

FPB Financial Corp. (OTC Pink: FPBF; Hammond, LA) has agreed to merge with First Bancshares, Inc. (NASDAQ: FBMS; Hattiesburg, MS)

Aggregate Deal Value: Approximately \$86.1 million

Sandler O'Neill acted as sole financial advisor and rendered a fairness opinion to FPB Financial Corp. in this transaction.

This transaction represents Sandler O'Neill's 201st bank or thrift transaction nationwide since January 1, 2015 representing \$64.2 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate transaction value than any other investment bank during that time period.¹

Since January 1, 2015, Sandler O'Neill has advised on 67 bank or thrift transactions in the Southeast, representing approximately \$22.4 billion in aggregate transaction value, more than any other investment bank during that time period.^{1 2}

HATTIESBURG, MS and HAMMOND, LA, November 6, 2018 – The First Bancshares, Inc. (NASDAQ: FBMS) ("First Bancshares" or "the Company"), holding company for The First, A National Banking Association ("The First"), announced today the signing of an Agreement and Plan of Merger (the "Merger Agreement") with FPB Financial Corp. (OTC:FPBF) ("FPB"), parent company of Florida Parishes Bank, pursuant to which First Bancshares has agreed to acquire FPB.

Under the terms of the Agreement and Plan of Merger, FPB will be merged with and into First Bancshares (the "Merger"). Upon consummation of the Merger, each FPB shareholder will receive 0.83 shares (the "Exchange Ratio") of First Bancshares' common stock in exchange for each share of FPB stock (the "Merger Consideration"), provided that the Exchange Ratio is subject to adjustment in accordance with the terms of the Merger Agreement in the event that the average closing price of a share of the Company's common stock on the NASDAQ Global Select Market over the ten (10) trading days ending five (5) business days immediately prior to the closing date of the Merger is either less than \$34.61 or greater than \$43.39. The aggregate Merger Consideration is valued at approximately \$86.1 million, based on 2,703,943 shares of FPB common stock outstanding, 198,275 in-the-money warrants to purchase shares of FPB common stock, and FBMS' closing price of \$37.14 per share as of November 5, 2018.

At September 30, 2018, FPB had approximately \$382.7 million in consolidated assets, \$238.5 million in net loans, \$317.7 million in deposits and \$44.0 million in consolidated stockholders' equity. FPB serves the Hammond and New Orleans areas in Louisiana through seven full service offices. The transaction will expand The First's footprint in the Gulf South and the greater New Orleans area.

The Agreement and Plan of Merger has been approved by the Boards of Directors of First Bancshares and FPB. The closing of the transaction, which is expected to occur in the first quarter of 2019, is subject to customary conditions, including regulatory approval and approval by the shareholders of FPB.

Fritz W. Anderson, II, Chairman of the Board and CEO of FPB, commented, "This transaction provides our shareholders with greater liquidity, expanded geographic diversification and the opportunity to build upon the success of The First franchise. In addition to a shared legacy of strong financial performance and community advancement, the strategic synergy and cultural fit between our two banks present exciting opportunities for all of our stakeholders, including the expanded opportunities that will be available to many of the officers and staff of Florida Parishes Bank to continue their Louisiana banking careers with The First. The additional products, resources and scale provided by The First will enhance our ability to better serve our customers in south Louisiana and throughout the Gulf Coast states. Following very careful consideration by our Board of Directors, and after 96 years in business as an independent community bank, we look forward to being part of the First Bancshares team."

M. Ray "Hoppy" Cole, President & Chief Executive Officer of First Bancshares and The First, commented, "We are excited to be joining forces with FPB Financial and Florida Parishes Bank. Florida Parishes Bank is an extremely well-run company with a long, rich history centered on client service and community involvement. Our companies share a common strategic vision of building a high performing, client focused community bank in the Gulf South. This Merger will further that objective by providing increased market share in Hammond and the greater New Orleans area. This partnership will also provide a well-respected team of local community bankers to help support further growth opportunities throughout the region. We look forward to all we can accomplish together, growing regionally and building value for our shareholders."

Financial Highlights

(Dollars in thousands)

	FBMS	FPBF
Total Assets	\$2,511,790	\$382,659
Total Net Loans	\$1,742,987	\$238,453
Total Deposits	\$2,046,446	\$317,719
Total Equity	\$288,798	\$43,977
TCE / TA	9.14%	11.49%

1) Includes majority and minority transactions; Excludes terminated transactions and self-advisory roles

2) Southeast defined as AL, AR, FL, GA, LA, MS, NC, SC, TN, VA and WV

Note: Financial data as of September 30, 2018; FBMS is not pro forma for pending acquisition of FMB Banking Corp.

Source: S&P Global Market Intelligence, company documents

Pro Forma Branch Map



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