EXHIBIT 2

FORM 1 – PROPOSAL CERTIFICATION

Baldwin County Commission
Request For Proposal (RFP)
Banking Services
Proposal Certification

This proposal must be sumbitted to the Baldwin County Commission, Clerk/Treasurer, Kimberly Creech, 312 Courthouse Square, Suite 11, Bay Minette, AL 36507 no later than 2:00 p.m. Friday, April 5, 2019.

Proposal Certification

By signing below as an authorized representative, the Proposer agrees to be bound by the representations, terms and conditions contained in its proposal, and agrees to enter into a contract based upon the terms, representations and conditions contained in the proposal with the Baldwin County Commission if this proposal is approved and awarded by the Baldwin County Commission.

Proposer (company name)	The First, A National Banking Association
Mailing Adress	1207 N. McKenzie Street
City, State, Zip Code	Foley, AL 36535
Contact Person for Proposal	W. Wade Neth
Title	Regional President
Telephone	251.970.8015 (office) / 251.978.5614 (cell)
Email	wneth@thefirstbank.com

SIGNATURE OF AUTHORIZED REPRESENTATIVE: W. Wade Neth

Date: April 5, 2019

TheFirst MEMBER FDIC
A NATIONAL BANKING ASSOCIATION

April 5, 2019

Mrs. Kimberly Creech
Clerk / Treasurer
Baldwin County Commission
312 Court House Square
Suite 11
Bay Minette, AL 36507

Dear Kim:

Thank you for inviting The First, A National Banking Association (The First), to submit a proposal for providing deposit services to the Baldwin County Commission / Baldwin County Sheriff's Office.

The First, A National Banking Association, is a unit of The First Bancshares, Inc. (NASDAQ: FBMS). Consolidated Assets for the Quarter ending December 31, 2018 were $3.0 Billion. The company's website is www.thefirstbank.com.

In accordance with guidelines contained in your March 15, 2019 REQUEST FOR PROPOSAL BANKING SERVICES FOR THE BALDWIN COUNTY COMMISSION (The RFP), The First is hereby submitting its proposal for a *portion* of the deposit services and accounts as contained in the RFP.

It is understood that the proposal submitted herein is extended for a period of 3 (three) years beginning June 1, 2019 and ending May 31, 2022.

The First is a Qualified Public Depository (QPD) in the Security for Alabama Funds Enhancement (SAFE) Program as defined in Title 41, Chapter 14A, Code of Alabama 1975, and maintains a physical presence in Baldwin County with 7 branch banking offices throughout the county. Deposits at The First are insured by the FDIC up to the applicable account limits.

The First has full service branch banking locations within 8 miles of County Offices in:

- 312 Courthouse Square, Bay Minette, AL 36507
  (The First at 209 West First Street, Bay Minette, AL 36507)

- 1100 Fairhope Avenue, Fairhope, AL 36532
  (The First at 408 Fairhope Avenue, Fairhope, AL 36532)

- 201 East Section Street, Foley, AL 36535
- 15140 County Road 49, Summerdale, AL 36580
  (The First at 1207 North McKenzie Street, Foley, AL 36535)

The First has full service branch locations within 10 miles of County Offices at:

- 22251 Palmer Street, Robertsdale, AL 36567
- 18100 County Rd 54, Robertsdale, AL 36567
  (The First at 1207 North McKenzie Street, Foley, AL 36535)
  ** The First will provide daily deposit pickup at the two Robertsdale locations

Enclosed herein are The First's
(1) Proposal For Banking Services document.
(2) Responses to Questions as Contained in the RFP.
(3) Information regarding The First.

We sincerely appreciate this opportunity to receive and submit a proposal for the Baldwin County Commission and trust you will call on us if you require any follow up information or have any questions.

Very truly yours,

W. Wade Neth

W. Wade Neth
Regional President
The First, A National Banking Association

Proposal For Banking Services For the Baldwin County Sheriff's Department

Submitted by The First, A National Banking Association

April 5, 2019

The First, A National Banking Association (The First) is pleased to present its proposal for banking services for the Baldwin County Sheriff's Department (Sheriff) under the following terms, provisions and guidelines.

Period of Services:
Three (3) Years. To begin on June 1, 2019 and ending May 31, 2022, with options (2) additional terms of one (1) year each.

- **Proposal for Accounts of The Baldwin County Sheriff's Department currently held in Interest Bearing Accounts (3 accounts) at The First:**

  - Seizure Account Trust (Balance as of 12/31/2018 - $226,831)
  - State Drug Forfeiture Account Trust (Balance as of 12/31/2018 - $72,639)
  - Money Market Account (Balance as of 12/31/2018 - $758,839)

  Total balances as of December 31, 2018: $1,058,309

- **Proposal for Accounts of the Baldwin County Sheriff's Department currently held in ***Non-Interest Bearing Accounts (12 accounts) at The First:**

  - Bail Bond Act (Balance as of 12/31/2018 - $74,967)
  - Disbursement Account (Balance as of 12/31/2018 - $333,838)
  - Federal Forfeiture (Balance as of 12/31/2018 - $272,719)
  - Federal Incentive Account (Balance as of 12/31/2018 - $138,351)
  - Flex Benefit Account (Balance as of 12/31/2018 - $11,013)
  - Food Bill Account (Balance as of 12/31/2018 - $78,548)
  - Food Preparation (Balance as of 12/31/2018 - $686)
  - Inmate Trust Account (Balance as of 12/31/2018 - $9,167)
  - Payroll Account (Balance as of 12/31/2018 - $66,342)
  - Pistol Permit Account (Balance as of 12/31/2018 - $851,773)
  - Process Services Fund (Balance as of 12/31/2018 - $429,340)
  - Service Account (Balance as of 12/31/2018 - $759,545)

  Total balances as of December 31, 2018: $4,301,769

  ******Proposal is to convert each account to the same rate option(s) that are available for the Interest Bearing accounts.***

Proposal For Banking Services For the Baldwin County Commission

Submitted by The First, A National Banking Association

April 5, 2019

The First, A National Banking Association (The First) is pleased to present its proposal for banking services for the Baldwin County Commission (Commission) under the following terms, provisions and guidelines.

Period of Services:
Three (3) Years. To begin on June 1, 2019 and ending May 31, 2022, with options (2) additional terms of one (1) year each.

- **Proposal for Accounts of The Baldwin County Commission currently held in Interest Bearing Accounts (2 accounts) at The First:**

  - SW Trust (Account balance as of 12/31/2018 - $1,617,221)
  - SW Financial Assurance Trust (Account balance as of 12/31/2018 - $5,174,476)

  Total balances as of December 31, 2019: $6,791,697

- **Proposal for Accounts of The Baldwin County Commission to be held in Interest Bearing Accounts as determined by the Commission:**

  - **Remainder of $20 million Bid available for other accounts: $7,848,225**

Your choice or combination of any of the following Interest Rate Options

Variable or Floating Rate - Option 1:
Rate for Interest Bearing Accounts Proposed by The First - Set at the 1 month Daily Treasury Yield Curve Rate Index *(The Index)* Plus 0.13% *(The Margin),* floating. (Interest Rate as of 4/1/2019 would be The Index of 2.42% + The Margin of 0.13% = 2.55%).
Interest rate will change on the first of each month.

Variable or Floating Rate - Option 2:
Rate Interest Bearing Accounts Proposed by The First - Set the 3 month Daily Treasury Yield Curve Rate Index *(The Index)* Plus 0.13% *(The Margin),* floating. (Interest Rate as of 4/1/2019 would be The Index of 2.43% + The Margin of 0.13% = 2.56%).
Interest rate will change on the first of each quarter.

***The Variable Rate Option may be in the form of Money Market Accounts featuring check access and limited withdrawal or transfer terms.

Interest Rate Index Proposed for Variable Rate Option:
1 and 3 month Daily Treasury Yield Curve Rate Index
(The daily rates for 2019 are included as Attachment 1).

https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yield

Fixed Rate - Option 3:
Rate for Interest Bearing Accounts Proposed by The First –
2.29% fixed for 3 years to maturity / expiration of 3-year term.
The Fixed Rate Option may be in the form of Money Market Accounts featuring check access and limited withdrawal or transfer terms

Day of Accounts Interest Rate Set – Monthly / Quarterly, Based on Index plus Margin:
First Business Day of Month / Quarter

Interest Credit to Accounts:
Interest accrues daily. Credit to account monthly or quarterly.

Basis of Interest Calculation: 365 days

Interest earned on 100% of daily collected deposits:
No Reserve Requirement withheld from balances from interest calculation.

Account Service Charges, Fees or Transaction Charges:
None. No account charges incurred by Customer.

Checks & Deposit Tickets:
Provided to Customer at no charge.

Monthly Statements:
Monthly Statements issued on all accounts with cutoff monthly on last business day of each month and delivered to The Customer within 5 business days of end of month.

ACH & Electronic Transfers:
Available upon request by Customer.

Electronic Data File Via Electronic Media:
Provided to include a monthly CD with all account information including check images, front and back

Web Access:
Designated employee(s) to be granted access to check images, account balances and statement available on-line between statement cycles.

Internet Connection:
Provided with secure connection enabling secure transfer of funds. Accounts and account history or transaction activity inquiries. Check images available for 24 months.

On-Line Bill Pay:
Available on all accounts proposed.

Remote Deposit Terminals and Capability:
The First has verified that the current Remote Deposit Terminal in use by the Baldwin County Sheriff's Department is compatible with the deposit systems utilized at The First. There shall be no monthly fee for the use of this Remote Deposit Terminal service.

