News Release

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BancorpSouth Reports Record Annual Earnings; Declares Quarterly Dividend

TUPELO, Miss., January 23, 2019/PRNewswire – BancorpSouth Bank (NYSE: BXS) (the "Company") today announced financial results for the quarter and year ended December 31, 2018.

Annual highlights for 2018 included:

- Record net income of $221.3 million, or $2.23 per diluted share.
- Net interest margin – excluding accretable yield – increased to 3.64 percent from 3.54 percent for 2017.
- Improvement in cost structure; operating efficiency ratio – excluding mortgage servicing rights ("MSR") – improved to 66.6 percent compared to 67.8 percent for 2017.
- Continued strong credit quality reflected by provision for credit losses of $4.5 million for the year; net charge-offs of $2.6 million for 2018, which represents 0.02 percent of average loans.
- 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.
- Net operating income – excluding MSR – of $220.7 million, or $2.23 per diluted share, which represents an increase of 34.3 percent on a per share basis compared to 2017.
- Completed mergers with Central Community Corporation, Ouachita Bancshares Corp., and Icon Capital Corporation – collectively contributing $1.9 billion in loans and $2.5 billion in deposits.
- Repurchased 6 million shares of outstanding common stock at a weighted average price of $31.19 per share.

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Highlights for the fourth quarter of 2018 included:

- Reported quarterly net income of $47.1 million, or $0.47 per diluted share.

- Earnings were impacted by a negative pre-tax MSR valuation adjustment of $8.1 million.

- Completed operational integration of Icon Capital Corporation merger; recorded merger-related expenses of $4.5 million for the quarter.

- Net operating income – excluding MSR – of $56.4 million, or $0.57 per diluted share, which represents an increase of 39.0 percent on a per share basis compared to the fourth quarter of 2017.

- Net interest margin – excluding accretable yield – increased to 3.71 percent compared with 3.62 percent for the third quarter of 2018.

- Announced the signing of definitive merger agreements with Casey Bancorp, Inc., the parent company of Grand Bank of Texas, and Merchants Trust, Inc., the parent company of Merchants Bank.

- Repurchased approximately 3 million shares of outstanding common stock at a weighted average price of $30.22 per share.

The Company reported net income of $47.1 million, or $0.47 per diluted share, for the fourth quarter of 2018 compared with net income of $37.5 million, or $0.41 per diluted share, for the fourth quarter of 2017 and net income of $66.7 million, or $0.67 per diluted share, for the third quarter of 2018. The Company reported net operating income – excluding MSR – of $56.4 million, or $0.57 per diluted share, for the fourth quarter of 2018 compared with $36.8 million, or $0.41 per diluted share, for the fourth quarter of 2017 and $55.0 million, or $0.56 per diluted share, for the third quarter of 2018.

Additionally, the Company reported net income of $221.3 million, or $2.23 per diluted share, for the year ended December 31, 2018 compared with $153.0 million, or $1.67 per diluted share, for the year ended December 31, 2017. The Company reported net operating income – excluding MSR – of $220.7 million, or $2.23 per diluted share, for the year ended December 31, 2018 compared with $152.0 million, or $1.66 per diluted share, for the year ended December 31, 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 recognized securities gains and losses, MSR valuation adjustments, restructuring charges, merger-related expenses, and other one-time charges.

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At its regular quarterly meeting today, the Board of Directors of the Company declared a quarterly cash dividend of $0.17 per share of common stock. The dividend is payable April 1, 2019 to shareholders of record at the close of business on March 15, 2019.

"The financial results for 2018 reflect several meaningful accomplishments achieved by our team through continued hard work and dedication," remarked Dan Rollins, BancorpSouth Chairman and Chief Executive Officer. "Our earnings for the year are a record for our Company, both in terms of net income of $221.3 million and diluted earnings per share of $2.23, which represents an increase of over 30 percent on a per share basis. Additionally, our Company exceeded $18 billion in total assets for the first time in our history. This growth was achieved through continued organic loan growth combined with the closing and integration of the first three bank transactions that our Company has completed since 2007. We were particularly pleased with our ability to achieve approximately 10 percent organic loan growth in Texas."

"Most recently, we closed the merger with Icon Capital Corporation effective October 1, 2018 and completed the operational systems integration later in the fourth quarter. This growth, combined with a continued focus on controlling expenses, aided us in improving our operating efficiency ratio – excluding MSR – to 66.6 percent for 2018. Additionally, we reported an increase in our net interest margin for the year while maintaining stable credit quality. Finally, in addition to the capital deployed in our growth efforts, we repurchased 6 million shares of our Company's stock during the year."

"As we look specifically at fourth quarter results, the story and accomplishments are a microcosm of our annual results. First, we are excited about the recent transaction announcements with Merchants Bank and Grand Bank of Texas. We are optimistic about the value they will add to our bank and we look forward to having them formally join our team in 2019. As we look at our financial results for the quarter, we are pleased to report another record quarter of net operating income – excluding MSR – which increased to $0.57 per share compared to $0.56 per share for the third quarter of 2018 despite seasonal quarterly headwinds associated with several of our product offerings. The increase in earnings was achieved largely through improvement in our net interest margin – excluding accretable yield – which increased to 3.71 percent for the fourth quarter compared to 3.62 percent for the third quarter of 2018. Finally, of the 6 million shares repurchased during 2018, approximately 3 million were repurchased during the fourth quarter."

Net Interest Revenue

Net interest revenue was $152.9 million for the fourth quarter of 2018, an increase of 25.9 percent from $121.4 million for the fourth quarter of 2017 and an increase of 7.6 percent from $142.1 million for the third quarter of 2018. The fully taxable equivalent net interest margin was 3.80 percent for the fourth quarter of 2018 compared with 3.58 percent for the fourth quarter of 2017 and 3.67 percent for the third quarter of 2018. Yields on net loans and leases were 4.94 percent for the fourth quarter of 2018 compared with 4.36 percent for the fourth quarter of 2017 and 4.72 percent for the third quarter of 2018, while yields on total interest earning assets were 4.45 percent for the fourth quarter of 2018 compared with 3.90 percent for the fourth quarter of

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2017 and 4.21 percent for the third quarter of 2018. The net interest margin, excluding accretable yield, was 3.71 percent for the fourth quarter of 2018 compared with 3.62 percent for the third quarter of 2018 while yields on net loans and leases, excluding accretable yield, were 4.83 percent for the fourth quarter of 2018 compared with 4.64 percent for the third quarter of 2018. Purchase accounting accretion did not impact the net interest margin or net loan and lease yields for the fourth quarter of 2017. The average cost of deposits was 0.52 percent for the fourth quarter of 2018 compared with 0.27 percent for the fourth quarter of 2017 and 0.43 percent for the third quarter of 2018.

Asset, Deposit and Loan Activity

Total assets were $18.0 billion at December 31, 2018 compared with $15.3 billion at December 31, 2017. Loans and leases, net of unearned income, were $13.1 billion at December 31, 2018 compared with $11.1 billion at December 31, 2017. Total deposits were $14.1 billion at December 31, 2018 compared with $11.9 billion at December 31, 2017. These balance sheet comparisons include the impact of the acquisitions of Central Community Corporation and Ouachita Bancshares Corp., each of which closed effective January 15, 2018, and the acquisition of Icon Capital Corporation, which closed effective October 1, 2018. Balance sheet totals for these three 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 fourth quarter of 2018 reflect a provision for credit losses of $1.0 million, compared with a provision of $0.5 million for the fourth quarter of 2017 and no provision for the third quarter of 2018. Net charge-offs for the fourth quarter of 2018 were $1.9 million, compared with net charge-offs of $1.8 million for the fourth quarter of 2017 and net recoveries of $1.1 million for the third quarter of 2018. The allowance for credit losses was $120.1 million, or 0.92 percent of net loans and leases, at December 31, 2018, compared with $118.2 million, or 1.07 percent of net loans and leases, at December 31, 2017 and $121.0 million, or 0.97 percent of net loans and leases, at September 30, 2018. The allowance for credit losses coverage metrics were impacted by loans acquired in the acquisitions that closed during the first and fourth quarters of 2018.

Total non-performing assets were $106.0 million, or 0.81 percent of net loans and leases, at December 31, 2018 compared with $84.5 million, or 0.76 percent of net loans and leases, at December 31, 2017, and $70.3 million, or 0.56 percent of net loans and leases, at September 30, 2018. Other real estate owned was $9.3 million at December 31, 2018 compared with $6.0 million at December 31, 2017 and $4.3 million at September 30, 2018. Increases within each of these balances compared to the third quarter of 2018 were primarily due to loans acquired during the fourth quarter.

