



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, DC 20551

January 29, 2015

Mr. Emanuel J. Friedman
Chief Executive Officer
EJF Capital LLC
2107 Wilson Boulevard, Suite 410
Arlington, Virginia 22201

Dear Mr. Friedman,

This letter responds to your request of July 22, 2014, on behalf of EJF Capital LLC (“EJF”), Arlington, Virginia, for relief from commitments that EJF made to the Board in connection with its purchase of an aggregate principal amount of \$4.2 million of the preferred shares (collectively, the “Franklin CPP Shares”) that were issued by Franklin Bancorp, Inc. (“Franklin”), Washington, Missouri, to the Department of the Treasury (“Treasury”) as part of the Troubled Asset Relief Program’s Capital Purchase Program (“CPP”). EJF’s purchase amounted to 77.6 percent of the total Franklin CPP Shares outstanding as of the purchase date and 22.8 percent of Franklin’s total equity. The requested relief would completely relieve EJF from the commitments.

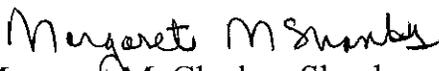
In 2009, as part of its effort to support the banking system and promote new lending, Treasury invested \$5.1 million in Franklin by purchasing the Franklin CPP Shares. Beginning in 2012, as it proceeded to wind down and recover its investments under the CPP, Treasury sold the CPP shares of a number of banking organizations through an auction process. On November 2, 2012, EJF acquired its Franklin CPP Shares from Treasury through this auction process and, in that connection, provided the commitments to the Board.

On May 15, 2014, EJF consummated transactions to sell all of its Franklin CPP Shares back to Franklin. EJF does not have the right to appoint a

director to the board of directors of Franklin or have representation on the board. Further, there are no existing or contemplated business relationships between the two firms. EJF has also provided a written representation that it will not exercise or attempt to exercise a controlling influence over the management or policies of Franklin.

Based on all the facts of record, the Director of the Division of Banking Supervision and Regulation, acting pursuant to authority delegated by the Board under section 265.7(a)(2) of the Board's Rules Regarding Delegation of Authority (12 CFR 265.7(a)(2)), and after consulting with the General Counsel, has approved your request on behalf of EJF for relief from the commitments provided in connection with the investment in Franklin. This action is based on the representations and commitments set forth in all of your communications and in correspondence related to your request, including the representations discussed above. Any change in the facts presented could result in a different conclusion and should be reported to Board staff immediately. This determination should not be construed as granting relief from any other conditions or commitments to which EJF may be subject.

Very truly yours,


Margaret McCloskey Shanks
Deputy Secretary of the Board

cc: Dennis Blase, Assistant Vice President
Federal Reserve Bank of St. Louis