FIRST BANCSHARES, INC. ANNOUNCES SECOND QUARTER 2016 RESULTS

Mountain Grove, Missouri (July 21, 2017) – 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, 2017.

For the quarter ended June 30, 2017, the Company had net income of $122,000, or $0.08 per share – diluted, compared to net income of $160,000, or $0.11 per share – diluted for the quarter ended June 30, 2016. The $38,000 decrease in net income for the quarter ended June 30, 2017 compared to the quarter ended June 30, 2016 is attributable to an increase of $30,000 in provision for loan losses, a $23,000 increase in loss on sale of investments, a $20,000 decrease in non-interest income and a $31,000 increase in non-interest expense. This was partially offset by an increase of $56,000 in net interest income and a $10,000 decrease in income tax expense.

During the quarter ended June 30, 2017, net interest income increased by $56,000, or 3.67%, to $1.58 million from $1.53 million during the same quarter in 2016. This increase in net interest income was the result of an increase in interest income of $72,000, or 3.92% and was partially offset by an increase of $16,000, or 5.19%, 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.

Provision for loan losses for the quarter ended June 30, 2017 were $30,000 compared to no provision for loan losses for the quarter ended June 30, 2016. Provision for loan losses during the June 30, 2017 quarter is attributable to growth in the Company’s loan portfolio. The allowance for loan losses at June 30, 2017 was $1.80 million, or 1.22% of total loans at June 30, 2017 compared to $1.71 million, or 1.25% of total loans at June 30, 2016. Classified loans at June 30, 2017 were $1.42 million compared to $813,000 at June 30, 2016.

For the quarter ended June 30, 2017, the Company had a loss on sale of investments of $14,000 compared to a $9,000 gain on sale of investments during the quarter ended June 30, 2016. Market conditions during both quarters presented management with opportunities to continue 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.

Non-interest income decreased by $20,000, or 8.30% to $221,000 for the quarter ended June 30, 2017 from $241,000 for the same quarter in 2016. The decrease was the result of a decrease of $13,000 in service charges on deposit accounts and a decrease of $7,000 in debit card and ATM fees.

Non-interest expense increased by $31,000, or 2.03%, to $1.56 million for the quarter ended June 30, 2017 from $1.53 million for the quarter ended June 30, 2016. The increase in non-interest expense reflects an increase of $63,000 in professional fees consisting of legal, accounting and consulting service related expenses directly related to the upcoming merger with Stockmens Bank, Colorado Springs, CO. This is partially offset by a decrease of $9,000 in salaries and employee benefits, a decrease of $4,000 in premises and fixed asset expenses, a decrease of $7,000 in FDIC deposit insurance premiums and a decrease of $12,000 in other non-interest expense items.

For the six months ended June 30, 2017, the Company had net income of $174,000, or $0.11 per share – diluted, compared to net income of $319,000, or $0.21 per share – diluted for the six months ended June 30, 2016. The $145,000 decrease in net income for the six months ended June 30, 2017 compared to the six months ended June 30, 2016 is attributable to an increase of $90,000 in provision for loan losses, an increase of $30,000 in loss on sale of investments, a decrease of $53,000 in non-interest income and an increase of $154,000 in non-interest expense. This is partially offset by an increase of $106,000 in net interest income and a decrease of $76,000 in income tax expense.

For the six months ended June 30, 2017, the Company had provision for loan losses of $90,000 compared to no provision for loan losses during the six months ended June 30, 2016. The Company's provision for loan loss expense for 2017 is attributable to growth in the loan portfolio.

During the six months ended June 30, 2017, the Company had a loss on sale of investments of $23,000 compared to a gain on sale of investments of $7,000 during the same period in 2016.

Non-interest income decreased by $53,000, or 10.73%, to $441,000 for the six months ended June 30, 2017, compared to $494,000 for the same period in 2016. The decrease in non-interest income reflects a decrease of $28,000 in service charges on deposit accounts, a $16,000 decrease in debit card and ATM fees and a $14,000 decrease in the sale of repossessed assets and OREO. This was partially offset by a $5,000 increase in other non-interest income items.

Non-interest expense increased by $154,000, or 5.11%, to $3.17 million for the six months ended June 30, 2017, compared to $3.01 million for the six months ended June 30, 2016. The increase is attributable to professional fees consisting of legal, accounting and consulting service related expenses directly related to the upcoming merger with Stockmens Bank, Colorado Springs, CO of $159,000. This was partially offset by a decrease of $5,000 in other non-interest expense items.

Total consolidated assets at June 30, 2017 were $227.93 million, compared to $219.48 million at December 31, 2016, representing an increase of $8.45 million, or 3.85%. Stockholders' equity at June 30, 2017 was $20.26 million, or 8.89% of assets, compared with $19.77 million, or 9.01% of assets at December 31, 2016. Book value per common share increased to $13.08 at June 30, 2017 from $12.76 at December 31, 2016. The $492,000, or 2.49% increase in stockholders' equity was attributable to an increase in the unrealized gains on available-for-sale securities, net of income taxes of $318,000 and by net income of $174,000 million for the six months ended June 30, 2017.

Net loans receivable increased $8.34 million, or 6.10%, to $145.14 million at June 30, 2017 from $136.80 million at December 31, 2016. 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, 2017 were $489,000, or 0.34% of net loans, compared to $246,000 in nonperforming loans, or 0.18% of net loans at December 31, 2016. Deposits increased $10.17 million, or 5.60% to $191.90 million at June 30, 2017 from $181.73 million at December 31, 2016. FHLB advances decreased $2.0 million or 16.67%, to $10.00 million at June 30, 2017 from $12.0 million at December 31, 2016.

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, 2017	Quarter Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Operating Data:				
Total interest income	$ 1,907	$ 1,835	$ 3,736	$ 3,593
Total interest expense	324	308	635	598
Net interest income	1,583	1,527	3,101	2,995
Provision for loan losses	30	-	90	-
Net interest income after provision for loan losses	1,553	1,527	3,011	2,995
Gain (loss) on sale of investments	(14)	9	(23)	7
Non-interest income	221	241	441	494
Non-interest expense	1,556	1,525	3,166	3,012
Income before taxes	204	252	263	484
Income tax expense	82	92	89	165
Net income	$ 122	$ 160	$ 174	$ 319
Earnings per share	$ 0.08	$ 0.11	$ 0.11	$ 0.21

Financial Condition Data:	At June 30, 2017	At December 31, 2016
Cash and cash equivalents (excludes CDs)	$ 12,407	$ 4,708
Investment securities (includes CDs)	55,176	62,531
Loans receivable, net	145,142	136,802
Total assets	227,934	219,482
Deposits	191,898	181,727
Repurchase agreements	5,188	5,185
FHLB advances	10,000	12,000
Stockholders' equity	20,259	19,767
Book value per share	$ 13.08	$ 12.76