

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

ASSETS	2017	2016
Cash and Balances Due From Depository Institutions:		
Noninterest-Bearing Balances and Currency and Coin	\$10,634	\$9,945
Interest Bearing Balances	36,791	39,930
Securities Available for Sale	7,010	10,800
Federal Funds Sold and Securities Purchased to Resell	498	1,393
Loans and Lease Financing Receivables:		
Loans and Leases, Net of Unearned Income	397,351	381,180
LESS: Allowance for Loan and Lease Losses	4,507	5,006
Loans and Leases, Net of Unearned Income and Allowance	392,844	376,174
Premises and Fixed Assets (Including Capitalized Leases)	4,492	4,680
Other Real Estate Owned	536	322
Other Assets	16,611	15,078
TOTAL ASSETS	<u>\$469,416</u>	<u>\$458,322</u>
LIABILITIES		
Deposits:	\$369,015	\$364,997
Noninterest-Bearing	75,736	69,872
Interest Bearing	293,279	295,125
Federal Funds Purchased	0	0
Other Borrowed Money	43,979	39,574
Other Liabilities	2,462	4,413
TOTAL LIABILITIES	<u>415,456</u>	<u>408,984</u>
EQUITY CAPITAL		
Common Stock	176	176
Surplus	37,832	37,332
Undivided Profits and Capital Reserves	15,983	11,931
Net Unrealized Holding Gains (Losses) on Available for Sale Securities	(31)	(101)
TOTAL EQUITY CAPITAL	<u>53,960</u>	<u>49,338</u>
TOTAL LIABILITIES AND EQUITY CAPITAL	<u>\$469,416</u>	<u>\$458,322</u>

UNAUDITED

STATEMENT OF INCOME FOR TWELVE MONTHS ENDED DECEMBER 31

	2017	2016
INTEREST INCOME:		
Real Estate Loans	\$12,775	\$11,732
Commercial and All Other Loans	6,024	5,625
Interest Income on Balances Due from Depository Institutions	447	164
All Securities	151	207
Federal Funds Sold	13	5
Other Interest Income	75	34
TOTAL INTEREST INCOME	<u>19,485</u>	<u>17,767</u>
INTEREST EXPENSE:		
Transaction Deposit Accounts	442	340
Savings Deposits	738	463
Time Certificates of Deposit of \$250,000 or More	62	158
All Other Time Deposits	1,281	1,184
Other Borrowed Money	581	522
TOTAL INTEREST EXPENSE	<u>3,104</u>	<u>2,667</u>
NET INTEREST INCOME	16,381	15,100
PROVISION FOR LOAN AND LEASE LOSSES	(1)	1,913
NONINTEREST INCOME:		
Income from Fiduciary Activities	688	435
Service Charges on Deposit Accounts	2,253	1,941
Other Noninterest Income	875	886
TOTAL NONINTEREST INCOME	<u>3,816</u>	<u>3,262</u>
GAINS(LOSSES) ON SECURITIES	2	123
NONINTEREST EXPENSE:		
Salaries and Employee Benefits	6,139	5,769
Expenses of Premises and Fixed Assets	1,026	828
Other Noninterest Expense	4,441	4,616
TOTAL NONINTEREST EXPENSE	<u>11,606</u>	<u>11,213</u>
INCOME (LOSS) BEFORE TAXES	8,594	5,359
APPLICABLE INCOME TAXES	<u>2,674</u>	<u>1,631</u>
NET INCOME (LOSS)	<u>\$5,920</u>	<u>\$3,728</u>

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