



TheFirst

2023 CORPORATE SOCIAL
RESPONSIBILITY REPORT

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This document contains statements that constitute “forward-looking statements” within the meaning of, and subject to the protections of, the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on the information known to, and current beliefs and expectations of, the company’s management and are subject to significant risks and uncertainties. There are several factors that could cause results to differ materially from those described in the forward-looking statements. For a discussion of such factors, as well as a discussion of the risks and uncertainties that may affect our business, consult our Annual Report and Form 10-K and other filings we make with the Securities and Exchange Commission, which are available on the SEC’s website, sec.gov. Undue reliance should not be placed on forward-looking statements. The First Bancshares, Inc. disclaims any obligation to update such factors or to publicly announce the result of any revisions to any of the forward-looking statements herein to reflect future events or developments. This report highlights material topics and impacts of our Environmental, Social and Corporate Responsibility activities. Throughout the report, we reference ourselves as “The First,” “The First Bank,” “the bank,” “FBMS” or “the company.” “We,” “us” or “our” references refer to both FBMS and The First Bank.

LETTER FROM THE PRESIDENT & CEO

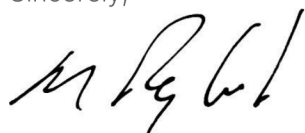
Over 28 years ago, The First was founded for the purpose of serving local communities by empowering those around us with access to essential financial services, vital resources and banking expertise they know and trust. Today, the communities we serve are significantly larger and span a much broader territory than when our bank was founded nearly three decades ago.

Despite our perpetual growth, many aspects of our bank have remained unchanged, and our commitment to the communities we serve remains at the forefront of the fundamental aspects that are central to our cultural identity. As we aspire to achieve our vision of growing a regional bank franchise and continuing to build shareholder value, we will do so in a manner that honors our rich company heritage and community roots.

At The First, we are focused on our responsibility to provide public access to financial services and resources, our purpose as a bank, our people and our planet. The daily contributions of our leadership and team members, guided by our board of directors, work harmoniously to uphold and advance our corporate social responsibility strategies and deliver long-term value for our employees, customers, communities and shareholders.

I appreciate your interest in our 2023 Corporate Social Responsibility Report, and I hope it informs and inspires you to follow along with our environmental, social and governance journey as we strive to be a better bank and community partner than we were yesterday and today. I look forward to our continuous improvement and consistent aspiration for growth, operational efficiency and institutional advancement.

