FIRST BANCSHARES INC /MS/
Form S-4
December 14, 2017
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As filed with the Securities and Exchange Commission on December 14, 2017
Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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
Hattiesburg, Mississippi 39402, Suite A
(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, Esq. David S. Park, Esq. Lesley H. Solomon, Esq. Alston & Bird, LLP 1201 West Peachtree Street Atlanta, Georgia 30309 (404) 881-7000	Ronald A. Snider, Esq. Michael D. Waters, Esq. Jones Walker, LLP 11 N Water St., Suite 1200 Mobile, Alabama 36602 (251) 432-1414

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
		(Do not check if a smaller reporting company)		

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 $0.01 per share	1,477,833(1)	N/A	$ 12,867,356.97(2)	$ 1,601.99

(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.

(2)
Pursuant to Rule 457(f)(2) and Rule 457(f)(3) under the Securities Act of 1933, as amended, and solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price is based on the book value for shares of Southwest Banc Shares, Inc. common stock on September 30, 2017 ($516.27 per share) multiplied by the maximum number of such shares (71,411) that may be exchanged for the securities being registered, minus the estimated amount of cash to be paid by the registrant to Southwest Banc Shares, Inc. shareholders ($24,000,000).

(3)
Calculated pursuant to Rule 457(f) of the Securities Act to be $1,601.96 by multiplying the proposed maximum aggregate offering price by 0.0001245.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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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 DECEMBER 14, 2017

Proxy Statement/Prospectus

MERGER PROPOSED — YOUR VOTE IS VERY IMPORTANT

To the Shareholders of Southwest Banc Shares, Inc.:

The boards of directors of The First Bancshares, Inc., or First Bancshares, and Southwest Banc Shares, Inc., or Southwest, have each unanimously approved the acquisition of Southwest by First Bancshares. The acquisition will be accomplished pursuant to the terms of an Agreement and Plan of Merger, dated as of October 24, 2017, which we refer to as the merger agreement, by and between First Bancshares and Southwest, whereby Southwest will be merged with and into First Bancshares, which we refer to as the merger. Immediately following the merger of Southwest with and into First Bancshares, First Community Bank, or First Community, a wholly owned bank subsidiary of Southwest, will merge with and into First Bancshares' wholly owned bank subsidiary, The First, A National Banking Association, with The First as the surviving bank, which we refer to as the bank merger.

If the merger is completed, each share of Southwest common stock will be converted into the right to receive a "pro rata portion" of shares of the First Bancshares common stock and cash to be paid in the merger. The pro rata portion is a ratio equal to one divided by the number of shares of Southwest common stock issued and outstanding as of the closing. Thus, each share of Southwest common stock shall be converted into the right to receive a pro rata portion of: (i) a number of shares of First Bancshares common stock equal to $36,000,000 divided by the average closing price of First Bancshares' common stock during the ten trading days preceding the fifth business day prior to the closing date (subject to a maximum per-share price of First Bancshares' common stock of $36.54 and a minimum price of $24.36), which we refer to as the stock consideration, and (ii) a cash amount equal to $24,000,000 (subject to downward adjustment in accordance with the terms of the merger agreement in the event that Southwest's adjusted tangible common equity at closing is less than $32,000,000), which we refer to as the cash consideration. We collectively refer to the stock consideration and the cash consideration as the merger consideration. Southwest shareholders will own approximately 8.82% of First Bancshares if the merger is completed, assuming that the average closing price of First Bancshares common stock in calculating the stock consideration as of the effective time of the merger will be $33.35, the closing sale price of First Bancshares common stock on December 12, 2017.

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

The Southwest special meeting will be held at the [•], on [•], 201_, at [•] [a.m./p.m.], Central Time, subject to any adjournment or postponement thereof.

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 Southwest shareholders vote on the merger agreement and the merger. First Bancshares common stock is currently quoted on the NASDAQ Global Market under the symbol "FBMS." On October 24, 2017, the last full trading day before the public announcement of the merger agreement, the last reported sale price of First Bancshares common stock was $30.60 per share, and, on [•], 201_, the last reported sale price of First Bancshares common stock was $[•] per share. We urge you to obtain current market quotations for the price of First Bancshares common stock. There are no current market quotations for Southwest common stock because Southwest is a privately owned corporation and its common stock is not traded on any established public trading market.

Each of First Bancshares and Southwest 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 portion of Southwest common stock exchanged for First Bancshares common stock will generally be tax-free and the portion of the Southwest common stock exchanged for cash will generally be taxable as capital gain.

Your vote is important. Completion of the merger is subject to the approval of the merger agreement and the merger by the shareholders of Southwest. Regardless of whether or not you plan to attend the Southwest 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 Southwest special meeting.

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

This proxy statement/prospectus describes the Southwest special meeting, the merger, the documents related to the merger and other related matters. Please carefully read this entire proxy statement/prospectus, including “Risk Factors,” beginning on page 35, 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 Jenny Hunt, Chief Operating Officer, at (251) 345-9914. We look forward to seeing you at the meeting.

/s/ Fred K. Granade

Fred K. Granade
Director
Southwest Banc Shares, Inc.

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 Southwest, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this proxy statement/prospectus is [•], 201_, and it is first being mailed or otherwise delivered to the Southwest shareholders on or about [•], 201_.

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SOUTHWEST BANC SHARES, INC.
2862 Dauphin Street
Mobile, Alabama 36606
(251) 344-5821

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
To Be Held on [•], 201_

To the Shareholders of Southwest Banc Shares, Inc.:

A special meeting of the shareholders of Southwest Banc Shares, Inc., or Southwest, will be held at the [•], on [•], 201_, at [•] [a.m./p.m.], Central Time, subject to any adjournment or postponement thereof, for the following purposes:

1. To consider and vote upon a proposal to approve the Agreement and Plan of Merger, which we refer to as the merger agreement, dated as of October 24, 2017, by and between The First Bancshares, Inc., or First Bancshares, and Southwest, pursuant to which Southwest will merge with and into First Bancshares, with First Bancshares as the surviving company, referred to herein as the merger, all on and subject to the terms and conditions contained therein; and

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

No other business may be conducted at the Southwest special meeting. All holders of shares of common stock of Southwest of record as of 5:00 p.m. on [•], 201_, will be entitled to notice of and to vote at the Southwest special meeting and any adjournments thereof. The Southwest special meeting may be adjourned from time to time upon approval of holders of Southwest 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.

Holders of Southwest common stock have the right to dissent from the merger agreement and the merger and obtain payment in cash of the appraised fair value of their shares of Southwest common stock under applicable provisions of the Alabama Business Corporation Law, or ABCL. In order for a holder of Southwest common stock to perfect his, her or its right to dissent, such holder must carefully follow the procedure set forth in the ABCL. A copy of the applicable statutory provisions of the ABCL 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 — Dissenters’ Rights,” beginning on page [• of the proxy statement/ prospectus. The merger may not be completed if the holders of more than 5% of the outstanding shares of Southwest common stock exercise dissenters’ rights.

If you have any questions concerning the merger agreement, the merger, the Southwest 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 Southwest common stock, please contact Jenny Hunt, Chief Operating Officer, at (251) 345-9914.

By Order of the Board of Directors,
/s/ Fred K. Granade
Fred K. Granade
Director
Mobile, Alabama
[•], 201_

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The Southwest board of directors unanimously recommends that holders of record of Southwest common stock entitled to vote at the Southwest special meeting vote “FOR” the proposal to approve the merger agreement and the merger and “FOR” the adjournment of the Southwest special meeting if such adjournment is necessary to permit solicitation of additional proxies if there are not sufficient votes at the time of the Southwest special meeting to constitute a quorum or to approve the merger agreement and the merger.

Your Vote is Very Important

A proxy card is enclosed. Whether or not you plan to attend the Southwest special meeting, if you are a holder of shares of Southwest common stock, please vote by completing, signing and dating the proxy card and promptly mailing it in the enclosed envelope. 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 Southwest common stock and attend the Southwest 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 following address:

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 [•], 201_.

If you are a Southwest shareholder and have any questions about the merger agreement, the merger, the Southwest 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 Southwest common stock, please contact Jenny Hunt, Chief Operating Officer, at (251) 345-9914.

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 [•], 201_, 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 Southwest shareholders 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 Southwest has been provided by Southwest 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 Southwest shareholders may have regarding the proposed transaction between First Bancshares and Southwest and the proposals being considered at the Southwest special meeting. First Bancshares and Southwest 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; and (2) “Southwest” refer to Southwest Banc Shares, Inc., an Alabama corporation, and its affiliates.

Q:
Why am I receiving this proxy statement/prospectus?

A:
First Bancshares and Southwest have entered into an Agreement and Plan of Merger, dated as of October 24, 2017, which we refer to as the merger agreement. Pursuant to the merger agreement, Southwest 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, First Community, a wholly owned bank subsidiary of Southwest, will merge with and into First Bancshares’ wholly owned bank subsidiary, The First, A National Banking Association, 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 holders of at least two-thirds of the outstanding shares of Southwest common stock entitled to vote on the merger vote in favor of the proposal to approve the merger agreement and the merger, which we refer to as the merger proposal.

In addition, Southwest is soliciting proxies from its shareholders with respect to a proposal to approve one or more adjournments of the Southwest 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. The completion of the merger is not conditioned upon shareholder approval of the adjournment proposal.

