



Contact:

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

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

BancorpSouth Reports Record Quarterly Earnings

TUPELO, MS, April 18, 2018/PRNewswire – BancorpSouth Bank (NYSE: BXS) (the “Company”) today announced financial results for the quarter ended March 31, 2018.

Highlights for the first quarter of 2018 included:

- Record quarterly net income of \$53.5 million, or \$0.54 per diluted share; represents an increase of 32 percent on a per share basis compared to both the first and fourth quarters of 2017.
- Completed acquisitions of Central Community Corporation and Ouachita Bancshares Corp. effective January 15, 2018; recorded merger-related expenses of \$5.7 million for the first quarter.
- Earnings benefitted from a positive pre-tax mortgage servicing rights (“MSR”) valuation adjustment of \$5.5 million.
- Net operating income – excluding MSR – of \$53.6 million, or \$0.54 per diluted share.
- Reported total deposit growth of approximately \$240 million, or 8 percent on an annualized basis, excluding balances acquired through mergers during the quarter, while organic loan growth for the quarter totaled approximately \$50 million, or 2 percent on an annualized basis.
- Net interest margin increased to 3.67 percent from 3.58 percent for the fourth quarter of 2017.
- Repurchased 2,073,986 shares of outstanding common stock at a weighted average price of \$32.32.

The Company reported net income of \$53.5 million, or \$0.54 per diluted share, for the first quarter of 2018 compared with net income of \$38.1 million, or \$0.41 per diluted share, for the first quarter of 2017 and net income of \$37.5 million, or \$0.41 per diluted share, for the fourth

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quarter of 2017. The Company reported net operating income – excluding MSR – of \$53.6 million, or \$0.54 per diluted share, for the first quarter of 2018 compared to \$36.9 million, or \$0.39 per diluted share, for the first quarter of 2017 and \$36.8 million, or \$0.41 per diluted share, for the fourth quarter of 2017.

Net operating income – excluding MSR – is a non-GAAP financial measure used by management to assess the core operating performance of the Company. This measure excludes items such as realized securities gains and losses, MSR valuation adjustments, restructuring charges, merger-related expenses, industry-related legal settlements, and other one-time charges.

"Our first quarter results reflect record quarterly earnings for our Company, both in terms of net income and earnings per share," remarked Dan Rollins, BancorpSouth Chairman and Chief Executive Officer. "Although the completion of the acquisitions of Central Community Corporation and Ouachita Bancshares Corp. highlighted the quarter, we saw continued improvement in many other core areas of our financial performance. Our net interest margin increased to 3.67 percent for the quarter, primarily as a result of the continued increases in our loan yields as well as the impact of purchase accounting accretion. Consistent with our historical seasonal first quarter trends, we saw meaningful growth in deposits while organic loan growth was nominal. Finally, we were opportunistic in our share repurchase program, repurchasing just over two million shares of common stock at a weighted average price of \$32.32."

"As we look at other areas of our financial results, the reduction of the statutory federal tax rate enacted by the Tax Cuts and Jobs Act of 2017 had a positive impact on our income tax expense and net income, as expected. Conversely, the new accounting revenue recognition standards implemented during the first quarter resulted in our insurance commission revenue being an estimated \$3.7 million less than it would have been under the previous accounting rules."

Net Interest Revenue

Net interest revenue was \$138.1 million for the first quarter of 2018, an increase of 20.5 percent from \$114.6 million for the first quarter of 2017 and an increase of 13.8 percent from \$121.4 million for the fourth quarter of 2017. The fully taxable equivalent net interest margin was 3.67 percent for the first quarter of 2018 compared to 3.46 percent for the first quarter of 2017 and 3.58 percent for the fourth quarter of 2017. Yields on net loans and leases were 4.60 percent for the first quarter of 2018 compared with 4.20 percent for the first quarter of 2017 and 4.36 percent for the fourth quarter of 2017, while yields on total interest earning assets were 4.05 percent for the first quarter of 2018 compared with 3.70 percent for the first quarter of 2017 and 3.90 percent for the fourth quarter of 2017. The net interest margin, excluding accretable yield, was 3.60 percent for the first quarter of 2018 while yields on net loans and leases, excluding accretable yield, were 4.51 percent. Purchase accounting accretion did not impact the net interest margin or loan yields for the first and fourth quarters of 2017. The average cost of deposits was 0.31 percent for the first quarter of 2018 compared to 0.23 percent for the first quarter of 2017 and 0.27 percent for the fourth quarter of 2017.

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Asset, Deposit and Loan Activity

Total assets were \$17.2 billion at March 31, 2018 compared with \$14.9 billion at March 31, 2017. Loans and leases, net of unearned income, were \$12.3 billion at March 31, 2018 compared with \$10.8 billion at March 31, 2017. Total deposits were \$13.9 billion at March 31, 2018 compared with \$12.0 billion at March 31, 2017. These balance sheet comparisons include the impact of the acquisitions of Central Community Corporation and Ouachita Bancshares Corp., which closed effective January 15, 2018. Balance sheet totals for these two banks at the time of closing are disclosed in the “Transactions” section of this news release.

Provision for Credit Losses and Allowance for Credit Losses

Earnings for the first quarter of 2018 reflect a provision for credit losses of \$1.0 million, compared to a provision of \$1.0 million for the first quarter of 2017 and a provision of \$0.5 million for the fourth quarter of 2017. Net recoveries for the first quarter of 2018 were \$0.2 million, compared with net recoveries of \$0.5 million for the first quarter of 2017 and net charge-offs of \$1.8 million for the fourth quarter of 2017. The allowance for credit losses was \$119.4 million, or 0.97 percent of net loans and leases, at March 31, 2018, compared with \$125.2 million, or 1.16 percent of net loans and leases, at March 31, 2017 and \$118.2 million, or 1.07 percent of net loans and leases, at December 31, 2017. The allowance for credit losses coverage metrics were impacted by the acquisitions that closed during the first quarter of 2018.

Total non-performing assets were \$90.9 million, or 0.74 percent of net loans and leases, at March 31, 2018 compared with \$90.0 million, or 0.83 percent of net loans and leases, at March 31, 2017, and \$84.5 million, or 0.76 percent of net loans and leases, at December 31, 2017. Other real estate owned was \$9.4 million at March 31, 2018 compared with \$8.5 million at March 31, 2017 and \$6.0 million at December 31, 2017.

Noninterest Revenue

Noninterest revenue was \$78.9 million for the first quarter of 2018, compared with \$70.9 million for the first quarter of 2017 and \$63.1 million for the fourth quarter of 2017. These results included a positive MSR valuation adjustment of \$5.5 million for the first quarter of 2018, compared with a positive MSR valuation adjustment of \$0.9 million for the first quarter of 2017 and a positive MSR valuation adjustment of \$2.4 million for the fourth quarter of 2017. Valuation adjustments in the MSR asset are driven primarily by fluctuations in interest rates period over period.

Excluding the MSR valuation adjustments, mortgage banking revenue was \$7.7 million for the first quarter of 2018, compared with \$8.1 million for the first quarter of 2017 and \$4.9 million for the fourth quarter of 2017. Mortgage origination volume for the first quarter of 2018 was \$291.9 million, compared with \$287.8 million for the first quarter of 2017 and \$308.4 million for the fourth quarter of 2017.

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Credit and debit card fee revenue was \$9.6 million for the first quarter of 2018, compared with \$8.9 million for the first quarter of 2017 and \$9.5 million for the fourth quarter of 2017. Deposit service charge revenue was \$10.9 million for the first quarter of 2018, compared with \$9.7 million for the first quarter of 2017 and \$10.3 million for the fourth quarter of 2017. Wealth management revenue was \$5.7 million for the first quarter of 2018, compared with \$5.2 million for the first quarter of 2017 and \$5.6 million for the fourth quarter of 2017. Other noninterest revenue was \$10.4 million for the first quarter of 2018, compared with \$4.1 million for both the first quarter of 2017 and the fourth quarter of 2017. Other noninterest revenue for the first quarter of 2018 benefitted from a legal settlement totaling \$3.0 million.

Insurance commission revenue was \$29.1 million for the first quarter of 2018, compared with \$32.9 million for the first quarter of 2017 and \$25.8 million for the fourth quarter of 2017. Accounting Standards Updates 2014-09 “Revenue from Contracts with Customers” and 2015-14 “Revenue from Contracts with Customers: Deferral of the Effective Date”, which were effective January 1, 2018, impacted the accounting for insurance commission revenue. Previously, contingent commissions were recognized as revenue in the period of receipt, which is weighted toward the first quarter for the Company. Under the new accounting guidance, the Company is required to estimate and accrue for contingent commissions throughout the year. Accordingly, insurance commission revenue for the first quarter was an estimated \$3.7 million less than it would have otherwise been under the previous accounting rules.

