

PEOPLES FINANCIAL SERVICES CORP.  
Form 10-Q  
August 10, 2009

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 June 30, 2009 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)

82 Franklin Avenue  
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 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 (§232.405 of this chapter) 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 \_\_\_  
(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 July 31, 2009

COMMON STOCK (\$2 Par Value)	3,134,656
(Title of Class)	(Outstanding Shares)

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PEOPLES FINANCIAL SERVICES CORP.  
FORM 10-Q

For the Quarter Ended June 30, 2009

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## PART I FINANCIAL INFORMATION

## Item 1. Financial Statements

PEOPLES FINANCIAL SERVICES CORP.  
CONSOLIDATED BALANCE SHEETS (UNAUDITED)

June 30, 2009 and December 31, 2008

(In thousands, except share and per share data)

	June 2009	Dec 2008
<b>ASSETS:</b>		
Cash and due from banks	\$6,888	\$6,174
Interest bearing deposits in other banks	769	1,782
Federal funds sold	5,597	10,577
Cash and cash equivalents	13,254	18,533
Securities available for sale	103,349	110,247
Loans	318,569	316,608
Allowance for loan losses	(2,928 )	(3,002 )
Loans, net	315,641	313,606
Bank premises and equipment, net	7,337	7,542
Accrued interest receivable	2,733	2,526
Intangible assets	689	818
Other real estate owned	5,440	5,171
Bank owned life insurance	8,081	7,911
Other assets	6,082	6,022
Total assets	\$462,606	\$472,376
<b>LIABILITIES:</b>		
Deposits:		
Non-interest bearing	\$65,160	\$55,324
Interest bearing	295,216	315,944
Total deposits	360,376	371,268
Accrued interest payable	438	1,649
Short-term borrowings	20,022	18,432
Long-term borrowings	39,191	39,691
Other liabilities	1,287	1,616
Total liabilities	421,314	432,656
<b>STOCKHOLDERS' EQUITY:</b>		
Common Stock, par value \$2 per share; authorized 12,500,000 shares; issued 3,341,251 shares; outstanding 3,134,656 shares and 3,131,181 shares June 30, 2009 and December 31, 2008, respectively	6,683	6,683
Surplus	3,099	3,100
Retained earnings	40,959	39,375
Accumulated other comprehensive loss	(4,826 )	(4,755 )
Treasury stock at cost 206,595 and 210,070 shares at June 30, 2009 and December 31, 2008, respectively	(4,623 )	(4,683 )
Total stockholders' equity	41,292	39,720
Total liabilities and stockholders' equity	\$462,606	\$472,376

See Notes to Consolidated Financial Statements



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

(In thousands, except share and per share data)

	Three Months Ended		Six Months Ended	
	June 30	June 30	June 30	June 30
	2009	2008	2009	2008
<b>INTEREST INCOME:</b>				
Loans receivable, including fees	\$4,880	\$4,927	\$9,724	\$9,949
<b>Securities:</b>				
Taxable	693	974	1,517	1,940
Tax exempt	530	401	1,031	818
Other	5	6	20	12
Total interest income	6,108	6,308	12,292	12,719
<b>INTEREST EXPENSE:</b>				
Deposits	1,204	1,631	2,866	3,491