

FIRST BANCSHARES INC /MS/

Form 424B3

February 12, 2018

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Registration No. 333-222764

Proxy Statement/Prospectus

MERGER PROPOSED — YOUR VOTE IS VERY IMPORTANT

To the Stockholders of Sunshine Financial, Inc.:

The boards of directors of The First Bancshares, Inc., or First Bancshares, and Sunshine Financial, Inc., or Sunshine, have each unanimously approved the acquisition of Sunshine by First Bancshares. The acquisition will be accomplished pursuant to the terms of an Agreement and Plan of Merger, dated as of December 6, 2017, which we refer to as the merger agreement, by and between First Bancshares and Sunshine, whereby Sunshine will be merged with and into First Bancshares, which we refer to as the merger. Immediately following the merger of Sunshine with and into First Bancshares, Sunshine Community Bank, or Sunshine Community, a wholly owned bank subsidiary of Sunshine, will merge with and into First Bancshares' wholly owned bank subsidiary, The First, A National Banking Association, or The First, with The First as the surviving bank, which we refer to as the bank merger.

If the merger is completed, each outstanding share of Sunshine common stock issued and outstanding immediately prior to the effective time of the merger will be converted into the right to receive, at the election of each Sunshine stockholder, either (i) \$27.00 in cash, or (ii) 0.93 of a share of First Bancshares common stock. The election of stock consideration or cash consideration will be subject to proration such that 75% of the issued and outstanding shares of Sunshine common stock will be exchanged for First Bancshares common stock and 25% will be exchanged for cash. As a result, if the aggregate number of shares with respect to which a valid stock or cash election has been made exceeds these limits, stockholders who have elected the form of merger consideration that has been over-subscribed will receive a mixture of both stock consideration and cash consideration in accordance with the proration procedures set forth in the merger agreement. Each outstanding share of Sunshine common stock subject to vesting restrictions shall become vested immediately prior to the effective time of the merger and will be converted into the right to receive the same merger consideration that other Sunshine stockholders are entitled to receive. Each option to purchase shares of Sunshine common stock shall be cancelled as of the effective time of the merger and converted into the right to receive a cash payment equal to the product of (i) the total number of shares of Sunshine common stock subject to such option times (ii) the excess, if any, of \$27.00 over the exercise price per share of Sunshine common stock subject to such option.

Although the number of shares of First Bancshares common stock that Sunshine stockholders may choose to receive is fixed, the market value of the merger consideration will fluctuate with the market price of First Bancshares common stock and will not be known at the time Sunshine stockholders vote on the merger. First Bancshares common stock is currently quoted on the NASDAQ Global Market under the symbol "FBMS." On December 6, 2017, the last full trading day before the public announcement of the merger agreement, based on the last reported sale price of First Bancshares common stock (\$33.35), the 0.93 exchange ratio represented approximately \$31.02 in value for each share of Sunshine common stock to be converted to First Bancshares common stock. The most recent reported closing sale price of First Bancshares common stock on February 8, 2018 was \$30.95. The most recent reported closing sale price of Sunshine common stock on February 8, 2018 was \$28.55. Based on the exchange ratio and the number of shares of Sunshine common stock outstanding and reserved for issuance under various stock incentive plans and agreements, the maximum number of shares of First Bancshares common stock offered by First Bancshares and issuable in the merger is 772,551. We urge you to obtain current market quotations for the price of First Bancshares common stock (trading symbol "FBMS") and Sunshine common stock (trading symbol "SSNF").

On October 24, 2017, First Bancshares entered into an agreement to acquire Southwest Banc Shares, Inc., or Southwest, the holding company of, First Community Bank, or First Community. Southwest is based in Chatom, Alabama. Certain information relating to this transaction is set forth in the accompanying proxy statement/prospectus. Sunshine will hold a special meeting of its stockholders, referred to as the Sunshine special meeting, where Sunshine stockholders will be asked to consider and vote upon (1) a proposal to approve the merger, (2) a proposal to approve, on a non-binding advisory basis, certain compensation that may become payable to Sunshine's named executive officers in connection with the merger, and (3) a proposal to adjourn the Sunshine special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger.

The Sunshine special meeting will be held at Sunshine's executive offices located at 1400 East Park Avenue, Tallahassee, Florida, on Tuesday, March 27, 2018, at 10:00 a.m., Eastern Time, subject to any adjournment or postponement thereof.

Each of First Bancshares and Sunshine expects that the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, with the result that the Sunshine common stock exchanged for First Bancshares common stock will generally be tax-free and the Sunshine common stock exchanged for cash will generally be taxable as capital gain.

Your vote is important. Completion of the merger is subject to the approval of the merger by the stockholders of Sunshine. Regardless of whether or not you plan to attend the Sunshine special meeting, please take the time to authorize a proxy to vote your shares in accordance with the instructions contained in this proxy statement/prospectus. Submitting a proxy now will not prevent you from being able to vote in person at the Sunshine special meeting. The board of directors of Sunshine has determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of the stockholders of Sunshine, has unanimously approved the merger agreement and the merger and unanimously recommends that the stockholders of Sunshine vote "FOR" the proposal to approve the merger, "FOR" the compensation proposal and "FOR" the proposal to adjourn the Sunshine special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger.

This proxy statement/prospectus describes the Sunshine special meeting, the merger, the documents related to the merger and other related matters. Please carefully read this entire proxy statement/prospectus, including "Risk Factors," beginning on page 37, for a discussion of the risks relating to the proposed merger. You also can obtain information about First Bancshares and Sunshine from documents that each has filed with the Securities and Exchange Commission.

If you have any questions concerning the merger, please contact Brian P. Baggett, Corporate Secretary, at (850) 219-7200. We look forward to seeing you at the meeting.

/s/ Louis O. Davis, Jr.

Louis O. Davis, Jr.
President and Chief Executive Officer
Sunshine Financial, Inc.

Neither the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, nor any state securities commission or any other bank regulatory agency has approved or disapproved the securities to be issued in the merger or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The securities to be issued in the merger are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either First Bancshares or Sunshine, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this proxy statement/prospectus is February 12, 2018, and it is first being mailed or otherwise delivered to the Sunshine stockholders on or about February 16, 2018.

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SUNSHINE FINANCIAL, INC.

1400 East Park Avenue Tallahassee, Florida 32301

(850) 219-7200

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held on March 27, 2018

To the Stockholders of Sunshine Financial, Inc.:

A special meeting of the stockholders of Sunshine Financial, Inc., or Sunshine, will be held at Sunshine's executive offices located at 1400 East Park Avenue, Tallahassee, Florida, on Tuesday, March 27, 2018, at 10:00 a.m., Eastern Time, subject to any adjournment or postponement thereof, for the following purposes:

1.

To consider and vote upon a proposal to approve the merger of Sunshine with and into The First Bancshares, Inc., or First Bancshares, with First Bancshares as the surviving company, referred to herein as the merger, all on and subject to the terms and conditions contained in the Agreement and Plan of Merger, which we refer to as the merger agreement, dated as of December 6, 2017, by and between First Bancshares and Sunshine, which we refer to as the merger proposal;

2.

To consider and vote upon a proposal to approve, in a non-binding advisory vote, certain compensation that may become payable to Sunshine's named executive officers in connection with the merger, which we refer to as the compensation proposal; and

3.

To consider and vote upon any proposal to adjourn the special meeting, referred to herein as the Sunshine special meeting, to a later date or dates if the board of directors of Sunshine determines such an adjournment is necessary to permit solicitation of additional proxies if there are not sufficient votes at the time of the Sunshine special meeting to constitute a quorum or to approve the merger, which we refer to as the adjournment proposal.

No other business may be conducted at the Sunshine special meeting. All holders of shares of common stock of Sunshine of record as of 5:00 p.m. on February 5, 2018, will be entitled to notice of and to vote at the Sunshine special meeting and any adjournments thereof. The Sunshine special meeting may be adjourned from time to time upon approval of holders of Sunshine common stock without any notice other than by announcement at the meeting of the adjournment thereof, and any and all business for which notice is hereby given may be transacted at such adjourned meeting.

Holders of Sunshine common stock have the right to dissent from the merger proposal and obtain payment in cash of the appraised fair value of their shares of Sunshine common stock under applicable provisions of the Maryland General Corporation Law, or MGCL. In order for a holder of Sunshine common stock to perfect his, her or its right to dissent, such holder must carefully follow the procedure set forth in the MGCL. A copy of the applicable statutory provisions of the MGCL is included as Annex C to the accompanying proxy statement/prospectus and a summary of these provisions can be found under the caption "The Merger — Dissenters' Rights," beginning on page 76 of the proxy statement/prospectus. The merger may not be completed if the holders of more than 12.5% of the outstanding shares of Sunshine common stock exercise dissenters' rights.

If you have any questions concerning the merger agreement, the merger, the Sunshine special meeting or the proxy statement/prospectus, would like additional copies of the proxy statement/prospectus, need a proxy card or need help voting your shares of Sunshine common stock, please contact Brian P. Baggett, Corporate Secretary, at (850) 219-7200.

By Order of the Board of Directors,

/s/ Brian P. Baggett

Brian P. Baggett
Corporate Secretary
Tallahassee, Florida
February 12, 2018

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The Sunshine board of directors unanimously recommends that holders of Sunshine common stock entitled to vote at the Sunshine special meeting vote “FOR” the merger proposal, “FOR” the compensation proposal and “FOR” the adjournment proposal.

Your Vote is Very Important

A proxy card is enclosed. Whether or not you plan to attend the Sunshine special meeting, if you are a holder of shares of Sunshine common stock, please vote by completing, signing and dating the proxy card and promptly mailing it in the enclosed envelope. You may also vote via the Internet or telephone by following the instructions on the proxy card. You may revoke your proxy in the manner described in the proxy statement/prospectus at any time before it is exercised. If you are a holder of shares of Sunshine common stock and attend the Sunshine special meeting, you may vote in person if you desire, even if you have previously returned your proxy card.

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ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about First Bancshares and Sunshine from documents filed with the Securities and Exchange Commission, or SEC, that are not included in or delivered with this proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by First Bancshares and Sunshine at no cost from the SEC's website at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference in this proxy statement/prospectus, at no cost by contacting First Bancshares or Sunshine at the contact information set forth below:

The First Bancshares, Inc.	Sunshine Financial, Inc.
6480 U.S. Hwy, 98 West	1400 East Park Avenue
Hattiesburg, Mississippi 39402	Tallahassee, Florida 32301
Attention: Secretary	Attention: Corporate Secretary
Telephone: (601) 268-8998	Telephone: (850) 219-7200

You will not be charged for any of these documents that you request. To obtain timely delivery of these documents, you must request them no later than five business days before the date of the special meeting, or March 20, 2018. If you are a Sunshine stockholder and have any questions about the merger agreement, the merger, the Sunshine special meeting or the proxy statement/prospectus, would like additional copies of the proxy statement/prospectus, need a proxy card or need help voting your shares of Sunshine common stock, please contact Brian P. Baggett, Corporate Secretary, at (850) 219-7200.

You should rely only on the information contained in or incorporated by reference into this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated February 12, 2018, and you should assume that the information in this document is accurate only as of such date. You should assume that the information incorporated by reference into this proxy statement/prospectus from another document is accurate as of the date of such other document. Neither the mailing of this document to Sunshine stockholders nor the issuance by First Bancshares of shares of First Bancshares common stock in connection with the merger will create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Except where the context otherwise indicates, information contained in this document regarding Sunshine has been provided by Sunshine and information contained in this document regarding First Bancshares has been provided by First Bancshares. See "Where You Can Find More Information" for more details.

