NEWS RELEASE

# Peoples Financial Services Corp. Completes Private Placement of $33 Million in Subordinated Notes

6/1/2020

SCRANTON, Pa., June 1, 2020 /PRNewswire/ -- Peoples Financial Services Corp. ("Peoples") (NASDAQ: PFIS), the bank holding company for Peoples Security Bank and Trust Company, today announced that it has completed a private placement of $33 million in fixed-to-floating rate subordinated notes due 2030 (the "Notes"). The Notes have been structured to qualify as Tier 2 capital under regulatory guidelines, and the proceeds from the sale of the Notes will be utilized for general corporate purposes, which may include contribution to the Company's subsidiary, Peoples Security Bank and Trust Company.

The Notes will initially bear interest at a fixed annual rate of 5.375% until June 1, 2025, payable semi-annually in arrears. For the remainder of the term, the Notes, which mature on June 1, 2030, will bear interest at a floating annual rate that will reset quarterly to equal a benchmark rate, initially three-month LIBOR, plus 450 basis points, payable quarterly in arrears. The Company is entitled to redeem the Notes, in whole or in part, on or after June 1, 2025, and to redeem the Notes at any time in whole upon certain other specified events.

The Notes have not been registered under the Securities Act of 1933, as amended, or under the securities laws of any state, and the Notes may not be offered or sold absent registration or an applicable exemption from registration requirements. The Notes are not deposits and are not insured by the FDIC. This press release is for informational purposes only and does not constitute an offer to sell, or the solicitation of an offer to buy, any security.

## About Peoples:

Peoples Financial Services Corp. is the parent company of Peoples Security Bank and Trust Company, a community bank serving Bucks, Lackawanna, Lebanon, Lehigh, Luzerne, Monroe, Montgomery, Northampton, Schuylkill,

Susquehanna, Wayne and Wyoming Counties in Pennsylvania and Broome County in New York through 29 offices. Each office, interdependent with the community, offers a comprehensive array of financial products and services to individuals, businesses, not-for-profit organizations and government entities. Peoples' business philosophy includes offering direct access to senior management and other officers and providing friendly, informed and courteous service, local and timely decision making, flexible and reasonable operating procedures and consistently applied credit policies.

## Safe Harbor Forward-Looking Statements:

We make statements in this press release, and we may from time to time make other statements regarding our outlook or expectations for future financial or operating results and/or other matters regarding or affecting Peoples Financial Services Corp. and Peoples Security Bank and Trust Company (collectively, "Peoples") that are considered "forward-looking statements" as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements may be identified by the use of such words as "believe," "expect," "anticipate," "should," "planned," "estimated," "intend" and "potential." For these statements, Peoples claims the protection of the statutory safe harbors for forward-looking statements.

Peoples cautions you that a number of important factors could cause actual results to differ materially from those currently anticipated in any forward-looking statement. Such factors include, but are not limited to: prevailing economic and political conditions, particularly in our market area; the unfolding COVID-19 crisis and the governmental responses to the crisis: credit risk associated with our lending activities; changes in interest rates, loan demand, real estate values and competition; changes in accounting principles, policies, and guidelines; changes in any applicable law, rule, regulation or practice with respect to tax or legal issues; our ability to identify and address cyber-security risks and other economic, competitive, governmental, regulatory and technological factors affecting Peoples' operations, pricing, products and services and other factors that may be described in Peoples' Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q as filed with the Securities and Exchange Commission from time to time.

The forward-looking statements are made as of the date of this release, and, except as may be required by applicable law or regulation, Peoples assumes no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those projected in the forward-looking statements.

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