

# A HISTORY OF COMMITMENT

2018 ANNUAL REVIEW





## OUR VISION

To be the independent financial services provider of choice in the core markets served by **building relationships** and **finding solutions**.

The Great Reunion of 1913. Reproducing a historic photograph of Gettysburg's Lincoln Square at the time of the 50th Anniversary of the Battle of Gettysburg in 1913, this wall mural was unveiled in the Atrium of the ACNB Corporation Operations Center in May 2018. The mural depicts the building constructed in 1908 by The First National Bank of Gettysburg, a predecessor financial institution, on the founding site of ACNB Corporation's banking subsidiary, now ACNB Bank, in 1857.

# Report to Shareholders

A history of commitment distinguishes ACNB Corporation and its subsidiaries. A history unbroken and continuous, as founded in 1857. Circles of commitment between our organization and its shareholders, employees, customers, and communities served. This commitment is central to ACNB Corporation's vision and its mission for the subsidiaries of ACNB Bank and Russell Insurance Group, Inc.

## A RECORD YEAR IN 2018

For the year ended December 31, 2018, ACNB Corporation reported record financial results with net income of \$21,748,000 or \$3.09 per share. In comparison to the prior year, this is an increase of \$11,960,000 or 122.2%. Net income for the year ended December 31, 2017, was \$9,788,000 or \$1.50 per share.

The primary driver of this significant increase in net income was the first full year of combined banking operations and positive momentum experienced following the acquisition of New Windsor Bancorp, Inc. and its wholly-owned subsidiary, New Windsor State Bank, effective July 1, 2017. Also contributing to the Corporation's strong 2018 financial performance was enhanced revenue growth attributable to subsidiary activities through both ACNB Bank Wealth Management and Russell Insurance Group, Inc. To a lesser degree, the higher net income reported for 2018 was a result of merger-related expenses in 2017 and organic net revenue growth in 2018, aided by a lower effective tax rate due to tax reform under the Tax Cuts and Jobs Act which took effect on January 1, 2018.

Similar to other financial holding companies of community banks, the principal component of ACNB Corporation's net income is net interest income. This fundamental source of revenue is the income derived from the interest earned on loans and investments, less the interest paid on deposits and borrowings. Net interest income is impacted by changes in interest rates, the volume of interest earning assets and interest bearing liabilities, and the composition of these assets and liabilities. By its inherent nature, this income source is predominantly influenced by market interest rates, local economic conditions, stock market impacts, and competitive market dynamics.

Net interest income totaled \$57,095,000 for 2018, as compared to \$46,352,000 for 2017. This year-over-year increase of \$10,743,000, or 23.2%, was primarily due to higher loan volume including a full year of interest income on loans acquired through the New Windsor Bancorp, Inc. transaction in 2017.

During 2018, the Corporation was challenged given the interest rate environment to balance customer expectations and the need to control the cost of funding loan growth. While the Federal Reserve's Open Market Committee raised the Fed Funds Rate four times for a total of 100 basis points during the year to 2.50%, there was no corresponding increase in longer term market interest rates. As a result, the competitive marketplace caused interest rates on loans to be restrained, while there was pressure for increased interest rates on deposits.

With record financial results in 2018, ACNB Corporation's return on average assets and return on average equity were 1.34% and 13.62%, respectively, as of December 31, 2018. These ratios compare very favorably to the Corporation's return on average assets of 0.69% and return on average equity of 7.12% as of December 31, 2017, reinforcing the accretive impact of the New Windsor Bancorp, Inc. transaction.

At December 31, 2018, ACNB Corporation's total assets were \$1.6 billion. Total loans outstanding were \$1,302,465,000 at year-end 2018, up \$58,295,000, or 4.7%, from December 31, 2017, primarily in the commercial loan portfolio, despite the generally slower economic conditions and continued intense competition during 2018 in the Corporation's markets. Total deposits were \$1,348,092,000 at December 31, 2018. Year over year, total deposits rose by \$49,600,000, or 3.8%, since December 31, 2017, with significant growth in transaction accounts.

## SHAREHOLDER DIVIDENDS & EQUITY

A key area of strength and differentiation for ACNB Corporation is its commitment to shareholders. This is evidenced by the Corporation's history of paying a solid and stable quarterly cash dividend on its common stock for decades through times of both economic expansion and recession. In 2018, ACNB Corporation shareholders were rewarded with a 15% increase in the quarterly cash dividend amount from \$0.20 per share to \$0.23 per share effective with the payment of the cash dividend on June 15, 2018—resulting in a total dividend paid of \$0.89 per share for the year. Aggregate dividends paid to all shareholders totaled \$6,261,000 during 2018, which is an increase of more than \$1,000,000 over the prior year. In 2017, ACNB Corporation paid an \$0.80 dividend per share for total dividends paid to shareholders in the amount of \$5,233,000. A portion of the increase in total dividends paid in 2018 was a result of new shares issued effective with the acquisition of New Windsor Bancorp, Inc. on July 1, 2017.

At December 31, 2018, total stockholders' equity was \$168,137,000. Compared to \$153,966,000 at December 31, 2017, this is an increase of \$14,171,000, or 9.2%, due to earnings retained in capital in 2018 and new shares of common stock primarily from dividend reinvestment. Fundamental to ongoing capital enhancement is sustained earnings growth year over year.

The ACNB Corporation Dividend Reinvestment and Stock Purchase Plan offers registered shareholders the opportunity to purchase additional shares of the



**ACNB CORPORATION EXECUTIVE OFFICERS**

Executive Vice President/Secretary & Chief Governance Officer Lynda L. Glass, President & Chief Executive Officer James P. Helt, Chairman of the Board Frank Elsner, III, Executive Vice President/Treasurer & Chief Financial Officer David W. Cathell.

