

FIRST BANCSHARES INC /MS/  
Form S-4/A  
August 23, 2006

As filed with the Securities and Exchange Commission on August 4, 2006

Registration

**SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**AMENDED FORM S-4  
REGISTRATION STATEMENT UNDER  
THE SECURITIES ACT OF 1933**

**THE FIRST BANCSHARES, INC.**

(Exact name of Registrant as specified in its charter)

**MISSISSIPPI**  
(State or other jurisdiction of  
incorporation or organization)

**6022**  
(Primary Standard Industrial  
Classification Code Number)

**6**  
(I.R.S. Emp

**6480 U.S. HWY. 98 WEST  
HATTIESBURG, MISSISSIPPI 39402  
(601) 268-8998**  
(Address, including zip code, and telephone number, including  
area code, of registrant's principal executive offices)

DONNA T. LOWERY  
6480 U.S. HWY. 98 WEST  
HATTIESBURG, MISSISSIPPI 39402  
(601) 268-8998  
(Name, address, including zip code, and telephone number,  
including area code, of agent for service)

Copies to:

J. ANDREW GIPSON, ESQ.  
WATKINS LUDLAM WINTER & STENNIS, P.A.  
POST OFFICE BOX 427  
633 NORTH STATE STREET  
JACKSON, MISSISSIPPI 39202  
(601) 949-4900

**Approximate Date of Commencement of Proposed Sale of the Securities to the Public:** As soon as practicable after the date of filing of this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a new holding company and there is compliance with General Instruction G, please check the following box

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number and the effective registration statement for the same offering.  |  \_\_\_\_\_

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number and the effective registration statement for the same offering.  |  \_\_\_\_\_

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the following box and list the Securities Act registration statement number of the earlier effect statement for the same offering. | | \_\_\_\_\_

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share(2)	Proposed Maximum Aggregate Offering Price(2)
Common Stock (\$1.00 Par Value)	109,274	\$19.00	\$2,076,200

- (1) The number of First Bancshares common shares to be issued to record holders of First National Bank of Wiggins stock in accordance with the Merger Agreement.
- (2) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(f) (1) and (3), based on the value of First Bancshares common stock agreed upon under the terms of the Merger Agreement.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

PART I

INFORMATION TO BE INCLUDED IN PROSPECTUS/PROXY STATEMENT

FIRST NATIONAL BANK OF WIGGINS  
124 Border Avenue  
Wiggins, Mississippi 39577

August 30, 2006

To Our Shareholders:

You are cordially invited to attend a Special Meeting of Shareholders (the Meeting) of First National Bank of Wiggins ( FNB Wiggins ) to be held at 4:00 p.m. local time, on September 21, 2006 at 124 Border Avenue, Wiggins, Mississippi.

At the Meeting, you will be asked to consider and vote upon a proposal to approve an Agreement and Plan of Merger (the Merger Agreement ), dated as of May 19, 2006, by and among The First Bancshares, Inc. ( First Bancshares ), a Mississippi corporation and registered bank holding company, and its wholly-owned subsidiary, The First, a National Banking Association ( The First ), a banking association organized under the laws of the United States, on the one hand, and FNB Wiggins on the other hand, pursuant to which (a) FNB Wiggins will merge with and into The First (the Merger ), and (b) each outstanding share of FNB Wiggins common stock, \$10.00 par value per share ( FNB Wiggins Common Stock ) will be converted into the right to receive cash and shares of First Bancshares common stock, \$1.00 par value per share ( First Bancshares Common Stock ). Details of the proposal are set forth in the accompanying Proxy Statement/Prospectus, which you should read carefully.

Upon completion of the Merger, FNB Wiggins shareholders will receive in the aggregate cash and common stock of First Bancshares having a combined value of approximately \$4,152,400 ("Merger Consideration"). This approximate value is based upon the terms of the Merger Agreement, which states that FNB Wiggins shareholders will receive approximately \$175.00 in value (in the form of cash and/or First Bancshares Common Stock as described below) for each share of FNB Wiggins Common Stock they own. For purposes of the Merger Consideration, the Merger Agreement states that First Bancshares Common Stock will be valued at \$19.00. Shares of First Bancshares Common Stock traded on the NASDAQ stock market for prices ranging from \$21.09 to \$24.00 between the date of the Merger Agreement and August 18,

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2006. Therefore, should the shares of First Bancshares Common Stock have a value on the Effective Date of the Merger that equals its trading price on August 18, 2006, the actual value of the consideration received by FNB Wiggins shareholders as a result of the Merger would be approximately \$4,698,619.00. However, no assurance can be given as to the market price of First Bancshares Common Stock on the Effective Date.

Under the terms of the Merger Agreement, FNB Wiggins shareholders will be entitled to receive the Merger Consideration, consisting of \$87.50 per share in cash ( Cash Element ) and 4.605 shares of First Bancshares common stock ( Stock Element ), in exchange for each share of FNB Wiggins stock owned by them, representing approximately 50% cash and 50% stock as consideration for their shares.

As a result of the Merger and subject to certain limitations provided for in the Merger Agreement, shares of FNB Wiggins Common Stock issued and outstanding immediately prior to the Effective Date, other than dissenting shares, shall by virtue of the Bank Merger be converted into and represent the right to receive the Stock Element, the cash payable in lieu of fractional shares, and the Cash Element less a pro rata share of Seven Hundred and Eighty Thousand Dollars (\$780,000) in Consideration Deductions (which represents \$32.873 per share of outstanding FNB Wiggins Common Stock), which are defined as follows: (i) Two Hundred and Eighty Thousand Dollars (\$280,000) which represents a maximum of 50% of the cost of cancellation of FNB Wiggins data processing contract with Brasfield Technology, LLC; (ii) Two Hundred Thousand Dollars (\$200,000) which represents a potential payment under that certain Confidential Term Sheet between FNB Wiggins and Richton Bank & Trust Company dated January 20, 2006 and discussed in further detail below ( Richton Letter of Intent ); and (iii) Three Hundred Thousand Dollars (\$300,000) to account for potential losses related to the Mortgage Loan Purchase and Sale Agreements dated October 31, 2005 and December 16, 2005.

On the Effective Date, First Bancshares shall deposit into an escrow account cash in the amount of the Consideration Deductions (the Escrow Fund ) in accordance with the terms of the escrow agreement which is attached to the Merger Agreement as Exhibit E ( Escrow Agreement ). A distribution to the holders of FNB Wiggins Common Stock (other than holders of dissenting shares) of certain portions of the Escrow Fund remaining after the payment of any Actual Loss (as defined in the Escrow Agreement) shall be made in accordance with the methods stated in the Escrow Agreement and upon the occurrence of each of the following events: (a) the date of the execution of a settlement and release or the entering of a final judgment with regards to any amounts owed by FNB Wiggins to Brasfield Technology, LLC, for termination fees related to the termination of the data processing agreement between FNB Wiggins and Brasfield Technology, LLC; (b) the date of the execution of a settlement and release or the entering of a final judgment with regards to the suit brought by Richton Bank & Trust Company against FNB Wiggins for breach of the Richton Letter of Intent (See Summary Recent Developments ); and (c) December 16, 2006, with regards to any amounts paid according to that certain Mortgage Loan Purchase and Sale Agreements whereby FNB Wiggins sold certain assets with recourse to SNGC, LLC. Notwithstanding the foregoing, on May 19, 2009, or upon the earlier termination of the Escrow Agreement, whichever occurs first, the balance remaining in the Escrow Fund shall be distributed to the holders of FNB Wiggins Common Stock (other than holders of dissenting shares) in accordance with the terms of the Escrow Agreement.

FNB Wiggins shareholders who perfect dissenters rights will be deemed to have elected to receive cash in the amount of the appraised value of such FNB Wiggins shares in accordance with Sections 215 and 215a of Title 12 of the United States Code. FNB Wiggins shareholders considering whether to perfect dissenters rights should read carefully the section of the attached Proxy Statement/Prospectus discussing dissenters rights, as well as the copy of Sections 215 and 215a of Title 12 of the United States Code attached thereto as an Exhibit. Specific steps must be taken to perfect statutory dissenters rights.

**After careful consideration, the Merger Agreement has been unanimously approved by your Board of Directors. The Board believes the Merger is in the best interests of FNB Wiggins and its shareholders and unanimously recommends that you vote for approval of the Merger Agreement. The reasons for such recommendation are set forth in the accompanying Proxy Statement/Prospectus. Furthermore, FNB Wiggins financial advisor, Southard Financial, has issued its opinion to the effect that, as of the date of such opinion and based upon the considerations described therein, the consideration to be received by the holders of FNB Wiggins Common Stock pursuant to the Merger is fair, from a financial point of view, to such shareholders.**

The Merger presents an opportunity for holders of FNB Wiggins Common Stock to join in a combined enterprise with greater financial resources and a more geographically diversified business. As a result of the proposed Merger, you, as a shareholder of First Bancshares, will own common stock in a bank holding company whose shares are actively traded on NASDAQ which provides you with greater liquidity.

We urge you to read the enclosed materials carefully so that you can evaluate the Merger for yourself. The affirmative vote of the holders of two-thirds (2/3) of the outstanding shares of FNB Wiggins Common Stock is required to approve the Merger. Accordingly, the Board is hereby soliciting the necessary approval of FNB Wiggins shareholders in order to effectuate the Merger.

In the material accompanying this letter, you will find a Notice of Special Meeting of Shareholders, a Prospectus/Proxy Statement (the Proxy Statement ) relating to the actions to be taken by FNB Wiggins shareholders at the Meeting, and a form of proxy. The Proxy Statement more fully describes the proposed Merger and includes information about FNB Wiggins, First Bancshares, and The First.

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All shareholders are invited to attend the Meeting in person. However, in order to ensure that your shares will be represented at the Meeting, your Board of Directors urges that you sign, date and return the enclosed form of proxy promptly in the enclosed self addressed, stamped envelope, whether or not you plan to attend the Meeting. The prompt return of your signed proxy, regardless of the number of shares you hold, will assist FNB Wiggins in reducing the expense of additional proxy solicitation. Your proxy may be revoked at any time prior to the vote at the Meeting by notice to the Secretary of FNB Wiggins or by execution and delivery of a later dated proxy. If you attend the Meeting you may, if you wish, revoke your proxy and vote in person on all matters brought before the Meeting. A returned proxy which has been signed but which does not indicate how the proxy is to be voted (whether on one or more of the proposals) will be voted FOR the proposal for which there is no voting indication.

