Peoples Financial
SERVICES CORP.

INVESTOR PRESENTATION

2023 First 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 impact on financial markets from geopolitical conflicts such as the military conflict between Russia and Ukraine; credit risk associated with our lending activities; changes in interest rates, loan demand, deposit flows, real estate values and competition; changes in customer behaviors, including consumer spending, borrowing and savings habits; 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; adverse developments in the financial industry generally, such as the recent bank failures, responsive measures to mitigate and manage such developments, related supervisory and regulatory actions and costs, and related impacts on customer and client behavior 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 Performance *Even During the Great Recession*
B. Effective Growth Strategy
C. High Dividend Payer
D. Opportunistic Valuation

III. Appendix

A. Financials
B. Asset Quality

Peoples Financial Services Corp.
Corporate Profile
as of March 31, 2023

- Banking Subsidiary Founded in 1905
- Total Assets: $3.68 billion
- Total Deposits: $3.24 billion
- Total Loans: $2.79 billion

- Listed on NASDAQ under ticker: PFIS
- Shares Outstanding: 7,150,757
- Market Cap: $310 million
- Average Daily Trading Volume: 9,802
- Market Price: $43.35
- Price to TBV: 1.2x
- Price to LTM Reported EPS: 8.7x
- Price to LTM Core EPS: 8.3x
- Annual Dividend & Yield: $1.64 /3.78%

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.



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.



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.



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.



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.



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 A. 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.

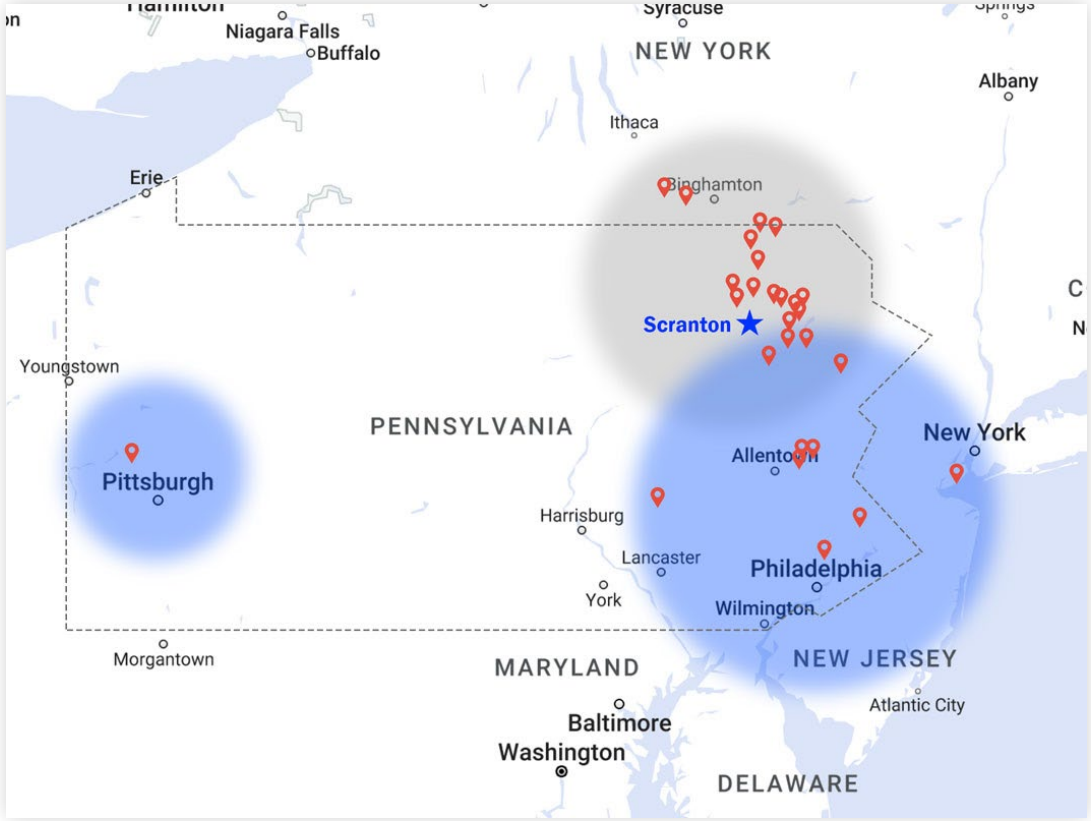


Amy E. Vieney
SVP, Chief Human Resources Officer

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.