This proxy statement/prospectus contains important information about the merger and the proposals being voted on at the Southwest special meeting, and you should read it carefully. This is a proxy statement/prospectus because (1) Southwest is soliciting proxies from the Southwest shareholders and the proxy statement provides important information about the Southwest special meeting to vote on the merger proposal, and (2) First Bancshares will issue shares of First Bancshares common stock to holders of Southwest common stock in connection with the merger, and the prospectus provides important information about such shares. The enclosed materials allow Southwest shareholders to authorize a proxy to vote their shares without attending the Southwest 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, for each share of Southwest common stock that Southwest shareholders hold immediately prior to the merger, Southwest shareholders will receive, without interest, a pro rata portion (which is a ratio equal to one divided by the number of shares of Southwest common stock issued and outstanding as of the closing) of:

(1)
a number of shares of First Bancshares common stock equal to $36,000,000 divided by the average closing price of First Bancshares’ common stock during the ten trading days preceding the fifth business day prior to the closing date (subject to adjustments as discussed below), which we refer to as the stock consideration, and

(2)
a cash amount equal to $24,000,000 (subject to downward adjustment in accordance with the terms of the merger agreement in the event that Southwest's adjusted tangible common equity at closing is less than $32,000,000), which we refer to as the cash consideration.

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The stock consideration and the cash consideration are collectively referred to as the merger consideration.

In determining the stock consideration, the average closing price of First Bancshares' common stock pursuant to the formula above may be adjusted to the extent that if (1) the average closing price is at least 20% higher than $30.45, which we refer to as the signing price, then the average closing price for the purposes of calculating the stock consideration will be adjusted to $36.54, and (2) the average closing price is at least 20% lower than the signing price, then the average closing price for the purposes of calculating the stock consideration will be adjusted to $24.36. If the average closing price is neither 20% higher nor lower than the signing price, then the average closing price pursuant to the formula above will be used to calculate the stock consideration.

In addition, if Southwest's adjusted tangible common equity as of the closing date is less than $32,000,000, the aggregate amount of the cash consideration will be reduced by an amount equal to (1) $32,000,000 minus (2) Southwest's actual adjusted tangible common equity as of the closing date. Southwest's adjusted tangible common equity will be calculated as Southwest's common equity (as defined in GAAP) less (i) intangible assets (as defined in GAAP), (ii) any anticipated but unaccrued Southwest transaction expenses in connection with the merger, and (iii) the amount of any reduction in Southwest's allowance for loan and lease losses below $3,425,000 as of the effective time of the merger.

Southwest may terminate the merger if the average closing price of First Bancshares common stock is less than 70% of the signing price, i.e., less than $21.315; provided, however, if Southwest wishes to exercise its termination right pursuant to this provision, it shall give prompt written notice to First Bancshares, and within the five-day period after its receipt of the termination notice from Southwest, First Bancshares will have the option, but not the obligation, to increase the total merger consideration to be at least $56,400,000 (subject to downward adjustments if Southwest's adjusted tangible common equity at closing is less than $32,000,000), which will nullify and void Southwest's termination, and the merger agreement will remain in full force and effect.

First Bancshares will not issue any fractional shares of First Bancshares common stock in the merger. Southwest shareholders 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, as may be adjusted.

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 between the date of this proxy statement/ prospectus and the completion of the merger. The value of the stock consideration may fluctuate based upon the market value for First Bancshares common stock. In the merger, Southwest shareholders will receive a number of shares of First Bancshares common stock for each share of Southwest common stock they hold. Any fluctuation in the market price of First Bancshares common stock after the date of this proxy statement/prospectus could change the value of the shares of First Bancshares common stock that Southwest shareholders will receive if such fluctuations result in the average closing price of First Bancshares being higher than $36.54 or less than $24.36. In addition, the amount of the cash consideration may be reduced to the extent Southwest's adjusted tangible common equity at closing, calculated as discussed above, is less than $32,000,000.

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

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

Q:

When and where is the Southwest special meeting?

A:
The Southwest special meeting will be held at the [•], on [•], [•], 201_, at [•] Central Time.

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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 Southwest special meeting. When complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible. Submitting your proxy by mail or directing your bank or broker to vote your shares will ensure that your shares are represented and voted at the Southwest special meeting. Your proxy card must be received prior to the special meeting on [•],[•], 201_, in order to be counted.

Q:
What constitutes a quorum for the Southwest special meeting?

A:
Holders representing at least a majority of the shares of Southwest common stock entitled to vote at the Southwest 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 Southwest special meeting will be postponed until the holders of the number of shares of Southwest common stock required to constitute a quorum attend. If you submit a properly executed proxy card, even if you abstain from voting, your shares of Southwest common stock will be counted for purposes of determining whether a quorum is present at the Southwest special meeting. If additional votes must be solicited to approve the merger agreement, it is expected that the Southwest special meeting will be adjourned to solicit additional proxies.

Q:
What is the vote required to approve each proposal?

A:
Approval of the merger proposal requires the affirmative vote of the holders of at least two-thirds of the outstanding shares of Southwest common stock entitled to vote on such proposal.

The adjournment proposal will be approved if the votes of Southwest common stock cast in favor of the adjournment proposal exceed the votes cast against the adjournment proposal.

Q:
Why is my vote important?

A:
If you do not submit a proxy or vote in person, it may be more difficult for Southwest 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 two-thirds of the outstanding shares of Southwest's common stock. Southwest's board of directors unanimously recommends that you vote "FOR" the proposal to approve the merger agreement and the merger.

Q:
How many votes do I have?

A:

Southwest shareholders are entitled to one vote on each proposal to be considered at the special meeting for each share of Southwest common stock owned as of the close of business on [•], 201_, which is the record date for the Southwest special meeting.

Q:
How do I vote?

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

- by completing, signing, dating and returning the enclosed proxy card in the accompanying prepaid reply envelope; or

- 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 Southwest 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 Southwest's board of directors with respect to the merger agreement, you should be aware that some of Southwest's directors and executive officers have interests in the merger that are different from, or in addition to, the interests of Southwest's shareholders generally. Interests of certain officers and directors that may be different from or in addition to the interests of Southwest's shareholders include but are not limited to, the receipt of continued indemnification and directors' and officers' insurance coverage under the merger agreement, non-competition payments to directors, the payment of change in control and retention payments to certain executives and the entry into employment agreements with First Bancshares.

Q:
What if I abstain from voting, fail to authorize a proxy or vote in person or fail to instruct my bank or broker how to vote?

A:
If you mark "ABSTAIN" on your proxy with respect to the merger proposal, fail to authorize a proxy or vote in person at the Southwest 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 Southwest shareholders as of the record date, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the Southwest special meeting. Holders of record of Southwest common stock can vote in person at the Southwest special meeting. If you are not a shareholder 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 Southwest special meeting. If you plan to attend the Southwest 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. Southwest 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 Southwest special meeting is prohibited without express written consent. Even if you plan to attend the special meeting, Southwest 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 Southwest common stock, you may revoke your proxy at any time prior to the Southwest special meeting by: (1) delivering a written notice of revocation to Jenny Hunt, Chief Operating Officer, Southwest Banc Shares, Inc., 2862 Dauphin Street, Mobile, Alabama 36606, (2) by returning a duly executed proxy card bearing a later date than the date with which your original proxy card was dated, or (3) by attending the Southwest special meeting and voting in person. Your attendance at the Southwest 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 Southwest Chief Operating Officer prior to the voting of such proxy.

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

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

Q:
What are the U.S. federal income tax consequences of the merger to Southwest shareholders?

A:
Each of First Bancshares and Southwest expects that the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code, with the result that the portion of Southwest

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common stock exchanged for First Bancshares shares will generally be tax-free and the portion of the Southwest common stock exchanged for cash will generally be taxable as capital gain.

For further information, see "The Merger — U.S. Federal Income Tax Considerations."

The U.S. federal income tax consequences described above may not apply to all holders of Southwest 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 Southwest shareholders entitled to exercise dissenters' rights?

A:

Yes. Holders of Southwest common stock are entitled, with respect to the merger, to exercise rights of dissenting shareholders provided for under Chapter 2, Article 13 of the Alabama Business Corporation Law, as amended, or the ABCL, any successor statute, or any similar appraisal or dissenters' rights.

Pursuant to the merger agreement, First Bancshares' board of directors may terminate the merger agreement and abandon the merger transaction if dissenters' rights of appraisal are properly asserted with respect to more than 5% of the outstanding shares of Southwest common stock.

For further information, see "The Merger — Dissenters' Rights."

Q:

If I am a Southwest shareholder, should I send in my Southwest stock certificates now?

A:

No. Please do not send in your Southwest stock certificates with your proxy. After the merger, an exchange agent designated by First Bancshares will send you instructions for exchanging Southwest stock certificates for the merger consideration.

Q:

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

A:

You are not required to take any specific actions to exchange your shares of Southwest common stock if your shares are held in book-entry form. After the completion of the merger, shares of Southwest 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, the cash consideration and any cash to be paid in lieu of fractional shares in the merger.

