

# FIRST CAPITAL BANCSHARES

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## **First Capital Bancshares, Inc. Announces Earnings for 1st Quarter Of 2021**

**Charleston, South Carolina, May 10, 2021,** The Board of Directors of First Capital Bancshares, Inc. announced their first quarter results, for the period ended March 31, 2021.

Financial highlights for the first quarter of 2021 include:

- Total loans receivable increased \$9.5 million, or 20.5% annualized, to \$194.7 million since December 31, 2020.
- Total assets increased \$27.0 million, or 40.5% annualized, to \$293.7 million since December 31, 2020.
- Total deposits increased \$27.0 million, or 50.0% annualized, to \$242.0 million since December 31, 2020.
- Pretax operating earnings of \$168,000 for the first quarter of 2021 compared to a pretax operating loss of (\$359,000) for the first quarter of 2020. Pretax operating earnings exclude the effect of nonrecurring transactions. The bank recognized a \$573,000 securities gain during the first quarter of 2020.
- Net Income for the first quarter of 2021 was \$111,000 compared to a net income of 134,000 for the first quarter of 2020. Included in net income for the first quarter of 2020 was a securities gain of \$573,000.
- Nonperforming assets to total assets remain low at 0.33% as of March 31, 2021.

### **Operating Results:**

"I am pleased to report these excellent financial highlights for the first quarter of 2021. Our bankers continue to assist local businesses in our community through the Small Business Administration (SBA)'s Paycheck Protection Program ("PPP"). We have responded to the needs of our communities and continue to attract new customers. Our credit quality remains strong and economic activity in our geographic footprint continues to provide attractive loan opportunities," stated Chairman and CEO Harvey Glick.

## **COVID-19 Update:**

In response to the uncertainty of COVID-19 and the impact on our loan portfolio, the bank continues to provide for and monitor the loan portfolio. The bank has limited exposure to industries currently deemed to be "high risk," such as lodging, energy, and restaurants. As of March 31, 2021, our allowance for loan losses to total loans was at 1.38%. Excluding the outstanding PPP loans which are guaranteed by the SBA, the allowance for loan loss to total loans as of March 31, 2021 is approximately 1.46%.

The economic slowdown driven by COVID-19 has resulted in lost business and income for many of our customers. A recent surge of cases in our local markets has resulted in additional limitations and the implementation of safeguards by state and local governmental authorities, which will further delay the efforts of area businesses to resume normal operations. We continue to restrict branch access and approximately 25% of our workforce is working remotely to mitigate exposure.

## **About First Capital Bancshares, Inc:**

First Capital Bancshares, Inc. is the 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 with a focus on providing personalized service and a full range of banking services. The bank has with offices in Laurinburg, North Carolina as well as Bennettsville, Charleston, and Summerville, South Carolina.

## **Forward Looking Statements:**

Certain statements in this news release contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements relating to future plans and expectations, and are thus prospective. Such forward-looking statements are identified by words such as "believe," "expect," "anticipate," "estimate," "intend," "plan," "target," and "project," as well as similar expressions. Such statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Although we believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. Therefore, we can give no assurance that the results contemplated in the forward-looking statements will be realized. The inclusion of this forward-looking information should not be construed as a representation by our company or any person that the future events, plans, or expectations contemplated by our company will be achieved.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements: (1) competitive pressures among depository and other financial institutions may increase significantly and have an effect on pricing, spending, third-party relationships and revenues; (2) the strength of the United States economy in general and the strength of the local economies in which the company conducts operations may be different than expected, including, but not limited to, due to the negative impacts and disruptions resulting from the national political turmoil as well as continuing impact of the novel coronavirus, or COVID-19, on the economies and communities the company serves, which may have an adverse impact on the company's business, operations and performance, and could have a negative impact on the company's credit portfolio, share price, borrowers, and on the economy as a whole, both domestically and globally; (3) the rate of delinquencies and amounts of charge-offs, the level of allowance for loan loss, the rates of loan growth, or adverse changes in asset quality in our loan portfolio, which may result in increased credit risk related losses and expenses; (4) changes in legislation, regulation, policies, or administrative practices, whether by judicial, governmental, or legislative action, including, but not limited to, changes affecting oversight

