

Your Way

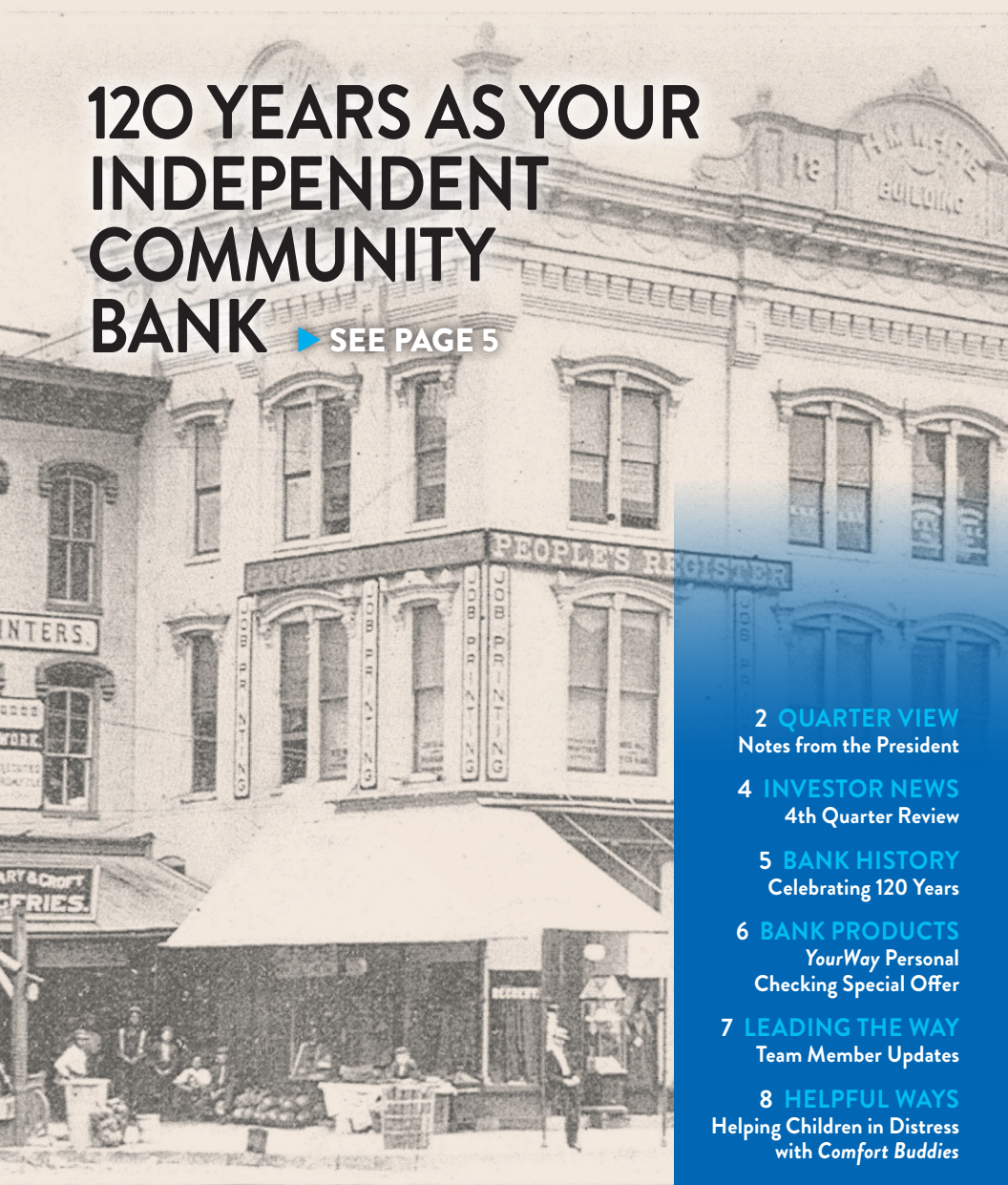
QUARTERLY WINTER 2026

Franklin Financial
Services Corporation

F&M
TRUST

120 YEARS AS YOUR INDEPENDENT COMMUNITY BANK

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with *Comfort Buddies*

F&M Trust Headquarters, 20 South Main Street, Chambersburg, opened July 1918

QUARTERVIEW

SHAREHOLDER UPDATE



Craig Best
President & CEO

Happy 120th. A history worth repeating.



Franklin Financial reported fourth quarter net income growth of 12.9% compared to the third quarter of 2025. Assets under management were \$1.4 billion on December 31, 2025, and your company declared a \$0.33 per share regular quarterly cash dividend for the first quarter of 2026.

Despite continuing headwinds in the overall economy, your Bank finished the quarter, and the entire year, in a very strong position.

As a result of the dedicated work and exceptional service to our valued customers, F&M Trust has been able to enjoy record earnings performance in 2025. Net income was \$21.2 million, or 91.2% over the previous year – the highest earnings ever in the bank's history.

Our service culture defines our organization and is often highlighted by the resources we spend on employee training and development. This supportive environment helps everyone reach individual and group goals, positioning us for continued success. We are focused on driving even greater results and further establishing ourselves as a respected independent community bank.

Please Join Us

The 2026 Annual Meeting of Shareholders will be held **virtually on Tuesday, April 28 at 9am EST.**

Shareholders will receive a notification that contains a control number with helpful instructions on how to join and navigate the online meeting.



As we close the door on our 119th year in business, F&M Trust looks forward to 2026 when we begin to celebrate a new milestone – our 120th year serving customers as an independent community bank.

F&M Trust is as committed as ever to being there for individuals, business owners, and organizations – the very people who work to build better communities here in PA and MD. Additional information can be found on page 5.

