Ben Franklin Financial, Inc.
830 E. Kensington Road
Arlington Heights, IL 60004
(847) 398-0990

Financial Report
For the Three and Nine Months Ended September 30, 2013

Note: This report is intended to be read in conjunction with our Annual Report for the year ended December 31, 2012. This report is dated September 30, 2013 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.
Quarterly Report
For The Three and Nine months Ended
September 30, 2013

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

	September 30, 2013	December 31, 2012
ASSETS		
Cash and due from banks	$ 1,304	$ 1,161
Interest-earning deposit accounts and federal funds sold	18,363	11,075
Cash and cash equivalents	19,667	12,236
Securities available-for-sale	2,955	3,232
Loans receivable, net of allowance for loan losses of $2,028 at September 30, 2013 and $2,095 at December 31, 2012	71,623	81,429
Federal Home Loan Bank stock	921	921
Premises and equipment, net	660	721
Repossessed assets	1,342	1,652
Accrued interest receivable	247	302
Prepaid FDIC premiums	-	201
Other assets	93	88
Total assets	$ 97,508	$ 100,782
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Demand deposits - noninterest-bearing	$ 2,161	$ 2,871
Demand deposits - interest-bearing	8,896	8,717
Savings deposits	9,458	8,302
Money market deposits	16,436	16,524
Certificates of deposit	49,633	52,993
Total deposits	86,584	89,407
Advances from borrowers for taxes and insurance	244	488
Other liabilities	329	355
Common stock in ESOP subject to contingent purchase obligation	104	50
Total liabilities	87,261	90,300
Stockholders' equity		
Common stock, par value $0.01 per share; authorized 20,000,000 shares issued and outstanding, net of treasury shares, at: September 30, 2013 – 1,949,956 shares December 31, 2012 – 1,949,956 shares	20	20
Additional paid-in-capital	8,278	8,278
Treasury stock, at cost – 68,270 shares at September 30, 2013 and December 31, 2012	(462)	(462)
Retained earnings, substantially restricted	2,922	3,098
Unearned Employee Stock Ownership Plan (ESOP) shares	(418)	(456)
Accumulated other comprehensive income	11	54
Reclassification of ESOP shares	(104)	(50)
Total stockholders' equity	10,247	10,482
Total liabilities and stockholders' equity	$ 97,508	$ 100,782

See accompanying notes to consolidated financial statements

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,	
	2013	2012	2013	2012
Interest income				
Loans	$ 925	$ 1,097	$ 2,936	$ 3,263
Securities	15	20	45	78
Federal funds sold and interest earning deposit accounts	8	1	19	6
	948	1,118	2,990	3,347
Interest expense				
Deposits	136	166	429	541
	136	166	429	541
Net interest income	812	952	2,561	2,806
Provision for loan losses	-	433	-	1,636
Net interest income after provision for loan losses	812	519	2,561	1,170
Non-interest income				
Service fee income	32	33	80	117
Gain (loss) on sale of other assets, net	-	(49)	64	(73)
Other	4	3	7	9
	36	(13)	151	53
Non-interest expense				
Compensation and employee benefits	404	376	1,286	1,160
Occupancy and equipment	147	148	439	419
Data processing services	81	71	231	215
Professional fees	71	100	299	246
FDIC insurance premiums	53	34	168	104
Repossessed asset expenses, net	101	187	151	426
Other	101	74	286	237
	958	990	2,860	2,807
Loss before income taxes	(110)	(484)	(148)	(1,584)
Income tax	3	-	28	-
Net loss	(113)	(484)	$ (176)	$ (1,584)
Loss per common share	(0.06)	(0.25)	(0.09)	(0.83)

See accompanying notes to consolidated financial statements

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Net income (loss)	$ (113)	$ (484)	$ (176)	$ (1,584)
Other comprehensive income (loss)				
Unrealized loss on securities				
Unrealized holding loss arising during the period	(7)	2	(71)	(16)
Reclassification adjustment for losses (gains) Included in net income	-	-	-	-
	(7)	2	(71)	(16)
Tax effect	(3)	-	(28)	(6)
Net of tax	(4)	2	(43)	(10)
Comprehensive loss	$ (117)	$ (482)	$ (219)	$ (1,594)

See accompanying notes to consolidated financial statements

BEN FRANKLIN FINANCIAL, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the Nine Months Ended September 30, 2013 and 2012 – (Unaudited)
(Dollars in thousands)

	Common Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Unearned ESOP Shares	Accumulated Other Comprehensive Income	Amount Reclassified on ESOP Shares	Total
Balance at January 1, 2012	$ 20	$ 8,217	$ (462)	$ 5,218	$ (507)	$ 76	$ (26)	$ 12,536
Net loss	-	-	-	(1,584)	-	-	-	(1,584)
Other comprehensive loss	-	-	-	-	-	(10)	-	(10)
Earned ESOP shares and other stock based compensation	-	46	-	-	38	-	-	38
Reclassification due to change in fair value of common stock in ESOP subject to contingent repurchase obligation	-	-	-	-	-	-	(20)	(20)
Balance at September 30, 2012	20	8,263	(462)	3,634	(469)	66	(46)	11,006
Balance at January 1, 2013	$ 20	$ 8,278	$ (462)	$ 3,098	$ (456)	$ 54	$ (50)	$ 10,482
Net loss	-	-	-	(176)	-	-	-	(176)
Other comprehensive loss	-	-	-	-	-	(43)	-	(43)
Earned ESOP shares and other stock based compensation	-	-	-	-	38	-	-	38
Reclassification due to change in fair value of common stock in ESOP subject to contingent repurchase obligation	-	-	-	-	-	-	(54)	(54)
Balance at September 30, 2013	$ 20	$ 8,278	$ (462)	$ 2,922	$ (418)	$ 11	$ (104)	$ 10,247

See accompanying notes to consolidated financial statements

BEN FRANKLIN FINANCIAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(Unaudited)