of the financial services industry or consumer protection; (5) the impact of the results of the recent U.S. elections on the regulatory landscape, capital markets, and the response to and management of the COVID-19 pandemic; (6) adverse conditions in the stock market, the public debt market and other capital markets (including changes in interest rate conditions) could have a negative impact on the company; (7) changes in interest rates, which may affect the company's net income, prepayment penalty income, mortgage banking income, and other future cash flows, or the market value of the company's assets, including its investment securities; and (8) changes in accounting principles, policies, practices, or guidelines. All subsequent written and oral forward-looking statements concerning the company or any person acting on its behalf is expressly qualified in its entirety by the cautionary statements above. We do not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statements are made, except as required by law.

# First Capital Bancshares, Inc.

## Selected Financial Highlights (unaudited)

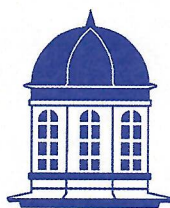
|                                            | March 31,<br>2021 | December 31,<br>2020 | September 30,<br>2020 | June 30,<br>2020  | March 31,<br>2020 |
|--------------------------------------------|-------------------|----------------------|-----------------------|-------------------|-------------------|
| <b>Condensed Balance Sheet</b>             |                   |                      |                       |                   |                   |
| <b>Assets</b>                              |                   |                      |                       |                   |                   |
| Cash and cash equivalents                  | 59,819            | 47,725               | 25,920                | 22,126            | 39,291            |
| Securities available-for-sale              | 28,264            | 24,489               | 24,232                | 22,531            | 11,942            |
| Gross Loans                                | 194,716           | 185,243              | 167,985               | 154,746           | 123,195           |
| Allowance for loan losses                  | (2,681)           | (2,588)              | (2,372)               | (2,278)           | (1,896)           |
| Total Loans, net                           | 192,035           | 182,655              | 165,613               | 152,468           | 121,299           |
| Other assets                               | 13,567            | 11,794               | 11,893                | 9,964             | 9,771             |
| Total assets                               | <u>\$ 293,684</u> | <u>\$ 266,663</u>    | <u>\$ 227,658</u>     | <u>\$ 207,089</u> | <u>\$ 182,303</u> |
| <b>Liabilities</b>                         |                   |                      |                       |                   |                   |
| Deposits                                   | 241,975           | 214,968              | 176,368               | 157,378           | 133,280           |
| Borrowings                                 | 16,050            | 16,050               | 16,050                | 15,000            | 15,000            |
| Other liabilities                          | 2,172             | 2,323                | 2,640                 | 2,454             | 2,311             |
| Total liabilities                          | 260,197           | 233,341              | 195,058               | 174,832           | 150,591           |
| Total shareholders' equity                 | 33,488            | 33,322               | 32,600                | 32,257            | 31,712            |
| Total liabilities and shareholders' equity | <u>\$ 293,684</u> | <u>\$ 266,663</u>    | <u>\$ 227,658</u>     | <u>\$ 207,089</u> | <u>\$ 182,303</u> |

