BANCORPSOUTH BANK

Financial Information

As of and for the Three Months
Ended September 30, 2018

BancorpSouth®

Forward Looking Statements

Certain statements contained in this presentation 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 and the Icon, CCC and OIB mergers on the Company, the acceptance by customers of Icon, OIB and CCC of the Company's products and services after the closing of the mergers, the opportunities to enhance market share in certain markets and market acceptance of the Company generally in new markets, 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 presentation, 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 Icon, CCC and OIB mergers, the possibility that any of the anticipated benefits, costs, synergies and financial and operational improvements of the Reorganization and the Icon, OIB and CCC mergers will not be realized or will not be realized as expected, the possibility that the Icon merger integration may be more expensive to complete than anticipated, the lack of availability of the Company'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 presentation.

Q3 Highlights

- Record quarterly net income of $66.7 million, or $0.67 per diluted share, which represents an increase of 56 percent on a per share basis compared with the third quarter of 2017.
- Recognized a one-time tax benefit of $11.3 million, or $0.11 per diluted share, as a result of a voluntary contribution to the Company's pension plan as well as a tax accounting method change related to the recognition of certain software development costs.
- Earnings benefited from a positive pre-tax mortgage servicing rights (“MSR”) valuation adjustment of $1.5 million.
- Net operating income – excluding MSR – of $55.0 million, or $0.56 per diluted share.
- Net interest margin – excluding accretable yield – of 3.62 percent remained stable compared with the second quarter of 2018.
- Continued focus on expense control reflected by a $1.8 million decline in total operating expense compared with the second quarter of 2018.
- Repurchased 166,721 shares of outstanding common stock at a weighted average price of $33.38 per share.
- Completed the acquisition of Icon Capital Corporation effective October 1, 2018, which will add over $600 million in both loans and deposits to the Company's presence in Houston, Texas in the fourth quarter.

As of and for the three months ended September 30, 2018
All non-GAAP measures defined and/or reconciled in quarterly news releases

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Recent Quarterly Results

	Three Months Ended			% Change	
	9/30/18	6/30/18	9/30/17	vs 6/30/18	vs 9/30/17
Net interest revenue	$ 142.1	$ 142.1	$ 120.6	0.0 %	17.9 %
Provision for credit losses	0.0	2.5	0.5	NM	NM
Noninterest revenue	71.6	72.5	66.0	(1.2)	8.6
Noninterest expense	142.4	145.2	126.9	(1.9)	12.2
Income before income taxes	71.3	66.9	59.1	6.6	20.7
Income tax expense	4.7	12.9	19.6	(63.8)	(76.2)
Net income	**$ 66.7**	**$ 54.0**	**$ 39.5**	**23.4 %**	**68.7 %**
Plus: Non-operating items, net of tax	(10.5)	1.4	(0.0)	NM	NM
Net operating income	**$ 56.1**	**$ 55.5**	**$ 39.5**	**1.2 %**	**42.0 %**
Less: MSR market value adjustment, net of tax	1.1	(0.2)	(0.0)	NM	NM
Net operating income - excluding MSR	**$ 55.0**	**$ 55.6**	**$ 39.6**	**(1.1) %**	**39.2 %**
Net income per share: diluted	**$ 0.67**	**$ 0.55**	**$ 0.43**	**21.8 %**	**55.8 %**
Operating earnings per share - excluding MSR	**$ 0.56**	**$ 0.56**	**$ 0.43**	**0.0 %**	**30.2 %**

Dollars in millions, except per share data
All non-GAAP measures defined and/or reconciled in quarterly news releases
NM – Not Meaningful
Figures may not foot due to rounding

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Noninterest Revenue

	Three Months Ended			% Change	
	9/30/18	6/30/18	9/30/17	vs 6/30/18	vs 9/30/17
Mortgage production and servicing revenue	$ 5,045	$ 7,105	$ 6,955	(29.0) %	(27.5) %
MSR valuation adjustment	1,472	(201)	(46)	NM	NM
Credit card, debit card and merchant fees	9,857	10,530	9,346	(6.4)	5.5
Deposit service charges	11,278	10,767	10,388	4.7	8.6
Insurance commissions	31,705	32,965	28,616	(3.8)	10.8
Wealth management	6,016	5,745	5,386	4.7	11.7
Other	6,243	5,545	5,315	12.6	17.5
Total noninterest revenue	**$ 71,616**	**$ 72,456**	**$ 65,960**	**(1.2) %**	**8.6 %**
% of total revenue	33.5%	33.8%	35.4%		

