Ben Franklin Financial, Inc.
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Revised Financial Report For the Three Months Ended March 31, 2012

Explanatory Note: Our revised financial results for the three months ended March 31, 2012 primarily reflects the impact of an increase in the number of loans classified as substandard in our portfolio and revisions in our assumptions used to project cash flows for our impaired loans, both as a result of our recent regulatory examination.

This report is intended to be read in conjunction with our Annual Report for the year ended December 31, 2011. This report is dated March 31, 2012 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 Months Ended
March 31, 2012

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

	March 31, 2012	December 31, 2011
ASSETS		
Cash and due from banks	$ 1,369	$ 1,833
Interest-earning deposit accounts	831	458
Federal funds sold	7,790	8,480
Cash and cash equivalents	9,990	10,771
Securities available-for-sale	5,505	5,621
Loans receivable, net of allowance for loan losses of $1,935 at March 31, 2012 and $1,137 at December 31, 2011	82,660	84,289
Federal Home Loan Bank stock	1,020	1,337
Premises and equipment, net	782	806
Repossessed assets	2,904	2,422
Accrued interest receivable	328	318
Prepaid FDIC premiums	298	332
Other assets	142	109
Total assets	$ 103,629	$ 106,005
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Demand deposits - noninterest-bearing	$ 2,487	$ 2,364
Demand deposits - interest-bearing	8,288	8,394
Savings deposits	8,465	8,116
Money market deposits	16,096	16,125
Certificates of deposit	56,281	57,562
Total deposits	91,617	92,561
Advances from Federal Home Loan Bank	-	-
Advances from borrowers for taxes and insurance	330	572
Other liabilities	337	310
Common stock in ESOP subject to contingent purchase obligation	53	26
Total liabilities	92,337	93,469
Stockholders' equity		
Common stock, par value $0.01 per share; authorized 20,000,000 shares issued and outstanding, net of treasury shares, at: March 31, 2012 – 1,949,956 shares December 31, 2011 – 1,949,956 shares	20	20
Additional paid-in-capital	8,232	8,217
Treasury stock, at cost – 68,270 shares at March 31, 2012 and December 31, 2011	(462)	(462)
Retained earnings, substantially restricted	3,980	5,218
Unearned Employee Stock Ownership Plan (ESOP) shares	(494)	(507)
Accumulated other comprehensive income	69	76
Reclassification of ESOP shares	(53)	(26)
Total stockholders' equity	11,292	12,536
Total liabilities and stockholders' equity	$ 103,629	$ 106,005

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 March 31, 2012	2011
Interest income		
Loans	$ 1,073	$ 1,226
Securities	33	24
Federal funds sold and interest earning deposit accounts	2	3
	1,108	1,253
Interest expense		
Deposits	197	278
	197	278
Net interest income	911	975
Provision for loan losses	1,260	163
Net interest income (loss) after provision for loan losses	(349)	812
Non-interest income		
Service fees	42	39
Loss on sale of repossessed assets, net	(24)	(12)
Other	4	1
	22	28
Non-interest expense		
Compensation and employee benefits	399	396
Occupancy and equipment	126	203
Data processing services	74	67
Professional fees	65	133
FDIC insurance premiums	34	42
Repossessed asset expenses, net	121	44
Other	92	64
	911	949
Loss before income taxes	(1,238)	(109)
Income tax provision (benefit)	-	-
Net loss	$ (1,238)	$ (109)
Loss per common share	(0.65)	(0.06)

