FIRST BANCSHARES, INC. ANNOUNCES FIRST QUARTER FISCAL 2014 RESULTS

Mountain Grove, Missouri (January 24, 2014) – First Bancshares, Inc. (OTCQB - FstBksh: FBSI), the holding company for First Home Savings Bank ("Bank"), today announced its financial results for the second quarter of its fiscal year ended June 30, 2014.

For the quarter ended December 31, 2013, the Company had net income of $100,000, or $0.07 per share – diluted, compared to a net loss of $398,000, or $0.26 per share – diluted for the quarter ended December 31, 2012. The $498,000 increase in net income for the quarter ended December 31, 2013 compared to the quarter ended December 31, 2012 is attributable to an increase of $80,000 in net interest income, an increase of $50,000 in gain on sale of investments and a decrease of $390,000 in non-interest expense. This was partially offset by a decrease of $22,000 in non-interest income.

For the quarter ended December 31, 2013, net interest income increased by $80,000, or 6.7%, to $1.3 million from $1.2 million for the quarter ended December 31, 2012. This increase was the result of an increase in interest income of $29,000, or 1.9%, and a decrease of $51,000, or 16.3% in interest expense. The increase in interest income is attributable to growth in the Company's loan portfolio. The decrease in interest expense was primarily the result of a decrease in interest paid on FHLB advances and a decrease in repurchase agreements.

There was no provision for loan losses for the quarter ended December 31, 2013 and December 31, 2012. Classified loans at December 31, 2013 were $2.2 million compared to $4.4 million at December 31, 2012. The decrease in classified loans was the result of increased monitoring by management to identify and resolve issues with potential problem loans. The allowance for loan losses at December 31, 2013 was $1.6 million, or 1.5% of total loans, compared to $1.7 million, or 1.8% of total loans at December 31, 2012.

For the quarter ended December 31, 2013, the Company had a gain on sale of investments of $50,000. For the quarter ended December 31, 2012, the Company did not sell any investments.

Non-interest income decreased by $22,000, or 9.0%, to $222,000 for the quarter ended December 31, 2013 from $244,000 for the quarter ended December 31, 2012. The decrease was the result of a $24,000 write-down on other real estate owned ("OREO") for the quarter ended December 31, 2013. Other non-interest income items decreased by $2,000 for the quarter ended December 31, 2013 compared to the quarter ended December 31, 2012.

Non-interest expense decreased by $390,000, or 21.2%, to $1.45 million for the quarter ended December 31, 2013, compared to $1.84 million for the quarter ended December 31, 2012. The decrease reflects a decrease of $165,000 in salaries and employee benefits, a decrease of $34,000 in professional fees consisting of legal, accounting and consulting service-related expenses, a decrease of $33,000 in FDIC insurance premiums, a decrease of $21,000 in OREO expenses and a decrease of $137,000 in other non-interest expense items.

For the six months ended December 31, 2013, the Company had net income of $272,000, or $0.18 per share – diluted, compared to a net loss of $349,000, or $0.23 per share – diluted for the six months ended December 31, 2012. The $621,000 increase in net income for the six months ended December 31, 2013 compared to the six months ended December 31, 2012 is attributable to an increase in net interest income of $70,000, an increase in non-interest income of $225,000 and a decrease in non-interest expense of $540,000. This was partially offset by a decrease of $214,000 in gain on sale of investments.

Net interest income increased by $70,000 for the six months ended December 31, 2013 compared to the prior year. This was the result of a decrease in interest expense of $89,000, or 13.9%. This was partially offset by a decrease in interest income of $19,000, or 0.6%. The decrease in both interest expense and interest income is attributable to a decrease in market interest rates between the two periods.

There was no provision for loan losses for the six months ended December 31, 2013 and December 31, 2012. This is attributable to the improved quality of the Company's loan portfolio.

