 31:

	Average Recorded Investment	Interest Income Recognized	Cash Basis Income Recognized	Average Recorded Investment	Interest Income Recognized	Cash Basis Income Recognized
(in thousands)	2023			2022		
With no related allowance recorded:						
Residential real estate:						
One- to four-family	\$ 3,077	\$ 20	\$ 20	\$ 3,182	\$ 61	\$ 61
Multi-family	—	--	--	561	5	5
Farm	—	—	—	261	—	—
Nonresidential real estate	1,994	49	49	1,203	28	28
Consumer	--	--	--	—	3	3
Purchased credit-impaired loans	191	1	1	383	4	4
	<u>5,262</u>	<u>70</u>	<u>70</u>	<u>5,590</u>	<u>101</u>	<u>101</u>
With an allowance recorded:						
One- to four-family	—	—	—	—	—	—
	<u>\$ 5,262</u>	<u>\$ 70</u>	<u>\$ 70</u>	<u>\$ 5,590</u>	<u>\$ 101</u>	<u>\$ 101</u>

Kentucky First Federal Bancorp
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
December 31, 2023
(unaudited)

Note 4. Loans receivable (continued)

The following table presents the recorded investment in nonaccrual and loans past due over 90 days still on accrual by class of loans as of December 31, 2023 and June 30, 2023:

	December 31, 2023		June 30, 2023	
	Loans Past Due Over 90 Days Still Accruing		Loans Past Due Over 90 Days Still Accruing	
(in thousands)	Nonaccrual		Nonaccrual	
Residential real estate:				
One- to four-family residential real estate	\$ 3,285	\$ 219	\$ 3,029	\$ 365
Nonresidential real estate and land	1,688	—	1,717	28
Consumer	—	35	267	0
	<u>\$ 4,973</u>	<u>\$ 254</u>	<u>\$ 5,013</u>	<u>\$ 393</u>

One- to four-family loans in process of foreclosure totaled \$ 1.2 million and \$ 766,000 at December 31, 2023 and June 30, 2023, respectively.

Troubled Debt Restructurings:

Prior to the adoption of ASC 326 a Troubled Debt Restructuring ("TDR") was the situation where the Bank granted a concession to the borrower that the

Banks would not otherwise have considered due to the borrower's financial difficulties. All TDRs are considered "impaired."

At June 30, 2023, the Company had \$1.4 million of loans classified as TDRs.

During the six months ended December 31, 2023 there were no loans modified to borrowers experiencing financial difficulty.

Kentucky First Federal Bancorp
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
December 31, 2023
(unaudited)

Note 4. Loans receivable (continued)

The following table presents the aging of the principal balance outstanding in past due loans as of December 31, 2023, by class of loans:

(in thousands)	30-89 Days Past Due	90 Days or Greater Past Due	Total Past Due	Loans Not Past Due	Total
Residential real estate:					
One-to four-family	\$ 4,229	\$ 1,609	\$ 5,838	\$ 245,084	\$ 250,922
Multi-family	-	-	-	18,727	18,727
Construction	122	-	122	13,043	13,165
Land	-	-	-	841	841
Farm	-	-	-	1,337	1,337
Nonresidential real estate	-	-	-	30,493	30,493
Commercial non-mortgage	-	-	-	1,113	1,113
Consumer and other:					
Loans on deposits	-	-	-	795	795
Home equity	15	35	50	9,564	9,614
Automobile	-	-	-	156	156
Unsecured	-	-	-	617	617
Total	\$ 4,366	\$ 1,644	\$ 6,010	\$ 321,770	\$ 327,780

The following tables present the aging of the principal balance outstanding in past due loans as of June 30, 2023, by class of loans:

June 30, 2023:

(in thousands)	30-89 Days Past Due	Greater than 90 Days Past Due	Total Past Due	Loans Not Past Due	Total
Residential real estate					
One- to four-family	\$ 3,415	\$ 1,514	\$ 4,929	\$ 235,147	\$ 240,076
Multi-family	-	-	-	19,067	19,067
Construction	-	-	-	12,294	12,294
Land	-	-	-	470	470
Farm	-	-	-	1,346	1,346
Nonresidential real estate	662	-	662	29,555	30,217
Commercial and industrial	-	28	28	1,156	1,184
Consumer and other					
Loans on deposits	-	-	-	855	855
Home equity	168	267	435	8,782	9,217
Automobile	-	-	-	104	104
Unsecured	17	-	17	594	611
	\$ 4,262	\$ 1,809	\$ 6,071	\$ 309,370	\$ 315,441

Kentucky First Federal Bancorp
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
December 31, 2023
(unaudited)

Note 4. Loans receivable (continued)

Credit Quality Indicators:

The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Company analyzes loans individually by classifying the loans as to credit risk. This analysis is performed on an annual basis. The Company uses the following definitions for risk ratings:

Special Mention. Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard. Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are

characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

Doubtful. Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable.

