

## At A Glance (unaudited)

  
Locations  
**36**

  
ATMs  
**49**

  
Total Assets  
**\$2.9** Billion

  
Deposits  
**\$2.7** Billion

  
Total Loans  
**\$2.3** Billion

**\$8.1** Million  
2Q 2022 Earnings

**\$15.7** Million  
YTD2022 Earnings

**116** and counting  
Consecutive dividends paid

**88**  
Years in Banking

NASDAQ Symbol: **FGBI**

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Have Questions?

Vanessa Drew | [InvestorRelations@fgb.net](mailto:InvestorRelations@fgb.net)

Member FDIC

## Bank Officers

### Chairman

Marshall T. Reynolds\*

### Executive Officers

Alton B. Lewis, Jr.\*

President and CEO | Hammond

Eric J. Dosch\*

Chief Financial Officer | Hammond

### Senior Vice Presidents

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Mark J. Ducoing, Chief Deposit Officer

Glenn A. Duhon, Sr.

Ronnie R. Foshee

Director of Lending Development

Kevin J. Foster

Sam J. Gallo

Adam J. Johnston

Mikki M. Kelley

William F. Leach

Chief Information Officer

Jordan M. Lewis, Texas Area President

Michael R. Mineer

Midwestern Market President

Jane A. Muehlbauer

Daniel W. Pack

Michael E. Parham

Christopher W. Parr

Gregory P. Prudhomme

Craig E. Scelfo

Desiree B. Simmons

Chief Administrative Officer

Evan M. Singer

Chief Mergers & Acquisitions Officer

J. Richard Stark, Operations

Jason M. Turner

Randy S. Vicknair

Chief Lending Officer

Christy L. Wells

Matthew B. Wise

Chief Credit Officer

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Brenda A. Briscoe

Cheryl Q. Brumfield

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Vikki W. Dupaquier

Ronald W. Edmonds

Denise D. Fletcher

Craig E. Hriblan

Matthew P. Hudnall

A. Shane Hughes

Shirley P. Jones

JoEllen K. Juhasz, BSA Officer

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Lisa K. Stoker

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Laurn H. Waits

### Assistant Vice Presidents

Miranda M. Derveloy

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Dollie D. Ogletree

Dev M. Patel

Rahul R. Patel

Kristy L. Puckett

Areeb Rashid

Niekitsha S. Ridley

Chanyon O. Robinson

Donna D. Scamardo

Stacy J. Thompson

### Officers

Mandi B. Aguilard

Calvin P. Ducote

Jeannette N. Ernst

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FIRST GUARANTY BANCSHARES, INC.

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Report**

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2022

**Newsweek**



**FIRST GUARANTY BANCSHARES, INC.**

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\*Officers of First Guaranty Bancshares, Inc. and First Guaranty Bank

## A Message to Our Shareholders

Dear Shareholders,

In sports, fans get excited by the offense. When a team scores 5 touchdowns or if a player hits 40 points on the court in basketball, there is much excitement and much positive comment. However, the adage in sports is defense wins championships.

For the last nine consecutive quarters, First Guaranty Bank has created tremendous excitement by its offensive performance. Loan production has consistently exceeded expectations.

Earnings have also consistently exceeded expectations. The quarter ending June 30, 2022, continued the streak of outstanding financial performance. For the quarter, income available to common shareholders totaled \$7,542,000 compared to \$6,214,000 for the same quarter of 2021, an increase of 21.4%. For the six months ending June 30, 2022, income available to common shareholders totaled \$14,545,000 compared to \$11,237,000 for the same period of 2021, an increase of 29.4%.

The loan portfolio rose to \$2,295,738,000 compared to \$2,066,408,000 as of June 30, 2021. As of June 30, 2022, our new Midwest region (Kentucky and West Virginia) had contributed a total of \$171,500,000 in new loans closed.

These are the exciting numbers. At the same time these exciting numbers were being put up, First Guaranty Bank was playing some strong defense. In the second quarter of 2022, First Guaranty Bank was able to get several big, longstanding problem loans out of the loan portfolio. First Guaranty Bank was also able to improve the handling and renewal of loans reaching maturity so that past due loans were significantly reduced. As a result of these efforts, as of June 30, 2022, the Texas capital ratio has been reduced to 3.86%, a significant reduction on the 13.54% level as of January 2021.