Designated Account Officer – Bank / County Commission Liaison:
An Executive Officer of The First and additional Deposit Operations and Information Technology support staff shall be available *locally* in Baldwin County at all times to meet on request for any question, issue or problem resolution.

Fraud Prevention Resources:
Positive Pay Services are available with file upload using Internet Banking through supported browsers including Internet Explorer, Firefox, Safari and Google Chrome.

Other Banking Products, Supplies or Services:
Bank to provide at no charge to The Customer, all required endorsement stamps, locking bags, night deposit supplies or other such necessary items required in routine deposit activity.

Attachment 1

Daily Treasury Yield Curve Rates

Get updates to this content.

XML These data are also available in XML format by clicking on the XML icon.

XSD The schema for the XML is available in XSD format by clicking on the XSD icon.

If you are having trouble viewing the above XML in your browser, click here.

To access interest rate data in the legacy XML format and the corresponding XSD schema, click here.

Select type of Interest Rate Data

Daily Treasury Yield Curve Rates Go

Select Time Period

2019 Go

Date	1 Mo	2 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
01/02/19	2.40	2.40	2.42	2.51	2.60	2.50	2.47	2.49	2.56	2.66	2.83	2.97
01/03/19	2.42	2.42	2.41	2.47	2.50	2.39	2.35	2.37	2.44	2.56	2.75	2.92
01/04/19	2.40	2.42	2.42	2.51	2.57	2.50	2.47	2.49	2.56	2.67	2.83	2.98
01/07/19	2.42	2.42	2.45	2.54	2.58	2.53	2.51	2.53	2.60	2.70	2.86	2.99
01/08/19	2.40	2.42	2.46	2.54	2.60	2.58	2.57	2.58	2.63	2.73	2.88	3.00
01/09/19	2.40	2.42	2.45	2.52	2.59	2.56	2.54	2.57	2.64	2.74	2.90	3.03
01/10/19	2.42	2.42	2.43	2.51	2.59	2.56	2.54	2.56	2.63	2.74	2.92	3.06
01/11/19	2.41	2.43	2.43	2.50	2.58	2.55	2.51	2.52	2.60	2.71	2.90	3.04
01/14/19	2.42	2.43	2.45	2.52	2.57	2.53	2.51	2.53	2.60	2.71	2.91	3.06
01/15/19	2.41	2.43	2.45	2.52	2.57	2.53	2.51	2.53	2.61	2.72	2.92	3.08
01/16/19	2.41	2.40	2.43	2.49	2.57	2.55	2.53	2.54	2.62	2.73	2.92	3.07
01/17/19	2.41	2.41	2.42	2.50	2.57	2.56	2.55	2.58	2.66	2.75	2.93	3.07
01/18/19	2.40	2.40	2.41	2.50	2.60	2.62	2.60	2.62	2.70	2.79	2.95	3.09
01/22/19	2.38	2.40	2.43	2.51	2.59	2.58	2.55	2.57	2.65	2.74	2.91	3.06
01/23/19	2.37	2.38	2.41	2.51	2.59	2.58	2.57	2.59	2.66	2.76	2.93	3.07
01/24/19	2.38	2.41	2.37	2.50	2.58	2.56	2.54	2.55	2.62	2.72	2.89	3.04
01/25/19	2.36	2.41	2.39	2.51	2.60	2.60	2.58	2.59	2.66	2.76	2.92	3.06

Date	1 Mo	2 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
01/28/19	2.39	2.41	2.42	2.51	2.60	2.60	2.58	2.58	2.65	2.75	2.92	3.06
01/29/19	2.39	2.41	2.42	2.51	2.60	2.56	2.54	2.55	2.61	2.72	2.90	3.04
01/30/19	2.40	2.39	2.42	2.50	2.57	2.52	2.49	2.49	2.58	2.70	2.90	3.06
01/31/19	2.42	2.43	2.41	2.46	2.55	2.45	2.43	2.43	2.51	2.63	2.83	2.99
02/01/19	2.41	2.42	2.40	2.46	2.56	2.52	2.50	2.51	2.59	2.70	2.88	3.03
02/04/19	2.41	2.41	2.42	2.49	2.57	2.53	2.52	2.53	2.62	2.73	2.92	3.06
02/05/19	2.39	2.40	2.42	2.50	2.56	2.53	2.50	2.51	2.60	2.71	2.89	3.03
02/06/19	2.40	2.41	2.42	2.50	2.56	2.52	2.50	2.50	2.59	2.70	2.88	3.03
02/07/19	2.43	2.43	2.42	2.49	2.55	2.48	2.46	2.46	2.54	2.65	2.85	3.00
02/08/19	2.43	2.43	2.43	2.49	2.54	2.45	2.43	2.44	2.53	2.63	2.82	2.97
02/11/19	2.44	2.44	2.45	2.51	2.55	2.48	2.47	2.47	2.56	2.65	2.85	3.00
02/12/19	2.42	2.43	2.43	2.50	2.55	2.50	2.48	2.49	2.58	2.68	2.87	3.02
02/13/19	2.42	2.42	2.44	2.51	2.55	2.53	2.52	2.53	2.61	2.71	2.89	3.04
02/14/19	2.45	2.43	2.43	2.51	2.53	2.50	2.48	2.48	2.56	2.66	2.85	3.01
02/15/19	2.43	2.43	2.43	2.50	2.55	2.52	2.50	2.49	2.57	2.66	2.84	3.00
02/19/19	2.44	2.42	2.45	2.52	2.54	2.50	2.47	2.47	2.55	2.65	2.84	2.99
02/20/19	2.41	2.42	2.45	2.51	2.54	2.50	2.47	2.47	2.55	2.65	2.84	3.00
02/21/19	2.43	2.44	2.45	2.51	2.55	2.53	2.49	2.51	2.59	2.69	2.89	3.05
02/22/19	2.43	2.45	2.46	2.51	2.55	2.48	2.46	2.47	2.55	2.65	2.86	3.02
02/25/19	2.44	2.46	2.47	2.51	2.56	2.51	2.48	2.48	2.57	2.67	2.87	3.03
02/26/19	2.43	2.44	2.45	2.51	2.55	2.48	2.44	2.45	2.54	2.64	2.84	3.01
02/27/19	2.43	2.44	2.45	2.52	2.54	2.50	2.48	2.49	2.59	2.69	2.91	3.07
02/28/19	2.44	2.47	2.45	2.50	2.54	2.52	2.50	2.52	2.63	2.73	2.94	3.09
03/01/19	2.44	2.46	2.44	2.52	2.55	2.55	2.54	2.56	2.67	2.76	2.97	3.13
03/04/19	2.45	2.46	2.46	2.54	2.54	2.55	2.52	2.53	2.63	2.72	2.93	3.09

Date	1 Mo	2 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
03/05/19	2.44	2.45	2.46	2.53	2.54	2.55	2.52	2.53	2.63	2.72	2.93	3.08
03/06/19	2.43	2.44	2.47	2.53	2.54	2.52	2.49	2.49	2.59	2.69	2.90	3.06
03/07/19	2.45	2.46	2.45	2.52	2.52	2.47	2.44	2.44	2.54	2.64	2.86	3.03
03/08/19	2.45	2.46	2.46	2.52	2.53	2.45	2.43	2.42	2.51	2.62	2.83	3.00
03/11/19	2.44	2.45	2.46	2.54	2.53	2.47	2.45	2.44	2.53	2.64	2.86	3.03
03/12/19	2.44	2.46	2.46	2.53	2.52	2.45	2.41	2.41	2.50	2.61	2.82	3.00
03/13/19	2.43	2.44	2.45	2.53	2.53	2.45	2.41	2.42	2.51	2.61	2.82	3.02
03/14/19	2.48	2.46	2.45	2.52	2.52	2.46	2.42	2.43	2.53	2.63	2.86	3.04
03/15/19	2.46	2.46	2.45	2.52	2.52	2.43	2.39	2.40	2.49	2.59	2.83	3.02
03/18/19	2.47	2.46	2.44	2.51	2.52	2.45	2.41	2.42	2.51	2.60	2.83	3.01
03/19/19	2.46	2.47	2.46	2.52	2.50	2.46	2.42	2.42	2.51	2.61	2.84	3.02
03/20/19	2.45	2.45	2.48	2.49	2.47	2.40	2.34	2.34	2.44	2.54	2.79	2.98
03/21/19	2.51	2.47	2.49	2.50	2.48	2.41	2.34	2.34	2.44	2.54	2.78	2.96
03/22/19	2.49	2.48	2.46	2.48	2.45	2.31	2.24	2.24	2.34	2.44	2.69	2.88
03/25/19	2.47	2.47	2.46	2.49	2.41	2.26	2.19	2.21	2.32	2.43	2.68	2.87
03/26/19	2.46	2.44	2.46	2.49	2.44	2.24	2.18	2.18	2.29	2.41	2.67	2.86
03/27/19	2.45	2.43	2.44	2.46	2.40	2.22	2.16	2.18	2.28	2.39	2.63	2.83
03/28/19	2.44	2.45	2.43	2.44	2.40	2.23	2.18	2.20	2.29	2.39	2.62	2.81
03/29/19	2.43	2.44	2.40	2.44	2.40	2.27	2.21	2.23	2.31	2.41	2.63	2.81
04/01/19	2.42	2.43	2.43	2.46	2.41	2.33	2.29	2.31	2.40	2.49	2.71	2.89
04/02/19	2.43	2.42	2.42	2.45	2.41	2.30	2.26	2.28	2.38	2.48	2.70	2.88

Attachment 2

Responses To Banking Services Questions / Statements

Proposal For Banking Services For the Baldwin County Commission

Submitted by The First, A National Banking Association

April 5, 2019

In accordance with the Banking Services / Questions Section of the Request for Proposals for the Baldwin County Commission, following is a summary of answers for Sections A. through H. and information on Commercial Credit Cards / Purchase Cards, Lockbox Services, Merchant/Credit Cards Services and Investments.

