

FIRST CAPITAL BANCSHARES

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First Capital Bancshares, Inc. Announces Earnings for the 2nd Quarter Of 2020

Charleston, South Carolina, July 31, 2020, The Board of Directors of First Capital Bancshares, Inc. announced their second quarter results, for the period ended June 30, 2020.

Financial highlights for the Second Quarter of 2020 include:

- Total loans receivable increased by 34.2%, or \$35.3 million since December 31, 2019. This growth excludes payment protection program (“PPP”) loans of \$16.0 million.
- Total assets increased 51.6%, or \$70.5 million to \$207.1 million since December 31, 2019.
- Total deposits increased 69.8% or \$64.7 million to \$157.4 million since December 31, 2019.
- The pre-tax pre-provision income of \$698,000 for the quarter ended June 30, 2020, compared to the pre-tax pre-provision loss of \$(319,000) for the quarter ended June 30, 2019
- Net Income for the second quarter of 2020 of \$249,000 compared to a net loss of \$(319,000) for the second quarter of 2019.

Operating Results:

“We are extremely pleased with the operating results for the second quarter of 2020. I am proud of our team and the response of the Company to the challenges presented by the ongoing COVID-19 pandemic and its economic pressures. The increase in loans receivable of 34.2%, excluding the effects of the PPP Loans, since December 31 is a great accomplishment. In addition to the strong non-PPP loan growth during the quarter, the bank is proud to have helped facilitate over \$16.0 million in PPP loans to over 170 business owners impacting over a thousand employees throughout our market. As a community bank committed to the success of local businesses, we are pleased to be able to support our customers with access to the PPP funding from the SBA.”, stated Frank Cole, Chief Executive Officer.

Frank Cole continued “While we continue to experience quality loan growth, it should also be noted that our credit metrics, including nonperforming assets and charge off ratios, continue to remain very favorable. At the same time, there is much unknown about the economic impact of the pandemic; therefore, we continue to prepare our balance sheet and our resources for an uncertain future.”

In response to this uncertainty of future credit losses related to the COVID-19 pandemic and its effect on our local markets, the bank added \$380,000 to the provision for loan losses in the second of 2020 as well as \$340,000 in the first quarter of 2020. The bank has limited exposure to industries currently deemed to be “high risk” such as lodging, energy, and restaurants.

COVID-19 Update:

The economic shutdown necessitated by the ongoing novel coronavirus (COVID-19) pandemic has resulted in a loss of business for many of our customers and the effects continue to be felt throughout the markets we serve. A recent surge in cases in our local markets has resulted in additional limitations and safeguards being implemented by state and local governmental authorities, which will delay the efforts of businesses to work toward normal operations until it is safely possible to do so. As such, we continue to have limited access to our branches including drive-thru only in certain branches and have approximately 75% of our workforce working remotely to mitigate exposure to and community transmission of the virus.

About First Capital Bank:

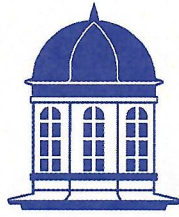
About First Capital Bank: First Capital Bancshares, Inc. is the bank holding company of First Capital Bank. The Company was founded in 1999 and is headquartered in Charleston, South Carolina. First Capital Bank is a locally operated financial institution focused on providing personalized service and offers a full range of banking services. First Capital Bank has branches in Laurinburg, North Carolina as well as Bennettsville, Charleston, and Summerville, South Carolina.

