

PEOPLES FINANCIAL SERVICES CORP.

Form 10-Q

November 14, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

Form 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended September 30, 2013 or

Transition report pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934 for the transition period from

0-23863

(Commission File Number)

PEOPLES FINANCIAL SERVICES CORP.

(Exact name of registrant as specified in its charter)

Pennsylvania

(State of incorporation)

23-2391852

(IRS Employer ID Number)

82 Franklin Avenue, Hallstead, PA 18822

(Address of principal executive offices) (Zip code)

(570) 879-2175

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months or for such shorter period that the registrant was required to file such reports, and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months or for such shorter period that the registrant was required to submit and post such files. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company as defined in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company as defined in Rule 12b-2 of the Exchange Act. Yes No

APPLICABLE ONLY TO CORPORATE REGISTRANTS:

Indicate the number of shares outstanding of the registrant's common stock, as of the latest practicable date: 3,087,406 at October 31, 2013.

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PEOPLES FINANCIAL SERVICES CORP.
FORM 10-Q

For the Quarter Ended September 30, 2013

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CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(Dollars in thousands, except per share data)

	September 30, 2013	December 31, 2012
Assets:		
Cash and due from banks	\$ 12,724	\$ 9,777
Interest-bearing deposits in other banks	41	1,126
Federal funds sold	11,755	17,180
Investment securities available-for-sale	155,016	147,780
Loans held for sale	3,616	1,917
Loans, net	505,109	465,773
Less: allowance for loan losses	6,835	6,581
Net loans	498,274	459,192
Premises and equipment, net	8,621	8,685
Accrued interest receivable	3,395	3,272
Other assets	20,984	22,594
Total assets	\$ 714,426	\$ 671,523
Liabilities:		
Deposits:		
Noninterest-bearing	\$ 117,170	\$ 102,322
Interest-bearing	504,630	471,989
Total deposits	621,800	574,311
Short-term borrowings	17,854	12,764
Long-term debt	2,507	13,130
Accrued interest payable	219	425
Other liabilities	3,760	4,697
Total liabilities	646,140	605,327
Stockholders' equity:		
Common stock, par value \$2.00; authorized 12,500,000 shares; issued 3,341,251 shares	6,683	6,683
Capital surplus	3,194	3,155
Retained earnings	61,956	57,781
Accumulated other comprehensive income	2,694	4,876
Less: Treasury stock, at cost, September 30, 2013, 253,845 shares; December 31, 2012, 256,995 shares	6,241	6,299
Total stockholders' equity	68,286	66,196
Total liabilities and stockholders' equity	\$ 714,426	\$ 671,523

See Notes to Consolidated Financial Statements

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PEOPLES FINANCIAL SERVICES CORP.

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (UNAUDITED)

(Dollars in thousands, except per share data)

	Three Months		Nine Months	
	Ended	Ended	Ended	Ended
September 30	2013	2012	2013	2012
Interest income:				
Interest and fees on loans:				
Taxable	\$6,042	\$5,698	\$17,675	\$16,895
Tax-exempt	278	316	867	1,128
Interest and dividends on investment securities available-for-sale:				
Taxable	630	558	1,795	1,797
Tax-exempt	345	325	1,041	1,012
Dividends	5	6	17	21
Interest on interest-bearing deposits in other banks		2	2	7
Interest on federal funds sold	18	11	32	11
Total interest income	7,318	6,916	21,429	20,871
Interest expense:				
Interest on deposits	1,032	1,115	3,004	3,234
Interest on short-term borrowings	36	29	100	140
Interest on long-term debt	32	163	144	506
Total interest expense	1,100	1,307	3,248	3,880
Net interest income	6,218	5,609	18,181	16,991