



For Release
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Contact
Philip O Farr, CFO
(570) 746-8733

Peoples Ltd. Announces Second Quarter Results

Wyalusing, PA – Peoples Ltd. (OTC:[PPLL](#)). Anthony J. Gabello, President and Chief Executive Officer of Peoples Ltd., holding company for PS Bank, has announced 2020 second quarter results.

For the three months ended June 30, 2020, net income totaled \$1,208,000 compared to \$1,070,000 for the second quarter of 2019, an increase of \$138,000 or 12.9%. Earnings per share for the quarter of \$1.81 compares to second quarter 2019 of \$1.60 per share as adjusted for the 2019 year-end 5% stock dividend. Net income for the six months ended June 30, 2020 totaled \$2,238,000 with earnings per share of \$3.35 compared to 2019 results for the same period of \$2,188,000 or \$3.28 earnings per share. Strong earnings from mortgage sales and deposit repricing strategies have offset lower interest rates on earning assets as a result of the Fed's interest rate reductions to near zero, as well as additional loan loss provisioning because of the pandemic.

Annualized return on equity of 12.06% as of June 30, 2020 compares to 12.61% for the same period 2019. Return on assets of 1.06% as of June 30, 2020 compares to 1.15% for the same period in 2019.

Total assets increased by \$39,813,000 or 9.9% to \$441,330,000 compared to \$401,517,000 as of December 31, 2019. Deposits increased \$30,744,000 or 8.9% to \$375,237,000 compared to \$344,493,000 as of December 31, 2019. Net loans increased by \$20,661,000 or 8.3% to \$269,145,000 from \$248,484,000 year-end 2019.

“Our bank has continued to perform well in 2020, a year which has been highlighted by unprecedented events and filled with continued uncertainty. Our PS bankers continue to work diligently on the financial front lines to ensure that our customers make it through these times safely. Our results were achieved despite providing \$445,000 of additional loan loss provisions greater than the prior year to date, as we recognize the risks of these challenging times. Our PS Mortgage team continues to excel as they expand our brand through strong volume both in purchase and refinance transactions. Despite challenges presented they continue to meet consumers’ mortgage needs while they grow and produce solid results.

Growth in our balance sheet is largely the result of our participation in the Paycheck Protection Program. Our lending teams worked diligently to ensure that we were there for small businesses in our communities. We remain dedicated to helping our business customers navigate through these difficult times as they continue to place their trust in us. As we prepare for the forgiveness portion of the PPP program, we anticipate that our balance sheet will normalize over upcoming periods.

While we are pleased with our performance to date, we continue to be mindful of the uncertain economic times ahead of us. We remain dedicated to safeguarding the interests of our customers, employees, and shareholders, and look forward to continuing to serve our communities diligently as we move forward,” Gabello commented.

Note: This press release may contain forward looking statements as defined in the Private Securities Litigation Reform Act of 1995. Actual results and trends could differ materially from those set forth in such statements due to various factors. These factors include operating, legal and regulatory risks; changing economic and competitive conditions and other risks and uncertainties.

Peoples Ltd. is the holding company for PS Bank. PS Bank is an independent community bank, established 1914, with locations throughout Bradford, Sullivan, Wyoming, Lackawanna, and Susquehanna counties. Stock of Peoples Ltd. is traded in the Over-the-Counter market under the symbol PPLL. Learn more about PS Bank at www.PSBanking.com.

Peoples Ltd.
STATEMENT OF CONDITION (unaudited)
For the Quarter Ending
June 30, 2020 and 2019
(in thousands, except share amounts)

	2020	2019
ASSETS		
Cash and due from banks	\$ 9,624	\$ 5,157
Interest bearing balances with banks	48,531	35,411
Investment securities	98,196	106,378
Loans held for sale	2,361	451
Loans	270,232	234,282
Allowance for loan losses	(3,447)	(2,678)
Loans, net	<u>269,145</u>	<u>232,055</u>
Bank premises and equipment, net	4,767	4,830
Accrued interest receivable	1,069	1,036
Other assets	9,997	5,039
TOTAL ASSETS	<u><u>\$ 441,330</u></u>	<u><u>\$ 389,907</u></u>
LIABILITIES		
Deposits:		
Noninterest-bearing	\$ 116,016	\$ 85,776
Interest-bearing	<u>259,222</u>	<u>245,878</u>
Total deposits	375,237	331,655
Borrowings	21,000	19,000
Accrued interest payable	119	161
Other liabilities	<u>3,646</u>	<u>2,622</u>
TOTAL LIABILITIES	400,003	353,437
SHAREHOLDERS' EQUITY:		
Common Stock - Par Value \$0.50; 2,000,000 Authorized		
2020 - 681,964 issued; 2019 - 650,356 issued	341	325
Surplus	16,857	14,344
Treasury stock: 2020 - 14,655; 2019 - 14,635	(512)	(512)
Accumulated other comprehensive income	1,792	(920)
Retained earnings	<u>22,849</u>	<u>22,126</u>
TOTAL STOCKHOLDERS' EQUITY	<u>41,327</u>	<u>35,363</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 441,330</u></u>	<u><u>\$ 388,800</u></u>

Peoples Ltd.
STATEMENT OF INCOME (unaudited)
For the Quarter Ending
June 30, 2020 and 2019
(in thousands, except per share amounts)

	Quarter Ending		Year to Date	
	2020	2019	2020	2019
INTEREST INCOME:				
Interest and fees on loans	\$ 3,212	\$ 3,033	\$ 6,499	\$ 6,081
Interest and dividends on investments:				
Taxable Interest and Dividends	451	521	966	988
Tax Exempt	104	120	217	241
Interest on Deposits in Banks	15	199	94	381
Total interest income	<u>3,782</u>	<u>3,873</u>	<u>7,775</u>	<u>7,691</u>
INTEREST EXPENSE:				
Interest on deposits	501	693	1,171	1,347
Interest on borrowed funds	103	105	199	202
Total interest expense	<u>604</u>	<u>799</u>	<u>1,370</u>	<u>1,549</u>
NET INTEREST INCOME	<u>3,178</u>	<u>3,074</u>	<u>6,406</u>	<u>6,142</u>
PROVISION FOR POSSIBLE LOAN LOSSES	300	105	655	210
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	<u>2,878</u>	<u>2,969</u>	<u>5,751</u>	<u>5,932</u>
OTHER INCOME:				
Service charges	336	320	686	618
Other operating income	(509)	141	(351)	274
Increase in cash surrender value, life insurance	53	10	117	21
Gain on sale of loans	1,177	141	1,451	290
Gain on sale of other real estate	-	-	-	13
Unrealized gain(loss) on equity securities	-	-	(26)	-
Total other income	<u>1,056</u>	<u>612</u>	<u>1,877</u>	<u>1,216</u>
OTHER EXPENSES:				
Salaries and employee benefits	1,341	1,270	2,735	2,527
Occupancy and equipment	272	268	545	549
Other losses	1	1	3	3
Other operating expenses	832	745	1,601	1,411
Total other expenses	<u>2,446</u>	<u>2,284</u>	<u>4,884</u>	<u>4,490</u>
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	<u>1,488</u>	<u>1,296</u>	<u>2,744</u>	<u>2,658</u>
Income Taxes	280	227	506	470
NET INCOME	<u>\$ 1,208</u>	<u>\$ 1,071</u>	<u>\$ 2,238</u>	<u>\$ 2,188</u>
Earnings Per Share	<u>\$ 1.81</u>	<u>\$ 1.60</u>	<u>\$ 3.35</u>	<u>\$ 3.28</u>