Kentucky First Federal Bancorp
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
December 31, 2023
(unaudited)

Note 4. Loans receivable (continued)

Loans not meeting the criteria above that are analyzed individually as part of the above-described process are considered to be pass rated loans. Loans listed that are not rated are included in groups of homogeneous loans and are evaluated for credit quality based on performing status. See the aging of past due loan table above. As of December 31, 2023, and based on the most recent analysis performed, the risk category of loans by class of loans is as follows:

(in thousands) As of September 30, 2023	Term Loans Amortized Cost by Origination Fiscal Year						Revolving Loans Amortized Cost Basis	Total
	2024	2023	2022	2021	2020	Prior		
Residential real estate:								
One- to four-family								
Risk Rating:								
Pass	\$ 19,334	\$ 50,511	\$ 48,507	\$ 45,146	\$ 26,457	\$ 55,508	\$ -	\$ 245,503
Special mention	-	-	-	-	-	148	-	148
Substandard	-	-	13	18	149	5,091	-	5,271
Doubtful	-	-	-	-	-	-	-	-
Total	\$ 19,334	\$ 50,551	\$ 48,520	\$ 45,164	\$ 26,606	\$ 60,747	\$ -	\$ 250,922
Current period gross charge offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9	\$ -	\$ 9
Multi-family								
Risk Rating:								
Pass	\$ -	\$ 6,191	\$ 5,988	\$ 1,258	\$ 1,408	\$ 3,882	\$ -	\$ 18,727
Special mention	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-
Total	\$ -	\$ 6,191	\$ 5,988	\$ 1,258	\$ 1,408	\$ 3,882	\$ -	\$ 18,727
Current period gross charge offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction								
Risk Rating:								
Pass	\$ 3,091	\$ 9,223	\$ 448	\$ 23	\$ -	\$ 380	\$ -	\$ 13,165
Special mention	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-
Total	\$ 3,091	\$ 9,223	\$ 448	\$ 23	\$ -	\$ 380	\$ -	\$ 13,165
Current period gross charge offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land								
Risk Rating:								
Pass	\$ 600	\$ 540	\$ 217	\$ 540	\$ 54	\$ -	\$ -	\$ 841
Special mention	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-
Total	\$ 600	\$ 540	\$ 217	\$ 540	\$ 54	\$ -	\$ -	\$ 841
Current period gross charge offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Farm								
Risk Rating:								
Pass	\$ -	\$ -	\$ 251	\$ 28	\$ 23	\$ 1,035	\$ -	\$ 1,337
Special mention	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ 251	\$ 28	\$ 23	\$ 1,035	\$ -	\$ 1,337
Current period gross charge offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonresidential real estate								
Risk Rating:								
Pass	\$ 1,295	\$ 3,465	\$ 3,216	\$ 3,558	\$ 5,831	\$ 11,230	\$ -	\$ 27,823
Special mention	-	-	-	-	-	675	-	675

Substandard	-	772	-	-	-	1,233	-	1,995
Doubtful	-	-	-	-	-	-	-	-
Total	\$ 1,295	\$ 3,465	\$ 3,216	\$ 3,558	\$ 5,831	\$ 13,128	\$ -	\$ 30,493
Current period gross charge offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial and industrial								
Risk Rating:								
Pass	\$ 396	\$ -	\$ 677	\$ 40	\$ -	\$ -	\$ -	\$ 1,113
Special mention	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-
Total	\$ 396	\$ -	\$ 677	\$ 40	\$ -	\$ -	\$ -	\$ 1,113
Current period gross charge offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Share Loans								
Risk Rating:								
Pass	\$ 27	\$ 98	\$ -	\$ 19	\$ 181	\$ 470	\$ -	\$ 795
Special mention	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-
Total	\$ 27	\$ 98	\$ -	\$ 19	\$ 181	\$ 470	\$ -	\$ 795
Current period gross charge offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Home Equity								
Risk Rating:								
Pass	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,198	\$ 9,198
Special mention	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	416	416
Doubtful	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,614	\$ 9,614
Current period gross charge offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Auto								
Risk Rating:								
Pass	\$ 110	\$ 35	\$ 4	\$ 7	\$ -	\$ -	\$ -	\$ 156
Special mention	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-
Total	\$ 110	\$ 35	\$ 4	\$ 7	\$ -	\$ -	\$ -	\$ 156
Current period gross charge offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unsecured								
Risk Rating:								
Pass	\$ 102	\$ 11	\$ 35	\$ 18	\$ -	\$ 451	\$ -	\$ 617
Special mention	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-
Total	\$ 102	\$ 11	\$ 35	\$ 18	\$ -	\$ 451	\$ -	\$ 617
Current period gross charge offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Kentucky First Federal Bancorp
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
December 31, 2023
(unaudited)

Note 4. Loans receivable (continued)

At December 31, 2023, the risk category of loans by class of loans was as follows:

(in thousands)	Pass	Special Mention	Substandard	Doubtful
Residential real estate:				
One- to four-family	\$ 245,503	\$ 148	\$ 5,271	\$ -
Multi-family	18,727	-	-	-
Construction	13,165	-	-	-
Land	841	-	-	-
Farm	1,337	-	-	-
	27,823	675	1,995	-
Nonresidential real estate				
Commercial nonmortgage	1,113	-	-	-
Consumer:				

Loans on deposits	795	-	-	-
Home equity	9,198	-	416	-
Automobile	156	-	-	-
Unsecured	617	-	-	-
	<u>\$ 319,230</u>	<u>\$ 840</u>	<u>\$ 7,710</u>	<u>\$ -</u>

At June 30, 2023, the risk category of loans by class of loans was as follows:

(in thousands)	Pass	Special Mention	Substandard	Doubtful
Residential real estate				
One- to four-family	\$ 234,765	\$ 170	\$ 5,141	\$ -
Multi-family	19,067	-	-	-
Construction	12,294	-	-	-
Land	470	-	-	-
Farm	1,346	-	-	-
Nonresidential real estate	28,520	684	1,013	-
Commercial and industrial	1,184	-	-	-
Consumer and other				
Loans on deposits	855	-	-	-
Home equity	8,879	-	338	-
Automobile	104	-	-	-
Unsecured	611	-	-	-
	<u>\$ 308,095</u>	<u>\$ 854</u>	<u>\$ 6,492</u>	<u>\$ -</u>