	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Cash flows from operating activities		
Net loss	$ (176)	$ (1,584)
Adjustments to reconcile net income (loss) to net cash from operating activities		
Depreciation	88	98
ESOP and other stock based compensation	38	84
Amortization of premiums and discounts	4	3
Provision for loan losses	-	1,636
(Gain) loss on sale of repossessed assets	(64)	73
Write down of repossessed assets	81	249
Changes in:		
Deferred loan costs	17	(63)
Accrued interest receivable	55	27
Other assets	225	126
Other liabilities	12	(7)
Net cash from operating activities	280	642
Cash flows from investing activities		
Principal repayments on mortgage-backed securities	206	257
Proceeds from the sale of loans	-	187
Proceeds from the redemption of Federal Home Loan Bank stock	-	416
Calls of securities available for sale	1,000	3,000
Purchase of securities available for sale	(1,000)	(1,000)
Purchase of loans held for investment	(532)	1,000
Net (increase) decrease in loans	9,766	1,944
Sales of repossessed assets	805	961
Expenditures to improve repossessed assets	-	(83)
Expenditures for premises and equipment	(27)	(21)
Net cash from investing activities	10,218	5,661
Cash flows from financing activities		
Net increase (decrease) in deposits	(2,823)	(4,343)
Net change in advances from borrowers for taxes and insurance	(244)	(353)
Net cash from financing activities	(3,067)	(4,696)
Net change in cash and cash equivalents	7,431	1,607
Cash and cash equivalents at beginning of year	12,236	10,771
Cash and cash equivalents at end of period	$ 19,667	$ 12,378
Supplemental disclosures		
Interest paid	$ 429	$ 540
Transfers from loans to repossessed assets	550	622

See accompanying notes to consolidated financial statements

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Basis of Financial Statement Presentation

The accompanying unaudited consolidated financial statements of Ben Franklin Financial, Inc. (the "Company") and its wholly owned subsidiary Ben Franklin Bank of Illinois (the "Bank") have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP"). These interim financial statements should be read in conjunction with the consolidated financial statements and notes thereto that were included in the Company's Annual Report for the year ended December 31, 2012. All significant intercompany transactions are eliminated in consolidation. In the opinion of the Company's management, all adjustments necessary (i) for a fair presentation of the financial statements for the interim periods included herein and (ii) to make such financial statements not misleading have been made and are of a normal and recurring nature. Interim results are not necessarily indicative of results for a full year.

In preparing the financial statements, management is required to make estimates and assumptions that affect the recorded amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the period. Actual results could differ from those estimates. For further information with respect to significant accounting policies followed by the Company in preparation of the financial statements, refer to the Company's 2012 Annual Report.

We are not subject to the reporting requirements of the Securities Exchange Act of 1934 and accordingly this report has not been prepared in accordance with applicable Securities and Exchange Commission rules. This report is intended to cover the three and nine months ended September 30, 2013 and should not be read to cover any other periods.

The Bank is a federally chartered stock savings bank and a member of the Federal Home Loan Bank ("FHLB") system. The Bank maintains insurance on deposit accounts with the Deposit Insurance Fund ("DIF") of the Federal Deposit Insurance Corporation ("FDIC"). Ben Franklin Financial, MHC (the "MHC"), a federally chartered mutual holding company, owns 1,091,062 shares of the Company's common stock and will continue to own at least a majority of the Company's common stock as long as the MHC exists.

Note 2 – Securities Available-for-Sale

The following table sets forth the composition of our securities available for sale by type, at the dates indicated.

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(Dollars in thousands)		
September 30, 2013				
U.S. Government sponsored entities	$ 2,000	$ 11	$ 42	$ 1,969
Residential mortgage-backed securities	937	49	-	986
Total	$ 2,937	$ 60	$ 49	$ 2,955
December 31, 2012				
U.S. Government sponsored entities	$ 2,000	$ 19	$ -	$ 2,019
Residential mortgage-backed securities	1,143	70	-	1,213
Total	$ 3,143	$ 89	$ -	$ 3,232

Note 3 – Loans

The following table sets forth the composition of our loan portfolio by segment and class, at the dates indicated.

	September 30, 2013		December 31, 2012	
	Amount	Percent	Amount	Percent
	(Dollars in thousands)			
First mortgage loans:				
Secured by one- to four- family	$ 32,308	43.87%	$ 33,181	39.73%
Secured by multi-family	12,828	17.42	13,356	16.00
Secured by commercial real estate	11,521	15.64	13,604	16.29
Construction	-	0.00	319	0.38
Secured by land	340	0.46	381	0.46
Total first mortgage loans	56,997	77.39	60,841	72.86
Commercial, consumer and other loans:				
Home equity lines-of-credit	11,802	16.02	13,800	16.53
Commercial business loans	2,113	2.87	5,575	6.68
Automobile loans	2,733	3.71	3,205	3.84
Other consumer loans	4	0.01	79	0.09
Total commercial, consumer and other loans	16,652	22.61	22,659	27.14
Gross loans	73,649	100.00	83,500	100.00
Premiums and net deferred loan costs	2		24	
Allowance for loan losses	(2,028)		(2,095)	
Total loans, net	$ 73,623		$ 81,429	

The following table presents the activity in the allowance for loan losses by portfolio segment and class for the three and nine months ended September 30, 2013 and 2012.

	First Mortgages					Commercial, Consumer and Other				
	(Dollars in thousands)									
	One-to-four family	Multi-family	Commercial real estate	Land	Construction	Home equity lines-of-credit	Commercial	Automobile	Other Consumer	Total
For the three months ended September 30, 2013										
Allowance for loan losses										
Beginning balance	$ 707	$ 302	$ 797	$ 6	$ -	$ 97	$ 93	$ 16	$ -	$ 2,018
Provision for loan losses	49	159	(327)	1	-	(6)	117	7	-	-
Loans charged-off	-	-	(2)	-	-	-	-	(5)	-	(7)
Recoveries	17	-	-	-	-	-	-	-	-	17
Total ending allowance balance September 30, 2013	$ 773	$ 461	$ 468	$ 7	$ -	$ 91	$ 210	$ 18	$ -	$ 2,028
For the three months ended September 30, 2012										
Allowance for loan losses										
Beginning balance	$ 514	$ 503	$ 664	$ 17	$ 29	$ 37	$ 121	$ 36	$ -	$ 1,921
Provision for loan losses	378	64	(8)	(4)	(1)	20	(12)	(4)	-	433
Loans charged-off	(263)	-	-	-	-	-	-	(2)	-	(265)
Recoveries	-	-	-	-	-	-	-	-	-	-
Total ending allowance balance September 30, 2012	$ 629	$ 567	$ 656	$ 13	$ 28	$ 57	$ 109	$ 30	$ -	$ 2,089

