Peoples Financial
SERVICES CORP.

INVESTOR PRESENTATION

2024 First Quarter Earnings



psbt.com

Nasdaq: PFIS

CAUTIONARY NOTE ABOUT 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., Peoples Security Bank and Trust Company, and its subsidiaries (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: macroeconomic trends, including interest rates and inflation; the effects of any recession in the United States; the impact on financial markets from geopolitical conflicts such as the military conflict between Russia and Ukraine and the conflict in Israel; risks associated with business combinations, including, but not limited to Peoples proposed merger with FNCB Bancorp, Inc. ("FNCB"), and the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the FNCB merger agreement; the possibility that the parties may be unable to achieve expected synergies and operating efficiencies in the proposed FNCB merger within the expected timeframes or at all and to successfully integrate operations of FNCB and those of Peoples, which may be more difficult, time consuming or costly than expected; the proposed FNCB merger may divert management's attention from ongoing business operations and opportunities; effects of the announcement, pendency or completion of the proposed FNCB merger on our ability to retain customers and retain and hire key personnel and maintain relationships with our vendors, and on our operating results and business generally; changes in interest rates; economic conditions, particularly in our market area; legislative and regulatory changes and the ability to comply with the significant laws and regulations governing the banking and financial services business; monetary and fiscal policies of the U.S. government, including policies of the U.S. Department of Treasury and the Federal Reserve System; adverse developments in the financial industry generally, responsive measures to mitigate and manage such developments, related supervisory and regulatory actions and costs, and related impacts on customer and client behavior; credit risk associated with lending activities and changes in the quality and composition of our loan and investment portfolios; demand for loan and other products; deposit flows; competition; changes in the values of real estate and other collateral securing the loan portfolio, particularly in our market area; changes in relevant accounting principles and guidelines; inability of third party service providers to perform; our ability to prevent, detect and respond to cyberattacks; and other factors that may be described in our 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 and, specifically, the FNCB merger 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, if they are achieved at all. As a regulated financial institution, 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. Additional factors that could cause actual results to differ materially include the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the merger agreement between Peoples and FNCB; the outcome of any legal proceedings that may be instituted against Peoples or FNCB; the possibility that the proposed strategic combination will not close when expected or at all because required regulatory approvals are not received or other conditions to the closing are not satisfied on a timely basis or at all, or are obtained subject to conditions that are not anticipated (and the risk that required regulatory approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the proposed transaction).

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 herein or 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. Transformational Strategic Transaction
B. Consistently High Performance *Even During the Great Recession*
C. Effective Growth Strategy
D. High Dividend Payer

III. Appendix

A. Financials
B. Asset Quality

Peoples Financial Services Corp.
Corporate Profile
as of March 31, 2024

- Banking Subsidiary Founded in 1905
- Total Assets: $3.67 billion
- Total Deposits: $3.20 billion
- Total Loans: $2.86 billion

- Listed on NASDAQ under ticker: PFIS
- Shares Outstanding: 7,057,258
- Market Cap: $304 million
- Average Daily Trading Volume: 13,192
- Market Price: $43.11
- Price to TBV: 1.1x
- Price to LTM Reported EPS: 13.1x
- Price to LTM Core EPS: 12.1x
- Annual Dividend & Yield: $1.64 /3.80%

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 41 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 34 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 25 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 18 years.

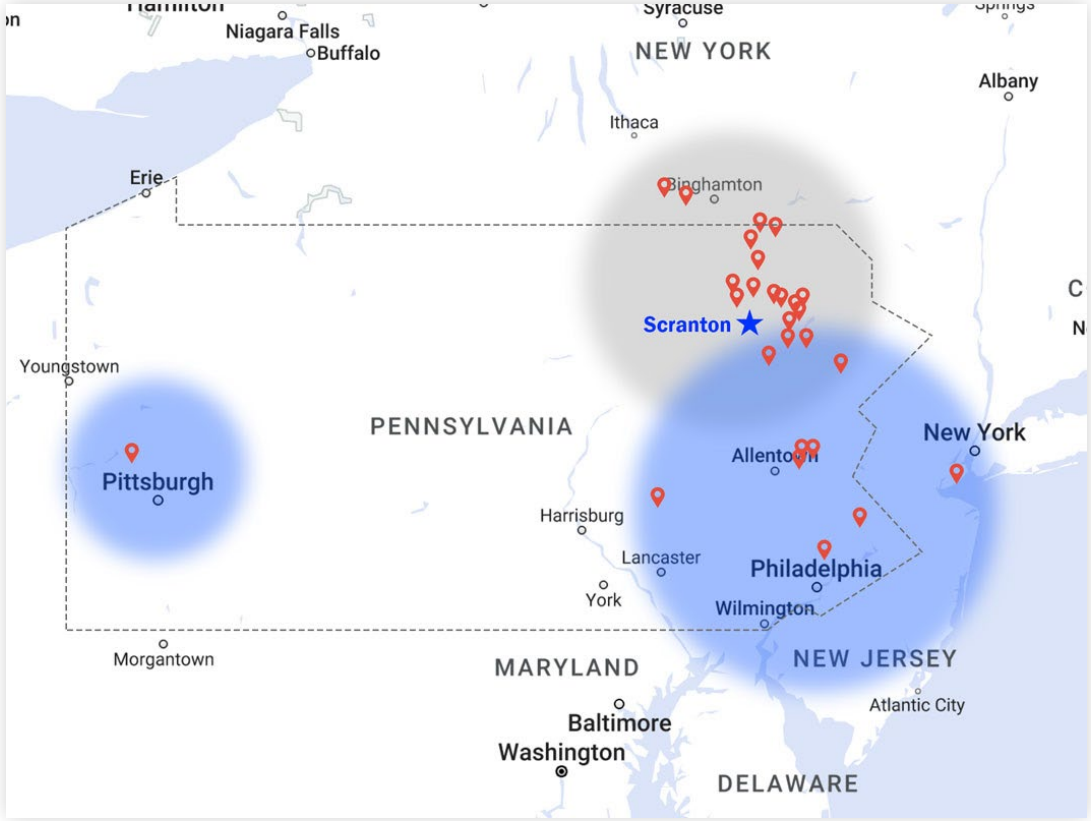


Amy E. Vieney
SVP, Chief Human Resources Officer

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 25 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
- 16th Largest bank headquartered in Pennsylvania
- Expanded into larger and faster growing markets

