

# FRANKLIN BANCORP, INC.

To Our Shareholders and Customers:

Your bank had a strong first quarter in 2017. Interest income increased 7.5% in the first quarter of 2017 over the same period in 2016. Non-interest income increased 32.1% with net income increasing 68.6%. Total loans have increased 13.4% in the last year.

We are pleased to announce our first quarter dividend of 27c per share payable on June 16, 2017, shareholders of record on June 7, 2017.

We appreciate your loyalty and support of Franklin Bank & Trust Company and Franklin Bancorp, Inc. We are honored to have the opportunity to serve our shareholders, our customers and our communities.

Sincerely,

/s/ Gary L. Broady

Gary L. Broady  
Chief Executive Officer

/s/ H. Alex Downing

H. Alex Downing  
President

## **MANAGEMENT'S STATEMENT ON RESPONSIBILITY FOR FINANCIAL REPORTING**

The management of Franklin Bank & Trust Co. is responsible for the content and integrity of the financial statements included in this unaudited quarterly report. We are presenting a portion of the information included in our Reports of Income and Condition submitted to the Federal Financial Examination Council for the period ending June 30, 2015. We have reviewed these financial statements and do hereby declare that these reports have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true to the best of our knowledge and belief.

/s/ Gary L. Broady

Gary L. Broady  
Chief Executive Officer

/s/ H. Alex Downing

H. Alex Downing  
President

/s/ Jill F. Gregory

Jill F. Gregory  
Senior Vice President  
& Chief Financial Officer