
**FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, DC 20429**

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): December 2, 2020

BANCORPSOUTH BANK
(Exact Name of Registrant as Specified in Charter)

<u>Mississippi</u> (State or Other Jurisdiction of Incorporation)	<u>11813</u> (FDIC Certificate No.)	<u>64-0117230</u> (IRS Employer Identification No.)
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<u>One Mississippi Plaza</u> <u>201 South Spring Street</u> <u>Tupelo, Mississippi</u> (Address of Principal Executive Offices)	<u>38804</u> (Zip Code)
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(662) 680-2000
Registrant's telephone number, including area code

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 (*see* General Instruction A.2. below):

- ☐ 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))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$2.50 par value per share	BXS	New York Stock Exchange
Series A Preferred Stock, \$0.01 par value per share	BXS-PrA	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01. Regulation FD Disclosure.

On December 2, 2020, BancorpSouth Bank (the “**Company**”) announced that it entered into an Agreement and Plan of Reorganization (the “**Merger Agreement**”) with National United Bancshares, Inc. pursuant to which National United, the parent company of National United (collectively, “**National United**”), will merge with and into the Company with the Company surviving (collectively, the “**Merger**”). The Merger Agreement has been unanimously approved by the Boards of Directors of the Company and National United.

Under the terms of the Merger Agreement, the Company will issue 3,110,000 shares of the Company’s common stock (the “**Aggregate Stock Consideration**”) and \$33,250,000 in cash (the “**Aggregate Cash Consideration**”) for all outstanding shares of National United’s capital stock, subject to certain conditions and potential adjustments described in the Merger Agreement. If the equity capital of National United is less than \$67,000,000, then the Aggregate Cash Consideration will be reduced by the amount of the deficiency. If the deficiency exceeds the amount of the Aggregate Cash Consideration, then the Aggregate Stock Consideration will be reduced by the amount of the remaining deficiency.

The closing of the Merger is conditioned upon, among other customary closing conditions, receipt of all required regulatory approvals from various banking regulators and approval by National United’s shareholders of the Merger Agreement. Subject to the satisfaction of all closing conditions, the Merger is expected to close during the first half of 2021.

The Company’s news release announcing the Merger (the “**News Release**”) has been furnished as Exhibit 99.1 to this Current Report on Form 8-K (this “**Report**”). The Company’s slide presentation related to the Merger (the “**Investor Presentation**”) is furnished as Exhibit 99.2 to this Report.

Additional Information and Participants in the Solicitation

This communication is being made in respect of the Merger discussed in this Report. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. In connection with the Merger, the Company and National United will deliver a proxy statement and related offering materials to the shareholders of National United seeking approval of the Merger and related matters. **THE SHAREHOLDERS OF NATIONAL UNITED ARE ENCOURAGED TO READ THE PROXY STATEMENT AND OFFERING MEMORANDUM CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE MERGER, THE COMPANY AND NATIONAL UNITED.** The proxy statement and related offering memorandum will also be made available without charge from the Corporate Secretary of each of the Company and National United. The Corporate Secretary of the Company may be contacted by mail at Attention: Corporate Secretary, BancorpSouth Bank, One Mississippi Plaza, Tupelo, Mississippi 38804.

The Company and National United, and certain of their respective directors, executive officers and other members of management and employees, may be deemed to be participants in the solicitation of proxies from the shareholders of National United in respect of the Merger. Certain information about the directors and executive officers of the Company is set forth in its Annual Report on Form 10-K for the year ended December 31, 2019, which was filed with the Federal Deposit Insurance Corporation (the “**FDIC**”) on February 27, 2020 (the “**Form 10-K**”), and in its proxy statement for its 2020 annual meeting of shareholders, which was filed with the FDIC on March 11, 2020. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be included in the proxy statement and related offering memorandum when they become available.