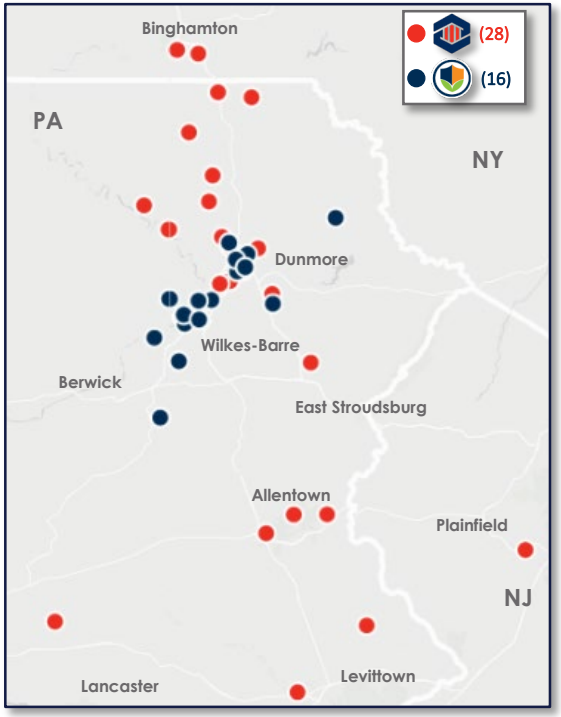


Pending Merger with FNCB Bancorp, Inc.

Pro Forma Key Highlights[1]

$5.5 B Assets	**83%** Loans / Deposits
$2.47 Projected Annual Per Share Dividend (50.1% Increase)	**10.0%** CET1 Ratio
$4.9 B Deposits	**1.11%** 2025E ROA *Fully phased-in synergies*
59% 2025E EPS Accretion	**~11.3%, 2.4 Yr** TBV Dilution / Earnback

Attractive Pro Forma Footprint with a Combination of Solid Legacy Franchise Market Share Coupled with Successful New Expansion Markets



Not Pictured Above: Pittsburgh, PA

#1 Community Bank[2] in Our Footprint and #5 in Pennsylvania Overall[3]

Scranton MSA Deposit Market Share

#	Company	Deposits ($B)	Market Share (%)
1	The PNC Finl Svcs Grp	3.7	24%
	Pro Forma Combined	**2.7**	**17%**
2	Fidelity D & D Bancorp Inc.	1.6	10%
3	**FNCB Bancorp Inc.**	**1.4**	**9%**
4	Community Bank System Inc.	1.3	8%
5	**Peoples Financial Services**	**1.3**	**8%**
6	M&T Bank Corp.	1.2	8%
7	Wells Fargo & Co.	1.2	8%
8	NBT Bancorp Inc.	0.7	4%
9	F.N.B. Corp.	0.6	4%
10	Citizens Financial Group Inc.	0.6	4%

Top 10 Pennsylvania Community Banks[3]

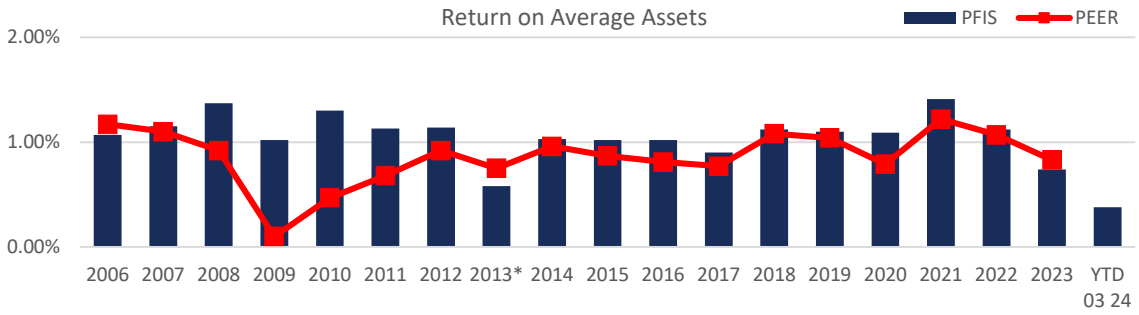
By asset size

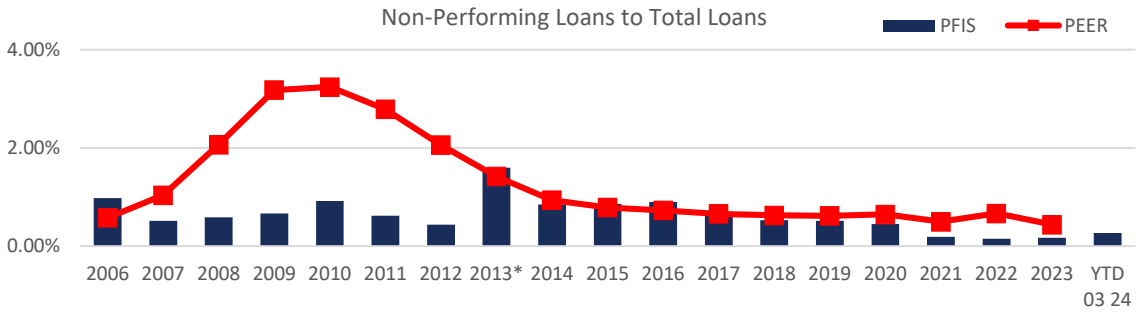
#	Company	Assets ($B)
1	First Commonwealth Financial	$11.3
2	S&T Bancorp Inc.	9.3
3	Univest Financial Corp.	7.6
4	CNB Financial Corp.	5.7
	Pro Forma Combined	**5.5**
5	Mid Penn Bancorp Inc.	5.1
6	**Peoples Financial Services**	**3.7**
7	Orrstown Financial Services	3.0
8	Citizens Financial Services	2.9
9	Citizens & Northern Corp.	$2.5
10	Fidelity D & D Bancorp Inc.	$2.4
20	**FNCB Bancorp Inc.**	**1.9**

