

FIRST BANCSHARES INC /MS/
Form 424B3

February 12, 2018

TABLE OF CONTENTS

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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.

TABLE OF CONTENTS

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

TABLE OF CONTENTS

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.

TABLE OF CONTENTS

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.

TABLE OF CONTENTS

TABLE OF CONTENTS

<u>QUESTIONS AND ANSWERS</u>	<u>1</u>
<u>SUMMARY</u>	<u>8</u>
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u>	<u>18</u>
<u>SELECTED CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF FIRST BANCSHARES</u>	<u>21</u>
<u>SELECTED CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF SUNSHINE</u>	<u>23</u>
<u>UNAUDITED PRO FORMA COMBINED CONSOLIDATED FINANCIAL INFORMATION</u>	<u>26</u>
<u>UNAUDITED COMPARATIVE PER SHARE INFORMATION</u>	<u>33</u>
<u>COMPARATIVE MARKET PRICES AND DIVIDENDS</u>	<u>35</u>
<u>RISK FACTORS</u>	<u>37</u>
<u>Risks Related to the Merger</u>	<u>37</u>
<u>Risks Related to the Combined Company Following the Merger</u>	<u>41</u>
<u>Risks Related to an Investment in the Combined Company's Common Stock</u>	<u>42</u>
<u>Risks Related to Tax</u>	<u>43</u>
<u>Risks Related to First Bancshares' Business</u>	<u>43</u>
<u>THE SUNSHINE SPECIAL MEETING</u>	<u>44</u>
<u>General</u>	<u>44</u>
<u>Date, Time and Place</u>	<u>44</u>
<u>Purpose of the Sunshine Special Meeting</u>	<u>44</u>
<u>Proposal One: Merger Proposal</u>	<u>44</u>
<u>Proposal Two: Compensation Proposal</u>	<u>44</u>
<u>Proposal Three: Adjournment Proposal</u>	<u>46</u>
<u>Recommendation of the Sunshine Board of Directors</u>	<u>46</u>
<u>Record Date: Stockholders Entitled to Vote</u>	<u>46</u>
<u>Quorum and Adjournment</u>	<u>47</u>
<u>Vote Required for Approval; Abstentions; Failure to Vote</u>	<u>47</u>
<u>Voting by Sunshine Directors and Executive Officers</u>	<u>47</u>
<u>Sunshine Common Stock Subject to Voting Agreements</u>	<u>47</u>
<u>Voting on Proxies by Holders of Record; Incomplete Proxies</u>	<u>48</u>
<u>Shares Held in "Street Name;" Broker Non-Votes</u>	<u>48</u>
<u>Revocability of Proxies and Changes to a Sunshine Stockholder's Vote</u>	<u>48</u>
<u>Solicitation of Proxies</u>	<u>49</u>
<u>Attending the Sunshine Special Meeting; Voting in Person</u>	<u>49</u>
<u>Assistance</u>	<u>50</u>
<u>THE MERGER</u>	<u>51</u>
<u>General</u>	<u>51</u>
<u>Purchase Price and Purchase Price Adjustments</u>	<u>51</u>
<u>Background of the Merger</u>	<u>51</u>
<u>First Bancshares' Reasons for the Merger</u>	<u>52</u>

TABLE OF CONTENTS

<u>Sunshine's Reasons for the Merger</u>	<u>54</u>
<u>Opinion of Sunshine's Financial Advisor</u>	<u>55</u>
<u>Board Composition and Management of First Bancshares after the Merger</u>	<u>64</u>
<u>Interests of Sunshine's Directors and Executive Officers in the Merger</u>	<u>64</u>
<u>Beneficial Ownership of Sunshine Common Stock by Management and Principal Stockholders of Sunshine</u>	<u>68</u>
<u>Regulatory Approvals Required for the Merger</u>	<u>70</u>
<u>Material U.S. Federal Income Tax Considerations</u>	<u>71</u>
<u>Accounting Treatment</u>	<u>76</u>
<u>Dissenters' Rights</u>	<u>76</u>
<u>Exchange of Shares in the Merger</u>	<u>78</u>
<u>Listing of First Bancshares Common Stock</u>	<u>78</u>
<u>THE MERGER AGREEMENT</u>	<u>79</u>
<u>Structure of the Merger</u>	<u>79</u>
<u>Closing and Effective Time of the Merger</u>	<u>79</u>
<u>Organizational Documents of the Surviving Company</u>	<u>79</u>
<u>Board Composition and Management of Surviving Company</u>	<u>79</u>
<u>Merger Consideration</u>	<u>80</u>
<u>Procedures for Converting Shares of Sunshine Common Stock into Merger Consideration</u>	<u>80</u>
	<u>82</u>

<u>Surrender of Sunshine</u>	
<u>Stock Certificates</u>	
<u>Representations and</u>	<u>83</u>
<u>Warranties</u>	
<u>Definition of “Material</u>	<u>84</u>
<u>Adverse Effect”</u>	
<u>Covenants and</u>	<u>85</u>
<u>Agreements</u>	
<u>Regulatory Matters</u>	<u>89</u>
<u>NASDAQ Listing</u>	<u>90</u>
<u>Employee Matters</u>	<u>90</u>
<u>Indemnification and</u>	
<u>Directors’ and Officers’</u>	<u>90</u>
<u>Insurance</u>	
<u>No Solicitation</u>	<u>91</u>
<u>Conditions to Completion</u>	<u>93</u>
<u>of the Merger</u>	
<u>Termination</u>	<u>94</u>
<u>Termination Fee</u>	<u>95</u>
<u>Effect of Termination</u>	<u>95</u>
<u>Amendment; Waiver</u>	<u>95</u>
<u>Expenses</u>	<u>96</u>
<u>ANCILLARY</u>	<u>97</u>
<u>AGREEMENTS</u>	
<u>Voting Agreements</u>	<u>97</u>
<u>Non-Competition and</u>	
<u>Non-Disclosure</u>	<u>98</u>
<u>Agreements</u>	
<u>Claims Letters</u>	<u>98</u>
<u>THE COMPANIES</u>	<u>100</u>
<u>The First Bancshares, Inc.</u>	<u>100</u>
<u>Sunshine Financial, Inc.</u>	<u>100</u>

TABLE OF CONTENTS

<u>DESCRIPTION OF CAPITAL STOCK</u>	<u>101</u>
<u>COMPARISON OF RIGHTS OF FIRST BANCSHARES SHAREHOLDERS AND SUNSHINE STOCKHOLDERS</u>	<u>104</u>
<u>LEGAL MATTERS</u>	<u>118</u>
<u>EXPERTS</u>	<u>118</u>
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	<u>118</u>
<u>INDEX TO FINANCIAL STATEMENTS</u>	<u>F-1</u>
<u>Annex A — Agreement and Plan of Merger</u>	<u>A-1</u>
<u>Annex B — Opinion of BSP Securities, LLC</u>	<u>B-1</u>
<u>Annex C — Provisions of Maryland General Corporations Law Relating to Dissenters' Rights</u>	<u>C-1</u>
<u>Annex D — Sunshine Financial, Inc. Annual Report on Form 10-K for the year ended December 31, 2016</u>	<u>D-1</u>
<u>Annex E — Sunshine Financial, Inc. Quarterly Report on Form 10-Q for the nine months ended September 30, 2017</u>	<u>E-1</u>

TABLE OF CONTENTS

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

TABLE OF CONTENTS

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.

TABLE OF CONTENTS

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,

TABLE OF CONTENTS

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.

TABLE OF CONTENTS

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.

TABLE OF CONTENTS

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.

TABLE OF CONTENTS

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.

TABLE OF CONTENTS

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 CONTENTS

The 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

TABLE OF CONTENTS

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.

TABLE OF CONTENTS

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."

TABLE OF CONTENTS

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:
12

TABLE OF CONTENTS

- 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.

13

TABLE OF CONTENTS

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

TABLE OF CONTENTS

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).

TABLE OF CONTENTS

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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16

TABLE OF CONTENTS

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.

TABLE OF CONTENTS

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;

TABLE OF CONTENTS

- 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.

TABLE OF CONTENTS

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.

20

TABLE OF CONTENTS**SELECTED CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF
FIRST BANCSHARES**

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	\$ 214,395
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	408,975
Total assets	1,787,976	1,266,638	1,277,367	1,145,131	1,093,768	940,890	721,385
Deposits	1,507,991	1,071,789	1,039,191	916,695	892,775	779,971	596,625
Shareholders' equity	166,980	112,658	154,527	103,436	96,216	85,108	65,883
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	3,101,111

common
shares
outstanding,
basic

Weighted
average
common
shares
outstanding,
diluted

Book value
per common
share

Performance
Ratios:

Return on
average
assets

Return on
average
equity

Net interest
margin

Net interest
margin, fully
tax
equivalent
basis(1)

21

9,212,182	5,475,785	6,259,333	5,442,050	5,270,669	4,372,930	3,125,
\$ 18.24	\$ 17.60	\$ 17.19	\$ 16.05	\$ 14.88	\$ 13.34	\$ 15.73
0.63%	0.83%	0.79%	0.75%	0.61%	0.45%	0.51%
6.87	9.41	8.00	8.60	7.10	5.00	5.70
3.74	3.61	3.63	3.63	3.58	3.31	3.42
3.84	3.69	3.71	3.72	3.70	3.44	3.59

TABLE OF CONTENTS

	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

TABLE OF CONTENTS

	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

24

TABLE OF CONTENTS

	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.

TABLE OF CONTENTS

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.

TABLE OF CONTENTS

THE FIRST BANCSHARES, INC.

PRO FORMA CONDENSED COMBINED BALANCE SHEET

As of September 30, 2017

(in thousands)

(unaudited)

	Historical			Historical			
	The First Bancshares, Inc.	Sunshine Financial, Inc.	Pro Forma Adjustments	First Bancshares Sunshine Pro Forma Combined	Southwest Bancshares, Inc.	Pro Forma Adjustments	
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	—	

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.

27

TABLE OF CONTENTS

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				Historical		
	The First Bancshares, Inc.	Iberville Bank	Pro Forma Adjustments	First Bancshares Iberville Pro Forma Combined	Sunshine Financial, Inc.	Pro Forma Adjustments	First Bancshares Iberville Sunshine Pro Forma Combined
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.

