

ANNUAL REPORT

MMXVII

Uncommon Independence



Franklin Financial
Services Corporation



**“We need people who pay attention
to the local areas,
and F&M Trust certainly does that.”**

Jeremy Bowersox
Grove-Bowersox Funeral Home, Inc.



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"I'm always impressed with F&M Trust's generosity. Without them, we wouldn't be able to offer the programs that we do."

Jamie Brambley
Fulton County Library

Cover: Snyder's Gateway, Inc.
Top to bottom: BWise Trailers; C&J Catering;
Bosler Memorial Library; Grove-Bowersox Funeral Home, Inc.



Shareholder Letter

DEAR FELLOW SHAREHOLDERS,

Uncommon. When I think about 2017 it was an uncommon year for everyone. Whether you are talking about politics, weather, the stock market, taxes or the myriad of new social issues that we saw in 2017, it was an uncommon year. And, at Franklin Financial Services Corporation and F&M Trust, you can also find much that is “uncommon,” such as:

- How the Company appreciates its wonderful customers, some who are featured in this annual report, who support their own employees, customers and communities by providing great products and services that benefit all of us in one way or another. It is an honor to be able to serve these customers and help them realize their goals and dreams.
- The F&M Trust team of employees, who are responsible for the strong financial operating performance delivered for the Corporation’s shareholders and customers through the Bank’s Retail, Commercial and Investment and Trust services. These same employees, collectively and individually, also gave back willingly to the communities the Bank serves, through gifts of their time, talent and treasure, that enhance the areas we serve.
- The price appreciation of the stock of Franklin Financial Services Corporation (FRAF), which, when combined with the dividend income, gave shareholders a 33.9% total return on their investment for the year 2017. In comparison, our shareholder’s total return eclipsed the total returns for the NASDAQ Composite, SNL Mid-Atlantic Bank and SNL Mid-Atlantic Bank (\$1B–\$2B) indexes.

We also experienced the other side of “uncommon” as....

- The Bank entered into a term sheet to settle a potential class action suit related to a 2008 acquisition and described in our Current Reports on Form 8-K filed on January 2, 2018. While the proposed settlement did significantly affect the 2017 reported net income of the Corporation, because of our strong capital position, we will be able to continue to move forward in a

positive manner without having to make changes to our successful operating strategies.

- The Corporation’s 2017 earnings were negatively affected by the passing of the Tax Cuts and Jobs Act, which required the Company to revalue its net deferred tax assets and take the write down of the assets in 2017. After absorbing the negative impact of the tax law change in 2017, the passing of the Act will have a positive effect on the Corporation going forward into 2018.

It is also uncommon for me to report to you two sets of financial results, but I think it is important to share our results after the effect of the proposed class action settlement, the write down of the net deferred tax assets and, for analysis purposes, our financial results before the effect of the same two events.

“These same employees...also gave back willingly to the communities...through gifts of their time, talent and treasure, that enhance the areas we serve.”

For 2017, the Company had interest income of \$39.9 million and net interest income of \$37.4 million compared to \$37.0 million and \$34.7 million, respectively in 2016, an increase of 7.9% and 7.7%. The net interest margin (NIM) increased from 3.62% in 2016 to 3.72% in 2017. The improvements were due primarily to the Company being able to continue to build its commercial loan portfolio while also growing its low cost core deposit base to fund the loans.

Total non-interest income grew 5% in 2017, from \$11.6 million to \$12.2 million, due primarily to the continued growth in the Investment and Trust business lines where assets under management and held at third-party brokers grew by 10.4%

and fee income was up by 8.1%. Other sources of non-interest income, including Treasury Management services and mortgage sales, also added to the growth in revenues.

Non-interest expense in 2017, before the proposed settlement, was essentially flat at \$33.2 million compared to 2016's \$33.2 million, demonstrating good cost control. However, the previously mentioned proposed settlement increased total non-interest expense to \$43.2 million, reducing the income before taxes to \$5.7 million compared to \$9.4 million in 2016.

While the Tax Cuts and Jobs Act passed in December of 2017 will have a positive effect on the future tax expense, the effect of the Act in 2017 was an additional tax expense to the Company of \$2.3 million, due to the remeasurement of net deferred tax assets. As a result of the proposed settlement and additional tax expense, net income, after taxes, decreased from \$8.1 million in 2016 to \$2.1 million in 2017. Had the proposed settlement and additional tax expense not occurred, the net income, after tax, would have been \$12.4 million, an increase of 52.9% over 2016's results.

Total assets grew 4.6% in 2017 to \$1.2 billion, with net loans growing 5.5%. Deposits grew by 6.6% to \$931.9 million. Shareholder equity fell from \$116.4 million as of December 31, 2016, to \$115.1 million as total dividends paid exceeded net income. Yet, capital ratios remain strong as total risk-based capital stood at 15.31%, and our tier 1 leverage ratio was 9.73%. The Corporation continues to be "well-capitalized" by regulatory definitions.

While the reality of our 2017 net income and the effect on the Company's equity position cannot be ignored, the positive trajectory of our operating results is encouraging and gives me confidence in our ability to compete and bring value to both our shareholders and our customers. Steps taken in 2017 will carry over into 2018 and will help us continue to build on our successes of the past year.

Our Community Office service platform continues to develop. In 2018, we will be adding a call center so we can provide a personal contact, 24/7, to meet the needs of our customers. We will also continue our rollout of the "Branch of the Future" concept that we started at our Waynesboro office. In 2017, we completed renovations at our Boiling Springs office, and similar renovations will be completed in March 2018 at our Greencastle office. The sales results at both completed Community Offices, subsequent to the renovations, have been very good and can be attributed, in part, to the improved physical layout and to the staffing concepts employed at those offices, which relies on a more

consultative approach to customer interactions. We expect similar results in Greencastle, and we are already working on plans for our next Community Office renovation, which will be completed in 2018.

