

FIRST BANCSHARES INC /MS/  
Form S-3/A  
April 17, 2015  
Table of Contents

As filed with the Securities and Exchange Commission on April 17, 2015

Registration No. 333-202920

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**Pre-Effective Amendment No. 1**

**to**

**FORM S-3**

**REGISTRATION STATEMENT**

***UNDER***

***THE SECURITIES ACT OF 1933***

**THE FIRST BANCSHARES, INC.**

**(Exact Name of Registrant as Specified in its Charter)**

**Mississippi**

Edgar Filing: FIRST BANCSHARES INC /MS/ - Form S-3/A  
(State or Other Jurisdiction of Incorporation or Organization)

**64-0862173**

**(I.R.S. Employer Identification Number)**

**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. (Dee Dee) Lowery**

**Chief Financial Officer**

**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)**

*Copy To:*

**J. Andrew Gipson**

**Jones Walker L.L.P.**

**190 E. Capitol Street, Suite 800**

**Jackson, Mississippi 39201**

**(601) 949-4789**

**Approximate date of commencement of proposed sale to the public:** From time to time after this registration statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, 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 of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

**Table of Contents**

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. "

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer   
 Non-accelerated filer  Smaller reporting company

**Calculation of Registration Fee**

Title of each class of securities to be registered	Amount to be Registered (1)(2)	Proposed maximum offering price per unit (3)	Proposed maximum aggregate offering price	Amount of registration fee (4)
Senior Debt Securities				
Subordinated Debt Securities				
Common Stock				
Preferred Stock				
Depository Shares				
Purchase Contracts				
Units				
Warrants				
Rights				
<b>TOTAL</b>	<b>\$20,000,000.00</b>	<b>\$2,324</b>	<b>\$20,000,000.00</b>	<b>\$2,324</b>

(1) Subject to the maximum aggregate initial offering price limitation of \$20,000,000 described in note (2) below, indeterminate initial offering price, principal amount or number of the securities of each identified class is being registered as may from time to time be offered at indeterminate prices. Securities registered by this Registration

Statement may be offered and sold separately or together with other securities. Separate consideration may or may not be received for securities that are issuable on exercise, conversion or exchange of other securities. Subject to the maximum aggregate initial offering price limitation of \$20,000,000 described in note (2) below, there are also being registered an indeterminate number of shares or units of common stock, preferred stock, warrants, purchase contracts, depositary shares, rights and units, and such indeterminate principal amount of senior debt securities and subordinated debt securities, as may be issued upon conversion of, or in exchange for, or upon exercise of, convertible or exchangeable securities, or as shall be issuable pursuant to anti-dilution provisions of securities, as may be offered pursuant to this Registration Statement. Includes an indeterminate number of depositary shares evidenced by depositary receipts as may be issued in the event that The First Bancshares, Inc. elects to offer fractional interests in its preferred stock registered hereby.

- (2) In accordance with General Instruction I.B.6 to Form S-3, the Company is registering an aggregate market value of securities of no more than one-third of the aggregate market value of the voting and non-voting common equity held by non-affiliates of the Company. No securities have been offered pursuant to General Instruction I.B.6 during the prior 12 calendar month period ending on and including the date of this Prospectus.
- (3) The proposed maximum offering price per unit has been estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act on the basis of the average high and low sales price of our common stock as reported on the Nasdaq Global Market on March 18, 2015, which was \$16.48 per share.
- (4) Previously paid.

**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, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

**Table of Contents**

**The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED APRIL 17, 2015**

**THE FIRST BANCSHARES, INC.**

**PROSPECTUS**

**\$20,000,000**

**Senior Debt Securities**

**Subordinated Debt Securities**

**Common Stock**

**Preferred Stock**

**Depositary Shares**

**Purchase Contracts**

**Units**

**Warrants**

**Rights**

We may offer and sell from time to time as described in this prospectus in one or more offerings, any combination of debt and equity securities at prices and upon terms as set forth in a prospectus supplement. The maximum aggregate public offering price of such securities offered by this prospectus will not exceed \$20,000,000.00. You should read this prospectus and the applicable prospectus supplement(s), which will describe the specific terms of any particular offering, carefully before you invest in the securities. This prospectus may not be used to consummate sales of securities unless it is accompanied by a prospectus supplement and any applicable pricing supplement.

The securities are unsecured and are not deposits and will not be savings accounts, deposits, or other obligations of our bank or any non-bank subsidiaries and are not insured by the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System or any other governmental agency.

We may sell securities directly to you, through agents we select, or through underwriters or dealers we select. If we use agents, underwriters or dealers to sell the securities, they will be named and their compensation will be described in one or more prospectus supplements. The net proceeds we expect to receive from such sales will be set forth in the respective prospectus supplements.

Our Common Stock trades through the NASDAQ Global Market System under the symbol FBMS . On March 18, 2015, the last reported sale price of our Common Stock on the NASDAQ Global Select Market was \$16.36. As of March 18, 2015, the aggregate market value of our outstanding common stock held by non-affiliates was \$59,403,470.84, or public float, based on 5,378,022 outstanding units of which 1,747,081 were held by non-affiliates at a price of \$16.36 per share.

**An investment in the securities involves risks. You should carefully consider all of the information set forth in this prospectus, including the risk factors beginning on page 2 of this prospectus, as well as the risk factors and other information contained in any documents we incorporate by reference into this prospectus before investing in any of the securities. See Information Incorporated by Reference.**

**None of the Securities and Exchange Commission, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System or any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

**These securities are not savings accounts, deposits or other obligations of any bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other government agency or fund.**

**The date of this prospectus is 2015.**

**Table of Contents**

**Table of Contents**

<u>ABOUT THIS PROSPECTUS</u>	1
<u>STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	1
<u>RISK FACTORS</u>	2
<u>PROSPECTUS SUMMARY</u>	8
<u>USE OF PROCEEDS</u>	9
<u>DESCRIPTION OF DEBT SECURITIES</u>	10
<u>DESCRIPTION OF CAPITAL STOCK</u>	16
<u>DESCRIPTION OF DEPOSITARY SHARES</u>	20
<u>DESCRIPTION OF PURCHASE CONTRACTS</u>	23
<u>DESCRIPTION OF UNITS</u>	24
<u>DESCRIPTION OF WARRANTS</u>	25
<u>DESCRIPTION OF RIGHTS</u>	25
<u>PLAN OF DISTRIBUTION</u>	26
<u>LEGAL MATTERS</u>	28
<u>EXPERTS</u>	28
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	28
<u>INCORPORATION OF INFORMATION BY REFERENCE</u>	28

You should rely only on the information contained or incorporated by reference in this prospectus and the applicable prospectus supplement. We have not authorized anyone else to provide you with additional or different information. You should not assume that the information in this prospectus or the applicable prospectus supplement or any document incorporated by reference is accurate as of any date other than the dates of the applicable documents.

Unless the context requires otherwise, references to The First Bancshares, Inc., FBMS, the Company, we, our, and us are to The First Bancshares, Inc., together with its subsidiaries, including The First, A National Banking Association.



**Table of Contents**

**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission, (referred to as the SEC, ) using a shelf registration process for the delayed offering and sale of securities pursuant to Rule 415 under the Securities Act of 1933, as amended, or the Securities Act. Under the shelf registration statement, we may sell, from time to time, either separately or together, the securities described in this prospectus in one or more offerings, including senior debt securities, subordinated debt securities, common stock, preferred stock, depositary shares representing interests in preferred stock, purchase contracts, units and warrants. In addition, we may offer to our existing shareholders subscription rights, which may or may not be transferrable, to purchase other securities offered hereby. We may use the shelf registration statement to sell, in one or more offerings, up to \$20,000,000 of any securities registered, in any combination in any offering amount. The exhibits to our registration statement contain the full text of certain contracts and other important documents that we have summarized in this prospectus. Since these summaries may not contain all the information that you may find important in deciding whether to purchase the securities we offer, you should review the full text of these documents. The registration statement and the exhibits can be obtained from the SEC as indicated under the heading Where You Can Find More Information.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities pursuant to the registration statement, we will provide a prospectus supplement that will contain specific information about the terms of a particular securities offering. We may also provide a prospectus supplement to add to, update or change information contained in this prospectus. Accordingly, to the extent inconsistent, information in this prospectus is superseded by the information in the prospectus supplement.

When acquiring the securities discussed in this prospectus, you should rely only on the information provided in this prospectus and the related prospectus supplement, including the information incorporated by reference herein and therein. We have not authorized anyone to provide you with different information. We are not offering the securities in any state or jurisdiction where the offer is prohibited by law. You should not assume that the information in this prospectus, any accompanying prospectus supplement or any document incorporated by reference herein or therein is accurate and complete as of any date other than the date on the front cover page of that document.

In addition, we may sell securities to underwriters who will sell the securities to the public on terms fixed at the time of sale. In addition, the securities may be sold by us directly or through dealers or agents designated from time to time. If we, directly or through agents, solicit offers to purchase the securities, we reserve the sole right to accept and, together with any agents, to reject, in whole or in part, any of those offers.

In this prospectus, the Company, we, our, ours, and us refer to The First Bancshares, Inc., which is a bank holding company headquartered in Hattiesburg, Mississippi, and its subsidiaries on a consolidated basis, unless the context otherwise requires. The Company is the sole shareholder and owner of The First, A National Banking Association (the Bank ).

**STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements contained in this prospectus and the documents incorporated herein are not statements of historical fact and constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements by words such as may, hope, will, should, expect, plan, anticipate, intend, believe, estimate, predict, potential, continue, or negative of those terms or other words of similar meaning. You should read statements that contain these words

carefully because they discuss our future expectations or state other forward-looking information. These forward-looking statements include, but are not

**Table of Contents**

limited to, statements relating to anticipated future operating and financial performance measures, including net interest margin, earnings, credit quality, business initiatives, growth or acquisition opportunities and growth rates, among other things and encompass any estimate, prediction, expectation, projection, opinion, anticipation, outlook or statement of belief included therein as well as the management assumptions underlying these forward-looking statements. Before you invest in any of our securities, you should be aware that the occurrence of the events described under the caption **Risk Factors** beginning on page 2 of this prospectus and in the information incorporated by reference, could have an adverse effect on our business, results of operations and financial condition. Should one or more of these risks materialize, or should any such underlying assumptions prove to be significantly different, actual results may vary significantly from those anticipated, estimated, projected or expected.

Risks that could cause actual results to differ materially from current expectations of management include, but are not limited to, changes in the level of nonperforming assets and charge-offs, local, state, national or international economic and market conditions, including the extent and duration of volatility in the credit and financial markets, changes in our ability to measure the fair value of assets in our portfolio, material changes in the level and/or volatility of market interest rates, the performance and demand for the products and services we offer, including the level and timing of withdrawals from our deposit accounts, the costs and effects of litigation and of unexpected or adverse outcomes in such litigation, our ability to attract non-interest bearing deposits and other low-cost funds, competition in loan and deposit pricing, as well as the entry of new competitors into our markets through de novo expansion and acquisitions, economic conditions and monetary and other governmental actions designed to address the level and volatility of interest rates and the volatility of securities, currency and other markets, the enactment of legislation and changes in existing regulations, or enforcement practices, or the adoption of new regulations, changes in accounting standards and practices, including changes in the interpretation of existing standards, that affect our consolidated financial statements, changes in consumer spending, borrowings and savings habits, technological changes, changes in the financial performance or condition of our borrowers, changes in our ability to control expenses, changes in our compensation and benefit plans, greater than expected costs or difficulties related to the integration of new products and lines of business, integration costs or difficulties related to the Company's recent acquisitions, natural disasters, acts of war or terrorism and other risks described in our filings with the SEC.