Q:

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

A:

If you are unable to locate your original Southwest stock certificate(s), you should contact Jenny Hunt, Chief Operating Officer, Southwest Banc Shares, Inc., 2862 Dauphin Street, Mobile, Alabama 36606, or by telephone at (251) 345-9914. Generally, merger consideration for lost certificates cannot be delivered except upon the making of an affidavit 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 Southwest expect to complete the merger in the first or second quarter of 2018. However, neither First Bancshares nor Southwest can assure you when or if the merger will occur. First Bancshares and Southwest must first obtain the approval of Southwest shareholders 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 Southwest common stock will not receive any consideration for their shares of Southwest common stock that otherwise would have been received in connection with the merger. Instead, Southwest 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 Southwest common stock.

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Q:
Whom should I call with questions?

A:
If you have any questions concerning the merger or this proxy statement/prospectus, would like additional copies of this proxy statement/prospectus or need help voting your shares of Southwest common stock, please contact: Jenny Hunt, Chief Operating Officer, at (251) 345-9914.

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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 [•])

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, A National Banking Association, headquartered in Hattiesburg, Mississippi. First Bancshares is a registered financial holding company. As of September 30, 2017, First Bancshares had consolidated assets of $1.79 billion, loans of $1.19 billion, deposits of $1.51 billion, and shareholders' equity of $166.98 million. First Bancshares operates 43 full service branches, one motor branch and four loan production offices in Mississippi, Alabama, Louisiana and Florida. The First's deposits are insured by the FDIC.

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."

Southwest Banc Shares, Inc.
2862 Dauphin Street
Mobile, Alabama 36606
(251) 344-5821

Southwest Banc Shares, Inc. was incorporated in Alabama in 1984 and owns all of the outstanding shares of common stock of First Community headquartered in Chatom, Alabama. As of September 30, 2017, Southwest had consolidated assets of $391.6 million, loans of $281.6 million, deposits of $345.1 million, and shareholders' equity of $36.8 million. Southwest operates 9 full service branches and one administrative office in Alabama. First Community's deposits are insured by the FDIC.

Additional information about Southwest and its subsidiaries is included below under "The Companies."

The Merger

The Merger Agreement (page [•])

First Bancshares and Southwest entered into an Agreement and Plan of Merger, dated as of October 24, 2017, 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.

The Merger (page [•])

Pursuant to the merger agreement, Southwest 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, First Community, a wholly owned bank subsidiary of Southwest, 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.

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The Merger Consideration (page [•])
If the merger is completed, for each share of Southwest common stock that Southwest shareholders hold immediately prior to the effective time of the merger, Southwest shareholders will receive, without interest, a pro rata portion (which is a ratio equal to one divided by the number of shares of Southwest common stock issued and outstanding as of the closing) of:

(1)
a number of shares of First Bancshares common stock equal to $36,000,000 divided by the average closing price of First Bancshares' common stock during the ten trading days preceding the fifth business day prior to the closing date (subject to adjustments as discussed below), which we refer to as the stock consideration, and

(2)
a cash amount equal to $24,000,000 (subject to downward adjustment in accordance with the terms of the merger agreement in the event that Southwest's adjusted tangible common equity at closing is less than $32,000,000), which we refer to as the cash consideration.

The stock consideration and the cash consideration are collectively referred to as the merger consideration.
In determining the stock consideration, the average closing price of First Bancshares' common stock pursuant to the formula above may be adjusted to the extent that if (1) the average closing price is at least 20% higher than $30.45, which we refer to as the signing price, then the average closing price for the purposes of calculating the stock consideration will be adjusted to $36.54, and (2) the average closing price is at least 20% lower than the signing price, then the average closing price for the purposes of calculating the stock consideration will be adjusted to $24.36. If the average closing price is neither 20% higher nor lower than the signing price, then the average closing price pursuant to the formula above will be used to calculate the stock consideration.
In addition, if Southwest's adjusted tangible common equity as of the closing date is less than $32,000,000, the aggregate amount of the cash consideration will be reduced by an amount equal to (1) $32,000,000 minus (2) Southwest's actual adjusted tangible common equity as of the closing date. Southwest's adjusted tangible common equity will be calculated as Southwest's common equity (as defined in GAAP) less (i) intangible assets (as defined in GAAP), (ii) any anticipated but unaccrued Southwest transaction expenses in connection with the merger, and (iii) the amount of any reduction in Southwest's allowance for loan and lease losses below $3,425,000 as of the effective time of the merger.
Southwest may terminate the merger if the average closing price of First Bancshares common stock is less than 70% of the signing price, i.e., less than $21.315; provided, however, if Southwest wishes to exercise its termination right pursuant to this provision, it shall give prompt written notice to First Bancshares, and within the five-day period after its receipt of the termination notice from Southwest, First Bancshares will have the option, but not the obligation, to increase the total merger consideration to be at least $56,400,000 (subject to downward adjustments if Southwest's adjusted tangible common equity at closing is less than $32,000,000), which will nullify and void Southwest's termination, and the merger agreement will remain in full force and effect.
First Bancshares will not issue any fractional shares of First Bancshares common stock in the merger. Southwest shareholders 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, as may be adjusted.
First Bancshares common stock is listed on the NASDAQ Global Market under the symbol "FBMS." Southwest common stock is not listed on an exchange and is not actively traded. The following table sets forth the closing sale prices of First Bancshares common stock as reported on the NASDAQ Global Market on October 24, 2017, the last full trading day before the public announcement of the merger agreement, and on [•], 201_, the latest practicable trading date before the date of this proxy statement/ prospectus.

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	First Bancshares Common Stock
October 24, 2017	$ 30.60
[•], 201_	$ [•]

Exchange Procedures (page [•])

Promptly after the effective time of the merger, First Bancshares' exchange agent will mail to each holder of record of Southwest 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 Southwest stock certificate(s) for the merger consideration (including cash in lieu of any fractional Southwest shares), and any dividends or distributions to which such holder is entitled to pursuant to the merger agreement.

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

Ancillary Agreements

Voting Agreements (page [•])

As a condition to First Bancshares entering into the merger agreement, all directors of Southwest and First Community 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 Southwest 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 Southwest in the merger agreement.

Non-Competition and Non-Disclosure Agreements (page [•])

In addition, as a condition to First Bancshares entering into the merger agreement, each director of Southwest and First Community entered into non-competition and non-disclosure agreements with First Bancshares in the form attached as Exhibit C or D 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 Southwest 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 Southwest, and (3) for a period of one or two years following the closing of the merger (depending on the director), not serve as a director or management official of another financial institution in the counties in Alabama in which First Community operates a banking office as of the closing of the merger and each county contiguous to each of such counties.

Claims Letters (page [•])

At the time of the execution of the merger agreement, each director of Southwest and First Community executed a letter agreement with First Bancshares in the form attached as Exhibit E 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, Southwest 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, with certain exceptions.

Risk Factors Related to the Merger (page [•])

Before voting at the Southwest 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.

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The Southwest Special Meeting (page [•])

The special meeting of Southwest shareholders will be held on [•], [•], 201_, at [•] Central Time, at [•]. At the special meeting, Southwest shareholders will be asked to:

- approve the merger proposal; and

- approve the adjournment proposal.

Only holders of record at the close of business on [•], 201_, the Southwest record date, will be entitled to vote at the Southwest special meeting. Each share of Southwest common stock is entitled to one vote on each proposal to be considered at the Southwest special meeting. As of the Southwest record date, there were [•] shares of Southwest common stock entitled to vote at the Southwest special meeting. All directors of Southwest and First Community have entered into voting agreements with First Bancshares, pursuant to which they have agreed, solely in their capacity as Southwest shareholders, to vote all of their shares of Southwest common stock in favor of the proposals to be presented at the Southwest special meeting. As of the Southwest record date, the directors who are parties to the voting agreements owned and were entitled to vote an aggregate of approximately [•] shares of Southwest common stock, which represented approximately [•]% of the shares of Southwest common stock outstanding on that date. As of the Southwest record date, the directors and executive officers of Southwest and their affiliates beneficially owned and were entitled to vote [•] shares of Southwest common stock, which represented approximately [•]% of the shares of Southwest common stock outstanding on that date. As of the Southwest record date, First Bancshares and its subsidiaries did not hold any shares of Southwest 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 Southwest common stock.

To approve the merger proposal, the holders of at least two-thirds of the outstanding shares of Southwest 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 Southwest 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 proposal.

The adjournment proposal will be approved if the votes of Southwest common stock cast in favor of the adjournment proposal exceed the votes cast against the adjournment proposal

If you mark “ABSTAIN” on your proxy with respect to the merger proposal, fail to authorize a proxy or vote in person at the Southwest 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 Southwest Board (page [•])

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

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

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.

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Pursuant to the merger agreement, First Bancshares has agreed to consider appointing a representative proposed by Southwest and mutually agreed to by First Bancshares and Southwest to the board of directors of The First, the banking subsidiary of First Bancshares, at the closing date. However, the parties both acknowledge and agree that in no event will First Bancshares or The First be required by the terms of the merger agreement to appoint any director to The First’s board of directors.

Interests of Southwest Directors and Executive Officers in the Merger (page [•])

Southwest shareholders should be aware that some of Southwest’s directors and executive officers have interests in the merger and have arrangements that are different from, or in addition to, those of Southwest shareholders generally. These interests and arrangements may create potential conflicts of interest. Southwest’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 Southwest shareholders vote in favor of approving the merger agreement and the merger.

