Peoples Financial
SERVICES CORP.

INVESTOR PRESENTATION

2022 Third Quarter Earnings



psbt.com

Nasdaq: PFIS

FORWARD-LOOKING STATEMENTS:

We make statements in this presentation, 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; the impact on financial markets from geopolitical conflicts such as the military conflicts between Russia and Ukraine; 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.

In addition to these risks, acquisitions and business combinations, present risks other than those presented by the nature of the business acquired. Acquisitions and business combinations may be substantially more expensive to complete than originally anticipated, and the anticipated benefits may be significantly harder-or take longer-to achieve than expected. As regulated financial institutions, our pursuit of attractive acquisition and business combination opportunities could be negatively impacted by regulatory delays or other regulatory issues. Regulatory and/or legal issues related to the pre-acquisition operations of an acquired or combined business may cause reputational harm to Peoples following the acquisition or combination, and integration of the acquired or combined business with ours may result in additional future costs arising as a result of those issues.

The forward-looking statements are made as of the date of this presentation, 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.

USE OF NON-GAAP FINANCIAL MEASURES:

In addition to evaluating our results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP"), we routinely supplement our evaluation with an analysis of certain non-GAAP financial measures, such as tangible stockholders' equity and tangible assets and core net income ratios. We believe the reported non-GAAP financial measures provide information useful to investors in understanding our operating performance and trends. Where non-GAAP disclosures are used in this presentation, a reconciliation to the comparable GAAP measure is provided in the quarterly earnings press releases, filed as current reports on Form 8-K with the SEC, and available on our website, www.psbt.com, under "Investor Relations." The non-GAAP financial measures we use may differ from the non-GAAP financial measures of other financial institutions.

PRESENTATION AGENDA

I. Corporate Profile

II. Investor Thesis

A. Consistently High Historical Performance *Even During the Great Recession*
B. Effective Growth Strategy
C. Strong Core Deposit Franchise
D. High Dividend Payer

III. Appendix

A. Financials
B. Asset Quality Metrics

Peoples Financial Services Corp.
Corporate Profile
as of September 30, 2022

- Founded in 1905
- Total Assets: $3.5 billion
- Total Deposits: $3.1 billion
- Total Loans: $2.6 billion

- Listed on NASDAQ under ticker: PFIS
- Shares Outstanding: 7,162,750
- Market Cap: $335.5 million
- Average Daily Trading Volume: 11,234
- Market Price: $46.84
- Price to TBV: 1.4x
- Price to LTM Reported EPS: 7.4x
- Price to LTM Core EPS: 9.4x
- Annual Dividend & Yield: $1.58 /3.37%

Corporate Profile

Management



Craig W. Best
CEO & Director

Mr. Best has served as the CEO of the Bank since its 2013 merger with Penseco Financial Services Corporation where he served as President and CEO. Prior to joining Penseco, Mr. Best served as the COO of First Commonwealth Bank from 2000 to 2005.



Neal D. Koplin
Sr. EVP, Chief Banking Officer

Mr. Koplin has served as a Senior Executive Vice President and Chief Banking Officer at the Bank since 2019 and has served in various executive positions at the Bank and predecessor organizations since 1982.



Thomas P. Tulaney
President & COO

Mr. Tulaney has served as the President and COO of the Bank since 2020 and has served as the COO since 2017. Prior to that, he served as the Chief Lending Officer of the Bank, the same position he held at Penseco. He has worked in banking in Pennsylvania for 38 years.



Timothy H. Kirtley
EVP, CRO & Secretary

Mr. Kirtley has served as an EVP and the CRO of the Bank since 2020, prior to which he served as the CCO since joining the bank in 2016. Prior to joining the Bank, he was a CCO for 7 years at two Ohio-based community banks.



John R. Anderson III
EVP & CFO

Mr. Anderson has served as EVP and CFO of the Bank since 2018, after serving as the Senior Vice President and Interim Principal Financial and Accounting Officer since April 2016. He has worked in banking in Pennsylvania for 31 years.



Susan L. Hubble
EVP, CIO

Ms. Hubble has served as Executive Vice President and Chief Information Officer of the Bank since 2019. She has worked in banking in Pennsylvania for 22 years.

Corporate Profile

Management



Jeffrey M. Drobins
EVP, Chief Lending Officer

Mr. Drobins has served as Executive Vice President, Chief Lending Officer of the Bank since October, 2022. Prior to that, he served as the Lehigh Valley Market President of the Bank. Mr. Drobins has worked in Banking in Pennsylvania for 15 years.