I never wish to overlook the huge importance of giving back to the communities we serve. One example is the Bank's extraordinary give-back program called *Banktoberfest*.

Recently, more than 250 bank employees volunteered to assemble hundreds of bank-donated *Comfort Buddies*. A great child-focused idea where first responders can use

customized plush animals to help children cope with what police and first responders may need to manage at their home or school. Additional information can be found on page 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

President & CEO

Franklin Financial Services Corporation
and F&M Trust

4TH QUARTER FINANCIAL HIGHLIGHTS

Dollars in thousands except per-share data / Unaudited

Selected Financial Data	Dec 31, 2025	Dec 31, 2024	Change
Total Assets	\$ 2,239,018	\$ 2,197,841	1.9%
Loans, Net	\$ 1,540,583	\$ 1,380,424	11.6%
Deposits	\$ 1,835,772	\$ 1,815,647	1.1%
Book Value per Common Share	\$ 39.11	\$ 32.69	19.6%
Return on Average Assets ¹	1.05%	0.09%	
Return on Average Equity ¹	14.20%	1.32%	

MARKET VALUE Per Share

Source: Nasdaq.com



\$56.52²

FOURTH QUARTER HIGH

FOURTH QUARTER LOW

\$43.72²

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.

120 YEARS

AS YOUR INDEPENDENT COMMUNITY BANK

F&M Trust has a rich history of delivering innovative financial solutions to the community. Our bank has been a symbol of financial strength and stability for 120 amazing years.

Today, F&M Trust stands as the largest community bank headquartered in Franklin County, PA. We proudly serve communities across Southcentral PA and in northern MD.

Founded on February 5, 1906, by a diverse group of businessmen, lawyers, farmers, and doctors, the Farmers and Merchants Trust Company of Chambersburg was established to offer expanded financial services to the community.

The rest is history.

Get the full story – please visit us online at fmtrust.bank. Scroll to the bottom of the homepage and tap on the *Community Bank News* link. Thank you for being part of our great journey.



Board of Directors - 1905



“Nasdaq congratulates F&M Trust, its CEO, Craig Best, and his team on the bank’s 120th anniversary. Craig, thank you for all that you, the bank, and your team do every day to make dreams come true for many by creating new home and business owners. The Nasdaq is proud of these efforts as we celebrate the vital role bankers play in our national and regional economies.”

Alex Sanchez
Nasdaq Exec Advisor



ASK ABOUT
OUR NEW
CUSTOMER
SPECIAL!

DEPOSIT. EARN. CELEBRATE.

For a limited time, take advantage of our new customer **YourWay Checking** offer with a great benefit when you make a qualifying direct deposit! Connect with your nearest F&M Trust community office location or online to discover all the benefits of YourWay checking – plus an **amazing special offer!**

*If you already enjoy the benefits of banking **YourWay** why not invite friends & family to enjoy it, too?*



fmtrust.bank

Member
FDIC

Leading the Way

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



Mark Hollar *PROMOTION*

Senior Executive Vice President

Serving as Chief Financial Officer, Mark has been promoted to Senior Executive Vice President. He earned a bachelor's degree from Shippensburg University and an MBA from Frostburg University. Mark also served as an officer in the US Marine Corps. He joined F&M Trust in 1994 and is based out of the corporate headquarters in Chambersburg.



Chad Carroll *PROMOTION*

Senior Executive Vice President

Serving as Chief Operating Officer, Chad has been promoted to Senior Executive Vice President. He earned a bachelor's degree in economics and history from Indiana University Bloomington and attended IESE Leadership College in Madrid, Spain. Prior to joining F&M Trust in 2023, Carroll was EVP, Chief Administrative Officer, and Director of Consumer Banking at S&T Bank. He is based out of the corporate headquarters in Chambersburg.



Meghan Heebner *PROMOTION*

Vice President, Private Banking Manager

Prior to her promotion as Private Banking Manager, Meghan was a Regional Market Manager and Wealth Advisor at F&M Trust. She earned an associate's degree from the PA College of Technology, served as treasurer for the Chambersburg Exchange Club, and was a board member for the Chambersburg Area Council for the Arts. She is based out of the bank's corporate headquarters in Chambersburg.



Helpful Ways IN OUR COMMUNITY

BANKTOBERFEST HIGHLIGHTS:

Children Benefit from the F&M Trust “Comfort Buddies” Initiative

Recently, more than 250 employees of F&M Trust invested an afternoon in Carlisle assembling *Comfort Buddies* for first responders to assist children in need.

Employees assembled and decorated more than 300 plush animals. Each *Comfort Buddy* was outfitted with a custom t-shirt featuring a personalized message crafted to offer encouragement and comfort.

The completed *Comfort Buddies* are being donated to support first responders in their efforts to assist children facing difficult circumstances, providing them with a tangible source of comfort during challenging times.

“In my more than 40 years of banking experience, I’ve never witnessed such a high level of engagement between employees and their community as I have at F&M Trust,” said **Craig Best**,

President and CEO of F&M Trust. “We are deeply committed to our workforce and to being a responsible corporate citizen.”

Officers from the Swatara Police Department actively participated in the event, sharing personal accounts of how these plush animals have made a meaningful impact during their interactions with children. The presence of these plush animals helps to ease anxiety and distress, creating a sense of safety that encourages them to trust the officers during ongoing investigations.

This event marked the bank’s annual observance of *Banktoberfest*, a community program started in 2016. This year, F&M Trust partnered with *Impact 4 Good*, an organization that specializes in charitable team-building activities, to facilitate the event.