Although management believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. We undertake no obligation to update or revise any of this information, whether as the result of new information, future events or developments or otherwise.

**RISK FACTORS**

*Before you purchase any of our securities, you should carefully consider the risks described below, together with the other information contained or incorporated by reference into this prospectus, including the information contained in the section entitled **Risk Factors** in our Annual Report on Form 10-K for the year ended December 31, 2014, and any risks described in our other filings with the Securities and Exchange Commission (which we refer to as the SEC), pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended. The risks described below and in the documents referred to in the preceding sentence are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business operations. If any of the following risks actually occurs, our business, results of operations and financial condition could suffer. In that case, the trading price of our common stock and the values of any of our other securities could decline, and you may lose all or part of your investment. If any of the following risks actually occur, our business, financial condition or results of operations could be adversely 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 prospectus constitutes forward-looking statements, the risk factors set forth below also are cautionary statements identifying*



**Table of Contents**

*important factors that could cause the Company's actual results to differ materially from those expressed in any forward-looking statements made by or on behalf of the Company.*

***We may be vulnerable to certain sectors of the economy.***

A significant portion of our loan portfolio is secured by real estate. If the economy deteriorates and real estate values depress beyond a certain point, as happened during the recent recession, the collateral value of the portfolio and the revenue stream from those loans could come under stress and possibly require additional loan loss accruals which would negatively impact our earnings. Our ability to dispose of foreclosed real estate at prices above the respective carrying values could also be adversely affected, causing additional losses.

***Difficult market conditions in past years have adversely affected the industry in which we operate.***

The capital and credit markets are subject to volatility and disruption. Dramatic declines in the housing market in years past caused home prices to fall and increased foreclosures, unemployment and under-employment. These events, if they were to happen again, could negatively impact the credit performance of our mortgage loans and result in significant write-downs of asset values, including government-sponsored entities as well as major commercial and investment banks. Still wary about the stability of the financial markets generally and the strength of counterparties, many lenders still have reduced funding to borrowers, including to other financial institutions. Further market turmoil and tightening of credit could lead to an increased level of commercial and consumer delinquencies, lack of consumer confidence and widespread reduction of business activity generally. A worsening of these conditions would have an adverse effect on us and others in the financial institution industry generally, particularly in our real estate markets, as lower home prices and increased foreclosures would result in higher charge-offs and delinquencies.

***General economic conditions in the areas where our 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 we serve in the states of Mississippi, Louisiana, or Alabama may affect the ability of our customers to meet loan payment obligations on a timely basis. The local economic conditions in these areas have a significant impact on our 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 these market areas could negatively impact the financial results of the Company's banking operations, earnings, and profitability.

Additionally, adverse economic changes may cause customers to withdraw deposit balances, thereby causing a strain on our liquidity.

***We are subject to a risk of rapid and significant changes in market interest rates.***

Our assets and liabilities are primarily monetary in nature, and as a result we are subject to significant risks tied to changes in interest rates. Our 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 net interest margins to decrease, subsequently decreasing net interest income. In addition, such changes could adversely affect the valuation of our assets and liabilities.

At present the Company's 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, the Company's results of operations are affected by changes in

interest rates and the Company's 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

**Table of Contents**

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 the Company's interest rate spread.

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

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

The fair market value of the securities portfolio and the investment income from these securities also fluctuates 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.

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

The results of operations of the Company are affected by credit policies of monetary authorities, particularly the Board of Governors of the Federal Reserve System, which we refer to as 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, unrest in Eastern Europe and the current military operations in the Middle East, we cannot predict possible future changes in interest rates, deposit levels, loan demand or the Company's business and earnings. Furthermore, the actions of the United States government and other governments in responding to developing situations 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 our ability to operate.***

Our market areas are susceptible to natural disasters such as hurricanes and tornados. Natural disasters can disrupt operations, result in damage to properties that may be securing our loan assets and negatively affect the local economies in which we operate. The Company cannot predict whether or to what extent damage caused by future hurricanes, tornados or other natural disasters will affect operations or the economies in our 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 our earnings.***

The First, 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 operating results. Credit risk with respect to our 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. Credit risk with respect to its commercial and consumer loan portfolio will relate principally to the general creditworthiness of businesses and individuals within our local markets.

The First makes various assumptions and judgments about the collectability of its loan portfolio and provides an allowance for estimated loan losses based on a number of factors. The First believes that its current allowance for



## **Table of Contents**

loan losses is adequate. However, if our assumptions or judgments prove to be incorrect, the allowance for loan losses may not be sufficient to cover actual loan losses. We may have to increase the allowance in the future in response to the request of one of our primary banking regulators, to adjust for changing conditions and assumptions, or as a result of any deterioration in the quality of the 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.

### ***The Company may need to rely on the financial markets to provide needed capital.***

The Company's common stock is listed and traded on the NASDAQ stock market. Although the Company anticipates that its capital resources will be adequate for the foreseeable future to meet its capital requirements, at times we 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, the Company may be constrained in raising capital. Should these risks materialize, the ability to further expand its operations through internal growth may be limited.

### ***We are subject to regulation by various Federal and State entities.***

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

The Company and The First are 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 the Company 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 we cannot be assured that such modifications or changes will not adversely affect the Company.

### ***We may engage in acquisitions of other businesses from time to time, which may not be well-received.***

On occasion, the Company may 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 the Company is aware of, that could result in unexpected costs. Difficulty in integrating an acquired business or company may cause the Company not to realize expected revenue increases, cost savings, increases in geographic or product presence, or other anticipated benefits from any acquisition. The integration could result in higher than expected deposit attrition (run-off), loss of key employees, disruption of the Company's business or the business of the acquired company, or otherwise adversely affect the Company's ability to maintain relationships with customers and employees or achieve the anticipated benefits of the acquisition. The Company may need to make additional investment in equipment and personnel to manage higher asset levels and loan balances as a result of any significant acquisition, which may adversely impact earnings.

### ***We are subject to industry competition which may have an adverse impact upon our success.***

The profitability of the Company depends on its ability to compete successfully with other financial services companies. We operate in a highly competitive financial services environment. Certain competitors are larger and may have more resources than we do. We face competition in our 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 the

nonbank competitors are not subject to the same extensive regulations that govern the Company or The First and may have greater flexibility in competing for business.

## **Table of Contents**

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. Our future success may depend, in part, on our ability to use technology competitively to provide products and services that provide convenience to customers and create additional efficiencies in operations.

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

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

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

Certain provisions of state and federal law and the Company's articles of incorporation may make it more difficult for someone to acquire control of the Company. 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 the Company's 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 acquiror and the antitrust effects of the acquisition. There also are Mississippi statutory provisions and provisions in the Company's articles of incorporation that may be used to delay or block a takeover attempt. As a result, these statutory provisions and provisions in the Company's articles of incorporation could result in the Company being less attractive to a potential acquiror.

### ***Securities issued by the Company, including the Company's common stock, are not FDIC insured.***

Securities issued by the Company, including the Company's 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.

### ***The failure of other financial institutions could adversely affect the Company.***

The Company's ability to engage in routine funding transactions could be adversely affected by the actions and potential failures of other financial institutions. Financial institutions are interrelated as a result of trading, clearing, counterparty and other relationships. As a result, defaults by, or even rumors or concerns about, one or more financial institutions or the financial services industry generally have led to market-wide liquidity problems and could lead to losses or defaults by the Company or by other institutions.

### ***Concern by customers over deposit insurance may cause a decrease in deposits and changes in the mix of funding sources available to the Company.***

With increased concerns about bank failures, customers increasingly are concerned about the extent to which their deposits are insured by the FDIC. Customers may withdraw deposits in an effort to ensure that the amount they have on deposit with their bank is fully insured and some may seek deposit products or other bank savings and investment products that are collateralized. Decreases in deposits and changes in the mix of funding sources may adversely affect the Company's funding costs and net income.

***Evaluation of investment securities for other-than-temporary impairment involves subjective determinations and could materially impact the Company's results of operations and financial condition.***

The evaluation of impairments is a quantitative and qualitative process, which is subject to risks and uncertainties, and is intended to determine whether declines in the fair value of investments should be recognized

**Table of Contents**

in current period earnings. The risks and uncertainties include changes in general economic conditions, the issuers financial condition or future recovery prospects, the effects of changes in interest rates or credit spreads and the expected recovery period. Estimating future cash flows involves incorporating information received from third-party sources and making internal assumptions and judgments regarding the future performance of the underlying collateral and assessing the probability that an adverse change in future cash flows has occurred. The determination of the amount of other-than-temporary impairments is based upon the Company's quarterly evaluation and assessment of known and inherent risks associated with the respective asset class. Such evaluations and assessments are revised as conditions change and new information becomes available.

Additionally, the Company's management considers a wide range of factors about the security issuer and uses its reasonable judgment in evaluating the cause of the decline in the estimated fair value of the security and in assessing the prospects for recovery. Inherent in management's evaluation of the security are assumptions and estimates about the operations of the issuer and its future earnings potential. Impairments to the carrying value of our investment securities may need to be taken in the future, which would have a material adverse effect on our results of operations and financial condition.

***The Company may be required to pay additional insurance premiums to the FDIC, which could negatively impact earnings.***

Pursuant to the Dodd-Frank Act, the limit on FDIC coverage has been permanently increased to \$250,000, causing the premiums assessed to the Bank by the FDIC to increase. Depending upon any future losses that the FDIC insurance fund may suffer, there can be no assurance that there will not be additional premium increases in order to replenish the fund. The FDIC may need to set a higher base rate schedule or impose special assessments due to future financial institution failures and updated failure and loss projections. Potentially higher FDIC assessment rates than those currently projected could have an adverse impact on the Company's results of operations.

***The Company participates in the U.S. Treasury's Troubled Asset Relief Program.***

The Company received \$17,123,000 in funding under the Community Development Capital Initiative ( CDCI ) in exchange for preferred stock and common stock warrants on September 29, 2010. Participation in this program constrains the Company's ability to raise dividends and also places certain constraints on executive compensation arrangements. The increased funding provides assurance that the Company can maintain its minimum regulatory capital ratios in the event the Company were to experience future losses. The dividend rate on the preferred stock issued under the CDCI increases from two percent (2%) to nine percent (9%) in 2018, and therefore the Company may have to repay these funds if it would like to avoid this increased payment. The CDCI is part of the Troubled Asset Relief Program ( TARP ) and the Company may repay the preferred stock at any time without penalty. The rules that govern the TARP include restrictions on certain compensation to executive officers and a number of others in the Company. Among other things, these rules include a prohibition on golden parachute payments, a prohibition on providing tax gross-ups, a bonus claw-back provision, and a prohibition on paying any bonus payment to the Company's most highly compensated employee. It is possible that compensation restrictions imposed on TARP participants could impede our ability to attract and retain qualified executive officers. Our participation in the TARP limits our annual dividend payments to no more than \$0.15 per share. Our ability to repurchase our common stock would also be restricted in the event that we failed to make our dividend payments.