Sincerely,

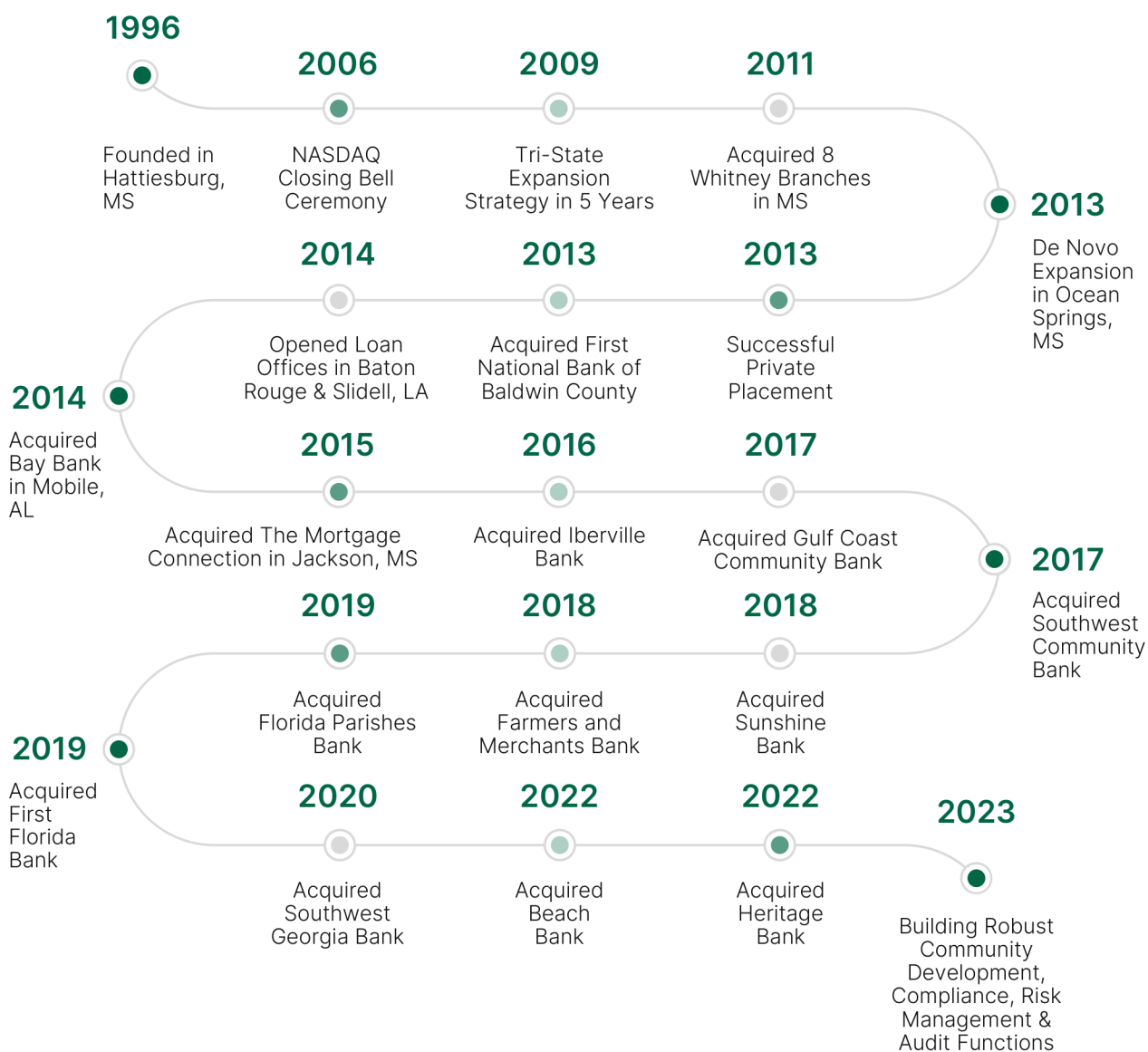


M. Ray "Hoppy" Cole Jr.
President, Chief Executive Officer & Chairman of the Board





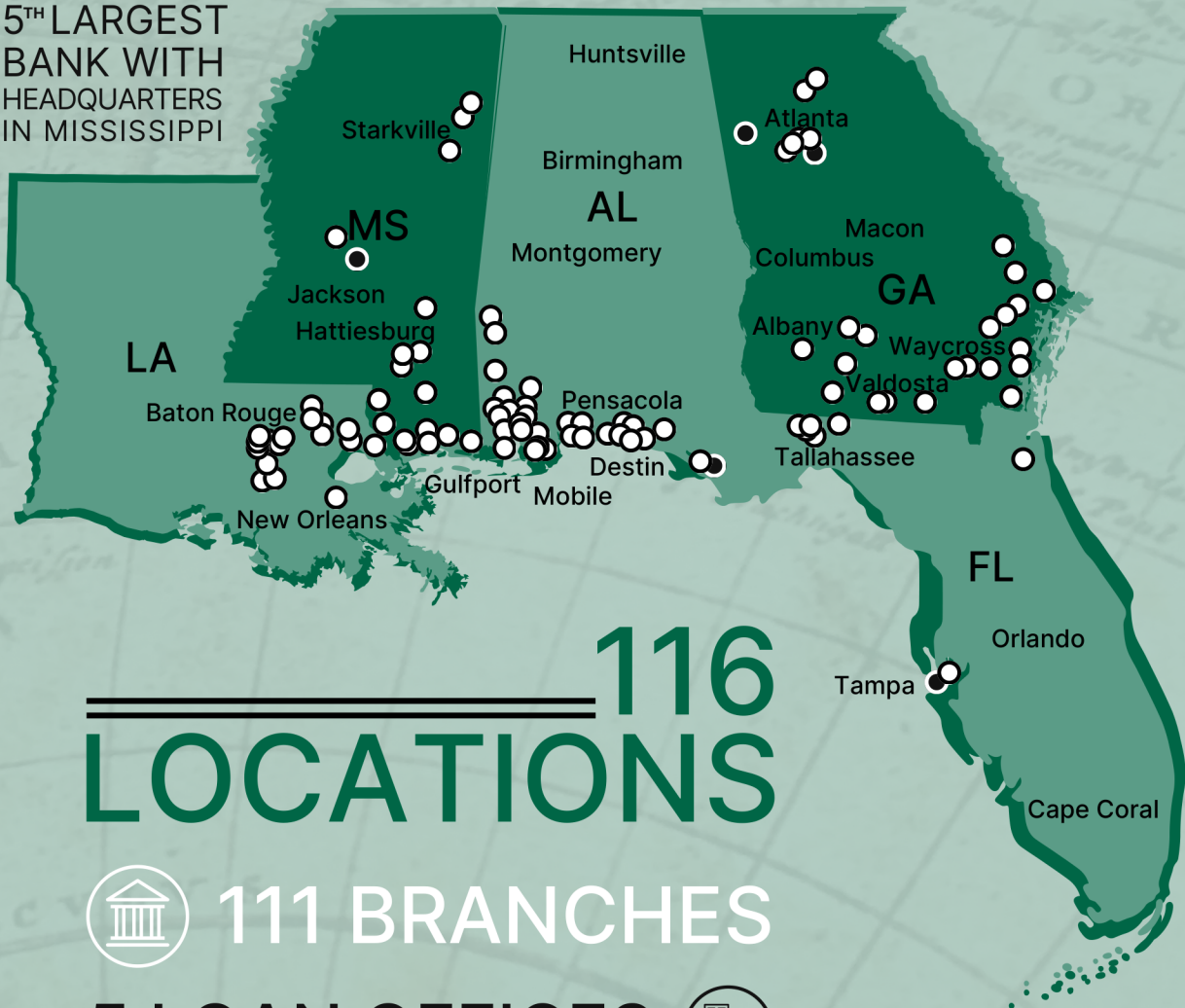
STRATEGIC GROWTH TIMELINE





\$7.9 BILLION TOTAL ASSETS

5TH LARGEST
BANK WITH
HEADQUARTERS
IN MISSISSIPPI



116
LOCATIONS



111 BRANCHES

5 LOAN OFFICES



2023 HIGHLIGHTS



ACHIEVED FIVE-STAR RATING FROM BAUER FINANCIAL ACCORDING TO FEDERAL REGULATOR DATA



AWARDED 2023 DESIGNATION OF SAVINGS EXCELLENCE AWARD FROM AMERICA SAVES



DONATED OVER \$1.6 MILLION TO CHARITABLE AND COMMUNITY ORGANIZATIONS



AWARDED 2023 COMMUNITY AREA REVITALIZATION EFFORTS AWARD FROM FEDERAL HOME LOAN BANK OF DALLAS



DONATED OVER 3,500 EMPLOYEE VOLUNTEER HOURS TO MORE THAN 700 ORGANIZATIONS



COMMUNITY DEVELOPMENT

As one of the largest certified Community Development Financial Institutions in the nation, The First has been awarded over \$14.3 million since 2010 in grant capital to serve organizations in our communities. The CDFI certification is awarded by the U.S. Treasury to financial institutions in which 60% of their business activities are in distressed markets.

Since receiving our CDFI certification in 2010, the bank has awarded over \$70 million in community investments to support economic growth, job creation and affordable housing projects in economically distressed areas. Our bank believes that supporting its markets by investing in distressed communities, providing financial education and generating access to credit are fundamental building blocks that improve the standard of living across all our markets.

Thanks to the insight of community advisory boards in each state of operation, The First gathers vital feedback from local leaders to better understand how we can support communities and what specific financial resources are most impactful to residents. By leaning on local insights, our bank will remain nimble and attuned to public needs, which is a critical function of a CDFI.

In 2011, The First recognized a need in our community for small dollar banking programs for low- and moderate-income individuals within our markets that were either unbanked or underbanked. Specifically, we found that many in our communities could not meet the requirements of standard banking products because they had no existing banking relationship or access to credit.

As a result of this public need, we developed The First Step Program including a second chance checking account and small dollar loan program to offer individuals the opportunity to improve their quality of life and build financial stability. The First Step Program also provides financial counseling resources through GreenPath Counseling Service for additional budgeting and financial assistance.

As of 2023, over 1,100 customers had active The First Step Checking Accounts with balances totaling more than \$725,000. In 2023 alone, over 500 new The First Step Checking Accounts were opened with deposits totaling more than \$190,000. In comparison, The First Step Loan program has funded over \$1 million in loans since the program's inception in 2011.

In addition to deposit and lending programs like The First Step program, The First partners with other institutions to offer access to credit for qualified first-time homebuyers and eligible homeowners in need of funding for home renovations. During 2023, The First utilized \$291,805 of grant funding from the Federal Home Loan Bank of Dallas to assist 25 first-time homebuyers and \$144,800 of grant funding from Renaissance Community Loan Fund to assist 18 first-time homebuyers. In addition, the bank utilized \$49,968 from the Special Needs Rehabilitation Assistance Program to assist seven special needs homeowners with home rehabilitation and provided \$741,546 from Disaster Rebuilding Assistance to assist 70 homeowners with needed home repairs following a disaster.