TABLE OF CONTENTS

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		
	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 income	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

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Occupancy and equipment	4,108	751	—	4,859	1,258	—	6,117
Other operating expense	9,551	2,355	—	11,906	2,783	—	14,689
Amortization of core deposit intangible	—	—	138(17)	138	—	249(17)	387
Merger related expense	6,327	—	7,639(16)	13,966	—	4,341(16)	18,307
Total non-interest income	43,056	5,528	7,777	56,361	9,335	4,590	70,286
Income before provision for income taxes	11,306	693	(7,455)	4,544	3,138	(3,362)	4,320
Provision for income taxes	3,104	263	(1,893)(18)	1,473	144	(62)(18)	1,555
Net Income (loss)	8,202	430	(5,562)	3,070	2,994	(3,299)	2,765
Preferred dividends and stock accretion	—	—	—	—	—	—	—
Net income (loss) applicable to common shareholders	\$ 8,202	\$ 430	\$ (5,562)	\$ 3,070	\$ 2,994	\$ (3,299)	\$ 2,765

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

TABLE OF CONTENTS

THE FIRST BANCSHARES, INC.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Note 1 — Basis of Presentation

The unaudited pro forma condensed combined financial information included herein has been prepared pursuant to the rules and regulations of the SEC. Certain information and certain footnote disclosures normally included in financial statements prepared in accordance with GAAP have been omitted pursuant to such rules and regulations. However, management believes that the disclosures are adequate to make the information presented not misleading.

Note 2 — First Bancshares' Acquisition of Iberville Bank

On January 1, 2017, First Bancshares completed a transaction in which it acquired all of the stock of Iberville Bank, Plaquemine, LA ("Iberville") for a total consideration of \$31.1 million pursuant to a previously-announced Stock Purchase Agreement entered into on October 12, 2017 among First Bancshares and A. Wilbert's Sons Lumber & Shingle Co., a Louisiana corporation. The following table summarizes the cash paid and the preliminary estimated fair values of the assets and the liabilities assumed as if the acquisition of Iberville occurred on December 31, 2016 (in thousands):

Purchase Price:

Cash paid	\$ 31,100
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Fair Value of assets acquired:

Cash and due from banks	\$ 28,789
Securities, FHLB Stock and FNBB Stock	78,650
Loans, net	148,517
Buildings, Furniture & Fixtures and Equipment	4,443
Goodwill	683
Core Deposit Intangible	3,186
Other Assets	8,900
Total assets acquired	273,168

Fair Value of deposits acquired:

Deposits	243,725
FHLB Advances	456
Other liabilities	2,689
Total liabilities assumed	246,870

Fair Value of net assets acquired	26,298
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Preliminary pro forma goodwill	\$ 4,802
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Note 3 — First Bancshares' Proposed Acquisition of Sunshine Financial, Inc.

On December 6, 2017, First Bancshares entered into the merger agreement with Sunshine, whereby Sunshine will be merged with and into First Bancshares. Pursuant to the merger agreement, 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, provided that the total mix of merger consideration shall be fixed at 75% stock and 25% cash. 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.

TABLE OF CONTENTS

THE FIRST BANCSHARES, INC.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Note 4 — First Bancshares' Proposed Acquisition of Southwest Banc Shares, Inc.

On October 24, 2017, First Bancshares entered into an Agreement and Plan of Merger (the "Southwest Merger Agreement") with Southwest Banc Shares, Inc. an Alabama corporation ("Southwest"), whereby Southwest will be merged with and into First Bancshares (the "Southwest Merger"). Pursuant to the Southwest Merger Agreement, each outstanding share of Southwest common stock issued and outstanding immediately prior to the effective time of the Southwest Merger will be converted into the right to receive a "Pro Rata Share" (which is a ratio equal to one (1) divided by the number of shares of Southwest common stock issued and outstanding as of the closing) of (i) a number of shares of First Bancshares common stock equal to \$36 million divided by the average closing price of First Bancshares common stock during the ten trading days preceding the fifth business day prior to the closing date (subject to a maximum per-share price of First Bancshares common stock of \$36.54 and a minimum price of \$24.36) and (ii) a cash amount equal to \$24 million (subject to downward adjustment in accordance with the terms of the Southwest Merger Agreement in the event that Southwest's adjusted tangible common equity at closing is less than \$32 million). Each outstanding share of Southwest common stock subject to vesting restrictions shall become vested immediately prior to the effective time of the Southwest Merger and will be converted into the right to receive the same merger consideration that other Southwest shareholders are entitled to receive. The following table summarizes the calculation of the purchase price and the preliminary allocation of the purchase price to the estimated fair value of assets and liabilities (in thousands):

Purchase Price:

Cash paid	\$ 60,000
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Fair Value of assets acquired:

Cash and due from banks	\$ 10,050
Securities, FHLB Stock and FNBB Stock	80,115
Loans, net	280,677
Buildings, Furniture & Fixtures and Equipment	7,235
Goodwill	716
Core Deposit Intangible	3,322
Other Assets	6,950
Total assets acquired	389,065

Fair Value of deposits acquired:

Deposits	345,632
FHLB Advances	6,858
Other liabilities	2,843
Total liabilities assumed	355,333

Fair Value of net assets acquired	33,732
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Preliminary pro forma goodwill	\$ 26,268
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TABLE OF CONTENTS

THE FIRST BANCSHARES, INC.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Note 5 — Pro Forma Adjustments

The following pro forma adjustments have been reflected in the unaudited pro forma condensed combined financial information. All adjustments are based on current assumptions and valuations, which are subject to change:

(1)

Adjustment reflects the preliminary fair value premium on time deposits which was calculated by discounting future contractual payments at a current market interest rate.

(2)

Adjustment reflects the deferred tax impact of fair value adjustments and CDI.

(3)

Adjustment reflects elimination of historical allowance for loan losses.

(4)

Adjustment reflects payment of cash consideration of \$24.0 million and transaction costs of \$4.3 million plus receipt of \$55.4 million from the issuance of 2,012,500 shares.

(5)

Adjustment reflects estimated fair value discount due to credit worthiness.

(6)

Adjustment reflects estimated fair value of acquired core deposit intangible of \$3.3 million for Southwest and \$1.8 million for Sunshine. The anticipated core deposit intangible will be calculated as the present value of the difference between a market participant's cost of obtaining alternative funds and the cost to maintain the acquired deposit base. Deposit accounts that are evaluated as part of the core deposit intangible include demand deposit, money market and savings accounts.

(7)

Adjustment reflects an estimated fair value premium due to interest rates.

(8)

Adjustment reflects the issuance of 2,012,500 shares for a net of \$55.4 million in October 2017 plus the elimination of historical stockholder's equity.

(9)

Adjustment reflects the excess of the purchase price over the estimated fair value of net assets acquired.

(10)

Adjustment reflects an expected fair value adjustment on other real estate owned as well as anticipated adjustment for employee stock ownership plan termination.

(11)

Adjustment reflects payment of cash consideration of \$6.9 to common shareholders and \$1.3 million to option holders and transaction costs of \$5.5 million.

(12)

Adjustment reflects preliminary fair value of securities.

(13)

Interest income on loans was adjusted to reflect the anticipated difference between the contractual interest rate earned on loans and estimated discount accretion over the remaining life of the acquired loans based on current market yields for similar loans.

(14)

Interest expense on deposits was adjusted to reflect the anticipated amortization of the time deposit fair value premium over the remaining life of the deposits.

(15)

Adjustment to depreciation expense relating to the fair value of buildings over their estimated useful lives.

(16)

Adjustment reflects nonrecurring merger costs.

(17)

Adjustment reflects the anticipated amortization of core deposit intangible over an estimated ten-year useful life and calculated on a straight-line basis.

(18)

Adjustment reflects the tax impact of the pro forma acquisition accounting adjustments, as well as the tax impact due to the S Corp status of First Community Bank at effective tax rate.

TABLE OF CONTENTS**UNAUDITED COMPARATIVE PER SHARE INFORMATION**

The following table sets forth for First Bancshares, Sunshine and Southwest common stock certain historical, pro forma and pro forma equivalent per share financial information. The pro forma information for First Bancshares and Iberville presented below gives effect to the acquisition of Iberville as if that acquisition by First Bancshares had been effective on January 1, 2016 in the case of net income per common share and dividends declared per common share. Because the Iberville acquisition closed on January 1, 2017, the impact of this acquisition is included in book value per common share amount at September 30, 2017. The information presented below should be read together with the historical consolidated financial statements of First Bancshares, including the related notes, filed by First Bancshares with the SEC and incorporated by reference into this proxy statement/prospectus, and the historical consolidated financial statements of Sunshine and Southwest, including the related notes, respectively, included elsewhere in this proxy statement/prospectus.

The pro forma and pro forma equivalent per share information gives effect to the Sunshine and Southwest mergers as if the transactions had been effective on the date presented, in the case of book value data, and as if the transactions had been effective on January 1, 2016, in the case of the income and dividend data. The pro forma information in the table assumes that the mergers are accounted for under the acquisition method of accounting. This information is presented for illustrative purposes only. You should not rely on the pro forma combined or pro forma equivalent amounts as they are not necessarily indicative of the operating results or financial position that would have occurred if the mergers had been completed as of the dates indicated, nor are they necessarily indicative of the future operating results or financial position of the combined company. The pro forma information, although helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings, opportunities to earn additional revenue, the impact of restructuring and merger-related costs or other factors that may result as a consequence of the mergers and, accordingly, does not attempt to predict or suggest future results.