Corporation's common stock through the automatic reinvestment of cash dividends and voluntary cash payments on a quarterly basis. The benefit to the registered shareholders who elect to participate in the plan includes the convenience of the acquisition of additional shares of ACNB Corporation common stock, as well as the ability to do so without paying service fees or brokerage commissions. Since the plan's introduction in January 2011, 153,272 new shares of ACNB Corporation common stock, totaling approximately \$3,300,000 in plan investments, have been issued to plan participants as a result of both dividend reinvestment and voluntary cash purchases, which continue to fortify the Corporation's equity position.

**ACNB BANK**

ACNB Corporation's community banking subsidiary, ACNB Bank, operates in both southcentral Pennsylvania and, as of July 1, 2017, in northern Maryland with the completion of the acquisition of New Windsor Bancorp, Inc. of Taneytown, Maryland, and its wholly-owned subsidiary, New Windsor State Bank. This strategic market expansion across the Mason-Dixon Line resulted in entry to the desirable northern Maryland market of Carroll County adjacent to the Bank's Pennsylvania footprint and in proximity to the Corporation's other

wholly-owned subsidiary, Russell Insurance Group, Inc. ACNB Bank's community banking operations in the Maryland market are branded as NWSB Bank, A Division of ACNB Bank, and all ACNB Bank customers can conduct business at any of the 29 community banking offices located in Pennsylvania and Maryland. The Corporation's commitment to the community banking model is predicated upon the continued reinvestment of depositors' dollars in loans to others for the economic benefit of the communities served.

On July 25, 2018, ACNB Bank opened the Hunt Valley Loan Office in Baltimore County, Maryland, which is a natural extension of the Bank's footprint. This area's vibrant and growing business sector, coupled with experienced commercial lenders, provided a strategic opportunity to leverage the Bank's ability to contribute to the success of mid-sized companies and small businesses through proven customer relationship management and competitive products and services.

A new initiative to grow core deposits and to build customer relationships was launched in October 2018. With the introduction of Advantage Rewards Checking for personal customers, ACNB Bank furthered its commitment to serving the financial needs of customers while also providing benefits and rewards to assist customers in their daily lives. Advantage Rewards Checking benefits include cell phone protection, personal identity theft assistance, roadside assistance, travel accidental death insurance, and savings on pharmacy, vision and hearing services. Plus, there are money-saving discounts from national retailers. But, most importantly, ACNB Bank worked with local businesses to provide Bank customers with rewards for shopping and dining locally—all accessible via a convenient mobile app.

Competition remains keen in the banking industry for both loans and deposits. This competition encompasses local banks and credit unions, nonbank entities, and online providers of financial services. As with all community banks, the growth and quality of ACNB Bank's loan and deposit portfolios is basic to the ongoing success of the organization and its commitment to safety and soundness for the benefit of all constituencies.

ACNB Bank employees also demonstrate their commitment every day through volunteerism and community involvement. In 2018, the Bank's employees supported 186 community organizations by collectively contributing more than 7,000 volunteer hours in the Bank's market areas. The community banking offices

served as collection points for toys, school supplies, and food items to benefit local community organizations. Additionally, ACNB Bank employees delivered financial literacy presentations in 2018 to over 1,000 students and adults, educating them on the importance of developing sound financial skills for life.

**WEALTH MANAGEMENT**

Effective January 1, 2018, ACNB Bank introduced the Wealth Management Division composed of Trust & Investment Services staff and Wealth Advisors. Trust & Investment Services staff provide fiduciary, estate, investment and related services to clients. Assets under management totaled \$231,514,000 at December 31, 2018, compared to \$224,056,000 at December 31, 2017.

Through a third-party relationship, ACNB Bank offers retail brokerage services, including non-deposit investment products, through the brands of ACNB Wealth Advisors and Windsor Wealth Advisors. Assets under management in the brokerage portfolio totaled \$109,982,000 at December 31, 2018, compared to \$102,689,000 at December 31, 2017.

Total revenues from fiduciary, investment management and brokerage activities were \$2,364,000 for the year ended December 31, 2018, up 17.5% in comparison to the year ended December 31, 2017, due to new business development and the higher levels of assets under management in the Wealth Management Division.

**RUSSELL INSURANCE GROUP, INC.**

Russell Insurance Group, Inc., the insurance subsidiary of ACNB Corporation, is a full-service insurance agency offering a broad range of property, casualty, and life and health insurance to both commercial and personal clients through licenses in 44 states. The agency is based in Westminster, Carroll County, Maryland. It also conducts business at office locations in Germantown, Montgomery County, and Jarrettsville, Harford County, Maryland.

Revenues from this subsidiary's commissions from insurance sales is the most significant source of other income for ACNB Corporation. Commissions from insurance sales totaled \$5,550,000 for the year of 2018, as compared to \$5,024,000 for the year of 2017. The year-over-year rise of 10.5% is primarily attributable to increased commercial and personal lines commission income and higher contingent commissions received by the agency in 2018.

**IN CLOSING**

The Great Reunion of 1913 was the largest American Civil War veteran reunion ever. The Union and Confederate flags flew side by side as more than 50,000 Civil War veterans convened in Gettysburg to commemorate the 50th Anniversary of the Battle of Gettysburg in July 1913. This event symbolizes the commitment of our nation to the ideals of equality and liberty for all citizens. Today, the mural at the Corporation's Operations Center reproducing this time past on Gettysburg's Lincoln Square serves as a tribute to these ideals, as well as a reminder of ACNB Corporation's long history of commitment to its shareholders, employees, customers, and communities served.

