PEOPLES FINANCIAL CORPORATION as of 7/18/12
(In thousands, except per share figures) (Unaudited)

EARNINGS SUMMARY	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net interest income	$ 5,698	$ 5,687	$ 11,286	$ 11,549
Provision for loan losses	1,290	546	1,830	1,187
Non-interest income	2,897	2,451	5,016	4,474
Non-interest expense	6,800	6,975	13,552	13,931
Income taxes	(57)	(192)	(147)	(342)
Net income	562	809	1,067	1,247
Earnings per share	.11	.16	.21	.24

TRANSACTIONS IN THE ALLOWANCE FOR LOAN LOSSES

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Allowance for loan losses, beginning of period	$ 8,048	$ 7,105	$ 8,136	$ 6,650
Recoveries	13	79	70	193
Charge-offs	(2,608)	(1,017)	(3,293)	(1,317)
Provision for loan losses	1,290	546	1,830	1,187
Allowance for loan losses, end of period	$ 6,743	$ 6,713	$ 6,743	$ 6,713

ASSET QUALITY	June 30,	
	2012	2011
Allowance for loan losses as a percentage of loans	1.58%	1.71%
Loans past due 90 days and still accruing	$ 67	$ 1,195
Nonaccrual loans	54,968	32,562

PERFORMANCE RATIOS (annualized)	June 30,	
	2012	2011
Return on average assets	.26%	.31%
Return on average equity	1.94%	2.40%
Net interest margin	3.04%	3.31%
Efficiency ratio	94%	94%
Primary capital	14.05%	13.94%

BALANCE SHEET SUMMARY	June 30,	
	2012	2011
Total assets	$ 852,608	$ 821,215
Securities	340,150	327,442
Loans	427,591	393,390
Other real estate	7,523	8,163
Total deposits	481,569	498,419
Total federal funds purchased	161,988	169,044
Shareholders' equity	110,728	106,247
Book value per share	21.56	20.68
Weighted average shares	5,136,918	5,136,918