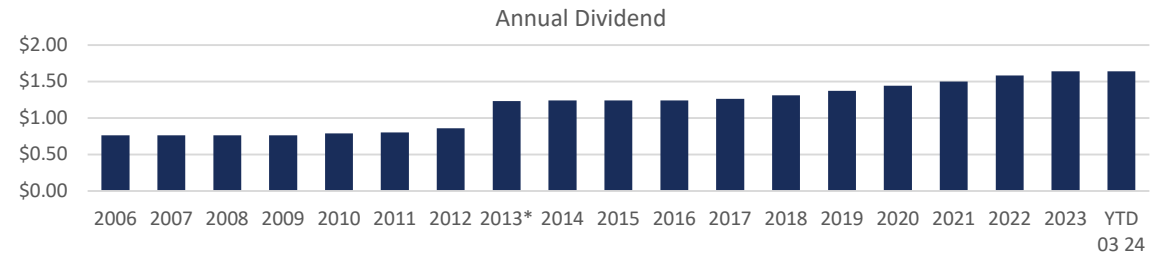
Source: Company Documents, S&P Global Market Intelligence. Note: Map excludes 1 PFIS location in Warrendale, PA a suburb of Pittsburgh, PA. FDIC Deposits data as of June 30, 2023. (1) Pro forma financials are based on March 31, 2024 estimated closing date and include the impact of purchase accounting adjustments and balance sheet strategies. (2) Community banks defined as having less than $5 billion in assets. (3) Includes banks with under $20 billion in total assets and financial data as of June 30, 2023.

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

^Year-to-Date Annualized

Effective Growth Strategy *(Currently on Hold)*

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

Peoples Financial SERVICES CORP.

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

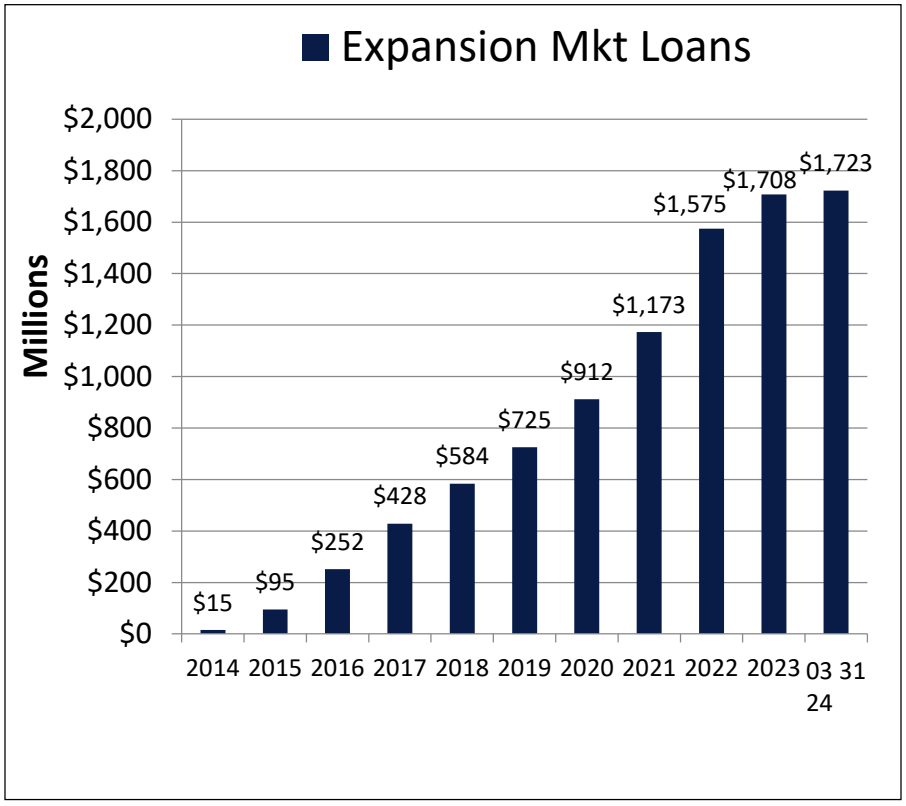
Central PA
Branch opened in Lebanon, PA
June 2019

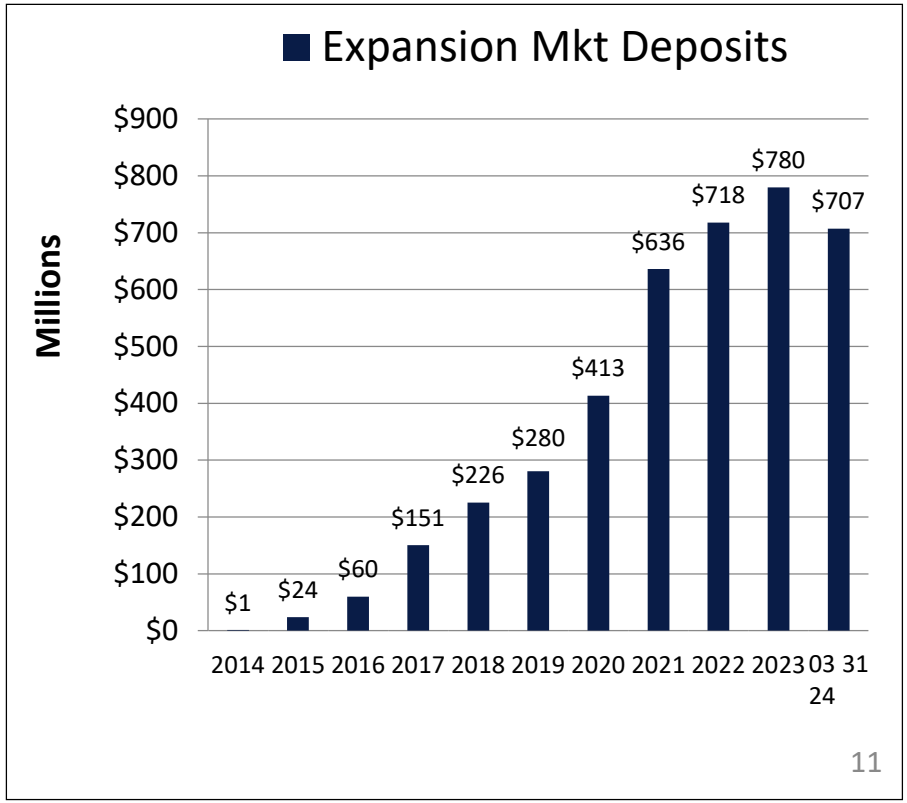
Doylestown, PA
Regional Office opened in Doylestown, PA
March 2020

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:

Equiniti Trust Company, 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
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E-mail: marie.luciani@psbt.com