Commitment is a pledge dependent upon people. At ACNB Corporation, we are indeed thankful for the committed people who serve our customers every business day and who provide oversight on our Board of Directors. Likewise, we are grateful for your continued investment, as shareholders, in ACNB Corporation's future as we pursue our vision to be the independent financial services provider of choice in the core markets served by building relationships and finding solutions.

Sincerely,

**Frank Elsner, III**  
Chairman of the Board

**James P. Helt**  
President & Chief Executive Officer

**Lynda L. Glass**  
Executive Vice President/Secretary & Chief Governance Officer

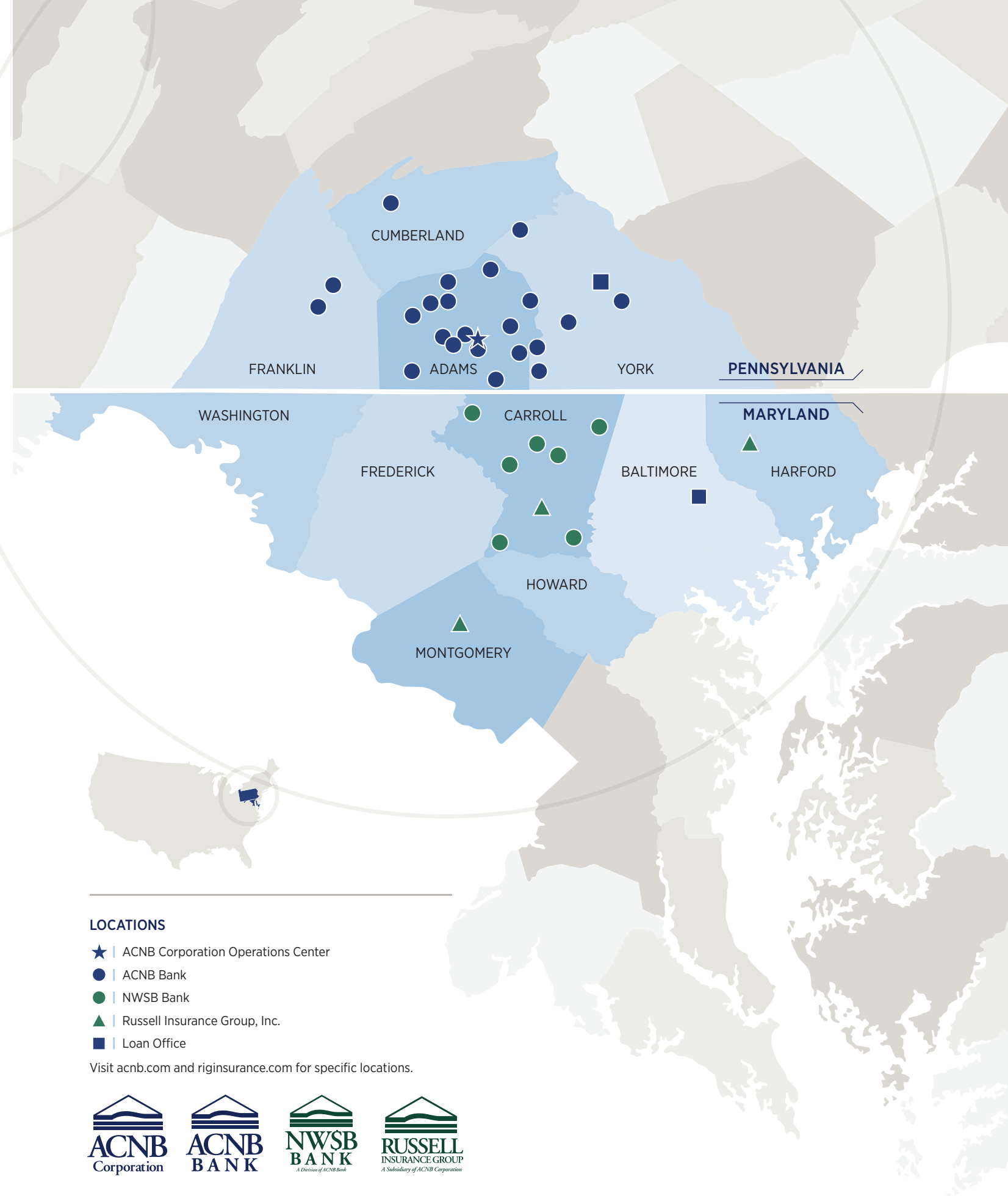
**David W. Cathell**  
Executive Vice President/Treasurer & Chief Financial Officer

# Our Profile and Geography

ACNB Corporation, headquartered in Gettysburg, PA, is the financial holding company for the wholly-owned subsidiaries of ACNB Bank, Gettysburg, PA, and Russell Insurance Group, Inc., Westminster, MD.

Originally founded in 1857, ACNB Bank serves its marketplace with banking and wealth management services, including trust and retail brokerage, via a network of 22 community banking offices, located in the four southcentral Pennsylvania counties of Adams, Cumberland, Franklin and York, as well as loan offices in York, PA, and Hunt Valley, MD. As a division of ACNB Bank, NWSB Bank serves its marketplace via a network of seven community banking offices located in Carroll County, MD.

Russell Insurance Group, Inc. is a full-service insurance agency with licenses in 44 states. The agency offers a broad range of commercial and personal insurance lines through office locations in Westminster, Germantown and Jarrettsville, MD.



