See separate instructions.

Part Reporting Issuer

1	Issuer's name	2 Issuer's employer identification number (EIN)								
Per	oples Financial Services Corp.	23-2391852								
	Name of contact for additional information	4 Telephon	e No. of contact	5 Email address of contact						
		•								
Inv	estor Relations Officer	570-346-7741 X 2352		marie.luciani@psbt.com						
6	Number and street (or P.O. box if mail is not	7 City, town, or post office, state, and ZIP code of contact								
150	N. Washington Ave.	Scranton, PA 18503								
8 Date of action 9 Classification and description										
7/1/	/2024									
10	CUSIP number 11 Serial number	s) 12 Ticker symbol		13 Account number(s)						
711040105 N/A			PFIS	N/A						
Pa	Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.									
14	Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for									
	the action On July 1, 2024, pursuant to an Agreement and Plan of Merger ("Merger Agreement"), dated September 27, 2023 by and									
bet	ween Peoples Financial Services Corp. ("F	FIS") and FN	ICB Bancorp, Inc. ("FNCB"); (i) FNCB merged with and into PFIS (the "Merger");						
(ii)	all or substantially all of the assets of FNC	B were trans	ferred to PFIS; (iii) pursuar	nt to the Merger, each FNCB common share converted						
into	the right to receive .1460 shares of PFIS of	ommon stoo	ck; and (iv) FNCB ceased to	exist and PFIS is the surviving corporation.						

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► Pursuant to the Merger Agreement, each share of FNCB common stock was converted into the right to receive .1460 share of PFIS common stock, and FNCB shareholders received cash in lieu of fractional shares of PFIS at a rate of \$42.20 per share.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► The basis of the PFIS shareholders in their PFIS stock, which they continue to own does not change as a result of the transaction. The change in basis for the FNCB shareholders is determined by the Internal Revenue Code and the interpreting regulations, rulings and cases. The FNCB shareholders who receive only stock in PFIS in exchange for FNCB stock will recognize no gain or loss with respect to the transaction and their basis in the stock of PFIS is the same as their basis was in the FNCB shares they exchanged. The per share basis would differ due to the receipt of less than one share of PFIS stock for each share of FCNB stock given up. For those FNCB shareholders who received cash and stock in PFIS, they would recognize gain, if any, to the extent of the cash they received. Their basis in the stock in PFIS is determined by starting with the collective basis they had in the FNCB shares they exchanged and is then reduced by the cash they received in the exchange. The resulting collective basis amount would be allocated among the shares of PFIS received in the transaction. The market value of the shares involved in the exchange does not affect the calculation of the change in the basis of the FNCB shareholders described in the transaction.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based In general, the income tax consequences to the shareholders are determined under Internal Revenue Code sections 302, 354, 356, 358, 368 and 1221.

18 Can any resulting loss be recognized? ► In general, each FNCB shareholder who received PFIS common stock for all of their FNCB stock cannot recognize any loss. A FNCB shareholder who received cash in lieu of a fractional share of PFIS common stock may recognize loss if the amount of cash received is less than the basis in the fraction share, as applicable.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year

In general, any adjustments to the tax basis that causes gain or loss recognized by FNCB shareholder as a result of the completion of the Merger should be reported for the taxable year which includes July 1, 2024. A calendar year shareholder would report the transaction on a 2024 federal income tax return. The holding period of PFIS common stock received in exchange for shares of FNCB common stock will include the holding period of the FNCB common stock for which it was exchanged. Where cash is received in lieu of a fractional share of PFIS common stock will generally be treated as having received the fractional share pursuant to the merger and then as having sold the fractional share of PFIS common stock for cash. As a result, a holder of the FNCB common stock will generally recognize gain or loss equal to the difference between the cash received and the basis in his or her fractional share interest. The gain or loss will generally be long-term capital gain or loss if, as of the effective date of the merger, the holding period for such shares is greater than one year. Capital loss deductibility may be subject to limitations.

The information herein does not constitute tax advise and does not purport to be complete or explain the consequences that may apply to particular categories of shareholders. All shareholders are expected and urged to consult their own tax advisors if they have questions regarding the information provided on this form or their use of it.

	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.							
Sign Here	Signa	gnature Interneting			8/14/2024			
	Print	your name► John Anderson		<u>Title</u> ► Ch	Chief Financial Officer			
Paid Prepa	rer	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed			
Use O					Firm's EIN ►			
	,	Firm's address ►			Phone no.			
Send Fo	rm 89	37 (including accompanying stater	ments) to: Department of the Treasury.	Internal Revenue Servi	ce. Oaden. UT 84201-0054			