



# FIRST CAPITAL BANCSHARES

October 25, 2023

Dear Shareholder,

We are pleased to share our financial results for the quarter ended September 30, 2023

Financial highlights for the third quarter of 2023 include:

- Total loans increased \$161.7 million, or 44.9% annualized, from December 31, 2022.
- Total assets increased \$181.1 million, or 42.5% annualized, from December 31, 2022.
- Total deposits increased \$127.8 million, or 36.2% annualized, from December 31, 2022.
- Pre-tax, pre-provision net income increased 18.8% to \$1.6 million for the quarter ended September 30, 2023, compared to pre-tax pre-provision of \$1.4 million for the quarter ended September 30, 2022.
- Net Income after loan loss provision and taxes increased 22.9% to \$991,000 for the quarter ended September 30, 2023, compared to a net income of \$807,000 for the quarter ended September 30, 2022.
- Nonperforming assets to total assets remain low at 0.02% as of September 30, 2023, and 0.04% as of December 31, 2022, respectively.
- During 2023, the Company completed the sale of common stock through a private placement offering resulting in gross proceeds of \$14.4 million.

Chairman Glick said “First Capital Bank was recently honored by being voted BEST BANK in Charleston! Our board of directors and I want to commend every one of our associates for their exceptional dedication, professionalism, and the tireless efforts they put into making this bank the very best it can be. Their expertise, friendly service, and commitment to building lasting relationships with each other, our customers and shareholders have played an instrumental role in this achievement.”

Harvey L. Glick  
Chairman and CEO

For More Information, Contact:

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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 \$747 million as September 30, 2023. 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, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
<i>(Dollars In Thousands, except per share data)</i>					
<b>Condensed Balance Sheet</b>					
<b>Assets</b>					
Cash and cash equivalents	28,745	25,096	18,703	14,788	18,642
Securities	56,562	60,177	68,577	54,673	59,274
Gross Loans	642,313	611,536	534,503	480,572	386,691
Allowance for loan losses	(5,762)	(5,387)	(4,911)	(4,393)	(3,892)
Total Loans, net	636,552	606,149	529,592	476,179	382,798
Other assets	27,887	26,203	24,208	23,036	20,749
Total assets	<u>\$ 749,746</u>	<u>\$ 717,625</u>	<u>\$ 641,080</u>	<u>\$ 568,676</u>	<u>\$ 481,463</u>
<b>Liabilities</b>					
Deposits	598,822	566,833	516,118	471,049	405,455
Borrowings	78,420	80,630	55,630	42,630	22,627
Other liabilities	5,337	4,556	4,335	4,100	3,368
Total liabilities	<u>682,579</u>	<u>652,019</u>	<u>576,083</u>	<u>517,779</u>	<u>431,450</u>
Total shareholders' equity (1)	<u>67,167</u>	<u>65,606</u>	<u>64,997</u>	<u>50,897</u>	<u>50,013</u>
Total liabilities and shareholders' equity	<u>\$ 749,746</u>	<u>\$ 717,625</u>	<u>\$ 641,080</u>	<u>\$ 568,676</u>	<u>\$ 481,463</u>

	For the Three Months Ended				
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
<i>(Dollars In Thousands, except per share data)</i>					
<b>Condensed Income Statement</b>					
Interest income	\$ 10,840	\$ 9,541	\$ 7,824	\$ 6,625	\$ 5,049
Interest expense	5,510	4,511	3,134	2,104	1,159
Net interest income	<u>5,330</u>	<u>5,030</u>	<u>4,690</u>	<u>4,522</u>	<u>3,890</u>
Provision for loan losses	375	350	300	500	300
Noninterest income	131	148	104	94	117
Noninterest expense	3,841	3,650	3,369	2,971	2,643
Income before for income taxes	1,245	1,178	1,125	1,145	1,064
Income tax expense	254	240	242	273	257
Net income	<u>\$ 991</u>	<u>\$ 938</u>	<u>\$ 883</u>	<u>\$ 872</u>	<u>\$ 807</u>
Earnings per share - Diluted (1)	\$ 0.12	\$ 0.11	\$ 0.13	\$ 0.13	\$ 0.14
Weighted avg. shares outstanding - Diluted	8,409,578	8,356,470	6,948,754	6,926,119	5,760,400