Noninterest Expense

Noninterest expense for the first quarter of 2018 was \$147.7 million, compared with \$127.1 million for the first quarter of 2017 and \$125.9 million for the fourth quarter of 2017. Salaries and employee benefits expense was \$91.3 million for the first quarter of 2018 compared to \$81.4 million for the first quarter of 2017 and \$78.1 million for the fourth quarter of 2017. Occupancy expense was \$10.8 million for the first quarter of 2018, compared with \$10.3 million for the first quarter of 2017 and \$10.1 million for the fourth quarter of 2017. Other noninterest expense was \$39.5 million for the first quarter of 2018, compared to \$29.4 million for the first quarter of 2017 and \$31.3 million for the fourth quarter of 2017. Other noninterest expense for the first quarter of 2018 was adversely impacted by a single forgery and theft loss totaling \$2.3 million. Merger expense for the first quarter of 2018 was \$5.7 million, compared with no merger expense for the first quarter of 2017 and \$0.7 million for the fourth quarter of 2017.

Capital Management

The Company’s equity capitalization is comprised entirely of common stock. The Company’s ratio of shareholders’ equity to assets was 11.99 percent at March 31, 2018, compared with 11.45 percent at March 31, 2017 and 11.20 percent at December 31, 2017. The ratio of tangible shareholders’ equity to tangible assets was 8.69 percent at March 31, 2018, compared with 9.49 percent at March 31, 2017 and 9.31 percent at December 31, 2017.

During the first quarter of 2018, the Company repurchased 2,073,986 shares of its outstanding common stock at a weighted average price of \$32.32 per share pursuant to its share repurchase

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program which is intended to comply with Rules 10b-18 and 10b5-1 promulgated under the Securities and Exchange Act of 1934, as amended. During the fourth quarter of 2017, the Company did not repurchase shares of its outstanding common stock. As of March 31, 2018, the Company had 3,926,014 remaining shares available for repurchase under its current share repurchase authorization, which expires on December 31, 2019.

Estimated regulatory capital ratios at March 31, 2018 were calculated in accordance with the Basel III capital framework. The Company is a “well capitalized” bank, as defined by federal regulations, at March 31, 2018, with Tier 1 risk-based capital of 11.30 percent and total risk-based capital of 12.18 percent, compared with required minimum levels of 8 percent and 10 percent, respectively, in order to qualify for “well capitalized” classification.

TRANSACTIONS

The Reorganization

Effective October 31, 2017, the merger of BancorpSouth, Inc. with and into BancorpSouth Bank was closed, with BancorpSouth Bank continuing as the surviving entity (the “Reorganization”). This transaction resulted in the elimination of the holding company structure. The Reorganization is expected to improve efficiency through the elimination of redundant corporate infrastructure and duplicative regulatory oversight. For more information regarding the Reorganization, see our Current Report on Form 8-K that was filed with the Federal Deposit Insurance Corporation (the “FDIC”) on November 1, 2017.

Central Community Corporation

Effective January 15, 2018, the Company completed the merger with Central Community Corporation (“CCC”), headquartered in Temple, Texas, pursuant to which CCC merged with and into the Company. CCC was the parent company of First State Bank Central Texas (“First State Bank”), which was headquartered in Austin, Texas. First State Bank operated 31 full-service banking offices in central Texas. As of January 15, 2018, CCC, on a consolidated basis, reported total assets of \$1.4 billion, total loans of \$712.2 million and total deposits of \$1.2 billion. Under the terms of the definitive merger agreement, the Company issued approximately 7,250,000 shares of the Company’s common stock plus \$28.5 million in cash for all outstanding shares of CCC’s capital stock. For more information regarding the CCC merger, see our Current Report on Form 8-K that was filed with the FDIC on January 16, 2018. The purchase accounting is considered provisional as management continues to identify and assess information regarding the nature of the acquired assets and liabilities and reviews the associated valuation assumptions and methodologies.

Ouachita Bancshares Corp.

Effective January 15, 2018, the Company completed the merger with Ouachita Bancshares Corp., parent company of Ouachita Independent Bank (collectively referred to as “OIB”), headquartered in Monroe, Louisiana, pursuant to which OIB was merged with and into the

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Company. OIB operated 11 full-service banking offices along the I-20 corridor and had a loan production office in Madison, Mississippi. As of January 15, 2018, OIB, on a consolidated basis, reported total assets of \$707.1 million, total loans of \$495.6 million and total deposits of \$653.4 million. Under the terms of the definitive merger agreement, the Company issued approximately 3,675,000 shares of the Company's common stock plus \$22.875 million in cash for all outstanding shares of Ouachita Bancshares Corp.'s capital stock. For more information regarding the OIB merger, see our Current Report on Form 8-K that was filed with the FDIC on January 16, 2018. The purchase accounting is considered provisional as management continues to identify and assess information regarding the nature of the acquired assets and liabilities and reviews the associated valuation assumptions and methodologies.

Summary

Rollins concluded, "Our first quarter results reflect a very strong start to 2018. I'm excited about the value that the teams acquired in our two transactions add to our franchise. We completed the operational integration of Ouachita Independent Bank during the first quarter, and we expect to integrate First State Bank Central Texas later in the second quarter. I expect these teammates to play an integral part in our growth efforts as a Company. Additionally, we anticipate that we will continue to realize cost savings from these transactions in the months ahead, further improving our financial performance. We are excited about the ability to execute our strategic plan in an effort to continue to grow our company, deploy capital, and enhance shareholder value."

Non-GAAP Measures and Ratios

This news release presents certain financial measures and ratios that are not calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). A discussion regarding these non-GAAP measures and ratios, including reconciliations of non-GAAP measures to the most directly comparable GAAP measures and definitions for non-GAAP ratios, appears under the caption "Reconciliation of Non-GAAP Measures and Other Non-GAAP Ratio Definitions" beginning on page 20 of this news release.

Conference Call and Webcast

The Company will conduct a conference call to discuss its first quarter 2018 financial results on April 19, 2018, at 10:00 a.m. (Central Time). This conference call will be an interactive session between management and analysts. Shareholders and other interested parties may listen to this live conference call via Internet webcast by accessing www.BancorpSouth.com/Webcast. The webcast will also be available in archived format at the same address.

About BancorpSouth Bank

BancorpSouth Bank (NYSE: BXS) is headquartered in Tupelo, Mississippi, with \$17.2 billion in assets. BancorpSouth operates 279 full service branch locations as well as additional mortgage, insurance, and loan production offices in Alabama, Arkansas, Florida, Louisiana, Mississippi,

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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.

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,” “estimate,” “expect,” “foresee,” “hope,” “intend,” “may,” “might,” “plan,” “will,” 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 benefits, costs, synergies and financial and operational impact of the Reorganization on the Company, the benefits, costs, synergies, and financial and operational impact of the CCC and OIB mergers, the acceptance by customers of OIB and CCC of the Company’s products and services after the closing of the mergers, the Company’s ability to operate its regulatory compliance programs consistent with federal, state and local laws, including its Bank Secrecy Act (“BSA”) and anti-money laundering (“AML”) compliance program and its fair lending compliance program, the Company’s compliance with the consent order it entered into with the Consumer Financial Protection Bureau and the United States Department of Justice related to the Company’s fair lending practices (the “Consent Order”), the impact of the Tax Cuts and Jobs Act of 2017 on the Company and its operations and financial performance, amortization expense for intangible assets, goodwill impairments, loan impairment, utilization of appraisals and inspections for real estate loans, maturity, renewal or extension of construction, acquisition and development loans, net interest revenue, fair value determinations, the amount of the Company’s non-performing loans and leases, credit quality, credit losses, liquidity, off-balance sheet commitments and arrangements, valuation of mortgage servicing rights, allowance and provision for credit losses, early identification and resolution of credit issues, utilization of non-GAAP financial measures, the ability of the Company to collect all amounts due according to the contractual terms of loan agreements, the Company’s reserve for losses from representation and warranty obligations, the Company’s foreclosure process related to mortgage loans, the resolution of non-performing loans that are collaterally dependent, real estate values, fully-indexed interest rates, interest rate risk, interest rate sensitivity, the impact of interest rates on loan yields, calculation of economic value of equity, impaired loan charge-offs, diversification of the Company’s revenue stream, the growth of the Company’s insurance business and commission revenue, the growth of the Company’s customer base and loan, deposit and fee revenue sources, liquidity needs and strategies, sources of funding, net interest margin, declaration and payment of dividends, the utilization of the Company’s share repurchase program, the implementation and execution of cost saving initiatives, improvement in the Company’s efficiencies, operating expense trends, future acquisitions, dispositions and other strategic growth opportunities and initiatives and the impact of certain claims and ongoing, pending or threatened litigation, administrative and investigatory matters.