	First Bancshares Historical	First Bancshares and Iberville Pro Forma Combined(1)	Sunshine Historical	First Bancshares, Iberville, and Sunshine Pro Forma Combined(2)	Southwest Historical	First Bancshares, Iberville, Sunshine and Southwest Pro Forma Combined(3)	Sunshine Equivalent Pro Forma(4)
As of and for the year ended December 31, 2016							
Income from continuing operations attributable to common shareholders per common share, basic	\$ 1.78	\$ 1.41	\$ 0.12	\$ 0.64	\$ 51.13	\$ 0.60	\$ 0.56
Income from continuing operations attributable to common shareholders per	1.57	1.28	0.11	0.59	51.11	0.57	0.53

common share,
diluted

Cash dividends paid per common share	0.15	0.15	—	0.15	17.00	0.15	0.14
Book value per common share	17.19	19.15	21.02	19.44	471.49	20.51	19.07

33

TABLE OF CONTENTS

	First Bancshares Historical	First Bancshares and Iberville Pro Forma Combined(1)	Sunshine Historical	First Bancshares, Iberville, and Sunshine Pro Forma Combined(2)	Southwest Historical	First Bancshares, Iberville, Sunshine and Southwest Pro Forma Combined(3)	Sunshine Equivalent Pro Forma(4)
As of and for the nine months ended September 30, 2017							
Income from continuing operations attributable to common shareholders per common share, basic	0.90	0.90	0.45	0.26	41.98	0.21	0.20
Income from continuing operations attributable to common shareholders per common share, diluted	0.89	0.89	0.43	0.27	41.95	0.22	0.21
Cash dividends paid per common share	0.11	0.11	—	0.11	15.50	0.11	0.10
Book value per common share	18.24	18.24	21.58	20.16	516.27	21.10	19.62

(1)

The unaudited pro forma information for First Bancshares and Iberville gives effect to the acquisition of Iberville as if that acquisition had been effective on January 1, 2016 in the case of earnings per share and cash dividend data. Because the Iberville acquisition closed on January 1, 2017, the impact of this acquisition is included in book value per common share amounts at September 30, 2017. The unaudited pro forma information also gives effect to the issuance by First Bancshares of 2,012,500 shares common stock for net proceeds of \$55,444,375.

(2)

Pro forma combined amounts are calculated by adding together First Bancshares and Iberville pro forma combined amounts, together with the historical amounts as reported by Sunshine, adjusted for the estimated purchase accounting adjustments to be recorded in connection with the Sunshine merger and an estimated 725,120 shares of First Bancshares common stock to be issued in connection with the merger with Sunshine based on the terms of the merger agreement and on the number of outstanding shares of Sunshine common stock as of February 5, 2018.

(3)

Pro forma combined amounts are calculated by adding together First Bancshares, Iberville and Sunshine pro forma combined amounts, together with the historical amounts as reported by Southwest, adjusted for the estimated purchase accounting adjustments to be recorded in connection with the Southwest Merger and an estimated 1,163,166 shares of First Bancshares common stock to be issued in connection with the Southwest Merger based on the terms of the Southwest Merger Agreement, assuming that the average closing price of First Bancshares common stock in calculating the stock consideration as of the effective time of the merger will be \$30.95, the closing sale price of First

Bancshares common stock on February 8, 2018.

(4)
The equivalent pro forma per share data for Sunshine is computed by multiplying First Bancshares, Iberville, Sunshine and Southwest pro forma combined amounts, as defined in (3) above, by 0.93.

34

TABLE OF CONTENTS**COMPARATIVE MARKET PRICES AND DIVIDENDS****First Bancshares**

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.” As of February 8, 2018, the latest practicable date prior to this proxy statement/ prospectus, there were approximately 1,385 holders of record of First Bancshares common stock. As of the record date for the Sunshine special meeting, there were approximately 176 holders of record. The following table sets forth the high and low reported intra-day sales prices per share of First Bancshares common stock and Sunshine common stock, and the cash dividends declared per share for the periods indicated.

	First Bancshares Common Stock			Sunshine Common Stock		
	Sales Price		Dividends Declared Per Share	Sale Price		Dividends Declared Per Share
	High	Low		High	Low	
2016						
First Quarter	\$ 18.50	\$ 15.32	\$ 0.0375	\$ 19.30	\$ 18.45	—
Second Quarter	\$ 17.72	\$ 15.50	\$ 0.0375	\$ 19.35	\$ 19.01	—
Third Quarter	\$ 19.55	\$ 16.99	\$ 0.0375	\$ 20.05	\$ 19.15	—
Fourth Quarter	\$ 28.50	\$ 17.10	\$ 0.0375	\$ 19.90	\$ 18.60	—
2017						
First Quarter	\$ 30.80	\$ 26.00	\$ 0.0375	\$ 20.50	\$ 19.40	—
Second Quarter	\$ 28.75	\$ 26.75	\$ 0.0375	\$ 21.85	\$ 20.30	—
Third Quarter	\$ 30.85	\$ 26.10	\$ 0.0375	\$ 22.75	\$ 21.75	—
Fourth Quarter	\$ 34.70	\$ 27.99	\$ 0.0375	\$ 29.95	\$ 22.20	—
2018						
First Quarter (through February 8, 2018)	\$ 35.10	\$ 30.75	\$ 0.05	\$ 29.80	\$ 28.55	—

On December 6, 2017, the last full trading day before the public announcement of the merger agreement, the closing sale price per share of First Bancshares common stock and Sunshine common stock was \$33.35 and \$22.25, respectively, and on February 8, 2018, the latest practicable date before the date of this proxy statement/prospectus, the closing sale price per share of First Bancshares common stock and Sunshine common stock was \$30.95 and \$28.55, respectively.

Sunshine stockholders are advised to obtain current market quotations for First Bancshares common stock and Sunshine common stock. The market price of First Bancshares common stock will fluctuate between the date of this proxy statement/prospectus and the date of completion of the merger. No assurance can be given concerning the market price of First Bancshares common stock before or after the effective date of the merger. Changes in the market price of First Bancshares common stock prior to the completion of the merger will affect the market value of the merger consideration that Sunshine stockholders will receive.

Dividends

The principal sources of funds to First Bancshares to pay dividends are the dividends received from The First. Consequently, dividends are dependent upon The First’s earnings, capital needs, regulatory policies, as well as statutory and regulatory limitations. Federal and state banking laws and regulations restrict the amount of dividends and loans a bank may make to its parent company. Approval by First Bancshares’ regulators is required if the total of all dividends declared in any calendar year exceed the total of its net income for that year combined with its retained net income of the preceding two years. See “Description of Capital Stock — Common Stock — Dividends.”

TABLE OF CONTENTS

Sunshine does not currently pay any dividends. Sunshine's cash dividend payout policy, however, is continually reviewed by management and the Sunshine board of directors. The payment of dividends will depend upon a number of factors, including capital requirements, Sunshine's and Sunshine Community's financial condition and results of operations, tax considerations, statutory and regulatory limitations, and general economic conditions. Future dividends are not guaranteed and will depend on Sunshine's ability to pay them. No assurances can be given that any dividends will be paid or that, if paid, will not be reduced or eliminated in future periods. Sunshine's future payment of dividends may depend, in part, upon receipt of dividends from Sunshine Community.

Federal and state regulations also restrict the ability of Sunshine Community to pay dividends and make other capital distributions to Sunshine. Generally, a Florida-chartered commercial bank that meets the capital conservation buffer requirement may make capital distributions during any calendar year equal to retained net profits of the previous two calendar years and the current year-to-date earnings. Sunshine and Sunshine Community must maintain a capital conservation buffer consisting of additional common equity tier 1 capital than 2.5% of risk-weighted assets above the required minimum levels in order to avoid limitations on paying dividends. In addition, under the terms of the Florida Office of Financial Regulations, or FOFR, approval of the conversion to a Florida-chartered commercial bank, Sunshine Community must obtain the prior approval of the FOFR before declaring any dividend during the three years following July 1, 2016. See "Business — How We Are Regulated — Limitations on Dividends and Other Capital Distributions" 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.

TABLE OF CONTENTS

RISK FACTORS

In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under the section “Cautionary Statement Concerning Forward-Looking Statements,” you should carefully consider the following risk factors in deciding how to vote for the proposals presented in this proxy statement/prospectus. You should also consider the other information in this proxy statement/prospectus and the other documents incorporated by reference into this proxy statement/prospectus. See “Where You Can Find More Information.”

Risks Related to the Merger

Because of the fixed exchange ratio and the fluctuation of the market price of First Bancshares common stock, Sunshine stockholders will not know at the time of the special meeting the market value of the stock consideration they will receive.

Pursuant to the merger agreement, 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, 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, provided that the total mix of merger consideration shall be fixed at 75% stock and 25% cash, and the exchange agent will make pro-rata adjustments to each Sunshine stockholder’s elections in order to preserve that mix of merger consideration.

The market value of the stock consideration may vary from the market value on the date Sunshine and First Bancshares announced the merger, on the date that this proxy statement/prospectus is mailed, on the date of the Sunshine special meeting and on the date the merger is completed and thereafter due to fluctuations in the market price of First Bancshares common stock. 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. Stock price changes may result from a variety of factors that are beyond the control of First Bancshares and Sunshine, including but not limited to general market and economic conditions, changes in their respective businesses, operations and prospects and regulatory considerations. Therefore, at the time of the Sunshine special meeting, Sunshine stockholders will not know the precise market value of the stock consideration they may receive at the effective time of the merger. Sunshine stockholders should obtain current sale prices for shares of First Bancshares common stock and Sunshine common stock before voting their shares at the Sunshine special meeting.

The merger and related transactions are subject to approval by Sunshine stockholders.

The merger cannot be completed unless the Sunshine stockholders approve the merger by the affirmative vote of the holders of at least a majority of the outstanding shares of Sunshine’s common stock entitled to vote on the merger. Failure to complete the merger could negatively affect the value of the shares and the future business and financial results of Sunshine.

If the merger is not completed, the ongoing business of Sunshine could be adversely affected and Sunshine will be subject to a variety of risks associated with the failure to complete the merger, including the following:

- Sunshine being required, under certain circumstances, to pay to First Bancshares a termination fee equal to \$1,200,000;
- substantial costs incurred by Sunshine in connection with the proposed merger, such as legal, accounting, financial advisor, filing, printing and mailing fees;
- the loss of key employees and customers;
- the disruption of operations and business;

- deposit attrition, customer loss and revenue loss;

TABLE OF CONTENTS

- unexpected problems with costs, operations, personnel, technology and credit;

- diversion of management focus and resources from operational matters and other strategic opportunities while working to implement the merger; and

- reputational harm due to the adverse perception of any failure to successfully complete the merger.

If the merger is not completed, these risks could materially affect the business, financial results and the value of Sunshine common stock.