Forward-Looking Statements

Certain statements contained in this Report may not be based upon historical facts and are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements may be identified by their reference to a future period or periods or by the use of forward-looking terminology such as “anticipate,” “believe,” “could,” “continue,” “seek,” “intend,” “estimate,” “expect,” “foresee,” “hope,” “may,” “might,” “plan,” “should,” “predict,” “project,” “goal,” “outlook,” “potential,” “will,” “will result,” “will likely result,” or “would” or future or conditional

verb tenses and variations or negatives of such terms. These forward-looking statements include, without limitation, those relating to the terms, timing and closing of the Merger, the benefits and synergies expected from the Merger, and the ability of the Company to close the Merger in a timely manner or at all.

The Company cautions readers not to place undue reliance on the forward-looking statements contained in this Report, in that actual results could differ materially from those indicated in such forward-looking statements as a result of a variety of factors, many of which are beyond the control of the Company. These factors may include, but are not limited to, the ability of the Company and National United to complete the Merger, the ability of the Company and National United to satisfy the conditions to the completion of the Merger, including the approval of the Merger by National United's shareholders and the receipt of all regulatory approvals required for the Merger on the terms expected in the Merger Agreement, the ability of the Company and National United to meet expectations regarding the timing, completion and accounting and tax treatments of the Merger, the potential impact upon the Company of any delay in the closing of the Merger, the possibility that any of the anticipated benefits, cost savings and synergies of the Merger will not be realized or will not be realized as expected, the acceptance by customers of National United of the Company's products and services if the Merger closes, the failure of the Merger to close for any other reason, the effect of the announcement of the Merger on the Company's operating results, the possibility that the Merger may be more expensive or time consuming to complete than anticipated, including as a result of unexpected factors or events, and the impact of all other factors generally understood to affect the assets, business, cash flows, financial condition, liquidity, prospects and/or results of operations of financial services companies and the other factors described under the caption "Risk Factors" in the Form 10-K. Forward-looking statements speak only as of the date of this Report and, except as required by law, the Company does not undertake any obligation to update or revise forward-looking statements to reflect events or circumstances that occur after the date of this Report.

Item 9.01. Financial Statements and Exhibits.

EXHIBIT INDEX

Exhibit Number	Description
99.1	News Release
99.2	Investor Presentation

SIGNATURES

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.

BANCORPSOUTH BANK

By: /s/ Cathy S. Freeman
Cathy S. Freeman
Senior Executive Vice President and
Chief Administrative Officer

Date: December 2, 2020



News Release

Contact:

John G. Copeland
Senior Executive Vice President and
Chief Financial Officer
662/680-2536

Will Fisackerly
Executive Vice President and
Director of Corporate Finance
662/680-2475

Media Contact:

Antrenise Robinson
Corporate Communications
662/680-2038

BancorpSouth Bank to Acquire National United Bancshares, Inc.

TUPELO, Miss. -- December 2, 2020 – BancorpSouth Bank (NYSE: BXS) announced today the signing of a definitive merger agreement with National United Bancshares, Inc., the parent company of National United, (collectively referred to as "National United"), pursuant to which National United will be merged with and into BancorpSouth.

National United, which was founded in 1889 in Gatesville, Texas, operates six full-service banking offices in the Killeen-Temple, Texas; Waco, Texas; and Austin-Round Rock-Georgetown, Texas metropolitan statistical areas. As of September 30, 2020 (unaudited), National United, on a consolidated basis, reported total assets of \$748.6 million, total loans of \$450.6 million and total deposits of \$672.5 million.

Under the terms of the merger agreement, BancorpSouth will issue 3,110,000 shares of common stock, plus \$33.25 million in cash, for all outstanding shares of National United Bancshares, Inc. capital stock, subject to certain conditions and potential adjustments.

“We’re excited to announce this agreement we began exploring before the COVID-19 pandemic,” stated BancorpSouth Chairman and CEO Dan Rollins. “It was important for both of our companies to take time to understand and evaluate the potential impact the pandemic would have on the potential merger. This merger creates an excellent opportunity to broaden our Central Texas presence and continue to expand in key markets. National United is a trusted financial institution that has been serving its community for more than 125 years, and its culture and mission are similar to ours. We look forward to welcoming our new customers and teammates pending the completion of this merger.”

