



Franklin Savings Bank

ANNUAL REPORT



CONNECTING COMMUNITY
+ KINDNESS

PRESIDENT'S MESSAGE

I am proud to report we experienced another record setting year at FSB despite what remains a challenging and unpredictable operating environment. The COVID-19 pandemic has remained one of our greatest challenges as we regularly find ourselves wrestling with inconsistent guidance, recommendations and mandates. We also recognize and respect there are strongly held beliefs that differ among individuals as it pertains to these recommendations and mandates. Our primary focus remains on keeping our staff and customers healthy, while continuing to support the communities we serve.

FSB experienced strong balance sheet growth for the year of \$74 million or just over 12%; ending the year with total assets of \$678 million. This growth was attributed to continued government stimulus programs, including a second round of Paycheck Protection Program (PPP) loans. The Bank originated just over \$9 million in PPP loans during the second offering. Altogether we originated \$36 million in PPP loans, saving over 3,200 NH jobs and providing critical support to businesses in our communities. Funding to support the balance sheet came from deposit growth of \$71 million, an increase of 13.5% for the year. Combining the past two fiscal years, FSB has realized a significant increase of \$145 million in deposits. This unprecedented deposit growth has created excess liquidity for FSB, with most of it being directed to our investment portfolio.

Our lending teams continued to meet the needs of businesses and individuals in our communities with loan originations surpassing \$157 million dollars in commercial and residential mortgages for the year. Loan demand has been favorably impacted by historically low interest rates, government stimulus programs, and a strong New Hampshire economy that has remained "open for business" throughout much of the pandemic. Excluding PPP loans, commercial originations were \$107 million for the year, while residential mortgage volume exceeded \$50 million.

Independence Financial Advisors (IFA) posted another strong year as total revenues, new asset acquisition, and earnings all posted record highs. For the 2021 fiscal year, IFA achieved \$2.7 million in revenue, which produced bottom line earnings of \$915,000. With their focus on educating clients and prospects, the team was successful in generating \$65 million in new assets under management. Based upon their outstanding success during the year, IFA now manages over \$323 million in investment assets for their clients.

As we look to fiscal 2022 and beyond, there is tremendous uncertainty that exists. The economy is fragile, there are concerns of further COVID-19 variants, inflation is impacting the cost of most household goods, supply chain issues are causing significant delays resulting in empty shelves, energy prices are significantly higher than this time last year, and the political divide in the U.S. seems as deep as ever. But we, the Board, Management and Staff of Franklin Savings Bank, remain committed to serving the financial needs of our customers and communities, and will persevere as we have as an organization since 1869.

#ProudToBeCommunityBankers!

“ Our primary focus remains on keeping our staff and customers healthy, while continuing to support the communities we serve.”

CONNECTING COMMUNITY
+ KINDNESS

NEW WEBSITE



Quick Links



Mega Menus



Online Chat



Account Login

FSB unveiled a new website on February 4, 2021, featuring a new design and layout along with several enhancements to provide a superior experience for our customers and visitors. Some improvements include streamlined navigation with enhanced logins to account information; location assistance buttons prominently displayed on the home page; in addition to new mega menus for easier access to information on both personal and business banking services. Our blogs are also prominently featured on the home page and cover a variety of topics on lifestyle, security, financial, money matters, community and homeownership.

KINDNESS CAMPAIGN

“ A bowl of water in front of your shop means everything to a dog...



“ Be the sunshine in someone's day...



Every day, and especially these days, we can all use a little more kindness in our world. It's the simple gestures that connect and unite us. Saying hello to a stranger on the street, picking up milk for a neighbor who can't go to the store, calling a friend to make sure they are ok. These are the simple gestures that we can all stand behind as a community, and that we as Franklin Savings Bank strive to inspire every day. It's our way of saying we care about you as customers, community members and friends.

CAMPAIGN TILE EXAMPLE



“ Peace of mind is the new success...



“ Radiate positivity everywhere you go...

“ Hold the door open for the person behind you...



That's what connecting with our community is all about.



“ Kindness is the new cool...

CONNECTING COMMUNITY & KINDNESS

Franklin Savings Bank has assisted many organizations over the last 150 years in a effort to support the vitality of our communities. It is our steadfast commitment to community that has enabled us to contribute over 11% of our net income to countless charitable causes since 2009. We live, work and are actively involved in the communities we serve. Now more than ever, we are proud to be one of the few oldest community banks still in existence today within our great state.



Adopt A Home Project (Concord) – FSB partnered with Concord Coalition to End Homelessness to assist with furnishing and decorating one of four apartments located at 10 Green Street in Concord. The building was fully renovated to assist adults who were previously homeless. FSB employees donated items to assist with the setup.

Gale School Redevelopment (Lakes Region) – We were thrilled to purchase \$50,000 in New Hampshire business tax credits from Lakes Region Community Developers to support the redevelopment of the Gale School in Belmont. The project will transform the dilapidated building into a vibrant community facility, which will host a child care center operated by the Boys & Girls Club of Central NH and a program center managed by Lakes Region Community Services.



