



For Release
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Peoples Ltd. Announces First Quarter Earnings

Wyalusing, PA – Peoples Ltd. (OTC:PPLL). Anthony J. Gabello, President and Chief Executive Officer of Peoples Ltd., holding company for PS Bank, has announced results for the first quarter 2020. Consolidated net income year-to-date was \$1,030,000 or \$1.54 earnings per share. Net income for the first quarter 2019 was \$1,118,000 or \$1.68 per share as adjusted for the 5% stock dividend at year-end 2020. Net income for the first quarter of 2020 represents a decrease of 7.9% over the first quarter of 2019. The decrease in net income is attributable to additional loan loss provisions taken in March as a result of the COVID-19 pandemic.

Year-to-date return on assets was 1.01% as of March 31, 2020 compared to 1.17% for the same period in 2019. Year-to-date return on equity was 11.24% as of March 31, 2020 compared to the prior year-to-date of 13.24%.

Total assets increased to \$413,123,000 from \$401,517,000 as of December 31, 2020. Deposits increased to \$349,045,000 compared to \$344,493,000 as of December 31, 2019. Loans increased from \$248,484,000 year-end 2019 to \$254,273,000 as of March 31, 2020.

Gabello said, “We began 2020 by continuing the solid financial performance that we experienced throughout 2019. In early March, circumstances regarding COVID-19 began to evolve rapidly. We quickly implemented our Pandemic Response Plan and were proactive in our efforts to protect and ensure the safety and well-being of our customers, our employees, and our communities. We reduced foot traffic in our offices, implemented enhanced cleaning protocols, enacted social distancing requirements, and put in place applicable CDC and other relevant guidelines. We moved some employees to work remotely and distanced others. We reached out to our customer base and set up an email address, heretohelp@psbanking.com, dedicated to addressing concerns or challenges our customers have in these uncertain times. We also began offering customers three-month interest only payments or loan payment deferrals as needed to get through these challenging times. Our loan officers and branch managers proactively reached out to customers to check in on them and to offer assistance as necessary.

“In March, we took a provision to our Allowance for Loan Losses in the amount of \$285,000, which approximated a 10% increase in our Allowance, due to the uncertainty

of the impact regarding COVID-19. The total provisions for the first quarter 2020 exceeded the 2019 first quarter by \$250,000, and prior to the additional provisions, 2020 performance exceeded same period 2019 performance.

“In April, PS Bank participated in the Payroll Protection Program, the Small Business Administration’s program aimed at providing relief to small businesses through 100% federally guaranteed loans, as made possible by the CARES Act. At the exhaustion of funds in the first round of funding PS Bank facilitated 235 loans for over \$17.5 million. PS Bank was able to fulfill over 94% of its pipeline in the initial round as our bankers worked tirelessly to get these funds to small businesses. Additionally, our average loan size was approximately \$75,000 versus the national average of \$206,000, a statistic we’re extremely proud of, illustrating that we were truly diligent in meeting the needs of the smallest business customers in our communities.

“While we believe that the COVID-19 pandemic will have an impact on our bank, the severity of this impact on the economic environment, and our bank specifically, is uncertain at this time. We anticipate that lower interest rates, which resulted when the Federal Reserve lowered rates by 150 basis points in March, will compress our net interest margin in the near term. The shutdown of almost all businesses in our communities will result in decreased banking opportunities, and the potential for financial difficulties of existing borrowers is greatly increased as a result of job loss and halting of business. Despite these challenging and uncertain times, we are dedicated to helping to see our customers through these difficult times and as a result forge and cement long-lasting relationships. We recognize and understand that so many people and businesses in our communities need help and it’s our goal to help them get through these times and safely to the other side,” Gabello said.

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. Peoples Ltd. is traded in the Over-the-Counter market under the symbol PPLL. Learn more about PS Bank at PSBanking.com.

Peoples Ltd.
STATEMENT OF CONDITION (unaudited)
For the Quarter Ending
March 31, 2020 and 2019
(in thousands, except share amounts)

	2020	2019
ASSETS		
Cash and due from banks	\$ 12,668	\$ 3,612
Interest bearing balances with banks	22,443	43,530
Investment securities	107,965	104,234
Loans held for sale	842	1,697
Loans	256,576	230,557
Allowance for loan losses	(3,144)	(2,605)
Loans, net	<u>254,273</u>	<u>229,649</u>
Bank premises and equipment, net	4,824	4,862
Accrued interest receivable	963	976
Other assets	9,986	6,618
TOTAL ASSETS	<u><u>\$ 413,123</u></u>	<u><u>\$ 393,481</u></u>
LIABILITIES		
Deposits:		
Noninterest-bearing	\$ 90,020	\$ 84,966
Interest-bearing	259,025	250,979
Total deposits	<u>349,045</u>	<u>335,945</u>
Borrowings	21,000	19,000
Accrued interest payable	140	162
Other liabilities	2,578	3,743
TOTAL LIABILITIES	<u>372,764</u>	<u>358,850</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	22,008	21,394
TOTAL STOCKHOLDERS' EQUITY	<u>40,359</u>	<u>34,631</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 413,123</u></u>	<u><u>\$ 393,481</u></u>

Peoples Ltd.
STATEMENT OF INCOME (unaudited)
For the Quarter Ending
March 31, 2020 and 2019
(in thousands, except per share amounts)

	Year to Date	
	2020	2019
INTEREST INCOME:		
Interest and fees on loans	\$ 3,286	\$ 3,048
Interest and dividends on investments:		
Taxable Interest and Dividends	515	468
Tax Exempt	113	121
Interest on Deposits in Banks	79	182
Total interest income	3,993	3,818
INTEREST EXPENSE:		
Interest on deposits	670	653
Interest on borrowed funds	95	97
Total interest expense	765	750
NET INTEREST INCOME	3,228	3,068
PROVISION FOR POSSIBLE LOAN LOSSES	355	105
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	2,873	2,963
OTHER INCOME:		
Service charges	351	298
Other operating income	158	133
Increase in cash surrender value, life insurance	64	10
Gain on sale of loans	274	149
Gain on sale of other real estate	-	13
Unrealized gain(loss) on equity securities	(26)	-
Total other income	821	604
OTHER EXPENSES:		
Salaries and employee benefits	1,394	1,257
Occupancy and equipment	272	281
Other losses	2	2
Other operating expenses	770	666
Total other expenses	2,437	2,205
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	1,256	1,361
Income Taxes	227	243
NET INCOME	\$ 1,030	\$ 1,117
Earnings Per Share	\$ 1.54	\$ 1.68