National United President and CEO Eugene Worthington said, “We are enthusiastic about joining the BancorpSouth team. This partnership will offer our customers a broader array of products and services across a larger footprint and create value for our employees, customers,

communities and shareholders.”

Upon completion of the transaction, Worthington will serve as BancorpSouth's Area Chairman.

The merger has been unanimously approved by the boards of directors of both companies. The merger is anticipated to close during the first half of 2021, pending the receipt of regulatory approval, the approval of National United shareholders, and the satisfaction of other customary closing conditions.

National United was advised in this transaction by Stephens Inc. as financial advisor and Fenimore, Kay, Harrison & Ford, LLP as legal counsel. Alston & Bird, LLP and Waller Lansden Dortch & Davis, LLP served as legal counsel to BancorpSouth.

In addition to the information contained within this news release, an investor presentation has been posted on BancorpSouth's Investor Relations page on its website (www.bancorpsouth.investorroom.com) and has been furnished as an exhibit to a Current Report on Form 8-K filed with the Federal Deposit Insurance Corporation (“FDIC”). The presentation contains additional information regarding the merger with National United.

About BancorpSouth Bank

BancorpSouth Bank (NYSE: BXS) is headquartered in Tupelo, Mississippi, with approximately \$24 billion in assets. BancorpSouth operates approximately 310 full-service branch locations as well as additional mortgage, insurance, and loan production offices in Alabama, Arkansas, Florida, Louisiana, Mississippi, Missouri, Tennessee and Texas, including an insurance location in Illinois. BancorpSouth is committed to a culture of respect, diversity, and inclusion in both its workplace and communities. To learn more, visit our Community Commitment page at www.bancorpsouth.com; “Like” us on Facebook; follow us on Twitter @MyBXS; or connect with us through LinkedIn.

Additional Information and Participants in the Solicitation

This communication is being made in respect of the merger of National United discussed in this news release. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. In connection with the merger, BancorpSouth Bank and National United will deliver a proxy statement and related offering materials to the shareholders of National United seeking approval of the merger and related matters. **THE SHAREHOLDERS OF NATIONAL UNITED ARE ENCOURAGED**

TO READ THE PROXY STATEMENT AND OFFERING MEMORANDUM CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE MERGER, BANCORPSOUTH BANK AND NATIONAL UNITED. The proxy statement and related offering memorandum will also be made available without charge from the Corporate Secretary of each of BancorpSouth Bank and National United. The Corporate Secretary of BancorpSouth Bank may be contacted by mail at Attention: Corporate Secretary, BancorpSouth Bank, One Mississippi Plaza, Tupelo, Mississippi 38804.

BancorpSouth Bank and National United, and certain of their respective directors, executive officers and other members of management and employees, may be deemed to be participants in the solicitation of proxies from the shareholders of National United in respect of the merger. Certain information about the directors and executive officers of BancorpSouth Bank is set forth in its Annual Report on Form 10-K for the year ended December 31, 2019, which was filed with the Federal Deposit Insurance Corporation (the “**FDIC**”) on February 27, 2020 (the “**Form 10-K**”), and in its proxy statement for its 2020 annual meeting of shareholders, which was filed with the FDIC on March 11, 2020. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be included in the proxy statement and related offering memorandum when they become available.

Forward-Looking Statements

Certain statements contained in this news release may not be based upon historical facts and are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements may be identified by their reference to a future period or periods or by the use of forward-looking terminology such as “anticipate,” “believe,” “could,” “continue,” “seek,” “intend,” “estimate,” “expect,” “foresee,” “hope,” “may,” “might,” “plan,” “should,” “predict,” “project,” “goal,” “outlook,” “potential,” “will,” “will result,” “will likely result,” or “would” or future or conditional verb tenses and variations or negatives of such terms. These forward-looking statements include, without limitation, those relating to the terms, timing and closing of the merger, the benefits and synergies expected from the merger, and the ability of BancorpSouth Bank to close the merger in a timely manner or at all.