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QUESTIONS AND ANSWERS

The following are answers to some questions that Sunshine stockholders may have regarding the proposed transaction between First Bancshares and Sunshine and the proposals being considered at the Sunshine special meeting. First Bancshares and Sunshine urge you to read carefully this entire proxy statement/prospectus, including the Annexes, and the documents incorporated by reference into this proxy statement/prospectus, because the information in this section does not provide all the information that might be important to you.

Unless the context otherwise requires, references in this proxy statement/prospectus to: (1) “First Bancshares” refer to The First Bancshares, Inc., a Mississippi corporation, and its affiliates; (2) “The First” refer to The First, A National Banking Association, a national banking association and the wholly owned bank subsidiary of First Bancshares; (3) “Sunshine” refer to Sunshine Financial, Inc., a Maryland corporation, and its affiliates; and (4) “Sunshine Community” refer to Sunshine Community Bank, a Florida state-chartered bank and the wholly owned bank subsidiary of Sunshine.

Q:

Why am I receiving this proxy statement/prospectus?

A:

First Bancshares and Sunshine have entered into an Agreement and Plan of Merger, dated as of December 6, 2017, which we refer to as the merger agreement. Pursuant to the merger agreement, Sunshine will merge with and into First Bancshares, with First Bancshares as the surviving company, which we refer to as the merger. Immediately after the merger, Sunshine Community, a wholly owned bank subsidiary of Sunshine, will merge with and into First Bancshares’ wholly owned bank subsidiary, The First, with The First as the surviving bank, which we refer to as the bank merger. A copy of the merger agreement is included in this proxy statement/prospectus as Annex A.

The merger cannot be completed unless, among other things, the majority of the outstanding shares of Sunshine common stock entitled to vote on the merger vote in favor of the proposal to approve the merger, which we refer to as the merger proposal.

In addition, Sunshine is soliciting proxies from its stockholders with respect to proposals to approve (1) in a non-binding advisory vote, certain compensation that may become payable to Sunshine’s named executive officers in connection with the merger, which we refer to as the compensation proposal, and (2) one or more adjournments of the Sunshine special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of such adjournment to approve the merger proposal, which we refer to as the adjournment proposal.

This proxy statement/prospectus contains important information about the merger and the proposals being voted on at the Sunshine special meeting, and you should read it carefully. This is a proxy statement/prospectus because (1) Sunshine is soliciting proxies from the Sunshine stockholders and the proxy statement provides important information about the Sunshine special meeting to vote on the merger proposal, the compensation proposal and the adjournment proposal, and (2) First Bancshares will issue shares of First Bancshares common stock to holders of Sunshine common stock in connection with the merger, and the prospectus provides important information about such shares. The enclosed materials allow Sunshine stockholders to authorize a proxy to vote their shares without attending the Sunshine special meeting.

Your vote is important. We encourage you to authorize your proxy as soon as possible.

Q:

What will I receive in the merger?

A:

If the merger is completed, each outstanding share of Sunshine common stock issued and outstanding immediately prior to the effective time of the merger (other than shares of dissenting stockholders) will be converted into the right to receive, at the election of each Sunshine stockholder, either (i) \$27.00 in cash, which we refer to as the cash consideration, or (ii) 0.93 of a share of First Bancshares common stock, which we refer to as the stock consideration. The election of stock consideration or cash consideration will be subject to proration such that 75% of the issued and outstanding shares of Sunshine common stock will be exchanged for First Bancshares common stock

and 25% will be exchanged for cash. As a result, if the aggregate number of shares with respect to which a valid stock or cash election has been made exceeds these limits, stockholders who have elected the form of merger

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consideration that has been over-subscribed will receive a mixture of both stock consideration and cash consideration in accordance with the proration procedures set forth in the merger agreement. The stock consideration and the cash consideration are collectively referred to as the merger consideration. Each outstanding share of Sunshine common stock subject to vesting restrictions shall become vested immediately prior to the effective time of the merger and will be converted into the right to receive the same merger consideration that other Sunshine stockholders are entitled to receive. Each option to purchase shares of Sunshine common stock shall be cancelled as of the effective time of the merger and converted into the right to receive a cash payment equal to the product of (i) the total number of shares of Sunshine common stock subject to such option times (ii) the excess, if any, of \$27.00 over the exercise price per share of Sunshine common stock subject to such option.

Sunshine may terminate the merger if (i) the average closing price of First Bancshares common stock over the 20 trading days preceding the date that is five days prior to the closing date is less than \$25.52, and (ii) the decline in the price of First Bancshares common stock (as measured by the average closing price divided by \$31.90) is more than 20% greater than the decline KBW Regional Banking Index (KRX) (as measured by dividing the average closing price of the KBW Regional Banking Index over the 20 trading days preceding the date that is five days prior to the closing date by \$111.38); provided, however, First Bancshares has the option, but not the obligation, to adjust the exchange ratio to prevent the termination of merger agreement.

First Bancshares will not issue any fractional shares of First Bancshares common stock in the merger. Sunshine stockholders who would otherwise be entitled to a fractional share of First Bancshares common stock upon the completion of the merger will instead receive an amount in cash (without interest and rounded to the nearest whole cent) determined by multiplying the fractional share interest in First Bancshares common stock (rounded to the nearest one hundredth of a share) by \$27.00.

Q:

How do I make an election to receive First Bancshares common stock or cash for my Sunshine common stock?

A:

Each holder of record of Sunshine common stock will be mailed a form of election/letter of transmittal and other appropriate and customary transmittal materials not less than 20 business days prior to the election deadline. The deadline for holders of Sunshine common stock to elect the form of the merger consideration they want to receive is the later of (i) the date of the special meeting of Sunshine stockholders and (ii) the date which First Bancshares and Sunshine agree is five business days prior to the anticipated effective time of the merger, which we refer to as the election deadline. The election form will specify the election deadline. Each holder of Sunshine common stock should specify in the election form (1) the number of shares of Sunshine common stock which such stockholder elects to have exchanged for the stock consideration, and (2) the number of shares of Sunshine common stock such stockholder elects to have exchanged for the cash consideration. All such elections are subject to adjustment on a pro rata basis as described elsewhere in this proxy statement/prospectus. Holders of Sunshine common stock will receive their merger consideration as promptly as practicable following the effective time of the merger, subject to the holders submitting their properly completed letter of transmittal and other transmittal materials. Because of the way the election and proration procedures work, even if you submit a properly completed and signed election form, it is possible that you may not receive exactly the type of merger consideration you have elected. If you do not submit a properly completed and signed election form to the exchange agent by the election deadline, you will have no control over the type of merger consideration you will receive and, as a result, you may receive only the cash consideration, only the stock consideration or a combination of the cash and stock consideration in the merger.

If you hold shares in "street name" through a bank, broker, nominee or other holder of record you must follow the instructions provided by the bank, broker, nominee or other holder of record to make an election.

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Q:

Am I guaranteed to receive the type of merger consideration that I elect?

A:

No. If more Sunshine stockholders make valid elections to receive either shares of First Bancshares common stock or cash than is available as either stock or cash consideration pursuant to the terms of the merger agreement, Sunshine stockholders electing the over-subscribed form of merger consideration will have the over-subscribed consideration proportionately reduced and substituted with consideration in the other form. Please see “The Merger Agreement — Merger Consideration” and “— Procedures for Converting Shares of Sunshine Common Stock into Merger Consideration,” both beginning on page 80, for additional information about the allocation and proration procedures that will be followed in the event of over-subscriptions.

Q:

What happens if I fail to make a valid election as to whether to receive stock or cash?

A:

If a Sunshine stock holder does not return a properly completed form of election by the election deadline, such holder’s shares of Sunshine common stock will be considered “non-election shares” and will be converted into the right to receive the stock consideration or the cash consideration according to the proration procedures set forth in the merger agreement. Any shareholder who has not submitted their physical stock certificate(s) with a form of election will be sent materials after the merger closes to effect the exchange of their Sunshine common stock into the merger consideration.

Q:

Will the value of the stock consideration change between the date of this proxy statement/prospectus and the time the merger is completed?

A:

Yes. The value of the stock consideration may fluctuate based upon the market value for First Bancshares common stock between the date of this proxy statement/prospectus and the completion of the merger. In the merger, Sunshine stockholders may choose to receive 0.93 of a share of First Bancshares common stock for each share of Sunshine common stock they hold. Any fluctuation in the market price of First Bancshares common stock after the date of this proxy statement/prospectus will change the value of the shares of First Bancshares common stock that Sunshine stockholders may receive.

Q:

How does Sunshine’s board of directors recommend that I vote at the special meeting?

A:

Sunshine’s board of directors unanimously recommends that you vote “FOR” the merger proposal, “FOR” the compensation proposal and “FOR” the adjournment proposal.

Q:

When and where is the Sunshine special meeting?

A:

The Sunshine special meeting will be held at Sunshine’s executive offices located at 1400 East Park Avenue, Tallahassee, Florida, on Tuesday, March 27, 2018, at 10:00 a.m. Eastern Time.

Q:

What do I need to do now?

A:

After you have carefully read this proxy statement/prospectus and have decided how you wish to vote your shares, please authorize a proxy to vote your shares by promptly completing and returning the enclosed proxy card so that your shares are represented and voted at the Sunshine special meeting. When complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible. If you are a registered stockholder, you may also vote via the Internet or telephone by following the instructions on the proxy card. Submitting your proxy by mail, voting via the Internet or telephone or directing your bank or broker to vote your shares will ensure that your shares are represented and voted at the Sunshine special meeting. Your proxy card must be received prior to the special meeting on March 27, 2018, in order to be counted.

Q:

What constitutes a quorum for the Sunshine special meeting?

A:

Holders representing at least a majority of the shares of Sunshine common stock entitled to vote at the Sunshine special meeting must be present, in person or represented by proxy, to constitute a quorum. Abstentions and broker non-votes, if any, will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum. If a quorum is not present,

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the Sunshine special meeting will be postponed until the holders of the number of shares of Sunshine common stock required to constitute a quorum attend. If you submit a properly executed proxy card, even if you abstain from voting, your shares of Sunshine common stock will be counted for purposes of determining whether a quorum is present at the Sunshine special meeting. If additional votes must be solicited to approve the merger proposal, it is expected that the Sunshine special meeting will be adjourned to solicit additional proxies.

Q:

What is the vote required to approve each proposal?

A:

The merger proposal requires the affirmative vote of a majority of the outstanding shares of Sunshine common stock entitled to vote on such proposal.

The compensation proposal and the adjournment proposal each requires the affirmative vote of a majority of the votes cast on each matter.

Q:

What would happen if the compensation proposal or the adjournment proposal does not get approved by Sunshine stockholders?

A:

The completion of the merger is not conditioned upon stockholder approval of the compensation proposal or the adjournment proposal. The vote on the compensation proposal is an advisory vote and will not be binding on Sunshine regardless of whether the merger proposal is approved. Accordingly, if the merger is approved and completed, certain of Sunshine's named executive officers will be eligible to receive the various merger-related compensation that may become payable in connection with the completion of the merger, subject only to the conditions applicable thereto, regardless of the outcome of the non-binding advisory vote of the Sunshine stockholders.

