

*Why would anyone bank anywhere else?*



 **Franklin  
Savings Bank**  
2012 Annual Report

[www.FranklinSavings.com](http://www.FranklinSavings.com)

# A Message from the President

While thinking about my annual message, I found a Statement of Condition for Franklin Savings Bank from September of 1968, one hundred years after the bank opened its doors for business in Farmington. At the time, the bank consisted of the main office and a new branch office in Rumford. Asset size was \$17.7 million, of which \$11.1 million, or 63 percent of the assets, were in consumer mortgages. The bank was doing some other consumer lending, but no commercial lending. We were paying depositors 5 percent on their passbook savings accounts and advertising free parking and a drive-up window for customer convenience.

Today, we have eight branches, including our branch at Mt. Blue High School. The bank has grown to \$327 million in assets, with \$164 million, or 50 percent of assets, in consumer mortgages. Some things have not changed. Among other things, we still offer free parking and drive-up windows for customer convenience and we have added a VISA debit card that can be used for purchases and cash access around the world. ATMs, online banking and Internet bill pay are now so much the norm, we take them completely for granted. On the horizon now are new ways to deliver our services to customers, such as, perhaps, mobile banking. Much of our focus now is on keeping ahead of the criminals in protecting the safety and security of our customer accounts.



The banking environment has changed but Franklin Savings Bank continues to operate with the same principles that guided its establishment in 1868; we are still here to provide financial services to our communities and our customers. The rate environment has changed considerably since those early days, but time has shown that the industry and the economy move through cycles. While it has become increasingly challenging to balance a competitive rate structure and shrinking margin with the long-term financial health of this institution, our team is up for the task. I am confident that we will once again return to more prosperous times, when deposit rates will rise to a level that will enable the bank to offer reasonable investment options for our depositors and the economy will expand to offer new opportunities for growth and increasing loan demand.

Franklin Savings Bank continues to be a leader in community giving. The bank and our Community Development Foundation contributed more than \$170,000 to various non-profit, economic development and educational efforts in 2012 and our employees were involved in many organizations and activities that exist to make our communities better places to work, live and play. We are committed to serving our communities and the people who live in them.

As a side note, Franklin Savings Bank is pleased to bring back another link to its past and that

of Farmington by constructing a staircase connecting Main and Front Streets. As noted in the letter below from Gwil Roberts, this stair link goes back a long time. We are pleased to see so many people already using it.

**Gwilym R. Roberts**  
12 Knowlton Ave.  
Farmington, ME 04938  
Telephone: (207) 778-2718

January 5, 2000

Dear Peter;

Being somewhat younger than I am, it is likely that you were not around when the Exchange Hotel stood where the south part of your bank is now, and the local dignitaries went there Sunday noons for dinner on the snowlike hotel tablecloths.

As a matter of fact, I guess your father was not around on those occasions either. (And perhaps even your grandfather never walked into the shop located where the dry-cleaners were later, to see the women sitting at machines in rows sewing earmuffs, where a "normal school" friend of mine used to sweep up at the end of the day.) But I digress.

Until the thirties, "drummers" with their sample goods used to come in on the Maine Central (or down from up country on the narrow gauge at the end of their trips), landing at the Maine Central Railroad Station. There was a series of steps up the steep slope, so they could walk up from the station to the hotel where they would get rooms for the night.

It occurred to me that for the first time since those days, an arrangement is being created which links the Depot Street area with a building where the hotel used to be. As your people will go from the new building up a level or two to the Main Street bank building they will be following the steps of the drummers of 1900.

Whether this is of any interest, or might be used in your publicity sometime (perhaps with Bob Tyler's great painting of a snow-roller in front of the Exchange Hotel) I do not know. But I did find it fascinating that for the first time in two-thirds of a century, there will be a link <sup>now</sup> between Depot Street and Main Street.

Do you get taller month by month, or is it just that those people with whom your picture appeared in the Journal were small school children?

It is good to have you around.

Sincerely,  
*Gwil*  
Gwilym R. Roberts  
*Pat*



## Financial Highlights

The bank ended the year with total assets of \$329 million and net income of \$2.95 million. We closed 405 consumer mortgages and home equity loans for a total of \$42.9 million. We also closed 383 commercial loans, totaling \$38.5 million and 1,020 non-mortgage consumer loans totaling \$7.0 million. Deposits totaled \$240.0 million at year end.

