

FIRST BANCSHARES INC /MS/

Form S-4/A

January 11, 2019

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As filed with the Securities and Exchange Commission on January 11, 2019

Registration No. 333-228788

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1 to

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

The First Bancshares, Inc.

(Exact Name of Registrant as Specified in its Charter)

Mississippi	6021	64-0862173
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

6480 U.S. Hwy. 98 West, Suite A

Hattiesburg, Mississippi 39402

(601) 268-8998

(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

Donna T. (Dee Dee) Lowery

Chief Financial Officer

6480 U.S. Hwy. 98 West

Hattiesburg, Mississippi 39402

(601) 268-8998

(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)

With copies to:

Mark C. Kanaly	Gerald F. Heupel, Jr.
David S. Park	Hugh T. Wilkinson
Alston & Bird, LLP	Silver, Freedman, Taff & Tiernan LLP
One Atlantic Center	3299 K Street, N.W. Suite 100
1201 West Peachtree Street	Washington, DC 20007
Atlanta, Georgia 30309	(202) 295-4500
(404) 881-7000	

Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective and all other conditions to the proposed merger described herein have been satisfied or waived.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same

offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company	Emerging growth company
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If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock, par value \$1.00 per share	2,902,218(1)	N/A	\$ 73,281,004.50(2)	\$ 8,881.66(3)

(1)

Represents the maximum number of shares of The First Bancshares, Inc. common stock that could be issued in connection with the merger described herein. Pursuant to Rule 416, this registration statement also covers additional shares that may be issued as a result of stock splits, stock dividends or similar transactions. In the event the number of shares of common stock required to be issued to consummate the merger described herein is increased after the date this registration statement is declared effective, The First Bancshares, Inc. will register such additional shares in accordance with Rule 413 under the Securities Act of 1933, as amended (the “Securities Act”), by filing a registration statement pursuant to Rule 462(b) or Rule 429 under the Securities Act, as applicable, with respect to such additional shares.

(2)

Pursuant to Rule 457(f)(1) under the Securities Act, and solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price is based on the average of the high and low prices for shares of FPB Financial Corp. common stock as reported on the Over-the-Counter Electronic Bulletin Board on January 10, 2019 (\$25.25 per share) multiplied by the maximum number of such shares (2,902,218) that may be exchanged for the securities being registered.

(3)

Calculated pursuant to Rule 457(f) of the Securities Act to be \$8,881.66 by multiplying the proposed maximum aggregate offering price by 0.0001212. All filing fees payable in connection with the issuance of these shares were previously paid in connection with the filing of the Registration Statement on Form S-4 on December 13, 2018.

This registration statement shall hereinafter become effective in accordance with the provisions of Section 8(a) of the Securities Act of 1933, as amended.

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The information in this proxy statement/prospectus is not complete and is subject to change. The First Bancshares, Inc. may not sell the securities offered by this proxy statement/ prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY — SUBJECT TO COMPLETION — DATED JANUARY 11, 2019

Proxy Statement/Prospectus

**MERGER PROPOSED — YOUR VOTE IS VERY IMPORTANT**

To the Stockholders of FPB Financial Corp.:

The boards of directors of The First Bancshares, Inc., or First Bancshares, and FPB Financial Corp., or FPB, have each unanimously approved the acquisition of FPB by First Bancshares. The acquisition will be accomplished pursuant to the terms of an Agreement and Plan of Merger, dated as of November 6, 2018, which we refer to as the merger agreement, by and between First Bancshares and FPB, whereby FPB will be merged with and into First Bancshares, which we refer to as the merger. Immediately following the merger of FPB with and into First Bancshares, Florida Parishes Bank, a wholly owned savings bank subsidiary of FPB, will merge with and into First Bancshares' wholly owned bank subsidiary, The First, A National Banking Association, or The First, with The First as the surviving bank, which we refer to as the bank merger.

If the merger is completed, each share of FPB common stock issued and outstanding immediately prior to the effective time of the merger will be converted into the right to receive 0.83, or the exchange ratio, of a share of First Bancshares common stock, provided that the exchange ratio is subject to adjustment in the event that the average closing price of First Bancshares' common stock on the NASDAQ Global Market over the ten (10) trading days ending five (5) business days immediately prior to the closing date, or the measurement price, is either less than \$34.61 or greater than \$43.39.

Although the number of shares of First Bancshares common stock that FPB stockholders will receive is fixed (provided that the measurement price of First Bancshares common stock is within the band of \$34.61 per share and \$43.39 per share), the market value of the merger consideration will fluctuate with the market price of First Bancshares common stock and will not be known at the time FPB stockholders vote on the merger. First Bancshares common stock is currently quoted on the NASDAQ Global Market under the symbol "FBMS." On November 6, 2018, the last full trading day before the public announcement of the merger agreement, based on the last reported sale price of First Bancshares common stock of \$36.83 per share, the 0.83 exchange ratio represented approximately \$30.57 in value for each share of FPB common stock to be converted into First Bancshares common stock. Based on the most recent reported closing sale price of First Bancshares common stock on January 10, 2019 of \$31.11 per share, the exchange ratio, as adjusted, represented approximately \$28.73 in value for each share of FPB common stock to be converted into First Bancshares common stock. Based on the exchange ratio and the number of shares of FPB common stock outstanding (assuming the exercise of all outstanding warrants), the maximum number of shares of First Bancshares common stock offered by First Bancshares and issuable in the merger is 2,902,218, assuming the exchange ratio is adjusted to 1.00. We urge you to obtain current market quotations for the price of First Bancshares common stock (trading symbol "FBMS") and FPB common stock (trading symbol "FPBF").

FPB will hold a special meeting of its stockholders, referred to as the FPB special meeting, where FPB stockholders will be asked to consider and vote upon (1) a proposal to approve the merger agreement and (2) a proposal to adjourn the FPB special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger agreement.

The FPB special meeting will be held at FPB's office located at 1300 West Morris Avenue, Hammond, Louisiana, on March 1, 2019, at 10:00 a.m., Central Time, subject to any adjournment or postponement thereof.

Each of First Bancshares and FPB expects that the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, with the result that

the FPB common stock exchanged for First Bancshares common stock will generally be tax-free.

Your vote is important. Completion of the merger is subject to the approval of the merger agreement by the stockholders of FPB. Regardless of whether or not you plan to attend the FPB special meeting, please take the time to authorize a proxy to vote your shares in accordance with the instructions contained in this proxy statement/prospectus. Submitting a proxy now will not prevent you from being able to vote in person at the FPB special meeting.

The board of directors of FPB has determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of the stockholders of FPB, has unanimously approved the merger agreement and the merger and unanimously recommends that the stockholders of FPB vote "FOR" the proposal to approve the merger agreement and "FOR" the proposal to adjourn the FPB special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger agreement.

This proxy statement/prospectus describes the FPB special meeting, the merger, the merger agreement, other documents related to the merger and other related matters. Please carefully read this entire proxy statement/prospectus, including "Risk Factors," beginning on page 23, for a discussion of the risks relating to the proposed merger. You also can obtain information about First Bancshares from documents that it has filed with the Securities and Exchange Commission.

If you have any questions concerning the merger, please contact Fritz W. Anderson, II, Chairman of the Board and Chief Executive Officer, at (985) 345-1880. We look forward to seeing you at the meeting.

/s/ Fritz W. Anderson II

Fritz W. Anderson II  
Chairman of the Board and Chief Executive Officer  
FPB Financial Corp.

Neither the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, nor any state securities commission or any other bank regulatory agency has approved or disapproved the securities to be issued in the merger or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense. The securities to be issued in the merger are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either First Bancshares or FPB, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this proxy statement/prospectus is January 31, 2019, and it is first being mailed or otherwise delivered to the FPB stockholders on or about January 31, 2019.

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FPB FINANCIAL CORP.  
1300 West Morris Avenue  
Hammond, Louisiana 70403  
(985) 345-1880

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held on March 1, 2019

To the Stockholders of FPB Financial Corp.:

A special meeting of the stockholders of FPB Financial Corp., or FPB, will be held at FPB's office located at 1300 West Morris Avenue, Hammond, Louisiana, on March 1, 2019, at 10:00 a.m., Central Time, subject to any adjournment or postponement thereof, for the following purposes:

1.

To consider and vote upon a proposal, which we refer to as the merger proposal, to approve the Agreement and Plan of Merger, dated as of November 6, 2018, which we refer to as the merger agreement, by and between FPB and The First Bancshares, Inc., or First Bancshares, which provides for the merger of FPB with and into First Bancshares with First Bancshares as the surviving company, which is referred to herein as the merger; and

2.

To consider and vote upon a proposal to adjourn the special meeting, referred to herein as the FPB special meeting, to a later date or dates if the board of directors of FPB determines such an adjournment is necessary to permit solicitation of additional proxies if there are not sufficient votes at the time of the FPB special meeting to approve the merger, which we refer to as the adjournment proposal.

No other business may be conducted at the FPB special meeting. All holders of shares of common stock of FPB of record as of the close of business as of 5:00 p.m. Central Time on January 18, 2019 will be entitled to notice of and to vote at the FPB special meeting and any adjournments thereof. The FPB special meeting may be adjourned from time to time upon approval of holders of FPB common stock without any notice other than by announcement at the meeting of the adjournment thereof, and any and all business for which notice is hereby given may be transacted at such adjourned meeting.

FPB stockholders have the right to assert appraisal rights under Part 13 of the Louisiana Business Corporation Act, or LBCA. Appraisal rights allow a stockholder to avoid the effects of the proposed corporate action described in this notice by selling the stockholder's shares to the corporation at their fair value, paid in cash. To retain the right to assert appraisal rights, a stockholder is required by law: (1) to deliver to the corporation, before the vote is taken on the action described in this notice, a written notice of the stockholder's intent to demand appraisal if the corporate action proposed in this notice takes effect, and (2) not to vote, or cause or permit to be voted, in favor of the proposed corporate action any shares of the class or series for which the stockholder intends to assert appraisal rights. If a stockholder complies with those requirements, and the action proposed in this notice takes effect, the law requires the corporation to send to the stockholder an appraisal form that the stockholder must complete and return, and a copy of Part 13 of the LBCA governing appraisal rights. A copy of the applicable statutory provisions of the LBCA is included as Annex C to the accompanying proxy statement/prospectus and a summary of these provisions can be found under the caption "The Merger — Appraisal Rights," beginning on page 67 of the proxy statement/prospectus. The merger might not be completed if the holders of more than 10.0% of the outstanding shares of FPB common stock exercise appraisal rights.

If you have any questions concerning the merger agreement, the merger, the FPB special meeting or the proxy statement/prospectus, would like additional copies of the proxy statement/prospectus, need a proxy card or need help voting your shares of FPB common stock, please contact Fritz W. Anderson, II, Chairman of the Board and Chief Executive Officer, at (985) 345-1880.

By Order of the Board of Directors,  
G. Wayne Allen  
Corporate Secretary

Hammond, Louisiana  
January 31, 2019

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The FPB board of directors unanimously recommends that holders of FPB common stock entitled to vote at the FPB special meeting vote “FOR” the merger proposal and “FOR” the adjournment proposal.

**Your Vote is Very Important**

A proxy card is enclosed. Whether or not you plan to attend the FPB special meeting, if you are a holder of shares of FPB common stock, please vote by completing, signing and dating the proxy card and promptly mailing it in the enclosed envelope. You may also vote via the Internet or telephone by following the instructions on the proxy card. You may revoke your proxy in the manner described in the proxy statement/prospectus at any time before it is exercised. If you are a holder of shares of FPB common stock and attend the FPB special meeting, you may vote in person if you desire, even if you have previously returned your proxy card.

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ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about First Bancshares from documents filed with the Securities and Exchange Commission, or SEC, that are not included in or delivered with this proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by First Bancshares at no cost from the SEC's website at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference in this proxy statement/prospectus, at no cost by contacting First Bancshares at the contact information set forth below:

The First Bancshares, Inc.  
6480 U.S. Hwy, 98 West  
Hattiesburg, Mississippi 39402  
Attention: Secretary  
Telephone: (601) 268-8998

You will not be charged for any of these documents that you request. To obtain timely delivery of these documents, you must request them no later than five business days before the date of the special meeting, or February 22, 2019. If you are a FPB stockholder and have any questions about the merger agreement, the merger, the FPB special meeting or the proxy statement/prospectus, would like additional copies of the proxy statement/prospectus, need a proxy card or need help voting your shares of FPB common stock, please contact Fritz W. Anderson, II, Chairman of the Board and Chief Executive Officer, at (985) 345-1880.

You should rely only on the information contained in or incorporated by reference into this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated January 31, 2019, and you should assume that the information in this document is accurate only as of such date. You should assume that the information incorporated by reference into this proxy statement/prospectus from another document is accurate as of the date of such other document. Neither the mailing of this document to FPB stockholders nor the issuance by First Bancshares of shares of First Bancshares common stock in connection with the merger will create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Except where the context otherwise indicates, information contained in this document regarding FPB has been provided by FPB and information contained in this document regarding First Bancshares has been provided by First Bancshares. See "Where You Can Find More Information" for more details.

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QUESTIONS AND ANSWERS

The following are answers to some questions that FPB stockholders may have regarding the proposed transaction between First Bancshares and FPB and the proposals being considered at the FPB special meeting. First Bancshares and FPB urge you to read carefully this entire proxy statement/prospectus, including the annexes, and the documents incorporated by reference into this proxy statement/prospectus, because the information in this section does not provide all the information that might be important to you.

Unless the context otherwise requires, references in this proxy statement/prospectus to: (1) “First Bancshares” refer to The First Bancshares, Inc., a Mississippi corporation, and its affiliates; (2) “The First” refer to The First, A National Banking Association, a national banking association and the wholly owned bank subsidiary of First Bancshares; (3) “FPB” refer to FPB Financial Corp., a Louisiana corporation, and its affiliates; and (4) “Florida Parishes Bank” refer to Florida Parishes Bank, a federal savings bank and the wholly owned bank subsidiary of FPB.

Q:

Why am I receiving this proxy statement/prospectus?

A:

First Bancshares and FPB have entered into an Agreement and Plan of Merger, dated as of November 6, 2018, which we refer to as the merger agreement. Pursuant to the merger agreement, FPB will merge with and into First Bancshares, with First Bancshares as the surviving company, which we refer to as the merger. Immediately after the merger, Florida Parishes Bank, a wholly owned savings bank subsidiary of FPB, will merge with and into First Bancshares’ wholly owned bank subsidiary, The First, with The First as the surviving bank, which we refer to as the bank merger. A copy of the merger agreement is included in this proxy statement/prospectus as Annex A.

The merger cannot be completed unless, among other things, the majority of the outstanding shares of FPB common stock entitled to vote at the FPB special meeting vote in favor of the proposal to approve the merger agreement, which we refer to as the merger proposal.

In addition, FPB is soliciting proxies from its stockholders with respect to a proposal to approve one or more adjournments of the FPB special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of such adjournment to approve the merger proposal, which we refer to as the adjournment proposal.

This proxy statement/prospectus contains important information about the merger agreement, the merger and the proposals being voted on at the FPB special meeting, and you should read it carefully. This is a proxy statement/prospectus because (1) FPB is soliciting proxies from the FPB stockholders and the proxy statement provides important information about the FPB special meeting to vote on the merger proposal and the adjournment proposal, and (2) First Bancshares will issue shares of First Bancshares common stock to holders of FPB common stock in connection with the merger, and the prospectus provides important information about such shares. The enclosed materials allow FPB stockholders to authorize a proxy to vote their shares without attending the FPB special meeting.

Your vote is important. We encourage you to authorize your proxy as soon as possible.

Q:

What will I receive in the merger?

A:

If the merger is completed, each share of FPB common stock issued and outstanding immediately prior to the effective time of the merger will be converted into the right to receive 0.83, or the exchange ratio, of a share of First Bancshares common stock, provided that the exchange ratio is subject to adjustment in the event that the average closing price per share of First Bancshares’ common stock on the NASDAQ Global Market over the ten (10) trading days ending five (5) business days immediately prior to the closing date, or the measurement price, is either less than \$34.61 or greater than \$43.39. Each outstanding share of FPB common stock subject to vesting restrictions under an FPB stock benefit plan shall become vested immediately prior to the effective time of the merger and will be converted into the right to receive the same merger consideration that other FPB stockholders are entitled to receive. Each warrant to purchase

shares of FPB common stock that consents to being cashed out shall be cancelled as of the effective time of the merger and converted into the right to receive a cash payment equal to the product of (i) the total number of shares of FPB common stock

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subject to such warrant times (ii) the excess, if any, of (A) the product of the measurement price multiplied by the exchange ratio, over (B) the exercise price per share of FPB common stock subject to such warrant. If a holder of a warrant to purchase FPB common stock does not exercise the warrant prior to completion of the merger and does not consent to the warrant being cashed out, then such holder's warrant will be assumed by First Bancshares, subject to adjustments in accordance with the terms of the merger agreement.

First Bancshares or FPB may terminate the merger agreement if the measurement price is either less than \$33.15 or more than \$44.85.

First Bancshares will not issue any fractional shares of First Bancshares common stock in the merger. FPB stockholders who would otherwise be entitled to a fractional share of First Bancshares common stock upon the completion of the merger will instead receive an amount in cash (without interest and rounded to the nearest whole cent) determined by multiplying the fractional share interest in First Bancshares common stock (rounded to the nearest one hundredth of a share) by the average closing price of First Bancshares' common stock on the NASDAQ Global Market over the twenty (20) trading days ending on the business days immediately prior to the closing date.

Q:

Will the value of the merger consideration change between the date of this proxy statement/prospectus and the time the merger is completed?

A:

Yes. The value of the merger consideration may fluctuate based upon the market value for First Bancshares common stock between the date of this proxy statement/prospectus and the completion of the merger. If the measurement price of First Bancshares common stock is within the band of \$34.61 per share and \$43.39 per share, FPB stockholders will receive 0.83 of a share of First Bancshares common stock for each share of FPB common stock they hold. Any fluctuation in the market price of First Bancshares common stock after the date of this proxy statement/prospectus will change the value of the shares of First Bancshares common stock that FPB stockholders may receive.

Q:

How does FPB's board of directors recommend that I vote at the special meeting?

A:

FPB's board of directors unanimously recommends that you vote "FOR" the merger proposal and "FOR" the adjournment proposal.

Q:

When and where is the FPB special meeting?

A:

The FPB special meeting will be held at FPB's office located at 1300 West Morris Avenue, Hammond, Louisiana, on March 1, 2019, at 10:00 a.m., Central Time.

Q:

What do I need to do now?

A:

After you have carefully read this proxy statement/prospectus and have decided how you wish to vote your shares, please authorize a proxy to vote your shares by promptly completing and returning the enclosed proxy card so that your shares are represented and voted at the FPB special meeting. When complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible. If you are a registered stockholder, you may also vote via the Internet or telephone by following the instructions on the proxy card. Submitting your proxy by mail, voting via the Internet or telephone or directing your bank or broker to vote your shares will ensure that your shares are represented and voted at the FPB special meeting. Your proxy card must be received prior to the special meeting

on March 1, 2019, in order to be counted.

Q:

What constitutes a quorum for the FPB special meeting?

A:

Holders representing at least a majority of the issued and outstanding shares of FPB common stock entitled to vote at the FPB special meeting must be present, in person or represented by proxy, to constitute a quorum. Abstentions and broker non-votes, if any, will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum. If a quorum is not present, the FPB special meeting will be postponed until the holders of the number of shares of FPB common stock required to constitute a quorum attend. If you submit a properly

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executed proxy card, even if you abstain from voting, your shares of FPB common stock will be counted for purposes of determining whether a quorum is present at the FPB special meeting. If additional votes must be solicited to approve the merger proposal, it is expected that the FPB special meeting will be adjourned to solicit additional proxies.

Q:

What is the vote required to approve each proposal?

A:

The merger proposal requires the affirmative vote of a majority of the issued and outstanding shares of FPB common stock entitled to vote at the FPB special meeting. The adjournment proposal requires the affirmative vote of a majority of the votes cast on the matter.

Q:

What would happen if the adjournment proposal does not get approved by FPB stockholders?

A:

The completion of the merger is not conditioned upon stockholder approval of the adjournment proposal. If a quorum is present at the FPB special meeting and the adjournment proposal is not approved and there are not sufficient votes at the time of the FPB special meeting to approve the merger proposal, then the FPB board of directors will not have the ability to adjourn to solicit additional votes and the merger proposal will not be approved.

Q:

Why is my vote important?

A:

If you do not submit a proxy or vote in person, it may be more difficult for FPB to obtain the necessary quorum to hold the special meeting. In addition, your failure to submit a proxy or vote in person, or failure to instruct your bank or broker how to vote, or abstention will have the same effect as a vote against approval of the merger proposal. The merger proposal must be approved by the affirmative vote of the holders of at least a majority of the outstanding shares of FPB common stock. FPB's board of directors unanimously recommends that you vote "FOR" the merger proposal.

Q:

How many votes do I have?

A:

FPB stockholders are entitled to one vote on each proposal to be considered at the special meeting for each share of FPB common stock owned as of the close of business on January 18, 2019, which is the record date for the FPB special meeting.

Q:

How do I vote?

A:

If you are a stockholder of record, you may have your shares of FPB common stock voted on the matters to be presented at the FPB special meeting in any of the following ways:

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You may vote by mail. You may vote by mail by completing, signing, dating and returning the enclosed proxy card in the accompanying prepaid reply envelope.

- You may vote by telephone. If you are a registered stockholder, that is, if you hold your stock in your own name, you may vote by telephone by following the instructions included with the proxy card. If you vote by telephone, you do not have to mail in your proxy card.

- You may vote on the Internet. If you are a registered stockholder, that is, if you hold your stock in your own name, you may vote on the Internet by following the instructions included with the proxy card. If you vote on the Internet, you do not have to mail in your proxy card.

- You may vote in person at the meeting. You may vote by attending the special meeting and casting your vote in person.

If you are a beneficial owner, please refer to the instructions provided by your bank, brokerage firm or other nominee to see which of the above choices are available to you. Your bank, brokerage firm or other nominee cannot vote your shares without instructions from you. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, you must obtain a legal proxy from your bank, brokerage firm or other nominee.

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Q:

Do FPB directors and executive officers have interests in the merger that are different from, or in addition to, my interests?

A:

Yes. In considering the recommendation of the FPB board of directors with respect to the merger agreement, you should be aware that FPB's directors and executive officers have interests in the merger that are different from, or in addition to, the interests of FPB's stockholders generally. Interests of officers and directors that may be different from or in addition to the interests of FPB's stockholders include but are not limited to the receipt of continued indemnification and directors' and officers' insurance coverage under the merger agreement, accelerated vesting of restricted stock issued to executive officers and directors, payment of change in control payments and employment agreement payments to certain executives and entry into new employment agreements with The First.

Q:

What if I abstain from voting, fail to authorize a proxy or fail to vote in person?

A:

If you mark "ABSTAIN" on your proxy with respect to the merger proposal, fail to authorize a proxy or fail to vote in person at the FPB special meeting, or fail to instruct your bank or broker how to vote, it will have the same effect as a vote "AGAINST" the merger proposal and no effect on the adjournment proposal. If you sign your proxy but do not indicate your vote, your proxy will be voted "FOR" each proposal.

Q:

Can I attend the special meeting and vote my shares in person?

A:

Yes. All FPB stockholders as of the record date, including stockholders of record and stockholders who hold their shares through any other holder of record, are invited to attend the FPB special meeting. Holders of record of FPB common stock can vote in person at the FPB special meeting. If you are not a stockholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the FPB special meeting. If you plan to attend the FPB special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. FPB reserves the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the FPB special meeting is prohibited without express written consent. Even if you plan to attend the special meeting, FPB encourages you to vote by proxy through the mail so your vote will be counted if you later decide not to attend the special meeting.

Q:

Can I change my vote?

A:

Yes. If you are a holder of record of FPB common stock, you may revoke your proxy at any time prior to the FPB special meeting by: (1) delivering written notice of revocation to G. Wayne Allen, Corporate Secretary, FPB Financial Corp., 1300 West Morris Avenue, Hammond, Louisiana 70403, (2) by returning a duly executed proxy card bearing a later date than the date with which your original proxy card was dated, (3) voting by telephone or on the Internet (your latest telephone or Internet vote will be counted) or (4) by attending the FPB special meeting and voting in person. Your attendance at the FPB special meeting will not constitute automatic revocation of the proxy unless you deliver your ballot in person at the special meeting or deliver a written revocation to the FPB Corporate Secretary prior to the

voting of such proxy.

