Ben Franklin Financial, Inc.

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Financial Report At and For the Three Months Ended March 31, 2018

Note: This report is intended to be read in conjunction with our Annual Report for the year ended December 31, 2017. This report is dated March 31, 2018 and should not be read to cover any subsequent periods. We specifically disclaim any obligation to update this report.

This report has not been prepared in accordance with Securities and Exchange Commission rules applicable to public companies and is not intended to comply with such rules.

BEN FRANKLIN FINANCIAL, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(Dollars in thousands except share data)
(Unaudited)

	March 31, 2018	December 31, 2017
ASSETS		
Cash and due from banks	$ 958	$ 924
Interest-earning deposit accounts and federal funds sold	14,437	17,043
Cash and cash equivalents	15,395	17,967
Certificates of deposit in other financial institutions	245	245
Securities available-for-sale	5,626	5,691
Loans receivable, net of allowance for loan losses of $973 at March 31, 2018 and $954 at December 31, 2017	77,322	74,910
Federal Home Loan Bank stock	188	188
Premises and equipment, net	975	1,019
Repossessed assets	1,304	714
Accrued interest receivable	238	236
Other assets	221	196
Total assets	$ 101,514	$ 101,166
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits		
Non-interest-bearing	$ 5,740	$ 5,308
Interest bearing	79,547	83,516
Total deposits	85,287	88,824
Federal Home Loan Bank Advances	4,000	4,000
Advances from borrowers for taxes and insurance	522	641
Other liabilities	336	369
Total liabilities	90,145	93,834
Stockholders' equity		
Preferred stock, no par value; authorized 1,000,000 no shares issued and outstanding March 31, 2018 and December 31, 2017		
Common stock, par value $0.01 per share; authorized 30,000,000 shares issued and outstanding, - 1,309,726 shares at March 31, 2018 and - 709,726 shares at December 31, 2017	13	7
Additional paid-in-capital	14,460	10,317
Retained deficit	(2,547)	(2,446)
Unearned Employee Stock Ownership Plan (ESOP) shares	(419)	(435)
Accumulated other comprehensive income	(138)	(111)
Total equity	10,369	7,332
Total liabilities and stockholders' equity	$ 101,514	$ 101,166

BEN FRANKLIN FINANCIAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands except per share amounts)
(Unaudited)

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Interest income		
Loans	$ 990	$ 798
Securities	21	33
Federal funds sold and interest earning deposit accounts	67	21
	1,078	852
Interest expense		
Deposits	167	95
Federal Home Loan Bank advances	18	9
	185	104
Net interest income	893	748
Provision for loan losses	17	62
Net interest income after provision for loan losses	876	686
Non-interest income		
Service fee income	13	16
Other	4	12
	17	28
Non-interest expense		
Compensation and employee benefits	496	499
Occupancy and equipment	175	180
Data processing	77	76
Professional fees	100	142
FDIC insurance premiums	41	33
Repossessed asset expenses, net	11	21
Other	94	168
	994	1,119
Loss before income taxes	(101)	(405)
Income tax benefit	-	12
Net loss	$ (101)	$ (393)
Weighted average common shares outstanding	1,079,674	672,822
Loss per common share, basis and diluted	(0.09)	(0.58)

	For the Three Months Ended March 31,	
	2018	2017
Selected Financial Ratios:		
Performance Ratios [1]:		
Return on assets (ratio of net loss to average total assets)	(0.40)%	(1.80)%
Return on equity (ratio of net loss to average equity)	(4.00)%	(19.20)%
Interest rate spread [2]	3.48%	3.47%
Net interest margin [3]	3.60%	3.55%
Efficiency ratio [4]	109.11%	144.20%
Non-interest expense to average total assets	3.88%	5.12%
Average interest-earning assets to average interest-bearing liabilities	115.78%	115.15%
Loans to deposits	91.80%	88.18%
Average equity to average total assets	9.79%	9.30%