Amy Vieney
SVP, Chief Human Resources Officer

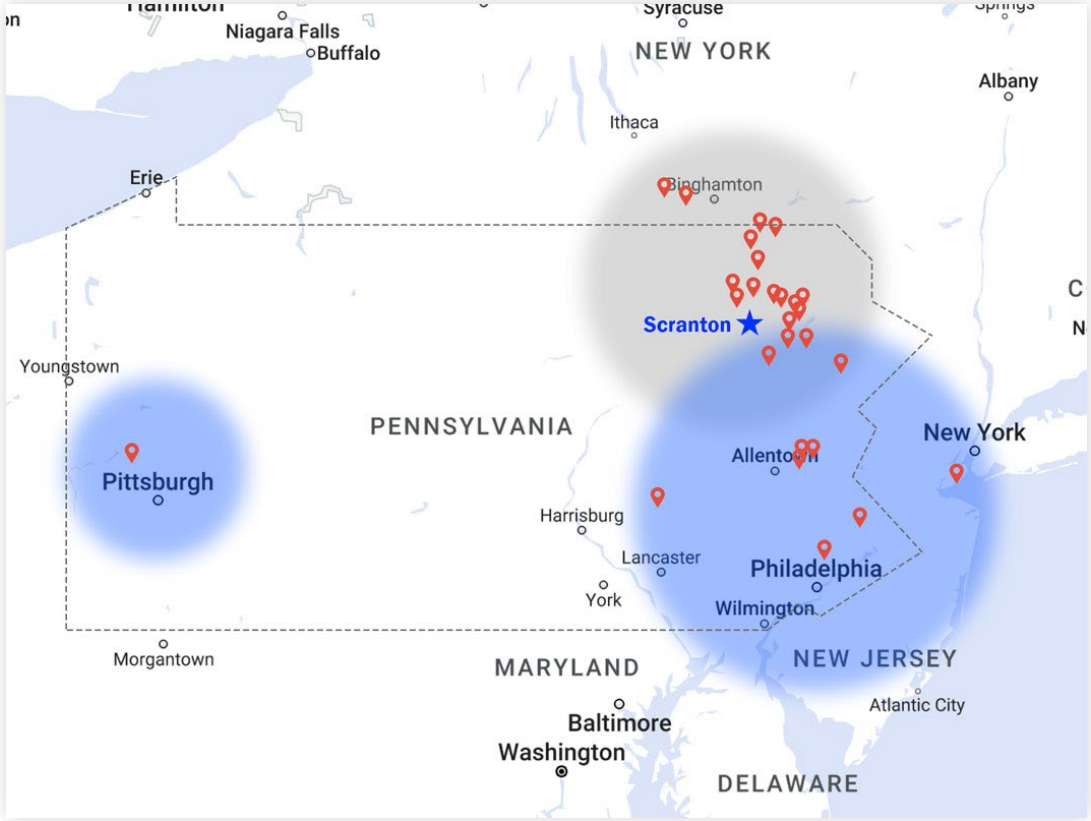
Ms. Vieney has served as the Senior Vice President, Chief Human Resources Officer of the Bank since June, 2022. Prior to joining the Bank, Ms. Vieney served in various Human Resources leadership positions in the health care industry throughout the last 24 years.

Third Quarter 2022 Results

($=Thousands)	3Q22	2Q22	3Q21
Operating Results			
Net income	$9,968	$9,353	$9,096
EPS-basic	$1.38	$1.30	$1.26
Balance Sheet			
Total assets	$3,516,806	$3,421,539	$3,233,525
Total loans	$2,623,706	$2,565,579	$2,205,661
Total deposits	$3,124,140	$2,911,283	$2,840,919
Non-interesting bearing deposits	$769,935	$747,558	$712,601
Performance Ratios			
ROAA	1.14%	1.12%	1.17%
ROAE	12.69%	11.71%	11.01%
NIM	3.08%	3.06%	3.07%
Efficiency	54.95%	54.89%	54.32%