See accompanying notes to consolidated financial statements

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

For the Three Months Ended March 31, 2012 and 2011 – (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	Comprehensive Income (Loss)
Balance at January 1, 2011	$ 20	$ 8,156	$ (462)	$ 5,921	$ (559)	$ 61	$ (41)	$ 13,096	
Comprehensive loss									
Net loss	-	-	-	(109)	-	-	-	(109)	$ (109)
Unrealized gain on securities available-for-sale, net of deferred income taxes	-	-	-	-	-	(5)	-	(5)	(5)
Total comprehensive loss									$ (114)
Earned ESOP shares and other stock based compensation	-	15	-	-	14	-	-	29	
Reclassification due to change in fair value of common stock in ESOP subject to contingent repurchase obligation	-	-	-	-	-	-	2	2	
Balance at March 31, 2011	$ 20	$ 8,171	$ (462)	$ 5,812	$ (545)	$ 56	$ (39)	$ 13,013	
Balance at January 1, 2012	$ 20	$ 8,217	$ (462)	$ 5,218	$ (507)	$ 76	$ (26)	$ 12,536	
Comprehensive loss									
Net loss	-	-	-	(1,238)	-	-	-	(1,238)	$ (1,238)
Unrealized gain on securities available for-sale, net of deferred income taxes	-	-	-	-	-	(7)	-	(7)	(7)
Total comprehensive loss									$ (1,245)
Earned ESOP shares and other stock based compensation	-	15	-	-	13	-	-	28	
Reclassification due to change in fair value of common stock in ESOP subject to contingent repurchase obligation	-	-	-	-	-	-	(27)	(27)	
Balance at March 31, 2012	$ 20	$ 8,232	$ (462)	$ 3,980	$ (494)	$ 69	$ (53)	$ 11,292	

See accompanying notes to consolidated financial statements

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

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
Cash flows from operating activities		
Net income (loss)	$ (1,238)	$ (109)
Adjustments to reconcile net income (loss) to net cash from operating activities		
Depreciation	32	33
ESOP and other stock based compensation	28	29
Amortization of premiums and discounts	1	4
Provision for loan losses	1,260	163
Loss on sale of repossessed assets	24	12
Write down of repossessed assets	16	-
Changes in:		
Deferred loan costs	(45)	(1)
Accrued interest receivable	(10)	37
Other assets	5	(30)
Other liabilities	27	(43)
Net cash from operating activities	100	95
Cash flows from investing activities		
Principal repayments on mortgage-backed securities	105	113
Proceeds from the sale of loans	187	-
Proceeds from the redemption of Federal Home Loan Bank stock	317	-
Net decrease in loans	(377)	700
Sales of repossessed assets	164	147
Expenditures to improve repossessed assets	(83)	-
Expenditures for premises and equipment	(8)	(8)
Net cash from investing activities	305	952
Cash flows from financing activities		
Net increase (decrease) in deposits	(944)	(3,468)
Net change in advances from borrowers for taxes and insurance	(242)	(9)
Net cash from financing activities	(1,186)	(3,477)
Net change in cash and cash equivalents	(781)	(2,430)
Cash and cash equivalents at beginning of year	10,771	14,019
Cash and cash equivalents at end of period	$ 9,990	$ 11,589
Supplemental disclosures		
Interest paid	$ 195	$ 276
Transfers from loans to repossessed assets	603	1,633

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, 2011. 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 2011 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 months ended March 31, 2012 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)		
March 31, 2012				
U.S. Government sponsored entities	$ 4,000	$ 25	$ -	$ 4,025
Residential mortgage-backed securities	1,392	88	-	1,480
Total	$ 5,392	$ 113	$ -	$ 5,505
December 31, 2011				
U.S. Government sponsored entities	$ 4,000	$ 35	$ -	$ 4,035
Residential mortgage-backed securities	1,497	89	-	1,586
Total	$ 5,497	$ 124	$ -	$ 5,621

Note 3 – Loans

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

	March 31, 2012		December 31, 2011	
	Amount	Percent	Amount	Percent
	(Dollars in thousands)			
First mortgage loans:				
One- to four- family	$ 33,166	39.22%	$ 35,402	39.27%
Multi-family	15,245	18.03	15,525	17.22
Commercial	12,696	15.01	12,221	12.77
Construction	369	0.44	-	2.37
Land	392	0.46	783	1.23
Total first mortgage loans	61,868	73.16	63,931	72.86
Commercial, consumer and other loans:				
Home equity lines-of-credit	15,421	18.23	15,586	16.93
Commercial business	3,352	3.96	3,635	5.51
Automobile	3,426	4.05	2,189	4.58
Other	113	0.13	113	0.12
Total commercial, consumer and other loans	22,312	26.37	21,523	27.14
Total loans held for investment	84,180	99.53	85,454	100.00
Loans available for sale	400	.47	-	-
Total loans	84,580	100.00%	85,454	100.00%
Premiums and net deferred loan costs	15		(28)	
Allowance for loan losses	(1,935)		(1,137)	
Total loans, net	$ 82,660		$ 84,289	