Corporate Profile
Market Area

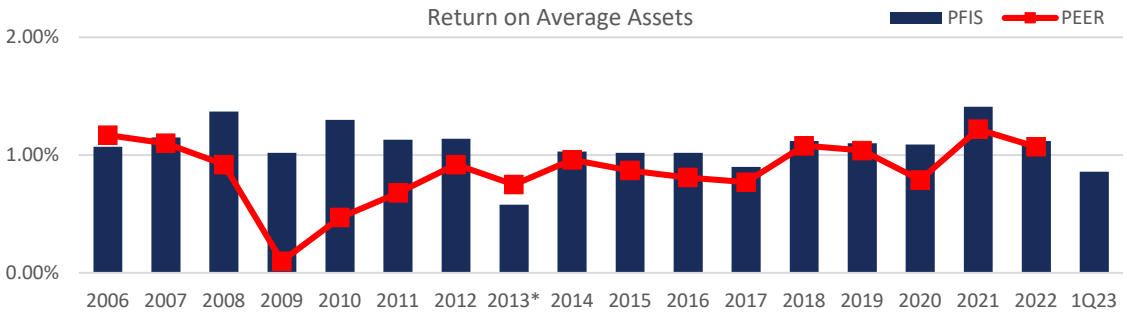
- 28 Community branch offices located in eleven counties in Pennsylvania, one county in New Jersey and one county in New York
- Corporate headquarters in Scranton, Lackawanna County, Pennsylvania
- 14th Largest bank headquartered in Pennsylvania
- Expanding into larger and faster growing markets

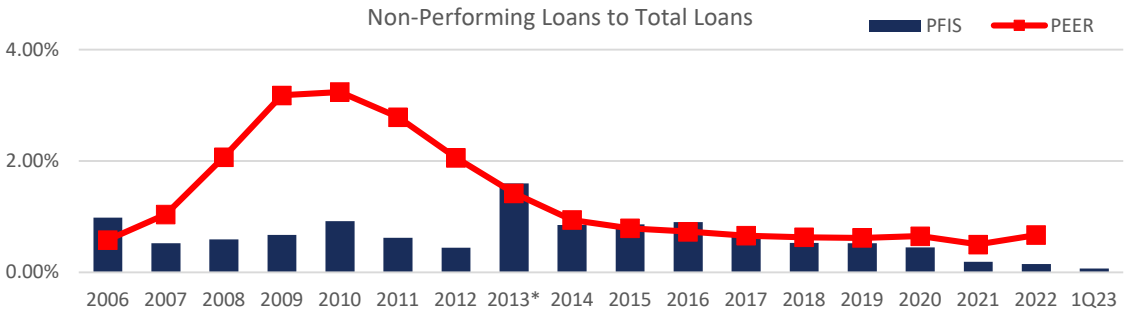


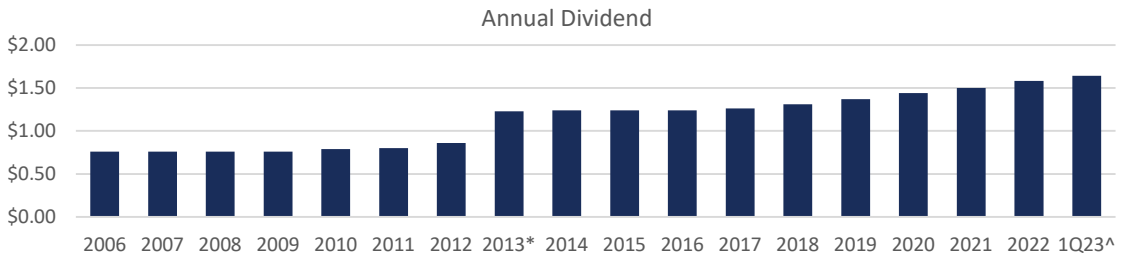
Peoples Financial SERVICES CORP.

