



BancorpSouth Bank

Acquisition of:
National United Bancshares, Inc.

December 2, 2020



Forward-Looking Statements and Disclaimers



Forward-Looking Statements

Certain statements contained in this presentation and the accompanying slides 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 his presentation and the accompanying slides, 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 his presentation and the accompanying slides 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 his presentation and the accompanying slides.

Additional Information and Participants in the Solicitation

This communication is being made in respect of the merger of National United discussed in this presentation and the accompanying slides. 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.

Overview of National United Bancshares, Inc.



Date Established: 1889

Number of Branches: 6

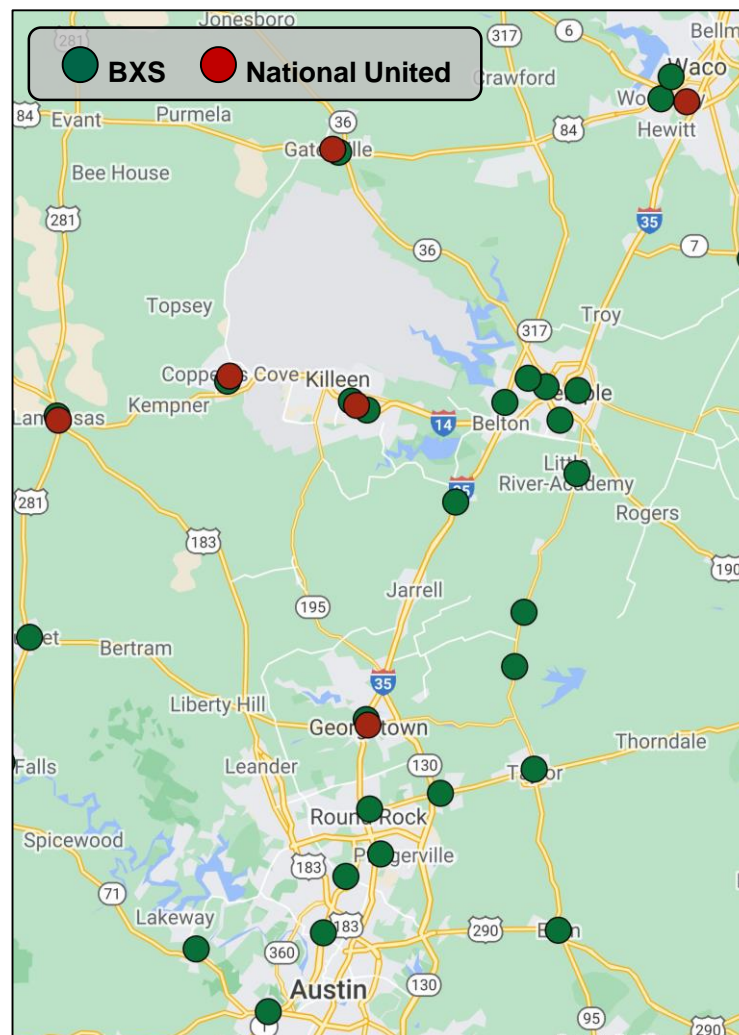
Bank Level Financial Highlights⁽¹⁾ 9/30/20

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



(1) Financial information obtained from FDIC data and internal financial statements. Holding company activity is not material to the balances and metrics presented.

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

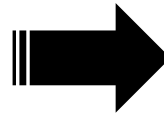
- Located within the Killeen-Temple, TX MSA, Fort Hood is the largest active-duty, armored US military base in the world.
- Fort Hood is directly responsible for employing around 56 thousand people and almost twice that amount indirectly. This makes Fort Hood the largest single site employer in the state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

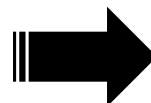
Estimated 2.5% mark on gross loans

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⁾

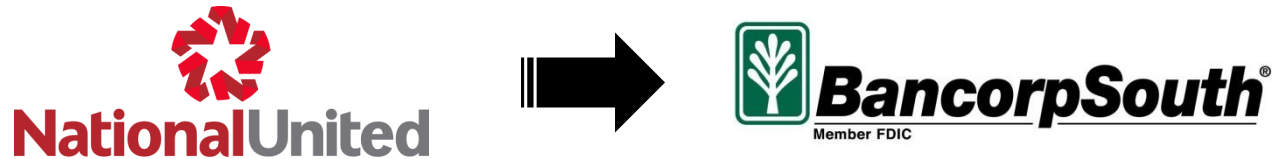
1) Excludes incremental provision associated with CECL and \$24.8 million of Paycheck Protection Program Loans.
All data as of September 30, 2020 unless otherwise indicated

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>.



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