



April 26, 2012

Dear Stockholder:

We cordially invite you to attend the Annual Meeting of Stockholders of Ben Franklin Financial, Inc., the parent company of Ben Franklin Bank of Illinois. The Annual Meeting will be held at our main office, located at 830 East Kensington Road, Arlington Heights, Illinois at 10:00 a.m. (Central Time) on May 23, 2012.

The enclosed Notice of Annual Meeting and Proxy Statement describe the formal business to be transacted. During the Annual Meeting we will also report on the operations of Ben Franklin Financial, Inc. Our directors and officers will be present to respond to any questions that stockholders may have.

The business to be conducted at the Annual Meeting includes the election of two directors and the ratification of the appointment of Crowe Horwath LLP as the independent auditors for the year ending December 31, 2012.

Our Board of Directors has determined that the election of each of the nominees and the ratification of the appointment of our independent auditors are in the best interests of Ben Franklin Financial, Inc. and its stockholders. For the reasons set forth in the Proxy Statement, the Board of Directors unanimously recommends a vote "FOR" the election of each of the nominees and the ratification of the appointment of our independent auditors.

Also enclosed for your review is our Annual Report for the year ended December 31, 2011, which contains detailed information concerning our activities and operating performance. On behalf of the Board of Directors, please take a moment now to complete, sign, date and return the proxy card in the postage-paid envelope provided. Voting in advance of the Annual Meeting will not prevent you from voting in person, but will assure that your vote is counted if you are unable to attend the Annual Meeting.

Sincerely,

A handwritten signature in cursive script that reads 'C. Steven Sjogren'.

C. Steven Sjogren  
Chairman of the Board,  
President and Chief Executive Officer



**BEN FRANKLIN FINANCIAL, INC.**  
830 East Kensington Road  
Arlington Heights, Illinois 60004  
(847) 398-0990

**NOTICE OF  
2012 ANNUAL MEETING OF STOCKHOLDERS**  
To Be Held On May 23, 2012

Notice is hereby given that the 2012 Annual Meeting of Stockholders of Ben Franklin Financial, Inc. (the "Meeting") will be held at our main office, located at 830 East Kensington Road, Arlington Heights, Illinois at 10:00 a.m. (Central Time) on May 23, 2012.

A Proxy Card and a Proxy Statement for the Meeting are enclosed.

The Meeting is for the purpose of considering and acting upon:

1. The election of two directors of Ben Franklin Financial, Inc.;
2. The ratification of the appointment of Crowe Horwath LLP as the independent auditors for Ben Franklin Financial, Inc. for the year ending December 31, 2012; and

such other matters as may properly come before the Meeting, or any adjournments thereof. The Board of Directors is not aware of any other business to come before the Meeting.

Any action may be taken on the foregoing proposals at the Meeting on the date specified above, or on any date or dates to which the Meeting may be adjourned. Stockholders of record at the close of business on March 30, 2012 are the stockholders entitled to vote at the Meeting, and any adjournments thereof.

EVEN IF YOU DO PLAN TO ATTEND THE MEETING, YOU MAY CHOOSE TO VOTE YOUR SHARES BY SIGNING, DATING AND RETURNING THE ENCLOSED PROXY CARD WITHOUT DELAY IN THE ENCLOSED POSTAGE-PAID ENVELOPE. ANY PROXY THAT YOU GIVE MAY BE REVOKED AT ANY TIME BEFORE IT IS EXERCISED. YOU MAY REVOKE A PROXY BY FILING WITH THE SECRETARY OF BEN FRANKLIN FINANCIAL, INC. A WRITTEN REVOCATION OR A DULY EXECUTED PROXY BEARING A LATER DATE. IF YOU ATTEND THE MEETING YOU MAY REVOKE YOUR PROXY AND VOTE PERSONALLY ON EACH MATTER BROUGHT BEFORE THE MEETING. HOWEVER, IF YOUR SHARES ARE NOT REGISTERED IN YOUR NAME, YOU WILL NEED ADDITIONAL DOCUMENTATION FROM THE RECORD HOLDER TO VOTE PERSONALLY AT THE MEETING.

Our Proxy Statement, 2011 Annual Report and Proxy Card are available at <http://www.benfrankbank.com>.

By Order of the Board of Directors



Bernadine V. Dziedzic  
Corporate Secretary

Arlington Heights, Illinois  
April 26, 2012

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**A SELF-ADDRESSED ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE. NO POSTAGE IS REQUIRED IF MAILED WITHIN THE UNITED STATES.**

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# Proxy Statement

## BEN FRANKLIN FINANCIAL, INC.

830 East Kensington Road  
Arlington Heights, Illinois 60004  
(847) 398-0990

## 2012 ANNUAL MEETING OF STOCKHOLDERS

May 23, 2012

This Proxy Statement is furnished in connection with the solicitation of proxies on behalf of the Board of Directors of Ben Franklin Financial, Inc. to be used at our Annual Meeting of Stockholders of Ben Franklin Financial, Inc., which will be held at our main office, located at 830 East Kensington Road, Arlington Heights, Illinois at 10:00 a.m. (Central Time) on May 23, 2012, and all adjournments of the annual meeting. The accompanying Notice of Annual Meeting of Stockholders and this Proxy Statement are first being mailed to stockholders on or about April 26, 2012.