The following table presents the activity in the allowance for loan losses by portfolio segment and class for the three months ended March 31, 2012 and 2011

(Dollars in thousands)

	First Mortgages					Commercial, Consumer and Other				
	One-to-four family	Multi-family	Commercial real estate	Land	Construction	Home equity lines-of-credit	Commercial	Automobile	Other Consumer	Total
March 31, 2012										
Allowance for loan losses										
Beginning balance	$ 270	$ 253	$ 315	$ 115	$ -	$ 64	$ 103	$ 17	$ -	$ 1,137
Provision for loan losses	376	344	375	11	13	100	27	14	-	1,260
Loans charged-off	(181)	-	(47)	(108)	-	(125)	-	(1)	-	(462)
Recoveries	-	-	-	-	-	-	-	-	-	-
Total ending allowance balance March 31, 2012	$ 465	$ 597	$ 643	$ 18	$ 13	$ 39	$ 130	$ 30	$ -	$ 1,935
March 31, 2011										
Allowance for loan losses										
Beginning balance	$ 487	$ 307	$ 330	$ 5	$ 40	$ 40	$ 126	$ 39	$ 2	$ 1,376
Provision for loan losses	97	(8)	59	-	(37)	1	38	15	(2)	163
Loans charged-off	(206)	-	(226)	-	-	-	(21)	(18)	-	(471)
Recoveries	-	-	-	-	-	-	-	1	-	1
Total ending allowance balance March 31, 2011	$ 378	$ 299	$ 163	$ 5	$ 3	$ 41	$ 143	$ 37	$ -	$ 1,069

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
March 31, 2012						
One-to-four-family	$ 2,127	$ 31,039	$ 33,166	$ 129	$ 336	$ 465
Multi-family	3,352	11,893	15,245	379	218	597
Commercial real estate	-	12,696	12,696	-	643	643
Land	131	261	392	-	18	18
Construction	-	369	369	-	13	13
Home equity lines of credit	-	15,421	15,421	-	39	39
Commercial	773	2,579	3,352	100	30	130
Automobile	-	3,426	3,426	-	30	30
Other consumer	-	113	113	-	-	-
Total	$ 6,383	$ 77,797	$ 84,180	$ 608	$ 1,327	$ 1,935
December 31, 2011						
One-to-four-family	$ 1,394	$ 34,008	$ 35,402	$ 100	$ 170	$ 270
Multi-family	3,365	12,160	15,525	71	182	253
Commercial real estate	170	12,051	12,221	47	268	315
Land	519	264	783	109	6	115
Construction	-	-	-	-	-	-
Home equity lines of credit	125	15,461	15,586	26	38	64
Commercial	818	2,817	3,635	64	39	103
Automobile	-	2,189	2,189	-	17	17
Other consumer	-	113	113	-	-	-
Total	$ 6,391	$ 79,063	$ 85,454	$ 417	$ 720	$ 1,137

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

	March 31, 2012			December 31, 2011		
	(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	$ 1,201	$ 1,201	$ -	$ 594	$ 594	$ -
Multi-family	-	-	-	-	-	-
Commercial real estate	-	-	-	-	-	-
Land	131	131	-	131	131	-
Construction	-	-	-	-	-	-
Home equity line of credit	-	-	-	-	-	-
Commercial	-	-	-	-	-	-
Automobile	-	-	-	-	-	-
Other consumer	-	-	-	-		-
Total with no related allowance recorded	1,332	1,332	-	725	725	-
With an allowance recorded						
One-to-four-family	926	926	129	800	800	100
Multi-family	3,352	3,352	379	3,365	3,365	71
Commercial real estate	-	-	-	170	170	47
Land	-	-	-	388	388	109
Construction	-	-	-	-	-	-
Home equity line of credit	-	-	-	125	125	26
Commercial	773	773	100	818	818	64
Automobile	-	-	-	-	-	-
Other consumer	-	-	-	-	-	-
Total with a related allowance recorded	5,051	5,051	608	5,666	5,666	417
Total	$ 6,383	$ 6,383	$ 608	$ 6,391	$ 6,391	$ 417