Very truly yours,  
H. F. Campbell, Chairman of the Board

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YOUR VOTE IS IMPORTANT  
PLEASE SIGN, DATE AND RETURN YOUR PROXY

**FIRST NATIONAL BANK OF WIGGINS**  
124 Border Avenue  
Wiggins, Mississippi 39577

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**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**  
to be held on September 21, 2006

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### To the Shareholders of First National Bank of Wiggins

Notice is hereby given that a Special Meeting of Shareholders (the Meeting) of First National Bank of Wiggins, a national banking association (FNB Wiggins), will be held at 124 Border Avenue, Wiggins, Mississippi, on September 21, 2006 at 4:00 p.m. local time, for the purpose of considering and voting upon the following matters:

1. To consider and vote upon the approval and adoption of an Agreement and Plan of Merger (the Merger Agreement), dated as of May 19, 2006, by and among The First Bancshares, Inc. (First Bancshares), a Mississippi corporation and registered bank holding company, and its wholly-owned subsidiary, The First, a National Banking Association (The First), a national banking association organized under the laws of the United States, on the one hand, and FNB Wiggins on the other hand, pursuant to which (a) FNB Wiggins will merge with and into The First (the Merger), and (b) each outstanding share of FNB Wiggins common stock, \$10.00 par value per share (FNB Wiggins Common Stock) will be converted into the right to receive cash and shares of First Bancshares common stock, \$1.00 par value per share (First Bancshares Common Stock) in accordance with the terms of the Merger Agreement; and
2. To transact such other business as may properly come before the Meeting.

The foregoing items of business are more fully described in the Proxy Statement/Prospectus accompanying this Notice. Only shareholders of record at the close of business on August 1, 2006 are entitled to notice of, and to vote at, the Meeting and any adjournments thereof. Approval of the Merger Agreement requires the affirmative vote of the holders of two-thirds (2/3) of the outstanding shares of FNB Wiggins Common Stock. A conformed copy of the Merger Agreement is attached to this Proxy Statement/Prospectus as Exhibit A.

**Dissenting shareholders of FNB Wiggins who comply with the procedural requirements of Sections 215 and 215a of Title 12 of the United States Code will be entitled to receive payment of the fair value of their shares of FNB Wiggins Common Stock.**

**THE FNB WIGGINS BOARD OF DIRECTORS RECOMMENDS THAT THE HOLDERS OF FNB WIGGINS COMMON STOCK VOTE FOR APPROVAL OF THE PROPOSED MERGER. YOUR VOTE IS IMPORTANT REGARDLESS OF THE NUMBER OF SHARES THAT YOU OWN. EVEN IF YOU PLAN TO ATTEND THE MEETING, PLEASE DATE AND SIGN THE ENCLOSED FORM OF PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED, POSTAGE-PAID ENVELOPE. YOUR PROXY MAY BE REVOKED AT ANY TIME PRIOR TO THE VOTE AT THE MEETING BY NOTICE TO THE SECRETARY OF FNB WIGGINS OR BY EXECUTION AND DELIVERY OF A LATER DATED PROXY. IF YOU ATTEND THE MEETING, YOU MAY WITHDRAW YOUR PROXY AND VOTE IN PERSON.**

By Order of the Board of Directors  
H. F. Campbell, Chairman

August 30, 2006  
Wiggins, Mississippi

FIRST NATIONAL BANK OF WIGGINS  
124 Border Avenue  
Wiggins, Mississippi 39577

PROXY

**This Proxy is Solicited on Behalf of the Board of Directors.**

The undersigned hereby appoints H.F. Campbell and B. H. Bell, Jr. or any of them, with full power to appoint a substitute, as Proxies, and hereby authorizes them to represent and to vote all the stock of First National Bank of Wiggins held of record by the undersigned on August 1, 2006 meeting of shareholders to be held on September 21, 2006, at 4:00 p.m., local time, and at any other meeting thereof as follows:

- 1. The proposal to approve an Agreement and Plan of Merger dated as of May 19, 2006, as amended (or the "Agreement") pursuant to which First National Bank of Wiggins will merge with First National Banking Association, whose main office is located in Hattiesburg, Mississippi ( )  
FOR \_\_\_\_ AGAINST \_\_\_\_ ABSTAIN \_\_\_\_
- 2. The proposal to transact any other business which may properly come before the meeting.  
FOR \_\_\_\_ AGAINST \_\_\_\_ ABSTAIN \_\_\_\_

The Board of Directors recommends a vote "FOR" each of the above Proposals. The Proxies are authorized in their discretion upon such other business as may properly come before the Meeting or any adjourned meeting.

**THIS PROXY WILL BE VOTED AS DIRECTED, BUT IF NO INSTRUCTIONS ARE SPECIFIED, THIS PROXY WILL BE VOTED AS DIRECTED FOR THE ABOVE PROPOSALS. IF ANY OTHER BUSINESS IS PRESENTED AT SUCH MEETING, THIS PROXY WILL BE VOTED BY THE PROXY IN THEIR DISCRETION.**

Please sign exactly as your name appears on certificate(s) representing shares to be voted by you. If you are signing as attorney, executor, administrator, trustee, or guardian, please give your full name and address. If you are a corporation, please sign in full corporate name by the president or other authorized officer. If you are a partnership, please sign in full partnership name by an authorized person. If shares are held as joint tenants, all should sign.

Dated \_\_\_\_\_, 2006

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SIGNATURE OF SHAREHOLDER

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SIGNATURE OF SHAREHOLDER

PLEASE PROMPTLY COMPLETE, DATE, SIGN AND MAIL THIS PROXY IN THE ENCLOSED ENVELOPE

PROSPECTUS / PROXY STATEMENT

THE FIRST BANCSHARES, INC.

FIRST NATIONAL BANK OF WIGGINS

109,274 Shares of  
Common Stock, \$1.00 par value

Special Meeting of  
Shareholders to be held

September 21, 2006

This Proxy Statement/Prospectus is being furnished to holders of the common stock of First National Bank of Wiggins, a national banking association ( FNB Wiggins ), in connection with the solicitation of proxies by the Board of Directors of FNB Wiggins for use at its Special Meeting of Shareholders (the Meeting ) to be held on September 21, 2006. This Proxy Statement/Prospectus and accompanying proxy cards were first mailed to shareholders of FNB Wiggins on or about August 30, 2006.

At the Meeting, the holders of FNB Wiggins common stock, \$10.00 par value per share ( FNB Wiggins Common Stock ), will be asked to approve the Agreement and Plan of Merger (the Merger Agreement ), dated as of May 19, 2006, by and among The First Bancshares, Inc., a Mississippi corporation and registered bank holding company ( First Bancshares ), and its wholly-owned subsidiary, The First, a National Banking Association, a national banking association organized under the laws of the United States ( The First ), on the one hand, and FNB Wiggins on the other hand, pursuant to which FNB Wiggins will merge with and into The First (the Merger ). Upon consummation of the Merger, each outstanding share of FNB Wiggins Common Stock, other than shares held by FNB Wiggins shareholders who perfect dissenters rights, will be converted into the right to receive cash and shares of First Bancshares common stock, \$1.00 par value per share ( First Bancshares Common Stock ), as well as cash in lieu of any fractional shares, all in accordance with the terms of the Merger Agreement.

Upon completion of the Merger, FNB Wiggins shareholders will receive in the aggregate cash and stock of First Bancshares having a combined value of approximately \$4,152,400 ("Merger Consideration"). This approximate value is based upon the terms of the Merger Agreement, which states that FNB Wiggins shareholders will receive approximately \$175.00 in value (in the form of cash and/or First Bancshares Common Stock as described below) for each share of FNB Wiggins Common Stock they own. For purposes of the Merger Consideration, the Merger Agreement states that First Bancshares Common Stock will be valued at \$19.00. Shares of First Bancshares Common Stock traded on the NASDAQ stock market for prices ranging from \$21.09 to \$24.00 between the date of the Merger Agreement and August 18, 2006. Therefore, should the shares of First Bancshares Common Stock have a value on the Effective Date of the Merger that equals its trading price on August 18, 2006, the actual value of the consideration received by FNB Wiggins shareholders as a result of the Merger would be \$4,698,619.00. However, no assurance can be given as to the market price of First Bancshares Common Stock on the Effective Date.

Under the terms of the Merger Agreement, FNB Wiggins shareholders will be entitled to receive the Merger Consideration, which will consist of \$87.50 per share in cash ( Cash Element ) and 4.605 shares of First Bancshares Common Stock ( Stock Element ), in exchange for each share of FNB Wiggins Common Stock owned by them, representing approximately 50% cash and 50% stock as consideration for their shares.

As a result of the Bank Merger and subject to certain limitations provided for the Merger Agreement, shares of FNB Wiggins Common Stock issued and outstanding immediately prior to the Effective Date, other than dissenting shares, shall by virtue of the Bank Merger be converted into and represent the right to receive the Stock Element, the cash payable in lieu of fractional shares, and the Cash Element less a pro rata share of Seven Hundred and Eighty Thousand Dollars (\$780,000) in Consideration Deductions (which represents \$32.873 per share of outstanding FNB Wiggins Common Stock), which are defined as follows: (i) Two Hundred and Eighty Thousand Dollars (\$280,000) which represents a maximum of 50% of the cost of cancellation of FNB Wiggins data processing contract with Brasfield Technology, LLC; (ii) Two Hundred Thousand Dollars (\$200,000) which represents a potential payment under that certain Confidential Term Sheet between FNB Wiggins and Richton Bank & Trust Company dated January 20, 2006 and discussed in further detail below ( Richton Letter of Intent ); and (iii) Three Hundred Thousand Dollars (\$300,000) to account for potential losses related to the Mortgage Loan Purchase and Sale Agreements dated October 31, 2005 and December 16, 2005.