As a result of the bank's efforts to assist with regional disaster recovery, The First was recognized by the Federal Home Loan Bank of Dallas with their 2023 Community Area Revitalization Efforts Award. Between 2019 and 2022, The First leveraged more than \$3.8 million in disaster recovery assistance and other specialized grant program funds to help communities recover from natural disasters. For the year, The First was one of only three member financial institutions to receive the distinguished award from the Federal Home Loan Bank of Dallas.



CONTRIBUTIONS

In 2023, the bank donated over \$1.6 million to deserving charities in our communities such as schools, children’s homes, food banks, hospitals and local housing initiatives. Of those donations, over \$680,000 was specifically dedicated to supporting education, more than \$500,000 was allocated to supporting health care, over \$350,000 was dedicated to supporting community events, more than \$55,000 was earmarked to support disaster relief efforts, and over \$30,000 was allocated to supporting conservation efforts.

Specifically, over \$650,000 was donated to Mississippi schools, Mississippi’s Early Learning Collaborative, the Eligible Transitional Housing program and the Mississippi Food Bank program. In addition, \$300,000 was donated to the Live Local Housing program, which helps create affordable housing in the state of Florida, and \$350,000 was donated to the AAA Foundation to fund scholarships for disadvantaged children. In the state of Georgia, The First donated \$375,000 to rural hospitals to help support access to rural health care within the state.

In celebration of GivingTuesday in November, the bank donated \$25,000 to The Salvation Army, which benefited centers throughout Alabama, Florida, Georgia, Louisiana and Mississippi. Since 2008, The First has donated over \$51,000 to The Salvation Army to support their efforts to overcome poverty, addiction and economic hardships through a range of social services including food, disaster relief, rehabilitation services, clothing and shelter.

In addition to The First’s involvement in the community and contributions to charity, the bank has a foundation specifically dedicated to benefiting nonprofit organizations, disaster relief efforts and many other deserving causes. In 2023, the Heritage Community Foundation distributed \$41,000 in charitable grant funds to 14 nonprofit organizations, donated \$6,619 to three organizations benefiting disaster relief and the hearing impaired, in addition to contributing to fellow bank employees who suffered a loss of loved ones, emergency medical procedures and other significant issues affecting employees.





FINANCIAL EDUCATION

Like the mission of our organization, we encourage our employees to be involved in their local communities and we provide opportunities for them to help educate student and community members on the topic of finance. In the last year alone, our team members have donated over 3,500 volunteer hours to more than 700 organizations including delivering financial education to over 52,000 community members and students.

In 2023, The First was awarded by America Saves for our financial education efforts including receiving their annual Designation of Savings Excellence Award, the only national award focused on recognizing financial institutions for their work in helping Americans improve financial stability. America Saves considered all financial institutions that participated in America Saves Week for the award, paying special attention to the number of customers each institution reported opening new savings accounts and the total amount of money deposited into new and existing savings accounts. The First was one of only 15 recipients in the nation to receive the distinguished national award in 2023.

During America Saves Week in February 2023, The First customers opened 211 new savings accounts with new deposits totaling over \$989,000. For the week, The First customers saved a total of \$10.1 million during America Saves Week to help build financial stability, save for unexpected expenses, and prepare for milestone savings goals such as purchasing a new house or saving for retirement.

In addition to America Saves Week, The First participated in many national financial education initiatives hosted by the American Bankers Association and state banking associations to help promote financial stability in communities and educate future generations about the importance of personal finance. One of those programs, titled Teach Children to Save, focuses on educating children from kindergarten to the eighth grade about the importance of saving for the future while sharing practical savings tips children can implement from an early age.



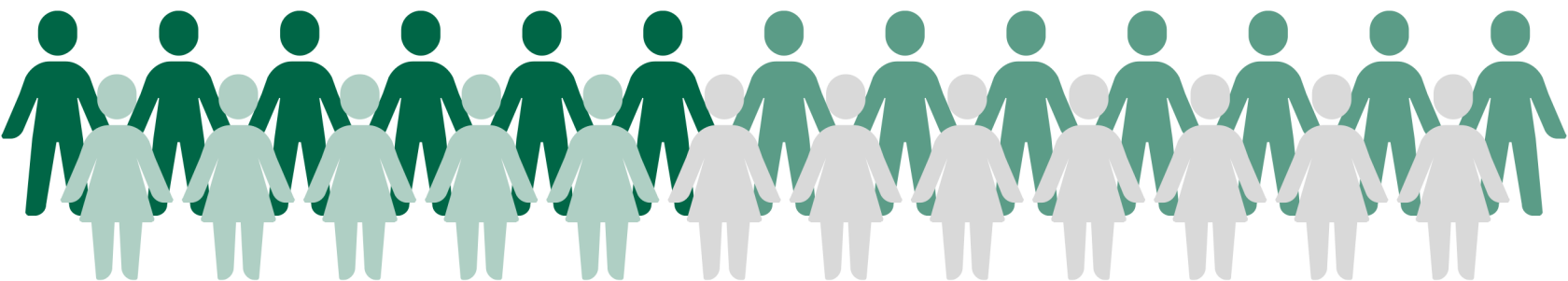


In honor of National Financial Literacy Month in April, Teach Children to Save Day is celebrated each year by banks and credit unions across the nation. Established by the American Bankers Association Foundation in 1997, Teach Children to Save and the foundation's other financial education initiatives have helped reach over 11.6 million young people through the commitment of more than 275,000 banker volunteers. In 2023, The First employees donated over 55 volunteer hours to teach over 1,400 students at various schools and organizations throughout our bank operating area about the importance of saving through the Teach Children to Save national initiative.

Similar to the Teach Children to Save initiative, the American Bankers Association also coordinates the Get Smart About Credit program each year in October, which is focused on educating teens and young adults about the importance of using credit wisely. In total, our employees donated over 550 volunteer hours to this financial education initiative, reaching more than 47,000 students and young adults.

On a state level, The First participated in the Mississippi Bankers Association's A Banker in Every Classroom initiative, which was established in 2011 for kindergarten students up to students in the 12th grade. As of 2022, the program had reached over 100,000 Mississippi students with important financial education topics taught by community bankers in their areas. In 2023, The First employees donated over 160 volunteer hours to teach over 4,100 Mississippi students through the A Banker in Every Classroom state initiative.

In addition to formal national and state financial education initiatives, The First offers mentorship opportunities to local students interested in pursuing a career in banking. In 2023 alone, our employees mentored five students for a total of over 1,500 volunteer hours.



**OVER 760 EMPLOYEE HOURS DONATED TO EDUCATING
MORE THAN 52,000 STUDENTS AND COMMUNITY
MEMBERS ABOUT FINANCE**

OUR MISSION

The First Bank is a certified Community Development Financial Institution with a primary mission of promoting community development in the markets we serve by providing financial products and services to residents and businesses, and to provide technical assistance in conjunction with its offering of financial products and services while maximizing shareholder value. Focused on meeting client needs, The First offers consumer, small business and commercial banking products and solutions through its network of 116 locations in Alabama, Florida, Georgia, Louisiana and Mississippi.

