FIRST BANCSHARES, INC. ANNOUNCES SECOND QUARTER 2016 RESULTS

Mountain Grove, Missouri (July 22, 2016) – First Bancshares, Inc. (“Company”), (OTCQB - FstBksh: FBSI), the holding company for First Home Bank (“Bank”), today announced its financial results for the quarter ended June 30, 2016.

For the quarter ended June 30, 2016, the Company had net income of $160,000, or $0.11 per share – diluted, compared to net income of $2.54 million, or $1.64 per share – diluted for the quarter ended June 30, 2015. The $2.38 million decrease in net income for the quarter ended June 30, 2016 compared to the quarter ended June 30, 2015 is attributable to an increase of $56,000 in non-interest expenses and a $92,000 income tax expense for the quarter ended June 30, 2016 versus an income tax benefit of $2.39 million recorded during the quarter ended June 30, 2015. This was partially offset by a $137,000 increase in net interest income, a $6,000 increase in gain on sale of investments and a $13,000 increase in non-interest income.

“We continue the improvement in our operating income while maintaining a high standard of quality in our loan/asset portfolio” said R. Bradley Weaver, Chairman, President and Chief Executive Officer of the Company. “Our improved financial results reflect a return to better operating fundamentals that provides us greater opportunities as we focus on the future” he concluded.

During the quarter ended June 30, 2016, net interest income increased by $137,000, or 9.86%, to $1.53 million from $1.39 million during the same quarter in 2015. This increase in net interest income was the result of an increase in interest income of $166,000, or 9.95% and was partially offset by an increase of $29,000, or 10.39%, in interest expense. The increase in interest income is due to the growth in the Company’s loan portfolio. The increase in interest expense was primarily the result of an increase in the Company’s deposit portfolio.

There was no provision for loan losses for the quarters ended June 30, 2016 and June 30, 2015. Classified loans at June 30, 2016 were $813,000 compared to $1.42 million at June 30, 2015. The allowance for loan losses at June 30, 2016 were $1.71 million, or 1.25% of total loans, compared to $1.70 million, or 1.40% of total loans at June 30, 2015.

For the quarter ended June 30, 2016, the Company had a gain on sale of investments of $9,000, compared to $3,000 during the quarter ended June 30, 2015. During the quarter ended June 30, 2016, market conditions continued to present management with opportunities to sell certain securities to improve the Company’s interest rate risk profile. The Company used the proceeds from these sales to fund loans and the results are an increase in the Company’s interest income. Excess funds after new loans funded are invested in securities with improved interest rate risk characteristics.

Non-interest income increased by $13,000, or 5.70% to $241,000 for the quarter ended June 30, 2016 from $228,000 for the same quarter in 2015. The increase was the result of an increase of $17,000 in service charges on deposit accounts. This was partially offset by a decrease of $4,000 in debit card and ATM fees.

Non-interest expense increased by $56,000, or 3.81%, to $1.53 million for the quarter ended June 30, 2015 from $1.47 million for the quarter ended June 30, 2015. The increase in non-interest expense reflects an increase of $44,000 in salaries and employee benefits, an increase of $17,000 in data processing fees, an increase of $33,000 in losses and expenses on debit cards and an increase of $18,000 in other non-interest expenses. These increases were partially offset by a decrease of $12,000 in premises and fixed asset expenses and a $44,000 decrease in professional fees consisting of legal, accounting and consulting service related expenses.

For the six months ended June 30, 2016, the Company had net income of $319,000, or $0.21 per share – diluted, compared to net income of $2.64 million, or $1.70 per share – diluted for the six months ended June 30, 2015. The $2.32 million decrease in net income for the six months ended June 30, 2016 compared to the six months ended June 30, 2015 is attributable to an increase of $110,000 in non-interest expenses and a $165,000 tax expense for the six months ended June 30, 2016 versus an income tax benefit of $2.39 million for the six months ended June 30, 2015. This was partially offset by an increase of $215,000 in net interest income, a decrease of $60,000 in provision for loan losses, an increase of $18,000 in gain on sale of investments and a $53,000 increase in non-interest income.

There was no provision for loan losses for the six months ended June 30, 2016 compared to a $60,000 provision expense during the same period in 2015. The decrease in the provision for loan losses during the six months ended June 30, 2016 is attributable to our commitment to high quality assets in our loan portfolio.

During the six months ended June 30, 2016, the Company had a gain on sale of investments of $7,000 compared to a loss on sale of investments of $11,000 during the same period in 2015.

Non-interest income increased by $53,000, or 12.02%, to $494,000 for the six months ended June 30, 2016, compared to $441,000 for the same period in 2015. The increase in non-interest income reflects an increase of $31,000 in service charges on deposit accounts, a $4,000 increase in debit card and ATM fees, a $9,000 increase in the sale of repossessed assets and OREO and a $9,000 increase in other non-interest income items.

