

# Sub Debt Issuance – Franklin Financial Services Corporation

August 2020

## Franklin Financial Services Corporation

holding company for:



**Franklin Financial Services Corporation**

### Subordinated Debt Offering

**\$20.0 Million**

\$15mm due September 2030  
5.00% Fixed-to-Floating

\$5mm due September 2035  
5.25% Fixed-to-Floating

### Sole Placement Agent

Performance Trust Capital Partners

## Transaction Overview

On August 4, 2020, Chambersburg, Pennsylvania-based Franklin Financial Services Corporation, the holding company for Farmers and Merchants Trust Company of Chambersburg, completed the issuance of \$15 million in 10-year fixed-to-floating rate subordinated notes and \$5 million in 15-year fixed-to-floating rate subordinated notes. The subordinated debt is structured such that it qualifies as Tier 2 capital at the holding company. The 10-year notes will initially bear interest at 5.00% per annum to but excluding June 30, 2025 and thereafter pay a quarterly floating rate equal to 90-day average SOFR plus 493 basis points. The 15-year notes will initially bear interest at 5.25% per annum to but excluding June 30, 2030 and thereafter pay a quarterly floating rate equal to 90-day average SOFR plus 492 basis points.

In addition to general corporate purposes, the Company intends to use the net proceeds to support the regulatory capital ratios in the Company's subsidiary.

**Performance Trust Capital Partners served as Sole Placement Agent in connection with this issuance of subordinated debt.**

## Financial Highlights (June 30, 2020)

	Farmers and Merchants Trust Company of Chambersburg	
(\$000s)		
Assets	\$	1,422,442
Loans		1,017,393
Deposits		1,273,888
Total Equity		132,961
TCE / TA		8.8%
NPAs <sup>(1)</sup>		0.29%
MRQ Net Income:	\$	3,361
MRQ ROAA		0.97%
MRQ ROAE		10.33%

Note: Bank-level regulatory data shown

(1) NPAs shown excluding restructured loans from bank-level regulatory data

## Branch Map



## Capital Markets

### Matt Shields

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## Investment Banking

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## Balance Sheet Strategies

### John Behof

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