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Noninterest Revenue

Noninterest revenue was $59.0 million for the fourth quarter of 2018, compared with $63.1 million for the fourth quarter of 2017 and $71.6 million for the third quarter of 2018. These results include a negative MSR valuation adjustment of $8.1 million for the fourth quarter of 2018, compared with a positive MSR valuation adjustment of $2.4 million for the fourth quarter of 2017 and a positive MSR valuation adjustment of $1.5 million for the third quarter of 2018. Valuation adjustments in the MSR asset are driven primarily by fluctuations in interest rates period over period.

Excluding the MSR valuation adjustment, mortgage banking revenue was $4.8 million for the fourth quarter of 2018, compared with $4.9 million for the fourth quarter of 2017 and $5.0 million for the third quarter of 2018. Mortgage origination volume for the fourth quarter of 2018 was $305.0 million, compared with $308.4 million for the fourth quarter of 2017 and $384.8 million for the third quarter of 2018. Of the total mortgage origination volume for the fourth quarter of 2018, $47.3 million was portfolio loans, compared with $48.1 million for the fourth quarter of 2017 and $95.4 million for the third quarter of 2018.

Credit card, debit card, and merchant fee revenue was $9.9 million for the fourth quarter of 2018, compared with $9.5 million for the fourth quarter of 2017 and $9.9 million for the third quarter of 2018. Deposit service charge revenue was $11.7 million for the fourth quarter of 2018, compared with $10.3 million for the fourth quarter of 2017 and $11.3 million for the third quarter of 2018. Wealth management revenue was $5.5 million for the fourth quarter of 2018, compared with $5.6 million for the fourth quarter of 2017 and $6.0 million for the third quarter of 2018. Other noninterest revenue was $7.0 million for the fourth quarter of 2018, compared with $4.1 million for the fourth quarter of 2017 and $6.3 million for the third quarter of 2018.

Insurance commission revenue was $28.0 million for the fourth quarter of 2018, compared with $25.8 million for the fourth quarter of 2017 and $31.7 million for the third quarter of 2018. New accounting guidance, which became effective January 1, 2018, impacted the Company’s accounting for insurance commission revenue. Previously, contingent commissions were recognized as revenue in the period of receipt; however, under the new guidance, the Company is required to estimate and accrue for contingent commissions throughout the year. While this guidance impacted the comparability of quarterly results, annual results were not impacted. For the year, insurance commission revenue increased 2.8 percent from $118.4 million for 2017 to $121.8 million for 2018.

Noninterest Expense

Noninterest expense for the fourth quarter of 2018 was $152.3 million, compared with $125.9 million for the fourth quarter of 2017 and $142.4 million for the third quarter of 2018. Salaries and employee benefits expense was $92.0 million for the fourth quarter of 2018 compared with $77.3 million for the fourth quarter of 2017 and $89.6 million for the third quarter of 2018. Occupancy expense was $12.1 million for the fourth quarter of 2018, compared with $10.1 million for the fourth quarter of 2017 and $11.7 million for the third quarter of 2018. Other

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noninterest expense was $42.5 million for the fourth quarter of 2018, compared with $32.2 million for the fourth quarter of 2017 and $34.1 million for the third quarter of 2018. Additionally, merger-related expense for the fourth quarter of 2018 was $4.5 million, compared with merger-related expense of $0.7 million for the fourth quarter of 2017 and $0.9 million for the third quarter of 2018.

Income Tax Expense

Income tax expense for the third quarter of 2018 included a one-time tax benefit of $11.3 million 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.

Capital Management

The Company's equity capitalization is comprised entirely of common stock. The Company's ratio of shareholders' equity to assets was 12.25 percent at December 31, 2018, compared with 11.20 percent at December 31, 2017 and 12.27 percent at September 30, 2018. The ratio of tangible shareholders' equity to tangible assets was 8.46 percent at December 31, 2018, compared with 9.31 percent at December 31, 2017 and 8.96 percent at September 30, 2018.

During the fourth quarter of 2018, the Company repurchased 2,973,416 shares of its outstanding common stock at a weighted average price of $30.22 per share pursuant to its share repurchase program which is intended to comply with Rules 10b-18 and 10b5-1 promulgated under the Securities and Exchange Act of 1934, as amended. For the full year 2018, the Company repurchased 6,000,000 shares of its outstanding common stock at a weighted average price of $31.19 per share. As of December 31, 2018, the Company had 3,000,000 remaining shares available for repurchase under its current share repurchase authorization, which expires on December 31, 2019.

Estimated regulatory capital ratios at December 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 December 31, 2018, with Tier 1 risk-based capital of 10.85 percent and total risk-based capital of 11.68 percent, compared with required minimum levels of 8 percent and 10 percent, respectively, in order to qualify for "well capitalized" classification.

Summary

Rollins concluded, "We are very pleased with the progress we made as a company in 2018. While the benefits associated with the Tax Cuts and Jobs Act of 2017 contributed to the improvement in many of our return metrics and also impacted comparability to prior periods, we saw improvement in many other fundamental operating metrics as well. As expected, we reported a meaningful increase in our net interest margin, which contributed to the growth in our net interest income. Stable credit quality, including a low level of net charge-offs, resulted in a modest provision for credit losses of $4.5 million for the year. Finally, our efforts to continue to improve our cost structure are evident in the improvement in our operating efficiency. As we look to 2019, our focus will remain much the same. We continue to emphasize the importance of organic growth to our team while also looking for additional strategic opportunities. We will also work to take the steps necessary to complete our two pending merger transactions while working to realize additional cost savings associated with the merger transactions we closed in 2018. Most importantly, we will focus on continuing to manage and deploy capital in a manner that maximizes value for our shareholders."

TRANSACTIONS

Casey Bancorp, Inc.

On November 13, 2018, the Company announced the signing of a definitive merger agreement ("Grand Bank Merger Agreement") with Casey Bancorp, Inc. and its wholly owned subsidiary, Grand Bank of Texas, (collectively referred to as "Grand Bank"), pursuant to which Grand Bank agreed to be merged with and into the Company (the "Grand Bank Merger"). Grand Bank operates 4 full-service banking offices in the cities of Dallas, Grand Prairie, Horseshoe Bay and Marble Falls, all in Texas. As of December 31, 2018, Grand Bank, on a consolidated basis, reported total assets of $344.0 million, total loans of $256.6 million and total deposits of $314.7 million. Under the terms of the Grand Bank Merger Agreement, the Company expects to issue approximately 1,275,000 shares of the Company's common stock plus $11.0 million in cash for all outstanding shares of Casey Bancorp, Inc.'s capital stock. For more information regarding the Grand Bank Merger, see our Current Report on Form 8-K that was filed with the Federal Deposit Insurance Corporation ("FDIC") on November 13, 2018. The Grand Bank Merger Agreement has been unanimously approved by the Boards of Directors of both the Company and Grand Bank. Grand Bank has agreed to convene a meeting of its shareholders to vote upon the approval of the Grand Bank Merger Agreement. Subject to the satisfaction of all closing conditions, including the receipt of all required regulatory approvals, the Grand Bank Merger is expected to be completed during the first half of 2019, although the Company can provide no assurance that the merger will close during this time period or at all.

Merchants Trust, Inc.

On November 13, 2018, the Company announced the signing of a definitive merger agreement ("Merchants Merger Agreement") with Merchants Trust, Inc. and its wholly owned subsidiary, Merchants Bank, (collectively referred to as "Merchants"), pursuant to which Merchants agreed to be merged with and into the Company (the "Merchants Merger"). Merchants, which is based in Jackson, Alabama, operates 6 full-service banking offices in Clarke and Mobile counties in Alabama. As of December 31, 2018, Merchants, on a consolidated basis, reported total assets of $219.1 million, total loans of $152.9 million and total deposits of $192.3 million. Under the terms of the Merchants Merger Agreement, the Company expects to issue approximately 950,000 shares of the Company's common stock plus $8.0 million in cash for all outstanding shares of Merchants Trust, Inc.'s capital stock. For more information regarding the Merchants Merger, see our Current Report on Form 8-K that was filed with the FDIC on November 13, 2018. The Merchants Merger Agreement has been unanimously approved by the Boards of Directors of both the Company and Merchants. Merchants has agreed to convene a meeting of its

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shareholders to vote upon the approval of the Merchants Merger Agreement. Subject to the satisfaction of all closing conditions, including the receipt of all required regulatory approvals, the Merchants Merger is expected to be completed during the first half of 2019, although the Company can provide no assurance that the merger will close during this time period or at all.