	One-to-four family	Multi-family	Commercial real estate	Land	Construction	lines-of-credit	Commercial	Automobile	Other Consumer	Total
For the nine months ended September 30, 2013										
Allowance for loan losses										
Beginning balance	$ 786	$ 440	$ 601	$ 31	$ 14	$ 86	$ 108	$ 29	$ -	$ 2,095
Provision for loan losses	19	21	(131)	6	(14)	5	102	(8)	-	-
Loans charged-off	(49)	-	(2)	(30)	-	-	-	(5)	-	(86)
Recoveries	17	-	-	-	-	-	-	2	-	19
Total ending allowance balance September 30, 2013	$ 773	$ 461	$ 468	$ 7	$ -	$ 91	$ 210	$ 18	$ -	$ 2,028
For the nine months ended September 30, 2012										
Allowance for loan losses										
Beginning balance	$ 270	$ 253	$ 315	$ 115	$ -	$ 64	$ 103	$ 17	$ -	$ 1,137
Provision for loan losses	753	314	388	6	28	118	6	24	(1)	1,636
Loans charged-off	(444)	-	(47)	(108)	-	(125)	-	(11)	-	(735)
Recoveries	50	-	-	-	-	-	-	-	1	51
Total ending allowance balance September 30, 2012	$ 629	$ 567	$ 656	$ 13	$ 28	$ 57	$ 109	$ 30	$ -	$ 2,089

The following table represents the balance in the allowance for loan losses and the recorded investment in loans by portfolio segment and class based on the impaired method at the dates indicated. The recorded investment in loans excludes accrued interest and loan origination fees due to immateriality.

	Loan Balance			Allowance		
	(Dollars in thousands)					
	Individually Evaluated for Impairment	Collectively Evaluated for Impairment	Total Recorded Investment	Individually Evaluated for Impairment	Collectively Evaluated for Impairment	Total Recorded Investment
September 30, 2013						
One-to-four-family	$ 1,225	$ 31,083	$ 32,308	$ 268	$ 505	$ 773
Multi-family	3,312	9,516	12,828	294	167	461
Commercial real estate	833	10,688	11,521	229	239	468
Land	102	238	340	-	7	7
Construction	-	-	-	-	-	-
Home equity lines of credit	-	11,802	11,802	-	91	91
Commercial	526	1,587	2,113	185	25	210
Automobile	-	2,733	2,733	-	18	18
Other consumer	-	4	4	-	-	-
Total	$ 5,998	$ 67,651	$ 73,649	$ 976	$ 1,052	$ 2,028
December 31, 2012						
One-to-four-family	$ 1,365	$ 31,816	$ 33,181	$ 129	$ 657	$ 786
Multi-family	3,311	10,045	13,356	262	178	440
Commercial real estate	-	13,604	13,604	-	601	601
Land	131	250	381	25	6	31
Construction	-	319	319	-	14	14
Home equity lines of credit	-	13,800	13,800	-	86	86
Commercial	654	4,921	5,575	78	30	108
Automobile	-	3,205	3,205	-	29	29
Other consumer	-	79	79	-	-	-
Total	$ 5,461	$ 78,039	$ 83,500	$ 494	$ 1,601	$ 2,095

The following table presents information related to loans individually evaluated for impairment by class of loans at the dates indicated.

	September 30, 2013			December 31, 2012		
	(Dollars in thousands)					
	Unpaid Principal Balance	Recorded Investment	Allowance for Loan Losses Allocated	Unpaid Principal Balance	Recorded Investment	Allowance for Loan Losses Allocated
With no related allowance recorded						
One-to-four-family	$ 325	$ 325	$ -	$ 781	$ 781	$ -
Multi-family	-	-	-	-	-	-
Commercial real estate	-	-	-	-	-	-
Land	102	102	-	-	-	-
Construction	-	-	-	-	-	-
Home equity line of credit	-	-	-	-	-	-
Commercial	-	-	-	-	-	-
Automobile	-	-	-	-	-	-
Other consumer	-	-	-	-		-
Total with no related allowance recorded	427	427	-	781	781	-
With an allowance recorded						
One-to-four-family	900	900	268	584	584	129
Multi-family	3,312	3,312	294	3,311	3,311	262
Commercial real estate	833	833	229	-	-	-
Land	-	-	-	131	131	25
Construction	-	-	-	-	-	-
Home equity line of credit	-	-	-	-	-	-
Commercial	526	526	185	654	654	78
Automobile	-	-	-	-	-	-
Other consumer	-	-	-	-	-	-
Total with a related allowance recorded	5,571	5,571	976	4,680	4,680	494
Total	$ 5,998	$ 5,998	$ 976	$ 5,461	$ 5,461	$ 494

The following table presents the aging of the recorded investment in past due loans at the dates indicated by class of loans.

	30 -59 Days Past due	60 - 89 Days Past due	Greater than 90 Days Past Due Still on Accrual	Nonaccrual	Loans Not Past Due	Total
			(Dollars in thousands)			
September 30, 2013						
One-to-four-family	$ 182	$ -	$ -	$ 652	$ 31,474	$ 32,308
Multi-family	-	-	-	-	12,828	12,828
Commercial real estate	-	-	-	833	10,688	11,521
Land	-	-	-	102	238	340
Construction	-	-	-	-	-	-
Home equity line of credit	-	-	-	-	11,802	11,802
Commercial	-	-	-	526	1,587	2,113
Automobile	6	-	-	-	2,727	2,733
Other consumer	-	-	-	-	-	-
Total	$ 188	$ -	$ -	$ 2,113	$ 71,344	$ 73,645
December 31, 2012						
One-to-four-family	$ 25	$ -	$ -	$ 781	$ 32,375	$ 33,181
Multi-family	-	-	-	-	13,356	13,356
Commercial real estate	318	-	-	-	13,296	13,604
Land	-	-	-	131	250	381
Construction	-	-	-	-	319	319
Home equity line of credit	-	-	-	-	13,800	13,800
Commercial	-	-	-	109	5,466	5,575
Automobile	-	-	-	-	3,205	3,205
Other consumer	-	-	-	-	79	79
Total	$ 343	$ -	$ -	$ 1,021	$ 82,136	$ 83,500

Nonperforming loans include both smaller balance homogeneous loans that are collectively evaluated for impairment and individually classified impaired loans.