***The Company may fail to realize the anticipated benefits of the recent Bay Bank acquisition on the anticipated schedule, if at all.***

The Company recently completed its acquisition of BCB Holding Company, Inc. and its wholly-owned subsidiary bank, Bay Bank, previously headquartered in Mobile, Alabama discussed on page 8 below under the heading PROSPECTUS SUMMARY, Recent Developments. The Company may face significant challenges in

## **Table of Contents**

integrating Bay Bank operations into our operations in a timely and efficient manner and in retaining Bay Bank personnel. Achieving the anticipated benefits, including revenue increases, cost savings, increases in geographic and product presence, and other anticipated benefits of the acquisition will depend in part on whether the Company integrates Bay Bank's businesses in an efficient and effective manner. The integration could result in higher than expected deposit attrition (run-off), loss of key employees, disruption of the Company's business or the business of the acquired company, or otherwise adversely affect the Company's ability to maintain relationships with customers and employees or achieve the anticipated benefits of the acquisition. The Company may need to make additional investment in equipment and personnel to manage higher asset levels and loan balances as a result of the acquisition, which may adversely impact earnings. The Company may not be able to accomplish this integration process smoothly or successfully. In addition, the integration of certain operations will require the dedication of significant management resources, which may temporarily distract management's attention from the day-to-day business of the combined company. Any inability to realize the full extent of, or any of, the anticipated financial benefits and cost savings of the acquisition, as well as any delays encountered in the integration process, could have an adverse effect on the business and results of operations of the combined company, which may affect the market price of the Company's common stock.

## **PROSPECTUS SUMMARY**

### **Our Company**

The Company was incorporated on June 23, 1995 to serve as a bank holding company for The First, located in Hattiesburg, Mississippi. The First began operations on August 5, 1996 from its main office in the Oak Grove community, which was on the outskirts of Hattiesburg but now is included in the city of Hattiesburg. The First currently operates its main office and 27 branches and three loan production offices in Mississippi, Alabama, and Louisiana.

At December 31, 2014, the Company had approximately \$1.1 billion in assets, \$700.5 million in net loans, \$892.8 million in deposits, and \$96.2 million in stockholders' equity. For the year ended December 31, 2014, the Company reported net income of \$6.6 million (\$6.3 million applicable to common stockholders).

In the fourth quarter of 2014, the Company declared and paid a dividend of \$.0375 per common share. The Company currently participates in the U.S. Treasury's Community Development Capital Initiative (CDCI). As long as the Company remains a participant in the CDCI, the Company's ability to raise annual dividend payments to more than \$0.15 per share is prohibited without the prior written consent of the U.S. Treasury, and there are also certain constraints on executive compensation arrangements.

As of March 19, 2015, the Company had 269 full-time employees and 9 part-time employees.

### **Location and Service Area**

In Mississippi, The First serves the cities of Hattiesburg, Laurel, Purvis, Picayune, Pascagoula, Bay St. Louis, Wiggins, Gulfport, Biloxi, Long Beach, Diamondhead, and the surrounding areas of Lamar, Forrest, Jones, Pearl River, Jackson, Hancock, Stone and Harrison Counties. In Louisiana, The First serves the city of Bogalusa, Louisiana and Washington Parish as well as Baton Rouge, Louisiana and East Baton Rouge Parish. With the acquisition in 2013 of First National Bank of Baldwin County and the recent acquisition of Bay Bank (discussed below under "Recent Developments"), The First serves the Baldwin County and Mobile County, Alabama areas with branches in the following cities: Foley, Daphne, Fairhope, Gulf Shores, Orange Beach, Mobile, Dauphin Island and Theodore, as well as loan production offices in Bay Minette, Alabama, Slidell, Louisiana, and Baton Rouge, Louisiana.





## **Table of Contents**

### **Banking Services**

The Company and its subsidiary bank engage in a general commercial and retail banking business characterized by personalized service and local decision-making, emphasizing the banking needs of small to medium-sized businesses, professional concerns and individuals. The First is a wholly-owned subsidiary bank of the Company.

### **Competition**

The Bank generally competes with other financial institutions through the selection of banking products and services offered, the pricing of services, the level of service provided, the convenience and availability of services, and the degree of expertise and the personal manner in which services are offered. Mississippi, Alabama and Louisiana law permits statewide branching by banks and savings institutions, and many financial institutions in these states have branch networks. Consequently, commercial banking in Mississippi, Alabama and Louisiana is highly competitive. The Company 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. In addition to offering a full range of deposit services and commercial and personal loans, The First offers products such as mortgage loan originations.

### **Recent Developments**

The Company recently completed its acquisition of Bay Bank, previously headquartered in Mobile, Alabama (the Acquisition ). The Acquisition was consummated on July 1, 2014.

On March 3, 2014, the Company entered into an Agreement and Plan of Merger (the Agreement ) with BCB Holding Company, Inc. The Agreement provided that, upon the terms and subject to the conditions set forth in the Agreement, BCB would merge with and into the Company (the Merger ) and Bay Bank would merge with and into The First, A National Banking Association ( Bank Merger ).

Under the Agreement, which was approved by the Boards of Directors of the Company and BCB, holders of each outstanding share of BCB common stock, other than shares with respect to which the holders perfected dissenters rights, received (i) for the BCB common stock that was outstanding prior to August 1, 2013, \$3.60 per share and one non-transferable contingent value right ( CVR ), and (ii) for the BCB common stock that was issued on August 1, 2013, \$2.25 per share in cash. Each CVR is eligible to receive a cash payment equal to up to \$0.40, with the exact amount based on the resolution of certain identified BCB loans over a three-year period from the closing of the transaction. Payout of the CVR will be overseen by a special committee of the Company s Board of Directors. The Company also redeemed, in full, a note payable by BCB to Alostair Bank, as well as the preferred stock issued under the U.S. Treasury s Capital Purchase Program. The total consideration paid in connection with the acquisition was approximately \$6.3 to \$6.7 million depending upon the payout of the CVR.

Following the Acquisition, customers of The First have access to a total of 28 branch locations and three loan production offices throughout Mississippi, Louisiana and south Alabama.

### **USE OF PROCEEDS**

We may sell the securities described in this prospectus in one or more offerings up to a total aggregate offering amount of \$20,000,000. The use of proceeds from any such offering will be for general corporate purposes or as otherwise specified in the prospectus supplement accompanying such offer. Our general corporate purposes may include:

financing potential acquisitions of financial institutions;

financing acquisitions of other business that are engaged in businesses related to banking;

## **Table of Contents**

expanding or diversifying our current operations into other banking-related businesses;

repurchasing our outstanding capital stock, including preferred shares issued under the CDCI programs; and

repaying, reducing, or refinancing our indebtedness.

The precise amounts and the timing of any of these or other uses of the net proceeds will depend upon market conditions prevailing at such time, our funding requirements, the availability of other funds we may have access to and other factors. We intend to use the net proceeds from sales of the securities in the manner and for the purpose set forth in the applicable prospectus supplement.

## **DESCRIPTION OF DEBT SECURITIES**

The debt securities we are offering will constitute either senior debt securities or subordinated debt securities. The senior debt securities and the subordinated debt securities will be issued pursuant to separate indentures that will be entered into between us and a bank or trust company, or other trustee that is qualified to act under the Trust Indenture Act of 1939, as amended (the Trust Indenture Act), that we select to act as trustee. A copy of the form of each indenture has been filed as an exhibit to the registration statement of which this prospectus forms a part. The term indentures refers to both the senior indenture and the subordinated indenture. The indentures may be modified by one or more supplemental indentures, which we will incorporate by reference as an exhibit to the registration statement of which this prospectus is a part.

The following description of the debt securities, and any description in a prospectus supplement, is a summary only and is subject to, and qualified in its entirety by, reference to the terms and provisions of the indentures and any supplemental indentures that we file with the SEC in connection with an issuance of any series of debt securities. You should read all of the provisions of the indentures, including the definitions of certain terms contained therein, as well as any supplemental indentures that we file with the SEC in connection with the issuance of any series of debt securities. These summaries set forth certain general terms and provisions of the debt securities to which any prospectus supplement may relate. The specific terms and provisions of a series of debt securities and the extent to which the general terms and provisions may also apply to a particular series of debt securities will be described in the applicable prospectus supplement.

Since we are a holding company, our right, and accordingly, the right of our creditors and shareholders, including the holders of the debt securities and other securities offered by this prospectus and any prospectus supplement, to participate in any distribution of assets of any of our subsidiaries upon its liquidation, reorganization or similar proceeding is subject to the prior claims of creditors of that subsidiary, except to the extent that our claims as a creditor of the subsidiary may be recognized.

## **Terms of the Securities**

Unless otherwise described in a prospectus supplement, the following general terms and provisions will apply to the debt securities. The debt securities will be unsecured, meaning they will not be secured by any of our assets. Neither the indentures underlying the debt securities nor the debt securities themselves will limit or otherwise restrict the amounts of other indebtedness which we may incur, or the amount of other securities that we may issue. All of the debt securities issued under a particular indenture will rank equally and ratably with any additional securities issued under that same indenture. The subordinated debt securities will be subordinated as described below under Subordination.



**Table of Contents**

Each prospectus supplement will specify the particular terms of the debt securities offered. These terms may include:

the title of the securities;

any limit on the aggregate principal amount of the securities;

the priority of payments on the securities;

the issue price or prices (which may be expressed as a percentage of the aggregate principal amount) of the securities;

the date or dates, or the method of determining the dates, on which the securities will mature;

the interest rate or rates of the securities, or the method of determining those rates;

the interest payment dates, the dates on which payment of any interest will begin and the regular record dates;

whether the securities will be issuable in temporary or permanent global form and, if so, the identity of the depository for such global security, or the manner in which any interest payable on a temporary or permanent global security will be paid;

any terms relating to the conversion of the securities into our common stock or preferred stock or other securities offered hereby, including, without limitation, the time and place at which such securities may be converted, the conversion price and any adjustments to the conversion price and any other provisions that may be applicable;

any covenants that may restrict our ability to create, assume or guarantee indebtedness for borrowed money that is secured by a pledge, lien or other encumbrance, that condition or restrict our ability to merge or consolidate with any other person or to sell, lease or convey all or substantially all of our assets to any other person or that otherwise impose restrictions or requirements on us;

any sinking fund or similar provisions applicable to the securities;

any mandatory or optional redemption provisions applicable to the securities;

the denomination or denominations in which securities are authorized to be issued;

whether any of the securities will be issued in bearer form and, if so, any limitations on issuance of such bearer securities (including exchanges for registered securities of the same series);

information with respect to book-entry procedures;

whether any of the securities will be issued as original issue discount securities;

each office or agency where securities may be presented for registration of transfer, exchange or conversion;

the method of determining the amount of any payments on the securities which are linked to an index;

if other than the trustee, the identity of the registrar and/or paying agent;

any defeasance of certain obligations by us pertaining to the series of securities; and

any other specific terms of the securities, which terms may modify or delete any provision of the applicable indenture insofar as it applies to the securities offered; provided that no terms of the indentures may be modified or deleted if they are required under the Trust Indenture Act and that any modification or deletion of the rights, duties or immunities of an indenture trustee shall have been consented to in writing by the trustee.

Some of our debt securities may be issued as original issue discount securities. Original issue discount securities bear no interest or bear interest at below-market rates and will be sold at a discount below their stated principal

## **Table of Contents**

amount. The prospectus supplement will also contain any special tax, accounting or other information relating to original issue discount securities or relating to certain other kinds of securities that may be offered, including securities linked to an index.