These interests include:

- certain executive officers of Southwest have change in control agreements with Southwest that provide for cash payments in the event of a qualifying termination of employment in connection with a change in control and bonus arrangements to stay through closing;
- Mr. Sam Davis has entered into an employment agreement with The First, effective as of the effective date of the merger;
- the right to continued indemnification and directors’ and officers’ liability insurance coverage; and
- non-competition payments to directors.

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

Dissenters’ Rights in the Merger (page [•])

Holders of Southwest common stock are entitled to exercise certain dissenters’ rights in relation to the merger, as provided for under Chapter 2, Article 13 of the Alabama Business Corporation Law, as amended, or the ABCL, and any successor statute. To exercise dissenters’’ rights, Southwest shareholders must strictly follow the procedures established by the ABCL. A shareholder’s failure to vote against the merger agreement will constitute a waiver of such shareholder’s dissenters’ rights. For further information, see “The Merger — Dissenters’ Rights.”

Conditions to Completion of the Merger (page [•])

Currently, First Bancshares and Southwest expect to complete the merger in the first or second quarter of 2018. 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 and the merger by the holders of at least two-thirds of the outstanding shares of Southwest common stock entitled to vote;
- 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;

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- each party's receipt of a tax opinion from its respective outside legal counsel, dated the closing date of the merger, confirming the tax-free treatment of the merger for U.S. federal income tax purposes;

- the absence of more than five percent of the outstanding shares of Southwest's common stock exercising (or being entitled to exercise) their dissenters' rights;

- the adjusted tangible common equity of Southwest is no less than $32,000,000; and

- the absence of the occurrence of a material adverse effect on Southwest or First Bancshares.

Neither First Bancshares nor Southwest 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 [•])

Both First Bancshares and Southwest have agreed to use their reasonable best efforts to obtain all regulatory approvals 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. First Bancshares and Southwest have submitted applications and notifications to obtain the required regulatory approvals. Although neither First Bancshares nor Southwest knows of any reason why these regulatory approvals cannot be obtained, First Bancshares and Southwest 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 [•])

Under the merger agreement, Southwest 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 Southwest 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 Southwest is a party, or (4) enter into any 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 Southwest's required shareholder approval, Southwest 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). Southwest must notify First Bancshares promptly (but in no event later than 24 hours) after the receipt of such acquisition proposal.

Additionally, prior to obtaining Southwest's required shareholder approval, Southwest may, under certain specified circumstances, withdraw its recommendation to its shareholders 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 outside legal counsel and financial advisors, that such acquisition proposal is a superior proposal and that failure to take such action would be inconsistent with the directors' fiduciary duties under applicable law. However, Southwest cannot take any of those actions in response to a superior proposal unless it provides First Bancshares with a five 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 [•])
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:
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- if the merger is not consummated on or before February 20, 2018, subject to automatic extension to April 21, 2018 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 shareholders of Southwest is not obtained at a meeting at which a vote was taken; or

- 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 thirty days.

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

- if Southwest withdraws, qualifies, amends, modifies or withholds its recommendation to its shareholders to approve the merger and the merger agreement, or makes any statement, filing or release, in connection with the shareholder 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 Southwest fails to properly call, give notice of, and commence a meeting of shareholders to vote on the merger;

- if Southwest approves or recommends an acquisition proposal;

- if Southwest fails to publicly recommend against a publicly announced acquisition proposal within three (3) business days of being requested to do so by First Bancshares or fails to publicly reconfirm its recommendation to its shareholders within (3) business days of being requested to do so by First Bancshares; and

- if Southwest fails to comply in all material respects with its obligations pursuant to the no-solicitation covenants.

In addition, Southwest may terminate the merger agreement if:

- the average closing price of First Bancshares common stock is less than 70% of the signing price, i.e., less than $21.315; provided, however, if Southwest wishes to exercise its termination right pursuant to this provision, it shall give prompt written notice to First Bancshares, and within the five-day period after its receipt of the termination notice from Southwest, First Bancshares will have the option, but not the obligation, to increase the total merger consideration to be at least $56,400,000 (subject to downward adjustments if Southwest's adjusted tangible common equity at closing is less than $32,000,000), which will nullify and void Southwest's termination, and the merger agreement will remain in full force and effect; or

- Southwest'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 Southwest pays to First Bancshares a $2,250,000 termination fee.

Termination Fee (page [•])
If the merger agreement is terminated under certain circumstances, including circumstances involving a change in recommendation by Southwest's board of directors, Southwest may be required to pay First Bancshares a termination fee of $2,250,000. The termination fee could discourage other companies from seeking to acquire or merge with Southwest.
Expenses (page [•])
Each party will bear all expenses incurred in connection with the merger and the transactions contemplated by the merger agreement, provided, however, if either party terminates the agreement due to a failure to obtain a required regulatory approval and such failure is not primarily related to the financial or
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regulatory condition of Southwest, or due to failure by First Bancshares to satisfy any condition in any such regulatory approval, then First Bancshares will pay Southwest $635,000 as reimbursement for its transaction-related costs and expenses.

U.S. Federal Income Tax Considerations (page [•])

The merger is expected to qualify as a "reorganization" within the meaning of Section 368(a) of the Code, and respective outside legal counsel to each of First Bancshares and Southwest has rendered its tax opinion to First Bancshares and Southwest, which is filed as an exhibit to the registration statement of which this proxy statement/prospectus forms a part, that the completion of the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code. In addition, it is a condition to the respective obligations of First Bancshares and Southwest to complete the merger that each of First Bancshares and Southwest receives a tax opinion from its respective outside legal counsel, dated the closing date of the merger, to that effect. Based upon the treatment of the merger as a "reorganization" within the meaning of Section 368(a) of the Code, a shareholder of Southwest will not recognize gain or loss with respect to the receipt of the stock consideration. As a result of receiving First Bancshares common stock and cash in exchange for Southwest common stock, in general, shareholders of Southwest will recognize gain, but not loss, equal to the lesser of cash received or gain realized in the merger. The amount of gain realized will equal the amount by which the cash plus the fair market value, at the effective time of the merger, of the First Bancshares common stock exceeds the relevant shareholder's adjusted tax basis in its Southwest common stock to be surrendered in exchange therefor. For further information, see "The Merger — U.S. Federal Income Tax Considerations."

The U.S. federal income tax consequences described above may not apply to all holders of Southwest 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.

Accounting Treatment of the Merger (page [•])

First Bancshares will account for the merger under the acquisition method of accounting for business combinations under accounting principles generally accepted in the United States of America.

The Rights of Holders of Southwest Common Stock Will Change as a Result of the Merger (see page [•])

The rights of holders of Southwest common stock are governed by Alabama law, as well as Southwest's Articles of Incorporation, as amended (which we refer to as the Southwest Articles), and Southwest's Bylaws. After completion of the merger, the rights of former Southwest shareholders will be governed by Mississippi law and by First Bancshares' Amended and Restated Articles of Incorporation (which we refer to as the First Bancshares Articles), and First Bancshares' Amended and Restated Bylaws (or, the First Bancshares Bylaws).

Material differences between the rights of shareholders of Southwest 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 shareholders to act by written consent, and shareholder proposals and advance notice requirements. The material differences between the organizational documents and the rights of shareholders of Southwest and shareholders of First Bancshares are explained in more detail under the section "Comparison of Rights of First Bancshares Shareholders and Southwest Shareholders" beginning on page [•].

Opinion of Southwest's Financial Advisor (page [•] and Annex B)

On October 23, 2017, Hovde Group, LLC, referred to as Hovde, rendered an opinion to the Southwest board of directors to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Hovde as set forth in such opinion, the merger consideration to be paid in the proposed transaction was fair, from a financial point of view, to Southwest's shareholders. The full text of the written opinion of Hovde is

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attached as Annex B to this document. Southwest shareholders should read the entire opinion for a discussion of, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken by Hovde in rendering its opinion.

The opinion of Hovde is addressed to the Southwest board of directors, is directed only to the fairness, from a financial point of view, of the merger consideration to be paid to the holders of Southwest stock and does not constitute a recommendation to any Southwest shareholder as to how such shareholder should vote with respect to the merger or any other matter at the Southwest special meeting.

For further information, please see the section entitled "The Merger — Opinion of Southwest's Financial Advisor" beginning on page [•].

Closing and Effective Time of the Merger (see page [•])

The closing date is currently expected to occur in the first or second quarter of 2018. 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 Alabama. The merger will become effective at such time as the articles of merger are filed or such other time as may be specified in the articles of merger. Neither First Bancshares nor Southwest 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 Southwest's shareholder approvals will be received.

Pending Acquisition of Sunshine Financial, Inc.

On December 6, 2017, First Bancshares entered into an agreement and plan of merger to acquire Sunshine Financial, Inc., or Sunshine, the holding company of Sunshine Community Bank. Pursuant to the merger agreement, Sunshine will merge with and into First Bancshares, with First Bancshares as the surviving company, a transaction we refer to as the "Sunshine merger." Immediately after the merger, Sunshine Community Bank, a Florida-state chartered bank and wholly owned subsidiary of Sunshine, will merge with and into The First, with The First as the surviving bank. The transaction was unanimously approved by the boards of directors of each of First Bancshares and Sunshine and is expected to close in the second quarter of 2018. Completion of the transaction is subject to customary closing conditions, including receipt of required regulatory approvals and approval of Sunshine's shareholders. Under the terms of the agreement, holders of Sunshine common stock will receive, at the election of each Sunshine shareholder, either (i) $27.00 in cash, or (ii) 0.93 of a share of First Bancshares' common stock, provided that the total mix of merger consideration is fixed at 75% stock and 25% cash. The aggregate transaction consideration is valued at approximately $32.1 million. At September 30, 2017, Sunshine had approximately $194 million in total consolidated assets, $160 million in total consolidated loans, $142 million in total consolidated deposits and $22.2 million in stockholder's equity.