TO FULFILL THIS MISSION, WE STRIVE TO:



CONTINUE TO MAINTAIN PUBLIC CONFIDENCE BY MANAGING A SAFE AND SOUND BANK



MEET THE FINANCIAL NEEDS OF OUR CUSTOMERS WITH QUALITY FINANCIAL PRODUCTS AND SERVICES



INVEST IN THE COMMUNITIES WE SERVE TO FOSTER ECONOMIC GROWTH WITH AN EMPHASIS ON THE UNDERSERVED MARKETS WITHIN OUR FRANCHISE AREA



FOCUS ON PROFITABLE, CONTROLLED GROWTH, THEREBY ENHANCING SHAREHOLDER VALUE



PROVIDE OPPORTUNITIES FOR EMPLOYEES TO ATTAIN PERSONAL GOALS AND PROFESSIONAL ACHIEVEMENT



CONTRIBUTE TO THE QUALITY OF LIFE IN OUR COMMUNITIES BY BEING A GOOD CORPORATE CITIZEN



PRODUCTS AND SERVICES

As a testament to our commitment to our purpose and mission as a bank, The First received a five-star, superior rating from Bauer Financial in 2023. Bauer Financial compiles financial data for U.S. banks from call report data as reported to federal regulators, and five stars is the highest rating a financial institution can receive. The independent organization uses the same strict barometer to rate all banks and credit unions and makes those ratings available to all individuals for free on its website.

To fulfill our mission of investing in the communities we serve, The First offers a variety of products and services that are designed to foster economic growth and build individual financial security. To encourage the widespread availability of safe and low-cost transactional products, The Cities for Financial Empowerment Fund works directly with national and regional financial institutions like The First to provide safe accounts without overdraft for unbanked and underbanked individuals.

The Cities for Financial Empowerment Fund has worked closely with the BankOn National Advisory Board and other key stakeholders to develop the BankOn National Account Standards. Inspired by the Federal Deposit Insurance Corporation's Model Safe Accounts template, these standards provide local programs with a benchmark for account partnerships with financial institutions, including their local partners.

In 2023, the bank's The First Step Checking Account was recertified by the Cities for Financial Empowerment Fund as an account that met the newly updated BankOn National Account Standards. Accounts certified as meeting these standards support local BankOn coalition efforts to expand access to safe and appropriate financial products and services to the over 63 million people outside of the mainstream financial system. The First Step Checking account has been certified by the Cities for Financial Empowerment Fund's BankOn National Account Standards since 2018.

In 2018, The First started a Visa Secured Credit Card and College Real Rewards Card program, which is linked to a savings account, secured by cash and reports to the credit bureau for the purposes of building or rebuilding credit. As of the end of 2023, The First has 112 active secured cards, received 62 applications for new cards and issued 35 new cards within the year.

In addition to low-cost transactional and credit-building products, we offer a variety of mortgage loan programs to qualified customers that require little to no down payment such as Federal Housing Administration, United States Department of Agriculture and United States Department of Veteran Affairs home loans. Of the mortgage loans closed by The First in 2023, over 20% were community development mortgage loans for qualified low- and moderate-income borrowers. To ensure our underserved markets have access to credit, The First hosts homebuyer seminars and educational courses in our communities educating prospective homebuyers about available resources such as federal mortgage loan programs and downpayment and closing cost assistance grants.

Designed for lower-income borrowers who cannot afford a conventional down payment or do not otherwise qualify for private mortgage insurance, the FHA home loan is a mortgage insured by the FHA and requires a minimum 3.5% percent down payment for qualified borrowers. In 2023, The First originated 171 FHA loans for a total loan amount of over \$35.1 million.

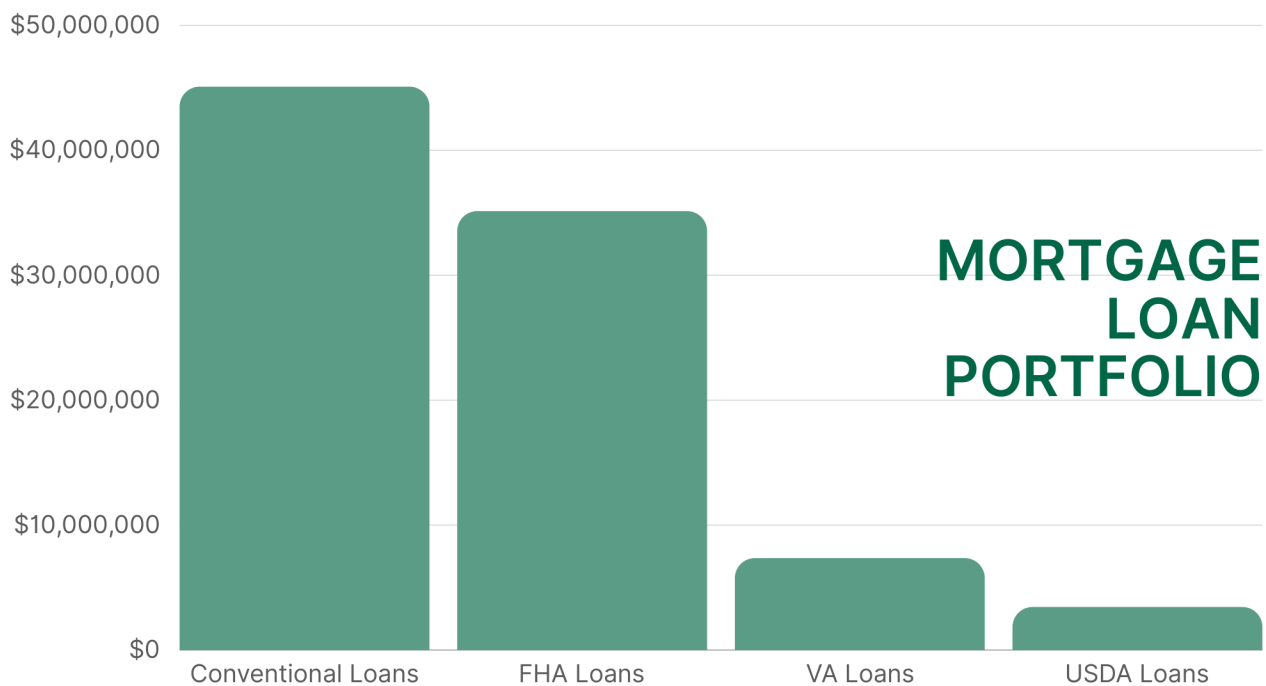
For qualified borrowers purchasing homes in eligible rural and suburban areas, the USDA offers a Rural Development Guaranteed Housing Loan Program with no downpayment required. In 2023, The First originated 19 USDA loans for a total loan amount of more than \$3.4 million.