Q:

Will FPB be required to submit the merger proposal to its stockholders even if FPB's board of directors has withdrawn, modified or qualified its recommendation?

A:

Yes. Unless the merger agreement is terminated before the FPB special meeting, FPB is required to submit the merger proposal to its stockholders even if FPB's board of directors has withdrawn, modified or qualified its recommendation.

Q:

What are the material U.S. federal income tax consequences of the merger to U.S. holders of shares of FPB common stock?

A:

Each of First Bancshares and FPB expects the merger to qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and that

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the merger agreement will constitute a “plan or reorganization” as such term is used in Sections 354 and 361 of the Code. Accordingly, a U.S. holder (as defined below) of FPB common stock that receives only shares of First Bancshares common stock in the merger generally would not recognize gain or loss on the exchange of such holder’s FPB common stock. However, holders of FPB common stock will be subject to tax on any cash received in lieu of a fractional share of First Bancshares common stock.

For further information, see “The Merger — Material U.S. Federal Income Tax Consequences.”

The U.S. federal income tax consequences described above may not apply to all holders of FPB common stock. Your particular tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the merger to you.

Q:

Are FPB stockholders entitled to exercise appraisal rights?

A:

Yes. Under Louisiana law, record holders of shares of FPB common stock have the right to demand in writing to receive a payment in cash for the “fair value” of their shares as determined by an appraisal process. To exercise those appraisal rights, an FPB stockholder must follow exactly the procedures specified under Louisiana law. These procedures are summarized in this proxy statement/prospectus. In addition, the text of the applicable provisions of Louisiana law is included as Annex C to this document. Failure to strictly comply with these provisions may result in the loss of appraisal rights. The value determined in the appraisal process may be more or less than the value an FPB stockholder would receive in the merger under the terms of the merger agreement. Failure to strictly comply with the applicable Louisiana law provisions will result in the loss of the right of appraisal. For further information, see “The Merger — Appraisal Rights.”

Pursuant to the merger agreement, the merger may not be completed if appraisal rights are properly asserted with respect to 10% or more of the outstanding shares of FPB common stock.

Q:

Should I send my FPB stock certificates with my proxy card for the FPB special meeting?

A:

No. You should NOT send your FPB stock certificates with your proxy card. First Bancshares, through its appointed exchange agent, will send FPB stockholders separate instructions for exchanging FPB stock certificates and FPB common stock held in book-entry form for the merger consideration.

Q:

What should I do if I hold my shares of FPB common stock in book-entry form?

A:

You are not required to take any specific actions to exchange your shares of FPB common stock if your shares are held in book-entry form. After the completion of the merger, shares of FPB common stock held in book-entry form automatically will be exchanged for the merger consideration, including shares of First Bancshares common stock in book-entry form, and any cash to be paid in lieu of fractional shares in the merger.

Q:

What happens if I sell or transfer ownership of shares of FPB common stock after the record date for the FPB special meeting?

A:

The record date for the FPB special meeting is earlier than the expected date of completion of the merger. Therefore, if you sell or transfer ownership of your shares of FPB common stock after the record date for the FPB special meeting, but prior to completion of the merger, you will retain the right to vote at the FPB special meeting, but the

right to receive the merger consideration will transfer with the shares of FPB common stock.

Q:

Whom may I contact if I cannot locate my FPB stock certificate(s)?

A:

If you are unable to locate your original FPB stock certificate(s), you should contact Fritz W. Anderson, II, Chairman of the Board and Chief Executive Officer, at (985) 345-1880. Generally, merger consideration for lost certificates cannot be delivered except upon the making of an affidavit

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claiming such certificate to be lost, stolen or destroyed and the posting of a bond in such amount as First Bancshares or the exchange agent may determine is reasonably necessary as indemnity against any claim that may be made with respect to such lost certificate.

Q:

When do you expect to complete the merger?

A:

First Bancshares and FPB expect to complete the merger in the first quarter of 2019. However, neither First Bancshares nor FPB can assure you when or if the merger will occur. First Bancshares and FPB must first obtain the approval of FPB stockholders for the merger proposal, as well as the necessary regulatory approvals.

Q:

What happens if the merger is not completed?

A:

If the merger is not completed, holders of FPB common stock will not receive any consideration for their shares of FPB common stock that otherwise would have been received in connection with the merger. Instead, FPB will remain an independent private company. If the merger is completed but, for any reason, the bank merger is not completed, it will have no impact on the consideration to be received by holders of FPB common stock.

Q:

Whom should I call with questions?

A:

If you have any questions concerning the merger agreement, the merger or this proxy statement/prospectus, would like additional copies of this proxy statement/prospectus or need help voting your shares of FPB common stock, please contact: Fritz W. Anderson, II, Chairman of the Board and Chief Executive Officer, at (985) 345-1880.

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SUMMARY

This summary highlights selected information from this proxy statement/prospectus. It may not contain all of the information that is important to you. We urge you to read carefully the entire proxy statement/prospectus, including the annexes, and the other documents to which we refer in order to fully understand the merger. See “Where You Can Find More Information.” Each item in this summary refers to the page of this proxy statement/prospectus on which that subject is discussed in more detail.

The Companies (page 89)

The First Bancshares, Inc.

6480 U.S. Hwy, 98 West

Hattiesburg, Mississippi 39402

(601) 268-8998

First Bancshares was incorporated in Mississippi on June 23, 1995 and serves as the bank holding company for The First, headquartered in Hattiesburg, Mississippi. First Bancshares is a registered financial holding company. As of September 30, 2018, First Bancshares had consolidated assets of approximately \$2.5 billion, loans of \$1.7 billion, deposits of \$2.0 billion, and stockholders’ equity of \$288.8 million. As of September 30, 2018, First Bancshares operated 55 full service branches, one limited service branch, one motor branch and four loan production offices in Mississippi, Alabama, Louisiana and Florida. The First’s deposits are insured by the FDIC.

On October 31, 2018, First Bancshares completed its acquisition of FMB Banking Corporation, or FMB, the holding company for Farmers & Merchants Bank. Pursuant to the merger agreement, holders of FMB common stock received, at the election of each FMB shareholder, either (i) \$204.70 in cash or (ii) 5.6391 shares of First Bancshares common stock, provided that the total mix of merger consideration was fixed 80% stock and 20% cash. As a result of the FMB acquisition, First Bancshares, as of November 1, 2018, had approximately \$3.0 billion in total assets, \$2.0 billion in total loans, \$2.5 billion in total deposits and \$350 million in stockholders’ equity. The First also has 67 locations across Mississippi, Louisiana, Alabama, Florida and Georgia as of November 1, 2018.

Additional information about First Bancshares and its subsidiaries is included in documents incorporated by reference in this proxy statement/prospectus. See “Where You Can Find More Information.”

FPB Financial Corp.

1300 West Morris Avenue

Hammond, Louisiana 70403

(985) 345-1880

FPB was incorporated in Louisiana in 1999 and owns all of the outstanding shares of common stock of Florida Parishes Bank, a federally chartered savings bank headquartered in Hammond, Louisiana. As of September 30, 2018, FPB had consolidated assets of \$382.7 million, net loans of \$238.5 million, deposits of \$317.7 million, and stockholders’ equity of \$44.0 million. FPB operates seven full service offices in Louisiana. Florida Parishes Bank’s deposits are insured by the FDIC.

Additional information about FPB and its subsidiaries is included below under “The Companies” beginning on page 89.

The Merger

The Merger Agreement (page 71)

First Bancshares and FPB entered into an Agreement and Plan of Merger, dated as of November 6, 2018, which we refer to as the merger agreement. The merger agreement governs the merger. The merger agreement is included in this proxy statement/prospectus as Annex A. All descriptions in this summary and elsewhere in this proxy statement/prospectus of the terms and conditions of the merger are qualified by reference to the merger agreement. Please read the merger agreement carefully for a more complete understanding of the merger.



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## The Merger (page 35)

Pursuant to the merger agreement, FPB will merge with and into First Bancshares, with First Bancshares as the surviving company, which we refer to as the merger. Immediately after the merger, Florida Parishes Bank, a wholly owned savings bank subsidiary of FPB, will merge with and into First Bancshares' wholly owned bank subsidiary, The First, with The First as the surviving bank, which we refer to as the bank merger.

## The Merger Consideration (page 72)

If the merger is completed, each share of FPB common stock issued and outstanding immediately prior to the effective time of the merger will be converted into the right to receive 0.83, or the exchange ratio, of a share of First Bancshares common stock, provided that the exchange ratio is subject to adjustment in the event that the average closing price per share of First Bancshares' common stock on the NASDAQ Global Market over the ten (10) trading days ending five (5) business days immediately prior to the closing date, or the measurement price, is either less than \$34.61 or greater than \$43.39.

The following table provides examples of how the exchange ratio and the value of the consideration to be received by FPB stockholders in the merger may change depending on the measurement price of the First Bancshares common stock. The range of measurement prices set forth in the table has been included for representative purposes only. Neither FPB nor First Bancshares can assure you as to what the market price of the First Bancshares common stock to be issued in the merger will be at or following the effective time of the merger.

Hypothetical Measurement Price of First Bancshares Common Stock	Exchange Ratio	Implied Merger Consideration Value Received in Exchange Per FPB Share*
\$45.00**	0.8002	\$ 36.01
\$44.85**	0.8029	\$ 36.01
\$44.00	0.8184	\$ 36.01
\$43.39	0.83	\$ 36.01
\$43.00	0.83	\$ 35.69
\$42.00	0.83	\$ 34.86
\$41.00	0.83	\$ 34.03
\$40.00	0.83	\$ 33.20
\$39.00	0.83	\$ 32.37
\$38.00	0.83	\$ 31.54
\$37.00	0.83	\$ 30.71
\$36.00	0.83	\$ 29.88
\$35.00	0.83	\$ 29.05
\$34.61	0.83	\$ 28.73
\$34.00	0.8450	\$ 28.73
\$33.15**	0.8667	\$ 28.73
\$33.00**	0.8706	\$ 28.73
\$32.00**	0.8978	\$ 28.73
\$31.00**	0.9268	\$ 28.73
\$30.00**	0.9577	\$ 28.73

\*

Cash will be paid in lieu of any fractional share of First Bancshares common stock.

\*\*

The merger agreement provides that either party may terminate the merger agreement if the measurement price is either greater than \$44.85 or less than \$33.15.

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The examples above are illustrative only. The number of shares you receive for each of your shares of FPB common stock will be based on the actual measurement price. The actual measurement price may be outside the range of the amounts set forth above, and as a result, the actual exchange ratio and implied value of the consideration per share of First Bancshares common stock may not be shown in the above table.

The hypothetical measurement price of First Bancshares common stock for the ten (10) trading days ending on January 10, 2019 was \$30.46. If this was the actual measurement price, you would receive 0.9432 of a share of First Bancshares common stock for each share of FPB common stock owned by you. Before deciding how to vote, you should obtain more recent prices of First Bancshares common stock, which trades on the NASDAQ Global Market under the symbol "FBMS".

The exchange ratio was arrived at through arm's-length negotiations between FPB and First Bancshares. The merger agreement provides that if First Bancshares effects a stock dividend, reclassification, recapitalization, split, or combination of the shares of First Bancshares common stock, then an appropriate adjustment to the exchange ratio will be made.

Each outstanding share of FPB common stock subject to vesting restrictions under an FPB stock benefit plan shall become vested immediately prior to the effective time of the merger and will be converted into the right to receive the same merger consideration that other FPB stockholders are entitled to receive. If a holder of a warrant to purchase shares of FPB common stock consents to the warrant being cashed out, then such warrant shall be cancelled as of the effective time of the merger and converted into the right to receive a cash payment equal to the product of (i) the total number of shares of FPB common stock subject to such warrant times (ii) the excess, if any, of (A) the product of the measurement price multiplied by the exchange ratio, over (B) the exercise price per share of FPB common stock subject to such warrant. If a holder of a warrant to purchase FPB common stock does not exercise the warrant prior to completion of the merger and does not consent to the warrant being cashed out, then the warrant will be assumed by First Bancshares, subject to adjustments in accordance with the terms of the merger agreement

On November 6, 2018, the last full trading day before the public announcement of the merger agreement, based on the last reported sale price of First Bancshares common stock of \$36.83 per share, the 0.83 exchange ratio represented approximately \$30.57 in value for each share of FPB common stock to be converted into First Bancshares common stock. Based on the most recent reported closing sale price of First Bancshares common stock on January 10, 2019 of \$31.11 per share, the exchange ratio represented approximately \$28.73 in value for each share of FPB common stock to be converted into First Bancshares common stock. Based on the exchange ratio and the number of shares of FPB common stock outstanding (assuming the exercise of all outstanding warrants), the maximum number of shares of First Bancshares common stock offered by First Bancshares and issuable in the merger is 2,902,218, assuming the exchange ratio is adjusted to 1.00.

Either party may terminate the merger agreement if the measurement price is either less than \$33.15 or more than \$44.85.

First Bancshares will not issue any fractional shares of First Bancshares common stock in the merger. FPB stockholders who would otherwise be entitled to a fractional share of First Bancshares common stock upon the completion of the merger will instead receive an amount in cash (without interest and rounded to the nearest whole cent) determined by multiplying the fractional share interest in First Bancshares common stock (rounded to the nearest one hundredth of a share) by the average closing price of First Bancshares' common stock on the NASDAQ Global Market over the twenty (20) trading days ending on the business days immediately prior to the closing date.

Exchange Procedures (page 73)

Promptly after the effective time of the merger, First Bancshares' exchange agent will mail to each holder of record of FPB common stock that is converted into the right to receive the merger consideration a letter of transmittal and instructions for the surrender of the holder's FPB stock certificate(s) for the merger consideration (including cash in lieu of any fractional FPB shares), and any dividends or distributions to which such holder is entitled to pursuant to the merger agreement.

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Please do not send in your certificates until you receive these instructions.

### Ancillary Agreements

#### Voting Agreements (page 87)

As a condition to First Bancshares entering into the merger agreement, all directors of FPB and Florida Parishes Bank who have voting power over shares of FPB common stock entered into voting agreements in the form attached as Exhibit A to the merger agreement attached as Annex A to this document, pursuant to which each such person agreed, among other things, to vote the shares of FPB common stock held of record by such person (1) to approve the merger agreement and the merger (or any adjournment or postponement necessary to solicit additional proxies to approve the merger agreement and the merger) and (2) against any acquisition proposals or any actions that would result in a breach of any covenant, representation or warranty of FPB in the merger agreement.

#### Non-Competition and Non-Disclosure Agreements (page 88)

In addition, as a condition to First Bancshares entering into the merger agreement, each director of FPB and Florida Parishes Bank, other than Messrs. Ronnie Fugarino and Albert Kelleher, entered into non-competition and non-disclosure agreements with First Bancshares in the form attached as Exhibit C to the merger agreement attached as Annex A to this document, pursuant to which each such person agreed to, among other things, (1) not disclose or use any confidential information or trade secrets of FPB for any purpose for so long as such information remains confidential information or a trade secret, (2) for a period of two years following the closing of the merger, not engage in certain competitive activities with First Bancshares, including not soliciting employees and customers of FPB, and (3) for a period of two years following the closing of the merger, not serve as a director or management official of another financial institution in the counties in Louisiana in which Florida Parishes Bank operates a banking office as of the closing of the merger and each county contiguous to each of such counties.

#### Claims Letters (page 88)

At the time of the execution of the merger agreement, each director of FPB and Florida Parishes Bank executed a letter agreement with First Bancshares in the form attached as Exhibit D to the merger agreement attached as Annex A to this document, pursuant to which each such director released and discharged, effective upon the consummation of the merger, FPB and its subsidiaries, their respective directors and officers (in their capacities as such), and their respective successors and assigns (including First Bancshares and The First), from any and all liabilities or claims that the director has or claims to have as of the effective time of the merger, with certain exceptions.

#### Risk Factors Related to the Merger (page 23)

Before voting at the FPB special meeting, you should carefully consider all the information contained in or incorporated by reference into this proxy statement/prospectus in deciding how to vote for the proposals presented in the proxy statement/prospectus.

#### The FPB Special Meeting (page 30)

The special meeting of FPB stockholders will be held on March 1, 2019, at 10:00 a.m. Central Time, at FPB's office located at 1300 West Morris Avenue, Hammond, Louisiana 70403. At the special meeting, FPB stockholders will be asked to:

- approve the merger proposal; and
- approve the adjournment proposal.

Only holders of record at the close of business on January 18, 2019, the FPB record date, will be entitled to vote at the FPB special meeting. Each outstanding share of FPB common stock is entitled to one vote on each proposal to be considered at the FPB special meeting. As of the FPB record date, there were approximately 2,712,423 shares of FPB common stock entitled to vote at the FPB special meeting. All

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directors of FPB and Florida Parishes Bank have entered into voting agreements with First Bancshares, pursuant to which they have agreed, solely in their capacity as FPB stockholders, to vote all of their shares of FPB common stock in favor of the proposals to be presented at the FPB special meeting. As of the FPB record date, the directors who are parties to the voting agreements owned and were entitled to vote an aggregate of approximately 748,742 shares of FPB common stock, which represented approximately 27.6% of the shares of FPB common stock outstanding on that date. As of the FPB record date, the directors and executive officers of FPB and their affiliates beneficially owned and were entitled to vote approximately 779,727 shares of FPB common stock, which represented approximately 28.6% of the shares of FPB common stock outstanding on that date. As of the FPB record date, First Bancshares and its subsidiaries did not hold any shares of FPB common stock (other than shares held as fiduciary, custodian or agent), and its directors and executive officers or their affiliates did not hold any shares of FPB common stock.

To approve the merger proposal, the holders of at least a majority of the outstanding shares of FPB common stock entitled to vote on the proposal must vote in favor of the proposal. Your failure to submit a proxy or vote in person at the FPB special meeting, failure to instruct your bank or broker how to vote, or abstention with respect to the merger proposal will have the same effect as a vote against the merger proposal.

The adjournment proposal requires the affirmative vote of a majority of the votes cast on such matter.

If you mark “ABSTAIN” on your proxy with respect to the merger proposal, fail to authorize a proxy and fail to vote in person at the FPB special meeting, or fail to instruct your bank or broker how to vote, it will have the same effect as a vote “AGAINST” the merger proposal and no effect on the adjournment proposal. If you sign your proxy but do not indicate your vote, your proxy will be voted FOR each proposal.

Recommendation of the FPB Board (page [31](#))

FPB’s board of directors has determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of FPB and its stockholders and has unanimously approved the merger, the merger agreement and the transactions contemplated by the merger agreement. FPB’s board of directors unanimously recommends that FPB stockholders vote “FOR” the merger proposal and “FOR” the adjournment proposal. For the factors considered by FPB’s board of directors in reaching its decision to approve the merger, see “The Merger — FPB’s Reasons for the Merger.”

Board Composition and Management of First Bancshares after the Merger (page [56](#))

Each of the officers and directors of First Bancshares immediately prior to the effective time of the merger will be the officers and directors of the surviving company from and after the effective time of the merger, until their respective successors have been duly elected, appointed or qualified or until their earlier death, resignation or removal in accordance with the articles of incorporation and bylaws of First Bancshares.

Interests of FPB Directors and Executive Officers in the Merger (page [56](#))

FPB stockholders should be aware that FPB’s directors and executive officers have interests in the merger and have arrangements that are different from, or in addition to, those of FPB stockholders generally. These interests and arrangements may create potential conflicts of interest. FPB’s board of directors was aware of these interests and considered these interests, among other matters, in adopting and approving the merger agreement and the transactions contemplated by the merger agreement, including the merger, and in recommending that FPB stockholders vote in favor of the merger proposal.

These interests include:

- accelerated vesting of restricted stock issued to executive officers;
- cash payments to be made to four executive officers who have employment or change in control agreements with FPB and/or Florida Parishes Bank;
- new employment agreements with The First for two of the four executive officers; and
-

the right to continued indemnification and directors' and officers' liability insurance coverage.

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For a more complete description of these interests, see “The Merger — Interests of FPB’s Directors and Executive Officers in the Merger” and “The Merger Agreement — Indemnification and Directors’ and Officers’ Insurance.”

### Appraisal Rights in the Merger (page 67)

Under Louisiana law, record holders of shares of FPB common stock have the right to demand in writing to receive a payment in cash for the “fair value” of their shares as determined by an appraisal process. To exercise those appraisal rights, an FPB stockholder must follow exactly the procedures specified under Louisiana law. These procedures are summarized in this proxy statement/prospectus. In addition, the text of the applicable provisions of Louisiana law is included as Annex C to this document. Failure to strictly comply with these provisions may result in the loss of appraisal rights. The value determined in the appraisal process may be more or less than the value an FPB stockholder would receive in the merger under the terms of the merger agreement.

For further information, see “The Merger — Appraisal Rights.”

Pursuant to the merger agreement, First Bancshares’ board of directors may terminate the merger agreement and abandon the merger if rights of appraisal are properly asserted with respect to more than 10.0% of the outstanding shares of FPB common stock.

### Conditions to Completion of the Merger (page 84)

Currently, First Bancshares and FPB expect to complete the merger in the first quarter of 2019. As more fully described in this proxy statement/prospectus and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others:

- approval of the merger agreement by the holders of at least a majority of the outstanding shares of FPB common stock entitled to vote at the FPB special meeting;
- the receipt of all required regulatory approvals for the merger, without the imposition of any material on-going conditions or restrictions, and the expiration of all regulatory waiting periods;
- the absence of any legal restraint (such as an injunction or restraining order) that would prevent the consummation of the merger;
- the effectiveness of the registration statement of which this proxy statement/prospectus forms a part;
- each party’s receipt of a U.S. federal income tax opinion from its outside legal counsel, dated the closing date of the merger, confirming that the merger qualifies as a “reorganization” within the meaning of Section 368(a) of the Code;
- the Plan of Bank Merger in the form attached as Exhibit B to the merger agreement attached as Annex A to this document being executed and delivered;
- the absence of 10% or more of the outstanding shares of FPB’s common stock exercising their appraisal rights; and
- the absence of the occurrence of a material adverse effect on FPB or First Bancshares.

Neither First Bancshares nor FPB can be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

### Regulatory Approvals Required for the Merger (page 62)

Both First Bancshares and FPB have agreed to use their reasonable best efforts to obtain all regulatory approvals (or waivers) required or advisable to complete the transactions contemplated by the merger agreement. These approvals include, among others, approval from the Board of Governors of the Federal Reserve System, or the Federal Reserve Board, the Office of the Comptroller of the Currency, or the OCC, and various securities and other regulatory authorities. The U.S. Department of Justice may also review the

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impact of the merger on competition. First Bancshares and FPB have submitted all applications, waiver requests and notifications to obtain the required regulatory approvals and First Bancshares has already received a waiver from the Federal Reserve with respect to the merger. Although neither First Bancshares nor FPB knows of any reason why the remaining regulatory approvals cannot be obtained, First Bancshares and FPB cannot be certain when or if they will be obtained, as the length of the review process may vary based on, among other things, requests by regulators for additional information or materials.

### No Solicitation (page 82)

Under the merger agreement, FPB has agreed that it will not, and will cause its representatives not to, directly or indirectly, (1) initiate, solicit, induce or knowingly encourage, or take any action to facilitate the making of, any inquiry, offer or proposal which constitutes, or could reasonably be expected to lead to, an acquisition proposal, (2) participate in any discussions or negotiations regarding any acquisition proposal or furnish, or otherwise afford access, to any person (other than First Bancshares) any information or data with respect to FPB or any of its subsidiaries or otherwise relating to an acquisition proposal, (3) release any person from, waive any provisions of, or fail to enforce any confidentiality agreement or standstill agreement to which FPB is a party, or (4) enter into any agreement, confidentiality agreement, agreement in principle or letter of intent with respect to any acquisition proposal or approve or resolve to approve any acquisition proposal or any agreement, agreement in principle or letter of intent relating to an acquisition proposal.

However, prior to obtaining FPB's required stockholder approval, FPB may, under certain specified circumstances, participate in negotiations or discussions with any third party making an acquisition proposal and provide confidential information to such third party (subject to a confidentiality agreement). FPB must notify First Bancshares promptly (but in no event later than 24 hours) after the receipt of such acquisition proposal.