Q:

Why is my vote important?

A:

If you do not submit a proxy or vote in person, it may be more difficult for Sunshine to obtain the necessary quorum to hold the special meeting. In addition, your failure to submit a proxy or vote in person, or failure to instruct your bank or broker how to vote, or abstention will have the same effect as a vote against approval of the merger proposal. The merger proposal must be approved by the affirmative vote of the holders of at least a majority of the outstanding shares of Sunshine common stock. Sunshine's board of directors unanimously recommends that you vote "FOR" the proposal to approve the merger proposal.

Q:

How many votes do I have?

A:

Sunshine stockholders are entitled to one vote on each proposal to be considered at the special meeting for each share of Sunshine common stock owned as of the close of business on February 5, 2018, which is the record date for the Sunshine special meeting.

Q:

How do I vote?

A:

If you are a stockholder of record, you may have your shares of Sunshine common stock voted on the matters to be presented at the Sunshine special meeting in any of the following ways:

•

You may vote by mail. You may vote by mail by completing, signing, dating and returning the enclosed proxy card in the accompanying prepaid reply envelope.

•

You may vote by telephone. If you are a registered stockholder, that is, if you hold your stock in your own name, you may vote by telephone by following the instructions included with the proxy card. If you vote by telephone, you do not have to mail in your proxy card.

•

You may vote on the Internet. If you are a registered stockholder, that is, if you hold your stock in your own name, you may vote on the Internet by following the instructions included with the proxy card. If you vote on the Internet, you do not have to mail in your proxy card.

•

You may vote in person at the meeting. You may vote by attending the special meeting and casting your vote in person.

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If you are a beneficial owner, please refer to the instructions provided by your bank, brokerage firm or other nominee to see which of the above choices are available to you. Your bank, brokerage firm or other nominee cannot vote your shares without instructions from you. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, you must obtain a legal proxy from your bank, brokerage firm or other nominee.

Q:

Do Sunshine directors and executive officers have interests in the merger that are different from, or in addition to, my interests?

A:

Yes. In considering the recommendation of the Sunshine board of directors with respect to the merger agreement, you should be aware that Sunshine's directors and executive officers have interests in the merger that are different from, or in addition to, the interests of Sunshine's stockholders generally. Interests of officers and directors that may be different from or in addition to the interests of Sunshine's stockholders include but are not limited to, the receipt of continued indemnification and directors' and officers' insurance coverage under the merger agreement, accelerated vesting of restricted stock issued to executive officers and directors and the payment of change in control payments, retention payments and employment agreement payments to certain executives.

Q:

What if I abstain from voting, fail to authorize a proxy or vote in person or fail to instruct my bank or broker how to vote?

A:

If you mark "ABSTAIN" on your proxy with respect to the merger proposal, fail to authorize a proxy or vote in person at the Sunshine special meeting, or fail to instruct your bank or broker how to vote, it will have the same effect as a vote "AGAINST" the merger proposal and no effect on the compensation proposal or the adjournment proposal. If you sign your proxy but do not indicate your vote, your proxy will be voted FOR each proposal.

Q:

Can I attend the special meeting and vote my shares in person?

A:

Yes. All Sunshine stockholders as of the record date, including stockholders of record and stockholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the Sunshine special meeting. Holders of record of Sunshine common stock can vote in person at the Sunshine special meeting. If you are not a stockholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the Sunshine special meeting. If you plan to attend the Sunshine special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. Sunshine reserves the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the Sunshine special meeting is prohibited without express written consent. Even if you plan to attend the special meeting, Sunshine encourages you to vote by proxy through the mail, telephone or Internet so your vote will be counted if you later decide not to attend the special meeting.

Q:

Can I change my vote?

A:

Yes. If you are a holder of record of Sunshine common stock, you may revoke your proxy at any time prior to the Sunshine special meeting by: (1) delivering a written notice of revocation to Brian P. Baggett, Corporate Secretary,

Sunshine Financial, Inc., 1400 East Park Avenue, Tallahassee, Florida 32301, (2) by returning a duly executed proxy card bearing a later date than the date with which your original proxy card was dated, (3) by voting by telephone or on the Internet (your latest telephone or Internet vote will be counted), or (4) by attending the Sunshine special meeting and voting in person. Your attendance at the Sunshine special meeting will not constitute automatic revocation of the proxy unless you deliver your ballot in person at the special meeting or deliver a written revocation to the Sunshine Corporate Secretary prior to the voting of such proxy.

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Q:

Will Sunshine be required to submit the merger proposal to its stockholders even if Sunshine's board of directors has withdrawn, modified or qualified its recommendation?

A:

Yes. Unless the merger agreement is terminated before the Sunshine special meeting, Sunshine is required to submit the merger proposal to its stockholders even if Sunshine's board of directors has withdrawn, modified or qualified its recommendation.

Q:

What are the material U.S. federal income tax consequences of the merger to U.S. holders of shares of Sunshine common stock?

A:

Each of First Bancshares and Sunshine expects that the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code. A U.S. holder of Sunshine common stock will not recognize gain or loss with respect to the receipt of the stock consideration, except with respect to cash received in lieu of a fractional share. If a U.S. holder exchanges its shares of Sunshine common stock solely for cash, the U.S. holder will recognize gain or loss on the exchange measured by the difference between the amount of cash received in the exchange and the U.S. holder's basis in the shares of Sunshine common stock surrendered in exchange for such cash. If a U.S. holder exchanges its shares of Sunshine common stock for a combination of First Bancshares common stock and cash, the U.S. holder should recognize gain, but not loss, on the exchange to the extent of the lesser of cash received or gain realized in the exchange. The amount of gain realized will equal the amount by which the cash plus the fair market value, at the effective time of the merger, of the First Bancshares common stock exceeds the stockholder's adjusted tax basis in its Sunshine common stock surrendered in exchange therefor.

For further information, see "The Merger — Material U.S. Federal Income Tax Considerations."

The U.S. federal income tax consequences described above may not apply to all holders of Sunshine common stock. Your particular tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the merger to you.

Q:

Are Sunshine stockholders entitled to exercise dissenters' rights?

A:

Yes. Holders of Sunshine common stock are entitled, with respect to the merger, to exercise rights of dissenting stockholders provided for under Title 3, Subtitle 2 of the Maryland General Corporation Law, as amended, or the MGCL, any successor statute, or any similar appraisal or dissenters' rights. This means that you are legally entitled to receive payment in cash of the fair value of your shares of Sunshine common stock, excluding any appreciation in value that results from the merger. To preserve your rights as an objecting stockholder, you must (i) deliver to Sunshine a written objection to the merger at or before the special meeting of Sunshine stockholders, (ii) not vote in favor of the merger, and (iii) within 20 days of the date that articles of merger are accepted for filing by the Maryland State Department of Assessments and Taxation, make a written demand on First Bancshares for payment of the fair value of your stock, stating the number and class of shares for which you demand payment. Your failure to follow exactly the procedures specified under the MGCL will result in the loss of your rights as an objecting stockholder. A copy of the sections of the MGCL pertaining to objecting stockholder's rights of appraisal is provided as Annex C to this proxy statement/prospectus. For further information, see "The Merger — Dissenters' Rights." You should read the statute carefully and consult with your legal counsel if you intend to exercise these rights.

Pursuant to the merger agreement, First Bancshares' board of directors may terminate the merger agreement and abandon the merger transaction if dissenters' rights of appraisal are properly asserted with respect to more than 12.5%

of the outstanding shares of Sunshine common stock.

Q:

Should I send my Sunshine stock certificates with my proxy card for the Sunshine special meeting?

A:

No. You should NOT send your Sunshine stock certificates with your proxy card. First Bancshares, through its appointed exchange agent, will send Sunshine stockholders separate instructions for exchanging Sunshine stock certificates and Sunshine common stock held in book-entry form for the merger consideration.

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Q:
What happens if I sell or transfer ownership of shares of Sunshine common stock after the record date for the Sunshine special meeting ?

A:
The record date for the Sunshine special meeting is earlier than the expected date of completion of the merger. Therefore, if you sell or transfer ownership of your shares of Sunshine common stock after the record date for the Sunshine special meeting, but prior to completion of the merger, you will retain the right to vote at the Sunshine special meeting, but the right to receive the merger consideration will transfer with the shares of Sunshine common stock.

Q:
Whom may I contact if I cannot locate my Sunshine stock certificate(s)?

A:
If you are unable to locate your original Sunshine stock certificate(s), you should contact Computershare Trust Company, N.A., Sunshine's transfer agent, at (800) 368-5948. Generally, merger consideration for lost certificates cannot be delivered except upon the making of an affidavit claiming such certificate to be lost, stolen or destroyed and the posting of a bond in such amount as First Bancshares or the exchange agent may determine is reasonably necessary as indemnity against any claim that may be made with respect to such lost certificate.

Q:
When do you expect to complete the merger?

A:
First Bancshares and Sunshine expect to complete the merger in the second quarter of 2018. However, neither First Bancshares nor Sunshine can assure you when or if the merger will occur. First Bancshares and Sunshine must first obtain the approval of Sunshine stockholders for the merger proposal, as well as the necessary regulatory approvals.

Q:
What happens if the merger is not completed?

A:
If the merger is not completed, holders of Sunshine common stock will not receive any consideration for their shares of Sunshine common stock that otherwise would have been received in connection with the merger. Instead, Sunshine will remain an independent public company. If the merger is completed but, for any reason, the bank merger is not completed, it will have no impact on the consideration to be received by holders of Sunshine common stock.

Q:
Whom should I call with questions?

A:
If you have any questions concerning the merger or this proxy statement/prospectus, would like additional copies of this proxy statement/prospectus or need help voting your shares of Sunshine common stock, please contact: Brian P. Baggett, Corporate Secretary, at (850) 219-7200.

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SUMMARY

This summary highlights selected information from this proxy statement/prospectus. It may not contain all of the information that is important to you. We urge you to read carefully the entire proxy statement/prospectus, including the annexes, and the other documents to which we refer in order to fully understand the merger. See “Where You Can Find More Information.” Each item in this summary refers to the page of this proxy statement/prospectus on which that subject is discussed in more detail.

The Companies (page 100)

The First Bancshares, Inc.

6480 U.S. Hwy, 98 West

Hattiesburg, Mississippi 39402

(601) 268-8998

First Bancshares was incorporated in Mississippi on June 23, 1995 and serves as the bank holding company for The First, headquartered in Hattiesburg, Mississippi. First Bancshares is a registered financial holding company. As of September 30, 2017, First Bancshares had consolidated assets of \$1.79 billion, loans of \$1.19 billion, deposits of \$1.51 billion, and shareholders’ equity of \$166.98 million. First Bancshares operates 43 full service branches, one motor branch and four loan production offices in Mississippi, Alabama, Louisiana and Florida. The First’s deposits are insured by the FDIC.

Additional information about First Bancshares and its subsidiaries is included in documents incorporated by reference in this proxy statement/prospectus. See “Where You Can Find More Information.”

Sunshine Financial, Inc.

1400 East Park Avenue

Tallahassee, Florida 32301

(850) 219-7200

Sunshine was incorporated in Maryland in 2010 and owns all of the outstanding shares of common stock of Sunshine Community headquartered in Tallahassee, Florida. As of September 30, 2017, Sunshine had consolidated assets of \$194.1 million, loans of \$160.0 million, deposits of \$141.7 million, and stockholders’ equity of \$22.2 million. Sunshine operates five full service branches in Florida. Sunshine Community’s deposits are insured by the FDIC.

