

FIRST BANCSHARES, INC. ANNOUNCES SECOND QUARTER 2019 RESULTS

Mountain Grove, Missouri (July 19, 2019) – First Bancshares, Inc. (OTCPink - FstBksh: FBSI) (“Company”), the holding company for Stockmens Bank (“Bank”), today announced its financial results for the quarter ended June 30, 2019.

For the quarter ended June 30, 2019, the Company had net income of \$835,000, or \$0.33 per share-diluted, compared to \$780,000, or \$0.31 per share diluted, for the comparable period in 2018. The \$55,000 increase in net income for the quarter ended June 30, 2019 compared to the quarter ended June 30, 2018 was attributable to a \$177,000 decrease in non-interest expense, a \$444,000 increase in non-interest income, and a \$21,000 decrease in year to date tax expense offset by \$587,000 decrease in net interest income after provisions for loan losses due to a \$635,000 increase in provision expenses. Provisions for loan losses totaled \$710,000 in the quarter ended June 30, 2019 compared to \$75,000 in the same quarter 2018. As a consequence of purchase accounting dating back to the 2017 merger, adjustments to the loan discount were applied this quarter. Further, growth in the loan portfolio in 2019 required additional provisions to the loan loss reserve.

Year to date 2019, the Company has net income \$1.79 million, or \$0.71 per share diluted, compared to \$1.40 million, or \$0.55 per share diluted, for the six months ended 2018. Total provisions came to \$785,000, resulting in net interest income after provisions of \$5.53 million, compared to \$266,000 in provisions and \$5.85 million in net interest income after provision over the same period in 2018.

As of June 30, 2019, non-performing assets including loans 30 days past due and loans in nonaccrual status totaled \$1.86 million or 0.50% of total assets and the allowance for loan and lease losses was 1.07% of total loans, resting at \$2.98 million.

Consolidated total assets at June 30, 2019 were \$368.72 million, compared to \$345.32 million at December 31, 2018. During the first half of the year, net loans increased 7.49% to \$279.93 million, total deposits increased 7.30% to \$319.24 million, and total capital increased to \$35.83 million, or 9.72% of total assets, compared to \$33.82 million, or 9.79% of total assets, at December 31, 2018.

The Bank continues to meet all regulatory requirements for “well-capitalized” status and reports Tier 1 Leverage Ratio of 9.13%, Common Equity Tier 1 Capital Ratio of 11.39%, Tier 1 Capital Ratio of 11.39%, Total Risk Based Capital Ratio of 13.29%, and a Capital Conservation Buffer of 5.45%. Regulatory requirements for these ratios respectively are 5.00%, 6.50%, 8.00%, 10.00%, and 2.50%.

About the Company

First Bancshares, Inc. is the holding company for Stockmens Bank, a FDIC-insured commercial bank chartered by the State of Colorado that conducts business from its home office in Colorado Springs, Colorado, eight full service Missouri offices in Mountain Grove, Marshfield, Ava, Kisse Mills, Gainesville, Sparta, Crane and Springfield, and a full service office in Bartley, Nebraska.

Cautionary Note Regarding Forward-Looking Statements

The Company and its wholly-owned subsidiary, Stockmens Bank, may from time to time make written or oral “forward-looking statements” in its reports to shareholders, and in other communications by the Company, which are made in good faith by the Company pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements include statements with respect to the Company's beliefs, expectations, estimates and intentions that are subject to significant risks and uncertainties, and are subject to change based on various factors, some of which are beyond the Company's control. Such statements address the following subjects: future operating results; customer growth and retention; loan and other product demand; earnings growth and expectations; new products and services; credit quality and adequacy of reserves; results of examinations by our bank regulators, technology, and our employees. The following factors, among others, could cause the Company's financial performance to differ materially from the expectations, estimates and intentions expressed in such forward-looking statements: the strength of the United States economy in general and the strength of the local economies in which the Company conducts operations; the effects of, and changes in, trade, monetary, and fiscal policies and laws, including interest rate policies of the Federal Reserve Board; inflation, interest rate, market, and monetary fluctuations; the timely development and acceptance of new products and services of the Company and the perceived overall value of these products and services by users; the impact of changes in financial services' laws and regulations; technological changes; acquisitions; changes in consumer spending and savings habits; and the success of the Company at managing and collecting assets of borrowers in default and managing the risks of the foregoing.

The foregoing list of factors is not exclusive. The Company does not undertake, and expressly disclaims any intent or obligation, to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Company.

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First Bancshares, Inc. and Subsidiaries

Financial Highlights

(In thousands, except per share amounts)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Operating Data:				
Total interest income	\$ 3,997	\$ 3,709	\$ 7,923	\$ 7,254
Total interest expense	851	611	1,611	1,136
Net interest income	3,146	3,098	6,312	6,118
Provision for loan losses	710	75	785	266
Net interest income after provision for loan losses	2,436	3,023	5,527	5,852
Gain (loss) on sale of investments	-	-	-	(1)
Non-interest income	773	329	1,095	634
Non-interest expense	2,126	2,303	4,278	4,604
Income before taxes	1,083	1,049	2,344	1,881
Income tax expense	248	269	554	479
Net income	<u>\$ 835</u>	<u>\$ 780</u>	<u>\$ 1,790</u>	<u>\$ 1,402</u>
Earnings per share	<u>\$ 0.33</u>	<u>\$ 0.31</u>	<u>\$ 0.71</u>	<u>\$ 0.55</u>
Financial Condition Data:				
	At June 30, 2019	At December 31, 2018		
Cash and cash equivalents (excludes CDs)	\$ 13,342	\$ 15,719		
Investment securities (includes CDs)	52,708	47,760		
Loans receivable, net	279,927	260,411		
Goodwill and intangibles	2,301	2,372		
Total assets	368,720	345,324		
Deposits	319,244	297,531		
Repurchase agreements	6,491	5,566		
FHLB advances	1,500	4,000		
Stockholders' equity	35,829	33,817		
Book value per share	\$ 14.12	\$ 13.29		