	At or for the Three Months Ended				
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
<b>Performance Ratios (annualized):</b>					
Book value per share (1)	\$ 8.07	\$ 7.94	\$ 7.86	\$ 7.46	\$ 7.33
Return on average stockholders' equity (1)	5.97%	5.74%	6.10%	6.92%	7.68%
Return on average assets (1)	0.54%	0.55%	0.58%	0.66%	0.69%
Yield on earning assets	6.03%	5.70%	5.30%	5.05%	4.41%
Cost of funds	3.25%	2.86%	2.20%	1.63%	0.97%
Net interest margin	3.04%	3.08%	3.26%	3.55%	3.51%
Efficiency ratio	70.34%	70.48%	70.27%	64.37%	65.97%
Nonperforming assets to total assets	0.02%	0.02%	0.04%	0.04%	0.06%
Allowance for loan losses to total loans	0.90%	0.88%	0.92%	0.91%	1.01%

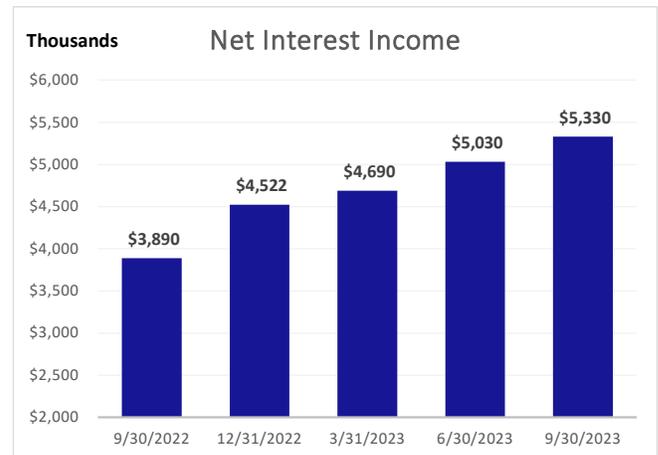