For the six-month period ending June 30, 2022, interest expense increased only \$446,000 an increase of only 4.0% during a time of rapidly rising interest rates.

In addition to the financial accomplishments in the first six months of 2022 we also significantly improved the strength of our Management team with the addition of a highly qualified individual to oversee our various construction and maintenance projects, an extremely well qualified Chief Information Officer, an extremely well qualified Chief Information Security Officer, and a Chief Technology Officer. These changes make us extremely capable of continuing our growth and our success.

Our aim is to increase our shareholder value while continuing to build a fortress balance sheet. We appreciate your support in our endeavors.

If you have any questions, please do not hesitate to contact me.

Thank you for your attention.



Sincerely,

**Alton B. Lewis**  
Chief Executive Officer/President  
First Guaranty Bancshares, Inc.

## Consolidated Balance Sheets (In thousands, except share data)

	June 30,	
	2022	2021
	(unaudited)	
<b>Assets</b>		
Cash and cash equivalents:		
Cash and due from banks	\$120,164	\$130,413
Federal funds sold	234	181
<b>Cash and cash equivalents</b>	<b>120,398</b>	<b>130,594</b>
Investment securities:		
Available for sale, at fair value	131,091	293,152
Held to maturity, at cost (estimated fair value of \$264,310 and \$157,638 respectively)	319,731	153,130
<b>Investment securities</b>	<b>450,822</b>	<b>446,282</b>
Federal Home Loan Bank stock, at cost	1,476	1,324
Loans held for sale	-	-
Loans, net of unearned income	2,295,738	2,066,408
Less: allowance for loan and lease losses	23,583	25,516
<b>Net loans</b>	<b>2,272,155</b>	<b>2,040,892</b>
Premises and equipment, net	58,394	59,985
Goodwill	12,900	12,900
Intangible assets, net	5,313	6,236
Other real estate, net	1,634	2,020
Accrued interest receivable	12,359	12,370
Other assets	23,905	32,448
<b>Total Assets</b>	<b>\$2,959,356</b>	<b>\$2,745,051</b>
<b>Liabilities and Shareholders' Equity</b>		
Deposits:		
Noninterest-bearing demand	560,624	483,298
Interest-bearing demand	1,340,412	1,076,453
Savings	221,708	194,743
Time	537,317	666,239
<b>Total deposits</b>	<b>2,660,061</b>	<b>2,420,733</b>
Short-term borrowings	20,000	49,389
Repurchase agreements	6,361	6,245
Accrued interest payable	3,138	3,939
Long-term advances from Federal Home Loan Bank	-	3,288
Senior long-term debt	23,549	26,791
Junior subordinated debentures	15,000	14,797
Other liabilities	4,711	5,530
<b>Total Liabilities</b>	<b>2,732,820</b>	<b>2,530,712</b>
<b>Shareholders' Equity</b>		
Preferred Stock, Series A - \$1,000 par value		
100,000 shares authorized; non-cumulative perpetual; 34,500 issued and outstanding	33,058	33,058
Common stock - \$1 par value		
100,600,000 shares authorized; 10,716,796 shares issued <sup>1</sup>	10,717	10,717
Surplus	130,093	130,093
Retained earnings	67,769	45,254
Accumulated other comprehensive (loss) income	(15,101)	(4,783)
<b>Total Shareholders' Equity</b>	<b>226,536</b>	<b>214,339</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$2,959,356</b>	<b>\$2,745,051</b>