On the Effective Date, First Bancshares shall deposit into an escrow account cash in the amount of the Consideration Deductions (the Escrow Fund ) in accordance with the terms of the Escrow Agreement which is attached to the Merger Agreement as Exhibit E ( Escrow Agreement ). A distribution to the holders of FNB Wiggins Common Stock (other than holders of dissenting shares) of certain portions of the Escrow Fund remaining after the payment of any Actual Loss (as defined in the Escrow Agreement) shall be made in accordance with the methods stated in the Escrow Agreement and upon the occurrence of each of the following events: (a) the date of the execution of a settlement and release or the entering of a final judgment with regards to any amounts owed by FNB Wiggins to Brasfield Technology, LLC, for termination fees related to the termination of the data processing agreement between FNB Wiggins and Brasfield Technology, LLC; (b) the date of the execution of a settlement and release or the entering of a final judgment with regards to the suit brought by Richton Bank & Trust Company against FNB Wiggins for breach of the Richton Letter of Intent (See Summary Recent Developments ); and (3) December 16, 2006, with regards to any amounts paid according to that certain Mortgage Loan Purchase and Sale Agreements whereby FNB Wiggins sold certain assets with recourse to SNGC, LLC. Notwithstanding the foregoing, on May 19, 2009, or upon the earlier termination of the Escrow Agreement, whichever occurs first, the balance remaining in the Escrow Fund shall be distributed to the holders of FNB Wiggins Common Stock (other than holders of dissenting shares) in accordance with the terms of the Escrow Agreement.

First Bancshares Common Stock is traded on the NASDAQ stock market under the symbol FBMS. However, FNB Wiggins Common Stock is not listed, traded or quoted on any securities exchange or in the over-the-counter market, and no dealer makes a market in the FNB Wiggins Common Stock, although isolated transactions between individuals occur from time to time. Management of FNB Wiggins believes that transactions involving FNB Wiggins Common Stock have occurred in the following price ranges:

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2001	\$225	-	\$250
2002	\$250	-	\$300
2003	\$ 50	-	\$200
2004	\$ 50	-	\$175
2005	No sales to FNB Wiggins' management's knowledge		
2006	No sales to FNB Wiggins' management's knowledge		

The holders of FNB Wiggins Common Stock are entitled to receive dividends when and if declared by FNB Wiggins Board out of funds that are legally available therefor. As noted below, FNB Wiggins may not declare or pay a dividend without prior approval of the Office of the Comptroller of the Currency ( OCC ).

As of the record date of August 1, 2006, there were 23,728 shares of FNB Wiggins Common Stock issued and outstanding, held by approximately 126 shareholders.

Page 12 of this Proxy Statement/Prospectus contains a table that illustrates the number of shares of First Bancshares Common Stock to be received based on the value of \$19.00 for each share of First Bancshares Common Stock as stated in the Merger Agreement. For a more complete description of the Merger Agreement and the terms of the Merger, see The Merger. A conformed copy of the Merger Agreement is attached to this Proxy Statement/Prospectus as Exhibit A. For a more complete description of dissenters' rights, see Dissenters' Rights and Exhibit C.

First Bancshares has filed a Registration Statement on Form S-4 with the Securities and Exchange Commission (the Commission ), pursuant to the Securities Act of 1933, as amended (the Securities Act ), covering up to 109,274 shares of First Bancshares Common Stock to be issued in connection with the Merger. This document constitutes a Proxy Statement of FNB Wiggins in connection with the Meeting and a Prospectus of First Bancshares with respect to the shares of First Bancshares Common Stock to be issued upon consummation of the Merger. Each of First Bancshares and FNB Wiggins has furnished all information included herein with respect to it and its consolidated subsidiaries.

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No person is authorized to give any information or to make any representation concerning the Merger not contained in this Proxy Statement/Prospectus and, if given or made, such information or representation should not be relied upon as having been authorized. This Proxy Statement/Prospectus does not constitute an offer to sell, or a solicitation of an offer to purchase, the securities offered by this Proxy Statement/Prospectus, or the solicitation of a proxy, in any jurisdiction, to or from any person to whom it is unlawful to make such offer or solicitation of an offer or proxy solicitation in such jurisdiction. Neither the delivery of this Proxy Statement/Prospectus nor any distribution of the securities made under this Proxy Statement/Prospectus shall, under any circumstances, create any implication that there has been no change in the information set forth herein since the date of this Proxy Statement/Prospectus.

This Proxy Statement/Prospectus does not cover any resales of First Bancshares Common Stock to be received by FNB Wiggins' shareholders upon consummation of the Merger, and no person is authorized to make use of this Proxy Statement/Prospectus in connection with any such resale.

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**THE SECURITIES TO BE ISSUED PURSUANT TO THIS PROXY STATEMENT/PROSPECTUS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROXY STATEMENT/PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE SECURITIES OFFERED HEREBY ARE NOT SAVINGS ACCOUNTS OR BANK DEPOSITS, ARE NOT OBLIGATIONS OF OR GUARANTEED BY ANY BANKING OR NONBANKING AFFILIATE OF THE FIRST, AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY.**

*Do not send in your stock certificates now. After the Merger is completed, First Bancshares will send you written instructions on how to exchange your stock for First Bancshares Common Stock and cash.*

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Subject to completion the date of this Proxy Statement/Prospectus is August 30, 2006.

### AVAILABLE INFORMATION

First Bancshares is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act ), and in accordance therewith, files periodic reports, proxy statements and other information with the Commission. Such reports, proxy statements and

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other information filed by First Bancshares are available to the public at the web site and EDGAR database maintained by the Commission at <http://www.sec.gov>. The documents filed by First Bancshares are also available at the Commission's Public Reference Room, which provides access to EDGAR (for documents submitted electronically) and Thomson Research (for imaged paper filings) terminals. The public library of Commission information is provided through the Commission's Public Reference Room between the hours of 9:00 a.m. - 4:00 p.m., except federal holidays and official closings, at 100 F Street, NE, Room 1580, Washington, D.C. 20549.

First Bancshares has filed with the Commission a Registration Statement on Form S-4 (the "Registration Statement") under the Securities Act with respect to the common stock offered by this Proxy Statement/Prospectus. This Proxy Statement/Prospectus does not contain all the information set forth in the Registration Statement, certain portions of which have been omitted pursuant to the Rules and Regulations of the Commission, and to which portions reference is hereby made for further information with respect to First Bancshares and the securities offered hereby.

**As indicated below, this Proxy Statement/Prospectus incorporates by reference certain information with respect to First Bancshares, which is not presented herein or delivered herewith. Copies of any such information or documents, other than exhibits to such documents which are not specifically incorporated by reference herein, are available without charge, upon the written or oral request of any person, including any beneficial owner, to whom this Proxy Statement/Prospectus is delivered. In order to ensure timely delivery of such documents, any request should be made by September 15, 2006, and such requests should be directed to First Bancshares' principal executive offices at 6480 U.S. Hwy 98 W (39402), P. O. Box 15549 (39404-5549), Hattiesburg, Mississippi, Attention: Donna T. Lowery, Chief Financial Officer, telephone number (601) 268-8998. First Bancshares will send the requested documents by first-class mail within one business day of the receipt of the request.**

### INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by First Bancshares with the Securities and Exchange Commission ("SEC") are hereby incorporated by reference:

- (1) First Bancshares' Annual Report on Form 10-KSB for the fiscal year ended December 31, 2005;
- (2) First Bancshares' Quarterly Report on Form 10-QSB for the quarter ended March 31, 2006;
- (3) First Bancshares' Current Reports on Form 8-K filed on May 22, 2006, May 25, 2006, and July 11, 2006; and
- (4) The description of capital stock contained under the heading "Description of Capital Stock" in the Registration Statement on Form SB-2/A, Registration Number 333-61081, filed by First Bancshares with the SEC on September 14, 1998 relating to the description of First Bancshares Common Stock.

All documents filed by First Bancshares pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date hereof and prior to the date of the Meeting are hereby incorporated by reference into this Proxy Statement/Prospectus and shall be deemed a part hereof from the date of filing of such documents.

Any statement contained in a document incorporated by reference shall be deemed to be modified or superseded for purposes hereof to the extent that a statement contained herein (or in any other subsequently filed document which also is incorporated by reference herein) modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed to constitute a part hereof except as so modified or superseded.

The public may read and copy any materials filed by First Bancshares with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers such as First Bancshares that file electronically with the SEC at [www.sec.gov](http://www.sec.gov). Information regarding First Bancshares is also available on its Internet website at [www.thefirstbank.com](http://www.thefirstbank.com).

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### QUESTIONS AND ANSWERS

*This section highlights selected information from this document. It does not contain all of the information that is important to you. You should carefully read this entire document and the documents to which we refer in order to fully understand the merger and to obtain a more complete description of the legal aspects of the Merger. This section also includes certain page references that direct you to more complete descriptions of the topics discussed.*

**Q(1): Why is FNB Wiggins merging with The First?**

A: FNB Wiggins's Board has approved the Merger with The First based upon: (1) its assessment of the financial condition and prospects of FNB Wiggins in particular; (2) the provisions of the Merger Order, which is discussed in further detail in the following sections of this Prospectus Supplement; and (3) the competitive and regulatory environment for financial institutions. First, A National Banking Association, is a nationally chartered bank which operates offices in Mississippi. Its parent company, First Bancshares, whose common stock is traded on the New York Stock Exchange under the symbol FBMS, is a Mississippi corporation that is also registered as a company. The Merger will enable FNB Wiggins shareholders to hold stock in First Bancshares, a more diversified entity whose shares are more widely held and more actively traded. The Merger will also enable us to better serve our customers with more products and services. To review the details of the Merger and reasons for the Merger see page 19.

In recommending approval of the Merger, we also considered the opinion of our financial advisor, Southard Financial that as of the date of its opinion, the exchange ratio was fair from the point of view to FNB Wiggins's shareholders. We have attached this opinion as Exhibit B to this Prospectus Supplement. You should read it carefully.

A copy of the Merger Agreement is attached to this document as Appendix A. We encourage you to read the Merger Agreement. It is the legal document that governs the Merger.

**Q(2): As a FNB Wiggins shareholder, what will I receive in the Merger?**

A: You will have the right to receive \$87.50 per share in cash ("Cash Element") and 4.605 shares of First Bancshares Common Stock ("Stock Element"), in exchange for each share of FNB Wiggins Common Stock you own, representing approximately 50% cash and 50% stock as consideration for your shares. If you own fractional shares, fractional shares will be issued, but you will be compensated with cash for the proportional value of your fractional share.

