

There's a lot to life, count on Peoples.

www.peoplesbank-wa.com

Strong Numbers

March 2014

Peoples Bank is the leading locally-owned and operated community bank meeting the financial needs of businesses and families in Whatcom, Skagit, Island, Snohomish, King, Chelan and Douglas Counties. The bank is closely held and operates three principal business units: business banking, retail banking and home lending. Its network of twenty-four full-service locations and three loan production offices provides customers with added convenience and the bank with a reliable source of core funding.

	March 2014	March 2013
Assets	(In thousands)	
Cash & Due From Banks	178,942	117,965
Investments	13,159	35,240
Fed Funds Sold	38	330
Loans to Businesses		
Commercial & Industrial Loans	85,631	77,822
Commercial Real Estate Loans	568,097	517,214
Agriculture Loans	114,910	102,726
Total Business Loans	768,638	697,763
Loans to Consumers		
Car, Boat, RV & Other Consumer Loans	103,507	100,634
1st Mortgages	128,116	152,874
2nd Mortgages & Equity Lines of Credit	81,064	86,285
Total Consumer Loans	312,687	339,792
Non-Accrual Loans	3,860	5,670
Other Loans & Loans in Process	(2,908)	(2,211)
Gross Loans	1,082,277	1,041,014
Allowance for Loan Losses	(13,603)	(13,453)
Net Loans	1,068,674	1,027,562
Bank Premises	36,426	34,296
Other Real Estate	9,383	9,841
Other Assets	11,271	15,488
TOTAL ASSETS	1,317,893	1,240,722
Liabilities		
Deposits		
Non-Interest Bearing Deposits	322,034	289,474
Interest Bearing Deposits	858,229	823,597
Total Deposits	1,180,263	1,113,071
Borrowed Funds	0	0
Brokered Deposits	0	0
Other Liabilities	3,822	2,801
TOTAL LIABILITIES	1,184,085	1,115,872
TOTAL EQUITY CAPITAL	133,809	124,849
TOTAL LIABILITIES & EQUITY	1,317,893	1,240,722

These statements are unaudited.

Your deposits at Peoples Bank that total \$250,000 or less are fully insured by the FDIC. You can have more than \$250,000 and still be fully insured provided the accounts meet certain requirements. Your Peoples Bank account representative can explain how to best maximize your FDIC insurance. Additional information regarding deposit insurance is also available at www.fdic.gov

Financial Highlights:

- **Strong Loan Portfolio.**
 - **Well Diversified.** Peoples Bank maintains a diversified loan portfolio to minimize risk. In order to do this, geographic, collateral and industry concentrations are closely monitored to help the Bank maintain appropriate risk exposures. Peoples is also well diversified between loans to consumers and businesses.
 - **Few Non-performing Assets.** As of the last published quarterly call report on 12/31/13, the Washington State average for non-performing assets in banks over \$1 billion in assets was 1.44% of total assets. As of 3/31/14, Peoples Bank's non-performing assets were 1.00% of total assets.
- **Well Capitalized.** Peoples Bank is well capitalized at 10.39% equity capital to average assets.
- **Stable Funding.** Peoples Bank funds loans in our community by gathering customer deposits in the markets we serve and does not use brokered deposits to fund Bank operations.
- **Leading Lender.** Peoples Bank remains committed to meeting the credit needs of the local community.
 - **Home Lending** - Year to date, the Bank has provided over \$53.8 million in financing for purchase or refinance.
 - **Business Lending** - Year to date, the Bank extended over \$56 million in new loans and commitments to local businesses.
- **Local, Private Ownership.** Peoples Bank has been closely held and family owned since 1921.
- **Top Rated.** In their most recent ratings, Bauer Financial awarded Peoples Bank a superior rating of five stars.

Peoples Bank
A higher level of service.