Credit Quality Indicators

The Bank categorizes loans into risk categories based on relevant information about the ability of a borrower to service their debt such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Bank analyzes loans individually by classifying the loans as to credit risk. The analysis includes the non-homogeneous loans, such as multi- family, commercial real estate, construction, and commercial loans. The analysis is performed on a quarterly basis. Homogeneous loans are monitored based on past due status of the loan. The risk category of these loans is evaluated at origination, when a loan becomes delinquent or when a borrower requests a concession.

Substandard
Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

Doubtful
Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

Loans not meeting the criteria above that are analyzed individually as part of the above described process are considered to be pass rated loans. The following table reflects the risk category by loans at the dates indicated based on the most recent analysis performed.

	Pass	Substandard	Doubtful	Total
		(Dollars in thousands)		
September 30, 2013				
One-to-four-family	$ 31,083	$ 1,225	$ -	$ 32,308
Multi-family	9,516	3,312	-	12,828
Commercial real estate	10,444	1,077	-	11,521
Land	238	102	-	340
Construction	-	-	-	-
Home equity lines of credit	11,802	-	-	11,802
Commercial	1,587	526	-	2,113
Automobile	2,733	-	-	2,733
Other consumer	-	-	-	-
Total	$ 67,403	$ 6,242	$ -	$ 73,645
December 31, 2012				
One-to-four-family	$ 31,627	$ 1,554	$ -	$ 33,181
Multi-family	10,804	2,552	-	13,356
Commercial real estate	11,976	1,628	-	13,604
Land	250	131	-	381
Construction	319	-	-	319
Home equity lines of credit	13,800	-	-	13,800
Commercial	4,921	654	-	5,575
Automobile	3,205	-	-	3,205
Other consumer	79	-	-	79
Total	$ 76,981	$ 6,519	$ -	$ 83,500

Note 4 - Non-Performing Assets and Troubled Debt Restructurings

There were two loans modified as troubled debt restructurings ("TDR") that occurred during the three or nine months ended September 30, 2013.

The Company has allocated $602,000 and $469,000 to specific reserves on $4.5 million and $4.7 million of loans to customers whose loan terms have been modified as troubled debt restructurings as of September 30, 2013 and December 31, 2012, respectively. The Company has not committed to lend additional amounts as of September 30, 2013 and December 31, 2012 to customers with outstanding loans that are classified as troubled debt restructurings.

The following table sets forth our non-performing assets and troubled debt restructurings by category at the dates indicated (dollars in thousands).

	September 30, 2013		December 31, 2012	
	(Dollars in thousands)			
	Number	Amount	Number	Amount
Non-performing loans				
One-to four-family [1]	3	$ 652	4	$ 782
Multi-family	-	-	-	-
Land	1	102	1	131
Commercial real estate	1	833	-	-
Commercial business	1	476	-	-
Total non-performing loans	6	2,063	5	913
Troubled debt restructurings				
One-to four-family	2	574	2	583
Multi-family	4	3,312	4	3,311
Commercial business [2]	1	50	2	654
Total troubled debt restructurings	7	3,936	8	4,548
Repossessed assets				
Foreclosed real estate	6	1,333	7	1,635
Repossessed other	3	9	1	17
Total non-performing assets	9	1,342	8	$ 1,652
Total non-performing loans, troubled debt restructurings, and repossessed assets	22	$ 7,341	21	$ 7,113
Non-performing loans to total loans		2.80%		1.09%
Non-performing loans and troubled debt restructurings to total loans		8.15%		6.54%
Non-performing assets and troubled debt restructurings to total assets		7.53%		7.06%

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(1) One one-to four-family loan with a balance of $107,000 at September 30, 2013 and December 31, 2012 respectively, was a TDR and non-performing and is reflected in the non-performing section in the above table.

(2) One commercial loan with a balance of $50,000 and $109,000 at September 30, 2013 and December 31, 2012 respectively, was considered non-accrual and a TDR and is reflected in the TDR section in the above table.

Note 5 – Earnings (loss) Per Share

The following table presents a reconciliation of the components used to compute basic and diluted earnings (loss) per share:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Net income (loss)	$ (113,000)	$ (484,000)	$ (176,000)	$ (1,584,000)
Weighted average comon shares outstanding	1,907,489	1,902,425	1,906,171	1,901,165
Basic and diluted income (loss) per share	$ (0.06)	$ (0.25)	$ (0.09)	$ (0.83)

Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This quarterly report may contain statements relating to the future results of the Company (including certain projections and business trends) that are considered "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 (the "PSLRA"). Such forward-looking statements, in addition to historical information, which involve risk and uncertainties, are based on the beliefs, assumptions and expectations of management. Words such as "expects," "believes," "should," "plans," "anticipates," "will," "potential," "could," "intend," "may," "outlook," "predict," "project," "would," "estimates," "assumes," "likely," and variations of such similar expressions are intended to identify such forward-looking statements. Examples of forward-looking statements include, but are not limited to: statements of our goals, intentions, and expectations; statements regarding our business plans and prospects and growth and operating strategies; statements regarding the asset quality of our loan and investment portfolios; and estimates of our risks and future costs and benefits. For this presentation, the Company and its subsidiary claim the protection of the safe harbor for forward-looking statements contained in the PSLRA.

Factors that could cause future results to vary from current management expectations include, but are not limited to: our ability to manage the risk from our one-to four-family, home equity line-of-credit, multi-family, commercial real estate, construction, land, commercial business, and automobile lending including purchased loans; our ability to comply with the terms of the Consent Order (the "Order") entered into between the Bank and the Office of the Comptroller of the Currency (the "OCC"); the future level of deposit insurance premiums applicable to us; significantly increased competition among depository and other financial institutions; our ability to execute our plan to grow our assets on a profitable basis; our ability to execute on a favorable basis any plan we may have to acquire other institutions or branches or establish new offices; changes in the interest rate environment that reduce our margins or reduce the fair value of financial instruments; inflation; general economic conditions, both nationally and in our market area; adverse changes in the securities and national and local real estate markets (including loan demand, housing demand, and real estate values); our ability to originate a satisfactory amount of high quality loans in an unfavorable economic environment; legislative or regulatory changes that adversely affect our business including the effect of the Dodd-Frank Reform Act, our ability to enter new markets successfully and take advantage of growth opportunities; changes in consumer spending, borrowing and savings habits; changes in accounting policies and practices, as may be adopted by the bank regulatory agencies and the authoritative accounting bodies; the performance of our investment in FHLB of Chicago stock; changes in our organization, compensation and benefit plans; and other factors. The forward-looking statements are made as of the date of this report, and the Company assumes no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those projected in the forward-looking statements.