Active veterans, veteran service personnel and their families may also qualify for a mortgage loan program established by the VA with no down payment and up to 103.3% financing with no private mortgage insurance. In 2023, The First originated 24 VA loans for a total loan amount of over \$7.3 million.

In partnership with the Federal Home Loan Bank of Dallas' Housing Assistance for Veterans program, The First provides grants to veterans in need of home modifications related to their disabilities or other housing needs. Program benefits include up to \$20,000 per qualified household to offset construction costs of a newly constructed home, pay for third-party inspection fees, cover necessary modifications or repairs to a primary residence, or provide down payment assistance for qualified, first-time homebuyers.

In order to finance affordable mortgages for low- and moderate-income individuals, state housing finance agencies issue tax-free mortgage revenue bonds to investors. In 2023, The First originated 88 mortgage revenue bond loans for a total bond assistance amount of more than \$680,000.

In addition to consumer products and services, The First offers a wide variety of products and services for businesses of every shape and size. From private banking, business checking and money market accounts, commercial loans, treasury management, merchant services to small business administration and USDA business loans, our bank has a solution for every business, regardless of the area of specialty. In 2023 alone, The First originated 215 small business administration loans for a total loan amount of over \$185.7 million.





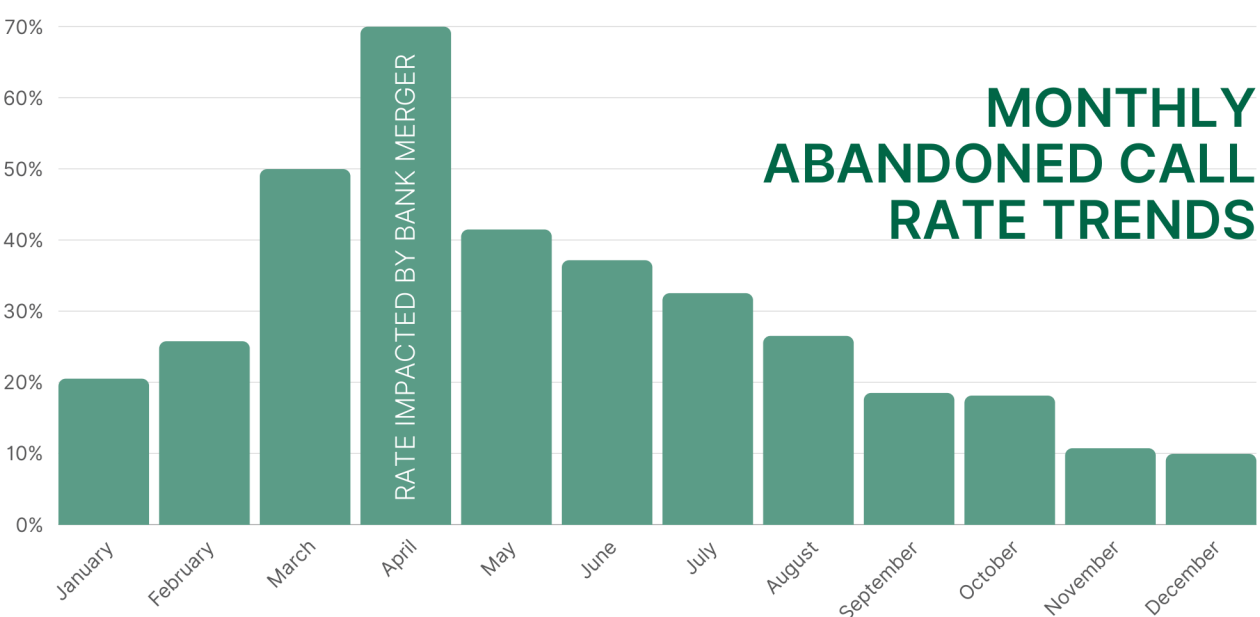
CUSTOMER EXPERIENCE

To support our customers with all their banking needs, The First provides a dedicated customer care team in addition to our banking personnel located at each of our branches to specifically support customers with digital banking, debit cards and other needs. In 2023, this team answered over 118,000 customer calls, reviewed more than 150,000 mobile deposits, reviewed over 110,000 ATM deposits and answered more than 35,000 customer messages through online banking.

As of the end of 2023, customer wait time for the customer care center had improved by 70% to an average wait time of less than two minutes. In addition, over 80% of customer calls were answered within less than a minute as of the end of 2023. As a result, abandoned calls to the customer care center were reduced by 30% to only 10% of calls being abandoned as of December 2023.

With the prevalence of bank fraud and phishing campaigns in our banking environment, The First works diligently to educate and communicate with customers regarding fraud trends, fraud prevention best practices, as well as providing fraud detection technology in many of our banking products and services. The bank maintains a comprehensive fraud communications strategy to educate employees and customers about cybersecurity threats and fraud prevention and detection measures. Ongoing educational initiatives and communications help to keep our bank and customers vigilant against bad actors by deploying fraud detection and prevention best practices and keeping security top of mind at all times.

In addition to customer service and fraud communications, the bank works diligently to ensure that customers understand the products and services available to them. At The First, our marketing and compliance departments work collaboratively to implement responsible marketing practices and ensure all of the bank's marketing materials are in compliance with existing federal and state laws and regulatory requirements. These processes help us to ensure fair and equal treatment for our customers and prospective customers.





GOVERNANCE

As a part of our commitment to maintaining corporate governance best practices and the independence of our board of directors, 11 of 12 directors of The First Bancshares, Inc. are independent. For voicing concerns to the board, the audit committee of FBMS and non-management directors have established procedures to enable any employee who has a concern about the company's conduct, policies, accounting, internal accounting controls or auditing matters to communicate that concern directly to the board of directors of the company through written notification directed to the chairman of the audit committee.

As a matter of policy, the company believes that incentive compensation awards that are made on the basis of financial metrics should contain clawback provisions that would allow the company to recoup awards under certain circumstances such as a material misstatement of financial results. The compensation committee of the company implemented a clawback policy applicable to all short-term and long-term incentives beginning in 2018.

The company's philosophy provides that the company will not reprice options, stock appreciation rights or other equity awards or buy back "underwater" stock options from those who hold option grants for cash. The company's board of directors approved an amendment to the 2007 plan to prohibit repricing of equity awards granted under the plan and to prohibit cash buyback or exchange for other stock awards of underwater options and stock appreciation rights.