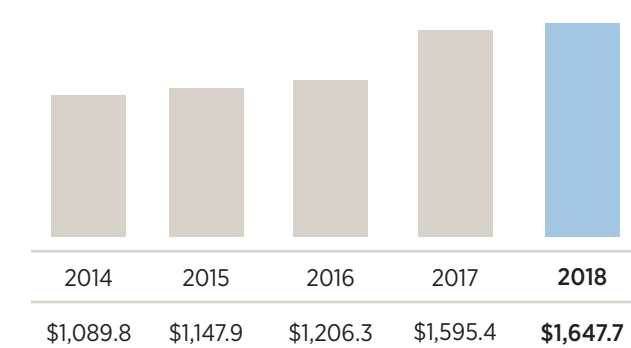
# FINANCIAL HIGHLIGHTS

FOR THE YEAR	2018	2017	2016
Net Interest Income	\$57,095,000	\$46,352,000	\$36,566,000
Net Income	21,748,000	9,788,000*	10,869,000
Cash Dividends Paid	6,261,000	5,233,000	4,840,000
PER SHARE STATISTICS			
Basic Earnings	\$ 3.09	\$ 1.50	\$ 1.80
Cash Dividends Paid	0.89	0.80	0.80
Book Value (Year-End)	23.86	21.92	19.80
AT YEAR-END			
Total Assets	\$1,647,724,000	\$1,595,432,000	\$1,206,320,000
Total Loans	1,302,465,000	1,244,170,000	907,910,000
Total Deposits	1,348,092,000	1,298,492,000	967,621,000
Total Stockholders' Equity	168,137,000	153,966,000	120,061,000
KEY RATIOS			
Return on Average Assets	1.34%	0.69%	0.93%
Return on Average Equity	13.62%	7.12%	9.17%
Dividend Payout	28.79%	53.46%	44.53%
Average Stockholders' Equity to Average Assets	9.85%	9.69%	10.10%

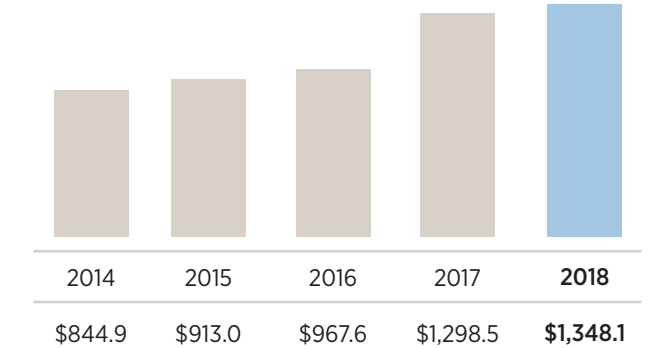
\*Without the nonrecurring expenses incurred as a result of the acquisition and integration of New Windsor Bancorp, Inc., net of the corresponding tax impact at the marginal tax rate, in the amount of \$3,010,000 and the one-time charge due to the Tax Cuts and Jobs Act in the amount of \$1,700,000, ACNB Corporation's net income for the year ended December 31, 2017, would have been \$14,498,000.

