

# FRANKLIN BANCORP, INC.

March 3, 2021

To Our Shareholders and Customers:

2020 was an unprecedented and challenging year for your Bank. We lost a significant ATM customer in January 2020 and COVID-19 presented challenges for the Bank and our customers. However, we are pleased to report that we experienced strong overall financial performance and were able to exceed our budgeted net income for 2020.

Total assets at 12/31/2020 increased by 16% over the previous year, with total loans increasing by 13%. Net interest income increased by 10.35% in 2020 over the previous year with non-interest income decreasing by 34.7% due to the loss of our large ATM customer. We increased our Allowance for Loan and Lease Losses as we prepare for 2021 and beyond and are extremely encouraged by our capital levels.

We are extremely grateful to our team members, customers and shareholders for their commitment to FBT throughout the years and particularly during the difficulties faced in 2020. We are looking forward to serving our customers and communities in 2021.

We are pleased to announce that your Board has approved a dividend of 35c per share payable on March 12, 2021, to shareholders of record on March 3, 2021. This represents a 6.1% increase over the regular dividend of March 2020.

Sincerely,

/s/ H. Alex Downing

H. Alex Downing

President/Chief Executive Officer

## **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 Institutions Examination Council for the period ending December 31, 2020. 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/ H. Alex Downing

H. Alex Downing

President/Chief Executive Officer

/s/ Jill F. Gregory

Jill F. Gregory

Executive Vice President &  
Chief Financial Officer