Example: If you own 100 shares of FNB Wiggins Common Stock upon completion of the Merger, you will receive \$8,750 in cash and 460.5 shares of First Bancshares Common Stock.

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the right to receive a check for \$8,750.00, as well as the equivalent of 460.5 shares of Bancshares Common Stock. Since no fractional shares are to be issued, you will receive stock and \$9.50 representing the value of the fractional .5 share.

**Q(3): What are the key attributes of the First Bancshares Common Stock?**

A: First Bancshares Common Stock has the voting, dividend, and liquidation rights usually a common stock. To review a more detailed description of the First Bancshares Common Stock comparison to FNB Wiggins Common Stock see "Comparative Rights of Shareholders" on page

**Q(4): May a FNB Wiggins shareholder elect to receive more cash or First Bancshares Common Stock?**

A: No. All FNB Wiggins shareholders will receive approximately 50% cash and 50% stock for

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**Q(5): What happens as the market price of First Bancshares Common Stock fluctuates?**

A: The exchange ratio is based upon a formula that is not determined by the market price of Bancshares Common Stock and is not expected to change. The market value of First Bancshares Common Stock will fluctuate before and after the Merger. First Bancshares cannot predict the price will trade at any particular point in time.

**Q(6): When do you expect the merger to be completed?**

A: We hope to complete the Merger on or before September 30, 2006, following the approval of shareholders.

**Q(7): What are the tax consequences of the Merger to me?**

A: We expect that for U.S. federal income tax purposes, your receipt of First Bancshares Common Stock in exchange for your shares of FNB Wiggins Common Stock in the Merger generally will not cause you to recognize any gain or loss. You will, however, have to recognize gain in connection with the Merger if you received or if you exercise dissenters' appraisal rights under the National Bank Act.

We provide a more detailed review of the U.S. federal income tax consequences of the Merger in Exhibit B of this document.

**Q(8): As a FNB Wiggins shareholder, do I have to accept the First Bancshares Common Stock and consideration of \$87.50 per share in exchange for my shares if the Merger is approved?**

A: If you follow the procedures prescribed by the National Bank Act, you may dissent from the Merger and have the fair value of your stock determined according to those procedures. If you follow the dissent procedures, you will not receive First Bancshares Common Stock. The fair value of your shares of Common Stock, determined in the manner prescribed by the National Bank Act, will be paid to you.

For a more complete description of these dissenters' rights, see page 33 of this document as well as Exhibit C, which provides the text of the National Bank Act that governs dissenters' rights.

**Q(9): What do I need to do now?**

A: Just indicate on your proxy card how you want to vote, and sign and mail the proxy card in the enclosed return envelope as soon as possible so that your shares may be represented at the Meeting. If you sign and send in your proxy but don't indicate how you want to vote, your proxy will vote in favor of the Merger. If you don't return your proxy card or you abstain, the effect will be to vote against the Merger.

The Meeting will take place on September 21, 2006. You are invited to the meeting to vote in person rather than signing and mailing your proxy card. If you do sign your proxy card,

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back your proxy until and including the date of the meeting and either change your vote at the meeting and vote in person. We provide more detailed instructions about voting on page 11.

**The Board of Directors of FNB Wiggins unanimously recommends voting in favor of the proposal.**

**Q(10): Should I send in my stock certificates now?**

A: No. No one should send their stock certificates in now. After the Merger is completed, Bancshares will send you written instructions on how to exchange your FNB Wiggins Common Stock for Bancshares Common Stock.

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**Q(11): Who can help answer my questions?**

A: If you have more questions about the Merger you should contact Benny Bell or Buddy Lewis at the National Bank of Wiggins, 124 Border Avenue, Wiggins, Mississippi 39577, Telephone (601) 773-1234.

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## SUMMARY

The following is a brief summary of certain information contained elsewhere in this Proxy Statement/Prospectus and the documents incorporated herein by reference. This summary is necessarily incomplete and is subject to and qualified in its entirety by reference to the more detailed information and financial statements contained elsewhere in this Proxy Statement/Prospectus, including the Exhibits and the documents incorporated in this Proxy Statement/Prospectus by reference. Certain capitalized terms used in this summary are defined elsewhere in this Proxy Statement/Prospectus.

### Purpose of the Meeting

The purpose of the Meeting (as defined below) is to consider and vote upon a proposal to approve an Agreement and Plan of Merger, dated May 19, 2006 (the Merger Agreement), by and among The First Bancshares, Inc., a Mississippi corporation and registered bank holding company (First Bancshares), and its wholly-owned subsidiary, The First, a National Banking Association, a national banking association organized under the laws of the United States (The First), on the one hand, and First National Bank of Wiggins, a national banking association organized under the laws of the United States (FNB Wiggins), on the other hand, pursuant to which, among other things, (a) FNB Wiggins will be merged with and into The First (the Merger), and (b) on the effective date of the Merger (the Effective Date), each outstanding share of FNB Wiggins common stock, \$10.00 par value per share (FNB Wiggins Common Stock), will be converted into the right to receive cash and common stock, \$1.00 par value per share, of First Bancshares (First Bancshares Common Stock) as determined pursuant to the Merger Agreement.

Upon completion of the Merger, FNB Wiggins shareholders will receive in the aggregate cash and shares of First Bancshares Common Stock having a combined value of approximately \$4,152,400 ("Merger Consideration"). This approximate value is based upon the terms of the Merger Agreement, which states that FNB Wiggins shareholders will receive approximately \$175.00 in value (in the form of cash and/or First Bancshares Common Stock as described below) for each share of FNB Wiggins Common Stock they own. For purposes of the Merger Consideration, the Merger Agreement states that First Bancshares Common Stock will be valued at \$19.00. Shares of First Bancshares Common Stock traded on the NASDAQ stock market for prices ranging from \$21.09 to \$24.00 between the date of the Merger Agreement and August 18, 2006. Therefore, should the shares of First Bancshares Common Stock have a value on the Effective Date of the Merger that equals its trading price on August 18, 2006, the actual value of the consideration received by FNB Wiggins shareholders as a result of the Merger would be \$4,698,619.00. However, no assurance can be given as to the market price of First Bancshares Common Stock on the Effective Date.

Under the terms of the Merger Agreement, FNB Wiggins shareholders will be entitled to receive the Merger Consideration, consisting of \$87.50 per share in cash (Cash Element) and 4.605 shares of First Bancshares Common Stock (Stock Element), in exchange for each share of FNB Wiggins Common Stock owned by them, representing approximately 50% cash and 50% stock as consideration for their shares.

As a result of the Bank Merger and subject to certain limitations provided for in the Merger Agreement, shares of FNB Wiggins Common Stock issued and outstanding immediately prior to the Effective Date, other than dissenting shares, shall by virtue of the Bank Merger be converted into and represent the right to receive the Stock Element, the cash payable in lieu of fractional shares, and the Cash Element less a pro rata share of Seven Hundred and Eighty Thousand Dollars (\$780,000) in Consideration Deductions (which represents \$32.873 per share of outstanding

FNB Wiggins Common Stock), which are defined as follows: (i) Two Hundred and Eighty Thousand Dollars (\$280,000) which represents a maximum of 50% of the cost of cancellation of FNB Wiggins data processing contract with Brasfield Technology, LLC; (ii) Two Hundred Thousand Dollars (\$200,000) which represents a potential payment under that certain Confidential Term Sheet between FNB Wiggins and Richton Bank & Trust Company dated January 20, 2006 and discussed in further detail below ( Richton Letter of Intent ); and (iii) Three Hundred Thousand Dollars (\$300,000) to account for potential losses related to the Mortgage Loan Purchase and Sale Agreements dated October 31, 2005 and December 16, 2005.

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On the Effective Date, First Bancshares shall deposit into an escrow account cash in the amount of the Consideration Deductions (the Escrow Fund ) in accordance with the terms of the Escrow Agreement which is attached to the Merger Agreement as Exhibit E ( Escrow Agreement ). A distribution to the holders of FNB Wiggins Common Stock (other than holders of dissenting shares) of certain portions of the Escrow Fund remaining after the payment of any Actual Loss (as defined in the Escrow Agreement) shall be made in accordance with the methods stated in the Escrow Agreement and upon the occurrence of each of the following events: (a) the date of the execution of a settlement and release or the entering of a final judgment with regards to any amounts owed by FNB Wiggins to Brasfield Technology, LLC, for termination fees related to the termination of the data processing agreement between FNB Wiggins and Brasfield Technology, LLC; (b) the date of the execution of a settlement and release or the entering of a final judgment with regards to the suit brought by Richton Bank & Trust Company against FNB Wiggins for breach of the Richton Letter of Intent (See Summary Recent Developments ); and (3) December 16, 2006, with regards to any amounts paid according to that certain Mortgage Loan Purchase and Sale Agreements whereby FNB Wiggins sold certain assets with recourse to SNGC, LLC. Notwithstanding the foregoing, on May 19, 2009, or upon the earlier termination of the Escrow Agreement, whichever occurs first, the balance remaining in the Escrow Fund shall be distributed to the holders of FNB Wiggins Common Stock (other than holders of dissenting shares) in accordance with the terms of the Escrow Agreement.

As a result of the Merger, the business and properties of FNB Wiggins will become the business and properties of First Bancshares, and holders of FNB Wiggins Common Stock will become shareholders of First Bancshares, except for any such holders who perfect dissenters rights. Page 12 of this Proxy Statement/Prospectus contains a table that illustrates the number of shares of First Bancshares Common Stock to be received based on the value of \$19.00 for each share of First Bancshares Common Stock as stated in the Merger Agreement.

### **Date, Time and Place of the Meeting; Record Date**

A Special Meeting of Shareholders (the Meeting ) of FNB Wiggins will be held on September 21, 2006, at 4:00 p.m. at 124 Border Avenue, Wiggins, Mississippi. The Board of Directors of FNB Wiggins has fixed the close of business on August 1, 2006, as the record date (the Record Date ) for determining holders of outstanding shares of FNB Wiggins Common Stock entitled to notice of and to vote at the Meeting. Only holders of FNB Wiggins Common Stock of record on the books of FNB Wiggins at the close of business on the Record Date are entitled to vote at the Meeting or at any adjournment thereof. As of the Record Date, there were 23,728 shares of FNB Wiggins Common Stock issued and outstanding, each of which is entitled to one vote. See Introduction General and Introduction Record Date; Voting Rights; Proxies.