# FINANCIAL OVERVIEW

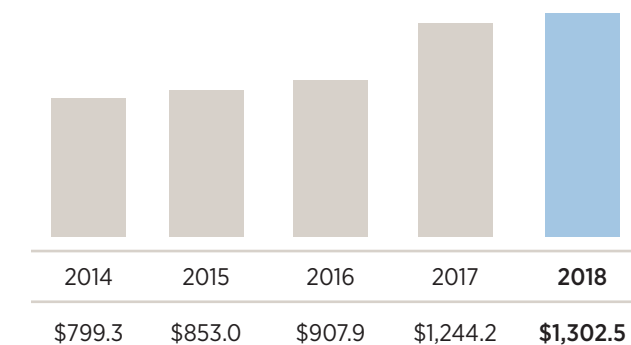
TOTAL ASSETS | In millions of dollars



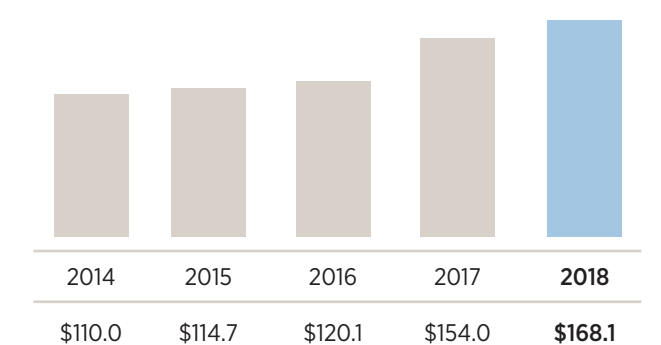
TOTAL DEPOSITS | In millions of dollars



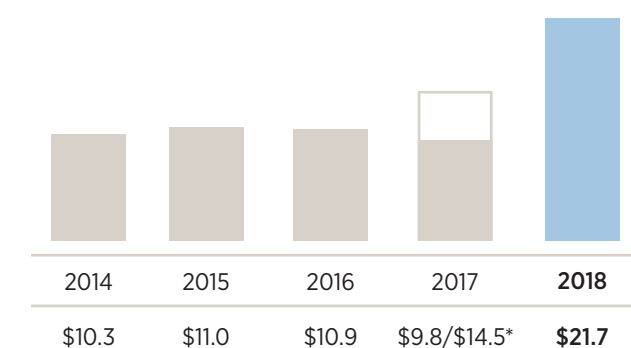
TOTAL LOANS | In millions of dollars



TOTAL STOCKHOLDERS' EQUITY | In millions of dollars



NET INCOME | In millions of dollars



BOOK VALUE PER SHARE | In dollars



# CONSOLIDATED STATEMENTS OF CONDITION

Dollars in thousands, except per share data

	DECEMBER 31	
ASSETS	2018	2017
Cash and due from banks	\$ 20,105	\$ 19,304
Interest bearing deposits with banks	20,800	15,137
Total Cash and Cash Equivalents	40,905	34,441
Equity securities with readily determinable fair values	1,839	1,784
Debt securities available for sale	161,730	157,267
Securities held to maturity (fair value \$26,911 in 2018 and \$44,549 in 2017)	27,266	44,829
Loans held for sale	408	1,736
Loans, net of allowance for loan losses (\$13,964 in 2018 and \$13,976 in 2017)	1,288,501	1,230,194
Premises and equipment	26,409	26,774
Restricted investment in bank stocks	4,336	4,773
Investment in bank-owned life insurance	48,003	44,935
Investments in low-income housing partnerships	1,871	2,446
Goodwill	19,580	19,580
Intangible assets	4,407	2,569
Foreclosed assets held for resale	155	436
Other assets	22,314	23,668
<b>TOTAL ASSETS</b>	<b>\$ 1,647,724</b>	<b>\$ 1,595,432</b>
LIABILITIES		
Deposits		
Non-interest bearing	\$ 302,394	\$ 279,413
Interest bearing	1,045,698	1,019,079
Total Deposits	1,348,092	1,298,492
Short-term borrowings	34,648	36,908
Long-term borrowings	83,516	94,600
Other liabilities	13,331	11,466
<b>TOTAL LIABILITIES</b>	<b>1,479,587</b>	<b>1,441,466</b>
STOCKHOLDERS' EQUITY		
Preferred stock (par value \$2.50; 20,000,000 shares authorized; no shares outstanding)	—	—
Common stock (par value \$2.50; 20,000,000 shares authorized; 7,108,620 and 7,086,258 shares issued in 2018 and 2017, respectively; 7,046,020 and 7,023,658 shares outstanding in 2018 and 2017, respectively)	17,772	17,716
Treasury stock, at cost (62,600 shares in 2018 and 2017)	(728)	(728)
Additional paid-in capital	38,448	37,777
Retained earnings	121,862	106,293
Accumulated other comprehensive loss	(9,217)	(7,092)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>168,137</b>	<b>153,966</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 1,647,724</b>	<b>\$ 1,595,432</b>

See the consolidated financial statements and accompanying notes presented in the Corporation's Annual Report on Form 10-K.

# CONSOLIDATED STATEMENTS OF INCOME

Dollars in thousands, except per share data

	YEARS ENDED DECEMBER 31	
INTEREST INCOME	2018	2017
Loans, including fees	\$ 59,593	\$ 47,522
Securities		
Taxable	3,735	3,389
Tax-exempt	219	428
Dividends	299	252
Other	648	194
<b>TOTAL INTEREST INCOME</b>	<b>64,494</b>	<b>51,785</b>
INTEREST EXPENSE		
Deposits	5,253	3,547
Short-term borrowings	59	83
Long-term borrowings	2,087	1,803
<b>TOTAL INTEREST EXPENSE</b>	<b>7,399</b>	<b>5,433</b>
<b>NET INTEREST INCOME</b>	<b>57,095</b>	<b>46,352</b>
<b>PROVISION FOR LOAN LOSSES</b>	<b>1,620</b>	<b>—</b>
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>55,475</b>	<b>46,352</b>
OTHER INCOME		
Service charges on deposit accounts	3,350	2,940
Income from fiduciary, investment management and brokerage activities	2,364	2,012
Earnings on investment in bank-owned life insurance	1,068	1,075
Gain on life insurance proceeds	52	—
Net gains on sales or calls of securities	85	—
Net losses on equity securities	(296)	—
Service charges on ATM and debit card transactions	2,375	1,762
Commissions from insurance sales	5,550	5,024
Other	1,400	1,336
<b>TOTAL OTHER INCOME</b>	<b>15,948</b>	<b>14,149</b>
OTHER EXPENSES		
Salaries and employee benefits	26,734	24,654
Net occupancy	2,971	2,403
Equipment	4,959	3,757
Other tax	902	791
Professional services	1,468	1,134
Supplies and postage	766	731
Marketing and corporate relations	565	433
FDIC and regulatory	688	644
Merger-related expenses	—	4,728
Intangible assets amortization	745	537
Foreclosed real estate expenses	129	93
Other operating expenses	4,776	4,174
<b>TOTAL OTHER EXPENSES</b>	<b>44,703</b>	<b>44,079</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>26,720</b>	<b>16,422</b>
<b>PROVISION FOR INCOME TAXES</b>	<b>4,972</b>	<b>6,634</b>
<b>NET INCOME</b>	<b>\$ 21,748</b>	<b>\$ 9,788</b>
PER SHARE DATA		
Basic earnings	\$3.09	\$ 1.50
Cash dividends paid	\$0.89	\$0.80

## Boards of Directors

### ACNB CORPORATION AND ACNB BANK

**Richard L. Alloway II, Esquire**  
Attorney  
Alloway Law Office

**Scott L. Kelley, Esquire**  
Partner  
Barley Snyder LLP

**Frank Elsner, III**  
Owner & Managing Director  
ODT Global, LLC  
Chairman of the Board  
ACNB Corporation and ACNB Bank

