

Source: First Bancshares, Inc.

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First Bancshares, Inc. Announces Second Quarter 2020 Results

MOUNTAIN GROVE, Mo., July 10, 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 ended June 30, 2020.

For the quarter ended June 30, 2020, the Company reported net income, of \$1,040,000 or \$0.40 per share-diluted, compared to \$835,000, or \$0.33 per share diluted for the comparable period in 2019. The \$205,000 increase in net income for the quarter ended June 30, 2020 compared to the quarter ended June 30, 2019 was attributable to a \$949,000 increase in net interest income after provisions for loan losses, offset by a \$547,000 decrease in non-interest income, a \$84,000 increase in non-interest expense, and a \$113,000 increase in income tax expense.

Year to date net income ending June 30, 2020 totaled \$1.88 million or \$0.71 per share-diluted, compared to \$1.79 million or \$0.71 per share-diluted on June 30, 2019.

Consolidated total assets at June 30, 2020 were \$414.78 million, compared to \$354.19 million at December 31, 2019. During the first quarter: Net loans increased 13.72% to \$305.87 million, total deposits increased 16.86% to \$355.56 million, and total capital increased to \$41.70 million, or 10.05% of total assets compared to \$37.67 million, or 10.63% of total assets, at December 31, 2019.

Stockmens Bank, wholly owned bank subsidiary, elected to participate in the Paycheck Protection Loan Program and issued approximately \$20.93 million in PPP loans over the quarter, accounting for some of growth noted above.

In addition, volatility in interest rate markets triggered several calls in the Banks securities portfolio resulting in a 41.29% decrease to \$27.79 million from the \$47.33 million reported on December 31, 2019. This has increased the Bank's cash and liquidity position substantially to \$57.32 million as of June 30, 2020 from \$14.32 million at year ended 2019. While Management continues to expect strained interest rate markets, volatility in the stock market, and an uncertain economic future resulting from COVID-19, the Company still managed to increase our revenue profile and make proactive movements to protect the income statement and shareholder return.

The Bank continues to meet 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, 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		Six Months Ended	
June 30,		June 30,	
2020	2019	2020	2019

Operating Data:

Total interest income	\$ 4,167	\$ 3,997	\$ 8,244	\$ 7,923
Total interest expense	557	851	1,326	1,611
Net interest income	<u>3,610</u>	<u>3,146</u>	<u>6,918</u>	<u>6,312</u>
Provision for loan losses	225	710	406	785
Net interest income after provision for loan losses	3,385	2,436	6,512	5,527
Gain (loss) on sale of investments	-	-	-	-
Non-interest income	226	773	546	1,095
Non-interest expense	2,210	2,126	4,514	4,278
Income before taxes	<u>1,401</u>	<u>1,083</u>	<u>2,544</u>	<u>2,344</u>
Income tax expense	361	248	667	554
Net income	<u>\$ 1,040</u>	<u>\$ 835</u>	<u>\$ 1,877</u>	<u>\$ 1,790</u>
Earnings per share	<u>\$ 0.40</u>	<u>\$ 0.33</u>	<u>\$ 0.71</u>	<u>\$ 0.71</u>

Financial Condition Data:

	At June 30, 2020	At December 31, 2019
Cash and cash equivalents (excludes CDs)	\$ 57,324	\$ 14,318
Investment securities (includes CDs)	27,791	47,335
Loans receivable, net	305,873	268,969
Goodwill and intangibles	2,158	2,229
Total assets	414,780	354,185
Deposits	355,556	304,257
Repurchase agreements	6,994	5,686
FHLB advances	6,000	3,000
Stockholders' equity	41,696	37,667
Book value per share	\$ 15.59	\$ 14.81