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BancorpSouth Announces First Quarter 2019 Financial Results

TUPELO, Miss., April 17, 2019/PRNewswire – BancorpSouth Bank (NYSE: BXS) (the “Company”) today announced financial results for the quarter ended March 31, 2019.

Highlights for the first quarter of 2019 included:

- Reported quarterly net income of \$51.6 million, or \$0.52 per diluted share.
- Earnings were impacted by a negative pre-tax mortgage servicing rights (“MSR”) valuation adjustment of \$4.9 million.
- Net operating income – excluding MSR – of \$55.9 million, or \$0.56 per diluted share, which represents an increase of 3.7 percent on a per share basis, compared with the first quarter of 2018.
- Net interest margin – excluding accretable yield – increased to 3.74 percent, compared with 3.71 percent for the fourth quarter of 2018.
- Continued strong credit quality reflected by provision for credit losses of \$0.5 million for the quarter; improvement in non-performing and classified asset levels.
- Reported balance sheet growth of 7% on an annualized basis including deposit growth of \$623 million, or 18% on an annualized basis, while loans were essentially flat.
- Announced the signing of definitive merger agreements with Van Alstyne Financial Corporation, the parent company of Texas Star Bank, and Summit Financial Enterprises, Inc., the parent company of Summit Bank, National Association.
- Repurchased 1.0 million shares of outstanding common stock at a weighted average price of \$27.60 per share.

- MORE -

- Completed the acquisitions of Casey Bancorp, Inc., the parent company of Grand Bank of Texas, and Merchants Trust, Inc., the parent company of Merchants Bank, effective April 1, 2019, which will collectively add over \$400 million in loans and over \$500 million in deposits to the Company's presence in Texas and Alabama in the second quarter.

The Company reported net income of \$51.6 million, or \$0.52 per diluted share, for the first quarter of 2019, compared with net income of \$53.5 million, or \$0.54 per diluted share, for the first quarter of 2018 and net income of \$47.1 million, or \$0.47 per diluted share, for the fourth quarter of 2018. The Company reported net operating income – excluding MSR – of \$55.9 million, or \$0.56 per diluted share, for the first quarter of 2019, compared with \$53.6 million, or \$0.54 per diluted share, for the first quarter of 2018 and \$56.4 million, or \$0.57 per diluted share, for the fourth quarter of 2018.

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.

“As we look at our successes for the first quarter, we are excited about the recent transaction announcements with Texas Star Bank and Summit Bank,” remarked Dan Rollins, BancorpSouth Chairman and Chief Executive Officer. “The addition of Texas Star Bank will significantly enhance our presence in the Dallas-Forth Worth, Texas CMSA while the Summit Bank transaction will provide us with additional scale in the Florida Panhandle. We look forward to these two great banks joining our Company during the second half of 2019. As we look at our financial results for the quarter, we noted several key accomplishments despite the adverse impact of the MSR adjustment on earnings. We reported continued expansion in our net interest margin – excluding accretable yield – which increased to 3.74 percent for the first quarter from 3.71 percent for the fourth quarter of 2018. Consistent with historical seasonal trends, we saw meaningful deposit growth while loans were essentially flat for the quarter. Total deposit growth was \$623 million, or 18 percent on an annualized basis. Given the pullback in the market, we repurchased one million shares of stock during the quarter at a weighted average price of \$27.60 per share, most of which occurred during the latter part of the quarter.”

"Finally, we are pleased to have recently completed our mergers with Grand Bank of Texas and Merchants Bank. Mike Casey and his team will bolster our efforts to expand in the Dallas and Texas Hill Country markets while Joe Bedwell, Jim Reid, and their team will help us further our penetration in Mobile, Alabama while also allowing us to enter new markets in surrounding counties. We anticipate completing the operational integration of these banks during the second quarter of this year."

Net Interest Revenue

Net interest revenue was \$152.6 million for the first quarter of 2019, an increase of 10.5 percent from \$138.1 million for the first quarter of 2018 and a decrease of 0.2 percent from \$152.9 million for the fourth quarter of 2018. The fully taxable equivalent net interest margin was 3.86

- MORE -

percent for the first quarter of 2019, compared with 3.67 percent for the first quarter of 2018 and 3.80 percent for the fourth quarter of 2018. Yields on net loans and leases were 5.09 percent for the first quarter of 2019, compared with 4.60 percent for the first quarter of 2018 and 4.94 percent for the fourth quarter of 2018, while yields on total interest earning assets were 4.57 percent for the first quarter of 2019, compared with 4.05 percent for the first quarter of 2018 and 4.45 percent for the fourth quarter of 2018. The net interest margin, excluding accretable yield, was 3.74 percent for the first quarter of 2019, compared with 3.60 percent for the first quarter of 2018 and 3.71 percent for the fourth quarter of 2018 while yields on net loans and leases, excluding accretable yield, were 4.95 percent for the first quarter of 2019, compared with 4.51 percent for the first quarter of 2018 and 4.83 percent for the fourth quarter of 2018. The average cost of deposits was 0.63 percent for the first quarter of 2019, compared with 0.31 percent for the first quarter of 2018 and 0.52 percent for the fourth quarter of 2018.

