



FIRST CAPITAL BANCSHARES

November 4, 2021

Dear Shareholder,

We are pleased to share our financial results for the period ended September 30, 2021.

Financial highlights include:

- Total loans receivable increased \$60.6 million, or 43.6% annualized, to \$245.9 million since December 31, 2020.
- Total assets increased \$92.1 million, or 46.1% annualized, to \$358.8 million since December 31, 2020.
- Total deposits increased \$84.2 million, or 52.2% annualized, to \$299.2 million since December 31, 2020.
- Pre-tax pre-provision for loan loss income increased 21.5% to \$325,000 for the quarter ended September 30, 2021, compared to pre-tax pre-provision of \$292,000 for the quarter ended September 30, 2020.
- Net Income for the third quarter of 2021 was \$248,000 compared to a net income of \$214,000 for the third quarter of 2020.
- Nonperforming assets to total assets remain very low at 0.26% as of September 30, 2021
- During the third quarter, the Company raised \$7.0 million through the single issuance of a Subordinated Note that is due in 2031.

We are very pleased about our performance in the third quarter of 2021 highlighted by our continued growth of both loans and deposits. In addition, we continue to add talented bankers to the team. We will be opening our third location in the Charleston, South Carolina market in Mount Pleasant during the 4th quarter. We continue to invest in people, technology, and banking centers to support our growth. We are confident the expense will yield future income and increase our shareholder value. The \$7.0 million raise of subordinated notes completed during the 3rd quarter will provide additional capital to support the continued growth of First Capital Bank,” stated Harvey Glick, Chief Executive Officer and Chairman of First Capital Bancshares.

We thank you for your continued support and welcome new loan and deposit opportunities.

Harvey L. Glick
CEO and Chairman

John D. Russ
Vice-Chairman

About First Capital Bancshares, Inc:

First Capital Bancshares, Inc., (the "Company"), headquartered in Charleston, South Carolina, was incorporated on December 19, 1997, to organize and own all the common stock of First Capital Bank (the "Bank"). First Capital Bank, a commercial bank, opened for business on September 27, 1999. The principal business activity of the Bank is to provide banking services to domestic markets, principally in Charleston and Marlboro Counties, South Carolina and Scotland and Moore Counties, North Carolina. The Bank also operates a loan production office in Moore County, North 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)

	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
<i>(Dollars In Thousands, except per share data)</i>					
Condensed Balance Sheet					
Assets					
Cash and cash equivalents	62,316	62,120	59,819	47,725	25,920
Securities available-for-sale	38,719	36,030	28,264	24,489	24,232
Gross Loans	245,853	223,697	194,716	185,243	167,985
Allowance for loan losses	(3,141)	(3,041)	(2,681)	(2,588)	(2,372)
Total Loans, net	242,712	220,656	192,035	182,655	165,613
Other assets	15,030	14,059	13,567	11,794	11,893
Total assets	\$ 358,777	\$ 332,865	\$ 293,684	\$ 266,663	\$ 227,658
Liabilities					
Deposits	299,184	280,683	241,975	214,968	176,368
Borrowings	22,840	16,050	16,050	16,050	16,050
Other liabilities	2,683	2,342	2,172	2,323	2,640
Total liabilities	324,707	299,075	260,197	233,341	195,058
Total shareholders' equity	34,070	33,790	33,488	33,322	32,600
Total liabilities and shareholders' equity	\$ 358,777	\$ 332,865	\$ 293,684	\$ 266,663	\$ 227,658

	For the Three Months Ended				
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
<i>(Dollars In Thousands, except per share data)</i>					
Condensed Income Statement					
Interest income	\$ 2,860	\$ 2,993	\$ 2,313	\$ 2,215	\$ 2,076
Interest expense	568	500	441	453	432
Net interest income	2,292	2,493	1,872	1,762	1,644
Provision for loan losses	30	360	90	220	40
Noninterest income	91	92	69	307	67
Noninterest expense	2,028	1,984	1,683	1,612	1,419
Income (loss) before for income taxes	325	241	168	237	252
Income tax expense (benefit)	77	47	56	(120)	38
Net income (loss)	\$ 248	\$ 194	\$ 111	\$ 357	\$ 214
Earnings (loss) per share	\$ 0.05	\$ 0.04	\$ 0.02	\$ 0.07	\$ 0.04
Weighted average shares outstanding	5,085,936	5,083,936	5,083,936	5,083,936	5,083,936

	At or for the Three Months Ended				
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Performance Ratios (annualized):					
Book value per common share	\$ 6.70	\$ 6.65	\$ 6.59	\$ 6.55	\$ 6.41
Return on average stockholders' equity	4.75%	2.31%	1.33%	4.34%	2.63%
Return on average assets	0.47%	0.25%	0.16%	0.58%	0.39%
Yield on earning assets (1)	3.45%	3.97%	3.51%	3.76%	3.98%
Cost of funds	0.70%	0.71%	0.73%	0.84%	0.92%
Net interest margin (1)	2.79%	3.31%	2.84%	2.99%	3.15%
Efficiency ratio	85.11%	76.74%	86.71%	77.90%	82.97%
Nonperforming assets to total assets	0.26%	0.31%	0.33%	0.24%	0.17%
Allowance for loan losses to total loans	1.28%	1.36%	1.38%	1.39%	1.41%