For stock ownership guidelines, the company has established expectations for ownership of its common stock by the Chief Executive Officer and Chief Financial Officer. Under these guidelines, the company's Chief Executive Officer is expected to attain an investment position in FBMS' common shares equal to two times his or her base salary and the company's Chief Financial Officer is expected to attain an investment position in FBMS' common shares equal to one times his or her base salary. Exceptions to these ownership guidelines may be approved by the compensation committee of the company for good reason. As of December 31, 2023, all of the company's named executive officers were in compliance with the ownership guidelines.

Certain transactions in the company's equity securities, or transactions which are linked to the value of the company's equity securities, may be considered short-term or speculative in nature. The board of directors of the company discourages directors and officers from engaging in derivative or speculative transactions involving unvested company stock, including hedging, holding unvested stock in a margin account or pledging unvested stock as collateral for a loan.

The board of directors of the company has adopted a written diversity policy to assist in its search for qualified individuals to serve on the board of directors of the company and The First. The diversity policy states that the corporate governance committee of the company should strive for inclusion of diverse groups, knowledge and viewpoints. For purposes of the composition of the board of directors, diversity includes, but is not limited to, business experience, geography, age, gender, ethnicity, race, sexual orientation, marital and family status, gender identity, personal style, disabilities, nationality, religion, veteran and active armed service status or other similar characteristics.

To accomplish this, the corporate governance committee of the company may retain an executive search firm to help further its diversity objectives. The company's corporate governance committee will also periodically review the board diversity policy and the director selection process to assess the policy's effectiveness in promoting a diverse board of directors and to ensure that diverse candidates are included in the consideration and selection process.

RISK MANAGEMENT AND CYBERSECURITY

The board of directors recognizes the need to monitor the various types of risk inherent within the business of banking. As such, the board has created an enterprise risk management department to aid in the identification, evaluation, measurement, monitoring and reporting of risks associated with the activities conducted by The First. The enterprise risk management department helps management address and understand their responsibilities and requirements in fulfilling risk management duties that aid in maintaining a safe and sound institution while enhancing shareholder value.

CYBERSECURITY STRATEGY

- 

TOP-DOWN FOCUS ON CYBERSECURITY LED BY THE BOARD, EXECUTIVE MANAGEMENT & SENIOR LEADERSHIP
- 

IMPLEMENTATION OF CYBERSECURITY THROUGH HIGHLY SKILLED PERSONNEL, LEVERAGING PROVEN TECHNOLOGIES TO IDENTIFY & MITIGATE THREATS
- 

DEPLOYMENT OF MULTILAYERED DEFENSES TO IDENTIFY, PROTECT, DETECT, RESPOND & RECOVER FROM ANY THREATS
- 

ROBUST GOVERNANCE & OVERSIGHT TO ENFORCE ADHERENCE TO CYBERSECURITY POLICIES & STANDARDS
- 

PROMOTION OF CYBERSECURITY THROUGH EMPLOYEE AWARENESS & JOB-SPECIFIC TRAINING
- 

COLLABORATION WITH THREAT INTELLIGENCE ORGANIZATIONS, LAW ENFORCEMENT AGENCIES & PARTNERS TO KEEP ABREAST OF CYBERSECURITY THREATS



PURPOSE

The board takes a proactive approach to risk management, not only looking at the negative risks applicable to the banking industry, but also reviewing the impact of not capitalizing on opportunities or corporate strengths. All risk management activity is aligned to the aims, objectives and priorities of The First, and is designed to protect and enhance the reputation and standing of the bank. The enterprise risk management department aids in ensuring that the board is apprised of the aggregate amount of risk identified in its ongoing risk monitoring processes.

The enterprise risk management department helps to ensure that the management of risk in the organization is proactive and reasonable. Risks are identified, objectively assessed and appropriately managed. The aim is to anticipate and, where possible, control risks rather than dealing with their consequences. All risk is not equal, and the company recognizes the variances of risk and also considers the significance of each issue in terms of financial, reputation and regulatory consequences.

For some key areas, the likelihood of a risk occurring is relatively low, but the impact on the bank is high. Those areas are still monitored, even though the risk appears small. This approach allows the bank to minimize the negative effect of unlikely events which may occur.

In 2023 alone, the enterprise risk management department's risk assessment process was expanded to include environmental, social and governance risk assessments for the operational, strategic and reputational risk categories. These risk assessments help quantify the bank's risk profile as it relates to environmental, social and governance risk.

Within the year, the bank also implemented a new, modified, expanded or discontinued products and services process, which is a systematic review and approval process that allows the bank to effectively measure, monitor and control the risks associated with such products and services and increase cross-departmental communication across the bank. In addition, the third-party risk management process was enhanced as a result of recent interagency guidance on third-party relationships.

The new process is a systematic approach that involves approval, management and oversight of business relationships between the bank and third parties. This process also ensures that risks undertaken through third-party relationships are acceptable in relation to the bank's risk profile and safety and soundness requirements.

Among the enhancements implemented in 2023 to monitor the bank's enterprise risk were the addition of a Chief Compliance Officer and Director of Fair and Responsible Banking. These positions align with strategic and organizational goals in support of an effective three line of defense model. The bank also established a compliance and operational risk committee and a fair and responsible banking committee to further provide transparency, accountability and enhanced governance.

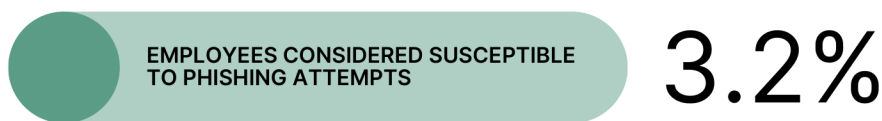
The First is committed to protecting the personal and financial information of its customers. Our policies, processes and controls regarding information security are subject to numerous federal laws and regulations, including the Sarbanes-Oxley Act and the Gramm Leach Bliley Act. Examinations and audits are conducted on a regular basis to ensure appropriate safeguards are in place.

The bank’s information security program is under the governance of the information technology governance committee, which meets at least quarterly to ensure the information security function is performed effectively to protect customer information and all information assets of The First. Annual reports on the status of the bank’s information security program are presented to the board of directors annually.

All information security-related policies are reviewed and updated at least annually and presented for approval to the board of directors and its risk committee. New policies are developed and approved as needed by the risk committee and board throughout the year. All employees within the cybersecurity department hold certifications from ISC2, the world’s leading member association for cybersecurity professionals.

All employees receive information security training annually. In 2023, over 98% of employees completed all assigned cybersecurity training courses successfully. In addition, only 3.2% of employees were considered susceptible to phishing attempts as a result of cybersecurity quarterly testing performed by the bank in 2023 compared to the significantly higher industry average of 5.5%.

