

FIRST BANCSHARES, INC. ANNOUNCES SECOND QUARTER 2021 RESULTS

Mountain Grove, Missouri (July 9, 2021) – 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, 2021.

For the quarter ended June 30, 2021, the Company reported net income, of \$1,147,000 or \$0.44 per share-diluted, compared to \$1,040,000, or \$0.40 per share-diluted for the comparable period in 2020. Year to date the Company reported net income of \$2,381,000, or \$0.91 per share-diluted, compared to \$1,877,000 or \$0.71 per share-diluted for the six months ended June 30, 2020. The \$504,000 increase in net income for the six months ended June 30, 2021 compared to the six months ended June 30, 2020 was attributable to a \$612,000 increase in net interest income after provisions for loan losses, offset by a \$351,000 increase in non-interest expense, a \$128,000 gain on sales of investments, along with a \$165,000 increase in non-interest income, and a \$50,000 increase in income tax expense.

Consolidated total assets at June 30, 2021 were \$423.25 million, compared to \$406.27 million at December 31, 2020. Since year end 2020, Net loans increased 9.88% to \$320.31 million, total deposits increased 5.24% to \$375.14 million, and total capital rested at \$43.84 million, or 10.36% of total assets compared to \$42.77 million, or 10.53% of total assets, at December 31, 2020.

Management continues to expect 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. Management 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 nine full service Missouri offices in Mountain Grove, Marshfield, Ava, Kisse Mills, Gainesville, Sparta, Crane, Hartville 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 June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Operating Data:				
Total interest income	\$ 4,326	\$ 4,167	\$ 8,320	\$ 8,244
Total interest expense	290	557	614	1,326
Net interest income	4,036	3,610	7,706	6,918
Provision for loan losses	357	225	582	406
Net interest income after provision for loan losses	3,679	3,385	7,124	6,512
Gain (loss) on sale of investments	8	-	128	-
Non-interest income	373	226	711	546
Non-interest expense	2,545	2,210	4,865	4,514
Income before taxes	1,515	1,401	3,098	2,544
Income tax expense	368	361	717	667
Net income	<u>\$ 1,147</u>	<u>\$ 1,040</u>	<u>\$ 2,381</u>	<u>\$ 1,877</u>
Earnings per share	<u>\$ 0.44</u>	<u>\$ 0.40</u>	<u>\$ 0.91</u>	<u>\$ 0.71</u>

	At June 30, 2021	At December 31, 2020
Financial Condition Data:		
Cash and cash equivalents (excludes CDs)	\$ 57,327	\$ 61,834
Investment securities (includes CDs)	17,071	25,678
Loans receivable, net	320,311	291,497
Goodwill and intangibles	2,015	2,086
Total assets	423,251	406,265
Deposits	375,139	356,474
Repurchase agreements	1,680	1,625
FHLB advances	-	3,000
Stockholders' equity	43,839	42,765
Book value per share	\$ 16.88	\$ 16.35