Consistent High 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

^First Quarter Annualized

Nasdaq: PFIS

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

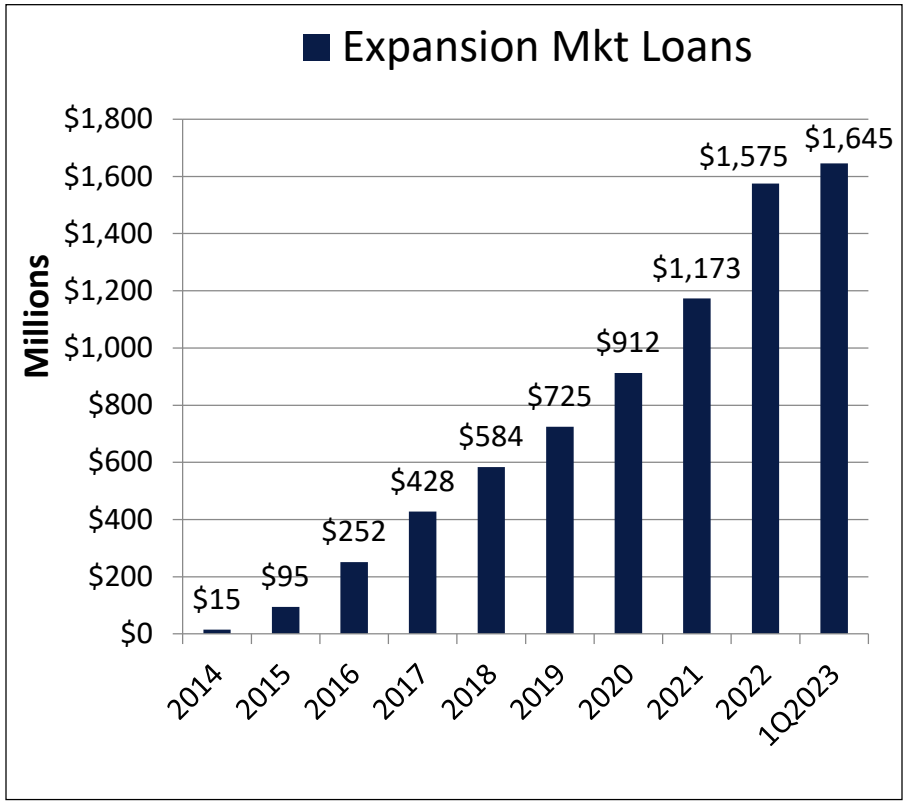
Central PA
Branch opened in Lebanon, PA
June 2019

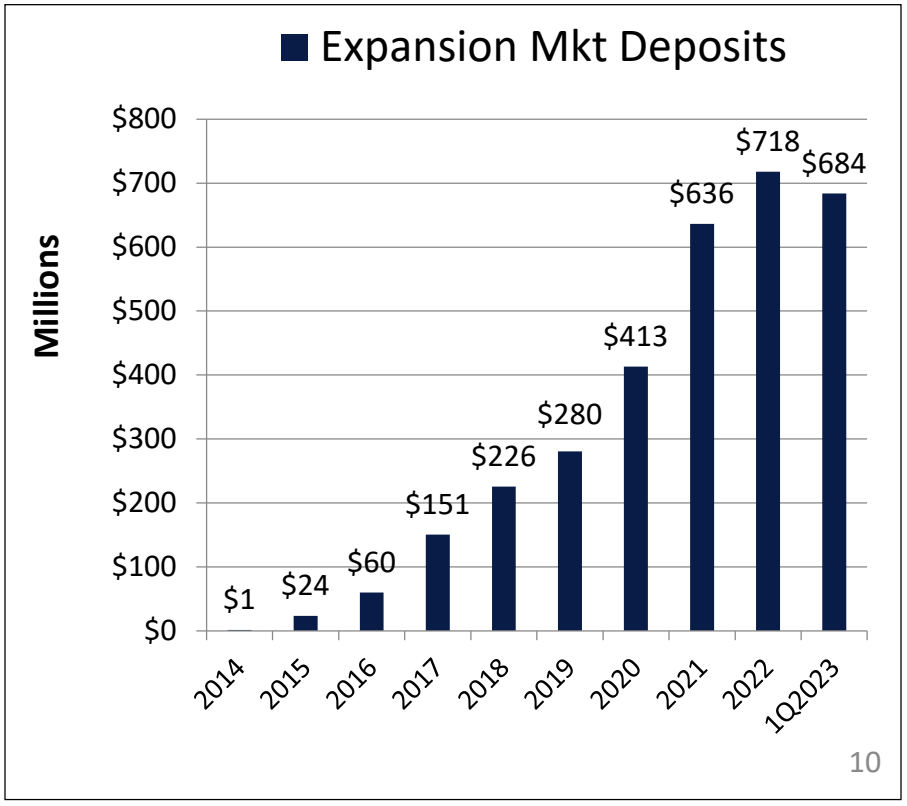
Doylestown, PA
Regional Office opened in Doylestown, PA
March 2020

Warrendale, PA
Branch opened in Warrendale, PA
October 2021

Doylestown, PA
Branch relocation to newly constructed office
December 2022

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





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 website www.psbt.com under "Investor Relations"

