

FIRST BANCSHARES, INC. ANNOUNCES STRONG OPERATING RESULTS FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2021

Mountain Grove, Missouri (January 21, 2022) – 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, 2021.

For the quarter ended December 31, 2021, the Company had net income, of \$1.38 million or \$0.54 per share-diluted, compared to net income of \$1.02 million, or \$0.38 per share diluted for the respective period in 2020. The \$361,000 increase in net income for the quarter ended December 31, 2021, compared to the quarter ended December 31, 2020 was attributable to a \$729,000 increase in net interest income, a \$202,000 increase in non-interest income, a \$343,000 increase in non-interest expense, and a \$227,000 increase in tax expense.

At December 31, 2021, loans 30+ days past due totaled \$601,000 or 0.17% of the \$346.26 million gross loan portfolio. The allowance for loan and lease losses was 1.59% of total gross loans, resting at \$5.49 million at year end.

For the year ended December 31, 2021, Stockmens Bank (wholly owned, sole subsidiary) ended the year with net income of \$5.29 million, the highest in the combined company’s history. After additional holding company expenses and accruals, the Company posted net income of \$5.09 million, or \$1.96 per share – diluted, compared to a net income of \$3.94 million, or \$1.49 per share – diluted for the year ended December 31, 2020. The \$1.15 million increase in net income for the year ended December 31, 2021, compared to the year ended December 31, 2020, was attributable to an increase of \$2.47 million in net interest income, a \$486,000 increase in provision expense, a \$457,000 increase in non-interest income, a \$65,000 increase in gains on sales of investments, a \$939,000 increase in non-interest expense and a \$419,000 increase in income tax expense.

Consolidated total assets as of December 31, 2021, were \$445.09 million, compared to \$406.27 million at December 31, 2020. In 2021: Net loans increased 16.90% to \$340.77 million, total deposits increased 11.24% to \$396.53 million, and total capital increase 3.24% to \$44.15 million, or 9.92% of total assets compared to \$42.77 million, or 10.53% of total assets, at December 31, 2020.

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, Kissee Mills, Gainesville, Hartville, 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.

Contact: 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,	
	2021	2020	2021	2020
Operating Data:				
Total interest income	\$ 4,456	\$ 3,940	\$ 17,567	\$ 16,288
Total interest expense	252	465	1,137	2,330
Net interest income	4,204	3,475	16,430	13,958
Provision for loan losses	225	225	1,342	856
Net interest income after provision for loan losses	3,979	3,250	15,088	13,102
Gain (loss) on sale of investments	-	-	127	62
Non-interest income	492	290	1,598	1,141
Non-interest expense	2,700	2,357	10,103	9,164
Income before taxes	1,771	1,183	6,710	5,141
Income tax expense	393	166	1,617	1,197
Net income	<u>\$ 1,378</u>	<u>\$ 1,017</u>	<u>\$ 5,093</u>	<u>\$ 3,944</u>
Earnings per share	<u>\$ 0.54</u>	<u>\$ 0.38</u>	<u>\$ 1.96</u>	<u>\$ 1.49</u>

	At December 31, 2021	At December 31, 2020
Financial Condition Data:		
Cash and cash equivalents (excludes CDs)	\$ 60,604	\$ 61,834
Investment securities (includes CDs)	15,729	25,678
Loans receivable, net	340,767	291,497
Goodwill and intangibles	1,943	2,086
Total assets	445,095	406,265
Deposits	396,527	356,474
Repurchase agreements	490	1,625
Borrowings	1,500	3,000
Stockholders' equity	44,161	42,765
Book value per share	\$ 18.08	\$ 16.35