# FIRST BANCSHARES, INC. ANNOUNCES FIRST QUARTER FISCAL 2015 RESULTS

Mountain Grove, Missouri (October 17, 2014) – First Bancshares, Inc. (OTCQB - FstBksh: FBSI), the holding company for First Home Bank ("Bank"), today announced its financial results for the first quarter of its fiscal year ended June 30, 2015.

For the quarter ended September 30, 2014, the Company had net income of $59,000, or $0.04 per share – diluted, compared to net income of $172,000, or $0.11 per share – diluted for the quarter ended September 30, 2013. The $113,000 decrease in net income for the quarter ended September 30, 2014 compared to the quarter ended September 30, 2013 is attributable to an increase in provision for loan losses of $28,000, a decrease in non-interest income of $45,000 and an increase of $121,000 in non-interest expense. This was partially offset by an increase of $81,000 in net interest income.

During the quarter ended September 30, 2014, net interest income increased by $81,000, or 6.5%, to $1.3 million from $1.2 million during the quarter ended September 30, 2013. This increase was the result of an increase in interest income of $54,000, or 3.5%, and a decrease in interest expense of $27,000, or 9.3%. The increase in interest income is due to the growth in the Bank's loan portfolio. The decrease in interest expense was primarily the result of a decrease in interest expense on FHLB advances.

Provision for loan losses for the quarter ended September 30, 2014 were $28,000 compared to no provision for loan losses for the quarter ended September 30, 2013. Provision for loan losses during the September 30, 2014 quarter is attributable to the growth in the Company's loan portfolio. The allowance for loan losses at both September 30, 2014 and September 30, 2013 was $1.6 million, and was 1.4% and 1.6%, respectively, of gross loans. Classified loans at September 30, 2014 were $2.4 million compared to $2.3 million at September 30, 2013.

The Company did not sell any investments during the quarter ended September 30, 2014 or September 30, 2013.

Non-interest income decreased by $45,000, or 15.8% to $240,000 for the quarter ended September 30, 2014 from $285,000 for the quarter ended September 30, 2013. The decrease was the result of a write down on other real estate owned ("OREO") of $10,000 during the quarter ended September 30, 2014 compared to a gain on the sale of OREO of $33,000 during the quarter ended September 30, 2013. Other non-interest items decreased by $2,000.

Non-interest expense increased by $121,000, or 8.9%, to $1.5 million for the quarter ended September 30, 2014 from $1.4 million for the quarter ended September 30, 2013. The increase reflects an increase of $56,000 in premises and fixed assets, an increase of $2,000 in FDIC insurance premiums, an increase of $6,000 in OREO expenses, an increase of $23,000 in advertising expense and an increase of $75,000 in other non-interest expenses. This is partially offset by a decrease of $17,000 in salaries and employee benefits, a decrease of $24,000 in professional fees consisting of legal, accounting and consulting service related expenses

Total consolidated assets at September 30, 2014 were $190.1 million, compared to $192.5 million at June 30, 2014, representing a decrease of $2.4 million, or 1.2%. Stockholders' equity at September 30, 2014 was $14.5 million, or 7.6% of assets, compared with $14.5

million, or 7.6% of assets at June 30, 2014. Book value per common share decreased to $9.35 at September 30, 2014 from $9.38 at June 30, 2014. The $52,000, or 0.36% decrease in stockholders' equity was attributable to a decrease in the unrealized gain on available-for-sale securities, net of income taxes of $111,000. This was partially offset by net income for the quarter ended September 30, 2014 of $59,000.

Net loans receivable increased $1.6 million, or 1.5%, to $111.5 million at September 30, 2014 from $109.9 million at June 30, 2014. Deposits increased $699,000, or 0.4% to $167.1 million at September 30, 2014 from $166.4 million at June 30, 2014. Retail repurchase agreements decreased $10,000, or 4.5% to $214,000 at September 30, 2014 from $224,000 at June 30, 2014. FHLB advances decreased $3.0 million, or 28.6%, to $7.5 million at September 30, 2014 from $10.5 million at June 30, 2014.

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 September 30, 2014 | Quarter Ended September 30, 2013 |
|---|---|---|
| **Operating Data:** | | |
| Total interest income | $ 1,586 | $ 1,532 |
| Total interest expense | 264 | 291 |
| Net interest income | 1,322 | 1,241 |
| Provision for loan losses | 28 | - |
| Net interest income after provision for loan losses | 1,294 | 1,241 |
| Gain on sale of investments | - | - |
| Non-interest income | 240 | 285 |
| Non-interest expense | 1,475 | 1,354 |
| Income before taxes | 59 | 172 |
| Income tax expense | - | - |
| Net income | $ 59 | $ 172 |
| Earnings per share | $ 0.04 | $ 0.11 |

| **Financial Condition Data:** | At September 30, 2014 | At June 30, 2014 |
|---|---|---|
| Cash and cash equivalents (excludes CDs) | $ 8,412 | $ 11,262 |
| Investment securities (includes CDs) | 61,408 | 62,462 |
| Loans receivable, net | 111,534 | 109,934 |
| Total assets | 190,077 | 192,476 |
| Deposits | 167,085 | 166,386 |
| Repurchase agreements | 214 | 224 |
| FHLB advances | 7,500 | 10,500 |
| Stockholders' equity | 14,489 | 14,541 |
| Book value per share | $ 9.35 | $ 9.38 |