



PEOPLES FINANCIAL CORPORATION

March 19, 2025

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders (the “Annual Meeting”) of Peoples Financial Corporation (the “Company”) on Wednesday, April 23, 2025, at 6:30 p.m., Central Time, at the Company’s offices located in The Swetman Building at The Peoples Bank, Suite 204, 727 Howard Avenue, Biloxi, Mississippi, 39530.

Once again, a group of related shareholders composed of Stilwell Activist Investments, L.P., Stilwell Activist Fund, L.P., Stilwell Value Partners VII, L.P. Stilwell Value LLC, and Joseph D. Stilwell (collectively, “Stilwell Group”), has decided to conduct an adversarial proxy contest in order to nominate one individual for election to the Board of Directors of our Company at the Annual Meeting outside of the typical nomination process. The Company is required by federal regulations to send you a proxy card that includes all individuals nominated for election to the Board of Directors, which includes both the six (6) individuals nominated by your Board of Directors and the one individual nominated by the Stilwell Group.

Additionally, for the first time this year, another shareholder, Philip J. Timyan, has proposed a shareholder resolution recommending that the Board of Directors take all necessary steps to promptly sell the Company. While this resolution is merely precatory and non-binding on the Board of Directors, Rule 14a-8 implementing the Securities Exchange Act of 1934 requires the Company to include the proposed resolution on the proxy card it is sending you this year as well.

It is very important for you to read carefully the enclosed Proxy Statement that explains in detail how you should vote and submit your proxy card for this year’s Annual Meeting. In order to help answer any specific questions you may have, we have added to page 6, of this year’s Proxy Statement a section entitled “Questions and Answers About the Annual Meeting” that will hopefully help explain the Company’s proxy card used for this year’s meeting; however, we still encourage you to review the Proxy Statement in its entirety in order to inform yourself properly for the matters to be considered and voted on at the Annual Meeting.

THE COMPANY’S BOARD OF DIRECTORS STRONGLY OPPOSES THE STILWELL GROUP’S PROXY SOLICITATION AS WELL AS MR. TIMYAN’S PROPOSED RESOLUTION. THE BOARD OF DIRECTORS ALSO URGES YOU NOT TO SIGN OR RETURN ANY GREEN PROXY CARD SENT TO YOU BY THE STILWELL GROUP.

Even voting to “Withhold” a vote on the nominee or nominees of the Stilwell Group by signing and returning the GREEN PROXY CARD could invalidate any vote a shareholder may also make “For” the Board’s nominees. Instead, shareholders supporting nominees recommended by your Board of Directors should sign and return the WHITE PROXY CARD that is included in the enclosed materials. Shareholders wishing to oppose Mr. Timyan’s proposal should also vote “Against” the proposal on the WHITE PROXY CARD included in the enclosed materials before signing and returning it.

If you have already received and returned the GREEN PROXY CARD from the Stilwell Group, we urge you to change your vote by promptly (i) signing, dating and returning the enclosed WHITE PROXY CARD or (ii) voting by telephone or internet using the instructions on the WHITE PROXY CARD. Only the latest dated proxy card or vote you submit will be counted.

Our Board unanimously recommends that shareholders vote “**FOR**” the approval of the six directors that have been nominated by the Board on recommendation from the Nominating Committee, as further described in the enclosed Proxy Statement. All are very well qualified and are long-time members of our Gulf Coast Community. All of the nominees have been directors of The Peoples Bank and the Company for some time. Our Board also unanimously recommends that the shareholder vote “**FOR**” the advisory proposal to approve compensation of the named executive officers and that shareholders vote to approve executive compensation once every 3 years. However, the Board of Directors unanimously recommends the shareholders vote “**AGAINST**” Mr. Timyan’s proposal for reasons stated within the enclosed proxy statement.

It is particularly important that you be represented by proxy at the Annual Meeting regardless of the number of shares you own. Therefore, if you are unable to attend for any reason, you are strongly encouraged to return a completed WHITE PROXY CARD in the form distributed along with the enclosed Notice of Meeting and Proxy Statement. **If you have any questions regarding the Annual Meeting or the enclosed proxy materials, please call Kathy Crabtree, Vice President and Corporate Trust Officer for The Peoples Bank at (228) 435-8208.**

Your vote is important. Whether or not you plan to attend the Annual Meeting, please vote as soon as possible by RETURNING the enclosed WHITE PROXY CARD. Your vote by proxy will ensure your representation and support at the Annual Meeting regardless of whether or not you attend in person.

We appreciate your prompt attention to this matter, and your continued support of and interest in the Company.

Sincerely yours,



Chevis C. Swetman
Chairman, President and Chief Executive Officer