Additional information about Sunshine and its subsidiaries is included below under “The Companies.”

The Merger

The Merger Agreement (page 79)

First Bancshares and Sunshine entered into an Agreement and Plan of Merger, dated as of December 6, 2017, which we refer to as the merger agreement. The merger agreement governs the merger. The merger agreement is included in this proxy statement/prospectus as Annex A. All descriptions in this summary and elsewhere in this proxy statement/prospectus of the terms and conditions of the merger are qualified by reference to the merger agreement. Please read the merger agreement carefully for a more complete understanding of the merger.

The Merger (page 51)

Pursuant to the merger agreement, Sunshine will merge with and into First Bancshares, with First Bancshares as the surviving company, which we refer to as the merger. Immediately after the merger, Sunshine Community, a wholly owned bank subsidiary of Sunshine, will merge with and into First Bancshares’ wholly owned bank subsidiary, The First, with The First as the surviving bank, which we refer to as the bank merger.

TABLE OF CONTENTSThe Merger Consideration (page 80)

If the merger is completed, each outstanding share of Sunshine common stock issued and outstanding immediately prior to the effective time of the merger (other than shares of dissenting stockholders) will be converted into the right to receive, at the election of each Sunshine stockholder, either (i) \$27.00 in cash, which we refer to as the cash consideration, or (ii) 0.93 of a share of First Bancshares common stock, which we refer to as the stock consideration. The election of stock consideration or cash consideration will be subject to proration such that 75% of the issued and outstanding shares of Sunshine common stock will be exchanged for First Bancshares common stock and 25% will be exchanged for cash. As a result, if the aggregate number of shares with respect to which a valid stock or cash election has been made exceeds these limits, stockholders who have elected the form of merger consideration that has been over-subscribed will receive a mixture of both stock consideration and cash consideration in accordance with the proration procedures set forth in the merger agreement. The stock consideration and the cash consideration are collectively referred to as the merger consideration. On December 6, 2017, the last full trading day before the public announcement of the merger agreement, based on the last reported sale price of First Bancshares common stock (\$33.35), the 0.93 exchange ratio represented approximately \$31.02 in value for each share of Sunshine common stock to be converted to First Bancshares common stock. Based on the most recent reported closing sale price of First Bancshares common stock on February 8, 2018 of \$30.95, the exchange ratio represented approximately \$28.78 in value for each share of Sunshine common stock to be converted to First Bancshares common stock. The most recent reported closing sale price of Sunshine common stock on February 8, 2018 was \$28.55. Based on the exchange ratio and the number of shares of Sunshine common stock outstanding and reserved for issuance under various stock incentive plans and agreements, the maximum number of shares of First Bancshares common stock offered by First Bancshares and issuable in the merger is 772,551.

Sunshine may terminate the merger if (i) the average closing price of First Bancshares common stock over the 20 trading days preceding the date that is five days prior to the closing date is less than \$25.52, and (ii) the decline in the price of First Bancshares common stock (as measured by the average closing price divided by \$31.90) is more than 20% greater than the decline in the KBW Regional Banking Index (KRX) (as measured by dividing the average closing price of the KBW Regional Banking Index over the 20 trading days preceding the date that is five days prior to the closing date by \$111.38); provided, however, First Bancshares has the option, but not the obligation, to adjust the exchange ratio to prevent the termination of merger agreement.

Each outstanding share of Sunshine common stock subject to vesting restrictions shall become vested immediately prior to the effective time of the merger and will be converted into the right to receive the same merger consideration that other Sunshine stockholders are entitled to receive. Each option to purchase shares of Sunshine common stock shall be cancelled as of the effective time of the merger and converted into the right to receive a cash payment equal to the product of (i) the total number of shares of Sunshine common stock subject to such option times (ii) the excess, if any, of \$27.00 over the exercise price per share of Sunshine common stock subject to such option.

First Bancshares will not issue any fractional shares of First Bancshares common stock in the merger. Sunshine stockholders who would otherwise be entitled to a fractional share of First Bancshares common stock upon the completion of the merger will instead receive an amount in cash (without interest and rounded to the nearest whole cent) determined by multiplying the fractional share interest in First Bancshares common stock (rounded to the nearest one hundredth of a share) by \$27.00.

Election and Exchange Procedures (page 81)

At least 20 business days prior to the later of (1) the date of the Sunshine stockholders' meeting or (2) a date agreed upon by Sunshine and First Bancshares that is as near as practicable to five business days prior to the expected closing date, which date we refer to as the election deadline, First Bancshares will cause the exchange agent to send the Sunshine stockholders election forms, which will include the appropriate form of letter of transmittal. Sunshine stockholders can specify on such election form the number of their shares of Sunshine common stock for which they desire to receive the cash consideration, the number of shares for which they desire to receive the stock consideration or to indicate that such

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stockholder has no preference as to the receipt of the cash consideration or stock consideration. The election forms must be returned to the exchange agent, along with certificates representing the shares subject to such election form, or a customary affidavit of loss and indemnity agreement, by the election deadline. Any shares of Sunshine common stock for which an election has not been properly made by the election deadline will be considered non-election shares. No later than five business days after the effective time of the merger, the exchange agent will allocate the merger consideration, as discussed in further detail below under “The Merger Agreement — Procedures for Converting Shares of Sunshine Common Stock into Merger Consideration.” However, pursuant to the merger agreement, the total mix of cash consideration and stock consideration to be issued by First Bancshares to holders of Sunshine common stock will be fixed at 75% stock and 25% cash.

Exchange Procedures (page 80)

The conversion of Sunshine common stock into the right to receive the merger consideration will occur automatically at the effective time of the merger. After completion of the merger, the exchange agent will exchange certificates representing shares of Sunshine common stock for the merger consideration to be received pursuant to the terms of the merger agreement.

Ancillary Agreements

Voting Agreements (page 97)

As a condition to First Bancshares entering into the merger agreement, all directors of Sunshine and Sunshine Community and certain stockholders of Sunshine entered into voting agreements in the form attached as Exhibit A to the merger agreement attached as Annex A to this document, pursuant to which each such person agreed, among other things, to vote the shares of Sunshine common stock held of record by such person (1) to approve the merger agreement and the merger (or any adjournment or postponement necessary to solicit additional proxies to approve the merger agreement and the merger) and (2) against any acquisition proposals or any actions that would result in a breach of any covenant, representation or warranty of Sunshine in the merger agreement.

Non-Competition and Non-Disclosure Agreements (page 98)

In addition, as a condition to First Bancshares entering into the merger agreement, each director of Sunshine and Sunshine Community entered into non-competition and non-disclosure agreements with First Bancshares in the form attached as Exhibit C or D to the merger agreement attached as Annex A to this document, pursuant to which each such person agreed to, among other things, (1) not disclose or use any confidential information or trade secrets of Sunshine for any purpose for so long as such information remains confidential information or a trade secret, (2) for a period of two years following the closing of the merger, not engage in certain competitive activities with First Bancshares, including not soliciting employees and customers of Sunshine, and (3) for a period of six months or two years following the closing of the merger (depending on the director), not serve as a director or management official of another financial institution in the counties in Florida in which Sunshine Community operates a banking office as of the closing of the merger and each county contiguous to each of such counties.

Claims Letters (page 98)

At the time of the execution of the merger agreement, each director of Sunshine and Sunshine Community executed a letter agreement with First Bancshares in the form attached as Exhibit E to the merger agreement attached as Annex A to this document, pursuant to which each such director released and discharged, effective upon the consummation of the merger, Sunshine and its subsidiaries, their respective directors and officers (in their capacities as such), and their respective successors and assigns (including First Bancshares and The First), from any and all liabilities or claims that the director has or claims to have as of the effective time of the merger, with certain exceptions.

Risk Factors Related to the Merger (page 37)

Before voting at the Sunshine special meeting, you should carefully consider all the information contained in or incorporated by reference into this proxy statement/prospectus in deciding how to vote for the proposals presented in the proxy statement/prospectus.

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The Sunshine Special Meeting (page 44)

The special meeting of Sunshine stockholders will be held on Tuesday, March 27, 2018, at 10:00 a.m. Eastern Time, at 1400 East Park Avenue, Tallahassee, Florida. At the special meeting, Sunshine stockholders will be asked to:

- approve the merger proposal;
-
- approve the compensation proposal; and
-
- approve the adjournment proposal.

Only holders of record at the close of business on February 5, 2018, the Sunshine record date, will be entitled to vote at the Sunshine special meeting. Each outstanding share of Sunshine common stock is entitled to one vote on each proposal to be considered at the Sunshine special meeting; provided, however, that pursuant to Sunshine's articles of incorporation, no stockholder who beneficially owns more than 10.0% of the shares of Sunshine common stock outstanding as of that date may vote shares in excess of this limit. As of the Sunshine record date, there were 1,039,599 shares of Sunshine common stock entitled to vote at the Sunshine special meeting. All directors of Sunshine and Sunshine Community and certain stockholders of Sunshine have entered into voting agreements with First Bancshares, pursuant to which they have agreed, solely in their capacity as Sunshine stockholders, to vote all of their shares of Sunshine common stock in favor of the proposals to be presented at the Sunshine special meeting. As of the Sunshine record date, the directors and stockholders who are parties to the voting agreements owned and were entitled to vote an aggregate of approximately 155,727 shares of Sunshine common stock, which represented approximately 15.0% of the shares of Sunshine common stock outstanding on that date. As of the Sunshine record date, the directors and executive officers of Sunshine and their affiliates beneficially owned and were entitled to vote 57,427 shares of Sunshine common stock, which represented approximately 5.5% of the shares of Sunshine common stock outstanding on that date. As of the Sunshine record date, First Bancshares and its subsidiaries did not hold any shares of Sunshine common stock (other than shares held as fiduciary, custodian or agent), and its directors and executive officers or their affiliates did not hold any shares of Sunshine common stock.

To approve the merger proposal, the holders of at least a majority of the outstanding shares of Sunshine common stock entitled to vote on the proposal must vote in favor of the proposal. Your failure to submit a proxy or vote in person at the Sunshine special meeting, failure to instruct your bank or broker how to vote, or abstention with respect to the merger proposal will have the same effect as a vote against the proposal.

The compensation proposal and the adjournment proposal each requires the affirmative vote of a majority of the votes cast on each matter.

If you mark "ABSTAIN" on your proxy with respect to the merger proposal, fail to authorize a proxy or vote in person at the Sunshine special meeting, or fail to instruct your bank or broker how to vote, it will have the same effect as a vote "AGAINST" the merger proposal and no effect on the compensation proposal or the adjournment proposal. If you sign your proxy but do not indicate your vote, your proxy will be voted FOR each proposal.

Recommendation of the Sunshine Board (page 46)

Sunshine's board of directors has determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Sunshine and its stockholders and has unanimously approved the merger, the merger agreement and the transactions contemplated by the merger agreement. Sunshine's board of directors unanimously recommends that Sunshine stockholders vote "FOR" the merger proposal, "FOR" the compensation proposal and "FOR" the adjournment proposal. For the factors considered by Sunshine's board of directors in reaching its decision to approve the merger, see "The Merger — Sunshine's Reasons for the Merger; Recommendation of Sunshine's Board of Directors."