## Consolidated Statements of Income (In thousands, except share, per share data & percentages)

	Three-Months Ended June 30,	
	2022	2021
	(unaudited)	
<b>Interest Income:</b>		
Loans (including fees)	\$29,999	\$25,194
Deposits with other banks	261	75
Securities (including FHLB stock)	2,280	1,719
<b>Total Interest Income</b>	<b>32,540</b>	<b>26,988</b>
<b>Interest Expense:</b>		
Demand deposits	2,884	1,644
Savings deposits	101	50
Time deposits	2,540	3,331
Borrowings	705	516
<b>Total Interest Expense</b>	<b>6,230</b>	<b>5,541</b>
<b>Net Interest Income</b>	<b>26,310</b>	<b>21,447</b>
Less: Provision for loan losses	757	900
<b>Net Interest Income after Provision for Loan Losses</b>	<b>25,553</b>	<b>20,547</b>
<b>Noninterest Income:</b>		
Service charges, commissions and fees	773	657
ATM and debit card fees	904	932
Net gains on securities	-	965
Net gains on sale of loans	90	291
Other	760	753
<b>Total Noninterest Income</b>	<b>2,527</b>	<b>3,598</b>
<b>Total Business Revenue, Net of Provision for Loan Losses</b>	<b>28,080</b>	<b>24,145</b>
<b>Noninterest Expense:</b>		
Salaries and employee benefits	9,085	8,012
Occupancy and equipment expense	2,252	2,198
Other	6,482	5,814
<b>Total Noninterest Expense</b>	<b>17,819</b>	<b>16,024</b>
<b>Income Before Income Taxes</b>	<b>10,261</b>	<b>8,121</b>
Less: Provision for income taxes	2,137	1,687
<b>Net Income</b>	<b>8,124</b>	<b>6,434</b>
Less: Preferred stock dividends	582	220
<b>Income Available to Common Shareholders</b>	<b>\$7,542</b>	<b>\$6,214</b>
<b>Per Common Share<sup>1</sup>:</b>		
Earnings	\$0.70	\$0.58
Cash dividends paid	\$0.16	\$0.15
<b>Weighted Average Common Shares Outstanding</b>	<b>10,716,796</b>	<b>10,716,796</b>
<b>Return on Average Assets</b>	<b>1.11%</b>	<b>0.93%</b>
<b>Return on Average Common Equity</b>	<b>15.73%</b>	<b>13.86%</b>

<sup>1</sup>All share and per share amounts have been restated to reflect the ten percent stock dividend paid December 17, 2021 to shareholders of record as of December 15, 2021.

## Consolidated Statements of Income (In thousands, except share, per share data & percentages)

	Six-Months Ended June 30,	
	2022	2021
	(unaudited)	
<b>Interest Income:</b>		
Loans (including fees)	\$58,037	\$48,944
Deposits with other banks	363	141
Securities (including FHLB stock)	4,619	3,244
<b>Total Interest Income</b>	<b>63,019</b>	<b>52,329</b>
<b>Interest Expense:</b>		
Demand deposits	5,160	3,239
Savings deposits	162	102
Time deposits	5,295	6,851
Borrowings	1,109	1,088
<b>Total Interest Expense</b>	<b>11,726</b>	<b>11,280</b>
<b>Net Interest Income</b>	<b>51,293</b>	<b>41,049</b>
Less: Provision for loan losses	1,389	1,508
<b>Net Interest Income after Provision for Loan Losses</b>	<b>49,904</b>	<b>39,541</b>
<b>Noninterest Income:</b>		
Service charges, commissions and fees	1,550	1,378
ATM and debit card fees	1,727	1,775
Net (losses) gains on securities	(17)	1,060
Net gains on sale of loans	89	325
Other	1,140	1,386
<b>Total Noninterest Income</b>	<b>4,489</b>	<b>5,924</b>
<b>Total Business Revenue, Net of Provision for Loan Losses</b>	<b>54,393</b>	<b>45,465</b>
<b>Noninterest Expense:</b>		
Salaries and employee benefits	18,065	15,547
Occupancy and equipment expense	4,453	4,519
Other	12,052	10,946
<b>Total Noninterest Expense</b>	<b>34,570</b>	<b>31,012</b>
<b>Income Before Income Taxes</b>	<b>19,823</b>	<b>14,453</b>
Less: Provision for income taxes	4,114	2,996
<b>Net Income</b>	<b>15,709</b>	<b>11,457</b>
Less: Preferred stock dividends	1,164	220
<b>Income Available to Common Shareholders</b>	<b>\$14,545</b>	<b>\$11,237</b>
<b>Per Common Share<sup>1</sup>:</b>		
Earnings	\$1.36	\$1.05
Cash dividends paid	\$0.32	\$0.30
<b>Book Value Per Common Share<sup>1</sup></b>	<b>\$18.05</b>	<b>\$16.92</b>
<b>Weighted Average Common Shares Outstanding</b>	<b>10,716,796</b>	<b>10,716,796</b>
<b>Return on Average Assets</b>	<b>1.08%</b>	<b>0.88%</b>
<b>Return on Average Common Equity</b>	<b>15.37%</b>	<b>12.59%</b>

<sup>1</sup>All share and per share amounts have been restated to reflect the ten percent stock dividend paid December 17, 2021 to shareholders of record as of December 15, 2021.

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