

# *First Bancshares, Inc.*

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[www.fnblifetime.com](http://www.fnblifetime.com)

April 24, 2020

Dear Shareholder,

The board of directors of First Bancshares, Inc. have declared a first quarter dividend in the amount of twenty-eight cents (\$0.28) per share that is enclosed or has been direct-deposited per your instructions. Those in the dividend reinvestment program will receive additional shares per the plan. This payment is slightly lower than last quarter. You will see that our first quarter results are quite strong and normally wouldn't warrant a lower dividend. However, the board of directors felt that it was appropriate to take into consideration the impact of the COVID-19 pandemic on the U.S. and global economy and how that may affect the bank's longer term outlook. We are confident that the bank is in a solid position to manage through a downturn in the economy but want to make sure our capital is preserved in a manner that is prudent during these unprecedented times.

You would have received the annual report with the audited financial statements that supported the results we shared last quarter. This coming week is also when our annual meeting will be held although quite different than years past. Due to the limitations on meeting size and social distancing, the 2020 annual meeting is being held in a virtual format with shareholders having the ability to listen in by phone. While this is not the desired format for us to meet, it is the most practical given the present circumstances.

The attachment provided shows the first quarter results compared to the same period last year. You will see that the first three months of the year have generated strong results. Net interest income for the quarter increased by almost 6% over the same period in 2019. Non-interest income is up over 5% from last year. We were able to reduce expenses in the first quarter by 4% when compared to the first quarter of 2019. The bottom line result is that overall net income is close to 35% higher than it was for the same period a year ago.

These results reflect very positively when they are factored into the per share data and other performance ratios as shown. In addition, we have seen balance sheet growth mainly fueled by an increase in deposits. While loan balances remained steady year over year, there was good demand to start off the second quarter.

The balance of 2020 will be challenging for our industry as well as the whole country as we try to deal with this terrible virus that is impacting our daily lives. We have been forced to do business in a way that is not normal for a community bank. While we want to make sure we protect our staff and families it is equally important that we are able to offer safe practices to our clients so they have access to the financial resources we provide. This challenge has been an opportunity for us to see how resilient we are as a company and still stay viable to the people we serve

As always, we thank you for your support of First Bancshares, Inc. and wish that you and your families are able to stay safe and strong while we all work through these trying times.

Sincerely,



Steven L. Mays, DVM  
Chairman



Dean J. Miller  
President and CEO