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Board Composition and Management of First Bancshares after the Merger (page 64)

Each of the officers and directors of First Bancshares immediately prior to the effective time of the merger will be the officers and directors of the surviving company from and after the effective time of the merger, until their respective successors have been duly elected, appointed or qualified or until their earlier death, resignation or removal in accordance with the articles of incorporation and bylaws of First Bancshares.

Interests of Sunshine Directors and Executive Officers in the Merger (page 64)

Sunshine stockholders should be aware that Sunshine's directors and executive officers have interests in the merger and have arrangements that are different from, or in addition to, those of Sunshine stockholders generally. These interests and arrangements may create potential conflicts of interest. Sunshine's board of directors was aware of these interests and considered these interests, among other matters, in adopting and approving the merger agreement and the transactions contemplated by the merger agreement, including the merger, and in recommending that Sunshine stockholders vote in favor of the merger proposal.

These interests include:

- accelerated vesting of restricted stock issued to executive officers and directors;
- certain executive officers of Sunshine have change in control agreements and employment agreements with Sunshine that provide for cash payments in connection with a change in control;
- certain executive officers of Sunshine have retention agreements with First Bancshares that provide for cash payment if such executives remain employed by First Bancshares for a period of time after the effective time of the merger; and
- the right to continued indemnification and directors' and officers' liability insurance coverage.

For a more complete description of these interests, see "The Merger — Interests of Sunshine's Directors and Executive Officers in the Merger" and "The Merger Agreement — Indemnification and Directors' and Officers' Insurance."

Dissenters' Rights in the Merger (page 76)

Holders of Sunshine common stock are entitled, with respect to the merger, to exercise rights of dissenting stockholders provided for under Title 3, Subtitle 2 of the Maryland General Corporation Law, as amended, or the MGCL, any successor statute, or any similar appraisal or dissenters' rights. This means that you are legally entitled to receive payment in cash of the fair value of your shares of Sunshine common stock, excluding any appreciation in value that results from the merger. To preserve your rights as an objecting stockholder, you must (i) deliver to Sunshine a written objection to the merger at or before the special meeting of Sunshine stockholders, (ii) not vote in favor of the merger, and (iii) within 20 days of the date that articles of merger are accepted for filing by the Maryland State Department of Assessments and Taxation, make a written demand on First Bancshares for payment of the fair value of your stock, stating the number and class of shares for which you demand payment. Your failure to follow exactly the procedures specified under the MGCL will result in the loss of your rights as an objecting stockholder. A copy of the sections of the MGCL pertaining to objecting stockholder's rights of appraisal is provided as Annex C to this proxy statement/prospectus. You should read the statute carefully and consult with your legal counsel if you intend to exercise these rights.

For further information, see "The Merger — Dissenters' Rights."

Pursuant to the merger agreement, First Bancshares' board of directors may terminate the merger agreement and abandon the merger transaction if dissenters' rights of appraisal are properly asserted with respect to more than 12.5% of the outstanding shares of Sunshine common stock.

Conditions to Completion of the Merger (page 93)

Currently, First Bancshares and Sunshine expect to complete the merger in the second quarter of 2018. As more fully described in this proxy statement/prospectus and in the merger agreement, the completion of the merger depends on a

number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others:
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- approval of the merger by the holders of at least a majority of the outstanding shares of Sunshine common stock entitled to vote;
- the receipt of all required regulatory approvals for the merger, without the imposition of any material on-going conditions or restrictions, and the expiration of all regulatory waiting periods;
- the absence of any legal restraint (such as an injunction or restraining order) that would prevent the consummation of the merger;
- the effectiveness of the registration statement of which this proxy statement/prospectus forms a part;
- each party's receipt of a tax opinion from its respective outside legal counsel, dated the closing date of the merger, confirming the tax-free treatment of the merger for U.S. federal income tax purposes;
- the absence of more than 12.5% of the outstanding shares of Sunshine's common stock exercising (or being entitled to exercise) their dissenters' rights;
- the Plan of Bank Merger in the form attached as Exhibit B to the merger agreement attached as Annex A to this document being executed and delivered; and
- the absence of the occurrence of a material adverse effect on Sunshine or First Bancshares.

Neither First Bancshares nor Sunshine can be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

Regulatory Approvals Required for the Merger (page 70)

Both First Bancshares and Sunshine have agreed to use their reasonable best efforts to obtain all regulatory approvals (or waivers) required or advisable to complete the transactions contemplated by the merger agreement. These approvals include, among others, approval from the Board of Governors of the Federal Reserve System, or the Federal Reserve Board, the Office of the Comptroller of the Currency, or the OCC, and various securities and other regulatory authorities. The U.S. Department of Justice may also review the impact of the merger on competition. First Bancshares and Sunshine have submitted all applications, waiver requests and notifications to obtain the required regulatory approvals, and received the waiver from the Federal Reserve Board on January 19, 2018. Although neither First Bancshares nor Sunshine knows of any reason why these regulatory approvals cannot be obtained, First Bancshares and Sunshine cannot be certain when or if they will be obtained, as the length of the review process may vary based on, among other things, requests by regulators for additional information or materials.

No Solicitation (page 91)

Under the merger agreement, Sunshine has agreed that it will not, and will cause its representatives not to, directly or indirectly, (1) initiate, solicit, induce or knowingly encourage, or take any action to facilitate the making of, any inquiry, offer or proposal which constitutes, or could reasonably be expected to lead to, an acquisition proposal, (2) participate in any discussions or negotiations regarding any acquisition proposal or furnish, or otherwise afford access, to any person (other than First Bancshares) any information or data with respect to Sunshine or any of its subsidiaries or otherwise relating to an acquisition proposal, (3) release any person from, waive any provisions of, or

fail to enforce any confidentiality agreement or standstill agreement to which Sunshine is a party, or (4) enter into any agreement, confidentiality agreement, agreement in principle or letter of intent with respect to any acquisition proposal or approve or resolve to approve any acquisition proposal or any agreement, agreement in principle or letter of intent relating to an acquisition proposal.

However, prior to obtaining Sunshine's required stockholder approval, Sunshine may, under certain specified circumstances, participate in negotiations or discussions with any third party making an acquisition proposal and provide confidential information to such third party (subject to a confidentiality agreement). Sunshine must notify First Bancshares promptly (but in no event later than 24 hours) after the receipt of such acquisition proposal.

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Additionally, prior to obtaining Sunshine's required stockholder approval, Sunshine may, under certain specified circumstances, withdraw its recommendation to its stockholders with respect to the merger and/or terminate the merger agreement in order to enter into an acquisition agreement with respect to a superior acquisition proposal if it determines in good faith, after consultation with and having considered the advice of outside legal counsel and financial advisors, that such acquisition proposal is a superior proposal and that it is reasonably necessary to take such actions to comply with the directors' fiduciary duties under applicable law. However, Sunshine cannot take any of those actions in response to a superior proposal unless it provides First Bancshares with a five business day period to negotiate in good faith to enable First Bancshares to adjust the terms and conditions of the merger agreement such that it would cause the superior proposal to no longer constitute a superior proposal.

Termination of the Merger Agreement (page 94)

The merger agreement can be terminated at any time prior to completion of the merger by mutual consent, or by either party in the following circumstances:

- if the merger is not consummated on or before May 31, 2018, subject to automatic extension to August 31, 2018 if the only outstanding condition to closing is the receipt of regulatory approvals;
- if any regulatory approval required for consummation of the transactions contemplated by the merger agreement has been denied by final non-appealable action by the relevant governmental authority or any application for such regulatory approval shall have been permanently withdrawn at the request of a governmental authority;
- in the event that approval by the stockholders of Sunshine is not obtained at a meeting at which a vote was taken; or
- in the event of a material breach by the other party of any representation, warranty or covenant contained in the merger agreement and such breach is not cured within 30 days.

In addition, First Bancshares may terminate the merger agreement in the following circumstances:

- if Sunshine withdraws, qualifies, amends, modifies or withholds its recommendation to its stockholders to approve the merger and the merger agreement, or makes any statement, filing or release, in connection with the stockholder meeting or otherwise, inconsistent with its recommendation (it being understood that taking a neutral position or no position with respect to an acquisition proposal shall be considered an adverse modification of its recommendation);
- if Sunshine fails to properly call, give notice of, and commence a meeting of stockholders to vote on the merger;
- if Sunshine approves or recommends an acquisition proposal (other than the merger agreement proposal);
- if Sunshine fails to publicly recommend against a publicly announced acquisition proposal within three (3) business days of being requested to do so by First Bancshares or fails to publicly reconfirm its recommendation to its stockholders within (3) business days of being requested to do so by First Bancshares; or
- if Sunshine fails to comply in all material respects with its obligations pursuant to the no-solicitation covenants.

In addition, Sunshine may terminate the merger agreement if:

- (i) the average closing price of First Bancshares common stock over the 20 trading days preceding the date that is five days prior to the closing date is less than \$25.52, and (ii) the decline in the price of First Bancshares common stock (as measured by the average closing price divided by \$31.90) is more than 20% greater than the decline in the KBW Regional Banking Index (KRX) (as

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measured by dividing the average closing price of the KBW Regional Banking Index over the 20 trading days preceding the date that is five days prior to the closing date by \$111.38); provided, however, First Bancshares has the option, but not the obligation, to adjust the exchange ratio to prevent the termination of merger agreement; or

•
Sunshine’s board of directors determines to enter into a definitive agreement with respect to a superior proposal in accordance with the terms of the merger agreement but only if Sunshine pays to First Bancshares a \$1,200,000 termination fee.

Termination Fee (page 95)

If the merger agreement is terminated under certain circumstances, including circumstances involving a change in recommendation by Sunshine’s board of directors, Sunshine may be required to pay First Bancshares a termination fee of \$1,200,000. The termination fee could discourage other companies from seeking to acquire or merge with Sunshine.

Expenses (page 96)

Each party will bear all expenses incurred in connection with the merger and the transactions contemplated by the merger agreement.

Material U.S. Federal Income Tax Considerations (page 71)

The merger is expected to qualify as a “reorganization” within the meaning of Section 368(a) of the Code. It is a condition to the respective obligations of First Bancshares and Sunshine to complete the merger that each of First Bancshares and Sunshine receives a tax opinion from its respective outside legal counsel, dated the closing date of the merger, to that effect. Based upon the treatment of the merger as a “reorganization” within the meaning of Section 368(a) of the Code, the U.S. federal income tax consequences of the merger to a U.S. holder of Sunshine common stock will be as follows. A U.S. holder of Sunshine common stock will not recognize gain or loss with respect to the receipt of the stock consideration, except with respect to cash received in lieu of a fractional share. If a U.S. holder exchanges its shares of Sunshine common stock solely for cash, the U.S. holder will recognize gain or loss on the exchange measured by the difference between the amount of cash received in the exchange and the U.S. holder’s basis in the shares of Sunshine common stock surrendered in exchange for such cash. If a U.S. holder exchanges its shares of Sunshine common stock for a combination of First Bancshares common stock and cash, the U.S. holder should recognize gain, but not loss, on the exchange to the extent of the lesser of cash received or gain realized in the exchange. The amount of gain realized will equal the amount by which the cash plus the fair market value, at the effective time of the merger, of the First Bancshares common stock exceeds the stockholder’s adjusted tax basis in its Sunshine common stock surrendered in exchange therefor. For further information, see “The Merger — Material U.S. Federal Income Tax Considerations.”