## **Registration and Transfer**

Unless otherwise set forth in the applicable prospectus supplement, each series of the debt securities will be issued in registered form only, without coupons. The indentures will also allow us to issue the securities in bearer form only, or in both registered and bearer form. Any securities issued in bearer form will have interest coupons attached, unless they are issued as zero coupon securities. Securities in bearer form will not be offered, sold, resold or delivered in connection with their original issuance in the United States or to any United States person other than to offices of certain United States financial institutions located outside the United States. Unless otherwise indicated in an applicable prospectus supplement, the debt securities we are offering will be issued in denominations of \$1,000 or an integral multiple of \$1,000. No service charge will be made for any transfer or exchange of the securities, but we may require payment of an amount sufficient to cover any tax or other governmental charge payable in connection with a transfer or exchange.

## **Payment and Paying Agent**

We will pay principal, interest and any premium on fully registered securities in the designated currency or currency unit at the office of a designated paying agent. At our option, payment of interest on fully registered debt securities may also be made by check mailed to the persons in whose names the securities are registered on the days specified in the indentures or any prospectus supplement.

We will pay principal, interest and any premium on bearer securities in the designated currency or currency unit at the office of a designated paying agent or agents outside of the United States. Payments will be made at the offices of the paying agent in the United States only if the designated currency is U.S. dollars and payment outside of the United States is illegal or effectively precluded. If any amount payable on a security or coupon remains unclaimed at the end of two years after such amount became due and payable, the paying agent will release any unclaimed amounts, and the holder of the security or coupon will look only to us for payment.

The designated paying agent in the United States for the securities we are offering is or will be provided in the indentures that are or will be deemed incorporated by reference into this prospectus.

## **Global Securities**

The securities of a series may be issued in whole or in part in the form of one or more global certificates ( Global Securities ) that will be deposited with a depositary that we will identify in a prospectus supplement. Global Securities may be issued in either registered or bearer form and in either temporary or permanent form. All Global Securities in bearer form will be deposited with a depositary outside the United States. Unless and until it is exchanged in whole or in part for individual certificates evidencing securities in definitive form represented thereby, a Global Security may not be transferred except as a whole by the depositary to a nominee of that depositary or by a nominee of that depositary to a depositary or another nominee of that depositary.

The specific terms of the depositary arrangements for each series of securities will be described in the applicable prospectus supplement.





**Table of Contents**

**Modification and Waiver**

Each indenture provides that modifications and amendments may be made by us and the trustee with the consent of the holders of a majority in principal amount of the outstanding securities of each series affected by the amendment or modification. However, no modification or amendment may, without the consent of each holder affected:

change the stated maturity date of the security;

reduce the principal amount, any rate of interest, or any additional amounts in respect of any security, or reduce the amount of any premium payable upon the redemption of any security;

change the time or place of payment, currency or currencies in which any security or any premium or interest thereon is payable;

impair the holders' rights to institute suit for the enforcement of any payment on or after the stated maturity date of any security, or in the case of redemption, on or after the redemption date;

reduce the percentage in principal amount of securities required to consent to any modification, amendment or waiver under the indenture;

modify, except under limited circumstances, any provision of the applicable indenture relating to modification and amendment of the indenture, waiver of compliance with conditions and defaults thereunder or the right of a majority of holders to take action under the applicable indenture;

adversely affect any rights of conversion;

in the case of any subordinated indenture, alter the provisions regarding subordination of the subordinated debt securities in any way that would be adverse to the holders of those securities;

reduce the principal amount of original issue discount securities which could be declared due and payable upon an acceleration of their maturity; or

change our obligation to pay any additional amounts.

The holders of a majority in principal amount of the outstanding securities of any series may waive compliance by us and the trustee with certain provisions of the applicable indenture. The holders of a majority in principal amount of the outstanding securities of any series may waive any past default under the applicable indenture with respect to that series, except a default in the payment of the principal, or any premium, interest, or additional amounts payable on a

security of that series or in respect of a covenant or provision which under the terms of the applicable indenture cannot be modified or amended, without the consent of each affected holder.

With the trustee, we may modify and amend any indenture without the consent of any holder for any of the following purposes:

to name a successor entity to us;

to add to our covenants for the benefit of the holders of all or any series of securities;

to add to the events of default;

to add to, delete from or revise the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of securities, as set forth in the applicable indenture;

to establish the form or terms of securities of any series and any related coupons;

to provide for the acceptance of appointment by a successor trustee;

to make provision for the conversion rights of the holders of the securities in certain events;

## **Table of Contents**

to cure any ambiguity, defect or inconsistency in the applicable indenture, provided that such action is not inconsistent with the provisions of that indenture and does not adversely affect the interests of the applicable holders;

to modify, eliminate or add to the provisions of any indenture to conform our or the trustee's obligations under the applicable indenture to the Trust Indenture Act; or

to make any other changes that apply only to debt securities to be issued thereafter.

### **Calculation of Outstanding Debt Securities**

To calculate whether the holders of a sufficient principal amount of the outstanding securities have given any request, demand, authorization, direction, notice, consent or waiver under any indenture:

In the case of original issue discount securities, the principal amount that may be included in the calculation is the amount of principal that would be declared to be due and payable upon a declaration of acceleration according to the terms of that original issue discount security as of the date of the calculation.

Any securities owned by us, or owned by any other obligor of the securities or any affiliate of ours or any other obligor, should be disregarded and deemed not to be outstanding for purposes of the calculation.

### **Additional Provisions**

Other than the duty to act with the required standard of care during an event of default, the trustee is not obligated to exercise any of its rights or powers under the applicable indenture at the request or direction of any of the holders of the securities, unless the holders have offered the trustee reasonable indemnification. Each indenture provides that the holders of a majority in principal amount of outstanding securities of any series may, in certain circumstances, direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or other power conferred on the trustee.

No holder of a security of any series will have the right to institute any proceeding for any remedy under the applicable indenture, unless:

the holder has provided the trustee with written notice of a continuing event of default regarding the holder's series of securities;

the holders of at least 25% in principal amount of the outstanding securities of a series have made a written request, and offered indemnity satisfactory to the trustee, to the trustee to institute a proceeding for remedy;

the trustee has failed to institute the proceeding within 60 days after its receipt of such notice, request and offer of indemnity; and

the trustee has not received a direction during such 60 day period inconsistent with such request from the holders of a majority in principal amount of the outstanding securities of that series.

However, the holder of any security will have an absolute and unconditional right to receive payment of the principal, any premium, any interest or any additional amounts in respect of such security on or after the date expressed in such security and to institute suit for the enforcement of any such payment. We are required to file annually with the trustee a certificate of no default, or specifying any default that exists.

#### **Transactions with the Trustee**

We and our subsidiaries may maintain deposit accounts and conduct various banking and other transactions with an indenture trustee. The trustee and its subsidiaries may maintain deposit accounts and conduct various banking transactions with us and our subsidiaries.

## **Table of Contents**

### **Conversion Rights**

The applicable prospectus supplement relating to any convertible debt securities will describe the terms on which those securities are convertible.

### **Events of Default**

The following will be events of default under the senior indenture with respect to the senior debt securities of a series:

failure to pay any interest or any additional amounts on any senior debt security of that series when due, and continuance of such default for 30 days;

failure to pay principal of, or any premium on, any senior debt security of that series when due;

failure to deposit any sinking fund payment for a senior debt security of that series when due;

failure to perform any of our other covenants or warranties in the senior indenture or senior debt securities (other than a covenant or warranty included in that indenture solely for the benefit of a different series of senior debt securities), which has continued for 90 days after written notice as provided in the senior indenture;

acceleration of indebtedness in a principal amount specified in a supplemental indenture for money borrowed by us under the senior indenture, and the acceleration is not annulled, or the indebtedness is not discharged, within a specified period after written notice is given according to the senior indenture;

certain events in bankruptcy, insolvency or reorganization of us or The First.; and

any other event of default regarding that series of senior debt securities.

Unless otherwise described in the prospectus supplement applicable to a particular series of subordinated debt securities, events of default under the subordinated indenture are limited to certain events of bankruptcy, insolvency or reorganization of us or The First.

There is no right of acceleration of the payment of principal of a series of subordinated debt securities upon a default in the payment of principal or interest, nor upon a default in the performance of any covenant or agreement in the subordinated debt securities of a particular series or in the applicable indenture. In the event of a default in the payment of interest or principal, the holders of senior debt will be entitled to be paid in full before any payment can be made to holders of subordinated debt securities. However, a holder of a subordinated debt security (or the trustee under the applicable indenture on behalf of all of the holders of the affected series) may, subject to certain limitations and conditions, seek to enforce overdue payments of interest or principal on the subordinated debt securities.

**Subordination**

The senior debt securities will be unsecured and will rank equally among themselves and with all of our other unsecured and non-subordinated debt, if any.

The subordinated debt securities will be unsecured and will be subordinate and junior in right of payment, to the extent and in the manner set forth below, to the prior payment in full of all of our senior debt securities, as more fully described in the applicable prospectus supplement.

**Table of Contents**

If any of the following circumstances has occurred, payment in full of all principal, premium, if any, and interest must be made or provided for with respect to all outstanding senior debt securities before we can make any payment or distribution of principal, premium, if any, any additional amounts or interest on the subordinated debt securities:

any insolvency, bankruptcy, receivership, liquidation, reorganization or other similar proceeding relating to us or to our property has been commenced;

any voluntary or involuntary liquidation, dissolution or other winding up relating to us has been commenced, whether or not such event involves our insolvency or bankruptcy;

any of our subordinated debt security of any series is declared or otherwise becomes due and payable before its maturity date because of any event of default under the subordinated indenture, provided that such declaration has not been rescinded or annulled as provided in the subordinated indenture; or

any default with respect to senior debt which permits its holders to accelerate the maturity of the senior debt has occurred and is continuing, and either (a) notice of such default has been given to us and to the trustee and judicial proceedings are commenced in respect of such default within 180 days after notice in the case of a default in the payment of principal or interest, or within 90 days after notice in the case of any other default, or (b) any judicial proceeding is pending with respect to any such default.

**DESCRIPTION OF CAPITAL STOCK**

**Common Stock**

The material terms and provisions of the Company's common stock are summarized as set forth below. The following summary is not intended to be relied upon as an exhaustive list or a detailed description of the provisions discussed and is qualified in its entirety by the Mississippi Business Corporation Act (MBCA) and by the Restated Articles of Incorporation (Articles) and Bylaws of the Company.

*Authorized.* The Company has 10,000,000 shares of authorized Common Stock, \$1.00 par value. As of June 17, 2013 (following mandatory conversion of the Series D Preferred Stock) there were 5,093,455 shares of Common Stock issued and outstanding.

*Voting Rights; Cumulative Voting.* Pursuant to the MBCA and the Company's Bylaws, each outstanding share of the Company's common stock is entitled to one vote on each matter submitted to a vote. Holders of the Company's common stock do not have cumulative voting rights. Article 2.6 of the Company's Bylaws provides that unless otherwise required by the MBCA or the Articles, all classes or series of the Company shares entitled to vote generally on a matter shall for that purpose be considered a single voting group.

*Limitations on Directors' and Officers' Liability.* Article 7 of the Company's Articles provide that no director of the Company shall be personally liable to the Corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, except for any appropriation in violation of fiduciary duties of any business opportunity; for acts or omissions not in good faith or involving intentional misconduct or a knowing violation of law, under Section 79-4-8.33 of the MBCA, or for any transaction from which the director derived an improper personal benefit.

Article 8 of the Company's Bylaws provide for indemnification of directors and officers as discussed below under the caption Indemnification.

