



# FIRST CAPITAL BANCSHARES

November 21, 2022

Dear Shareholder,

We are pleased to share our financial results for the period ended September 30, 2022

Financial highlights include:

- Total loans increased \$115.1 million year to date, or 56.5% annualized, from \$271.6 million on December 31, 2021, to \$386.7 million at September 30, 2022.
- Total assets increased \$93.2 million year to date, or 32.0% annualized, from \$388.2 million on December 31, 2021, to \$481.5 million at September 30, 2022.
- Total deposits increased \$77.9 million year to date, or 31.2% annualized, from \$327.6 million on December 31, 2021, to \$405.5 at September 30, 2022.
- Pre-tax pre-loan provision income increased \$1.0 million to \$1.4 million for the quarter ended September 30, 2022, compared to pre-tax pre-provision of \$355,000 for the quarter ended September 30, 2021.
- Net Income after loan loss provision and tax was \$807,000 for the quarter ended September 30, 2022, compared to a net income of \$248,000 for the quarter ended September 30, 2021. An increase of 225.40%
- Nonperforming assets to total assets remain low at 0.06% as of September 30, 2022.

Commenting on the quarterly results, Chairman and CEO Harvey Glick stated, “We continue to be pleased with our earnings performance and outstanding growth in loans and deposits. In spite of an increase in interest rates and high inflation fears, your bank continues to grow and prosper. Our team is executing the plan and putting our new capital safely to work.”

Harvey L. Glick  
CEO and Chairman

John D. Russ  
Vice-Chairman

For More Information, Contact:

Joseph S. Kassim  
President & Chief Operating Officer  
First Capital Bank  
(843) 990-7770

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities. The securities offered and sold in the private placement have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, and may not be offered or sold in the United States absent registration, or an applicable exemption from registration under the Securities Act and applicable state securities laws.

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

First Capital Bancshares, Inc. is a bank holding company headquartered in Charleston, South Carolina with assets of approximately \$481 million as of September 30, 2022. Its principal activity is the ownership and operation of First Capital bank, a state-chartered community bank that operates four branches and one loan production office in South Carolina and North Carolina. For more information, please visit [www.bankwithfirstcapital.com](http://www.bankwithfirstcapital.com).

### **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) 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; (6) 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 (7) 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)

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
<i>(Dollars In Thousands, except per share data)</i>					
<b>Condensed Balance Sheet</b>					
<b>Assets</b>					
Cash and cash equivalents	18,642	48,627	63,831	63,424	62,316
Securities	59,274	55,597	50,172	40,810	38,719
Gross Loans	386,691	337,050	293,203	271,636	245,853
Allowance for loan losses	(3,892)	(3,612)	(3,494)	(3,408)	(3,141)
Total Loans, net	382,798	333,438	289,709	268,228	242,712
Other assets	20,749	19,910	16,160	15,727	15,030
Total assets	<u>\$ 481,463</u>	<u>\$ 457,572</u>	<u>\$ 419,872</u>	<u>\$ 388,189</u>	<u>\$ 358,777</u>
<b>Liabilities</b>					
Deposits	405,455	391,605	355,789	327,584	299,184
Borrowings	22,627	27,840	27,840	22,840	22,840
Other liabilities	3,368	4,114	2,477	3,830	2,683
Total liabilities	<u>431,450</u>	<u>423,559</u>	<u>386,106</u>	<u>354,254</u>	<u>324,707</u>
Total shareholders' equity (1)	<u>50,013</u>	<u>34,013</u>	<u>33,766</u>	<u>33,935</u>	<u>34,070</u>
Total liabilities and shareholders' equity	<u>\$ 481,463</u>	<u>\$ 457,572</u>	<u>\$ 419,872</u>	<u>\$ 388,189</u>	<u>\$ 358,777</u>