General

The Bank is a federally chartered savings bank headquartered in Arlington Heights, Illinois. The Bank was originally founded in 1893 as a building and loan association. We conduct our business from our main office and one branch office. Both of our offices are located in the northwestern corridor of the Chicago metropolitan area.

Our principal business activity is attracting retail deposits from the general public in our market and investing those deposits, together with funds generated from operations and to a lesser extent borrowings, in one- to four-family residential mortgage loans and, to a lesser extent, home equity lines-of-credit, commercial real estate loans, multi-family real estate loans, construction and land loans, automobile loans, and other loans. We have also invested in mortgage-backed securities and U.S. Government sponsored entity notes. Our primary sources of funds are deposits and principal and interest payments on loans and securities. The Bank offers a variety of deposit accounts, including checking, money market, savings, and certificates of deposit, and emphasizes personal and efficient service for its customers. We also use borrowings as necessary, primarily Federal Home Loan Bank of Chicago advances, to supplement cash flow needs, to lengthen the maturities of liabilities for interest rate risk purposes and to manage the cost of funds. Our competition for loans and deposits comes principally from commercial banks, savings institutions, mortgage banking firms and credit unions. Our primary focus is to develop and build profitable customer relationships across all lines of business while maintaining our focus as a community bank.

Our results of operations depend primarily on our net interest income. Net interest income is the difference between the interest income we earn on our interest-earning assets, consisting primarily of loans, mortgage-backed and other securities, and other interest-earning assets, and the interest paid on our interest-bearing liabilities, consisting primarily of savings and transaction accounts, certificates of deposit, and Federal Home Loan Bank of Chicago advances. Our results of operations also are affected by our provision for loan losses, non-interest income and non-interest expense. Non-interest income consists primarily of deposit service charges and loan origination service fees charged for loans funded by other institutions, gains and losses on the sale of securities and repossessed assets, and miscellaneous other income. Non-interest expense consists primarily of compensation and employee benefits, occupancy and equipment expenses, data processing, professional fees, FDIC insurance premiums and assessments, repossessed asset expenses, and other operating expenses. Our results of operations may be affected significantly by general and local economic and competitive conditions, changes in market interest rates, governmental policies and actions of regulatory authorities.

Critical Accounting Policies

Certain of our accounting policies are important to the reporting of our financial results, since they require management to make difficult, complex and/or subjective judgments, some of which may relate to matters that are inherently uncertain. Estimates associated with these policies are susceptible to material changes as a result of changes in facts and circumstances. Facts and circumstances which could affect these judgments include, but are not limited to, changes in interest rates, changes in performance of the local economy, changes in the financial condition of borrowers, and changes in value of loan collateral such as real estate. As discussed in the Company's Annual Report for the year ended December 31, 2012, management believes that its critical accounting policies include determining the allowance for loan losses, determination of the fair value of stock options and accounting for stock based compensation under the Company's Equity Incentive Plan, and accounting for deferred income taxes.

Comparison of Financial Condition at September 30, 2013 and December 31, 2012

General. On December 19, 2012, the Bank entered into a Consent Oder (the "Order") with the Office of the Comptroller of the Currency (the "OCC") which outlined areas of weakness the Bank must address. During the first nine months of 2013, management's primary focus has been to correct the weaknesses detailed in the Order. As of September 30, 2013, management believes that substantial progress has been made to meet the requirements and timeframes of the Order. While ongoing efforts will be required to fully satisfy the requirements of the Order, and maintain the effective controls that have been implemented, management believes that the Company will be able to refocus its efforts on the development of business and the gradual growth of the loan portfolio through a reduction in our excess liquidity in the future. During the first quarter of 2013, the Company contributed $1.0 million of capital to the Bank in order to meet the capital requirements in the Order. At September 30, 2013, the Bank was in compliance with the capital requirements of the Order.

Assets. Total assets at September 30, 2013 were $97.5 million compared to $100.8 million at December 31, 2012, a decrease of $3.3 million or 3.3%. This decrease was primarily due to the $9.8 million decrease in our loan portfolio and the $310,000 decrease in our repossessed assets, partially offset by a $7.4 million increase in our cash and cash equivalents.

Our first mortgage loan portfolio decreased $3.8 million or 6.3%, to $57.0 million at September 30, 2013 compared to $60.8 million at December 31, 2012 primarily due to the $2.1 million decrease in our commercial real estate loans, the $873,000 decrease in our one- to four-family residential loans, the $528,000 decrease in our multi- family loans, and the $319,000 decrease in our construction loans. Our commercial business, consumer and other loan balances decreased $6.0 million or 26.4%, to $16.7 million at September 30, 2013 compared to $22.7 million at December 31, 2012 primarily due to the $3.5 million decrease in our commercial business loans and $2.0 million decrease in our home equity line-of-credit loans. The decrease in our loan portfolio was primarily due to the low volume of new originations during the first nine months of 2013 and the repayments from existing loans. During the first nine months of 2013, we purchased $532,000 of automobile loans from another financial institution which we have done periodically over the past four years. Management may purchase additional automobile loans through the remainder of the year subject to policy guidelines and market conditions.

At September 30, 2013 our allowance for loan losses was $2.0 million or 2.75% of total loans compared to $2.1 million or 2.51% of total loans at December 31, 2012. Our loans classified as substandard decreased to $6.2 million at September 30, 2013 compared to $6.5 million at December 31, 2012. Our non-performing loans increased to $2.1 million or 2.08% of total loans at September 30, 2013 from $913,000 or 1.09% of total loans at December 31, 2012 primarily due to an $833,000 commercial real estate loan and a $476,000 commercial business loan. The commercial business loans is a troubled debt restructuring.

Our securities portfolio decreased $277,000 or 8.6% to $3.0 million at September 30, 2013 compared to $3.2 million at December 31, 2012 primarily due to the repayments on mortgage-backed securities. During the first nine months of 2013 a $1.0 million government sponsored entity note was called and a $1.0 million government sponsored entity note yielding 1.13% was purchased. Cash and cash equivalents increased $7.4 million or 60.7% to $19.7 million at September 30, 2013. Given the weak loan demand we are currently experiencing and the low interest rate environment, we anticipate a continued strong liquidity position throughout the remainder of 2013.