BancorpSouth Bank cautions readers not to place undue reliance on the forward-looking statements contained in this news release, in that actual results could differ materially from those indicated in such forward-looking statements as a result of a variety of factors, many of which are beyond the control of BancorpSouth Bank. These factors may include, but are not limited to, the ability of BancorpSouth Bank and National United to complete the merger, the ability of BancorpSouth Bank and National United to satisfy the conditions to the completion of the merger, including the approval of the merger by National United’s shareholders and the receipt of all regulatory approvals required for the merger on the terms expected in the merger agreement, the ability of BancorpSouth Bank and National United to meet expectations regarding the timing, completion and accounting and tax treatments of the merger, the potential impact upon BancorpSouth Bank of any delay in the closing of the merger, the possibility that any of the anticipated benefits, cost savings and synergies of the merger will not be realized or will not be realized as expected, the acceptance by customers of National United of BancorpSouth Bank’s products and services if the merger closes, the failure of the merger to close for any other reason, the effect of the announcement of the merger on BancorpSouth Bank’s operating results, the possibility that the merger may be more expensive or time consuming to complete than anticipated, including as a result of unexpected factors or events, and the impact of all other factors generally understood to affect the assets, business, cash flows, financial condition, liquidity, prospects and/or results of operations of financial services companies and the other factors described under the caption “Risk Factors” in the Form 10-K. Forward-looking statements speak only as of the date of this news release and, except as required by law, BancorpSouth Bank does not undertake any obligation to update or revise forward-looking statements to reflect events or circumstances that occur after the date of this news release.

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BancorpSouth Bank

Acquisition of:
National United Bancshares, Inc.

December 2, 2020



Forward-Looking Statements and Disclaimers



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Overview of National United Bancshares, Inc.



Date Established: 1889

Number of Branches: 6

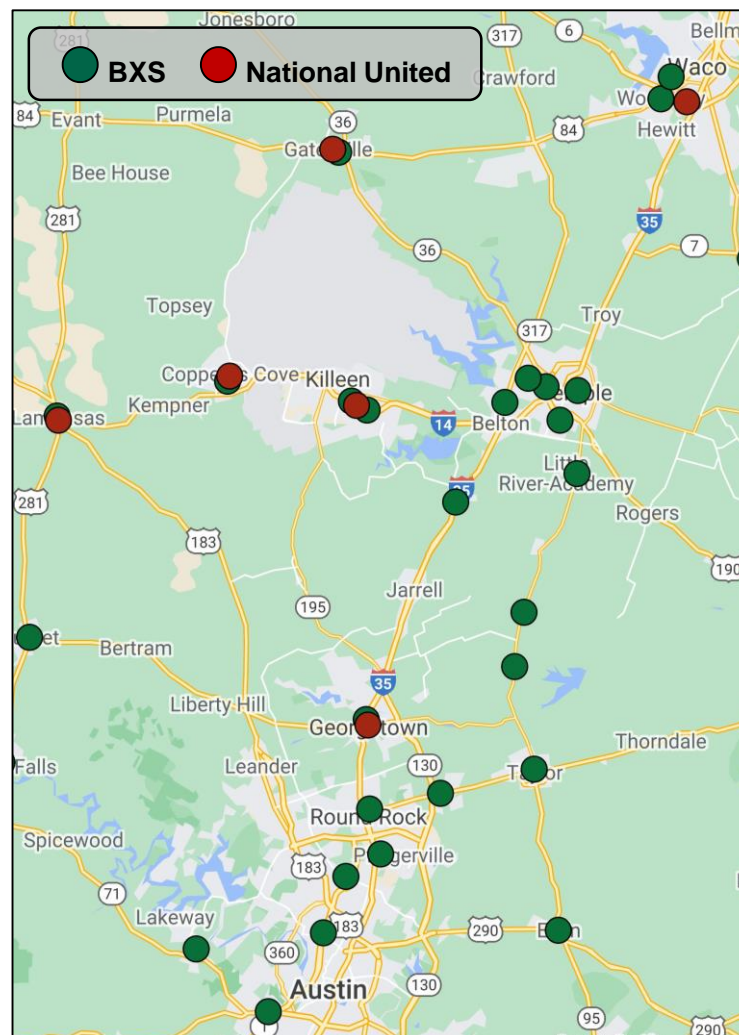
Bank Level Financial Highlights⁽¹⁾ 9/30/20