The First Website may be accessed for review and inquiry as follows:

www.thefirstbank.com

User ID – mouse

Password – thefirst5

A. Wire Transfers

The First maintains very adequate policies and security protocols for incoming and outgoing wire transfers for the protection of the customer and institution. Presently, wires cannot be initiated on-line by customer(s).

- Wire cannot be processed on Online Banking without dual control verification using security tokens.
- In person with signature – Over $50,000 has to be signed off by an officer.
- Wire funds must be considered collected funds.
- Can have pin # and deal directly with the wire department - They can email the wire department the information and the wire department can complete the wire form, call the customer back and get PIN # before sending (Have to set up wire agreement to do this) or they can prepare the form themselves and send it to the wire department and the wire department will call back for pin. (They being the customer)

1b. Wires have a cut off time of 3:00pm

2. Wires should not be submitted in advance due to OFAC procedures. OFAC must be inquired on the day the wire is sent. If a customer has a wire agreement and the pin # they can let the wire

department know if they are sending the same wire over and over and they will maintain the information. The customer will need to call with their PIN code on the day they want the wire sent.

3. When a wire goes out the customer can receive an email confirmation. Incoming wires show up on their internet banking as soon as it is posted.
4. We are an ACH originating bank. However, we do not offer one-time ACH payments.

B. Electronic Banking

1. Yes
   - a.. Yes
   - b. Yes
   - c. Yes
   - d. Yes, transactions are real-time and may be viewed anytime.
   - e. Internet banking provides 3 prior transaction history. Information prior to 3 months can be obtained on request from The Bank at no charge for a period of up to 7 years.
   - f. Yes
   - g. Yes
   - h. Once posted to account, ACH transaction may be viewed.
   - i. Yes, from the download tab in Online Banking
   - j. The Bank's IT Dept and Deposit Operations Dept. will work with Customer to customize reports as requested.

2. a. Yes, with executed agreement and use of PIN.
   - b. Stop payments for checks may be initiated on-line. ACH transactions cannot be stopped on-line. Those must be called in to The Bank.
   - c. Yes
   - d. Yes

3. a. Yes
   - b. Yes
   - c. Yes
   - d. Yes, Positive Pay.
   - e. Yes, Bank Statements.
   - f. Not applicable.

4. USB token device provided for Cash Management. Multi-user capability

5. Downtime for customer access to accounts within prior 12 months is extremely minimal. Most account maintenance activity performed over weekends.

6. Customer Service call-in assistance for Online Banking is available
   Customer Service Help Desk is open during business hours 8-5 daily.

7. Customer notification for upcoming system upgrades are posted on Internet Banking site and via e-mail. No major upgrade works is presently scheduled in next 12 months.

8. Additional services of potential assistance to Customer include Bill Pay and Positive Pay.

C. **Positive Pay**

1. Yes, Positive Pay Services are available. Files are uploaded using Internet Banking via The Bank's Cash Management suite. Supported browsers are: Internet Explorer, Firefox, Safari-Apple/Mac Users only, and Google Chrome. Receipt acknowledgments are not provided.

2. Files may be transmitted until 4 p.m.

3. CSV or fixed position can be uploaded. Stop Payments can be added using Internet Banking or the local branch office may be notified.

4. Each presented check which Bank pays in accordance with Positive Pay Service Agreement will be deemed to be properly payable. Each matching check or other check Customer has authorized Bank to pay in accordance with this service will be paid without Bank performing its customary (or any other) check verification procedures, and Bank does not incur liability for paying check if its serial number or amount is altered, or if it is counterfeit, bears a forged or unauthorized signature or was otherwise not validly issued. Each check which is not a matching check and which Bank returns pursuant to the terms of the Service Agreement will be deemed not to be properly payable. Customer agrees to indemnify and hold Bank harmless from any losses it may incur as a result of its payment of a matching check or other check at Customer's instruction.

5. Images are available on-line for 90 days.

6. Positive Pay service is available on issued checks with valid MICR lines. ACH is not included as well as checks that are converted to ACH.

7. The First is a memo-post bank. Customer can work current day exceptions until 10:00am. Images are available on-line. If exception items are not worked before 10:00am, The Bank's Deposit Operations Department will issue an e-mail to the Customer detailing unworked exceptions. Customer has until 11 a.m. to respond with a pay or return decision. If decision is not sent back from Customer to Deposit Operations by 11 a.m., the Positive Pay Agreement option chosen by Customer will prevail (pay/return).

8. Exception items are available every morning via Online Banking. These items will be items that attempted to post the prior business day. The deadline is 10:00am.

D. ACH Payments and Direct Deposit Payroll System

1. When a submission is made the Customer receives a verification report.

2. See separate attachment for continuation of ACH transactions during a "Disaster Period" and copy of the Formal Disaster Plan. The Bank has not experienced a period of operational dysfunction or business interruption of service from either a man-made or weather related disaster within the last 5 years. The Bank has a formal disaster plan which includes a detailed protocol for continued operation and customer access. The plan is included in this response.

3. 2 days before by 3:00 p.m. to ensure employee access to payroll remittance. Funds in employee's account would be available prior to 8 a.m. on the date of payday. For any resolution required prior to 8 a.m. on payday, the Treasury Management Support hotline may be called same-day prior to 8 a.m. Local branch employees begin taking calls at 8 a.m. also.

4. ACH receipt verification is sent to Customer as acknowledgment via e-mail. The customer can also request an email that can be setup to send out automatically when the file is verified.

5. An ACH Deletion request, post-transfer, may be initiated via e-mail by Customer to: achmanager@thefirstbank.com The bank can delete transactions that have not been sent. A reversal request must be received within 5 banking days of the original settlement date.

6. No. A Pre-Notification Run is not required.

7. Mail notice. Payroll notice will be e-mailed.

8. N/A

9. The customer is required to login to Online Banking then click the ACH Client link to access the ACH Processing site. ACH Client is a separate site.

10. The First utilizes standard NACHA formatting for record layout for ACH transactions. A sample copy is included in this proposal.

E. Statement and Reporting Frequency

1. Sample account Statement enclosed.

2. Statement cycle will end on last business day of month and statements shall be delivered to Customer office within 5 business days.

3. A CD-ROM including imaging of back and front of all checks will be delivered to Customer.

4. All statements are available on-line for up to 24 months.

F. Deposits

1. To be eligible for processing on the day transmitted, Files must be received by Bank no later than 7:00 pm. Items received after 5:00pm that are exceptions will not be approved until the next business day.

2. Wire notifications are mailed out. ACH transactions are listed on the monthly statement. These items are also available via Online Banking daily.

3. a. Our RDC Company Profit Stars will send an email.

   b. Immediately after the deposit is processed.

   c. Any amount will generate an adjustment. Our system will only reject a deposit if it is over/under $50 of the deposit amount. Otherwise, the deposit is posted.

   d. The bank will research any amount of discrepancy. The customer will have access to all items on the RDC system as well.

4. TellerScan 240 Series is compatible with our system.

5. 7:00 pm through Remote Deposit. 4:30 for in-branch deposits.

6. 90 Days

G. Returned Items

1. Return deposit items returned due to NSF or other reasons may be deposited at a branch a second time. If returned a second time, the return deposit item will be mailed back to Customer. A check deposited via Remote Deposit Capture can only be deposited the first time. It may not be "re-run" through the Remote Deposit terminal. Return deposit items may be viewed on-line.

H. Stop Payments

1. For Stop Payment by Bank, Customer provides Bank with check number, payee, dollar amount and reason for stopping payment. Time is of the essence in order to place the Stop to ensure unauthorized negotiation of the instrument. The Stop Payment must be made by telephone or in-person.
2. A Verbal (telephone) Stop Payment is in effect for a period of 14 days. A written Stop Payment with Customer Signature is in effect for 6 months.

Commercial Credit Cards/Purchase Cards

Yes on all points. We would need to determine the annual spend volume to determine which card product will be best. We do offer cash rebates as well.

Lockbox Services

1. Lockbox services are provided by The First as an in-house product and is not outsourced to a 3rd party. The First's Lockbox processing facility is located in Hattiesburg, MS.
2. Treasury Management Contacts:
    a. J. P. Guinn, Senior Vice President and Director of Treasury Management, has been with The First for 3 years and has over 28 years of banking experience with over 18 of those years focused on Treasury Management Services.
    b. Alicia Foster, Vice President and Treasury Management Operations Manager, has been with The First since 2006 and has over 19 years of banking experience. Ms. Foster directly manages Treasury Management Implementations Group, Client Support, Lockbox Operations, ACH Operations, and Wire Department.
3. Lockbox Processing – Standard Protocol:
    a. Mail is picked up each morning from the Hattiesburg, MS post office and delivered to the Lockbox processing facility. Each Lockbox customer has a unique PO Box address, which keeps mail separated and eliminates the need for sorting mail.
    b. Mail is opened and scanned using state of the art lockbox processing equipment. This equipment has the capability to extract data from remittance coupons and build a posting file for auto posting.

   c. Scanned images of check and coupons are delivered through the online portal, RemitWeb. The portal will also deliver daily reports as well as the auto posting file.

