FIRST BANCSHARES, INC. REPORTS NET INCOME OF $1.17 MILLION OR $0.75 PER DILUTED SHARE FOR THE YEAR ENDED DECEMBER 31, 2016

Mountain Grove, Missouri (February 24, 2017) – First Bancshares, Inc. (“Company”), (OTCQB - FstBksh: FBSI), the holding company for First Home Bank (“Bank”), today announced its financial results for the quarter and year ended December 31, 2016.

For the quarter ended December 31, 2016, the Company had net income of $677,000, or $0.43 per share – diluted, compared to net income of $378,000, or $0.24 per share – diluted for the quarter ended December 31, 2015. The $299,000 increase in net income for the quarter ended December 31, 2016 compared to the quarter ended December 31, 2015 is attributable to an increase of $83,000 in net interest income, an increase of $140,000 in non-interest income and a $609,000 increase income tax benefit. This was partially offset by a $35,000 increase in provision for loan losses, a $120,000 decrease in gain on sale of investments and a $378,000 increase in non-interest expenses.

“We are pleased with our continued progress. The results we achieved for the fourth quarter reflect the successful execution of our strategy to increase loan volumes while maintaining a very high standard for asset quality through consistent prudent underwriting standards” said R. Bradley Weaver, Chairman, President and Chief Executive Officer of the Company. “We are very proud of the improvements we have made and are continuing to make. The improvements are a result of the commitment of our employees to our principles of sound banking practices and they position us to deliver profitable growth and long-term value to our shareholders.” Weaver concluded.

During the quarter ended December 31, 2016, net interest income increased by $83,000, or 5.90%, to $1.49 million from $1.41 million during the same quarter in 2015. This increase in net interest income was the result of an increase in interest income of $103,000, or 6.08% and was partially offset by an increase of $20,000, or 6.97%, in interest expense. The increase in interest income is due to the growth in the Company’s loan portfolio. At December 31, 2016, the Company’s loan origination commitments were approximately $20.7 million compared to $14.3 million at December 31, 2015. Loan applications that are accepted for processing through origination and funding are included in the Company’s loan origination pipeline. 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 quarter ended December 31, 2016. The Company recaptured $35,000 in provision for loan losses for the quarter ended December 31, 2015. The $35,000 recapture represented specific recoveries from three loans that were previously charged off. Classified loans at December 31, 2016 were $895,000 compared to $1.31 million at December 31, 2015. The allowance for loan losses at December 31, 2016 was $1.71 million, or 1.23% of total loans, compared to $1.70 million, or 1.32% of total loans at December 31, 2015.

For the quarter ended December 31, 2016, the Company did not sell any investments. For the quarter ended December 31, 2015, the Company had a gain on sale of investments of $120,000. The gain recognized in 2015 is attributable to a gain recognized on the sale of a single investment security.

Non-interest income increased by $140,000, or 107.69% to $270,000 for the quarter ended December 31, 2016 from $130,000 for the same quarter in 2015. The increase was the result of a decrease in loss on sale of fixed assets of $131,000. The loss incurred in 2015 represented a loss on the sale of a building lot that was no longer needed as a future building site for a bank location. This was partially offset by an increase of $1,000 in other non-interest income items.

Non-interest expense increased by $378,000, or 26.81%, to $1.79 million for the quarter ended December 31, 2016 from $1.41 million for the quarter ended December 31, 2015. The increase in non-interest expense reflects an increase of $360,000 in salaries and employee benefits, which were paid to employees in recognition of their contribution and commitment to improving the performance and profitability of the Company and the Bank. The increase in non-interest expense also was attributable to an increase of $49,000 in professional fees consisting of legal, accounting and consulting service related expenses. These increases were partially offset by a decrease of $18,000 in premises and fixed assets and a $13,000 decrease in other non-interest expense items.

For the quarter ended December 31, 2016, the Company recognized an income tax benefit of $705,000 compared to an income tax benefit of $96,000 for the quarter ended December 31, 2015. The income tax benefit recorded for the quarter ended December 31, 2016 is the result of the Company recapturing remaining federal net operating loss carryforwards that had previously been fully reserved. The income tax benefit recorded for the quarter ended December 31, 2015 is the result of the Company recapturing Missouri Income Tax Credits that had previously been fully reserved.

For the year ended December 31, 2016, the Company had net income of $1.17 million, or $0.75 per share – diluted, compared to net income of $3.10 million, or $2.00 per share – diluted for the year ended December 31, 2015. The $1.93 million decrease in net income for the year ended December 31, 2016 compared to the year ended December 31, 2015 is attributable to a decrease of $95,000 in gain on sale of investments, an increase of $507,000 in non-interest expense and a decrease of $1.94 million in income tax benefit. This was partially offset by an increase of $405,000 in net interest income, a $25,000 decrease in provision for loan losses and a $183,000 increase in non-interest income.