Purchased Credit Impaired Loans:

The Company purchased loans during fiscal year 2013 for which there was, at acquisition, evidence of deterioration of credit quality since origination and it was probable, at acquisition, that all contractually required payments would not be collected. The carrying amount of those loans, net of a purchase credit discount of \$88,000 and \$88,000 at December 31, 2023 and June 30, 2023, respectively, is as follows:

(in thousands)	December 31, 2023	June 30, 2023
One- to four-family residential real estate	\$ 185	\$ 196

Accrutable yield, or income expected to be collected, is as follows:

(in thousands)	Six months ended December 31, 2023	Twelve months ended June 30, 2023
Balance at beginning of period	\$ 294	\$ 339
Accretion of income	(20)	(45)
Balance at end of period	<u>\$ 274</u>	<u>\$ 294</u>

For purchased loans, the Company made no increase in allowance for loan losses for the year ended June 30, 2023, nor for the six-month period ended December 31, 2023. Neither were any allowance for loan losses reversed during those periods.

Kentucky First Federal Bancorp

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

December 31, 2023
(unaudited)

Note 5. Disclosures About Fair Value of Assets and Liabilities

ASC topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (exit price) at the measurement date. ASC topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes six levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Securities

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics. Level 2 securities include agency mortgage-backed securities and agency bonds.

Financial assets measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(in thousands)	Fair Value			
<u>December 31, 2023</u>				
Agency mortgage-backed: residential	\$ 10,918	\$ –	\$ 10,918	\$ –
<u>June 30, 2023</u>				
Agency mortgage-backed: residential	\$ 12,080	\$ –	\$ 12,080	\$ –

There were no assets or liabilities which were measured at fair value on a nonrecurring basis at December 31, 2023, and June 30, 2023.

The following is a disclosure of the fair value of financial instruments, both assets and liabilities, whether or not recognized in the consolidated balance sheet, for which it is practicable to estimate that value. For financial instruments where quoted market prices are not available, fair values are based on estimates using present value and other valuation methods.

The methods used are greatly affected by the assumptions applied, including the discount rate and estimates of future cash flows. Therefore, the fair values presented may not represent amounts that could be realized in an exchange for certain financial instruments.

Kentucky First Federal Bancorp
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
December 31, 2022
(unaudited)

Note 5. Disclosures About Fair Value of Assets and Liabilities (continued)

Based on the foregoing methods and assumptions, the carrying value and fair value of the Company's financial instruments at December 31, 2023 and June 30, 2023 are as follows:

		Fair Value Measurements at December 31, 2023 Using			
(in thousands)	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	\$ 14,584	\$ 14,584			\$ 14,584
Available-for-sale securities	10,918		\$ 10,918		10,918
Held-to-maturity securities	234		223		234
Loans receivable, net	325,918			300,185	300,185
Federal Home Loan Bank stock	4,243				n/a
Accrued interest receivable	1,078		1,078		1,078
Financial liabilities					
Deposits	\$ 244,629	\$ 84,032	\$ 159,476		243,508
Federal Home Loan Bank advances	71,008		70,960		70,960
Advances by borrowers for taxes and insurance	334		334		334
Accrued interest payable	167		167		167
		Fair Value Measurements at June 30, 2023 Using			
(in thousands)	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	\$ 8,167	\$ 8,167			\$ 8,167
Available-for-sale securities	12,080		\$ 12,080		12,080
Held-to-maturity securities	274		259		259
Loans receivable - net	313,807			\$ 293,530	293,530
Federal Home Loan Bank stock	4,623				n/a
Accrued interest receivable	902		902		902
Financial liabilities					
Deposits	\$ 226,309	\$ 88,994	\$ 136,577		\$ 225,571
Federal Home Loan Bank advances	70,087		69,863		69,863
Advances by borrowers for taxes and insurance	793		793		793
Accrued interest payable	70		70		70

Kentucky First Federal Bancorp
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
December 31, 2022
(unaudited)

Note 6. Other Comprehensive Income (Loss)

The Company's other comprehensive income is comprised solely of unrealized gains and losses on available-for-sale securities. The following is a summary of the accumulated other comprehensive income balances, net of tax:

	Six months ended December 31, 2023	Three months ended December 31, 2023
(in thousands)		
Balance at beginning of period	\$ (427)	\$ (565)
Current period change	93	231
Balance at end of period	<u>\$ (334)</u>	<u>\$ (334)</u>

Other comprehensive income (loss) components and related tax effects for the periods indicated were as follows:

	Six months ended December 31,		Three months ended December 31,	
(in thousands)	2023	2022	2023	2022
Unrealized holding gains (losses on available-for-sale securities)	\$ 124	\$ (457)	\$ 308	\$ 116
Tax effect	(31)	114	(77)	(29)
	<u>\$ 93</u>	<u>\$ (343)</u>	<u>\$ 231</u>	<u>\$ 87</u>