APPENDIX

Income Statement Comparison

For the Three Months Ended March 31, 2024 Financial Results

		Actual		VARIANCE '24A v. '23A	
		3/31/2024	3/31/2023	($)	(%)
(1)	Net interest income	$ 19,318	$ 23,044	$ (3,726)	-16.2%
(2)	Provision for (credit to) credit losses	708	1,264	(556)	-44.0%
(3)	Net interest income after provision	18,610	21,780	(3,170)	-14.6%
(4)	Noninterest income:				
(5)	Other noninterest income	2,514	2,496	18	0.7%
(6)	Interest rate swap revenue	(24)	223	(247)	-110.8%
(7)	Wealth management income[1]	912	955	(43)	-4.5%
(8)	Total noninterest income	3,402	3,674	(272)	-7.4%
(9)	Total Revenue	22,720	26,718	(3,998)	-15.0%
(10)	Noninterest expense:				
(11)	Salaries and employee benefits expense	8,839	9,080	(241)	-2.7%
(12)	Net occupancy and equipment	4,725	4,103	622	15.2%
(13)	Acquisition related expenses	486	-	486	100.0%
(14)	Other expenses	4,018	3,332	686	20.6%
(15)	Total Noninterest expense	18,068	16,486	1,582	9.6%
(16)	Pre-tax Net Income	3,944	8,968	(5,024)	-56.0%
(17)	Provision for income tax expense	478	1,389	(911)	-65.6%
(18)	Net income - Reported	$ 3,466	$ 7,579	$ (4,113)	-54.3%
(19)	Reported EPS - basic	$ 0.49	$ 1.06		
(20)	Reported EPS - diluted	$ 0.49	$ 1.05		
(21)	Net Income - Operating	$ 3,893	$ 7,515		
(22)	Operating EPS - basic	$ 0.55	$ 1.05		
(23)	Operating EPS - diluted	$ 0.55	$ 1.04		

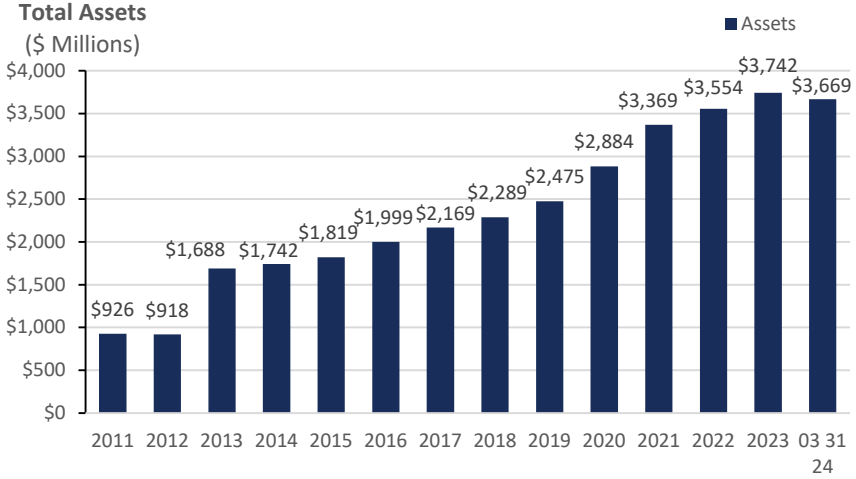
- Net Interest Margin 2.29% vs. 2.81%
- Interest expense $8.5mm higher
- Lower loan growth/decline in model loss rates

- Lower swap origination volume

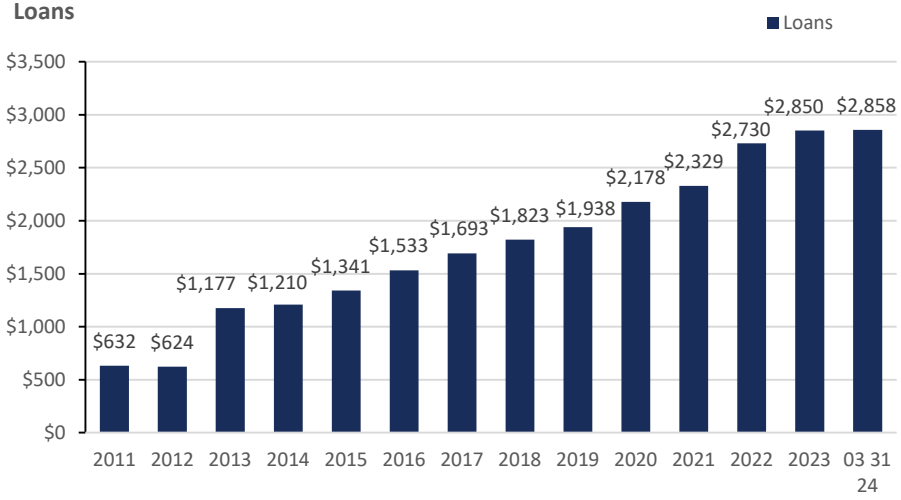
- Lower FTE's
- IT upgrades & facility costs
- Provision for unfunded commitments of $487k in 2024 vs. credit of $185k in 2023

[1]Includes commissions and fees on fiduciary activities.

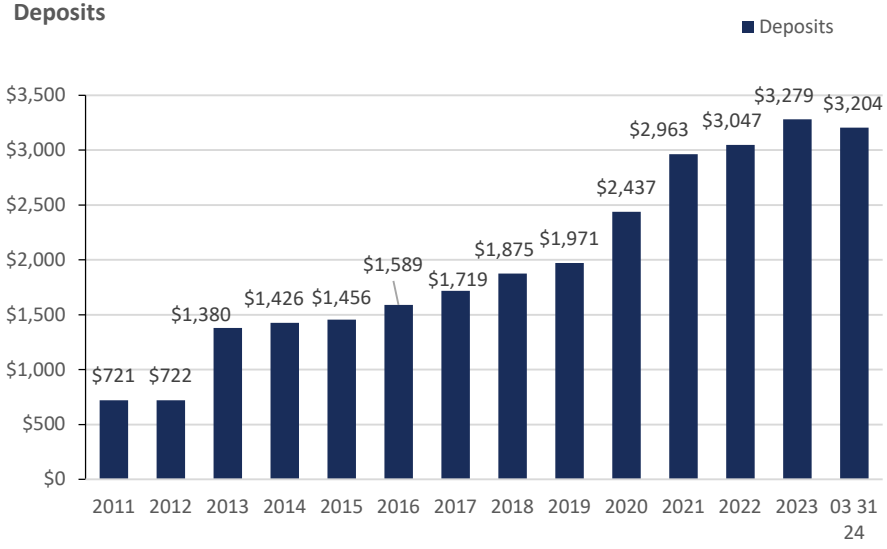
Total Assets
($ Millions)