4. The First utilizes a dual verification procedure to ensure accurate processing and that quality assurance guidelines are being adhered to.
5. We have no known security breaches in Lockbox. The lockbox processing area is a secure area and confidentiality of client information is a top priority.
6. All lockbox items are processed on a same-day basis and posted to customer accounts by end of day.
7. The First has backup Lockbox equipment in the event of equipment failure.
8. At the transaction level, the default is to process the payment based on the check amount. Batches must be in balance before the system will allow it to be processed. We use a dual verification process to validate batch and deposit totals.
9. Standard processing includes a "deposit batch" and "correspondence only" batch.
   a. Standard item processing: Standard return envelope, standard coupon with data extraction fields such as MICR line, barcode, QR code, etc. (perforation at the top of the coupon), check written for the amount matching amount due on the coupon.
   b. Non-Standard examples: Check only, non-standard return envelope, check amount different from amount due on coupon, multiple batches for multiple departments.
10. The standard procedure for correspondence is to scan the items into an "image only" batch that can be viewed through the RemitWeb online portal.
11. The robust search features in RemitWeb makes research quick and easy.
12. The standard retention period for paper documents is 6 months.
13. The First offers an E-Lockbox feature whereby bill pay checks are collected electronically from the major bill pay providers in the U.S. The payments are deposited electronically and a daily electronic posting file is delivered via RemitWeb.
14. Setting up a basic Lockbox can be accomplished within a few days. However, coupon testing and auto posting file creation/testing will take additional time. This timeline is greatly dependent on vendor responsiveness/cooperation. Once we have all necessary file specs, sample coupons, processing guidelines, etc., the lockbox can be setup and tested within a couple weeks.

Merchant/Credit Card Services

Thank you for allowing TSYS and The First the opportunity to handle your credit card processing needs. As one of the largest, independent, PCI Compliant processors in the nation you can rest assured that your account is being handled by experienced professionals in a secure environment focused on one thing – providing you with the best service.

SETUP & MAINTENANCE FEES

Application Fee: Waived
Monthly Service Fee: Waived

TRANSACTION FEES (Visa, MasterCard, Discover)

Submission Method: Swiped/Keyed

Discount Rate*: 0.00%
Authorization Fee: $0.06

*The percentage rate paid for qualified Visa/MasterCard/Discover/Amex transactions meeting Visa/MasterCard/Discover/Amex Interchange requirements.

- **TSYS is compatible with merchant software, Pay Flow Pro.**
- **Bank provides next day funding.**
- **Annual savings of $4,968 over current processor.**
- **Three-year merchant services agreement**

OTHER FEES

Protect your company and your customers – always choose a PCI Compliant processor. Learn more at www.VISA.com/cisp

Quarterly PCI Fee: $28.80*
Yearly Admin Fee $0.00
Chargeback Fee: $25.00
ACH Return/Change Fee: $15.00

Investments

The Proposal submitted by The First includes a fixed rate option either in the form of Money Market Accounts (offering limited checking transactions) or Certificates of Deposit.

Baldwin County Commission
Request For Proposal (RFP) - March 15, 2019
EXHIBIT 3 and 4
Calculation of Interest Earned
Fixed Rate of 2.29%

Assumptions: Maximum daily collected balances of $20 Million on Deposit for one year with The First, ANBA

	Current Balance	Interest Accrued	Interest Credited
January	$ 20,000,000.00	$ 38,898.63	$ 38,898.63
February	$ 20,038,898.63	$ 35,202.58	$ 74,101.21
March	$ 20,074,101.21	$ 39,042.75	$ 113,143.96
April	$ 20,113,143.96	$ 37,856.79	$ 151,000.76
May	$ 20,151,000.76	$ 39,192.32	$ 190,193.07
June	$ 20,190,193.07	$ 38,001.82	$ 228,194.89
July	$ 20,228,194.89	$ 39,342.45	$ 267,537.34
August	$ 20,267,537.34	$ 39,418.97	$ 306,956.31
September	$ 20,306,956.31	$ 38,221.59	$ 345,177.90
October	$ 20,345,177.90	$ 39,569.98	$ 384,747.88
November	$ 20,384,747.88	$ 38,368.00	$ 423,115.88
December	$ 20,423,115.88	$ 39,721.56	$ 462,837.44
Totals	$ 20,462,837.44	$ 462,837.44	

Assumptions: Daily collected balances on Deposit for one year as requested in RFP

	Current Balance	Interest Accrued	Interest Credited
January	$ 103,365,890.00	$ 201,039.58	$ 201,039.58
February	$ 103,566,929.58	$ 181,937.30	$ 382,976.88
March	$ 103,748,866.88	$ 201,784.44	$ 584,761.32
April	$ 103,950,651.32	$ 195,655.06	$ 780,416.38
May	$ 104,146,306.38	$ 202,557.43	$ 982,973.81
June	$ 104,348,863.81	$ 196,404.57	$ 1,179,378.39
July	$ 104,545,268.39	$ 203,333.39	$ 1,382,711.77
August	$ 104,748,601.77	$ 203,728.86	$ 1,586,440.63
September	$ 104,952,330.63	$ 197,540.41	$ 1,783,981.04
October	$ 105,149,871.04	$ 204,509.30	$ 1,988,490.34
November	$ 105,354,380.34	$ 198,297.15	$ 2,186,787.49
December	$ 105,552,677.49	$ 205,292.73	$ 2,392,080.22
Totals	$ 105,757,970.22	$ 2,392,080.22	

The First Bancshares, Inc. Reports a 100% Increase in Net Income Available to Common Shareholders; Increases Quarterly Dividend by 40%

HATTIESBURG, Miss., Jan 28, 2019 – The First Bancshares, Inc. (NASDAQ: FBMS), holding company for The First, A National Banking Association, (www.thefirstbank.com) reported today net income available to common shareholders of $21.2 million for the fiscal year ended December 31, 2018, an increase of $10.6 million or 99.9%, compared to $10.6 million for the fiscal year ended December 31, 2017. Operating net earnings increased 77.8% ($13.1 million) for the fiscal year ended December 31, 2018, totaling $30.0 million for fiscal year 2018 as compared to $16.9 million for fiscal year 2017. Operating net earnings for fiscal year 2018 excludes merger-related costs of $10.6 million, net of tax, gain on sale of securities of $0.26 million, net of tax, and non-recurring income in the form of awards from the U. S. Department of the Treasury of $1.6 million, net of tax. Operating net earnings for the fiscal year 2017 excludes merger-related costs of $4.2 million, net of tax, and a $2.1 million charge to income tax expense related to a reduction in our deferred tax asset resulting from the change in tax rate under the Tax Cuts and Jobs Act enacted in December of 2017.

Net income available to common shareholders for the fourth quarter of 2018 totaled $6.9 million compared to $2.4 million for the fourth quarter of 2017, an increase of 184.2%. Operating net earnings for the fourth quarter of 2018 totaled $9.1 million as compared to $4.7 million for the fourth quarter of 2017 representing a 93.2% increase, excluding merger-related costs of $3.2 million, net of tax, in the fourth quarter of 2018 as well as a gain on the sale of securities of $0.26 million, net of tax, and Financial Assistance Award from the U. S. Department of the Treasury of $0.7 million, net of tax, in the fourth quarter of 2018, and excluding merger-related costs of $0.2 million, net of tax, as well as the $2.1 million income tax charge discussed above in the fourth quarter of 2017.

For the full year 2018, fully diluted earnings per share were $1.62, compared to $1.11 for the full year 2017. Fully diluted earnings per share for the quarter ended December 31, 2018, were $0.48, compared to $0.23 for the quarter ended December 31, 2017. Excluding the impact of the merger-related costs and other non-recurring items described above, fully diluted operating earnings per share for the year ended December 31, 2018 were $2.29 as compared to $1.76 for 2017, and were $0.64 for the fourth quarter of 2018 as compared to $0.45 for the fourth quarter of 2017. Fully diluted earnings per share for 2018 include the issuance of 2,012,500 shares of our common stock during the fourth quarter of 2017, 1,134,010 shares issued in connection with the acquisition of Southwest Bancshares, Inc. ("Southwest") during the first quarter of 2018, 726,461 shares issued in connection with the acquisition of Sunshine Financial, Inc. ("Sunshine") during the second quarter of 2018 and 1,763,042 shares issued in connection with the acquisition of FMB Banking Corporation ("FMB") during the fourth quarter of 2018.

Highlights for the Quarter:

- On November 6, 2018, the Company announced the signing of an Agreement and Plan of Merger with FPB Financial Corp ("FPB"), parent company of Florida Parishes Bank, headquartered in Hammond, La. Upon completion, the acquisition will add 7 locations servicing

the Hammond and New Orleans areas in Louisiana and is expected to close during the first quarter of 2019 subject to FPB shareholder approval and customary closing conditions. The Company has received regulatory approval for the acquisition.

- On November 1, 2018, the Company closed as planned the acquisition of FMB Banking Corporation ("FMB"), and its wholly-owned subsidiary, Farmers & Merchants Bank, which added 6 locations servicing Jefferson and Leon counties in Florida and Thomas County in Georgia and completed systems integration during the fourth quarter.
- The Company's Board of Directors increased the quarterly dividend by $0.02 to $0.07 per share, a 40% increase.
- During the quarter, the Company received a $0.95 million Financial Assistance Award from the Community Development Financial Institutions Fund of the U. S. Department of the Treasury as a result of our designation as a Community Development Financial Institution.

M. Ray "Hoppy" Cole, President & Chief Executive Officer, commented, "2018 was a phenomenal year for our Company. Through continued execution of our regional expansion strategy, we closed and integrated 3 acquisitions and posted organic growth of 11.4% in outstanding loans and 5.4% in deposits during the year. As a result, our Company surpassed $3B in total assets at year-end 2018 and posted a 77.8% increase in net operating earnings year over year. I commend the hard work, dedication and extra effort of our team members to achieve such exceptional results. We are thankful for the opportunities and achievement of 2018 and are excited about the prospects for continued growth in 2019."