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)			
March 31, 2012						
One-to-four-family	$ 965	$ -	$ -	$ 1,116	$ 31,085	$ 33,166
Multi-family	-	-	-	-	15,245	15,245
Commercial real estate	-	-	-	-	12,696	12,696
Land	-	-	-	131	261	392
Construction	-	-	-	-	369	369
Home equity line of credit	-	-	-	-	15,421	15,421
Commercial	-	-	-	156	3,196	3,352
Automobile	2	-	-	-	3,424	3,426
Other consumer	-	-	-	-	113	113
Loans available for sale	-	-	-	-	400	400
Total	$ 967	$ -	$ -	$ 1,403	$ 82,210	$ 84,580
December 31, 2011						
One-to-four-family	$ 277	$ -	$ -	$ 961	$ 34,164	$ 35,402
Multi-family	-	-	-	-	15,525	15,525
Commercial real estate	-	-	-	170	12,051	12,221
Land	-	-	-	519	264	783
Construction	-	-	-	-	-	-
Home equity line of credit	18	-	-	125	15,443	15,586
Commercial	-	-	-	179	3,456	3,635
Automobile	8	-	-	-	2,181	2,189
Other consumer	-	-	-	-	113	113
Total	$ 303	$ -	$ -	$ 1,954	$ 83,197	$ 85,454

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 his/her 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 evaluated at origination and when a loan becomes delinquent.

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.

	Pass	Substandard	Doubtful	Total
	(Dollars in thousands)			
March 31, 2012				
One-to-four-family	$ 31,468	$ 1,698	$ -	$ 33,166
Multi-family	10,717	4,528	-	15,245
Commercial real estate	11,015	1,681	-	12,696
Land	261	131	-	392
Construction	369	-	-	369
Home equity lines of credit	15,421	-	-	15,421
Commercial	2,579	773	-	3,352
Automobile	3,426	-	-	3,426
Other consumer	113	-	-	113
Total	$ 75,369	$ 8,811	$ -	$ 84,180
December 31, 2011				
One-to-four-family	$ 34,289	$ 1,113	$ -	$ 35,402
Multi-family	13,435	2,090	-	15,525
Commercial real estate	12,051	170	-	12,221
Land	264	519	-	783
Construction	-	-	-	-
Home equity lines of credit	15,461	125	-	15,586
Commercial	2,817	818	-	3,635
Automobile	2,189	-	-	2,189
Other consumer	113	-	-	113
Total	$ 80,619	$ 4,835	$ -	$ 85,454

Note 4 - Non-Performing Assets and Troubled Debt Restructurings

There were no loans modified as troubled debt restructurings that occurred during the three months ended March 31, 2012.

The Company has allocated $124,000 and $148,000 to specific reserves on $4.6 million and $4.6 million of loans to customers whose loan terms have been modified as troubled debt restructurings as of March 31, 2012 and December 31, 2011, respectively. The Company has not committed to lend additional amounts as of March 31, 2012 and December 31, 2011 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).

	March 31, 2012		December 31, 2011	
	(Dollars in thousands)			
	Number	Amount	Number	Amount
Non-performing loans				
One-to four-family	4	$ 1,116	3	$ 961
Multi-family	-	-	-	-
Land	1	131	2	519
Commercial real estate	-	-	2	170
Home equity lines-of-credit	-	-	1	125
Total non-performing loans	5	1,247	8	1,775
Troubled debt restructurings				
One-to four-family	2	429	2	432
Multi-family	4	3,351	4	3,365
Commercial business [1]	2	773	2	819
Total troubled debt restructurings	8	4,553	8	4,616
Repossessed assets				
Foreclosed real estate	11	2,880	9	2,354
Repossessed other	2	24	2	68
Total non-performing assets	13	2,904	11	$ 2,422
Total non-performing loans, troubled debt restructurings, and repossessed assets	26	$ 8,704	27	$ 8,813
Non-performing loans to total loans		1.47%		2.08%
Non-performing loans and troubled debt restructurings to total loans		6.84%		7.48%
Non-performing assets and troubled debt restructurings to total assets		8.40%		8.31%