Gains on the sale of investments decreased by $214,000 to $50,000 for the six months ended December 31, 2013 from $264,000 for the six months ended December 31, 2012. The decrease is attributable to the decrease in number of AFS securities sold by the Company during the six months ended December 31, 2013.

Non-interest income improved by $225,000, or 79.8%, to $507,000 for the six months ended December 31, 2013 compared to $282,000 for the six months ended December 31, 2012. This increase was the result of an increase of gains on sale of OREO of $257,000. For the six months ended December 31, 2013, the Company reported a gain on sale of OREO of $33,000 compared to a loss of $224,000 for the six months ended December 31, 2012. Other non-interest income items decreased $32,000 compared to the prior year.

Non-interest expense decreased by $540,000, or 16.1%, to $2.8 million for the six months ended December 31, 2013 compared to $3.3 million for the six months ended December 31, 2012. This was the result of a decrease of $185,000 in salaries and employee benefits, a decrease of $21,000 in premises and fixed assets, a decrease of $30,000 in professional fees consisting of legal, accounting and consulting service-related services, a decrease of $67,000 in FDIC insurance premiums, a decrease of $65,000 in OREO expenses and a decrease of $172,000 in other non-interest expense items.

Total consolidated assets at December 31, 2013 were $188.3 million, compared to $191.7 million at June 30, 2013, representing a decrease of $3.4 million, or 1.8%. Stockholders' equity at December 31, 2013 was $13.13 million, or 7.0% of assets, compared with $14.25 million, or 7.4% of assets at June 30, 2013. The $1.1 million, or 7.8% decrease in stockholders' equity was attributable to an increase in the unrealized loss on available-for-sale securities, net of income taxes of $1.4 million. This was partially offset by net income for the six months ended December 31, 2013 of $272,000.

Net loans receivable increased $7.2 million, or 7.2%, to $102.7 million at December 31, 2013 from $95.6 million at June 30, 2013. Deposits decreased $447,000, or 0.3%, to $163.4 million at December 31, 2013 from $163.8 at June 30, 2013. Retail repurchase agreements decreased $6.1 million or 95.9%, to $263,000 at December 31, 2013 from $6.4 million at June 30, 2013. The decrease in retail repurchase agreements is attributable to a large competitively bid account that was transferred during the quarter ended September 30, 2013. This transfer will save the Company approximately $40,000 a year in interest expense. FHLB advances increased $4.5 million, or 70.3%, to $10.9 million at December 31, 2013 from $6.4 million at June 30, 2013.

First Bancshares, Inc. is the holding company for First Home Savings Bank, a FDIC-insured savings 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 Savings Bank, may from time to time make written or oral “forward-looking statements” in its reports to stockholders, 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 December 31, 2013		Six Months Ended December 31, 2013	
	2013	2012	2013	2012
Operating Data:				
Total interest income	$ 1,541	$ 1,512	$ 3,073	$ 3,092
Total interest expense	262	313	553	642
Net interest income	1,279	1,199	2,520	2,450
Provision for loan losses	-	-	-	-
Net interest income after provision for loan losses	1,279	1,199	2,520	2,450
Gain on sale of investments	50	-	50	264
Non-interest income	222	244	507	282
Non-interest expense	1,451	1,841	2,805	3,345
Income (loss) before taxes	100	(398)	272	(349)
Income tax expense	-	-	-	-
Net income (loss)	$ 100	$ (398)	$ 272	$ (349)
Earnings per share - diluted	$ 0.07	$ (0.26)	$ 0.18	$ (0.23)

Financial Condition Data:	At December 31, 2013	At June 30, 2013
Cash and cash equivalents (excludes CDs)	$ 7,411	$ 11,705
Investment securities (includes CDs)	68,992	73,395
Loans receivable, net	102,710	95,554
Total assets	188,270	191,680
Deposits	163,387	163,834
Repurchase agreements	263	6,391
FHLB advances	10,900	6,400
Stockholders' equity	13,134	14,250
Book value per share	$ 8.47	$ 9.19