	At March 31 2018	At December 31 2017
Asset Quality Ratios:		
Non-performing loans to gross loans	0.00%	0.71%
Non-performing assets to total assets	1.32%	1.29%
Allowance for loan losses to non-performing loans	2,373.17%	162.52%
Allowance for loan losses to total loans	1.24%	1.26%
Capital Ratios:		
Equity to total assets at end of period	11.20%	7.25%
Total capital (to risk-weighted assets) [5]	16.63%	11.06%
Common equity Tier I capital (to risk-weighted assets) [5]	15.38%	9.81%
Tier I capital (to risk-weighted assets) [5]	15.38%	9.81%
Tier I capital (to total adjusted assets) [5]	10.19%	6.59%

(1) All ratios are expressed as percentages.
(2) The interest rate spread represents the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities for the period.
(3) The net interest margin represents net interest income as a percent of average interest-earning assets for the period.
(4) The efficiency ratio represents noninterest expense divided by the sum of net interest income and noninterest income excluding net gains (losses) on the sale of other assets.
(5) Capital ratios are for Ben Franklin Bank only.

On January 31, 2018, the Ben Franklin Financial, Inc. (the "Company") entered into securities purchase agreements with various purchasers under which it issued and sold a total of 600,000 shares of its common stock. The offering resulted in gross proceeds of $4.5 million, and commissions and other costs associated with the offering totaling $366,000. On January 31, 2018, the Company made a capital contribution to Ben Franklin Bank of Illinois (the "Bank") of $4.0 million to enable the Bank to comply with the capital requirements of the Consent Order (the "Consent Order") with the Office of the Comptroller of the Currency.

The Company deregistered with the Securities and Exchange Commission in February 2018, which is expected to reduce our operating costs beginning in 2018.

Total assets for the Company at March 31, 2018 were $101.5 million, an increase of $348,000 or 0.3% compared to the balance at December 31, 2017. The largest changes in assets included the $2.4 million increase in our net loan portfolio balance and the $590,000 increase the balance of our repossessed assets, which were largely offset by the $2.6 million decrease in the balance of our cash and cash equivalents. Our customer deposit balances decreased

$3.5 million primarily due to the $3.2 million decrease in the balance of our certificate of deposit accounts. The decrease in our certificate of deposit accounts was primarily due to the restrictions on interest rates we are allowed to offer on such products as a result of the Consent Order. Because we are not in compliance with the Consent Order, we are prohibited from paying interest rates that are higher than 75 basis points above the national rate published by the FDIC.

Our net loss for the three months ended March 31, 2018 was $101,000 compared to the net loss of $393,000 for the three months ended March 31, 2017. The decrease in our net loss was primarily due to the $145,000 increase in our net interest income, the $125,000 decrease in our non-interest expense, and the $45,000 decrease in our provision for loan losses, partially offset by the $11,000 decrease in our non-interest income.

The increase in our net interest income was primarily due to the $192,000 increase in our interest income from loans as the average balance of our loan portfolio increased $9.0 million for the three months ended March 31, 2018 compared to the prior year period, and from the $48,000 recovery of interest from a foreclosed property transferred to other real estate owned during the first quarter of 2018. The increase in our average loan portfolio was largely due to the $7.4 million increase in the average balance of our multi-family and commercial real estate portfolio and the $1.7 million increase in the average balance of our one-to-four family residential loans. Our interest expense increased $81,000 primarily due to the $12.1 million increase in the average balance of our certificate of deposit balances and the 37 basis point increase in the cost of our certificate of deposit accounts for the three months ended March 31, 2018 compared to the prior year period. Our net interest margin was 3.60% for the three months ended March 31, 2018 compared to 3.55% for the prior year period.

Our non-interest expense decreased $125,000 or 11.2% for the three months ended March 31, 2018 compare to the prior year period. Our professional fees decreased $42,000 primarily due to the $28,000 decrease in legal fees and the $14,000 decrease in audit and accounting fees. Other non-interest expense decreased $74,000 primarily due to the $41,000 decrease in problem asset costs and the $19,000 decrease in our provision for off-balance sheet commitments.

For a discussion of risks that may affect our financial condition and results of operations, see the factors discussed in our annual report for the year ended December 31, 2017, under the heading “Forward-Looking Statements”. These and other risk factors not presently known to us, or that we currently deem immaterial, could adversely affect our future results and prevent us from successfully implementing our strategic growth plan.