Ben Franklin Financial, Inc.
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Financial Report At and For the Nine Months Ended September 30, 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 September 30, 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)

	September 30, 2018	December 31, 2017
ASSETS		
Cash and due from banks	$ 775	$ 924
Interest-earning deposit accounts and federal funds sold	10,473	17,043
Cash and cash equivalents	11,248	17,967
Certificates of deposit in other financial institutions	-	245
Securities available-for-sale	5,551	5,691
Loans receivable, net of allowance for loan losses of $888 at September 30, 2018 and $954 at December 31, 2017	74,672	74,910
Federal Home Loan Bank stock	212	188
Premises and equipment, net	893	1,019
Repossessed assets	1,254	714
Accrued interest receivable	252	236
Other assets	175	196
Total assets	$ 94,257	$ 101,166
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits		
Non-interest-bearing	$ 5,351	$ 5,308
Interest bearing	72,984	83,516
Total deposits	78,335	88,824
Federal Home Loan Bank Advances	4,000	4,000
Advances from borrowers for taxes and insurance	301	641
Other liabilities	299	369
Total liabilities	82,935	93,834
Stockholders' equity		
Preferred stock, no par value; authorized 1,000,000 no shares issued and outstanding September 30, 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 September 30, 2018 and - 709,726 shares at December 31, 2017	13	7
Additional paid-in-capital	14,488	10,317
Retained deficit	(2,656)	(2,446)
Unearned Employee Stock Ownership Plan shares	(387)	(435)
Accumulated other comprehensive income	(136)	(111)
Total equity	11,322	7,332
Total liabilities and stockholders' equity	$ 94,257	$ 101,166

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Interest income				
Loans	$ 981	$ 924	$ 2,963	$ 2,589
Securities	22	23	64	85
Federal funds sold and interest earning deposit accounts	59	34	178	77
	1,062	981	3,205	2,751
Interest expense				
Deposits	165	142	491	347
Federal Home Loan Bank advances	18	16	53	34
	183	158	544	381
Net interest income	879	823	2,661	2,370
Provision (credit) for loan losses	(30)	18	(78)	128
Net interest income after provision (credit) for loan losses	909	805	2,739	2,242
Non-interest income				
Service fee income	13	14	39	42
Loss on sale of securities available for sale	-	6	-	-
Gain (loss) on sale of repossessed assets	-	(20)	-	(17)
Other	9	19	24	48
	22	19	63	77
Non-interest expense				
Compensation and employee benefits	497	506	1,500	1,518
Occupancy and equipment	171	170	522	529
Data processing	75	72	227	221
Professional fees	74	148	276	405
FDIC insurance premiums	35	37	110	105
Repossessed asset expenses, net	7	9	87	66
Other	99	98	290	384
	958	1,040	3,012	3,228
Loss before income taxes	(27)	(216)	(210)	(909)
Income tax benefit	-	-	-	(43)
Net loss	$ (27)	$ (216)	$ (210)	$ (866)
Weighted average common shares outstanding	1,281,256	678,395	1,214,535	676,293
Loss per common share, basis and diluted	(0.02)	(0.32)	(0.17)	(2.28)

	For the Nine Months Ended September 30,	
	2018	2017
Selected Financial Ratios:		
Performance Ratios [1]:		
Return on assets (ratio of net loss to average total assets)	(0.28)%	(1.27)%
Return on equity (ratio of net loss to average equity)	(2.56)%	(14.68)%
Interest rate spread [2]	3.58%	3.50%
Net interest margin [3]	3.71%	3.58%
Efficiency ratio [4]	110.57%	131.01%
Non-interest expense to average total assets	6.08%	4.69%
Average interest-earning assets to average interest-bearing liabilities	116.85%	113.83%
Loans to deposits	96.46%	87.15%
Average equity to average total assets	11.03%	8.59%

	At September 30 2018	At December 31 2017
Asset Quality Ratios:		
Non-performing loans to gross loans	0.00%	0.71%
Non-performing assets to total assets	1.37%	1.29%
Allowance for loan losses to non-performing loans	2,690.91%	162.52%
Allowance for loan losses to total loans	1.18%	1.26%
Capital Ratios:		
Equity to total assets at end of period	12.01%	7.25%
Total capital (to risk-weighted assets) [5]	16.86%	11.06%
Common equity Tier I capital (to risk-weighted assets) [5]	15.61%	9.81%
Tier I capital (to risk-weighted assets) [5]	15.61%	9.81%
Tier I capital (to total adjusted assets) [5]	10.81%	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 assets.
(5) Capital ratios are for Ben Franklin Bank only.

On January 31, 2018, 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 at $7.50 per share. The offering resulted in gross proceeds of $4.5 million, and commissions and other costs associated with the offering totaling $366,000. The offering and sale of the shares was not registered with the Securities and Exchange Commission. 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 dated November 25, 2015.

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 September 30, 2018 were $94.3 million, a decrease of $7.0 million or 6.8% compared to the balance at December 31, 2017. The largest changes in assets included the $6.7 million decrease in our cash and cash equivalents, partially offset by the $540,000 increase in the balance of our repossessed assets. Our deposit balances decreased $10.5 million or 11.8% primarily driven by the $9.1 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 compared to the higher rates offered in our local market. Because the Consent Order requires us to maintain certain capital levels, 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 nine months ended September 30, 2018 was $210,000 compared to the net loss of $866,000 for the nine months ended September 30, 2017. The decrease in our net loss was primarily due to the $291,000 increase in our net interest income, the $206,000 decrease in our provision for loan losses, and the $216,000 decrease in our non-interest expense, partially offset by the $14,000 decrease in our non-interest income.

The increase in our net interest income was primarily due to the $374,000 increase in our interest income from loans as the average balance of our loan portfolio increased $4.7 million for the nine months ended September 30, 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 $5.3 million increase in the average balance of our multi-family and commercial real estate portfolio and the $626,000 increase in the average balance of our commercial business loans, partially offset by the $397,000 decrease in our home equity lines-of-credit. The yield of our loan portfolio for the nine months ended September 30, 2018 was 5.24% compared to 4.89% for the prior year period. Our interest income from federal funds sold and other interest earning deposit accounts increased $101,000 for the nine months ended September 30, 2018 compared to the prior year period, primarily due to the $4.2 million increase in the average balance and the 64 basis point increase in the yield compared to the prior year period. Our interest expense increased $163,000 primarily due to the $4.0 million increase in the average balance of our certificate of deposit balances and the 30 basis point increase in the cost of our certificate of deposit accounts for the nine months ended September 30, 2018 compared to the prior year period. Our net interest margin was 3.71% for the nine months ended September 30, 2018 compared to 3.57% for the prior year period. If we are unable to achieve growth in our earning assets, then our net interest income may decrease.

Our non-interest expense decreased $216,000 or 6.7% for the nine months ended September 30, 2018 compared to the prior year period. Our professional fees decreased $129,000 primarily due to the $74,000 decrease in legal fees and the $38,000 decrease in audit and accounting fees. Other non-interest expense decreased $94,000 primarily due to the $57,000 decrease in problem loan costs and the $15,000 decrease in our marketing costs. Repossessed asset costs increased $21,000 primarily due to the $50,000 write down of a repossessed residential property during the nine months ended September 30, 2018. 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.