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(1) One commercial loan with a balance of $156,000 and $179,000 at March 31, 2012 and December 31, 2011 respectively, was considered non-accrual and a TDR and was 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	
	March 31, 2012	March 31, 2011
Net income (loss)	$(1,238,000)	$ (109,000)
Weighted average common shares outstanding	1,899,897	1,898,629
Basic and diluted income (loss) per share	$ (0.65)	$ (0.06)

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; 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 including a transaction assisted by the FDIC; 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 recently enacted banking reform legislation by the U.S. Congress; stimulus program; various financial institution rescue plans including TARP; 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, 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, 2011, 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 March 31, 2012 and December 31, 2011

General. Our revised financial results for the three months ended March 31, 2012 primarily reflects the impact of an increase in the number of loans classified as substandard in our portfolio and revisions in our assumption used to project cash flows for our impaired loans, both as a result of our recent regulatory examination. For the three months ended March 31, 2012, we continued to experience a decrease in assets primarily due to the decrease in our cash and cash equivalents, securities available for sales, loans receivable, and Federal Home Loan Bank stock, partially offset by an increase in our repossessed assets. We also experienced a decrease in the balance of our deposits during the first quarter of 2012 primarily due to the decrease in our certificate of deposit accounts. Loan origination volume remains low due to weak loan demand during the slow economic recovery and was supplemented in the first quarter of 2012 by the purchase of automobile loans from another financial institution.

Assets. Total assets at March 31, 2012 were $103.6 million compared to $106.0 million at December 31, 2011, a decrease of $2.4 million or 2.3%. This decrease was primarily due to the $1.6 million net decrease in our loan portfolio balance and a $781,000 decrease in cash and cash equivalents, due to the decrease in the balance of our certificate of deposit accounts. These decreases were partially offset by the $482,000 increase in the balance of our repossessed assets at March 31, 2012 compared to December 31, 2011.

Our first mortgage loan portfolio decreased $2.0 million or 3.2%, to $61.9 million at March 31, 2012 compared to $63.9 million at December 31, 2011 primarily due to the $2.2 million decrease in our one- to four-family residential loans. Our commercial, consumer and other loan balances increased $789,000 to $22.3 million at March 31, 2012 compared to $21.5 million at December 31, 2011 primarily due to the purchase of $1.6 million in automobile loans from another financial institution. We anticipate additional purchases of automobile loans through the remainder of 2012 subject to market conditions and portfolio concentration limits. Overall, we anticipate our loan portfolio balance will remain at current levels throughout the remainder of the year.

At March 31, 2012 our allowance for loan losses was $1.9 million or 2.29% of total loans compared to $1.1 million or 1.33% of total loans at December 31, 2011. The increase in the balance of our allowance for loan losses at March 31, 2012 was primarily due to our provision of $1.3 million offset by net charge-offs totaling $462,000. Our increase in the provision was primarily due to an increase in the number of loans classified as substandard and the increase in the allocated allowance due to revisions in our assumptions used to project cash flows for our impaired loans.

Our securities portfolio decreased $116,000 or 2.1% to $5.5 million at March 31, 2012 compared to December 31, 2011 primarily due to the repayments on mortgage-backed securities. The balance of our Federal Home Loan Bank of Chicago stock decreased $317,000 due to the redemption of a potion of our excess stock as the Federal Home Loan Bank of Chicago was allowed to resume its repurchase program during the first quarter of 2012. Cash and cash equivalents decreased $781,000 to $10.0 million at March 31, 2012 primarily due to the decrease in our deposit accounts. Management anticipates reducing the balance of cash and cash equivalents throughout the year.

Our repossessed assets increased $482,000 primarily due to $83,000 of improvements to a multi-family property and the transfer of $603,000 from loans to real estate owned including; $170,000 related to a single- family home, $143,000 related to a commercial real estate property, and $289,000 related to land. These increases were partially offset by decreases totaling $204,000 due to a sale and write-downs.

Liabilities. Our deposits decreased by $944,000 or 1.1% to $91.6 million at March 31, 2012 compared to $92.6 million at December 31, 2011. Our certificate of deposit accounts decreased $1.3 million or 2.2% to $56.3 million at March 31, 2012. Our non-certificate of deposit accounts increased $337,000 or 1.0% to $35.3 million at March 31, 2012 primarily due to an increase in savings accounts.