### **Vote Required**

Holders of two-thirds (2/3) of the outstanding shares of FNB Wiggins Common Stock must approve the Merger Agreement. As of the Record Date, the executive officers and directors of FNB Wiggins as a group had the power to vote approximately 11,220 shares of FNB Wiggins Common Stock, representing approximately 47% of the outstanding shares.

### **The Parties**

**First Bancshares.** First Bancshares is a bank holding company headquartered at 6480 U.S. Highway 98 West, Hattiesburg, Mississippi 39402, telephone number (601) 268-8998. Its principal subsidiary is The First, a National Banking Association. The First serves the cities of Bay St. Louis, Hattiesburg, Laurel, Pascagoula, Picayune, Purvis, and the surrounding areas of Forrest, Hancock, Jackson, Jones, Lamar, and Pearl River Counties in Mississippi. First Bancshares, through its subsidiary, strives to provide its customers with the breadth of products and services comparable to those offered by large regional banks, while maintaining the quick response and personal service of a locally owned and managed bank.

As of June 30, 2006, First Bancshares had total assets of \$329.2 million; total deposits of \$268.6 million, total loans of \$238.0 million, and shareholders equity of \$19.5 million.

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**The First.** The First is a national banking association headquartered at 6480 U.S. Highway 98 West, Hattiesburg, Mississippi 39402, telephone number (601) 268-8998. The First also has branch offices located at: (1) 835 Hwy 90, Suite 4 in Bay St. Louis, Hancock County, Mississippi; (2) 631 Hwy 589 in Purvis, Lamar County, Mississippi; (3) 2702 Lincoln Road in Hattiesburg, Forrest County, Mississippi; (4) 3318 Hardy Street in Hattiesburg, Forrest County, Mississippi; (5) Hwy 15 North in Laurel, Jones County, Mississippi; (6) 1506-B Hwy 43 South in Picayune, Pearl River County, Mississippi; and (7) 1126 Jackson Avenue, Suite 101 in Pascagoula, Jackson County, Mississippi. The First provides a full complement of consumer and commercial banking services in south Mississippi.

**FNB Wiggins.** FNB Wiggins is a national banking association headquartered at 124 Border Avenue, Wiggins, Mississippi, telephone number (601) 928-5241. FNB Wiggins provides various consumer and commercial banking services to Wiggins and Stone County, Mississippi.

### **Recommendation of the Boards of Directors; Reasons for the Merger**

THE BOARD OF DIRECTORS OF FNB WIGGINS (THE FNB WIGGINS BOARD ) BELIEVES THE MERGER IS FAIR TO AND IN THE BEST INTERESTS OF FNB WIGGINS AND ITS SHAREHOLDERS AND RECOMMENDS THAT HOLDERS OF FNB WIGGINS COMMON STOCK VOTE **FOR** APPROVAL OF THE MERGER AGREEMENT. See The Merger Background of and Reasons for the Merger FNB Wiggins. For information on the interests of certain officers and directors of FNB Wiggins in the Merger, see The Merger Interests of Certain Persons in the Merger.

In recommending approval of the Merger Agreement to the holders of FNB Wiggins Common Stock, the FNB Wiggins Board considered, among other factors, the terms of the Consent Order with the Office of the Comptroller of the Currency ( OCC ), the enhanced opportunities for operating efficiencies and growth, the additional products which would be available to customers of FNB Wiggins, and the additional liquidity First Bancshares Common Stock would provide for FNB Wiggins shareholders. See The Merger Background of and Reasons for the Merger FNB Wiggins.

In addition, the FNB Wiggins Board has received the opinion of Southard Financial ( Southard ) that the consideration payable under the Merger Agreement is fair from a financial point of view to the holders of FNB Wiggins Common Stock. The opinion of Southard is attached as Exhibit B and should be read in its entirety. See The Merger Opinion of Financial Advisor.

The Board of Directors of The First has approved the Merger Agreement because it believes that the Merger will enhance The First's earnings capacity by enabling it to deliver products and provide services to a larger geographic customer base, and that the combination of The First and FNB Wiggins can take advantage of increased overall efficiencies and economies of scale. See The Merger Reasons for the Merger First Bancshares.

### **Opinion of Financial Advisor**

Southard, FNB Wiggins financial advisor, has rendered its opinion that the Merger Consideration to be received by the holders of FNB Wiggins Common Stock pursuant to the Merger Agreement, when taken as a whole, is fair to FNB Wiggins and its shareholders from a financial point of view. The opinion of Southard is attached hereto as Exhibit B and should be read in its entirety with respect to the assumptions made therein and other matters considered. See The Merger Opinion of Financial Advisor for further information regarding, among other things, the selection of Southard and its compensation arrangement in connection with the Merger Agreement.

### **Risk Factors**

Making or continuing an investment in securities, including First Bancshares Common Stock, involves certain risks that you should carefully consider. The risks and uncertainties described below are not the only risks that may have a material adverse effect on First Bancshares. Additional risks and uncertainties also could adversely affect First Bancshares business and results of operations. If any of the following risks actually occur, First Bancshares business, financial condition or results of operations could be affected, the market price for your securities could decline, and you could lose all or a part of your investment. Further, to the extent that any of the information contained in this Proxy Statement/Prospectus constitutes forward-looking statements, the risk factors set forth below also are cautionary statements identifying important factors that could cause First Bancshares actual results to differ materially from those expressed in any forward-looking statements made by or on behalf of First Bancshares.

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### ***First Bancshares may be vulnerable to certain sectors of the economy.***

A portion of First Bancshares loan portfolio is secured by real estate. If the economy deteriorated and depressed real estate values beyond a certain point, that collateral value of the portfolio and the revenue stream from those loans could come under stress and possibly require

additional loan loss accruals. First Bancshares' ability to dispose of foreclosed real estate at prices above the respective carrying values could also be impinged, causing additional losses.

***General economic conditions in the areas where First Bancshares' operations or loans are concentrated may adversely affect our customers' ability to meet their obligations.***

A sudden or severe downturn in the economy in the geographic markets served by First Bancshares in the state of Mississippi may affect the ability of First Bancshares' customers to meet loan payments obligations on a timely basis. The local economic conditions in these areas have a significant impact on First Bancshares' commercial, real estate, and construction loans, the ability of borrowers to repay these loans and the value of the collateral securing such loans. Changes resulting in adverse economic conditions of First Bancshares' market areas could negatively impact the financial results of First Bancshares' banking operations and its profitability. Additionally, adverse economic changes may cause customers to withdraw deposit balances, thereby causing a strain on First Bancshares' liquidity.

***First Bancshares is subject to a risk of rapid and significant changes in market interest rates.***

First Bancshares' assets and liabilities are primarily monetary in nature, and as a result First Bancshares is subject to significant risks tied to changes in interest rates. First Bancshares' ability to operate profitably is largely dependent upon net interest income. Unexpected movement in interest rates markedly changing the slope of the current yield curve could cause First Bancshares' net interest margins to decrease, subsequently decreasing net interest income. In addition, such changes could adversely affect the valuation of First Bancshares' assets and liabilities.

At present First Bancshares' one-year interest rate sensitivity position is slightly asset sensitive, but a gradual increase in interest rates during the next twelve months should not have a significant impact on net interest income during that period. However, as with most financial institutions, First Bancshares' results of operations are affected by changes in interest rates and First Bancshares' ability to manage this risk. The difference between interest rates charged on interest-earning assets and interest rates paid on interest-bearing liabilities may be affected by changes in market interest rates, changes in relationships between interest rate indices, and/or changes in the relationships between long-term and short-term market interest rates. A change in this difference might result in an increase in interest expense relative to interest income, or a decrease in First Bancshares' interest rate spread.

***Certain changes in interest rates, inflation, or the financial markets could affect demand for First Bancshares products and First Bancshares' ability to deliver products efficiently.***

Loan originations, and potentially loan revenues, could be adversely impacted by sharply rising interest rates. Conversely, sharply falling rates could increase prepayments within First Bancshares' securities portfolio lowering interest earnings from those investments. An unanticipated increase in inflation could cause First Bancshares' operating costs related to salaries & benefits, technology, & supplies to increase at a faster pace than revenues.

The fair market value of First Bancshares' securities portfolio and the investment income from these securities also fluctuate depending on general economic and market conditions. In addition, actual net investment income and/or cash flows from investments that carry prepayment risk, such as mortgage-backed and other asset-backed securities, may differ from those anticipated at the time of investment as a result of interest rate fluctuations.

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***Changes in the policies of monetary authorities and other government action could adversely affect First Bancshares' profitability.***

The results of operations of First Bancshares are affected by credit policies of monetary authorities, particularly the Federal Reserve Board. The instruments of monetary policy employed by the Federal Reserve Board include open market operations in U.S. government securities, changes in the discount rate or the federal funds rate on bank borrowings and changes in reserve requirements against bank deposits. In view of changing conditions in the national economy and in the money markets, particularly in light of the continuing threat of terrorist attacks and the current military operations in the Middle East, we cannot predict possible future changes in interest rates, deposit levels, loan demand or First Bancshares' business and earnings. Furthermore, the actions of the United States government and other governments in responding to such terrorist attacks or the military operations in the Middle East may result in currency fluctuations, exchange controls, market disruption and other adverse effects.

***Natural disasters could affect First Bancshares' ability to operate***

First Bancshares' market areas are susceptible to natural disasters such as hurricanes. Natural disasters can disrupt First Bancshares' operations, result in damage to properties and negatively affect the local economies in which First Bancshares operates. First Bancshares cannot predict whether or to what extent damage caused by future hurricanes will affect First Bancshares' operations or the economies in First Bancshares' market areas, but such weather events could cause a decline in loan originations, a decline in the value or destruction of properties securing the loans and an increase in the risk of delinquencies, foreclosures or loan losses.