Additionally, prior to obtaining FPB's required stockholder approval, FPB may, under certain specified circumstances, withdraw its recommendation to its stockholders with respect to the merger and/or terminate the merger agreement in order to enter into an acquisition agreement with respect to a superior acquisition proposal if it determines in good faith, after consultation with and having considered the advice of outside legal counsel and financial advisors, that such acquisition proposal is a superior proposal and that failure to take such actions more likely than not would cause it to violate its fiduciary duties to FPB's stockholders under applicable law. However, FPB cannot take any of those actions in response to a superior proposal unless it provides First Bancshares with a four business day period to negotiate in good faith to enable First Bancshares to adjust the terms and conditions of the merger agreement such that it would cause the superior proposal to no longer constitute a superior proposal.

### Termination of the Merger Agreement (page 85)

The merger agreement can be terminated at any time prior to completion of the merger by mutual consent, or by either party in the following circumstances:

- if the merger is not consummated on or before June 30, 2019, subject to automatic extension to September 30, 2019 if the only outstanding condition to closing is the receipt of regulatory approvals;

- if any regulatory approval required for consummation of the transactions contemplated by the merger agreement has been denied by final non-appealable action by the relevant governmental authority or any application for such regulatory approval shall have been permanently withdrawn at the request of a governmental authority;

- in the event that approval by the stockholders of FPB is not obtained at a meeting at which a vote was taken;

- in the event of a material breach by the other party of any representation, warranty or covenant contained in the merger agreement and such breach is not cured within 30 days; or

if the measurement price is either less than \$33.15 or more than \$44.85.

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In addition, First Bancshares may terminate the merger agreement in the following circumstances:

- if FPB fails to comply in all material respects with its obligations pursuant to the non-solicitation covenants;
- if FPB withdraws, qualifies, amends, modifies or withholds its recommendation to its stockholders to approve the merger and the merger agreement, or makes any statement, filing or release, in connection with the stockholder meeting or otherwise, inconsistent with its recommendation (it being understood that taking a neutral position or no position with respect to an acquisition proposal shall be considered an adverse modification of its recommendation);
- if FPB materially breaches its obligation to call, give notice of, and commence a meeting of stockholders to vote on the merger agreement;
- if FPB approves or recommends an acquisition proposal (other than the merger agreement proposal);
- if FPB fails to publicly recommend against a publicly announced acquisition proposal within three business days of being requested to do so by First Bancshares or fails to publicly reconfirm its recommendation to its stockholders within three business days of being requested to do so by First Bancshares; or
- if FPB resolves or otherwise determines to take, or announces an intention to take, any of the foregoing actions.

In addition, FPB may terminate the merger agreement if FPB's board of directors determines to enter into a definitive agreement with respect to a superior proposal in accordance with the terms of the merger agreement but only if FPB pays to First Bancshares a \$3,600,000 termination fee.

Termination Fee (page [86](#))

If the merger agreement is terminated under certain circumstances, including circumstances involving a change in recommendation by FPB's board of directors, FPB may be required to pay First Bancshares a termination fee of \$3,600,000. The termination fee could discourage other companies from seeking to acquire or merge with FPB.

Expenses (page [86](#))

Each party will bear all expenses incurred in connection with the merger and the transactions contemplated by the merger agreement.

Material U.S. Federal Income Tax Consequences (page [63](#))

The merger is expected to qualify as a "reorganization" within the meaning of Section 368(a) of the Code. It is a condition to the respective obligations of First Bancshares and FPB to complete the merger that each of First Bancshares and FPB receives a tax opinion from its respective outside legal counsel, dated the closing date of the merger, to that effect. Based upon the qualification of the merger as a "reorganization" within the meaning of Section 368(a) of the Code, a U.S. holder (as defined below) of FPB common stock will not recognize gain or loss with respect to the receipt of First Bancshares common stock in the merger. However, holders of FPB common stock will be subject to tax on the receipt of cash received in lieu of a fractional share of First Bancshares common stock. For further information, see "The Merger — Material U.S. Federal Income Tax Consequences."

The U.S. federal income tax consequences described above may not apply to all holders of FPB common stock. Your particular tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the merger to you.

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Accounting Treatment of the Merger (page 67)

First Bancshares will account for the merger under the acquisition method of accounting for business combinations under U.S. generally accepted accounting principles, or GAAP.

The Rights of Holders of FPB Common Stock Will Change as a Result of the Merger (see page 94)

The rights of holders of FPB common stock are governed by Louisiana law, as well as FPB's Articles of Incorporation (which we refer to as the FPB Articles), and FPB's Bylaws, as amended (which we refer to as the FPB Bylaws). After completion of the merger, the rights of former FPB stockholders will be governed by Mississippi law and by First Bancshares' Amended and Restated Articles of Incorporation, as amended (which we refer to as the First Bancshares Articles), and First Bancshares' Amended and Restated Bylaws (which we refer to as the First Bancshares Bylaws). Material differences between the rights of stockholders of FPB and shareholders of First Bancshares include the process for determining the size of the board of directors, the process for removing directors, limitations of director liability, indemnification of officers, directors and employees, the ability of stockholders to act by written consent, and stockholder proposals and advance notice requirements. The material differences between the organizational documents and the rights of stockholders of FPB and stockholders of First Bancshares are explained in more detail under the section "Comparison of Rights of First Bancshares Stockholders and FPB Stockholders" beginning on page 94.

Opinion of FPB's Financial Advisor (page 44 and Annex B)

Sandler O'Neill & Partners, L.P. (which we refer to as "Sandler O'Neill"), FPB's financial advisor, delivered its opinion, dated November 5, 2018, to FPB's board of directors to the effect that, as of the date of the opinion and subject to factors, qualifications, limitations and assumptions set forth in the opinion, the exchange ratio was fair, from a financial point of view, to the common stockholders of FPB.

The full text of the written opinion of Sandler O'Neill, which sets forth the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill in connection with its opinion, is attached as Annex B to this proxy statement/prospectus. Sandler O'Neill's opinion was for the information of, and directed to, FPB's board of directors (in its capacity as such) in connection with its consideration of the financial terms of the merger. Sandler O'Neill's opinion is not a recommendation as to how any holder of FPB's common stock should vote with respect to the proposal to approve the merger agreement or any other matter. It does not address the underlying business decision of FPB to engage in the merger, the relative merits of the merger as compared to any other alternative business strategies that might exist for FPB or the effect of any other transaction in which FPB might engage.

For further information, please see the section entitled "The Merger — Opinion of FPB's Financial Advisor" beginning on page 44.

Closing and Effective Time of the Merger (see page 71)

The closing date is currently expected to occur in the first quarter of 2019. Simultaneously with the closing of the merger, First Bancshares will file the articles of merger with the Secretary of State of the State of Mississippi and the Secretary of State of the State of Louisiana. The merger will become effective at the later of the time the articles of merger are filed or such other time as may be specified in the articles of merger. Neither First Bancshares nor FPB can predict, however, the actual date on which the merger will be completed because it is subject to factors beyond each company's control, including whether or when the required regulatory approvals and FPB's stockholder approvals will be received.

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Market Prices and Share Information (see page 22 )

First Bancshares common stock is listed on the NASDAQ Global Market under the symbol “FBMS.” FPB common stock is traded on the Over-the-Counter Electronic Bulletin Board, or OTCBB, under the symbol “FPBF.” The following table sets forth the closing sale prices of First Bancshares common stock as reported on the NASDAQ Global Market on November 6, 2018, the last full trading day before the public announcement of the merger agreement, and on January 10, 2019, the latest practicable trading date before the date of this proxy statement/prospectus.

	First Bancshares Common Stock	FPB Common Stock	Implied Value of One Share of FPB Common Stock to be Converted to First Bancshares Common Stock
November 6, 2018	\$ 36.83	\$ 22.25	\$ 30.57
January 10, 2019	\$ 31.11	\$ 25.25	\$ 28.73

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### CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Some of the statements contained or incorporated by reference in this proxy statement/prospectus contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements about the financial condition, results of operations, earnings outlook and business plans, goals, expectations and prospects of First Bancshares, FPB and the combined company following the proposed merger and statements for the period after the merger. Words such as “anticipate,” “believe,” “feel,” “expect,” “estimate,” “indicate,” “strive,” “plan,” “intend,” “outlook,” “forecast,” “project,” “position,” “target,” “mission,” “contemplate,” “assume,” “achieve,” “strategy,” “goal,” “aspiration,” “outcome,” “continue,” “remain,” “maintain,” “trend,” “objective” and variations of such words, similar expressions, or future or conditional verbs such as “will,” “would,” “should,” “could,” “might,” “can,” “may” or similar expressions, as they relate to First Bancshares, FPB, the proposed merger or the combined company following the merger often identify forward-looking statements, although not all forward-looking statements contain such words. These forward-looking statements are predicated on the beliefs and assumptions of management based on information known to management as of the date of this proxy statement/prospectus and do not purport to speak as of any other date. Forward-looking statements may include descriptions of the expected benefits and costs of the transaction; forecasts of revenue, earnings or other measures of economic performance, including statements of profitability, business segments and subsidiaries; management plans relating to the merger; the expected timing of the completion of the merger; the ability to complete the merger; the ability to obtain any required regulatory, stockholder or other approvals; any statements of the plans and objectives of management for future or past operations, including the execution of integration plans; any statements of expectation or belief and any statements of assumptions underlying any of the foregoing.

The forward-looking statements contained or incorporated by reference in this proxy statement/prospectus reflect the view of management as of this date with respect to future events and are subject to risks and uncertainties. Should one or more of these risks materialize or should underlying beliefs or assumptions prove incorrect, actual results could differ materially from those anticipated by the forward-looking statements or historical results. Such risks and uncertainties include, among others, the following possibilities:

- the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement, including a termination of the merger agreement under circumstances that could require FPB to pay a termination fee to First Bancshares;
- the inability to complete the merger contemplated by the merger agreement due to the failure to satisfy conditions necessary to close the merger, including the receipt of the requisite approvals of FPB stockholders;
- the risk that a regulatory approval that may be required for the merger is not obtained or is obtained subject to conditions that are not anticipated;
- risks associated with the timing of the completion of the merger;
- management time and effort may be diverted to the resolution of merger-related issues;
- the risk that the businesses of First Bancshares and FPB will not be integrated successfully, or such integration may be more difficult, time-consuming or costly than expected;
- First Bancshares’ ability to achieve the synergies and value creation contemplated by the proposed merger with FPB;

- the expected growth opportunities or costs savings from the merger with FPB may not be fully realized or may take longer to realize than expected;

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- revenues following the transaction may be lower than expected as a result of losses of customers or other reasons;
- potential deposit attrition, higher than expected costs, customer loss and business disruption associated with First Bancshares' integration of FPB, including, without limitation, potential difficulties in maintaining relationships with key personnel;
- the outcome of any legal proceedings that may be instituted against First Bancshares or FPB or their respective boards of directors;
- general economic conditions, either globally, nationally, in the States of Mississippi or Louisiana, or in the specific markets in which First Bancshares or FPB operate;
- limitations placed on the ability of First Bancshares and FPB to operate their respective businesses by the merger agreement;
- the effect of the announcement of the merger on First Bancshares' and FPB's business relationships, employees, customers, suppliers, vendors, other partners, standing with regulators, operating results and businesses generally;
- customer acceptance of the combined company's products and services;
- the amount of any costs, fees, expenses, impairments and charges related to the merger;
- fluctuations in the market price of First Bancshares common stock and the related effect on the market value of the merger consideration that FPB stockholders will receive upon completion of the merger;
- the introduction, withdrawal, success and timing of business initiatives;
- significant increases in competition in the banking and financial services industry;
- legislation, regulatory changes or changes in monetary or fiscal policy that adversely affect the businesses in which First Bancshares or FPB are engaged, including potential changes resulting from currently proposed legislation;
- credit risk of borrowers, including any increase in those risks due to changing economic conditions;
- changes in consumer spending, borrowing, and savings habits;



- competition among depository and other financial institutions;
- liquidity risk affecting First Bancshares' or FPB's ability to meet their respective obligations when they become due;
- interest rate risk involving the effect of a change in interest rates;
- compliance risk resulting from violations of, or nonconformance with, laws, rules, regulations, prescribed practices or ethical standards;
- strategic risk resulting from adverse business decisions or improper implementation of business decisions;
- reputational risk that adversely affects earnings or capital arising from negative public opinion;
- terrorist activities risk that results in loss of consumer confidence and economic disruptions; and
- other risks and uncertainties detailed from time to time in First Bancshares' SEC filings.

Any forward-looking statements made in this proxy statement/prospectus or in any documents incorporated by reference into this proxy statement/prospectus, are subject to the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this proxy statement/prospectus or the date of any document incorporated by reference in this proxy statement/prospectus. First Bancshares and FPB do not undertake to update forward-looking statements to

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reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made, unless and only to the extent otherwise required by law. All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this proxy statement/prospectus and attributable to First Bancshares, FPB or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this proxy statement/prospectus.

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OF FIRST BANCSHARES

The following selected consolidated financial information for the fiscal years ended December 31, 2013 through December 31, 2017 is derived from audited consolidated financial statements of First Bancshares. The consolidated financial information as of and for the nine months ended September 30, 2018 and 2017 is derived from unaudited consolidated financial statements and, in the opinion of First Bancshares' management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of these data for those dates. The selected consolidated income data for the nine months ended September 30, 2018 is not necessarily indicative of the results that may be expected for the entire year ending December 31, 2018. You should not assume the results of operations for any past periods indicate results for any future period. You should read this information in conjunction with First Bancshares' consolidated financial statements and related notes thereto included in First Bancshares' Annual Report on Form 10-K for the year ended December 31, 2017, and in First Bancshares' Quarterly Report on Form 10-Q for the nine months ended September 30, 2018, each of which are incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information."

	As of and for the Nine Months Ended September 30, 2018		As of and for the Years Ended December 31,				
	2017	2017	2017	2016	2015	2014	2013
	(unaudited)						
	(in thousands, except ratios, share and per share data)						
Selected Consolidated Operating Data:							
Interest income	\$ 69,422	\$ 48,926	\$ 66,069	\$ 44,604	\$ 40,202	\$ 36,371	\$ 31,311
Interest expense	9,803	4,987	6,909	4,315	3,208	2,973	2,917
Net interest income	59,619	43,939	59,160	40,289	36,994	33,398	28,400
Provision for loan losses	1,546	384	506	625	410	1,418	1,070
Net interest income after provision for loan losses	58,073	43,555	58,655	39,664	36,584	31,980	27,330
Noninterest income	14,164	10,807	14,363	11,247	7,588	7,803	7,083
Noninterest expense	54,064	43,056	55,446	36,862	32,160	30,734	28,160
Income before income tax expense	18,173	11,306	17,571	14,049	12,012	9,049	6,243
Income tax	3,809	3,104	6,955	3,930	3,213	2,435	1,604

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expense

Net income	14,364	8,202	10,616	10,119	8,799	6,614	4,639
Preferred dividends and stock accretion	—	—	—	453	343	363	424
Net income available to common shareholders	14,364	8,202	\$ 10,616	\$ 9,666	\$ 8,456	\$ 6,251	\$ 4,215
Balance Sheet Data:							
Securities available for sale	\$ 424,940	\$ 353,035	\$ 356,893	\$ 243,206	\$ 239,732	\$ 254,746	\$ 244,000
Securities held to maturity	6,000	6,000	6,000	6,000	7,092	8,193	8,438
Loans, net of allowance for loan losses	1,742,987	1,190,018	1,221,808	865,424	769,742	700,540	577,500
Total assets	2,508,942	1,787,976	1,813,238	1,277,367	1,145,131	1,093,768	940,800
Deposits	2,046,446	1,507,991	1,470,565	1,039,191	916,695	892,775	779,900
Shareholders' equity	288,798	166,980	222,468	154,527	103,436	96,216	85,100
Per Share Data:							
Earnings per common share, basic	\$ 1.14	\$ 0.90	\$ 1.12	\$ 1.78	\$ 1.57	\$ 1.20	\$ 0.98
Earnings per common share, diluted	1.13	0.89	1.11	1.57	1.55	1.19	0.96
Cash dividends paid per common share	0.15	0.1125	0.15	0.15	0.15	0.15	0.15
Weighted average common shares outstanding, basic	12,565,000	9,140,375	9,484,460	5,435,088	5,371,111	5,227,768	4,319,000
Weighted average common	12,684,752	9,212,182	9,561,260	6,259,333	5,442,050	5,270,669	4,372,000

shares  
outstanding,  
diluted

Book value  
per common  
share

\$ 22.09

\$ 18.24

\$ 19.92

\$ 17.19

\$ 16.05

\$ 14.88

\$ 13.34

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	As of and for the Nine Months Ended September 30,		As of and for the Years Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
	(unaudited)						
	(in thousands, except ratios, share and per share data)						
Performance Ratios:							
Return on average assets	0.63%	0.47%	0.60%	0.79%	0.75%	0.61%	0.45%
Return on average equity	5.5	5.2	6.2	8.00	8.60	7.10	5.00
Net interest margin	3.84	3.76	3.75	3.63	3.63	3.58	3.31
Net interest margin, fully tax equivalent basis(1)	3.89	3.84	3.83	3.71	3.72	3.70	3.44
Asset Quality Ratios:							
Nonaccrual loans to total loans and other real estate	0.78%	0.46%	0.46%	0.37%	0.95%	0.85%	0.54%
Allowance for loan losses to total loans	0.56	0.68	0.67	0.86	0.87	0.86	0.98
Allowance for loan losses to nonaccrual loans	71.9	168.5	146.1	230.1	91.6	100.6	180.1
Net charge-offs to average total loans	(0.01)	(0.03)	(0.02)	(0.02)	(0.03)	0.17	0.01
Consolidated Capital Ratios:							
Tier 1 leverage ratio	10.1%	8.6%	11.7%	11.9%	8.7%	8.4%	9.0%
Common equity Tier 1 capital ratio	12.1	10.3	14.2	13.8	8.1	—	—
Tier 1 risk-based capital ratio	12.7	11.0	14.9	14.7	11.1	11.5	12.5
Total risk-based capital ratio	16.6	11.6	15.5	15.5	11.9	12.3	13.4
Total shareholders' equity to total assets	11.5	9.3	12.3	12.1	9.0	8.8	9.0

(1)

We report net interest margin on a fully tax equivalent basis, which calculation is not in accordance with GAAP. The tax equivalent adjustment to net interest income recognizes the income tax savings when comparing taxable and tax-exempt assets and assumes a 25.3% tax rate. Management believes that it is a standard practice in the banking industry to present net interest margin on a fully tax equivalent basis, and believes it enhances the comparability of income and expenses arising from taxable and nontaxable sources. Net interest margin on a fully tax equivalent basis should not be viewed as a substitute for net interest margin provided in accordance with GAAP.

**TABLE OF CONTENTS****COMPARATIVE MARKET PRICES AND DIVIDENDS**

First Bancshares common stock is listed on the NASDAQ Global Market under the symbol “FBMS.” FPB common stock is traded on the Over-the-Counter Electronic Bulletin Board, or OTCBB, under the symbol “FPBF.” As of January 10, 2019, the latest practicable date prior to this proxy statement/ prospectus, there were 14,833,348 shares of First Bancshares common stock outstanding, which were held by approximately 2,225 holders of record. As of the record date for the FPB special meeting, there were approximately 2,712,423 shares of FPB common stock outstanding, which were held by approximately 590 stockholders. The following table sets forth the high and low reported intra-day sales prices per share of First Bancshares common stock and FPB common stock, and the cash dividends declared per share for the periods indicated.

	First Bancshares Common Stock			FPB Common Stock		
	Sales Price		Dividends Declared Per Share	Sale Price		Dividends Declared Per Share
	High	Low		High	Low	
<b>2016</b>						
First Quarter	\$ 18.50	\$ 15.32	\$ 0.0375	\$ 15.00	\$ 11.67	\$ 0.0467
Second Quarter	\$ 17.72	\$ 15.50	\$ 0.0375	\$ 18.00	\$ 12.55	\$ 0.0500
Third Quarter	\$ 19.55	\$ 16.99	\$ 0.0375	\$ 16.15	\$ 16.00	\$ 0.0500
Fourth Quarter	\$ 28.50	\$ 17.10	\$ 0.0375	\$ 17.00	\$ 15.20	\$ 0.0500
<b>2017</b>						
First Quarter	\$ 30.80	\$ 26.00	\$ 0.0375	\$ 17.10	\$ 15.75	\$ 0.0500
Second Quarter	\$ 28.75	\$ 26.75	\$ 0.0375	\$ 18.36	\$ 17.00	\$ 0.0500
Third Quarter	\$ 30.85	\$ 26.05	\$ 0.0375	\$ 22.00	\$ 17.16	\$ 0.0500
Fourth Quarter	\$ 34.70	\$ 27.99	\$ 0.0375	\$ 19.00	\$ 17.20	\$ 0.0500
<b>2018</b>						
First Quarter	\$ 35.10	\$ 30.75	\$ 0.0500	\$ 18.15	\$ 17.55	\$ 0.0600
Second Quarter	\$ 36.60	\$ 29.75	\$ 0.0500	\$ 19.75	\$ 17.70	\$ 0.0750
Third Quarter	\$ 43.53	\$ 34.80	\$ 0.0500	\$ 22.00	\$ 19.75	\$ 0.0750
Fourth Quarter	\$ 39.77	\$ 27.85	\$ 0.0500	\$ 29.15	\$ 22.00	\$ 0.0750

On November 6 2018, the last full trading day before the public announcement of the merger agreement, the closing sale price per share of First Bancshares common stock and FPB common stock was \$36.83 and \$22.50, respectively, and on January 10, 2019, the latest practicable date before the date of this proxy statement/prospectus, the closing sale price per share of First Bancshares common stock and FPB common stock was \$31.11 and \$25.25, respectively. FPB stockholders are advised to obtain current market quotations for First Bancshares common stock and FPB common stock. The market price of First Bancshares common stock will fluctuate between the date of this proxy statement/prospectus and the date of completion of the merger. No assurance can be given concerning the market price of First Bancshares common stock before or after the effective date of the merger. Changes in the market price of First Bancshares common stock prior to the completion of the merger may affect the market value of the merger consideration that FPB stockholders will receive.

**Dividends**

The principal sources of funds to First Bancshares to pay dividends are the dividends received from The First. Consequently, dividends are dependent upon The First’s earnings, capital needs, regulatory policies, as well as statutory and regulatory limitations. Federal and state banking laws and regulations restrict the amount of dividends and loans a bank may make to its parent company. Approval by First Bancshares’ regulators is required if the total of all dividends declared in any calendar year exceed the total of its net income for that year combined with its retained net income of the preceding two years. See “Description of Capital Stock — Common Stock — Dividends.”





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RISK FACTORS

In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under the section “Cautionary Statement Concerning Forward-Looking Statements,” you should carefully consider the following risk factors in deciding how to vote for the proposals presented in this proxy statement/prospectus. You should also consider the other information in this proxy statement/prospectus and the other documents incorporated by reference into this proxy statement/prospectus. See “Where You Can Find More Information.”

Risks Related to the Merger

Because of the fixed exchange ratio and the fluctuation of the market price of First Bancshares common stock, FPB stockholders will not know at the time of the special meeting the market value of the merger consideration they will receive at the effective time of the merger.

Pursuant to the merger agreement, each share of FPB common stock issued and outstanding immediately prior to the effective time of the merger will be converted into the right to receive 0.83 of a share of First Bancshares common stock, provided that the exchange ratio is subject to adjustment in the event that the average closing price per share of First Bancshares’ common stock on the NASDAQ Global Market over the ten (10) trading days ending five (5) business days immediately prior to the closing date is either less than \$34.61 or greater than \$43.39.

The market value of the merger consideration may vary from the market value on the date FPB and First Bancshares announced the merger, on the date that this proxy statement/prospectus is mailed, on the date of the FPB special meeting and on the date the merger is completed and thereafter due to fluctuations in the market price of First Bancshares common stock. If the measurement price were calculated for the ten (10) trading days ending on November 6, 2018 (the last full trading day before the public announcement of the merger agreement), it would have been \$35.67, the exchange ratio would have been 0.83 and the implied value of the merger consideration for one share of FPB common stock would have been \$29.61. If the measurement price were calculated for the ten (10) trading days ending on January 10, 2019, it would have been \$30.46, the exchange ratio would have been 0.9432 and the implied value of the merger consideration for one share of FPB common stock would have been \$28.73.