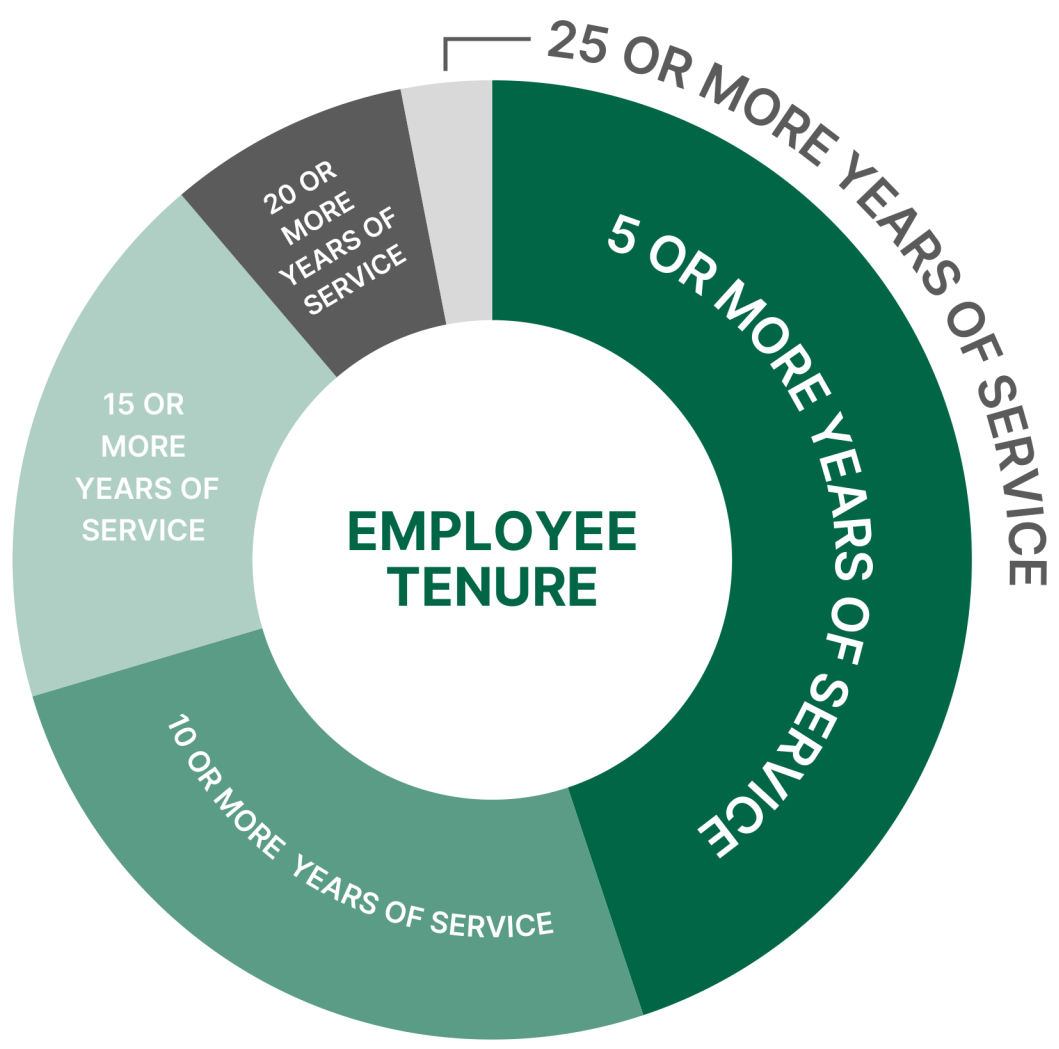
Cybersecurity controls are reviewed and updated routinely to ensure appropriate threat mitigants are in place. The First’s networks and systems are monitored around the clock, every day of the year. The bank makes ongoing investments in new and improved cybersecurity solutions as they become available in order to protect the confidentiality and integrity of customer data.



SIGNIFICANTLY LOWER THAN INDUSTRY PHISHING ATTEMPT FAILURE AVERAGE OF 5.5%



EMPLOYEE ENGAGEMENT



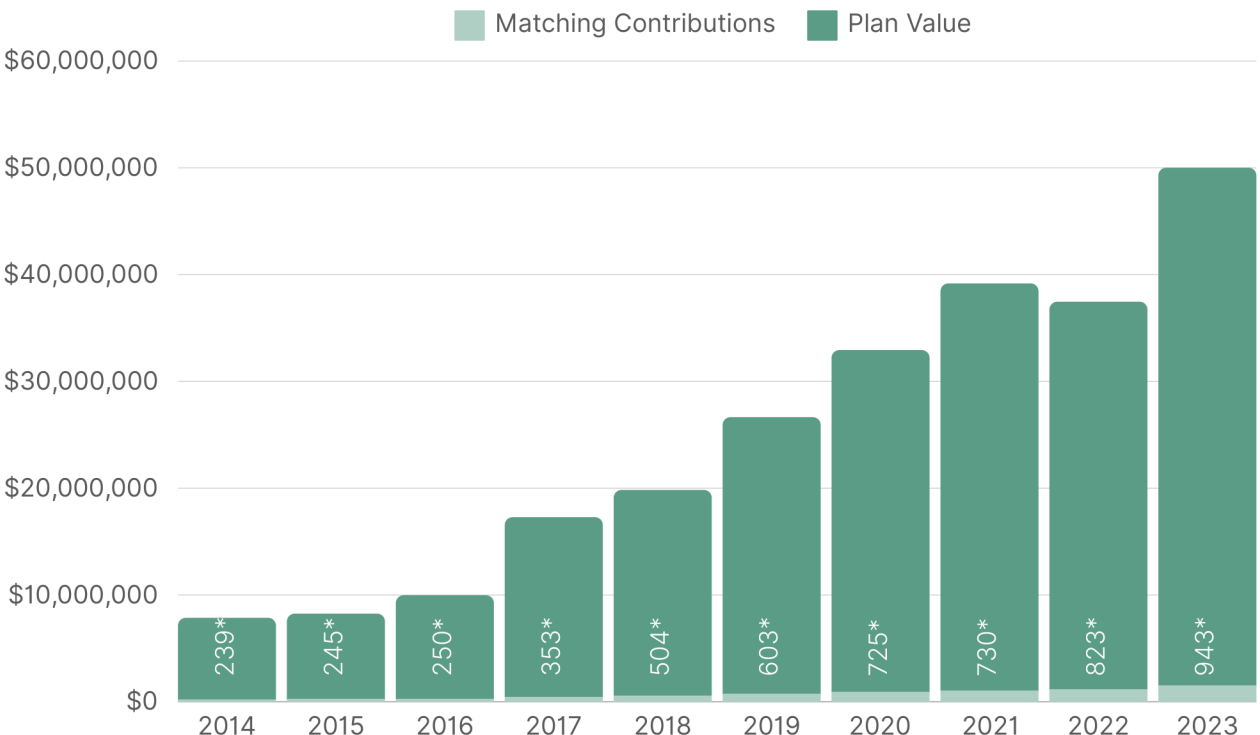
OVER 1,000 TEAM MEMBERS IN 116 LOCATIONS

EMPLOYEE DEVELOPMENT AND BENEFITS

Our outstanding results and exceptional growth are directly attributable to the talents of our leadership team and associates. Our daily efforts to embody our strong values, serve our communities and achieve our goals are the driving force of success for our organization.