Kentucky First Federal Bancorp

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

Certain statements contained in this report, as well as other periodic reports filed with the Securities and Exchange Commission, that are not historical facts are considered "forward-looking statements" under the Private Securities Litigation Reform Act of 1995, that are subject to certain risks and uncertainties. These forward-looking statements may be identified by the use of words such as "believe," "expect," "anticipate," "plan," "estimate," "intend" and "potential," or words of similar meaning, or future or conditional verbs such as "should," "could," or "may." Forward-looking statements include statements of our goals, intentions and expectations; statements regarding our business plans, prospects, growth and operating strategies; statements regarding the quality of our loan and investment portfolios; and estimates of our risks and future costs and benefits. Kentucky First Federal Bancorp's actual results, performance or achievements may materially differ from those expressed or implied in the forward-looking statements. Risks and uncertainties that could cause or contribute to such material differences include, but are not limited to, general economic conditions; prices for real estate in the Company's market areas; the interest rate environment and the impact of the interest rate environment on our business, financial condition and results of operations; our ability to successfully execute our strategy to increase earnings, increase core deposits, reduce reliance on higher cost funding sources and shift more of our loan portfolio towards higher-earning loans; our ability to pay future dividends and if so at what level; our ability to receive any required regulatory approval or non-objection for the payment of dividends from First Federal Savings and Loan Association of Hazard and First Federal Savings Bank of Kentucky to the Company or from the Company to shareholders; competitive conditions in the financial services industry; changes in the level of inflation; changes in the demand for loans, deposits and other financial services that we provide; the possibility that future credit losses may be higher than currently expected; competitive pressures among financial services companies; the ability to attract, develop and retain qualified employees; our ability to maintain the security of our data processing and information technology systems; the outcome of pending or threatened litigation, or of matters before regulatory agencies; changes in law, governmental policies and regulations, rapidly changing technology affecting financial services, and the other matters mentioned in Item 1A of the Company's Annual Report on Form 10-K for the year ended June 30, 2023 and in this Form 10-Q. Except as required by applicable law or regulation, the Company does not undertake the responsibility, and specifically disclaims any obligation, to release publicly the result of any revisions that may be made to any forward-looking statements to reflect events or circumstances after the date of the statements or to reflect the occurrence of anticipated or unanticipated events.

Asset/Liability Management

Management and the boards of the subsidiary Banks are responsible for the asset/liability management issues that affect the individual Banks. Either Bank may work with its sister Bank to mitigate potential asset/liability risks to the Banks and to the Company as a whole. Management utilizes a third-party to perform interest rate risk ("IRR") calculations for each of the Banks. Management monitors and considers methods of managing the rate sensitivity and repricing characteristics of each of the Bank's balance sheet components to maintain acceptable levels of change in the economic value of equity ("EVE") as well as evaluating the impact on earnings in the event of changes in prevailing market interest rates. Interest rate sensitivity analysis is used to measure our interest rate risk by computing estimated changes in EVE that are a result of changes in the net present value of its cash flows from assets, liabilities, and off-balance sheet items. These changes in cash flow are estimated based on hypothetical instantaneous and permanent increases and decreases in market interest rates.

In March 2022 the Federal Open Market Committee ("FOMC") of the Federal Reserve Bank began raising the target range for the fed funds rate of interest and since that time has raised the short-term interest rate by 500 basis points. At September 30, 2023, we believe our risk associated with rising interest rates was moderate. Our IRR model indicated that at June 30, 2023, our EVE was approximately 16.5%, despite the historic interest rate increases during the previous twelve months. Although general market participants believe that the FOMC will now pause interest rate increases for a period of time, our June 30, 2023 EVE is anticipated to be approximately 14.6% and 11.9% under sudden and sustained increase in prevailing market interest rates of 100 basis points and 200 basis points, respectively. Computations or prospective effects of hypothetical interest rate changes are based on numerous assumptions, including relative levels of market interest rates, loan prepayments, and deposit run-offs. These computations should not be relied upon as indicative of actual results. Further, the computations do not contemplate any actions the Banks may undertake in response to changes in interest rates. Certain shortcomings are inherent in this method of computing EVE. For example, although certain assets and liabilities may have similar maturities or periods to repricing, they may react in differing degrees to changes in market interest rates. The interest rates on certain types of assets and liabilities may fluctuate in advance of changes in market interest rates, while interest rates on other types may lag behind changes in market rates.

Kentucky First Federal Bancorp
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (continued)

Average Balance Sheets

The following table represents the average balance sheets for the six-month periods ended December 31, 2023 and 2022, along with the related calculations of tax-equivalent net interest income, net interest margin and net interest spread for the related periods.

	Six Months Ended December 31,					
	2023			2022		
	Average Balance	Interest And Dividends	Yield/ Cost	Average Balance	Interest And Dividends	Yield/ Cost
(Dollars in thousands)						
Interest-earning assets:						
Loans ¹	\$ 321,103	\$ 7,087	4.41%	\$ 290,100	\$ 5,539	3.82%
Mortgage-backed securities	11,572	191	3.30	13,961	229	3.28
Other interest-earning assets	13,424	383	5.71	15,253	248	3.25
Total interest-earning assets	346,099	7,661	4.43	319,314	6,016	3.77
Less: Allowance for loan losses	(1,840)			(1,587)		
Non-interest-earning assets	12,341			11,873		
Total assets	\$ 356,600			\$ 329,600		
Interest-bearing liabilities:						
Demand deposits	\$ 17,430	\$ 16	0.18%	\$ 20,905	\$ 20	0.19%
Savings	55,427	112	0.40	74,545	173	0.46
Certificates of deposit	155,122	2,595	3.35	117,080	461	0.79
Total deposits	227,979	2,723	2.39	212,530	654	0.62
Borrowings	62,310	1,610	5.17	49,879	482	1.93
Total interest-bearing liabilities	290,289	4,333	2.99	262,409	1,136	0.87
Noninterest-bearing demand deposits	14,634			13,957		
Noninterest-bearing liabilities	1,851			1,512		
Total liabilities	306,774			277,878		
Shareholders' equity	49,826			51,722		
Total liabilities and shareholders' equity	\$ 356,600			\$ 329,600		
Net interest spread		\$ 3,328	1.44%		\$ 4,880	2.90%
Net interest margin			1.92%			3.06%
Average interest-earning assets to average interest-bearing liabilities			119.23%			121.69%

¹ Includes loan fees, immaterial in amount, in both interest income and the calculation of yield on loans. Also includes loans on nonaccrual status.