*Supermajority Voting Requirements; Business Combinations or Control Share Acquisition.* The MBCA states that in the absence of a greater requirement in the articles of incorporation, a sale, lease, exchange, or other disposition of all, or substantially all, a corporation's property requires approval by a majority of the shares entitled to vote on the transaction. The Company's Articles do not provide for a greater than majority vote on such a transaction.



## **Table of Contents**

The Company's Articles do include a control share acquisition provision requiring any person who plans to acquire a control block of stock (generally defined as 10%) to obtain approval by the majority vote of disinterested shareholders or the affirmative vote of 75% of eligible members of the board of directors in order to vote the control shares. If a control share is made without first obtaining this approval, all stock beneficially owned by the acquiring person in excess of 10% will be considered excess stock and will not be entitled to vote.

Any person who proposes to make or has made a control share acquisition may deliver a statement to the Company describing the person's background and the control share acquisition and requesting a special meeting of shareholders of the Company to decide whether to grant voting rights to the shares acquired in the control share acquisition. The acquiring person must pay the expenses of this meeting. If no request is made, the voting rights to be accorded the shares acquired in the control share acquisition shall be presented to the next special or annual meeting of the shareholders. If the acquiring person does not deliver his or her statement to the Company, it may elect to repurchase the acquiring person's shares at fair market value. Control shares acquired in a control share acquisition are not subject to redemption after an acquiring person's statement has been filed unless the shares are not accorded full voting rights by the shareholders.

*Removal of Directors.* Article 11 of the Company's Articles provide that no director of the Company may be removed except by the shareholders for cause; provided that directors elected by a particular voting group may be removed only by the shareholders in that voting group for cause. Article 3.3 of the Company's Bylaws provide further that removal action may only be taken at a shareholders' meeting for which notice of the removal action has been given. A removed director's successor may be elected at the same meeting to serve the unexpired term.

*Board of Directors.* Under Article 10 of the Company's Articles of Incorporation, the Board of Directors of the Company is divided into three classes—Class I, Class II, and Class III as nearly equal in numbers of directors as possible. Article 3.2 of the Bylaws establishes a minimum of 9 directors, and a maximum of 25 directors. At present there are a total of 11 directors divided as follows: 4 Class I directors, 3 Class II directors, and 4 Class III directors. The terms of the Class II directors will expire at the 2015 Annual Shareholders' Meeting. The terms of the Class III directors will expire at the 2016 Annual Shareholders' Meeting. The terms of the Class I directors will expire at the 2017 Annual Shareholders' Meeting.

*Vacancies in the Board of Directors.* Under the Company's Bylaws, any vacancy, may be filled for the unexpired term by the affirmative vote of a majority of the remaining directors, provided that, if the vacant office was held by a director elected by a particular voting group, only the shares of that voting group or the remaining directors elected by that voting group shall be entitled to fill the vacancy; and further provided that, if the vacant office was held by a director elected by a particular voting group, the other remaining directors or director (elected by another voting group or groups) may fill the vacancy during an interim period before the shareholders of the vacated director's voting group act to fill the vacancy.

*Amendment of the Articles of Incorporation or Bylaws.* Under the MBCA, the board of directors has the power to amend or repeal the bylaws of a Mississippi corporation such as the Company, unless such power is expressly reserved for the shareholders. Article 10 of the Company's Bylaws provide that the Bylaws may be amended, altered, or repealed by the board of directors, except with regard to the provisions establishing the number of directors and process for removal of directors, which may only be amended by the affirmative vote of holders of outstanding shares entitled to more than 80% of the votes entitled to be cast on the alteration, amendment, or repeal.

Amendments to the Articles that result in dissenters' rights require the affirmative vote of a majority of the outstanding shares entitled to vote on the amendment. Otherwise, the Articles may be amended by a majority vote of the shares present at a meeting where a quorum is present.



## **Table of Contents**

*Special Meetings of Shareholders.* Under the Company's Bylaws, special meetings of the shareholders, for any purpose or purposes, may be called by the Chairman of the Board, the Chief Executive Officer, or the board of directors, or within 75 days of a written request of shareholders holding in the aggregate 10% or more of the total voting power entitled to vote on an issue. Such a request must state the purpose or purposes of the proposed special meeting.

*Shareholder Proposals and Nominations.* The Company's Bylaws provide procedures that must be followed to properly nominate candidates for election as directors. At least 60 days prior to the Annual Meeting, or 10 days after notice of the Annual Meeting is provided to shareholders, notice must be given to the Secretary of the Company if a shareholder intends to nominate an individual for election to the Board of Directors or propose any shareholder action. These Bylaw provisions also require information to be supplied about both the shareholder making such nomination or proposal and the person nominated.

*Indemnification.* Section 79-4-8.50 through 79-4-8.59 of the MBCA provide the Company with broad powers and authority to indemnify its directors and officers and to purchase and maintain insurance for such purposes and mandate the indemnification of the Company's directors under certain circumstances. The Company's Articles also provide it with the power and authority, to the fullest extent legally permissible under the MBCA, to indemnify its directors and officers, persons serving at the request of the Company or for its benefit as directors or officers of another corporation, and persons serving as the Company's representatives or agents in certain circumstances. Pursuant to such authority and the provisions of the Company's Articles of Incorporation, the Company intends to purchase insurance against certain liabilities that may be incurred by it and its officers and directors.

The Articles of the Company contain a provision which, subject to certain exceptions described below, eliminates the liability of a director or officer to it or its shareholders for monetary damages for any breach of duty as a director or officer. This provision does not eliminate such liability to the extent the director or officer engaged in willful misconduct or a knowing violation of criminal law or of any federal or state securities law, including, without limitation, laws proscribing insider trading or manipulation of the market for any security.

Under its Bylaws, the Company must indemnify any person who becomes subject to a lawsuit or proceeding by reason of service as a director of the Company or The First or any other corporation which the person served as a director at the request of the Company. Except as noted in the next paragraph, directors are entitled to be indemnified against judgments, penalties, fines, settlements, and reasonable expenses actually incurred by the director in connection with the proceeding. Directors are also entitled to have the Company advance any such expenses prior to final disposition of the proceeding, upon delivery of (1) a written affirmation by the director of his good faith belief that the standard of conduct necessary for indemnification has been met, and (2) a written undertaking to repay the amounts advanced if it is ultimately determined that the standard of conduct has not been met.

Under the Bylaws, indemnification will be disallowed if it is established that the director appropriated, in violation of his duties, any business opportunity of the Company, engaged in acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, approved dividends or other distributions in violation of the MBCA, or engaged in any transaction in which the director derived an improper personal benefit. In addition to the Bylaws of the Company, the MBCA requires that a corporation indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he or she was a party because he is or was a director of the corporation against reasonable expenses incurred by him or her in connection with the proceeding. The MBCA also provides that, upon application of a director, a court may order indemnification if it determines that the director is entitled to such indemnification under the applicable standard of the MBCA.

The board of directors of the Company also has the authority to extend to officers, employees, and agents the same indemnification rights held by directors, subject to all of the accompanying conditions and obligations. The Board of

Directors has extended or intends to extend indemnification rights to all of its executive officers.

## **Table of Contents**

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and controlling persons of the Company pursuant to the Articles or Bylaws, or otherwise, the Company has been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

## **Preferred Stock**

If we offer preferred stock, we will file the terms of the preferred stock with the SEC, and the prospectus supplement relating to that offering will include a description of the specific terms of the offerings. Our articles of incorporation authorize our board of directors to establish one or more series of preferred stock. Our board of directors, without further approval of the shareholders, has the authority to fix the dividend rights and terms, conversion rights, voting rights, redemption rights and terms, liquidation preferences, sinking funds and any other rights, preferences, privileges and restrictions applicable to each series of preferred stock. The issuance of preferred stock and the determination of the terms of preferred stock by the board, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, adversely affect the voting power of the holders of our common stock.

In addition, as described under *Description of Depositary Shares*, we may, instead of offering full shares of any series of preferred stock, offer depositary shares evidenced by depositary receipts, each representing a fraction of a share of the particular series of preferred stock issued and deposited with a depositary. The fraction of a share of preferred stock which each depositary share represents will be set forth in the prospectus supplement relating to such depositary shares.

***Series CD Preferred Shares.*** We have designated 17,123 shares of our preferred stock as Series CD (the *CDCI Preferred Shares* ) which were issued as part of the United States Department of the Treasury's *Community Development Capital Initiative*.

***Dividends Payable on Shares of the CDCI Preferred Shares.*** The *CDCI Preferred Shares* entitle the holder to an annual dividend of 2% of the liquidation value of the shares, payable quarterly in arrears. Dividends on the *CDCI Preferred Shares* are cumulative.

***Priority of Dividends; Consequences of Missed Dividends.*** With respect to the payment of dividends, the *CDCI Preferred Shares* will rank senior to our common stock and all other equity securities designated as ranking junior to the *CDCI Preferred Shares* ( *junior stock* ), and will rank at least equally with all other equity securities designated as ranking on a parity with the *CDCI Preferred Shares* ( *parity stock* ).

***Restriction on Dividends.*** Generally, so long as any *CDCI Preferred Shares* remain outstanding, neither we nor any of our subsidiaries may pay any per share dividend or distribution on common stock or other capital stock or equity securities at a rate that is in excess of 100% of the aggregate per share dividends and distributions for the immediately prior fiscal year, provided that no increase in the aggregate amount of dividends or distributions on common stock shall be permitted for any twelve (12) month period, including, without limitation, as a result of any dividends or distributions paid in shares of common stock, any stock split or any similar transaction.

***Additional Restrictions.*** Our ability to declare or pay dividends or repurchase our common stock, or other equity or capital securities, or any trust preferred securities will be subject to restrictions in the event that we fail to declare and pay (or set aside for payment) full dividends on the *CDCI Preferred Shares*.

*Voting Rights.* In general, the holders of the CDCI Preferred Shares shall not have any voting rights except as set forth in the terms of the CDCI Preferred Shares or as otherwise required by law.

*Preemptive Rights.* The CDCI Preferred Shares do not have preemptive rights as to any of our securities, or any warrants, rights or options to acquire any of our securities.

## **Table of Contents**

*Liquidation Rights.* In the event that we voluntarily or involuntarily liquidate, dissolve or wind up our affairs, holders of the CDCI Preferred Shares shall be entitled to receive for each share of CDCI Preferred Shares, out of our assets or proceeds thereof available for distribution to shareholders, subject to the rights of any creditors, payment in full in an amount equal to the liquidation amount per share, which is \$1,000 per share, and the amount of any accrued and unpaid dividends on each share. Holders of CDCI Preferred Shares would be entitled to receive this amount before any distribution of assets or proceeds to holders of our common stock and any other stock ranking junior to the CDCI Preferred Shares. If in any distribution described above our assets are not sufficient to pay in full the amounts payable with respect to the outstanding shares of CDCI Preferred Shares and any outstanding shares of parity stock, holders of the CDCI Preferred Shares and parity stock would share ratably in any such distribution in proportion to the full respective distributions to which they are entitled.

For purposes of the liquidation rights of the CDCI Preferred Shares, neither the sale, conveyance, exchange or transfer of all or substantially all of our property and assets, nor the consolidation or merger by us with or into any other corporation or by another corporation with or into us, will constitute a liquidation, dissolution or winding-up of our affairs.

