

Your Way

QUARTERLY **SPRING 2026**



Franklin Financial
Services Corporation

F&M
TRUST

ROOTED IN COMMUNITY

We congratulate Chad Carroll
as he begins his new role as
President and COO.

▶ **SEE PAGE 5**



2 QUARTER VIEW
Notes from the CEO

4 INVESTOR NEWS
1st Quarter Review

5 BANK NEWS
Chad Carroll Announcement

6 BANK PRODUCTS
New Website Launched

7 LEADING THE WAY
Team Member Updates

8 HELPFUL WAYS
Doubling Up Support of
FCMC Foundation

QUARTERVIEW

SHAREHOLDER UPDATE



Craig Best
CEO

Rooted in Community, Ready for the Future



Franklin Financial reported first quarter net income growth of 9.8% compared to the fourth quarter of 2025.

Assets under management were \$1.42 billion on March 31, 2026, and the second quarter dividend was \$0.34 per share, which represents a 3.0% increase over the second quarter 2025 dividend.

As we celebrate our 120th year in business, we believe that F&M Trust is well positioned for continued improving performance. Our strong financial performance was driven in part by an expanded net interest margin of 3.53%, supported by declining deposit costs and growth in both commercial real estate and residential mortgage lending portfolios.

Additionally, noninterest fee income increased 17.5% as compared to the first quarter of 2025 while overall core operating expenses decreased slightly. Although loan growth came in slightly below expectations, we're encouraged by a strong pipeline and expect continued momentum, supported by the addition of several new relationship managers in Washington County, Maryland.

As we look towards the future, I'm pleased to announce the recent



promotion of Chad Carroll to President, which was effective on April 28, 2026. In this expanded role as President and Chief Operating Officer, Chad will work closely with me in the overall leadership and administration of the bank while continuing to oversee our daily operations. Since joining F&M Trust in 2023, Chad has played an important role in advancing our strategic priorities and strengthening our organization, and I'm excited to continue working alongside him in this next chapter. Additional information can be found on page 5.

This anniversary year marks several important milestones for the bank, including the launch of our new and improved website, meaningful investments in our people, the introduction of a Private Banking program, and our continued commitment to supporting the communities we serve. Additional

information can be found on pages 6 through 8.

If you would like to learn more about *Banking Done Your Way*®, please visit us online at fmtrust.bank, stop by your nearest F&M Trust location, or connect with my office at 717-261-3551.

Keep reading to learn details on how F&M Trust serves customers, shareholders, and our local communities. Thank you for your continued support and your investment in our company.

Sincerely yours,

Craig Best

CEO

Franklin Financial Services Corporation
and F&M Trust

1ST QUARTER FINANCIAL HIGHLIGHTS

Dollars in thousands except per-share data / Unaudited

Selected Financial Data	Mar 31, 2026	Mar 31, 2025	Change
Total Assets	\$ 2,297,518	\$ 2,257,478	1.8%
Loans, Net	\$ 1,551,697	\$ 1,437,747	7.9%
Deposits	\$ 1,889,710	\$ 1,867,577	1.2%
Book Value per Common Share	\$ 39.78	\$ 33.99	17.0%
Return on Average Assets ¹	1.20%	0.72%	
Return on Average Equity ¹	15.13%	10.80%	

MARKET VALUE Per Share

Source: Nasdaq.com



\$53.96²

**FIRST
QUARTER
HIGH**

**FIRST
QUARTER
LOW**

\$47.32²

COMPLETE EARNING DETAILS AVAILABLE AT FRANKLINFIN.COM

Certain statements appearing herein which are not historical in nature are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements refer to a future period or periods, reflecting management's current views as to likely future developments, and use words "may," "will," "expect," "believe," "estimate," "anticipate," or similar terms. Because forward-looking statements involve certain risks, uncertainties and other factors over which Franklin Financial Services Corporation has no direct control, actual results could differ materially from those contemplated in such statements. These factors include (but are not limited to) the following: general economic conditions, changes in interest rates, changes in the Corporation's cost of funds, changes in

government monetary policy, changes in government regulation and taxation of financial institutions, changes in the rate of inflation, changes in technology, the intensification of competition within the Corporation's market area, and other similar factors.

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 SEC, including the Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and any Current Reports on Form 8-K.

1 - Quarterly results annualized. 2 - At close.