Balance Sheet

Consolidated assets increased $492.2 million to $3.004 billion at December 31, 2018 from $2.512 billion at September 30, 2018.

Total loans were $2.060 billion at December 31, 2018, as compared to $1.748 billion at September 30, 2018, and $1.225 billion at December 31, 2017, representing increases of $311.9 million or 17.8%, and $835.1 million or 68.2%, respectively. The acquisitions of Southwest, Sunshine and FMB accounted for $695.1 million, net of fair value marks, of the total increase in loans as compared to the fourth quarter of 2017. The acquisition of FMB accounted for $305.6 million, net of fair value marks, of the total increase in loans as compared to the third quarter of 2018. The increase in loans, net of acquired loans, during the sequential quarter amounted to $8.1 million.

Total deposits were $2.457 billion at December 31, 2018, as compared to $2.046 billion at September 30, 2018, and $1.471 billion at December 31, 2017, representing increases of $411.0 million or 20.1%, and $986.0 million or 67.1%, respectively. The acquisitions of Southwest, Sunshine and FMB accounted for $889.2 million of the total increase in deposits as compared to the fourth quarter of 2017. The acquisition of FMB accounted for $445.9 million of the total increase in deposits as compared to the third quarter of 2018. The decrease in deposits of $34.9 million, net of acquired, during the sequential

quarter was largely due to a decrease in NOW accounts of $24.4 million, of which $16.0 million is attributable to the seasonality of the public fund deposits.

Asset Quality

Nonperforming assets totaled $34.3 million at December 31, 2018, an increase of $10.9 million compared to $23.4 million at September 30, 2018 and an increase of $20.8 million compared to December 31, 2017. The majority of the increases in both quarterly comparisons was related to acquired loans. The ratio of the allowance for loan and leases losses (ALLL) to total loans was 0.49% at December 31, 2018, 0.56% at September 30, 2018 and 0.68% at December 31, 2018. The ratio of annualized net charge-offs (recoveries) to total loans was 0.02% for the quarter ended December 31, 2018 compared to 0.03% for the quarter ended September 30, 2018 and 0.003% for the quarter ended December 31, 2017.

Fourth Quarter 2018 vs. Fourth Quarter 2017 Earnings Comparison

Net income available to common shareholders for the fourth quarter of 2018 totaled $6.9 million compared to $2.4 million for the fourth quarter of 2017, an increase of $4.4 million or 184.2%.

Operating net earnings for the fourth quarter of 2018 totaled $9.1 million compared to $4.7 million for the fourth quarter of 2017, an increase of $4.4 million or 93.2%. The calculation of operating net earnings excludes the merger-related costs and other excluded items for each quarter as discussed above.

Net interest income for the fourth quarter of 2018 was $25.3 million, an increase of $10.0 million when compared to the fourth quarter of 2017. The increase was due to interest income earned on a higher volume of loans as well as increased interest rates.

Non-interest income increased $2.8 million for the fourth quarter of 2018 as compared to the fourth quarter of 2017 due to increased service charges and interchange fee income of $1.5 million on the increased deposit base due to the acquisitions. Non-interest income also included the Financial Assistance Award of $0.95 million from the U.S. Department of the Treasury received during the fourth quarter of 2018 as a result of our designation as a Community Development Financial Institution.

Fourth quarter 2018 non-interest expense was $22.2 million, an increase of $9.9 million, or 79.5% as compared to the fourth quarter of 2017. Excluding the increase in acquisition charges of $3.8 million for fourth quarter of 2018, non-interest expense increased $6.1 million in the fourth quarter of 2018, of which $3.9 million was attributable to the operations of Southwest, Sunshine and FMB, as compared to fourth quarter of 2017.

Net interest income was $25.3 million for the fourth quarter of 2018 as compared to $15.2 million for the fourth quarter of 2017. Fully tax equivalent ("FTE") net interest income totaled $25.5 million and $15.5 million for the fourth quarter of 2018 and 2017, respectively. FTE net interest income increased $10.0 million in the prior year quarterly comparison due to increased loan volume as well as increased interest rates. Purchase accounting adjustments accounted for $1.4 million of the difference in net

interest income for the fourth quarter comparisons. Fourth quarter 2018 FTE net interest margin of 4.08% included 24 basis points related to purchase accounting adjustments compared to 3.79% for the same quarter in 2017, which included 3 basis points related to purchase accounting adjustments.

Investment securities totaled $514.9 million, or 17.1% of total assets at December 31, 2018, versus $372.9 million, or 20.9% of total assets at December 31, 2017. The average balance of investment securities increased $118.8 million in prior year quarterly comparison, primarily as a result of the acquisitions. The average tax equivalent yield on investment securities increased 25 basis points to 3.15% from 2.90% in prior year quarterly comparison. The investment portfolio had a net unrealized loss of $2.5 million at December 31, 2018 as compared to a net unrealized loss of $0.6 million at December 31, 2017.

The FTE average yield on all earning assets increased 68 basis points in prior year quarterly comparison, from 4.25% for the fourth quarter of 2017 to 4.93% for the fourth quarter of 2018. Average interest expense increased 49 basis points from 0.60% for the fourth quarter of 2017 to 1.09% for the fourth quarter of 2018 due primarily to increased deposit accounts as well as the issuance of subordinated debt in the second quarter of 2018 and rising interest rates. Cost of all deposits averaged 57 basis points for the fourth quarter of 2018 compared to 37 basis points for the fourth quarter of 2017. Public funds increased $75.8 million when comparing December 31, 2018 to December 31, 2017.

Fourth Quarter 2018 vs Third Quarter 2018 Earnings Comparison

Net income available to common shareholders for the fourth quarter of 2018 increased $1.7 million, or 32.9% to $6.9 million for the fourth quarter of 2018 compared to $5.2 million for the third quarter of 2018.

Operating net earnings for the fourth quarter of 2018 compared to the third quarter of 2018 increased $0.9 million or 11.6% from $8.2 million for the third quarter of 2018 to $9.1 million for the fourth quarter of 2018. Operating net earnings exclude the merger-related costs and other excluded items for the fourth quarter of 2018 as discussed above, and merger-related costs of $3.0 million, net of tax, for the third quarter of 2018.

Net interest income for the fourth quarter of 2018 was $25.3 million as compared to $21.7 million for the third quarter of 2018, an increase of $3.6 million. FTE net interest income increased $3.6 million to $25.5 million from $21.9 million in sequential-quarter comparison. The increase was due to increased loan volume as well as increased interest rates on both sides of the balance sheet. Interest income from purchase accounting adjustments increased $0.9 million in sequential quarter comparison. Fourth quarter 2018 FTE net interest margin of 4.08% included 24 basis points related to purchase accounting adjustments compared to 3.97% for the third quarter in 2018, which included 11 basis points related to purchase accounting adjustments.

Investment securities totaled $514.9 million, or 17.1% of total assets at December 31, 2018, versus $444.0 million, or 17.7% of total assets at September 30, 2018. The average balance of investment securities increased $36.0 million in sequential-quarter comparison, primarily as a result of the

acquisition of FMB. The average tax equivalent yield on investment securities increased 13 basis points to 3.15% from 3.02% in sequential-quarter comparison. The investment portfolio had a net unrealized loss of $2.5 million at December 31, 2018 as compared to a net unrealized loss of $8.4 million at September 30, 2018.

The FTE average yield on all earning assets increased in sequential-quarter comparison from 4.68% to 4.93%. Average interest expense increased 17 basis points from 0.92% for the third quarter of 2018 to 1.09% for the fourth quarter of 2018 due primarily to increased rates as well as an increase in borrowings. Cost of all deposits averaged 57 basis points for the fourth quarter of 2018 compared to 50 basis points for the third quarter of 2018. Public funds decreased $16.0 million when comparing December 31, 2018 to September 30, 2018 when excluding the acquisition of FMB.

Non-interest income increased $1.3 million in sequential-quarter comparison resulting from increased service charges and increased interchange fee income on the increased deposit base related to the acquisition of FMB. Non-interest income for the fourth quarter of 2018 included the Financial Assistance Award received from the U. S. Department of the Treasury for $0.95 million, and for the third quarter included the Bank Enterprise Award received from the U. S. Department of the Treasury for $0.2 million, which resulted in a net increase in non-interest income of $0.7 million for the quarterly comparison.

Non-interest expense for the fourth quarter of 2018 was $22.2 million compared to $19.8 million for the third quarter of 2018. Excluding acquisition charges for each quarter, non-interest expense increased $2.4 million in sequential-quarter comparison, which is attributable to the operations of FMB acquired in the fourth quarter.

Year to Date Earnings Comparison

In year-over-year comparison, net income available to common shareholders increased $10.6 million, or 99.9%, from $10.6 million for the fiscal year December 31, 2017 to $21.2 million for the fiscal year ended December 31, 2018. Operating net earnings increased $13.1 million or 77.8% from $16.9 million for the fiscal year ended December 31, 2017 to $30.0 million for the fiscal year ended December 31, 2018. Operating net earnings excludes merger-related costs, nonrecurring income, gain on sale and other charges described above.

Net interest income increased $25.7 million, or 43.5% in year-over-year comparison, primarily due to interest income earned on a higher volume of loans as well as increased interest rates. Purchase accounting adjustments accounted for only $2.1 million of the increase.

Non-interest income was $20.6 million at December 31, 2018, an increase of $6.2 million, or 43.2% in year-over-year comparison consisting of increases in service charges on deposit accounts of $2.2 million and interchange fee income of $1.5 million on the increased deposit base related to the acquisitions, as well as the receipt of the Financial Assistance and Bank Enterprise Awards in the amounts of $2.1 million.

