

FRANKLIN BANK & TRUST COMPANY
A WHOLLY OWNED SUBSIDIARY OF FRANKLIN BANCORP, INC.
BALANCE SHEET AS OF SEPTEMBER 30
(DOLLAR AMOUNTS IN THOUSANDS)

ASSETS	2017	2016
Cash and Balances Due From Depository Institutions:		
Noninterest-Bearing Balances and Currency and Coin	\$11,559	\$11,720
Interest Bearing Balances	38,639	34,193
Securities Available for Sale	7,107	11,153
Federal Funds Sold and Securities Purchased to Resell	1,665	580
Loans and Lease Financing Receivables:		
Loans and Leases, Net of Unearned Income	397,088	377,177
LESS: Allowance for Loan and Lease Losses	4,842	4,903
Loans and Leases, Net of Unearned Income and Allowance	392,246	372,274
Premises and Fixed Assets (Including Capitalized Leases)	4,560	4,654
Other Real Estate Owned	708	331
Other Assets	15,641	14,707
TOTAL ASSETS	<u>\$472,125</u>	<u>\$449,612</u>
LIABILITIES		
Deposits:	\$369,529	\$356,421
Noninterest-Bearing	68,001	64,790
Interest Bearing	301,528	291,631
Other Borrowed Money	46,509	42,088
Other Liabilities	2,584	2,681
TOTAL LIABILITIES	<u>418,622</u>	<u>401,190</u>
EQUITY CAPITAL		
Common Stock	176	176
Surplus	37,832	37,332
Undivided Profits and Capital Reserves	15,490	10,833
Net unrealized holding gains (losses) on available for sale securities	5	81
TOTAL EQUITY CAPITAL	<u>53,503</u>	<u>48,422</u>
TOTAL LIABILITIES AND EQUITY CAPITAL	<u>\$472,125</u>	<u>\$449,612</u>

UNAUDITED

STATEMENT OF INCOME FOR NINE MONTHS ENDED SEPTEMBER 30

	2017	2016
INTEREST INCOME:		
Real Estate Loans	\$9,527	\$8,760
Commercial and All Other Loans	4,502	4,111
Securities	120	277
Federal Funds Sold	9	3
Other Interest Income	373	22
TOTAL INTEREST INCOME	<u>14,531</u>	<u>13,173</u>
INTEREST EXPENSE:		
Transaction Deposit Accounts	327	255
Savings Deposits	530	343
Time Certificates of Deposit of \$250,000 or More	54	138
All Other Time Deposits	976	860
Federal Funds Purchased and Securities Sold U/A to Repurchase	0	1
Other Borrowed Money	415	368
TOTAL INTEREST EXPENSE	<u>2,302</u>	<u>1,965</u>
NET INTEREST INCOME	12,229	11,208
PROVISION FOR LOAN AND LEASE LOSSES	-358	1,689
NONINTEREST INCOME:		
Income from Fiduciary Activities	522	315
Service Charges on Deposit Accounts	1,683	1,417
Other Noninterest Income	674	686
TOTAL NONINTEREST INCOME	<u>2,879</u>	<u>2,418</u>
GAINS(LOSSES) ON SECURITIES	2	123
NONINTEREST EXPENSE:		
Salaries and Employee Benefits	4,643	4,301
Expenses of Premises and Fixed Assets	764	617
Other Noninterest Expense	3,321	3,532
TOTAL NONINTEREST EXPENSE	<u>8,728</u>	<u>8,450</u>
INCOME (LOSS) BEFORE TAXES	6,740	3,610
APPLICABLE INCOME TAXES	<u>1,855</u>	<u>1,089</u>
NET INCOME (LOSS)	<u>\$4,885</u>	<u>\$2,521</u>

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