



For Release
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Peoples Ltd. Announces Third 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 third quarter results.

For the three months ended September 30, 2020, net income totaled \$1,395,000 compared to \$1,232,000 for the third quarter of 2019, an increase of \$163,000 or 13.24%. Earnings per share for the quarter of \$2.09 compares to third quarter 2019 of \$1.85 per share as adjusted for the 2019 year-end 5% stock dividend. Net income for the nine months ended September 30, 2020 totaled \$3,633,000 with earnings per share of \$5.44 compared to 2019 results for the same period of \$3,420,000 or \$5.12 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 12.89% as of September 30, 2020 compares to 12.95% for the same period 2019. Return on assets of 1.15% as of September 30, 2020 compares to 1.17% for the same period in 2019.

Total assets increased by \$39,701,000 or 9.9% to \$441,218,000 compared to \$401,517,000 as of December 31, 2019. Deposits increased \$29,716,000 or 8.6% to \$374,209,000 compared to \$344,493,000 as of December 31, 2019. Net loans increased by \$30,584,000 or 12.3% to \$279,068,000 from \$248,484,000 year-end 2019. Net loans include approximately 23,500,000 in Paycheck Protection Program Loans.

“Throughout the third quarter, and 2020 as a whole, PS Bankers have showed tremendous dedication and resiliency in helping to deliver strong financial results, while helping to guide our communities and small businesses forward through these unprecedented times. Third quarter income grew by 13.24% over prior year third quarter, despite an additional \$245,000 in loan loss provisions over the prior year third quarter. Strong mortgage sales and deposit repricing strategies continue to drive improved performance.

Our PS Mortgage team has continued to help put customers into their dream homes, while refinancing others to take advantage of the historically low mortgage rate environment. Our commercial lending team is helping to meet business customers' needs, while also helping them to navigate through evolving Paycheck Protection Program forgiveness processes. Deferrals in our loan portfolio continue to decrease, from a high in excess of 17%, to approximately 2.3% currently. Our improved 2020 results have come despite providing additional loan loss provisions of \$690,000 greater than prior year to date, as we continue to recognize the elevated risk environment caused by the ongoing pandemic.

We continue to remain focused on our customers, our communities, and our shareholders during these challenging times, and greatly appreciate the trust and faith that they have placed in our institution. We are grateful for the long-lasting relationships that we have been able to develop throughout these times. We look forward to continuing to serve our communities," 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
September 30, 2020 and 2019
(in thousands, except share amounts)

	2020	2019
ASSETS		
Cash and due from banks	\$ 8,483	\$ 4,840
Interest bearing balances with banks	39,133	36,431
Investment securities	98,671	108,505
Loans held for sale	2,361	451
Loans	280,416	242,346
Allowance for loan losses	(3,710)	(2,678)
Loans, net	<u>279,068</u>	<u>240,119</u>
Bank premises and equipment, net	4,719	4,857
Accrued interest receivable	1,105	956
Other assets	10,040	10,087
TOTAL ASSETS	<u><u>\$ 441,218</u></u>	<u><u>\$ 405,796</u></u>
LIABILITIES		
Deposits:		
Noninterest-bearing	\$ 113,367	\$ 85,776
Interest-bearing	<u>260,843</u>	<u>263,459</u>
Total deposits	374,209	349,235
Borrowings	21,000	16,000
Accrued interest payable	109	143
Other liabilities	<u>3,671</u>	<u>2,879</u>
TOTAL LIABILITIES	<u>398,990</u>	<u>368,258</u>
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	1,666	(920)
Retained earnings	<u>23,877</u>	<u>23,009</u>
TOTAL STOCKHOLDERS' EQUITY	<u>42,229</u>	<u>36,246</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 441,218</u></u>	<u><u>\$ 404,504</u></u>

Peoples Ltd.
STATEMENT OF INCOME (unaudited)
For the Quarter Ending
September 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	\$ 3,304	\$ 3,161	\$ 9,802	\$ 9,242
Interest and dividends on investments:				
Taxable Interest and Dividends	411	509	1,377	1,497
Tax Exempt	109	118	325	359
Interest on Deposits in Banks	11	236	104	617
Total interest income	<u>3,833</u>	<u>4,024</u>	<u>11,609</u>	<u>11,715</u>
INTEREST EXPENSE:				
Interest on deposits	396	764	1,567	2,111
Interest on borrowed funds	107	98	305	300
Total interest expense	<u>503</u>	<u>862</u>	<u>1,872</u>	<u>2,411</u>
NET INTEREST INCOME	<u>3,331</u>	<u>3,162</u>	<u>9,736</u>	<u>9,304</u>
PROVISION FOR POSSIBLE LOAN LOSSES	350	105	1,005	315
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	<u>2,981</u>	<u>3,057</u>	<u>8,731</u>	<u>8,989</u>
OTHER INCOME:				
Service charges	364	334	1,050	952
Other operating income	(1,231)	130	(856)	404
Increase in cash surrender value, life insurance	60	33	177	54
Gain on sale of loans	2,192	324	2,918	614
Gain on sale of other real estate	6	-	6	13
Unrealized gain(loss) on equity securities	-	-	(26)	-
Total other income	<u>1,391</u>	<u>821</u>	<u>3,268</u>	<u>2,036</u>
OTHER EXPENSES:				
Salaries and employee benefits	1,466	1,321	4,201	3,848
Occupancy and equipment	259	250	804	799
Other losses	1	1	4	4
Other operating expenses	925	798	2,526	2,209
Total other expenses	<u>2,651</u>	<u>2,370</u>	<u>7,535</u>	<u>6,859</u>
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	<u>1,721</u>	<u>1,508</u>	<u>4,465</u>	<u>4,166</u>
Income Taxes	326	276	832	746
NET INCOME	<u>\$ 1,395</u>	<u>\$ 1,233</u>	<u>\$ 3,633</u>	<u>\$ 3,420</u>
Earnings Per Share	<u>\$ 2.09</u>	<u>\$ 1.85</u>	<u>\$ 5.44</u>	<u>\$ 5.12</u>