Non-interest expense was $76.3 million at December 31, 2018, an increase of $20.9 million, or 37.6% in year-over-year comparison primarily resulting from increases in salaries and benefits of $5.9 million related to the acquisitions of Southwest, Sunshine and FMB and increased acquisition charges of $7.1 million. Increases in occupancy, amortization of core deposit intangibles and other non-interest expense for the year-to-date period of 2018 were also attributable to the acquisitions.

Declaration of Cash Dividend

The Company announced that its Board of Directors declared a cash dividend of $0.07 per share, an increase of $0.02 per share, or 40.0% to be paid on its common stock on February 26, 2019 to shareholders of record as of the close of business on February 11, 2019.

About The First Bancshares, Inc.

The First Bancshares, Inc., headquartered in Hattiesburg, Mississippi, is the parent company of The First, A National Banking Association. Founded in 1996, The First has operations in Mississippi, Louisiana, Alabama, Florida and Georgia. The Company's stock is traded on the NASDAQ Global Market under the symbol FBMS. Information is available on the Company's website: www.thefirstbank.com.

Non-GAAP Financial Measures

Our accounting and reporting policies conform to generally accepted accounting principles ("GAAP") in the United States and prevailing practices in the banking industry. However, certain non-GAAP measures are used by management to supplement the evaluation of our performance. This press release includes operating net earnings, operating earnings per share, fully tax equivalent net interest income, total tangible common equity, tangible book value per common share and certain ratios derived from these non-GAAP financial measures. The Company believes that the non-GAAP financial measures included in this press release allow management and investors to understand and compare results in a more consistent manner for the periods presented in this press release. Non-GAAP financial measures should be considered supplemental and not a substitute for the Company's results reported in accordance with GAAP for the periods presented, and other bank holding companies may define or calculate these measures differently. These non-GAAP financial measures should not be considered in isolation and do not purport to be an alternative to net income, earnings per share, net interest income, book value or other GAAP financial measures as a measure of operating performance. A reconciliation of these non-GAAP financial measures to the most comparable GAAP measure is provided in this press release following the Condensed Consolidated Financial Information (unaudited).

Forward Looking Statements

This news release contains statements regarding the projected performance of The First Bancshares, Inc. and its subsidiary. These statements constitute forward-looking information within the meaning of the Private Securities Litigation Reform Act. Actual results may differ materially from the projections provided in this release since such projections involve significant known and unknown risks and uncertainties. Factors that might cause such differences include, but are not limited to: competitive

pressures among financial institutions increasing significantly; economic conditions, either nationally or locally, in areas in which the Company conducts operations being less favorable than expected; interest rate risk; legislation or regulatory changes which adversely affect the ability of the consolidated Company to conduct business combinations or new operations; and risks related to the proposed acquisition of FPB and the acquisitions of Southwest, Sunshine and FMB, including the risk that the proposed acquisition of FPB does not close when expected or at all because of required shareholder or other approvals and other conditions to closing are not received or satisfied on a timely basis or at all, the terms of the proposed transactions with FPB need to be modified to satisfy such approvals or conditions, and that anticipated benefits from the transactions with Southwest, Sunshine, FMB and FPB are not realized in the time frame anticipated or at all as a result of changes in general economic and market conditions or other unexpected factors or events. These and other factors that could cause results to differ materially from those described in the forward-looking statements, as well as a discussion of the risks and uncertainties that may affect our business, can be found in our Annual Report on Form 10-K and in other filings we make with the Securities and Exchange Commission, which are available on the SEC's website, http://www.sec.gov. The Company disclaims any obligation to update such factors or to publicly announce the results of any revisions to any of the forward-looking statements included herein to reflect future events or developments.

FIRST BANCSHARES, INC and SUBSIDIARIES
Condensed Consolidated Financial Information (unaudited)
(in thousands except per share data)

EARNINGS DATA	Quarter Ended 12/31/18	Quarter Ended 9/30/18	Quarter Ended 6/30/18	Quarter Ended 3/31/18	Quarter Ended 12/31/17
Total Interest Income	$ 30,555	$ 25,628	$ 25,037	$ 18,758	$ 17,143
Total Interest Expense	5,285	3,959	3,468	2,378	1,922
Net Interest Income	25,270	21,669	21,569	16,380	15,221
FTE net interest income*	25,524	21,925	21,826	16,609	15,523
Provision for loan losses	574	412	857	277	122
Non-interest income	6,396	5,074	5,632	3,459	3,556
Non-interest expense	22,249	19,786	19,680	14,597	12,390
Earnings before income taxes	8,843	6,545	6,664	4,965	6,265
Income tax expense	1,982	1,383	1,419	1,008	3,851
Net income available to common shareholders	$ 6,861	$ 5,162	$ 5,245	$ 3,957	$ 2,414
PER COMMON SHARE DATA					
Basic earnings per share	$ 0.48	$ 0.39	$ 0.40	$ 0.34	$ 0.23
Diluted earnings per share	0.48	0.39	0.40	0.34	0.23
Diluted earnings per share, operating*	0.64	0.62	0.62	0.46	0.45
Quarterly dividends per share	.05	.05	.05	.05	.0375
Book value per common share at end of period	24.49	22.09	21.88	20.95	19.92
Tangible common book value at period end*	16.88	17.10	16.82	16.39	17.71
Market price at end of period	30.91	39.05	36.80	32.25	34.20
Shares outstanding at period end	14,830,598	13,074,516	13,065,953	12,339,492	11,165,907
Weighted average shares outstanding:					
Basic	14,247,555	13,072,455	13,065,953	11,556,968	10,521,236
Diluted	14,371,562	13,192,207	13,167,969	11,652,959	10,598,036
AVERAGE BALANCE SHEET DATA					
Total assets	$2,812,212	$2,470,607	$2,443,176	$1,986,150	$1,810,252
Loans and leases	1,959,179	1,720,884	1,696,737	1,325,272	1,215,962
Total deposits	2,296,966	2,069,910	2,115,661	1,683,999	1,475,628
Total common equity	328,250	284,839	274,535	230,255	205,580
Total tangible common equity*	222,402	219,077	217,092	196,326	180,322
SELECTED RATIOS					
Annualized return on avg assets	0.98%	0.84%	0.86%	0.80%	0.53%
Annualized return on avg assets, operating*	1.30%	1.33%	1.33%	1.08%	1.05%
Annualized return on avg common equity, operating*	11.14%	11.51%	11.85%	9.31%	9.21%
Annualized return on avg tangible common equity, oper*	16.44%	14.96%	14.99%	10.92%	10.49%
Average loans to average deposits	85.29%	83.14%	80.20%	78.70%	82.40%
FTE Net Interest Margin*	4.08%	3.97%	3.92%	3.67%	3.79%
Efficiency Ratio	69.69%	73.28%	71.67%	72.74%	64.94%
Efficiency Ratio, operating*	59.06%	58.25%	57.70%	63.98%	62.93%

CREDIT QUALITY					
Allowance for loan losses (ALLL) as a % of total loans	0.49%	0.56%	0.56%	0.57%	0.68%
Nonperforming assets to tangible equity + ALLL	13.17%	10.05%	7.88%	6.99%	6.56%
Nonperforming assets to total loans + ORE	1.66%	1.33%	1.04%	0.97%	1.10%
Annualized QTD net charge-offs (recoveries) to total loans	0.02%	0.03%	0.003%	(0.02%)	0.003%

*See reconciliation of Non-GAAP financial measures

FIRST BANCSHARES, INC and SUBSIDIARIES
Condensed Consolidated Financial Information (unaudited)
(in thousands)

BALANCE SHEET	Dec 31, 2018	Sept 30, 2018	June 30, 2018	Mar 31, 2018	Dec 31, 2017
Assets					
Cash and cash equivalents	$ 159,107	$ 122,371	$ 120,425	$ 162,521	$ 91,922
Securities available-for-sale	492,701	424,940	437,011	425,529	356,893
Securities held-to-maturity	6,000	6,000	6,000	6,000	6,000
Other investments	16,227	13,104	10,320	10,399	9,969
Total investment securities	514,928	444,044	453,331	441,928	372,862
Loans held for sale	4,838	4,269	5,914	2,538	4,790
Total loans	2,060,422	1,748,483	1,710,271	1,516,579	1,225,306
Allowance for loan losses	(10,065)	(9,765)	(9,512)	(8,659)	(8,288)
Loans, net	2,050,357	1,738,718	1,700,759	1,507,920	1,217,018
Premises and equipment	74,783	62,342	62,289	57,430	46,426
Other Real Estate	10,869	8,453	7,890	7,357	7,158
Goodwill and other intangibles	112,916	65,238	66,105	56,343	24,670
Other assets	76,188	66,355	64,976	63,376	48,392
Total assets	$3,003,986	$2,511,790	$2,481,689	$2,299,413	$1,813,238
Liabilities and Shareholders' Equity					
Non-interest bearing deposits	$ 570,148	$ 430,430	$ 459,402	$ 414,142	$ 301,989
Interest-bearing deposits	1,887,311	1,616,016	1,637,833	1,577,502	1,168,576
Total deposits	2,457,459	2,046,446	2,097,235	1,991,644	1,470,565
Borrowings	85,500	85,508	10,516	29,034	104,072
Subordinated debentures	80,521	75,117	75,192	10,310	10,310
Other liabilities	17,252	15,921	12,920	9,886	5,823
Total liabilities	2,640,732	2,222,992	2,195,863	2,040,874	1,590,770
Total shareholders' equity	363,254	288,798	285,826	258,539	222,468
Total liabilities and shareholders' equity	$3,003,986	$2,511,790	$2,481,689	$2,299,413	$1,813,238

