FIRST BANCSHARES INC /MO/
Form 8-K
February 02, 2007

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

FORM 8-K

Current Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 2, 2007

FIRST BANCSHARES, INC.
(Exact name of registrant as specified in its charter)

Missouri	000-22842	43-1654695
(State or other jurisdiction of incorporation)	(Commission File number)	(I.R.S. Employer Identification No.)

142 East First Street, Mountain Grove, Missouri	65711
(Address of principal executive office)	(Zip code)

Registrant's telephone number, including are code: (417) 926-5151

NA
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

Section 2 - Financial Information

Item 2.02 Results of Operations and Financial Condition

On February 2, 2007, First Bancshares, Inc. issued a news release announcing earnings for the quarter ended December 31, 2006. A copy of the press release is attached as Exhibit 99.1 to this report and is incorporated herein, by reference.

Section 9 - Financial Statements and Exhibits.

Item 9.01 Financial Statements and Exhibits.

c) Exhibits.

99.1 Press Release of First Bancshares, Inc., dated February 2, 2007.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 2, 2007 First Bancshares, Inc.

/s/ Ronald J. Walters

Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit Index

Exhibit Number	Description of Exhibit
99.1	Press Release of First Bancshares, Inc. dated February 2, 2007

FIRST BANCSHARES, INC. ANNOUNCES SECOND QUARTER FISCAL 2007 RESULTS

Mountain Grove, Missouri (February 2, 2007) First Bancshares, Inc. (NASDAQ - FstBksh : FBSI), the holding company for First Home Savings Bank ("Bank"), today announced earnings for the second quarter of its fiscal year ending June 30, 2007.

For the quarter ended December 31, 2006, the Company had net income of $1,000, or less than one cent per share basic, compared to net income of $160,000, or $0.10 per share basic for the comparable period in 2005. Net income for the six-month period ended December 31, 2006 was $73,000, or $0.05 per share basic, compared to $118,000, or $0.08 per share basic for the six month period ended December 31, 2005. The reduction in net income for both the quarter and six-month periods ended December 31, 2006 when compared to the prior year is attributable to a reduction in net interest income, and increases in compensation and benefits expense, occupancy expense and professional fees. These items were partially offset by an increase in non-operating income and a slight decrease in other operating expenses.

Total consolidated assets at December 31, 2006 were $237.0 million, compared to $228.4 million at June 30, 2006, representing an increase of $8.6 million, or 3.7%. Stockholders' equity at December 31, 2006 was $26.5 million, or 11.2% of assets, compared with $26.3 million, or 11.5% of assets, at June 30, 2006. Book value per common share increased to $17.07 at December 31, 2006 from $16.93 at June 30, 2006. The increase in equity was primarily attributable to the change in accumulated other comprehensive income to a positive $16,000 from a negative $208,000. The change in accumulated other comprehensive income relates to the change in the market value of available-for-sale securities.

Net loans increased $14.8 million, or 10.4%, to $156.8 million at December 31, 2006 from $142.0 million at June 30, 2006. Deposits increased $5.4 million, or 3.0%, to $184.6 million at December 31, 2006 from $179.1 million at June 30, 2006.

The Company currently has a stock repurchase plan in place. The plan, authorizing the repurchase of up to 164,336 shares, has been in effect since May 28, 2004. Through December 31, 2006, 94,518 shares had been repurchased under that plan at a cost of $1,950,000 at an average cost of $20.63 per share. There were no purchases during the quarter ended December 31, 2006.

First Bancshares, Inc. is the holding company for First Home Savings Bank, a FDIC-insured savings bank chartered by the State of Missouri that conducts business from its home office in Mountain Grove, Missouri and ten full service offices in Marshfield, Ava, Gainesville, Sparta, Springfield, Theodosia, Crane, Galena, Kissee Mills and Rockaway Beach, Missouri.

The Company and its wholly-owned subsidiaries, First Home Savings Bank and SCMG, Inc. may from time to time make written or oral "forward-looking statements," including statements contained in its filings with the Securities and Exchange Commission, in its reports to stockholders, and in other communications by the Company, which are made in good faith by the Company pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements include statements with respect to the Company's beliefs, expectations, estimates and intentions that are subject to significant risks and uncertainties, and are subject to change based on various factors, some of which are beyond the Company's control. Such statements address the following subjects: future operating results; customer

growth and retention; loan and other product demand; earnings growth and expectations; new products and services; credit quality and adequacy of reserves; technology, and our employees. The following factors, among others, could cause the Company's financial performance to differ materially from the expectations, estimates and intentions expressed in such forward-looking statements: the strength of the United States economy in general and the strength of the local economies in which the Company conducts operations; the effects of, and changes in, trade, monetary, and fiscal policies and laws, including interest rate policies of the Federal Reserve Board; inflation, interest rate, market, and monetary fluctuations; the timely development and acceptance of new products and services of the Company and the perceived overall value of these products and services by users; the impact of changes in financial services' laws and regulations; technological changes; acquisitions; changes in consumer spending and savings habits; and the success of the Company at managing and collecting assets of borrowers in default and managing the risks of the foregoing.

The foregoing list of factors is not exclusive. Additional discussion of factors affecting the Company's business and prospects is contained in the Company's periodic filing with the SEC. The Company does not undertake, and expressly disclaims any intent or obligation, to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Company.

Contact: Daniel P. Katzfey, President and Chief Executive Officer
(417) 926-5151

First Bancshares, Inc. and Subsidiaries
Financial Highlights
(In thousands, except per share amounts)

	Quarter Ended December 31,		Six Months Ended December 31,	
	2006	2005	2006	2005
Operating Data:				
Total interest income	$ 3,417	$ 3,220	$ 6,644	$ 6,491
Total interest expense	1,807	1,508	3,434	2,838
Net interest income	1,610	1,712	3,210	3,653
Provision for loan losses	130	44	240	837
Net interest income after provision for loan losses	1,480	1,668	2,970	2,816
Non-interest income	636	598	1,228	1,109
Non-interest expense	2,126	2,015	4,105	3,853
Income (loss) before income tax	(10)	251	93	72
Income tax expense (benefit)	(11)	91	20	(46)

Net income	$ 1	$ 160	$ 73	$ 118
Net income per share-basic	$ 0.00	$ 0.10	$ 0.05	$ 0.08
Net income per share-diluted	$ 0.00	$ 0.10	$ 0.05	$ 0.08

Financial Condition Data:	At December 31, 2006	At June 30, 2006
Total assets	$ 236,957	$ 228,395
Loans receivable, net	156,765	141,987
Non-performing assets	1,272	1,341
Cash and cash equivalents, including interest-bearing deposits	18,871	23,474
Investment securities	42,270	43,921
Customer deposits	184,558	179,141
Borrowed funds	25,276	22,000
Stockholders' equity	26,494	26,291
Book value per share	17.07	16.93