The U.S. federal income tax consequences described above may not apply to all holders of Sunshine common stock. Your particular tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the merger to you.

Accounting Treatment of the Merger (page 76)

First Bancshares will account for the merger under the acquisition method of accounting for business combinations under U.S. generally accepted accounting principles, or GAAP.

The Rights of Holders of Sunshine Common Stock Will Change as a Result of the Merger (see page 104)

The rights of holders of Sunshine common stock are governed by Maryland law, as well as Sunshine’s Articles of Incorporation (which we refer to as the Sunshine Articles), and Sunshine’s Bylaws, as amended (which we refer to as the Sunshine Bylaws). After completion of the merger, the rights of former Sunshine stockholders will be governed by Mississippi law and by First Bancshares’ Amended and Restated Articles of Incorporation (which we refer to as the First Bancshares Articles), and First Bancshares’ Amended and Restated Bylaws (or, the First Bancshares Bylaws).

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Material differences between the rights of stockholders of Sunshine and shareholders of First Bancshares include the process for determining the size of the board of directors, the process for removing directors, limitations of director liability, indemnification of officers, directors and employees, the ability of shareholders to act by written consent, and shareholder proposals and advance notice requirements. The material differences between the organizational documents and the rights of stockholders of Sunshine and shareholders of First Bancshares are explained in more detail under the section “Comparison of Rights of First Bancshares Shareholders and Sunshine Stockholders” beginning on page 104.

Opinion of Sunshine’s Financial Advisor (page 55 and Annex B)

On December 6, 2017, BSP Securities LLC, referred to as BSP, a wholly owned subsidiary of Banks Street Partners, LLC, rendered an opinion to the Sunshine board of directors to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by BSP as set forth in such opinion, the merger consideration to be received in the proposed transaction was fair, from a financial point of view, to Sunshine’s stockholders. The full text of the written opinion of BSP is attached as Annex B to this document. Sunshine stockholders should read the entire opinion for a discussion of, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken by BSP in rendering its opinion.

The opinion of BSP is addressed to the Sunshine board of directors, is directed only to the fairness, from a financial point of view, of the merger consideration to be received by the holders of Sunshine stock and does not constitute a recommendation to any Sunshine stockholder as to how such stockholder should vote with respect to the merger or any other matter at the Sunshine special meeting.

For further information, please see the section entitled “The Merger — Opinion of Sunshine’s Financial Advisor” beginning on page 55.

Closing and Effective Time of the Merger (see page 79)

The closing date is currently expected to occur in the second quarter of 2018. Simultaneously with the closing of the merger, First Bancshares will file the articles of merger with the Secretary of State of the State of Mississippi and the Maryland State Department of Assessments and Taxation. The merger will become effective at the later of the time the articles of merger are filed or such other time as may be specified in the articles of merger. Neither First Bancshares nor Sunshine can predict, however, the actual date on which the merger will be completed because it is subject to factors beyond each company’s control, including whether or when the required regulatory approvals and Sunshine’s stockholder approvals will be received.

Market Prices and Share Information (see page 35)

First Bancshares common stock is listed on the NASDAQ Global Market under the symbol “FBMS.” Sunshine common stock is traded on the Over-the-Counter Electronic Bulletin Board, or OTCBB, under the symbol “SSNF.” The following table sets forth the closing sale prices of First Bancshares common stock as reported on the NASDAQ Global Market and of Sunshine common stock on the OTCBB on December 6, 2017, the last full trading day before the public announcement of the merger agreement, and on February 8, 2018, the latest practicable trading date before the date of this proxy statement/prospectus.

	First Bancshares Common Stock	Sunshine Common Stock	Implied Value of One Share of Sunshine Common Stock to be Converted to First Bancshares Common Stock
December 6, 2017	\$ 33.35	\$ 22.25	\$ 31.02

February 8, 2018 \$ 30.95 \$ 28.55 \$ 28.78
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Pending Acquisition of Southwest Banc Shares, Inc.

On October 24, 2017, First Bancshares entered into an agreement and plan of merger to acquire Southwest Banc Shares, Inc., or Southwest, the holding company of First Community Bank. Pursuant to the merger agreement, Southwest will merge with and into First Bancshares, with First Bancshares as the surviving company, a transaction we refer to as the “Southwest merger.” Immediately after the Southwest merger, First Community Bank, an Alabama-state chartered bank and wholly owned subsidiary of Southwest, will merge with and into The First, with The First as the surviving bank. The transaction was unanimously approved by the boards of directors of each of First Bancshares and Southwest and is expected to close in the first or second quarter of 2018. Completion of the transaction is subject to customary closing conditions, including receipt of required regulatory approvals and approval of Southwest’s shareholders. Under the terms of the agreement, holders of Southwest common stock will receive in the aggregate \$60 million, with 60% payable in First Bancshares common stock and 40% payable in cash, subject to adjustments. At September 30, 2017, Southwest had consolidated assets of \$391.6 million, loans of \$281.6 million, deposits of \$345.1 million, and shareholders’ equity of \$36.8 million.

Impact of Tax Cuts and Jobs Act of 2017

On December 22, 2017, “H.R.1.”, formerly known as the “Tax Cuts and Jobs Act of 2017”, or the Tax Act, was signed into law. The Tax Act, among other things, reduced the maximum statutory federal corporate income tax rate from 35% to 21% effective January 1, 2018.

As a result of enactment of the Tax Act, First Bancshares has concluded that this will cause its net deferred tax asset to be revalued at the new lower tax rate. First Bancshares has performed a preliminary analysis to determine the impact of the revaluation of the net deferred tax asset and, using the information available at this time, has estimated that the value of its net deferred tax asset would be reduced by approximately \$2.1 million (unaudited), which will be recorded as additional income tax expense in the fourth quarter of 2017. First Bancshares’ management estimated that as a result of the additional income tax expense for the year ended December 31, 2017 that earnings before income taxes would be approximately \$17.6 million (unaudited), income tax expense would be approximately \$7.0 million (unaudited) and net income would be approximately \$10.6 million (unaudited).

Additionally, Sunshine has concluded that the enactment of the Tax Act will cause its net deferred tax asset to be revalued at the new lower tax rate. Sunshine has performed a preliminary analysis to determine the impact of the revaluation of the net deferred tax asset and, using the information available at this time, has estimated that the value of its net deferred tax asset would be reduced by approximately \$724,000 (unaudited), which will be recorded as additional income tax expense in the fourth quarter of 2017. Sunshine’s management estimated that as a result of the additional income tax expense for the year ended December 31, 2017 that earnings before income taxes would be approximately \$781,000 (unaudited), income tax expense would be approximately \$1,031,000 (unaudited) and net losses would be approximately \$249,000 (unaudited).

First Bancshares’ and Sunshine’s revaluation of their respective net deferred tax assets are subject to further clarifications of the new law that cannot be estimated at this time and the determination of certain accounting valuation adjustments, such as the unrealized gain or loss on investment securities and the allowance for loan losses that are in the process of being finalized at this time. As such, First Bancshares and Sunshine are unable to make a final determination of the impact on the quarterly and year to date earnings for the period ended December 31, 2017 at this time.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Some of the statements contained or incorporated by reference in this proxy statement/prospectus contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements about the financial condition, results of operations, earnings outlook and business plans, goals, expectations and prospects of First Bancshares, Sunshine and the combined company following the proposed merger and statements for the period after the merger. Words such as “anticipate,” “believe,” “feel,” “expect,” “estimate,” “indicate,” “seek,” “strive,” “plan,” “intend,” “outlook,” “forecast,” “project,” “position,” “target,” “mission,” “contemplate,” “achievable,” “potential,” “strategy,” “goal,” “aspiration,” “outcome,” “continue,” “remain,” “maintain,” “trend,” “objective” and such words and similar expressions, or future or conditional verbs such as “will,” “would,” “should,” “could,” “might,” “can,” or similar expressions, as they relate to First Bancshares, Sunshine, the proposed merger or the combined company following the merger often identify forward-looking statements, although not all forward-looking statements contain such words.

These forward-looking statements are predicated on the beliefs and assumptions of management based on information known to management as of the date of this proxy statement/prospectus and do not purport to speak as of any other date. Forward-looking statements may include descriptions of the expected benefits and costs of the transaction; forecasts of revenue, earnings or other measures of economic performance, including statements of profitability, business segments and subsidiaries; management plans relating to the merger; the expected timing of the completion of the merger; the ability to complete the merger; the ability to obtain any required regulatory, stockholder or other approvals; any statements of the plans and objectives of management for future or past operations, including the execution of integration plans; any statements of expectation or belief and any statements of assumptions underlying any of the foregoing.

The forward-looking statements contained or incorporated by reference in this proxy statement/ prospectus reflect the view of management as of this date with respect to future events and are subject to risks and uncertainties. Should one or more of these risks materialize or should underlying beliefs or assumptions prove incorrect, actual results could differ materially from those anticipated by the forward-looking statements or historical results. Such risks and uncertainties include, among others, the following possibilities:

- the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement, including a termination of the merger agreement under circumstances that could require Sunshine to pay a termination fee to First Bancshares;
- the inability to complete the merger contemplated by the merger agreement due to the failure to satisfy conditions necessary to close the merger, including the receipt of the requisite approvals of Sunshine stockholders;
- the risk that a regulatory approval that may be required for the merger is not obtained or is obtained subject to conditions that are not anticipated;
- risks associated with the timing of the completion of the merger;
- management time and effort may be diverted to the resolution of merger-related issues, including, with respect to First Bancshares, the time and effort management is directing to its pending merger with Southwest Banc Shares, Inc., or Southwest, at the same time as the pending merger of First Bancshares and Sunshine;
- the risk that the businesses of First Bancshares, Sunshine and Southwest will not be integrated successfully, or such integration may be more difficult, time-consuming or costly than expected;

- First Bancshares' ability to achieve the synergies and value creation contemplated by the proposed mergers with Sunshine and Southwest;
- the expected growth opportunities or costs savings from the mergers with Sunshine and Southwest may not be fully realized or may take longer to realize than expected;

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- revenues following the transaction may be lower than expected as a result of losses of customers or other reasons;
- First Bancshares' ability to complete the Southwest merger during the same time period as the Sunshine transaction;
- potential deposit attrition, higher than expected costs, customer loss and business disruption associated with First Bancshares' integration of Sunshine, including, without limitation, potential difficulties in maintaining relationships with key personnel;
- the outcome of any legal proceedings that may be instituted against First Bancshares or Sunshine or their respective boards of directors;
- general economic conditions, either globally, nationally, in the States of Mississippi or Florida, or in the specific markets in which First Bancshares or Sunshine operate;
- limitations placed on the ability of First Bancshares and Sunshine to operate their respective businesses by the merger agreement;
- the effect of the announcement of the merger on First Bancshares' and Sunshine's business relationships, employees, customers, suppliers, vendors, other partners, standing with regulators, operating results and businesses generally;
- customer acceptance of the combined company's products and services;
- the amount of any costs, fees, expenses, impairments and charges related to the merger;
- fluctuations in the market price of First Bancshares common stock and the related effect on the market value of the merger consideration that Sunshine stockholders will receive upon completion of the merger;
- the introduction, withdrawal, success and timing of business initiatives;
- significant increases in competition in the banking and financial services industry;
- legislation, regulatory changes or changes in monetary or fiscal policy that adversely affect the businesses in which First Bancshares or Sunshine are engaged, including potential changes resulting from currently proposed legislation, including the Financial CHOICE Act of 2017;
- credit risk of borrowers, including any increase in those risks due to changing economic conditions;

- changes in consumer spending, borrowing, and savings habits;
- competition among depository and other financial institutions;
- liquidity risk affecting First Bancshares' or Sunshine's banks' ability to meet their obligations when they become due;
- interest rate risk involving the effect of a change in interest rates;
- compliance risk resulting from violations of, or nonconformance with, laws, rules, regulations, prescribed practices or ethical standards;
- strategic risk resulting from adverse business decisions or improper implementation of business decisions;
- reputational risk that adversely affects earnings or capital arising from negative public opinion;
- terrorist activities risk that results in loss of consumer confidence and economic disruptions; and
- other risks and uncertainties detailed from time to time in First Bancshares' SEC filings.