### REVOCATION OF PROXIES

Stockholders who execute proxies in the form solicited hereby retain the right to revoke them in the manner described below. Unless so revoked, the shares represented by such proxies will be voted at the annual meeting and all adjournments thereof. Proxies solicited on behalf of our Board of Directors will be voted in accordance with the directions given thereon. **You may vote by signing and returning your Proxy Card to Ben Franklin Financial, Inc. Proxies received by Ben Franklin Financial, Inc. that are signed, but contain no instructions for voting, will be voted "FOR" the proposals set forth in this Proxy Statement for consideration at the annual meeting.**

Proxies may be revoked by sending written notice of revocation to the Secretary of Ben Franklin Financial, Inc., Bernadine V. Dziedzic, at the address shown above, by returning a duly executed proxy bearing a later date by mail, as described on your Proxy Card or voting in person at the annual meeting. The presence at the annual meeting of any stockholder who had given a proxy shall not revoke such proxy unless the record stockholder delivers his or her ballot in person at the annual meeting or delivers a written revocation to the Secretary of Ben Franklin Financial, Inc. prior to the voting of such proxy.

### VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Holders of record of our shares of common stock, par value \$0.01 per share, as of the close of business on March 30, 2012 are entitled to one vote for each share then held. As of March 30, 2012, there were 1,949,956 shares of common stock issued and outstanding. The presence in person or by proxy of a majority of the outstanding shares of common stock entitled to vote is necessary to constitute a quorum at the annual meeting. Abstentions and broker non-votes will be counted for purposes of determining that a quorum is present.

As to the election of directors, the Proxy Card being provided by the Board of Directors enables a stockholder to vote FOR ALL NOMINEES proposed by the Board, to WITHHOLD AUTHORITY FOR ALL NOMINEES or to vote FOR ALL EXCEPT one or more of the nominees being proposed. Directors are elected by a plurality of votes cast, without regard to either broker non-votes, or proxies as to which the authority to vote for the nominees being proposed is withheld.

As to the ratification of the appointment of Crowe Horwath LLP as our independent auditors, by checking the appropriate box, a stockholder may: (i) vote FOR the ratification; (ii) vote AGAINST the ratification; or (iii) ABSTAIN from voting on such ratification. The affirmative vote of a majority of the shares represented at the annual meeting and entitled to vote is required for the ratification of Crowe Horwath LLP as the independent auditors for the year ending December 31, 2012 without regard to broker non-votes or proxies marked ABSTAIN.

If you participate in the Ben Franklin Bank of Illinois Employee Stock Ownership Plan (the “ESOP”), you will receive a vote authorization form for the plan so that you can direct the trustees to vote the shares in your account on your behalf under the plan. Under the terms of the ESOP, the ESOP trustee votes all shares held by the ESOP, but each ESOP participant may direct the trustee how to vote the shares of common stock allocated to his or her account. The ESOP trustee, subject to the exercise of its fiduciary responsibilities, will vote shares for which no voting instructions are received, for which participants have elected to “abstain” or for which instructions were not timely received, in the same proportion as shares for which voting instructions were received. The ESOP trustee will also vote all unallocated shares of Ben Franklin Financial, Inc. common stock held by the ESOP in the same proportion as shares for which it has received timely voting instructions. The deadline for returning your ESOP voting instructions is May 16, 2012.

Our management anticipates that Ben Franklin Financial, MHC, our majority stockholder, will vote all of its shares in favor of all the matters set forth above. If Ben Franklin Financial, MHC votes all of its shares in favor of each proposal, the approval of each proposal would be assured.

The following table sets forth, as of March 30, 2012, the shares of our common stock beneficially owned by each person known to us who was the beneficial owner of more than 5% of the outstanding shares of our common stock.

<u>Name and Address of Beneficial Owners</u>	<u>Amount of Shares Owned and Nature of Beneficial Ownership<sup>(1)</sup></u>	<u>Percent of Shares of Common Stock Outstanding</u>
Ben Franklin Financial, MHC 830 East Kensington Road Arlington Heights, Illinois 60004	1,091,062	56.0%
Ben Franklin Financial, MHC, and all of our Directors and Executive Officers as a group (8 Directors and Officers) <sup>(2)</sup>	1,301,185	64.6%

- (1) A person is deemed to be the beneficial owner for purposes of this table, of any shares of common stock if he has shared voting or investment power with respect to such security, or has a right to acquire beneficial ownership at any time within 60 days from the date as of which beneficial ownership is being determined. As used herein, “voting power” is the power to vote or direct the voting of shares and “investment power” is the power to dispose or direct the disposition of shares, and includes all shares held directly as well as by spouses and minor children, in trust and other indirect ownership, over which shares the named individuals effectively exercise sole or shared voting or investment power.
- (2) Includes shares of common stock held by Ben Franklin Financial, MHC, of which our executive officers and directors are also executive officers and directors. Excluding shares of common stock held by Ben Franklin Financial, MHC, our executive officers and directors owned 210,123 shares of common stock, or 10.4% of the outstanding shares. This total does not include unallocated shares held by our employee stock ownership plan as of the record date. These shares are voted by the Trustee in the same proportion as the allocated shares are voted by the employee stock ownership plan participants.

## **PROPOSAL I — ELECTION OF DIRECTORS**

Our Board of Directors currently consists of five members. Our bylaws provide that approximately one-third of the directors are to be elected annually. Our directors are generally elected to serve for a three-year period, or a shorter period if the director is elected to fill a vacancy, and until their respective successors shall have been elected and shall qualify. Two directors will be elected at the annual meeting and will serve until their successors have been elected and qualified. The Governance/Nominating Committee has nominated James Reninger and C. Steven Sjogren to serve as directors for three-year terms. Messrs. Reninger and Sjogren are currently members of the Board of Directors.

The table below sets forth certain information regarding the composition of our Board of Directors as of March 30, 2012, including the terms of office of Board members. It is intended that the proxies solicited on behalf of the Board of Directors (other than proxies in which the vote is withheld as to the nominee) will be voted at the annual meeting for the election of the nominees identified below. If the nominees are unable to serve, the shares represented by all such proxies will be voted for the election of such substitute as the Board of Directors may recommend. At this time, the Board of Directors knows of no reason why the nominees might be unable to serve, if

elected. Except as indicated herein, there are no arrangements or understandings between the nominees and any other person pursuant to which such nominees were selected.