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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, Southwest 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," "seek," "strive," "plan," "intend," "outlook," "forecast," "project," "position," "target," "mission," "contemplate," " "achievable," "potential," "strategy," "goal," "aspiration," "outcome," "continue," "remain," "maintain," "trend," "objective" a such words and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "might," "can," or similar expressions, as they relate to First Bancshares, Southwest, 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, shareholder 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 Southwest 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 Southwest shareholders;

- 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, including, with respect to First Bancshares, the time and effort management is directing to its pending merger with Sunshine at the same time as the pending merger of First Bancshares and Southwest;

- the risk that the businesses of First Bancshares, Southwest and Sunshine 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 mergers with Southwest and Sunshine;

- the expected growth opportunities or costs savings from the mergers with Southwest and the Sunshine may not be fully realized or may take longer to realize than expected;

- revenues following the transaction may be lower than expected as a result of losses of customers or other reasons;

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- First Bancshares' ability to complete the Sunshine merger during the same time period as the Southwest transaction;

- potential deposit attrition, higher than expected costs, customer loss and business disruption associated with First Bancshares' integration of Southwest, 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 Southwest or their respective boards of directors;

- general economic conditions, either globally, nationally, in the States of Mississippi or Alabama, or in the specific markets in which First Bancshares or Southwest operate;

- limitations placed on the ability of First Bancshares and Southwest to operate their respective businesses by the merger agreement;

- the effect of the announcement of the merger on First Bancshares' and Southwest'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 Southwest shareholders 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 Southwest are engaged, including potential changes resulting from currently proposed legislation, including the Financial CHOICE Act of 2017;

- 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 Southwest’s banks’ ability to meet their 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 Southwest 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, Southwest 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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SELECTED CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF FIRST BANCSHARES

The following selected consolidated financial information for the fiscal years ended December 31, 2012 through December 31, 2016 is derived from audited consolidated financial statements of First Bancshares. The consolidated financial information as of and for the nine months ended September 30, 2017 and 2016 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, 2017 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2017. 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, 2016, and in First Bancshares' Quarterly Report on Form 10-Q for the nine months ended September 30, 2017, 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,		As of and for the Years Ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
	(unaudited)						
	(in thousands, except ratios, share and per share data)						
Selected Consolidated Operating Data:							
Interest income	$ 48,926	$ 32,736	$ 44,604	$ 40,202	$ 36,371	$ 31,318	$ 26,33
Interest expense	4,987	3,139	4,315	3,208	2,973	2,917	4,137
Net interest income	43,939	29,597	40,289	36,994	33,398	28,401	22,19
Provision for loan losses	384	538	625	410	1,418	1,076	1,228
Net interest income after provision for loan losses	43,555	29,059	39,664	36,584	31,980	27,325	20,96
Noninterest income	10,807	8,542	11,247	7,588	7,803	7,083	6,324
Noninterest expense	43,056	26,730	36,862	32,160	30,734	28,165	22,16
Income before income tax expense	11,306	10,871	14,049	12,012	9,049	6,243	5,126
Income tax expense	3,104	3,060	3,930	3,213	2,435	1,604	1,077

(benefit)							
Net income	8,202	7,811	10,119	8,799	6,614	4,639	4,049
Preferred dividends and stock accretion	—	257	453	343	363	424	425
Net income available to common shareholders	8,202	7,554	9,666	8,456	6,251	4,215	3,624
Selected Financial Condition Data:							
Securities available for sale	$ 353,035	$ 236,168	$ 243,206	$ 239,732	$ 254,746	$ 244,051	$ 214,39
Securities held to maturity	6,000	6,000	6,000	7,092	8,193	8,438	8,470
Loans, net of allowance for loan losses	1,194,606	856,322	865,424	769,742	700,540	577,574	408,97
Total assets	1,787,976	1,266,638	1,277,367	1,145,131	1,093,768	940,890	721,38
Deposits	1,507,991	1,071,789	1,039,191	916,695	892,775	779,971	596,62
Shareholders' equity	166,980	112,658	154,527	103,436	96,216	85,108	65,885
Selected Consolidated Financial Ratios and Other Data:							
Per Share Data:							
Earnings per common share, basic	$ 0.90	$ 1.39	$ 1.78	$ 1.57	$ 1.20	$ 0.98	$ 1.17
Earnings per common share, diluted	$ 0.89	$ 1.38	$ 1.57	$ 1.55	$ 1.19	$ 0.96	$ 1.16
Cash dividends paid per common share	$ 0.1125	$ 0.1125	$ 0.15	$ 0.15	$ 0.15	$ 0.15	$ 0.15
Weighted average	9,140,375	5,425,567	5,435,088	5,371,111	5,227,768	4,319,485	3,101,

common shares outstanding, basic							
Weighted average common shares outstanding, diluted	9,212,182	5,475,785	6,259,333	5,442,050	5,270,669	4,372,930	3,125,
Book value per common share	$ 18.24	$ 17.60	$ 17.19	$ 16.05	$ 14.88	$ 13.34	$ 15.73
Performance Ratios:							
Return on average assets	0.63%	0.83%	0.79%	0.75%	0.61%	0.45%	0.51%
Return on average equity	6.87	9.41	8.00	8.60	7.10	5.00	5.70
Net interest margin	3.74	3.61	3.63	3.63	3.58	3.31	3.42
Net interest margin, fully tax equivalent basis(1)	3.84	3.69	3.71	3.72	3.70	3.44	3.59

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	As of and for the Nine Months Ended September 30,		As of and for the Years Ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
	(unaudited)						
	(in thousands, except ratios, share and per share data)						
Asset Quality Ratios:							
Nonaccrual loans to total loans and other real estate	0.40%	0.67%	0.37%	0.95%	0.85%	0.54%	0.81%
Allowance for loan losses to total loans	0.68	0.87	0.86	0.87	0.86	0.98	1.14
Allowance for loan losses to nonaccrual loans	168.49	129.01	230.1	91.6	100.6	180.1	139.0
Net charge-offs to average total loans	(0.03)	(0.03)	(0.02)	(0.03)	0.17	0.01	0.26
Consolidated Capital Ratios:							
Tier 1 leverage ratio	8.6%	8.5%	11.9%	8.7%	8.4%	9.0%	8.6%
Common equity Tier 1 capital ratio	10.3	7.8	13.8	8.1	—	—	—
Tier 1 risk-based capital ratio	11.0	10.5	14.7	11.1	11.5	12.5	12.8
Total risk-based capital ratio	11.6	11.2	15.5	11.9	12.3	13.4	13.8
Total shareholders' equity to total assets	9.3	8.9	12.1	9.0	8.8	9.0	9.1

(1)
We report net interest margin on a fully tax equivalent basis, which calculation is not in accordance with generally accepted accounting principles, or GAAP. The tax equivalent adjustment to net interest income recognizes the income tax savings when comparing taxable and tax-exempt assets and assumes a 34% 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.

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SELECTED CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF SOUTHWEST

The following selected historical consolidated financial data as of and for the twelve months ended December 31, 2016, 2015, 2014, 2013 and 2012 is derived from the audited consolidated financial statements of Southwest. The following selected historical consolidated financial data as of and for the nine months ended September 30, 2017 and 2016, is derived from the unaudited consolidated financial statements of Southwest and has been prepared on the same basis as the selected historical consolidated financial data derived from the audited consolidated financial statements and, in the opinion of Southwest's management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of this data for those dates.

The results of operations as of and for the nine months ended September 30, 2017, are not necessarily indicative of the results that may be expected for the twelve months ending December 31, 2017, or any future period. You should read the following selected historical consolidated financial data in conjunction with Southwest Management's Discussion and Analysis of Financial Condition and Results of Operations, audited consolidated financial statements and accompanying notes for the twelve months ended December 31, 2016, 2015 and 2014, and unaudited consolidated financial statements and accompanying notes for the nine months ended September 30, 2017, each of which are included elsewhere in this proxy statement/prospectus.