Our repossessed assets decreased $310,000 during the first nine months of 2013 to $1.3 million at September 30, 2013 primarily due to sales which included a $644,000 commercial real estate property, an $115,000 single-family residential property, and $17,000 of repossessed automobiles, along with the $81,000 write down of vacant land. These decreases were partially offset by the transfer of a $541,000 commercial real estate property of $9,000 for repossessed automobiles.

In June 2013, the FDIC refunded the balance of our prepaid insurance premium as the period covered by the advanced payment expired for all insured depository institutions. The remaining balance of $141,000 represented the difference between the estimated premiums calculated by the FDIC for the three year period compared to the actual assessments.

Liabilities. Our deposits decreased by $2.8 million or 3.1% to $86.6 million at September 30, 2013 compared to $89.4 million at December 31, 2012, primarily due to the $3.4 million or 6.3% decrease in our certificate of deposit accounts to $49.6 million at September 30, 2013. This decrease was partially offset by a $537,000 increase in the balance of our non-certificate accounts as customers' preferred liquid alternatives during the current economic environment.

Stockholders' Equity. Total stockholders' equity at September 30, 2013 was $10.2 million, a decrease of $235,000 or 2.2% from December 31, 2012. The decrease resulted primarily from the net loss of $176,000 for the nine months ended September 30, 2013, the $43,000 decrease in the unrealized gains on available-for-sale securities due to the increase in interest rates during the third quarter of 2013 and the $16,000 decrease related to ESOP and other stock based compensation.

Comparison of Operating Results for the Three Months Ended September 30, 2013 and 2012

General. For the three months ended September 30, 2013 our net loss was $113,000 compared to a net loss of $484,000 for the three months ended September 30, 2012. The decrease in our net loss was primarily due to the decrease in our provision for loan losses.

Interest Income. Interest income was $948,000 for the three months ended September 30, 2013, $170,000 or 15.2% less than the prior year period. Interest income from loans decreased $172,000 or 15.7% to $925,000 for the three months ended September 30, 2013 primarily due to an $8.9 million decrease in the average balance of our loan portfolio to $73.9 million for the three months ended September 30, 2013 compared to $82.8 million for the prior year period. The decrease in the average balance consisted of: $3.9 million for our multi-family, commercial real estate, and land loans; $2.0 million for our home equity line-of-credit loans; $1.5 million for our consumer loans; and $629,000 for our commercial business loans. The decrease in the average balance of our loan portfolio was primarily due to repayments and low origination volume. The average yield of our loan portfolio was 4.99% for the third quarter of 2013 compared to 5.28% for the prior year period primarily due to the decrease in the average yield on our multi-family, commercial real estate, and land loan portfolio from the payoff of higher yielding loans.

Interest income from securities decreased $5,000 to $15,000 for the three months ended September 30, 2013. The average balance of our securities portfolio decreased $317,000 to $3.9 million for the three months ended September 30, 2013 compared to the prior year period primarily due to repayments on mortgage-backed securities. The average yield on securities for the three months ended September 30, 2013 was 1.58% compared to 1.86% for the prior year period. The average balance of our interest earning deposits increased $9.3 million to $17.3 million for the three months ended September 30, 2013 compared to the prior year period, resulting in interest income of $8,000 compared to $1,000 for the prior year period.

Interest Expense. Interest expense for the three months ended September 30, 2013 was $136,000, a decrease of $30,000 or 18.1% from the prior year period due to the decrease in interest expense on deposits. The average cost of deposits decreased to 0.64% for the three months ended September 30, 2013 compared to 0.77% for the prior year period as the average cost of our certificate of deposit accounts decreased to 0.96% for the three months ended September 30, 2013 compared to 1.05% for the prior year period due to the low interest rate environment. The average balance of our certificate of deposit accounts decreased $3.3 million to $50.0 million while the average balance of our non-certificate of deposit accounts increased $2.4 million to $34.6 million for the third quarter of 2013 compared to the prior year period as customers preferred to have more liquid accounts.

Net Interest Income. Net interest income for the three months ended September 30, 2013 was $812,000 compared to $952,000 for the three months ended September 30, 2012. For the three months ended September 30, 2013, the average yield on interest-earning assets was 3.97% and the average cost of interest-bearing liabilities was 0.64% compared to 4.69% and 0.77%, respectively, for the three months ended September 30, 2012. These changes resulted in a decrease in our net interest rate spread and net interest margin to 3.33% and 3.40% respectively for the third quarter of 2013 compared to a net interest rate spread of 3.92% and net interest margin of 4.00% for the third quarter of 2012. The decrease was primarily due to the increase in the average balance of our lower yielding interest earning deposits and the related decrease in the average balance of our loan portfolio. With a renewed focus on business development and the gradual increase in the balance of our loan portfolio and reduction of excess liquidity, management anticipates a gradual increase in our net interest income in the future.

Provision for Loan Losses. We had no provision for loan losses for the three months ended September 30, 2013 compared to a provision of $433,000 for the three months ended September 30, 2012. Our provision for the three months ended September 30, 2012 was primarily due to an increase in the loss factors applied to pools of performing loans specifically the $378,000 provision related to our one- to four- family residential loans due to the increase in charge-offs during the third quarter of 2012.

Non-interest Income. For the three months ended September 30, 2013, non-interest income was $36,000 compared to a loss of $13,000 for the three months ended September 30, 2012 primarily due to the $49,000 loss on the sale of repossessed assets during the third quarter of 2012.

Non-interest Expense. For the three months ended September 30, 2013, non-interest expense totaled $958,000 compared to $990,000 for the three months ended September 30, 2012. Our repossessed asset costs decreased $86,000 primarily due to the $81,000 charge-off on our owned real estate for the three months ended September 30, 2013 compared to the $154,000 charge-off for the prior year period. Our professional fees decreased $29,000 primarily due to the $29,000 decrease in foreclosure related legal fees. Our compensation and employee benefit expense increased $28,000 primarily due to the increase in employees. Our FDIC insurance premium increased $19,000 due to an increase in our premium rate. All other costs increased $36,000 which included $15,000 for the provision for off-balance sheet credit losses.