As President, **CHAD CARROLL** Continues to Advance and Strengthen F&M Trust

On April 28, 2026, Chad Carroll began serving as President and Chief Operating Officer (COO).

F&M Trust CEO **Craig Best** noted, "Chad has demonstrated exceptional leadership, strategic vision, and a deep commitment to our customers, employees, and communities. I look forward to continuing to work alongside him."

Carroll joined F&M Trust in 2023 as Executive Vice President and COO. Moving forward, he will remain actively involved in executing the bank's strategic plan, supporting continued growth, and serving the best interests of the bank's shareholders, customers, employees, and communities.

In addition, Carroll will also be appointed to the F&M Trust Board of Directors.

G. Warren Elliott, Chairman of the Board of Directors for Franklin Financial Services Corporation and F&M Trust stated, "Chad has been a key contributor to the success and milestones that are being achieved at the bank. I am excited about the opportunity to work with him as our president."

In addition to enjoying personal time with his family, Chad is a huge college and pro sports fan, and loves to play golf, entertain and travel.



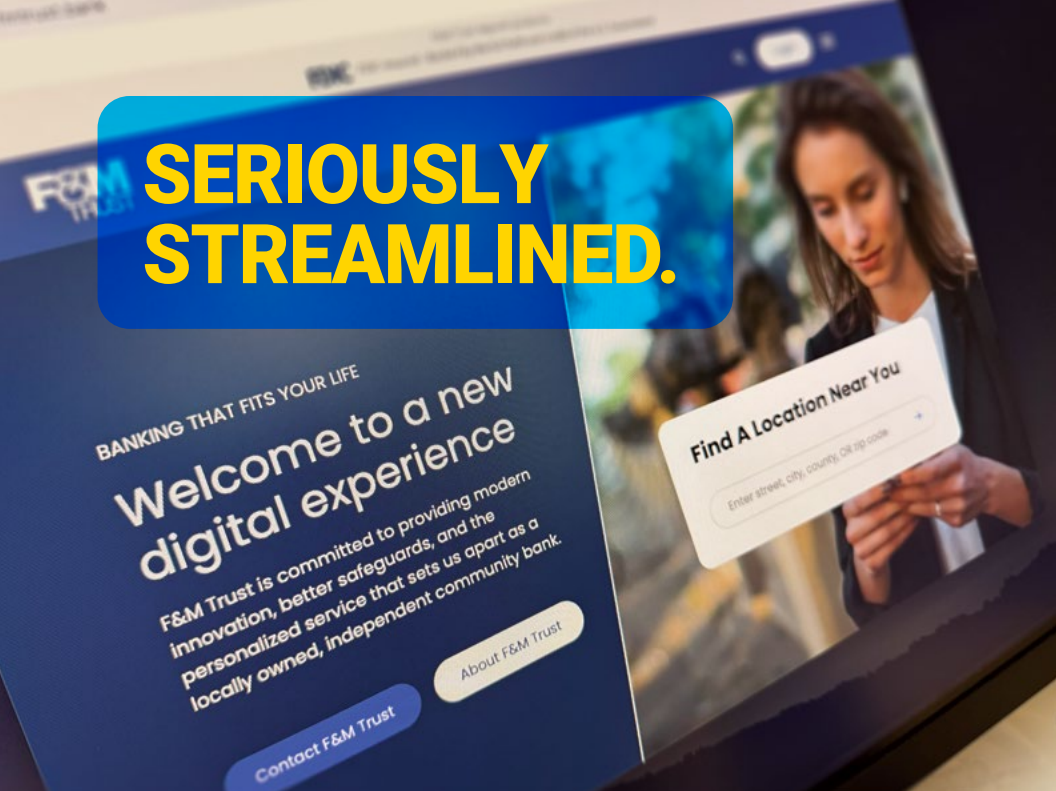
Chad Carroll provides remarks at 2026 F&M Trust employee appreciation event.



Chad Carroll (third from left) with several board members when he was promoted to Senior Executive Vice President.



Chad Carroll
President & COO



SERIOUSLY STREAMLINED.

Our new website is live and already making financial lives easier.

F&M Trust is always looking for ways to improve how our clients manage money. That's why we invested more than a year to research and reinvent our entire website. The new site was launched in early April.

Now your F&M Trust online experience is even more desktop and mobile friendly, and at your fingertips to deliver everything you want from your F&M Trust relationship.