	For the Three Months Ended				
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
<i>(Dollars In Thousands, except per share data)</i>					
<b>Condensed Income Statement</b>					
Interest income	\$ 5,049	\$ 4,000	\$ 3,357	\$ 3,021	\$ 2,860
Interest expense	1,159	784	647	606	568
Net interest income	<u>3,890</u>	<u>3,216</u>	<u>2,710</u>	<u>2,415</u>	<u>2,292</u>
Provision for loan losses	300	125	40	300	30
Noninterest income	117	100	94	344	91
Noninterest expense	2,643	2,351	2,263	2,198	2,028
Income before for income taxes	1,064	840	501	261	325
Income tax expense	257	197	125	63	77
Net income	<u>\$ 807</u>	<u>\$ 643</u>	<u>\$ 376</u>	<u>\$ 198</u>	<u>\$ 248</u>
Earnings per share (1)	\$ 0.14	\$ 0.13	\$ 0.07	\$ 0.04	\$ 0.05
Weighted average shares outstanding	5,848,148	5,085,936	5,085,936	5,085,936	5,083,936

	At or for the Three Months Ended				
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
<b>Performance Ratios (annualized):</b>					
Book value per share	\$ 7.33	\$ 6.69	\$ 6.64	\$ 6.67	\$ 6.70
Return on average stockholders' equity	7.68%	7.59%	4.44%	2.33%	2.92%
Return on average assets	0.69%	0.59%	0.37%	0.21%	0.29%
Yield on earning assets (2)	4.41%	3.85%	3.45%	3.36%	3.45%
Cost of funds	0.97%	0.68%	0.61%	0.64%	0.70%
Net interest margin (2)	3.51%	3.21%	2.89%	2.77%	2.79%
Efficiency ratio	65.97%	70.91%	80.71%	79.65%	85.11%
Nonperforming assets to total assets	0.06%	0.07%	0.11%	0.20%	0.26%
Allowance for loan losses to total loans	1.01%	1.07%	1.19%	1.25%	1.28%

