

## News Release

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## Franklin Bancorp, Inc. Participates in the CAPITAL PURCHASE PROGRAM

**Washington, MO**, (May 29, 2009) – Robert D. Dobsch, President and Chairman of Franklin Bancorp, Inc., the parent company of Bank of Franklin County, has announced the company's participation in the U.S. Treasury Department's Capital Purchase Program.

The Capital Purchase Program is one of the initiatives that the U.S. government announced last fall to help strengthen the financial markets and increase economic activity. Program funds are intended to be used as an immediate source of capital - the cornerstone by which banks grow their loan portfolios. Participating banks can then continue to provide loans, thus helping speed the economic recovery. Federal banking and thrift regulatory agencies are encouraging and approving only healthy institutions for the program.

Jane Glastetter, CFO for Franklin Bancorp, Inc., said, "Our directors recognized very early on the significance the program could have locally. Once it was determined that small, independent banks like Bank of Franklin County were eligible to participate, we began the process late last year and completed the \$5.1 million transaction on May 22, 2009."

Dobsch clarified, "The initial Troubled Asset Relief Program (TARP) targeted large financial institutions deemed too big to fail. Unfortunately, after the "bail- out" of Wall Street, Main Street was put at a disadvantage. The Capital Purchase Program allows healthy, smaller banks to grow and prosper and ensures the communities they serve will be able to take part in the economic recovery."

Community banks like Bank of Franklin County are the backbone of the American economy as they provide loans to businesses and individuals. Dobsch stated, "There is little our bank can do globally to create jobs, but locally it is our duty to be pro-active in meeting the needs of the community. We intend to leverage our participation in the program by expanding our home mortgage lending operation, as well as increasing funds available for home purchases and new home construction. Making funds available for credit worthy borrowers to purchase and build new homes, purchase autos, expand their businesses, replace aging equipment, invest in new technology and support farming operations is our number one priority. The only way out of the current recession is to get people back to work."

Dobsch added, "Bank of Franklin County is currently well capitalized, very liquid and properly reserved for all identifiable risk. However, the economic pressures of today necessitate that even healthy banks fortify their existing capital and reserves for future, unexpected economic challenges in order to brace the communities they serve against the negative impacts of the credit crunch affecting the country."

Glastetter stated, "As a locally owned, community bank we have a vested interest in stimulating the local economy. Participation in this program confirms our continuing commitment to our shareholders, customers and the communities we serve – not only for today, but for the future as well."

Bank of Franklin County is "A Real Community Bank" with locations in Washington, Krakow and New Haven serving Franklin and Warren Counties. In addition to its full service banking locations, Bank of Franklin County also owns and operates Franklin Mortgage Company, LLC as a wholly owned subsidiary of the bank.

For more information about the Capital Purchase Program please visit <a href="https://www.financialstability.gov">www.financialstability.gov</a> and to learn more about Bank of Franklin County please visit <a href="https://www.bankoffranklincounty.com">www.bankoffranklincounty.com</a>.