	As of and for the Nine Months Ended September 30,		As of and for the Years Ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
	(Unaudited)						
	(in thousands, except ratios, share and per share data)						
Summary of Operations:							
Total interest income	$ 11,950	$ 11,157	$ 14,979	$ 14,390	$ 14,011	$ 13,889	$ 14,537
Total interest expense	1,461	1,349	1,822	1,652	1,590	1,701	2,372
Net interest income	10,489	9,808	13,157	12,738	12,421	12,188	12,165
Provision for loan losses	383	303	303	396	100	945	1,625
Net interest income after provision for loan losses	10,106	9,505	12,854	12,342	12,321	11,243	10,540
Noninterest income	2,367	2,417	3,159	2,760	2,326	2,103	2,862
Noninterest expense	9,335	9,183	12,204	11,972	11,648	12,157	11,318
Income before income taxes	3,138	2,739	3,809	3,130	2,999	1,189	2,084
Income tax expense	144	108	164	97	128	62	57
Net income	2,994	2,631	3,645	3,033	2,871	1,127	2,027
Share and per common share							

data:							
Basic net income per share	$ 41.98	$ 36.91	$ 51.13	$ 42.55	$ 40.27	$ 15.81	$ 28.42
Diluted net income per share	$ 41.95	$ 36.88	$ 51.11	$ 42.53	$ 40.27	$ 15.81	$ 28.42
Common equity per common share outstanding	$ 516.27	$ 497.32	$ 471.49	$ 460.70	$ 423.82	$ 343.12	$ 401.06
Dividends per common share	$ 15.50	$ 13.00	$ 17.00	$ 12.27	$ 7.00	$ 3.95	$ 5.35
Actual common shares outstanding	71,317	71,286	71,317	71,288	71,288	71,286	71,286
Weighted average common shares outstanding	71,317	71,287	71,287	71,288	71,287	71,286	71,324
Diluted weighted average common shares outstanding	71,372	71,338	71,313	71,309	71,287	71,286	71,324

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	Nine Months Ended September 30,		Years Ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
	(Unaudited)						
Balance Sheet Data:							
Total assets	$ 391,595	$ 369,049	$ 376,528	$ 343,160	$ 320,604	$ 311,340	$ 316,552
Cash and cash equivalents	14,390	7,029	16,322	8,518	7,108	6,871	12,002
Securities available for sale	78,956	73,226	67,789	74,091	68,251	75,888	86,009
Loans held for sale	424	1,513	1,299	417	1,345	119	892
Loans	285,068	273,651	277,033	245,617	231,150	212,673	200,040
Allowance for loan losses	3,451	3,156	3,092	2,964	2,872	2,839	2,787
Noninterest-bearing deposits	67,173	56,972	56,934	53,821	52,204	45,922	44,202
Interest-bearing deposits	277,902	257,256	270,745	235,898	216,861	217,802	226,008
Federal funds purchased	—	—	—	—	—	6,150	—
Borrowings	6,858	16,508	12,558	18,258	18,958	14,900	15,600
Total stockholders' equity	36,819	35,453	33,625	32,843	30,212	24,460	28,590
Average total assets	389,596	358,244	360,804	336,792	320,281	314,258	327,077
Average loans	278,625	257,972	261,759	236,020	222,254	201,856	211,536
Average interest earning assets	370,276	336,884	338,792	316,576	304,130	299,167	316,894
Average deposits	342,890	307,831	310,577	284,843	271,100	271,621	283,154
Average interest-bearing deposits	277,858	251,563	254,120	228,335	219,086	225,719	240,230
Average interest-bearing liabilities	287,346	264,998	267,376	247,068	239,180	241,420	256,257
Average total stockholders' equity	34,132	33,239	32,645	29,623	26,478	25,803	27,006
Selected Financial Ratios:							
(ratios are annualized where applicable)							
Return on average assets	1.02%	0.98%	1.01%	0.90%	0.90%	0.36%	0.62%

Return on average equity	11.70%	10.55%	11.17%	10.24%	10.84%	4.37%	7.51%
Net interest margin(2)	3.78%	3.88%	3.88%	4.02%	4.08%	4.08%	3.83%
Efficiency ratio(1)	72.61%	75.12%	74.80%	77.25%	78.99%	85.07%	75.32%
Asset Quality Ratios:							
(ratios are annualized where applicable)							
Net charge-offs to average loans	0.01%	0.06%	0.07%	0.13%	0.03%	0.44%	0.90%
Allowance to period end loans	1.21%	1.15%	1.12%	1.21%	1.24%	1.33%	1.39%
Allowance for loan losses to non-performing loans	44.15%	34.04%	34.42%	30.67%	33.74%	41.55%	30.88%
Non-performing assets to total assets	2.07%	2.64%	2.51%	3.10%	2.78%	2.63%	3.91%
Capital Ratios(3):							
Tier 1 leverage ratio	9.80%	9.96%	10.08%	10.39%	10.48%	10.29%	9.72%
Common equity tier 1 (CET1) risk-based capital	13.33%	13.13%	13.07%	14.18%	N/A	N/A	N/A
Tier 1 risk-based capital	13.33%	13.13%	13.07%	14.18%	14.81%	14.66%	14.73%
Total risk-based capital	14.53%	14.27%	14.16%	15.36%	16.05%	15.91%	15.98%

(1)
Efficiency ratio is non-interest expense divided by the sum of net interest income before the provision for loan losses plus non-interest income.

(2)
Net interest margin is net interest income (annualized for interim periods) divided by total average earning assets.

(3)
Capital ratios calculated on bank-only data. CET1 was applicable beginning January 1, 2015 under Basel III.

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UNAUDITED PRO FORMA COMBINED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma combined consolidated financial information and accompanying notes show the impact on the historical financial conditions and results of operations of First Bancshares, Southwest and Sunshine and have been prepared to illustrate the effects of the mergers under the acquisition method of accounting. See "The Merger — Accounting Treatment."

The unaudited pro forma combined consolidated balance sheet as of September 30, 2017 is presented as if the Southwest and the Sunshine mergers had occurred on September 30, 2017. The unaudited pro forma combined consolidated statements of income for the year ended December 31, 2016 and for the nine month period ended September 30, 2017 are presented as if both mergers had occurred on January 1, 2016. The historical consolidated financial information has been adjusted to reflect factually supportable items that are directly attributable to the mergers and, with respect to the income statement only, expected to have a continuing impact on consolidated results of operations, and, as such, First Bancshares' one-time merger costs for both mergers are not included. The historical results of operations for Iberville Bank, or Iberville, which was acquired on January 1, 2017, are included in our consolidated statement of income for the nine months ended September 30, 2017. The historical results of operations for Iberville for the period of January 1, 2016 through December 31, 2016 are included in the unaudited pro forma combined consolidated statement of income for the year ended December 31, 2016. The unaudited pro forma combined statements of income for the year ended December 31, 2016 and for the nine months ended September 30, 2017 assume the Iberville merger was completed on January 1, 2016. No pro forma adjustments for Iberville are presented for the unaudited pro forma combined consolidated balance sheet since the transaction is already reflected in First Bancshares' historical financial condition at September 30, 2017.

The unaudited pro forma combined consolidated financial statements are provided for informational purposes only. The unaudited pro forma combined consolidated financial statements are not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the mergers been completed as of the dates indicated or that may be achieved in the future. The preparation of the unaudited pro forma combined consolidated financial statements and related adjustments required management to make certain assumptions and estimates. The unaudited pro forma combined consolidated financial statements should be read together with:

- The accompanying notes to the unaudited pro forma combined consolidated financial statements;
- First Bancshares' unaudited consolidated financial statements and accompanying notes as of and for the nine months ended September 30, 2017, included in First Bancshares' Quarterly Report on Form 10-Q for the nine months ended September 30, 2017, which is incorporated by reference into this proxy statement/prospectus;
- First Bancshares' audited consolidated financial statements and accompanying notes as of and for the year ended December 31, 2016, included in First Bancshares' Annual Report on Form 10-K for the year ended December 31, 2016, which is incorporated by reference into this proxy statement/prospectus;
- Southwest's unaudited consolidated financial statements and accompanying notes as of and for the nine months ended September 30, 2017, beginning on F-2 in this proxy statement/prospectus;
- Southwest's audited consolidated financial statements and accompanying notes as of the year ended December 31, 2016, beginning on F-29 in this proxy statement/prospectus;
- Sunshine's unaudited consolidated financial statements and accompanying notes as of and for the nine months ended September 30, 2017, beginning on F-99 in this proxy statement/prospectus; and

- Sunshine’s audited consolidated financial statements and accompanying notes as of and for the year ended December 31, 2016, beginning on F-118 in this proxy statement/prospectus.

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THE FIRST BANCSHARES, INC.
PRO FORMA CONDENSED COMBINED BALANCE SHEET
As of September 30, 2017
(in thousands)
(unaudited)

	Historical				Historical		
	The First Bancshares, Inc.	Southwest Banc Shares, Inc.	Pro Forma Adjustments	First Bancshares Southwest Pro Forma Combined	Sunshine Financial, Inc.	Pro Forma Adjustments	Fi Ba So Su Pr Co
Assets							
Cash, due from banks and interest-bearing bank balances and interest-bearing time deposits	$ 93,317	$ 14,390	$ 27,105(4)	$ 134,812	$ 9,141	$ (13,674)(11)	$
Securities and Federal Home Loan Bank Stock	368,591	79,897	218(12)	448,706	15,219	(100)(12)	
Loans, net	1,190,018	281,617	(940)(3)(5)(7)	1,470,695	159,541	(1,647)(3)(5)	
Mortgage loans held for sale	4,588	424	—	5,012	—	—	
Other assets	54,629	7,810	(129)(10)	62,310	4,383	372(10)	
Buildings, Furniture & Fixtures and Equipment	46,203	7,235	—	53,438	3,519	—	
Deferred tax asset	5,305	222	494(2)	6,021	2,287	(24)(2)	
Core deposit intangible	4,882		3,322(6)	8,204	—	1,763(6)	
Goodwill	20,443	—	26,268(9)	46,711	—	12,235(9)	
Total assets	$ 1,787,976	$ 391,595	$ 56,338	$ 2,235,909	$ 194,090	$ (1,075)	$
Liabilities and Stockholders' Equity							
Deposits	$ 1,507,991	$ 345,075	$ 557(1)	$ 1,853,623	$ 141,668	$ —	$
Federal Home Loan Bank Advances and other borrowings	104,631	6,858	—	111,489	28,000	—	

