

FIRST BANCSHARES, INC. ANNOUNCES THIRD QUARTER 2020 RESULTS

Mountain Grove, Missouri (October 9, 2020) – First Bancshares, Inc. (OTCPink - FstBksh: FBSI) (“Company”), the holding company for Stockmens Bank (“Bank”), today announced its financial results for the quarter ended September 30, 2020.

For the quarter ended September 30, 2020, the Company reported net income, of \$1,049,000 or \$0.40 per share-diluted, compared to \$997,000, or \$0.39 per share-diluted for the comparable period in 2019. The \$52,000 increase in net income for the quarter ended September 30, 2020 compared to the quarter ended September 30, 2019 was attributable to a \$120,000 increase in net interest income after provisions for loan losses, offset by a \$103,000 increase in non-interest expense, a \$62,000 gain on sales of investments, along with a modest \$1,000 increase in non-interest income, and a \$28,000 increase in income tax expense.

Year to date net income ending September 30, 2020 totaled \$2.93 million or \$1.11 per share-diluted, compared to \$2.77 million or \$1.09 per share-diluted on September 30, 2019.

Consolidated total assets at September 30, 2020 were \$402.22 million, compared to \$354.19 million at December 31, 2019. Since year end 2019, Net loans increased 11.46% to \$299.78 million, total deposits increased 14.26% to \$347.66 million, and total capital increased to \$42.65 million, or 10.60% of total assets compared to \$37.67 million, or 10.63% of total assets, at December 31, 2019.

In addition, volatility in interest rate markets triggered several calls in the Banks securities portfolio, coupled with Managements decision to sell certain investment assets at a gain, resulted in a 67.75% decrease to \$15.27 million from the \$47.33 million reported on December 31, 2019. This has increased the Bank’s cash and liquidity position substantially to \$60.95 million as of September 30, 2020 from \$14.32 million at year ended 2019.

Management continues to expect the strain in the interest rate environment and significantly enhanced market volatility to create future pressure on the Bank’s net interest margin and interest earnings capacity. As such, Management has taken proactive steps to redeploy liquidity reserves at maximum yield without accepting additional risk and employing interest rate risk strategies to protect future margins. Managment continues to be conservative with non-interest expenses and produced another quarter of positive earnings in light of implementing plans to protect future performance.

The Bank meets all regulatory requirements for “well-capitalized” status and has elected to opt-in to the Community Bank Leverage Ratio framework.

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, 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 September 30, | | Nine Months Ended September 30, | |
|--|--------------------------------|----------|------------------------------------|-----------|
| | 2020 | 2019 | 2020 | 2019 |
| | Operating Data: | | | |
| Total interest income | \$ 4,103 | \$ 4,264 | \$ 12,348 | \$ 12,627 |
| Total interest expense | 539 | 885 | 1,865 | 2,495 |
| Net interest income | 3,564 | 3,379 | 10,483 | 10,132 |
| Provision for loan losses | 225 | 160 | 631 | 945 |
| Net interest income after provision for loan losses | 3,339 | 3,219 | 9,852 | 9,187 |
| Gain (loss) on sale of investments | 62 | - | 62 | - |
| Non-interest income | 305 | 304 | 851 | 957 |
| Non-interest expense | 2,293 | 2,190 | 6,807 | 6,468 |
| Income before taxes | 1,413 | 1,333 | 3,958 | 3,676 |
| Income tax expense | 364 | 336 | 1,031 | 904 |
| Net income | \$ 1,049 | \$ 997 | \$ 2,927 | \$ 2,772 |
| Earnings per share | \$ 0.40 | \$ 0.39 | \$ 1.11 | \$ 1.09 |

| | At September 30, 2020 | At December 31, 2019 |
|---|----------------------------------|----------------------------|
| | Financial Condition Data: | |
| Cash and cash equivalents (excludes CDs) | \$ 60,946 | \$ 14,318 |
| Investment securities (includes CDs) | 15,267 | 47,335 |
| Loans receivable, net | 299,784 | 268,969 |
| Goodwill and intangibles | 2,122 | 2,229 |
| Total assets | 402,218 | 354,185 |
| Deposits | 347,657 | 304,257 |
| Repurchase agreements | 1,762 | 5,686 |
| FHLB advances | 3,500 | 3,000 |
| Stockholders' equity | 42,654 | 37,667 |
| Book value per share | \$ 15.95 | \$ 14.81 |