Balance Sheet Data

Total Assets (\$MM)	748.6
Total Loans (\$MM)	450.6
Total Deposits (\$MM)	672.5
Loans to Deposits (%)	67.0
Noninterest Bearing Deposits / Deposits (%)	26.1
Average Deposits Per Branch (\$MM)	112.1

Profitability Data 2020 YTD

Cost of Deposits (%)	0.45
Net Interest Margin (%)	3.77
Efficiency Ratio (%)	64.5
Return on Average Assets (%)	1.08



Transaction Summary



Merger Partner	National United Bancshares, Inc. and its wholly owned bank subsidiary, National United (collectively, "National United")
Purchase Price⁽¹⁾	\$114.7 million
Consideration	3,110,000 shares of BXS common stock and \$33.25 million in cash
Consideration Mix⁽¹⁾	≈ 70% stock / 30% cash
Expected Tangible Equity at Closing⁽²⁾	Approximately \$71.0 million after seller-incurred expenses
Management Retention	<ul style="list-style-type: none">▪ Eugene Worthington - Area Chairman (Current Chairman & CEO)▪ 16 other key team members under contract
Required Approvals	Regulatory, National United shareholders, & other customary approvals
Anticipated Closing	First half of 2021

(1) Based upon BancorpSouth's closing price of \$26.19 on December 1, 2020.

(2) In the event National United's equity capital at closing is less than \$67.0 million after seller-incurred expenses, then the consideration will be adjusted downward by an amount equal to such equity capital shortfall.

Central Texas Market Overview



- The Killeen-Temple, Texas and Waco, Texas Metropolitan Statistical Areas, home to a combined 745 thousand people, are expected to significantly outpace the nation's average population growth over the next five years. This market is ideally located and is almost equidistant to the cities of Austin and Dallas.

Killeen-Temple, TX MSA



\$72K – Average Household Income



168 K – Households



21.9% hold at least a Bachelor's Degree

- Located within the Killeen-Temple, TX MSA, Fort Hood is the largest active-duty, armored US military base in the world.
- Fort Hood is directly responsible for employing around 56 thousand people and almost twice that amount indirectly. This makes Fort Hood the largest single site employer in the state of Texas.

Waco, TX MSA



\$71K – Average Household Income



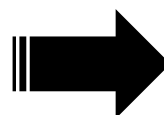
103 K – Households



22.3% hold at least a Bachelor's Degree

- Waco is home to Baylor University, boasting approximately 18 thousand students enrolled and employing almost 3 thousand people.
- The tourism industry has recently expanded in Waco with approximately 2.5 million visitors in 2019. In addition, other business expansion has also occurred.

Transaction Assumptions and Valuation



Cost Savings

Minimum of 40% of noninterest expense

Mark-to-Market Adjustments⁽¹⁾

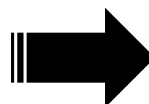
Estimated 2.5% mark on gross loans

Core Deposit Intangibles

Estimated 0.75% of all non-time accounts /
10 year amortization

(1) Excludes incremental provision associated with CECL and \$24.8 million of Paycheck Protection Program Loans.