<u>Name<sup>(1)</sup></u>	<u>Age<sup>(2)</sup></u>	<u>Positions Held in Ben Franklin Financial, Inc.</u>	<u>Director Since<sup>(3)</sup></u>	<u>Current Term to Expire</u>	<u>Shares of Common Stock Beneficially Owned<sup>(4)</sup></u>	<u>Percent of Class</u>
<b>NOMINEES</b>						
James M. Reninger	66	Director	2001	2012	19,303 <sup>(5)</sup>	*
C. Steven Sjogren	66	Chairman of the Board, President and Chief Executive Officer	2001	2012	67,665 <sup>(6)</sup>	3.4
<b>DIRECTORS CONTINUING IN OFFICE</b>						
Bernadine V. Dziedzic	72	Director and Corporate Secretary	1998	2013	18,558 <sup>(7)</sup>	*
Nicholas J. Raino	79	Director	2001	2013	16,832 <sup>(8)</sup>	*
Robert E. DeCelles	79	Director	1996	2014	18,332 <sup>(9)</sup>	*
<b>EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS</b>						
Glen A. Miller	54	Vice President and Chief Financial Officer	N/A	N/A	25,513 <sup>(10)</sup>	1.3
Robin L. Jenkins	57	Senior Vice President and Chief Lending Officer	N/A	N/A	24,381 <sup>(11)</sup>	1.2
Angie Plesiotis	47	Vice President and Chief Operations Officer	N/A	N/A	19,539 <sup>(12)</sup>	1.0

\* Less than 1%.

(1) The mailing address for each person listed is 830 East Kensington Road, Arlington Heights, Illinois 60004.

(2) As of April 1, 2012.

(3) Reflects initial appointment to the Board of Directors of Ben Franklin Bank of Illinois. Each director of Ben Franklin Financial, Inc. is also a director of Ben Franklin Financial, MHC, which owns the majority of the issued and outstanding shares of common stock.

(4) See definition of "beneficial ownership" in the table in "Voting Securities and Principal Holders Thereof."

(5) Includes 1,166 vested shares and 778 unvested shares of restricted stock, 252 shares held by Mr. Reninger's spouse, 1,000 shares held by Mr. Reninger's accounting firm, for which he is a partner, 10,500 shares held by the accounting firm's benefit plan and 3,888 shares that can be acquired pursuant to stock options within 60 days of March 30, 2012.

(6) Includes 5,820 vested shares and 3,880 unvested shares of restricted stock, 3,299 shares held in the Ben Franklin Bank of Illinois ESOP, 10,000 shares held in Mr. Sjogren's trust, 1,900 shares held in Mr. Sjogren's individual retirement account, 10,000 shares held by Mr. Sjogren's spouse's trust and 19,200 shares that can be acquired pursuant to stock options within 60 days of March 30, 2012.

(7) Includes 1,500 vested shares and 1,000 unvested shares of restricted stock, 1,018 shares held in the Ben Franklin Bank of Illinois ESOP and 5,040 shares that can be acquired pursuant to stock options within 60 days of March 30, 2012.

(8) Includes 1,166 vested shares and 778 unvested shares of restricted stock, 10,000 shares are held in Mr. Raino's trust and 3,888 shares that can be acquired pursuant to stock options within 60 days of March 30, 2012.

(9) Includes 1,166 vested shares and 778 unvested shares of restricted stock, 10,000 shares held in Mr. DeCelles' trust, 2,500 shares held in Mr. DeCelles' spouse's trust and 3,888 shares that can be acquired pursuant to stock options within 60 days of March 30, 2012.

(10) Includes 4,080 vested shares and 2,720 unvested shares of restricted stock, 2,113 shares held in the Ben Franklin Bank of Illinois ESOP, 3,000 shares held in Mr. Miller's individual retirement account and 13,600 shares that can be acquired pursuant to stock options within 60 days of March 30, 2012.

(11) Includes 2,100 vested shares and 1,400 unvested shares of restricted stock, 2,294 shares held in the Ben Franklin Bank of Illinois ESOP, 9,787 shares held in Mr. Jenkins' individual retirement account and 8,800 shares that can be acquired pursuant to stock options within 60 days of March 30, 2012.

(12) Includes 1,980 vested and 1,320 unvested shares of restricted stock, 1,677 shares held in the Ben Franklin Bank of Illinois ESOP, 5,905 shares held in Ms. Plesiotis' individual retirement account and 7,200 shares that can be acquired pursuant to stock options within 60 days of March 30, 2012.

## **Directors**

The principal occupation during the past five years of each of our directors is set forth below. All directors have held their present positions for five years unless otherwise stated.

*C. Steven Sjogren* has been the Chairman, President and Chief Executive Officer of Ben Franklin Bank of Illinois since 2002. Mr. Sjogren has extensive banking experience and served as President and Chief Executive Officer of HomeBanc, Rockford, Illinois from 1981 until 1998 and Regional President of FirstStar Bank until 2000.

*Robert E. DeCelles* is currently retired. He was a senior property supervisor with Community Specialist, Inc. from 2002 to 2006. He was employed in the real estate management and development industries for most of his career. From 1999 to 2002, Mr. DeCelles was the President and Chief Executive Officer of Ben Franklin Bank of Illinois. Mr. DeCelles currently serves as Trustee of the S.E.I.U. Local No. 1 Welfare and Pension Fund.

*Bernadine V. Dziedzic* is currently the compliance officer and corporate secretary for Ben Franklin Bank of Illinois. She has been with Ben Franklin Bank of Illinois since 1998.