FIRST BANCSHARES, INC and SUBSIDIARIES
Condensed Consolidated Financial Information (unaudited)
(in thousands except per share data)

	Three Months Ended				
EARNINGS STATEMENT	**12/31/18**	**9/30/18**	**6/30/18**	**3/31/18**	**12/31/17**
Interest Income:					
Loans, including fees	$ 25,184	$ 21,824	$ 21,155	$ 15,926	$ 14,687
Investment securities	3,785	3,126	3,181	2,661	2,346
Accretion of purchase accounting adjustments	1,532	583	559	59	57
Other interest income	54	95	142	112	53
Total interest income	30,555	25,628	25,037	18,758	17,143
Interest Expense:					
Deposits	3,506	2,740	2,498	1,840	1,455
Borrowings	482	52	147	460	392
Subordinated debentures	1,179	1,125	774	78	105
Accretion of purchase accounting adjustments	118	42	49	-	(30)
Total interest expense	5,285	3,959	3,468	2,378	1,922
Net interest income	25,270	21,669	21,569	16,380	15,221
Provision for loan losses	574	412	857	277	122
Net interest income after provision for loan losses	24,696	21,257	20,712	16,103	15,099
Non-interest Income:					
Service charges on deposit accounts	1,887	1,538	1,341	1,027	908
Mortgage Income	969	1,066	1,213	800	1,102
Interchange Fee Income	1,527	1,180	1,500	1,040	961
Gain (loss) on securities, net	334	-	(5)	-	3
Gain on sale of premises and equipment	-	-	-	-	-
Financial Assistance Award/Bank Enterprise Award	950	233	917	-	-
Other charges and fees	729	1,057	666	592	582
Total non-interest income	6,396	5,074	5,632	3,459	3,556
Non-interest expense:					
Salaries and employee benefits	10,336	9,266	9,502	7,789	7,478
Occupancy expense	2,281	2,163	2,034	1,647	1,427
FDIC premiums	369	278	368	367	365
Marketing	173	60	70	80	118
Amortization of core deposit intangibles	750	349	356	201	173
Other professional services	452	847	438	189	194
Acquisition charges	4,155	4,059	3,838	1,758	384
Other non-interest expense	3,733	2,764	3,074	2,566	2,251
Total Non-interest expense	22,249	19,786	19,680	14,597	12,390
Earnings before income taxes	8,843	6,545	6,664	4,965	6,265
Income tax expense	1,982	1,383	1,419	1,008	3,851
Net income available to common shareholders	$ 6,861	$ 5,162	$ 5,245	$ 3,957	$ 2,414
Diluted earnings per common share	$ 0.48	$ 0.39	$ 0.40	$ 0.34	$ 0.23
Diluted earnings per common share, operating*	$ 0.64	$ 0.62	$ 0.62	$ 0.46	$ 0.45
*See reconciliation of Non-GAAP financial measures					

FIRST BANCSHARES, INC and SUBSIDIARIES
Condensed Consolidated Financial Information (unaudited)
(in thousands except per share data)

	Year to Date	
EARNINGS STATEMENT	**2018**	**2017**
Interest Income:		
Loans, including fees	$ 84,089	$ 56,903
Investment securities	12,753	8,852
Accretion of purchase accounting adjustments	2,733	224
Other interest income	403	390
Total interest income	99,978	66,069
Interest Expense:		
Deposits	10,584	5,453
Borrowings	1,142	1,372
Subordinated debentures	3,156	276
Amortization (Accretion) of purchase accounting adjustments	209	(192)
Total interest expense	15,091	6,909
Net interest income	84,887	59,160
Provision for loan losses	2,120	506
Net interest income after provision for loan losses	82,767	58,654
Non-interest Income:		
Service charges on deposit accounts	5,793	3,600
Mortgage Income	4,048	4,502
Interchange Fee Income	5,247	3,758
Gain (loss) on securities, net	329	(16)
Gain on sale of premises and equipment	-	-
Financial Assistance Award/Bank Enterprise Award	2,100	-
Other charges and fees	3,044	2,519
Total non-interest income	20,561	14,363
Non-interest expense:		
Salaries and employee benefits	36,893	30,052
Occupancy expense	8,125	5,535
FDIC premiums	1,382	1,252
Marketing	382	336
Amortization of core deposit intangibles	1,657	664
Other professional services	1,926	1,395
Acquisition charges	13,810	6,711
Other non-interest expense	12,136	9,501
Total Non-interest expense	76,311	55,446
Earnings before income taxes	27,017	17,571
Income tax expense	5,792	6,955
Net income available to common shareholders	$ 21,225	$ 10,616
Diluted earnings per common share	$ 1.62	$ 1.11
Diluted earnings per common share, operating*	$ 2.29	$ 1.76
*See reconciliation of Non-GAAP financial measures		

FIRST BANCSHARES, INC and SUBSIDIARIES
Condensed Consolidated Financial Information (unaudited)
(in thousands)

COMPOSITION OF LOANS	Dec 31, 2018	Percent of Total	Sept 30, 2018	June 30, 2018	Mar 31, 2018	Dec 31, 2017	Percent of Total
Commercial, financial and agricultural	$ 301,182	14.6%	$ 246,401	$ 228,643	$ 213,118	$ 165,780	13.5%
Real estate – construction	298,718	14.5%	251,240	229,164	213,712	183,328	14.9%
Real estate – commercial	776,880	37.6%	654,040	658,096	561,153	467,484	38.0%
Real estate – residential	617,804	29.9%	529,515	546,120	475,868	385,099	31.3%
Lease Financing Receivable	2,891	0.1%	2,659	2,476	2,433	2450	0.2%
Obligations of States & subdivisions	16,941	0.8%	16,374	10,627	15,861	3,109	0.3%
Consumer	46,006	2.2%	48,254	35,145	34,434	18,056	1.5%
Loans held for sale	4,838	0.3%	4,269	5,914	2,538	4,790	0.3%
Total loans	$2,065,260	100%	$1,752,752	$1,716,185	$1,519,117	$1,230,096	100%

COMPOSITION OF DEPOSITS	Dec 31, 2018	Percent of Total	Sept 30, 2018	June 30, 2018	Mar 31, 2018	Dec 31, 2017	Percent of Total
Noninterest bearing	$570,148	23.2%	$430,430	$459,402	$414,142	$301,989	20.5%
NOW and other	835,434	34.0%	705,851	731,617	761,318	601,694	40.9%
Money Market/Savings	566,276	23.0%	503,772	519,516	434,569	283,579	19.3%
Time Deposits of less than $250,000	384,030	15.6%	321,619	308,086	295,317	220,951	15.0%
Time Deposits of $250,000 or more	101,571	4.2%	84,774	78,614	86,298	62,352	4.3%
Total Deposits	$2,457,459	100%	$2,046,446	$2,097,235	$1,991,644	$1,470,565	100%

ASSET QUALITY DATA	Dec 31, 2018		Sept 30, 2018	June 30, 2018	Mar 31, 2018	Dec 31, 2017	
Nonaccrual loans	$ 21,895		$ 13,572	$ 8,440	$ 5,746	$ 5,674	
Loans past due 90 days and over	1,325		805	940	1,096	285	
Total nonperforming loans	23,220		14,377	9,380	6,842	5,959	
Other real estate	10,869		8,453	7,890	7,357	7,158	
Nonaccrual securities	208		616	616	616	408	
Total nonperforming assets	$ 34,297		$23,446	$17,886	$14,815	$ 13,525	
Nonperforming assets to total assets	1.14%		0.93%	0.72%	0.64%	0.75%	
Nonperforming assets to total loans + ORE	1.66%		1.33%	1.04%	0.97%	1.10%	
ALLL to nonperforming loans	43.35%		67.92%	101.41%	128.13%	139.08%	
ALLL to total loans	0.49%		0.56%	0.56%	0.57%	0.68%	
Quarter-to-date net charge-offs (recs)	$ 93		$ 151	$ 12	$ (94)	$ 9	
Annualized QTD net chg/offs (recs) to loans	0.02%		0.03%	0.003%	(0.02%)	0.003%	

FIRST BANCSHARES, INC and SUBSIDIARIES
Condensed Consolidated Financial Information (unaudited)
(in thousands)