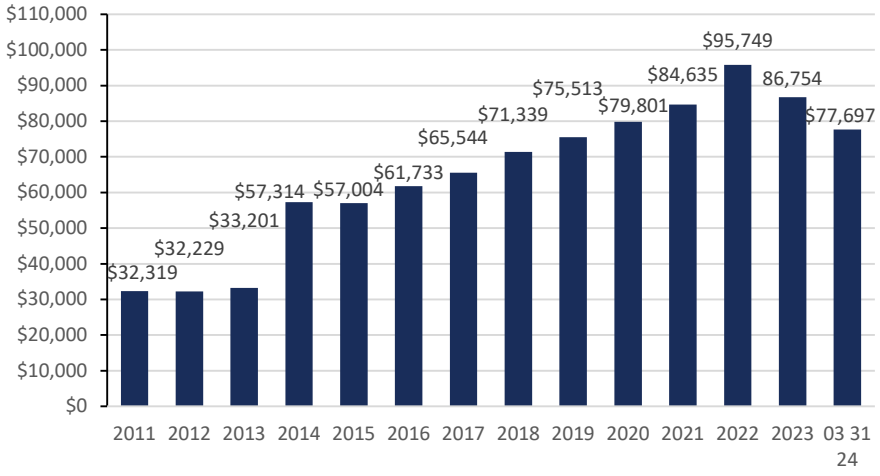
Loans

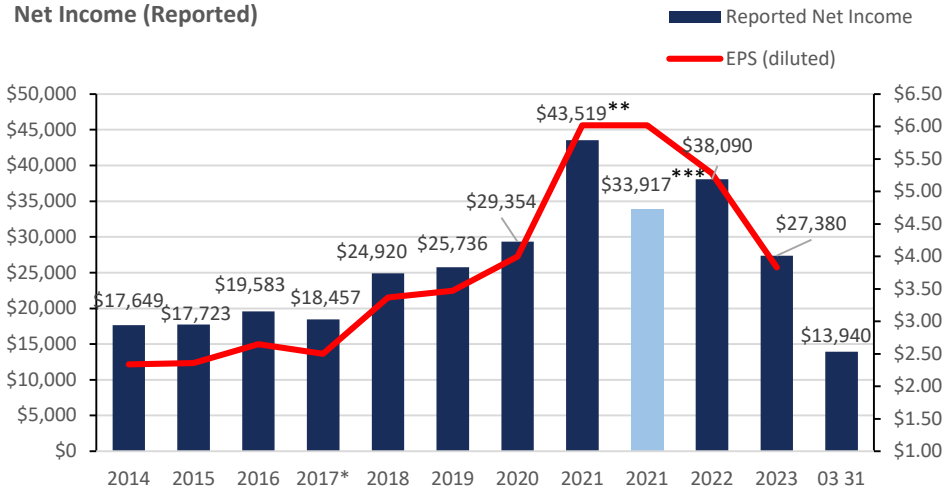


Deposits



Net-Interest Income Before Provision (Annualized)