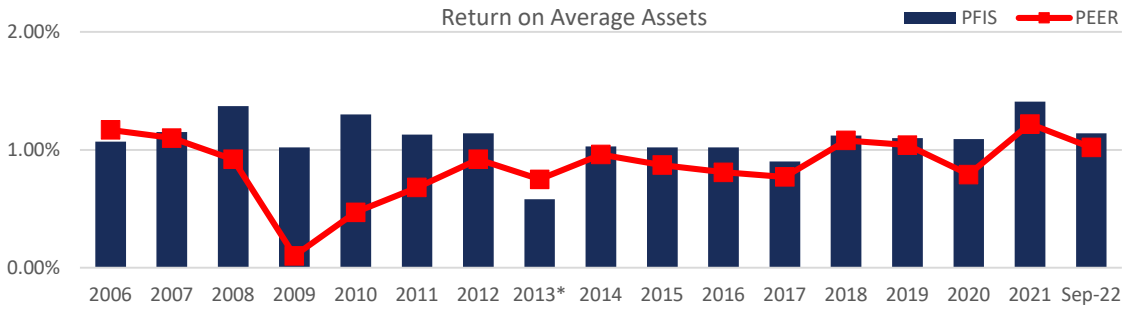
Corporate Profile
Market Area

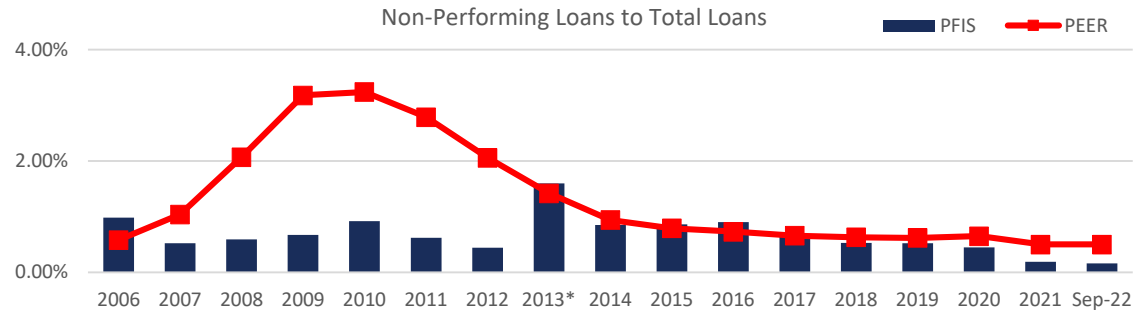
- 28 Community branch offices located in eleven counties in Pennsylvania, one county in New Jersey and one county in New York
- Corporate headquarters in Scranton, Lackawanna County, Pennsylvania
- 14th largest bank headquartered in Pennsylvania
- Expanding into larger and faster growing markets

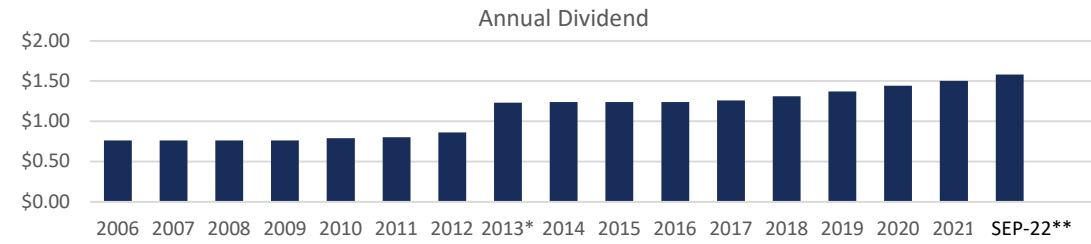


Consistent High Historical Performance Even During the Great Recession

Peoples has delivered consistent results over multiple business cycles while maintaining credit discipline and a steadily-increasing dividend







* Merger of PFIS and PFNS

PFIS Source: Earnings Release, 10K
Peer Source: S&P Global
Mid-Atlantic: DE, NJ, NY, MD, PA banks
$1 - 5 Billion in Assets

**Annualized

Effective Growth Strategy

I. Market expansion strategy
-Recruit high performing, market respected team
-Build brand, one interaction, one employee, one deal, one location at a time
-Take advantage of market disruption

II. Provide high functioning mobile/digital banking platform
-Partnered with Fintech Q2

Effective Growth Strategy

Lehigh Valley, PA
LPO opened in Bethlehem, PA
October 2014

Lehigh Valley, PA
Branch opened in Bethlehem, PA
Replacing LPO, December 2014

Montgomery County, PA
LPO opened in King of Prussia, PA
December 2015

Montgomery County, PA
Branch opened in King of Prussia, PA Replacing LPO
December 2016

Lehigh Valley, PA
Regional Headquarters and Branch opened in Bethlehem, PA
April 2017

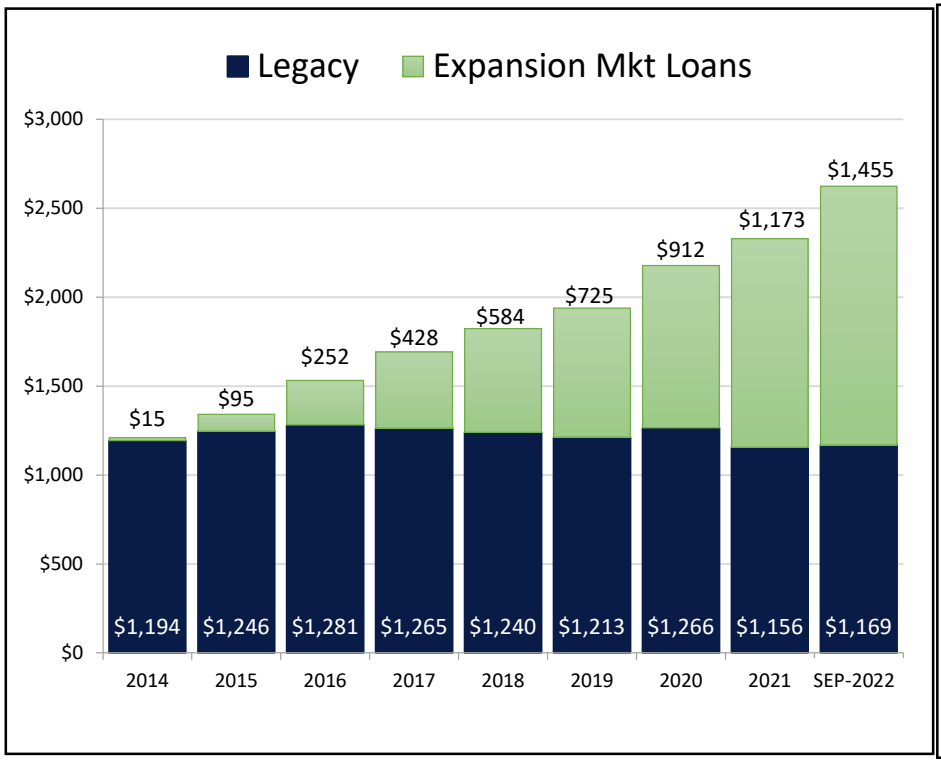
Lehigh Valley, PA
Two Additional Lending Teams Hired & Third Branch opened in Allentown, PA
July 2017

