

PEOPLES FINANCIAL SERVICES CORP.
Form 10-Q
May 10, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-Q

(X) Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended March 31, 2012 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
(Address of principal executive offices)

18822
(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 X 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 X 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 X 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 X

APPLICABLE ONLY TO CORPORATE REGISTRANTS:

Indicate the number of shares outstanding of the registrant's common stock, as of the latest practicable date: 3,117,706 at April 30, 2012.

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PEOPLES FINANCIAL SERVICES CORP.
FORM 10-Q

For the Quarter Ended March 31, 2012

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PEOPLES FINANCIAL SERVICES CORP.
 CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(Dollars in thousands, except per share data)

	March 31, 2012	December 31, 2011
Assets:		
Cash and due from banks	\$ 8,563	\$ 9,488
Interest-bearing deposits in other banks	1,075	1,071
Investment securities available-for-sale	132,882	139,899
Loans held for sale	2,724	569
Loans, net	459,223	445,103
Less: allowance for loan losses	5,589	5,349
Net loans	453,634	439,754
Premises and equipment, net	8,235	7,916
Accrued interest receivable	3,472	3,448
Other assets	21,164	19,259
Total assets	\$ 631,749	\$ 621,404
Liabilities:		
Deposits:		
Noninterest-bearing	\$ 97,353	\$ 92,985
Interest-bearing	404,779	401,298
Total deposits	502,132	494,283
Short-term borrowings	45,375	43,791
Long-term debt	18,731	18,927
Accrued interest payable	244	284
Other liabilities	4,106	4,506
Total liabilities	570,588	561,791
Stockholders' equity:		
Common stock, par value \$2.00; authorized 12,500,000 shares; issued 3,341,251 shares	6,683	6,683
Capital surplus	3,147	3,141
Retained earnings	53,108	51,342
Accumulated other comprehensive income	3,442	3,645
Less: treasury stock, at cost: March 31, 2012, 222,445 shares; December 31, 2011, 222,395 shares	5,219	5,198
Total stockholders' equity	61,161	59,613
Total liabilities and stockholders' equity	\$ 631,749	\$ 621,404

See Notes to Consolidated Financial Statements

PEOPLES FINANCIAL SERVICES CORP.
 CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (UNAUDITED)

(Dollars in thousands, except per share data)

For the Three Months Ended March 31	2012	2011
Interest income:		
Interest and fees on loans:		
Taxable	\$5,515	\$5,136
Tax-exempt	419	357
Interest and dividends on investment securities available-for-sale:		
Taxable	636	666
Tax-exempt	359	475
Dividends	7	9
Interest on interest-bearing deposits in other banks	4	2
Interest on federal funds sold		2
Total interest income	6,940	6,647
Interest expense:		
Interest on deposits	1,048	1,044
Interest on short-term borrowings	62	86
Interest on long-term debt	173	257
Total interest expense	1,283	1,387
Net interest income	5,657	5,260
Provision for loan losses	645	421
Net interest income after provision for loan losses	5,012	4,839
Noninterest income:		
Service charges, fees, commissions and other	743	709
Wealth management income	143	139
Mortgage banking income	74	48
Net gain on sale of investment securities available-for-sale	284	10
Other-than-temporary impairment of investment equity securities		(84
Net loss on sale of other real estate owned	(8)
Total noninterest income		