Dollars in thousands
NM – Not Meaningful

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Noninterest Expense

	Three Months Ended			% Change	
	9/30/18	6/30/18	9/30/17	vs 6/30/18	vs 9/30/17
Salaries and employee benefits	$ 89,646	$ 91,451	$ 80,541	(2.0) %	11.3 %
Occupancy, net of rental income	11,690	11,103	10,343	5.3	13.0
Equipment	3,994	3,804	3,352	5.0	19.2
Deposit insurance assessments	2,954	3,129	2,499	(5.6)	18.2
Advertising and public relations	2,317	2,055	1,860	12.7	24.6
Foreclosed property expense	920	997	447	(7.7)	105.8
Data processing, telecom and computer software	13,083	12,921	11,208	1.3	16.7
Amortization of intangibles	1,438	1,559	994	(7.8)	44.7
Legal	657	1,568	1,016	(58.1)	(35.3)
Merger expense	942	1,911	-	NM	NM
Postage and shipping	1,238	1,151	1,050	7.6	17.9
Other miscellaneous expense	13,530	13,533	13,593	(0.0)	(0.5)
Total noninterest expense	**142,409**	**145,182**	**126,903**	**(1.9) %**	**12.2 %**
Non-operating items:					
Merger expense	942	1,911	-	NM	NM
Total noninterest expense - operating	**$ 141,467**	**$ 143,271**	**$ 126,903**	**(1.3) %**	**11.5 %**

Dollars in thousands
NM – Not Meaningful

Deposits and Customer Repos

	As of		
	9/30/18	6/30/18	9/30/17
Noninterest bearing demand	$ 4,007	$ 4,135	$ 3,414
Interest bearing demand	5,536	5,510	4,925
Savings	1,784	1,810	1,638
Other time	2,021	2,021	1,798
Customer Repos	404	408	421
Total Deposits and Customer Repos	**$13,751**	**$13,884**	**$12,197**

Dollars in millions

Loan Portfolio

	As of		
	9/30/18	6/30/18	9/30/17
Commercial and industrial	$ 1,617	$ 1,668	$ 1,506
Real estate:			
Consumer mortgages	3,185	3,143	2,826
Home equity	655	653	627
Agricultural	316	316	247
Commercial and industrial-owner occupied	2,157	2,147	1,835
Construction, acquisition and development	1,104	1,346	1,176
Commercial	2,924	2,637	2,336
Credit Cards	102	103	105
Other	390	405	396
Total	**$12,450**	**$12,418**	**$11,056**

Dollars in millions
Net loans and leases

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Credit Quality Highlights

- Recorded no provision for credit losses for the quarter.
- Reported net recoveries of $1.1 million for the quarter, which represents 0.04 percent of average loans on an annualized basis.
- Continued low levels of non-performing loans (“NPLs”) and non-performing assets (“NPAs”).
  - NPLs declined to 0.53 percent of net loans and leases from 0.59 percent in the second quarter.
  - NPAs declined to 0.56 percent of net loans and leases from 0.65 percent in the second quarter.
- Other real estate owned declined to $4.3 million.

As of September 30, 2018

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Mortgage and Insurance Revenue

Mortgage Lending Revenue

	Three Months Ended				
	9/30/18	6/30/18	3/31/18	12/31/17	9/30/17
Origination revenue	$ 3,161	$ 5,295	$ 5,239	$ 2,824	$ 4,809
Servicing revenue	4,868	4,726	4,875	4,703	4,648
MSR payoffs/paydowns	(2,984)	(2,916)	(2,382)	(2,659)	(2,502)
MSR valuation adjustment	1,472	(201)	5,533	2,378	(46)
Total mortgage banking revenue	$ 6,517	$ 6,904	$ 13,265	$ 7,246	$ 6,909
Production volume	$ 384,823	$ 523,701	$ 291,878	$ 308,372	$ 342,404
Purchase money production	$ 304,100	$ 420,100	$ 204,700	$ 219,300	$ 263,000
Mortgage loans sold	$ 308,619	$ 302,590	$ 214,596	$ 266,529	$ 313,641
Margin on loans sold	1.02%	1.75%	2.44%	1.06%	1.53%
Current pipeline	$ 218,712	$ 259,675	$ 259,770	$ 193,704	$ 232,737
Mortgage originators	149	159	152	150	148

Insurance Commission Revenue

Property and casualty commissions	$ 21,907	$ 23,041	$ 20,100	$ 18,667	$ 21,086
Life and health commissions	6,162	6,753	5,943	5,900	6,134
Risk management income	635	605	750	608	703
Other	3,001	2,566	2,337	583	693
Total insurance commissions	$ 31,705	$ 32,965	$ 29,130	$ 25,758	$ 28,616

Dollars in thousands

Summary

Highlights

- Record quarterly earnings
- Decline in total operating expense
- Repurchased 166,721 shares in the third quarter
- Completed acquisition of Icon Capital Corporation effective October 1, 2018

Current Focus

- Continue to grow both organically and through strategic opportunities
  - Loans, deposits, and fee revenue sources
- Challenge expenses and continue to improve efficiency
- Efficiently manage capital

Q & A

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