*Nicholas J. Raino* is currently retired. He was Chairman of the Board of Dale, Smith & Associates, an advertising and marketing firm specializing in financial institutions since 1972. Mr. Raino has served on the boards of three other depository institutions, two of which were publicly traded (Craig Financial Corp. and Damen Financial Corp.)

*James M. Reninger* has been an owner of Whitfield & Reninger, Ltd., a public accounting firm located in Arlington Heights since 1996. He is a certified public accountant with over 30 years experience.

## **Executive Officers who are not Directors**

The principal occupation during the past five years of each of our executive officers (other than Mr. Sjogren) is set forth below. All executive officers have held their present positions for five years unless otherwise stated.

*Glen A. Miller* has been the Vice President and Chief Financial Officer of Ben Franklin Bank of Illinois since 2001. Previously, he was the Assistant Vice President, Financial Reporting and Analysis with Liberty Federal Bank, located in Hinsdale, Illinois from 1997 to 2001.

*Robin L. Jenkins* has been the Senior Vice President and Chief Lending Officer of Ben Franklin Bank of Illinois since 2006. Prior to joining Ben Franklin Bank of Illinois, he was Vice President of Mortgage Banking for Norstates Bank.

*Angie Plesiotis* has been the Chief Operations Officer and Vice President of Ben Franklin Bank of Illinois since 2000. Previously, she was Assistant Vice President and Branch Manager at St. Paul Federal Bank.

## **Board Independence**

The Board of Directors has determined that as of the date of this proxy statement, Directors DeCelles, Raino and Reninger are each "independent" within the meaning of the Nasdaq Stock Market corporate governance listing standards. Mr. Sjogren and Ms. Dziedzic are not independent by virtue of their being employees of Ben Franklin Bank of Illinois.

## **Meetings and Committees of the Board of Directors**

The business of Ben Franklin Financial, Inc. is conducted at regular and special meetings of the full Board and its standing committees. The standing committees consist of the Audit, Nominating and Compensation Committees. During the year ended December 31, 2011, the Board of Directors met at 12 regular meetings and one special meeting. No member of the Board or any committee thereof attended fewer than 75% of the aggregate of: (i)



the total number of meetings of the board of directors (held during the period for which he or she has been a director); and (ii) the total number of meetings held by all committees of the board on which he or she served (during the periods that he or she served).

### **Audit Committee**

The Audit Committee consists of Directors Reninger (Chairman), DeCelles, and Raino. Each member of the Audit Committee is “independent” as defined in the Nasdaq Stock Market corporate governance listing standards and under Securities and Exchange Commission Rule 10A-3. The Board of Directors has determined that director Reninger qualifies as an “audit committee financial expert” as that term is used in the rules and regulations of the Securities and Exchange Commission. Our Board of Directors has adopted a written charter for the Audit Committee, which is available on our website at [www.benfrankbank.com](http://www.benfrankbank.com).

### **Audit Committee Report**

Our management is primarily responsible for our financial reporting and internal and disclosure controls. However, the Audit Committee is responsible for the relationship between our independent auditors and us. The Audit Committee also receives reports with respect to our financial reporting, internal control over financial reporting and disclosure controls. In addition, the Audit Committee reviews our unaudited interim financial statements and audited year-end financial statements. Finally, the Audit Committee maintains a procedure for confidential employee complaints regarding accounting matters.

The Audit Committee met four times during the year ended December 31, 2011. During these and subsequent meetings:

- Management represented to the Audit Committee that our consolidated financial statements for the year ended December 31, 2011 were prepared in accordance with accounting principles generally accepted in the United States of America;
- The Audit Committee reviewed and discussed such consolidated financial statements with management and the independent auditors;
- The Audit Committee discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 114, including the quality (not just the acceptability) of the relevant accounting principles, the reasonableness of the significant judgments, and the clarity of the included disclosures; and
- The Audit Committee met with the independent auditors to discuss the results of its audit and the overall quality of our financial reporting.

In performing these functions, the Audit Committee acted only in an oversight capacity. In this oversight role, the Audit Committee relied on the work and assurances of our management, which has the primary responsibility for financial statements and reports, and on the independent auditors which, in its report, expressed an unqualified opinion on our financial statements. The Audit Committee’s oversight did not provide it with an independent basis to determine whether management utilized appropriate accounting and financial accounting standards and complied with applicable laws and regulations. Furthermore, the Audit Committee’s review and discussions with management and the independent auditors did not assure that our financial statements were audited in accordance with U.S. generally accepted auditing standards or that our independent auditors was in fact “independent.”

In reliance on the above, the Audit Committee recommended to the Board of Directors, and the board has approved, that the audited consolidated financial statements be included in our Annual Report for the year ended December 31, 2011. The Audit Committee and the Board of Directors also have approved, subject to stockholder ratification, the selection of Crowe Horwath LLP as our independent auditors for the year ending December 31, 2012.

This report has been provided by the Audit Committee, which consists of Directors Reninger, DeCelles and Raino.

### **Governance/Nominating Committee**

The Governance/Nominating Committee consists of Directors Raino (Chairman) and DeCelles. Each member of the Governance/Nominating Committee is considered “independent” as defined in the Nasdaq Stock Market corporate governance listing standards. Our Board of Directors has adopted a written charter for the Governance/Nominating Committee, which is available on our website at [www.benfrankbank.com](http://www.benfrankbank.com). The Governance/Nominating Committee met one time during the year ended December 31, 2011.

The functions of the Governance/Nominating Committee include the following:

- identifying individuals qualified to become members of the Board of Directors and selecting director nominees to be presented for stockholder approval;
- developing and recommending to the Board of Directors standards for the selection of individuals to be considered for election or re-election to the Board of Directors;
- adopting procedures and considering the submission of recommendations by stockholders for nominees for election to the Board of Directors;
- reviewing the structure and performance of the Board of Directors and its committees and making recommendations with respect to the Board of Directors and its committees, including size and composition; and
- making recommendations regarding developing corporate governance guidelines.