Kentucky First Federal Bancorp
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (continued)

Average Balance Sheets

The following table represents the average balance sheets for the three-month periods ended December 31, 2023 and 2022, along with the related calculations of tax-equivalent net interest income, net interest margin and net interest spread for the related periods.

	Three Months Ended December 31,					
	2023			2022		
	Average Balance	Interest And Dividends	Yield/ Cost	Average Balance	Interest And Dividends	Yield/ Cost
(Dollars in thousands)						
Interest-earning assets:						
Loans ¹	\$ 324,221	\$ 3,628	4.48%	\$ 297,640	\$ 2,895	3.89%
Mortgage-backed securities	11,541	92	3.19	14,048	115	3.27
Other securities	—	—	—	—	—	—
Other interest-earning assets	15,009	207	5.52	11,161	121	4.34
Total interest-earning assets	350,771	3,927	4.48	322,849	3,131	3.88
Less: Allowance for loan losses	(2,023)			(1,642)		
Non-interest-earning assets	12,136			11,948		
Total assets	\$ 360,884			\$ 333,155		
Interest-bearing liabilities:						
Demand deposits	\$ 16,848	\$ 8	0.19%	\$ 20,234	\$ 9	0.18%

Savings	54,757	55	0.40	75,546	71	0.39
Certificates of deposit	153,964	1445	3.75	112,888	224	0.79
Total deposits	225,569	1,508	2.67	205,668	304	0.59
Borrowings	68,242	762	4.47	61,965	379	2.45
Total interest-bearing liabilities	293,811	2,270	3.09	267,633	683	1.02
Noninterest-bearing demand deposits	16,110			12,738		
Noninterest-bearing liabilities	1,575			1,247		
Total liabilities	311,496			281,618		
Shareholders' equity	49,388			51,537		
Total liabilities and shareholders' equity	\$ 360,884			\$ 333,155		
Net interest spread		\$ 1,657	1.39%		\$ 2,448	2.86%
Net interest margin			1.89%			3.03%
Average interest-earning assets to average interest-bearing liabilities			119.39%			121.31%

1 Includes loan fees, immaterial in amount, in both interest income and the calculation of yield on loans. Also includes loans on nonaccrual status.

Kentucky First Federal Bancorp
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (continued)

Discussion of Financial Condition Changes from June 30, 2023 to December 31, 2023

Financial Position and Results of Operations

At December 31, 2023 the Company and the Banks were considered well-capitalized with capital ratios in excess of regulatory requirements. However, an extended economic recession could adversely impact the Company's and the Banks' capital position and regulatory capital ratios due to a potential increase in credit losses.

Assets: At December 31, 2023, the Company's assets totaled \$366.2 million, an increase of \$17.2 million, or 4.9%, from total assets at June 30, 2023, due primarily to the increase in loans, net, as well as an increase in cash and cash equivalents.

Cash and cash equivalents: Cash and cash equivalents increased \$6.4 million or 78.6% to \$14.6 million at December 31, 2023. Most of the Company's cash and cash equivalents are held in interest-bearing demand deposits.

Investment securities: At December 31, 2023, our securities portfolio, which consisted of mortgage-backed securities, decreased \$1.2 million or 9.7% and totaled \$11.2 million, compared to June 30, 2023.

Loans: Loans, net and loans available-for sale in the aggregate increased \$12.1 million or 3.9% and totaled \$325.6 million and \$270,000, respectively at December 31, 2023. Loans receivable, net, increased by \$11.8 million or 3.8% to \$325.6 million at December 31, 2023. Loans available-for-sale increased to \$270,000 at December 31, 2023. Management continues to look for high-quality loans to add to its portfolio and will continue to emphasize loan originations to the extent that it is profitable, prudent and consistent with our interest rate risk strategies.

Non-Performing and Classified Loans: At December 31, 2023, the Company had non-performing loans (loans 90 or more days past due or on nonaccrual status) of approximately \$5.2 million, or 1.6% of total loans compared to \$5.4 million or 1.7%, of total loans at June 30, 2023. The Company's ACL totaled \$2.1 million at December 31, 2023 and the ALLL totaled \$1.6 million at June 30, 2023, respectively. The ACL at December 31, 2023, represented 41.0% of nonperforming loans and 0.7% of total loans, while at June 30, 2023, ALLL represented 34.8% of nonperforming loans and 0.5% of total loans.

The Company had \$7.7 million in assets classified as substandard for regulatory purposes at December 31, 2023, including real estate owned ("REO") of \$10,000. Classified loans as a percentage of total loans (including loans acquired) was 2.4% and 2.3% at December 31, 2023 and June 30, 2023, respectively. Of substandard loans, 100.0% were secured by real estate on which the Banks have priority lien position.