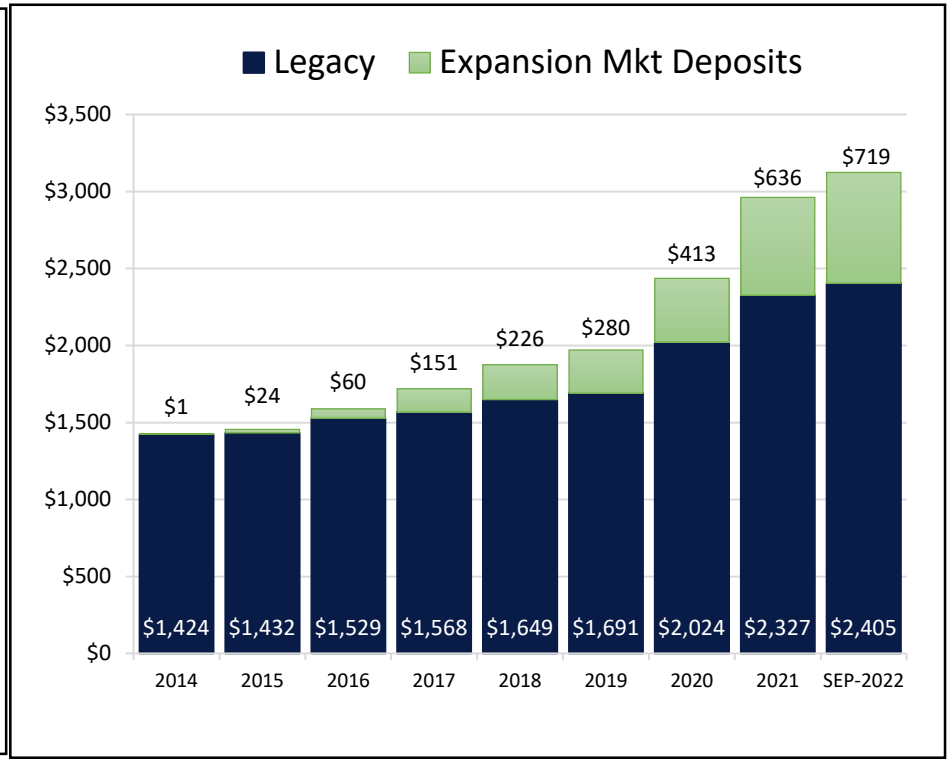
Central PA
Branch opened in Lebanon, PA
June 2019

Doylestown, PA
Regional Office opened in Doylestown, PA
March 2020

Warrendale, PA
Branch opened in Warrendale, PA
October 2021

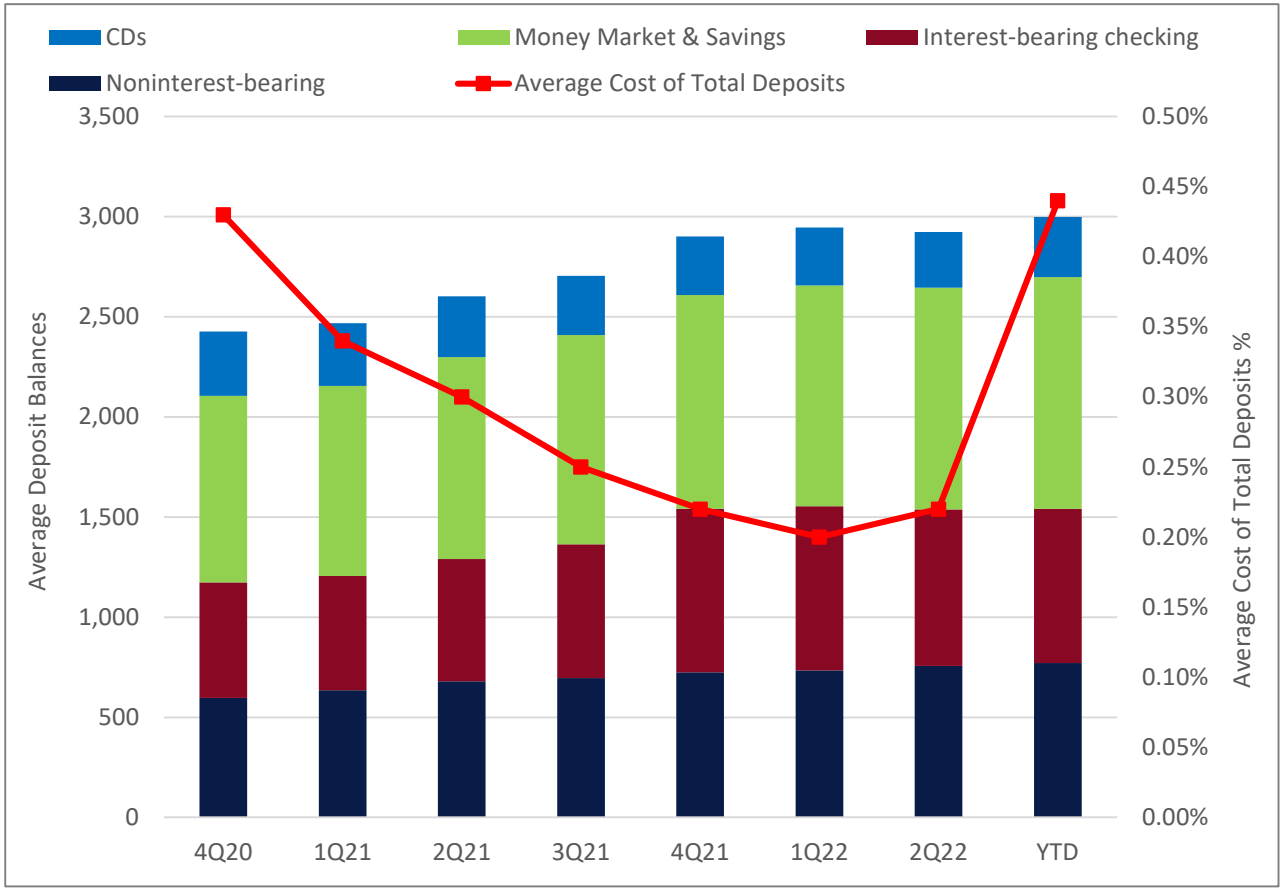
Piscataway, NJ
Regional Office opened in Piscataway, NJ
December 2021





