

FIRST BANCSHARES, INC. ANNOUNCES THIRD QUARTER 2018 RESULTS

Mountain Grove, Missouri (October 12, 2018) – First Bancshares, Inc. (OTCPink - FstBksh: FBSI), the holding company for Stockmens Bank (“Bank”), today announced its financial results for the quarter ended September 30, 2018.

Stockmens Bank, the wholly owned subsidiary of First Bancshares, Inc. turned in net income after provisions and tax expense of \$938,000 for the quarter ended September 30, 2018. The holding company has accrued additional general and administrative expenses totaling approximately \$132,000 for net income at the holding company of \$806,000, or \$0.32 per share – diluted, compared to net income of \$57,000, or \$0.02 per share – diluted for the quarter ended September 30, 2017. Currently, the allowance for loan and lease losses rests at 0.83% of total loans.

Year to date net interest income increased 70.79% from the nine months ended September 30, 2017 to \$9.26 million from \$5.42 million, non-interest income has increased to \$935,000 from \$739,000 and non-interest expenses have increased to \$6.90 million from \$5.69 million. Tax expenses have increased to \$725,000 from \$125,000 resulting in net income after tax of \$2.21 million, a 855.84% increase from September 30, 2017 results of \$231,000.

Consolidated total assets for the quarter ended September 30, 2018 were \$354.01 million, compared to \$355.99 million at December 31, 2017. Net loans increased 2.98% and totaled \$256.71 million, total deposits decreased 0.79% to \$305.56 million, and total capital rested at \$32.68 million, or 9.23% of total assets at September 30, 2018, compared to \$31.07 million or 8.73% of total assets at December 31, 2017. The Bank continues to meet all regulatory requirements for “well-capitalized” status and reports Tier 1 Leverage Ratio of 8.72%, Common Equity Tier 1 Capital Ratio of 11.53%, Tier 1 Capital Ratio of 11.53%, and Total Risk Based Capital Ratio of 13.27%, and a Capital Conservation Buffer of 5.27%. Regulatory requirements for these ratios respectively are 5.00%, 6.50%, 8.00%, 10.00%, and 2.50%.

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.

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,	
	2018	2017	2018	2017
Operating Data:				
Total interest income	\$ 3,802	\$ 2,765	\$ 11,057	\$ 6,501
Total interest expense	661	444	1,797	1,079
Net interest income	3,141	2,321	9,260	5,422
Provision for loan losses	100	10	366	100
Net interest income after provision for loan losses	3,041	2,311	8,894	5,322
Gain (loss) on sale of investments	-	4	(1)	(20)
Non-interest income	301	297	935	739
Non-interest expense	2,290	2,519	6,895	5,685
Income before taxes	1,052	93	2,933	356
Income tax expense	246	36	725	125
Net income	\$ 806	\$ 57	\$ 2,208	\$ 231
Earnings per share	\$ 0.32	\$ 0.02	\$ 0.86	\$ 0.13

	At September 30, 2018	At December 31, 2017
	Financial Condition Data:	
Cash and cash equivalents (excludes CDs)	\$ 25,566	\$ 20,674
Investment securities (includes CDs)	49,415	63,820
Loans receivable, net	256,709	249,278
Goodwill and intangibles	2,408	2,641
Total assets	354,009	355,993
Deposits	305,564	307,996
Repurchase agreements	6,190	4,609
FHLB advances	5,500	7,997
Stockholders' equity	32,683	31,066
Book value per share	\$ 12.80	\$ 12.17