Icon Capital Corporation

Effective October 1, 2018, the Company completed the merger with Icon Capital Corporation and its wholly owned subsidiary, Icon Bank of Texas, National Association (collectively referred to as “Icon”), pursuant to which Icon was merged with and into the Company (the “Icon Merger”). Icon was headquartered in Houston, Texas and operated 7 full-service banking offices in the Houston, Texas metropolitan area. As of October 1, 2018, Icon, on a consolidated basis, reported total assets of $760.4 million, total loans of $650.4 million and total deposits of $675.8 million. Under the terms of the definitive merger agreement, the Company issued approximately 4,125,000 shares of the Company’s common stock plus $17.5 million in cash, $7 million of which was placed in a separate non-interest bearing escrow account that is to be paid if certain conditions are met, as described in the Current Report on Form 8-K filed with the FDIC on October 1, 2018, for all outstanding shares of Icon Capital Corporation’s capital stock. For more information regarding the Icon Merger, see our Current Report on Form 8-K that was filed with the FDIC on October 1, 2018. The purchase accounting for this transaction 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.

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 (the “CCC Merger”). 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 for this transaction 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 (the "OIB Merger"). 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 for this transaction 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.

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 23 of this news release.

Conference Call and Webcast

The Company will conduct a conference call to discuss its fourth quarter and year end 2018 financial results on January 24, 2019, 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.investorroom.com/Webcasts. 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 approximately $18 billion in assets. BancorpSouth operates approximately 285 full service branch locations as well as additional mortgage, insurance, and loan production offices in Alabama, Arkansas, Florida, Louisiana, Mississippi, Missouri, Tennessee and Texas, including an insurance location in Illinois. BancorpSouth is committed to a culture of respect, diversity, and inclusion in both its workplace and communities. To learn more, visit our Community Commitment page at www.bancorpsouth.com. Like us on Facebook; follow us on Twitter: @MyBXS; or connect with us through LinkedIn.

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

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"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 Icon, CCC, OIB, Grand Bank and Merchants mergers on the Company, the acceptance by customers of Icon, CCC, OIB, Grand Bank and Merchants 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 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 Icon, CCC, OIB, Grand Bank and Merchants mergers, the possibility that any of the anticipated benefits, costs, synergies and financial and operational improvements of the Icon, CCC, OIB, Grand Bank and Merchants mergers will not be realized or will not be realized as expected, the ability of the Company and Grand Bank and Merchants to complete the Grand Bank Merger and Merchants Merger, the ability of the Company and Grand Bank and Merchants to satisfy the conditions to the completion of the Grand Bank Merger and Merchants Merger, including the approval of the merger transaction by Grand Bank's shareholders and Merchants' shareholders and the receipt of all regulatory approvals required for the Grand Bank Merger and Merchants Merger on the terms expected in the Grand Bank Merger Agreement and the Merchants Merger Agreement, the ability of the Company and Grand Bank and Merchants to meet expectations regarding the timing, completion and accounting and tax treatments of the Grand Bank Merger and Merchants Merger, the possibility that any of the anticipated benefits of the Grand Bank Merger and Merchants Merger will not be realized or will not be realized as expected, the failure of the Grand Bank Merger or Merchants Merger to close for any other reason, the effect of any announcements regarding the Grand Bank Merger or Merchants Merger on the Company's operating results, the possibility that the Grand Bank Merger and Merchants Merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events, the lack of availability of the Company's filings mandated by the Exchange Act from the SEC's publicly available website after November 1, 2017, 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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Selected Financial Information
(Dollars in thousands, except per share data)
(Unaudited)

	Quarter Ended 12/31/2018	Quarter Ended 9/30/2018	Quarter Ended 6/30/2018	Quarter Ended 3/31/2018	Quarter Ended 12/31/2017	Year to Date 12/31/2018	Year to Date 12/31/2017
Earnings Summary:							
Interest revenue	$ 178,850	$ 163,158	$ 159,290	$ 152,195	$ 132,276	$ 653,493	$ 512,991
Interest expense	25,969	21,023	17,162	14,117	10,890	78,271	38,955
Net interest revenue	152,881	142,135	142,128	138,078	121,386	575,222	474,036
Provision for credit losses	1,000	-	2,500	1,000	500	4,500	3,000
Net interest revenue, after provision for credit losses	151,881	142,135	139,628	137,078	120,886	570,722	471,036
Noninterest revenue	59,031	71,616	72,456	78,934	63,074	282,037	268,033
Noninterest expense	152,342	142,409	145,182	147,701	125,881	587,634	507,446
Income before income taxes	58,570	71,342	66,902	68,311	58,079	265,125	231,623
Income tax expense	11,473	4,659	12,856	14,820	20,556	43,808	78,590
Net income	$ 47,097	$ 66,683	$ 54,046	$ 53,491	$ 37,523	$ 221,317	$ 153,033
Balance Sheet - Period End Balances							
Total assets	$ 18,001,540	$ 17,249,175	$ 17,222,491	$ 17,185,772	$ 15,298,518	$ 18,001,540	$ 15,298,518
Total earning assets	16,144,098	15,594,549	15,600,037	15,593,366	14,081,818	16,144,098	14,081,818
Total securities	2,749,188	2,826,359	2,828,754	2,989,767	2,798,542	2,749,188	2,798,542
Loans and leases, net of unearned income	13,112,149	12,449,995	12,418,114	12,296,849	11,056,434	13,112,149	11,056,434
Allowance for credit losses	120,070	121,019	119,920	119,434	118,200	120,070	118,200
Net book value of acquired loans (included in loans and leases above)	1,315,756	835,939	926,996	1,076,208	-	1,315,756	-
Remaining loan mark on acquired loans	31,875	13,368	14,485	19,330	-	31,875	-
Total deposits	14,069,966	13,347,193	13,476,558	13,894,301	11,915,596	14,069,966	11,915,596
Long-term debt	6,213	33,182	33,214	32,963	30,000	6,213	30,000
Total shareholders' equity	2,205,737	2,116,375	2,072,083	2,060,487	1,713,485	2,205,737	1,713,485
Balance Sheet - Average Balances							
Total assets	$ 17,879,081	$ 17,059,865	$ 17,094,283	$ 16,918,568	$ 14,809,497	$ 17,240,092	$ 14,773,217
Total earning assets	16,056,656	15,465,260	15,496,007	15,374,336	13,678,542	15,599,570	13,655,146
Total securities	2,784,437	2,814,751	2,906,235	2,966,917	2,414,140	2,867,439	2,421,565
Loans and leases, net of unearned income	13,063,422	12,433,701	12,334,756	12,084,020	11,010,187	12,481,534	10,932,505
Total deposits	14,072,416	13,387,849	13,539,324	13,563,510	11,840,049	13,641,476	11,871,281
Long-term debt	17,403	33,196	33,147	34,433	30,000	29,508	278,493
Total shareholders' equity	2,191,852	2,089,746	2,051,452	2,012,639	1,701,228	2,086,922	1,702,176
Nonperforming Assets:							
Non-accrual loans and leases	$ 70,555	$ 55,532	$ 60,045	$ 65,303	$ 61,891	$ 70,555	$ 61,891
Loans and leases 90+ days past due, still accruing	18,695	2,934	6,335	6,519	8,503	18,695	8,503
Restructured loans and leases, still accruing	7,498	7,564	6,982	9,681	8,060	7,498	8,060
Non-performing loans (NPLs)	96,748	66,030	73,362	81,503	78,454	96,748	78,454
Other real estate owned	9,276	4,301	7,828	9,362	6,038	9,276	6,038
Non-performing assets (NPAs)	$ 106,024	$ 70,331	$ 81,190	$ 90,865	$ 84,492	$ 106,024	$ 84,492
Financial Ratios and Other Data:							
Return on average assets	1.05%	1.55%	1.27%	1.28%	1.01%	1.28%	1.04%
Operating return on average assets-excluding MSR*	1.25%	1.28%	1.31%	1.29%	0.99%	1.28%	1.03%
Return on average shareholders' equity	8.52%	12.66%	10.57%	10.78%	8.75%	10.60%	8.99%
Operating return on average shareholders' equity-excluding MSR*	10.20%	10.45%	10.88%	10.80%	8.58%	10.57%	8.93%
Return on tangible equity*	12.81%	17.76%	15.00%	15.08%	10.67%	15.17%	10.97%
Operating return on tangible equity-excluding MSR*	15.33%	14.66%	15.44%	15.11%	10.46%	15.12%	10.90%
Noninterest income to average assets	1.31%	1.67%	1.70%	1.89%	1.69%	1.64%	1.81%
Noninterest expense to average assets	3.38%	3.31%	3.41%	3.54%	3.37%	3.41%	3.43%
Net interest margin-fully taxable equivalent	3.80%	3.67%	3.71%	3.67%	3.58%	3.72%	3.54%
Net interest margin-fully taxable equivalent, excluding net accretion on acquired loans and leases	3.71%	3.62%	3.63%	3.60%	N/A	3.64%	N/A
Net interest rate spread	3.53%	3.43%	3.52%	3.52%	3.44%	3.50%	3.41%
Efficiency ratio (tax equivalent)*	71.52%	66.29%	67.31%	67.66%	67.45%	68.22%	67.57%
Operating efficiency ratio-excluding MSR (tax equivalent)*	66.86%	66.34%	66.36%	66.79%	68.16%	66.62%	67.78%
Loan/deposit ratio	93.19%	93.28%	92.15%	88.50%	92.79%	93.19%	92.79%
Price to earnings multiple (avg)	11.67	15.07	17.07	17.77	18.95	11.67	18.95
Market value to book value	118.27%	152.23%	156.95%	153.77%	165.76%	118.27%	165.76%
Market value to book value (avg)	131.34%	158.19%	159.33%	159.14%	169.35%	146.37%	161.70%
Market value to tangible book value	178.79%	216.28%	225.06%	220.18%	203.64%	178.79%	203.64%
Market value to tangible book value (avg)	198.55%	224.75%	228.47%	227.87%	208.04%	221.26%	198.65%
Employee FTE	4,445	4,270	4,366	4,305	3,947	4,445	3,947

*Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 23 and 24.

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

	Quarter Ended 12/31/2018	Quarter Ended 9/30/2018	Quarter Ended 6/30/2018	Quarter Ended 3/31/2018	Quarter Ended 12/31/2017	Year to Date 12/31/2018	Year to Date 12/31/2017
Credit Quality Ratios:							
Net charge-offs(recoveries) to average loans and leases (annualized)	0.06%	(0.04%)	0.07%	(0.01%)	0.06%	0.02%	0.08%
Provision for credit losses to average loans and leases (annualized)	0.03%	0.00%	0.08%	0.03%	0.02%	0.04%	0.03%
Allowance for credit losses to net loans and leases	0.92%	0.97%	0.97%	0.97%	1.07%	0.92%	1.07%
Allowance for credit losses to net loans and leases, excluding acquired loans and leases	1.02%	1.04%	1.05%	1.07%	N/A	1.02%	N/A
Allowance for credit losses to non-performing loans and leases	124.11%	183.28%	163.46%	146.54%	150.66%	124.11%	150.66%
Allowance for credit losses to non-performing assets	113.25%	172.07%	147.70%	131.44%	139.89%	113.25%	139.89%
Non-performing loans and leases to net loans and leases	0.74%	0.53%	0.59%	0.66%	0.71%	0.74%	0.71%
Non-performing assets to net loans and leases	0.81%	0.56%	0.65%	0.74%	0.76%	0.81%	0.76%
Equity Ratios:							
Total shareholders' equity to total assets	12.25%	12.27%	12.03%	11.99%	11.20%	12.25%	11.20%
Tangible shareholders' equity to tangible assets*	8.46%	8.96%	8.71%	8.69%	9.31%	8.46%	9.31%
Capital Adequacy:							
Common Equity Tier 1 capital	10.85%	11.71%	11.42%	11.30%	12.15%	10.85%	12.15%
Tier 1 capital	10.85%	11.71%	11.42%	11.30%	12.15%	10.85%	12.15%
Total capital	11.68%	12.60%	12.30%	12.18%	13.13%	11.68%	13.13%
Tier 1 leverage capital	9.06%	9.68%	9.38%	9.39%	10.12%	9.06%	10.12%
Estimated for current quarter							
Common Share Data:							
Basic earnings per share	$ 0.47	$ 0.68	$ 0.55	$ 0.54	$ 0.42	2.24	$ 1.67
Diluted earnings per share	0.47	0.67	0.55	0.54	0.41	2.23	1.67
Operating earnings per share*	0.51	0.57	0.56	0.58	0.42	2.22	1.67
Operating earnings per share- excluding MSR*	0.57	0.56	0.56	0.54	0.41	2.23	1.66
Cash dividends per share	0.17	0.17	0.14	0.14	0.14	0.62	0.53
Book value per share	22.10	21.48	20.99	20.68	18.97	22.10	18.97
Tangible book value per share*	14.62	15.12	14.64	14.44	15.44	14.62	15.44
Market value per share (last)	26.14	32.70	32.95	31.80	31.45	26.14	31.45
Market value per share (high)	33.50	35.40	35.45	35.55	34.45	35.55	34.45
Market value per share (low)	24.31	32.45	30.60	30.90	30.25	24.31	27.20
Market value per share (avg)	29.03	33.98	33.45	32.91	32.13	32.35	30.67
Dividend payout ratio	35.93%	25.15%	25.62%	25.85%	33.70%	27.72%	31.71%
Total shares outstanding	99,797,271	98,525,516	98,700,509	99,636,779	90,312,378	99,797,271	90,312,378
Average shares outstanding - basic	99,541,965	98,646,087	98,906,619	98,765,789	90,321,137	98,965,115	91,560,499
Average shares outstanding - diluted	99,720,219	98,819,905	99,057,054	98,942,268	90,546,824	99,134,861	91,754,749
Yield/Rate:							
(Taxable equivalent basis)							
Loans, loans held for sale, and leases net of unearned income	4.94%	4.72%	4.67%	4.60%	4.36%	4.73%	4.29%
Loans, loans held for sale, and leases net of unearned income, excluding net accretion on acquired loans and leases	4.83%	4.64%	4.57%	4.51%	N/A	4.64%	N/A
Available-for-sale securities:							
Taxable	1.92%	1.80%	1.77%	1.72%	1.48%	1.80%	1.40%
Tax-exempt	4.47%	4.40%	4.39%	4.30%	5.29%	4.39%	5.27%
Short-term, FHLB and other equity investments	2.84%	2.04%	2.02%	1.54%	1.27%	2.00%	0.89%
Total interest earning assets and revenue	4.45%	4.21%	4.15%	4.05%	3.90%	4.22%	3.82%
Deposits	0.52%	0.43%	0.34%	0.31%	0.27%	0.40%	0.25%
Demand - interest bearing	0.70%	0.59%	0.43%	0.36%	0.29%	0.52%	0.26%
Savings	0.30%	0.24%	0.15%	0.13%	0.13%	0.20%	0.12%
Other time	1.26%	1.06%	0.95%	0.89%	0.86%	1.04%	0.82%
Short-term borrowings	2.06%	1.79%	1.62%	1.25%	0.96%	1.71%	0.78%
Total interest bearing deposits and short-term borrowings	0.91%	0.77%	0.62%	0.51%	0.45%	0.71%	0.39%
Junior subordinated debt	N/A	N/A	N/A	0.00%	N/A	N/A	3.29%
Long-term debt	4.12%	4.06%	4.11%	4.17%	4.05%	4.11%	1.14%
Total interest bearing liabilities and expense	0.92%	0.78%	0.63%	0.53%	0.46%	0.72%	0.41%
Interest bearing liabilities to interest earning assets	69.79%	69.12%	70.27%	70.91%	69.09%	70.01%	69.64%
Net interest tax equivalent adjustment	$ 1,088	$ 1,088	$ 1,119	$ 1,205	$ 2,155	$ 4,390	$ 8,897

*Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 23 and 24.

