

FIRST BANCSHARES, INC. ANNOUNCES ROBUST OPERATING RESULTS FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2022

Mountain Grove, Missouri (January 20, 2023) – First Bancshares, Inc. (OTCQX: FBSI) (“Company”), the holding company for Stockmens Bank (“Bank”), today announced its financial results for the quarter and year ended December 31, 2022.

For the quarter ended December 31, 2022, the Company reported net income, of \$1,195,000 or \$0.49 per share-diluted, compared to \$1,378,000, or \$0.54 per share-diluted for the comparable period in 2021. Year to date the Company reported net income of \$5,283,000 or \$2.16 per share compared to \$5,093,000 or \$1.96 per share the same period 2021. Year to date changes from the year ended December 31, 2021 include a \$1,550,000 increase in net interest income after provision for loan losses, along with a \$126,000 increase in non-interest income, offset by a \$1,118,000 increase in non-interest expense, a \$239,000 increase in income tax expense and no gain/loss on investments in 2022 compared to a \$128,000 gain during the same period in 2021. This resulted in a \$190,000 increase in net income for the year ended December 31, 2022, compared to the year ended December 31, 2021. The increase in non-interest expenses is primarily due to operating cost and wage inflation with the increases in wages being necessary to compete with employee demand in the marketplace.

Consolidated total assets increased 5.96% to \$471.58 million as of December 31, 2022, compared to \$445.03 million on December 31, 2021. Since year end 2021, Net loans increased 18.90% to \$405.19 million, total deposits increased 6.19% to \$420.67 million, and total capital rested at \$47.59 million, or 10.09% of total assets compared to \$44.16 million, or 9.92% of total assets, on December 31, 2021. The capital changes are primarily driven by the Company’s payment of a cash dividend to shareholders and unrealized losses in the securities portfolio which increased from \$212,000 on December 31, 2021 to \$1,288,000 on December 31, 2022 as market volatility has been at an all-time high following persistent inflation, rapid interest rate hikes along with continued political and economic unrest.

The Bank meets all regulatory requirements for “well-capitalized” status.

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, Crane, Hartville and Springfield, and full-service offices in Bartley, Nebraska and Akron, Colorado.

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

(unaudited)

(In thousands, except per share amounts)

	Quarter Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Operating Data:				
Total interest income	\$ 5,617	\$ 4,456	\$ 19,388	\$ 17,567
Total interest expense	694	252	1,650	1,137
Net interest income	4,923	4,204	17,738	16,430
Provision for loan losses	425	225	1,100	1,342
Net interest income after provision for loan losses	4,498	3,979	16,638	15,088
Gain (loss) on sale of investments	-	-	-	128
Non-interest income	482	492	1,723	1,597
Non-interest expense	3,035	2,700	11,221	10,103
Income before taxes	1,945	1,771	7,139	6,710
Income tax expense	750	393	1,856	1,617
Net income	<u>\$ 1,195</u>	<u>\$ 1,378</u>	<u>\$ 5,283</u>	<u>\$ 5,093</u>
Earnings per share	<u>\$ 0.49</u>	<u>\$ 0.54</u>	<u>\$ 2.16</u>	<u>\$ 1.96</u>

	At December 31, 2022	At December 31, 2021
Financial Condition Data:		
Cash and cash equivalents (excludes CDs)	\$ 21,781	\$ 60,604
Investment securities (includes CDs)	13,831	15,531
Loans receivable, net	405,188	340,767
Goodwill and intangibles	1,800	1,943
Total assets	471,575	445,034
Deposits	420,666	396,137
Repurchase agreements	864	490
Borrowings	-	1,500
Stockholders' equity	47,586	44,161
Book value per share	\$ 19.50	\$ 18.08