We have committed additional resources to our Treasury Management functions in order to better service our corporate and municipal deposit customers. By adding services and qualified personnel to our team, we continue to enhance our value to our deposit customers by bringing sophisticated services and the personal touch to their complex world.

In 2017, we saw a significant improvement to the loan quality metrics of our commercial loan portfolio. We also took the opportunity, during a period of strong loan growth, to rotate out of \$28 million in participation loans we had been holding on our books. While this move dampened our year-over-year loan growth numbers, we believe it has the effect of strengthening our loan portfolio and better positioning us to manage through any future shocks to our economy. Without the rotation out of some participation loans, our year-over-year loan growth in 2017 would have been 11.2%, which stands up well against our peers.



We continue to see great growth opportunities in the Cumberland County/Harrisburg Capital Region. We have added Retail, Commercial, Treasury Management and Investment & Trust personnel and made improvements to three of our seven physical locations to better serve this quickly growing market.

“It is an honor to be able to serve these customers and help them realize their goals and dreams.”

We recognize that our customers want to interact with us in different ways than in years past. In recognition of these changes, we have made significant enhancements to our online and mobile platforms, with additional services and capabilities coming online in 2018 that will provide our customers with the opportunity to bank with us when, where and how they want.

As more of our customers bank with us online or through their mobile devices, we realize fewer customers are coming into our offices. To meet the challenge of interfacing with our customers across all divisions, we have stepped up our social presence on Facebook, Twitter and online in an effort to meet our customers where they want to meet. The success of our efforts to attract and retain the attention of our customers and prospects, particularly those between the ages of 25 and 45, has been very good, and we continue learn and build on those results.

Over the course of the year, we have initiated two important in-house programs, one being an internal and external customer service program, and the other being an employee engagement program. Importantly, both of these programs have been employee-driven with the development, execution and support being driven not just by Senior Management, but across a wide base of employees from all different areas of the bank. To me, it shows the care, concern and pride our employees have in the bank and the important role it plays for you, our shareholder, and for the communities we serve. I'm personally honored and proud to be a part of this team of professionals who are striving to be their best every day.

On December 31, 2016, our stock price closed at \$28.60, a 21.7%

increase over the December 31, 2015 price. Our year end stock price in 2017 was \$37.36, a 30.6% increase. Dividends paid increased by 13.4%. The factors behind this increase are many and include the often-talked-about “Trump effect” that has buoyed confidence in equities, the recognition by the investing public of our positive operating results and the fact that, compared to peers, many investors believed we were undervalued. While we have enjoyed the appreciation in stock value, we also recognize that we are relatively “thinly traded,” and we are focused on increasing the liquidity of our stock through investor presentations to increase the awareness of and interest in our shares. I will note that our investor presentations begin with the statement that the Board and Senior Management of your company continue to believe that, at this time, our shareholders and stakeholders are best served by the Corporation remaining independent, and our present strategies are focused on the goal of retaining that independence.

I look to the future with great optimism. Part of what fuels my enthusiasm is the new employees that are joining our company. While the number of F&M Trust retirees grows, our ranks are being filled with intelligent, caring, motivated young people who are already making a substantial and positive impact on the Corporation. They represent our future, and I could not be more pleased.

2017 was an uncommon year in many ways. Perhaps 2018 will be equally as uncommon – without the negatives. I look forward to the year ahead and to reporting back to you in this letter next year.

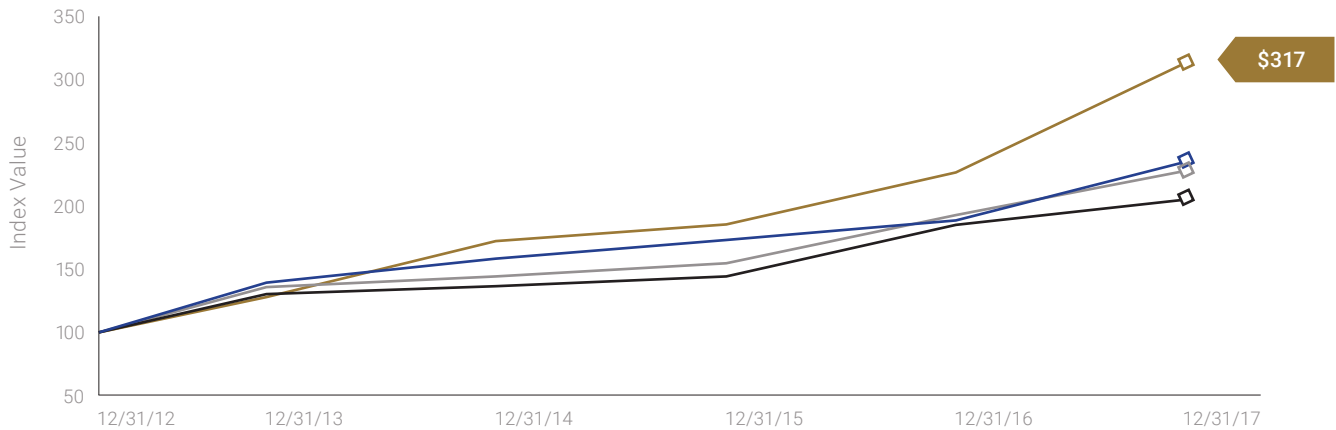
Sincerely,



Timothy G. Henry
President and CEO

Stability Graphics

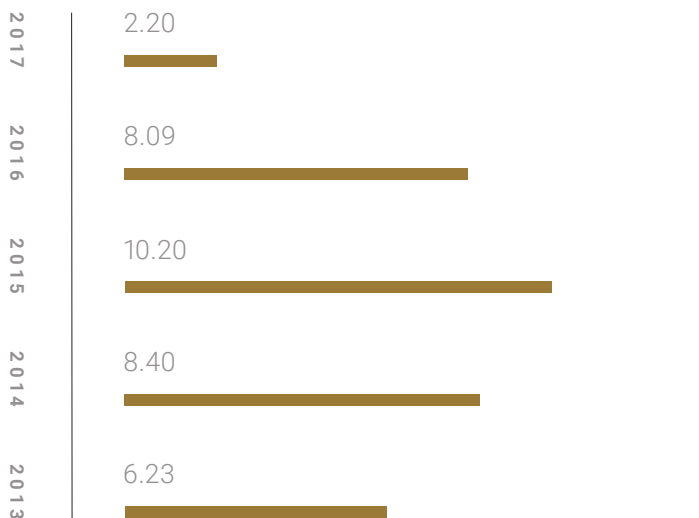
TOTAL RETURN PERFORMANCE (AS DOLLARS)