•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

1Q 2023 Financial Results

		Actual		VARIANCE '23A v. '22A	
		3/31/2023	3/31/2022	($)	(%)
(1)	Net interest income	$ 23,044	$ 22,631	$ 413	1.8%
(2)	Provision for credit losses	1,264	300	964	321.3%
(3)	Net interest income after provision	21,780	22,331	(551)	-2.5%
(4)	Noninterest income:				
(5)	Other noninterest income	2,496	2,172	324	14.9%
(6)	Interest rate SWAP revenue	223	343	(120)	-35.0%
(7)	Wealth management income	955	906	49	5.4%
(8)	Total noninterest income	3,674	3,421	253	7.4%
(9)	Total Revenue	26,718	26,052	666	2.6%
(10)	Noninterest expense:				
(11)	Salaries and employee benefits expense	9,080	8,040	1,040	12.9%
(12)	Net occupancy and equipment	4,103	3,825	278	7.3%
(13)	Other expenses	3,303	2,424	879	36.3%
(14)	Total Noninterest expense	16,486	14,289	2,197	15.4%
(15)	Pre-tax Net Income	8,968	11,463	(2,495)	-21.8%
(16)	Provision for income tax expense	1,389	1,833	(444)	-24.2%
(17)	Net income - Reported	$ 7,579	$ 9,630	$ (2,051)	-21.3%
(18)	EPS - basic	$ 1.06	$ 1.34		
(19)	EPS - diluted	$ 1.05	$ 1.33		

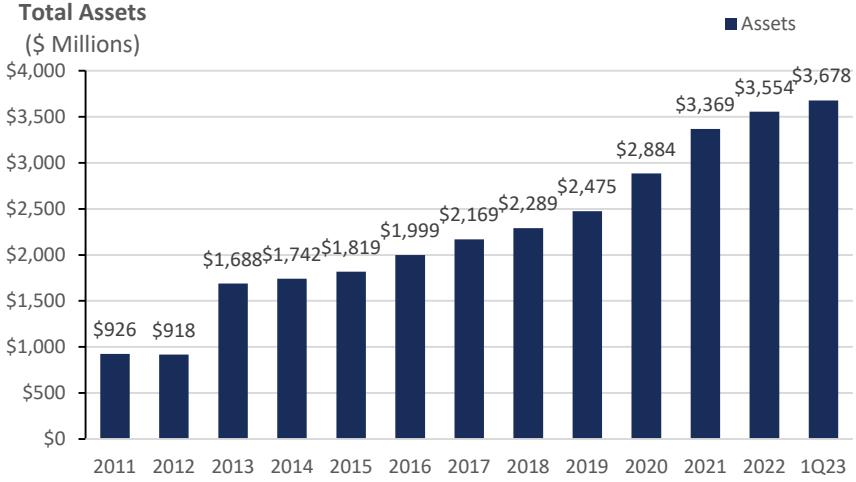
- Interest expense $9.3mm higher
- Loan growth + CECL economic forecast update

- Commercial and retail account service charges higher
- Lower Swap valuation adjustment

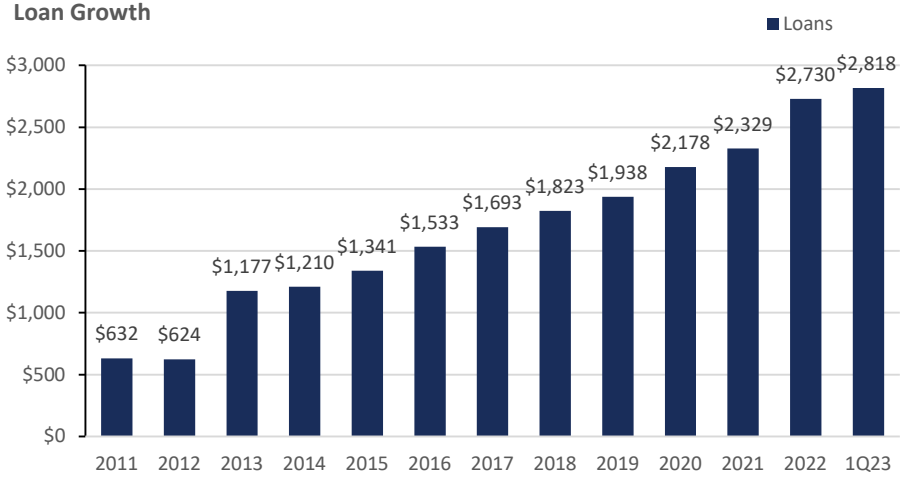
- Merit increases; new hires; higher benefit costs
- IT infrastructure investment
- Realized OREO gains in prior year; FDIC assessments + loan processing fees