Other liabilities	8,374	2,843	—	11,217	2,193	—	
Total liabilities	1,620,996	354,776	557	1,976,329	171,861	—	
Stockholders' equity							
Equity	166,980	36,819	55,781(8)	259,580	22,229	(1,075)(8)	
Total liabilities and stockholders' equity	$ 1,787,976	$ 391,595	$ 56,338	$ 2,235,909	$ 194,090	$ (1,075)	$

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

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THE FIRST BANCSHARES, INC.
PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the year ended December 31, 2016
(in thousands, except per share data)
(unaudited)

	Historical				Historical			H
	The First Bancshares, Inc.	Iberville Bank	Pro Forma Adjustments	First Bancshares Iberville Pro Forma Combined	Southwest Bancshares, Inc.	Pro Forma Adjustments	First Bancshares Iberville Southwest Pro Forma Combined	S F I
INTEREST INCOME								
Loans	$ 38,496	$ 7,873	$ 153(13)	$ 46,522	$ 13,167	$ 1,317(13)	$ 61,006	
Investment securities and other	6,108	1,714	—	7,822	1,812	(73)	9,561	
Total interest income	44,604	9,587	153	54,344	14,979	1,244	70,567	
INTEREST EXPENSE								
Deposits	3,443	453	(85)(14)	3,811	1,459	(393)(14)	4,877	
Borrowed funds	872	22	—	894	364	—	1,258	
Total interest expense	4,315	475	(85)	4,705	1,823	(393)	6,135	
Net interest income	40,289	9,112	238	49,639	13,156	1,637	64,432	
Provision for loan losses	625	123	—	748	303	—	1,051	
Net interest income after provision for loan losses	39,664	8,989	238	48,891	12,853	1,637	63,381	
NON-INTEREST INCOME								
Fees and service charges	5,657	813	—	6,470	1,305	—	7,775	
Other	5,590	1,401	—	6,991	1,854	—	8,845	
Total non-interest income	11,247	2,214	—	13,461	3,159	—	16,620	
NON-INTEREST EXPENSE								
Salaries and employee benefits	22,137	6,175	(934)(16)	27,378	6,872	—	34,250	

Occupancy and equipment	4,721	1,553	9(15)	6,283	1,658	—	7,941
Other operating expense	10,004	4,478	—	14,482	3,674	—	18,156
Amortization of core deposit intangible	—	—	319(17)	319	—	332(17)	651
Merger related expense	—	—	(1,281)(16)	(1,281)	—	4,341(16)	3,060
Total non-interest expense	36,862	12,206	(1,887)	47,181	12,204	4,673	64,058
Income before provision for income taxes	14,049	(1,003)	2,125	15,171	3,808	(3,036)	15,943
Provision for income taxes	3,930	—	314(18)	4,244	163	216(18)	4,623
Net Income (loss)	10,119	(1,003)	1,811	10,927	3,645	(3,252)	11,320
Preferred dividends and stock accretion	452	—	—	452	—	—	452
Net income (loss) available to common shareholders	$ 9,667	$ (1,003)	$ 1,811	$ 10,475	$ 3,645	$ (3,252)	$ 10,868

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

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THE FIRST BANCSHARES, INC.
PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the nine months ended September 30, 2017
(in thousands, except per share data)
(unaudited)

	Historical				Historical		
	The First Bancshares, Inc.	Southwest Banc Shares, Inc.	Pro Forma Adjustments	First Bancshares Southwest Pro Forma Combined	Sunshine Financial, Inc.	Pro Forma Adjustments	First Bancshares Southwest Sunshine Pro Forma Combined
INTEREST INCOME							
Loans	$ 42,083	$ 10,498	$ 988(13)	$ 53,569	$ 5,183	$ 322(13)	$ 59,074
Investment securities and other	6,843	1,452	(55)	8,240	288	—	8,528
Total interest income	48,926	11,950	933	61,809	5,471	322	67,602
INTEREST EXPENSE							
Deposits	3,836	1,248	(295)(14)	4,789	279	—	5,068
Borrowed funds	1,151	213	—	1,364	138	—	1,502
Total interest expense	4,987	1,461	(295)	6,153	417	—	6,570
Net interest income	43,939	10,489	1,228	55,656	5,054	322	61,032
Provision for loan losses	384	383	—	767	155	—	922
Net interest income after provision for loan losses	43,555	10,106	1,228	54,889	4,899	322	60,110
NON-INTEREST INCOME							
Fees and service charges	2,692	967	—	3,659	1,041	—	4,700
Other	8,115	1,400	—	9,515	281	—	9,796
Total non-interest income	10,807	2,367	—	13,174	1,322	—	14,496
NON-INTEREST EXPENSE							
Salaries and employee benefits	23,070	5,294	—	28,364	2,422	—	30,786

Occupancy and equipment	4,108	1,258	—	5,366	751	—	6,117
Other operating expense	9,551	2,783	—	12,334	2,355	—	14,689
Amortization of core deposit intangible	—	—	249(17)	249	—	138(17)	387
Merger related expense	6,327	—	4,341(16)	10,668	—	7,639(16)	18,307
Total non-interest expense	43,056	9,335	4,590	56,981	5,528	7,777	70,286
Income before provision for income taxes	11,306	3,138	(3,362)	11,082	693	(7,455)	4,320
Provision for income taxes	3,104	144	(63)(18)	3,185	263	(1,893)(18)	1,555
Net Income (loss)	8,202	2,994	(3,299)	7,897	430	(5,562)	2,765
Preferred dividends and stock accretion	—	—	—	—	—	—	—
Net income (loss) available to common shareholders	$ 8,202	$ 2,994	$ (3,299)	$ 7,897	$ 430	$ (5,562)	$ 2,765

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

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THE FIRST BANCSHARES, INC.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Note 1 — Basis of Presentation

The unaudited pro forma condensed combined financial information included herein has been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission. Certain information and certain footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been omitted pursuant to such rules and regulations. However, management believes that the disclosures are adequate to make the information presented not misleading.

Note 2 — First Bancshares' Acquisition of Iberville Bank

On January 1, 2017, the Company completed a transaction in which it acquired all of the stock of Iberville Bank, Plaquemine, LA ("Iberville") for a total consideration of $31.1 million pursuant to a previously-announced Stock Purchase Agreement entered into on October 12, 2017 among the Company and A. Wilbert's Sons Lumber & Shingle Co., a Louisiana corporation. The following table summarizes the cash paid and the preliminary estimated fair values of the assets and the liabilities assumed as if the acquisition of Iberville occurred on December 31, 2016 (in thousands):

Purchase Price:		
Cash paid		$ 31,100
Fair Value of assets acquired:		
Cash and due from banks	$ 28,789	
Securities, FHLB Stock and FNBB Stock	78,613	
Loans, net	148,516	
Buildings, Furniture & Fixtures and Equipment	4,603	
Goodwill	683	
Core Deposit Intangible	2,688	
Other Assets	8,647	
Total assets acquired	$ 272,539	
Fair Value of deposits acquired:		
Deposits	243,656	
FHLB Advances	456	
Other liabilities	2,928	
Total liabilities assumed	$ 247,040	
Fair Value of net assets acquired		25,499
Preliminary pro forma goodwill		$ 5,601

Note 3 — First Bancshares' Proposed Acquisition of Southwest Banc Shares, Inc.

On October 24, 2017, First Bancshares entered into entered into an Agreement and Plan of Merger (the "Merger Agreement") with Southwest Banc Shares, Inc. an Alabama corporation ("Southwest"), whereby Southwest will be merged with and into First Bancshares (the "Merger"). Pursuant to the Merger Agreement, each outstanding share of Southwest common stock issued and outstanding immediately prior to the effective time of the Merger will be converted into the right to receive a "Pro Rata Share" (which is a ratio equal to one (1) divided by the number of shares of Southwest common stock issued and outstanding as of the closing) of (i) a number of shares of First Bancshares' common stock equal to $36 million divided by the average closing price of First Bancshares' common stock during the ten trading days preceding the fifth business day prior to the closing date (subject to a maximum per-share price of First Bancshares' common stock of $36.54 and a minimum price of $24.36) and (ii) a cash amount equal to $24 million (subject to downward adjustment in accordance with the terms of the Merger Agreement in the event that Southwest's

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adjusted tangible common equity at closing is less than $32 million). Each outstanding share of Southwest common stock subject to vesting restrictions 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 SWBS shareholders are entitled to receive. The following table summarizes the calculation of the purchase price and the preliminary allocation of the purchase price to the estimated fair value of assets and liabilities (in thousands):

Purchase Price:		
Cash paid and value of stock issued		$ 60,000
Fair Value of assets acquired:		
Cash and due from banks	$ 10,050	
Securities, FHLB Stock and FNBB Stock	80,115	
Loans, net	280,677	
Buildings, Furniture & Fixtures and Equipment	7,235	
Deferred Tax Asset	716	
Core Deposit Intangible	3,322	
Other Assets	6,950	
Total assets acquired	$ 389,065	
Fair Value of deposits acquired:		
Deposits	345,632	
FHLB Advances	6,858	
Other liabilities	2,843	
Total liabilities assumed	$ 355,333	
Fair Value of net assets acquired		33,732
Preliminary pro forma goodwill		$ 26,268

Note 4 — First Bancshares' Proposed Acquisition of Sunshine Financial, Inc.