The Governance/Nominating Committee begins the nominee identification process by evaluating the current members of the Board of Directors willing to continue in service. Current members of the Board with skills and experience that are relevant to our business and who are willing to continue in service are first considered for re-nomination, balancing the value of continuity of service by existing members of the Board with that of obtaining a new perspective. Thus, under some circumstances, the Governance/Nominating Committee may choose not to consider an unsolicited recommendation.

If any member of the Board does not wish to continue in service, or if the Governance/Nominating Committee or the Board decides not to re-nominate a member for re-election, or if the size of the Board is increased, the Committee would solicit suggestions for director candidates from all Board members. In addition, the Governance/Nominating Committee is authorized by its charter to engage a third party to assist in the identification of director nominees. In considering director candidates, the Committee will seek persons who, at a minimum, satisfy the following criteria:

- the highest personal and professional ethics and integrity and whose values are compatible with our values;
- experience and achievements that have given them the ability to exercise and develop good business judgment;
- a willingness to devote the necessary time to the work of the Board and its committees, which includes being available for Board and committee meetings;
- a familiarity with the communities in which we operate and/or is actively engaged in community activities;

- involvement in other activities or interests that do not create a conflict with their responsibilities to Ben Franklin Financial, Inc. and its stockholders; and
- the capacity and desire to represent the balanced, best interests of our stockholders as a group, and not primarily a special interest group or constituency.

The Governance/Nominating Committee will also take into account whether a candidate satisfies the criteria for “independence” under the Nasdaq Stock Market corporate governance listing standards. Although the Governance/Nominating Committee and the Board do not have a formal policy with regard to the consideration of diversity in identifying a director nominee, diversity is considered in the identification process. While attributes such as relevant experience, financial acumen, and formal education are always considered in the identification process, the Governance/Nominating Committee and the Board will also evaluate a potential director nominee’s personal character, community involvement, and willingness to serve so that he or she can help further our role as a community-based financial institution.

*Procedures for the Recommendation of Director Nominees by Stockholders.* The Governance/Nominating Committee has adopted procedures for the submission of director nominees by stockholders. If a determination is made that an additional candidate is needed for the Board of Directors, the Governance/Nominating Committee will consider candidates submitted by our stockholders. Stockholders can submit the names of qualified candidates for Director by writing to us at 830 East Kensington Road, Arlington Heights, Illinois 60004, Attention: Chairman, Governance/Nominating Committee. The Chairman must receive a submission not less than one hundred and twenty (120) days prior to the date of our proxy materials for the preceding year’s annual meeting.

The submission must include the following information:

- a statement that the writer is a stockholder and is proposing a candidate for consideration by the Committee;
- the name and address of the stockholder as they appear on our books, and number of shares of our common stock that are owned beneficially by such stockholder (if the stockholder is not a holder of record, appropriate evidence of the stockholder’s ownership will be required);
- the name, address and contact information for the candidate, and the number of shares of our common stock that are owned by the candidate (if the candidate is not a holder of record, appropriate evidence of the stockholder’s ownership should be provided);
- a statement of the candidate’s business and educational experience;
- such other information regarding the candidate as would be required to be included in the proxy statement pursuant to Securities and Exchange Commission Regulation 14A;
- a statement detailing any relationship between the candidate and any customer, supplier or competitor of Ben Franklin Financial, Inc. or its affiliates;
- detailed information about any relationship or understanding between the proposing stockholder and the candidate; and
- a statement of the candidate that the candidate is willing to be considered and willing to serve as a Director if nominated and elected.

A nomination submitted by a stockholder for presentation by the stockholder at an annual meeting of stockholders must comply with the procedural and informational requirements described in our Bylaws.

*Stockholder Communications with the Board.* A stockholder of Ben Franklin Financial, Inc. who wants to communicate with the Board of Directors or with any individual director can write to us at 830 East Kensington

Road, Arlington Heights, Illinois 60004, Attention: Chairman, Governance/Nominating Committee. The letter should indicate that the author is a stockholder and, if shares are not held of record, should include appropriate evidence of stock ownership. Depending on the subject matter, the Chairman will:

- forward the communication to the director or directors to whom it is addressed;
- attempt to handle the inquiry directly, or forward the communication for response by an employee of Ben Franklin Financial, Inc. For example, a request for information about us on a stock-related matter may be forwarded to our stockholder relations officer; or
- not forward the communication if it is primarily commercial in nature, relates to an improper or irrelevant topic, or is unduly hostile, threatening, illegal or otherwise inappropriate.

At each Board meeting, the Chairman shall present a summary of all communications received since the last meeting that were not forwarded and make those communications available to the directors.

### **Compensation Committee**

The Compensation Committee consists of Directors Raino (Chairman), DeCelles and Reninger. None of these individuals was an officer or employee of Ben Franklin Financial, Inc. during the year ended December 31, 2011, or is a former officer of Ben Franklin Financial, Inc. or Ben Franklin Bank of Illinois. Each member of the Compensation Committee is considered “independent” as defined in the Nasdaq Stock Market corporate governance listing standards. The committee meets on an as needed basis. Our Board of Directors has adopted a written charter for the Compensation Committee, which is available on our website at [www.benfrankbank.com](http://www.benfrankbank.com). The Compensation Committee met one time during the year ended December 31, 2011.