Common Shares O/S	7,157,553	7,172,455
Diluted Shares	7,198,970	7,216,421

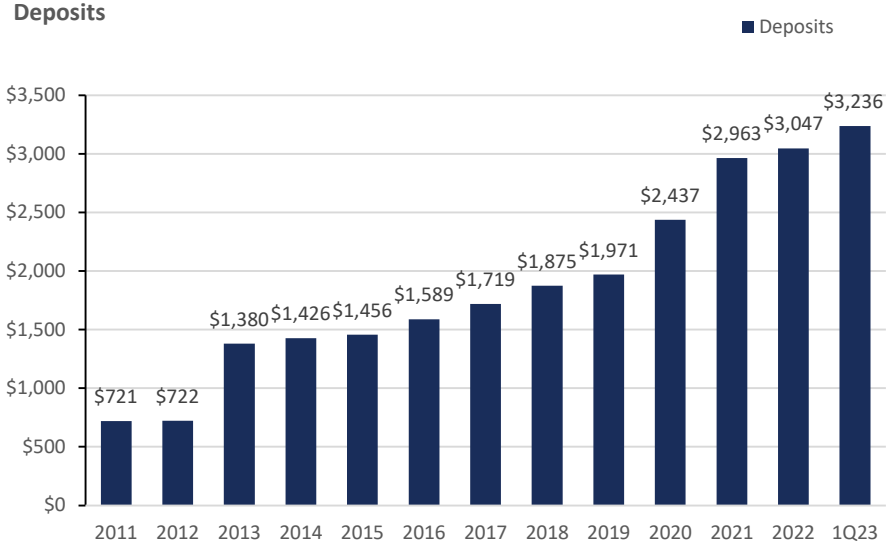
Total Assets
($ Millions)



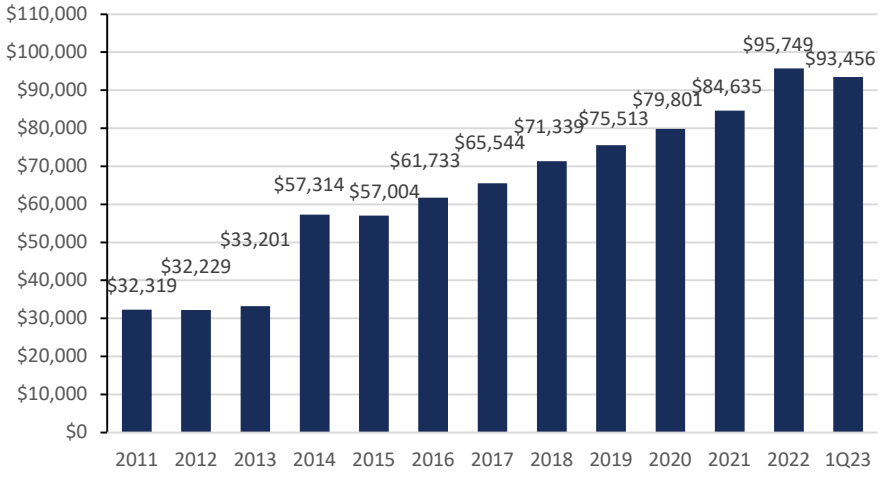
Loan Growth



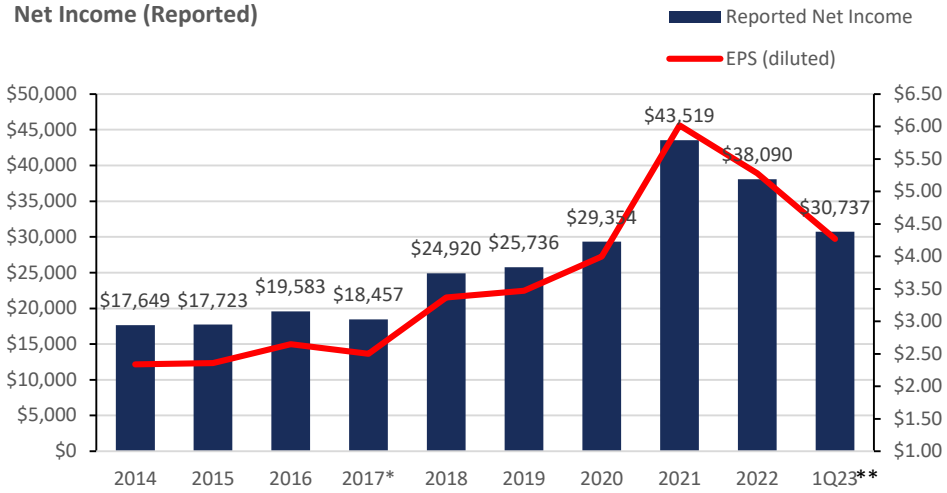
Deposits



Net-Interest Income Before Provision (Annualized)



