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FIRST BANCSHARES INC /MS/
Form 8-K
August 18, 2004

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
August 18, 2004

THE FIRST BANCSHARES, INC.

(Exact name of registrant as specified in its charter)

MISSISSIPPI

(State or other jurisdiction of
incorporation)

33-94288

(Commission
File Number)

64-08621

(IRS empl
Identific

6480 US Highway 98 West
Hattiesburg, Mississippi

(Address of principal executive offices)

39402

(Zip Code)

Registrant's telephone number, including area code: (601) 268-8998

Not applicable

(Registrant's former address of principal executive offices)

INFORMATION TO BE INCLUDED IN THE REPORT

Item 9. Regulation FD Disclosure. On August 18, 2004, The First Bancshares, Inc. mailed a letter to its shareholders announcing that it finished the first six months of 2004 with \$181.6 million in assets compared to \$165 million at 12/31/03. A copy of this letter is attached hereto as Exhibit 99.1.

Item 12. Results of Operations and Financial Condition. On August 18, 2004, The First Bancshares, Inc. mailed a letter to its shareholders announcing that it finished the first six months of 2004 with \$181.6 million in assets compared to \$165 million at 12/31/03. A copy of this letter is attached hereto as Exhibit 99.1.

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Exhibit 99.1 - Letter dated August 16, 2004, mailed to shareholders August 18, 2004.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: August 18, 2004

THE FIRST BANCSHARES, INC.

By: /s/ David E. Johnson

Name: David E. Johnson
Title: President, CEO &
Chairman of the Board

Exhibit 99.1 to The First Bancshares, Inc. Form 8-K

The First Bancshares, Inc.

David E. Johnson
*President, CEO & Chairman
of the Board*

6480 US Highway 98 West
P.O. Box 15549
Hattiesburg, MS 39404

Phone: (601) 268-8998
Fax: (601) 296-9207

djohnson@TheFirstBank.com

August 16, 2004

Dear Shareholders:

I am pleased to announce that The First Bancshares, Inc. finished the first six months of 2004 with \$181.6 million in assets compared to \$165 million at 12-31-03. Total loans increased \$23.7 million and deposits increased by \$8.5 million.

After tax earnings for the first six months improved to \$629 thousand compared to \$560 thousand for the same period in 2003. Earnings per share improved to \$.54.

Growth was achieved while at the same time decreasing salary, occupancy and other operating costs. Part of this was achieved by the efficiencies derived by combining our two banks in the

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first quarter. Costs related to consolidation were almost totally absorbed in the first and second quarters.

Our Picayune office reached a break-even point after 12 months of operation. Picayune currently has \$10 million in loans and \$7 million in deposits, and its operations are now housed in a permanent facility that officially opened in May 2004.

We recently filed an application to open a branch in Pascagoula, Mississippi. We have already opened a loan production office there and are pleased with the results. Based on early estimates, we hope to reach the break-even point for Pascagoula operations within the first year.

Thank you for supporting our company through its start up and maturing process. I hope you share the excitement that the board and I have when assessing our progress and opportunities.

Sincerely,

/s/ David E. Johnson

David E. Johnson
President, CEO &
Chairman of the Board

THE FIRST BANCSHARES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(\$ amounts in thousands)	(Unaudited)	
ASSETS	June 30, 2004	December 31, 2003
	-----	-----
Cash and due from banks	\$ 4,555	\$ 5,046
Interest-bearing deposits with banks	625	702
Federal funds sold	1,489	117
	-----	-----
Total cash and cash equivalents	6,669	5,865
Securities held-to-maturity, at amortized cost	15	15
Securities available-for-sale, at fair value	21,609	31,281
Loans held for sale	3,193	1,562
Loans	137,590	113,680
Allowance for loan losses	(1,356)	(1,166)
	-----	-----
LOANS, NET	136,234	112,514
Premises and equipment	8,706	8,365
Accrued income receivable	956	822
Cash surrender value	3,249	3,170
Other assets	1,005	1,347
	-----	-----
	\$181,636	\$164,941
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Deposits:		
Noninterest-bearing	\$ 24,635	\$ 19,995
Time, \$100,000 or more	27,187	27,558

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Interest-bearing	78,435	74,145
	-----	-----
TOTAL DEPOSITS	130,257	121,698
Interest payable	160	168
Borrowed funds	27,646	19,986
Subordinated debentures	7,217	7,217
Other liabilities	328	221
	-----	-----
TOTAL LIABILITIES	165,608	149,290

SHAREHOLDERS' EQUITY:

Common stock, \$1 par value. Authorized 10,000,000 shares; 1,191,659 issued at June 30, 2004 and December 31, 2003.	1,192	1,192
Preferred stock, par value \$1 per share, 10,000,000 shares authorized; no shares issued or outstanding	-	-
Additional paid-in capital	12,949	12,949
Retained earnings	2,405	1,951
Accumulated other comprehensive income (loss)	(54)	23
Treasury stock, at cost, 26,494 shares at June 30, 2004 and December 31, 2003	(464)	(464)
	-----	-----
TOTAL SHAREHOLDERS' EQUITY	16,028	15,651
	-----	-----
	\$181,636	\$164,941
	=====	=====

THE FIRST BANCSHARES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(\$ amounts in thousands except earnings per share)

	(Unaudited) Three Months Ended June 30,		(Unaudited) Six Months Ended June 30,	
	2004	2003	2004	2003
	-----	-----	-----	-----
INTEREST INCOME:				
Loans, including fees	\$ 2,427	\$ 2,517	\$ 4,678	\$4,949
Securities:				
Taxable	140	133	318	292
Tax exempt	35	24	61	49
Federal funds sold	6	10	10	22
Other	3	20	28	41
	-----	-----	-----	-----
TOTAL INTEREST INCOME	2,611	2,704	5,095	5,353

INTEREST EXPENSE:

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Deposits	459	601	927	1,198
Other borrowings	277	219	535	443
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TOTAL INTEREST EXPENSE	736	820	1,462	1,641
	-----	-----	-----	-----
NET INTEREST INCOME	1,875	1,884	3,633	3,712
PROVISION FOR LOAN LOSSES	154	125	288	211
	-----	-----	-----	-----

NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	1,721	1,759	3,345	3,501
NONINTEREST INCOME:				
Service charges on deposit accounts	377	345	725	673
Other service charges, commissions and fees	110	103	183	203
Gain on sale of properties	-	-	152	-
	-----	-----	-----	-----
TOTAL NONINTEREST INCOME	487	448	1,060	876
	-----	-----	-----	-----
NONINTEREST EXPENSES:				
Salaries and employee benefits	979	992	1,930	1,975
Occupancy and equipment expense	282	306	568	593
Other operating expenses	481	540	953	967
	-----	-----	-----	-----
TOTAL NONINTEREST EXPENSES	1,742	1,838	3,451	3,535
	-----	-----	-----	-----
INCOME BEFORE INCOME TAXES	466	369	954	842
INCOME TAXES	164	124	325	282
	-----	-----	-----	-----
NET INCOME	\$ 302	\$ 245	\$ 629	\$ 560
	=====	=====	=====	=====
EARNINGS PER SHARE - BASIC	\$.26	\$.21	\$.54	\$.48
EARNINGS PER SHARE - ASSUMING DILUTION	.25	.20	.53	.46
DIVIDENDS PER SHARE	\$ -	\$ -	\$.15	\$.10