Equity. Total stockholders' equity at March 31, 2012 was $11.3 million, a decrease of $1.2 million or 9.6% from December 31, 2011. The decrease resulted primarily from the net loss of $1.2 million and the $7,000 decrease due to unrealized gains on available-for-sale securities partially offset by an increase of $1,000 for ESOP and other stock based compensation.

Comparison of Operating Results for the Three Months Ended March 31, 2012 and 2011

General. For the three months ended March 31, 2012 our net loss was $1.2 million compared to a net loss of $109,000 for the three months ended March 31, 2011. The increase in our loss was primarily due to an increase in our provision for loan losses and a decrease in our net interest income, partially offset by a decrease in our non-interest expenses. Our provision has been revised to reflect the impact of an increase in the number of loans classified as substandard in our portfolio and revisions in our assumptions used to project cash flows for our impaired loans. We have been able to maintain our net interest margin; however, further improvement may be limited as our deposit costs have approached current market rates. While and our non-performing loans and related foreclosure costs have decreased, we still face challenges liquidating our repossessed assets and generating loan growth and the related revenues given the current weak economic recovery and its impact on our local real estate market.

Interest Income. Interest income was $1.1 million for the three months ended March 31, 2012, $145,000 or 11.6% less than the prior year period. Interest income from loans decreased $153,000 or 12.5% for the three months ended March 31, 2012 primarily due to a $9.7 million decrease in the average balance of our loan portfolio to $83.9 million for the three months ended March 31, 2012 compared to $93.6 million for the prior year period. The average balance decreased in all classes of our loan portfolio due to repayments, pay-offs, transfers of loans to repossessed assets, and lower origination volume. The average yield of our loan portfolio was 5.13% for the first quarter of 2012 compared to 5.29% for the prior year period.

Interest income from securities increased $9,000 to $33,000 for the three months ended March 31, 2012. The average balance of our securities portfolio increased $1.5 million to $6.6 million for the three months ended March 31, 2012 compared to the prior year period primarily due to the purchase of $3.0 million of government sponsored entities after the first quarter of 2011, partially offset by repayments on mortgage-backed securities. The average yield on securities for the three months ended March 31, 2012 was 1.98% compared to 1.89% for the prior year period primarily due to the higher yield on the new security purchases.

Interest Expense. Interest expense for the three months ended March 31, 2012 was $197,000, a decrease of $81,000 or 29.1% from the prior year period due to the decrease in interest expense on deposits. The average cost of deposits decreased to 0.88% for the three months ended March 31, 2012 compared to 1.15% for the prior year period as the average cost of our certificate of deposit accounts decreased to 1.21% for the three months ended March 31, 2012 compared to 1.55% for the prior year period due to the general low market interest rates. The average balance of our non-certificate of deposit accounts increased $1.4 million to $32.9 million for the first quarter of 2012 compared to the prior year period.

Net Interest Income. Net interest income for the three months ended March 31, 2012 was $911,000 compared to $975,000 for the three months ended March 31, 2011. The decrease was primarily due to the shrinking of our balance sheet. For the three months ended March 31, 2012, the average yield on interest-earning assets was 4.45% and the average cost of interest-bearing liabilities was 0.88% compared to 4.70% and 1.15%, respectively, for the three months ended March 31, 2011. These changes resulted in a slight increase in our net interest rate spread to 3.57% for the first quarter of 2012 compared to a net interest rate spread of 3.55% for the first quarter of 2011. The net interest rate margin was unchanged at 3.66%

Provision for Loan Losses. Our provision for loan losses was $1.3 million for the three months ended March 31, 2012 compared to $163,000 for the three months ended March 31, 2011. Our provision for the three months ended March 31, 2012 was primarily related to an increase in the number of loans classified as substandard and the increase in the allocated allowance due to revisions in our assumptions used to project cash flows for our impaired loans. Our provision for the three months ended March 31, 2011 was primarily due to troubled debt restructurings that occurred during that quarter.

Non-interest Income. For the three months ended March 31, 2012, non-interest income decreased to $22,000 compared to $28,000 for the three months ended March 31, 2011 primarily due to a $12,000 increase in losses on the sales of repossessed assets.