**James J. Lott**  
President  
Bonnie Brae Fruit Farms, Inc.

**James P. Helt**  
President & Chief Executive Officer  
ACNB Corporation and ACNB Bank

**Donna M. Newell**  
President & Chief Executive Officer  
NTM Engineering, Inc.

**Todd L. Herring**  
Market Director  
Pivot Health Solutions

**J. Emmett Patterson**  
Owner & President  
JDCS Enterprise &  
Fry Guy Corporation

**Daniel W. Potts**  
Client Executive  
DXC Technology

**Thomas A. Ritter**  
Retired President &  
Chief Executive Officer  
ACNB Corporation and ACNB Bank

**Marian B. Schultz**  
Retired Dean  
Shippensburg University

**D. Arthur Seibel, Jr.**  
Chief Operating Officer  
Springdale Preparatory School

**David L. Sites**  
Owner  
Sites Realty, Inc. and Realty  
Leasing & Management Co.

**Alan J. Stock**  
Retired Owner & President  
Eicholtz Company  
Vice Chairman  
ACNB Corporation and ACNB Bank

**James E. Williams**  
President  
C.E. Williams Sons, Inc.  
Managing Partner  
Frantz Plumbing

### RUSSELL INSURANCE GROUP, INC.

**Thomas A. Ritter**  
Chairman of the Board

**Frank Elsner, III**  
Vice Chairman

**Lynda L. Glass**  
**James P. Helt**  
**Scott L. Kelley, Esquire**

**Daniel W. Potts**  
**Frank C. Russell, Jr.**

## Officers

### ACNB CORPORATION

**Frank Elsner, III**  
Chairman of the Board

**James P. Helt**  
President & Chief Executive Officer

**Lynda L. Glass**  
Executive Vice President/Secretary  
& Chief Governance Officer

**David W. Cathell**  
Executive Vice President/Treasurer  
& Chief Financial Officer

### ACNB BANK

**Frank Elsner, III**  
Chairman of the Board

**Tom N. Rasmussen**  
Executive Vice President/  
Market President

**M. Neil Brownawell, II**  
Senior Vice President/  
Baltimore Market Executive

**Lisa A. Monthley**  
Senior Vice President/  
Regional Sales Manager

**James P. Helt**  
President & Chief Executive Officer

**Douglas A. Seibel**  
Executive Vice President/  
Chief Lending & Revenue Officer

**Sandra A. Deaner**  
Senior Vice President/  
Human Resources Manager

**Michelle N. Paulnock**  
Senior Vice President/  
Information Systems Manager

**David W. Cathell**  
Executive Vice President/Treasurer  
& Chief Financial Officer

**Thomas R. Stone**  
Executive Vice President/  
Chief Community Banking Officer

**Kathy S. Hansel**  
Senior Vice President/  
Principal Accounting Officer

**Lauren L. Shutt**  
Senior Vice President/  
Risk Manager

**Lynda L. Glass**  
Executive Vice President/Secretary  
and Chief Risk & Governance Officer

**Mark P. Bernier**  
Senior Vice President/  
Wealth Management Officer

**Andrew P. Heck**  
Senior Vice President/  
Regional Commercial  
Lending Manager

**Wayne A. Steinour**  
Senior Vice President/  
Agribusiness Lending Manager

**Laurie A. Laub**  
Executive Vice President/  
Chief Credit & Operations Officer

### EXECUTIVE MANAGEMENT AND BOARDS OF DIRECTORS

FRONT | ACNB Bank Executive Management: Executive Vice President/Chief Community Banking Officer Thomas R. Stone, Executive Vice President/Chief Credit & Operations Officer Laurie A. Laub, Executive Vice President/Treasurer & Chief Financial Officer David W. Cathell, President & Chief Executive Officer James P. Helt, Executive Vice President/Chief Lending & Revenue Officer Douglas A. Seibel, Executive Vice President/Secretary and Chief Risk & Governance Officer Lynda L. Glass, Executive Vice President/Market President Tom N. Rasmussen.

BACK | ACNB Corporation and ACNB Bank Boards of Directors: J. Emmett Patterson, Donna M. Newell, James E. Williams, Scott L. Kelley, D. Arthur Seibel, Jr., James J. Lott, Chairman of the Board Frank Elsner, III, Vice Chairman Alan J. Stock, Daniel W. Potts, Thomas A. Ritter, David L. Sites, Todd L. Herring, Richard L. Alloway II, Marian B. Schultz.





## Officers / CONTINUED

### First Vice Presidents

Karen B. Arthur	Scott E. Hartlaub	Dennis R. Hollinger	Gary W. Rappoldt
Barry C. Dillman	Kevin J. Hayes	Laura L. McCusker	Merle J. Zehr

### Vice Presidents

Brian T. Adair	Tiffany M. Faust	Frank E. Koser II	Jacob R. Price
Daniel K. Baer	Michele K. Ford	Gregory S. Liegey	Michael W. Rittase
Redmond C. Beam	Gregg A. Gillespie	Nathan E. Lightner	Patrick O. Sease
Duane E. Bock	Barbara D. Guise	Leslie R. Metzger	Christine R. Settle
Dawn M. Bornman	Vickie L. Hoffheins	Celeste M. Miller	James E. Showvaker
Cara Lynn Clabaugh	Thomas A. Holmes	Scott A. Miller	Kathleen P. Wagner
Kevin L. Cook	Grant J. Holub	Lauren J. Muzzy	Ryan M. Wilhelm
David W. Deaner	John D. Husser	Timothy H. Owings	Rhonda L. Winterstein
Carolyn M. Dull	John E. Kashner	Adnan Pasic	Christina D. Ziser