## **DESCRIPTION OF DEPOSITARY SHARES**

The following briefly summarizes the general provisions of the depositary shares representing a fraction of a share of preferred stock of a specific series, or depositary shares, and depositary receipts (as defined below) that we may issue from time to time and which would be important to holders of depositary receipts. The specific terms of any depositary shares or depositary receipts, including pricing and related terms, will be disclosed in the applicable prospectus supplement. The prospectus supplement will also state whether any of the general provisions summarized below apply or not to the depositary shares or depositary receipts being offered. The following description and any description in a prospectus supplement is a summary only and is subject to, and qualified in its entirety by reference to the terms and provisions of the deposit agreement, which we will file with the SEC in connection with an issuance of depositary shares.

### **Description of Depositary Shares**

We may offer depositary shares evidenced by receipts for such depositary shares, which we sometimes refer to as depositary receipts. Each depositary receipt represents a fraction of a share of the particular series of preferred stock issued and deposited with a depositary. The fraction of a share of preferred stock which each depositary share represents will be set forth in the applicable prospectus supplement.

We will deposit the shares of any series of preferred stock represented by depositary shares according to the provisions of a deposit agreement to be entered into between us and a bank or trust company, which we will select in our discretion as our preferred stock depositary, and which may be the same institution that serves as an indenture trustee. The depositary must have its principal office in the United States and have combined capital and surplus of at least \$50,000,000. We will name the depositary in the applicable prospectus supplement. Each owner of a depositary share will be entitled to all the rights and preferences of the underlying preferred stock in proportion to the applicable fraction of a share of preferred stock represented by the depositary share. These rights include dividend, voting, redemption, conversion and liquidation rights. The depositary will send the holders of depositary shares all reports and communications that we deliver to the depositary and which we are required to furnish to the holders of depositary shares. We may issue depositary receipts in temporary, definitive or book-entry form.

### **Withdrawal of Preferred Stock**

A holder of depositary shares may receive the number of whole shares of the series of preferred stock and any money or other property represented by the holder's depositary receipts after surrendering the depositary receipts



## **Table of Contents**

at the corporate trust office of the depository. Partial shares of preferred stock will not be issued. If the surrendered depository shares exceed the number of depository shares that represent the number of whole shares of preferred stock the holder wishes to withdraw, then the depository will deliver to the holder at the same time a new depository receipt evidencing the excess number of depository shares. Once the holder has withdrawn the preferred stock, the holder will not be entitled to re-deposit such preferred stock under the deposit agreement or to receive depository shares in exchange for such preferred stock.

## **Dividends and Other Distributions**

Holders of depository shares of any series will receive their pro rata share of cash dividends or other cash distributions received by the depository on the preferred stock of that series held by it. Each holder will receive these distributions in proportion to the number of depository shares owned by the holder. The depository will distribute only whole United States dollars and cents. The depository will add any fractional cents not distributed to the next sum received for distribution to record holders of depository shares. In the event of a non-cash distribution, the depository will distribute property to the record holders of depository shares, unless the depository determines that it is not feasible to make such a distribution. If this occurs, the depository, with our approval, may sell the property and distribute the net proceeds from the sale to the holders.

## **Redemption of Depository Shares**

If a series of preferred stock represented by depository shares is subject to redemption, then we will give the necessary proceeds to the depository. The depository will then redeem the depository shares using the funds they received from us for the preferred stock. The depository will notify the record holders of the depository shares to be redeemed not less than 30 days nor more than 60 days before the date fixed for redemption at the holders' addresses appearing in the depository's books. The redemption price per depository share will be equal to the redemption price payable per share for the applicable series of the preferred stock and any other amounts per share payable with respect to that series of preferred stock multiplied by the fraction of a share of preferred stock represented by one depository share. Whenever we redeem shares of a series of preferred stock held by the depository, the depository will redeem the depository shares representing the shares of preferred stock on the same day. If fewer than all the depository shares of a series are to be redeemed, the depository shares will be selected by lot, ratably or by such other equitable method as we and the depository may determine.

Upon and after the redemption of shares of the underlying series of preferred stock, the depository shares called for redemption will no longer be considered outstanding. Therefore, all rights of holders of the depository shares will then cease, except that the holders will still be entitled to receive any cash payable upon the redemption and any money or other property to which the holder was entitled at the time of redemption.

## **Voting Rights**

Upon receipt of notice of any meeting at which the holders of preferred stock of the related series are entitled to vote, the depository will notify holders of depository shares of the upcoming vote and arrange to deliver our voting materials to the holders. The record date for determining holders of depository shares that are entitled to vote will be the same as the record date for the related series of preferred stock. The materials the holders will receive will (1) describe the matters to be voted on and (2) explain how the holders, on a certain date, may instruct the depository to vote the shares of preferred stock underlying the depository shares. For instructions to be valid, the depository must receive them on or before the date specified. The depository will attempt, as far as practical, to vote the shares as instructed by the holder. We will cooperate with the depository to enable it to vote as instructed by holders of depository shares. If any holder does not instruct the depository how to vote the holder's shares, the depository will

abstain from voting those shares.

## **Table of Contents**

### **Conversion or Exchange**

The depositary will convert or exchange all depositary shares on the same day that the preferred stock underlying the depositary shares is converted or exchanged. In order for the depositary to do so, we will deposit with the depositary any other preferred stock, common stock or other securities into which the depositary share is to be converted or for which it will be exchanged.

The exchange or conversion rate per depositary share will be equal to the exchange or conversion rate per share of preferred stock, multiplied by the fraction of a share of preferred stock represented by one depositary share. All amounts per depositary share payable by us for dividends that have accrued on the preferred stock to the exchange or conversion date that have not yet been paid shall be paid in appropriate amounts on the depositary shares.

The depositary shares, as such, cannot be converted or exchanged into other preferred stock, common stock, securities of another issuer or any other of our securities or property. Nevertheless, if so specified in the applicable prospectus supplement, a holder of depositary shares may be able to surrender the depositary receipts to the depositary with written instructions asking the depositary to instruct us to convert or exchange the preferred stock represented by the depositary shares into other shares of preferred stock or common stock or to exchange the preferred stock for securities of another issuer. If the depositary shares carry this right, we would agree that, upon the payment of applicable fees and taxes, if any, we will cause the conversion or exchange of the preferred stock using the same procedures as we use for the delivery of preferred stock. If a holder is only converting part of the depositary shares represented by a depositary receipt, new depositary receipts will be issued for any depositary shares that are not converted or exchanged.

### **Amendment and Termination of the Deposit Agreement**

We may agree with the depositary to amend the deposit agreement and the form of depositary receipt without the consent of any holder at any time. However, if the amendment adds or increases fees or charges payable by holders of the depositary shares or prejudices an important right of any holder, it will only become effective with the approval of holders of at least a majority of the affected depositary shares then outstanding. If an amendment becomes effective, holders are deemed to agree to the amendment and to be bound by the amended deposit agreement if they continue to hold their depositary receipts.

The deposit agreement will automatically terminate if:

all outstanding depositary shares have been redeemed and all amounts payable upon redemption have been paid;

each share of preferred stock held by the depositary has been converted into or exchanged for common stock, other preferred stock or other securities; or

a final distribution in respect of the preferred stock held by the depositary has been made to the holders of depositary receipts in connection with our liquidation, dissolution or winding-up.

We may also terminate the deposit agreement at any time. Upon such event, the depositary will give notice of termination to the holders not less than 30 days before the termination date. Once depositary receipts are surrendered

to the depositary, it will send to each holder the number of whole and fractional shares of the series of preferred stock underlying that holder's depositary receipts, provided that, at our election we may pay cash in lieu of fractional shares of preferred stock that may be issuable.

**Charges of Depositary and Expenses**

We will pay all transfer and other taxes and governmental charges in connection with the establishment of the depositary arrangements. We will pay all charges and fees of the depositary for the initial deposit of the preferred

## **Table of Contents**

stock, the depositary's services and redemption of the preferred stock. Holders of depositary shares will pay transfer and other taxes and governmental charges and the charges that are provided in the deposit agreement to be for the holder's account.

### **Limitations on Our Obligations and Liability to Holders of Depositary Receipts**

The deposit agreement will limit our obligations and the obligations of the depositary. It will also limit our liability and the liability of the depositary as follows:

we and the depositary will only be obligated to take the actions specifically set forth in the deposit agreement in good faith;

we and the depositary will not be liable if either is prevented or delayed by law or circumstances beyond our or its control from performing our or its obligations under the deposit agreement;

we and the depositary will not be liable if either exercises discretion permitted under the deposit agreement;

we and the depositary will have no obligation to become involved in any legal or other proceeding related to the depositary receipts or the deposit agreement on behalf of the holders of depositary receipts or any other party, unless we and the depositary are provided with satisfactory indemnity; and

we and the depositary will be permitted to rely upon any written advice of counsel or accountants and on any documents we believe in good faith to be genuine and to have been signed or presented by the proper party. In the deposit agreement, we will agree to indemnify the depositary under certain circumstances.

### **Resignation and Removal of Depositary**

The depositary may resign at any time by notifying us of its election to do so. In addition, we may remove the depositary at any time. Such resignation or removal will take effect when we appoint a successor depositary and it accepts the appointment. We must appoint the successor depositary within 60 days after delivery of the notice of resignation or removal and the new depositary must be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least \$50,000,000.

## **DESCRIPTION OF PURCHASE CONTRACTS**

We also may issue purchase contracts, including contracts obligating holders to purchase from us, or obligating us to sell to holders, a fixed or varying number of shares of common stock, preferred stock, depositary shares or debt securities at a future date or dates. The consideration per share of common stock, preferred stock, depositary shares or debt securities may be fixed at the time that the purchase contracts are issued or may be determined by reference to a specific formula set forth in the purchase contracts. Any purchase contract may include anti-dilution provisions to adjust the number of shares issuable pursuant to such purchase contract upon the occurrence of certain events.

The purchase contracts may be issued separately or as a part of units consisting of a purchase contract, debt securities and preferred securities. These contracts, and the holders' obligations to purchase shares of our common stock, preferred stock, depositary shares or debt securities under the purchase contracts may be secured by cash, certificates of deposit, U.S. government securities that will mature prior to or simultaneously with, the maturity of the purchase contract, standby letters of credit from an affiliated U.S. bank that is FDIC-insured or other collateral satisfactory to the Federal Reserve. The purchase contracts may require us to make periodic payments to holders of the purchase units, or vice versa, and such payments may be unsecured or prefunded and may be paid on a current or on a deferred basis.

## **Table of Contents**

Any one or more of the above securities, common stock or the purchase contracts or other collateral may be pledged as security for the holders' obligations to purchase or sell, as the case may be, the common stock or preferred stock under the purchase contracts.

### **DESCRIPTION OF UNITS**

We also may offer two or more of the securities described in this prospectus in the form of a unit, including pursuant to a unit agreement. The unit may be transferable only as a whole, or the securities comprising a unit may, as described in any prospectus supplement, be separated and transferred by the holder separately. There may or may not be an active market for units or the underlying securities, and not all the securities comprising a unit may be listed or traded on a securities exchange or market.

### **DESCRIPTION OF WARRANTS**

#### **General**

We may issue warrants in one or more series to purchase senior debt securities, subordinated debt securities, common stock, preferred stock, depositary shares or any combination of these securities. Warrants may be issued independently or together with any underlying securities and may be attached to or separate from the underlying securities. We will issue each series of warrants under a separate warrant agreement to be entered into between us and a warrant agent. The warrant agent will act solely as our agent in connection with the warrants of such series and will not assume any obligation or relationship of agency for or on behalf of holders or beneficial owners of warrants. The following outlines some of the general terms and provisions of the warrants. Further terms of the warrants and the warrant agreement will be stated in any applicable prospectus supplement. The following description and any description of the warrants in a prospectus supplement are not complete and are subject to and qualified in its entirety by reference to the terms and provisions of the warrant agreement, which we will file with the SEC in connection with an issuance of any warrants.