Sunshine will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Sunshine. These uncertainties may impair Sunshine's ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with Sunshine to seek to change existing business relationships with Sunshine. Retention of certain employees by Sunshine may be challenging while the merger is pending, as certain employees may experience uncertainty about their future roles with Sunshine or First Bancshares. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with Sunshine or First Bancshares, Sunshine's business or the business assumed by First Bancshares following the merger could be harmed. In addition, Sunshine has agreed to certain contractual restrictions on the operation of its business prior to closing. See "The Merger Agreement — Covenants and Agreements" for a description of the restrictive covenants applicable to Sunshine.

The merger agreement limits Sunshine's ability to pursue an alternative acquisition proposal and requires Sunshine to pay a termination fee of \$1,200,000 under limited circumstances relating to alternative acquisition proposals. Under the merger agreement, Sunshine has agreed not to initiate, solicit, induce or knowingly encourage, or take any action to facilitate any alternative business combination transaction or, subject to certain exceptions, participate in discussions or negotiations regarding, or furnish any non-public information relating to, any alternative business combination transaction. See "The Merger Agreement — No Solicitation" on page 91. The merger agreement also provides for Sunshine to pay to First Bancshares a termination fee in the amount of \$1,200,000 in the event that the merger agreement is terminated for certain reasons. See "The Merger Agreement — Termination Fee" on page 95. These provisions could discourage a potential competing acquirer that might have an interest in acquiring Sunshine from considering or making a competing acquisition proposal, even if the potential competing acquirer was prepared to pay consideration with a higher per share cash value than the market value proposed to be received or realized in the merger, or might result in a potential competing acquirer proposing to pay a lower price than it might otherwise have proposed to pay because of the added expense of the termination fee that may become payable in certain circumstances under the merger agreement.

The merger agreement contains provisions granting both Sunshine and First Bancshares the right to terminate the merger agreement in certain circumstances.

The merger agreement contains certain termination rights, including the right, subject to certain exceptions, of either party to terminate the merger agreement if the merger is not completed on or prior to May 31, 2018 (subject to automatic extension to August 31, 2018 if the only outstanding condition to closing is the receipt of regulatory approvals), and the right of Sunshine to terminate the merger agreement, subject to certain conditions, if the average closing price of First Bancshares common stock over a specified period prior to completion of the merger decreases below certain specified thresholds, or to accept a business combination transaction deemed to be superior to the merger by the Sunshine board of directors. If the merger is not completed, the ongoing business of Sunshine could be adversely affected and Sunshine will be subject to several risks, including the risks described elsewhere in this "Risk Factors" section

The merger is subject to a number of conditions which, if not satisfied or waived in a timely manner, would delay the merger or adversely impact the companies' ability to complete the transactions.

The completion of the merger is subject to certain conditions, including, among others, the (1) approval of the merger by the holders of at least a majority of the outstanding shares of Sunshine

TABLE OF CONTENTS

common stock entitled to vote; (2) 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; (3) the absence of any legal restraint (such as an injunction or restraining order) that would prevent the consummation of the merger; (4) the effectiveness of the registration statement of which this proxy statement/prospectus forms a part; (5) 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; (6) 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; (7) 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; (8) the absence of the occurrence of a material adverse effect on Sunshine or First Bancshares; and (9) other customary closing conditions set forth in the merger agreement. See "The Merger Agreement — Conditions to Completion of the Merger" on page 93. While it is currently anticipated that the merger will be completed during the second quarter of 2018, there can be no assurance that such conditions will be satisfied in a timely manner or at all, or that an effect, event, development or change will not transpire that could delay or prevent these conditions from being satisfied. Accordingly, there can be no guarantee with respect to the timing of the closing of the merger, whether the merger will be completed at all and when Sunshine stockholders would receive the merger consideration, if at all.

First Bancshares and Sunshine may waive one or more of the conditions to the merger without re-soliciting stockholder approval for the merger.

Each of the conditions to the obligations of First Bancshares and Sunshine to complete the merger may be waived, in whole or in part, to the extent permitted by applicable law, by agreement of First Bancshares and Sunshine, if the condition is a condition to both parties' obligation to complete the merger, or by the party for which such condition is a condition of its obligation to complete the merger. The boards of directors of First Bancshares and Sunshine may evaluate the materiality of any such waiver to determine whether amendment of this proxy statement/prospectus and re-solicitation of proxies are necessary. First Bancshares and Sunshine, however, generally do not expect any such waiver to be significant enough to require re-solicitation of stockholders. In the event that any such waiver is not determined to be significant enough to require re-solicitation of stockholders, the companies will have the discretion to complete the merger without seeking further stockholder approval.

Regulatory approvals may not be received, may take longer than expected or impose conditions that are not presently anticipated.

Before the transactions contemplated by the merger agreement may be completed, approvals must be obtained from various regulatory authorities, which include the Federal Reserve Board, the OCC, and other securities and regulatory authorities. These governmental entities may request additional information or materials regarding the regulatory applications and notices submitted by First Bancshares and Sunshine, or may impose conditions on the granting of such approvals. Such conditions or changes and the process of obtaining regulatory approvals could have the effect of delaying the completion of the merger or of imposing additional costs or limitations on the combined company following the merger. The regulatory approvals may not be received at all, may not be received in a timely fashion, and may contain conditions on the completion of the merger that are not anticipated or cannot be met. There can be no assurance as to whether these and other regulatory approvals will be received, the timing of those approvals, or whether any conditions will be imposed. See "The Merger — Regulatory Approvals Required for the Merger" on page 70. The directors and executive officers of Sunshine have interests in seeing the merger completed that are different from, or in addition to, those of the other Sunshine stockholders.

The directors and executive officers of Sunshine have arrangements that provide them with interests in the merger that are different from, or in addition to, those of the stockholders of Sunshine generally. These interests and arrangements may create potential conflicts of interest and may influence or may have influenced the directors and executive officers of Sunshine to support or approve the merger. See "The Merger — Interests of Sunshine's Directors and Executive Officers in the Merger" beginning on page 64.

TABLE OF CONTENTS

The opinion of Sunshine's financial advisor does not reflect changes in circumstances between the date of the signing of the merger agreement and the completion of the merger.

Sunshine's board of directors received an opinion from its financial advisor as to the fairness of the merger consideration from a financial point of view as of the date of such opinion. Subsequent changes in the operation and prospects of Sunshine or First Bancshares, general market and economic conditions and other factors that may be beyond the control of Sunshine or First Bancshares, may significantly alter the value of Sunshine or First Bancshares or the price of the shares of First Bancshares common stock by the time the merger is completed. The opinion does not address the fairness of the merger consideration from a financial point of view at the time the merger is completed, or as of any other date other than the date of such opinion. The opinion of Sunshine's financial advisor is attached as Annex B to this proxy statement/ prospectus. For a description of the opinion, see "The Merger — Opinion of Sunshine's Financial Advisor" on page 55.

The merger may be completed even though First Bancshares or Sunshine experiences adverse changes in its business. In general, either First Bancshares or Sunshine may refuse to complete the merger if the other party suffers a material adverse effect on its business prior to the closing of the merger. However, certain types of changes or occurrences with respect to First Bancshares or Sunshine would not prevent the merger from going forward, even if the change or occurrence would have adverse effects on First Bancshares or Sunshine, including the following:

- changes in laws and regulations affecting financial institutions and their holding companies generally, or interpretations thereof by courts or governmental entities, if such changes do not have a disproportionate impact on the affected company;
- changes in GAAP or regulatory accounting requirements generally applicable to financial institutions and their holding companies, if such changes do not have a disproportionate impact on the affected company;
- changes in global, national or regional political conditions including the outbreak of war or acts of terrorism, or in economic or market conditions affecting the financial services industry generally, if such changes do not have a disproportionate impact on the affected company;
- changes or effects from the announcement of the merger agreement and the transactions contemplated thereby, and compliance by the parties with the merger agreement on the business, financial condition or results of operations of the parties;
- any failure by Sunshine or First Bancshares to meet any internal or published industry analyst projections or forecasts or estimates of revenues or earnings for any period (but not including the underlying causes thereof);
- a decline in the trading price or trading volume of First Bancshares common stock; however, Sunshine may terminate the merger agreement if (i) the average closing price of First Bancshares common stock during a specified period prior to closing is less than \$25.52 and (ii) First Bancshares common stock underperforms the KBW Regional Banking Index by more than 20%, unless First Bancshares elects to make a compensating adjustment to the exchange ratio; and
- the impact of the merger agreement and the transactions contemplated thereby on relationships with customers or employees, including the loss of personnel subsequent to the date of the merger agreement.

Litigation in transactions of this type are sometimes filed against the board of directors of either party that could prevent or delay the completion of the merger or result in the payment of damages following completion of the merger.

In connection with the merger, it is possible that Sunshine stockholders may file putative class action lawsuits against the boards of directors of First Bancshares and/or Sunshine. Among other remedies, these stockholders could seek to enjoin the merger. The outcome of any such litigation would be uncertain. If a dismissal is not granted or a settlement is not reached, such potential lawsuits could prevent or delay

40

TABLE OF CONTENTS

completion of the merger and result in substantial costs to First Bancshares and Sunshine. The defense or settlement of any lawsuit or claim that remains unresolved at the time the merger is consummated may adversely affect the combined company's business, financial condition, results of operations, cash flows and market price.

Risks Related to the Combined Company Following the Merger

The combined company expects to incur substantial expenses related to the merger.

The combined company expects to incur substantial expenses in connection with completing the merger and integrating the business and operations of Sunshine and First Bancshares. Although First Bancshares and Sunshine have assumed that a certain level of transaction and integration expenses would be incurred, there are a number of factors beyond their control that could affect the total amount or the timing of their integration expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. As a result, the transaction and integration expenses associated with the merger could, particularly in the near term, exceed the savings that the combined company expects to achieve from the integration of the businesses following the completion of the merger.

Following the merger, the combined company may be unable to integrate Sunshine's business with First Bancshares successfully and realize the anticipated synergies and other benefits of the merger or do so within the anticipated timeframe.