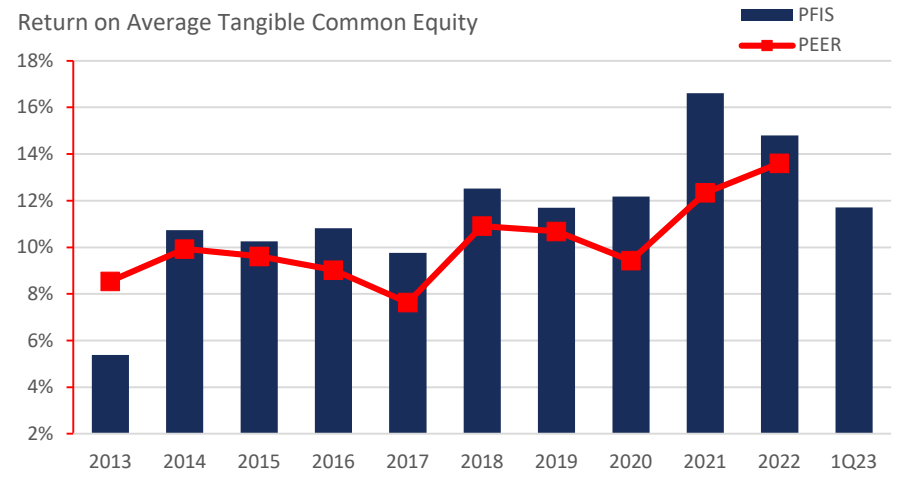
Net Income (Reported)



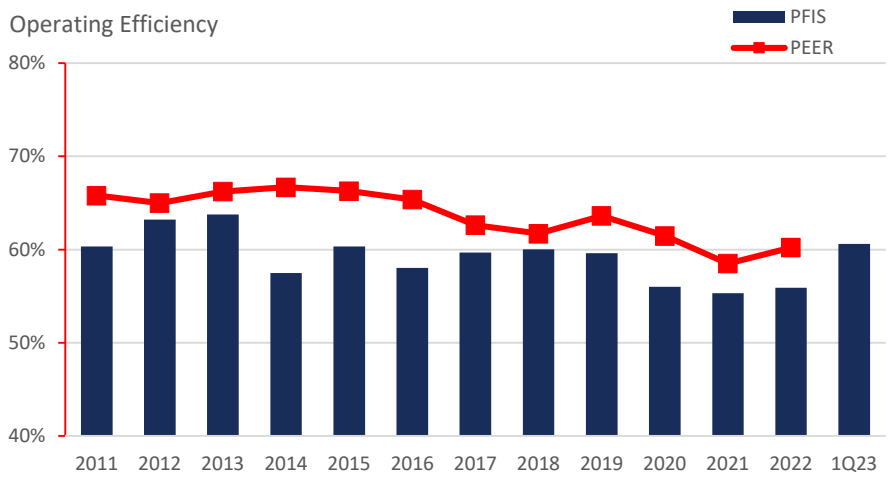
* Tax Cuts and Jobs Act of 2017 impact of $.35 per share

**First Quarter Annualized

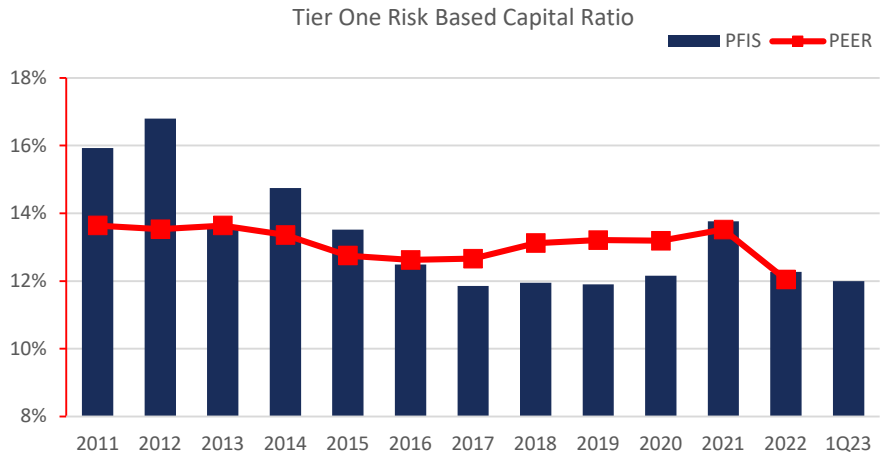
Return on Average Tangible Common Equity



