

BancorpSouth Bank to Acquire FNS Bancshares, Inc.

[FNS Bancshares, Inc. Investor Presentation](#)

TUPELO, Miss., Jan. 13, 2021 /[PRNewswire](#)/ -- BancorpSouth Bank (NYSE: BXS) announced today the signing of a definitive merger agreement with FNS Bancshares, Inc. (OTCQX: FNSB), the parent company of FNB Bank, (collectively referred to as "FNS"), pursuant to which FNS will be merged with and into BancorpSouth.

FNS, founded in 1900 in Scottsboro, Alabama, operates 17 full-service banking offices in Alabama, Georgia and Tennessee. The merger will expand BancorpSouth's presence in Jackson, DeKalb and Marshall counties in Alabama and the Chattanooga, Tennessee-Georgia and Nashville-Davidson-Murfreesboro-Franklin, Tennessee metropolitan statistical areas. Once completed, it will mark BancorpSouth's entrance into Georgia. As of September 30, 2020 (unaudited), FNS, on a consolidated basis, reported total assets of \$786.5 million, total loans of \$492.5 million and total deposits of \$665.9 million.

Under the terms of the merger agreement, BancorpSouth will issue 2,975,000 shares of common stock, plus \$18.0 million in cash, for all outstanding shares of FNS capital stock, subject to certain conditions and potential adjustments. Based upon the closing price of BancorpSouth common stock on January 12, 2021, the transaction is valued at approximately \$108.4 million in the aggregate, or \$90.04 per share of FNS common stock.

"We are excited about this partnership and look forward to welcoming FNS's teammates and customers to BancorpSouth," stated BancorpSouth Chairman and CEO Dan Rollins. "FNS is a 120-year-old institution with deep ties in its local markets and is an ideal fit with our culture as a relationship-driven community bank. We're looking forward to working with its experienced team of bankers to assist even more families and businesses with their banking needs."

FNS Board Chairman Alan Gay said, "Our customers have come to expect exceptional service from our bank, so we're pleased to have an opportunity to join forces with another more than 100-year-old company that continues to operate as a true community bank. BancorpSouth's resources and strengths, and its commitment to maintaining strong local leadership, will enable our bankers to continue and enhance service to our customers."

Upon completion of the transaction, FNS CEO Steve Rownd will serve as a BancorpSouth division president.

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 FNS shareholders, and the satisfaction of other customary closing conditions.

FNS was advised in this transaction by Keefe, Bruyette & Woods, A Stifel Company, as financial advisor and Fenimore, Kay, Harrison & Ford, LLP as legal counsel. Janney Montgomery Scott LLC rendered a fairness opinion to FNS in connection with the merger. 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 FNS.

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 with FNS 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 FNS will deliver a proxy statement and related offering materials to the shareholders of FNS seeking approval of the merger and related matters. **THE SHAREHOLDERS OF FNS 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 FNS.** The proxy statement and related offering memorandum will also be made available without charge from the Corporate Secretary of each of BancorpSouth Bank and FNS. 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 FNS, 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 FNS 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 FNS to complete the merger, the ability of BancorpSouth Bank and FNS to satisfy the conditions to the completion of the merger, including the approval of the merger by FNS'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 FNS 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 FNS 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.

SOURCE BancorpSouth Bank

For further information: 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; Antrenise Robinson, Corporate Communications, 662/680-2038

BancorpSouth Bank

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