The Company 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. These factors may include, but are not limited to, the Company’s ability to operate its regulatory compliance programs consistent with federal, state and local laws, including its BSA/AML compliance program and its fair lending compliance program, the Company’s ability to successfully implement and comply with the Consent Order, the ability of the Company to meet expectations regarding the benefits, costs, synergies, and financial and operational impact of the Reorganization and the CCC and OIB mergers, the possibility that any of the anticipated benefits, costs, synergies and financial and operational improvements of the Reorganization and the OIB and CCC mergers will not be realized or will not be realized as expected, the lack of availability of the Bank’s filings mandated by the Exchange Act from the SEC’s publicly available website after the closing of the Reorganization, the impact of any ongoing, pending or threatened litigation, administrative and investigatory matters involving the Company, conditions in the financial markets and economic conditions generally, the adequacy of the Company’s provision and allowance for credit losses to cover actual credit losses, the credit risk associated with real estate construction, acquisition and development loans, limitations on the Company’s ability to declare and pay dividends, the availability of capital on favorable terms if and when needed, liquidity risk, governmental regulation, including the Dodd-Frank Act, and supervision of the Company’s operations, the short-term and long-term impact of changes to banking capital standards on the Company’s regulatory capital and liquidity, the impact of regulations on service charges on the Company’s core deposit accounts, the susceptibility of the Company’s business to local economic and environmental conditions, the soundness of other financial institutions, changes in interest rates, the impact of monetary policies and economic factors on the Company’s ability to attract deposits or make loans, volatility in capital and credit markets, reputational risk, the impact of the Tax Cuts and Jobs Act of 2017 on the Company and its operations and financial performance, the impact of the loss of any key Company personnel, the impact of hurricanes or other adverse weather events, any requirement that the Company write down goodwill or other intangible assets, diversification in the types of financial services the Company offers, the growth of the Company’s insurance business and commission revenue, the growth of the Company’s loan, deposit and fee revenue sources, the Company’s ability to adapt its products and services to evolving industry standards and consumer preferences, competition with other financial services companies, risks in connection with completed or potential acquisitions, dispositions and other strategic growth opportunities and initiatives, the Company’s growth strategy, interruptions or breaches in the Company’s information system security, the failure of certain third-party vendors to perform, unfavorable ratings by rating agencies, dilution caused by the Company’s issuance of any additional shares of its common stock to raise capital or acquire other banks, bank holding companies, financial holding companies and insurance agencies, the utilization of the Company’s share repurchase program, the implementation and execution of cost saving initiatives, 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 other factors detailed from time to time in the Company’s press and news releases, reports and other filings with the FDIC. Forward-looking statements speak only as of the date that they were made, 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 news release.

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BancorpSouth Bank
Selected Financial Information
(Dollars in thousands, except per share data)
(Unaudited)

	Quarter Ended 3/31/2018	Quarter Ended 12/31/2017	Quarter Ended 9/30/2017	Quarter Ended 6/30/2017	Quarter Ended 3/31/2017
Earnings Summary:					
Interest revenue	\$ 152,195	\$ 132,276	\$ 130,934	\$ 126,855	\$ 122,926
Interest expense	14,117	10,890	10,373	9,377	8,315
Net interest revenue	138,078	121,386	120,561	117,478	114,611
Provision for credit losses	1,000	500	500	1,000	1,000
Net interest revenue, after provision for credit losses	137,078	120,886	120,061	116,478	113,611
Noninterest revenue	78,934	63,074	65,960	68,130	70,869
Noninterest expense	147,701	125,881	126,903	127,553	127,109
Income before income taxes	68,311	58,079	59,118	57,055	57,371
Income tax expense	14,820	20,556	19,590	19,166	19,278
Net income	\$ 53,491	\$ 37,523	\$ 39,528	\$ 37,889	\$ 38,093
Balance Sheet - Period End Balances					
Total assets	\$ 17,185,772	\$ 15,298,518	\$ 14,760,394	\$ 14,843,130	\$ 14,866,054
Total earning assets	15,593,366	14,081,818	13,606,145	13,674,436	13,757,920
Total securities	3,027,194	2,835,367	2,359,967	2,421,295	2,540,887
Loans and leases, net of unearned income	12,296,849	11,056,434	11,055,509	11,018,540	10,801,694
Allowance for credit losses	119,434	118,200	119,496	121,561	125,196
Net book value of acquired loans (included in loans and leases above)	1,077,581	-	-	-	-
Remaining loan mark on acquired loans	19,330	-	-	-	-
Total deposits	13,894,301	11,915,596	11,775,988	11,938,296	12,042,845
Long-term debt	32,963	30,000	30,000	30,000	530,000
Total shareholders' equity	2,060,487	1,713,485	1,700,502	1,691,832	1,702,389
Balance Sheet - Average Balances					
Total assets	\$ 16,918,568	\$ 14,809,497	\$ 14,710,245	\$ 14,741,811	\$ 14,832,260
Total earning assets	15,374,336	13,678,542	13,591,124	13,636,415	13,715,612
Total securities	3,009,166	2,447,357	2,367,633	2,497,108	2,507,701
Loans and leases, net of unearned income	12,084,020	11,010,187	11,013,270	10,883,102	10,820,486
Total deposits	13,563,510	11,840,049	11,802,682	11,902,415	11,941,851
Long-term debt	34,433	30,000	162,609	398,132	530,000
Total shareholders' equity	2,012,639	1,701,228	1,695,899	1,680,053	1,731,931
Nonperforming Assets:					
Non-accrual loans and leases	\$ 65,303	\$ 61,891	\$ 55,796	\$ 63,585	\$ 74,439
Loans and leases 90+ days past due, still accruing	6,519	8,503	1,855	1,793	3,063
Restructured loans and leases, still accruing	9,681	8,060	7,366	6,303	4,060
Non-performing loans (NPLs)	81,503	78,454	65,017	71,681	81,562
Other real estate owned	9,362	6,038	5,956	7,704	8,458
Non-performing assets (NPAs)	\$ 90,865	\$ 84,492	\$ 70,973	\$ 79,385	\$ 90,020
Financial Ratios and Other Data:					
Return on average assets	1.28%	1.01%	1.07%	1.03%	1.04%
Operating return on average assets-excluding MSR*	1.29%	0.99%	1.07%	1.06%	1.01%
Return on average shareholders' equity	10.78%	8.75%	9.25%	9.05%	8.92%
Operating return on average shareholders' equity-excluding MSR*	10.80%	8.58%	9.25%	9.27%	8.63%
Return on tangible equity*	15.08%	10.67%	11.36%	11.08%	11.19%
Operating return on tangible equity-excluding MSR*	15.11%	10.46%	11.36%	11.35%	10.82%
Noninterest income to average assets	1.89%	1.69%	1.78%	1.85%	1.94%
Noninterest expense to average assets	3.54%	3.37%	3.42%	3.47%	3.48%
Net interest margin-fully taxable equivalent	3.67%	3.58%	3.58%	3.52%	3.46%
Net interest margin-fully taxable equivalent, excluding net accretion on acquired loans and leases	3.60%	N/A	N/A	N/A	N/A
Net interest rate spread	3.52%	3.44%	3.45%	3.40%	3.35%
Efficiency ratio (tax equivalent)*	67.66%	67.45%	67.23%	67.90%	67.71%
Operating efficiency ratio-excluding MSR (tax equivalent)*	66.79%	68.16%	67.24%	67.33%	68.43%
Loan/deposit ratio	88.50%	92.79%	93.88%	92.30%	89.69%
Price to earnings multiple (avg)	17.77%	18.95%	19.42%	18.83%	19.15%
Market value to book value	153.77%	165.76%	170.25%	164.07%	164.09%
Market value to book value (avg)	159.14%	169.35%	158.92%	161.24%	166.39%
Market value to tangible book value	220.18%	203.64%	209.66%	202.52%	202.32%
Market value to tangible book value (avg)	227.87%	208.04%	195.70%	199.07%	205.16%
Employee FTE	4,305	3,947	3,950	3,989	3,973

*Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 20 and 21.