### Assistant Vice Presidents

Eric L. Alleman	Heather N. Gormont	Joey L. Martin	Angela M. Sibert
Susan L. Behm	Jacqueline A. Grasley	Heather D. Masgalas	Lisa A. Smith
Tonya A. Boczek	Nancy L. Hamilton	Sylvia E. Mason	Anthony A. Spangler
Amber R. Bowers	Ginny L. Huntsberry	Lauren E. McMullen	Jeffrey B. Stambaugh
Melissa A. Bremer	Holly A. Keffer	Lisa M. Miller	Morgan A. Stevenson
Andree V. Dennis	Douglas R. Lindsay	Zachary K. Pretty	Ruby L. Sullivan
Kacie N. Dillman	Michael E. Lippy	Susan M. Saylor	Brian C. Taylor
Kellie J. Doherty	George F. Marguglio	Sara M. Sciarretta	Steven M. Williams
Shawn D. Epling	Julie A. Marshall	Sonali J. Shah	Tracy L. Wolf

### RUSSELL INSURANCE GROUP, INC.

Frank C. Russell, Jr. President & Chief Executive Officer	Daniel J. Coughlin Vice President	David W. Cathell Vice President & Treasurer	Lynda L. Glass Vice President & Secretary
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## Contact Information

### ACNB BANK

acnb.com

Customer Contact Center  
Toll Free 1.888.334.ACNB (2262)

24-Hour Telephone Banking Line  
Toll Free 1.888.338.ACNB (2262)

### NWSB BANK

nwsbbank.com

Customer Contact Center  
Toll Free 1.844.822.NWSB (6972)

24-Hour Telephone Banking Line  
Toll Free 1.866.276.4979

### RUSSELL INSURANCE GROUP, INC.

riginsurance.com

Toll Free 1.800.289.4097

## Shareholder Information

### 2019 ANNUAL MEETING

The Annual Meeting of Shareholders for ACNB Corporation will be held on Tuesday, May 7, at 1:00 p.m. at the ACNB Corporation Operations Center, 100 V-Twin Drive, Gettysburg, PA. All proxy and other materials for the Annual Meeting are available at investor.acnb.com.

### STOCK LISTING

ACNB Corporation common stock is listed and traded on The NASDAQ Capital Market under the symbol ACNB.

### ANNUAL REPORT ON FORM 10-K

A copy of ACNB Corporation's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, may be obtained, without charge, by contacting:

Lynda L. Glass  
Executive Vice President/  
Secretary & Chief Governance Officer  
ACNB Corporation  
P.O. Box 3129  
Gettysburg, PA 17325  
717.339.5085

The Annual Report and other Corporation reports are also filed electronically with the Securities and Exchange Commission and are accessible by the public at [sec.gov/edgar.shtml](http://sec.gov/edgar.shtml).

### TRANSFER AGENT, REGISTRAR AND DIVIDEND DISBURSING AGENT

Computershare Shareholder Services  
P.O. Box 505000  
Louisville, KY 40233-5000  
[computershare.com/investor](http://computershare.com/investor)

For shareholder inquiries or information regarding the ACNB Corporation Dividend Reinvestment and Stock Purchase Plan, call Computershare toll free at 1.800.368.5948.