The table below shows the aggregate amounts of our assets classified for regulatory purposes at the dates indicated:

(dollars in thousands)	December 31, 2023	June 30, 2023
Substandard assets	\$ 7,710	\$ 7,266
Doubtful assets	—	—
Loss assets	—	—
Total classified assets	\$ 7,710	\$ 7,266

At December 31, 2023, the Company's real estate acquired through foreclosure represented 0.1% of substandard assets compared to 0.1% at June 30, 2023. During the period presented the Company made no loans to facilitate the purchase of its other real estate owned by qualified buyers. Loans to facilitate the sale of other real estate owned, which were included in substandard loans, totaled \$0 and \$0 at December 31, 2023 and June 30, 2023, respectively.

AND RESULTS OF OPERATIONS (continued)

Discussion of Financial Condition Changes from June 30, 2023 to December 31, 2023 (continued)

The following table presents the aggregate carrying value of REO at the dates indicated:

	December 31, 2023		June 30, 2023	
	Number of Properties	Net Carrying Value	Number of Properties	Net Carrying Value
One- to four-family	1	\$ 10	2	\$ 70
Total REO	1	\$ 10	2	\$ 70

At December 31, 2023 and June 30, 2023, the Company had \$840,000 and \$854,000 of loans classified as special mention, respectively. This category includes assets which do not currently expose us to a sufficient degree of risk to warrant classification, but does possess credit deficiencies or potential weaknesses deserving our close attention.

Liabilities: Total liabilities increased \$18.8 million, or 6.3% to \$317.1 million at December 31, 2023, as deposits increased \$18.3 million or 8.1% to \$244.6 million and advances increased \$921,000 or 1.3% to \$71.0 million.

Certificates of deposit increased \$23.3 million or 17.0% and totaled \$160.1 million at December 31, 2023, which \$44.1 million brokered deposits, an increase of \$23.1 million or 110.0%. Demand deposit accounts increased \$1.4 million or 4.6% and totaled \$32.8 million at quarter end. Savings accounts decreased \$6.4 million or 11.1% and totaled \$51.2 million at the end of the current period. The cost of liabilities has been increasing rapidly due to higher costs of both wholesale and retail funding. Continued increases in liability costs, especially for wholesale funds, will primarily be driven by future increases in market rates by the Federal Reserve. It is believed that we are near the peak of this rate cycle which, if so, will likely slow the increasing costs of our liabilities.

Shareholders' Equity: At December 31, 2023, the Company's shareholders' equity totaled \$49.2 million, a decrease of \$1.5 million or 3.0% from the June 30, 2023 total. The decrease in shareholders' equity was primarily associated with adoption of the CECL accounting standard (\$414,000), net loss for the period and dividends paid on common stock.

The Company paid dividends of \$671,000 compared to net loss of \$536,000 for the six-month period just ended. On July 6, 2023, the members of First Federal MHC again approved a dividend waiver on annual dividends of up to \$0.40 per share of Kentucky First Federal Bancorp common stock. The Board of Directors of First Federal MHC applied for approval of another waiver. The Federal Reserve Bank of Cleveland has notified the Company that it did not object to the waiver of dividends paid by the Company to First Federal MHC, and, as a result, First Federal MHC will be permitted to waive the receipt of dividends for quarterly dividends up to \$0.10 per common share through the third calendar quarter of 2024. However, on October 13, 2023, the Company announced that future dividends will be reduced primarily due to the recent decline in earnings of the Banks. After careful consideration, on January 16, 2024, the board determined that it would be prudent to suspend the payment of dividends completely until such time as earnings and liquidity improve. Our ability to pay future dividends and if so at what level will also be dependent on our ability to successfully execute our strategy to increase earnings and core deposits, reduce reliance on higher cost funding sources and shift more of our loan portfolio towards higher-earning loans, and the receipt of required regulatory approval or non-objection for the payment of dividends from the Banks to the Company or from the Company to shareholders. Nevertheless, management continues to believe that a strong dividend is consistent with the Company's long-term capital management strategy. See "Risk Factors" in Part II, Item 1A, of the Company's Annual Report on Form 10-K for the year ended June 30, 2023 for additional discussion regarding dividends.

Kentucky First Federal Bancorp MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

Comparison of Operating Results for the Six-month Periods Ended December 31, 2023 and 2022

General

Net income totaled \$(536,000) or \$(0.07) diluted earnings per share for the six months ended December 31, 2023, a decrease of \$1.3 million or 171.8% from net income of \$747,000 or \$0.09 diluted earnings per share for the same period in 2022. The decrease in net earnings for the six months ended ended December 31, 2023, was primarily attributable to lower net interest income, and higher non-interest expense, which were partially offset by lower income taxes and lower provision for credit losses.

Net Interest Income

Net interest income decreased \$1.6 million or 31.8% to \$3.3 million due primarily to interest expense increasing more than interest income increased period to period. Interest expense increased \$3.2 million or 281.4%, while interest income increased \$1.6 million or 27.3% to \$7.7 million for the six months ended December 31, 2023. During the unprecedented interest rate increases seen in the market since March 2022, our funding sources have repriced more quickly than our assets have repriced, which has had a negative impact on net interest income.

The average rate earned on interest-earning assets increased 66 basis points to 4.43% and was the primary reason for the increase in interest income. The increase in interest income was due primarily to an increase of \$1.5 million or 27.9% in interest income from loans, which totaled \$7.1 million for the period.

The increase in interest income from loans period-to-period was due to increases in both the average balance of loans and the average rate earned on those loans. The average balance of loans increased \$31.0 million or 10.7% to \$321.1 million for the six months ended December 31, 2023, while the average rate increased 60 basis points to 4.41%.