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Any forward-looking statements made in this proxy statement/prospectus or in any documents incorporated by reference into this proxy statement/prospectus, are subject to the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this proxy statement/prospectus or the date of any document incorporated by reference in this proxy statement/ prospectus. First Bancshares and Sunshine do not undertake to update forward-looking statements to reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made, unless and only to the extent otherwise required by law. All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this proxy statement/ prospectus and attributable to First Bancshares, Sunshine or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this proxy statement/ prospectus.

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The following selected consolidated financial information for the fiscal years ended December 31, 2012 through December 31, 2016 is derived from audited consolidated financial statements of First Bancshares. The consolidated financial information as of and for the nine months ended September 30, 2017 and 2016 is derived from unaudited consolidated financial statements and, in the opinion of First Bancshares' management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of these data for those dates. The selected consolidated income data for the nine months ended September 30, 2017 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2017. You should not assume the results of operations for any past periods indicate results for any future period. You should read this information in conjunction with First Bancshares' consolidated financial statements and related notes thereto included in First Bancshares' Annual Report on Form 10-K for the year ended December 31, 2016, and in First Bancshares' Quarterly Report on Form 10-Q for the nine months ended September 30, 2017, each of which are incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information."

	As of and for the Nine Months Ended September 30, 2017		As of and for the Years Ended December 31,				
	2016	2016	2016	2015	2014	2013	2012
	(unaudited)						
	(in thousands, except ratios, share and per share data)						
Selected Consolidated Operating Data:							
Interest income	\$ 48,926	\$ 32,736	\$ 44,604	\$ 40,202	\$ 36,371	\$ 31,318	\$ 26,331
Interest expense	4,987	3,139	4,315	3,208	2,973	2,917	4,137
Net interest income	43,939	29,597	40,289	36,994	33,398	28,401	22,194
Provision for loan losses	384	538	625	410	1,418	1,076	1,228
Net interest income after provision for loan losses	43,555	29,059	39,664	36,584	31,980	27,325	20,966
Noninterest income	10,807	8,542	11,247	7,588	7,803	7,083	6,324
Noninterest expense	43,056	26,730	36,862	32,160	30,734	28,165	22,164
Income before income tax expense	11,306	10,871	14,049	12,012	9,049	6,243	5,126
Income tax expense	3,104	3,060	3,930	3,213	2,435	1,604	1,077

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(benefit)

Net income	8,202	7,811	10,119	8,799	6,614	4,639	4,049
Preferred dividends and stock accretion	—	257	453	343	363	424	425
Net income available to common shareholders	\$ 8,202	\$ 7,554	\$ 9,666	\$ 8,456	\$ 6,251	\$ 4,215	\$ 3,624
Selected Financial Condition Data:							
Securities available for sale	\$ 353,035	\$ 236,168	\$ 243,206	\$ 239,732	\$ 254,746	\$ 244,051	\$ 214,300
Securities held to maturity	6,000	6,000	6,000	7,092	8,193	8,438	8,470
Loans, net of allowance for loan losses	1,194,606	856,322	865,424	769,742	700,540	577,574	408,970
Total assets	1,787,976	1,266,638	1,277,367	1,145,131	1,093,768	940,890	721,380
Deposits	1,507,991	1,071,789	1,039,191	916,695	892,775	779,971	596,620
Shareholders' equity	166,980	112,658	154,527	103,436	96,216	85,108	65,880
Selected Consolidated Financial Ratios and Other Data:							
Per Share Data:							
Earnings per common share, basic	\$ 0.90	\$ 1.39	\$ 1.78	\$ 1.57	\$ 1.20	\$ 0.98	\$ 1.17
Earnings per common share, diluted	\$ 0.89	\$ 1.38	\$ 1.57	\$ 1.55	\$ 1.19	\$ 0.96	\$ 1.16
Cash dividends paid per common share	\$ 0.1125	\$ 0.1125	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15
Weighted average	9,140,375	5,425,567	5,435,088	5,371,111	5,227,768	4,319,485	3,101,000

common shares outstanding, basic							
Weighted average common shares outstanding, diluted	9,212,182	5,475,785	6,259,333	5,442,050	5,270,669	4,372,930	3,125,
Book value per common share	\$ 18.24	\$ 17.60	\$ 17.19	\$ 16.05	\$ 14.88	\$ 13.34	\$ 15.73
Performance Ratios:							
Return on average assets	0.63%	0.83%	0.79%	0.75%	0.61%	0.45%	0.51%
Return on average equity	6.87	9.41	8.00	8.60	7.10	5.00	5.70
Net interest margin	3.74	3.61	3.63	3.63	3.58	3.31	3.42
Net interest margin, fully tax equivalent basis(1)	3.84	3.69	3.71	3.72	3.70	3.44	3.59
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	As of and for the Nine Months Ended September 30,		As of and for the Years Ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
	(unaudited)						
	(in thousands, except ratios, share and per share data)						
Asset Quality Ratios:							
Nonaccrual loans to total loans and other real estate	0.40%	0.67%	0.37%	0.95%	0.85%	0.54%	0.81%
Allowance for loan losses to total loans	0.68	0.87	0.86	0.87	0.86	0.98	1.14
Allowance for loan losses to nonaccrual loans	168.49	129.01	230.1	91.6	100.6	180.1	139.0
Net charge-offs to average total loans	(0.03)	(0.03)	(0.02)	(0.03)	0.17	0.01	0.26
Consolidated Capital Ratios:							
Tier 1 leverage ratio	8.6%	8.5%	11.9%	8.7%	8.4%	9.0%	8.6%
Common equity Tier 1 capital ratio	10.3	7.8	13.8	8.1	—	—	—
Tier 1 risk-based capital ratio	11.0	10.5	14.7	11.1	11.5	12.5	12.8
Total risk-based capital ratio	11.6	11.2	15.5	11.9	12.3	13.4	13.8
Total shareholders' equity to total assets	9.3	8.9	12.1	9.0	8.8	9.0	9.1

(1)

We report net interest margin on a fully tax equivalent basis, which calculation is not in accordance with GAAP. The tax equivalent adjustment to net interest income recognizes the income tax savings when comparing taxable and tax-exempt assets and assumes a 34% tax rate. Management believes that it is a standard practice in the banking industry to present net interest margin on a fully tax equivalent basis, and believes it enhances the comparability of income and expenses arising from taxable and nontaxable sources. Net interest margin on a fully tax equivalent basis should not be viewed as a substitute for net interest margin provided in accordance with GAAP.

TABLE OF CONTENTS**SELECTED CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF SUNSHINE**

The following selected historical consolidated financial data as of and for the year ended December 31, 2016, 2015 and 2014 is derived from the audited consolidated financial statements of Sunshine. The following selected historical consolidated financial data as of and for the nine months ended September 30, 2017 and 2016, is derived from the unaudited consolidated financial statements of Sunshine and has been prepared on the same basis as the selected historical consolidated financial data derived from the audited consolidated financial statements and, in the opinion of Sunshine's management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of this data for those dates.

The results of operations as of and for the nine months ended September 30, 2017 are not necessarily indicative of the results that may be expected for the year ending December 31, 2017 or any future period. You should read the following selected historical consolidated financial data in conjunction with Sunshine Management's Discussion and Analysis of Financial Condition and Results of Operations and Sunshine's audited consolidated financial statements and accompanying notes for the year ended December 31, 2016 and 2015, which are included in Sunshine's Form 10-K for the year ended December 31, 2016, a copy of which is included in Annex D to this proxy statement/prospectus, and Sunshine Management's Discussion and Analysis of Financial Condition and Results of Operations and Sunshine's unaudited consolidated financial statements and accompanying notes for the nine months ended September 30, 2017, which is included in Sunshine's Form 10-Q for the nine months ended September 30, 2017, a copy of which is included in Annex E to this proxy statement/prospectus.

	At September 30,		At December 31,		
	2017	2016	2016	2015	2014
	(In thousands)				
Selected Financial Condition Data:					
Total assets	\$ 194,090	\$ 167,325	\$ 173,209	\$ 157,828	\$ 151,006
Cash and cash equivalents	9,141	13,797	11,313	10,862	13,032
Loans net	159,541	123,439	134,077	113,422	102,786
Securities held to maturity, at amortized cost:					
U.S. government and federal agency	13,873	17,698	16,512	21,063	26,035
Federal Home Loan Bank stock	1,346	376	684	348	130
Deposits	141,668	138,619	137,902	130,470	127,905
Federal Home Loan Bank advances	28,000	5,500	12,750	5,000	—
Equity	22,229	21,476	21,656	21,358	22,388

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	For the Nine Months Ended September 30,		For the Year Ended December 31,		
	2017	2016	2016	2015	2014
(In Thousands, except per share data)					
Selected Operations Data:					
Total interest income	\$ 5,471	\$ 4,713	\$ 6,416	\$ 6,005	\$ 5,907
Total interest expense	417	293	401	375	377
Net interest income	5,054	4,420	6,015	5,630	5,530
Provision for loan losses	155	135	180	180	130
Net interest income after provision for loan losses	4,899	4,285	5,835	5,450	5,400
Fees and service charges on deposit accounts	1,041	1,064	1,419	1,461	1,600
Gain on loan sales	13	39	36	134	149
Gain on sale of foreclosed real estate	30	14	12	39	49
Fees and service charges on loans	151	115	154	138	89
Fee income bank owned life insurance	67	73	97	75	—
Other income	20	73	180	493	17
Total noninterest income	1,322	1,388	1,898	2,340	1,904
Total noninterest expense	5,528	5,731	7,577	7,918	7,270
Earnings (loss) before income taxes (benefit)	693	(58)	156	(128)	34
Income taxes (benefit)	263	(8)	46	(52)	(5)
Net earnings (loss)	\$ 430	\$ (50)	\$ 110	\$ (76)	\$ 39
Basic earnings (loss) per share	\$ 0.45	\$ (0.05)	\$ 0.12	\$ (0.08)	\$ 0.04
Diluted earnings (loss) per share	\$ 0.43	\$ (0.05)	\$ 0.11	\$ (0.08)	\$ 0.04
	As of and for the Nine Months Ended September 30,		For the Year Ended December 31,		
	2017	2016	2016	2015	2014
Selected Financial Ratios and Other Data:					
Performance ratios:					
Return on assets (ratio of net earnings (loss) to average total assets)	0.32%	(0.04)%	0.07%	(0.05)%	0.03%
Return on equity (ratio of net earnings (loss) to average equity)	2.61	(0.31)	0.51	(0.34)	0.17
Dividend payout ratio	—	—	—	—	—
Interest-rate spread information:					
Average during period	3.98	4.00	3.92	4.01	3.99
End of period	3.76	3.96	4.04	4.13	4.11
Net interest margin(1)	4.09	4.09	3.98	4.11	4.08
Noninterest income to operating revenue	19.46	22.75	22.83	28.04	24.38

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Noninterest expense to average total assets	4.12	4.80	4.57	5.27	4.95
Average interest-earning assets to average interest-bearing liabilities	1.31	1.31	1.34	1.34	1.34
Efficiency ratio(2)	86.25	98.05	93.97	98.24	96.88

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	As of and for the Nine Months Ended September 30,		For the Year Ended December 31,		
	2017	2016	2016	2015	2014
Asset quality ratios:					
Nonperforming assets to total assets at end of period	1.35%	1.26%	1.55%	1.39%	1.53%
Nonperforming loans to total loans	1.55	1.36	1.88	1.54	2.01
Allowance for loan losses to non-performing loans	44.17	52.97	36.32	50.71	51.76
Allowance for loan losses to loans receivable, net	0.69	0.72	0.69	0.78	1.04
Net charge-offs to average loans outstanding	0.02	0.12	0.12	0.35	0.34
Capital Ratios:					
Equity to total assets at end of period	11.45	12.83	12.50	13.55	14.83
Average equity to average assets	12.28	13.43	12.93	14.77	15.84
Other data:					
Number of full-service offices	5	6	5	6	6

(1)

Net interest income divided by average interest-earning assets.