Income Tax. Our review of the deferred tax asset for the three months ended September 30, 2013 resulted in a $3,000 tax provision. There was no provision or benefit for income taxes for the third quarter of 2012.

Comparison of Operating Results for the Nine Months Ended September 30, 2013 and 2012

General. For the nine months ended September 30, 2013 our net loss was $176,000 compared to a net loss of $1.6 million for the nine months ended September 30, 2012. The decrease in our net loss was primarily due to the decrease in our provision for loan losses.

Interest Income. Interest income was $3.0 million for the nine months ended September 30, 2013, $357,000 or 10.7% less than the prior year period. Interest income from loans decreased $337,000 or 10.1% to $3.0 million for the nine months ended September 30, 2013 primarily due to a $7.3 million decrease in the average balance of our loan portfolio to $76.2 million for the nine months ended September 30, 2013 compared to $83.4 million for the prior year period. The decrease in the average balance consisted of: $3.2 million for our multi-family, commercial real estate, and land loans; $2.2 million for our home equity line-of-credit loans; $1.2 million for our one- to four-family residential loans; and $684,000 for our consumer loans. The decrease in the average balance of our loan portfolio was primarily due to repayments, pay-offs, and low origination volume. The average yield of our loan portfolio was 5.13% for the nine months ended September 30, 2013 compared to 5.22% for the prior year period.

Interest income from securities decreased $33,000 to $45,000 for the nine months ended September 30, 2013. The average balance of our securities portfolio decreased $1.9 million to $3.6 million for the nine months ended September 30, 2013 compared to the prior year period primarily due to the calls of securities during 2013 and 2012, the redemption of Federal Home Loan Bank of Chicago stock, and repayments on mortgage-backed securities. The average yield on securities for the nine months ended September 30, 2013 was 1.69% compared to 1.90% for the prior year period due to the call of our higher yielding securities. The average balance of our interest earning deposits increased $7.7 million to $16.1 million for the nine months ended September 30, 2013 compared to the prior year period, resulting in interest income of $19,000 compared to $6,000 for the prior year period.

Interest Expense. Interest expense for the nine months ended September 30, 2013 was $429,000, a decrease of $112,000 or 20.7% from the prior year period due to the decrease in interest expense on deposits. The average cost of deposits decreased to 0.67% for the nine months ended September 30, 2013 compared to 0.82% for the prior year period as the average cost of our certificate of deposit accounts decreased to 0.98% for the nine months ended September 30, 2013 compared to 1.13% for the prior year period due to the general low market interest rates. The average balance of our certificate of deposit accounts decreased $3.8 million to $51.2 million while the average balance of our non-certificate of deposit accounts increased $1.7 million to $34.3 million for the first nine months of 2013 compared to the prior year period as customers preferred to have more liquid accounts.

Net Interest Income. Net interest income for the nine months ended September 30, 2013 was $2.6 million compared to $2.8 million for the nine months ended September 30, 2012. For the nine months ended September 30, 2013, the average yield on interest-earning assets was 4.17% and the average cost of interest-bearing liabilities was 0.67% compared to 4.59% and 0.82%, respectively, for the nine months ended September 30, 2012. These changes resulted in a decrease in our net interest rate spread and net interest margin to 3.50% and 3.57% respectively for the first nine months of 2013 compared to a net interest rate spread of 3.77% and net interest margin of 3.85% for the first nine months of 2012. The decrease was primarily due to the increase in the average balance of our lower yielding interest earning deposits and the related decrease in the average balance of our loan portfolio. With a renewed focus on business development and the gradual increase in the balance of our loan portfolio and reduction of excess liquidity, management anticipates a gradual increase in our net interest income in the future.

Provision for Loan Losses. We had no provision for loan losses for the nine months ended September 30, 2013 compared to a provision of $1.6 million for the nine months ended September 30, 2012. The provision for the nine months ended September 30, 201 was primarily due to the increase in the number of loans classified as substandard and the increase in the allocated allowance due to revisions in the assumptions used to project cash flows for our impaired loans during the nine months ended September 30, 2012.

Non-interest Income. For the nine months ended September 30, 2013, non-interest income was $151,000 compared to $53,000 for the nine months ended September 30, 2012 primarily due to the $64,000 net gain on the sale of repossessed assets for the first nine months of 2013 compared to the $73,000 loss on the sale of repossessed assets for the prior year period. Fees for originating loans for other financial institutions decreased $26,000 for the first nine months of 2013 compared to the prior year period.

Non-interest Expense. For the nine months ended September 30, 2013, non-interest expense totaled $2.9 million compared to $2.8 million for the nine months ended September 30, 2012, an increase of 1.9%. Our repossessed asset costs decreased $275,000 primarily due to the $81,000 charge-off on our owned real estate for the nine months ended September 30, 2013 compared to the $249,000 charge-off and $83,000 of repairs on our owned real estate for the nine months ended September 30, 2012. Our compensation and employee benefit costs increased $126,000 primarily due to the increase in employees. Our FDIC insurance premium increased $64,000 due to an increase in our premium rate. Our professional fees increased $53,000, $35,000 for internal audit fees and $28,000 for consulting fees, partially offset by the $11,000 decrease in foreclosure related legal fees. Occupancy costs increased $20,000 primarily due to a real estate tax credit in 2012 and data processing costs increased $16,000. All other costs increased $49,000 including $15,000 for our provision for off-balance sheet credit losses.

Income Tax. Our review of the deferred tax asset for the nine months ended September 30, 2013 resulted in a $28,000 tax provision. There was no provision or benefit for income taxes for the nine months ended September 30, 2012.

Analysis of Net Interest Income

Net interest income represents the difference between the income we earn on interest-earning assets and the interest expense we pay on interest-bearing liabilities. Net interest income also depends upon the relative amounts of interest-earning assets and interest-bearing liabilities and the interest rates earned or paid on them.

The following tables set forth average balance sheets, average yields and costs, and certain other information for the periods indicated. All average balances are daily average balances. Non-accrual loans were included in the computation of average balances, but have been reflected in the table as loans carrying a zero yield. The yields set forth below include the effect of deferred fees, discounts and premiums that are amortized or accreted to interest income.