Non-interest expense increased by $110,000, or 3.79%, to $3.01 million for the six months ended June 30, 2016, compared to $2.90 million for the six months ended June 30, 2015. The increase is attributable to an increase in salaries and employee benefits of $71,000, a $73,000 increase in losses and expenses on debit cards, and an increase of $36,000 in data processing fees. This was partially offset by a decrease of $17,000 in premises and fixed assets, a decrease of $43,000 in professional fees consisting of legal, accounting and consulting service related expenses and a $10,000 decrease in other non-interest expenses.

Total consolidated assets at June 30, 2016 were $218.15 million, compared to $213.03 million at December 31, 2015, representing an increase of $5.12 million, or 2.40%. Stockholders' equity at June 30, 2016 was $20.09 million, or 9.21% of assets, compared with $18.55 million, or 8.71% of assets at December 31, 2015. Book value per common share increased to $12.97 at June 30, 2016 from $11.98 at December 31, 2015. The $1.54 million, or 8.32% increase in stockholders' equity was attributable to an increase in the unrealized gains on available-for-sale securities, net of income taxes of $1.22 million and by net income of $319,000 million for the six months ended June 30, 2016.

Net loans receivable increased $10.78 million, or 8.66%, to $135.31 million at June 30, 2016 from $124.53 million at December 31, 2015. While loan growth has been the key focus for the Company, we have continued to concentrate on maintaining high asset quality within the loan portfolio. Nonperforming loans at June 30, 2016 were $258,000, or 0.19% of net loans, compared to $697,000 in nonperforming loans, or 0.56% of net loans at December 31, 2015. Deposits increased $5.17 million, or 2.92% to $181.15 million at June 30, 2016 from $176.71 million at December 31, 2015. FHLB advances decreased $3.0 million or 23.08%, to $10.00 million at June 30, 2016 from $13.0 million at December 31, 2015.

First Bancshares, Inc. is the holding company for First Home Bank, a FDIC-insured commercial bank chartered by the State of Missouri that conducts business from its home office in Mountain Grove, Missouri, and seven full service offices in Marshfield, Ava, Gainesville, Sparta, Springfield, Crane, and Kissee Mills, Missouri.

The Company and its wholly-owned subsidiary, First Home Bank, may from time to time make written or oral "forward-looking statements" in its reports to shareholders, and in other communications by the Company, which are made in good faith by the Company pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements include statements with respect to the Company's beliefs, expectations, estimates and intentions that are subject to significant risks and uncertainties, and are subject to change based on various factors, some of which are beyond the Company's control. Such statements address the following subjects: future operating results; customer growth and retention; loan and other product demand; earnings growth and expectations; new products and services; credit quality and adequacy of reserves; results of examinations by our bank regulators, technology, and our employees. The following factors, among others, could cause the Company's financial performance to differ materially from the expectations, estimates and intentions expressed in such forward-looking statements: the strength of the United States economy in general and the strength of the local economies in which the Company conducts operations; the effects of, and changes in, trade, monetary, and fiscal policies and laws, including interest rate policies of the Federal Reserve Board; inflation, interest rate, market, and monetary fluctuations; the timely development and acceptance of new products and services of the Company and the perceived overall value of these products and services by users; the impact of changes in financial services' laws and regulations; technological changes; acquisitions; changes in consumer spending and savings habits; and the success of the Company at managing and collecting assets of borrowers in default and managing the risks of the foregoing.

The foregoing list of factors is not exclusive. The Company does not undertake, and expressly disclaims any intent or obligation, to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Company.

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First Bancshares, Inc. and Subsidiaries
Financial Highlights
(In thousands, except per share amounts)

	Quarter Ended June 30, 2016	Quarter Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Operating Data:				
Total interest income	$ 1,835	$ 1,669	$ 3,593	$ 3,322
Total interest expense	308	279	598	542
Net interest income	1,527	1,390	2,995	2,780
Provision for loan losses	-	-	-	60
Net interest income after provision for loan losses	1,527	1,390	2,995	2,720
Gain (loss) on sale of investments	9	3	7	(11)
Non-interest income	241	228	494	441
Non-interest expense	1,525	1,469	3,012	2,902
Income before taxes	252	152	484	248
Income tax expense (benefit)	92	(2,390)	165	(2,390)
Net income	$ 160	$ 2,542	$ 319	$ 2,638
Earnings per share	$ 0.11	$ 1.64	$ 0.21	$ 1.70

Financial Condition Data:	At June 30, 2016	At December 31, 2015
Cash and cash equivalents (excludes CDs)	$ 8,730	$ 9,573
Investment securities (includes CDs)	60,376	64,835
Loans receivable, net	135,310	124,527
Total assets	218,149	213,030
Deposits	181,878	176,713
Repurchase agreements	5,446	4,127
FHLB advances	10,000	13,000
Stockholders' equity	20,094	18,550
Book value per share	$ 12.97	$ 11.98