The role of the Compensation Committee is to review annually the performance and compensation levels of our executive officers and directors and recommend compensation, including salary, bonus, incentive and equity compensation of our executive officers and directors to the Board of Directors. C. Steven Sjogren, our President and Chief Executive Officer, does not participate in Compensation Committee discussions or recommendations relating to the determination of his compensation. The Compensation Committee also reviews and makes recommendations regarding certain of our other compensation policies, plans and programs. The Compensation Committee also administers our Equity Incentive Plan. The Compensation Committee may retain, at its discretion, compensation consultants to assist it in making compensation related decisions.

### **Employment Agreements**

Ben Franklin Bank of Illinois entered into similar employment agreements with each of Messrs. Sjogren, Miller and Jenkins which were last amended in 2008. Each of these agreements has a term of up to three years, except for Mr. Jenkins’ agreement, which has a term of one year. On March 1st of each year, each agreement will be renewed for an additional year so that the remaining term will be three years (one year for Mr. Jenkins), subject to non-renewal and termination as provided in the agreements. Under the agreements, the base salaries for Messrs. Sjogren, Miller and Jenkins are \$184,000, \$121,134 and \$131,500, respectively. Effective May 2009, senior management elected to voluntarily reduce their salaries by 5.0% in an effort to reduce non-interest costs, resulting in salaries for Messrs. Sjogren, Miller and Jenkins of \$174, 800, \$110,327 and \$120,175, respectively. Effective January 2011, the salaries of Messrs. Miller and Jenkins were increased to the pre-May 2009 levels. Effective January 2012, the salaries of Messrs. Miller and Jenkins were increased \$5,000, respectively. In addition to the base salary, each agreement provides for, among other things, participation in bonus programs and other employee retirement and fringe benefit plans applicable to executive employees. The executive’s employment may be terminated for cause at any time, in which event the executive would have no right to receive compensation or other benefits for any period after termination.

Certain events resulting in the executive’s termination or resignation entitle the executive to payments of severance benefits following an event of termination. An event of termination will include (i) the involuntary termination of the executive’s employment for reasons other than for cause, disability or retirement; (ii) the

executive's resignation during the term of the agreement following (a) a failure to elect or reelect or to appoint or reappoint the executive to his executive position, or if the executive is also a director for the bank, the failure to nominate or re-nominate the executive as a director, (b) a material change in the nature or scope of the executive's authority resulting in a reduction of the responsibility, scope, or importance of executive's position, (c) relocation of executive's office by more than 45 miles, (d) a material reduction in the benefits or perquisites paid to the executive unless such reduction is employer-wide, (e) the liquidation or dissolution of Ben Franklin Bank of Illinois, or (f) a material breach of the employment agreement by Ben Franklin Bank of Illinois; or (iii) the executive's involuntary termination or resignation as a result of any event described in subparagraph (ii) above, except for a liquidation or dissolution of Ben Franklin Bank of Illinois, following a change in control of Ben Franklin Bank of Illinois or Ben Franklin Financial, Inc. Upon an event of termination, the executive would be entitled to a severance payment equal to (i) the remaining base salary and bonus that the executive would have earned under the agreement if the executive had continued employment through the end of the term of the agreement and had earned the maximum bonus or incentive award in each calendar year that ends during the remaining term of the agreement, plus (ii) the value of the amount that would have been contributed to any employee benefit plan for the benefit of the executive during the remaining period of the agreement. Such benefit will be paid in the form of a single cash lump distribution within 30 days following the executive's date of termination (but note that Internal Revenue Code Section 409A may require that the payment will be made on the first day of the seventh month following the executive's date of termination if the executive is a "specified employee" under IRS rules). In addition, the executive would be entitled, at no expense to the executive, to the continuation of non-taxable medical coverage for the remaining period of the agreement. In the event of a change in control of Ben Franklin Bank of Illinois or Ben Franklin Financial, Inc., as defined in the agreements, for the purposes of calculating benefits under the above agreements, the remaining term of the agreements should be deemed to be three years except in the case of Mr. Jenkins which would be one year.

Notwithstanding the above, any severance payments (including payments made in the event of a change in control) to which executive would be entitled, to the extent necessary to comply with Office of the Comptroller of the Currency regulations, shall not exceed three times his average annual compensation over the most recent five taxable years. In addition, in the event payments to the executive include an "excess parachute payment" as defined in Section 280G of the Internal Revenue Code, payments under the employment agreements with Ben Franklin Bank of Illinois would be reduced in order to avoid this result.

In the event of executive's death, his estate or beneficiaries will be paid executive's base salary for one year from executive's death. If the executive becomes disabled, he will be entitled to receive benefits under any disability program sponsored by Ben Franklin Bank of Illinois. Upon retirement at age 65 or such later date determined by the board, executive will receive only those benefits to which he is entitled under any retirement plan of Ben Franklin Bank of Illinois to which he is a party.

Upon termination of the executive's employment other than in connection with a change in control, disability, or as result of the expiration of the agreement's term following a notice of non-renewal, the executive agrees not to compete with Ben Franklin Bank of Illinois for a period of one year following termination of employment in any town, city, or county in which there is currently a branch of Ben Franklin Bank of Illinois or any subsidiary of Ben Franklin Financial, Inc., or in which Ben Franklin Bank of Illinois, or a subsidiary has filed an application for regulatory approval to establish an office.

### **Employee Stock Ownership Plan**

Ben Franklin Bank of Illinois maintains an employee stock ownership plan. Employees who are at least 21 years old, who have at least one year of employment with Ben Franklin Bank of Illinois are eligible to participate. In 2006, the employee stock ownership plan borrowed funds from Ben Franklin Financial, Inc. and used those funds to purchase 77,763 shares of common stock for the plan. The loan will be repaid principally from discretionary contributions by Ben Franklin Bank of Illinois to the employee stock ownership plan over a period of not more than 15 years. Collateral for the loan is the common stock purchased by the employee stock ownership plan. Shares purchased by the employee stock ownership plan are held in a suspense account for allocation among participants' accounts as the loan is repaid.