	Three Months Ended September 30,					
	2013			2012		
	Average Outstanding Balance	Interest	Yield/Cost	Average Outstanding Balance	Interest	Yield/Cost
			(Dollars in thousands)			
Assets:						
Loans:						
One- to four-family	$ 31,797	$ 383	4.82%	$ 32,125	$ 405	5.05%
Multi-family, commercial real estate, and land	24,741	351	5.63	28,661	445	6.17
Construction	-	-	-	517	9	6.59
Commercial business	2,601	40	6.15	3,230	52	6.43
Home equity lines-of-credit	12,218	112	3.64	14,259	129	3.59
Automobile and other consumer	2,508	39	6.07	3,976	57	5.72
Total loans	73,865	925	4.99	82,768	1,097	5.28
Securities (1)	3,892	15	1.58	4,209	20	1.86
Other interest-earning assets	17,272	8	0.17	8,007	1	0.09
Total interest-earning assets	95,029	$ 948	3.97	94,984	$ 1,118	4.69
Non-interest-earning assets	3,113			5,360		
Total assets	$ 98,142			$ 100,344		
Liabilities and stockholders' equity:						
Savings deposits	$ 9,270	$ 3	0.15	$ 8,246	$ 3	0.15
Money market/demand deposits	25,376	12	0.19	23,974	23	0.36
Certificates of deposit	49,955	121	0.96	53,290	140	1.05
Total deposits	84,601	136	0.64	85,510	166	0.77
Non-interest-bearing deposits	2,380			2,564		
Other liabilities	652			652		
Total liabilities	87,633			88,726		
Stockholders' equity	10,509			11,618		
Total liabilities and stockholders' equity	$ 98,142			$ 100,344		
Net interest income		$ 812			$ 952	
Net interest rate spread			3.33%			3.92%
Net interest-earning assets	$ 10,428			$ 9,474		
Net interest margin			3.40%			4.00%
Average of interest-earning assets to interest-bearing Liabilities			112.33%			111.08%

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1 Securities include Federal Home Loan Bank stock with an average balance of $921,000 for the three months ended September 30, 2013 and 2012, respectively.

	Nine months Ended September 30,					
	2013			2012		
	Average Outstanding Balance	Interest	Yield/Cost	Average Outstanding Balance	Interest	Yield/Cost
	(Dollars in thousands)					
Assets:						
Loans:						
One- to four-family	$ 31,181	$ 761	4.89%	$ 32,383	$ 1,198	4.93%
Multi-family, commercial real estate, and land	25,584	781	5.91	28,771	1,333	6.19
Construction	160	8	6.90	369	22	7.85
Commercial business	3,713	134	6.26	3,534	165	6.25
Home equity lines-of-credit	12,799	236	3.64	14,974	395	3.52
Automobile and other consumer	2,720	81	5.89	3,404	150	5.88
Total loans	76,157	2,001	5.13	83,435	3,263	5.22
Securities (1)	3,561	30	1.69	5,492	78	1.90
Other interest-earning assets	16,102	11	0.16	8,415	6	0.09
Total interest-earning assets	95,820	$ 2,042	4.17	97,342	$ 3,347	4.59
Non-interest-earning assets	3,569			5,564		
Total assets	$ 99,389			$ 102,906		
Liabilities and stockholders' equity:						
Savings deposits	$ 9,120	$ 7	0.15	$ 8,340	$ 9	0.15
Money market/demand deposits	25,212	31	0.23	24,286	67	0.37
Certificates of deposit	51,223	255	0.98	54,978	465	1.13
Total deposits	85,555	293	0.67	87,604	541	0.82
Non-interest-bearing deposits	2,572			2,631		
Other liabilities	706			769		
Total liabilities	88,833			91,004		
Stockholders' equity	10,556			11,902		
Total liabilities and stockholders' equity	$ 99,389			$ 102,906		
Net interest income		$ 1,749			$ 2,806	
Net interest rate spread			3.50%			3.77%
Net interest-earning assets	$ 10,265			$ 9,738		
Net interest margin			3.57%			3.85%
Average of interest-earning assets to interest-bearing Liabilities			112.00%			111.12%

1 Securities include Federal Home Loan Bank stock with an average balance of $921,000 and $1.0 million for the nine months ended September 30, 2013 and 2012, respectively.

Rate/Volume Analysis

The following table presents the dollar amount of changes in interest income and interest expense for the major categories of Ben Franklin Financial, Inc.'s interest-earning assets and interest-bearing liabilities. Information is provided for each category of interest-earning assets and interest-bearing liabilities with respect to (i) changes attributable to changes in volume (i.e., changes in average balances multiplied by the prior-period average rate) and (ii) changes attributable to rate (i.e., changes in average rate multiplied by prior-period average balances). For purposes of this table, changes attributable to both rate and volume, which cannot be segregated, have been allocated proportionately to the change due to volume and the change due to rate.

	Three Months Ended September 30, 2013 vs. 2012			Nine Months Ended September 30, 2013 vs. 2012		
	Increase (Decrease) Due to		Total Increase (Decrease)	Increase (Decrease) Due to		Total Increase (Decrease)
	Volume	Rate		Volume	Rate	
	(Dollars in thousands)					
Interest-earning assets:						
Loans:						
One- to four-family	$ (4)	$ (18)	$ (22)	$ (45)	$ (9)	$ (54)
Multi-family, commercial real estate, and land	(57)	(37)	(94)	(143)	(58)	(201)
Construction	-	(9)	(9)	(11)	(3)	(14)
Commercial business	(10)	(2)	(12)	8	1	9
Home equity lines-of-credit	(18)	1	(17)	(59)	12	(47)
Automobile and other consumer	(22)	4	(18)	(30)	-	(30)
Total loans	(111)	(61)	(172)	(280)	(57)	(337)
Securities	(2)	(3)	(5)	(17)	(16)	(33)
Other interest-earning assets	3	4	7	7	6	13
Total interest-earning assets	(110)	(60)	(170)	(290)	(67)	(357)
Interest-bearing liabilities:						
Savings deposits	-	-	-	1	-	1
Money market/demand accounts	1	(12)	(11)	2	(26)	(24)
Certificates of deposit	(8)	(11)	(19)	(30)	(59)	(89)
Total deposits	(7)	(23)	(30)	(27)	(85)	(112)
Change in net interest income	$ (103)	$ (37)	$ (140)	$ (263)	$ 18	$ (245)