BancorpSouth Bank
Consolidated Balance Sheets
(Unaudited)

	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
			(Dollars in thousands)		
Assets					
Cash and due from banks	$ 239,960	$ 169,493	$ 198,374	$ 180,104	$ 167,283
Interest bearing deposits with other banks and Federal funds sold	92,476	138,677	152,566	127,345	53,440
Available-for-sale securities, at fair value	2,749,188	2,826,359	2,828,754	2,989,767	2,798,542
Loans and leases	13,129,012	12,464,877	12,433,152	12,312,346	11,072,062
Less: Unearned income	16,863	14,882	15,038	15,497	15,628
Allowance for credit losses	120,070	121,019	119,920	119,434	118,200
Net loans and leases	12,992,079	12,328,976	12,298,194	12,177,415	10,938,234
Loans held for sale	140,300	132,080	153,396	141,979	136,577
Premises and equipment, net	361,859	342,947	339,372	342,353	314,362
Accrued interest receivable	57,054	56,369	51,921	52,856	45,671
Goodwill	695,720	590,292	588,004	580,900	300,798
Other identifiable intangibles	50,896	36,475	39,031	40,590	17,882
Bank owned life insurance	308,324	304,687	306,116	304,850	292,069
Other real estate owned	9,276	4,301	7,828	9,362	6,038
Other assets	304,408	318,519	258,935	238,251	227,622
Total Assets	$ 18,001,540	$ 17,249,175	$ 17,222,491	$ 17,185,772	$ 15,298,518
Liabilities					
Deposits:					
Demand: Noninterest bearing	$ 4,124,744	$ 4,007,158	$ 4,135,322	$ 4,035,830	$ 3,453,000
Interest bearing	5,898,851	5,535,689	5,509,901	5,945,359	5,066,614
Savings	1,836,167	1,783,602	1,810,149	1,843,264	1,638,799
Other time	2,210,204	2,020,744	2,021,186	2,069,848	1,757,183
Total deposits	14,069,966	13,347,193	13,476,558	13,894,301	11,915,596
Securities sold under agreement to repurchase	416,008	403,724	407,704	469,114	417,867
Federal funds purchased and other short-term borrowing	1,095,000	1,095,000	1,025,022	500,000	1,025,000
Accrued interest payable	8,543	7,330	5,961	5,525	4,882
Long-term debt	6,213	33,182	33,214	32,963	30,000
Other liabilities	200,073	246,371	201,949	223,382	191,688
Total Liabilities	15,795,803	15,132,800	15,150,408	15,125,285	13,585,033
Shareholders' Equity					
Common stock	249,493	246,314	246,751	249,092	225,781
Capital surplus	484,482	439,590	441,950	465,699	177,624
Accumulated other comprehensive loss	(80,491)	(91,650)	(88,751)	(85,994)	(63,843)
Retained earnings	1,552,253	1,522,121	1,472,133	1,431,690	1,373,923
Total Shareholders' Equity	2,205,737	2,116,375	2,072,083	2,060,487	1,713,485
Total Liabilities & Shareholders' Equity	$ 18,001,540	$ 17,249,175	$ 17,222,491	$ 17,185,772	$ 15,298,518

BancorpSouth Bank
Consolidated Average Balance Sheets
(Unaudited)

	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
			(Dollars in thousands)		
Assets					
Cash and due from banks	$ 218,553	$ 179,098	$ 203,220	$ 202,141	$ 154,843
Interest bearing deposits with other banks and Federal funds sold	62,516	57,204	66,035	182,488	108,880
Available-for-sale securities, at fair value	2,784,437	2,814,751	2,906,235	2,966,917	2,414,140
Loans and leases	13,079,321	12,448,814	12,350,226	12,099,694	11,026,437
Less: Unearned income	15,899	15,113	15,470	15,674	16,250
Allowance for credit losses	120,426	120,678	119,622	118,840	119,124
Net loans and leases	12,942,996	12,313,023	12,215,134	11,965,180	10,891,063
Loans held for sale	96,588	112,387	144,400	98,662	112,118
Premises and equipment, net	372,488	340,456	342,395	343,098	313,874
Accrued interest receivable	54,156	50,437	48,767	47,770	40,228
Goodwill	668,544	588,777	583,188	544,840	300,798
Other identifiable intangibles	47,567	37,529	39,752	17,811	18,231
Bank owned life insurance	305,888	305,476	305,016	301,982	265,761
Other real estate owned	15,048	6,245	8,997	9,300	5,777
Other assets	310,300	254,482	231,144	238,379	183,784
Total Assets	$ 17,879,081	$ 17,059,865	$ 17,094,283	$ 16,918,568	$ 14,809,497
Liabilities					
Deposits:					
Demand: Noninterest bearing	$ 4,284,521	$ 4,076,890	$ 3,976,039	$ 3,822,216	$ 3,479,771
Interest bearing	5,753,655	5,495,517	5,697,444	5,898,269	4,949,183
Savings	1,836,148	1,794,229	1,820,013	1,801,128	1,631,617
Other time	2,198,092	2,021,213	2,045,828	2,041,897	1,779,478
Total deposits	14,072,416	13,387,849	13,539,324	13,563,510	11,840,049
Securities sold under agreement to repurchase	447,727	427,583	416,839	445,840	471,581
Federal funds purchased and other short-term borrowing	953,137	918,153	875,641	667,546	589,261
Accrued interest payable	8,305	6,617	5,600	5,177	4,718
Long-term debt	17,403	33,196	33,147	34,433	30,000
Other liabilities	188,241	196,721	172,280	189,423	172,660
Total Liabilities	15,687,229	14,970,119	15,042,831	14,905,929	13,108,269
Shareholders' Equity					
Common stock	250,752	246,635	247,120	247,189	225,808
Capital surplus	497,330	441,779	444,379	447,576	176,613
Accumulated other comprehensive loss	(91,541)	(89,244)	(88,962)	(71,205)	(55,181)
Retained earnings	1,535,311	1,490,576	1,448,915	1,389,079	1,353,988
Total Shareholders' Equity	2,191,852	2,089,746	2,051,452	2,012,639	1,701,228
Total Liabilities & Shareholders' Equity	$ 17,879,081	$ 17,059,865	$ 17,094,283	$ 16,918,568	$ 14,809,497

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

	Quarter Ended					Year to Date	
	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17	Dec-18	Dec-17
INTEREST REVENUE:							
Loans and leases	$ 162,237	$ 147,404	$ 143,029	$ 136,568	$ 120,381	$589,238	$466,764
Deposits with other banks	457	243	331	664	300	1,695	1,255
Federal funds sold, securities purchased under agreement to resell, FHLB and other equity investments	344	295	226	191	157	1,056	518
Available-for-sale securities:							
Taxable	12,208	11,529	11,554	11,313	7,957	46,604	29,833
Tax-exempt	2,308	2,394	2,435	2,504	2,417	9,641	10,074
Loans held for sale	1,296	1,293	1,715	955	1,064	5,259	4,547
Total interest revenue	178,850	163,158	159,290	152,195	132,276	653,493	512,991
INTEREST EXPENSE:							
Interest bearing demand	10,191	8,113	6,075	5,278	3,645	29,657	13,117
Savings	1,367	1,087	667	584	517	3,705	1,966
Other time	6,967	5,399	4,862	4,457	3,853	21,685	14,979
Federal funds purchased and securities sold under agreement to repurchase	2,563	2,071	1,898	1,341	930	7,873	2,515
Short-term and long-term debt	4,880	4,353	3,660	2,455	1,943	15,348	6,365
Junior subordinated debt	-	-	-	-	-	-	9
Other	1	-	-	2	2	3	4
Total interest expense	25,969	21,023	17,162	14,117	10,890	78,271	38,955
Net interest revenue	152,881	142,135	142,128	138,078	121,386	575,222	474,036
Provision for credit losses	1,000	-	2,500	1,000	500	4,500	3,000
Net interest revenue, after provision for credit losses	151,881	142,135	139,628	137,078	120,886	570,722	471,036
NONINTEREST REVENUE:							
Mortgage banking	(3,275)	6,517	6,904	13,265	7,246	23,411	29,279
Credit card, debit card and merchant fees	9,941	9,857	10,530	9,564	9,530	39,892	37,344
Deposit service charges	11,699	11,278	10,767	10,901	10,257	44,645	40,040
Security gains, net	162	(54)	(2)	27	523	133	1,622
Insurance commissions	27,981	31,705	32,965	29,130	25,758	121,781	118,440
Wealth management	5,534	6,016	5,745	5,697	5,619	22,992	21,454
Other	6,989	6,297	5,547	10,350	4,141	29,183	19,854
Total noninterest revenue	59,031	71,616	72,456	78,934	63,074	282,037	268,033
NONINTEREST EXPENSE:							
Salaries and employee benefits	92,013	89,646	91,451	91,197	77,268	364,307	319,044
Occupancy, net of rental income	12,107	11,690	11,103	10,804	10,064	45,704	41,164
Equipment	3,837	3,994	3,804	3,754	3,710	15,389	14,068
Deposit insurance assessments	1,866	2,954	3,129	2,360	2,659	10,309	9,903
Other	42,519	34,125	35,695	39,586	32,180	151,925	123,267
Total noninterest expense	152,342	142,409	145,182	147,701	125,881	587,634	507,446
Income before income taxes	58,570	71,342	66,902	68,311	58,079	265,125	231,623
Income tax expense	11,473	4,659	12,856	14,820	20,556	43,808	78,590
Net income	$ 47,097	$ 66,683	$ 54,046	$ 53,491	$ 37,523	$ 221,317	$ 153,033
Net income per share: Basic	$ 0.47	$ 0.68	$ 0.55	$ 0.54	$ 0.42	$ 2.24	$ 1.67
Diluted	$ 0.47	$ 0.67	$ 0.55	$ 0.54	$ 0.41	$ 2.23	$ 1.67