Shares released from the suspense account are allocated among participants' accounts on the basis of their compensation earned in the year of allocation compared to the total compensation earned by all active participants.

Benefits under the plan will become vested at the rate of 20% per year, starting upon completion of two years of credited service, and will be fully vested upon completion of six years of credited service. Participants' interest in their accounts under the plan also fully vest in the event of termination of service due to the participants' normal retirement, death, disability, or upon a change in control (as defined in the plan). Vested benefits will be payable generally upon the participants' termination of service with Ben Franklin Bank of Illinois, and will be paid in the form of Ben Franklin Financial, Inc. common stock, or to the extent participants' accounts contain cash, benefits will be paid in cash. However, participants have the right to elect to receive their benefits entirely in the form of common stock.

### **Equity Incentive Plan**

Our stockholders approved the equity incentive plan at our March 24, 2008 Special Meeting of Stockholders. The purpose of the plan is to provide our officers, employees and directors with additional incentives to promote our growth and performance.

The plan authorizes the issuance of up to 136,085 shares of our common stock pursuant to grants of incentive and non-statutory stock options, stock appreciation rights, and restricted stock awards. No more than 38,881 shares may be issued as restricted stock awards, and no more than 97,204 shares may be issued pursuant to the exercise of stock options and stock appreciation rights. Employees and directors of Ben Franklin Financial, Inc. or its subsidiaries are eligible to receive awards under the plan. Awards may be granted in a combination of incentive and non-statutory stock options, stock appreciation rights or restricted stock awards as follows.

No awards under the plan will vest at an overall rate in excess of 20% per year beginning from the date of grant of the award, however, in the event of an award recipient's death, disability or involuntary termination of service following a change in control, all unvested awards granted to such person will fully vest.

### **Compensation of Directors**

Ben Franklin Bank of Illinois pays each director a fee of \$700 for each meeting attended and a fee of \$125 for each committee meeting attended. Fees for the chairman of the audit committee and for all other committee chairman are \$300 and \$200 respectively for each meeting. Ben Franklin Financial, Inc. does not pay any meeting or committee fees. Employee directors do not receive fees for committee meetings attended.

### **Transactions with Certain Related Persons**

In the ordinary course of business, Ben Franklin Bank of Illinois makes loans available to its directors, officers and employees. These loans are made in the ordinary course of business on substantially the same terms, including collateral, as comparable loans to other borrowers. We believe that these loans neither involve more than the normal risk of collectibility nor present other unfavorable features. Federal regulations permit executive officers and directors to participate in loan programs that are available to other employees, as long as the director or executive officer is not given preferential treatment compared to other participating employees. Loans made to directors or executive officers, including any modification of such loans, must be approved by a majority of disinterested members of the board of directors. The interest rate on loans to directors and officers is the same as that offered to other borrowers. For the year ended December 31, 2011, we had no transactions with directors or executive officers that exceeded \$120,000.

## **PROPOSAL II — RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS**

Our independent auditors for the year ended December 31, 2011 was Crowe Horwath LLP. Our Audit Committee has approved the engagement of Crowe Horwath LLP to be our independent auditors for the year ending December 31, 2012, subject to the ratification of the engagement by our stockholders as required by our Bylaws. At the annual meeting, the stockholders will consider and vote on the ratification of the engagement of Crowe Horwath LLP for the year ending December 31, 2012.

Although stockholder ratification of the independent auditors is required by our Bylaws, even if the selection is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent

auditor at any time during the year if it determines that such change is in the best interests of Ben Franklin Financial, Inc. and its stockholders.

Set forth below is certain information concerning aggregate fees billed for professional services rendered by Crowe Horwath LLP during the year ended December 31, 2011 and the year ended December 31, 2010.

	Year Ended December 31, 2011	Year Ended December 31, 2010
Audit Fees	\$ 41,500	\$ 73,663
Audit-Related Fees	—	—
Tax Fees	\$ 6,250	\$ 15,800
All Other Fees	—	—

***Audit Fees.*** Audit fees for 2011 and 2010 were for professional services rendered for the audits of our consolidated financial statements and the review of financial statements included in our quarterly reports.

***Audit-Related Fees.*** There were no audit-related fees for the years ended December 31, 2011 and 2010.

***Tax Fees.*** All of the tax fees billed in 2011 and 2010 were for services related to tax compliance. No tax planning and advice services were provided in 2011 or 2010.

***All Other Fees.*** There were no other fees for the years ended December 31, 2011 and 2010.

The Audit Committee has considered whether the provision of non-audit services, which relate primarily to tax compliance services rendered, is compatible with maintaining the independence of Crowe Horwath LLP. The Audit Committee concluded that performing such services does not affect the independence of Crowe Horwath LLP in performing its function as our independent auditors.

The Audit Committee's policy is to pre-approve all audit and non-audit services provided by the independent auditors, either by approving an engagement prior to the engagement or pursuant to a pre-approval policy with respect to particular services. These services may include audit services, audit-related services, tax services and other services. The Audit Committee has delegated pre-approval authority to the Chairman of the Audit Committee when expedition of services is necessary. The independent auditors and management are required to periodically report to the full Audit Committee regarding the extent of services provided by the independent auditors in accordance with this pre-approval, and the fees for the services performed to date. All audit-related fees, tax fees and all other fees described above were approved either as part of our engagement of Crowe Horwath LLP or pursuant to the pre-approval policy described above.

In order to ratify the selection of Crowe Horwath LLP as the independent auditors for the year ending December 31, 2012, the proposal must receive at least a majority of the votes represented at the annual meeting, without regard to broker non-votes or abstentions, in favor of such ratification. The Audit Committee of the Board of Directors recommends a vote "FOR" the ratification of Crowe Horwath LLP as the independent auditors for the year ending December 31, 2012.