Many thanks to our Board of Directors, our Corporators, our customers and our dedicated and very capable staff who help make Franklin Savings Bank an integral part of our communities.

*On the cover: Tim Thompson and Peter Judkins officially open the new staircase connecting Front and Main Streets.*

*At left: The letter from Gwil Roberts that inspired the stairs and crews from E. L. Vining & Son put finishing touches on the new stairs, which heat automatically to keep away ice buildup.*

# Our Community

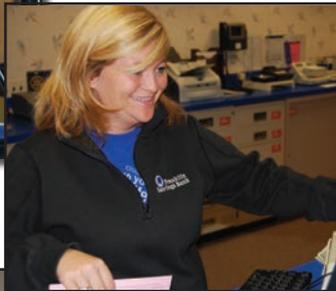


## *FSB in the Community:*

(Clockwise from upper left): FSB's Tim Thompson with Maine School of Masonry owner Stephen Mitchell and student Matthew Goldman; Benjamin Black Bear with Barbara Coolidge; Bett Hardy and Meghan Allen hand out goodies in the Farmington Memorial Day Parade; FSB kids Grace Allen and Tricia Souther-Bowering, who portrayed "Miss Grateful America" in the parade; Shelley Deane and her dog, Gretchen, pose with UMF representatives Bob McCully, Chompers and Leigh Ronald at the new FSB-sponsored Prescott Field pet station; Benjamin Black Bear and Breanna Lee *Take it Outside* at Mt. Blue State Park; Peter Judkins and Tim Thompson share a thoughtful moment as penguins while waiting in Chester Greenwood parade formation; Ground-breaking for a new \$1.7 million Med-Care facility in Mexico; Deane helps deliver employee-purchased presents for Operation Santa; Hardy and Nancy Jones staff the luminaria table at the Franklin County Relay for Life; Benjamin Black Bear makes friends with participants in the Christmas in the Valley parade; Catherine Dorian gets into her part as a "Whoville" resident; and Blueberry Festival Parade participants in front of the Wilton Branch.



# Our Staff



*FSB Staffers: (Clockwise from upper left):*

Lynn O'Connor and Beckie Bowering from Farmington customer service; Jared Ranger from WMFS; Darcie Hunt from the Jay branch; Deann Trafton and Leeanna Wilbur from the Rangeley branch; Diane Jackson from the Jay branch; the Farmington Loan Department; Nichole Tracy, seasonal customer service; Dawn and Jen Brann, Wilton and Farmington customer service; Sandy Goodwin with Byron "Buzz" Davis; Chrissy St. Laurent, Farmington Loan Department; Tim Thompson, administration; Peter Judkins with Rep. Russell Black; Val Trial, Skowhegan branch; and Denise Mercier, Rangeley branch.



# Management

## Directors

William J. Bernard, Chairman of the Board  
Bradford S. Adley            Michael A. Luciano  
Mary Ellen Carpenter      Richard H. Smith  
C. Clinton Knapp (retired 2012)      Richard M. Walker  
Peter L. Judkins              James M. Witt IV

Guthrie S. Colpitts, Director Emeritus

## Corporators

Bradford S. Adley	Marco A. Grimaldi	Bruce A. Ross, DMD
Susan L. Allmendinger	Curtis C. Haley	Rebecca L. Ryder
Alan R. Archibald	David L. Haley	Ronald W. Savage
William J. Bernard	Duane A. Hardy	Gary J. Shaffer
John D. Bogar	Stephen W. Harris	Jerry P. Simpson
Darryl N. Brown	Bart J. Hersey	Juanita Bean Smith
James P. Brown	Barbara B. Hitchcock	Richard H. Smith
Paula D. Buchanan	Mary B. Howes	Lynn M. Soriano-Noyes
Todd W. Bullen	Leroy Ireland	Roger J. Soucy Jr.
Mary Ellen Carpenter	James A. Jannace	Steven J. Swasey
Gary R. Chiasson	Craig A. Jordan	Dennis S. Taylor
Gary W. Collins	Peter L. Judkins	Robert A. Thorndike
Richard J. Cormier	Michael A. Luciano	James D. Timberlake
Mark J. Cote	Virginia P. MacFawn	Peter F. Tracy
Donald K. Cummings	William H. Marceau	Thomas F. Upham
Shelley W. Deane	Frederick H. Marshall III	Richard M. Walker
Erik L. Dickson	Paul H. Mills	Carroll M. Ware
Peter F. Dougeneck	Michael F. Monahan	Robert C. Welch
Gary M. Downs	Ronald B. Morin	Gerard K. Williams
John H. Duffy	Ann M. Nemi	John H. Windover II
Colon E. Durrell	James A. Nicols Jr.	Lolisa M. Windover
Gilbert C. Durrell	Troy A. Norton	James M. Witt IV
Stewart K. Durrell	Virginia G. Nuttall	Ann B. Yorks
James L. Eastlack	Gary F. Paling	
Patricia A. Ellis	Meredith J. Pike	
Erald L. Farmer	Thomas N. Puiia	<b>Honorary</b>
Richard B. Gould Jr.	Peter A. Robichaud	Beverly N. Adams