The merger involves the combination of two companies that currently operate as independent companies, as well as the companies' subsidiaries. Although the combined company is expected to benefit from certain synergies, including cost savings, the combined company may encounter potential difficulties in the integration process, including:

- the inability to successfully combine Sunshine's business with First Bancshares in a manner that permits the combined company to achieve the cost savings anticipated to result from the merger, which would result in the anticipated benefits of the merger not being realized in the timeframe currently anticipated or at all;
- the risk of not realizing all of the anticipated operational efficiencies or other anticipated strategic and financial benefits of the merger within the expected timeframe or at all;
- potential unknown liabilities and unforeseen increased expenses, delays or regulatory conditions associated with the merger; and
- performance shortfalls as a result of the diversion of management's attention caused by completing the merger and integrating the companies' operations.

For all these reasons, you should be aware that it is possible that the integration process could result in the distraction of the combined company's management, the disruption of the combined company's ongoing business or inconsistencies in the combined company's operations, any of which could adversely affect the ability of the combined company to maintain relationships with customers and employees or to achieve the anticipated benefits of the merger, or could otherwise adversely affect the business and financial results of the combined company.

Following the merger, the combined company may be unable to retain key employees.

The success of the combined company after the merger will depend in part upon its ability to retain key employees. Simultaneous with the execution of the merger agreement, First Bancshares entered into employee retention agreements with certain key employees of Sunshine, the effectiveness of which is conditioned upon the completion of the merger. However, key employees may depart either before or after the merger because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the combined company following the merger. Accordingly, no assurance can be given that Sunshine or First Bancshares or, following the merger, the combined company will be able to retain key employees.

TABLE OF CONTENTS

There is no assurance that First Bancshares will complete the Southwest merger transaction.

Like the merger transaction with Sunshine, First Bancshares merger with Southwest is subject to customary conditions to closing, including the receipt of required regulatory approvals and the approval of Southwest stockholders. If any conditions to the Southwest merger are not satisfied or waived, to the extent permitted by law, the merger will not be completed. In addition, First Bancshares and Southwest may terminate the Southwest merger agreement under certain circumstances even if the Southwest merger agreement is approved by Southwest stockholders. If First Bancshares and Southwest do not complete the merger, First Bancshares would not realize any of the expected benefits of having completed the merger. Accordingly, there is no assurance that the Southwest merger will be consummated, or if it is, the timing for its completion.

The voting power of Sunshine stockholders will be diluted by the merger.

The merger will result in Sunshine stockholders having an ownership stake in the combined company that is smaller than their current stake in Sunshine. Upon completion of First Bancshares' merger with Sunshine, we estimate that Sunshine stockholders will own approximately 6.1% of the issued and outstanding shares of common stock of the combined company. In addition, assuming that First Bancshares' merger with Sunshine will be completed subsequent to First Bancshares' merger with Southwest, and assuming that the average closing of price of First Bancshares common stock in calculating the stock consideration for the merger with Southwest will be \$30.95, the closing sale price of First Bancshares common stock on February 8, 2018, we estimate that upon completion of First Bancshares' merger with Southwest and Sunshine, continuing First Bancshares shareholders will own approximately 85.5% of the issued and outstanding shares of common stock of the combined company, and former Sunshine stockholders will own approximately 5.6% of the issued and outstanding shares of common stock of the combined company.

Consequently, Sunshine stockholders, as a general matter, will have less influence over the management and policies of the combined company after the effective time of the merger than they currently exercise over the management and policies of Sunshine.

Future capital needs could result in dilution of stockholder investment.

First Bancshares' board of directors may determine from time to time there is a need to obtain additional capital through the issuance of additional shares of its common stock or other securities. These issuances would dilute the ownership interests of its shareholders and may dilute the per share book value of First Bancshares common stock. New investors may also have rights, preferences and privileges senior to First Bancshares' shareholders which may adversely impact its shareholders.

The unaudited pro forma combined consolidated financial information included elsewhere in this proxy statement/prospectus may not be representative of the combined company's results after the merger with Sunshine and Southwest, and accordingly, you have limited financial information on which to evaluate the combined company.

The unaudited pro forma combined consolidated financial information included elsewhere in this proxy statement/prospectus has been presented for informational purposes only and is not necessarily indicative of the financial position or results of operations that actually would have occurred had the mergers with Sunshine and Southwest been completed as of the date indicated, nor is it indicative of the future operating results or financial position of the combined company. The unaudited pro forma combined consolidated financial information presented elsewhere in this proxy statement/prospectus does not reflect future events that may occur after the mergers. Such information is based in part on certain assumptions regarding the transactions contemplated by (1) the Sunshine merger and the transactions relating thereto that First Bancshares believes are reasonable, as well as (2) the Southwest merger and the transactions relating thereto that First Bancshares believes are reasonable. Therefore, First Bancshares and Sunshine cannot assure you that the assumptions will prove to be accurate over time. For more information, see "Unaudited Pro Forma Combined Consolidated Financial Information."

Risks Related to an Investment in the Combined Company's Common Stock

The market price of the shares of common stock of the combined company may be affected by factors different from those affecting the price of shares of First Bancshares common stock before the merger.

The results of operations of the combined company, as well as the market price of shares of the common stock of the combined company after the merger, may be affected by factors in addition to those

TABLE OF CONTENTS

currently affecting First Bancshares' or Sunshine's results of operations and the market prices of shares of First Bancshares common stock. Accordingly, the historical financial results of First Bancshares and Sunshine and the historical market prices of shares of First Bancshares common stock may not be indicative of these matters for the combined company after the merger. For a discussion of the businesses of First Bancshares and Sunshine and certain risks to consider in connection with evaluating the proposals to be considered at the Sunshine special meeting, see the documents incorporated by reference by First Bancshares into this proxy statement/prospectus referred to under "Where You Can Find More Information" beginning on page 118 and the information contained in Sunshine's historical consolidated financial statements and notes thereto and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Sunshine's Form 10-K for the year ended December 31, 2016 and Form 10-Q for the nine months ended September 30, 2017, copies of which are included in Annex D and Annex E to this proxy statement/prospectus, respectively.

The market price of the combined company's common stock may decline as a result of the merger.

The market price of the combined company's common stock may decline as a result of the merger if the combined company does not achieve the perceived benefits of the merger or the effect of the merger on the combined company's financial results is not consistent with the expectations of financial or industry analysts. In addition, upon completion of the merger, First Bancshares and Sunshine stockholders will own interests in a combined company operating an expanded business with a different mix of assets, risks and liabilities. Current First Bancshares and Sunshine stockholders may not wish to continue to invest in the combined company, or for other reasons may wish to dispose of some or all of their shares of the combined company.

After the merger is completed, Sunshine stockholders who receive shares of First Bancshares common stock in the merger will have different rights that may be less favorable than their current rights as Sunshine stockholders.

After the closing of the merger, Sunshine stockholders who receive shares of First Bancshares common stock in the merger will have different rights than they currently have as Sunshine stockholders, which may be less favorable than their current rights as Sunshine stockholders. For a detailed discussion of the significant differences between the current rights of a stockholder of Sunshine and the rights of a shareholder of the combined company following the merger, see "Comparison of Rights of First Bancshares Shareholders and Sunshine Stockholders" beginning on page 104.

Risks Related to Tax

The merger may have adverse tax consequences.

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, and they will receive a legal opinion to that effect. A legal opinion represents the judgment of counsel rendering the opinion and is not binding on the Internal Revenue Service or the courts. If the merger were to fail to qualify as a reorganization within the meaning of Section 368(a) of the Code, then each U.S. holder of Sunshine common stock generally would recognize gain or loss, as applicable, equal to the difference between (1) the sum of the fair market value of the shares of First Bancshares common stock received by such U.S. holder in the merger and the amount of cash received by such U.S. holder in the merger and (2) its adjusted tax basis in the shares of Sunshine common stock surrendered in exchange therefor. See "The Merger — Material U.S. Federal Income Tax Considerations" beginning on page 71.

Risks Related to First Bancshares' Business

There are certain risks relating to First Bancshares' business.

You should read and consider risk factors specific to First Bancshares' business that will also affect the combined company after the merger. These risks are described in the section entitled "Risk Factors" in First Bancshares' Annual Report on Form 10-K for the year ended December 31, 2016 and in other documents incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information" on page 118 for the location of information incorporated by reference into this proxy statement/prospectus.

TABLE OF CONTENTS

THE SUNSHINE SPECIAL MEETING

This proxy statement/prospectus is being provided to the holders of Sunshine common stock as part of a solicitation of proxies by the Sunshine board of directors for use at the Sunshine special meeting to be held at the time and place specified below and at any properly convened meeting following an adjournment thereof. This proxy statement/prospectus provides the holders of Sunshine common stock with information they need to know to be able to vote or instruct their vote to be cast at the Sunshine special meeting.

General

Sunshine is furnishing this proxy statement/prospectus to the holders of Sunshine common stock as of the record date for use at Sunshine's special meeting and any adjournment or postponement of its special meeting.

Date, Time and Place

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.

Purpose of the Sunshine Special Meeting

At the Sunshine special meeting, Sunshine stockholders will be asked to consider and vote on the following:

- Proposal One: The Merger Proposal — To approve the merger, which we refer to as the merger proposal;
- Proposal Two: The Compensation 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; and
- Proposal Three: The Adjournment Proposal — To approve the adjournment of the Sunshine special meeting to a later date or dates, if the Sunshine board of directors determines it is necessary, among other things, to permit solicitation of additional proxies if there are not sufficient votes at the time of the Sunshine special meeting to approve the merger proposal.

Completion of the merger is conditioned on, among other things, the approval of the merger by the Sunshine stockholders.

No other matter can be brought up or voted upon at the Sunshine special meeting.

Proposal One: Merger Proposal

Sunshine is asking its stockholders to approve the merger proposal. After careful consideration, Sunshine's board of directors determined that the merger, the merger agreement and the transactions contemplated thereby, including the merger, were advisable and in the best interests of Sunshine and Sunshine's stockholders.

Sunshine stockholders should carefully read this document in its entirety, including the annexes and the documents incorporated by reference, for more detailed information concerning the merger agreement and the merger. For a detailed discussion of the merger, including the terms and conditions of the merger agreement, see "The Merger Agreement," beginning on page 79. In addition, Sunshine stockholders are directed to the merger agreement, a copy of which is attached as Annex A to this document and incorporated in this document by reference.