The applicable prospectus supplement will describe the terms of any warrants, including the following, as may be applicable:

the title of the warrants;

the total number of warrants to be issued;

the consideration for which we will issue the warrants, including the applicable currency or currencies;

anti-dilution provisions to adjust the number of shares of our common stock or other securities to be delivered upon exercise of the warrants;

the designation and terms of the underlying securities purchasable upon exercise of the warrants;

the price at which and the currency or currencies in which investors may purchase the underlying securities purchasable upon exercise of the warrants;

the dates on which the right to exercise the warrants will commence and expire;

the procedures and conditions relating to the exercise of the warrants;

whether the warrants will be in registered or bearer form;

information with respect to book-entry registration and transfer procedures, if any;

the minimum or maximum amount of warrants which may be exercised at any one time;

the designation and terms of the underlying securities with which the warrants are issued and the number of warrants issued with each underlying security;



## **Table of Contents**

the date on and after which the warrants and securities issued with the warrants will be separately transferable;

a discussion of material United States federal income tax considerations;

the identity of the warrant agent; and

any other terms of the warrants, including terms, procedures and limitations relating to the exchange, transfer and exercise of the warrants.

Warrant certificates may be exchanged for new warrant certificates of different denominations, and warrants may be exercised at the warrant agent's corporate trust office or any other office indicated in the applicable prospectus supplement. Prior to the exercise of their warrants, holders of warrants exercisable for debt securities will not have any of the rights of holders of the debt securities purchasable upon such exercise and will not be entitled to payments of principal (or premium, if any) or interest, if any, on the debt securities purchasable upon such exercise. Prior to the exercise of their warrants, holders of warrants exercisable for shares of common stock, preferred stock or depositary shares will not have any rights of holders of the common stock, preferred stock or depositary shares purchasable upon such exercise, including any rights to vote such shares or to receive any distributions or dividends thereon.

## **Exercise of Warrants**

A warrant will entitle the holder to purchase for cash an amount of securities at an exercise price that will be stated in, or that will be determinable as described in, the applicable prospectus supplement. Warrants may be exercised at any time prior to the close of business on the expiration date and in accordance with the procedures set forth in the applicable prospectus supplement. Upon and after the close of business on the expiration date, unexercised warrants will be void and have no further force, effect or value.

## **Enforceability of Rights**

The holders of warrants, without the consent of the warrant agent, may, on their own behalf and for their own benefit, enforce, and may institute and maintain any suit, action or proceeding against us to enforce their rights to exercise and receive the securities purchasable upon exercise of their warrants.

## **DESCRIPTION OF RIGHTS**

We may issue rights to purchase common stock, preferred stock, depositary shares or debt securities that we may offer to our shareholders. The rights may or may not be transferable by the persons purchasing or receiving the rights. In connection with any rights offering, we may enter into a standby underwriting, backstop purchase or other arrangement with one or more underwriters or other persons pursuant to which such underwriters or other persons would purchase any offered securities remaining unsubscribed for after such rights offering. Each series of rights will be issued under a separate rights agent agreement to be entered into between us and a bank, trust company or transfer agent, as rights agent, that we will name in the applicable prospectus supplement. The rights agent will act solely as our agent in connection with the rights and will not assume any obligation or relationship of agency or trust for or with any holders of rights certificates or beneficial owners of rights.

The prospectus supplement relating to any rights that we offer will include specific terms relating to the offering, including, among other matters:

the date of determining the security holders entitled to the rights distribution;

the aggregate number of rights issued and the aggregate number of shares of common stock, preferred stock or depositary shares or aggregate principal amount of debt securities purchasable upon exercise of the rights;

**Table of Contents**

the exercise price;

the conditions to completion of the rights offering;

the date on which the right to exercise the rights will commence and the date on which the rights will expire;  
and

any applicable federal income tax considerations.

Each right would entitle the holder of the rights to purchase for cash the principal amount of shares of common stock, preferred stock, depositary shares or debt securities at the exercise price set forth in the applicable prospectus supplement. Rights may be exercised at any time up to the close of business on the expiration date for the rights provided in the applicable prospectus supplement. After the close of business on the expiration date, all unexercised rights will become void.

If less than all of the rights issued in any rights offering are exercised, we may offer any unsubscribed securities directly to persons other than our security holders, to or through agents, underwriters or dealers or through a combination of such methods, including pursuant to standby arrangements, as described in the applicable prospectus supplement.

Holder of rights will have no rights as shareholders with respect to the shares of any of our equity securities for which the rights may be exercised until they have exercised their rights by payment in full of the exercise price and in the manner provided in any prospectus supplement, and such shares have been issued to such persons. Holders of rights will have no right to revoke their subscriptions or receive their monies back after they have completed and delivered the materials required to exercise their rights and have paid the exercise price to the subscription agent. All exercises of rights are final and cannot be revoked by the holder of rights.

We will not be required to issue any person or group of persons any securities pursuant to a rights offering if, in our sole opinion, such person would be required to give prior notice to or obtain prior approval from, any state or federal governmental authority to own or control such securities if, at the time the rights offering is scheduled to expire, such person has not obtained such clearance or approval in form and substance reasonably satisfactory to us.

**PLAN OF DISTRIBUTION**

We may offer and sell from time to time all or a portion of any of the securities offered under this prospectus in any of the following ways: (1) through underwriters or dealers; (2) through agents; or (3) directly to one or more purchasers; (4) or through a specific bidding or auction process or otherwise.

The distribution of the securities may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. For each type and series of securities offered, the applicable prospectus supplement will set forth the terms of the offering, including, without limitation:

the initial public offering price;

the names of any underwriters, dealers or agents;

the purchase price of the securities;

the use of proceeds to us from the sale of the securities;

any underwriting discounts, agency fees, or other compensation payable to underwriters or agents;

any discounts or concessions allowed or re-allowed or repaid to dealers; and

the securities exchanges on which the securities will be listed, if any.

## **Table of Contents**

In connection with the sale of the securities, underwriters or agents may receive compensation from us or from purchasers of the securities for whom they may act as agents in the form of discounts, concessions or commissions. Underwriters may sell the securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters or commissions from the purchasers for whom they may act as agents. If a dealer is utilized to sell the securities, we will sell such securities to the dealer as principal. The dealer may then resell such securities to the public at varying prices to be determined by such dealer at any time of resale.

Underwriters, dealers and agents that participate in the distribution of the securities may be deemed to be underwriters, and any discounts or commissions received by them from us and any profit on the resale of the securities by them may be deemed to be underwriting discounts and commissions, under the Securities Act. Any such underwriter, dealer or agent will be identified, and any such compensation received from us will be described, in the applicable prospectus supplement.

Offers to purchase the securities may be solicited directly and the sale thereof may be made directly to institutional investors or others, who may be deemed to be underwriters within the meaning of the Securities Act with respect to any resale thereof. The terms of any such sales will be described in the prospectus supplement relating thereto, including the terms of any bidding or auction process. Such institutions could include banks, insurance companies, pension funds, investment companies and educational and charitable institutions. The underwriters, dealers or agents will not be responsible for the validity or performance of these contracts.

If we use dealers in any sale of securities offered under this prospectus, the securities will be sold to such dealers as principals. The dealers may then resell the securities to the public at varying prices to be determined by such dealers at the time of resale. If agents are used in any sale of securities offered under this prospectus, they will generally use their reasonable best efforts to solicit purchases for the period of their appointment. If securities offered under this prospectus are sold directly, no underwriters, dealers or agents would be involved. We are not making an offer of securities in any state that does not permit such an offer.

If so indicated in the prospectus supplement, we will authorize underwriters, dealers or agents to solicit offers by certain specified institutions to purchase the securities from us at the public offering price set forth in the prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. Such contracts will be subject only to those conditions set forth in the prospectus supplement and the prospectus supplement will set forth the commission payable for the solicitation of such contracts.

Sales of securities offered under this prospectus also may be effected by us from time to time in one or more types of transactions (which may, without limitation, include block transactions, special offerings, exchange distributions, secondary distributions, purchases by a broker or dealer, or other direct sales by us to one or more purchasers) on the NASDAQ or any other national securities exchange or automated trading and quotation system on which our common stock or other securities are listed, in the over-the-counter market, in transactions other than on such exchanges and systems or the over-the-counter market, including negotiated transactions, through options transactions relating to the shares, or a combination of such methods of sale, at market prices prevailing at the time of sale, at negotiated prices or at fixed prices. Such transactions may or may not involve brokers or dealers. Any shares of our common stock offered under this prospectus will be listed on the NASDAQ, subject to notice of issuance.

Each issue of a new series of debt securities, preferred stock, depositary shares, purchase contracts, units, warrants and rights will be a new issue of securities with no established trading market, except as indicated in the applicable prospectus supplement. It has not been established whether the underwriters, if any, of the securities offered under this prospectus will make a market in these securities. If a market in any series of debt securities, preferred stock,

depository shares, purchase contracts, units, warrants and rights is made by any such underwriters, such market-making may be discontinued at any time without notice. We can give no assurance as to the liquidity of the trading market of these securities.

## **Table of Contents**

Under agreements which may be entered into by us, underwriters, dealers and agents who participate in the distribution of the securities may be entitled to indemnification by us against certain liabilities, including liabilities under the Securities Act or to contribution with respect to payments which the underwriters, dealers or agents may be required to make in respect thereof.

Certain of the underwriters, dealers or agents and their associates may be customers of, engage in transactions with, and perform services for, us in the ordinary course of business.

Underwriters or agents could make sales in privately negotiated transactions and/or any other method permitted by law, including sales deemed to be an at-the-market offering as defined in Rule 415 promulgated under the Securities Act, which includes sales made directly on or through the NASDAQ Global Market, the existing trading market for our ordinary shares, or sales made to or through a market maker other than on an exchange.

## **LEGAL MATTERS**

In connection with the particular offerings of the securities in the future, and if stated in the applicable prospectus supplement, the validity of the issuance of the securities will be passed upon for us by Jones Walker L.L.P. Certain legal matters in connection with an offering pursuant to this prospectus may be passed upon for the underwriters and/or agents by a law firm named in the applicable prospectus supplement.

## **EXPERTS**

The consolidated financial statements of the Company as of December 31, 2014 and December 31, 2013 and for each of the three years in the period ended December 31, 2014, have been incorporated by reference herein in reliance upon the report of T.E. Lott & Company, independent registered public accounting firm and upon the authority of said firm as experts in accounting and auditing.

## **WHERE YOU CAN FIND MORE INFORMATION**

This prospectus is part of a registration statement on Form S-3 that we filed with the SEC. Certain information in the registration statement has been omitted from this prospectus in accordance with the rules of the SEC. We are a public company and file proxy statements and annual, quarterly and current reports and other information with the SEC. The registration statement, such reports and other information can be inspected and copied at the Public Reference Room of the SEC located at 100 F Street, N.E., Washington D.C. 20549. Copies of such materials, including copies of all or any portion of the registration statement, can be obtained from the Public Reference Room of the SEC at prescribed rates. You can call the SEC at 1-800-SEC-0330 to obtain information on the operation of the Public Reference Room. Such materials may also be accessed electronically by means of the SEC's home page on the Internet ([www.sec.gov](http://www.sec.gov)).