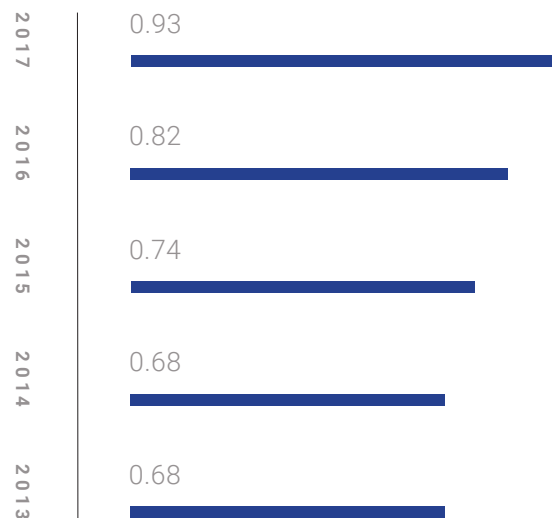
LEGEND

- Franklin Financial Services Corp.
- NASDAQ Composite Index
- SNL Mid-Atlantic Bank Index
- Peer Group

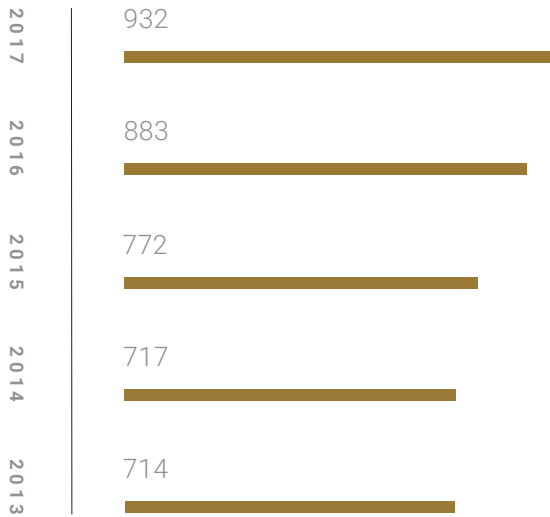
NET INCOME (AS DOLLARS IN MILLIONS)



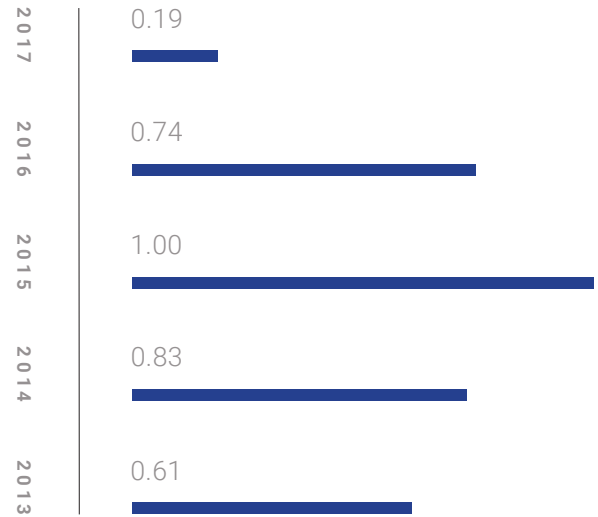
REGULAR CASH DIVIDENDS PAID (AS DOLLARS PER SHARE)



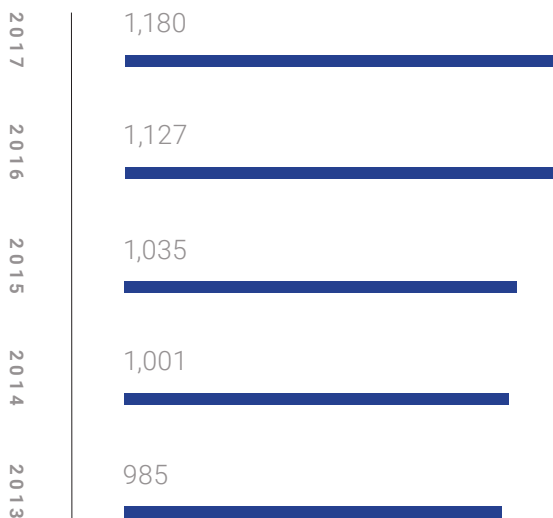
**NET LOANS
(AS DOLLARS IN MILLIONS)**



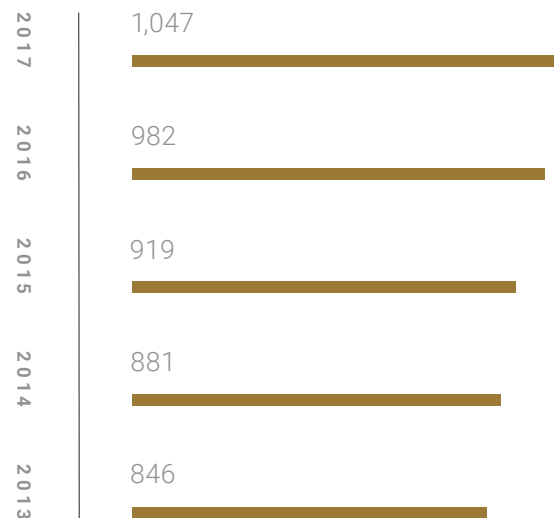
**RETURN ON AVERAGE ASSETS
(AS PERCENTAGE VALUES)**