|                                       | For the Three Months Ended |                      |                       |                  |                   |
|---------------------------------------|----------------------------|----------------------|-----------------------|------------------|-------------------|
|                                       | March 31,<br>2021          | December 31,<br>2020 | September 30,<br>2020 | June 30,<br>2020 | March 31,<br>2020 |
| <b>Condensed Income Statement</b>     |                            |                      |                       |                  |                   |
|                                       |                            |                      |                       |                  |                   |
| Interest income                       | \$ 2,313                   | \$ 2,215             | \$ 2,076              | \$ 2,434         | \$ 1,715          |
| Interest expense                      | 441                        | 453                  | 432                   | 476              | 472               |
| Net interest income                   | 1,872                      | 1,762                | 1,644                 | 1,958            | 1,243             |
| Provision for loan losses             | 90                         | 220                  | 40                    | 380              | 340               |
| Noninterest income                    | 69                         | 307                  | 67                    | 57               | 610               |
| Noninterest expense                   | 1,683                      | 1,612                | 1,419                 | 1,317            | 1,299             |
| Income (loss) before for income taxes | 168                        | 237                  | 252                   | 318              | 214               |
| Income tax expense (benefit)          | 56                         | (120)                | 38                    | 69               | 80                |
| Net income (loss)                     | <u>\$ 111</u>              | <u>\$ 357</u>        | <u>\$ 214</u>         | <u>\$ 249</u>    | <u>\$ 134</u>     |
| Diluted earnings (loss) per share     | \$ 0.02                    | \$ 0.07              | \$ 0.04               | \$ 0.05          | \$ 0.03           |
| Weighted average diluted shares       | 5,083,936                  | 5,083,936            | 5,083,936             | 5,083,936        | 5,083,936         |

|                                          | At or for the Three Months Ended |                      |                       |                  |                   |
|------------------------------------------|----------------------------------|----------------------|-----------------------|------------------|-------------------|
|                                          | March 31,<br>2021                | December 31,<br>2020 | September 30,<br>2020 | June 30,<br>2020 | March 31,<br>2020 |
| <b>Performance Ratios (annualized):</b>  |                                  |                      |                       |                  |                   |
| Book value per common share              | \$ 6.59                          | \$ 6.55              | \$ 6.41               | \$ 6.34          | \$ 6.24           |
| Return on average stockholders' equity   | 1.33%                            | 4.34%                | 2.63%                 | 3.11%            | 1.70%             |
| Return on average assets                 | 0.16%                            | 0.58%                | 0.39%                 | 0.48%            | 0.32%             |
| Yield on earning assets (1)              | 3.51%                            | 3.76%                | 3.98%                 | 4.92%            | 4.20%             |
| Cost of funds                            | 0.73%                            | 0.84%                | 0.92%                 | 1.07%            | 1.31%             |
| Net interest margin (1)                  | 2.84%                            | 2.99%                | 3.15%                 | 3.96%            | 3.04%             |
| Efficiency ratio                         | 86.71%                           | 77.90%               | 82.97%                | 65.36%           | 70.06%            |
| Nonperforming assets to total assets     | 0.33%                            | 0.24%                | 0.17%                 | 0.20%            | 0.37%             |
| Allowance for loan losses to total loans | 1.38%                            | 1.39%                | 1.41%                 | 1.47%            | 1.54%             |