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

	Quarter Ended				
	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
LOAN AND LEASE PORTFOLIO:					
Commercial and industrial	1,766,515	$ 1,617,293	$ 1,668,174	$ 1,695,718	$ 1,480,279
Real estate					
Consumer mortgages	3,259,390	3,184,674	3,143,215	3,000,479	2,864,623
Home equity	663,572	655,213	653,450	655,634	638,394
Agricultural	318,038	315,842	315,828	313,470	243,449
Commercial and industrial-owner occupied	2,267,902	2,157,177	2,147,176	2,102,493	1,846,085
Construction, acquisition and development	1,286,786	1,103,532	1,346,370	1,377,153	1,153,187
Commercial real estate	3,026,214	2,923,791	2,636,533	2,640,503	2,345,231
Credit cards	105,569	102,353	102,790	102,114	107,848
All other	418,163	390,120	404,578	409,285	377,338
Total loans	$ 13,112,149	$ 12,449,995	$ 12,418,114	$ 12,296,849	$ 11,056,434
ALLOWANCE FOR CREDIT LOSSES:					
Balance, beginning of period	$ 121,019	$ 119,920	$ 119,434	$ 118,200	$ 119,496
Loans and leases charged-off:					
Commercial and industrial	(1,042)	(322)	(1,057)	(484)	(1,234)
Real estate					
Consumer mortgages	(298)	(210)	(366)	(134)	(773)
Home equity	(237)	(227)	(107)	(143)	(95)
Agricultural	(6)	(6)	(6)	(12)	(5)
Commercial and industrial-owner occupied	(237)	(315)	(279)	(41)	(720)
Construction, acquisition and development	(142)	(41)	(66)	(163)	(206)
Commercial real estate	(594)	-	(946)	(35)	(159)
Credit cards	(816)	(596)	(830)	(794)	(849)
All other	(761)	(941)	(551)	(725)	(627)
Total loans charged-off	(4,133)	(2,658)	(4,208)	(2,531)	(4,668)
Recoveries:					
Commercial and industrial	504	1,558	684	372	599
Real estate					
Consumer mortgages	419	522	361	95	755
Home equity	86	58	72	333	69
Agricultural	304	20	10	79	7
Commercial and industrial-owner occupied	40	413	46	80	391
Construction, acquisition and development	197	564	308	1,262	483
Commercial real estate	139	200	149	53	98
Credit cards	245	198	367	220	218
All other	250	224	197	271	252
Total recoveries	2,184	3,757	2,194	2,765	2,872
Net (charge-offs) recoveries	(1,949)	1,099	(2,014)	234	(1,796)
Provision charged to operating expense	1,000	-	2,500	1,000	500
Balance, end of period	$ 120,070	$ 121,019	$ 119,920	$ 119,434	$ 118,200
Average loans for period	$ 13,063,422	$ 12,433,701	$ 12,334,756	$ 12,084,020	$ 11,010,187
Ratio:					
Net (recoveries)charge-offs to average loans (annualized)	0.06%	(0.04%)	0.07%	(0.01%)	0.06%

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

	Quarter Ended				
	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
NON-PERFORMING ASSETS					
NON-PERFORMING LOANS AND LEASES:					
Nonaccrual Loans and Leases					
Commercial and industrial	$ 10,537	$ 11,158	$ 11,090	$ 11,122	$ 10,178
Real estate					
Consumer mortgages	23,932	23,015	22,588	26,832	22,988
Home equity	2,686	2,349	2,446	2,587	2,956
Agricultural	4,617	1,603	1,536	6,225	6,160
Commercial and industrial-owner occupied	8,637	7,927	12,275	12,210	12,585
Construction, acquisition and development	3,124	1,410	1,563	2,223	2,197
Commercial real estate	16,590	7,787	8,265	3,597	4,318
Credit cards	173	120	104	136	74
All other	259	163	178	371	435
Total nonaccrual loans and leases	$ 70,555	$ 55,532	$ 60,045	$ 65,303	$ 61,891
Loans and Leases 90+ Days Past Due, Still Accruing:*	18,695	2,934	6,335	6,519	8,503
Restructured Loans and Leases, Still Accruing	7,498	7,564	6,982	9,681	8,060
Total non-performing loans and leases*	$ 96,748	$ 66,030	$ 73,362	$ 81,503	$ 78,454
OTHER REAL ESTATE OWNED:	9,276	4,301	7,828	9,362	6,038
Total Non-performing Assets*	$ 106,024	$ 70,331	$ 81,190	$ 90,865	$ 84,492
BXS originated assets	$ 72,527	$ 66,062	$ 75,980	$ 84,586	$ 84,492
Assets acquired during 2018*	33,497	4,269	5,210	6,279	-
Total Non-performing Assets*	$ 106,024	$ 70,331	$ 81,190	$ 90,865	$ 84,492
Additions to Nonaccrual Loans and Leases During the Quarter	$ 28,572	$ 12,217	$ 16,902	$ 16,641	$ 20,799
Loans and Leases 30-89 Days Past Due, Still Accruing:					
BXS originated loans	$ 43,922	$ 33,093	$ 27,225	$ 29,422	$ 25,162
Loans acquired during 2018	9,769	11,294	11,810	3,425	-
Total Loans and Leases 30-89 days past due, still accruing	$ 53,691	$ 44,387	$ 39,035	$ 32,847	$ 25,162
Credit Quality Ratios:					
Provision for credit losses to average loans and leases (annualized)	0.03%	0.00%	0.08%	0.03%	0.02%
Allowance for credit losses to net loans and leases	0.92%	0.97%	0.97%	0.97%	1.07%
Allowance for credit losses to non-performing loans and leases	124.11%	183.28%	163.46%	146.54%	150.66%
Allowance for credit losses to non-performing assets	113.25%	172.07%	147.70%	131.44%	139.89%
Non-performing loans and leases to net loans and leases	0.74%	0.53%	0.59%	0.66%	0.71%
Non-performing assets to net loans and leases	0.81%	0.56%	0.65%	0.74%	0.76%

** Included within these totals are certain acquired loans for which $7.0 million was held in escrow as of December 31, 2018 to cover potential losses related to the resolution of these credits.*

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

	December 31, 2018							
	Pass	Special Mention	Substandard	Doubtful	Loss	Impaired	Purchased Credit Impaired	Total
LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:								
Commercial and industrial	$ 1,700,639	$ -	$ 50,174	$ 361	$ -	$ 5,263	$ 10,078	$ 1,766,515
Real estate								
Consumer mortgages	3,197,333	-	57,660	383	-	3,560	454	3,259,390
Home equity	656,435	-	6,911	-	-	226	-	663,572
Agricultural	303,035	-	12,248	-	-	184	2,571	318,038
Commercial and industrial-owner occupied	2,181,778	-	77,941	-	-	3,551	4,632	2,267,902
Construction, acquisition and development	1,248,823	-	32,021	-	-	-	5,942	1,286,786
Commercial real estate	2,944,036	-	68,615	-	-	13,563	-	3,026,214
Credit cards	105,569	-	-	-	-	-	-	105,569
All other	412,095	-	6,068	-	-	-	-	418,163
Total loans	$ 12,749,743	$ -	$ 311,638	$ 744	$ -	$ 26,347	$ 23,677	$ 13,112,149
BXS originated loans	$ 11,415,919	$ -	$ 230,627	$ 744	$ -	$ 26,347	$ -	$ 11,673,637
Loans acquired during 2018	1,333,824	-	81,011	-	-	-	23,677	1,438,512
Total Loans	$ 12,749,743	$ -	$ 311,638	$ 744	$ -	$ 26,347	$ 23,677	$ 13,112,149