During the year ended December 31, 2016, net interest income increased by $405,000, or 7.25%, to $6.00 million from $5.59 million for the year ended December 31, 2015. The increase in net interest income was the result of an increase in interest income of $511,000, or 7.63% and was partially offset by an increase of $106,000, or 9.55% in interest expense.

There was no provision for loan losses for the year ended December 31, 2016 compared to a $25,000 provision expense during the same period in 2015. The decrease in the provision for loan losses during the year ended December 31, 2016 is attributable to our commitment to high quality assets in our loan portfolio.

During the year ended December 31, 2016, the Company had a gain on sale of investments of $14,000 compared to a gain on sale of investments of $109,000 during the same period in 2015.

Non-interest income increased by $183,000, or 22.32%, to $1.00 million for the year ended December 31, 2016, compared to $820,000 for the same period in 2015. The increase in non-interest income reflects a decrease of $131,000 in loss on sale of fixed assets, a $29,000 increase in service charges on deposit accounts and a $23,000 increase in other non-interest income.

Non-interest expense increased by $507,000, or 8.76%, to $6.30 million for the year ended December 31, 2016, compared to $5.79 million for the year ended December 31, 2015. The increase is attributable to an increase in salaries and employee benefits of $488,000, which were paid to employees in recognition of their contribution and commitment to improving the performance and profitability of the Company and the Bank. The increase in non-interest expense also was attributable to an increase of $35,000 in professional fees consisting of legal, accounting and consulting service related expenses. This was partially offset by a decrease of $16,000 in other non-interest expense.

During the year ended December 31, 2016, two of the Bank's branch offices located in Marshfield, Missouri, were consolidated into one branch office. The consolidation is expected to reduce occupancy and equipment expenses in future periods.

Total consolidated assets at December 31, 2016 were $219.48 million, compared to $213.03 million at December 31, 2015, representing an increase of $6.45 million, or 3.03%. Stockholders' equity at December 31, 2016 was $19.77 million, or 9.01% of assets, compared with $18.55 million, or 8.71% of assets at December 31, 2015. Book value per common share increased to $12.76 at December 31, 2016 from $11.98 at December 31, 2015. The $1.22 million, or 6.56% increase in stockholders' equity was attributable to an increase in the unrealized gains on available-for-sale securities, net of income taxes of $50,000 and by net income of $1.17 million for the year ended December 31, 2016.

Net loans receivable increased $12.28 million, or 9.86%, to $136.80 million at December 31, 2016 from $124.53 million at December 31, 2015. Loan growth continues to be the primary focus to improve earnings. This focus is tempered with the Company's continuous attention to high quality underwriting and strong asset quality management. Our strategy is to increase the size of the loan portfolio without any sacrifice to quality. Nonperforming loans at December 31, 2016 were $246,000, or 0.18% of net loans, compared to $697,000 in nonperforming loans, or 0.56% of net loans at December 31, 2015. Deposits increased $5.01 million, or 2.84% to $181.73 million at December 31, 2016 from $176.71 million at December 31, 2015. FHLB advances decreased $1.0 million or 7.69%, to $12.00 million at December 31, 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 December 31,		Year Ended December 31,	
	2016	2015	2016	2015
Operating Data:				
Total interest income	$ 1,797	$ 1,694	$ 7,209	$ 6,698
Total interest expense	307	287	1,216	1,110
Net interest income	1,490	1,407	5,993	5,588
Provision for loan losses	-	(35)	-	25
Net interest income after provision for loan losses	1,490	1,442	5,993	5,563
Gain (loss) on sale of investments	-	120	14	109
Non-interest income	270	130	1,003	820
Non-interest expense	1,788	1,410	6,296	5,789
Income before taxes	(28)	282	714	703
Income tax expense (benefit)	(705)	(96)	(454)	(2,399)
Net income	$ 677	$ 378	$ 1,168	$ 3,102
Earnings per share	$ 0.43	$ 0.24	$ 0.75	$ 2.00

Financial Condition Data:	At December 31, 2016	At December 31, 2015
Cash and cash equivalents (excludes CDs)	$ 4,708	$ 9,573
Investment securities (includes CDs)	62,531	64,835
Loans receivable, net	136,802	124,527
Total assets	219,482	213,030
Deposits	181,727	176,713
Repurchase agreements	5,185	4,127
FHLB advances	12,000	13,000
Stockholders' equity	19,767	18,550
Book value per share	$ 12.76	$ 11.98