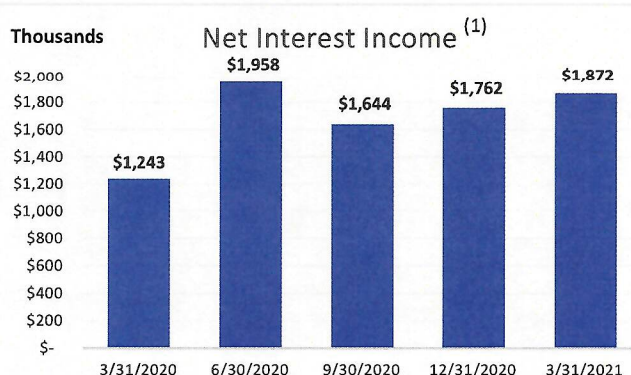
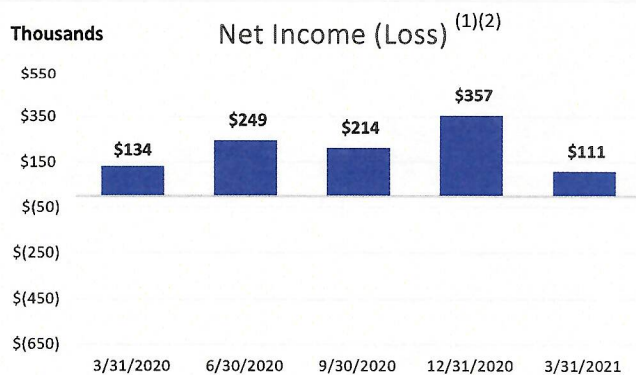
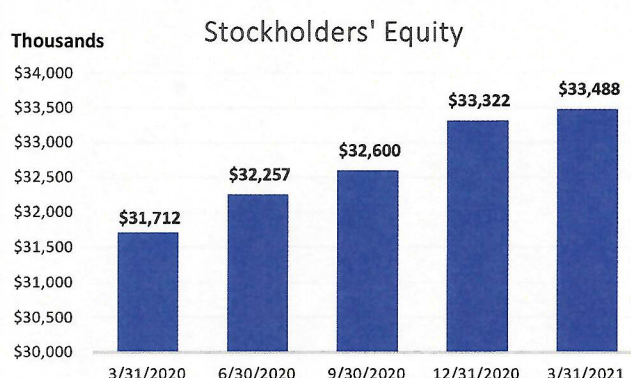
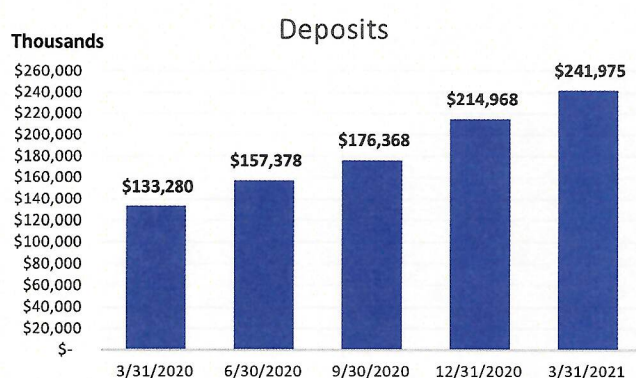
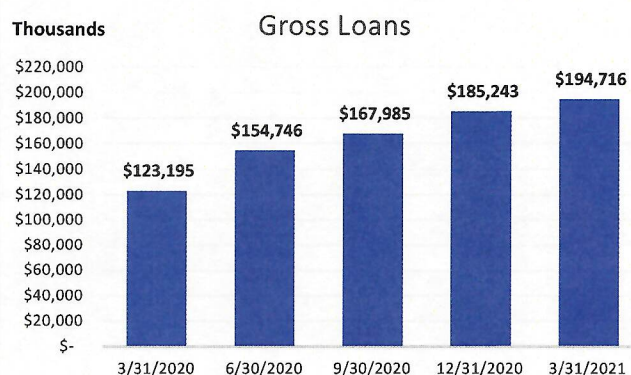
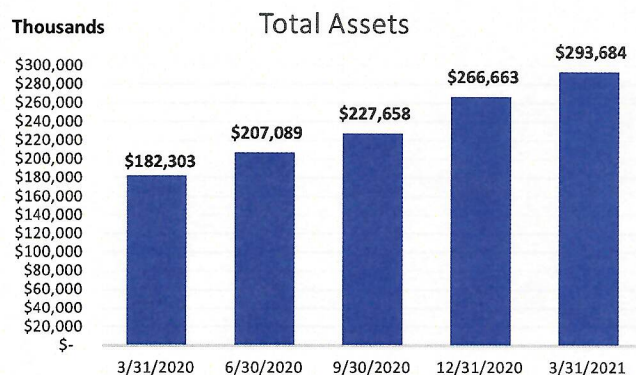
### Notes:

(1) Included in June 30, 2020 were fees paid by the SBA in conjunction with PPP loans



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As of March 31, 2021



**Notes:**

(1) Included in June 30, 2020 were fees paid by the SBA in conjunction with PPP loans

(2) Included in March 31, 2020 and December 31, 2020 are pretax securities gains of \$573 thousand and \$243 thousand, respectively