

PEOPLES FINANCIAL SERVICES CORP/  
Form 10-Q  
May 12, 2008

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, 2008 or

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

No. 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)

50 Main Street  
Hallstead, PA  
(Address of Principal Executive Offices)

18822  
(Zip Code)

(570) 879-2175  
(Registrant's Telephone Number)

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 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 \_\_\_\_\_  
(Do not check if 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

Number of shares outstanding as of March 31, 2008

COMMON STOCK (\$2 Par Value)  
(Title of Class)

3,121,214  
(Outstanding Shares)



PEOPLES FINANCIAL SERVICES CORP.  
FORM 10-Q

For the Quarter Ended March 31, 2008

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## PART I FINANCIAL INFORMATION

## Item 1. Financial Statements

PEOPLES FINANCIAL SERVICES CORP.  
CONSOLIDATED BALANCE SHEETS (UNAUDITED)

March 31, 2008 and December 31, 2007

(In thousands, except share and per share data)

	Mar 2008	Dec 2007
<b>ASSETS:</b>		
Cash and due from banks	\$ 8,185	\$ 8,051
Interest bearing deposits in other banks	821	555
Cash and cash equivalents	9,006	8,606
Securities available for sale	110,955	112,746
Loans	295,039	291,052
Allowance for loan losses	(2,469)	(2,451)
Loans, net	292,570	288,601
Premises and equipment, net	6,349	5,872
Accrued interest receivable	2,508	2,237
Intangible assets	1,012	1,076
Other real estate owned	5,280	5,237
Bank owned life insurance	7,693	7,614
Other assets	2,972	2,445
Total assets	\$ 438,345	\$ 434,434
<b>LIABILITIES:</b>		
Deposits:		
Non-interest bearing	\$ 54,062	\$ 53,731
Interest bearing	277,230	273,699
Total deposits	331,292	327,430
Accrued interest payable	1,350	925
Short-term borrowings	19,367	22,848
Long-term borrowings	43,124	38,534
Other liabilities	1,228	1,892
Total liabilities	396,361	391,629
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, par value \$2 per share; authorized 12,500,000 shares; issued 3,341,251 shares; outstanding 3,121,214 shares and 3,138,493 shares at March 31, 2008 and December 31, 2007, respectively	6,683	6,683
Surplus	3,086	3,083
Retained earnings	39,571	38,824
Accumulated other comprehensive loss	(2,502)	(1,390)
Treasury stock at cost 220,037 and 202,758 shares at March 31, 2008 and December 31, 2007, respectively	(4,854)	(4,395)
Total stockholders' equity	41,984	42,805
Total liabilities and stockholders' equity	\$ 438,345	\$ 434,434

See Notes to Consolidated Financial Statements



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

(In thousands, except per share data)	Three Months Ended	
	March 31, 2008	March 31, 2007
INTEREST INCOME:		
Loans receivable, including fees	\$ 5,022	\$ 4,677
Securities:		
Taxable	966	955
Tax exempt	417	335
Other	6	39
Total interest income	6,411	6,006
INTEREST EXPENSE:		
Deposits	1,860	2,352
Short-term borrowings	132	175
Long-term borrowings	442	330
Total interest expense	2,434	2,857
Net interest income	3,977	3,149
PROVISION FOR LOAN LOSSES	120	120
Net interest income after provision for loan losses	3,857	3,029
OTHER INCOME:		