Throughout the year, The First continued to provide opportunities for our employees to attain their personal and professional goals. To ensure our employees have the professional knowledge, skills and resources necessary to succeed in their individual roles within the bank, we provide access to training courses offered by both our internal training team and the American Bankers Association. In 2023, 100% of employees completed assigned ABA courses regarding industry regulation, applicable laws and requirements, as well as training specific to their individual roles within the bank.

Just as we provide resources for employees to achieve their professional goals, the bank also provides resources for employees to achieve their personal goals such as saving for retirement. As of 2023, over 943 employees, or approximately 86% of our employee population, participated in our 401(k) plan, which has a collective value of over \$48.4 million with over \$1.5 million in matching contributions from The First contributed in 2023 alone.



*Employee participants in 401(k) plan.



PEOPLE

In addition to retirement benefits, The First provides competitive pay and a comprehensive benefits package including paid vacations and holidays, health insurance, dental insurance, health savings accounts, life insurance, disability insurance and continuing education. It is the policy of the bank to encourage and support officers and employees who pursue and participate in continuing education programs for both technology and academics. In addition to our employee benefits, we strive to maintain a healthy work environment for all employees, as well as providing free banking services to them.

As a company, we are committed to diversity, equity and inclusion, and we value the benefits that diversity can bring to an organization. Our diversity, equity and inclusion policy guides our efforts to promote an inclusive workplace that attracts a diverse workforce and fosters an equitable working environment that is free of conscious or unconscious bias and discrimination.

In 2023, female employees earned 89% of promotions at The First and minorities earned 25% of promotions. In the last year, over 75% of our new hires were female and 27% were minorities. Currently, females represent over 75% of our workforce while minorities represent 23% of our workforce.

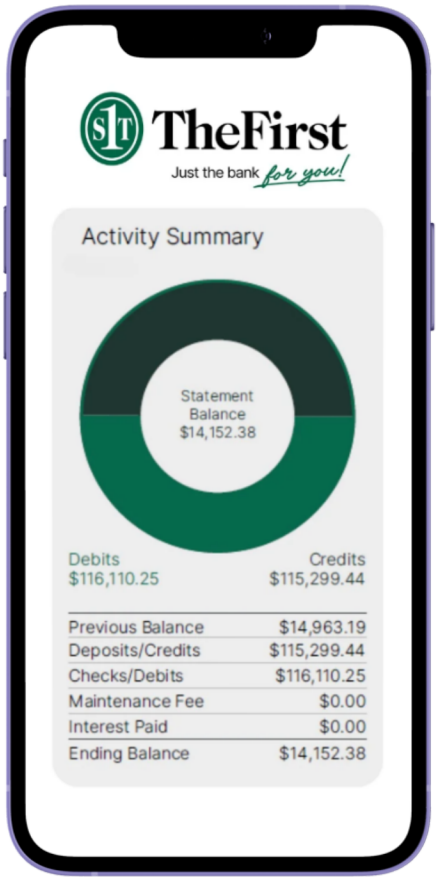
An example of our commitment to a healthy working environment includes our grief counseling and confidential assistance program, which provides counseling services free of charge to employees on a confidential basis to ensure our employees receive the help they need to be successful. In addition, our bank's foundation has an employee support program that allows employees to seek funding support in the event of a loss of loved ones, emergency medical issue or other significant issue.



SUSTAINABLE OPERATION

As a bank, we strive to do our part to protect the environment by operating efficiently, conserving paper and energy utilized in our branches, and encouraging customers to utilize our digital banking, digital statements and remote deposit services to reduce unnecessary paper usage and carbon emissions. Free of charge, customers can enroll in online banking, make remote deposits and receive account statements through our paperless digital program. As of 2023, 51% of our customer accounts have enrolled in digital statements, reducing the amount of paper that we use in conjunction with our product and service offerings.

Through access to online banking, customers can perform account inquiries, deposit checks, transfer between accounts, pay bills and manage their debit cards without needing to make a trip to the branch. As of December 2023, The First has over 103,000 customers enrolled in digital banking. In addition, we have over 460 commercial clients utilizing our commercial remote deposit capture service as of the end of 2023, which also reduces the need for our commercial clients to visit branches to deposit checks.



51%
OF CUSTOMER ACCOUNTS ARE ENROLLED IN DIGITAL STATEMENTS

103,000+
CUSTOMERS ENROLLED IN ONLINE BANKING



By partnering with Shred-it, The First hosted community shredding events free to the public in each of the states where we operate so that customers and community members could shred and safely dispose of old documents and tax returns, therefore reducing their risk for consumer fraud and identity theft. During these events in 2023, over 14,000 pounds of paper were shredded, saving over 280 trees.

In addition to community shredding events, The First utilizes Shred-it to securely shred and recycle all discarded documents in our branches. In 2023, our branches and locations recycled over 248,000 pounds of paper, saving over 2,200 trees.

With over 30 years of experience, Shred-it is an NAID-certified organization, which verifies secure data destruction companies are compliant with data protection laws that ensure document security and information privacy. After the paper has been securely shredded into confetti-sized pieces, it is bundled and recycled into paper products. In 2023 alone, Shred-it recycled 906 million pounds of paper and used the recycled material to manufacture their sturdy and secure Shred-it document collection consoles featuring 100% recovered and recycled fibers.

For technology recycling purposes, the bank utilizes an e-waste disposal and recycling service that is R2v3 certified by the Sustainable Electronics Recycling International and accredited by the National Accreditation Board and the Electronics Reuse and Recycling Alliance. Utilizing data destruction methods compliant with Family Educational Rights and Privacy Act, Health Insurance Portability and Accountability Act, Health Information Technology for Economic and Clinical Health and legislation specific to certain states, our data and the environment are protected by safely destroying data and recycling equipment.

Across all of our 116 locations, the bank is working to improve our energy efficiency by replacing original lighting with high-efficiency LED lighting. Using a phased implementation plan, we plan to continue upgrading all locations with LED lighting in addition to the 27 branches that are already equipped with high-efficiency lighting. In addition to paper and technology recycling and energy efficiency, The First makes a conscious effort to ensure our supplies are sourced from diverse suppliers with the majority of our bank supplies and promotional products being sourced from women-owned companies.



262,000 POUNDS OF PAPER SAFELY SHREDDED & RECYCLED



2,480 TREES SAVED BY RECYCLING PAPER & PRODUCING RECYCLED FIBERS



27 BRANCHES EQUIPPED WITH ENERGY-EFFICIENT LED LIGHTING



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