Strong Core Deposit Franchise

People's low-cost deposit franchise has long been a competitive advantage and is key to funding our expansion into new markets



Investor Relations Contacts and Information Sources

INVESTOR SERVICES:

•Transfer Agent:

American Stock Transfer
and Trust, LLC
(800) 937-5449
–Dividend Reinvestment
–Direct Deposit
–Stock Purchase Plan

•Market Makers

Griffin Financial Group	(757) 955-8444
Janney Montgomery Scott LLC	(215) 665-6000
Keefe, Bruyette & Woods	(212) 887-8996
Piper Sandler	(800) 635-6851

INFORMATION SOURCES:

•Peoples Investor Relations website pfis.q4ir.com

•Sec.gov - Current filings with the Securities and Exchange Commission

•Fdic.gov - Call Reports, Uniform Bank Performance Reports, Summary of Branch Deposits

Marie L. Luciani
Telephone: 570-346-7741 x2352
E-mail: marie.luciani@psbt.com

APPENDIX

Income Statement Comparison

Year-to-Date 9/30/2022 Financial Results

		Actual 9/30/2022	Actual 9/30/2021	VARIANCE '22A v. '21A ($)	VARIANCE '22A v. '21A (%)
(1)	Net interest income	$ 71,336	$ 63,043	$ 8,293	13.2%
(2)	Provision (credit) for loan losses	1,700	-	1,700	-
(3)	Net interest income after provision	69,636	63,043	6,593	10.5%
(4)	Noninterest income:				
(5)	Other noninterest income	7,451	6,657	794	11.9%
(6)	Mortgage banking income	407	764	(357)	-46.7%
(7)	Wealth management income[1]	2,761	2,932	(171)	-5.8%
(8)	Total noninterest income	10,619	10,353	266	2.6%
(9)	Total Revenue	81,955	73,396	8,559	11.7%
(10)	Noninterest expense:				
(11)	Salaries and employee benefits expense	24,365	21,649	2,716	12.5%
(12)	Net occupancy and equipment	11,673	9,464	2,209	23.3%
(13)	Other expenses	9,679	9,121	558	6.1%
(14)	Total Noninterest expense	45,717	40,234	5,483	13.6%
(15)	Pre-tax Net Income	34,538	33,162	1,376	4.1%
(16)	Provision for income tax expense	5,587	6,057	(470)	-7.8%
(17)	Net income - Reported	$ 28,951	$ 27,105	$ 1,846	6.8%
(18)	EPS - basic	$ 4.04	$ 3.76		
(19)	EPS - diluted	$ 4.01	$ 3.74		

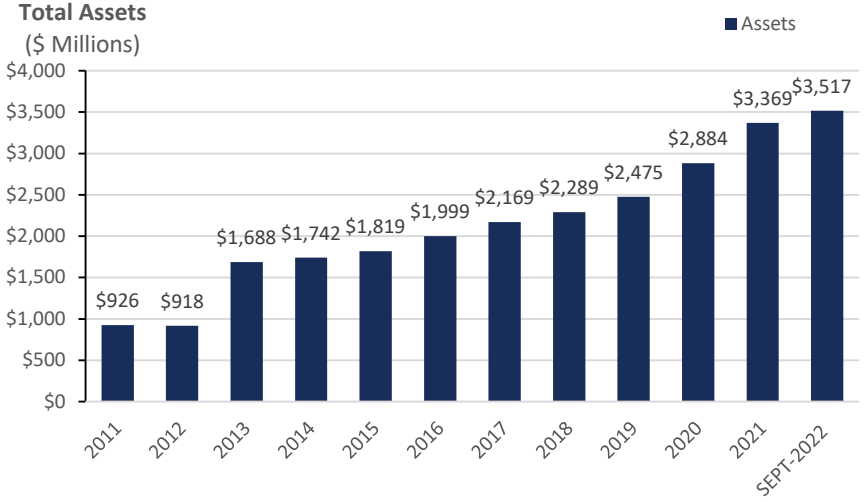
- NIM 3.00% v. 2.95% excluding PPP loans
- Average earning asset growth of $400.0mm
- Interest expense $1.0 higher