Any fluctuation in the market price of First Bancshares common stock after the date of this proxy statement/prospectus will change the value of the shares of First Bancshares common stock that FPB stockholders may receive. Stock price changes may result from a variety of factors that are beyond the control of First Bancshares and FPB, including but not limited to general market and economic conditions, changes in their respective businesses, operations and prospects and regulatory considerations. Therefore, at the time of the FPB special meeting, FPB stockholders will not know the precise market value of the merger consideration they may receive at the effective time of the merger. In addition, FPB stockholders will not know the exact exchange ratio at the time of the FPB special meeting, as it may be adjusted as a result of the measurement price. FPB stockholders should obtain current sale prices for shares of First Bancshares common stock and FPB common stock before voting their shares at the FPB special meeting.

The merger and related transactions are subject to approval by FPB stockholders.

The merger cannot be completed unless the FPB stockholders approve the merger agreement by the affirmative vote of the holders of at least a majority of the outstanding shares of FPB’s common stock entitled to vote at the FPB special meeting.

Failure to complete the merger could negatively affect the value of the shares and the future business and financial results of FPB.

If the merger is not completed, the ongoing business of FPB could be adversely affected and FPB will be subject to a variety of risks associated with the failure to complete the merger, including the following:

- FPB being required, under certain circumstances, to pay to First Bancshares a termination fee equal to \$3,600,000;

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- substantial costs incurred by FPB in connection with the proposed merger, such as legal, accounting, financial advisor, printing and mailing fees;
- the loss of key employees and customers;
- the disruption of operations and business;
- deposit attrition, customer loss and revenue loss;
- unexpected problems with costs, operations, personnel, technology and credit;
- diversion of management focus and resources from operational matters and other strategic opportunities while working to implement the merger; and
- reputational harm due to the adverse perception of any failure to successfully complete the merger.

If the merger is not completed, these risks could materially affect the business, financial results and the value of FPB common stock.

FPB will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on FPB. These uncertainties may impair FPB's ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with FPB to seek to change existing business relationships with FPB.

Retention of certain employees by FPB may be challenging while the merger is pending, as certain employees may experience uncertainty about their future roles with FPB or First Bancshares. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with FPB or First Bancshares, FPB's business or the business assumed by First Bancshares following the merger could be harmed. In addition, FPB has agreed to certain contractual restrictions on the operation of its business prior to closing. See "The Merger Agreement — Covenants and Agreements" for a description of the restrictive covenants applicable to FPB.

The merger agreement limits FPB's ability to pursue an alternative acquisition proposal and requires FPB to pay a termination fee of \$3,600,000 under limited circumstances relating to alternative acquisition proposals.

Under the merger agreement, FPB has agreed not to initiate, solicit, induce or knowingly encourage, or take any action to facilitate any alternative business combination transaction or, subject to certain exceptions, participate in discussions or negotiations regarding, or furnish any non-public information relating to, any alternative business combination transaction. See "The Merger Agreement — No Solicitation" on page 82. The merger agreement also provides for FPB to pay to First Bancshares a termination fee in the amount of \$3,600,000 in the event that the merger agreement is terminated for certain reasons. See "The Merger Agreement — Termination Fee" on page 86. These provisions could discourage a potential competing acquirer that might have an interest in acquiring FPB from considering or making a competing acquisition proposal, even if the potential competing acquirer was prepared to pay consideration with a higher per share cash value than the market value proposed to be received or realized in the merger, or might result in a potential competing acquirer proposing to pay a lower price than it might otherwise have proposed to pay because of the added expense of the termination fee that may become payable in certain circumstances under the merger agreement.

The merger agreement contains provisions granting both FPB and First Bancshares the right to terminate the merger agreement in certain circumstances.

The merger agreement contains certain termination rights, including the right, subject to certain exceptions, of either party to terminate the merger agreement if the merger is not completed on or prior to June 30, 2019 (subject to automatic extension to September 30, 2019 if the only outstanding condition to closing is the receipt of regulatory approvals) or if the average closing price per share of First Bancshares common stock over a specified period prior to completion of the merger is either less than \$33.15 or more than \$44.85, and the right of FPB to terminate the merger agreement, subject to certain conditions, to

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accept a business combination transaction deemed to be superior to the merger by the FPB board of directors. If the merger is not completed, the ongoing business of FPB could be adversely affected and FPB will be subject to several risks, including the risks described elsewhere in this “Risk Factors” section.

The hypothetical measurement price of First Bancshares common stock for the ten (10) trading days ending on January 10, 2019 was \$30.46. Accordingly, either First Bancshares or FPB would have the right to terminate the merger agreement if the hypothetical measurement price as of January 10, 2019 was the actual measurement price. The measurement price will be based on the average closing price of shares of First Bancshares common stock during the ten (10) trading days ending five (5) business days immediately prior to the closing date of the merger. No assurance can be given as to the market value of First Bancshares common stock during the period that the measurement price will be determined or whether the exchange ratio will be more than or less than 0.83. In addition, no assurance can be given whether First Bancshares or FPB would exercise its right to terminate the merger agreement in the event that the measurement price is less than \$33.15 or greater than \$44.85. In the event the merger agreement were to be terminated, then the merger would not be completed, stockholders of FPB would not receive any shares of First Bancshares common stock as merger consideration and FPB would continue its existence as an independent entity.

The merger is subject to a number of conditions which, if not satisfied or waived in a timely manner, would delay the merger or adversely impact the companies’ ability to complete the transactions.

The completion of the merger is subject to certain conditions, including, among others, the (1) approval of the merger agreement by the holders of at least a majority of the outstanding shares of FPB common stock entitled to vote at the FPB special meeting; (2) the receipt of all required regulatory approvals for the merger, without the imposition of any material on-going conditions or restrictions, and the expiration of all regulatory waiting periods; (3) the absence of any legal restraint (such as an injunction or restraining order) that would prevent the consummation of the merger; (4) the effectiveness of the registration statement of which this proxy statement/prospectus forms a part; (5) each party’s receipt of a tax opinion from its respective outside legal counsel, dated the closing date of the merger, confirming the merger qualifies as a “reorganization” within the meaning of Section 368(a) of the Code; (6) the Plan of Bank Merger in the form attached as Exhibit B to the merger agreement attached as Annex A to this document being executed and delivered; (7) the absence of 10% or more of the outstanding shares of FPB’s common stock exercising their appraisal rights; (8) the absence of the occurrence of a material adverse effect on FPB or First Bancshares; and (9) other customary closing conditions set forth in the merger agreement. See “The Merger Agreement — Conditions to Completion of the Merger” on page 84. While it is currently anticipated that the merger will be completed during the first quarter of 2019, there can be no assurance that such conditions will be satisfied in a timely manner or at all, or that an effect, event, development or change will not transpire that could delay or prevent these conditions from being satisfied. Accordingly, there can be no guarantee with respect to the timing of the closing of the merger, whether the merger will be completed at all and when FPB stockholders will receive the merger consideration, if at all.

First Bancshares and FPB may waive one or more of the conditions to the merger without re-soliciting stockholder approval for the merger.

Each of the conditions to the obligations of First Bancshares and FPB to complete the merger may be waived, in whole or in part, to the extent permitted by applicable law, by agreement of First Bancshares and FPB, if the condition is a condition to both parties’ obligation to complete the merger, or by the party for which such condition is a condition of its obligation to complete the merger. The boards of directors of First Bancshares and FPB may evaluate the materiality of any such waiver to determine whether amendment of this proxy statement/prospectus and re-solicitation of proxies are necessary. First Bancshares and FPB, however, generally do not expect any such waiver to be significant enough to require re-solicitation of stockholders. In the event that any such waiver is not determined to be significant enough to require re-solicitation of stockholders, the companies will have the discretion to complete the merger without seeking further stockholder approval.

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Regulatory approvals may not be received, may take longer than expected or impose conditions that are not presently anticipated.

Before the transactions contemplated by the merger agreement may be completed, approvals or waivers must be obtained from various regulatory authorities, which include the Federal Reserve Board, the OCC, and other securities and regulatory authorities. These governmental entities may request additional information or materials regarding the regulatory applications and notices submitted by First Bancshares and FPB, or may impose conditions on the granting of such approvals. Such conditions or changes and the process of obtaining regulatory approvals could have the effect of delaying the completion of the merger or of imposing additional costs or limitations on the combined company following the merger. The regulatory approvals may not be received at all, may not be received in a timely fashion, and may contain conditions on the completion of the merger that are not anticipated or cannot be met. There can be no assurance as to whether these and other regulatory approvals will be received, the timing of those approvals, or whether any conditions will be imposed. See “The Merger — Regulatory Approvals Required for the Merger” on page 62. The directors and executive officers of FPB have interests in seeing the merger completed that are different from, or in addition to, those of the other FPB stockholders.

The directors and executive officers of FPB have arrangements that provide them with interests in the merger that are different from, or in addition to, those of the stockholders of FPB generally. These interests and arrangements may create potential conflicts of interest and may influence or may have influenced the directors and executive officers of FPB to support or approve the merger and the merger agreement. See “The Merger — Interests of FPB’s Directors and Executive Officers in the Merger” beginning on page 56.

The opinion of FPB’s financial advisor does not reflect changes in circumstances between the date of such opinion and the completion of the merger.

FPB’s board of directors received an opinion from its financial advisor to the effect that, as of November 5, 2018 and subject to the qualifications, assumptions and limitations set forth therein, the exchange ratio was fair, from a financial point of view, to the holders of FPB common stock. Subsequent changes in the operations and prospects of FPB or First Bancshares, general market and economic conditions and other factors that may be beyond the control of FPB or First Bancshares, may significantly alter the value of FPB or First Bancshares or the price of the shares of First Bancshares common stock by the time the merger is completed. The opinion does not address the fairness of the exchange ratio from a financial point of view at the time the merger is completed, or as of any other date other than the date of such opinion. The opinion of FPB’s financial advisor is attached as Annex B to this proxy statement/ prospectus. For a description of the opinion, see “The Merger — Opinion of FPB’s Financial Advisor” on page 4.

The merger may be completed even if First Bancshares or FPB experiences adverse changes in its business.

In general, either First Bancshares or FPB may refuse to complete the merger if the other party suffers a material adverse effect on its business prior to the closing of the merger. However, certain types of changes or occurrences with respect to First Bancshares or FPB would not prevent the merger from going forward, even if the change or occurrence would have adverse effects on First Bancshares or FPB, including the following:

- changes in laws and regulations affecting financial institutions and their holding companies generally, or interpretations thereof by courts or governmental entities, if such changes do not have a disproportionate impact on the affected company;
- changes in GAAP or regulatory accounting requirements generally applicable to financial institutions and their holding companies, if such changes do not have a disproportionate impact on the affected company;
- changes in global, national or regional political conditions including the outbreak of war or acts of terrorism, or in economic or market conditions affecting the financial services industry generally, if such changes do not have a disproportionate impact on the affected company;



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- changes or effects from the announcement of the merger agreement and the transactions contemplated thereby, and compliance by the parties with the merger agreement on the business, financial condition or results of operations of the parties;

- any failure by FPB of First Bancshares to meet any internal or published industry analyst projections or forecasts or estimates of revenues or earnings for any period (but not including the underlying causes thereof);

- changes in the trading price or trading volume of First Bancshares common stock (but not including the underlying causes thereof unless otherwise specifically excluded); however, either party may terminate the merger agreement if the average closing price per share of First Bancshares' common stock on the NASDAQ Global Market over the ten (10) trading days ending five (5) business days immediately prior to the closing date is either less than \$33.15 or more than \$44.85; and

- the impact of the merger agreement and the transactions contemplated thereby on relationships with customers or employees, including the loss of personnel subsequent to the date of the merger agreement.

Litigation in transactions of this type are sometimes filed against the board of directors of either party that could prevent or delay the completion of the merger or result in the payment of damages following completion of the merger.

In connection with the merger, it is possible that FPB stockholders may file putative class action lawsuits against the boards of directors of First Bancshares and/or FPB. Among other remedies, these stockholders could seek to enjoin the merger. The outcome of any such litigation would be uncertain. If a dismissal is not granted or a settlement is not reached, such potential lawsuits could prevent or delay completion of the merger and result in substantial costs to First Bancshares and FPB. The defense or settlement of any lawsuit or claim that remains unresolved at the time the merger is consummated may adversely affect the combined company's business, financial condition, results of operations, cash flows and market price.

**Risks Related to the Combined Company Following the Merger**

The combined company expects to incur substantial expenses related to the merger.

The combined company expects to incur substantial expenses in connection with completing the merger and integrating the business and operations of FPB and First Bancshares. Although First Bancshares and FPB have assumed that a certain level of transaction and integration expenses would be incurred, there are a number of factors beyond their control that could affect the total amount or the timing of their integration expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. As a result, the transaction and integration expenses associated with the merger could, particularly in the near term, exceed the savings that the combined company expects to achieve from the integration of the businesses following the completion of the merger.

Following the merger, the combined company may be unable to integrate FPB's business with First Bancshares successfully and realize the anticipated synergies and other benefits of the merger or do so within the anticipated timeframe.

The merger involves the combination of two companies that currently operate as independent companies, as well as the companies' subsidiaries. Although the combined company is expected to benefit from certain synergies, including cost savings, the combined company may encounter potential difficulties in the integration process, including:

- the inability to successfully combine FPB's business with First Bancshares in a manner that permits the combined company to achieve the cost savings anticipated to result from the merger, which would result in the anticipated benefits of the merger not being realized in the timeframe currently anticipated or at all;





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- the risk of not realizing all of the anticipated operational efficiencies or other anticipated strategic and financial benefits of the merger within the expected timeframe or at all;

- potential unknown liabilities and unforeseen increased expenses, delays or regulatory conditions associated with the merger; and

- performance shortfalls as a result of the diversion of management's attention caused by completing the merger and integrating the companies' operations.

For all these reasons, you should be aware that it is possible that the integration process could result in the distraction of the combined company's management, the disruption of the combined company's ongoing business or inconsistencies in the combined company's operations, any of which could adversely affect the ability of the combined company to maintain relationships with customers and employees or to achieve the anticipated benefits of the merger, or could otherwise adversely affect the business and financial results of the combined company.

Following the merger, the combined company may be unable to retain key employees.

The success of the combined company after the merger will depend in part upon its ability to retain key employees.

Simultaneous with the execution of the merger agreement, First Bancshares entered into employment agreements with certain key employees of FPB, the effectiveness of which is conditioned upon the completion of the merger. However, key employees may depart either before or after the merger because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the combined company following the merger. Accordingly, no assurance can be given that FPB or First Bancshares or, following the merger, the combined company will be able to retain key employees.

The voting power of FPB stockholders will be diluted by the merger.

The merger will result in FPB stockholders having an ownership stake in the combined company that is smaller than their current stake in FPB. Upon completion of the merger of FPB with First Bancshares, we estimate that FPB stockholders will own approximately 14.6% to 19.57% of the issued and outstanding shares of common stock of the combined company. Consequently, FPB stockholders, as a general matter, will have less influence over the management and policies of the combined company after the effective time of the merger than they currently exercise over the management and policies of FPB.

Future capital needs could result in dilution of stockholder investment.

First Bancshares' board of directors may determine from time to time there is a need to obtain additional capital through the issuance of additional shares of its common stock or other securities. These issuances would dilute the ownership interests of its shareholders and may dilute the per share book value of First Bancshares common stock. New investors may also have rights, preferences and privileges senior to First Bancshares' stockholders which may adversely impact its stockholders.

**Risks Related to an Investment in the Combined Company's Common Stock**

The market price of the shares of common stock of the combined company may be affected by factors different from those affecting the price of shares of First Bancshares common stock before the merger.

The results of operations of the combined company, as well as the market price of shares of the common stock of the combined company after the merger, may be affected by factors in addition to those currently affecting First Bancshares' or FPB's results of operations and the market prices of shares of First Bancshares common stock.

Accordingly, the historical financial results of First Bancshares and FPB and the historical market prices of shares of First Bancshares common stock may not be indicative of these matters for the combined company after the merger.

For a discussion of the businesses of First Bancshares and FPB and certain risks to consider in connection with evaluating the proposals to be considered at the FPB special meeting, see the documents incorporated by reference by First Bancshares into this proxy statement/prospectus referred to under "Where You Can Find More Information" beginning on page 106.



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The market price of the combined company's common stock may decline as a result of the merger.

The market price of the combined company's common stock may decline as a result of the merger if the combined company does not achieve the perceived benefits of the merger or the effect of the merger on the combined company's financial results is not consistent with the expectations of financial or industry analysts. In addition, upon completion of the merger, First Bancshares and FPB stockholders will own interests in a combined company operating an expanded business with a different mix of assets, risks and liabilities. Current First Bancshares and FPB stockholders may not wish to continue to invest in the combined company, or for other reasons may wish to dispose of some or all of their shares of the combined company.

After the merger is completed, FPB stockholders who receive shares of First Bancshares common stock in the merger will have different rights that may be less favorable than their current rights as FPB stockholders.

After the closing of the merger, FPB stockholders who receive shares of First Bancshares common stock in the merger will have different rights than they currently have as FPB stockholders, which may be less favorable than their current rights as FPB stockholders. For a detailed discussion of the significant differences between the current rights of a stockholder of FPB and the rights of a shareholder of the combined company following the merger, see "Comparison of Rights of First Bancshares Shareholders and FPB Stockholders" beginning on page 94.

### Risks Related to Tax

The merger may have adverse tax consequences.

Each of First Bancshares and FPB expects the merger to qualify as a "reorganization" within the meaning of Section 368(a) of the Code. It is a condition to the respective obligations of First Bancshares and FPB to complete the merger that each of First Bancshares and FPB receives a tax opinion from its respective outside legal counsel, dated the closing date of the merger, to the effect that the merger will so qualify. A legal opinion represents the judgment of counsel rendering the opinion and is not binding on the Internal Revenue Service or the courts. If the merger were to fail to qualify as a reorganization within the meaning of Section 368(a) of the Code, then each holder of FPB common stock generally would recognize gain or loss, as applicable, equal to the difference between (1) the sum of the fair market value of the shares of First Bancshares common stock received by such holder in the merger and the amount of cash received by such U.S. holder in the merger and (2) its adjusted tax basis in the shares of FPB common stock surrendered in exchange therefor. The consequences of the merger to any particular stockholder will depend on that stockholder's individual situation. We strongly urge you to consult your own tax advisor to determine the particular tax consequences of the merger to you.

### Risks Related to First Bancshares' Business

There are certain risks relating to First Bancshares' business.

You should read and consider risk factors specific to First Bancshares' business that will also affect the combined company after the merger. These risks are described in the section entitled "Risk Factors" in First Bancshares' Annual Report on Form 10-K for the year ended December 31, 2017 and in other documents incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information" on page 106 for the location of information incorporated by reference into this proxy statement/prospectus.

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### THE FPB SPECIAL MEETING

This proxy statement/prospectus is being provided to the holders of FPB common stock as part of a solicitation of proxies by the FPB board of directors for use at the FPB special meeting to be held at the time and place specified below and at any properly convened meeting following an adjournment thereof. This proxy statement/prospectus provides the holders of FPB common stock with information they need to know to be able to vote or instruct their vote to be cast at the FPB special meeting.

#### General

FPB is furnishing this proxy statement/prospectus to the holders of FPB common stock as of the record date for use at FPB's special meeting and any adjournment or postponement of its special meeting.

#### Date, Time and Place

The FPB special meeting will be held at FPB's office located at 1300 West Morris Avenue, Hammond, Louisiana, on March 1, 2019, at 10:00 a.m., Central Time, subject to any adjournment or postponement thereof.

#### Purpose of the FPB Special Meeting

At the FPB special meeting, FPB stockholders will be asked to consider and vote on the following:

- 
- Proposal One: The Merger Proposal — To approve the merger agreement, which we refer to as the merger proposal; and
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- Proposal Two: The Adjournment Proposal — To approve the adjournment of the FPB special meeting to a later date or dates, if the FPB board of directors determines it is necessary, among other things, to permit solicitation of additional proxies if there are not sufficient votes at the time of the FPB special meeting to approve the merger proposal.

Completion of the merger is conditioned on, among other things, the approval of the merger by the FPB stockholders. No other matter can be brought up or voted upon at the FPB special meeting.

#### Proposal One: Merger Proposal

FPB is asking its stockholders to approve the merger proposal. After careful consideration, FPB's board of directors determined that the merger agreement and the transactions contemplated thereby, including the merger, were advisable and in the best interests of FPB and FPB's stockholders.

FPB stockholders should carefully read this document in its entirety, including the annexes and the documents incorporated by reference, for more detailed information concerning the merger agreement and the merger. For a detailed discussion of the merger, including the terms and conditions of the merger agreement, see "The Merger Agreement," beginning on page 71. In addition, FPB stockholders are directed to the merger agreement, a copy of which is attached as Annex A to this document and incorporated in this document by reference.

#### Proposal Two: Adjournment Proposal

If, at the FPB special meeting, the number of shares of FPB common stock present or represented and voting in favor of the merger proposal is insufficient to approve the merger proposal, FPB may move to adjourn the FPB special meeting in order to enable the FPB board of directors to solicit additional proxies for approval of the merger proposal. In that event, FPB's stockholders will be asked to vote upon the adjournment proposal and not the merger proposal. In the adjournment proposal, FPB is asking its stockholders to authorize the holder of any proxy solicited by its board of directors to vote in favor of granting discretionary authority to the FPB board of directors to adjourn the FPB special meeting to another time and place for the purpose of soliciting additional proxies. If FPB's stockholders approve the adjournment proposal, FPB could adjourn the FPB

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special meeting and any adjourned session of the FPB special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from FPB stockholders who have previously voted. If a quorum is not present at the meeting, the meeting will not be convened to conduct business and neither the merger proposal nor the adjournment proposal will be considered. In the absence of a quorum, FPB may adjourn the meeting to a later date or time to solicit additional proxies.

Recommendation of the FPB Board of Directors

On November 6, 2018, the FPB board of directors unanimously determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are in the best interests of FPB and its stockholders, and it adopted the merger agreement and approved the merger and the other transactions contemplated by the merger agreement.

Accordingly, the FPB board of directors unanimously recommends that FPB stockholders vote as follows:

- “FOR” Proposal One approving the merger agreement; and
- “FOR” Proposal Two approving the adjournment of the FPB special meeting if necessary to permit solicitation of additional proxies.

Holders of FPB common stock should carefully read this proxy statement/prospectus, including any documents incorporated by reference, and the annexes in their entirety for more detailed information concerning the merger agreement, the merger and the other transactions contemplated by the merger agreement.

Record Date; Stockholders Entitled to Vote

The record date for the FPB special meeting is January 18, 2019, which we refer to herein as the FPB record date. Only record holders of shares of FPB common stock as of the close of business (5:00 p.m. Central Time), on the FPB record date are entitled to notice of, and to vote at, the FPB special meeting or any adjournment thereof. At the close of business on the FPB record date, the only outstanding securities of FPB with a right to vote on the proposals were FPB common stock, with approximately 2,712,423 shares of FPB common stock issued and outstanding. Each share of FPB common stock outstanding on the FPB record date is entitled to one vote on each proposal.

Quorum and Adjournment

No business may be transacted at the FPB special meeting unless a quorum is present. Holders representing at least a majority of the issued and outstanding shares of FPB common stock entitled to vote at the FPB special meeting must be present, in person or represented by proxy, to constitute a quorum.

Approval of the adjournment proposal requires the affirmative vote of a majority of the votes cast on the matter. If the adjournment of the FPB special meeting is for a period of less than 30 days, no notice of an adjourned FPB special meeting need be given if the new date, time and place are announced at the special meeting before adjournment, and no new record date is required to be set. If the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting, a new record date must be set and a new notice must be given to the stockholders as of the new record date. At any adjourned FPB special meeting, all proxies will be voted in the same manner as they would have been voted at the original convening of the FPB special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the adjourned FPB special meeting.

All shares of FPB common stock represented at the FPB special meeting, including shares that are represented but that vote to abstain, will be treated as present for purposes of determining the presence or absence of a quorum.

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Vote Required for Approval; Abstentions; Failure to Vote

The required votes to approve the FPB proposals are as follows:

Proposal One: The Merger Proposal — Approving the merger proposal requires the affirmative vote of at a majority of the issued and outstanding shares of FPB common stock entitled to vote at the FPB special meeting. Failure to vote and abstentions will have the same effect as a vote AGAINST this proposal.