**TOTAL ASSETS
(AS DOLLARS IN MILLIONS)**



**TOTAL DEPOSITS
(AS DOLLARS IN MILLIONS)**



Consolidated Financial Highlights

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE)	2017	2016
PERFORMANCE MEASUREMENT		
Net income	\$ 2,176	\$ 8,087
Return on average assets	0.19%	\$ 0.74%
Return on average equity	1.80%	7.04%
Net interest margin	3.72%	3.62%
SHAREHOLDERS' VALUE (PER COMMON SHARE)		
Diluted earnings per share	\$ 0.50	\$ 1.88
Basic earnings per share	0.50	1.88
Regular cash dividends paid	0.93	0.82
Book value	26.44	26.99
Market value	37.36	28.60
Market value/book value ratio	141.30%	105.97%
Price/earnings multiple	74.72	15.21
Current dividend yield	2.49%	2.94%
Dividend payment ratio	185.25%	43.56%
BALANCE SHEET HIGHLIGHTS		
Total assets	\$ 1,179,813	\$ 1,127,443
Investment securities	127,336	143,875
Loans, net	931,908	882,798
Deposits	1,047,181	982,120
Shareholders' equity	115,144	116,493
SAFETY AND SOUNDNESS		
Risk-based capital ratio (Tier 1)	15.31%	15.67%
Leverage ratio (Tier 1)	9.73%	10.11%
Common equity ratio (Tier 1)	14.06%	14.41%
Nonperforming loans/gross loans	0.28%	0.61%
Nonperforming assets/total assets	0.45%	0.92%
Allowance for loan loss/loans	1.25%	1.24%
Net (recoveries) loans charged off/average loans	-0.01%	0.33%
ASSETS UNDER MANAGEMENT		
Trust and investment services (fair value)	\$ 686,941	\$ 622,630
Held at third party brokers (fair value)	158,145	142,676



Phil Pantano, Vice President, Commercial Services, Franklin and Fulton/
Huntingdon County, Market Manager; **John Bittner**, Vice President
Snyder's Gateway, Inc.; **Tim Henry**, President and Chief Executive Officer

Client Profile

Snyder's Gateway, Inc.
Breezewood, PA

UNCOMMON HOSPITALITY

Any road-weary traveler will tell you that a good rest stop is worth its weight in gold. Since 1941, Snyder's Gateway (The Gateway Travel Plaza) has been giving Pennsylvania Turnpike drivers the golden standard of hospitality: the family-owned, personal touch. "This is our family's bread and butter. We're here every day," said John Bittner, Vice President of Snyder's Gateway, Inc. and great-nephew of its founders, Merle and Marion Snyder. Today, the travel plaza includes food and retail shops, a refueling station, a conference center and lodging.

The small-town charm and family-focused operation hasn't gone unnoticed by travelers — Snyder's Gateway has had to expand many times. The Gateway Travel Plaza is currently undergoing enhancements to its facilities, as well as a full-scale food court expansion.

In an age where independently owned and operated travel plazas are uncommon, Bittner and his relatives prefer a bank that mirrors their independent status. "F&M Trust recognizes the aspects of being family-owned and -operated. They have shown faith in us as individuals and as business operators to continually reinvest in our ventures — which, in business, is never a given."

Beyond its personal touch, Bittner also appreciates F&M Trust's ease of connectivity. "We're not working with an account manager; we're working with the President on down. That kind of relationship means a lot to us."

"They have shown faith in us as individuals and as business operators to continually reinvest in our ventures — which, in business, is never a given."

- John Bittner, Vice President

It's a relationship that's been going strong since 1999, even without an F&M Trust community office near the Snyder's Gateway location in Breezewood, PA. "Again, it comes back to that personal touch. We don't feel the need to be across the street because we know where and who they are and the level of service and commitment that they provide," said Bittner. It's a partnership that allows a travel plaza owner to rest easy.



Board of Directors



G. Warren Elliott
President, Cardinal Crossings, Inc.,
Former Franklin County Commissioner



Timothy (Tim) G. Henry
President and Chief Executive Officer



Martin R. Brown
President, M. R. Brown
Funeral Home, Inc.



Gregory A. Duffey
President, CFPM Division of
Keller Stonebraker Insurance



Daniel J. Fisher
Retired, D. L. Martin Company



Donald A. Fry
President, Cumberland Valley Rental
and Towne Cleaners; ANDOCO, Inc.



Allan E. Jennings, Jr.
President, Jennings Chevrolet,
Buick, GMC, Inc.



Richard E. Jordan III
President and CEO, Smith Land
& Improvement Corporation



Stanley J. Kerlin
Attorney, Law Office of
Stanley J. Kerlin, LLC



Patricia D. Lacy
President and Director,
Beistle Company



Donald H. Mowery
Managing Partner, RSM Associates, LP



Martha B. Walker
Partner, Walker, Connor &
Spang, LLC

FFSC Officers

G. Warren Elliott
Chairman of the Board

Timothy (Tim) G. Henry
President and CEO

Mark R. Hollar
Treasurer and CFO

Amanda M. Ducey
Corporate Secretary

Joyce A. Riley
Assistant Corporate Secretary



Client Profile

Public Library Systems

Cumberland, Franklin and Fulton County, PA

UNCOMMON DEDICATION

A common perception of public libraries is that they're archaic places filled with books. Do libraries have books? Yes. But archaic? Quite the opposite. "Libraries are community institutions that empower and engage people in lifelong learning," said Jeff Swope, Executive Director of Bosler Memorial Library in Carlisle, PA. "We see ourselves as the community core," Bernice Crouse, Executive Director of the Franklin County Library System, confidently stated. And she's not wrong.

Libraries are public meeting spaces, educational resources, community program creators, technology suppliers — the list goes on. Yet, for a public resource so valuable and versatile, libraries struggle to receive the appropriate amount of funding. "In Fulton County, there isn't a library tax," said Fulton County Library Director Jamie Brambley. "We really depend on local businesses for funding." And here lies the silver lining: Even with so much adversity, libraries are continuing to grow, thanks in part to local businesses, like F&M Trust, that are stepping up to the challenge.

