

FRANKLIN BANK & TRUST COMPANY
A WHOLLY OWNED SUBSIDIARY OF FRANKLIN BANCORP, INC.
BALANCE SHEET AS OF DECEMBER 31
(DOLLAR AMOUNTS IN THOUSANDS)

ASSETS	2016	2015
Cash and Balances Due From Depository Institutions:		
Noninterest-Bearing Balances and Currency and Coin	\$9,945	\$17,778
Interest Bearing Balances	39,930	23,332
Securities Available for Sale	10,800	12,581
Federal Funds Sold and Securities Purchased to Resell	1,393	1
Loans and Lease Financing Receivables:		
Loans and Leases, Net of Unearned Income	381,180	348,740
LESS: Allowance for Loan and Lease Losses	5,006	4,601
Loans and Leases, Net of Unearned Income and Allowance	376,174	344,139
Premises and Fixed Assets (Including Capitalized Leases)	4,680	4,721
Other Real Estate Owned	322	897
Other Assets	15,078	13,884
TOTAL ASSETS	<u>\$458,322</u>	<u>\$417,333</u>
LIABILITIES		
Deposits:	\$364,997	\$346,594
Noninterest-Bearing	69,872	53,837
Interest Bearing	295,125	292,757
Federal Funds Purchased	0	3,000
Other Borrowed Money	39,574	19,646
Other Liabilities	4,413	1,929
TOTAL LIABILITIES	<u>408,984</u>	<u>371,169</u>
EQUITY CAPITAL		
Common Stock	176	176
Surplus	37,332	35,824
Undivided Profits and Capital Reserves	11,931	10,049
Net Unrealized Holding Gains (Losses) on Available for Sale Securities	(101)	115
TOTAL EQUITY CAPITAL	<u>49,338</u>	<u>46,164</u>
TOTAL LIABILITIES AND EQUITY CAPITAL	<u>\$458,322</u>	<u>\$417,333</u>

UNAUDITED

STATEMENT OF INCOME FOR TWELVE MONTHS ENDED DECEMBER 31

	2016	2015
INTEREST INCOME:		
Real Estate Loans	\$11,732	\$11,441
Commercial and All Other Loans	5,625	5,298
Interest Income on Balances Due from Depository Institutions	164	77
All Securities	207	293
Federal Funds Sold	5	1
Other Interest Income	34	41
TOTAL INTEREST INCOME	<u>17,767</u>	<u>17,151</u>
INTEREST EXPENSE:		
Transaction Deposit Accounts	340	330
Savings Deposits	463	313
Time Certificates of Deposit of \$100,000 or More	158	280
All Other Time Deposits	1,184	1,064
Other Borrowed Money	522	371
TOTAL INTEREST EXPENSE	<u>2,667</u>	<u>2,358</u>
NET INTEREST INCOME	15,100	14,793
PROVISION FOR LOAN AND LEASE LOSSES	1,913	1,564
NONINTEREST INCOME:		
Income from Fiduciary Activities	435	359
Service Charges on Deposit Accounts	1,941	1,705
Other Noninterest Income	886	872
TOTAL NONINTEREST INCOME	<u>3,262</u>	<u>2,936</u>
GAINS(LOSSES) ON SECURITIES	123	95
NONINTEREST EXPENSE:		
Salaries and Employee Benefits	5,769	5,380
Expenses of Premises and Fixed Assets	828	804
Other Noninterest Expense	4,616	4,754
TOTAL NONINTEREST EXPENSE	<u>11,213</u>	<u>10,938</u>
INCOME (LOSS) BEFORE TAXES	5,359	5,322
APPLICABLE INCOME TAXES	<u>1,631</u>	<u>1,608</u>
NET INCOME (LOSS)	<u>\$3,728</u>	<u>\$3,714</u>

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