The average balance of interest-bearing liabilities increased \$27.9 million or 10.6% to \$290.3 million for the six months just ended, and the average rate paid increased 212 basis points to 2.99%. The cost of liabilities increased rapidly due to higher costs of both wholesale and retail funding. Continued increases in liability costs, especially for wholesale funds, will primarily be driven by future increases in market rates by the Federal Reserve. It is widely believed that we are near the peak of this rate cycle which, if so, will likely slow the increasing costs of our liabilities.

Net interest spread decreased from 2.90% for the prior year quarterly period to 1.44% for the six-month period ended December 31, 2023.

Provision for Losses on Loans

Management determined that a \$15,000 provision for credit loss was prudent in light of the increase in the loan portfolio during the recently ended six-months December 31, 2023.

Kentucky First Federal Bancorp MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

Comparison of Operating Results for the Six-month Periods Ended December 31, 2023 and 2022 (continued)

Non-interest Income

Non-interest income decreased \$46,000 or 27.5% to \$121,000 for the six months ended December 31, 2023, compared to the prior year period, primarily because of a decrease in other non-interest income, which is comprised of various items including bank-related fees and services

Non-interest Expense

Non-interest expense increased \$174,000 or 4.4% to \$4.1 million for the six months ended December 31, 2023, primarily due to higher outside service fee, as well as higher employee compensation and benefits.

Outside service fee expense increased \$109,000 or 104.8% and totaled \$213,000 due to additional professional expenses and costs associated with them.

Employee compensation and benefits expense increased \$61,000 or 2.5% and totaled \$2.5 million for the six months just ended due to additional salary expense and additional deferred loan costs by closing more loans.

Income Tax Expense

Income tax expense decreased \$391,000 or 170.7% to an income tax benefit of \$162,000 for the six months ended December 31, 2023, compared to the prior year period due to decreased earnings. The effective tax rates for the six-month periods ended December 31, 2023 and 2022, were 23.2% and 23.5%, respectively.

Kentucky First Federal Bancorp MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

Comparison of Operating Results for the Three-month Periods Ended December 31, 2023 and 2022

General

Net loss totaled \$361,000 or (\$0.05) diluted earnings per share for the three months ended December 30, 2023, a decrease of \$735,000 or 196.5% from net income of \$374,000 or \$0.04 diluted earnings per share for the same period in 2022. The decrease in net earnings for the quarter ended December 30, 2023, was primarily attributable to lower net interest income, and higher non-interest expense, which were partially offset by lower income taxes.

Net Interest Income

Net interest income decreased \$791,000 or 32.3% to \$1.7 million due primarily to interest expense increasing more than interest income increased period to period. Interest expense increased \$1.6 million or 232.4%, while interest income increased \$796,000 or 25.4% to \$3.9 million for the recently-ended quarter. During the unprecedented interest rate increases seen in the market since March 2022, our funding sources have repriced more quickly than our assets have repriced, which has had a negative impact on net interest income.

The average rate earned on interest-earning assets increased 60 basis points to 4.48% and was the primary reason for the increase in interest income, although average interest-earning assets also increased \$27.9 million or 8.7% to \$350.8 million for the recently-ended quarterly period. The increase in interest income was due primarily to an increase of \$733,000 or 25.3% in interest income from loans, which totaled \$3.6 million for the period.

The increase in interest income from loans period-to-period was due to increases in both the average balance of loans and the average rate earned on those loans. The average balance of loans increased \$26.6 million or 8.9% to \$324.2 million for the three months ended December 31, 2023, while the average rate increased 59 basis points to 4.48%.

The average balance of interest-bearing liabilities increased \$26.2 million or 9.8% to \$293.8 million for the quarter just ended, and the average rate paid increased 207 basis points to 3.09%. The cost of liabilities increased rapidly due to higher costs of both wholesale and retail funding. Continued increases in liability costs, especially for wholesale funds, will primarily be driven by future increases in market rates by the Federal Reserve. It is widely believed that we are near the peak of this rate cycle which, if so, will likely slow the increasing costs of our liabilities.

Net interest spread decreased from 2.86% for the prior year quarterly period to 1.39% for the three-month period ended December 31, 2023.

Provision for Cred Losses

Management determined that a \$9,000 provision for credit loss was prudent in light of the increase in the loan portfolio during the recently-ended quarter.

Kentucky First Federal Bancorp
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (continued)

Comparison of Operating Results for the Three-month Periods Ended December 31, 2023 and 2022 (continued)

Non-interest Income

Non-interest income decreased \$23,000 or 33.3% to \$46,000 for the recently ended quarter primarily because of a decrease in other non-interest income, which is comprised of various items including bank-related fees and services.

Non-interest Expense

Non-interest expense increased \$119,000 or 5.9% and totaled \$2.1 million for the three months ended December 31, 2023, primarily due to increased FDIC insurance premiums and other various bank expenses.

Income Tax Expense

Income taxes decreased \$207,000 or 183.2% from an expense of \$113,000 for the three months ended December 31, 2022, to a benefit of \$94,000 for the recently-ended period. The effective tax rates for the three-month periods ended December 31, 2023 and 2022, were 20.7% and 23.2%, respectively.

38

Kentucky First Federal Bancorp

ITEM 3: Quantitative and Qualitative Disclosures About Market Risk

This item is not applicable as the Company is a smaller reporting company.

ITEM 4: Controls and Procedures

The Company's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined under Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report, and have concluded that the Company's disclosure controls and procedures were effective for the purpose of ensuring that the information required to be disclosed in the reports that the Company files or submits under the Exchange Act with the Securities and Exchange Commission (the "SEC") (1) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (2) is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Based upon their evaluation, the Company's Chief Executive Officer and Chief Financial Officer have also concluded that there were no significant changes during the quarter ended December 31, 2023 in the Company's internal control over financial reporting or in other factors that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

39

Kentucky First Federal Bancorp

PART II-OTHER INFORMATION

ITEM 1. Legal Proceedings

None.