Transaction Assumptions and Valuation



Merger Multiples

Aggregate Transaction Value⁽¹⁾	\$114.7 million
Price / Tangible Book Value	1.53x
Price / LTM Net Income	15.3x
Core Deposit Premium	6.6%

Financial Impact

EPS Accretion⁽²⁾	1st Year of Combined Operations
Initial TBV Dilution	Less Than 1.5%
TBV Earnback Period	Approximately 3 Years
Regulatory Capital Ratios	Remain Well Capitalized

1) Based upon BancorpSouth's closing price of \$26.19 on December 1, 2020.

2) Excludes deal charges and CECL related provision expense.

- **Historically strong credit quality with low levels of recent charge-offs**
 - Net charge-offs of 0.03% of net loans and leases for 2019 and 0.04% annualized for 2020
 - 1.68% allowance coverage ratio⁽¹⁾
- **Very granular, diversified loan portfolio with an average outstanding loan balance of approximately \$80 thousand**
- **No direct energy exposure**
- **Low exposure to portfolios adversely impacted by COVID-19 pandemic**
 - Approximately \$32 million in hotel, food service, and other hospitality loans
- **Performed thorough due diligence obtaining significant coverage of loan portfolio**
 - Initial loan diligence performed in February 2020 with follow-up reviews performed in July 2020 and November 2020
 - Performed detailed file reviews of over 80% of outstanding commercial loans by balance as well as 100% of credits that were either adversely rated, on nonaccrual status, or past due 30 days or more
 - Preliminary credit mark of approximately 2.5% of gross loans⁽¹⁾

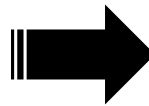
1) Excludes incremental provision associated with CECL and \$24.8 million of Paycheck Protection Program Loans.
All data as of September 30, 2020 unless otherwise indicated

Deposit Market Share (\$ in '000s)



Market	BXS Market Share Rank	Total BXS Deposits ⁽¹⁾	BXS Market Share 2020 (%)	National United	Pro Forma Deposits 6/30/20	Pro Forma Market Share Rank	Pro Forma Market Share 2020 (%)
Mississippi	3	6,887,365	10.6%	-	6,887,365	3	10.6%
Texas	30	4,433,845	0.3%	662,057	5,095,902	28	0.4%
Arkansas	8	1,852,711	2.2%	-	1,852,711	8	2.2%
Louisiana	12	1,760,703	1.4%	-	1,760,703	12	1.4%
Tennessee	17	1,681,484	0.9%	-	1,681,484	17	0.9%
Alabama	16	1,387,997	1.1%	-	1,387,997	16	1.1%
Florida	78	490,118	0.1%	-	490,118	78	0.1%
Missouri	68	439,903	0.2%	-	439,903	68	0.2%
Total		18,934,126		662,057	19,596,183		

1) Source: FDIC Summary of Deposits (as of 6/30/20)



- **Enhancement of existing market presence in Central Texas with additional market share captured**
 - Pro forma loans of approximately \$1.6 billion and deposits of approximately \$2.4 billion in the area
 - Accumulating further market share established through prior acquisitions of First State Bank Central Texas and Texas First State Bank
 - BancorpSouth Bank becomes deposit market share leader in Killeen-Temple TX MSA, improving from fifth place, while total deposits in Texas represent 26 percent of the Company's pro forma deposit base
- **Well-established, low cost deposit base with ample liquidity**
- **Historically clean asset quality with minimal recent net charge-offs**
- **Meaningful synergies and opportunity for efficiency improvement**
 - Branch overlaps in multiple markets
- **Opportunity to cross-sell insurance, mortgage, and wealth management business to current bank customers**

BancorpSouth's common stock is listed on the New York Stock Exchange under the symbol BXS and its Series A Preferred Stock is listed under the symbol BXS-PrA. Additional information can be found at www.bancorpsouth.com.* As a reminder, all of the BancorpSouth Bank's Securities Exchange Act filings are made with the Federal Deposit Insurance Corporation and can be found at <https://efr.fdic.gov/fcxweb/efr/index.html>.



Investor Inquiries:

Will Fisackerly
Director of Corporate Finance
BancorpSouth Bank
662-680-2475
will.fisackerly@bxs.com