

Source: First Bancshares, Inc.

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First Bancshares, Inc. Announces Strong Operating Results for the Quarter and Year Ended December 31, 2019 and Announces Annual Cash Dividend of \$0.24 Per Share

MOUNTAIN GROVE, Mo., Jan. 31, 2020 (GLOBE NEWSWIRE) -- First Bancshares, Inc. (OTCPink - FstBksh: FBSI) ("Company"), the holding company for Stockmens Bank ("Bank"), today announced its financial results for the quarter and year ended December 31, 2019.

First Bancshares, Inc. also announced that its Board of Directors declared an annual cash dividend of **\$0.24** per share on the Company's outstanding common stock. The cash dividend will be payable on **March 16th, 2020** to shareholders of record as of the close of business on **February 28th, 2020**.

"We are pleased to announce a strong performance for the quarter and year ended December 31, 2019 and the payment of a cash dividend to our stockholders," said Robert M. Alexander, Chairman and CEO of the Company. "We intend to pay a cash dividend on an annual basis. Of course any future dividends will be dependent on an evaluation of our results of operations, capital position and future capital needs, and the general economic environment."

For the quarter ended December 31, 2019, the Company had net income, of \$815,000 or \$0.32 per share-diluted, compared to net income of \$750,000, or \$0.29 per share diluted for the comparable period in 2018. The \$65,000 increase in net income for the quarter ended December 31, 2019 compared to the quarter ended December 31, 2018 was attributable to a \$247,000 increase in net interest income, a \$32,000 decrease in tax expense and was reduced by a \$217,000 increase in provision expense.

The provision for loan losses for the quarter ended December 31, 2019 was \$292,000 compared to \$75,000 for the quarter ended December 31, 2018. The increase in the provision for loan losses during the December 31, 2019 quarter was attributable to strong loan growth in the 4th quarter coupled with higher loan default rates in 2019. Provision expenses for the year totaled \$1.24 million, compared to \$441,000 in 2018.

At December 31, 2019 non-performing assets, including loans past due and in nonaccrual status, totaled \$1.44 million or 0.41% of total assets and the allowance for loan and lease losses was 1.23% of total loans, or \$3.34 million.

For the year ended December 31, 2019, the Company had a net income of \$3.57 million, or \$1.41 per share – diluted, compared to a net income of \$2.98 million, or \$1.17 per share – diluted for the year ended December 31, 2018. The \$590,000 increase in net income for the year ended December 31, 2019 compared to the year ended December 31, 2018 was attributable to an increase of \$1.118 million in total interest income, a \$795,000 increase in provision expense, a \$31,000 increase in non-interest income, a \$397,000 decrease in non-interest expense and a \$161,000 increase in income tax expense.

Consolidated total assets at December 31, 2019 were \$354.19 million, compared to \$345.32 million at December 31, 2018. During the fourth quarter: Net loans increased 0.62% to \$268.97 million, total deposits decreased 2.53% to \$304.26 million, and total capital increased 2.17% to \$37.67 million, or 10.63% 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 9.69%, Common Equity Tier 1 Capital Ratio of 12.00%, Tier 1 Capital Ratio of 12.00%, and Total Risk Based Capital Ratio of 14.04%, and a Capital Conservation Buffer of 6.00%. 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, and eight full service Missouri offices in Mountain Grove, Marshfield, Ava, Kissee 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.

Robert M. Alexander, Chairman and CEO - (719) 955-2800

First Bancshares, Inc. and Subsidiaries
Financial Highlights

(In thousands, except per share amounts)

	Quarter Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Operating Data:				
Total interest income	\$ 4,134	\$ 3,797	\$ 16,760	\$ 14,854
Total interest expense	784	695	3,279	2,492
Net interest income	3,350	3,102	13,481	12,362
Provision for loan losses	292	75	1,236	441
Net interest income after provision for loan losses	3,058	3,027	12,245	11,921
Gain (loss) on sale of investments	13	-	13	-
Non-interest income	341	346	1,298	1,280
Non-interest expense	2,330	2,325	8,797	9,195
Income before taxes	1,082	1,048	4,759	4,006
Income tax expense	267	298	1,185	1,023
Net income	<u>\$ 815</u>	<u>\$ 750</u>	<u>\$ 3,574</u>	<u>\$ 2,983</u>
Earnings per share	<u>\$ 0.32</u>	<u>\$ 0.29</u>	<u>\$ 1.41</u>	<u>\$ 1.17</u>
	At	At		
	December	December		
	31,	31,		
Financial Condition Data:	<u>2019</u>	<u>2018</u>		

Cash and cash equivalents (excludes CDs)	\$	14,318	\$	15,719
Investment securities (includes CDs)		47,335		47,760
Loans receivable, net		268,969		260,411
Goodwill and intangibles		2,229		2,372
Total assets		354,185		345,324
Deposits		304,257		297,531
Repurchase agreements		5,686		5,566
FHLB advances		3,000		4,000
Stockholders' equity		37,667		33,817
Book value per share	\$	14.81	\$	13.29