BancorpSouth Bank
Selected Financial Information
(Dollars in thousands, except per share data)
(Unaudited)

	Quarter Ended 3/31/2018	Quarter Ended 12/31/2017	Quarter Ended 9/30/2017	Quarter Ended 6/30/2017	Quarter Ended 3/31/2017
Credit Quality Ratios:					
Net (recoveries) charge-offs to average loans and leases (annualized)	(0.01%)	0.06%	0.09%	0.17%	(0.02%)
Provision for credit losses to average loans and leases (annualized)	0.03%	0.02%	0.02%	0.04%	0.04%
Allowance for credit losses to net loans and leases	0.97%	1.07%	1.08%	1.10%	1.16%
Allowance for credit losses to net loans and leases, excluding acquired loans and leases	1.07%	N/A	N/A	N/A	N/A
Allowance for credit losses to non-performing loans and leases	146.54%	150.66%	183.79%	169.59%	153.50%
Allowance for credit losses to non-performing assets	131.44%	139.89%	168.37%	153.13%	139.08%
Non-performing loans and leases to net loans and leases	0.66%	0.71%	0.59%	0.65%	0.76%
Non-performing assets to net loans and leases	0.74%	0.76%	0.64%	0.72%	0.83%
Equity Ratios:					
Total shareholders' equity to total assets	11.99%	11.20%	11.52%	11.40%	11.45%
Tangible shareholders' equity to tangible assets*	8.69%	9.31%	9.56%	9.44%	9.49%
Capital Adequacy:					
Common Equity Tier 1 capital	11.30%	12.15%	12.04%	11.90%	12.16%
Tier 1 capital	11.30%	12.15%	12.04%	11.90%	12.16%
Total capital	12.18%	13.13%	13.03%	12.91%	13.21%
Tier 1 leverage capital	9.39%	10.12%	10.02%	9.93%	9.95%
Estimated for current quarter					
Common Share Data:					
Basic earnings per share	\$ 0.54	\$ 0.42	\$ 0.43	\$ 0.41	\$ 0.41
Diluted earnings per share	0.54	0.41	0.43	0.41	0.41
Operating earnings per share*	0.58	0.42	0.43	0.41	0.40
Operating earnings per share- excluding MSR*	0.54	0.41	0.43	0.42	0.39
Cash dividends per share	0.14	0.14	0.14	0.13	0.13
Book value per share	20.68	18.97	18.83	18.59	18.44
Tangible book value per share*	14.44	15.44	15.29	15.06	14.95
Market value per share (last)	31.80	31.45	32.05	30.50	30.25
Market value per share (high)	35.55	34.45	32.70	31.85	32.40
Market value per share (low)	30.90	30.25	27.20	28.20	28.10
Market value per share (avg)	32.91	32.13	29.92	29.98	30.68
Dividend payout ratio	25.85%	33.70%	32.20%	30.48%	30.73%
Total shares outstanding	99,636,779	90,312,378	90,329,896	91,022,729	92,344,409
Average shares outstanding - basic	98,765,789	90,321,137	90,911,702	91,366,309	93,642,848
Average shares outstanding - diluted	98,942,268	90,546,824	91,099,770	91,530,552	93,829,400
Yield/Rate:					
(Taxable equivalent basis)					
Loans, loans held for sale, and leases net of unearned income	4.60%	4.36%	4.33%	4.27%	4.20%
Loans, loans held for sale, and leases net of unearned income, excluding net accretion on acquired loans and leases	4.51%	N/A	N/A	N/A	N/A
Available-for-sale securities:					
Taxable	1.72%	1.48%	1.41%	1.37%	1.35%
Tax-exempt	4.30%	5.29%	5.25%	5.26%	5.29%
Short-term investments	1.52%	1.09%	1.02%	0.88%	0.76%
Total interest earning assets and revenue	4.05%	3.90%	3.89%	3.80%	3.70%
Deposits	0.31%	0.27%	0.26%	0.25%	0.23%
Demand - interest bearing	0.36%	0.29%	0.28%	0.25%	0.22%
Savings	0.13%	0.13%	0.12%	0.12%	0.12%
Other time	0.89%	0.86%	0.84%	0.81%	0.79%
Short-term borrowings	1.25%	0.96%	0.85%	0.69%	0.31%
Total interest bearing deposits & short-term borrowings	0.51%	0.45%	0.41%	0.37%	0.32%
Junior subordinated debt	0.00%	N/A	N/A	N/A	3.29%
Long-term debt	4.17%	4.05%	1.79%	1.01%	0.87%
Total interest bearing liabilities and expense	0.53%	0.46%	0.44%	0.40%	0.35%
Interest bearing liabilities to interest earning assets	70.91%	69.09%	69.55%	69.68%	70.24%
Net interest tax equivalent adjustment	\$ 1,205	\$ 2,155	\$ 2,237	\$ 2,248	\$ 2,261

*Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 20 and 21.

BancorpSouth Bank
Consolidated Balance Sheets
(Unaudited)

	Mar-18	Dec-17	Sep-17	Jun-17	Mar-17
(Dollars in thousands)					
<u>Assets</u>					
Cash and due from banks	\$ 180,104	\$ 167,283	\$ 167,871	\$ 178,376	\$ 147,684
Interest bearing deposits with other banks and Federal funds sold	127,345	53,440	52,316	49,680	253,738
Available-for-sale securities, at fair value	3,027,194	2,835,367	2,359,967	2,421,295	2,540,887
Loans and leases	12,312,346	11,072,062	11,073,306	11,037,808	10,822,568
Less: Unearned income	15,497	15,628	17,797	19,268	20,874
Allowance for credit losses	119,434	118,200	119,496	121,561	125,196
Net loans and leases	12,177,415	10,938,234	10,936,013	10,896,979	10,676,498
Loans held for sale	141,979	136,577	138,353	184,921	161,600
Premises and equipment, net	342,353	314,362	311,530	306,863	305,250
Accrued interest receivable	52,856	45,671	44,454	40,716	42,329
Goodwill	580,900	300,798	300,798	300,798	300,798
Other identifiable intangibles	40,590	17,882	18,860	19,854	20,865
Bank owned life insurance	304,850	292,069	259,361	260,228	258,518
Other real estate owned	9,362	6,038	5,956	7,704	8,458
Other assets	200,824	190,797	164,915	175,716	149,429
Total Assets	\$ 17,185,772	\$ 15,298,518	\$ 14,760,394	\$ 14,843,130	\$ 14,866,054
<u>Liabilities</u>					
Deposits:					
Demand: Noninterest bearing	\$ 4,035,830	\$ 3,453,000	\$ 3,414,397	\$ 3,390,428	\$ 3,401,348
Interest bearing	5,945,359	5,066,614	4,925,127	5,095,570	5,182,011
Savings	1,843,264	1,638,799	1,638,033	1,630,123	1,627,621
Other time	2,069,848	1,757,183	1,798,431	1,822,175	1,831,865
Total deposits	13,894,301	11,915,596	11,775,988	11,938,296	12,042,845
Securities sold under agreement to repurchase	469,114	417,867	421,044	399,815	375,832
Federal funds purchased and other short-term borrowing	500,000	1,025,000	625,000	365,000	-
Accrued interest payable	5,525	4,882	4,826	4,259	4,109
Long-term debt	32,963	30,000	30,000	230,000	530,000
Other liabilities	223,382	191,688	203,034	213,928	210,879
Total Liabilities	15,125,285	13,585,033	13,059,892	13,151,298	13,163,665
<u>Shareholders' Equity</u>					
Common stock	249,092	225,781	225,825	227,557	230,861
Capital surplus	465,699	177,624	175,837	191,940	226,204
Accumulated other comprehensive loss	(85,994)	(63,843)	(50,203)	(49,861)	(50,360)
Retained earnings	1,431,690	1,373,923	1,349,043	1,322,196	1,295,684
Total Shareholders' Equity	2,060,487	1,713,485	1,700,502	1,691,832	1,702,389
Total Liabilities & Shareholders' Equity	\$ 17,185,772	\$ 15,298,518	\$ 14,760,394	\$ 14,843,130	\$ 14,866,054

BancorpSouth Bank
Consolidated Average Balance Sheets
(Unaudited)