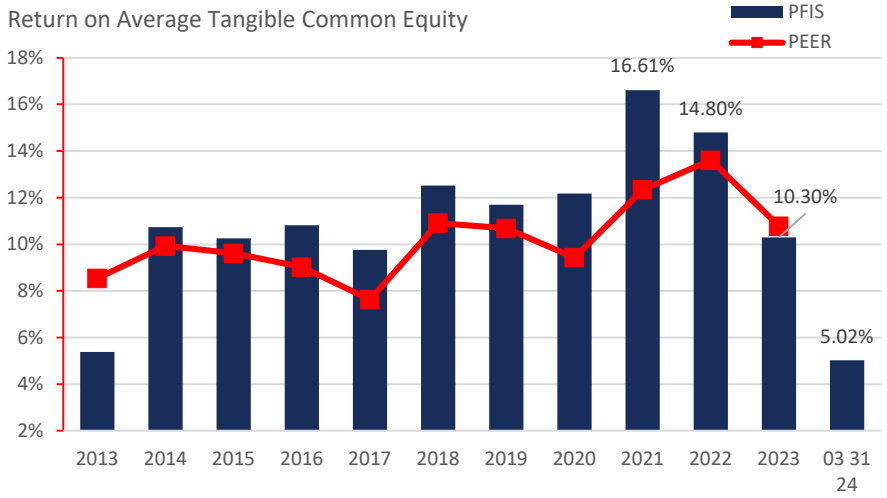


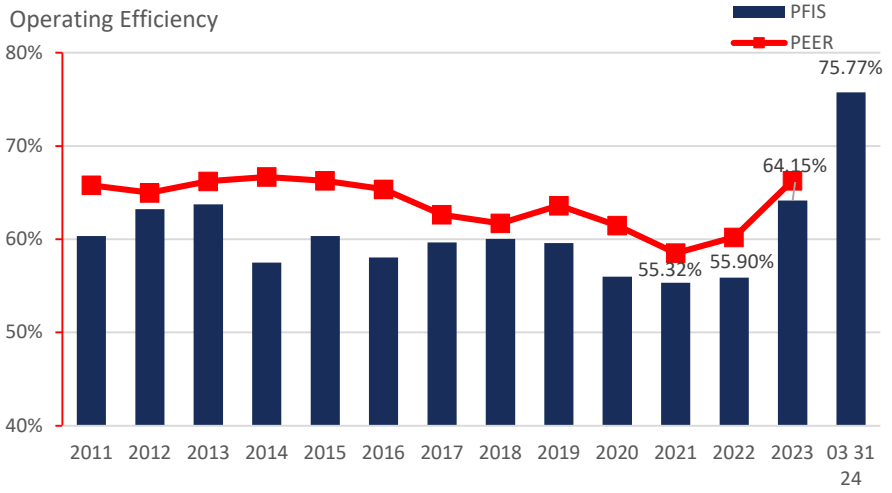


* Tax Cuts and Jobs Act of 2017 impact of $.35 per share

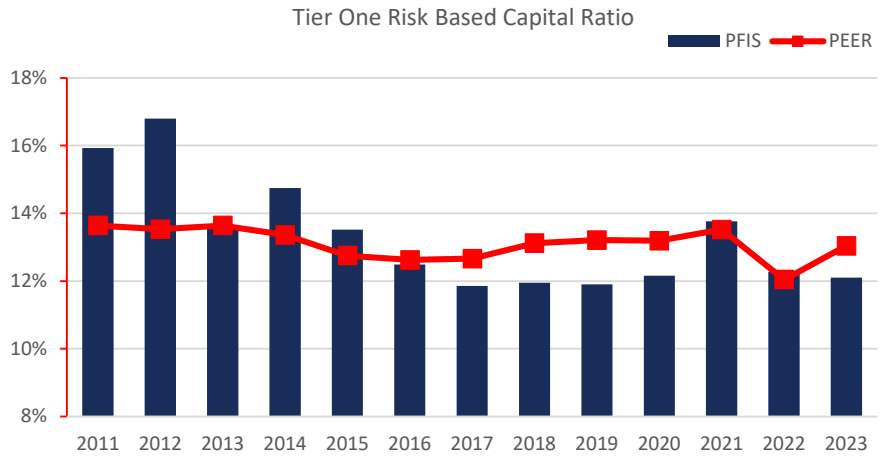
**Reported Net Income with VISA Sale

***Reported Net Income without VISA Sale





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

Deposit Breakout – Insured & Uninsured

At period end	March 31, 2024 Amount	Percent of Total	Number of accounts	Average Balance
Deposit Detail:				
Retail	$ 1,370,187	42.8 %	70,081	$ 20
Commercial	1,072,263	33.5	13,327	80
Municipal	500,493	15.6	1,892	265
Brokered	260,995	8.1	24	10,875
Total Deposits	$ 3,203,938	100.0	85,324	$ 38
Uninsured	798,573	24.9 %		
Insured	2,405,365	75.1		
Collateralized Deposits Included in Uninsured	345,798	10.8		

At period end	December 31, 2023 Amount	Percent of Total	Number of accounts	Average Balance
Deposit Detail:				
Retail	$ 1,358,371	41.4 %	70,334	$ 19
Commercial	1,096,547	33.4	13,433	82
Municipal	563,124	17.2	1,856	303
Brokered	260,995	8.0	24	10,875
Total Deposits	$ 3,279,037	100.0	85,647	$ 38
Uninsured	883,530	26.9 %		
Insured	2,395,507	73.1		
Collateralized Deposits Included in Uninsured	424,531	12.9		

Sources of Liquidity at March 31, 2024

At March 31, 2024	Total Available	Outstanding	Total Available for Future Liquidity
FHLB advances	$ 1,246,143	$ 304,954	$ 941,189
Federal Reserve - Discount Window	452,613		452,613
Correspondent bank lines of credit	18,000		18,000
Other sources of liquidity:			
Brokered deposits	366,914	260,995	105,919
Unencumbered securities	177,553		177,553
Total sources of contingent liquidity	$ 2,261,223	$ 565,949	$ 1,695,274
Cash and cash equivalents at March 31, 2024	109,968		
Total cash and cash equivalents and contingent liquidity	1,805,242		
Percentage of Total Assets	49.2%		
Percentage of Total Deposits	56.3%		

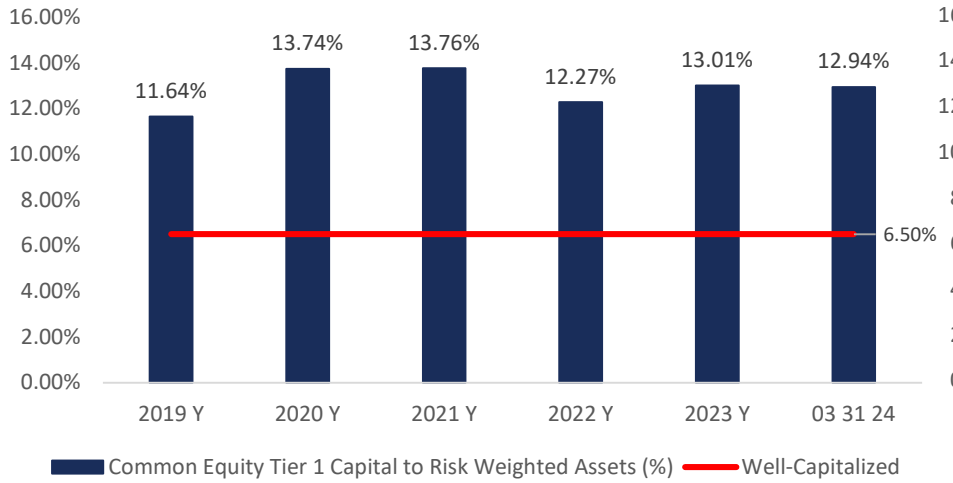
First Quarter 2024 Results

($ in thousands except per share data)	1Q 2024	4Q 2023	1Q 2023
Net Interest Income	$ 19,318	$ 20,269	$ 23,112
Provision for (credit to) credit losses	$ 708	$ 1,669	$ 1,264
Net Income	$ 3,466	$ 3,630	$ 7,579
Earnings per average diluted common share	$ 0.49	$ 0.51	$ 1.05
Core net income[1]	$ 3,893	$ 4,341	$ 7,515
Core earnings per average diluted common share[1]	$ 0.55	$ 0.61	$ 1.04
Pre-tax pre-provision net revenue (PPNR)[1]	$ 5,139	$ 5,884	$ 10,047
Adjusted PPNR[1]	$ 5,625	$ 6,710	$ 10,047
Return on average assets (ROAA)	0.38%	0.38%	0.86%
Core ROAA[1]	0.43%	0.46%	0.85%
PPNR ROAA[1]	0.56%	0.62%	1.14%
Adjusted PPNR ROAA[1]	0.62%	0.71%	1.14%
Average Assets	$ 3,676,750	$ 3,774,388	$ 3,574,845
Net interest margin	2.29%	2.30%	2.82%
Allowance for credit losses coverage ratio	0.79%	0.77%	0.90%
Non-interest expense (NIE) / Average assets	2.04%	1.85%	1.88%
Adjusted NIE / Average assets	1.98%	1.76%	1.87%
Common equity tier 1 (Bank)	12.94%	13.01%	12.48%
Tangible common equity per share[1]	$ 39.20	$ 39.35	$ 37.09
Average Noninterest-bearing deposits as % of average deposits	19.2%	19.7%	24.2%