Banking. Lending. Wealth Management.
It's all here, and ready to work for you.

Visit: **fmtrust.bank**



Leading The Way

A great bank starts with great people. Meet a few key members of our F&M Trust team:



Karen Boyer *NEW HIRE*

Vice President & Commercial Services Relationship Manager for the Greater Washington County, MD Region

In this role, Karen will partner closely with the bank's commercial services team to advance business development efforts while strengthening and expanding existing commercial relationships. She brings more than three decades of financial industry experience, with expertise in relationship management, lending, sales, branch operations, and overall financial leadership. She is an active community leader – serving or has served on the boards and committees of several organizations. Boyer is based out of the F&M Trust Hagerstown Community Office.



Kevin Liebold *NEW HIRE*

Wealth Advisor

Kevin serves clients in the greater Harrisburg and Cumberland County areas. With 25 years of experience, he brings a wealth of knowledge in trust, investment, estate, and retirement planning to the bank's regional Wealth Management sales team. A graduate of Bloomsburg University, Liebold holds professional designations including Series 7, 66, 31, PA Life & Health, and RICP®. He teaches *Investing for the Future* at Temple University. Liebold is based out of the F&M Trust regional headquarters in Harrisburg.

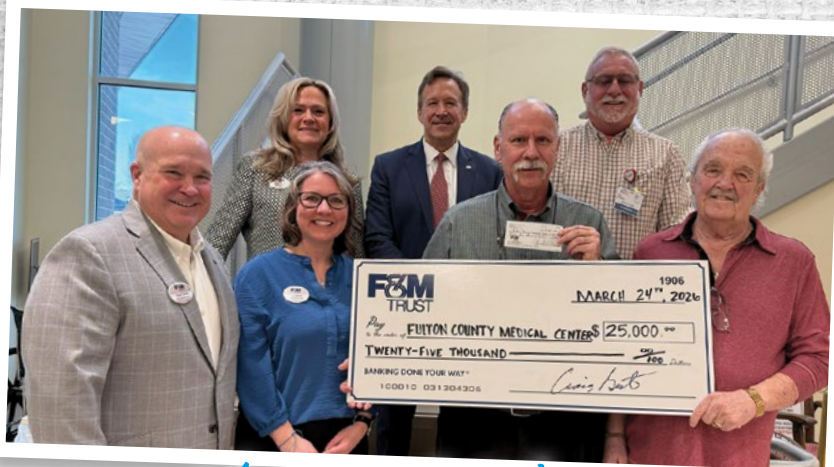


Lisa Wolfe *PROMOTION*

Community Office Manager – McConnellsburg

As Community Office Manager, Lisa leads her team to serve daily client needs and deliver comprehensive financial solutions to local businesses. She attended York College, and prior to joining F&M Trust was a sales executive at Sandler Training and sales manager at VerStandig Media. Lisa is based out of the F&M Trust McConnellsburg Community Office.

Front row (l-r): Chad Carroll – F&M Trust President & COO; Lisa Wolfe, F&M Trust Community Office Manager; Mike Straley, Executive Director, FCMC Foundation; Richard Barnett. Back row (l-r): Betsy Yumlu, F&M Trust Vice President, Treasury Relationship Manager; Craig Best, F&M Trust CEO; Dr. Doug Stern, MD, FCMC Chief of Medical Staff



Helpful Ways IN OUR COMMUNITY

Barnett and F&M Trust Team Up For \$50,000 Gift to FCMC Foundation

Richard Barnett wanted his gift to be doubly good.

As the largest private stockholder with F&M Trust, he encouraged the financial institution to match his gift to Fulton County Medical Center Foundation.

His \$25,000 gift was matched by F&M Trust for a donation of \$50,000. The gift will be used to support the purchase of an automated medicine dispenser for FCMC's in-house pharmacy and Acute Care Department.

"Supporting the Medical Center is good for the community and I'm

pleased to be able to do it, along with F&M Trust," said Barnett.

"Supporting the Fulton County Medical Center Foundation is an investment in the health and well-being of our entire community," said **Craig Best**, CEO of F&M Trust. "This matching donation will help ensure that patients, residents, and families have access to high-quality care and vital resources for years to come."

"The timing is perfect because of the need for the med dispenser," said **Mike Straley**, Executive Director of the FCMC Foundation. "What a wonderful partnership gift."