Non-interest Expense. For the three months ended March 31, 2012, non-interest expense totaled $911,000 compared to $949,000 for the three months ended March, 2011, a decrease of 4.0%. Our occupancy costs decreased $77,000 primarily due to certain charges for our leased main office in the first quarter of 2011. Professional fees decreased $68,000 primarily due to the $39,000 decrease in foreclosure related legal fees. For the three months ended March 31, 2011, professional fees included $20,000 for legal and advisory fees to assess a potential bid for a financial institution in an FDIC assisted transaction, and $8,000 for fees related to the deregistration of the Company. These decreases were partially offset by a $77,000 increase in repossessed asset expenses primarily due to repairs of repossessed properties. All other expenses increased $23,000 on a net basis.

Income Tax. Since the third quarter of 2009, we have maintained a valuation allowance for substantially all of our deferred tax assets. Our review of the deferred tax asset for the three months ended March 31, 2012 and 2011 resulted in no income tax provision or benefit.

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 table sets 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 March 31,					
	2012			2011		
	Average Outstanding Balance	Interest	Yield/Cost	Average Outstanding Balance	Interest	Yield/Cost
	(Dollars in thousands)					
Assets:						
Loans:						
One- to four-family	$ 32,753	$ 393	4.80%	$ 36,280	$ 456	5.03%
Multi-family, commercial real estate, and land	28,991	443	6.13	30,169	476	6.40
Construction	208	5	10.22	969	19	7.82
Commercial business	3,878	58	6.03	5,852	84	5.83
Home equity lines-of-credit	15,481	135	3.48	16,276	129	3.23
Automobile and other consumer	2,557	39	6.16	4,053	62	6.22
Total loans	83,868	1,073	5.13	93,599	1,226	5.29
Securities	6,620	33	1.98	5,161	24	1.89
Other interest-earning assets	9,202	2	0.10	8,689	3	0.11
Total interest-earning assets	99,690	$ 1,108	4.45	107,449	$ 1,253	4.70
Non-interest-earning assets	5,800			6,599		
Total assets	$ 105,490			$ 114,048		
Liabilities and stockholders' equity:						
Savings deposits	$ 8,357	$ 3	0.15	$ 7,825	$ 3	0.15
Money market/demand deposits	24,535	23	0.37	23,696	21	0.37
Certificates of deposit	56,699	171	1.21	66,425	254	1.55
Total deposits	89,591	197	0.88	97,946	278	1.15
FHLB advances	-	-	-	-	-	-
Total interest-bearing liabilities	89,591	197	0.88	97,946	278	1.15
Non-interest-bearing deposits	2,402			2,250		
Other liabilities	863			615		
Total liabilities	92,856			100,811		
Stockholders' equity	13,634			13,237		
Total liabilities and stockholders' equity	$ 105,490			$ 114,048		
Net interest income		$ 911			$ 975	
Net interest rate spread			3.57%			3.55%
Net interest-earning assets	$ 10,099			$ 9,503		
Net interest margin			3.66%			3.66%
Average of interest-earning assets to interest-bearing Liabilities			111.27%			109.70%

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 March 31, 2012 vs. 2011		
	Increase (Decrease) Due to		Total Increase (Decrease)
	Volume	Rate	
	(Dollars in thousands)		
Interest-earning assets:			
Loans:			
One- to four-family........	$ (43)	$ (20)	$ (63)
Multi-family, commercial real estate, and land..............	(16)	(17)	(33)
Construction..................	(10)	(4)	(14)
Commercial business.....	(29)	3	(26)
Home equity lines-of-credit	(6)	12	6
Automobile and other consumer	(22)	(1)	(23)
Total loans	(126)	(27)	(153)
Securities..........................	7	2	9
Other interest-earning assets	-	(1)	(1)
Total interest-earning assets.........................	(119)	(26)	(145)
Interest-bearing liabilities:			
Savings deposits...............	-	-	-
Money market/demand deposits	2	-	2
Certificates of deposit	(33)	(50)	(83)
Total deposits.............	(31)	(50)	(81)
FHLB Advances...............	-	-	-
Total interest-bearing Liabilities	(31)	(50)	(81)
Change in net interest income	$ (88)	$ 24	$ (64)