Proposal Two: The Adjournment Proposal — Approving the adjournment proposal requires the affirmative vote of a majority of the votes cast on the matter. Failure to vote and abstentions will have no effect on this proposal.

If you sign your proxy but do not indicate your vote, your proxy will be voted FOR each proposal.

Voting by FPB Directors and Executive Officers

At the close of business on the FPB record date, FPB directors and executive officers and their affiliates were entitled to vote 779,727 shares of FPB common stock, or approximately 28.6% of the shares of FPB common stock outstanding on that date. FPB expects that its directors and executive officers and their affiliates will vote their shares in favor of both of the FPB proposals.

FPB Common Stock Subject to Voting Agreements

All directors of FPB and Florida Parishes Bank, solely in their capacity as stockholders of FPB, have entered into voting agreements with First Bancshares pursuant to which they have agreed to vote their shares of FPB common stock in favor of the approval of the merger agreement and the merger and against the approval or adoption of any proposal made in opposition to the merger. As of the FPB record date, 748,742 shares of FPB common stock, or approximately 27.6% of the outstanding shares of FPB common stock entitled to vote at the FPB special meeting, are bound by the voting agreements.

Voting on Proxies by Holders of Record; Incomplete Proxies

If you were a record holder of FPB common stock at the close of business on the FPB record date, a proxy card is enclosed for your use. FPB requests that you vote your shares as promptly as possible by submitting your FPB proxy card by mail using the enclosed return envelope. If you are a registered stockholder, you may also vote via the Internet or telephone by following the instructions on the proxy card. When the accompanying proxy card is returned properly executed or if you voted via the Internet or telephone, the shares of FPB common stock represented by it will be voted at the FPB special meeting or any adjournment thereof in accordance with the instructions contained in the proxy card. If a record holder returns an executed proxy card without an indication as to how the shares of FPB common stock represented by it are to be voted with regard to a particular proposal, the shares of FPB common stock represented by the proxy will be voted in accordance with the recommendation of the FPB board of directors and, therefore, such shares will be voted:

•

“FOR” Proposal One approving the merger agreement; and

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“FOR” Proposal Two approving the adjournment of the FPB special meeting, if necessary to permit solicitation of additional proxies.

At the date hereof, the FPB board of directors has no knowledge of any business that will be presented for consideration at the FPB special meeting and that would be required to be set forth in this proxy statement/prospectus or the related proxy card other than the matters set forth in FPB’s Notice of Special Meeting of Stockholders.

Your vote is important. Accordingly, if you were a record holder of FPB common stock on the FPB record date, please sign, date and return the enclosed proxy card or vote via the Internet or telephone whether or not you plan to attend the FPB special meeting in person.

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### Shares Held in “Street Name”

If your shares of FPB common stock are held in an account with a bank, broker or other nominee, which are referred to as shares held in “street name,” the bank, broker or other nominee is considered the stockholder of record with respect to these shares and you are the beneficial owner of these “street name” shares. If your shares are held in “street name” through a broker, bank or other nominee, you will receive instructions from your broker, bank or other nominee that you must follow in order to vote your shares. You should refer to the voting form used by that firm to determine whether you may vote by telephone, Internet or mail.

If your shares are held in “street name,” FPB recommends that you mark, date, sign and promptly mail the voting instruction form provided by your bank, broker or other nominee in accordance with the instructions provided by such nominee.

Banks, brokers and other nominees who hold shares of FPB common stock in “street name” for a beneficial owner of those shares typically have the authority to vote in their discretion on “routine” proposals when they have not received instructions from beneficial owners. However, banks, brokers and other nominees are not allowed to exercise their voting discretion with respect to the approval of matters determined to be “non-routine,” without specific instructions from the beneficial owner. The merger proposal and the adjournment proposal are non-routine matters. Accordingly, if your broker, bank or other nominee holds your shares of FPB common stock in “street name,” your broker, bank or other nominee will vote your shares of FPB common stock with respect to the merger proposal and the adjournment proposal only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker, bank or other nominee with this proxy statement/prospectus. If you do not provide instructions to your broker, bank or other nominee with respect to either the merger proposal or the adjournment proposal, it will result in a failure to vote your shares on such proposal. Failure to vote has the same effect as a vote against the merger proposal.

### Revocability of Proxies and Changes to an FPB Stockholder’s Vote

An FPB stockholder entitled to vote at the FPB special meeting may revoke a proxy at any time before such time that the proxy card for any such holders of FPB common stock must be received at the FPB special meeting by taking any of the following actions:

- delivering written notice of revocation to G. Wayne Allen, Corporate Secretary, FPB Financial Corp., 1300 West Morris Avenue, Hammond, Louisiana 70403;
- delivering a proxy card bearing a later date than the proxy that such stockholder desires to revoke;
- voting by telephone or on the Internet (your latest telephone or Internet vote will be counted); or
- attending the FPB special meeting and voting in person.

Merely attending the FPB special meeting will not, by itself, revoke your proxy; an FPB stockholder must cast a subsequent vote at the FPB special meeting using forms provided for that purpose. The last valid vote that FPB receives before the polls close at the FPB special meeting is the vote that will be counted.

If you hold your shares in “street name” through a bank, broker or other nominee (referred to in this proxy statement/prospectus as a “beneficial owner”), you must contact such bank, broker or nominee if you desire to revoke your proxy as described above.

### Solicitation of Proxies

The FPB board of directors is soliciting proxies for the FPB special meeting from holders of its FPB common stock entitled to vote at the FPB special meeting. In accordance with the merger agreement, FPB will pay its own cost of soliciting proxies from its stockholders, including the cost of mailing this proxy statement/prospectus. In addition to solicitation of proxies by mail, proxies may be solicited by FPB’s officers, directors and regular employees, without additional remuneration, in person, by telephone or other means of communication.





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FPB will make arrangements with brokerage houses, custodians, nominees and fiduciaries to forward proxy solicitation materials to beneficial owners of FPB common stock. FPB may reimburse these brokerage houses, custodians, nominees and fiduciaries for their reasonable expenses incurred in forwarding the proxy materials.

Attending the FPB Special Meeting; Voting in Person

Only record holders of FPB common stock at the close of business on the record date, their duly appointed proxies, and invited guests may attend the FPB special meeting. However, only holders of FPB common stock will be entitled to vote.

A stockholder who holds shares in “street name” through a broker, bank, trustee or other nominee who desires to attend the FPB special meeting in person must bring proof of beneficial ownership as of the record date, such as a letter from the broker, bank, trustee or other nominee that is the record owner of such beneficial owner’s shares, a brokerage account statement or the voting instruction form provided by the broker.

A person who holds a validly executed proxy entitling such person to vote on behalf of a record owner of FPB common stock who desires to attend the FPB special meeting in person must also bring the validly executed proxy naming such person as the proxy holder, signed by the FPB stockholder of record, and proof of the signing stockholder’s record ownership as of the record date.

Assistance

If you need assistance in completing your proxy card, have questions regarding the FPB special meeting or would like additional copies of this proxy statement/prospectus, please contact Fritz W. Anderson, II, Chairman of the Board and Chief Executive Officer, at (985) 345-1880.

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## THE MERGER

The following discussion contains certain information about the merger. The discussion is subject, and qualified in its entirety by reference, to the merger agreement attached as Annex A to this proxy statement/prospectus. We urge you to read carefully this entire proxy statement/prospectus, including the merger agreement attached as Annex A, for a more complete understanding of the merger.

## General

Each of First Bancshares' and FPB's respective boards of directors has unanimously approved the merger agreement and the transactions contemplated by the merger agreement. The merger agreement provides for the acquisition of FPB by First Bancshares pursuant to the merger of FPB with and into First Bancshares, with First Bancshares as the surviving company, which we refer to as the merger. Immediately after the merger, Florida Parishes Bank, a wholly owned savings bank subsidiary of FPB, will be merged with and into The First, a wholly owned bank subsidiary of First Bancshares, with The First as the surviving bank, which we refer to as the bank merger.

## Purchase Price and Purchase Price Adjustments

At the effective time of the merger, each share of FPB common stock issued and outstanding immediately prior to the effective time of the merger will be converted into the right to receive 0.83, or the exchange ratio, of a share of First Bancshares common stock, provided that the exchange ratio is subject to adjustment in the event that the average closing price per share of First Bancshares' common stock on the NASDAQ Global Market over the ten (10) trading days ending five (5) business days immediately prior to the closing date, or the measurement price, is either less than \$34.61 or greater than \$43.39. The exchange ratio is subject adjustment as set forth: (i) if the measurement price is greater than \$43.39, then the exchange ratio shall be adjusted to equal the quotient (rounded to the nearest ten thousandth of a share) obtained by dividing \$36.01 by the measurement price; and (ii) if the measurement price is less than \$34.61, then the exchange ratio shall be adjusted to equal the quotient (rounded to the nearest ten thousandth of a share) obtained by dividing \$28.73 by the measurement price.

The following table provides examples of how the exchange ratio and the value of the consideration to be received by FPB stockholders in the merger may change depending on the measurement price of the First Bancshares common stock. The range of measurement prices set forth in the table has been included for representative purposes only. Neither FPB nor First Bancshares can assure you as to what the market price of the First Bancshares common stock to be issued in the merger will be at or following the time of the merger.

Hypothetical Measurement Price of First Bancshares Common Stock	Exchange Ratio	Implied Merger Consideration Value Received in Exchange Per FPB Share*
\$45.00**	0.8002	\$ 36.01
\$44.85**	0.8029	\$ 36.01
\$44.00	0.8184	\$ 36.01
\$43.39	0.83	\$ 36.01
\$43.00	0.83	\$ 35.69
\$42.00	0.83	\$ 34.86
\$41.00	0.83	\$ 34.03
\$40.00	0.83	\$ 33.20
\$39.00	0.83	\$ 32.37
\$38.00	0.83	\$ 31.54
\$37.00	0.83	\$ 30.71
\$36.00	0.83	\$ 29.88

\$35.00

0.83

\$ 29.05

35

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Hypothetical Measurement Price of First Bancshares Common Stock	Exchange Ratio	Implied Merger Consideration Value Received in Exchange Per FPB Share*
\$34.61	0.83	\$ 28.73
\$34.00	0.8450	\$ 28.73
\$33.15**	0.8667	\$ 28.73
\$33.00**	0.8706	\$ 28.73
\$32.00**	0.8978	\$ 28.73
\$31.00**	0.9268	\$ 28.73
\$30.00**	0.9577	\$ 28.73

\*

Cash will be paid in lieu of any fractional share of First Bancshares common stock.

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The merger agreement provides that either party may terminate the merger agreement if the measurement price is either greater than \$44.85 or less than \$33.15.

The examples above are illustrative only. The number of shares you receive for each of your shares of FPB common stock will be based on the actual measurement price. The actual measurement price may be outside the range of the amounts set forth above, and as a result, the actual exchange ratio and implied value of the consideration per share of First Bancshares common stock may not be shown in the above table.

The hypothetical measurement price of First Bancshares common stock for the ten (10) trading days ending on January 10, 2019 was \$30.46. If this was the actual measurement price, you would receive 0.9432 of a share of First Bancshares common stock for each share of FPB common stock owned by you. Before deciding how to vote, you should obtain more recent prices of First Bancshares common stock, which trades on the NASDAQ Global Market under the symbol "FBMS".

The exchange ratio was arrived at through arm's-length negotiations between FPB and First Bancshares. The merger agreement provides that if First Bancshares effects a stock dividend, reclassification, recapitalization, split, or combination of the shares of First Bancshares common stock, then an appropriate adjustment to the exchange ratio will be made.

Each outstanding share of FPB common stock subject to vesting restrictions under an FPB stock benefit plan shall become vested immediately prior to the effective time of the merger and will be converted into the right to receive the same merger consideration that other FPB stockholders are entitled to receive. If a holder of a warrant to purchase shares of FPB common stock consents to the warrant being cashed out, then such warrant shall be cancelled as of the effective time of the merger and converted into the right to receive a cash payment equal to the product of (i) the total number of shares of FPB common stock subject to such warrant times (ii) the excess, if any, of (A) the product of the measurement price multiplied by the exchange ratio, over (B) the exercise price per share of FPB common stock subject to such warrant. If a holder of a warrant to purchase FPB common stock does not exercise the warrant prior to completion of the merger and does not consent to the warrant being cashed out, then the warrant will be assumed by First Bancshares, except that (i) the assumed warrant may be exercised solely for shares of First Bancshares common stock, (ii) the number of shares of First Bancshares common stock subject to such warrant shall be equal to the number of shares of FPB common stock subject to such warrant immediately prior to the effective time of the merger multiplied by the exchange ratio (rounded down to the nearest share), and (iii) the per share exercise price of such warrant shall be adjusted by dividing the per share exercise price of such warrant immediately prior to the effective

time of the merger by the exchange ratio (rounded down to the nearest cent).

First Bancshares will not issue any fractional shares of First Bancshares common stock in the merger. FPB stockholders who would otherwise be entitled to a fractional share of First Bancshares common stock upon the completion of the merger will instead receive an amount in cash (without interest and rounded to

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the nearest whole cent) determined by multiplying the fractional share interest in First Bancshares common stock (rounded to the nearest one hundredth of a share) by the average closing price of First Bancshares' common stock on the NASDAQ Global Market over the twenty (20) trading days ending on the business days immediately prior to the closing date.

FPB stockholders are being asked to approve the merger agreement. See "The Merger Agreement" for additional and more detailed information regarding the legal documents that govern the merger, including information about the conditions to the completion of the merger and the provisions for terminating or amending the merger agreement.

### Background of the Merger

From time to time over the past several years, the FPB board of directors has periodically discussed and reviewed FPB's business, performance and prospects and has considered various strategic alternatives. In the context of such reviews, the strategic alternatives considered by FPB's board of directors have included continuing its on-going operations as an independent institution, acquiring other depository institutions or branch offices, and entering into a strategic merger with a similarly sized or larger institution. The FPB board of directors also periodically reviewed, often with input from different investment banking firms, the competitive environment in FPB's market area and merger and acquisition activity in the financial services industry in general and in the southeastern Louisiana market area in particular.

In recent periods, in conjunction with an annual review of FPB's strategic plan, the FPB board of directors reviewed FPB's growth prospects and the need to raise additional capital to fund its continued growth. FPB successfully raised additional capital in both 2016 and 2017 through separate private placements of its common stock. While Florida Parishes Bank has been and continues to remain well-capitalized, the FPB board of directors believed that additional capital would need to be raised if FPB was to remain independent and further grow its balance sheet.

Beginning in September 2017 and continuing into 2018, the FPB board of directors reviewed FPB's operating results and its strategic options to enhance stockholder value and create additional liquidity in FPB's common stock. The board considered raising additional capital to fund substantial increases in its loan portfolio and reviewed different growth strategies, including a retail strategy focused on a larger number of customers with both smaller deposit and loan balances and a private banking strategy focused on fewer customers with larger deposit and loan balances. The board also reviewed the possibility of FPB entering into a business combination transaction.

Beginning in April 2018, Mr. Anderson, Chairman of the Board, had informal discussions with various financial institutions who could have an interest in acquiring FPB, both in person and by telephone, and Messrs. Fugarino and Kelleher attended several of the meetings. In addition, the FPB board of directors also reviewed materials from both Sandler O' Neill and another investment banking firm with respect to the various strategic options available to FPB. Both Sandler O'Neill and the other investment banking firm are nationally recognized and have substantial experience with respect to transactions involving community based financial institutions and their holding companies. After considering the qualifications and experience of the two firms, including the terms of the draft engagement letters received from each firm and the presentations that each firm made, the FPB board of directors decided to retain Sandler O'Neill and executed an engagement letter with Sandler O'Neill dated May 16, 2018. Pursuant to the engagement letter, FPB engaged Sandler O'Neill on an exclusive basis to render financial advisory and investment services to FPB in connection with its consideration of potential business combination transactions. The FPB board of directors directed Sandler O'Neill to prepare a list of institutions that might be interested in a business combination transaction with FPB if FPB decided not to remain independent.

From mid-May to mid-June 2018, in consultation with FPB, Sandler O'Neill developed a list of potentially interested parties, comprised solely of financial institutions and their holding companies that Sandler O'Neill believed, based on its experience and information available, might be interested in entering into a transaction with FPB. During this time period, Sandler O'Neill also worked with management to prepare marketing materials and to establish an electronic data room that could be accessed by interested

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parties who executed confidentiality agreements. Beginning in early July 2018, Sandler O'Neill contacted 18 institutions, of which eight elected not to participate and the remaining 10 institutions (including First Bancshares) signed non-disclosure agreements and received a confidential information memorandum relating to FPB's operations and financial performance. The 10 institutions were provided with access to confidential information regarding FPB in order for such parties to undertake their preliminary due diligence reviews. FPB requested that the parties submit specific, written indications of interest by July 26, 2018.

On July 12, 2018, the FPB board of directors was updated on the status of the process. Mr. Anderson indicated that he had met with each of the 10 institutions who had signed non-disclosure agreements except for one, and that Messrs. Fugarino and Kelleher had attended some of the meetings. Mr. Anderson also reviewed with the board their fiduciary duties and responsibilities, as well as the confidential materials being provided to interested parties.

On July 17, 2018, First Bancshares commenced its due diligence review of FPB and contacted Hovde Group, LLC to serve as First Bancshares' financial advisor. On July 31, 2018, First Bancshares executed an engagement letter with Hovde Group, LLC.

On July 26, 2018, seven of the 10 institutions that had entered into confidentiality agreements, including First Bancshares, submitted non-binding indications of interest to acquire FPB. The FPB board of directors held a special meeting on August 2, 2018 and reviewed with Sandler O'Neill the indications of interest that had been received. Each of the seven bids offered either all stock or at least 80% stock (with the remainder in cash) as the merger consideration to be received by the FPB stockholders, except one bid was for 67% stock. The FPB board also reviewed the performance of each of the interested bidders, as well as their stock performance and valuations and the liquidity in their stock. Because the values of the different bids were very close to each other, the FPB board authorized Sandler O'Neill to continue discussions with all seven of the interested parties and to permit all seven institutions to conduct additional due diligence. In addition, the interested bidders were asked to submit their best and final offer.

On August 21 and August 22, 2018, six of the seven institutions submitted revised indications of interest, while the seventh institution withdrew from the process. The FPB board of directors met on August 23, 2018 to review the revised indications of interest with Sandler O'Neill. Each of the indications of interest were subject to the satisfactory completion of additional due diligence, and all but one of the bidders requested an exclusivity arrangement (First Bancshares requested a 60-day exclusivity period). The indication of interest from First Bancshares was for a 100% stock exchange with a value for the FPB common stock of \$32.50 to \$33.00 per share, equating to an exchange ratio of 0.79172 to 0.80390 shares of common stock of First Bancshares for each share of FPB common stock based on the then market prices of the First Bancshares common stock. Under the First Bancshares indication of interest, the outstanding warrants to purchase FPB common stock would be cashed out. The FPB board noted that three of the other bidders were offering a Board seat in the combined company to the FPB board and that two of these three other bidders had also specified management positions in the combined company for one or more of the executive officers of FPB, whereas the First Bancshares indication did not do so. Because First Bancshares' indication of interest offered the highest value per share to the FPB stockholders, the FPB board did not view the proffered Board seat and management roles in the combined company by the other bidders as a material factor. After a detailed review and comparison of each of the bids that were received, the FPB board authorized management to proceed exclusively with First Bancshares, subject to First Bancshares agreeing to reduce its requested exclusivity period.

First Bancshares then revised its indication of interest to shorten the exclusivity period to a period ending on the earlier of (a) the date of execution of the definitive merger agreement or (b) September 30, 2018, provided that the September 30 date would be automatically extended for one additional 15-day period unless FPB provided notice to First Bancshares at least five days prior to September 30, 2018. FPB and First Bancshares executed a non-binding indication of interest on September 4, 2018, and First Bancshares continued with its due diligence.

On September 13, 2018, Mr. Anderson updated the FPB board of directors with respect to the ongoing negotiations with First Bancshares.

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On September 20, 2018, Alston & Bird LLP, outside counsel to First Bancshares, provided an initial draft of the proposed merger agreement to FPB's counsel, Silver, Freedman, Taff & Tiernan LLP. FPB's counsel reviewed the agreement with both FPB and Sandler O'Neill and provided comments on the proposed merger agreement to Alston & Bird LLP on September 26, 2018. FPB permitted the exclusivity period to automatically extend to October 15, 2018. Legal counsel for both First Bancshares and FPB, together with the parties and their investment bankers, continued to negotiate the terms of the definitive merger agreement and related documents. In addition, FPB, First Bancshares and their respective financial and legal advisors continued to discuss various matters related to the proposed combination of FPB and First Bancshares. Beginning in late September, representatives of FPB, Sandler O'Neill and FPB's legal counsel were provided access to, and reviewed, certain non-public information regarding First Bancshares. FPB indicated that it desired to have price collars with respect to the proposed fixed exchange ratio, in order to ensure that the implied value of the stock consideration to be received by the FPB stockholders upon completion of the merger would not be less than a specified dollar amount. The parties and their legal and financial advisors had multiple discussions regarding the terms of the price collars, including at what point the fixed exchange ratio would begin to adjust and the ability of the parties to terminate the agreement under certain circumstances. In light of current market conditions, FPB believed that it was appropriate and in the best interests of its stockholders to have the downside price protection of price collars, even though it would also limit the upside potential available to FPB common stockholders upon completion of the merger.

On October 4, 2018, legal counsel for First Bancshares made additional due diligence requests and began discussions about a possible second extension of the exclusivity period. Also on that date, Mr. Anderson reviewed the current draft of the merger agreement with the FPB board of directors, the negotiations regarding the price collars and the request for an extension of the exclusivity period.

The FPB board of directors met on October 11, 2018 to further discuss the draft merger agreement and related issues, including a possible short extension of the exclusivity period. During this time, as the stock market continued to be volatile and the market prices for financial institutions, including First Bancshares, were generally declining, the parties continued to discuss the fixed exchange ratio and the price collars. The exclusivity period expired on October 15, 2018, but the parties continued their discussions thereafter.

On October 18, 2018, First Bancshares' board of directors met at its regularly scheduled meeting to review and discuss the proposed merger and the merger agreement. At this meeting, First Bancshares' board of directors received presentations from its legal counsel, Alston & Bird LLP and its financial advisor, Hovde Group, LLC. Following this discussion, First Bancshares' board of directors unanimously voted to approve the merger agreement and the other transactions contemplated by the merger agreement, including the merger, and authorized First Bancshares' executives to execute the merger agreement.

On October 22, 2018, Alston & Bird LLP provided a revised draft of the merger agreement, which, among other things, increased the exchange ratio to 0.83 shares of First Bancshares common stock for each share of FPB common stock and included price collars. On October 23, 2018, the FPB board of directors met to discuss the merger agreement and the value of the stock consideration being offered, including the effects of the price collars. Both Sandler O'Neil and Silver, Freedman, Taff & Tiernan LLP participated in the meeting by telephone. Sandler O'Neill reviewed the valuation analysis and price metrics and discussed in detail the price collars. FPB's legal counsel reviewed and discussed with the FPB board of directors the provisions in the merger agreement. The board was also provided with copies of the exhibits to the merger agreement, a written summary of the merger agreement and a transaction overview for their review.

At a special meeting of the executive committee of the board of directors of First Bancshares on October 23, 2018, members of First Bancshares's senior management, together with representatives of Hovde Group, LLC, provided the executive committee with, among other items, a detailed update regarding the potential transaction with FPB and the related financial analysis. The executive committee approved a range of fixed exchange ratios (which included the fixed exchange ratio of 0.83 that was ultimately accepted by FPB) and authorized Hovde Group, LLC and members of First Bancshares's senior management to negotiate the price and other terms of the transaction with FPB and its representatives.