Franklin County's Coyle Free Library just finished a \$5.5 million expansion in December 2017. "We couldn't have done it without F&M Trust's support," said Crouse. "Not only did they offer us a reasonable line of credit, but they also pledged their own money to the project, which was the largest business pledge that we

received." The expansion doubled the Coyle Free Library's size and added unique amenities, like a creation station studio, a cultural arts theater and a skylight atrium.

In January 2017, F&M Trust guided Fulton County's McConnellsburg Library through the process of quadrupling the size of its children's center. The expansion included more public computers, a children's librarian's office and a dedicated room for community programs. "We bring in speech therapists and community nurses, introduce kids to everything from robot programming to art, and have weekly story times," Brambley explained. "Before, we were so cramped that all of our programs had to be held in the basement. I'm always impressed with F&M Trust's generosity. Without them, we wouldn't be able to offer the programs that we do."

F&M Trust also assisted Bosler Memorial Library with a \$6.5 million expansion and renovation in 2013. Today, F&M Trust is helping Bosler Memorial make good on its investment. "F&M Trust is helping to ensure that our library can last in perpetuity. Not only are they being good stewards of our long-term investments, but they also support what we do today by investing their own funds, which help to support our programs, collections and services," said Swope.





LEFT: Kathy Powley, Vice President, Commercial Services, Portfolio Manager; **Denice Bigham**, Senior Director of Library Services and Technology - Franklin County Library System; **Jim Probst**, Vice President, Investment and Trust Services, Relationship Manager; **Jill Yaich**, Director - Coyle Free Library; **Bernice Crouse**, Executive Director - Franklin County Library System; **Mark Story**, Senior Director of Advancement and Publicity - Franklin County Library System; **Amy Wertz**, Director of Finance and Human Resources - Franklin County Library System

MIDDLE: Renee Preso, Vice President, Fulton/Huntingdon County Market, Market Manager; **Jamie Brambley**, Fulton County Library Director; **Mary Wright**, Financial Services Officer, McConnellsburg & Hustontown Community Office Manager

RIGHT: Bruce Smith, Investment and Trust Services, Cumberland County, Market Manager; **Paulo Oliveira**, Cumberland County/Capital Region, Market Manager; **Molly Shane**, Development Officer, Bosler Memorial Library; **Jeffrey Swope**, Executive Director, Bosler Memorial Library; **Tim Henry**, President and Chief Executive Officer

F&M Trust's unwavering dedication to public libraries allows these community institutions to continue their goal of facilitating old and new ideas. "Our creation station studio is a place where patrons can write, record and develop original works," Crouse explained. "It's allowing people to become sources of information, art and literature themselves."

"Not only did they offer us a reasonable line of credit, but they also pledged their own money to the project, which was the largest business pledge that we received."

- Bernice Crouse, Executive Director

There is value in supporting such community centers — one that is beyond dollars. "F&M Trust is community-minded through and through," said Crouse. "They're actually interested in what we're up to," Swope echoed. Jamie Brambley recalled a time that F&M Trust was especially generous. "When we were doing major construction

about 10 years ago, they let us have all of our children's programs at the Fulton Theatre, which is attached to one of their community offices, for almost a year."

Beyond the company as a whole, these executive directors were quick to compliment F&M Trust's employees. "Kathy Powley (VP, Commercial Services Portfolio Manager) was particularly excellent. She made [Coyle Free Library's renovation project] so easy for us," said Crouse. "I can pick up the phone and call the people who are actually handling our investments — who are coming over to volunteer when we have programs going on," added Swope.

Public libraries may be an uncommon investment, but it's one that's crucial to F&M Trust's local communities. "F&M Trust is investing in a public institution. They deserve some credit, because not everybody sees the relevance in libraries," Swope pointed out. "I know there are bigger projects out there," Crouse admitted, "but F&M Trust has time and time again proven that they care about our community." That's why, for these public libraries, as Crouse put it, "It's F&M Trust. No one else."



MELBOURNE
"MEL"

2017 Community Highlights

Community

Franklin Financial Services Corporation and F&M Trust employees are devoted to serving the communities they live and work in. Each year, our employees assist numerous nonprofit organizations by volunteering their time at community events or by serving as members of a board of directors.

60 EVENTS | 521 VOLUNTEERS | 1,456 VOLUNTEER HOURS

Donations

In 2017, F&M Trust continued investing in each of the regions we serve by contributing to organizations that are dedicated to improving the quality of life for those communities.

\$322,245 IN COMMUNITY INVESTMENTS
300+ ORGANIZATIONS SUPPORTED





Client Profile

Andrew Zimmerman, Chief Business Development Officer, C&J Catering, Partner, Spring Garden, LLC; **Sherry Zerbe**, Chief Human Resource Officer, C&J Catering; **Jamie Berger**, Founder & CEO, C&J Catering, Partner, Spring Garden, LLC; **Dallas Zulli**, Assistant Vice President, Commercial Services, Relationship Manager

C&J Catering
Harrisburg, PA

CATERING TO THE UNCOMMON

In 2004, Jamie Berger had just graduated college and was eyeing up law school. Little did she know that, 13 years later, her clients wouldn't be plaintiffs; rather, fiancés, pharmaceutical reps and anyone else in need of a catered event.

"The company started a little bit by accident," said Berger, C&J Catering Founder and CEO. "I did something for my church, and that led to something else, and all of a sudden, there I was with this business."

C&J Catering has been steadily growing ever since. Today, Berger's company employs over 155 people, is one of Pennsylvania's only PA Preferred caterers and offers a multitude of services beyond food – creating a one-stop shop for total event production.

"Our mission is to provide something for everyone. We treat every customer independently; they don't fall into a box. My business is the same way. Everything is a little bit different," explained Berger. "F&M Trust understands that C&J Catering isn't a traditional company."

This uncommon and unrestricted business model has led Berger to opening her own venue, the 903, in Middletown, PA – a project backed by F&M Trust.