## **INCORPORATION OF INFORMATION BY REFERENCE**

We incorporate into this prospectus information contained in documents which we file with the SEC. We are disclosing important information to you by referring you to those documents. The information which we incorporate by reference is an important part of this prospectus, and certain information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below, and any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act):





**Table of Contents**

quarterly reports on Form 10-Q, filed on May 9, 2014, August 14, 2014 and November 12, 2014;

current reports on Form 8-K, filed on February 6, 2014, February 26, 2014, March 7, 2014, April 3, 2014, April 25, 2014, May 9, 2014, May 29, 2014, May 30, 2014, July 3, 2014, July 14, 2014, July 29, 2014, November 3, 2014, November 25, 2014, November 25, 2014 and January 30, 2015; and

the description of our common stock in the Company's current report on Form 8-K filed with the Commission on June 17, 2013.

You may access our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, registration statement on Form S-1, and amendments to any of these reports or registration statement, free of charge on the SEC's website. Information contained on, or that can be accessed through, our website is not part of this prospectus.

In addition, we will furnish without charge to you, on written or oral request, a copy of any or all of the documents incorporated by reference, other than exhibits to those documents. You should direct any requests for documents to Corporate Secretary, The First Bancshares, Inc., 6480 U.S. Hwy 98 West, Hattiesburg, Mississippi 39402, or call (601) 268-8998.

**Table of Contents****PART II. INFORMATION NOT REQUIRED IN PROSPECTUS****ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION**

We will bear all expenses, which cannot be estimated at this time, incurred in connection with the registration of the securities offered in this registration statement under the Securities Act of 1933 and qualification or exemption of the registered securities under state securities laws.

SEC registration fees	\$ 2,324	
Listing fees and expenses*		*
Blue Sky fees and expenses*		*
Costs of printing and engraving*		*
Legal fees and expenses*		*
Accountants fees and expenses*		*
Miscellaneous*		*
<b>TOTAL*</b>	<b>\$</b>	<b>*</b>

\* Estimated expenses are not presently known.

**ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS**

Section 79-4-8.50 through 79-4-8.59 of the MBCA provide First Bancshares with broad powers and authority to indemnify its directors and officers and to purchase and maintain insurance for such purposes and mandate the indemnification of First Bancshares directors under certain circumstances. First Bancshares Articles of Incorporation also provide it with the power and authority, to the fullest extent legally permissible under the MBCA, to indemnify its directors and officers, persons serving at the request of the First Bancshares or for its benefit as directors or officers of another corporation, and persons serving as First Bancshares representatives or agents in certain circumstances. Pursuant to such authority and the provisions of First Bancshares Articles of Incorporation, First Bancshares has purchased insurance against certain liabilities that may be incurred by it and its officers and directors.

The Articles of Incorporation of First Bancshares contain a provision which, subject to certain exceptions described below, eliminates the liability of a director or officer to it or its shareholders for monetary damages for any breach of duty as a director or officer. This provision does not eliminate such liability to the extent the director or officer engaged in willful misconduct or a knowing violation of criminal law or of any federal or state securities law, including, without limitation, laws proscribing insider trading or manipulation of the market for any security.

Under its Bylaws, First Bancshares must indemnify any person who becomes subject to a lawsuit or proceeding by reason of service as a director of First Bancshares or The First or any other corporation which the person served as a director at the request of First Bancshares. Except as noted in the next paragraph, directors are entitled to be indemnified against judgments, penalties, fines, settlements, and reasonable expenses actually incurred by the directors in connection with the proceeding. Directors are also entitled to have First Bancshares advance any such expenses prior to final disposition of the proceeding, upon delivery of (1) a written affirmation by the director of his

good faith belief that the standard of conduct necessary for indemnification has been met, and (2) a written undertaking to repay the amounts advanced if it is ultimately determined that the standard of conduct has not been met.

Under the Bylaws, indemnification will be disallowed if it is established that the director appropriated, in violation of his or her duties, any business opportunity of First Bancshares, engaged in acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, approved dividends or other

II-B

**Table of Contents**

distributions in violation of the MBCA, or engaged in any transaction in which the director derived an improper personal benefit. In addition to the Bylaws of First Bancshares, the MBCA requires that a corporation indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he or she was a party because he or she is or was a director of the corporation against reasonable expenses incurred by him or her in connection with the proceeding. The MBCA also provides that, upon application of a director, a court may order indemnification if it determines that the director is entitled to such indemnification under the applicable standard of the MBCA.

The Board of Directors of First Bancshares also has the authority to extend to officers, employees, and agents the same indemnification rights held by directors, subject to all of the accompanying conditions and obligations. The Board of Directors has extended or intends to extend indemnification rights to all of its executive officers.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and controlling persons of First Bancshares pursuant to the Articles of Incorporation or Bylaws, or otherwise, First Bancshares has been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

**ITEM 16. EXHIBITS**

<b>Exhibit No.</b>	<b>Description</b>
1.1	Form of Underwriting Agreement (to be filed as an exhibit to a report on Form 8-K filed pursuant to the Securities Exchange Act of 1934 of the Registrant and incorporated by reference into this Registration Statement).
2.1	Agreement and Plan of Merger, dated as of March 3, 2014, between The First Bancshares, Inc. and BCB Holding Company, Inc. (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed on March 7, 2014).
4.1	Provisions in the Company's Articles of Incorporation and Bylaws defining the rights of holders of the Company's Common Stock (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the Commission on March 21, 2013 and to Exhibit 4.1 to the Company's Registration Statement No. 33-94288 on Form S-1).
4.2	Form of Certificate of Common Stock (incorporated by reference to Exhibit 4.2 to the Company's Registration Statement No. 33-94288 on Form S-1).
4.3	Form of Articles of Amendment Establishing a Series of Preferred Stock.**
4.4	Form of Senior Indenture.
4.5	Form of Senior Note.**
4.6	Form of Subordinated Indenture.
4.7	Form of Subordinated Note.**
4.8	Form of Collateral Agreement.**
4.9	Form of Warrant.**

- 4.10 Form of Rights Agreement.\*\*
- 4.11 Form of Deposit Agreement.\*\*
- 4.12 Form of Purchase Contract Agreement.\*\*
- 4.13 Form of Depositary Receipt.\*\*

II-C

**Table of Contents**

<b>Exhibit No.</b>	<b>Description</b>
5.1	Opinion of Jones Walker L.L.P. as to validity of the senior debt securities, subordinated debt securities, common stock, preferred stock, depositary shares, purchase contracts, units, warrants and rights.
5.2	Opinion of Jones Walker L.L.P. as to certain U.S. federal income tax matters.**
23.1	Consent of T.E. Lott & Company.
23.2	Consent of Jones Walker L.L.P. (included in Exhibit 5.1).
24.1	Power of Attorney (included with signatures).
25.1	Form T-1 Statement of Eligibility to act as trustee under the Senior Indenture.*
25.2	Form T-1 Statement of Eligibility to act as trustee under the Subordinated Indenture.*

\* To be filed separately pursuant to Section 305(b)(2) under the Trust Indenture Act under electronic form type 305B2.

\*\* To be filed by amendment or pursuant to a Current Report on Form 8-K and incorporated herein by reference.

**ITEM 17. UNDERTAKINGS**

The undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
  - (i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;
  - (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement.
  - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

*Provided, however,* that: Paragraphs (1)(i), (1)(ii) and (1)(iii) of this section do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the

Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

II-D

**Table of Contents**

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) If the registrant is relying on Rule 430B:

- A. Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and
- B. Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date; or

(ii) If the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:



- (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
- (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
- (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
- (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

II-E

**Table of Contents**

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

- (1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this registration statement as of the time it was declared effective.
- (2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned registrant hereby undertakes to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Act.

II-F

Table of Contents

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Hattiesburg, State of Mississippi, on April 17, 2015.

THE FIRST BANCSHARES, INC.

By: /s/ M. Ray (Hoppy) Cole  
M. Ray (Hoppy) Cole

Chief Executive Officer

By: /s/ Donna T. (Dee Dee) Lowery  
Donna T. (Dee Dee) Lowery

Chief Financial Officer

**POWER OF ATTORNEY**

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints M. Ray (Hoppy) Cole, Jr. and Donna T. (Dee Dee) Lowery, and each or either one of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the undersigned and in his name, place and stead, in any and all capacities, to sign any or all amendments (including post-effective amendments) to this registration statement and to sign any Registration Statement that is to be effective on filing pursuant to Rule 462(b) promulgated under the Securities Act of 1933, and all post-effective amendments thereto, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the SEC, granting unto said attorney-in-fact and agent, and each of them, full power of authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, each acting alone, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

*	Director and Chairman of the Board	April 17, 2015
*	Director	April 17, 2015
*	Director	April 17, 2015
*	Director	April 17, 2015

*	Director	April 17, 2015
*	Director	April 17, 2015
*	Director	April 17, 2015
*	Director	April 17, 2015

**Table of Contents**

*	Director	April 17, 2015
/s/ M. Ray (Hoppy) Cole, Jr.	CEO, President and Director (Principal Executive Officer)	April 17, 2015
/s/ Donna T. (Dee Dee) Lowery	Executive VP & Chief Financial Officer (Principal Financial and Accounting Officer)	April 17, 2015

\*By /s/ M. Ray (Hoppy) Cole, Jr.  
Attorney-in-Fact, April 17, 2015

**Table of Contents**

**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
1.1	Form of Underwriting Agreement (to be filed as an exhibit to a report on Form 8-K filed pursuant to the Securities Exchange Act of 1934 of the Registrant and incorporated by reference into this Registration Statement).
2.1	Agreement and Plan of Merger, dated as of March 3, 2014, between The First Bancshares, Inc. and BCB Holding Company, Inc. (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed on March 7, 2014).
4.1	Provisions in the Company's Articles of Incorporation and Bylaws defining the rights of holders of the Company's Common Stock (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the Commission on March 21, 2013 and to Exhibit 4.1 to the Company's Registration Statement No. 33-94288 on Form S-1).
4.2	Form of Certificate of Common Stock (incorporated by reference to Exhibit 4.2 to the Company's Registration Statement No. 33-94288 on Form S-1).
4.3	Form of Articles of Amendment Establishing a Series of Preferred Stock.**
4.4	Form of Senior Indenture.
4.5	Form of Senior Note.**
4.6	Form of Subordinated Indenture.
4.7	Form of Subordinated Note.**
4.8	Form of Collateral Agreement.**
4.9	Form of Warrant.**
4.10	Form of Rights Agreement.**
4.11	Form of Deposit Agreement.**
4.12	Form of Purchase Contract Agreement.**
4.13	Form of Depositary Receipt.**
5.1	Opinion of Jones Walker L.L.P. as to validity of the senior debt securities, subordinated debt securities, common stock, preferred stock, depositary shares, purchase contracts, units, warrants and rights.
5.2	Opinion of Jones Walker L.L.P. as to certain U.S. federal income tax matters.**
23.1	Consent of T.E. Lott & Company.
23.2	Consent of Jones Walker L.L.P. (included in Exhibit 5.1).
24.1	Power of Attorney (included with signatures).
25.1	Form T-1 Statement of Eligibility to act as trustee under the Senior Indenture.*
25.2	Form T-1 Statement of Eligibility to act as trustee under the Subordinated Indenture.*

- \* To be filed separately pursuant to Section 305(b)(2) under the Trust Indenture Act under electronic form type 305B2.
- \*\* To be filed by amendment or pursuant to a Current Report on Form 8-K and incorporated herein by reference.