***Greater loan losses than expected may adversely affect First Bancshares' earnings.***

First Bancshares as lender is exposed to the risk that its customers will be unable to repay their loans in accordance with their terms and that any collateral securing the payment of their loans may not be sufficient to assure repayment. Credit losses are inherent in the business of making loans and could have a material adverse effect on First Bancshares' operating results. First Bancshares' credit risk with respect to its real estate and construction loan portfolio will relate principally to the creditworthiness of corporations and the value of the real estate serving as security for the repayment of loans. First Bancshares' credit risk with respect to its commercial and consumer loan portfolio will relate principally to the general creditworthiness of businesses and individuals within First Bancshares' local markets.

First Bancshares makes various assumptions and judgments about the collectibility of its loan portfolio and provide an allowance for estimated loan losses based on a number of factors. First Bancshares believes that its current allowance for loan losses is adequate. However, if First Bancshares' assumptions or judgments prove to be incorrect, the allowance for loan losses may not be sufficient to cover actual loan losses. First Bancshares may have to increase its allowance in the future in response to the request of one of its primary banking regulators, to adjust for changing conditions and assumptions, or as a result of any deterioration in the quality of First Bancshares' loan portfolio. The actual amount of future provisions for loan losses cannot be determined at this time and may vary from the amounts of past provisions.

***First Bancshares may need to rely on the financial markets to provide needed capital***

First Bancshares' Common Stock is listed and traded on the NASDAQ stock market. Although First Bancshares anticipates that its capital resources will be adequate for the foreseeable future to meet its capital requirements, at times First Bancshares may depend on the liquidity of the NASDAQ stock market to raise equity capital. If the market should fail to operate, or if conditions in the capital markets are adverse, First Bancshares may be constrained in raising capital. First Bancshares maintains a consistent analyst following; therefore, downgrades in First Bancshares' prospects by an analyst(s) may cause First Bancshares' Common Stock price to fall and significantly limit First Bancshares' ability to access the markets for additional capital requirements. Should these risks materialize, First Bancshares' ability to further expand its operations through internal growth may be limited.

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***First Bancshares is subject to regulation by various Federal and State entities***

First Bancshares is subject to the regulations of the Securities and Exchange Commission ( SEC ), the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the OCC. New regulations issued by these agencies may adversely affect First Bancshares' ability to carry on its business activities. First Bancshares is subject to various Federal and state laws and certain changes in these laws and regulations may adversely affect First Bancshares' operations.

First Bancshares is also subject to the accounting rules and regulations of the SEC and the Financial Accounting Standards Board. Changes in accounting rules could adversely affect the reported financial statements or results of operations of First Bancshares and may also require extraordinary efforts or additional costs to implement. Any of these laws or regulations may be modified or changed from time to time, and First Bancshares cannot be assured that such modifications or changes will not adversely affect First Bancshares.

***First Bancshares engages in acquisitions of other businesses from time to time.***

On occasion, First Bancshares will engage in acquisitions of other businesses. Acquisitions may result in customer and employee turnover, thus increasing the cost of operating the new businesses. The acquired companies may also have legal contingencies, beyond those that First Bancshares is aware of, that could result in unexpected costs.

***First Bancshares is subject to industry competition which may have an impact upon its success.***

The profitability of First Bancshares depends on its ability to compete successfully. First Bancshares operates in a highly competitive financial services environment. Certain competitors are larger and may have more resources than First Bancshares does. First Bancshares faces competition in its regional market areas from other commercial banks, savings and loan associations, credit unions, internet banks, finance companies, mutual funds, insurance companies, brokerage and investment banking firms, and other financial intermediaries that offer similar



services. Some of First Bancshares' nonbank competitors are not subject to the same extensive regulations that govern First Bancshares or the Bank and may have greater flexibility in competing for business.

Another competitive factor is that the financial services market, including banking services, is undergoing rapid changes with frequent introductions of new technology-driven products and services. First Bancshares' future success may depend, in part, on its ability to use technology competitively to provide products and services that provide convenience to customers and create additional efficiencies in First Bancshares' operations.

***Future issuances of additional securities could result in dilution of shareholders' ownership.***

First Bancshares may determine from time to time to issue additional securities to raise additional capital, support growth, or to make acquisitions. Further, First Bancshares may issue stock options or other stock grants to retain and motivate First Bancshares' employees. Such issuances of Company securities will dilute the ownership interests of First Bancshares' shareholders.

***Anti-takeover laws and certain agreements and charter provisions may adversely affect share value.***

Certain provisions of state and federal law and First Bancshares' articles of incorporation may make it more difficult for someone to acquire control of First Bancshares. Under federal law, subject to certain exemptions, a person, entity, or group must notify the federal banking agencies before acquiring 10% or more of the outstanding voting stock of a bank holding company, including First Bancshares' shares. Banking agencies review the acquisition to determine if it will result in a change of control. The banking agencies have 60 days to act on the notice, and take into account several factors, including the resources of the acquirer and the antitrust effects of the acquisition. There also are Mississippi statutory provisions and provisions in First Bancshares' articles of incorporation that may be used to delay or block a takeover attempt. As a result, these statutory provisions and provisions in First Bancshares' articles of incorporation could result in First Bancshares being less attractive to a potential acquirer.

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***Securities issued by First Bancshares, including First Bancshares' Common Stock, are not FDIC insured.***

Securities issued by First Bancshares, including First Bancshares' Common Stock, are not savings or deposit accounts or other obligations of any bank and are not insured by the FDIC, the Deposit Insurance Fund, or any other governmental agency or instrumentality, or any private insurer, and are subject to investment risk, including the possible loss of principal.

**Regulatory Approvals**

It is a condition to the consummation of the Merger that all required regulatory approvals be obtained. The only required regulatory approval is the approval of the OCC. See *The Merger* Regulatory Approvals.

**Other Conditions to Consummation of the Merger**

In addition to regulatory approvals and the approval of the Merger Agreement by the requisite vote of the holders of FNB Wiggins Common Stock, which conditions may not be waived, the respective obligations of each party under the Merger Agreement are subject, among other conditions, to: (1) the receipt of an opinion of Watkins Ludlam Winter & Stennis, P.A., that the transactions contemplated by the Merger Agreement will be treated for federal income tax purposes as a tax-free reorganization under Section 368 of the Internal Revenue Code of 1986, as amended (the Code), with respect to the Stock Element provided to the holders of FNB Wiggins Common Stock as part of the Merger Consideration, which condition may not be waived; and (2) the absence of a material adverse change in the financial condition, results of operations or business of the other party's consolidated group which condition may be waived. See *The Merger* Other Conditions to the Merger and *The Merger* Certain Federal Income Tax Consequences for additional information concerning the conditions to consummation of the Merger.

**Exchange of FNB Wiggins' Certificates; No Fractional Shares**

As soon as practicable after the Effective Date, The First (the Exchange Agent) will mail to each holder of record of FNB Wiggins Common Stock, a letter of transmittal and instructions for use in effecting the surrender of the certificates which, immediately prior to the Effective Date, represented issued and outstanding shares of FNB Wiggins Common Stock in exchange for cash and certificates representing First Bancshares Common Stock. See *The Merger* Exchange of FNB Wiggins' Certificates. Cash will also be paid in lieu of any fractional shares of First Bancshares Common Stock. See *The Merger* Structure and Terms of the Merger. **Certificates representing FNB Wiggins Common Stock**

should not be surrendered until the letter of transmittal is received.

## Effective Date

If the Merger Agreement is approved by the requisite vote of the holders of FNB Wiggins Common Stock, the Merger is approved by all required regulatory agencies, and the other conditions to the Merger are satisfied or waived (where permissible), the Merger will become effective at the date agreed to by FNB Wiggins and The First (the Effective Date ) which will be explicitly stated in the Certificate of Merger filed with the OCC. It is expected that the Effective Date will occur on or before September 30, 2006; however, there can be no assurance that the conditions to the Merger will be satisfied or waived so that the Merger can be consummated. See The Merger Effective Date and The Merger Other Conditions to the Merger.

## Interests of Certain Persons in the Merger

Certain members of FNB Wiggins management and Board of Directors have interests in the Merger in addition to their interests as shareholders of FNB Wiggins generally. Those interests include, among others, provisions in the Merger Agreement that: (1) allow FNB Wiggins to purchase Tail Insurance which will provide post Closing coverage for errors and omissions similar to that provided by the directors and officers errors and omissions insurance policy presently carried by FNB Wiggins; (2) require The First to reimburse any person that is defined as an insured under the current directors and officers errors and omissions insurance policy and insured under the Tail Insurance policy for any expenditures classified as retention or deductible amounts under the policy that are incurred by the insured as a result of any errors or omissions covered by the Tail Insurance; and (3) grant to some of them the eligibility to participate in certain employee benefit plans of The First. The executive officers and directors of FNB Wiggins will also receive cash and shares of First Bancshares Common Stock in the Merger with an aggregate value of \$2,221,275.00, based on the price of \$19.00 for each share of First Bancshares Common Stock. See The Merger Interests of Certain Persons in the Merger and Security Ownership of Principal Shareholders and Management.

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## Termination

Among other reasons, the Merger Agreement may be terminated at any time prior to the Effective Date (i) in the event the Merger Agreement is not approved by the OCC or shareholders of FNB Wiggins at the Meeting, (ii) if either party commits a material breach of any covenant, agreement, warranty, or representation in the Merger Agreement that is not or cannot be cured within sixty (60) days after the breaching party receives written notice of such breach, (iii) if the number of shares of FNB Wiggins Common Stock, the holders of which perfect dissenters rights, is in such numbers as would disqualify the transaction as a nontaxable reorganization under and in accordance with Sections 368(a)(1)(A) and 368(a)(2)(D) of the Code, or (iv) if the Closing has not occurred by 5:00 p.m. local time on September 30, 2006. The Merger Agreement may also be terminated by mutual consent. See The Merger Amendment; Waiver; Termination.