Proposal Two: Compensation Proposal

Section 14A of the Securities and Exchange Act of 1934, as amended, or the Exchange Act, requires Sunshine to seek a non-binding advisory vote from its stockholders to approve certain golden parachute compensation that its named executive officers may be eligible to receive from Sunshine in connection with the merger.

TABLE OF CONTENTS**Golden Parachute Compensation Subject to the Advisory Vote**

The following table and the related footnotes present information about compensation payable by Sunshine to Sunshine's "named executive officers," as determined for purposes of Sunshine's most recent Annual Report on Form 10-K, that is based on or otherwise relates to the merger, assuming the merger occurs on March 31, 2018 (which is the earliest date that we expect the merger to close, with the actual closing date more likely to be in the second quarter of 2018). Pursuant to Exchange Act Rule 14a-21(c), compensation payable by The First to Messrs. Baggett and Swain pursuant to their retention agreements with The First is not subject to the non-binding advisory vote on golden parachute compensation, and therefore is not included in the table below.

Golden Parachute Compensation

Name	Cash (\$)	Equity \$(3)	Pension/ NQDC (\$)	Perquisites/ benefits \$(4)	Tax reimbursement \$(5)	Other (\$)	Total \$(6)(7)
Louis O. Davis, Jr.	\$ 972,581(1)	\$ 28,694	—	\$ 41,674	—	—	\$ 1,042,949
Brian Baggett	324,104(2)	28,694	—	—	—	—	352,798
Scott Swain	268,800(2)	28,694	—	—	—	—	297,494

(1)

Reflects estimated cash severance payable to Mr. Davis (i) in the event his employment is terminated for any reason other than cause, death, or disability, or if he terminates his employment for good reason (double-trigger), pursuant to his employment agreement, and (ii) in the event he incurs an involuntary termination, pursuant to his change of control agreement (double-trigger). The estimated severance payable pursuant to his employment agreement (\$360,528) is payable in equal installments through December 31, 2019, the last day of the term of the employment agreement, and the severance payable pursuant to his change of control agreement (\$612,053) is payable in a lump sum upon termination except that \$225,000 of the severance payable under his change of control agreement was paid in December 2017. While Mr. Davis' change of control agreement provides that severance and other payments will be reduced as much as necessary to ensure that no amounts payable to him will be considered excess parachute payments under Code Section 280G, no such reduction is expected to be triggered. See "The Merger — Interests of Sunshine's Directors and Executive Officers in the Merger" below. As previously disclosed by Sunshine, as part of tax planning to enable Mr. Davis to obtain the full amounts available to him under his employment and change of control agreements, Sunshine prepaid in 2017 \$225,000 that would otherwise be payable to him under his change of control agreement at the closing of the merger. The amount of the prepaid severance is not subject to repayment to Sunshine if the transaction is not completed for any reason and such prepayment is deemed to be a single-trigger payment.

(2)

Reflects estimated cash severance payable to Mr. Baggett (\$324,104) and Mr. Swain (\$268,800) pursuant to their change of control agreements. The First agreed that (i) Sunshine will pay fifty percent (50%) of the amount due on the closing date (single trigger), and (ii) The First will pay the remaining fifty percent (50%) of the amount due on the earlier of (x) September 14, 2018, subject to the executive's continued employment on such date (absent an involuntary termination, death or disability) or (y) the executive's earlier involuntary termination of employment or death or disability (double-trigger).

(3)

Reflects the value of single-trigger accelerated vesting of restricted share awards that will become fully-vested on the closing date of the merger, based on the \$28.694 average per share closing price of the Sunshine common stock for the first five trading days following the first public announcement of the merger. The value of the stock consideration may be higher or lower at the time of closing than the above average price, and the cash consideration is fixed at \$27.00 per share.

(4)

Represents the value of disability and life insurance premiums (\$19,040) for the remaining term of Mr. Davis' employment agreement and the estimated value of employer contributions to the Sunshine Employee Stock Ownership Plan (\$22,634) that would have been made during the remaining term of Mr. Davis' employment agreement. These double-trigger benefits will be paid in equal monthly cash installments over the remaining term of Mr. Davis' employment agreement.

45

TABLE OF CONTENTS

(5)
Sunshine's named executive officers will not receive tax reimbursements in connection with the merger.

(6)
Amounts listed in this column are subject to reduction in connection with Section 280G of the Code although no such reduction is expected to be triggered.

(7)
The following table quantifies, for each named executive officer, the portion of the total estimated amount of golden parachute compensation that is payable in connection with the merger and not conditioned on a termination of employment, referred to as "single trigger," and the portion of the total amount of golden parachute compensation that is payable only after both consummation of the merger and a termination of the named executive officer's employment (or a date certain, subject to the executive's continued employment), referred to as "double trigger":

Name	Single-Trigger (\$)	Double-Trigger (\$)
Louis O. Davis, Jr.	\$ 253,694	\$ 789,255
Brian Baggett	190,746	162,052
Scott Swain	163,094	134,400

Proposal Three: Adjournment Proposal

If, at the Sunshine special meeting, the number of shares of Sunshine common stock present or represented and voting in favor of the merger proposal is insufficient to approve the merger proposal, Sunshine may move to adjourn the Sunshine special meeting in order to enable the Sunshine board of directors to solicit additional proxies for approval of the merger proposal. In that event, Sunshine's stockholders will be asked to vote upon the adjournment proposal and not the merger proposal.

In the adjournment proposal, Sunshine is asking its stockholders to authorize the holder of any proxy solicited by its board of directors to vote in favor of granting discretionary authority to the Sunshine board of directors to adjourn the Sunshine special meeting to another time and place for the purpose of soliciting additional proxies. If Sunshine's stockholders approve the adjournment proposal, Sunshine could adjourn the Sunshine special meeting and any adjourned session of the Sunshine special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from Sunshine stockholders who have previously voted.

Recommendation of the Sunshine Board of Directors

On December 6, 2017, the Sunshine board of directors unanimously determined that the merger and the other transactions contemplated by the merger agreement are in the best interests of Sunshine and its stockholders and it approved the merger agreement, the merger and the other transactions contemplated by the merger agreement. Accordingly, the Sunshine board of directors unanimously recommends that Sunshine stockholders vote as follows:

-
- “FOR” Proposal One approving the merger;
-
- “FOR” Proposal Two approving, in a non-binding advisory vote, certain compensation that may become payable to Sunshine's named executive officers in connection with the merger; and
-
- “FOR” Proposal Three approving the adjournment of the Sunshine special meeting if necessary to permit solicitation of additional proxies.

Holders of Sunshine common stock should carefully read this proxy statement/prospectus, including any documents incorporated by reference, and the annexes in their entirety for more detailed information concerning the merger

agreement, merger and the other transactions contemplated by the merger agreement.

Record Date; Stockholders Entitled to Vote

The record date for the Sunshine special meeting is February 5, 2018, which we refer to herein as the Sunshine record date. Only record holders of shares of Sunshine common stock as of the close of business

46

TABLE OF CONTENTS

(5:00 p.m. Eastern Time), on the Sunshine record date are entitled to notice of, and to vote at, the Sunshine special meeting or any adjournment thereof. At the close of business on the Sunshine record date, the only outstanding securities of Sunshine with a right to vote on the proposals were Sunshine common stock, with 1,039,599 shares of Sunshine common stock issued and outstanding. Each share of Sunshine common stock outstanding on the Sunshine record date is entitled to one vote on each proposal, provided, however, that pursuant to the Sunshine Articles, 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.

Quorum and Adjournment

No business may be transacted at the Sunshine special meeting unless a quorum is present. 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.

Approval of the adjournment proposal requires the affirmative vote of a majority of the votes cast on the matter. No notice of an adjourned Sunshine special meeting need be given if the new date, time and place are announced at the special meeting before adjournment, and no new record date is required to be set. If the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting, a new record date must be set and a new notice must be given to the stockholders as of the new record date. At any adjourned Sunshine special meeting, all proxies will be voted in the same manner as they would have been voted at the original convening of the Sunshine special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the adjourned Sunshine special meeting.

All shares of Sunshine common stock represented at the Sunshine special meeting, including shares that are represented but that vote to abstain and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum.

Vote Required for Approval; Abstentions; Failure to Vote

The required votes to approve the Sunshine proposals are as follows:

Proposal One: The Merger Proposal — Approving the merger proposal requires the affirmative vote of at a majority of the issued and outstanding shares of Sunshine common stock entitled to vote at the Sunshine special meeting. Failure to vote, broker non-votes and abstentions will have the same effect as a vote AGAINST this proposal.

Proposal Two: The Compensation Proposal — Approving the compensation proposal requires the affirmative vote of a majority of the votes cast on the matter. Failure to vote, broker non-votes and abstentions will have no effect on this proposal.

Proposal Two: The Adjournment Proposal — Approving the adjournment proposal requires the affirmative vote of a majority of the votes cast on the matter. Failure to vote, broker non-votes and abstentions will have no effect on this proposal.

If you sign your proxy but do not indicate your vote, your proxy will be voted FOR each proposal.

Voting by Sunshine Directors and Executive Officers

At the close of business on the Sunshine record date, Sunshine directors and executive officers and their affiliates were entitled to vote 57,427 shares of Sunshine common stock, or approximately 5.5% of the shares of Sunshine common stock outstanding on that date. Sunshine expects that its directors and executive officers and their affiliates will vote their shares in favor of both of the Sunshine proposals.

Sunshine Common Stock Subject to Voting Agreements

All directors of Sunshine and Sunshine Community, solely in their capacity as stockholders of Sunshine, as well as certain stockholders of Sunshine have entered into voting agreements with First Bancshares pursuant to which they have agreed to vote their shares of Sunshine common stock in favor of the approval of the merger agreement and the merger and against the approval or adoption of any proposal

TABLE OF CONTENTS

made in opposition to the merger. As of the Sunshine record date, 155,727 shares of Sunshine common stock, or approximately 15.0% of the outstanding shares of Sunshine common stock entitled to vote at the Sunshine special meeting, are bound by the voting agreements.

