



PEOPLES FINANCIAL CORPORATION

FOR IMMEDIATE RELEASE

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PEOPLES FINANCIAL CORPORATION REPORTS RESULTS FOR THE FIRST QUARTER OF 2025

BILOXI, MS (April 23, 2025) - Peoples Financial Corporation (the “Company”)(OTCQX Best Market: PFBX), parent of The Peoples Bank (the “Bank”), announced earnings for the first quarter ending March 31, 2025.

First Quarter Earnings

Net income for the first quarter of 2025 decreased \$1,105,000 to \$1,310,000 compared to net income of \$2,415,000 for the first quarter of 2024. The earnings per weighted average common share for the first quarter of 2025 were \$0.28 compared to earnings per weighted average common share of \$0.52 for the first quarter of 2024. Per share figures are based on weighted average common shares outstanding of 4,617,466 and 4,661,686 for the first quarters of 2025 and 2024, respectively.

The decrease in net income for the first quarter of 2025 was primarily due to a decrease in net interest income of \$1,025,000 to \$5,668,000 for the first quarter of 2025 compared with \$6,693,000 for the first quarter of 2024. Total interest income decreased by \$1,370,000 to \$7,559,000 for the first quarter of 2025 as compared with \$8,929,000 for the first quarter of 2024 due to lower interest income on securities caused by a decrease in balances and yields. Total interest expense decreased by \$345,000 to \$1,891,000 for the first quarter of 2025 as compared with \$2,236,000 for the first quarter of 2024 due to lower interest rates paid on deposit accounts and lower borrowing costs.

Return on average assets for the first quarter ended March 31, 2025, decreased 0.50% to 0.62% compared to 1.12% for the first quarter ended March 31, 2024. The Company’s efficiency ratio increased 13% to 77% for the first quarter ended March 31, 2025, compared to 64% for the first quarter ended March 31, 2024.

Asset Quality

“The Bank’s leadership remains committed to maintaining high-quality assets. We are closely monitoring economic conditions and staying vigilant for any potential changes in interest rates,” said Chevis C. Swetman, chairman and chief executive officer of the Company and the Bank.

Shareholders' Equity

Total shareholders' equity increased by \$4,454,000 from \$90,001,000 at December 31, 2024, to \$94,455,000 at March 31, 2025. The improvement in shareholders' equity was mainly due to quarterly earnings of \$1,310,000 through March 31, 2025. The Company also experienced a decrease of \$3,144,000 in unrealized losses on securities in 2025. The Company reported \$34,862,000 and \$38,006,000 in unrealized losses on the available for sale securities portfolio as of March 31, 2025, and December 31, 2024, respectively. These unrealized losses are presented in accumulated other comprehensive income for the respective periods. The cause of the unrealized losses has primarily resulted from higher interest rates that have impacted the current market value of available for sale securities. The unrealized losses are not related to any credit deterioration within the portfolio. The Company has maintained strong liquidity and continues to do so; therefore, the Company does not foresee a sale of any affected securities that would cause the realization of these losses by the Company as part of net income in the near future.

The Bank's leverage ratio has not been impacted by these unrealized losses on available for sale securities due to an opt-out election previously made by the Bank in accordance with current regulatory capital requirements and therefore remained strong at 13.32% as of March 31, 2025.

Liquidity

The Company maintains a well-capitalized balance sheet which includes strong capital and liquidity. The Bank provides a full range of banking, financial and trust services in our local markets. The majority of the Bank's deposits are fully FDIC insured. The Company evaluates on an ongoing and continuous basis its financial health by preparing for various moderate to severe economic scenarios.

As interest rates have increased and the cost of attracting new deposits and replacing deposit attrition has increased, the Bank experienced an increase in its cost of funds during the twelve months ended December 31, 2024. As of March 31, 2025 total deposits have increased \$31,261,000 to \$751,991,000 from \$720,730,000 as of December 31, 2024. This is mainly due to an influx of public fund tax deposits during the first and last quarters of 2025 and 2024 that were slowly allocated by the public accountholders throughout the year.

About the Company

Founded in 1896, with \$867 million in total assets as of March 31, 2025, The Peoples Bank operates 18 bank facilities 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.

Peoples Financial Corporation's common stock is listed on the OTCQX Best Market under the symbol PFBX. Additional information is available on the Internet at the Company's website, www.thepeoples.com, and at the website of the Securities and Exchange Commission ("SEC"), www.sec.gov.

This news release reflects industry conditions, Company performance and financial results and contains "forward-looking statements," which may include forecasts of our financial results and condition, expectations for our operations and businesses, and our assumptions for those forecasts and expectations. Do not place undue reliance on forward-looking statements. 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 materially from the anticipated results and expectation expressed in such forward-looking statements.

Factors that could cause our actual results to differ materially from our forward-looking statements are described under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Regulation and Supervision" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, and in other documents subsequently filed by the Company with the Securities and Exchange Commission, available at the SEC's website and the Company's website, each of which are referenced above. To the extent that statements in this news release relate to future plans, objectives, financial results or performance by the Company, these statements are deemed to be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are generally identified by use of words such as "may," "believe," "expect," "anticipate," "intend," "will," "should," "plan," "estimate," "predict," "continue" and "potential" or the negative of these terms or other comparable terminology.

Forward-looking statements represent management's beliefs, based upon information available at the time the statements are made, with regard to the matters addressed; they are not guarantees of future performance. Forward-looking statements

are subject to numerous assumptions, risks and uncertainties that change over time and could cause actual results or financial condition to differ materially from those expressed in or implied by such statements. All information is as of the date of this news release. Except to the extent required by applicable law or regulation, the Company undertakes no obligation to revise or update publicly any forward-looking statement for any reason.

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(In thousands, except per share figures) (Unaudited)

EARNINGS SUMMARY

	Three Months Ended March 31,	
	2025	2024
Net interest income	\$ 5,668	\$ 6,693
(Reduction) provision for credit losses	(5)	-
Non-interest income	1,703	1,743
Non-interest expense	5,691	5,390
Income tax expense	375	631
Net income	1,310	2,415
Earnings per share	\$ 0.28	\$ 0.52

TRANSACTIONS IN THE ALLOWANCE FOR CREDIT LOSSES ON LOANS

	Three Months Ended March 31,	
	2025	2024
Allowance for credit losses on loans, beginning of period	\$ 2,982	\$ 3,224
Recoveries	40	58
Charge-offs	(53)	(135)
Provision for (reduction of) loan losses	—	(60)
Allowance for credit losses on loans, end of period	\$ 2,969	\$ 3,087

PERFORMANCE RATIOS

March 31,	2025	2024
Return on average assets	0.62 %	1.12 %
Return on average equity	5.76 %	13.85 %
Net interest margin	2.98 %	3.24 %
Efficiency ratio	77 %	64 %

BALANCE SHEET SUMMARY

March 31,	2025	2024
Total assets	\$ 866,613	\$ 932,602
Securities	482,810	541,553
Loans, net	228,676	233,187
Other real estate (ORE)	9	-
Total deposits	751,991	811,499
Shareholders' equity	94,455	70,663
Book value per share	20.46	15.16
Weighted average shares	4,617,466	4,661,686

PERIOD END DATA

March 31,	2025	2024
Allowance for credit losses on loans as a percentage of loans	1.28 %	1.31 %
Loans past due 90 days and still accruing	\$ 61	\$ 21
Nonaccrual loans	\$ 441	\$ 352
Leverage ratio	13.32 %	11.48 %