	Mar-18	Dec-17	Sep-17	Jun-17	Mar-17
	(Dollars in thousands)				
<u>Assets</u>					
Cash and due from banks	\$ 202,141	\$ 154,843	\$ 153,797	\$ 156,387	\$ 162,696
Interest bearing deposits with other banks and Federal funds sold	182,488	108,880	83,109	117,414	258,502
Available-for-sale securities, at fair value	3,009,166	2,447,357	2,367,633	2,497,108	2,507,701
Loans and leases	12,099,694	11,026,437	11,032,159	10,903,524	10,843,069
Less: Unearned income	15,674	16,250	18,889	20,422	22,583
Allowance for credit losses	118,840	119,124	121,501	125,578	124,662
Net loans and leases	11,965,180	10,891,063	10,891,769	10,757,524	10,695,824
Loans held for sale	98,662	112,118	127,112	138,792	128,923
Premises and equipment, net	343,098	313,874	309,592	306,483	305,637
Accrued interest receivable	47,770	40,228	40,100	38,702	38,774
Goodwill	544,840	300,798	300,798	300,798	300,798
Other identifiable intangibles	17,811	18,231	19,222	20,218	21,236
Bank owned life insurance	301,982	265,761	261,100	259,182	257,669
Other real estate owned	9,300	5,777	6,985	7,860	8,154
Other assets	196,130	150,567	149,028	141,343	146,346
Total Assets	<u>\$ 16,918,568</u>	<u>\$ 14,809,497</u>	<u>\$ 14,710,245</u>	<u>\$ 14,741,811</u>	<u>\$ 14,832,260</u>
<u>Liabilities</u>					
Deposits:					
Demand: Noninterest bearing	\$ 3,822,216	\$ 3,479,771	\$ 3,369,468	\$ 3,362,801	\$ 3,272,876
Interest bearing	5,898,269	4,949,183	4,985,113	5,079,388	5,244,069
Savings	1,801,128	1,631,617	1,634,577	1,626,996	1,587,725
Other time	2,041,897	1,779,478	1,813,524	1,833,230	1,837,181
Total deposits	13,563,510	11,840,049	11,802,682	11,902,415	11,941,851
Securities sold under agreement to repurchase	445,840	471,581	444,999	412,825	414,272
Federal funds purchased and other short-term borrowing	667,546	589,261	411,815	151,352	19,545
Accrued interest payable	5,177	4,718	4,507	4,028	3,867
Long-term debt	34,433	30,000	162,609	398,132	530,000
Other liabilities	189,423	172,660	187,734	193,006	189,648
Total Liabilities	14,905,929	13,108,269	13,014,346	13,061,758	13,100,329
<u>Shareholders' Equity</u>					
Common stock	247,189	225,808	227,247	228,322	234,285
Capital surplus	447,576	176,613	189,545	199,115	265,685
Accumulated other comprehensive loss	(71,205)	(55,181)	(48,591)	(49,185)	(50,616)
Retained earnings	1,389,079	1,353,988	1,327,698	1,301,801	1,282,577
Total Shareholders' Equity	2,012,639	1,701,228	1,695,899	1,680,053	1,731,931
Total Liabilities & Shareholders' Equity	<u>\$ 16,918,568</u>	<u>\$ 14,809,497</u>	<u>\$ 14,710,245</u>	<u>\$ 14,741,811</u>	<u>\$ 14,832,260</u>

BancorpSouth Bank
Consolidated Condensed Statements of Income
(Dollars in thousands, except per share data)
(Unaudited)

	Quarter Ended				
	Mar-18	Dec-17	Sep-17	Jun-17	Mar-17
INTEREST REVENUE:					
Loans and leases	\$ 136,568	\$ 120,381	\$ 119,599	\$ 115,286	\$ 111,498
Deposits with other banks	664	300	214	256	485
Federal funds sold and securities purchased under agreement to resell	21	-	-	-	-
Available-for-sale securities:					
Taxable	11,483	8,114	7,378	7,509	7,350
Tax-exempt	2,504	2,417	2,514	2,562	2,581
Loans held for sale	955	1,064	1,229	1,242	1,012
Total interest revenue	<u>152,195</u>	<u>132,276</u>	<u>130,934</u>	<u>126,855</u>	<u>122,926</u>
INTEREST EXPENSE:					
Interest bearing demand	5,278	3,645	3,482	3,204	2,786
Savings	584	517	494	483	472
Other time	4,457	3,853	3,819	3,725	3,582
Federal funds purchased and securities sold under agreement to repurchase	1,341	930	754	509	322
Short-term and long-term debt	2,455	1,943	1,824	1,456	1,142
Junior subordinated debt	-	-	-	-	9
Other	2	2	-	-	2
Total interest expense	<u>14,117</u>	<u>10,890</u>	<u>10,373</u>	<u>9,377</u>	<u>8,315</u>
Net interest revenue	138,078	121,386	120,561	117,478	114,611
Provision for credit losses	1,000	500	500	1,000	1,000
Net interest revenue, after provision for credit losses	<u>137,078</u>	<u>120,886</u>	<u>120,061</u>	<u>116,478</u>	<u>113,611</u>
NONINTEREST REVENUE:					
Mortgage banking	13,265	7,246	6,909	6,134	8,990
Credit card, debit card and merchant fees	9,564	9,530	9,346	9,565	8,903
Deposit service charges	10,901	10,257	10,388	9,706	9,689
Security gains, net	27	523	5	23	1,071
Insurance commissions	29,130	25,758	28,616	31,126	32,940
Wealth management	5,697	5,619	5,386	5,275	5,174
Other	10,350	4,141	5,310	6,301	4,102
Total noninterest revenue	<u>78,934</u>	<u>63,074</u>	<u>65,960</u>	<u>68,130</u>	<u>70,869</u>
NONINTEREST EXPENSE:					
Salaries and employee benefits	91,333	78,142	81,415	81,597	81,386
Occupancy, net of rental income	10,804	10,064	10,343	10,455	10,302
Equipment	3,754	3,710	3,352	3,438	3,568
Deposit insurance assessments	2,360	2,659	2,499	2,261	2,484
Other	39,450	31,306	29,294	29,802	29,369
Total noninterest expense	<u>147,701</u>	<u>125,881</u>	<u>126,903</u>	<u>127,553</u>	<u>127,109</u>
Income before income taxes	68,311	58,079	59,118	57,055	57,371
Income tax expense	14,820	20,556	19,590	19,166	19,278
Net income	<u>\$ 53,491</u>	<u>\$ 37,523</u>	<u>\$ 39,528</u>	<u>\$ 37,889</u>	<u>\$ 38,093</u>
Net income per share: Basic	<u>\$ 0.54</u>	<u>\$ 0.42</u>	<u>\$ 0.43</u>	<u>\$ 0.41</u>	<u>\$ 0.41</u>
Diluted	<u>\$ 0.54</u>	<u>\$ 0.41</u>	<u>\$ 0.43</u>	<u>\$ 0.41</u>	<u>\$ 0.41</u>

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April 18, 2018

BancorpSouth Bank
Selected Loan Data
(Dollars in thousands)
(Unaudited)

	Quarter Ended				
	Mar-18	Dec-17	Sep-17	Jun-17	Mar-17
LOAN AND LEASE PORTFOLIO:					
Commercial and industrial	\$ 1,695,718	\$ 1,480,279	\$ 1,506,352	\$ 1,566,459	\$ 1,536,527
Real estate					
Consumer mortgages	3,000,479	2,864,623	2,826,333	2,776,213	2,675,672
Home equity	655,634	638,394	626,961	624,868	626,488
Agricultural	313,470	243,449	247,211	245,646	240,534
Commercial and industrial-owner occupied	2,102,493	1,846,085	1,835,430	1,795,321	1,801,613
Construction, acquisition and development	1,377,153	1,153,187	1,175,979	1,156,901	1,136,827
Commercial real estate	2,640,503	2,345,231	2,336,219	2,341,633	2,271,542
Credit cards	102,114	107,848	104,613	104,169	103,813
All other	409,285	377,338	396,411	407,330	408,678
Total loans	<u>\$ 12,296,849</u>	<u>\$ 11,056,434</u>	<u>\$ 11,055,509</u>	<u>\$ 11,018,540</u>	<u>\$ 10,801,694</u>
ALLOWANCE FOR CREDIT LOSSES:					
Balance, beginning of period	\$ 118,200	\$ 119,496	\$ 121,561	\$ 125,196	\$ 123,736
Loans and leases charged-off:					
Commercial and industrial	(484)	(1,234)	(1,963)	(3,773)	(384)
Real estate					
Consumer mortgages	(134)	(773)	(1,193)	(522)	(596)
Home equity	(143)	(95)	(439)	(125)	(459)
Agricultural	(12)	(5)	(54)	(6)	(44)
Commercial and industrial-owner occupied	(41)	(720)	(20)	(1,460)	(404)
Construction, acquisition and development	(163)	(206)	(29)	(54)	(30)
Commercial real estate	(35)	(159)	(49)	(1)	(19)
Credit cards	(794)	(849)	(745)	(781)	(838)
All other	(725)	(627)	(711)	(591)	(559)
Total loans charged-off	<u>(2,531)</u>	<u>(4,668)</u>	<u>(5,203)</u>	<u>(7,313)</u>	<u>(3,333)</u>
Recoveries:					
Commercial and industrial	372	599	481	1,034	490
Real estate					
Consumer mortgages	95	755	642	339	625
Home equity	333	69	378	110	356
Agricultural	79	7	77	34	41
Commercial and industrial-owner occupied	80	391	285	481	193
Construction, acquisition and development	1,262	483	260	208	1,324
Commercial real estate	53	98	151	75	69
Credit cards	220	218	177	205	249
All other	271	252	187	192	446
Total recoveries	<u>2,765</u>	<u>2,872</u>	<u>2,638</u>	<u>2,678</u>	<u>3,793</u>
Net recoveries (charge-offs)	234	(1,796)	(2,565)	(4,635)	460
Provision charged to operating expense	1,000	500	500	1,000	1,000
Balance, end of period	<u>\$ 119,434</u>	<u>\$ 118,200</u>	<u>\$ 119,496</u>	<u>\$ 121,561</u>	<u>\$ 125,196</u>
Average loans for period	<u>\$ 12,084,020</u>	<u>\$ 11,010,187</u>	<u>\$ 11,013,270</u>	<u>\$ 10,883,102</u>	<u>\$ 10,820,486</u>
Ratio:					
Net (recoveries) charge-offs to average loans (annualized)	<u>(0.01%)</u>	<u>0.06%</u>	<u>0.09%</u>	<u>0.17%</u>	<u>(0.02%)</u>