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The parties continued to have discussions regarding the terms of the merger agreement, the exhibits thereto and related documents. On November 2, 2018, Alston & Bird LLP provided a revised draft of the merger agreement. On November 5, 2018, FPB's board of directors held a special meeting to review the merger proposal as set forth in the definitive merger agreement and related documents negotiated by FPB and First Bancshares and their respective financial and legal advisors. The FPB board received presentations regarding the merger agreement from its legal counsel, Silver, Freedman, Taff & Tiernan LLP, and the merger from its financial advisor, Sandler O'Neill. Legal counsel, Sandler O'Neill and management of FPB also briefed the board on the results of the due diligence review conducted on First Bancshares. At the meeting, Sandler O'Neill provided its written opinion to the FPB board of directors to the effect that, as of November 5, 2018, the exchange ratio in the merger agreement was fair to the common stockholders of FPB from a financial point of view. Representatives of Silver, Freedman, Taff & Tiernan LLP and Sandler O'Neill responded to questions from FPB's board. After careful and deliberate consideration of these presentations as well as the interest of FPB's stockholders, the FPB board decided to reconvene the next day in order to continue its deliberations and to vote on the proposed merger agreement.

During the afternoon on November 6, 2018, FPB's board of directors met again to discuss the merger agreement and received updates from both Sandler O'Neill and Silver, Freedman, Taff & Tiernan LLP. The FPB board unanimously approved the merger agreement and the related documents.

On November 6, 2018, the merger agreement and related documents were executed and the parties issued a press release announcing the proposed merger.

First Bancshares' Reasons for the Merger

In reaching its decision to approve and adopt the merger agreement, the merger and the other transactions contemplated by the merger agreement, including the issuance of First Bancshares common stock as the merger consideration, the First Bancshares board of directors considered a number of factors, including the following material factors:

- each of First Bancshares' and FPB's business, operations, financial condition, asset quality, earnings and prospects;
- the strategic fit of the businesses of the two companies, including their complementary markets, business lines and loan and deposit profiles;
- the opportunity to strategically expand in the greater south Louisiana market;
- the anticipated pro forma impact of the transaction on the combined company, including the expected impact on financial metrics including earnings and tangible book value and regulatory capital levels, as well as the potential efficiencies of scale resulting from the increased size of First Bancshares following the merger;
- its understanding of the current and prospective environment in which First Bancshares and FPB operate, including national, state and local economic conditions, the competitive environment for financial institutions generally, and the likely effect of these factors on First Bancshares both with and without the proposed transaction;
- its review and discussions with First Bancshares' management concerning the due diligence investigation of FPB, including its review of FPB's financial condition, results of operation, asset quality, market areas, growth potential (projected potential accretion to earnings per share and the projected payback period of the estimated decrease in tangible book value) and quality of senior management;
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the perceived compatibility of the corporate cultures of the two companies, which management believes should facilitate integration and implementation of the transaction;

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the structure of the transaction as a combination in which the combined company would operate under the First Bancshares brand and First Bancshares' board of directors and management would have substantial participation in the combined company;

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- the regulatory and other approvals required in connection with the merger and the expectation that such regulatory approvals will be received in a timely manner and without the imposition of unacceptable conditions; and

- the financial and other terms of the merger agreement, including the merger consideration, expected tax treatment, the deal protection and termination fee provisions, and restrictions on the conduct of FPB's business between the date of the merger agreement and the date of completion of the merger.

First Bancshares' board of directors also considered potential risks relating to the merger including the following:

- First Bancshares management's attention and First Bancshares resources may be diverted from the operation of First Bancshares' business and towards the completion of the merger;

- First Bancshares may not realize all of the anticipated benefits of the merger, including cost savings, maintenance of existing customer and employee relationships, and minimal disruption in the integration of FPB's operations with First Bancshares;

- the nature and amount of payments and other benefits to be received by FPB management in connection with the merger pursuant to existing FPB plans and compensation arrangements and the merger agreement;

- the substantial costs that First Bancshares will incur in connection with the merger even if it is not consummated;

- approvals from regulatory authorities could impose conditions that could have the effect of delaying completion of the merger or imposing additional costs; and

- the possibility of litigation in connection with the merger.

The foregoing discussion of the factors considered by the First Bancshares board of directors is not intended to be exhaustive, but, rather, includes the material factors considered by the First Bancshares board of directors. In reaching its decision to approve and adopt the merger agreement, the merger and the other transactions contemplated by the merger agreement, including the issuance of First Bancshares common stock as the merger consideration, the First Bancshares board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The First Bancshares board of directors considered all these factors as a whole and overall considered the factors to be favorable to, and to support, its determination.

**FPB's Reasons for the Merger**

After careful consideration, FPB's board of directors determined that it was advisable and in the best interests of FPB and its stockholders for FPB to enter into the merger agreement with First Bancshares. Accordingly, FPB's board unanimously recommends that FPB's stockholders vote "FOR" the approval of the merger agreement.

The board of directors of FPB has considered the terms and provisions of the merger agreement and concluded that they are fair to the stockholders of FPB and that the merger is in the best interests of FPB and its stockholders.

The board of directors of FPB believes that the merger will provide the resulting institution with additional resources necessary to compete more effectively in the greater south Louisiana market. In addition, the FPB board of directors believes that the customers and communities served by FPB will benefit from the resulting institution's enhanced abilities to meet their banking needs.

In reaching its decision to approve the merger agreement, the FPB board of directors consulted with management, as well as with FPB's financial and legal advisors, and considered a variety of factors, including the following:

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The consideration being offered to FPB's stockholders in relation to the market value, book value per share, earnings per share and projected earnings per share of FPB;

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- The results that could be expected to be obtained by FPB if it continued to operate independently and the potential future value of FPB stock compared to the value of the merger consideration offered by First Bancshares and the potential future trading value of the First Bancshares common stock;

- The current and prospective environment in which FPB operates, including national, regional and local economic conditions, the competitive environment for financial institutions, the increased regulatory burdens on financial institutions, and the uncertainties in the regulatory climate going forward;

- The relatively limited trading market for FPB stock, which is traded in the Over-the-Counter Market, compared to greater liquidity of First Bancshares' common stock, which is listed on Nasdaq;

- The form of merger consideration offered by First Bancshares, including the opportunity for FPB stockholders to receive shares of First Bancshares common stock on a tax-free basis for their shares of FPB stock;

- The potential adjustment of the 0.83 exchange ratio in the event that the measurement price is either less than \$34.61 or greater than \$43.39;

- The fact that the merger agreement provides that either FPB or First Bancshares may terminate the merger agreement if the measurement price of First Bancshares common stock is less than \$33.15 or greater than \$44.85;

- The scale, scope, strength and diversity of operations, product lines and delivery systems that could be achieved by combining FPB with First Bancshares;

- The complementary geographic locations of the FPB and First Bancshares branch networks in the southern Gulf coastal region of the United States;

- The results that could be expected to be obtained by FPB if it continued to operate independently, and the likely benefits to stockholders of continued independent operations, as compared to the value of the consideration to be received by FPB's stockholders as a result of the merger;

- First Bancshares's asset size and capital position, which would give the resulting institution over \$3.4 billion in assets;

- The earnings prospects of the combined company;

- The additional products offered by First Bancshares to its customers and the ability of the resulting institution to provide comprehensive financial services to its customers;

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FPB's and First Bancshares's shared community banking philosophies; and

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Sandler O'Neill's written opinion, dated November 5, 2018, to the effect that, as of such date, the exchange ratio was fair to FPB's common stockholders from a financial point of view. The opinion is attached as Annex B to this proxy statement/prospectus. For a summary of the presentation of Sandler, O'Neill, see "— Opinion of FPB's Financial Advisor" below.

Other factors considered by FPB's board of directors included:

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The terms and conditions of the merger agreement, including the parties' respective representations, warranties, covenants and other agreements, the conditions to closing, a provision which permits FPB's board of directors, in the exercise of its fiduciary duties, under certain conditions, to furnish information to, or engage in negotiations with, a third party which has submitted an unsolicited proposal to acquire FPB and a provision providing for FPB's payment of a termination fee to First Bancshares if the merger agreement is terminated under certain circumstances and the effect such termination fee could have on a third party's decision to propose a merger or similar transaction to FPB at a higher price than that contemplated by the merger with First Bancshares;

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- The reports of FPB's management and discussions with representatives of Sandler O'Neill concerning the operations, financial condition and prospects of First Bancshares and the expected financial impact of the merger on the combined company, including pro forma assets, earnings, deposits and capital ratios;

- The likelihood of successful integration and the successful operation of the combined company;

- The likelihood that the regulatory approvals needed to complete the transaction will be obtained;

- The potential cost-saving opportunities;

- The effects of the merger on FPB's employees, including the prospects for continued employment and the severance and other benefits agreed to be provided to FPB employees; and

- The review by the FPB board of directors with its legal and financial advisors of the structure of the merger and the financial and other terms of the merger, including the condition that the merger must qualify as a transaction that will permit FPB's stockholders to receive First Bancshares shares in exchange for their FPB shares on a tax-free basis for federal income tax purposes.

In the course of its deliberation, the FPB board of directors also considered a variety of risks and other countervailing factors, including:

- The fact that the exchange ratio is fixed, provided that the measurement price is not less than \$34.61 or greater than \$43.39, and the value of the consideration to be received by FPB's stockholders is subject to fluctuation;

- The risks and costs to FPB if the merger does not close, including:

- the diversion of management and employee attention, potential employee attrition and the effect on customers and business relationships; and

- the potential adverse impact on the value of FPB's common stock if the merger agreement is terminated;

- The restrictions that the merger agreement imposes on actively soliciting competing bids, and the fact that FPB would be obligated to pay a \$3.6 million termination fee to First Bancshares under certain circumstances; and

- The fact that FPB will no longer exist as an independent, stand-alone company.

The FPB board of directors also considered the potential risks associated with the merger in connection with its deliberation of the proposed transaction, including the challenges of integrating FPB's businesses, operations and employees with those of First Bancshares, the need to obtain approval by stockholders of FPB as well as regulatory

approvals in order to complete the transaction, and the risks associated with the operations of the combined company including the ability to achieve the anticipated cost savings. The board also considered the structural protections included in the merger agreement such as the ability of FPB to terminate the merger agreement in the event of any change or development affecting First Bancshares which has, or is reasonably likely to have, a material adverse effect on First Bancshares and which is not cured within 30 days after notice or cannot be cured prior to consummation of the merger.

The foregoing discussion of the information and factors considered by FPB's board of directors is not exhaustive, but includes all material factors considered by FPB's board. In view of the wide variety of factors considered by the FPB board of directors in connection with its evaluation of the merger and the complexity of these matters, the FPB board of directors did not consider it practical to, and did not attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. FPB's board of directors evaluated the factors described above, including asking questions of FPB's management and FPB's legal and financial advisors. In considering the factors described above, individual members of FPB's board of directors may have given different weights to different factors. The FPB board of directors relied on the experience and expertise of its financial advisors for quantitative analysis of the financial terms of the merger. See "— Opinion of FPB's Financial Advisor" below. It should

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also be noted that this explanation of the reasoning of FPB's board of directors and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading "Cautionary Statement Regarding Forward-Looking Statements" on page 17.

After evaluating these factors and consulting with its legal counsel and financial advisors, the FPB board of directors determined that the merger agreement was advisable and in the best interests of FPB's stockholders. Accordingly, the FPB board of directors has unanimously adopted the merger agreement and approved the merger.

**THE FPB BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" APPROVAL OF THE MERGER AGREEMENT.**

Opinion of FPB's Financial Advisor

FPB retained Sandler O'Neill to act as financial advisor to FPB's board of directors in connection with FPB's consideration of a possible business combination. FPB selected Sandler O'Neill as its financial advisor because Sandler O'Neill is a nationally recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Sandler O'Neill is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

Sandler O'Neill acted as financial advisor to FPB in connection with the proposed merger and participated in certain of the negotiations leading to the execution of the merger agreement. At the November 5, 2018 meeting at which FPB's board of directors considered the merger and the merger agreement, Sandler O'Neill delivered to the board its oral opinion, which was subsequently confirmed in writing on November 5, 2018, to the effect that, as of such date, the exchange ratio was fair to the holders of FPB common stock from a financial point of view. The full text of Sandler O'Neill's opinion is attached as Annex B to this proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the full text of the opinion. Holders of FPB common stock are urged to read the entire opinion carefully in connection with their consideration of the proposed merger.

Sandler O'Neill's opinion was directed to the Board of Directors of FPB in connection with its consideration of the merger agreement and the merger and does not constitute a recommendation to any stockholder of FPB as to how any such stockholder should vote at any meeting of stockholders called to consider and vote upon the approval of the merger agreement and the merger. Sandler O'Neill's opinion was directed only to the fairness, from a financial point of view, of the exchange ratio to the holders of FPB common stock and did not address the underlying business decision of FPB to engage in the merger, the form or structure of the merger or any other transactions contemplated in the merger agreement, the relative merits of the merger as compared to any other alternative transactions or business strategies that might exist for FPB or the effect of any other transaction in which FPB might engage. Sandler O'Neill did not express any opinion as to the fairness of the amount or nature of the compensation to be received in the merger by any officer, director or employee of FPB or First Bancshares, or any class of such persons, if any, relative to the compensation to be received in the merger by any other stockholder. Sandler O'Neill's opinion was approved by Sandler O'Neill's fairness opinion committee.

In connection with its opinion, Sandler O'Neill reviewed and considered, among other things:

- An execution version of the merger agreement;
- Certain publicly available financial statements and other historical financial information of FPB and its banking subsidiary, Florida Parishes Bank, that Sandler O'Neill deemed relevant;
- Certain publicly available financial statements and other historical financial information of First Bancshares and its banking subsidiary, The First, A National Banking Association, that Sandler O'Neill deemed relevant;



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- Certain internal financial projections for FPB for the years ending December 31, 2018 and December 31, 2019, as provided by the senior management of FPB, as well as a long-term net income growth rate for the years thereafter and estimated dividends per share for the years ending December 31, 2018 through December 31, 2022, as provided by the senior management of FPB;

- An earnings per share estimate for First Bancshares for the year ending December 31, 2018, publicly available median analyst earnings per share estimates for First Bancshares for the year ending December 31, 2019 as well as a long-term earnings per share growth rate for the years thereafter, and publicly available median analyst dividends per share estimates for the years ending December 31, 2018 and December 31, 2019 with estimated annual dividends per share for the years thereafter;

- The pro forma financial impact of the merger on First Bancshares based on certain assumptions relating to purchase accounting adjustments, cost savings and transaction expenses;

- The publicly reported historical price and trading activity for FPB common stock and First Bancshares common stock, including a comparison of certain stock market information for FPB common stock and First Bancshares common stock and certain stock indices as well as publicly available information for certain other similar companies, the securities of which are publicly traded;

- A comparison of certain financial information for FPB and First Bancshares with similar financial institutions for which information is publicly available;

- The financial terms of certain recent business combinations in the banking industry (on a regional and nationwide basis), to the extent publicly available;

- The current market environment generally and the banking environment in particular; and

- Such other information, financial studies, analyses and investigations and financial, economic and market criteria that Sandler O'Neill considered relevant.

Sandler O'Neill also discussed with certain members of the senior management of FPB and its representatives the business, financial condition, results of operations and prospects of FPB and held similar discussions with First Bancshares' financial advisor regarding the business, financial condition, results of operations and prospects of First Bancshares.

In performing Sandler O'Neill's review, Sandler O'Neill relied upon the accuracy and completeness of all of the financial and other information that was available to and reviewed by Sandler O'Neill from public sources, that was provided to Sandler O'Neill by FPB or First Bancshares or their respective representatives, or that was otherwise reviewed by Sandler O'Neill, and Sandler O'Neill assumed such accuracy and completeness for purposes of rendering Sandler O'Neill's opinion without any independent verification or investigation. Sandler O'Neill relied on the assurances of the respective managements of FPB and First Bancshares that they were not aware of any facts or circumstances that would have made any of such information inaccurate or misleading. Sandler O'Neill was not asked to and did not undertake an independent verification of any of such information and Sandler O'Neill did not assume any

responsibility or liability for the accuracy or completeness thereof. Sandler O'Neill did not make an independent evaluation or perform an appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of FPB or First Bancshares or any of their respective subsidiaries, nor was Sandler O'Neill furnished with any such evaluations or appraisals. Sandler O'Neill rendered no opinion or evaluation on the collectability of any assets or the future performance of any loans of FPB or First Bancshares. Sandler O'Neill did not make an independent evaluation of the adequacy of the allowance for loan losses of FPB or First Bancshares, or of the combined entity after the merger, and Sandler O'Neill did not review any individual credit files relating to FPB or First Bancshares. Sandler O'Neill assumed, with FPB's consent, that the respective allowances for loan losses for both FPB and First Bancshares were adequate to cover such losses and would be adequate on a pro forma basis for the combined entity.

In preparing its analyses, Sandler O'Neill used certain internal financial projections for FPB for the years ending December 31, 2018 and December 31, 2019, as provided by the senior management of FPB, as well as a long-term net income growth rate for the years thereafter and estimated dividends per

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share for the years ending December 31, 2018 through December 31, 2022, as provided by the senior management of FPB. In addition, Sandler O'Neill used an earnings per share estimate for First Bancshares for the year ending December 31, 2018, publicly available median analyst earnings per share estimates for First Bancshares for the year ending December 31, 2019 as well as a long-term earnings per share growth rate for the years thereafter, and publicly available median analyst dividends per share estimates for the years ending December 31, 2018 and December 31, 2019 with estimated annual dividends per share for the years thereafter. Sandler O'Neill also received and used in its pro forma analyses certain assumptions relating to purchase accounting adjustments, cost savings and transaction expenses. With respect to the foregoing information, the senior management of FPB and First Bancshares' financial advisor confirmed to Sandler O'Neill that such information reflected (or, in the case of the publicly available analyst estimates referred to above, were consistent with) the best currently available projections, estimates and judgments as to the future financial performance of FPB and First Bancshares, respectively, and the other matters covered thereby, and Sandler O'Neill assumed that the future financial performance reflected in such information would be achieved. Sandler O'Neill expressed no opinion as to such information, or the assumptions on which such information was based. Sandler O'Neill also assumed that there had been no material change in the respective assets, financial condition, results of operations, business or prospects of FPB or First Bancshares since the date of the most recent financial statements which were made available to Sandler O'Neill. Sandler O'Neill assumed in all respects material to Sandler O'Neill's analysis that FPB and First Bancshares would remain as going concerns for all periods relevant to Sandler O'Neill's analysis.

Sandler O'Neill also assumed, with FPB's consent, that (i) each of the parties to the merger agreement will comply in all material respects with all material terms and conditions of the merger agreement and all related agreements, that all of the representations and warranties contained in such agreements were true and correct in all material respects, that each of the parties to such agreements would perform in all material respects all of the covenants and other obligations required to be performed by such party under such agreements and that the conditions precedent in such agreements were not and would not be waived, (ii) in the course of obtaining the necessary regulatory or third party approvals, consents and releases with respect to the merger, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on FPB, First Bancshares, the merger or any related transactions, and (iii) the merger and any related transactions would be consummated in accordance with the terms of the merger agreement without any waiver, modification or amendment of any material term, condition or agreement thereof and in compliance with all applicable laws and other requirements. Finally, with FPB's consent, Sandler O'Neill relied upon the advice that FPB received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the merger and the other transactions contemplated by the merger agreement. Sandler O'Neill expressed no opinion as to any such matters.

Sandler O'Neill's opinion was necessarily based on financial, economic, regulatory, market and other conditions as in effect on, and the information made available to Sandler O'Neill as of, the date thereof. Events occurring after the date thereof could materially affect Sandler O'Neill's opinion. Sandler O'Neill has not undertaken to update, revise, reaffirm or withdraw Sandler O'Neill's opinion or otherwise comment upon events occurring after the date thereof. Sandler O'Neill expressed no opinion as to the trading value of FPB common stock or First Bancshares common stock at any time or what the value of First Bancshares common stock would be once it is actually received by the holders of FPB common stock.

In rendering its opinion, Sandler O'Neill performed a variety of financial analyses. The summary below is not a complete description of all the analyses underlying Sandler O'Neill's opinion or the presentation made by Sandler O'Neill to FPB's board of directors, but is a summary of the material analyses performed and presented by Sandler O'Neill. The summary includes information presented in tabular format. In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. Sandler O'Neill believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses to be considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying

its opinion. Also, no company included in Sandler

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O'Neill's comparative analyses described below is identical to FPB or First Bancshares and no transaction is identical to the merger. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values or merger transaction values, as the case may be, of FPB and First Bancshares and the companies to which they were compared. In arriving at its opinion, Sandler O'Neill did not attribute any particular weight to any analysis or factor that it considered. Rather, Sandler O'Neill made qualitative judgments as to the significance and relevance of each analysis and factor. Sandler O'Neill did not form an opinion as to whether any individual analysis or factor (positive or negative) considered in isolation supported or failed to support its opinion, rather, Sandler O'Neill made its determination as to the fairness of the exchange ratio to the holders of FPB common stock on the basis of its experience and professional judgment after considering the results of all its analyses taken as a whole.

In performing its analyses, Sandler O'Neill also made numerous assumptions with respect to industry performance, business and economic conditions and various other matters, many of which cannot be predicted and are beyond the control of FPB, First Bancshares, and Sandler O'Neill. The analyses performed by Sandler O'Neill are not necessarily indicative of actual values or future results, both of which may be significantly more or less favorable than suggested by such analyses. Sandler O'Neill prepared its analyses solely for purposes of rendering its opinion and provided such analyses to FPB's board of directors at its November 5, 2018 meeting. Estimates on the values of companies do not purport to be appraisals or necessarily reflect the prices at which companies or their securities may actually be sold. Such estimates are inherently subject to uncertainty and actual values may be materially different. Accordingly, Sandler O'Neill's analyses do not necessarily reflect the value of FPB common stock or First Bancshares common stock or the prices at which FPB or First Bancshares common stock may be sold at any time. The analyses of Sandler O'Neill and its opinion were among a number of factors taken into consideration by FPB's board of directors in making its determination to approve the merger agreement and the analyses described below should not be viewed as determinative of the decision of FPB's board of directors with respect to the fairness of the merger.

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Summary of Proposed Merger Consideration and Implied Transaction Metrics. Sandler O’Neill reviewed the financial terms of the proposed transaction. As set forth in the merger agreement, at the effective time, each share of FPB’s common stock issued and outstanding immediately prior to the effective time, except for certain shares of FPB common stock as specified in the merger agreement, will be converted into and exchanged for the right to receive 0.83 of a share of First Bancshares common stock (subject to adjustment as provided in the merger agreement). Sandler O’Neill calculated an implied purchase price per share of \$31.27, or an aggregate implied transaction value of approximately \$87.4 million, consisting of the implied value of 0.83 of a share of First Bancshares common stock based on the closing price of First Bancshares common stock on November 2, 2018. Based upon financial information for FPB as of or for the most recent available completed quarter (“MRQ”) ended September 30, 2018 and the closing price of FPB common stock on November 2, 2018, Sandler O’Neill calculated the following implied transaction metrics:

Purchase Price Per Share/LTM EPS	20.1x
Purchase Price Per Share/YTD Annualized EPS	16.6x
Purchase Price Per Share/2018 Estimated EPS(1)	16.3x
Purchase Price Per Share/September 30, 2018 Book Value Per Share	192%
Purchase Price Per Share/September 30, 2018 Tangible Book Value Per Share	192%
Purchase Price Per Share/September 30, 2018 Adjusted Tangible Book Value Per Share(2)	218%
Tangible Book Premium/Core Deposits(3) (“Core Deposit Premium”)	15.7%
Market Premium as of November 2, 2018(4)	39.0%

(1)  
Estimated EPS as provided by FPB senior management.

(2)  
Adjusted tangible book value reflects multiple paid on “normalized” Tangible Common Equity/Tangible Assets of 9.00% and dollar-for-dollar on all excess capital.

(3)  
Core Deposits defined as total deposits less time deposits greater than \$100,000.

(4)  
Closing price of FPB common stock on November 2, 2018 was \$22.50.

Stock Trading History. Sandler O’Neill reviewed the historical publicly reported trading prices of FPB common stock for the one-year and three-year periods ended November 2, 2018 and the historical publicly reported trading prices of First Bancshares common stock for the three-year period ended November 2, 2018. Sandler O’Neill then compared the relationship between the movements in the price of FPB common stock and First Bancshares common stock, respectively, to movements in their respective peer groups (as described below) as well as certain stock indices.