Asset, Deposit and Loan Activity

Total assets were \$18.3 billion at March 31, 2019, compared with \$17.2 billion at March 31, 2018. Loans and leases, net of unearned income, were \$13.1 billion at March 31, 2019, compared with \$12.3 billion at March 31, 2018. Total deposits were \$14.7 billion at March 31, 2019, compared with \$13.9 billion at March 31, 2018. These balance sheet comparisons include the impact of the acquisition of Icon Capital Corporation, which closed effective October 1, 2018. Balance sheet totals for Icon Capital Corporation at the time of closing are disclosed in the “Transactions” section of this news release.

Provision for Credit Losses and Allowance for Credit Losses

Earnings for the first quarter of 2019 reflect a provision for credit losses of \$0.5 million, compared with a provision of \$1.0 million for both the first and fourth quarters of 2018. Net charge-offs for the first quarter of 2019 were \$4.1 million, compared with net recoveries of \$0.2 million for the first quarter of 2018 and net charge-offs of \$1.9 million for the fourth quarter of 2018. The allowance for credit losses was \$116.5 million, or 0.89 percent of net loans and leases, at March 31, 2019, compared with \$119.4 million, or 0.97 percent of net loans and leases, at March 31, 2018 and \$120.1 million, or 0.92 percent of net loans and leases, at December 31, 2018. The allowance for credit losses coverage metrics were impacted by loans acquired in the acquisition that closed during the fourth quarter of 2018.

Total non-performing assets were \$97.0 million, or 0.74 percent of net loans and leases, at March 31, 2019, compared with \$90.9 million, or 0.74 percent of net loans and leases, at March 31, 2018, and \$106.0 million, or 0.81 percent of net loans and leases, at December 31, 2018. Other real estate owned was \$9.7 million at March 31, 2019, compared with \$9.4 million at March 31, 2018 and \$9.3 million at December 31, 2018.

Noninterest Revenue

Noninterest revenue was \$64.2 million for the first quarter of 2019, compared with \$78.9 million for the first quarter of 2018 and \$59.0 million for the fourth quarter of 2018. These results

- MORE -

include a negative MSR valuation adjustment of \$4.9 million for the first quarter of 2019, compared with a positive MSR valuation adjustment of \$5.5 million for the first quarter of 2018 and a negative MSR valuation adjustment of \$8.1 million for the fourth 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 \$6.9 million for the first quarter of 2019, compared with \$7.7 million for the first quarter of 2018 and \$4.8 million for the fourth quarter of 2018. Mortgage origination volume for the first quarter of 2019 was \$291.7 million, compared with \$291.9 million for the first quarter of 2018 and \$305.0 million for the fourth quarter of 2018. Of the total mortgage origination volume for the first quarter of 2019, \$54.1 million was portfolio loans, compared with \$61.0 million for the first quarter of 2018 and \$47.3 million for the fourth quarter of 2018.

Credit card, debit card, and merchant fee revenue was \$8.9 million for the first quarter of 2019, compared with \$9.6 million for the first quarter of 2018 and \$9.9 million for the fourth quarter of 2018. Deposit service charge revenue was \$10.8 million for the first quarter of 2019, compared with \$10.9 million for the first quarter of 2018 and \$11.7 million for the fourth quarter of 2018. Wealth management revenue was \$5.6 million for the first quarter of 2019, compared with \$5.7 million for the first quarter of 2018 and \$5.5 million for the fourth quarter of 2018. Other noninterest revenue was \$6.7 million for the first quarter of 2019, compared with \$10.4 million for the first quarter of 2018 and \$7.0 million for the fourth quarter of 2018. Insurance commission revenue was \$30.2 million for the first quarter of 2019, compared with \$29.1 million for the first quarter of 2018 and \$28.0 million for the fourth quarter of 2018.

Noninterest Expense

Noninterest expense for the first quarter of 2019 was \$150.0 million, compared with \$147.7 million for the first quarter of 2018 and \$152.3 million for the fourth quarter of 2018. Salaries and employee benefits expense was \$97.2 million for the first quarter of 2019, compared with \$91.2 million for the first quarter of 2018 and \$92.0 million for the fourth quarter of 2018. Occupancy expense was \$11.6 million for the first quarter of 2019, compared with \$10.8 million for the first quarter of 2018 and \$12.1 million for the fourth quarter of 2018. Other noninterest expense was \$34.6 million for the first quarter of 2019, compared with \$39.6 million for the first quarter of 2018 and \$42.5 million for the fourth quarter of 2018. Additionally, merger-related expense for the first quarter of 2019 was \$0.9 million, compared with merger-related expense of \$5.7 million for the first quarter of 2018 and \$4.5 million for the fourth quarter of 2018.

Capital Management

The Company's equity capitalization is comprised entirely of common stock. The Company's ratio of shareholders' equity to assets was 12.16 percent at March 31, 2019, compared with 11.99 percent at March 31, 2018 and 12.25 percent at December 31, 2018. The ratio of tangible shareholders' equity to tangible assets was 8.41 percent at March 31, 2019, compared with 8.69 percent at March 31, 2018 and 8.46 percent at December 31, 2018.