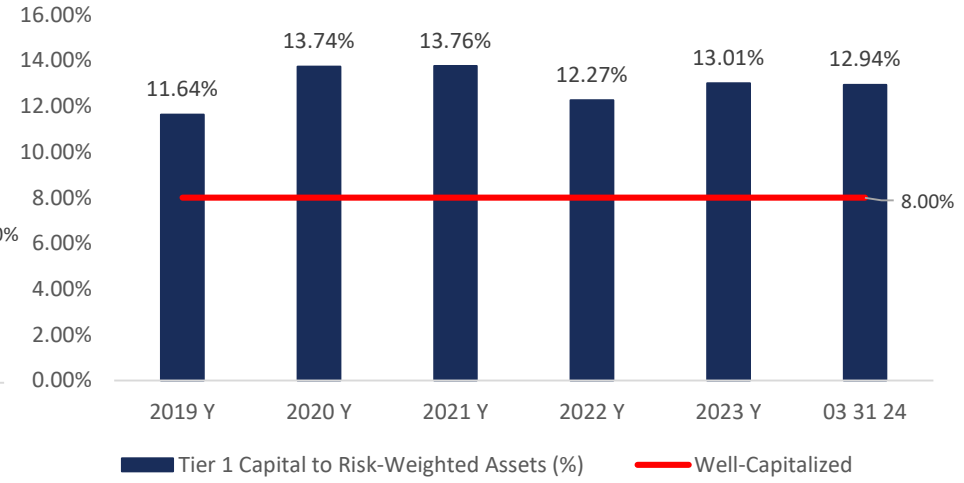
[1] Non-GAAP measure. See reconciliation.

Peoples Security Bank Capital

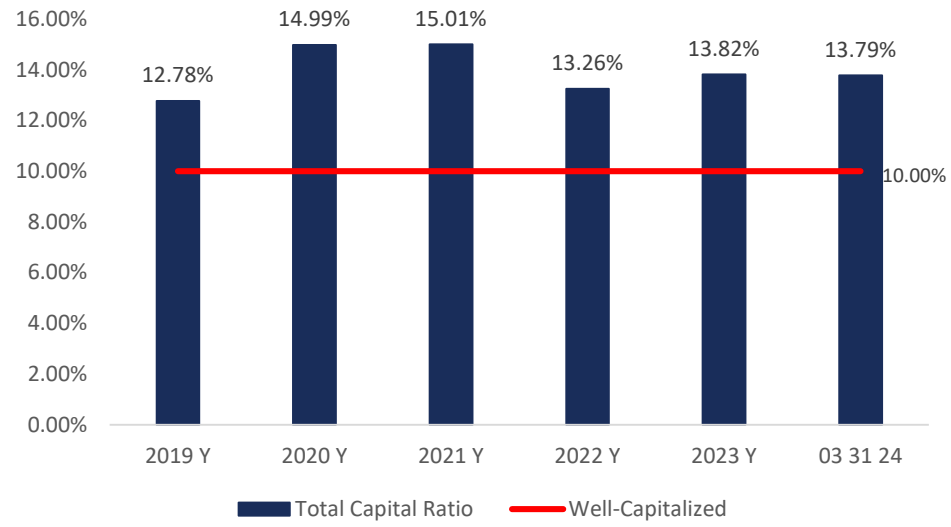
Common Equity Tier 1 Capital to Risk Weighted Assets (%)



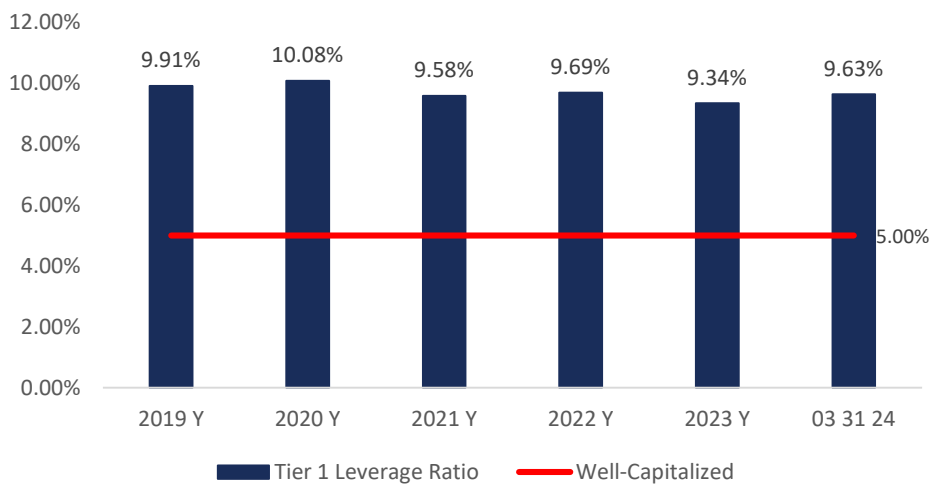
Tier 1 Capital to Risk-Weighted Assets (%)



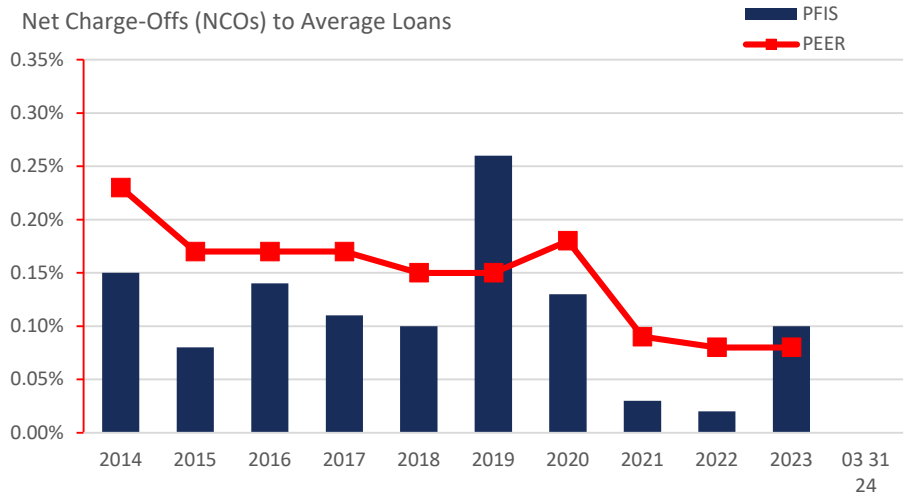
Total Capital to Risk-Weighted Assets (%)