(2)

Total noninterest expense, excluding foreclosed asset and repossessed property related expenses, as a percentage of net interest income and total other operating income, excluding net securities transactions.

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UNAUDITED PRO FORMA COMBINED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma combined consolidated financial information and accompanying notes show the impact on the historical financial conditions and results of operations of First Bancshares, Sunshine and Southwest and have been prepared to illustrate the effects of the mergers under the acquisition method of accounting. See “The Merger — Accounting Treatment.”

The unaudited pro forma combined consolidated balance sheet as of September 30, 2017 is presented as if the Sunshine and the Southwest mergers had occurred on September 30, 2017. The unaudited pro forma combined consolidated statements of income for the year ended December 31, 2016 and for the nine month period ended September 30, 2017 are presented as if both mergers had occurred on January 1, 2016. The historical consolidated financial information has been adjusted to reflect factually supportable items that are directly attributable to the mergers and, with respect to the income statement only, expected to have a continuing impact on consolidated results of operations, and, as such, First Bancshares’ one-time merger costs for both mergers are not included. The historical results of operations for Iberville Bank, or Iberville, which was acquired on January 1, 2017, are included in our consolidated statement of income for the nine months ended September 30, 2017. The historical results of operations for Iberville for the period of January 1, 2016 through December 31, 2016 are included in the unaudited pro forma combined consolidated statement of income for the year ended December 31, 2016. The unaudited pro forma combined statements of income for the year ended December 31, 2016 and for the nine months ended September 30, 2017 assume the Iberville merger was completed on January 1, 2016. No pro forma adjustments for Iberville are presented for the unaudited pro forma combined consolidated balance sheet since the transaction is already reflected in First Bancshares’ historical financial condition at September 30, 2017.

The unaudited pro forma combined consolidated financial statements are provided for informational purposes only. The unaudited pro forma combined consolidated financial statements are not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the mergers been completed as of the dates indicated or that may be achieved in the future. The preparation of the unaudited pro forma combined consolidated financial statements and related adjustments required management to make certain assumptions and estimates. The unaudited pro forma combined consolidated financial statements should be read together with:

- The accompanying notes to the unaudited pro forma combined consolidated financial statements;
- First Bancshares’ unaudited consolidated financial statements and accompanying notes as of and for the nine months ended September 30, 2017, included in First Bancshares’ Quarterly Report on Form 10-Q for the nine months ended September 30, 2017, which is incorporated by reference into this proxy statement/prospectus;
- First Bancshares’ audited consolidated financial statements and accompanying notes as of and for the year ended December 31, 2016, included in First Bancshares’ Annual Report on Form 10-K for the year ended December 31, 2016, which is incorporated by reference into this proxy statement/prospectus;
- Sunshine’s unaudited consolidated financial statements and accompanying notes as of and for the nine months ended September 30, 2017, which is included in Sunshine’s Form 10-Q for the nine months ended September 30, 2017, a copy of which is included in Annex E to this proxy statement/prospectus;
- Sunshine’s audited consolidated financial statements and accompanying notes as of the year ended December 31, 2016, which is included in Sunshine’s Form 10-K for the year ended December 31, 2016, a copy of which is included in Annex D to this proxy statement/prospectus;
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Southwest's unaudited consolidated financial statements and accompanying notes as of and for the nine months ended September 30, 2017, beginning on F-2 in this proxy statement/prospectus; and

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Southwest's audited consolidated financial statements and accompanying notes as of and for the year ended December 31, 2016, beginning on F-29 in this proxy statement/prospectus.

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THE FIRST BANCSHARES, INC.

PRO FORMA CONDENSED COMBINED BALANCE SHEET

As of September 30, 2017

(in thousands)

(unaudited)

	Historical		Pro Forma Adjustments	First Bancshares Sunshine Pro Forma Combined	Historical		Pro Forma Adjustments
	The First Bancshares, Inc.	Sunshine Financial, Inc.			Southwest Bancshares, Inc.		
Assets							
Cash, due from banks and interest-bearing bank balances and interest-bearing time deposits	\$ 93,317	\$ 9,141	\$ (13,674)(11)	\$ 88,784	\$ 14,390	\$ 27,105(4)	\$
Securities and Federal Home Loan Bank Stock	368,591	15,219	(100)(12)	383,710	79,897	218(12)	
Loans, net	1,190,018	159,541	(1,647)(3)(5)	1,347,912	281,617	(940)(3)(5)(7)	
Mortgage loans held for sale	4,588	—	—	4,588	424	—	
Other assets	54,629	4,383	372(10)	59,384	7,810	(129)(10)	
Buildings, Furniture & Fixtures and Equipment	46,203	3,519	—	49,722	7,235	—	
Deferred tax asset	5,305	2,287	(24)(2)	7,568	222	494(2)	
Core deposit intangible	4,882	—	1,763(6)	6,645	—	3,322(6)	
Goodwill	20,443	—	12,235(9)	32,678	—	26,268(9)	
Total assets	\$ 1,787,976	\$ 194,090	\$ (1,075)	\$ 1,980,991	\$ 391,595	\$ 56,338	\$
Liabilities and Stockholders' Equity							
Deposits	\$ 1,507,991	\$ 141,668	\$ —	\$ 1,649,659	\$ 345,075	\$ 557(1)	\$
Federal Home Loan Bank Advances and other	104,631	28,000	—	132,631	6,858	—	

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borrowings							
Other liabilities	8,374	2,193	—	10,567	2,843	—	
Total liabilities	1,620,996	171,861	—	1,792,857	354,776	557	
Stockholders' equity							
Equity	166,980	22,229	(1,075)(8)	188,134	36,819	55,781(8)	
Total liabilities and stockholders' equity	\$ 1,787,976	\$ 194,090	\$ (1,075)	\$ 1,980,991	\$ 391,595	\$ 56,338	\$

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

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THE FIRST BANCSHARES, INC.

PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

For the 10year ended December 31, 2016

(in thousands, except per share data)

(unaudited)

	Historical		Pro Forma Adjustments	First Bancshares Iberville Pro Forma Combined	Historical		First Bancshares Iberville Sunshine Pro Forma Combined
	The First Bancshares, Inc.	Iberville Bank			Sunshine Financial, Inc.	Pro Forma Adjustments	
INTEREST INCOME							
Loans	\$ 38,496	\$ 7,873	\$ 153(13)	\$ 46,522	\$ 5,995	\$ 430(13)	\$ 52,947
Investment securities and other	6,108	1,714	—	7,822	421	—	8,243
Total interest income	44,604	9,587	153	54,344	6,416	430	61,190
INTEREST EXPENSE							
Deposits	3,443	453	(85)(14)	3,811	374	—	4,185
Borrowed funds	872	22	—	894	27	—	921
Total interest expense	4,315	475	(85)	4,705	401	—	5,106
Net interest income	40,289	9,112	238	49,639	6,015	430	56,084
Provision for loan losses	625	123	—	748	180	—	928
Net interest income after provision for loan losses	39,664	8,989	238	48,891	5,835	430	55,156
NON-INTEREST INCOME							
Fees and service charges	5,657	813	—	6,470	1,419	—	7,889
Other	5,590	1,401	—	6,991	479	—	7,470
Total non-interest income	11,247	2,214	—	13,461	1,898	—	15,359
NON-INTEREST EXPENSE							
Salaries and employee benefits	22,137	6,175	(934)(16)	27,378	3,393	—	30,771

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Occupancy and equipment	4,721	1,553	9(15)	6,283	1,103	—	7,386
Other operating expense	10,004	4,478	—	14,482	3,081	—	17,563
Amortization of core deposit intangible	—	—	319(17)	319	—	184(17)	503
Merger related expense	—	—	(1,281)(16)	(1,281)	—	7,639(16)	6,358
Total non-interest expense	36,862	12,206	(1,887)	47,181	7,577	7,823	62,581
Income before provision for income taxes	14,049	(1,003)	2,125	15,171	156	(7,393)	7,934
Provision for income taxes	3,930	—	314(18)	4,244	46	(2,026)(18)	2,264
Net Income (loss)	10,119	(1,003)	1,811	10,927	110	(5,367)	5,670
Preferred dividends and stock accretion	452	—	—	452	—	—	452
Net income (loss) applicable to common shareholders	\$ 9,667	\$ (1,003)	\$ 1,811	\$ 10,475	\$ 110	\$ (5,367)	5,218

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

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THE FIRST BANCSHARES, INC.

PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

For the nine months ended September 30, 2017

(in thousands, except per share data)

(unaudited)

	Historical			Historical		Historical	
	The First Bancshares, Inc.	Sunshine Financial, Inc.	Pro Forma Adjustments	First Bancshares Sunshine Pro Forma Combined	Southwest Bancshares, Inc.	Pro Forma Adjustments	First Bancshares Sunshine Southwest Pro Forma Combined
INTEREST INCOME							
Loans	\$ 42,083	\$ 5,183	\$ 322(13)	\$ 47,588	\$ 10,498	\$ 988(13)	\$ 59,074
Investment securities and other	6,843	288	—	7,131	1,452	(55)	8,528
Total interest income	48,926	5,471	322	54,719	11,950	933	67,602
INTEREST EXPENSE							
Deposits	3,836	279	—	4,115	1,248	(295)(14)	5,068
Borrowed Funds	1,151	138	—	1,289	213	—	1,502
Total interest expense	4,987	417	—	5,404	1,461	(295)	6,570
Net interest income	43,939	5,054	322	49,315	10,489	1,228	61,032
Provision for loan losses	384	155	—	539	383	—	922
Net interest income after provision for loan losses	43,555	4,899	322	48,776	10,106	1,228	60,110
NON-INTEREST INCOME							
Fees and services charges	2,692	1,041	—	3,733	967	—	4,700
Other	8,115	281	—	8,396	1,400	—	9,796
Total non-interest income	10,807	1,322	—	12,129	2,367	—	14,496
NON-INTEREST EXPENSE							
Salaries and employee benefits	23,070	2,422	—	25,492	5,294	—	30,786