"My business isn't easy. It requires a lot of capital backing in the beginning. F&M Trust has been very good to me every time I've had a hair-brained idea about starting another business line. They've come right alongside me to help accomplish my vision," said Berger.

Berger credits F&M Trust's ease of banking to her strong relationship with Dallas Zulli (AVP, Commercial Services). "He's been with me since, literally, day one," Berger explained. "I have him on speed dial. He probably understands my business better than anyone else."

"F&M Trust understands that C&J Catering isn't a traditional company."

- Jamie Berger, Founder and CEO

Where will Berger's insatiable pursuit for excellence in customer service take her next? F&M Trust doesn't know. But it does know that it will be there to continue making Berger's business dreams a reality.



Senior Management



Timothy (Tim) G. Henry
President and Chief Executive Officer



Mark R. Hollar
Senior Vice President,
Chief Financial Officer and Treasurer



Patricia A. Hanks
Senior Vice President,
Retail Services Market Manager



Lise M. Shehan, ESQ., CFIRS
Senior Vice President,
Investment & Trust Services Manager



Steven D. Butz
Senior Vice President,
Commercial Services Market Manager



Lorie M. Heckman, CRCM
Senior Vice President,
Risk Management Officer



Ronald L. Cekovich
Senior Vice President,
Technology Services Manager



Karen K. Carmack, SPHR
Senior Vice President,
Human Resources Manager,
Affirmative Action and
HIPAA Privacy Officer



Matthew D. Weaver
Senior Vice President,
Marketing and Corporate Communications
Manager



Client Profile

Matt Berger, Investment and Trust Services, Franklin And Fulton/ Huntingdon County, Market Manager; **Chastity L. Wantz**, Financial Services Officer, Waynesboro Community Office Manager; **Andrea Bowersox**, Owner, Grove-Bowersox Funeral Home, Inc.; **Jeremy Bowersox**, Supervisor/ Owner, Grove-Bowersox Funeral Home, Inc.; **Mary Cordell**, Vice President, Commercial Services, Relationship Manager

Grove-Bowersox Funeral Home, Inc.

Waynesboro, PA

UNCOMMON COMPASSION

Since 1829 and 1887, respectively, Greencastle, PA, and Waynesboro, PA, communities have found reassurance in the locally owned and operated Grove-Bowersox Funeral Home, Inc. and its branch location, Miller-Bowersox Funeral Home.

As a second-generation owner, Jeremy Bowersox knows the importance of keeping his company an independent, community-focused business. "Both funeral homes have been in their communities for over a century. We like keeping that small-town touch," he said.

"A lot of F&M Trust's employees have become close personal friends."

- Jeremy Bowersox, Supervisor/Owner

For a business that deals with such a delicate time in families' lives, providing comfort, compassion and confidence in quality is everything. "We do quality work. We do caring work. Their loved ones never leave our small block," said Bowersox. Grove-Bowersox Funeral Home proudly offers both an on-site crematorium and full-service monument shop.

"The more we do ourselves, the more peace of mind our customers can have," Bowersox explained. "It's important that people in the community know who we are and that they have access to us. That's also important to us when we work with other businesses." It's how Bowersox's relationship with F&M Trust began in 2014.

"Some businesses need a bank with a branch in 46 states. We do not. We need people who pay attention to the local areas, and F&M Trust certainly does that," said Bowersox.

F&M Trust handles Grove-Bowersox Funeral Home's day-to-day banking and long-term investments and also guided Bowersox and his wife through the process of purchasing the Grove-Bowersox funeral home building from his parents.

Because both F&M Trust and Grove-Bowersox Funeral Home strongly believe in community-focused business practices, Bowersox sees F&M Trust employees alongside him on community boards and volunteer projects, and even in his free time. "A lot of F&M Trust's employees have become close personal friends. They are really great," said Bowersox.

While this business relationship continues to grow, it is one that feels uncommonly comfortable.



Officers

COMMERICAL SERVICES

Steven D. Butz

Senior Vice President
Commercial Services
Manager

Philip A. Pantano

Vice President
Commercial Services
Franklin and Fulton/
Huntingdon County
Market Manager

Mary S. Cordell

Vice President
Commercial Services
Relationship Manager

Matthew D. Harshbarger

Vice President
Commercial Services
Relationship Manager

Michael S. Metz

Vice President
Commercial Services
Relationship Manager

Kathleen M. Bloss

Assistant Vice President
Commercial Services
Portfolio Manager

Katherine M. Powley

Vice President
Commercial Services
Portfolio Manager

Kristi A. Dorsey

Vice President
Commercial Services
Relationship Manager

Brian C. Reidell

Vice President
Commercial Services
Treasury Management
Manager

Cyndie Kelly

Treasury Management
Relationship Manager

David P. Zimmerman

Vice President
Commercial Services
Relationship Manager

Dallas J. Zulli, MBA

Assistant Vice President
Commercial Services
Relationship Manager

Jeremy D. Culler

Assistant Vice President
Business Banking Manager

Patricia M. Murray

Assistant Vice President
Business Banker

Benjamin S. Debell

Business Banker

Michael N. Scudder

Business Banker

Crystal M. Sunderland

Business Banker

Eric J. Fleming

Vice President,
Credit Department Manager

Julie A. Powell

Senior Credit Analyst

Maria S. Seabra

Senior Credit Analyst

Michael R. Cook

Credit Analyst

Kofi E. Odoom

Credit Analyst

EXECUTIVE

Timothy (Tim) G. Henry

President and Chief
Executive Officer

Amanda M. Ducey

Corporate Secretary

Joyce A. Riley

Assistant Corporate
Secretary

FACILITIES

Tex E. Miller, Jr.