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April 18, 2018

BancorpSouth Bank
Selected Loan Data
(Dollars in thousands)
(Unaudited)

	Quarter Ended				
	Mar-18	Dec-17	Sep-17	Jun-17	Mar-17
NON-PERFORMING ASSETS					
NON-PERFORMING LOANS AND LEASES:					
Nonaccrual Loans and Leases					
Commercial and industrial	11,122	\$ 10,178	\$ 8,776	\$ 9,988	\$ 13,959
Real estate					
Consumer mortgages	26,832	22,988	23,635	24,690	21,543
Home equity	2,587	2,956	2,555	3,183	3,157
Agricultural	6,225	6,160	5,919	6,172	5,180
Commercial and industrial-owner occupied	12,210	12,585	7,558	10,215	15,135
Construction, acquisition and development	2,223	2,197	1,771	2,223	1,466
Commercial real estate	3,597	4,318	4,645	6,418	13,638
Credit cards	136	74	126	122	87
All other	371	435	811	574	274
Total nonaccrual loans and leases	<u>\$ 65,303</u>	<u>\$ 61,891</u>	<u>\$ 55,796</u>	<u>\$ 63,585</u>	<u>\$ 74,439</u>
Loans and Leases 90+ Days Past Due, Still Accruing:	6,519	8,503	1,855	1,793	3,063
Restructured Loans and Leases, Still Accruing	9,681	8,060	7,366	6,303	4,060
Total non-performing loans and leases	<u>81,503</u>	<u>78,454</u>	<u>65,017</u>	<u>71,681</u>	<u>81,562</u>
OTHER REAL ESTATE OWNED:	9,362	6,038	5,956	7,704	8,458
Total Non-performing Assets	<u>\$ 90,865</u>	<u>\$ 84,492</u>	<u>\$ 70,973</u>	<u>\$ 79,385</u>	<u>\$ 90,020</u>
Additions to Nonaccrual Loans and Leases During the Quarter	<u>\$ 16,641</u>	<u>\$ 20,799</u>	<u>\$ 16,975</u>	<u>\$ 17,020</u>	<u>\$ 23,348</u>
Loans and Leases 30-89 Days Past Due, Still Accruing:					
Commercial and industrial	5,020	\$ 1,990	\$ 3,791	\$ 3,304	\$ 4,083
Real estate					
Consumer mortgages	17,076	15,080	18,603	12,395	10,149
Home equity	1,768	1,858	2,042	2,590	1,720
Agricultural	295	191	476	197	364
Commercial and industrial-owner occupied	4,356	1,655	4,453	2,228	1,949
Construction, acquisition and development	2,215	1,386	4,464	2,639	3,306
Commercial real estate	679	1,200	1,206	1,183	2,631
Credit cards	705	851	720	705	800
All other	733	951	699	1,203	776
Total Loans and Leases 30-89 days past due, still accruing	<u>\$ 32,847</u>	<u>\$ 25,162</u>	<u>\$ 36,454</u>	<u>\$ 26,444</u>	<u>\$ 25,778</u>
Credit Quality Ratios:					
Provision for credit losses to average loans and leases (annualized)	0.03%	0.02%	0.02%	0.04%	0.04%
Allowance for credit losses to net loans and leases	0.97%	1.07%	1.08%	1.10%	1.16%
Allowance for credit losses to non-performing loans and leases	146.54%	150.66%	183.79%	169.59%	153.50%
Allowance for credit losses to non-performing assets	131.44%	139.89%	168.37%	153.13%	139.08%
Non-performing loans and leases to net loans and leases	0.66%	0.71%	0.59%	0.65%	0.76%
Non-performing assets to net loans and leases	0.74%	0.76%	0.64%	0.72%	0.83%

BancorpSouth Bank
Selected Loan Data
(Dollars in thousands)
(Unaudited)

LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:	March 31, 2018							
	Pass	Special Mention	Substandard	Doubtful	Loss	Impaired	Purchased Credit Impaired	Total
	Commercial and industrial	\$ 1,646,715	\$ -	\$ 41,194	\$ 599	\$ -	\$ 6,549	\$ 661
Real estate								
Consumer mortgages	2,934,287	-	61,049	181	-	4,962	-	3,000,479
Home equity	647,562	-	7,791	-	-	281	-	655,634
Agricultural	296,260	-	9,557	-	-	4,744	2,909	313,470
Commercial and industrial-owner occupied	2,025,321	-	67,204	-	-	8,150	1,818	2,102,493
Construction, acquisition and development	1,360,548	-	16,087	-	-	518	-	1,377,153
Commercial real estate	2,598,283	1,207	39,395	-	-	1,618	-	2,640,503
Credit cards	102,114	-	-	-	-	-	-	102,114
All other	399,205	-	10,080	-	-	-	-	409,285
Total loans	\$ 12,010,295	\$ 1,207	\$ 252,357	\$ 780	\$ -	\$ 26,822	\$ 5,388	\$ 12,296,849

LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:	December 31, 2017							
	Pass	Special Mention	Substandard	Doubtful	Loss	Impaired	Purchased Credit Impaired	Total
	Commercial and industrial	\$ 1,434,663	\$ -	\$ 38,210	\$ 501	\$ -	\$ 6,905	\$ -
Real estate								
Consumer mortgages	2,802,397	-	60,606	203	-	1,417	-	2,864,623
Home equity	629,010	-	8,683	-	-	701	-	638,394
Agricultural	228,618	-	9,622	-	-	5,209	-	243,449
Commercial and industrial-owner occupied	1,775,772	-	61,435	-	269	8,609	-	1,846,085
Construction, acquisition and development	1,134,637	3,718	14,208	-	-	624	-	1,153,187
Commercial real estate	2,303,569	1,220	38,096	-	-	2,346	-	2,345,231
Credit cards	107,848	-	-	-	-	-	-	107,848
All other	362,599	-	14,739	-	-	-	-	377,338
Total loans	\$ 10,779,113	\$ 4,938	\$ 245,599	\$ 704	\$ 269	\$ 25,811	\$ -	\$ 11,056,434

BancorpSouth Bank
Geographical Information
(Dollars in thousands)
(Unaudited)