## Certain Federal Income Tax Consequences

Consummation of the Merger is conditioned upon receipt by each of the parties to the Merger Agreement of an opinion of Watkins Ludlam Winter & Stennis, P.A. that the Merger will be treated, for federal income tax purposes, as a tax-free reorganization, with the result that no gain or loss will be recognized by FNB Wiggins or by holders of FNB Wiggins Common Stock who exchange their FNB Wiggins Common Stock for First Bancshares Common Stock pursuant to the Merger, except with respect to cash received. FNB Wiggins shareholders who exercise dissenters rights and receive all cash for their shares will have gain or loss for federal income tax purposes. FNB Wiggins shareholders are urged to consult their own tax advisors as to the specific tax consequences to them of the Merger. See The Merger Certain Federal Income Tax Consequences.

## Dissenters' Rights

Under the National Bank Act, holders of FNB Wiggins Common Stock who vote against the Merger and who deliver to FNB Wiggins the required written demand and who otherwise comply with the requirements of the National Bank Act will be entitled to receive the value of their shares in cash as determined under the provisions of the National Bank Act. **Such right will be lost, however, if the procedural requirements of the National Bank Act are not fully and precisely satisfied.** See Dissenters Rights and Exhibit C hereto.

## Resales of First Bancshares Common Stock

The shares of First Bancshares Common Stock to be issued to the holders of FNB Wiggins Common Stock pursuant to the Merger Agreement have been registered under the Securities Act pursuant to a Registration Statement on Form S-4, of which this Proxy Statement/Prospectus is a

part, thereby allowing such shares to be freely transferred without restriction by persons who will not be affiliates of First Bancshares or who were not affiliates of FNB Wiggins within the meaning of Rule 145 under the Securities Act. In general, affiliates of FNB Wiggins include its executive officers and directors and any person who controls, is controlled by or is under common control with FNB Wiggins. For the purposes of Rule 145, any shareholder who owns ten percent (10%) or more of the voting stock of a company is presumptively deemed to have control. However, the amount of voting stock owned by a shareholder is not the only factor considered when deciding who has control over a company, and a person may or may not be deemed to have control regardless of how much voting stock they own if other factors apply. Holders of FNB Wiggins Common Stock who are affiliates of FNB Wiggins will not be able to resell the First Bancshares Common Stock received by them in the Merger unless the First Bancshares Common Stock is registered for resale under the Securities Act, is sold in compliance with Rule 145 under the Securities Act or is sold in compliance with another exemption from the registration requirements of the Securities Act. See The Merger Resales of First Bancshares Common Stock.

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## Recent Market Prices

The following table compares the values stated in the Merger Agreement for each share of the First Bancshares Common Stock with the values stated in the Merger Agreement for each share of FNB Wiggins Common Stock. Shares of First Bancshares Common Stock were trading for \$21.09 on the NASDAQ stock market on the date of the Merger Agreement, and said shares have traded on that same exchange for prices ranging from \$21.09 to \$24.00 between the date of the Merger Agreement and August 18, 2006. However, no assurance can be given as to the market price of First Bancshares Common Stock on the Effective Date. FNB Wiggins Common Stock is not listed, traded, or quoted on any securities exchange or in the over-the-counter market, and no dealer makes a market in the FNB Wiggins Common Stock, although isolated transactions between individuals occur from time to time. To FNB Wiggins' management's knowledge, the most recent transactions with respect to FNB Wiggins Common Stock were conducted in December of 2004 at approximately \$175 per share.

First Bancshares Common Stock	FNB Wiggins Common Stock
\$19.00	\$175.00

## Recent Developments

On May 24, 2006, Centon Bancorp, Inc., a Mississippi corporation and registered bank holding company located in Richton Mississippi ( Centon ), along with its wholly-owned subsidiary, Richton Bank & Trust Company, a Mississippi banking corporation whose main office is located in Richton, Mississippi ( RB&T ), filed suit against FNB Wiggins in the Circuit Court of Stone County for the following causes of action: (1) the breach of a Confidential Term Sheet executed by RB&T and FNB Wiggins whereby both expressed an intent for RB&T to purchase and assume certain assets and liabilities of FNB Wiggins pursuant to a definitive agreement that was contemplated by the Confidential Term Sheet but was never completed; (2) the breach of an implied covenant of good faith and fair dealing with regards to its failure to abide by the Confidential Term Sheet; and (3) the tortious breach of the Confidential Term Sheet due to its alleged and willful disregard of its contractual obligations to RB&T. RB&T also claimed the right to recover the following damages as a result of the alleged causes of action: (1) \$200,000 of liquidated damages as specified in the Confidential Term Sheet; (2) punitive damages for the tortious breach of the Confidential Term Sheet; (3) attorneys fees in an amount to be determined at trial; and (4) such other relief as the Court deems proper.

On June 16, 2006, FNB Wiggins, through its attorneys Tadd and Jack Parsons, filed an answer to RB&T's complaint, asserting the following defenses: (1) that Centon and RB&T have failed to state a claim for which relief can be granted; (2) that FNB Wiggins did not violate the Confidential Term Sheet; (3) that the punitive damage request violates the Fourteenth Amendment of the United States Constitution; and (4) that the request for attorney's fees should be dismissed. FNB Wiggins asked for the lawsuit to be dismissed and also made a motion to join Holloway & Associates, consultants to Centon and RB&T, to the lawsuit as a third party defendant. The FNB Wiggins Board believes the suit is without merit; however, this should not be construed as a guaranty that FNB Wiggins will not be assigned fault by the court.

For more information on the Confidential Term Sheet that is the subject of the suit, see The Merger Background of the Merger.

## Selected Financial Data

The following selected financial data for First Bancshares and FNB Wiggins have been derived from the consolidated financial statements of First Bancshares and FNB Wiggins. The information set forth below should be read in conjunction with the consolidated financial statements of First Bancshares and FNB Wiggins incorporated by reference or included elsewhere herein, and FNB Wiggins Management's Discussion and Analysis of Financial Condition and Results of Operations, included elsewhere herein.

**FNB Wiggins -Selected Financial Data**

(In Thousands Except Per Share Amounts and Ratios)

	Six Months Ended June 30, (unaudited)		Year Ended December 31		
	2006	2005	(Unaudited) 2005	2004	2003
<b>Statements of earnings</b>					
Interest income	1,410	1,166	2,548	2,487	2,971
Interest expense	518	532	1,061	1,206	1,440
Net interest income	892	634	1,487	1,281	1,531
Provision for possible loan losses	400	102	118	287	88
Net interest income after provision for possible loan losses	492	532	1,369	994	1,443
Other operating income	139	187	300	540	521
Other operating expense	993	909	1,912	2,137	2,043
Income before income taxes and cumulative effect of accounting change	(362)	(190)	(243)	(603)	(79)
Income tax expense	0	0	0	8	0
Income before cumulative effect of accounting change	(362)	(190)	(243)	(611)	(79)
Cumulative effect of accounting change	0	0	0	0	0
Net income	(362)	(190)	(243)	(611)	(79)
<b>Net income per common share</b>	<b>(15.26)*</b>	<b>(8.00)</b>	<b>(10.24)</b>	<b>(26.05)</b>	<b>(3.66)</b>

**FNB Wiggins - Additional Selected Financial Data (Unaudited)**

	Six Months Ended June 30, (unaudited)		Year Ended December 31		
	2006	2005	2005	2004	2003
<b>Weighted average shares outstanding</b>	<b>23,728</b>	<b>23,728</b>	<b>23,728</b>	<b>23,453</b>	<b>21,589</b>
<b>Statements of condition - averages</b>					
Total assets	47,599	45,327	50,193	49,335	50,667
Earning assets	43,705	41,443	45,315	45,003	47,484
Securities	21,529	14,103	15,996	17,332	16,312
Loans	19,513	26,246	23,630	26,820	29,756
Deposits	45,130	42,328	45,203	44,479	42,770

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FHLB advances	0	0	0	0	0
Total stockholders' equity	3,214	3,560	3,588	4,091	4,138
<b>Selected ratios</b>					
Return on average assets	(1.52)	(.84)	(.48)	(1.24)	(.16)
Return on average equity	(22.53)	(10.67)	(6.7)	(14.9)	(1.9)
Net interest margin - tax equivalent	4.08	3.06	3.28	2.85	3.22
Loans to deposits	43.89	61.1	43.9	60.4	63.7
Allowance for possible loan losses to loans	3.73	4.17	1.48	3.71	4.48
Net charge-offs to average loans	.03	.05	3.32	2.30	.94
Dividend payout	0	0	0	0	0
Average equity to average assets	6.75	7.85	7.2	8.3	8.2
Leverage ratio	6.57	7.32	6.5	7.1	8.2

\* This calculation includes a recent increase in the Provision for Possible Loan Losses requested Bancshares following their due diligence review of the FNB Wiggins loan portfolio. Excluding such net loss per share would have been \$3.37 per share. For more information on the recent increase for Possible Loan Losses, see "INFORMATION CONCERNING FNB WIGGINS - Supervision and Regulation - Reserves."