Yield Analysis	Three Months Ended December 31, 2018			Three Months Ended September 30, 2018			Three Months Ended June 30, 2018			Three Months Ended March 31, 2018			Three Months Ended December 31, 2017		
	Avg Balance	Tax Equivalent interest	Yield/ Rate	Avg Balance	Tax Equivalent interest	Yield/ Rate	Avg Balance	Tax Equivalent interest	Yield/ Rate	Avg Balance	Tax Equivalent interest	Yield/ Rate	Avg Balance	Tax Equivalent interest	Yield/ Rate
Taxable securities	$ 369,820	$ 2,808	3.04%	$ 331,601	$ 2,369	2.86%	$ 328,898	$ 2,423	2.95%	$ 274,595	$ 1,986	2.89%	$ 271,459	$ 1,760	2.59%
Tax-exempt securities	114,055	1,003	3.52%	116,235	1,013	3.49%	117,875	1,015	3.44%	106,161	904	3.41%	93,645	888	3.79%
Total investment securities	483,875	3,811	3.15%	447,836	3,382	3.02%	446,773	3,438	3.08%	380,756	2,890	3.04%	365,104	2,648	2.90%
FFS & Int bearing dep in other banks	57,655	282	1.96%	42,174	95	0.90%	85,321	142	0.67%	105,689	112	0.42%	59,184	52	0.35%
Loans	1,959,179	26,716	5.45%	1,720,884	22,407	5.21%	1,696,737	21,714	5.12%	1,325,272	15,985	4.82%	1,215,962	14,745	4.85%
Total Interest earning assets	2,500,709	30,809	4.93%	2,210,894	25,884	4.68%	2,228,831	25,294	4.54%	1,811,717	18,987	4.19%	1,640,250	17,445	4.25%
Other assets	311,503			259,713			214,345			174,433			170,002		
Total assets	$ 2,812,212			$2,470,607			$2,443,176			$1,986,150			$1,810,252		
Interest-bearing liabilities:															
Deposits	$ 1,776,780	$ 3,615	0.81%	$1,629,195	$ 2,782	0.68%	$1,676,110	$ 2,547	0.61%	$1,330,925	$ 1,840	0.55%	$1,173,386	$ 1,425	0.49%
Repo	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%
Fed funds purchased	1,455	18	4.95%	1,893	27	5.71%	1,382	9	2.60%	202	1	1.98%	2,543	11	1.73%
FHLB & FTN	92,352	465	2.01%	22,469	25	0.45%	22,959	138	2.40%	71,944	459	2.55%	103,421	381	1.47%
Subordinated debentures	75,391	1,187	6.30%	75,124	1,125	5.99%	54,036	774	5.73%	10,310	78	3.03%	10,310	105	4.07%
Total interest bearing liabilities	1,945,978	5,285	1.09%	1,728,681	3,959	0.92%	1,754,487	3,468	0.79%	1,413,381	2,378	0.67%	1,289,660	1,922	0.60%
Other liabilities	537,984			457,087			414,154			342,514			315,012		
Shareholders' equity	328,250			284,839			274,535			230,255			205,580		
Total liabilities and shareholders' equity	$ 2,812,212			$2,470,607			$2,443,176			$1,989,150			$1,810,252		
Net interest income (FTE)*		$ 25,524	3.84%		$ 21,925	3.77%		$ 21,826	3.75%		$ 16,609	3.52%		$ 15,523	3.66%
Net interest margin (FTE)*			4.08%			3.97%			3.92%			3.67%			3.79%
Core net interest margin*			3.84%			3.86%			3.82%			3.65%			3.76%

*See reconciliation for Non-GAAP financial measures

FIRST BANCSHARES, INC and SUBSIDIARIES
Reconciliation of Non-GAAP Financial Measures (unaudited)
(in thousands except per share data)

	Three Months Ended				
Per Common Share Data	**Dec 31, 2018**	**Sept 30, 2018**	**June 30, 2018**	**Mar 31, 2018**	**Dec 31, 2017**
Book value per common share	$ 24.49	$ 22.09	$ 21.88	$ 20.95	$ 19.92
Effect of intangible assets per share	7.61	4.99	5.06	4.56	2.21
Tangible book value per common share	$ 16.88	$ 17.10	$ 16.82	$ 16.39	$ 17.71
Diluted earnings per share	$ 0.48	$ 0.39	$ 0.40	$ 0.34	$ 0.23
Effect of acquisition charges	0.29	0.31	0.29	0.15	0.04
Tax on acquisition charges	(0.07)	(0.08)	(0.07)	(0.03)	(0.01)
Effect of gain on sale of securities	(0.02)	-	-	-	-
Tax on gain on sale	.01	-	-	-	-
Effect of Treasury awards	(0.07)	-	-	-	-
Tax on Treasury awards	0.02	-	-	-	-
Charge related to reduction in deferred tax asset	-	-	-	-	0.19
Diluted earnings per share, operating	$ 0.64	$ 0.62	$ 0.62	$ 0.46	$ 0.45

	Year to Date	
	2018	**2017**
Diluted earnings per share	$ 1.62	$ 1.11
Effect of acquisition charges	1.05	0.70
Tax on acquisition charges	(0.24)	(0.27)
Effect of gain on sale of securities	(0.03)	-
Tax on gain on sale	0.01	-
Effect of Treasury awards	(0.16)	-
Tax on Treasury awards	0.04	-
Charge related to reduction in deferred tax asset	-	0.22
Diluted earnings per share, operating	$ 2.29	$ 1.76

	Year to Date	
	2018	**2017**
Net income available to common shareholders	$ 21,225	$ 10,616
Acquisition charges	13,810	6,711
Tax on acquisition charges	(3,221)	(2,538)
Gain on sale of securities	(342)	-
Tax on gain on sale	86	-
Treasury awards	(2,100)	-
Tax on Treasury awards	532	-
Charge related to reduction in deferred tax asset	-	2,081
Net earnings available to common shareholders, operating	$ 29,990	$ 16,870

		Three Months Ended				
Average Balance Sheet Data		**Dec 31, 2018**	**Sept 30, 2018**	**June 30, 2018**	**Mar 31, 2018**	**Dec 31, 2017**
Total average assets	A	$2,812,212	$2,470,607	$2,443,176	$1,986,150	$1,810,252
Total average earning assets	B	$2,500,709	$2,210,894	$2,228,831	$1,811,717	$1,640,250
Common Equity	C	$ 328,250	$ 284,839	$ 274,535	$ 230,255	$ 205,580
Less intangible assets		105,848	65,762	57,443	33,929	25,258
Tangible common equity	D	$ 222,402	$ 219,077	$ 217,092	$ 196,326	$ 180,322
		Three Months Ended				
Net Interest Income Fully Tax Equivalent		**Dec 31, 2018**	**Sept 30, 2018**	**June 30, 2018**	**Mar 31, 2018**	**Dec 31, 2017**
Net interest income	E	$ 25,270	$ 21,669	$ 21,569	$ 16,380	$ 15,221
Tax-exempt investment income		(749)	(757)	(758)	(675)	(586)
Taxable investment income		1,003	1,013	1,015	904	888
Net Interest Income Fully Tax Equivalent	F	$ 25,524	$ 21,925	$ 21,826	$ 16,609	$ 15,523
Annualized Net Interest Margin	E/B	4.04%	3.92%	3.87%	3.62%	3.71%
Annualized Net Interest Margin, Fully Tax Equivalent	F/B	4.08%	3.97%	3.92%	3.67%	3.79%
		Three Months Ended				
Core Net Interest Margin		**Dec 31, 2018**	**Sept 30, 2018**	**June 30, 2018**	**Mar 31, 2018**	**Dec 31, 2017**
Net interest income (FTE)		$ 25,524	$ 21,925	$ 21,826	$ 16,609	$ 15,523
Less purchase accounting adjustments		1,414	541	510	59	87
Net interest income, net of purchase accounting adj	G	$ 24,110	$ 21,384	$ 21,316	$ 16,550	$ 15,436
Total average earning assets		$2,500,709	$2,210,894	$2,228,831	$1,811,717	$1,640,250
Add average balance of loan valuation discount		12,803	6,836	6,046	1,578	1,558
Avg earning assets, excluding loan valuation discount	H	$2,513,511	$2,217,730	$2,234,877	$1,813,295	$1,641,808
Core net interest margin	G/H	3.84%	3.86%	3.82%	3.65%	3.76%
		Three Months Ended				
Efficiency Ratio		**Dec 31, 2018**	**Sept 30, 2018**	**June 30, 2018**	**Mar 31, 2018**	**Dec 31, 2017**
Operating Expense						
Total non-interest expense		$ 22,245	$ 19,786	$ 19,680	$ 14,598	$ 12,390
Pre-tax non-operating expenses		(4,155)	(4,059)	(3,838)	(1,758)	(384)
Adjusted Operating Expense	I	$ 18,090	$ 15,727	$ 15,842	$ 12,840	$ 12,008
Operating Revenue						
Net interest income, FTE		$ 25,524	$ 21,925	$ 21,826	$ 16,609	$ 15,523
Total non-interest income		6,396	5,074	5,632	3,459	3,556
Pre-tax non-operating items		(1,292)	-	-	-	-
Adjusted Operating Revenue	J	$ 30,628	$ 26,999	$ 27,458	$ 20,068	$ 19,079
Efficiency Ratio, operating	I/J	59.06%	58.25%	57.70%	63.98%	62.93%

		Three Months Ended				
Return Ratios		**Dec 31, 2018**	**Sept 30, 2018**	**June 30, 2018**	**Mar 31, 2018**	**Dec 31, 2017**
Net income available to common shareholders	K	$ 6,861	$ 5,162	$ 5,245	$ 3,957	$ 2,414
Acquisition charges		4,155	4,059	3,838	1,758	384
Tax on acquisition charges		(910)	(1,027)	(948)	(355)	(148)
Gain on sale		(342)	-	-	-	-
Tax on gain on sale		86	-	-	-	-
Treasury awards		(950)	-	-	-	-
Tax on Treasury awards		242	-	-	-	-
Charge related to reduction in deferred tax asset		-	-	-	-	2,081
Net earnings available to common shareholders, oper	L	$ 9,142	$ 8,194	$ 8,135	$ 5,360	$ 4,731
Annualized return on avg assets	K/A	0.98%	0.84%	0.86%	0.80%	0.53%
Annualized return on avg assets, oper	L/A	1.30%	1.33%	1.33%	1.08%	1.05%
Annualized return on avg common equity, oper	L/C	11.14%	11.51%	11.85%	9.31%	9.21%
Annualized return on avg tangible common equity, oper	L/D	16.44%	14.96%	14.99%	10.92%	10.49%
Mortgage Department						
Net Interest Income after provision for loan losses		$ 267	$ 154	$ 214	$ 189	$ 272
Loan fee income		969	1,066	1,213	800	1,102
Salaries and employee benefits		774	855	903	849	806
Other non-interest expense		124	136	127	97	101
Earnings before income taxes		$ 338	$ 229	$ 397	$ 43	$ 467

CONTACT: For additional information, contact:

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