Voting on Proxies by Holders of Record; Incomplete Proxies

If you were a record holder of Sunshine common stock at the close of business on the Sunshine record date, a proxy card is enclosed for your use. Sunshine requests that you vote your shares as promptly as possible by submitting your Sunshine proxy card by mail using the enclosed return envelope. If you are a registered stockholder, you may also vote via the Internet or telephone by following the instructions on the proxy card. When the accompanying proxy card is returned properly executed or if you voted via the Internet or telephone, the shares of Sunshine common stock represented by it will be voted at the Sunshine special meeting or any adjournment thereof in accordance with the instructions contained in the proxy card.

If a record holder returns an executed proxy card without an indication as to how the shares of Sunshine common stock represented by it are to be voted with regard to a particular proposal, the shares of Sunshine common stock represented by the proxy will be voted in accordance with the recommendation of the Sunshine board of directors and, therefore, such shares will be voted:

- “FOR” Proposal One approving the merger;
- “FOR” Proposal Two approving the compensation proposal; and
- “FOR” Proposal Three approving the adjournment of the Sunshine special meeting, if necessary to permit solicitation of additional proxies.

At the date hereof, the Sunshine board of directors has no knowledge of any business that will be presented for consideration at the Sunshine special meeting and that would be required to be set forth in this proxy statement/prospectus or the related proxy card other than the matters set forth in Sunshine’s Notice of Special Meeting of Stockholders.

Your vote is important. Accordingly, if you were a record holder of Sunshine common stock on the Sunshine record date, please sign and return the enclosed proxy card or vote via the Internet or telephone whether or not you plan to attend the Sunshine special meeting in person.

Shares Held in “Street Name;” Broker Non-Votes

Banks, brokers and other nominees who hold shares of Sunshine common stock in “street name” for a beneficial owner of those shares typically have the authority to vote in their discretion on “routine” proposals when they have not received instructions from beneficial owners. However, banks, brokers and other nominees are not allowed to exercise their voting discretion with respect to the approval of matters determined to be “non-routine,” without specific instructions from the beneficial owner. Broker non-votes are shares held by a broker, bank or other nominee that are represented at the Sunshine special meeting, but with respect to which the broker or nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker does not have discretionary voting power on such proposal. The merger proposal, the compensation proposal and the adjournment proposal are non-routine matters. Accordingly, if your broker, bank or other nominee holds your shares of Sunshine common stock in “street name,” your broker, bank or other nominee will vote your shares of Sunshine common stock with respect to the merger proposal, the compensation proposal and the adjournment proposal only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker, bank or other nominee with this proxy statement/prospectus.

Revocability of Proxies and Changes to a Sunshine Stockholder’s Vote

A Sunshine stockholder entitled to vote at the Sunshine special meeting may revoke a proxy at any time before such time that the proxy card for any such holders of Sunshine common stock must be received at the Sunshine special meeting by taking any of the following actions:

- delivering written notice of revocation to Brian P. Baggett, Corporate Secretary, Sunshine Financial, Inc., 1400 East Park Avenue, Tallahassee, Florida 32301;

TABLE OF CONTENTS

- delivering a proxy card bearing a later date than the proxy that such stockholder desires to revoke;
- voting by telephone or on the Internet (your latest telephone or Internet vote will be counted); or
- attending the Sunshine special meeting and voting in person.

Merely attending the Sunshine special meeting will not, by itself, revoke your proxy; a Sunshine stockholder must cast a subsequent vote at the Sunshine special meeting using forms provided for that purpose. The last valid vote that Sunshine receives before the polls close at the Sunshine special meeting is the vote that will be counted.

If you hold your shares in “street name” through a bank, broker or other nominee (referred to in this proxy statement/prospectus as a “beneficial owner”), you must contact such bank, broker or nominee if you desire to revoke your proxy as described above.

Solicitation of Proxies

The Sunshine board of directors is soliciting proxies for the Sunshine special meeting from holders of its Sunshine common stock entitled to vote at the Sunshine special meeting. In accordance with the merger agreement, Sunshine will pay its own cost of soliciting proxies from its stockholders, including the cost of mailing this proxy statement/prospectus. In addition to solicitation of proxies by mail, proxies may be solicited by Sunshine’s officers, directors and regular employees, without additional remuneration, by personal interview, telephone or other means of communication. Sunshine has engaged Regan & Associates, Inc. to assist in the solicitation of proxies and to provide related advice and informational support for a service fee and the reimbursement of customary disbursements, which are not expected to exceed \$8,000 in the aggregate.

Sunshine will make arrangements with brokerage houses, custodians, nominees and fiduciaries to forward proxy solicitation materials to beneficial owners of Sunshine common stock. Sunshine may reimburse these brokerage houses, custodians, nominees and fiduciaries for their reasonable expenses incurred in forwarding the proxy materials.

Attending the Sunshine Special Meeting; Voting in Person

Only record holders of Sunshine common stock on the record date, their duly appointed proxies, and invited guests may attend the Sunshine special meeting. However, only holders of Sunshine common stock will be entitled to vote. All attendees must present government-issued photo identification (such as a driver’s license or passport) for admittance. The additional items, if any that attendees must bring to gain admittance to the Sunshine special meeting depend on whether they are stockholders of record or proxy holders. A Sunshine stockholder who holds shares of Sunshine common stock directly registered in such stockholder’s name who desires to attend the Sunshine special meeting in person need only bring government-issued photo identification.

A stockholder who holds shares in “street name” through a broker, bank, trustee or other nominee who desires to attend the Sunshine special meeting in person must bring proof of beneficial ownership as of the record date, such as a letter from the broker, bank, trustee or other nominee that is the record owner of such beneficial owner’s shares, a brokerage account statement or the voting instruction form provided by the broker.

A person who holds a validly executed proxy entitling such person to vote on behalf of a record owner of Sunshine common stock who desires to attend the Sunshine special meeting in person must also bring the validly executed proxy naming such person as the proxy holder, signed by the Sunshine stockholder of record, and proof of the signing stockholder’s record ownership as of the record date.

No cameras, recording equipment or other electronic devices will be allowed in the meeting room. Failure to provide the requested documents at the door or failure to comply with the procedures for the Sunshine special meeting may prevent Sunshine stockholders from being admitted to the Sunshine special meeting.

TABLE OF CONTENTS

Assistance

If you need assistance in completing your proxy card, have questions regarding the Sunshine special meeting or would like additional copies of this proxy statement/prospectus, please contact Brian P. Baggett, Corporate Secretary, at (850) 219-7200.

50

TABLE OF CONTENTS

THE MERGER

The following discussion contains certain information about the merger. The discussion is subject, and qualified in its entirety by reference, to the merger agreement attached as Annex A to this proxy statement/ prospectus. We urge you to read carefully this entire proxy statement/prospectus, including the merger agreement attached as Annex A, for a more complete understanding of the merger.

General

Each of First Bancshares' and Sunshine's respective boards of directors has unanimously approved the merger agreement and the transactions contemplated by the merger agreement. The merger agreement provides for the acquisition of Sunshine by First Bancshares pursuant to the merger of Sunshine 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 be merged with and into The First, a wholly owned bank subsidiary of First Bancshares, with The First as the surviving bank, which we refer to as the bank merger.

Purchase Price and Purchase Price Adjustments

At the effective time of the merger, 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, 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. 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.

Sunshine stockholders are being asked to approve the merger. See "The Merger Agreement" for additional and more detailed information regarding the legal documents that govern the merger, including information about the conditions to the completion of the merger and the provisions for terminating or amending the merger agreement.

Background of the Merger

As part of their ongoing consideration and evaluation of Sunshine's long-term prospects, Sunshine's board of directors and executive officers have regularly reviewed and assessed Sunshine's business strategies and objectives, all with the goal of enhancing long-term value for Sunshine's shareholders.

As part of this review, BSP, an investment banking firm, executed a non-disclosure agreement with Sunshine on April 3, 2017, to discuss strategic options with the management and the board of directors of Sunshine. On April 25, 2017, BSP presented financial analysis to the board of directors to review the following strategic alternatives: remain independent, explore peer mergers or merge with a larger partner.

TABLE OF CONTENTS

After review of the analysis, the Sunshine board of directors decided to hire BSP to render financial advisory and investment banking services to Sunshine in connection with a potential merger or sale. The engagement letter between Sunshine and BSP was executed on April 28, 2017.

In connection with the potential sale, BSP contacted 68 parties on a no-name basis regarding possible interest in Sunshine. Twenty parties expressed an interest in evaluating the opportunity and executed a non-disclosure agreement. The initial Non-Binding Indications of Interests (“IOI”) deadline was August 24, 2017. On August 24, 2017, four parties, including First Bancshares, submitted IOIs. On August 29, 2017, BSP reviewed recent merger pricing of banks with similar characteristics and financials to Sunshine with the board of directors. BSP analyzed the four IOIs and the historical financials and trading data of the four bidders.

Following the August 29, 2017 Sunshine board meeting, BSP was instructed to contact two of the bidders and request they increase the bottom of their consideration range. Both parties agreed and submitted updated IOIs reflecting the revised pricing. BSP then proceeded to invite three of the four bidders to conduct further diligence on Sunshine. The one bidder not invited to conduct further diligence submitted an IOI with an offer significantly lower than the other interested parties.

From September 4, 2017 to October 27, 2017, each of the three remaining parties conducted further due diligence on Sunshine via document requests, onsite loan review and in-person management meetings. On October 23, 2017, one party informed BSP that they would not be submitting an updated IOI. On October 27, 2017, the remaining two parties submitted updated IOIs. On November 2, 2017, BSP met with the Sunshine board of directors to review the updated IOIs. Sunshine executed the updated First Bancshares IOI on November 2, 2017.

On November 11, 2017, First Bancshares’ legal counsel, Alston & Bird LLP, distributed a draft of the merger agreement to Sunshine and its legal counsel, Silver, Freedman, Taff & Tiernan LLP. From then until December 5, 2017, First Bancshares and Sunshine and their respective advisors worked to negotiate and finalize the terms of the merger agreement and the support agreements, and prepared disclosure schedules related to the merger agreement. On November 17, 2017, BSP and members of Sunshine management conducted reverse due diligence on First Bancshares in Hattiesburg, Mississippi.