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**First Bancshares and Subsidiaries - Selected Financial Data**

(In Thousands Except Per Share Amounts and Ratios)

	Six Months Ended			Year Ended December 31		
	June 30, (unaudited)					
	2006	2005	2005	2004	2003	2002
<b>Statements of earnings</b>						
Interest income	10,392	7,020	15,692	11,014	10,486	9,839
Interest expense	3,816	2,347	5,542	3,199	3,177	3,703
Net interest income	6,576	4,673	10,150	7,815	7,309	6,136
Provision for possible loan losses	294	437	921	672	468	369
Net interest income after provision for possible loan losses	6,282	4,236	9,229	7,143	6,841	5,767
Other operating income	1,123	892	1,682	1,963	1,772	1,690
Other operating expense	4,969	3,837	8,138	7,228	7,134	6,180
Income before income taxes	2,436	1,291	2,773	1,878	1,479	1,277
Income tax expense	688	432	864	635	472	413
Net income	1,748	859	1,909	1,243	1,007	864
<b>Net income per share</b>						
Primary	.74	.37	.81	.54	.43	.37
Fully diluted	.69	.35	.77	.52	.42	.36
<b>Cash dividends per share</b>	.16	.10	.10	.075	.05	.05

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**Weighted average shares outstanding**

Primary	2,377,802	2,356,746	2,358,308	2,331,970	2,338,102	2,330,330
Fully diluted	2,536,381	2,473,480	2,488,890	2,406,682	2,414,484	2,407,220

**Statements of condition - averages**

Total assets	316,485	239,343	252,913	186,440	161,039	147,204
Earning assets	291,826	219,682	231,565	168,474	143,345	131,697
Securities available for sale	57,275	26,618	30,971	24,725	25,121	23,162
Investment securities	57,288	26,632	30,985	24,740	25,141	23,190
Loans, net of unearned income	222,790	187,069	189,187	140,052	112,468	103,069
Deposits	262,605	188,869	199,389	139,264	119,910	115,679
Long-term debt	32,254	31,596	34,759	30,292	24,740	16,007
Total stockholders' equity	18,568	16,780	17,278	16,203	15,698	14,802

**Selected ratios**

Return on average assets	1.10	.72	.75	.67	.63	.59
Return on average equity	18.82	10.24	11.0	7.7	6.4	5.8
Net interest margin - tax equivalent	4.51	4.25	4.38	4.64	5.10	4.66
*Efficiency ratio	64.54	68.95	68.78	73.92	78.56	78.97
Loans to deposits	87.5	98.8	81.4	102.9	93.4	85.1
Allowance for possible loan losses to loans, net of unearned income	1.12	1.03	1.18	1.01	1.01	1.14
Net charge-offs (recoveries) to average loans, net of unearned income	.03	.06	.11	.13	.47	.20
Dividend payout	10.81	13.51	12.3	14.2	11.6	13.5
Average equity to average assets	5.87	7.01	6.8	8.7	9.7	10.1
Leverage ratio	8.45	9.8	8.0	10.8	12.7	12.5
Tier 1 risk-based	10.87	12.21	12.0	13.7	16.2	15.6
Total risk-based	13.69	13.27	12.4	14.6	18.6	19.5

\*Excludes the effects of amortization of goodwill and core deposit intangibles.

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**Comparative Per Share Information**

The following table sets forth certain historical comparative information and certain pro forma and equivalent pro forma information with respect to income per share, book value per share and cash dividends per share for the First Bancshares Common Stock and the FNB Wiggins Common Stock. The information that follows should be read in conjunction with the audited historical financial statements and notes thereto of First Bancshares incorporated by reference herein and the audited historical financial statements and notes thereto of FNB Wiggins included in this Proxy Statement/Prospectus. The comparative pro forma and equivalent pro forma data have been included herein for comparative purposes only and do not purport to be indicative of the results of operations or financial condition that actually would have resulted had the Merger occurred at the beginning of the period or the results of operations or financial condition that may be obtained in the future.

Per Common Share	Historical		Pro F
	First Bancshares	FNB Wiggins	First Bancshares and FNB Wiggins Pro Forma Combined
<b>Net Income (b)</b>			
For the six months ended June 30, 2006	.74	(15.26)	.56

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For the year ended	.81	(10.24)	.68
December 31,			
2005			
2004	.54	(26.05)	.26
2003	.43	(3.66)	.38
<b>Cash Dividends (c)</b>			
For the six months ended	.16	0	.16
June 30, 2006			
For the year ended	.10	0	.10
December 31,			
2005			
2004	.075	0	.075
2003	.05	0	.05
<b>Book Value (d)</b>			
As of June 30, 2006	8.18	125.21	8.50
As of December 31, 2005	7.70	144.51	8.09
As of December 31, 2004	7.08	157.91	7.36
As of December 31, 2003	6.64	186.90	7.16

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- (a) FNB Wiggins pro forma equivalent amounts are computed by multiplying the pro forma common share amounts by 4.4%.
- (b) Net income per common share is based on weighted average common shares outstanding.
- (c) Pro forma cash dividends represent historical cash dividends of First Bancshares.
- (d) Book value per common share is based on total period-end shareholders' equity.

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### INTRODUCTION General

This Proxy Statement/Prospectus is being furnished to holders of FNB Wiggins Common Stock in connection with the solicitation by the FNB Wiggins Board of proxies for use at the Meeting to be held at 4:00 p.m. local time, on September 21, 2006 at 124 Border Avenue, Wiggins, Mississippi, and at any adjournment thereof.

At the Meeting, shareholders will consider and vote upon a proposal to approve the Merger Agreement, by and among First Bancshares, The First, and FNB Wiggins pursuant to which FNB Wiggins will merge with and into The First and each share of FNB Wiggins Common Stock issued and outstanding immediately prior to the Effective Date of the Merger (except Dissenting Shares, as hereinafter defined) will be converted into the right to receive and be exchangeable for cash and shares of First Bancshares Common Stock pursuant to the Merger Agreement. As a result of the Merger, the holders of FNB Wiggins Common Stock (other than holders of Dissenting Shares) will become shareholders of First Bancshares.

This Proxy Statement/Prospectus constitutes a Proxy Statement of FNB Wiggins with respect to the Meeting and a Prospectus of First Bancshares with respect to the shares of First Bancshares Common Stock to be issued in connection with the Merger. The information in this Proxy Statement/Prospectus concerning First Bancshares and its subsidiaries and FNB Wiggins has been furnished by each of such entities, respectively.

The principal executive offices of First Bancshares and The First are located at 6480 Highway 98 West, Hattiesburg, Mississippi 39402, and their telephone number is (601) 268-8998. The principal executive office of FNB Wiggins is located at 124 Border Avenue, Wiggins, Mississippi, and its telephone number is (601) 928-5241.

This Proxy Statement/Prospectus is first being mailed to holders of FNB Wiggins Common Stock on or about August 30, 2006.

### Record Date; Voting Rights; Proxies

The FNB Wiggins Board has fixed the close of business on August 1, 2006 as the Record Date for determining holders of outstanding shares of FNB Wiggins Common Stock entitled to notice of and to vote at the Meeting. Only holders of FNB Wiggins Common Stock of record on the

books of FNB Wiggins at the close of business on the Record Date are entitled to vote at the Meeting or at any adjournment thereof. As of the Record Date, there were 23,728 shares of FNB Wiggins Common Stock issued and outstanding, each of which is entitled to one vote. The approval of the Merger Agreement by shareholders, in person or by proxy, holding two-thirds (2/3) of the total voting power of FNB Wiggins is necessary for the Merger to become effective. Shares of FNB Wiggins Common Stock represented by properly executed proxies will be voted in accordance with the instructions indicated on the proxies or, if no instructions are indicated, will be voted FOR the proposal to approve the Merger Agreement and in the discretion of the proxy holders as to any other matter which may properly come before the Meeting or any adjournment thereof, except that, with respect to shares voting against approval of the Merger Agreement, this discretionary authority will not be used to vote for adjournment of the Meeting in order to permit further solicitation of proxies. A shareholder who has given a proxy may revoke it at any time before it is voted by (a) filing with the Secretary of FNB Wiggins (i) a notice in writing revoking it, or (ii) a duly executed proxy bearing a later date, or (b) voting in person at the Meeting.

Approval of the Merger Agreement requires the approval of the holders of two-thirds (2/3) of the outstanding shares of FNB Wiggins Common Stock. An abstention by a shareholder present at the Meeting in person or by proxy, a failure to return a properly executed proxy, or a broker submitting a proxy without exercising discretionary authority with respect to approval of the Merger Agreement will have the same effect as a vote against the Merger Agreement. As of the Record Date, the executive officers and directors of FNB Wiggins as a group had the power to vote approximately 11,220 shares of FNB Wiggins Common Stock, representing approximately 47% of the outstanding shares, all of which are expected to be voted in favor of approval of the Merger Agreement.

First Bancshares shareholders are not required to approve the Merger Agreement or the issuance of shares of First Bancshares Common Stock. However, The Board of Directors of First Bancshares is required to approve the issuance of shares of First Bancshares Common Stock. Additionally, the Merger Agreement must be approved by the Board of Directors of The First and by First Bancshares as sole shareholder of The First.

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FNB Wiggins will bear the costs of soliciting proxies from its shareholders. In addition to the use of the mail, proxies may be solicited by the directors, officers and employees of FNB Wiggins in person, or by telephone, telecopier or telegram. Such directors, officers and employees will not be additionally compensated for such solicitation but may be reimbursed for out-of-pocket expenses incurred in connection therewith. Arrangements will also be made with custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of FNB Wiggins Common Stock held of record by such persons, and FNB Wiggins may reimburse such custodians, nominees and fiduciaries for reasonable out-of-pocket expenses incurred in connection therewith.

## THE MERGER

### General

The Merger Agreement provides that, subject to the satisfaction or waiver (where permissible) of certain conditions, including, among other things, the receipt of all necessary regulatory approvals, the expiration of all related waiting periods and the approval of the holders of FNB Wiggins Common Stock, FNB Wiggins will be merged with and into The First. As a result of the Merger, the separate corporate existence of FNB Wiggins will cease and the holders of FNB Wiggins Common Stock (other than shares owned by shareholders who, pursuant to the National Bank Act, perfect any right to receive the fair value of such shares ( "Dissenting Shares" )) will become shareholders of First Bancshares. The date on which the Merger will be consummated is herein referred to as the Effective Date. See The Merger Effective Date.

The description of the Merger Agreement included in this Proxy Statement/Prospectus is qualified in its entirety by reference to the Merger Agreement, which is incorporated herein by reference and a copy of which is attached hereto as Exhibit A.

### Structure and Terms of the Merger

Upon consummation of the Merger, FNB Wiggins will be merged with and into The First and the FNB Wiggins Common Stock issued and outstanding at the Effective Date (other than holders of Dissenting Shares) will be converted into the right to receive and be exchangeable for cash and shares of First Bancshares Common Stock in the amount of the Merger Consideration.

Upon completion of the Merger, FNB Wiggins shareholders will receive in the aggregate cash and shares of First Bancshares Common Stock having a combined value of approximately \$4,152,400 ("Merger Consideration"). This approximate value is based upon the terms of the Merger Agreement, which states that FNB Wiggins shareholders will receive approximately \$175.00 in value (in the form of cash and/or First Bancshares Common Stock as described below) for each share of FNB Wiggins Common Stock they own. For purposes of the Merger Consideration, the Merger Agreement states that First Bancshares Common Stock will be valued at \$19.00. Shares of First Bancshares Common



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Stock traded on the NASDAQ stock market for prices ranging from \$21.09 to \$24.00 between the date of the Merger Agreement and August 18, 2006. Theref