Franklin Savings Bank is a wholly-owned subsidiary of FSB Bancorp MHC  
Chairman Gary M. Downs, Vice Chairman William J. Bernard, Directors  
Bradford S. Adley, Mary Ellen Carpenter, Peter L. Judkins, C. Clinton  
Knapp (retired 2012), Michael A. Luciano, Richard H. Smith, Richard M.  
Walker and James M. Witt IV



Chrissy St. Laurent, Bernice Cote and Jeanne Norton.

## Officers

### Main Office - Farmington

Peter L. Judkins, President, Chief Executive Officer  
Timothy J. Thompson, Senior V.P., Chief Financial Officer  
Shelley W. Deane, Sr. V.P., Human Resources & Admin.  
Sandra P. Goodwin, V.P., Retail & Commercial Services  
Lionel F. Howard, Vice President, Internal Controls  
Nancy W. Jones, V.P., Underwriter, Loan Services  
Deidre C. LaPlant, VP, Operations & Compliance  
Michael R. Mansir, Vice President, Commercial Lending  
Thomas L. Sawyer, Vice President, Residential Lending  
Cindy A. Spencer, Vice President, Credit Risk Mgmt.  
Peter M. Fortunato, Bank Information Systems Administrator  
Anna C. H. Lyon, Asst. V.P., Marketing Director  
Jeanne M. Norton, Asst. V.P., Information Systems Dept.  
Pamala J. Dixon, Assistant V.P., Controller  
Bernice P. Cote, Customer Service Officer  
RaeAnn A. Hargreaves, Loan and Collections Officer  
Christine A. St. Laurent, Loan Officer  
Bett E. Hardy, Mortgage Underwriting Officer

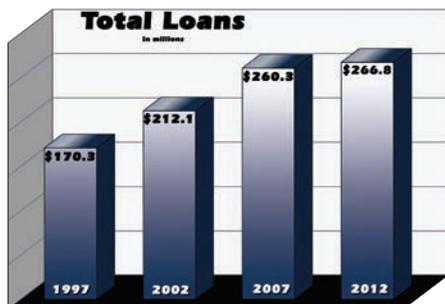
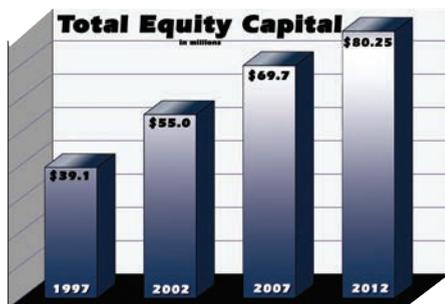
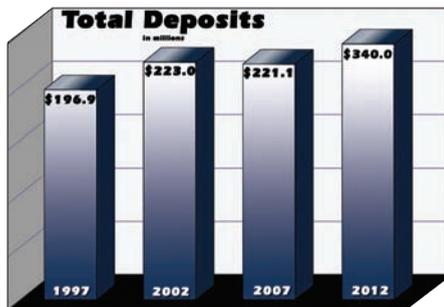
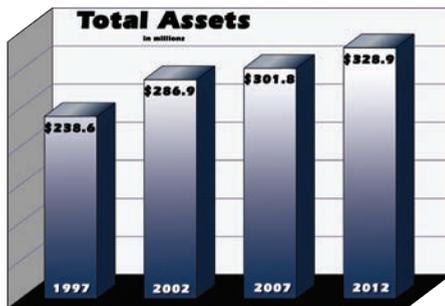
### Branch Locations