March 31, 2018

	Alabama and Florida Panhandle	Arkansas	Louisiana	Mississippi	Missouri	Tennessee	Texas	Other	Total
LOAN AND LEASE PORTFOLIO:									
Commercial and industrial	\$ 119,559	\$ 159,073	\$ 283,451	\$ 577,247	\$ 77,666	\$ 102,485	\$ 341,373	\$ 34,864	\$ 1,695,718
Real estate									
Consumer mortgages	397,947	329,498	307,632	876,305	97,147	320,343	616,902	54,705	3,000,479
Home equity	101,236	45,694	91,108	233,141	20,409	141,278	21,207	1,561	655,634
Agricultural	6,685	84,540	42,428	65,282	6,179	11,850	96,506	-	313,470
Commercial and industrial-owner occupied	212,385	200,095	327,376	719,353	47,000	149,383	446,901	-	2,102,493
Construction, acquisition and development	103,428	91,081	104,721	341,720	19,133	177,205	539,865	-	1,377,153
Commercial real estate	311,251	341,138	378,650	550,357	213,036	207,513	638,558	-	2,640,503
Credit cards	-	-	-	-	-	-	-	102,114	102,114
All other	48,861	40,069	29,469	190,451	2,957	21,325	69,827	6,326	409,285
Total loans	\$ 1,301,352	\$ 1,291,188	\$ 1,564,835	\$ 3,553,856	\$ 483,527	\$ 1,131,382	\$ 2,771,139	\$ 199,570	\$ 12,296,849
NON-PERFORMING LOANS AND LEASES:									
Commercial and industrial	\$ 117	\$ 868	1048	\$ 3,577	\$ 3,989	\$ 359	\$ 1,973	\$ 746	\$ 12,677
Real estate									
Consumer mortgages	2,764	5,245	4978	10,927	96	2,349	5,807	490	32,656
Home equity	409	318	1109	543	148	49	53	2	2,631
Agricultural	50	719	211	4,898	-	-	364	-	6,242
Commercial and industrial-owner occupied	46	1,723	764	4,356	3,987	1,091	3,216	-	15,183
Construction, acquisition and development	40	907	838	168	-	-	622	-	2,575
Commercial real estate	761	774	851	5,118	-	-	-	-	7,504
Credit cards	-	-	-	-	-	-	-	1,240	1,240
All other	11	-	7	454	-	319	4	-	795
Total loans	\$ 4,198	\$ 10,554	\$ 9,806	\$ 30,041	\$ 8,220	\$ 4,167	\$ 12,039	\$ 2,478	\$ 81,503
NON-PERFORMING LOANS AND LEASES AS A PERCENTAGE OF OUTSTANDING:									
Commercial and industrial	0.10%	0.55%	0.37%	0.62%	5.14%	0.35%	0.58%	2.14%	0.75%
Real estate									
Consumer mortgages	0.69%	1.59%	1.62%	1.25%	0.10%	0.73%	0.94%	0.90%	1.09%
Home equity	0.40%	0.70%	1.22%	0.23%	0.73%	0.03%	0.25%	0.13%	0.40%
Agricultural	0.75%	0.85%	0.50%	7.50%	0.00%	0.00%	0.38%	N/A	1.99%
Commercial and industrial-owner occupied	0.02%	0.86%	0.23%	0.61%	8.48%	0.73%	0.72%	N/A	0.72%
Construction, acquisition and development	0.04%	1.00%	0.80%	0.05%	0.00%	0.00%	0.12%	N/A	0.19%
Commercial real estate	0.24%	0.23%	0.22%	0.93%	0.00%	0.00%	0.00%	N/A	0.28%
Credit cards	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.21%	1.21%
All other	0.02%	0.00%	0.02%	0.24%	0.00%	1.50%	0.01%	0.00%	0.19%
Total loans	0.32%	0.82%	0.63%	0.85%	1.70%	0.37%	0.43%	1.24%	0.66%

BancorpSouth Bank
Acquired Loan Information
(Dollars in thousands)
(Unaudited)

	Quarter Ended March 31, 2018		
	Acquired Loans Accounted for Under ASC 310-20	Acquired Loans Accounted for Under ASC 310-30	Total Acquired Loans
Net book value of acquired loans at beginning of period	\$ -	\$ -	\$ -
Fair value of loans acquired during the period	1,180,749	6,706	1,187,455
Reductions in acquired loans	(108,556)	(1,318)	(109,874)
Net book value of acquired loans at end of period	<u>\$ 1,072,193</u>	<u>\$ 5,388</u>	<u>\$ 1,077,581</u>
Loan mark on acquired loans at beginning of period	\$ -	\$ -	\$ -
Loan mark recorded on loans acquired during the period*	(15,621)	(6,359)	(21,980)
Change in nonaccretable difference (for ASC 310-30 loans only)	N/A	-	-
Net accretion recognized on acquired loans	2,522	128	2,650
Remaining loan mark on acquired loans	<u>\$ (13,099)</u>	<u>\$ (6,231)</u>	<u>\$ (19,330)</u>

	Quarter Ended 3/31/2018
Loan yield, as reported	4.60%
Loan yield, excluding net accretion on acquired loans	4.51%
Net interest margin, as reported	3.67%
Net interest margin, excluding net accretion on acquired loans	3.60%

* The loan mark shown above for loans accounted for under ASC 310-30 included approximately \$1.0 million in accretable yield and \$5.3 million in nonaccretable difference at the time of acquisition.

April 18, 2018

BancorpSouth Bank
Noninterest Revenue and Expense
(Dollars in thousands)
(Unaudited)

	Quarter Ended				
	Mar-18	Dec-17	Sep-17	Jun-17	Mar-17
NONINTEREST REVENUE:					
Mortgage banking excl. MSR and MSR Hedge market value adj	\$ 7,732	\$ 4,868	\$ 6,955	\$ 7,643	\$ 8,056
MSR and MSR Hedge market value adjustment	5,533	2,378	(46)	(1,509)	934
Credit card, debit card and merchant fees	9,564	9,530	9,346	9,565	8,903
Deposit service charges	10,901	10,257	10,388	9,706	9,689
Securities gains, net	27	523	5	23	1,071
Insurance commissions	29,130	25,758	28,616	31,126	32,940
Trust income	3,848	3,985	3,803	3,679	3,561
Annuity fees	297	216	246	264	349
Brokerage commissions and fees	1,552	1,418	1,337	1,332	1,264
Bank-owned life insurance	1,947	1,732	2,700	1,710	1,669
Other miscellaneous income	8,403	2,409	2,610	4,591	2,433
Total noninterest revenue	<u>\$ 78,934</u>	<u>\$ 63,074</u>	<u>\$ 65,960</u>	<u>\$ 68,130</u>	<u>\$ 70,869</u>
NONINTEREST EXPENSE:					
Salaries and employee benefits	\$ 91,333	\$ 78,142	\$ 81,415	\$ 81,597	\$ 81,386
Occupancy, net of rental income	10,804	10,064	10,343	10,455	10,302
Equipment	3,754	3,710	3,352	3,438	3,568
Deposit insurance assessments	2,360	2,659	2,499	2,261	2,484
Advertising	855	1,671	1,185	1,037	663
Foreclosed property expense	366	1,035	447	960	1,050
Telecommunications	1,217	1,219	1,192	1,233	1,147
Public relations	794	705	675	654	720
Data processing	7,360	6,855	6,942	7,230	6,623
Computer software	3,336	3,172	3,074	2,913	2,981
Amortization of intangibles	1,602	979	994	1,010	1,030
Legal	691	1,326	1,016	1,330	1,229
Merger expense	5,727	688	-	-	-
Postage and shipping	1,237	1,092	1,050	1,080	1,175
Other miscellaneous expense	16,265	12,564	12,719	12,355	12,751
Total noninterest expense	<u>\$ 147,701</u>	<u>\$ 125,881</u>	<u>\$ 126,903</u>	<u>\$ 127,553</u>	<u>\$ 127,109</u>
INSURANCE COMMISSIONS:					
Property and casualty commissions	\$ 20,100	\$ 18,667	\$ 21,086	\$ 22,363	\$ 19,755
Life and health commissions	5,943	5,900	6,134	6,623	6,465
Risk management income	750	608	703	600	648
Other	2,337	583	693	1,540	6,072
Total insurance commissions	<u>\$ 29,130</u>	<u>\$ 25,758</u>	<u>\$ 28,616</u>	<u>\$ 31,126</u>	<u>\$ 32,940</u>

BancorpSouth Bank
Selected Additional Information
(Dollars in thousands)
(Unaudited)

	Quarter Ended				
	Mar-18	Dec-17	Sep-17	Jun-17	Mar-17
MORTGAGE SERVICING RIGHTS:					
Fair value, beginning of period	\$ 69,190	\$ 66,417	\$ 65,491	\$ 67,161	\$ 65,263
Additions to mortgage servicing rights:					
Originations of servicing assets	2,683	3,011	3,393	2,772	2,866
Changes in fair value:					
Due to payoffs/paydowns	(2,382)	(2,659)	(2,502)	(2,825)	(1,876)
Due to change in valuation inputs or assumptions used in the valuation model	5,716	2,422	36	(1,616)	909
Other changes in fair value	(1)	(1)	(1)	(1)	(1)
Fair value, end of period	<u>\$ 75,206</u>	<u>\$ 69,190</u>	<u>\$ 66,417</u>	<u>\$ 65,491</u>	<u>\$ 67,161</u>
MORTGAGE BANKING REVENUE:					
Production revenue:					
Origination	\$ 5,239	\$ 2,824	\$ 4,809	\$ 5,771	\$ 5,117
Servicing	4,875	4,703	4,648	4,697	4,815
Payoffs/Paydowns	(2,382)	(2,659)	(2,502)	(2,825)	(1,876)
Total production revenue	7,732	4,868	6,955	7,643	8,056
Market value adjustment on MSR	5,716	2,422	36	(1,616)	909
Market value adjustment on MSR Hedge	(183)	(44)	(82)	107	25
Total mortgage lending revenue	<u>\$ 13,265</u>	<u>\$ 7,246</u>	<u>\$ 6,909</u>	<u>\$ 6,134</u>	<u>\$ 8,990</u>
Mortgage loans serviced	\$ 6,532,950	\$ 6,533,642	\$ 6,506,550	\$ 6,431,273	\$ 6,429,617
MSR/mtg loans serviced	1.15%	1.06%	1.02%	1.02%	1.04%
AVAILABLE-FOR-SALE SECURITIES, at fair value					
U.S. Government agencies	\$ 2,385,962	\$ 2,214,995	\$ 1,687,186	\$ 1,713,374	\$ 1,818,180
Government agency issued residential mortgage-back securities	139,148	148,548	157,891	159,246	167,542
Government agency issued commercial mortgage-back securities	124,041	122,068	153,509	170,642	170,082
Obligations of states and political subdivisions	340,616	312,931	328,314	345,130	352,324
Other	37,427	36,825	33,067	32,903	32,759
Total available-for-sale securities	<u>\$ 3,027,194</u>	<u>\$ 2,835,367</u>	<u>\$ 2,359,967</u>	<u>\$ 2,421,295</u>	<u>\$ 2,540,887</u>