## FPB’s One-Year Stock Performance

	Beginning Value November 2, 2017	Ending Value November 2, 2018
FPB	100%	128.6%
FPB Peer Group	100%	104.9%
S&P 500 Index	100%	105.6%
NASDAQ Bank Index	100%	94.4%





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## FPB's Three-Year Stock Performance

	Beginning Value November 2, 2015	Ending Value November 2, 2018
FPB	100%	204.6%
FPB Peer Group	100%	140.7%
S&P 500 Index	100%	129.4%
NASDAQ Bank Index	100%	128.4%

## First Bancshares' Three-Year Stock Performance

	Beginning Value November 2, 2015	Ending Value November 2, 2018
First Bancshares	100%	230.2%
First Bancshares Peer Group	100%	150.3%
S&P 500 Index	100%	129.4%
NASDAQ Bank Index	100%	128.4%

Comparable Company Analyses. Sandler O'Neill used publicly available information to compare selected financial information for FPB with a group of financial institutions selected by Sandler O'Neill. The FPB peer group included eleven United States-based banks and thrifts whose securities were publicly traded on the NASDAQ, NYSE or NYSE MKT exchanges and with assets between \$250 million and \$500 million and year-to-date net income greater than \$0, but excluded targets of announced merger transactions (the "FPB Peer Group"). The FPB Peer Group consisted of the following companies:

Citizens First Corporation	Carolina Trust BancShares, Inc.
Bank of South Carolina Corporation	Home Federal Bancorp, Inc. of Louisiana
Glen Burnie Bancorp	Bancorp 34, Inc.
WVS Financial Corp.	FSB Bancorp, Inc.
Melrose Bancorp, Inc.	HV Bancorp, Inc.
Ottawa Bancorp, Inc.	

The analysis compared publicly available financial information for FPB with corresponding data for the FPB Peer Group as of or for year-to-date ended September 30, 2018 with pricing data as of November 2, 2018. The table below sets forth the data for FPB and the high, low, mean, and median data for the FPB Peer Group. Certain financial data prepared by Sandler O'Neill, as referenced in the table presented below, may not correspond to the data presented in FPB's historical financial statements, as a result of the different periods, assumptions and methods used by Sander O'Neill to compute the financial data presented.

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## FPB Comparable Company Analysis

	FPB	FPB Peer Group High	FPB Peer Group Low	FPB Peer Group Mean	FPB Peer Group Median
Total Assets (\$ millions)	383	474	278	378	373
Loans/Deposits	75.3%(2)	127.9%	55.5%	95.5%	96.9%
Non-Performing Assets(1)/Total Assets	1.22%(2)	2.18%	0.02%	0.78%	0.62%
Tangible Common Equity/Tangible Assets	11.49%	18.69%	8.11%	11.28%	10.32%
Leverage Ratio	10.50%(2)	15.71%	8.08%	10.67%	10.35%
Total Risk Based Capital Ratio	17.26%(2)	21.05%	12.64%	16.10%	16.54%
CRE/Total Risk Based Capital Ratio	191.9%(2)	422.4%	24.3%	167.6%	142.7%
YTD Return on Average Assets (“ROAA”)	1.46%	1.58%	0.04%	0.69%	0.59%
YTD Return on Average Equity (“ROAE”)	12.53%	16.54%	0.39%	6.39%	4.97%
YTD Net Interest Margin	4.48%	4.25%	2.01%	3.35%	3.52%
YTD Efficiency Ratio	61.2%	96.0%	47.2%	73.1%	71.3%
Stock Price/Tangible Book Value	138%	250%	76%	122%	112%
Stock Price/YTD Annualized Earnings Per Share	12.0x	39.3x	12.8x	22.2x	19.9x
Current Dividend Yield	1.6%	3.4%	0.0%	1.2%	1.1%
Market Capitalization (\$ millions)	60	108	24	50	46

(1)

Nonperforming assets defined as nonaccrual loans and leases, renegotiated loans and leases, and real estate owned.

(2)

Bank level financial data as of or for the period ending September 30, 2018.

Note: Prior period or bank level data used where GAAP data unavailable

Sandler O’Neill used publicly available information to perform a similar analysis for First Bancshares by comparing selected financial information for First Bancshares with a group of financial institutions selected by Sandler O’Neill.

The First Bancshares peer group included eighteen United States-based banks and thrifts whose securities were publicly traded on the NASDAQ, NYSE or NYSE MKT exchanges and with assets between \$2.0 billion and \$3.0 billion and year-to-date return on average tangible common equity greater than 9.5%, but excluded targets of announced merger transactions (the “First Bancshares Peer Group”). The First Bancshares Peer Group consisted of the following companies:

First Financial Corporation	BSB Bancorp, Inc.
Arrow Financial Corporation	Old Line Bancshares, Inc.
Enterprise Bancorp, Inc.	Capital City Bank Group, Inc.
United Community Financial Corp.	Southern National Bancorp of Virginia, Inc.
Old Second Bancorp, Inc.	Bank of Marin Bancorp
Hingham Institution for Savings	Farmers National Banc Corp.
First Community Bankshares, Inc.	Peoples Financial Services Corp.
People’s Utah Bancorp	West Bancorporation, Inc.
Summit Financial Group, Inc.	RBB Bancorp

The analysis compared publicly available financial information for First Bancshares with corresponding data for the First Bancshares Peer Group as of or for the year-to-date ended September 30, 2018 with pricing data as of November 2, 2018. The table below sets forth the data for First Bancshares and the high, low, mean, and median data for the First Bancshares Peer Group. Certain financial data prepared

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by Sandler O’Neill, as referenced in the table presented below, may not correspond to the data presented in First Bancshares’ historical financial statements, as a result of the different periods, assumptions and methods used by Sander O’Neill to compute the financial data presented.

## First Bancshares Comparable Company Analysis

	First Bancshares	First Bancshares Group High	First Bancshares Peer Group Low	First Bancshares Peer Group Mean	First Bancshares Peer Group Median
Total Assets (\$ millions)	2,512	2,981	2,137	2,558	2,579
Loans/Deposits	85.4%	132.8%	74.5%	94.6%	92.0%
Non-Performing Assets(1)/Total Assets	1.07%(2)	3.07%	0.09%	0.71%	0.54%
Tangible Common Equity/Tangible Assets	9.14%	13.31%	6.66%	9.46%	8.87%
Leverage Ratio	11.84%(2)	14.45%	6.76%	10.30%	9.89%
Total Risk Based Capital Ratio	15.38%(2)	22.21%	11.34%	14.20%	13.34%
CRE/Total Risk Based Capital Ratio	193.6%	426.0%	89.3%	252.6%	262.8%
YTD Return on Average Assets	0.83%	2.01%	0.83%	1.32%	1.31%
YTD Return on Average Tang. Common Equity	9.7%	17.7%	10.1%	14.4%	15.0%
YTD Net Interest Margin	3.75%	5.25%	2.17%	3.7%	3.75%
YTD Efficiency Ratio	59.3%	79.5%	29.9%	54.5%	56.2%
Stock Price/Tangible Book Value	220%	249%	136%	184%	193%
Stock Price/YTD Annualized EPS	25.0x	20.2x	9.5x	13.6x	12.6x
Stock Price/Consensus Analyst 2018E EPS	16.5x	19.7x	9.8x	13.7x	13.0x
Stock Price/Consensus Analyst 2019E EPS	13.5x	17.5x	9.3x	12.7x	12.2x
Current Dividend Yield	0.5%	3.7%	0.0%	1.6%	1.7%
Market Capitalization (\$ millions)	493	624	259	437	423

(1)

Nonperforming assets defined as nonaccrual loans and leases, renegotiated loans and leases, and real estate owned.

(2)

Bank level financial data as of or for the period ending September 30, 2018.

Note: Prior period or bank level data used where GAAP data unavailable; First Bancshares data not pro forma for the then pending acquisition of FMB Banking Corp., which was announced on July 24, 2018

Analysis of Precedent Transactions. Sandler O’Neill reviewed a group of merger and acquisition transactions consisting of bank and thrift transactions involving targets headquartered in the Southeast region, Louisiana or Texas, which were announced between January 1, 2017 and November 2, 2018 with target company assets between \$250 million and \$500 million and a disclosed deal value greater than \$15 million (the “Regional Precedent Transactions”). Sandler O’Neill also reviewed a national group of merger and acquisition transactions consisting of bank and thrift transactions which were announced between January 1, 2018 and November 2, 2018 with disclosed deal values greater than \$15 million and target company assets between \$250 million and \$500 million (the

“Nationwide Precedent Transactions”).

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The Regional Precedent Transactions group was composed of the following transactions:

Acquiror	Target
First Bancshares, Inc.	FMB Banking Corp.
Spirit of Texas Bancshares, Inc.	Comanche National Corp.
CapStar Financial Holdings, Inc.	Athens Bancshares Corp.
Business First Bancshares, Inc.	Richland State Bancorp, Inc.
Hilltop Holdings, Inc.	Bank of River Oaks
Park National Corp.	NewDominion Bank
CB Financial Services, Inc.	First WV Bancorp, Inc.
First Bancshares, Inc.	Southwest Banc Shares, Inc.
First Financial Bankshares	Commercial Bancshares, Inc.
Business First Bancshares, Inc.	Minden Bancorp, Inc.
Reliant Bancorp, Inc.	Community First, Inc.
National Commerce Corp.	FirstAtlantic Financial Holdings, Inc.
Veritex Holdings, Inc.	Liberty Bancshares, Inc.
Select Bancorp, Inc.	Premara Financial, Inc.
Seacoast Banking Corp. of FL	Palm Beach Community Bank
United Community Bank, Inc.	HCSB Financial Corp.
Progress Financial Corp.	First Partners Financial, Inc.
HCBF Holding Co.	Jefferson Bankshares, Inc.

Using the latest publicly available information prior to the announcement of the relevant transaction, Sandler O'Neill reviewed the following transaction metrics: transaction price to last-twelve-months earnings per share, transaction price to book value per share, transaction price to tangible book value per share, core deposit premium, and 1-day market premium. Sandler O'Neill compared the indicated transaction metrics for the merger to the high, low, mean and median metrics of the Regional Precedent Transactions.

	First Bancshares/ FPB	Regional Precedent Transactions High	Regional Precedent Transactions Low	Regional Precedent Transactions Mean	Regional Precedent Transactions Median
Transaction price/LTM earnings per share	20.1x	33.0x	4.5x	19.6x	20.0x
Transaction price/Book value per share	192%	235%	139%	175%	170%
Transaction price/Tangible book value per share	192%	235%	148%	181%	179%
Core deposit premium(1)	15.7%	23.6%	6.7%	11.6%	10.6%
1-Day market premium	39.0%	38.2%	(61.9)%	10.6%	25.7%

(1)  
Core deposits defined as total deposits, less time deposit accounts with a balance of at least \$100,000.

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The Nationwide Precedent Transactions group was composed of the following transactions:

Acquiror	Target
Peoples Bancorp, Inc.	First Prestonburg Bancshares, Inc.
OceanFirst Financial Corp.	Capital Bank of New Jersey
Byline Bancorp, Inc.	Oak Park River Forest Bankshares
Citizens and Northern Corp.	Monument Bancorp, Inc.
Lakeland Bancorp	Highlands Bancorp, Inc.
Farmers and Merchants Bancorp	Limberlost Bancshares, Inc.
Hometown Financial Group MHC	Pilgrim Bancshares, Inc.
First Bancshares, Inc.	FMB Banking Corp.
Spirit of Texas Bancshares, Inc.	Comanche National Corp.
FS Bancorp, Inc.	Anchor Bancorp
Peoples Bancorp MHC	First Suffield Financial, Inc.
City Holding Co.	Poage Bankshares, Inc.
Citizens Community Bancorp	United Bank
First Mid-Illinois Bancshares	SCB Bancorp, Inc.
CapStar Financial Holdings, Inc.	Athens Bancshares Corporation
First Midwest Bancorp, Inc.	Northern States Financial Corp.
Business First Bancshares, Inc.	Richland State Bancorp, Inc.
Independent Bank Corp.	MNB Bancorp
Capitol Federal Financial, Inc.	Capital City Bancshares, Inc.
Heritage Financial Corp.	Premier Commercial Bancorp
RCB Holding Co.	Central B&TC
Hilltop Holdings, Inc.	Bank of River Oaks
Park National Corp.	NewDominion Bank
CNB Bank Shares, Inc.	Jacksonville Bancorp
Mackinac Financial Corp.	First Federal of Northern Michigan Bancorp
Heritage Commerce Corp.	United American Bank

Using the latest publicly available information prior to the announcement of the relevant transaction, Sandler O'Neill reviewed the following transaction metrics: transaction price to last-twelve-months earnings per share, transaction price to book value per share, transaction price to tangible book value per share, core deposit premium, and 1-day market premium. Sandler O'Neill compared the indicated transaction metrics for the merger to the high, low, mean and median metrics of the Nationwide Precedent Transactions.

	First Bancshares/ FPB	Nationwide Precedent Transactions High	Nationwide Precedent Transactions Low	Nationwide Precedent Transactions Mean	Nationwide Precedent Transactions Median
Transaction price/LTM earnings per share	20.1x	37.7x	5.6x	21.4x	20.1x
Transaction price/Book value per share	192%	289%	116%	176%	171%
Transaction price/Tangible book value per share	192%	289%	116%	181%	174%
Core deposit premium(1)	15.7%	31.4%	3.0%	11.7%	10.8%
1-Day market premium	39.0%	33.5%	2.1%	19.2%	20.5%

(1)  
Core deposits defined as total deposits, less time deposit accounts with a balance of at least \$100,000.



Net Present Value Analyses. Sandler O'Neill performed an analysis that estimated the net present value per share of FPB common stock, assuming internal earnings per share projections, as provided by FPB senior management, for the years ending December 31, 2018 and December 31, 2019, as well as a

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long-term earnings per share growth rate for the years thereafter and dividends per share for the years ending December 31, 2018 through December 31, 2022, as provided by the senior management of FPB. To approximate the terminal value of FPB common stock at December 31, 2022, Sandler O'Neill applied price to 2022 earnings multiples ranging from 15.0x to 21.25x and multiples of December 31, 2022 tangible book value ranging from 95% to 145%. The terminal values were then discounted to present values using different discount rates ranging from 10.0% to 15.0%, which were chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of FPB common stock. As illustrated in the following tables, the analysis indicated an imputed range of values per share of FPB common stock of \$22.34 to \$37.51 when applying multiples of earnings and \$14.16 to \$25.22 when applying multiples of tangible book value.

**Imputed Present Values Per Share Based on Earnings Multiples:**

Discount Rate	15.00x	16.25x	17.50x	18.75x	20.00x	21.25x
10.0%	\$ 26.87	\$ 29.00	\$ 31.13	\$ 33.26	\$ 35.38	\$ 37.51
11.0%	25.88	27.93	29.98	32.02	34.07	36.12
12.0%	24.93	26.90	28.88	30.85	32.82	34.79
13.0%	24.03	25.93	27.83	29.73	31.62	33.52
14.0%	23.17	25.00	26.83	28.65	30.48	32.31
15.0%	22.34	24.11	25.87	27.63	29.39	31.15

**Imputed Present Values Per Share Based on Tangible Book Multiples**

Discount Rate	95%	105%	115%	125%	135%	145%
10.0%	\$ 16.99	\$ 18.63	\$ 20.28	\$ 21.93	\$ 23.58	\$ 25.22
11.0%	16.37	17.95	19.54	21.12	22.71	24.30
12.0%	15.78	17.30	18.83	20.36	21.88	23.41
13.0%	15.21	16.68	18.15	19.62	21.09	22.56
14.0%	14.67	16.09	17.51	18.92	20.34	21.75
15.0%	14.16	15.52	16.89	18.25	19.62	20.98

Sandler O'Neill also considered and discussed with the FPB board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to earnings. To illustrate this impact, Sandler O'Neill performed a similar analysis, assuming FPB's earnings varied from 15% above projections to 15% below projections. This analysis resulted in the following range of per share values for FPB common stock, applying the price to 2022 earnings multiples range of 15.0x to 21.25x referred to above and a discount rate of 12.68%.

**Imputed Present Values per Share Based on Earnings Multiples:**

Annual Estimate Variance	15.00x	16.25x	17.50x	18.75x	20.00x	21.25x
(15.0)%	\$ 20.86	\$ 22.49	\$ 24.12	\$ 25.76	\$ 27.39	\$ 29.02
(10.0)%	22.01	23.74	25.47	27.20	28.93	30.66
(5.0)%	23.16	24.99	26.81	28.64	30.46	32.29
0.0%	24.31	26.24	28.16	30.08	32.00	33.92
5.0%	25.47	27.49	29.50	31.52	33.54	35.55
10.0%	26.62	28.73	30.85	32.96	35.07	37.19
15.0%	27.77	29.98	32.19	34.40	36.61	38.82

Sandler O'Neill also performed an analysis that estimated the net present value per share of First Bancshares common stock, assuming an earnings per share estimate for First Bancshares for the year ending December 31, 2018, publicly available median analyst earnings per share estimates for First Bancshares for the year ending December 31, 2019 as well as a long-term earnings per share growth rate for the years thereafter, and publicly available median analyst dividends per share estimates for the years ending December 31, 2018 and December 31, 2019 with estimated annual

dividends per share for the years

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thereafter. To approximate the terminal value of First Bancshares common stock at December 31, 2022, Sandler O'Neill applied price to 2022 earnings multiples ranging from 13.0x to 20.5x and multiples of December 31, 2022 tangible book value ranging from 150% to 225%. The terminal values were then discounted to present values using different discount rates ranging from 9.0% to 14.0%, which were chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of First Bancshares common stock. As illustrated in the following tables, the analysis indicated an imputed range of values per share of First Bancshares common stock of \$26.33 to \$49.53 when applying multiples of earnings and \$25.15 to \$45.01 when applying multiples of tangible book value.

**Imputed Present Values per Share Based on Earnings Multiples:**

Discount Rate	13.0x	14.5x	16.0x	17.5x	19.0x	20.5x
9.0%	\$ 31.78	\$ 35.33	\$ 38.88	\$ 42.43	\$ 45.98	\$ 49.53
10.0%	30.59	34.00	37.41	40.83	44.24	47.66
11.0%	29.45	32.73	36.02	39.30	42.59	45.87
12.0%	28.36	31.52	34.68	37.85	41.01	44.17
13.0%	27.32	30.37	33.41	36.46	39.50	42.55
14.0%	26.33	29.27	32.20	35.13	38.06	41.00

**Imputed Present Values per Share Based on Tangible Book Multiples**

Discount Rate	150%	165%	180%	195%	210%	225%
10.0%	\$ 30.35	\$ 33.28	\$ 36.21	\$ 39.14	\$ 42.08	\$ 45.01
11.0%	29.21	32.03	34.85	37.67	40.49	43.31
12.0%	28.12	30.83	33.55	36.26	38.98	41.69
13.0%	27.08	29.70	32.31	34.92	37.53	40.15
14.0%	26.09	28.61	31.13	33.64	36.16	38.67
15.0%	25.15	27.57	30.00	32.42	34.84	37.26

Sandler O'Neill also considered and discussed with the FPB board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to earnings. To illustrate this impact, Sandler O'Neill performed a similar analysis assuming First Bancshares' earnings varied from 15% above estimates to 15% below estimates. This analysis resulted in the following range of per share values for First Bancshares common stock, applying the price to 2022 earnings multiples range of 13.0x to 20.5x referred to above and a discount rate of 12.68%.

**Imputed Present Values per Share Based on Earnings Multiples:**

Annual Estimate Variance	13.0x	14.5x	16.0x	17.5x	19.0x	20.5x
(15.0)%	\$ 23.64	\$ 26.26	\$ 28.88	\$ 31.50	\$ 34.12	\$ 36.74
(10.0)%	24.98	27.75	30.53	33.30	36.07	38.85
(5.0)%	26.31	29.24	32.17	35.10	38.03	40.95
0.0%	27.65	30.73	33.81	36.90	39.98	43.06
5.0%	28.98	32.22	35.46	38.69	41.93	45.17
10.0%	30.32	33.71	37.10	40.49	43.88	47.27
15.0%	31.66	35.20	38.74	42.29	45.83	49.38

Sandler O'Neill noted that the net present value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

**Pro Forma Merger Analysis.** Sandler O'Neill analyzed certain potential pro forma effects of the merger, assuming the merger closes at the end of the first calendar quarter of 2019. Sandler O'Neill utilized the following information and assumptions: (a) earnings per share estimate for First Bancshares for the year ending December 31, 2018, and publicly

available median consensus analyst earnings per share estimates for First Bancshares for the year ending December 31, 2019, as well as a long-term earnings per share growth

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rate for the years thereafter; (b) earnings per share estimates for FPB for the years ending December 31, 2018 through December 31, 2022, as provided by First Bancshares' financial advisor; and (c) certain assumptions relating to transaction expenses, purchase accounting adjustments and cost savings. The analysis indicated that the merger could be accretive to First Bancshares' estimated earnings per share (excluding one-time transaction costs and expenses) in the years ending December 31, 2019 through December 31, 2022 and accretive to First Bancshares' estimated tangible book value per share at close and in the years ending December 31, 2019 through December 31, 2022.

In connection with this analysis, Sandler O'Neill considered and discussed with the FPB board of directors how the analysis would be affected by changes in the underlying assumptions, including the impact of final purchase accounting adjustments determined at the closing of the merger, and noted that the actual results achieved by the combined company may vary from projected results and the variations may be material.

**Sandler O'Neill's Relationship.** Sandler O'Neill is acting as FPB's financial advisor in connection with the merger and will receive a fee for such services in an amount equal to 0.90% of the aggregate purchase price, which fee is contingent upon the closing of the merger. At the time of announcement of the merger, Sandler O'Neill's fee was approximately \$787,000. Sandler O'Neill also received a \$150,000 fee from FPB upon rendering its opinion, which opinion fee will be credited in full towards the transaction fee becoming payable to Sandler O'Neill upon closing of the merger. FPB has also agreed to indemnify Sandler O'Neill against certain claims and liabilities arising out of Sandler O'Neill's engagement and to reimburse Sandler O'Neill for certain of its out-of-pocket expenses incurred in connection with Sandler O'Neill's engagement.

In the two years preceding the date of Sandler O'Neill's opinion, Sandler O'Neill did not provide any other investment banking services to FPB, nor did Sandler O'Neill provide any investment banking services to First Bancshares in the two years preceding the date thereof. In the ordinary course of Sandler O'Neill's business as a broker-dealer, Sandler O'Neill may purchase securities from and sell securities to FPB, First Bancshares and their respective affiliates.

Sandler O'Neill may also actively trade the equity and debt securities of FPB, First Bancshares and their respective affiliates for Sandler O'Neill's account and for the accounts of Sandler O'Neill's customers

**Board Composition and Management of First Bancshares after the Merger**

Each of the officers and directors of First Bancshares immediately prior to the effective time of the merger will be the officers and directors of the surviving company from and after the effective time of the merger, until their respective successors have been duly elected, appointed or qualified or until their earlier death, resignation or removal in accordance with the First Bancshares Articles and First Bancshares Bylaws.

**Interests of FPB's Directors and Executive Officers in the Merger**

In considering the recommendation of FPB's board of directors to vote for the merger proposal, FPB stockholders should be aware that directors and officers of FPB have interests in the merger that are in addition to, or different from, their interests as stockholders of FPB. The FPB board of directors was aware of these interests and considered them in approving the merger agreement and the transactions contemplated by the merger agreement, including the merger, and the decision to recommend that the FPB stockholders approve the merger proposal. These interests are described below.

**FPB Restricted Stock Awards**

Under the terms of FPB's equity compensation plans, outstanding equity awards held by FPB's directors and executive officers, as well as employees, will have accelerated vesting upon completion of a change in control transaction. The merger will constitute a change in control for purposes of the plans. As a result, each outstanding FPB restricted stock award will become fully vested and will be converted into the right to receive the merger consideration.

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The following table sets forth, for each of FPB's executive officers, the number of all outstanding restricted shares held by each such person as of January 18, 2019, and the estimated value of the merger consideration that each will receive as of the effective time of the merger in connection with such award (none of the non-employee directors of FPB or Florida Parishes Bank hold any unvested equity awards, except that Mr. Murphy, a director of Florida Parishes Bank, holds 450 restricted shares).

Name	Number of Restricted Shares (#)	Resulting Restricted Share Consideration(1) (\$)
Executive Officers:		
Fritz W. Anderson, II	10,000	\$ 289,000
Ronnie Fugarino	10,300	297,670
Albert Kelleher	5,000	144,500
Derek Shants	5,000	144,500
Total	30,300	\$ 875,670

(1)

Based on the average per share closing price of the FPB common stock for the first five trading days following the first public announcement of the merger, which average price was \$28.90 per share. The value of the stock merger consideration may be higher or lower at the time of closing than the above average price.