On December 6, 2017, First Bancshares entered into an Agreement and Plan of Merger (the "Sunshine Merger Agreement") with Sunshine Financial, Inc., a Florida corporation ("Sunshine"), whereby Sunshine will be merged with and into First Bancshares (the "Sunshine Merger"). Pursuant to the Sunshine Merger Agreement, each outstanding share of Sunshine common stock issued and outstanding immediately prior to the effective time of the Sunshine Merger will be converted into the right to receive, at the election of each Sunshine shareholder, either (i) $27.00 in cash, or (ii) 0.93 of a share of First Bancshares' common stock, provided that the total mix of merger consideration shall be fixed at 75% stock and 25% cash. Each option to purchase shares of Sunshine common stock shall be cancelled as of the effective time of the Sunshine Merger and converted into the right to receive a cash payment equal to the product of (i) the total number of shares of Sunshine common stock subject to such option times (ii) the excess, if any, of $27.00 over the exercise price per share of Sunshine common stock subject to such option.

Note 5 — Pro Forma Adjustments

The following pro forma adjustments have been reflected in the unaudited pro forma condensed combined financial information. All adjustments are based on current assumptions and valuations, which are subject to change:

(1)
Adjustment reflects the preliminary fair value premium on time deposits which was calculated by discounting future contractual payments at a current market interest rate.

(2)
Adjustment reflects the deferred tax impact of fair value adjustments and CDI.

(3)
Adjustment reflects elimination of historical allowance for loan losses.

(4)
Adjustment reflects payment of cash consideration of $24.0 million and transaction costs of $4.3 million plus receipt of $55.4 million from the issuance of 2,012,500 shares.

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(5)
Adjustment reflects estimated fair value discount due to credit worthiness.

(6)
Adjustment reflects estimated fair value of acquired core deposit intangible of $3.3 million for Southwest and $1.8 million for Sunshine. The anticipated core deposit intangible will be calculated as the present value of the difference between a market participant's cost of obtaining alternative funds and the cost to maintain the acquired deposit base. Deposit accounts that are evaluated as part of the core deposit intangible include demand deposit, money market and savings accounts.

(7)
Adjustment reflects an estimated fair value premium due to interest rates.

(8)
Adjustment reflects the issuance of 2,012,500 shares for a net of $55.4 million in October 207 plus the elimination of historical stockholder's equity.

(9)
Adjustment reflects the excess of the purchase price over the estimated fair value of net assets acquired.

(10)
Adjustment reflects an expected fair value adjustment on other real estate owned as well as anticipated adjustment for employee stock ownership plan termination.

(11)
Adjustment reflects payment of cash consideration of $6.9 to common shareholders and $1.3 million to option holders and transaction costs of $5.5 million.

(12)
Adjustment reflects preliminary fair value of securities.

(13)
Interest income on loans was adjusted to reflect the anticipated difference between the contractual interest rate earned on loans and estimated discount accretion over the remaining life of the acquired loans based on current market yields for similar loans.

(14)
Interest expense on deposits was adjusted to reflect the anticipated amortization of the time deposit fair value premium over the remaining life of the deposits.

(15)
Adjustment to depreciation expense relating to the fair value of buildings over their estimated useful lives.

(16)
Adjustment reflects nonrecurring merger costs.

(17)
Adjustment reflects the anticipated amortization of core deposit intangible over an estimated ten-year useful life and calculated on a straight-line basis.

(18)
Adjustment reflects the tax impact of the pro forma acquisition accounting adjustments, as well as the tax impact due to the S Corp.

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UNAUDITED COMPARATIVE PER SHARE INFORMATION

The following table sets forth for First Bancshares, Southwest and Sunshine common stock certain historical, pro forma and pro forma equivalent per share financial information. The pro forma information for First Bancshares and Iberville presented below gives effect to the acquisition of Iberville as if that acquisition by First Bancshares had been effective on January 1, 2016 in the case of net income per common share and dividends declared per common share. Because the Iberville acquisition closed on January 1, 2017, the impact of this acquisition is included in book value per common share amount at September 30, 2017. The information presented below should be read together with the historical consolidated financial statements of First Bancshares, including the related notes, filed by First Bancshares with the SEC and incorporated by reference into this proxy statement/prospectus, and the historical consolidated financial statements of Southwest and Sunshine, including the related notes, respectively, included elsewhere in this proxy statement/prospectus.

The pro forma and pro forma equivalent per share information gives effect to the Southwest and Sunshine mergers as if the transactions had been effective on the date presented, in the case of book value data, and as if the transactions had been effective on January 1, 2016, in the case of the income and dividend data. The pro forma information in the table assumes that the mergers are accounted for under the acquisition method of accounting. This information is presented for illustrative purposes only. You should not rely on the pro forma combined or pro forma equivalent amounts as they are not necessarily indicative of the operating results or financial position that would have occurred if the mergers had been completed as of the dates indicated, nor are they necessarily indicative of the future operating results or financial position of the combined company. The pro forma information, although helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings, opportunities to earn additional revenue, the impact of restructuring and merger-related costs or other factors that may result as a consequence of the mergers and, accordingly, does not attempt to predict or suggest future results.

	First Bancshares Historical	First Bancshares Iberville Pro Forma Combined(1)	Southwest Historical	First Bancshares Iberville Southwest Pro Forma Combined(2)	Sunshine Historical	First Bancshares Iberville Southwest Sunshine Pro Forma Combined(3)	Southwest Equivalent Pro Forma(4)
As of and for the year ended December 31, 2016							
Income (loss) from continuing operations attributable to common shareholders per common share, basic	$ 1.78	$ 1.41	$ 51.13	$ 1.27	$ 0.12	$ 0.60	$ 9.41
Income (loss) from continuing operations attributable to common shareholders per common share,	1.57	1.28	51.11	1.17	0.11	0.57	8.85

diluted							
Cash dividends paid per common share	0.15	0.15	17.00	0.15	—	0.15	2.33
Book value per common share	17.19	19.15	471.49	20.40	21.02	20.66	32.51
As of and for the nine months ended September 30, 2017							
Income (loss) from continuing operations attributable to common shareholders per common share, basic	0.90	0.90	41.98	0.64	0.45	0.21	3.31
Income (loss) from continuing operations attributable to common shareholders per common share, diluted	0.89	0.89	41.95	0.65	0.43	0.22	3.45
Cash dividends paid per common share	0.11	0.11	15.50	0.11	—	0.11	1.75
Book value per common share	18.24	18.24	516.27	21.09	21.58	21.55	335.32

(1)
The unaudited pro forma information for First Bancshares and Iberville gives effect to the acquisition of Iberville as if that acquisition had been effective on January 1, 2016 in the case of earnings per share

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and cash dividend data. Because the Iberville acquisition closed on January 1, 2017, the impact of this acquisition is included in book value per common share amounts at September 30, 2017. The unaudited pro forma information also gives effect to the issuance by First Bancshares of 2,012,500 shares common stock for net proceeds of $55.4 million.

(2)
Pro forma combined amounts are calculated by adding together First Bancshares and Iberville pro forma combined amounts, together with the historical amounts as reported by Southwest, adjusted for the estimated purchase accounting adjustments to be recorded in connection with the Southwest merger and an estimated 1,111,111 shares of First Bancshares common stock to be issued in connection with the merger with Southwest based on the terms of the merger agreement, assuming that the average closing price of First Bancshares common stock in calculating the stock consideration as of the effective time of the merger will be $32.40, the closing sale price of First Bancshares common stock on December 7, 2017.

(3)
Pro forma combined amounts are calculated by adding together First Bancshares and Southwest pro forma combined amounts, which include Iberville as defined in (2) above, together with the historical amounts as reported by Sunshine, adjusted for the estimated purchase accounting adjustments to be recorded in connection with the Sunshine merger and an estimated 772,550 shares of First Bancshares common stock to be issued in connection with the merger with Sunshine based on the terms of the merger agreement.

(4)
The equivalent pro forma per share data for Southwest is computed by multiplying First Bancshares, Southwest and Sunshine pro forma combined amounts, as defined in (3) above, by 15.56, assuming that the average closing price of First Bancshares common stock in calculating the stock consideration as of the effective time of the merger will be $32.40, the closing sale price of First Bancshares common stock on December 7, 2017.

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COMPARATIVE MARKET PRICES AND DIVIDENDS

First Bancshares

First Bancshares' common stock is listed on the NASDAQ Global Market under the symbol "FBMS." As of [•], 201_, the latest practicable date prior to this proxy statement/prospectus, there were approximately [•] holders of record of First Bancshares common stock. The following table sets forth the high and low reported intra-day sales prices per share of First Bancshares common stock, and the cash dividends declared per share for the periods indicated.

	First Bancshares Common Stock		
	High	Low	Dividend
2015			
First Quarter	$ 17.17	$ 13.80	$ 0.037
Second Quarter	16.99	15.50	