#### **ADVANCE NOTICE OF BUSINESS TO BE CONDUCTED AT AN ANNUAL MEETING**

Our Bylaws provide an advance notice procedure for certain business, or nominations to the Board of Directors, to be brought before an annual meeting. For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to our Secretary. To be timely a stockholder's notice must be delivered to or mailed and received at our principal executive offices no later than five days before the date of the meeting. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought

before the annual meeting, (b) the name and address, as they appear on our books, of the stockholder proposing such business, (c) the class and number of shares of Ben Franklin Financial, Inc. which are beneficially owned by the stockholder, and (d) any material interest of the stockholder in such business. The chairman of an annual meeting may, if the facts warrant, determine and declare to the meeting that certain business was not properly brought before the meeting in accordance with the provisions of our Bylaws, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. This provision is not a limitation on any other applicable laws and regulations.

#### **OTHER MATTERS**

The Board of Directors is not aware of any business to come before the annual meeting other than the matters described above in the Proxy Statement. However, if any matters should properly come before the annual meeting, it is intended that the holders of the proxies will act in accordance with their best judgment.



## MISCELLANEOUS

The cost of solicitation of proxies will be borne by Ben Franklin Financial, Inc. We will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of shares of common stock. In addition to solicitations by mail, our directors, officers and regular employees may solicit proxies personally, by telegraph, telephone or other forms of communication without additional compensation. Our Annual Report for the year ended December 31, 2011 has been mailed to all stockholders of record as of March 30, 2012. Any stockholder who has not received a copy of such Annual Report may obtain a copy by writing us.

**BY ORDER OF THE BOARD OF DIRECTORS**



Bernadine V. Dziedzic  
Corporate Secretary

Arlington Heights, Illinois  
April 26, 2012



PLEASE MARK VOTES AS IN THIS EXAMPLE

# REVOCABLE PROXY BEN FRANKLIN FINANCIAL, INC.

## ANNUAL MEETING OF STOCKHOLDERS MAY 23, 2012

The undersigned hereby appoints the full Board of Directors, with full powers of substitution to act as attorneys and proxies for the undersigned to vote all shares of common stock of Ben Franklin Financial, Inc. (the "Company") which the undersigned is entitled to vote at the 2012 Annual Meeting of Stockholders (the "Meeting") of Ben Franklin Financial, Inc. to be held at the main office of Ben Franklin Bank of Illinois, 830 East Kensington Road, Arlington Heights, Illinois at 10:00 a.m., (central time) on May 23, 2012. The Board of Directors is authorized to cast all votes to which the undersigned is entitled as follows:

1. The election as directors of all nominees listed below (except as marked to the contrary below)
- |  |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|
|  | For                      | With-<br>hold            | For All<br>Except        |
|  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**James M. Reninger  
C. Steven Sjogren**

**INSTRUCTION: To withhold authority to vote for any individual nominee, mark "For All Except" and write that nominee's name in the space provided below.**

2. The ratification of the appointment of Crowe Horwath LLP as the Company's independent auditors for the year ending December 31, 2012.
- |  |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|
|  | For                      | Against                  | Abstain                  |
|  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**The Board of Directors recommends a vote "FOR" each of the listed proposals.**

**THIS PROXY WILL BE VOTED AS DIRECTED, BUT IF NO INSTRUCTIONS ARE SPECIFIED, THIS PROXY WILL BE VOTED FOR EACH OF THE PROPOSITIONS STATED ABOVE. IF ANY OTHER BUSINESS IS PRESENTED AT SUCH MEETING, THIS PROXY WILL BE VOTED BY THE ABOVE-NAMED PROXIES AT THE DIRECTION OF A MAJORITY OF THE BOARD OF DIRECTORS. AT THE PRESENT TIME, THE BOARD OF DIRECTORS KNOWS OF NO OTHER BUSINESS TO BE PRESENTED AT THE MEETING.**

Please be sure to date and sign this proxy card in the box below.

Date

\_\_\_\_\_  
Sign above \_\_\_\_\_ Co-holder (if any) sign above \_\_\_\_\_

Please sign exactly as your name appears on this card. When signing as attorney, executor, administrator, trustee or guardian, please give your full title. If shares are held jointly, each holder should sign.

PLEASE CHECK BOX IF YOU PLAN TO ATTEND THE MEETING.

↑ Detach above card, sign, date and mail in postage paid envelope provided. ↑

### BEN FRANKLIN FINANCIAL, INC.

#### THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS

Should the above signed be present and elect to vote at the Meeting or at any adjournment thereof, after notification to the Secretary of Ben Franklin Financial, Inc. at the Meeting of the stockholder's decision to terminate this proxy, the power of said attorneys and proxies shall be deemed terminated and of no further force or effect. This proxy may also be revoked by sending written notice to the Secretary of Ben Franklin Financial, Inc. at the address set forth on the Notice of Annual Meeting of Stockholders, or by the filing of a later proxy card prior to a vote being taken on a particular proposal at the Meeting.

The above signed acknowledges receipt from Ben Franklin Financial, Inc. prior to the execution of this proxy of a Notice of the Meeting, the Annual Report for the year ended December 31, 2011, including audited financial statements, and a proxy statement dated April 26, 2012.

**Please complete and date this proxy and return it promptly in the enclosed postage-prepaid envelope.**

IF YOUR ADDRESS HAS CHANGED, PLEASE CORRECT THE ADDRESS IN THE SPACE PROVIDED BELOW AND RETURN THIS PORTION WITH THE PROXY IN THE ENVELOPE PROVIDED.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_