- BOLI reversal '21
- Lower volume of saleable mortgages

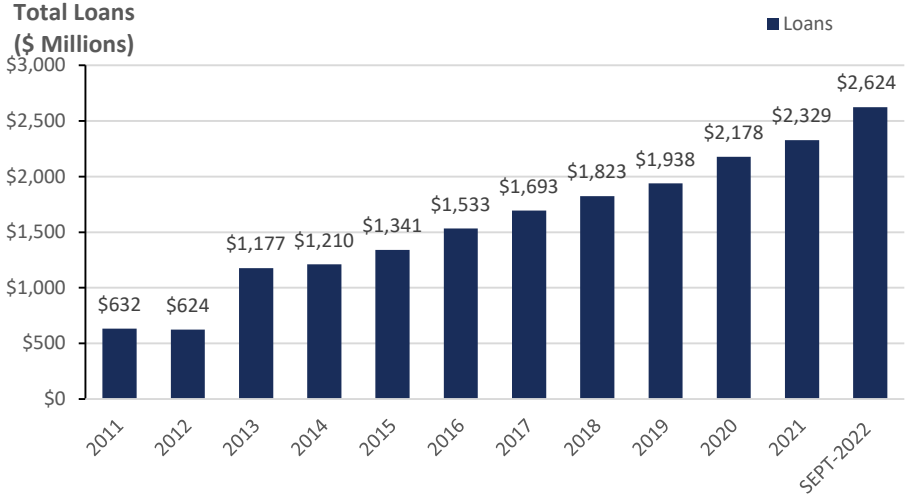
- Mkt expansion; Annual merit increase $2.0mm
- Deferral loan origination costs $0.6mm
- Digital mobile banking investment
- '21 deferred tax adjustment $0.6mm

[1]Includes commissions and fees on fiduciary activities.

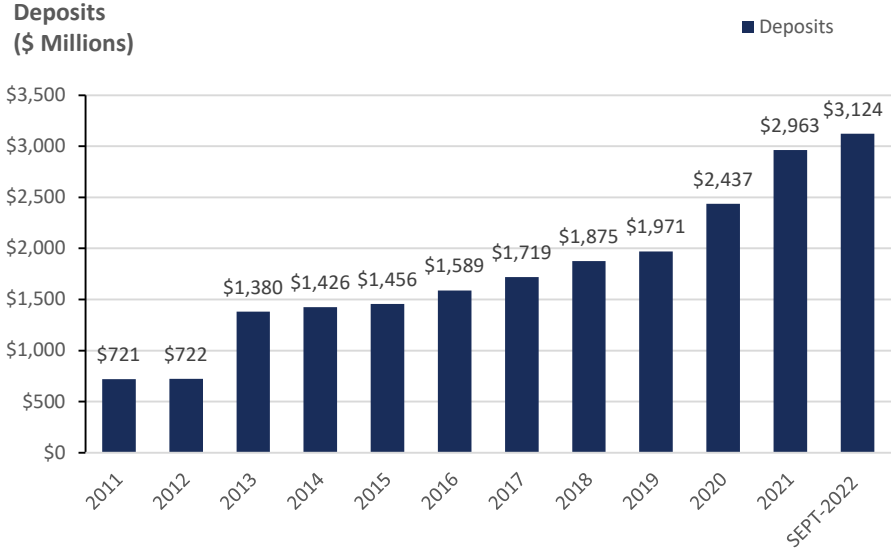
Total Assets
($ Millions)



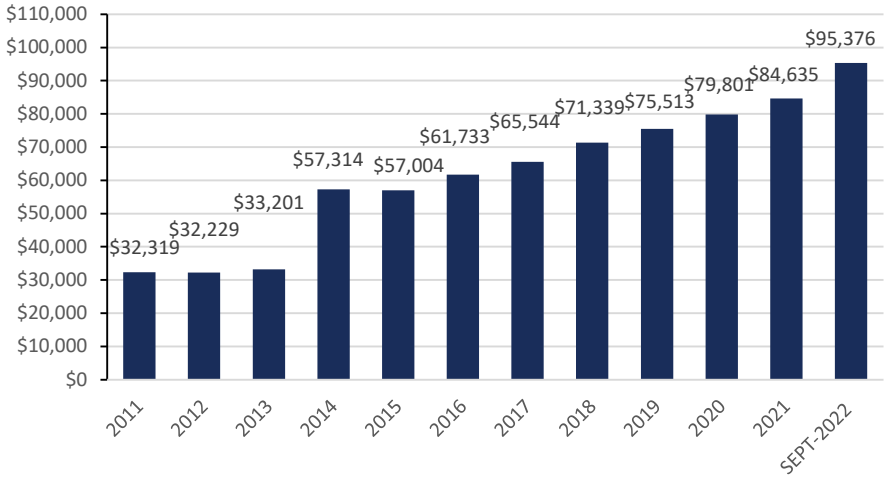
Total Loans
($ Millions)