	September 30, 2018							
	Pass	Special Mention	Substandard	Doubtful	Loss	Impaired	Purchased Credit Impaired	Total
LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:								
Commercial and industrial	$ 1,559,723	$ -	$ 52,855	$ 802	$ -	$ 3,912	$ 1	$ 1,617,293
Real estate								
Consumer mortgages	3,127,420	-	53,310	384	-	3,560	-	3,184,674
Home equity	648,216	-	6,767	-	-	230	-	655,213
Agricultural	302,645	-	9,775	-	-	228	3,194	315,842
Commercial and industrial-owner occupied	2,094,604	-	56,949	-	-	3,715	1,909	2,157,177
Construction, acquisition and development	1,083,200	1,000	19,328	-	-	-	4	1,103,532
Commercial real estate	2,864,040	-	53,870	-	-	5,881	-	2,923,791
Credit cards	102,353	-	-	-	-	-	-	102,353
All other	379,358	-	10,762	-	-	-	-	390,120
Total loans	$ 12,161,559	$ 1,000	$ 263,616	$ 1,186	$ -	$ 17,526	$ 5,108	$ 12,449,995
BXS originated loans	$ 11,257,934	$ 1,000	$ 241,974	$ 1,186	$ -	$ 17,526	$ -	$ 11,519,620
Loans acquired during 2018	903,625	-	21,642	-	-	-	5,108	930,375
Total Loans	$ 12,161,559	$ 1,000	$ 263,616	$ 1,186	$ -	$ 17,526	$ 5,108	$ 12,449,995

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

	December 31, 2018								
	Alabama and Florida Panhandle	Arkansas	Louisiana	Mississippi	Missouri	Tennessee	Texas	Other	Total
LOAN AND LEASE PORTFOLIO:									
Commercial and industrial	111,219	145,758	285,914	585,275	69,131	97,714	446,526	24,978	$ 1,766,515
Real estate									
Consumer mortgages	459,465	338,353	332,949	887,085	95,506	321,512	757,699	66,821	3,259,390
Home equity	100,688	48,294	91,643	235,479	19,582	143,441	22,619	1,826	663,572
Agricultural	8,920	84,701	36,401	71,684	6,236	12,018	98,078	-	318,038
Commercial and industrial-owner occupied	210,101	211,584	338,618	761,713	48,734	151,633	545,519	-	2,267,902
Construction, acquisition and development	108,244	57,812	88,962	258,580	15,542	179,925	577,721	-	1,286,786
Commercial real estate	293,564	359,435	361,781	616,918	202,603	205,689	986,224	-	3,026,214
Credit cards	-	-	-	-	-	-	-	105,569	105,569
All other	46,177	39,641	27,568	181,008	2,802	19,130	96,264	5,573	418,163
Total loans	$ 1,338,378	$ 1,285,578	$ 1,563,836	$ 3,597,742	$ 460,136	$ 1,131,062	$ 3,530,650	$ 204,767	$ 13,112,149
NON-PERFORMING LOANS AND LEASES:									
Commercial and industrial	404	282	1,341	3,161	735	973	15,067	258	$ 22,221
Real estate									
Consumer mortgages	2,367	3,406	5,744	11,827	551	2,293	4,069	68	30,325
Home equity	443	85	470	801	229	708	48	-	2,784
Agricultural	50	703	5	284	-	-	3,887	-	4,929
Commercial and industrial-owner occupied	37	928	1,502	3,495	140	904	6,797	-	13,803
Construction, acquisition and development	102	412	102	741	-	-	2,080	-	3,437
Commercial real estate	160	369	6,712	1,479	-	-	9,010	-	17,730
Credit cards	-	-	-	-	-	-	-	1,101	1,101
All other	-	148	1	44	-	178	47	-	418
Total loans	$ 3,563	$ 6,333	$ 15,877	$ 21,832	$ 1,655	$ 5,056	$ 41,005	$ 1,427	$ 96,748
NON-PERFORMING LOANS AND LEASES AS A PERCENTAGE OF OUTSTANDING:									
Commercial and industrial	0.36%	0.19%	0.47%	0.54%	1.06%	1.00%	3.37%	1.03%	1.26%
Real estate									
Consumer mortgages	0.52%	1.01%	1.73%	1.33%	0.58%	0.71%	0.54%	0.10%	0.93%
Home equity	0.44%	0.18%	0.51%	0.34%	1.17%	0.49%	0.21%	0.00%	0.42%
Agricultural	0.56%	0.83%	0.01%	0.40%	0.00%	0.00%	3.96%	N/A	1.55%
Commercial and industrial-owner occupied	0.02%	0.44%	0.44%	0.46%	0.29%	0.60%	1.25%	N/A	0.61%
Construction, acquisition and development	0.09%	0.71%	0.11%	0.29%	0.00%	0.00%	0.36%	N/A	0.27%
Commercial real estate	0.05%	0.10%	1.86%	0.24%	0.00%	0.00%	0.91%	N/A	0.59%
Credit cards	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.04%	1.04%
All other	0.00%	0.37%	0.00%	0.02%	0.00%	0.93%	0.05%	0.00%	0.10%
Total loans	0.27%	0.49%	1.02%	0.61%	0.36%	0.45%	1.16%	0.70%	0.74%

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

	Quarter Ended December 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	$ 830,831	$ 5,108	$ 835,939
Fair value of loans acquired during the period	610,392	19,018	629,410
Changes in acquired loans	(149,144)	(449)	(149,593)
Net book value of acquired loans at end of period	$ 1,292,079	$ 23,677	$ 1,315,756
Loan mark on acquired loans at beginning of period	$ (9,414)	$ (3,954)	$ (13,368)
Loan mark recorded on loans acquired during the period	(10,437)	(12,705)	(23,142)
Change in remaining nonaccretable difference (for ASC 310-30 loans only)	-	545	545
Net accretion recognized on acquired loans	3,566	524	4,090
Remaining loan mark on acquired loans*	$ (16,285)	$ (15,590)	$ (31,875)

	Quarter Ended September 30, 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	$ 919,712	$ 6,220	$ 925,932
Fair value of loans acquired during the period	-	-	-
Changes in acquired loans	(88,881)	(1,112)	(89,993)
Net book value of acquired loans at end of period	$ 830,831	$ 5,108	$ 835,939
Loan mark on acquired loans at beginning of period	$ (10,824)	$ (4,725)	$ (15,549)
Loan mark recorded on loans acquired during the period	-	-	-
Change in remaining nonaccretable difference (for ASC 310-30 loans only)	-	-	-
Net accretion recognized on acquired loans	1,410	771	2,181
Remaining loan mark on acquired loans	$ (9,414)	$ (3,954)	$ (13,368)

	Quarter Ended 12/31/2018	Quarter Ended 9/30/2018	Quarter Ended 6/30/2018
Loan yield, as reported	4.94%	4.72%	4.67%
Loan yield, excluding net accretion on acquired loans	4.83%	4.64%	4.57%
Net interest margin, as reported	3.80%	3.67%	3.71%
Net interest margin, excluding net accretion on acquired loans	3.71%	3.62%	3.63%

Certain balances within the Acquired Loan Information have been adjusted for prior periods to reflect changes made to loans accounted for under ASC 310-30 during the measurement period. These changes may result in certain balances not agreeing to other prior period information presented within this press release.

** The remaining loan mark shown above for loans accounted for under ASC 310-30 includes $895 thousand in accretable yield as of December 31, 2018 compared to $357 thousand in accretable yield as of September 30, 2018. In addition, the same loans include $14.7 million in nonaccretable difference as of December 31, 2018 compared to $3.6 million as of September 30, 2018.*