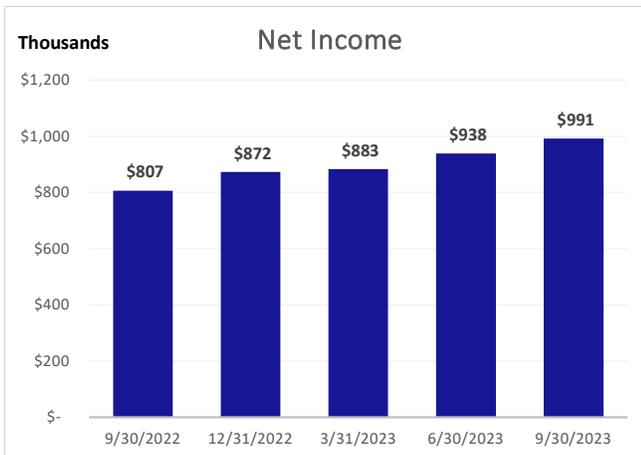
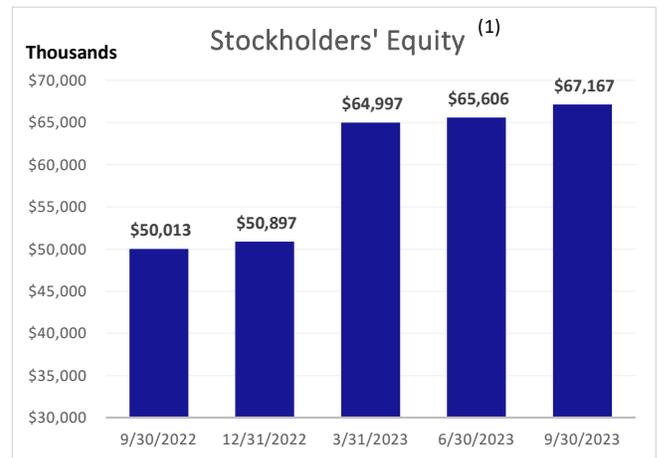
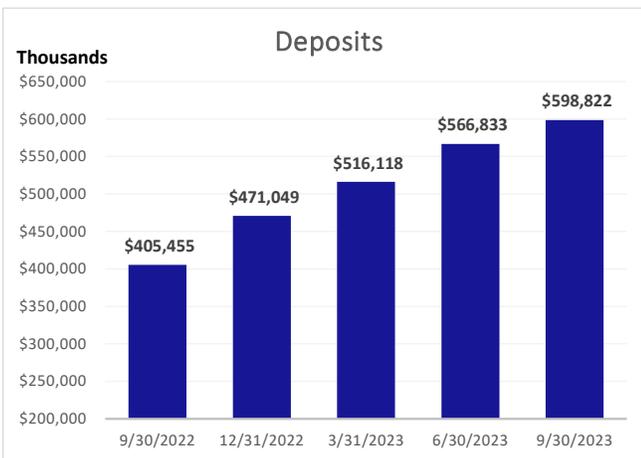
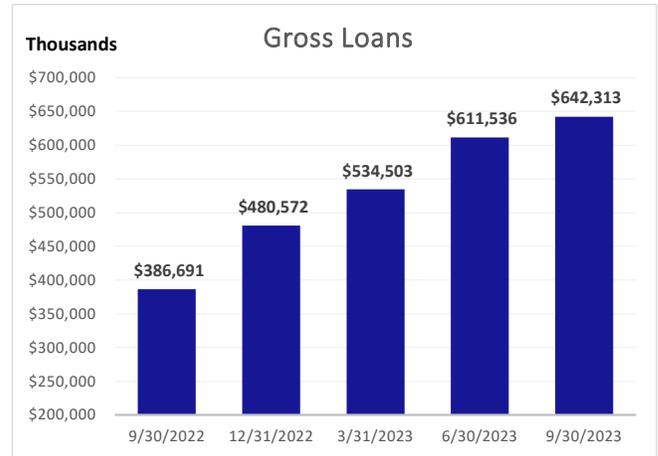
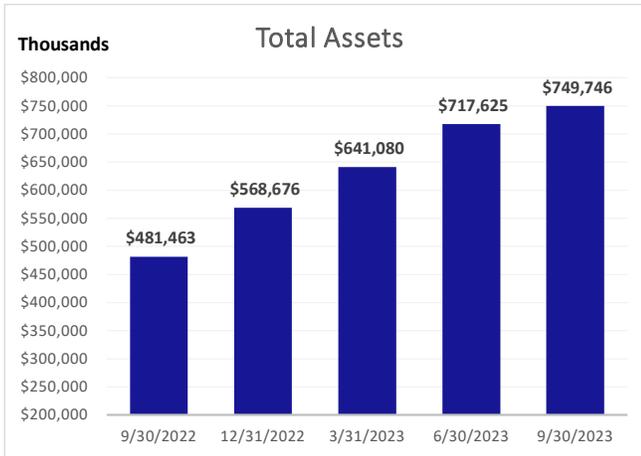
### Notes:

- (1) In 2023, the Company completed the sale of common stock resulting in gross proceeds of \$14.4 million.  
In 2022, the Company completed the sale of common stock resulting in gross proceeds of \$15.1 million.



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As of September 30, 2023



**Notes:**

(1) In 2023, the Company completed the sale of common stock resulting in gross proceeds of \$14.4 million.  
In 2022, the Company completed the sale of common stock resulting in gross proceeds of \$15.1 million.