Operating Efficiency



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



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$1 - 5 Billion in Assets

Deposit Breakout – Insured & Uninsured

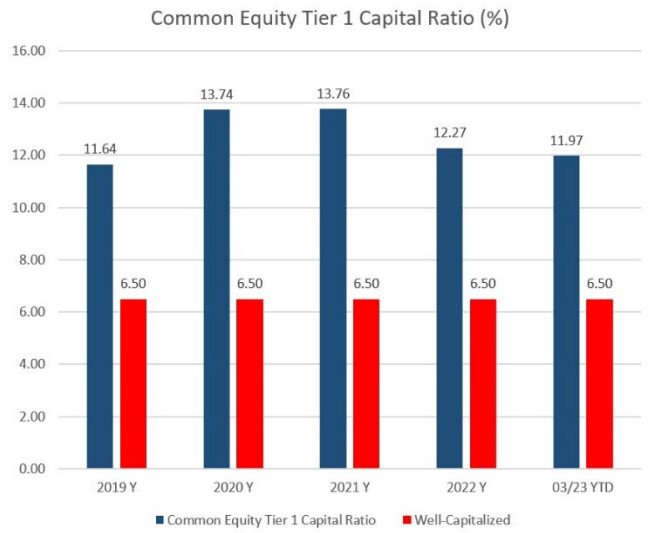
At period end	March 31, 2023 Amount	Percent of Total	Number of accounts	Average Balance
Deposit Detail:				
Retail	$ 1,572,393	48.6 %	71,100	$ 22
Commercial	1,076,060	33.3	11,659	93
Municipal	402,544	12.4	1,366	303
Brokered	184,970	5.7	18	10,276
Total Deposits	$ 3,235,967	100.0	84,143	$ 10,695
Uninsured	757,373	23.4 %		
Insured	2,478,594	76.6		

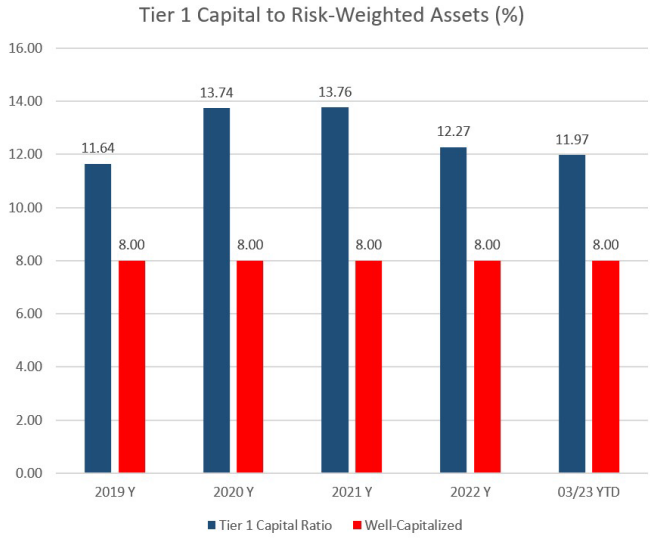
At period end	December 31, 2022 Amount	Percent of Total	Number of accounts	Average Balance
Deposit Detail:				
Retail	$ 1,568,208	51.5 %	76,972	$ 20
Commercial	956,969	31.4	11,560	84
Municipal	497,807	16.3	1,383	371
Brokered	23,614	0.8	11	2,147
Total Deposits	$ 3,046,598	100.00	89,926	$ 2,623
Uninsured	724,595	23.8 %		
Insured	2,322,003	76.2		