For further information regarding the beneficial ownership of FPB common stock by the directors and executive officers of FPB, see “— Beneficial Ownership of FPB Common Stock by Management and Principal Stockholders of FPB” beginning on page 61.

#### Employment Agreements with FPB

FPB and Florida Parishes Bank are a party to an employment agreement with Mr. Anderson, and Florida Parishes Bank is a party to employment agreements with each of Messrs. Fugarino and Kelleher. Under the employment agreements with Messrs. Anderson and Fugarino, if the executive's employment is terminated for any reason other than cause, death or disability, or if the executive terminates his employment for good reason (which includes a material reduction in his authority, duties or responsibilities, a material reduction in his base salary, any requirement that the executive report to a corporate officer or employee instead or reporting directly to the Board of Directors, a material change in the geographic location at which the executive must perform his duties or any material breach by FPB and/or Florida Parishes Bank of the employment agreement), then the executive will be entitled to severance equal to his “annual compensation” (defined as the sum of his then current annual salary and the cash bonus earned for the immediately preceding calendar year) each year for a period of three years, payable in equal monthly installments. The employment agreements with Messrs. Anderson and Fugarino provide that the severance payments will be reduced by any cash salary or cash bonus earned by the executive as a result of employment by another employer during the three-year severance period. In addition, Messrs. Anderson and Fugarino are entitled to continued insurance benefits for three years under their employment agreements at no premium cost to them, except their agreements provide that their right to continued insurance benefits will cease if they obtain full-time employment with another employer during the three-year period. The employment agreements with Messrs. Anderson and Fugarino include an agreement (a) not to compete with Florida Parishes Bank in the delivery of financial services and (b) not to solicit the employees or customers of Florida Parishes Bank, in each case for a period of two years following termination of employment.

The employment agreement with Mr. Kelleher provides that his base salary will increase to \$800,000 upon completion of a change in control and that if his employment is terminated by Florida Parishes Bank for any reason, or by Mr. Kelleher for good reason as defined in the agreement, concurrently with or within 12 months following the

change in control, then he will receive his base salary for the remainder of the period ending on the one-year anniversary of the completion of the change in control, with such amount to be paid in equal installments. The employment agreement with Mr. Kelleher includes an agreement (a) not

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to compete with Florida Parishes Bank in the delivery of financial services and (b) not to solicit the employees or customers of Florida Parishes Bank, in each case for a period expiring upon the earlier of six months following termination of employment or the one-year anniversary of completion of the change in control.

In connection with the execution of the merger agreement, First Bancshares agreed to terminate each of the above employment agreements (as well as the change in control agreement with Mr. Shants described below) and to provide each of the executives with a lump sum cash payment. The amounts to be paid to each of the executives upon termination of their existing agreements is set forth in the table under “— Golden Parachute Compensation” below.

**Change in Control Agreement with Florida Parishes Bank**

Florida Parishes Bank is a party to a change in control agreement with Mr. Shants which provides that Mr. Shants will receive a lump sum cash payment of \$100,000 if his employment is terminated concurrently with or following a change in control by either (a) Florida Parishes Bank other than for cause, disability, retirement or death or (b) Mr. Shants for good reason as defined in the agreement.

**New Employment Agreements with The First**

In connection with the execution of the merger agreement, The First entered into new employment agreements with each of Messrs. Fugarino and Kelleher, which will take effect upon completion of the merger. The new employment agreement with Mr. Fugarino provides that Mr. Fugarino shall serve as the Market President for Tangipahoa and Livingston Parishes at an annual base salary of \$210,000 subject to increases from time to time and shall be eligible to participate in The First’s cash incentive plan, 401(k) plan and Employee Stock Ownership Plan. Mr. Fugarino will also receive insurance benefits at no premium cost to him and will be eligible to receive a \$25,000 retention bonus following each of the first two annual anniversaries of completion of the merger. Mr. Fugarino’s new employment agreement has a two-year term. If Mr. Fugarino’s employment is involuntarily terminated by The First without cause prior to the two-year anniversary of the completion of the merger, then The First will (a) pay Mr. Fugarino his remaining base salary until the two-year anniversary and his cash retention bonuses to the extent not yet paid, and (b) provide Mr. Fugarino with continued insurance benefits at no premium cost to him (or provide monthly cash payments equal to the cost of such coverage) for the period ending on the earlier of the three-year anniversary of the completion of the merger and the date Mr. Fugarino obtains full-time employment with another employer. If the new employment agreement terminates due to the expiration of its term on the two-year anniversary of the completion of the merger, then The First will provide the insurance benefits as set forth in the preceding sentence. Mr. Fugarino agreed not to compete against The First or its affiliates or to solicit employees or customers during the term of his new agreement and for a period of two years thereafter.

The new employment agreement with Mr. Kelleher provides that Mr. Kelleher shall serve as the Market President for New Orleans at an annual base salary of \$150,000 subject to increases from time to time and shall be eligible to participate in The First’s cash incentive plan, 401(k) plan and Employee Stock Ownership Plan. Mr. Kelleher will also receive insurance benefits, with Mr. Kelleher to pay the same premium costs as applicable to other officers of The First. Mr. Kelleher’s new employment agreement has a one-year term. If Mr. Kelleher’s employment is involuntarily terminated by The First without cause prior to the one-year anniversary of the completion of the merger, then The First will (a) pay Mr. Kelleher his remaining base salary until the one-year anniversary, and (b) provide Mr. Kelleher with continued insurance benefits (or provide monthly cash payments equal to the cost of such coverage) until the one-year anniversary of the completion of the merger, with Mr. Kelleher to pay the employee cost of such coverage. Mr. Kelleher agreed not to compete against The First or its affiliates or to solicit employees or customers during the term of his new agreement and, if his employment is involuntarily terminated for cause or if Mr. Kelleher voluntarily resigns prior to the one-year anniversary, for a period of six months after his termination of employment. If Mr. Kelleher’s employment is terminated either during the one-year term without cause or subsequent to the one-year anniversary of the completion of the merger, then the non-competition and non-solicitation provisions in the preceding sentence will not be applicable.

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## Indemnification of Directors and Officers

First Bancshares has agreed to indemnify the directors, officers, employees and agents of FPB and its subsidiaries for a period of six years following the effective time of the merger. First Bancshares has also agreed to maintain in effect a directors' and officers' liability insurance policy for a period of six years after the effective time of the merger with respect to claims arising from facts, events or actions which occurred prior to the effective time of the merger and covering persons who are currently covered by such insurance. The insurance policy must contain at least the same coverage and amounts, and contain terms and conditions no less advantageous to the directors and officers as currently provided, subject to a cap on the cost of such policy equal to 250% of the last annual premium paid by FPB. In addition, First Bancshares has agreed to honor the rights to indemnification that the directors, officers, employees or agents of FPB or Florida Parishes Bank may have under applicable law or regulation or the articles of incorporation, bylaws or equivalent documents of FPB and Florida Parishes Bank.

## Golden Parachute Compensation

The following table sets forth the information required by Item 402(t) of Regulation S-K promulgated by the SEC regarding certain compensation which FPB's named executive officers may receive that is based on or that otherwise relates to the merger. The amounts are calculated assuming that the effective date of the merger and a qualifying termination occurs on March 1, 2019 (which is the earliest date that we expect the merger to close), and that all required conditions to the payment of these amounts have been satisfied. The executive officers named in the table will not receive any enhanced pension benefits or tax reimbursement payments in connection with the merger. The table does not include the payments or benefits to be provided to Messrs. Fugarino and Kelleher pursuant to their new employment agreements with The First.

Name	Cash (\$)	Equity \$(3)	Perquisites/ Benefits \$(4)	Other (\$)	Total \$(5)(6)
Fritz W. Anderson, II	\$ 451,901(1)	\$ 289,000	\$ 51,689	\$ —	\$ 792,590
Ronnie Fugarino	1,269,661(1)	297,670	—	—	1,567,331
Albert Kelleher	800,000(2)	144,500	—	—	944,500
Derek Shants	100,000(2)	144,500	—	—	244,500

(1)

Reflects estimated cash severance payable to each of Messrs. Anderson and Fugarino in the event the executive's employment is terminated for any reason other than cause, death or disability, or if the executive terminates his employment for good reason (double-trigger), each as described above. Pursuant to the termination agreements that The First will enter into with the executives, the estimated severance will be paid in a lump sum shortly following completion of the merger, except that Florida Parishes Bank prepaid \$218,000 to Mr. Anderson and \$550,000 to Mr. Fugarino in December 2018 as part of tax planning to enable the executives to obtain the full amounts available to them under their employment agreements. The amount of the prepaid severance is not subject to repayment to Florida Parishes Bank if the transaction is not completed for any reason, and such prepayment is deemed to be a single-trigger payment. The cash amounts in the table also include (a) \$2,501 for Mr. Anderson in lieu of continued life and disability insurance coverage, and (b) \$9,661 for Mr. Fugarino in lieu of continued long-term care insurance coverage. Because Mr. Fugarino will receive the amount shown even though he will continue to be employed by The First following completion of the merger, the payment of his amount may be deemed to be a single-trigger payment. While each of the employment and change of control agreements with the four executives provide that severance and other payments will be reduced by the amount necessary to ensure that no amounts payable to the executives will be considered excess parachute payments under Code Section 280G, no such reduction is expected to be triggered under any of the agreements.

(2)

Reflects estimated cash severance payable to Messrs. Kelleher and Shants pursuant to their respective employment and change in control agreements. Pursuant to the termination agreements that The First will enter into with the

executives, the estimated severance will be paid in a lump sum shortly following completion of the merger. Because Mr. Kelleher will receive the amount shown even though he will

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continue to be employed by The First following completion of the merger, the payment of his amount may be deemed to be a single-trigger payment.

(3)

Reflects the value of single-trigger accelerated vesting of restricted stock awards that will become fully vested on the closing date of the merger, based on the \$28.90 average per share closing price of the FPB common stock for the first five trading days following the first public announcement of the merger. The value of the stock consideration may be higher or lower at the time of closing than the above average price.

(4)

Represents the present value of estimated medical, dental and vision insurance premiums pursuant to Mr. Anderson's employment agreement. These double-trigger benefits will be provided for a period of three years following completion of the merger or, if earlier, until the date Mr. Anderson obtains full-time employment with another employer. Because Mr. Fugarino will receive his continued insurance benefits pursuant to his new employment agreement with The First, the value of such benefits have been excluded from the table.

(5)

Amounts listed in this column are subject to reduction in connection with Section 280G of the Code, although no such reduction is expected to be triggered.

(6)

The following table quantifies, for each named executive officer, the portion of the total estimated amount of golden parachute compensation that is payable in connection with the merger and not conditioned on a termination of employment, referred to as "single trigger," and the portion of the total amount of golden parachute compensation that is payable only after both consummation of the merger and a termination of employment (or a date certain, subject to the executive's continued employment), referred to as "double trigger."

Name	Single Trigger (\$)	Double- Trigger (\$)
Fritz W. Anderson, II	\$ 289,000	\$ 503,590
Ronnie Fugarino	1,567,331	—
Albert Kelleher	944,500	—
Derek Shants	144,500	100,000

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The following table includes, as of January 10, 2019, certain information as to the FPB common stock beneficially owned by (1) each person or entity, including any “group” as that term is used in Section 13(d)(3) of the 1934 Act, who or which was known to FPB to be the beneficial owner of more than 5% of the issued and outstanding FPB common stock, (2) each director of FPB, and (3) all directors and executive officers of FPB and Florida Parishes Bank as a group.

Name of Beneficial Owner	FPB Common Stock Beneficially Owned as of January 10, 2019(1)(2)(3)	
	Amount	%
Siena Capital Partners GP, LLC 100 North Riverside Plaza, Suite 1630 Chicago, Illinois 60606	230,948(4)	8.5%
JAM Special Opportunities Fund III, L.P. 11 East 20th Street, Suite 1900 New York, New York 10010	165,834(5)	6.0%
Directors:		
G. Wayne Allen	55,165	2.0%
Fritz W. Anderson, II	190,119(6)	7.0%
George Anthon	60,377(7)	2.2%
Ronnie Fugarino	86,111(8)	3.2%
Dean Hughes	47,700(9)	1.8%
Laura Inge	105,660(10)	3.9%
Kathy Kent	30,827(11)	1.1%
Vincent Roubique	51,411(12)	1.9%
Gary L. Smith, Sr.	31,454(13)	1.2%
Dwain Tycer	39,372(14)	1.5%
Executive Officers (who are not Directors):		
Albert Kelleher	29,000(15)	1.1%
Derek Shants	22,985(16)	0.8%
All directors and executive officers of FPB and Florida Parishes Bank as a group (15 persons)	779,727	28.6%

(1)

Based upon information furnished by the respective persons. A person is deemed to beneficially own shares of common stock if he or she directly or indirectly has or shares (a) voting power, which includes the power to vote or to direct the voting of the shares; or (b) investment power, which includes the power to dispose or direct the disposition of the shares. Unless otherwise indicated, the named beneficial owner has sole voting power and sole investment power with respect to the indicated shares.

(2)

A person is deemed to have beneficial ownership of any shares of common stock which may be acquired within 60 days of the date shown pursuant to the exercise of outstanding warrants to purchase common stock (which were issued in connection with FPB’s 2017 private placement) or stock options. Shares of common stock which are subject to warrants or stock options are deemed to be outstanding for the purpose of computing the percentage of outstanding

common stock owned by such person or group but not deemed outstanding for the purpose of computing the percentage of common stock owned by any other person or group. The amounts in the table include warrants to purchase 2,000 shares for Mr. Anderson, 6,000 shares for Mr. Kelleher, 5,970 shares for Mr. Smith and 13,970 shares for all directors and executive officers as a group. None of the directors or executive officers held any stock options as of the date shown.

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(3)

Includes unvested restricted shares granted pursuant to FPB's 2008 and 2016 Recognition and Retention Plans as follows: for Mr. Anderson, 10,000 shares; for Mr. Fugarino, 10,300 shares; for Mr. Kelleher, 5,000 shares; for Mr. Shants, 5,000 shares; and for all directors and executive officers as a group, 30,750 shares. While these restricted shares have not yet vested or been distributed to the recipient of the grant, the grant recipients are entitled to vote the restricted shares.

(4)

Includes 207,132 shares and 19,700 warrants held by Siena Capital Partners I, LP and 3,816 shares and 300 warrants held by Siena Capital Partners Accredited, LP.

(5)

Includes 33,334 warrants to purchase FPB common stock, which were issued in connection with FPB's 2017 private placement.

(6)

Includes 10,650 shares held by his spouse and 14,624 shares held by two children.

(7)

Includes 450 shares held by his children.

(8)

Includes 55,290 shares held jointly with his spouse.

(9)

Includes 11,250 shares held by his spouse.

(10)

Includes 65,070 shares held in a living trust established by her parents, of which Ms. Inge is the trustee.

(11)

Includes 19,369 shares held jointly with her spouse.

(12)

Includes 4,468 shares held by his spouse and 3,015 shares held jointly with his spouse.

(13)

Includes 3,787 shares held by a corporation controlled by Mr. Smith, 3,787 shares held by his children, and 17,910 shares held by Mr. Smith as custodian for his minor children.

(14)

Includes 4,500 shares held jointly with his spouse, 1,350 shares held by his spouse and 2,510 shares held by his children.

(15)

Includes 6,000 warrants to purchase FPB common stock, which were issued in connection with FPB's 2017 private placement.

(16)

Includes 11,250 shares held jointly with his spouse.

#### Regulatory Approvals Required for the Merger

Completion of the merger is subject to prior receipt of all approvals required to be obtained from applicable governmental and regulatory authorities. Subject to the terms and conditions of the merger agreement, FPB and First Bancshares have agreed to use their reasonable best efforts and cooperate to prepare and file, as promptly as possible, all necessary documentation and to obtain as promptly as practicable all regulatory approvals or waivers required or advisable to complete the transactions contemplated by the merger agreement. These approvals and waivers include, among others, a waiver from the Federal Reserve Board and an approval from the OCC. First Bancshares and/or FPB have filed applications, waiver requests and notifications to obtain the required regulatory approvals or waivers.

#### Federal Reserve Board

The merger of FPB with First Bancshares must be approved by the Federal Reserve Board under Section 3 of the Bank Holding Company Act of 1956, or the BHC Act, and its implementing regulations, unless the Federal Reserve Board waives the application requirements of the BHC Act. In considering the approval of a transaction such as the merger, the BHC Act and related laws require the Federal Reserve Board to review, with respect to the parent holding companies and the bank concerned: (1) the competitive impact of the transaction; (2) financial, managerial and other supervisory considerations, including capital positions and managerial resources of the subject entities; (3) the record of the insured depository institution subsidiaries of the bank holding companies under the Community Reinvestment Act and fair lending laws; (4) the extent to which the proposal would result in greater or more concentrated risks to the stability of the U.S. banking or financial system; and (5) additional public benefits of the proposal, such as the benefits to the customers of the subject entities. In connection with its review, the Federal Reserve

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Board will provide an opportunity for public comment on the application and is authorized to hold a public meeting or other proceeding if it determines that would be appropriate. First Bancshares filed a written request that the Federal Reserve Board waive the application requirements of the BHC Act with regard to its acquisition of FPB on December 12, 2018.

### Office of the Comptroller of the Currency

The merger of Florida Parishes Bank with and into The First must be approved by the OCC under the National Bank Consolidation and Merger Act, 12 U.S.C. 215, 215a, commonly known as the Bank Merger Act. An application for approval of the bank merger was filed with the OCC on December 7, 2018 and will be subject to a 30-day comment and review period by the OCC. In evaluating an application filed under the Bank Merger Act, the OCC generally considers: (1) the competitive impact of the transaction; (2) financial and managerial resources of the banks party to the bank merger or merger; (3) the convenience and needs of the community to be served and the record of the banks under the Community Reinvestment Act; (4) the banks' effectiveness in combating money-laundering activities; and (5) the extent to which the bank merger or merger would result in greater or more concentrated risks to the stability of the U.S. banking or financial system. In connection with its review, the OCC will provide an opportunity for public comment on the application for the bank merger, and is authorized to hold a public meeting or other proceeding if it determines that would be appropriate.

First Bancshares and FPB believe that the merger does not raise substantial antitrust or other significant regulatory concerns and that we will be able to obtain all requisite regulatory approvals. However, neither First Bancshares nor FPB can assure you that all of the regulatory approvals described above will be obtained and, if obtained, we cannot assure you as to the timing of any such approvals, our ability to obtain the approvals on satisfactory terms or the absence of any litigation challenging such approvals. The parties have agreed that First Bancshares will not be required, and FPB and its subsidiaries will not be permitted, to take any action or commit to take any action or agree to any condition or restrictions in connection with the regulatory approvals that, individually or in the aggregate, would have or would be reasonably likely to have a material adverse effect on First Bancshares and its subsidiaries or FPB and its subsidiaries as of and following the completion of the merger.

The parties' obligation to complete the merger is conditioned upon the receipt of all required regulatory approvals. First Bancshares and FPB will use their respective commercially reasonable efforts to resolve any objections that may be asserted by any regulatory authority with respect to the merger agreement or the merger or the other transactions contemplated by the merger agreement.

Neither First Bancshares nor FPB is aware of any material governmental approvals or actions that are required for completion of the merger other than those described above. It is presently contemplated that if any such additional governmental approvals or actions are required, those approvals or actions will be sought. There can be no assurance, however, that any additional approvals or actions will be obtained.

### Material U.S. Federal Income Tax Consequences

The following is a general discussion of the material U.S. federal income tax consequences of the merger to U.S. holders (as defined below) of FPB common stock that exchange their shares of FPB stock for shares of First Bancshares common stock, cash, or a combination thereof in the merger. This discussion is based upon the Code, its legislative history, the Treasury Regulations promulgated under the Code, and court and administrative rulings and decisions, all as in effect on the date of this proxy statement/prospectus, and all of which are subject to change, potentially retroactively, which could affect the accuracy of the statements and conclusions set forth in this discussion. For purposes of this discussion, the term "U.S. holder" means a beneficial owner of FPB common stock that is for U.S. federal income tax purposes: (a) an individual citizen or resident of the United States; (b) a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) organized in or under the laws of the United States or any state thereof or the District of Columbia; (c) a trust if (1) a court within the United States is able to exercise primary supervision over the administration

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of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) such trust has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes; or (d) an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source.

If a partnership (including an entity treated as a partnership for U.S. federal income tax purposes) holds FPB common stock, the tax treatment of a partner in the partnership will generally depend on the status of such partner and the activities of the partnership. Partnerships holding FPB common stock and partners in such partnerships should consult their tax advisors.

The discussion is based on the Code, the U.S. Treasury regulations promulgated thereunder, published positions of the Internal Revenue Service, and judicial decisions, all as currently in effect and all of which are subject to change (possibly with retroactive effect) and to differing interpretations. Any such change could affect the accuracy of the statements and conclusions set forth in this discussion. This discussion addresses only those U.S. holders of FPB common stock that hold their shares of FPB common stock as a “capital asset” within the meaning of Section 1221 of the Code. Importantly, this discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular U.S. holder in light of that U.S. holder’s individual circumstances or to a U.S. holder that is subject to special treatment under the U.S. federal income tax laws, including, without limitation, a U.S. holder that is:

- a bank or other financial institution;
- a tax-exempt organization;
- a regulated investment company;
- a real estate investment trust;
- a mutual fund;
- an S corporation, partnership or other pass-through entity (or an investor in an S corporation, partnership or other pass-through entity);
- a retirement plan, individual retirement account or other tax-deferred account;
- an insurance company;
- a dealer or broker in stocks and securities, or currencies;
- a trader in securities that elects to use the mark-to-market method of accounting;
- a holder of FPB common stock subject to the alternative minimum tax provisions of the Code;
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a holder of FPB common stock that received FPB common stock through the exercise of an employee stock option, through a tax-qualified retirement plan or otherwise as compensation;

- a holder of FPB common stock that has a functional currency other than the U.S. dollar;
- a holder of FPB common stock that holds such stock as part of a hedge, straddle, constructive sale, conversion or other integrated transaction;
- a person that is not a U.S. holder; or
- a U.S. expatriate or former citizen or resident of the United States.

This discussion does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction, or under any U.S. federal laws other than those pertaining to the income tax, nor does it address any considerations in respect of any withholding required pursuant to the Foreign Account Tax Compliance Act of 2010 (including the U.S. Treasury regulations issued thereunder and intergovernmental agreements entered into pursuant thereto). Determining the actual tax consequences of the merger to a U.S. holder is complex and can depend, in part, on the U.S. holder's specific situation. Each U.S. holder should consult its own independent tax advisor as to the tax consequences of the merger in its particular circumstance, including the applicability and effect of the alternative minimum tax and any state, local, foreign or other tax laws and of changes in those laws.

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Tax Consequences of the Merger Generally

In connection with the filing with the SEC of the registration statement on Form S-4 of which this proxy statement/prospectus is a part, Alston & Bird LLP, tax counsel to First Bancshares, has rendered its tax opinion to First Bancshares and Silver, Freedman, Taff & Tiernan LLP, tax counsel to FPB, has rendered its tax opinion to FPB that the merger will qualify as a “reorganization” within the meaning of Section 368(a) of the Code. The discussion below of the material U.S. federal income tax consequences of the merger serves, insofar as such discussion constitutes statements of United States federal income tax law or legal conclusions, as the opinion of each of Alston & Bird LLP and Silver, Freedman, Taff & Tiernan LLP as to the material U.S. federal income tax consequences of the merger. In rendering their respective tax opinions, each counsel relied upon representations and covenants, including those contained in certificates of officers of First Bancshares and FPB, reasonably satisfactory in form and substance to each such counsel. If any of the representations or assumptions upon which the opinions are based are inconsistent with the actual facts, the U.S. federal income tax consequences of the merger could be adversely affected. Copies of the tax opinions are attached as Exhibits 8.1 and 8.2 to the registration statement on Form S-4.

The obligations of the parties to complete the merger are conditioned on, among other things, the receipt by First Bancshares and FPB of opinions from Alston & Bird LLP and Silver, Freedman, Taff & Tiernan LLP, respectively, dated the closing date of the merger, to the effect that for U.S. federal income tax purposes the merger will be treated as a