

BancorpSouth Bank to Acquire Texas First Bancshares, Inc.

[Texas First Investor Presentation](#)

TUPELO, Miss., Sept. 23, 2019 /[PRNewswire](#)/ -- BancorpSouth Bank (NYSE: BXS) announced today the signing of a definitive merger agreement with Texas First Bancshares, Inc., the parent company of Texas First State Bank (collectively referred to as "Texas First"), pursuant to which Texas First will be merged with and into BancorpSouth.

Texas First, which was founded in 1906 in Riesel, Texas, operates six full-service banking offices in the Waco, Texas and Killeen-Temple, Texas metropolitan statistical areas. The merger will expand BancorpSouth's presence in Central Texas by increasing the bank's deposit market share and providing opportunities for continued expansion along the rapidly growing I-35 corridor between Austin, Texas and Dallas/Fort Worth, Texas.

As of June 30, 2019 (unaudited), Texas First, on a consolidated basis, reported total assets of \$391.3 million, total loans of \$162.6 million and total deposits of \$356.6 million. Upon the consummation of the merger, BancorpSouth will have 76 full-service banking offices, five mortgage loan production offices and four insurance offices in Texas with total deposits in Texas of approximately \$3.8 billion and total loans of approximately \$4.3 billion.

Under the terms of the merger agreement, BancorpSouth will issue 1,065,000 shares of common stock, plus \$13.0 million in cash, for all outstanding shares of Texas First Bancshares, Inc. capital stock, subject to certain conditions and potential adjustments. The terms of the merger agreement provide for a collar with respect to the total deal value ranging from \$38.8 million to \$46.5 million. If necessary, the number of shares of BancorpSouth common stock may be adjusted downward or the cash consideration may be adjusted upward to accommodate the respective boundaries of the collar.

"We're looking forward to welcoming Texas First's customers, teammates and shareholders to the BancorpSouth family," stated BancorpSouth Chairman and CEO Dan Rollins. "This merger is a great fit both geographically and culturally for the bank. It will allow us to enhance our market presence in Central Texas, as well as add a great team of bankers who share our focus on customer commitment and community involvement."

Texas First Chairman and CEO Rodney Kroll said, "This is an excellent opportunity for us to become part of a regional bank, which will allow us to offer customers an expanded suite of products and services, as well as deepen our commitment to supporting and giving back to the communities we serve."

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 2020, pending the receipt of regulatory approval, the approval of Texas First shareholders and the satisfaction of other customary closing conditions.

Texas First was advised in this transaction by Sheshunoff & Co. Investment Banking LP as financial advisor and Hunton Andrews Kurth 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 Texas First.

About BancorpSouth Bank

BancorpSouth Bank (NYSE: BXS) is headquartered in Tupelo, Mississippi, with approximately \$20 billion in assets. BancorpSouth operates more than 300 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

This communication is being made in respect of the proposed merger transaction involving BancorpSouth and Texas First. 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 proposed merger, BancorpSouth and Texas First will deliver a proxy statement and related offering memorandum to the shareholders of Texas First Bancshares, Inc. seeking approval of the merger and related matters. **SHAREHOLDERS OF TEXAS FIRST BANCSHARES, INC. 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 AND TEXAS FIRST.** The proxy statement and related offering memorandum will also be made available without charge from the Corporate Secretary of each of BancorpSouth and Texas First. The Corporate Secretary of BancorpSouth may be contacted by phone at (662) 680-2000 or by mail at Attention: Corporate Secretary, BancorpSouth Bank, One Mississippi

Plaza, Tupelo, Mississippi 38804.

BancorpSouth and Texas First, 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 Texas First Bancshares, Inc. in respect of the proposed merger transaction. Certain information about the directors and executive officers of BancorpSouth is set forth in its Annual Report on Form 10-K for the year ended December 31, 2018, which was filed with the FDIC on February 28, 2019 and its proxy statement for its 2019 annual meeting of shareholders, which was filed with the FDIC on March 22, 2019. 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 proposed merger, the benefits and synergies expected from the proposed merger, and the ability of BancorpSouth to close the proposed merger in a timely manner or at all.

BancorpSouth 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. These factors may include, but are not limited to, the ability of BancorpSouth or Texas First to complete the proposed merger, the ability of BancorpSouth or Texas First to satisfy the conditions to the closing of the proposed merger, including approval of the proposed merger by Texas First Bancshares, Inc.'s shareholders and the receipt of all regulatory approvals required for the proposed merger on the terms expected in the merger agreement, the ability of BancorpSouth and Texas First to meet expectations regarding the timing, completion and accounting and tax treatments of the proposed merger, the potential impact upon BancorpSouth of any delay in the closing of the proposed merger, the possibility that any of the anticipated benefits, cost savings and synergies of the proposed merger will not be realized or will not be realized as expected, the acceptance by customers of Texas First of BancorpSouth's products and services if the proposed merger closes, the failure of the proposed merger

to close for any other reason, the effect of the announcement of the proposed merger on BancorpSouth's operating results, the possibility that the proposed 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 or results of operations of financial services companies and other factors that were previously detailed from time to time in BancorpSouth's press and news releases, reports and other filings with the FDIC. Forward-looking statements speak only as of the date they were made, and, except as required by law, BancorpSouth 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.

SOURCE BancorpSouth Bank

For further information: John G. Copeland, Executive Vice President and Chief Financial Officer, 662-680-2536; Will Fisackerly, Executive Vice President and Director of Corporate Finance, 662-680-2475; Media, Antrenise Robinson, Corporate Communications, 662-680-2038

BancorpSouth Bank

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