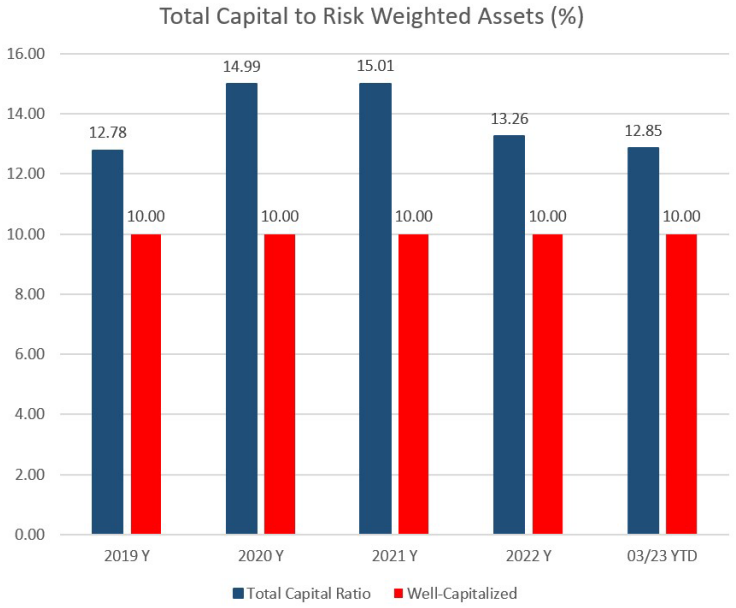
Sources of Liquidity at March 31, 2023

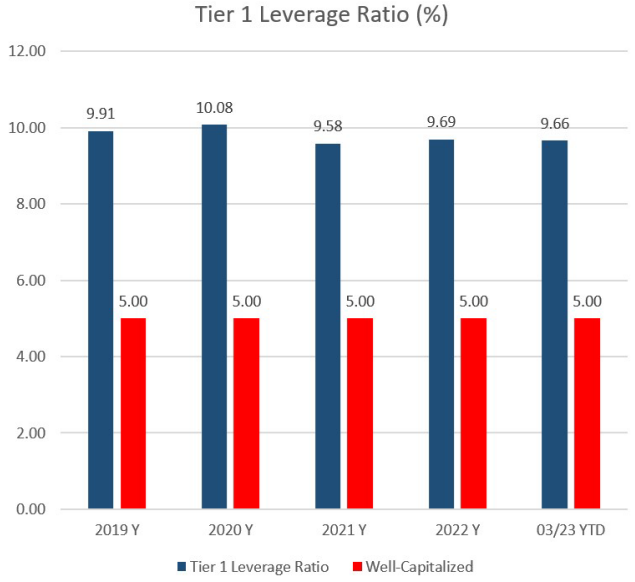
At March 31, 2023	Total Available	Outstanding	Total Available for Future Liquidity
FHLB advances	$ 1,180,971	$ 317,149	$ 863,822
Federal Reserve discount window	225,037		225,037
Correspondent bank lines of credit	18,000		18,000
Other sources of liquidity:			
Brokered deposits	367,847	184,970	182,877
Unencumbered securities	391,116		391,116
Total sources of liquidity	$ 2,182,971	$ 502,119	$ 1,680,852

Capital Analysis – Peoples Security Bank

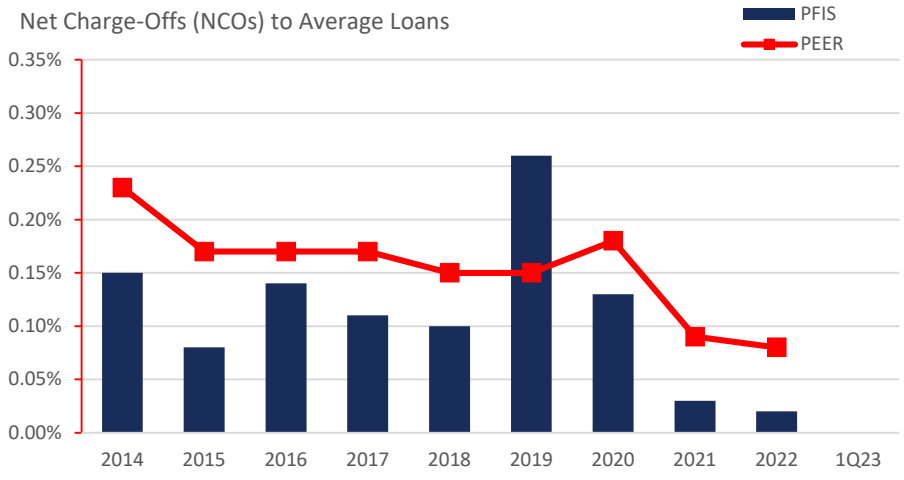


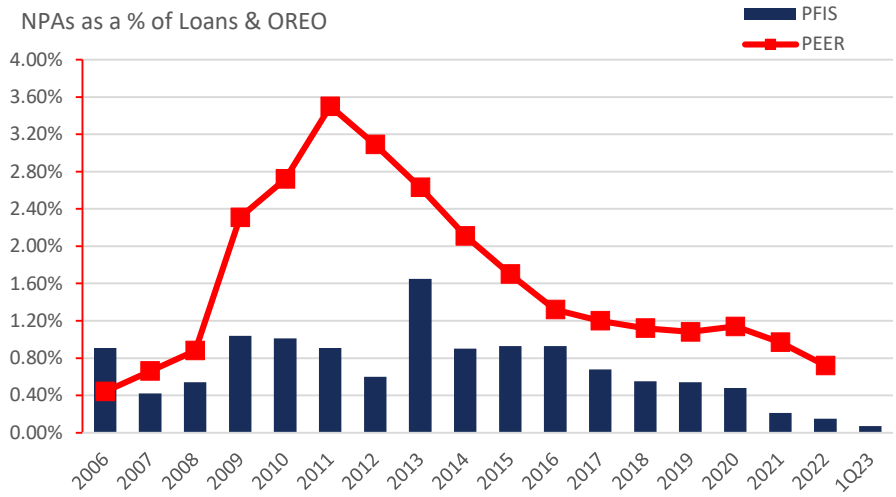






Asset Quality





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