First Capital Bancshares
Selected Financial Highlights
(unaudited)

	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
<i>(Dollars in Thousands, except per share data)</i>					
Condensed Balance Sheet					
Assets					
Cash and cash equivalents	22,126	39,291	18,028	24,978	25,865
Securities available-for-sale	22,531	11,942	12,259	9,915	-
Gross Loans	154,746	123,195	103,429	72,436	72,439
Allowance for loan losses	(2,278)	(1,896)	(1,561)	(1,086)	(1,086)
Total Loans, net	152,468	121,299	101,868	71,350	71,353
Other assets	9,964	9,771	4,448	4,140	3,714
Total assets	<u>\$ 207,089</u>	<u>\$ 182,303</u>	<u>\$ 136,603</u>	<u>\$ 110,383</u>	<u>\$ 100,932</u>
Liabilities					
Deposits	157,378	133,280	92,678	66,161	66,537
Borrowings	15,000	15,000	10,000	10,000	-
Other liabilities	2,453	2,311	2,333	2,149	2,188
Total liabilities	<u>174,832</u>	<u>150,592</u>	<u>105,011</u>	<u>78,310</u>	<u>68,725</u>
Total shareholders' equity	<u>32,257</u>	<u>31,712</u>	<u>31,592</u>	<u>32,073</u>	<u>32,207</u>
Total liabilities and shareholders' equity	<u>\$ 207,089</u>	<u>\$ 182,303</u>	<u>\$ 136,603</u>	<u>\$ 110,383</u>	<u>\$ 100,932</u>
For the Three Months Ended					
	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
<i>(Dollars in Thousands, except per share data)</i>					
Condensed Income Statement					
Interest income	\$ 2,434	\$ 1,715	\$ 1,449	\$ 1,311	\$ 1,280
Interest expense	476	472	312	256	234
Net interest income	<u>1,958</u>	<u>1,243</u>	<u>1,137</u>	<u>1,055</u>	<u>1,046</u>
Provision for loan losses	380	340	475	-	52
Noninterest income	57	610	15	21	21
Noninterest expense	1,317	1,299	1,377	1,231	1,401
Income (loss) before for income taxes	318	214	(700)	(155)	(386)
Income tax expense (benefit)	69	80	(142)	(14)	(67)
Net income (loss)	<u>\$ 249</u>	<u>\$ 134</u>	<u>\$ (558)</u>	<u>\$ (141)</u>	<u>\$ (319)</u>
Diluted earnings (loss) per share	\$ 0.05	\$ 0.03	\$ (0.11)	\$ (0.03)	\$ (0.06)
Weighted average diluted shares	5,083,936	5,083,936	5,083,936	5,083,936	5,083,936

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(unaudited)

	At or for the Three Months Ended				
	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Selected Average Balances:					
	<i>(Dollars in Thousands, except per share data)</i>				
Total assets	\$ 205,468	\$ 169,872	128,095	108,271	100,762
Earning assets	197,347	163,385	124,471	101,422	94,166
Investment securities and FHLB stock	19,020	12,806	12,174	3,668	80
Loans receivable	147,711	117,754	93,300	72,223	72,466
Deposits	163,779	130,393	91,651	76,657	78,052
Stockholders' equity	31,924	31,590	31,872	32,138	32,276
Performance Ratios (annualized):					
Book value per common share	\$ 6.34	\$ 6.24	\$ 6.21	\$ 6.31	\$ 6.34
Return on average stockholders' equity	3.11%	1.70%	-7.00%	-1.76%	-3.96%
Return on average assets	0.48%	0.32%	-1.74%	-0.52%	-1.27%
Average loans receivable to average deposits	90.19%	90.31%	101.80%	94.22%	92.84%
Average stockholders' equity to average assets	15.54%	18.60%	24.88%	29.68%	32.03%
Yield on earning assets	4.92%	4.20%	4.68%	5.17%	5.44%
Cost of funds	1.07%	1.31%	1.23%	1.28%	1.20%
Net interest margin	3.96%	3.04%	3.68%	4.16%	4.44%
Efficiency ratio	65.36%	70.06%	119.50%	114.47%	131.43%
Nonperforming assets to total assets	0.20%	0.37%	0.43%	0.57%	0.70%
Allowance for loan losses to total loans	1.47%	1.54%	1.51%	1.50%	1.50%



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As of June 30, 2020