### FORWARD-LOOKING STATEMENTS

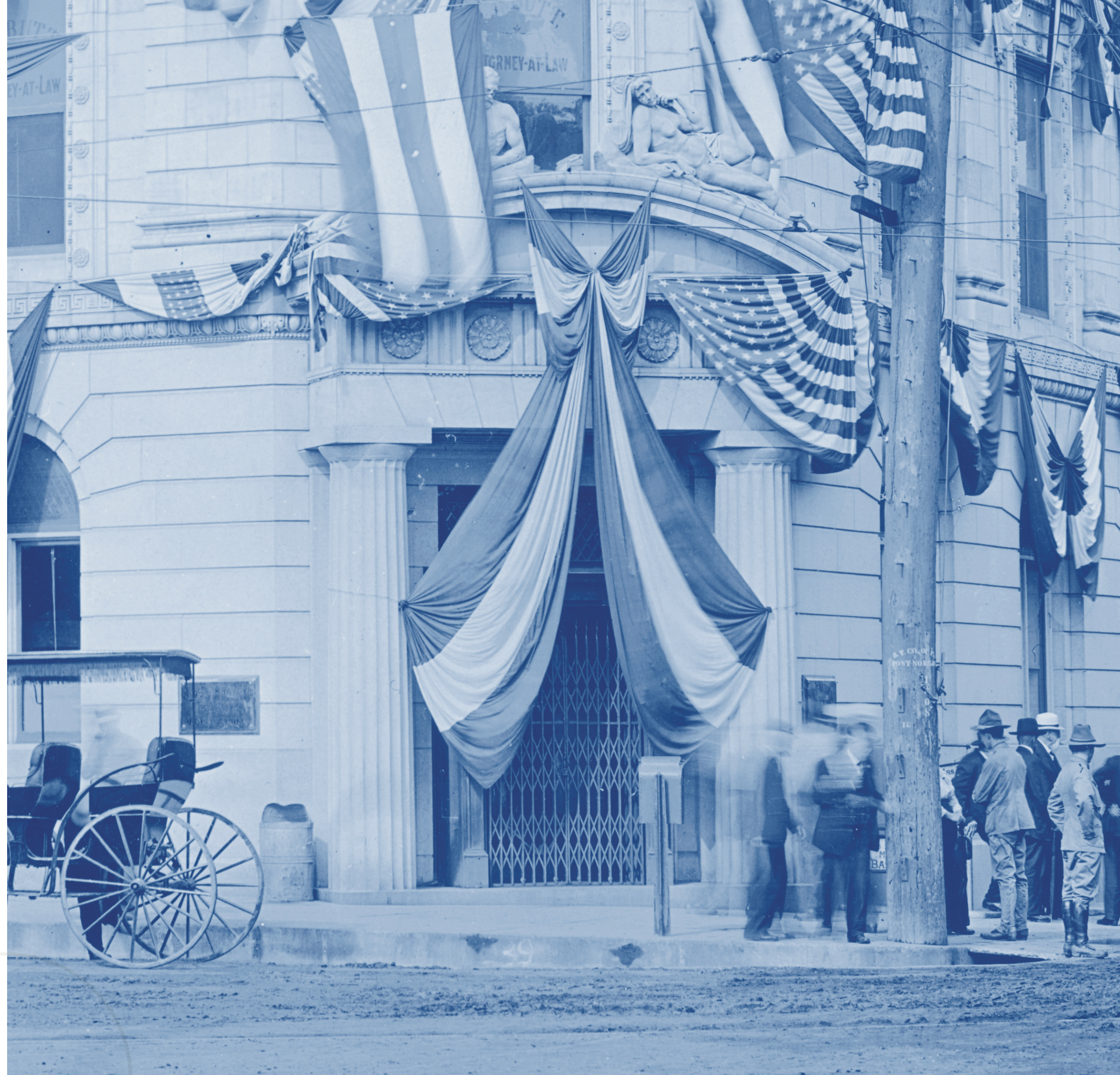
In addition to historical information, this document contains forward-looking statements. Examples of forward-looking statements include, but are not limited to, (a) projections or statements regarding future earnings, expenses, net interest income, other income, earnings or loss per share, asset mix and quality, growth prospects, capital structure, and other financial terms, (b) statements of plans and objectives of management or the board of directors, and (c) statements of assumptions, such as economic conditions in the Corporation's market areas. Such forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "intends", "will", "should", "anticipates", or the negative of any of the foregoing or other variations thereon or comparable terminology, or by discussion of strategy. Forward-looking statements are subject to certain risks and uncertainties such as local economic conditions, competitive factors, and regulatory limitations. Actual results may differ materially from those projected in the forward-looking statements. Such risks, uncertainties and other factors that could cause actual results and experience to differ from those projected include, but are not limited to, the following: the effects of governmental and fiscal policies, as well as legislative and regulatory changes; the effects of new laws and regulations, specifically the impact of the Tax Cuts and Jobs Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act; impacts of the capital and liquidity requirements of the Basel III standards; the effects of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Financial Accounting Standards Board and other accounting standard setters; ineffectiveness of the business strategy due to changes in current or future market conditions; future actions or inactions of the United States government, including the effects of short- and long-term federal budget and tax negotiations and a failure to increase the government debt limit or a prolonged shutdown of the federal government; the effects of economic conditions on current customers, specifically the effect of the economy on loan customers' ability to repay loans; the effects of competition, and of changes in laws and regulations on competition, including industry consolidation and development of competing financial products and services; the risks of changes in interest rates on the level and composition of deposits, loan demand, and the values of loan collateral, securities, and interest rate protection agreements, as well as interest rate risks; difficulties in acquisitions and integrating and operating acquired business operations, including information technology difficulties; challenges in establishing and maintaining operations in new markets; the effects of technology changes; volatilities in the securities markets; the effect of general economic conditions and more specifically in the Corporation's market areas; the failure of assumptions underlying the establishment of reserves for loan losses and estimations of values of collateral and various financial assets and liabilities; acts of war or terrorism; disruption of credit and equity markets; the ability to manage current levels of impaired assets; the loss of certain key officers; the ability to maintain the value and image of the Corporation's brand and protect the Corporation's intellectual property rights; continued relationships with major customers; and, potential impacts to the Corporation from continually evolving cybersecurity and other technological risks and attacks, including additional costs, reputational damage, regulatory penalties, and financial losses. We caution readers not to place undue reliance on these forward-looking statements. They only reflect management's analysis as of this date. The Corporation does not revise or update these forward-looking statements to reflect events or changed circumstances. Please carefully review the risk factors described in other documents the Corporation files from time to time with the Securities and Exchange Commission, including the Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and any Current Reports on Form 8-K.

## OUR MISSION

ACNB Corporation, the financial holding company for ACNB Bank and Russell Insurance Group, Inc., strives to serve the financial and insurance needs of consumers, businesses and other entities through the multiple delivery channels of these subsidiaries. In all of its endeavors, the Corporation seeks to maintain its **strength and independence** as a leader in the markets served. Our management is dedicated to maximizing **long-term investment value** to its shareholders by means of:

- Providing and marketing quality financial products and services designed to focus on the customer's objectives;
- Ensuring a productive, encouraging and growth-oriented work environment for staff members;
- Adopting and leveraging new technologies for the benefit of customer service, operational efficiencies, and/or competitive position;
- Managing human and capital resources for the dual purpose of effectively serving and satisfying customers' needs and enhancing the organization's profitability; and,
- Contributing to the economic vitality and overall well-being of the communities served by actively participating as a responsible and caring corporate citizen.

Fundamental to ACNB Corporation's performance is the **commitment to integrity** and compliance in business conduct, as well as the recognition that our business is one built upon **relationships and trust**.



# COMMITTED TO YOU

ACNB.COM | 16 Lincoln Square, PO Box 3129, Gettysburg, PA 17325