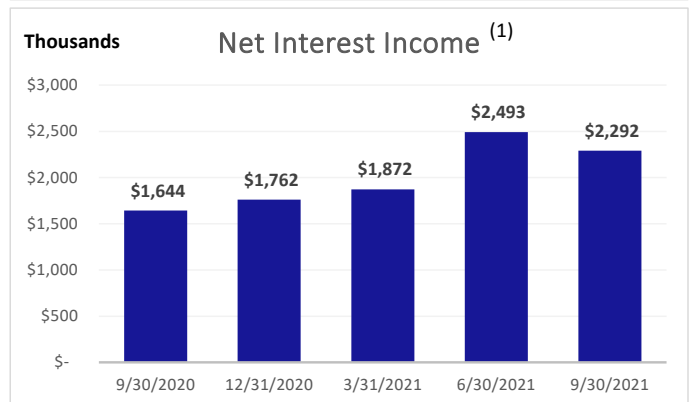
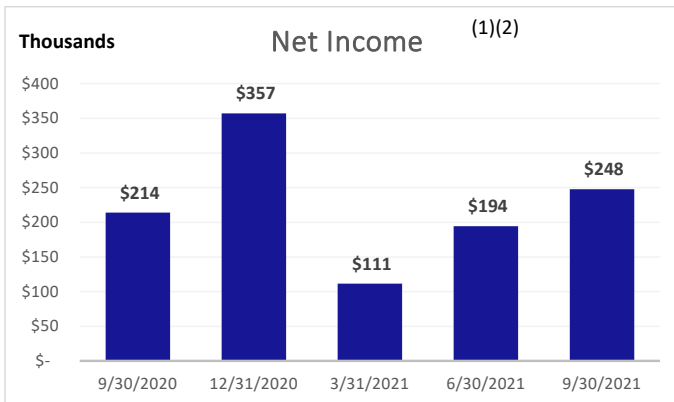
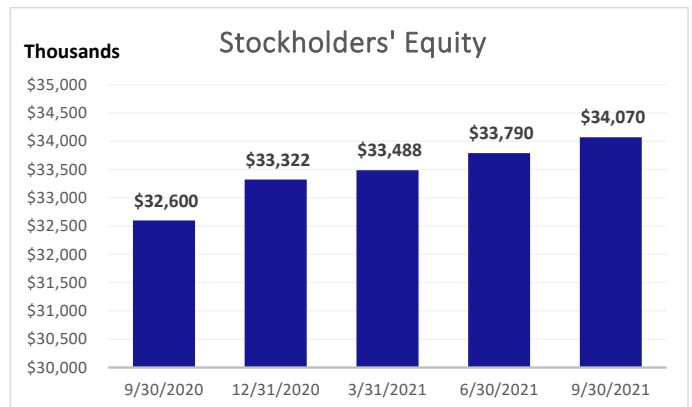
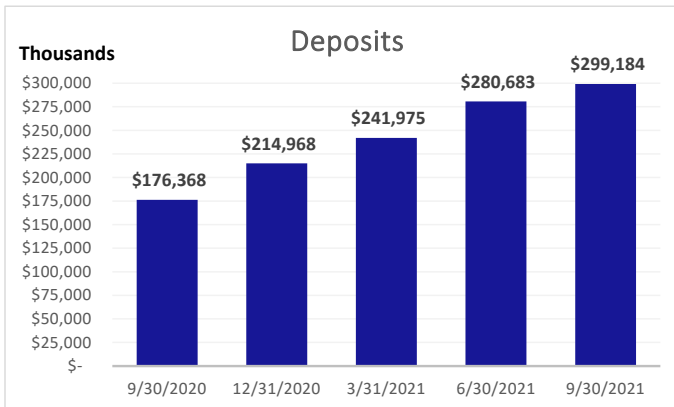
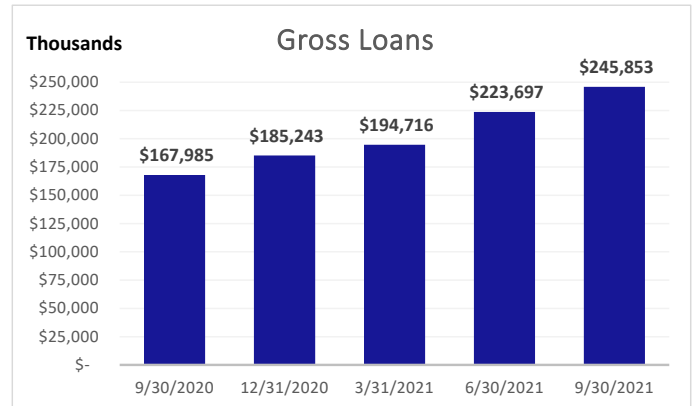
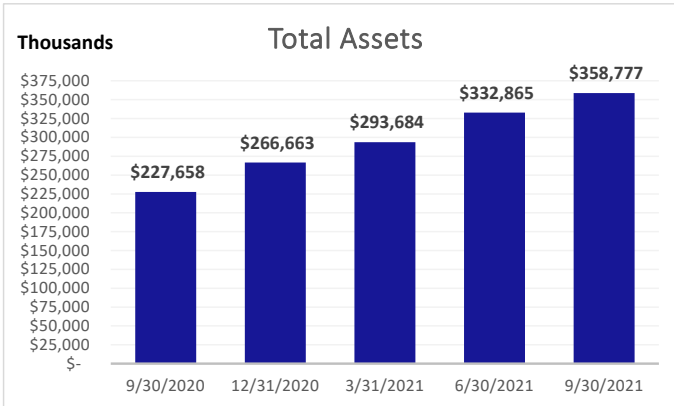
Notes:

(1) Included in June 30, 2021 were fees of \$485 thousand paid by the SBA in conjunction with PPP loans



FIRST CAPITAL BANCSHARES

As of September 30, 2021



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(1) Included in June 30, 2021 were fees of \$485 thousand paid by the SBA in conjunction with PPP loans

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