Facilities Manager

FINANCE

Mark R. Hollar

Senior Vice President
Chief Financial Officer
And Treasurer

Kim A. Brant

Asset-Liability Analyst

Amy B. Herrold

Controller

HUMAN RESOURCES

**Karen K. Carmack,
SHRM-SCP, SPHR**

Senior Vice President
Human Resources Manager
Affirmative Action and
HIPAA Privacy Officer

**Levi L. Crouse,
MBA, SHRM-CP**

Human Resources Officer

Michele A. Williams

Training & Development Officer
CTA Certified Coach

INVESTMENT & TRUST SERVICES

Lise M. Shehan, Esq., CFIRS

Senior Vice President
Investment and Trust
Services Manager

Warren M. Hurt

Vice President
Chief Investment Officer

Michell Friese

Investment and Trust Service
Support Specialist

Avis M. Graham

Assistant Vice President
Investment and Trust
Services Compliance Officer

Heather C. Hershey

Estate Administration Officer

David Y. Luo

Investment Portfolio Manager

Robin L. Murray

Trust Operations Manager

Matthew W. Berger

Assistant Vice President
Investment and Trust Services
Franklin and Fulton/
Huntingdon County
Market Manager

Carole L. Crist

Vice President
Investment and Trust Services
Relationship Manager

Karen L. Degenhart

Vice President
Employee Benefits Officer

Ronald R. Froeschle

Vice President
Employee Benefits Officer

James P. Probst
Vice President
Investment and Trust Services
Relationship Manager

Diana L. Sponseller
Vice President
Investment and Trust Services
Relationship Manager

Dennis L. Wilson
Vice President
Investment and Trust Services
Relationship Manager

Hammond Urner
Vice President
Investment and Trust Services
Relationship Manager

Jeffrey A. Peterson
Investment and Trust Services
Relationship Manager

Bruce A. Smith
Vice President
Investment and Trust Services
Cumberland County
Market Manager

Joseph G. Maxwell
Vice President
Investment and Trust Services
Relationship Manager

James C. McElhenie
Vice President
Investment and Trust Services
Relationship Manager

Andrew M. Otto
Assistant Vice President
Investment and Trust Services
Relationship Manager

MARKETING

Matthew D. Weaver
Senior Vice President
Marketing and Corporate
Communications Manager

Melissa D. Miller
Assistant Vice President
Marketing Officer

Jill M. Reddecliff
Marketing Analyst

RETAIL SERVICES

Patricia A. Hanks
Senior Vice President
Retail Services Market
Manager

Jordan M. Peffer
Retail Services
Operations Officer

CONSUMER LENDING

Jared M. Leonard
Assistant Vice President
Consumer and Residential
Mortgage Lending Manager

Cathy S. Goodhart
Residential Mortgage
Lending Officer

Timothy A. Rarick
Consumer Lending Officer

David R. Winters
Consumer Lending Officer

CHAMBERSBURG MARKET

Summer Franzoni
Assistant Vice President
Chambersburg
Market Manager

Memorial Square
Marisol Feliciano
Financial Services Officer
Manager

Norland Avenue
Danielle R. Ritter
Financial Services Officer
Manager

Chambers Pointe & Brookview
Barbara A. Seylar
Financial Services Officer
Manager

Lincoln Way East & Philadelphia Avenue
Lisa A. Hogue
Financial Services Officer
Manager

Orchard Park
Dana L. Kaiser-Brechbiel
Assistant Vice President
Financial Services Officer
Manager

West Side
Meghan N. Heebner
Financial Services Officer
Manager

CUMBERLAND COUNTY MARKET

Paulo M. Oliveira
Vice President
Cumberland County/
Capital Region
Market Manager

Camp Hill & Mechanicsburg
Miriam Defehr
Financial Services Officer
Manager

Heather E. Yoder
Assistant Financial
Services Officer

Carlisle Crossing & Boiling Springs
Bree C. Vance
Financial Services Officer
Manager

Boiling Springs
Barb M. Minnier
Assistant Financial
Services Officer

Shippensburg & Newville
Ellen L. Ile
Financial Services Officer
Manager

Ritner Highway
Adam B. Smith
Financial Services Officer
Manager

SOUTHERN FRANKLIN COUNTY MARKET

Renee L. Preso
Vice President
Southern Franklin County
Market Manager

Greencastle & Marion
Cynthia E. Marconi
Assistant Vice President
Financial Services Officer
Manager

Mont Alto
Sarah S. Stansfield
Financial Services Officer
Manager

Waynesboro
Chastity L. Wantz
Financial Services Officer

Rachel Bowers
Assistant Financial
Services Officer

**FULTON/HUNTINGDON
COUNTY MARKET**

Renee L. Preso
Vice President
Fulton/Huntingdon
County Market
Market Manager

**McConnellsburg
& Hustontown**
Mary E. Wright
Financial Services Officer
Manager

Orbisonia
Bertha A. Peffer
Financial Services Officer
Manager

RISK MANAGEMENT

Lorie M. Heckman, CRCM
Senior Vice President
Risk Management Officer

William A. Pryor
Vice President
Chief Credit Officer

Steven R. Gormont
Consumer Credit
Recovery Officer

Frank M. Severa
Commercial Credit
Recovery Officer

Eric M. Follin
Documentation Review
Officer

Matthew R. Shank
Assistant Documentation
Review Officer

Janet E. Stamper
Consumer Documentation
Review Officer

Olaf R. Hasse
Vice President
Loan Portfolio Risk
Management Officer

Sheryl R. Snider
Compliance Officer
and CRA Officer

Rainbow D. Hopkins
BSA/OFAC Officer

**TECHNOLOGY
SERVICES**

Ronald L. Cekovich
Senior Vice President
Technology Services
Manager

Joseph C. Lieb
Assistant Technology
Services Manager

Matthew C. Clark
Assistant Vice President
Technology Services
Officer

Patricia R. Gano
Assistant Vice President
Deposit/Data Operations
Manager

Pamela A. Johns
Assistant Vice President
Loan Servicing Manager

Stephanie Gearhart
Assistant Loan
Servicing Manager





Client Profile

Steve Butz, Senior Vice President, Commercial Services, Manager; **Tim Henry**, President And Chief Executive Officer; **Brian Wise**, Owner, Bwise Manufacturing, LLC; **Phil Pantano**, Vice President, Commercial Services, Franklin And Fulton/Huntingdon County, Market Manager; **Scott Mentzer**, CFO, Bwise Manufacturing, LLC

BWise Trailers Chambersburg, PA

UNCOMMON INNOVATION

Just off Interstate 81 in Chambersburg, PA, lives the future of the trailer industry. "We don't like being the follower. We like being the leader," said Bwise Founder and President Brian Wise. "We do things to our trailers that are standard features that most competitors don't even offer — and if they do, it costs extra."