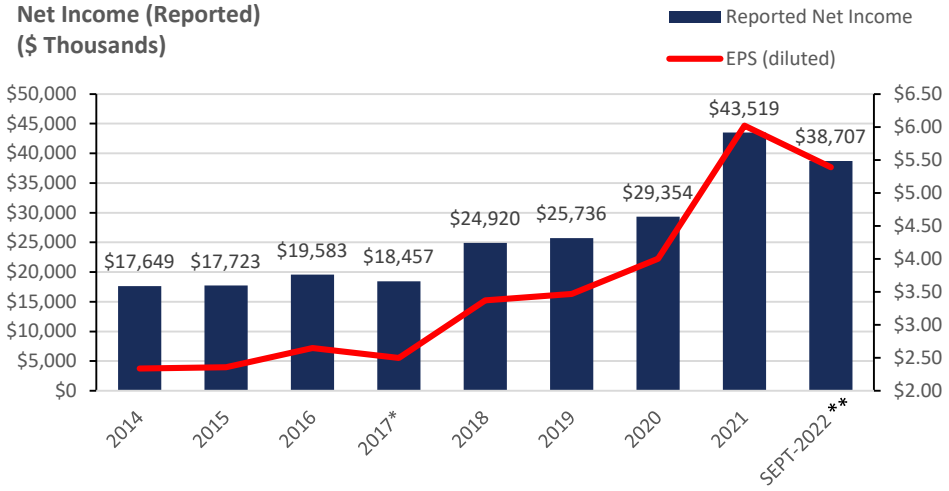


Deposits
($ Millions)

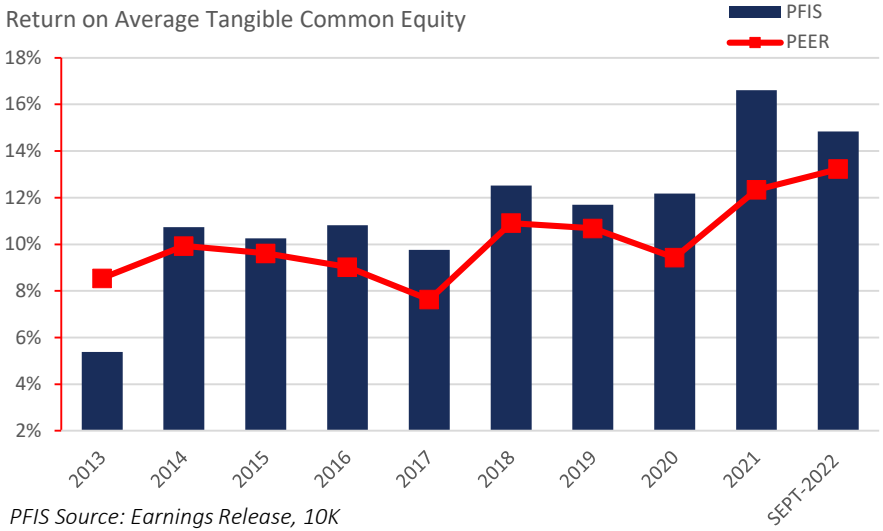


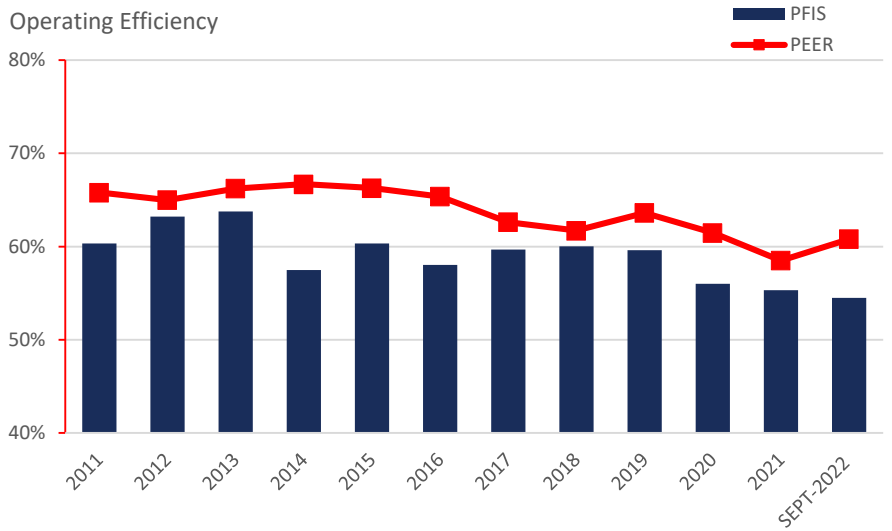
Net-Interest Income Before Provision
(Annualized) ($ Thousands)



