



PEOPLES FINANCIAL CORPORATION

FOR IMMEDIATE RELEASE

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PEOPLES FINANCIAL CORPORATION REVISES SECOND QUARTER OF 2020 RESULTS

BILOXI, MS (August 10, 2020)—Peoples Financial Corporation (OTCQX Best Market: PFBX), parent of The Peoples Bank, announced a revision to its results for the second quarter ended June 30, 2020, which were previously announced on July 29, 2020.

As a result of receiving new information on one credit, an additional provision for loan losses of \$1,135,000 has been recorded for the second quarter of 2020. This adjustment revised previously reported earnings of \$858,000 for the second quarter ended June 30, 2020 to a net loss of \$277,000 and previously reported earnings of \$1,981,000 for the six months ended June 30, 2020 to earnings of \$846,000.

The adjusted loss per weighted average common share for the second quarter of 2020 was \$0.06 compared to loss per weighted average common share of \$0.06 for the second quarter of 2019. Per share figures are based on weighted average common shares outstanding of 4,883,764 and 4,943,186 for the quarters ended June 30, 2020 and 2019, respectively.

Adjusted earnings per weighted average common share for the six months ended June 30, 2020 were \$0.17 compared to earnings per weighted average common share of \$0.02 for the six months ended June 30, 2019. Per share figures are based on weighted average common shares outstanding of 4,905,690 and 4,943,186 for the six months ended June 30, 2020 and 2019, respectively.

“Since releasing earnings on July 29, additional information was obtained relating to one credit which is on nonaccrual and in bankruptcy. While we are disappointed by this event, it is prudent that we recognize this potential loss in a timely manner,” said Chevis C. Swetman, chairman and chief executive officer of the holding company and the bank.

Founded in 1896, with \$656 million in assets as of June 30, 2020, The Peoples Bank operates 18 branches along the Mississippi Gulf Coast in Hancock, Harrison, Jackson and Stone counties. In addition to offering a comprehensive range of retail and commercial banking services, the bank also operates a trust and investment services department that has provided customers with financial, estate and retirement planning services since 1936.

The Peoples Bank is a wholly owned subsidiary of Peoples Financial Corporation, listed on the OTCQX Best Market under the symbol PFBX. Additional information is available on the Internet at www.thepeoples.com.

This news release contains forward-looking statements and reflects industry conditions, company performance and financial results. These forward-looking statements are subject to a number of risk factors and uncertainties which could cause the Company's actual results and experience to differ from the anticipated results and expectation expressed in such forward-looking statements.

PEOPLES FINANCIAL CORPORATION
(In thousands, except per share figures) (Unaudited) (Revised)

EARNINGS SUMMARY

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net interest income	\$ 4,449	\$ 4,340	\$ 8,845	\$ 8,960
Provision for loan losses	1,333	56	1,397	110
Non-interest income	1,753	1,599	4,019	3,065
Non-interest expense	5,146	6,211	10,621	11,838
Net income (loss)	(277)	(328)	846	77
Earnings (loss) per share	\$ (.06)	\$ (.06)	\$.17	\$.02

TRANSACTIONS IN THE ALLOWANCE FOR LOAN LOSSES

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Allowance for loan losses, beginning of period	\$ 4,191	\$ 5,376	\$ 4,207	\$ 5,340
Recoveries	59	26	121	84
Charge-offs	(254)	(512)	(396)	(588)
Provision for loan losses	1,333	56	1,397	110
Allowance for loan losses, end of period	<u>\$ 5,329</u>	<u>\$ 4,946</u>	<u>\$ 5,329</u>	<u>\$ 4,946</u>

ASSET QUALITY

	June 30,	
	2020	2019
Allowance for loan losses as a percentage of loans	1.83%	1.86%
Loans past due 90 days and still accruing	\$ 82	\$
Nonaccrual loans	8,381	10,143

PERFORMANCE RATIOS (annualized)

	June 30,	
	2020	2019
Return on average assets	.27%	.02%
Return on average equity	1.74%	.17%
Net interest margin	3.07%	3.23%
Efficiency ratio	93%	99%
Primary capital	16.58%	15.66%

BALANCE SHEET SUMMARY

	June 30,	
	2020	2019
Total assets	\$ 656,450	\$ 622,422
Securities	252,956	277,138
Loans	290,538	266,097
Other real estate	6,100	9,012
Total deposits	535,848	493,635
Shareholders' equity	99,197	92,869
Book value per share	20.31	18.79
Weighted average shares	4,905,690	4,943,186