ITEM 1A. Risk Factors

Please see "Item 1A. Risk Factors" of the Company's Annual Report on Form 10-K for the year ended June 30, 2023 for information regarding risk factors that could materially affect the Company's business, financial condition, or future results of operations. Other than as set forth below, there have been changes with regard to the risk factors disclosed in "Item 1A. Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 30, 2023.

On January 16, 2024, the company announced the suspension of quarterly dividends indefinitely. The suspension of our quarterly cash dividend could have an adverse impact on the market price of our common stock.

Holders of our common stock are only entitled to receive such dividends as our Board of Directors may declare out of funds available for such payments under applicable law and regulatory guidance. Although we have historically declared cash dividends on our common stock, we are not required to do so, and on January 16, 2024, the Company announced the suspension of quarterly dividends indefinitely. We cannot predict when or whether the Company will be able to pay future common stock dividends and if so, the amount of any such common stock dividends. The suspension of our common stock dividend could adversely affect the market price of our common stock.

40

Kentucky First Federal Bancorp

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) The following table sets forth information regarding Company's repurchases of its common stock during the quarter ended December 31, 2023.

Period	Total # of shares purchased	Average price paid per share (including commissions)	Total # of shares purchased as part of publicly announced plans or programs	Maximum # of shares that may yet be purchased under the plans or programs
October 1-31, 2023	–	\$ –	–	–
November 1-30, 2023	–	\$ –	–	–
December 1-31, 2023	–	\$ –	–	–

(1) On May 18, 2023, the Company announced that it had substantially completed its program to repurchase up to 150,000 shares of its Common Stock, which was initiated on February 3, 2021.

ITEM 3. Defaults Upon Senior Securities

Not applicable.

ITEM 4. Mine Safety Disclosures.

Not applicable.

ITEM 5. Other Information

During the fiscal quarter ended December 31, 2023, none of our directors or officers informed us of the adoption or termination of a "Rule 10b5-1 trading arrangement or "non-Rule 10b5-1 trading arrangement," as those terms are defined in Item 408 of Regulation S-K.

Kentucky First Federal Bancorp

ITEM 6. Exhibits

3.1 ¹	Charter of Kentucky First Federal Bancorp.
3.2 ²	Bylaws of Kentucky First Federal Bancorp, as amended and restated
3.3 ³	Amendment No. 1 to the Bylaws of Kentucky First Federal Bancorp.
3.4 ⁴	Amendment No. 2 to the Bylaws of Kentucky First Federal Bancorp.
3.4 ⁵	Amendment No. 3 to the Bylaws of Kentucky First Federal Bancorp.
4.1 ¹	Specimen Stock Certificate of Kentucky First Federal Bancorp
16.1 ⁶	Letter of FORVIS, LLP dated November 29, 2023 to the SEC
31.1	CEO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.0	The following materials from Kentucky First Federal Bancorp's Quarterly Report On Form 10-Q for the quarter ended December 31, 2023 formatted in Extensible Business Reporting Language (XBRL): (i) the Condensed Consolidated Balance Sheets; (ii) the Condensed Consolidated Statements of Income; (iii) the Condensed Consolidated Statements of Comprehensive Income; (iv) the Consolidated Statements of Changes in Shareholders' Equity; (v) the Condensed Consolidated Statements of Cash Flows; and (vi) the related Notes.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

- (1) Incorporated herein by reference to the Company's Registration Statement on Form S-1 (File No. 333-119041).
- (2) Incorporated herein by reference to the Company's Annual Report on Form 10-K for the Year Ended June 30, 2012 (File No. 0-51176).
- (3) Incorporated herein by reference to the Company's Current Report on Form 8-K filed August 25, 2017 (File No. 0-51176).
- (4) Incorporated herein by reference to the Company's Current Report on Form 8-K filed September 28, 2020 (File No. 0-51176).
- (5) Incorporated herein by reference to the Company's Current Report on Form 8-K filed February 2, 2022 (File No. 51176).
- (6) Incorporated herein by reference to the Company's Current Report on Form 8-K filed November 29, 2023 (File No. 51176).

Kentucky First Federal Bancorp

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 thereunto duly authorized.

KENTUCKY FIRST FEDERAL BANCORP

Date: February 14, 2024

By: /s/ Don D. Jennings
Don D. Jennings
Chief Executive Officer

Date: February 14, 2024

By: /s/ Tyler W. Eades
Tyler W. Eades
Vice President and Chief Financial Officer

CERTIFICATION

I, Don D. Jennings, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Kentucky First Federal Bancorp;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 14, 2024

/s/ Don D. Jennings

Don D. Jennings
Chief Executive Officer

CERTIFICATION

I, Tyler W. Eades, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Kentucky First Federal Bancorp

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 14, 2024

/s/ Tyler W. Eades

Tyler W. Eades

Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Kentucky First Federal Bancorp (the "Company") on Form 10-Q for the period ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Don D. Jennings, the Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Don D. Jennings

Don D. Jennings
Chief Executive Officer
February 14, 2024

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Kentucky First Federal Bancorp (the "Company") on Form 10-Q for the period ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Tyler W. Eades, the Treasurer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Tyler W. Eades

Tyler W. Eades

Vice President and Chief Financial Officer

February 14, 2024