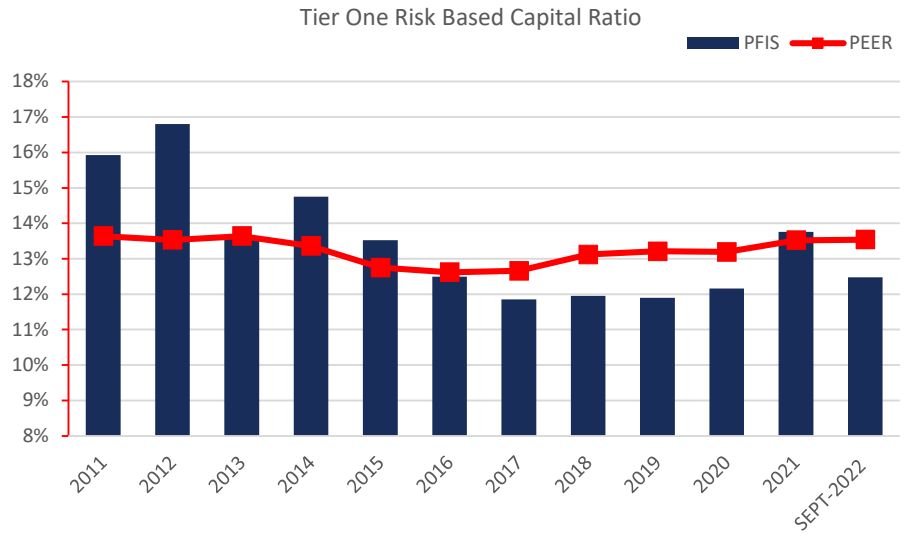


* Tax Cuts and Jobs Act of 2017 impact of $.35 per share
**Annualized



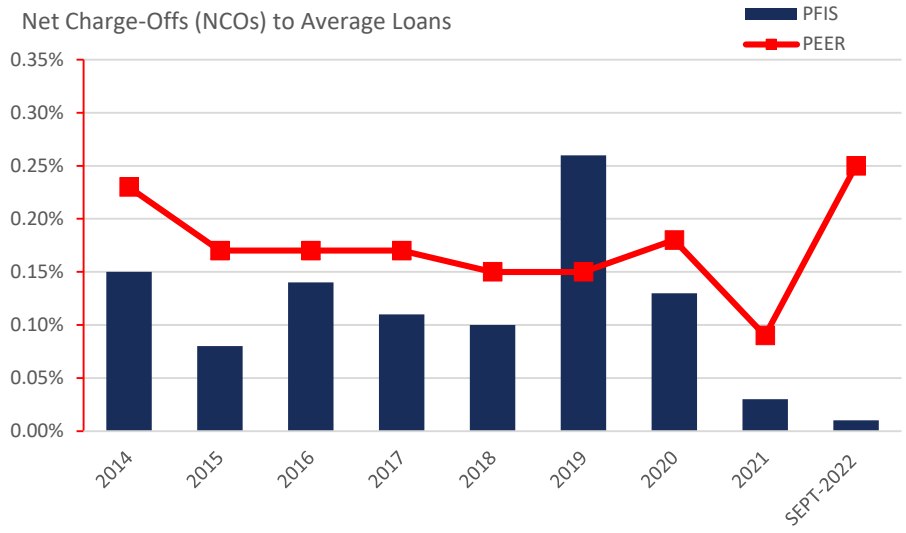


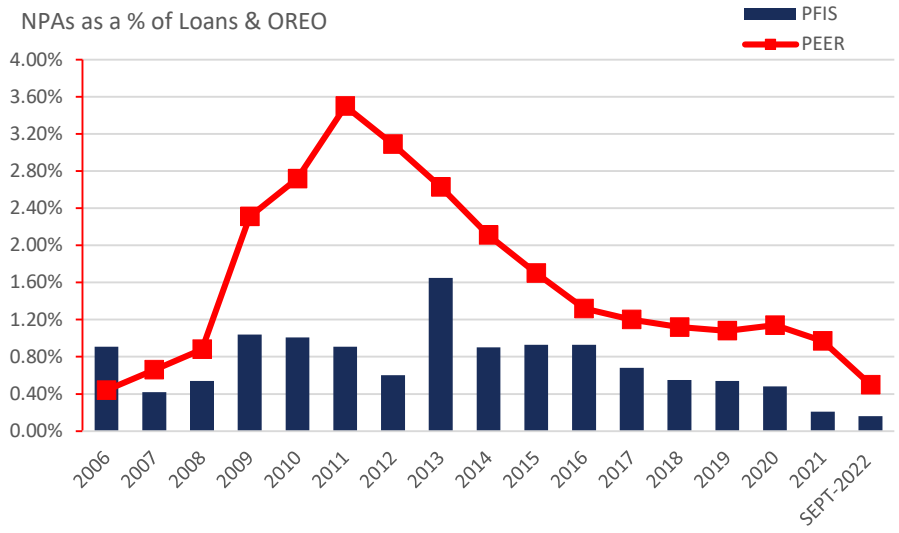
PFIS Source: Earnings Release, 10K
Peer Source: S&P Global
Mid-Atlantic: DE, NJ, NY, MD, PA banks
$1 - 5 Billion in Assets



PFIS Source: Earnings Release, 10K
Peer Source: S&P Global
Mid-Atlantic: DE, NJ, NY, MD, PA banks
$1 - 5 Billion in Assets

Asset Quality





PFIS Source: Earnings Release, 10K
Peer Source: S&P Global
Mid-Atlantic: DE, NJ, NY, MD, PA banks
$1 - 5 Billion in Assets