Back to School Supply Drive (all markets) – For several years, FSB has organized a Back-to-School Supply Drive to collect needed items for schools in our market areas. We held our drive in August, and our branch managers delivered all the supplies to schools in our market areas before the start of the school year.

WHAT THIS MEANS TO OUR COMMUNITY BANK



Customer Appreciation Days (all markets) – FSB hosted our annual Customer Appreciation Days over the summer. Customers were treated to a BBQ lunch along with a chance to win some giveaway items.

Take the Wheel NH (Lakes Region) – FSB joined Lakes Region Community Developers, HOMEteam, and Grappone Automotive Group to offer a new program to low-to-moderate-income families in need of a reliable, fuel-efficient vehicle. In September, we celebrated our first graduate, who received a 2019 Nissan Rogue from Grappone Automotive Group with credit counseling and financing provided by HOMEteam and FSB, respectively.



Goffstown Junior Baseball Little League (Goffstown) – FSB made a \$5,000 donation to the Goffstown Junior Baseball Little League as part of a five-year sponsorship. The group was able to purchase a new PA system and our partnership includes signage, which is prominently displayed on press boxes at the field.



IFA'S INVESTMENT IN DOWNTOWN FRANKLIN



The Lofts at Mill City Park

In late 2019, Independence Financial Advisors acquired a multi-use commercial building formerly known as the Odd Fellows Building located in downtown Franklin. Since that time, the first floor of the building was renovated into new office space for IFA along with some façade improvements. In 2020, renovations commenced on the second and third floors to reconstruct seven units into market rate condominiums, known as The Lofts at Mill City Park. The newly renovated condos will be listed for sale later in 2021 by Remax Bayside of Meredith, NH. The individual units will be marketed to individuals looking to relocate from a large city or retire to the Franklin area, or investors searching for vacation property for personal use or rental income.

One unique selling point for prospective buyers will be Mill City Park, which is currently under construction and will be the first whitewater park in New England. An ideal investor will be one who is an outdoor enthusiast and is seeking recreational activities available in the greater Franklin area, such as Franklin Falls Dam Trail System & Disc Golf, Veterans Memorial Recreation Ski Area, Webster Lake, mountain bike trails, Highland Mountain Bike Park, theater, shopping, dining and more.

STATEMENT OF CONDITION

Consolidated Statement
(Unaudited)

Sept. 30, 2021 Sept. 30, 2020
(amounts in thousands)

Assets

Cash and due from banks	\$ 4,210	\$ 3,928
Interest bearing deposits in other banks	24,342	21,413
Investment securities	198,647	140,449
Loans	417,902	409,517
Allowance for possible loan losses	(3,715)	(3,437)
Net loans	414,187	406,081
Loans held for sale	0	0
Bank premises and equipment	13,548	13,651
Other real estate owned	0	0
Other assets	22,996	17,974
TOTAL ASSETS	\$ 677,929	\$ 603,496

Liabilities & Capital

Deposits	\$ 597,432	\$ 526,368
Securities sold under agreements to repurchase	8,197	7,738
Advances from Federal Home Loan Bank	2,175	4,675
Other liabilities	7,896	7,392
TOTAL LIABILITIES	615,700	546,173
Retained Earnings	64,188	58,542
Net unrealized gains/(losses) on investments available for sale net of deferred income tax expense	739	2,228
Adjustment for unfunded post retirement plan net of deferred tax benefit	(2,698)	(3,447)
TOTAL CAPITAL ACCOUNTS	62,229	57,323
TOTAL LIABILITIES AND CAPITAL	677,929	603,496

OUR BOARD OF DIRECTORS



Front Left to Right: Dorcas J. Gordon; Craig A. Jacobson; Ronald L. Magoon, Franklin Savings Bank President & CEO; Rebecca L. Bryant; Scott R. Clarenbach, Vice Chair; Mary "Meg" E. Miller, Chair; Stuart D. Trachy; Scott D. McGuffin

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FSB IS GOING GREEN!

In an effort to reduce our dependence on fossil fuels, Franklin Savings Bank partnered with NH based ReVision Energy to install solar panels on five of our locations: Franklin, Gilford, Goffstown, Bristol, and Merrimack. Across these five branches, the cumulative 537 solar panels will generate enough electricity to offset roughly 320,000 lbs. of carbon dioxide equivalent (CO₂e) every year.

Fossil fuels are the leading source of greenhouse gas emissions and the main cause of the global climate crisis. Transitioning to clean, solar power is a strong investment in the future of our company, our communities, and our planet, as well as an opportunity for Franklin Savings Bank to further support the well-being of our customers and employees.



Call us - 800.FSB.4445
Visit us - WWW.FSBNH.BANK



NMLS #709434