On December 5, 2017, First Bancshares’ board of directors held a special meeting to review and discuss the proposed merger and the merger agreement. At this meeting, First Bancshares’ board of directors received presentations from its legal counsel, Alston & Bird LLP and its financial advisor, Keefe, Bruyette & Woods, Inc. Following this discussion, First Bancshares’ board of directors unanimously voted to approve the merger agreement and the other transactions contemplated by the merger agreement, including the merger, and authorized First Bancshares’ executives to execute the merger agreement.

On December 6, 2017, the board of directors of Sunshine met to review the merger agreement. After receiving a fairness opinion presentation from BSP, and reviewing the merger agreement with Silver, Freedman, Taff & Tiernan LLP, the Sunshine board of directors unanimously adopted and approved the merger agreement and unanimously determined to recommend the merger to the Sunshine shareholders for approval.

First Bancshares’ Reasons for the Merger

In reaching its decision to approve and adopt the merger agreement, the merger and the other transactions contemplated by the merger agreement, including the issuance of First Bancshares common stock as part of the merger consideration, the First Bancshares board of directors considered a number of factors, including the following material factors:

- each of First Bancshares’ and Sunshine’s business, operations, financial condition, asset quality, earnings and prospects;
- the strategic fit of the businesses of the two companies, including their complementary markets, business lines and loan and deposit profiles;

TABLE OF CONTENTS

- the anticipated pro forma impact of the transaction on the combined company, including the expected impact on financial metrics including earnings and tangible book value and regulatory capital levels, as well as the future impact the transaction could have on First Bancshares' earning asset mix to more heavily weight loans and reduce the percentage of the securities portfolio;
 - its understanding of the current and prospective environment in which First Bancshares and Sunshine operate, including national, state and local economic conditions, the competitive environment for financial institutions generally, and the likely effect of these factors on First Bancshares both with and without the proposed transaction;
 - its review and discussions with First Bancshares' management concerning the due diligence investigation of Sunshine, including its review of Sunshine's financial condition, results of operation, asset quality, market areas, growth potential (projected potential accretion to earnings per share and the projected payback period of the estimated decrease in tangible book value) and quality of senior management;
 - the perceived compatibility of the corporate cultures of the two companies, which management believes should facilitate integration and implementation of the transaction;
 - the structure of the transaction as a combination in which the combined company would operate under the First Bancshares brand and First Bancshares' board of directors and management would have substantial participation in the combined company;
 - the regulatory and other approvals required in connection with the merger and the expectation that such regulatory approvals will be received in a timely manner and without the imposition of unacceptable conditions; and
 - the financial and other terms of the merger agreement, including the merger consideration, expected tax treatment, the deal protection and termination fee provisions, and restrictions on the conduct of Sunshine's business between the date of the merger agreement and the date of completion of the merger.
- First Bancshares' board of directors also considered potential risks relating to the merger including the following:
- First Bancshares management's attention and First Bancshares resources may be diverted from the operation of First Bancshares' business and towards the completion of the merger;
 - First Bancshares may not realize all of the anticipated benefits of the merger, including cost savings, maintenance of existing customer and employee relationships, and minimal disruption in the integration of Sunshine's operations with First Bancshares;
 - the nature and amount of payments and other benefits to be received by Sunshine management in connection with the merger pursuant to existing Sunshine plans and compensation arrangements and the merger agreement;
 -

the substantial costs that First Bancshares will incur in connection with the merger even if they are not consummated;

-

approvals from regulatory authorities could impose conditions that could have the effect of delaying completion of the merger or imposing additional costs; and

-

possibility of litigation in connection with the merger.

The foregoing discussion of the factors considered by the First Bancshares board of directors is not intended to be exhaustive, but, rather, includes the material factors considered by the First Bancshares board of directors. In reaching its decision to approve and adopt the merger agreement, the merger and the other transactions contemplated by the merger agreement, including the issuance of First Bancshares common stock as part of the merger consideration, the First Bancshares board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The First Bancshares board of directors considered all these factors as a whole and overall considered the factors to be favorable to, and to support, its determination.

53

TABLE OF CONTENTS

Sunshine's Reasons for the Merger

Sunshine's board of directors believes that the merger is in the best interest of Sunshine and its stockholders.

Accordingly, Sunshine's board of directors has unanimously approved the merger agreement and unanimously recommends that Sunshine's stockholders vote "FOR" approval of the merger.

In approving the merger agreement, Sunshine's board of directors consulted with management and its financial advisors with respect to the financial aspects and fairness of the merger consideration, from a financial point of view, to the holders of shares of Sunshine common stock, and with its outside legal counsel as to its legal duties and the terms of the merger agreement. The board believes that combining with First Bancshares will create a stronger and more diversified organization that will provide significant benefits to Sunshine's stockholders and customers alike. The terms of the merger agreement, including the consideration to be paid to Sunshine's stockholders, were the result of arm's length negotiations between representatives of Sunshine and representatives of First Bancshares. In arriving at its determination to approve the merger agreement, Sunshine's board of directors considered a number of factors, including the following material factors:

- Sunshine's board of directors' familiarity with and review of information concerning the business, results of operations, financial condition, competitive position and future prospects of Sunshine and First Bancshares compared to the risks and challenges associated with the operation of Sunshine's business as an independent entity;
- the current and prospective environment in which Sunshine operates, including national, regional and local economic conditions, the competitive environment for banks, thrifts and other financial institutions generally and the increased regulatory burdens on financial institutions generally and the trend toward consolidation in the banking industry and in the financial services industry;
- the financial presentation of management;
- the financial information and analyses presented by its outside financial advisor, BSP, to the board of directors, and BSP's opinion to the board of directors to the effect that, as of the date of such opinion, based upon and subject to the factors and assumptions set forth in such opinion, the merger consideration is fair from a financial point of view to holders of Sunshine common stock;
- that stockholders of Sunshine will receive a portion of the merger consideration in shares of First Bancshares common stock, which is listed on the NASDAQ, contrasted with the limited trading market for Sunshine's common stock which is traded on the Over-the-Counter Market;
- the treatment of the merger as a "reorganization" within the meaning of Section 368(a) of the Code with respect to the shares of Sunshine common stock exchanged for First Bancshares common stock;
- the results that Sunshine could expect to obtain if it continued to operate independently, and the likely benefits to stockholders of that course of action, as compared with the value of the merger consideration offered by First Bancshares;
- the ability of First Bancshares to receive the requisite regulatory approvals in a timely manner;

- the terms and conditions of the merger agreement, including the parties' respective representations, warranties, covenants and other agreements, and the conditions to closing;
- that a merger with a larger holding company would provide the opportunity to realize economies of scale, increase efficiencies of operations and enhance the development of new products and services;
- that Sunshine's directors and executive officers have financial interests in the merger in addition to their interests as Sunshine stockholders, including financial interests that are the result of compensation arrangements with Sunshine, and the manner in which such interests would be affected by the merger;
- that the cash portion of the merger consideration will be taxable to Sunshine's stockholders upon completion of the merger;

TABLE OF CONTENTS

- the requirement that Sunshine conduct its business in the ordinary course and the other restrictions on the conduct of Sunshine's business before completion of the merger, which may delay or prevent Sunshine from undertaking business opportunities that may arise before completion of the merger; and

- that under the merger agreement, Sunshine cannot solicit competing proposals for the acquisition of Sunshine.

The Sunshine board of directors also considered a number of potential risks and uncertainties associated with the merger in connection with its deliberation of the proposed transaction, including, without limitation, the following:

- the potential risk of diverting management attention and resources from the operation of Sunshine's business towards the completion of the merger;

- the restrictions on the conduct of Sunshine's business prior to the completion of the merger, which are customary for merger agreements involving financial institutions, but which, subject to specific exceptions, could delay or prevent Sunshine from undertaking business opportunities that may arise or any other action it would otherwise take with respect to the operations of Sunshine absent the pending completion of the merger;

- the possibility that Sunshine will have to pay a \$1.2 million termination fee to First Bancshares if the merger agreement is terminated under certain circumstances;

- the potential risks associated with achieving anticipated cost synergies and savings and successfully integrating Sunshine Community Bank's business, operations and workforce with those of The First;

- the merger-related costs and expenses; and

- the other risks described under the heading "Risk Factors."

The foregoing discussion of the information and factors considered by the Sunshine board of directors is not intended to be exhaustive, but includes the material factors considered by the Sunshine board of directors. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the board of directors of Sunshine did not assign any relative or specific weight to different factors and individual directors may have given weight to different factors. Based on the reasons stated above, the board of directors of Sunshine believes that the merger is in the best interest of Sunshine and its stockholders and therefore the board of directors of Sunshine unanimously approved the merger agreement and the merger.

This summary of the reasoning of Sunshine's board of directors and other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading "Cautionary Statement Regarding Forward-Looking Statements."

SUNSHINE'S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" APPROVAL OF THE MERGER AGREEMENT.

Opinion of Sunshine's Financial Advisor

Sunshine retained BSP on an exclusive basis to render financial advisory and investment banking services and to render a written opinion to the board of directors of Sunshine as to the fairness, from a financial point of view, of the merger consideration to be paid under the terms of the merger agreement. BSP is an investment banking firm that

specializes in providing financial advisory and investment banking services to financial institutions. BSP has been involved in many bank-related business combinations. No limitations were imposed by Sunshine upon BSP with respect to rendering its opinion.

At the December 6, 2017, meeting at which the Sunshine board of directors considered and approved the merger agreement, BSP delivered its written opinion that, as of such date, the merger consideration to be received was fair from a financial point of view.

55

TABLE OF CONTENTS

The full text of BSP's opinion is attached as Annex B to this proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by BSP in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the opinion. We urge you to read the entire opinion carefully in connection with your consideration of the proposed merger.

The opinion speaks only as of the date of the opinion. The opinion was directed to the Sunshine board of directors and is directed only to the fairness, from a financial point of view, of the merger consideration to be received. It does not address the underlying business decision to engage in the merger or any other aspect of the merger and is not a recommendation to any shareholder as to how such shareholder should vote with respect to the merger or any other matter.

For purposes of the opinion and in connection with its review of the proposed transaction, BSP, among other things, did the following:

1.
Reviewed the terms of the merger agreement;
2.
Participated in discussions with Sunshine's management concerning Sunshine's financial condition, asset quality and regulatory standing, capital position, historical and current earnings, management succession and Sunshine's and First Bancshares' future financial performance;