

FIRST BANCSHARES, INC. ANNOUNCES THIRD QUARTER 2019 RESULTS

Mountain Grove, Missouri (October 11, 2019) – 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, 2019.

For the quarter ended September 30, 2019, the Company had net income of \$997,000, or \$0.39 per share-diluted, compared to \$831,000, or \$0.32 per share diluted, for the comparable period in 2018. The \$166,000 increase in net income for the quarter ended September 30, 2019 compared to the quarter ended September 30, 2018 was attributable to a \$177,000 increase in net interest income after provisions for loan losses due to a \$60,000 increase in provision expenses which was offset by a \$76,000 decrease in non-interest expense, a \$3,000 increase in non-interest income, and a \$90,000 increase in tax expense.

Year to date 2019, the Company has net income \$2.77 million, or \$1.09 per share diluted, compared to \$2.21 million, or \$0.86 per share diluted, for the nine months ended 2018. Total provisions came to \$945,000, resulting in net interest income after provisions of \$9.19 million, compared to \$366,000 in provisions and \$8.89 million in net interest income after provision over the same period in 2018.

As of September 30, 2019, non-performing assets including loans 30 days past due and loans in nonaccrual status totaled \$1.64 million or 0.45% of total assets and the allowance for loan and lease losses was 1.15% of total loans, resting at \$3.11 million.

Consolidated total assets at September 30, 2019 were \$359.95 million, compared to \$345.32 million at December 31, 2018. During the nine months of the year, net loans increased 2.65% to \$267.31 million, total deposits increased 4.85% to \$311.97 million, and total capital increased to \$36.85 million, or 10.24% 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 9.28%, Common Equity Tier 1 Capital Ratio of 11.93%, Tier 1 Capital Ratio of 11.93%, Total Risk Based Capital Ratio of 13.92%, and a Capital Conservation Buffer of 5.92%. 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 September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Operating Data:				
Total interest income	\$ 4,264	\$ 3,802	\$ 12,627	\$ 11,057
Total interest expense	885	661	2,495	1,797
Net interest income	3,379	3,141	10,132	9,260
Provision for loan losses	160	100	945	366
Net interest income after provision for loan losses	3,219	3,041	9,187	8,894
Gain (loss) on sale of investments	-	-	-	(1)
Non-interest income	304	301	957	935
Non-interest expense	2,190	2,290	6,468	6,895
Income before taxes	1,333	1,052	3,676	2,933
Income tax expense	336	246	904	725
Net income	<u>\$ 997</u>	<u>\$ 806</u>	<u>\$ 2,772</u>	<u>\$ 2,208</u>
Earnings per share	<u>\$ 0.39</u>	<u>\$ 0.32</u>	<u>\$ 1.09</u>	<u>\$ 0.86</u>

	At September 30, 2019	At December 31, 2018
	Financial Condition Data:	
Cash and cash equivalents (excludes CDs)	\$ 20,195	\$ 15,719
Investment securities (includes CDs)	49,261	47,760
Loans receivable, net	267,313	260,411
Goodwill and intangibles	2,265	2,372
Total assets	359,954	345,324
Deposits	311,966	297,531
Repurchase agreements	5,539	5,566
FHLB advances	500	4,000
Stockholders' equity	36,849	33,817
Book value per share	\$ 14.52	\$ 13.29