Bwise Trailer's mission is to build trailers of the highest quality and to offer the best service to customers at a competitive price. It's why Bwise Trailers doesn't assemble its trailers from outsourced parts. "A large percentage of parts that we use are made in-house. It gives us the ability to machine parts for the trailers that fit perfectly, giving us a fit and finish that our competitors can't achieve," explained Wise, who has an extensive background in metal machining.

This business philosophy of quality and innovation has shown repeat growth. "At the start, we rented 120,000 square feet of our current building. Just last year, we purchased the entire 414,000 square-foot building," said Wise. It was a large and somewhat aggressive purchase, but both Bwise Trailers and F&M Trust saw opportunity. "We went to F&M Trust, not thinking that they would be able to pull this off, but they did. We're very thankful for that. It enabled us to make changes to the building that have improved our manufacturing process," said Wise.

F&M Trust also helped Bwise Trailers purchase an automated painting system that furthered the company's efficiency. "They stepped up to the plate in the last year to help us with two major projects," said Wise. F&M Trust was supportive for good reason: Brian Wise has been a loyal client since 2008.

"They stepped up to the plate in the last year to help us with two major projects."

- Brian Wise, Founder and President

With its newly acquired space and state-of-the-art painting system, this independent company is going places — but only figuratively. "We have a great facility and a very good workforce here. We have all the pieces in place to experience a lot of growth," said Wise.

In the future, expect more uncommonly innovative trailer designs, a larger body of sales and an even stronger relationship between F&M Trust and Brian Wise. "They've been very good to work with," said Wise. "Phil Pantano (VP and Commercial Services Market Manager) has been nothing but excellent for us. He understands our business — and that's what really matters."



Community Office/ATM Locations

CHAMBERSBURG AREA

Lincoln Way East Office

1712 Lincoln Way East,
Chambersburg, PA
Phone: (717) 264-9414

Memorial Square Office

20 South Main Street,
Chambersburg, PA
Phone: (717) 264-6116

Brookview Office

2075 Scotland Avenue,
Chambersburg, PA
Phone: (717) 261-3697

Norland Avenue Office

870 Norland Avenue,
Chambersburg, PA
Phone: (717) 262-2085

Orchard Park Office

841 Wayne Avenue,
Chambersburg, PA
Phone: (717) 263-1801

Chambers Pointe Office

1425 Philadelphia Avenue,
Chambersburg, PA
Phone: (717) 261-3660

Philadelphia Avenue Office

2405 Philadelphia Avenue,
Chambersburg, PA
Phone: (717) 264-5122

West Side Office

1100 Lincoln Way West,
Chambersburg, PA
Phone: (717) 263-9168

SOUTHERN FRANKLIN COUNTY

Greencastle Office

518 North Antrim Way,
Greencastle, PA
Phone: (717) 597-2384

Marion Office

5293 Main Street,
Marion, PA
Phone: (717) 375-2210

Mont Alto Office

8 Park Street,
Mont Alto, PA
Phone: (717) 749-3161

Waynesboro

200 East Main Street,
Waynesboro, PA
Phone: (717) 762-2188

CUMBERLAND COUNTY

Boiling Springs Office

3 East First Street,
Boiling Springs, PA
Phone: (717) 241-4131

Camp Hill Office

3907 Market Street,
Camp Hill, PA
Phone: (717) 731-9604

Carlisle Crossing Office

214A Westminster Drive,
Carlisle, PA
Phone: (717) 243-2215

Carlisle Plaza Drive-Up

700 East High Street,
Carlisle, PA
Phone: (717) 243-0416

Mechanicsburg Office

6375 Carlisle Pike
Mechanicsburg, PA
Phone: (717) 697-0444

Newville Office

51 South High Street,
Newville, PA
Phone: (717) 776-2240

Ritner Highway Office

1901 Ritner Highway
Carlisle, PA
Phone: (717) 960-1400

Shippensburg Office

13 Shippensburg
Shopping Center,
Shippensburg, PA
Phone: (717) 530-2100

FULTON & HUNTINGDON COUNTIES

Hustontown Office

7781 Waterfall Road,
Hustontown, PA
Phone: (717) 987-3193

McConnellsburg Office

100 Lincoln Way East,
McConnellsburg, PA
Phone: (717) 485-3144

Orbisonia Office

18810 Sandy Ridge Station,
Orbisonia, PA
Phone: (814) 447-3104

ADDITIONAL ATM LOCATIONS

Ayr Town Center ATM

368 S. 2nd Street,
McConnellsburg, PA

Fayetteville Post Office

4025 Lincoln Way East,
Fayetteville, PA

Brookview Campus - Northfield

Northgate Commons
and Apartments
1500 Northfield Drive,
Chambersburg, PA

Penn National Golf Clubhouse

3720 Clubhouse Drive,
Fayetteville, PA

Penns Village ATM

182 Buchanan Trail,
McConnellsburg, PA

Quincy Village - Colestock Center

6596 Orphanage Road,
Quincy, PA

Riverview Business Center ATM

11734 Lenape Drive,
Mount Union, PA

Shippensburg West End

9966 Molly Pitcher Hwy,
Shippensburg, PA

Waynesboro Marketplace

11123 Buchanan Trail East,
Waynesboro, PA

Zullinger

4884 Buchanan Trail East,
Zullinger, PA





Franklin Financial
Services Corporation



P.O. Box 6010 | Chambersburg, PA 17201
888.264.6116 | franklinfin.com