BancorpSouth Bank
Reconciliation of Non-GAAP Measures and Other Non-GAAP Ratio Definitions
(Dollars in thousands, except per share amounts)
(Unaudited)

Management evaluates the Company's capital position and operating performance by utilizing certain financial measures not calculated in accordance with U.S. Generally Accepted Accounting Principles (GAAP), including net operating income, net operating income-excluding MSR, total operating expense, tangible shareholders' equity to tangible assets, return on tangible equity, operating return on tangible equity-excluding MSR, operating return on average assets-excluding MSR, operating return on average shareholders' equity-excluding MSR, tangible book value per share, operating earnings per share, operating earnings per share-excluding MSR, efficiency ratio (tax equivalent) and operating efficiency ratio-excluding MSR (tax equivalent). The Company has included these non-GAAP financial measures in this news release for the applicable periods presented. Management believes that the presentation of these non-GAAP financial measures (i) provides important supplemental information that contributes to a proper understanding of the Company's capital position and operating performance, (ii) enables a more complete understanding of factors and trends affecting the Company's business and (iii) allows investors to evaluate the Company's performance in a manner similar to management, the financial services industry, bank stock analysts and bank regulators. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are presented in the tables below. These non-GAAP financial measures should not be considered as substitutes for GAAP financial measures, and the Company strongly encourages investors to review the GAAP financial measures included in this news release and not to place undue reliance upon any single financial measure. In addition, because non-GAAP financial measures are not standardized, it may not be possible to compare the non-GAAP financial measures presented in this news release with other companies' non-GAAP financial measures having the same or similar names.

Reconciliation of Net Operating Income and Net Operating Income-Excluding MSR to Net Income:

	Quarter ended				
	3/31/2018	12/31/2017	9/30/2017	6/30/2017	3/31/2017
Net income	\$ 53,491	\$ 37,523	\$ 39,528	\$ 37,889	\$ 38,093
Plus: Merger expense, net of tax	4,298	427	-	-	-
Changes due to tax reform	-	623	-	-	-
Less: Security gains, net of tax	20	325	3	14	664
Net operating income	<u>\$ 57,769</u>	<u>\$ 38,248</u>	<u>\$ 39,525</u>	<u>\$ 37,875</u>	<u>\$ 37,429</u>
Less: MSR market value adjustment, net of tax	4,153	1,476	(28)	(936)	579
Net operating income-excluding MSR	<u>\$ 53,616</u>	<u>\$ 36,772</u>	<u>\$ 39,553</u>	<u>\$ 38,811</u>	<u>\$ 36,850</u>

Reconciliation of Total Operating Expense to Total Noninterest Expense:

Total noninterest expense	\$ 147,701	\$ 125,881	\$ 126,903	\$ 127,553	\$ 127,109
Less: Merger expense	5,727	688	-	-	-
Total operating expense	<u>\$ 141,974</u>	<u>\$ 125,193</u>	<u>\$ 126,903</u>	<u>\$ 127,553</u>	<u>\$ 127,109</u>

BancorpSouth Bank
Reconciliation of Non-GAAP Measures and Other Non-GAAP Ratio Definitions
(Dollars in thousands, except per share amounts)
(Unaudited)

Reconciliation of Tangible Assets and Tangible Shareholders' Equity to
Total Assets and Total Shareholders' Equity:

	Quarter ended				
	3/31/2018	12/31/2017	9/30/2017	6/30/2017	3/31/2017
Tangible assets					
Total assets	\$ 17,185,772	\$ 15,298,518	\$ 14,760,394	\$ 14,843,130	\$ 14,866,054
Less: Goodwill	580,900	300,798	300,798	300,798	300,798
Other identifiable intangible assets	40,590	17,882	18,860	19,854	20,865
Total tangible assets	<u>\$ 16,564,282</u>	<u>\$ 14,979,838</u>	<u>\$ 14,440,736</u>	<u>\$ 14,522,478</u>	<u>\$ 14,544,391</u>
Tangible shareholders' equity					
Total shareholders' equity	\$ 2,060,487	\$ 1,713,485	\$ 1,700,502	\$ 1,691,832	\$ 1,702,389
Less: Goodwill	580,900	300,798	300,798	300,798	300,798
Other identifiable intangible assets	40,590	17,882	18,860	19,854	20,865
Total tangible shareholders' equity	<u>\$ 1,438,997</u>	<u>\$ 1,394,805</u>	<u>\$ 1,380,844</u>	<u>\$ 1,371,180</u>	<u>\$ 1,380,726</u>
Total average assets	\$ 16,918,568	\$ 14,809,497	\$ 14,710,245	\$ 14,741,811	\$ 14,832,260
Total shares of common stock outstanding	99,636,779	90,312,378	90,329,896	91,022,729	92,344,409
Average shares outstanding-diluted	98,942,268	90,546,824	91,099,770	91,530,552	93,829,400
Tangible shareholders' equity to tangible assets (1)	8.69%	9.31%	9.56%	9.44%	9.49%
Return on tangible equity (2)	15.08%	10.67%	11.36%	11.08%	11.19%
Operating return on tangible equity-excluding MSR (3)	15.11%	10.46%	11.36%	11.35%	10.82%
Operating return on average assets-excluding MSR (4)	1.29%	0.99%	1.07%	1.06%	1.01%
Operating return on average shareholders' equity-excluding MSR (5)	10.80%	8.58%	9.25%	9.27%	8.63%
Tangible book value per share (6)	\$ 14.44	\$ 15.44	\$ 15.29	\$ 15.06	\$ 14.95
Operating earnings per share (7)	\$ 0.58	\$ 0.42	\$ 0.43	\$ 0.41	\$ 0.40
Operating earnings per share-excluding MSR (8)	\$ 0.54	\$ 0.41	\$ 0.43	\$ 0.42	\$ 0.39

- (1) Tangible shareholders' equity to tangible assets is defined by the Company as total shareholders' equity less goodwill and other identifiable intangible assets, divided by the difference of total assets less goodwill and other identifiable intangible assets.
- (2) Return on tangible equity is defined by the Company as annualized net income divided by tangible shareholders' equity.
- (3) Operating return on tangible equity-excluding MSR is defined by the Company as annualized net operating income-excluding MSR divided by tangible shareholders' equity.
- (4) Operating return on average assets-excluding MSR is defined by the Company as annualized net operating income-excluding MSR divided by total average assets.
- (5) Operating return on average shareholders' equity-excluding MSR is defined by the Company as annualized net operating income-excluding MSR divided by average shareholders' equity.
- (6) Tangible book value per share is defined by the Company as tangible shareholders' equity divided by total shares of common stock outstanding.
- (7) Operating earnings per share is defined by the Company as net operating income divided by average shares outstanding-diluted.
- (8) Operating earnings per share-excluding MSR is defined by the Company as net operating income-excluding MSR divided by average shares outstanding-diluted.

Efficiency Ratio (tax equivalent) and Operating Efficiency Ratio-excluding MSR (tax equivalent) Definitions

The efficiency ratio (tax equivalent) and the operating efficiency ratio-excluding MSR (tax equivalent) are supplemental financial measures utilized in management's internal evaluation of the Company's use of resources and are not defined under GAAP. The efficiency ratio (tax equivalent) is calculated by dividing total noninterest expense by total revenue, which includes net interest income plus noninterest income plus the tax equivalent adjustment. The operating efficiency ratio-excluding MSR (tax equivalent) excludes expense items otherwise disclosed as non-operating from total noninterest expense. In addition, the MSR valuation adjustment as well as securities gains and losses are excluded from total revenue.