Diane M. Perry, V.P., Mgr., River Valley Branches  
Richard E. Allen, V.P., Comm. Lending, River Valley Branches  
Linda S. Westleigh, Asst. Mgr., River Valley Branches  
Leanne Gagne, Loan Officer, River Valley Branches  
Catherine Dorion, Loan Officer, River Valley Branches  
Lorna Durrell Niedner, Asst. V.P., Jay Branch Manager  
Diane L. Jackson, Loan Officer, Jay Branch  
Leeanna J. Wilbur, V.P., Rangeley Branch Manager  
Crystal W. Haley, Assistant Manager, Rangeley Branch  
Sally A. Dwyer, Asst. V.P., Skowhegan Branch Manager

### Additional Services

Aaron C. Knapp, LPL Financial Advisor, WMFS  
Jared P. Ranger, LPL Financial Advisor, WMFS

# Financials



## 2012 Statement of Condition

### Assets

Cash & Due from Banks	\$ 26,486,560
Bonds	19,044,526
Stocks	1,423,350
Mortgage Loans	236,008,652
Other Loans	30,838,520
Allowance for Loan Losses	(3,400,000)
Bank Premises and Fixed Assets	4,888,630
Other Assets	<u>13,582,694</u>
Total Assets	<u>\$328,872,932</u>

### Liabilities

Deposits	\$ 239,989,311
Other Liabilities	<u>8,631,016</u>
Total Liabilities	\$248,620,327

### Equity Capital

Surplus and Reserves	<u>80,252,605</u>
Total Liabilities & Equity Capital	<u>\$328,872,932</u>

Please Note: Letters of Credit outstanding  
not included in above figures: \$613,292

## Statement of Earnings

Twelve Months: ended December 31, 2012

Interest and fee income on loans	\$ 15,496,482
Interest and dividend income on investments	371,142
Non-interest income	<u>2,934,444</u>
Total interest and other income	\$18,802,068
Interest paid on deposits	1,450,830
Other expenses	<u>12,955,311</u>
Earnings after interest and other expenses	\$4,395,927

Income taxes	<u>1,450,750</u>
Net income for period	<u>\$2,945,177</u>

# Locations



## Farmington

197-209 Main Street and 198 Front Street, PO Box 825 Farmington, ME 04938  
800-287-0752 - 207-778-3339 Loan Center: 207-778-2900

## ATM & Drive Up

## Rumford

155 Congress Street, PO Box 579, Rumford ME 04276-0579  
Telephone: 207-364-7866

## ATM & Drive Up

## Wilton

603 Main Street, PO Box 520, Wilton ME 04294-0520  
Telephone: 207-645-2583

## ATM & Drive Up

## Mexico

20 Main Street, PO Box 242, Mexico ME 04257-0242  
Telephone: 207-364-4536

## Drive Up

## Jay

9 Main Street, PO Box 30, Jay, Maine 04239-0030  
Telephone: 207-897-3982

## ATM & Drive Up

## Rangeley

2573 Main Street, PO Box 650, Rangeley ME 04970-0650  
Telephone: 207-864-3386

## ATM & Drive Up

## Skowhegan

194 Madison Avenue, PO Box 368, Skowhegan ME 04976-0368  
Telephone: 207-474-5574

## ATM & Drive Up

## Mt. Blue High School

Mt. Blue High School, 129 Seamon Road, Farmington, ME 04938  
Telephone: 207-778-5268

## Seasonal

## Western Mountain Financial Services

198 Front Street, Farmington, ME 04938  
Telephone: 800-300-9779 - 207-778-9779  
Internet: [www.WesternMountainFinancial.com](http://www.WesternMountainFinancial.com)



\*\* Past performance is not a guarantee of future results \*\*  
Franklin Savings Bank has entered into a third-party arrangement allowing LPL Financial to offer securities to bank customers. Securities offered through LPL Financial, Member FINRA/SIPC. Insurance products offered through LPL Financial or its licensed affiliates.  
Not FDIC Insured | No Bank Guarantee | May Lose Value  
Not a Deposit | Not Insured by Any Federal Government Agency



*Pictured above: (from top) West New Portland; Benjamin*

*Black Bear with Shelley Deane; Leeanna Wilbur; Dee LaPlant; Diane Perry; Lorna Niedner with Franklin Scholars from Spruce Mountain High School, Benjamin Keene and Nicole Adams; Corporator Patty Ellis joins Leeanna, Deann Trafton and Leslie Walton to hand out glow sticks during a frigid Snowdeo.*



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