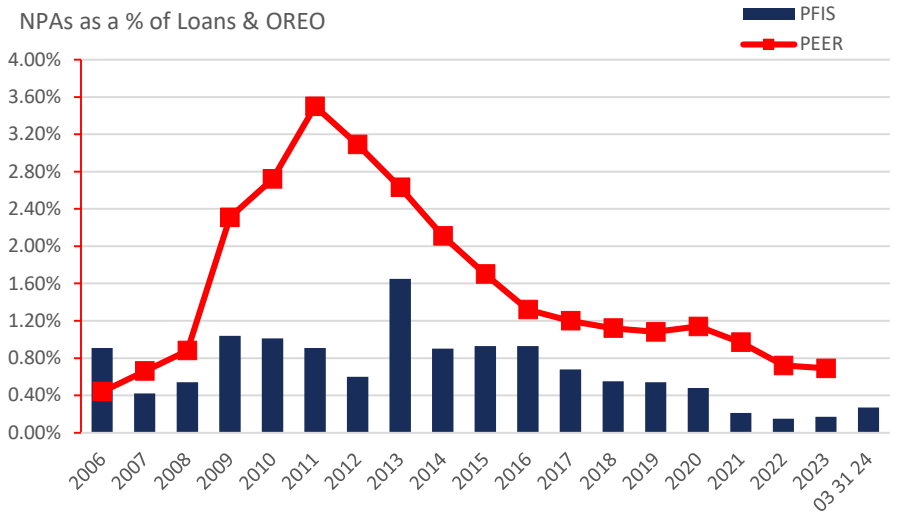


Tier 1 Leverage Ratio (%)



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

Pre-provision net revenue (PPNR)
(non-GAAP reconciliation)

	Mar 31 2024	Dec 31 2023	Sept 30 2023	Jun 30 2023	Mar 31 2023
Pre-provision net revenue to average assets					
Income before taxes (GAAP)	$ 3,944	$ 4,217	$ 8,081	$ 11,235	$ 8,968
Plus: Provision for (credit to) credit losses	708	1,669	-166	-2,201	1,264
Plus: Provision for (credit to) credit losses on Unfunded Commitments	487	-2	-12	-171	-185
Total pre-provision net revenue (non-GAAP)	5,139	5,884	7,903	8,863	10,047
Total (annualized) (non-GAAP)	$ 20,669	$ 23,344	$ 31,354	$ 35,549	$ 40,746
Average assets	$ 3,676,756	$ 3,774,388	$ 3,730,043	$ 3,650,876	$ 3,574,845
Pre-Provision Net Revenue to Average Assets (non-GAAP)	0.56%	0.62%	0.84%	0.97%	1.14%

	Mar 31 2024	Dec 31 2023	Sept 30 2023	Jun 30 2023	Mar 31 2023
Adjusted pre-provision net revenue to average assets					
Income before taxes (GAAP)	$ 3,944	$ 4,217	$ 8,081	$ 11,235	$ 8,968
Plus: Acquisition related expenses	486	826	869	121	
Plus: Provision for (credit to) credit losses	708	1,669	-166	-2,201	1,264
Plus: Provision for (credit to) credit losses on Unfunded Commitments	487	-2	-12	-171	-185
Total adjusted pre-provision net revenue (non-GAAP)	5,625	6,710	8,772	8,984	10,047
Total (annualized) (non-GAAP)	$ 22,624	$ 26,621	$ 34,802	$ 36,035	$ 40,746
Average assets	$ 3,676,756	$ 3,774,388	$ 3,730,043	$ 3,650,876	$ 3,574,845
Pre-Provision Net Revenue to Average Assets (non-GAAP)	0.62%	0.71%	0.93%	0.99%	1.14%

	Mar 31 2024	Dec 31 2023	Sept 30 2023	Jun 30 2023	Mar 31 2023
Core net income pre-provision net revenue per share:					
Income before taxes (GAAP)	$ 3,944	$ 4,217	$ 8,081	$ 11,235	$ 8,968
Plus: Acquisition related expenses	486	826	869	121	
Plus: Provision for (credit to) credit losses	708	1,669	-166	-2,201	1,264
Plus: Provision for (credit to) credit losses on Unfunded Commitments	487	-2	-12	-171	-185
Total adjusted pre-provision net revenue (non-GAAP)	5,625	6,710	8,772	8,984	10,047
Average common shares outstanding - diluted	7,102,112	7,091,015	7,120,685	7,177,915	7,198,970
Core net income (PPNR) per share (non-GAAP)	$ 0.79	$ 0.95	$ 1.23	$ 1.25	$ 1.40

Non-GAAP reconciliation

	Mar 31 2024	Dec 31 2023	Sept 30 2023	Jun 30 2023	Mar 31 2023
Core net income per share:					
Net income GAAP	$ 3,466	$ 3,630	$ 6,746	$ 9,425	$ 7,579
Adjustments:					
Less: Gain (loss) on sale of available for sale securities					81
Add: Gain (loss) on sale of available for sale securities tax adjustment					17
Add: Acquisition related expenses	486	826	869	121	
Less: Acquisition related expenses tax adjustment	59	115	144	19	
Core net income	$ 3,893	$ 4,341	$ 7,471	$ 9,527	$ 7,515
Average common shares outstanding - diluted	7,102,112	7,091,015	7,120,685	7,177,915	7,198,970
Core net income per share	$ 0.55	$ 0.61	$ 1.05	$ 1.33	$ 1.04
Tangible common equity per share:					
Total stockholders' equity	$ 339,992	$ 340,422	$ 324,390	$ 331,787	$ 328,634
Less: Goodwill	63,370	63,370	63,370	63,370	63,370
Less: Other intangible assets, net			19	48	77
Total tangible stockholders' equity	$ 276,622	$ 277,052	$ 261,001	$ 268,369	$ 265,187
Common shares outstanding	7,057,258	7,040,852	7,040,852	7,130,409	7,150,757
Tangible book value per share	$ 39.20	$ 39.35	$ 37.07	$ 37.64	$ 37.09