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

	Quarter Ended					Year to Date	
	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17	Dec-18	Dec-17
NONINTEREST REVENUE:							
Mortgage banking excl. MSR and MSR Hedge market value adj	$ 4,789	$ 5,045	$ 7,105	$ 7,732	$ 4,868	$ 24,671	$ 27,522
MSR and MSR Hedge market value adjustment	(8,064)	1,472	(201)	5,533	2,378	(1,260)	1,757
Credit card, debit card and merchant fees	9,941	9,857	10,530	9,564	9,530	39,892	37,344
Deposit service charges	11,699	11,278	10,767	10,901	10,257	44,645	40,040
Securities gains, net	162	(54)	(2)	27	523	133	1,622
Insurance commissions	27,981	31,705	32,965	29,130	25,758	121,781	118,440
Trust income	3,681	3,742	3,850	3,848	3,985	15,121	15,028
Annuity fees	218	276	357	297	216	1,148	1,075
Brokerage commissions and fees	1,635	1,998	1,538	1,552	1,418	6,723	5,351
Bank-owned life insurance	3,636	2,842	3,259	1,947	1,732	11,684	7,811
Other miscellaneous income	3,353	3,455	2,288	8,403	2,409	17,499	12,043
Total noninterest revenue	$ 59,031	$ 71,616	$ 72,456	$ 78,934	$ 63,074	$ 282,037	$ 268,033
NONINTEREST EXPENSE:							
Salaries and employee benefits	$ 92,013	$ 89,646	$ 91,451	$ 91,197	$ 77,268	$ 364,307	$ 319,044
Occupancy, net of rental income	12,107	11,690	11,103	10,804	10,064	45,704	41,164
Equipment	3,837	3,994	3,804	3,754	3,710	15,389	14,068
Deposit insurance assessments	1,866	2,954	3,129	2,360	2,659	10,309	9,903
Advertising	1,440	1,522	1,226	855	1,671	5,043	4,556
Foreclosed property expense	1,113	920	997	366	1,035	3,396	3,492
Telecommunications	1,364	1,318	1,327	1,217	1,219	5,226	4,791
Public relations	834	795	829	794	705	3,252	2,754
Data processing	8,231	8,113	7,970	7,360	6,855	31,674	27,650
Computer software	3,840	3,652	3,624	3,336	3,172	14,452	12,140
Amortization of intangibles	2,040	1,438	1,559	1,602	979	6,639	4,013
Legal	1,082	657	1,568	691	1,326	3,998	4,901
Merger expense	4,456	942	1,911	5,727	688	13,036	688
Postage and shipping	1,214	1,238	1,151	1,237	1,092	4,840	4,397
Other miscellaneous expense	16,905	13,530	13,533	16,401	13,438	60,369	53,885
Total noninterest expense	$ 152,342	$ 142,409	$ 145,182	$ 147,701	$ 125,881	$ 587,634	$ 507,446
INSURANCE COMMISSIONS:							
Property and casualty commissions	$ 19,242	$ 21,907	$ 23,041	$ 20,100	$ 18,667	$ 84,290	$ 81,871
Life and health commissions	5,892	6,162	6,753	5,943	5,900	24,750	25,122
Risk management income	558	635	605	750	608	2,548	2,559
Other	2,289	3,001	2,566	2,337	583	10,193	8,888
Total insurance commissions	$ 27,981	$ 31,705	$ 32,965	$ 29,130	$ 25,758	$ 121,781	$ 118,440

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

	Quarter Ended				
	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
MORTGAGE SERVICING RIGHTS:					
Fair value, beginning of period	$ 77,796	$ 75,614	$ 75,206	$ 69,190	$ 66,417
Additions to mortgage servicing rights:					
Originations of servicing assets	2,840	3,520	3,516	2,683	3,011
Changes in fair value:					
Due to payoffs/paydowns	(2,465)	(2,984)	(2,916)	(2,382)	(2,659)
Due to change in valuation inputs or assumptions used in the valuation model	(8,348)	1,646	(191)	5,716	2,422
Other changes in fair value	(1)	-	(1)	(1)	(1)
Fair value, end of period	$ 69,822	$ 77,796	$ 75,614	$ 75,206	$ 69,190
MORTGAGE BANKING REVENUE:					
Production revenue:					
Origination	$ 2,207	$ 3,161	$ 5,295	$ 5,239	$ 2,824
Servicing	5,047	4,868	4,726	4,875	4,703
Payoffs/Paydowns	(2,465)	(2,984)	(2,916)	(2,382)	(2,659)
Total production revenue	4,789	5,045	7,105	7,732	4,868
Market value adjustment on MSR	(8,348)	1,646	(191)	5,716	2,422
Market value adjustment on MSR Hedge	284	(174)	(10)	(183)	(44)
Total mortgage banking revenue	$ (3,275)	$ 6,517	$ 6,904	$ 13,265	$ 7,246
Mortgage loans serviced	$ 6,686,475	$ 6,628,445	$ 6,579,444	$ 6,532,950	$ 6,533,642
MSR/mtg loans serviced	1.04%	1.17%	1.15%	1.15%	1.06%
AVAILABLE-FOR-SALE SECURITIES, at fair value					
U.S. Government agencies	$ 2,200,158	$ 2,260,949	$ 2,235,238	$ 2,385,962	$ 2,214,995
U.S. Government agency issued residential mortgage-back securities	136,846	138,624	141,443	139,148	148,548
U.S. Government agency issued commercial mortgage-back securities	107,841	107,506	122,974	124,041	122,068
Obligations of states and political subdivisions	304,343	319,280	329,099	340,616	312,931
Total available-for-sale securities	$ 2,749,188	$ 2,826,359	$ 2,828,754	$ 2,989,767	$ 2,798,542

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					Year to Date	
	12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017	12/31/2018	12/31/2017
Net income	$ 47,097	$ 66,683	$ 54,046	$ 53,491	$ 37,523	$ 221,317	$ 153,033
Plus: Merger expense, net of tax	3,345	707	1,434	4,298	427	9,784	427
Tax-related matters	-	-	-	-	623	-	623
Less: Security (losses)/gains, net of tax	122	(40)	(2)	20	325	100	1,006
Tax-related matters	-	11,288	-	-	-	11,288	-
Net operating income	$ 50,320	$ 56,142	$ 55,482	$ 57,769	$ 38,248	$ 219,713	$ 153,077
Less: MSR market value adjustment, net of tax	(6,052)	1,103	(151)	4,153	1,476	(946)	1,091
Net operating income-excluding MSR	$ 56,372	$ 55,039	$ 55,633	$ 53,616	$ 36,772	$ 220,659	$ 151,986

Reconciliation of Total Operating Expense to Total Noninterest Expense:

	12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017	12/31/2018	12/31/2017
Total noninterest expense	$ 152,342	$ 142,409	$ 145,182	$ 147,701	$ 125,881	$ 587,634	$ 507,446
Less: Merger expense	4,456	942	1,911	5,727	688	13,036	688
Total operating expense	$ 147,886	$ 141,467	$ 143,271	$ 141,974	$ 125,193	$ 574,598	$ 506,758

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					Year to Date	
	12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017	12/31/2018	12/31/2017
Tangible assets							
Total assets	$ 18,001,540	$ 17,249,175	$ 17,222,491	$ 17,185,772	$ 15,298,518	$ 18,001,540	$ 15,298,518
Less: Goodwill	695,720	590,292	588,004	580,900	300,798	695,720	300,798
Other identifiable intangible assets	50,896	36,475	39,031	40,590	17,882	50,896	17,882
Total tangible assets	$ 17,254,924	$ 16,622,408	$ 16,595,456	$ 16,564,282	$ 14,979,838	$ 17,254,924	$ 14,979,838
Tangible shareholders' equity							
Total shareholders' equity	$ 2,205,737	$ 2,116,375	$ 2,072,083	$ 2,060,487	$ 1,713,485	$ 2,205,737	$ 1,713,485
Less: Goodwill	695,720	590,292	588,004	580,900	300,798	695,720	300,798
Other identifiable intangible assets	50,896	36,475	39,031	40,590	17,882	50,896	17,882
Total tangible shareholders' equity	$ 1,459,121	$ 1,489,608	$ 1,445,048	$ 1,438,997	$ 1,394,805	$ 1,459,121	$ 1,394,805
Total average assets	$ 17,879,081	$ 17,059,865	$ 17,094,283	$ 16,918,568	$ 14,809,497	$ 17,240,092	$ 14,773,217
Total shares of common stock outstanding	99,797,271	98,525,516	98,700,509	99,636,779	90,312,378	99,797,271	90,312,378
Average shares outstanding-diluted	99,720,219	98,819,905	99,057,054	98,942,268	90,546,824	99,134,861	91,754,749
Tangible shareholders' equity to tangible assets (1)	8.46%	8.96%	8.71%	8.69%	9.31%	8.46%	9.31%
Return on tangible equity (2)	12.81%	17.76%	15.00%	15.08%	10.67%	15.17%	10.97%
Operating return on tangible equity-excluding MSR (3)	15.33%	14.66%	15.44%	15.11%	10.46%	15.12%	10.90%
Operating return on average assets-excluding MSR (4)	1.25%	1.28%	1.31%	1.29%	0.99%	1.28%	1.03%
Operating return on average shareholders' equity-excluding MSR (5)	10.20%	10.45%	10.88%	10.80%	8.58%	10.57%	8.93%
Tangible book value per share (6)	$ 14.62	$ 15.12	$ 14.64	$ 14.44	$ 15.44	$ 14.62	$ 15.44
Operating earnings per share (7)	$ 0.51	$ 0.57	$ 0.56	$ 0.58	$ 0.42	$ 2.22	$ 1.67
Operating earnings per share-excluding MSR (8)	$ 0.57	$ 0.56	$ 0.56	$ 0.54	$ 0.41	$ 2.23	$ 1.66

(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.

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