### Notes:

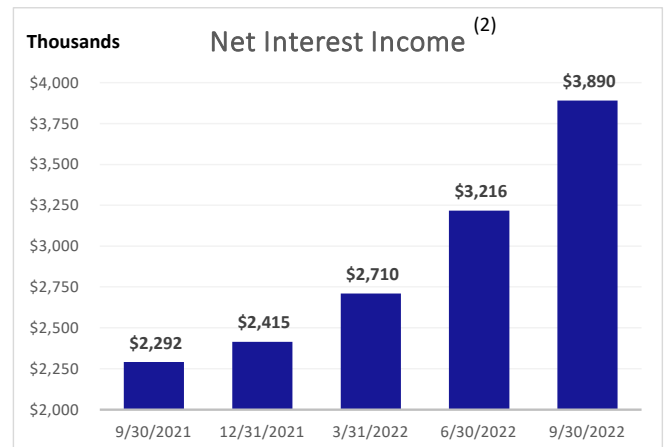
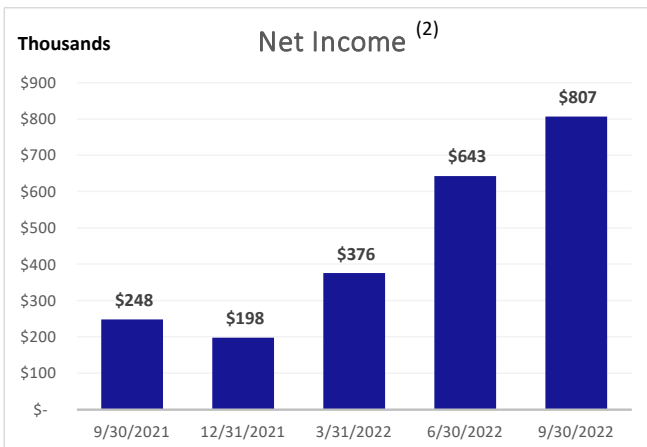
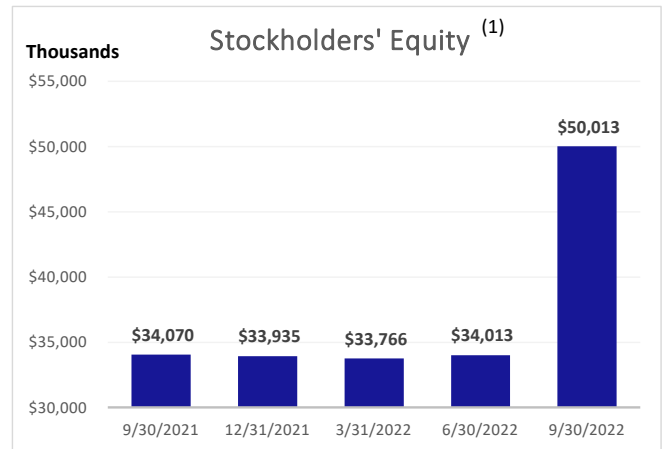
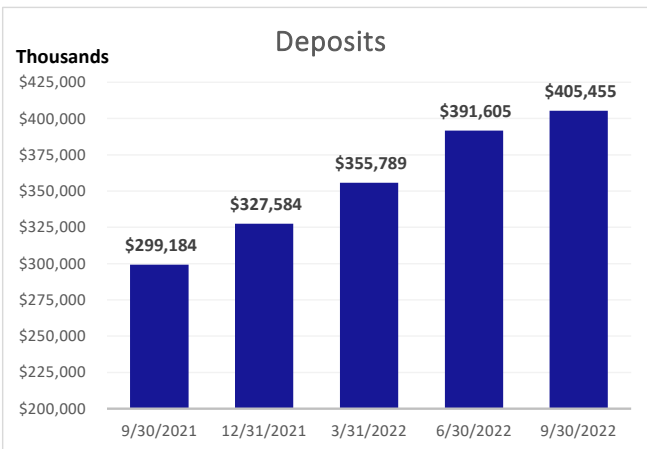
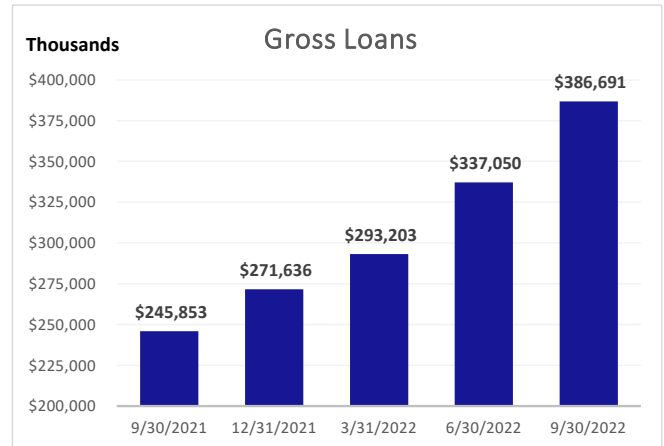
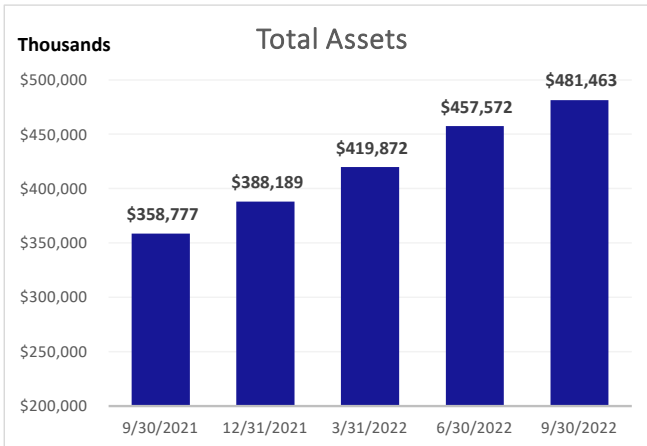
(1) On August 22, 2022, First Capital Bancshares completed a private placement resulting in gross proceeds of \$15.1 million

(2) Included in June 30, 2022 was fees of \$61 thousand paid by the SBA in conjunction with PPP loans



# FIRST CAPITAL BANCSHARES

As of September 30, 2022



**Notes:**

- (1) On August 22, 2022, First Capital Bancshares completed a private placement resulting in gross proceeds of \$15.1 million
- (2) Included in June 30, 2022 was fees of \$61 thousand paid by the SBA in conjunction with PPP loans