- MORE -

During the first quarter of 2019, the Company repurchased 1,000,000 shares of its outstanding common stock at a weighted average price of \$27.60 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. 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, which completed the previous authorization. As of March 31, 2019, the Company had 2,000,000 remaining shares available for repurchase under its current share repurchase authorization, which expires on December 31, 2019.

Estimated regulatory capital ratios at March 31, 2019 were calculated in accordance with the Basel III capital framework. The Company is a “well capitalized” bank, as defined by federal regulations, at March 31, 2019, with Tier 1 risk-based capital of 10.79 percent and total risk-based capital of 11.60 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 off to a great start through the first three months of 2019. Our financial performance reflects many of the same trends that we’ve talked about for some time now. We saw continued improvement in our core net interest margin while our credit quality trends remained very stable. We also continue to manage total operating expenses in a very tight range. Finally, we are pleased with our ability to execute on our strategic plan. The transactions with Merchants Bank and Grand Bank were closed in less than five months from the announcement date. In addition, we announced two additional transactions with Texas Star Bank and Summit Bank in March. We are excited about the additional value that each of these four banks will add to our Company as we continue to expand, particularly in higher growth markets.”

TRANSACTIONS

Van Alstyne Financial Corporation

On March 5, 2019, the Company announced the signing of a definitive merger agreement (“Texas Star Merger Agreement”) with Van Alstyne Financial Corporation and its wholly owned subsidiary, Texas Star Bank, (collectively referred to as “Texas Star”), pursuant to which Texas Star agreed to be merged with and into the Company (the “Texas Star Merger”). Texas Star operates 7 full-service banking offices in Collin and Grayson counties in Texas, and one loan production office in Durant, Oklahoma. As of March 31, 2019, Texas Star, on a consolidated basis, reported total assets of \$380.9 million, total loans of \$330.8 million and total deposits of \$331.3 million. Under the terms of the Texas Star Merger Agreement, the Company expects to issue approximately 2,100,000 shares of the Company’s common stock plus \$20.5 million in cash for all outstanding shares of Van Alstyne Financial Corporation’s capital stock. For more information regarding the Texas Star Merger, see our Current Report on Form 8-K that was filed with the Federal Deposit Insurance Corporation (“FDIC”) on March 5, 2019. The Texas Star Merger Agreement has been unanimously approved by the Boards of Directors of both the

- MORE -

Company and Texas Star. Texas Star has agreed to convene a meeting of its shareholders to vote upon the approval of the Texas Star Merger Agreement. Subject to the satisfaction of all closing conditions, including the receipt of all required regulatory approvals, the Texas Star Merger is expected to be completed during the second half of 2019, although the Company can provide no assurance that the Texas Star Merger will close during this time period or at all.

Summit Financial Enterprises, Inc.

On March 5, 2019, the Company announced the signing of a definitive merger agreement (the “Summit Merger Agreement”) with Summit Financial Enterprises, Inc. and its wholly owned subsidiary, Summit Bank, (collectively referred to as “Summit”), pursuant to which Summit agreed to be merged with and into the Company (the “Summit Merger”). Summit operates 4 offices located in Panama City, Panama City Beach, Fort Walton Beach, and Pensacola, Florida. As of March 31, 2019, Summit, on a consolidated basis, reported total assets of \$519.4 million, total loans of \$277.1 million and total deposits of \$449.2 million. Under the terms of the Summit Merger Agreement, the Company expects to issue approximately 2,500,000 shares of the Company’s common stock plus \$20.0 million in cash for all outstanding shares of Summit Financial Enterprises, Inc.’s capital stock. For more information regarding the Summit Merger, see our Current Report on Form 8-K that was filed with the FDIC on March 5, 2019. The Summit Merger Agreement has been unanimously approved by the Boards of Directors of both the Company and Summit. Summit has agreed to convene a meeting of its shareholders to vote upon the approval of the Summit Merger Agreement. Subject to the satisfaction of all closing conditions, including the receipt of all required regulatory approvals, the Summit Merger is expected to be completed during the second half of 2019, although the Company can provide no assurance that the Summit Merger will close during this time period or at all.

Casey Bancorp, Inc.

On April 1, 2019, the Company completed the merger with Casey Bancorp, Inc. and its wholly owned subsidiary, Grand Bank of Texas, (collectively referred to as “Grand Bank”), pursuant to which Grand Bank was merged with and into the Company (the “Grand Bank Merger”). Grand Bank operated 4 full-service banking offices in the cities of Dallas, Grand Prairie, Horseshoe Bay and Marble Falls, all in Texas. As of April 1, 2019, Grand Bank, on a consolidated basis, reported total assets of \$341.0 million, total loans of \$261.0 million and total deposits of \$324.0 million. Under the terms of the definitive merger agreement, the Company issued approximately 1,275,000 shares of the Company’s common stock plus \$14.6 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 FDIC on April 1, 2019.

Merchants Trust, Inc.

On April 1, 2019, the Company completed the merger with Merchants Trust, Inc. and its wholly owned subsidiary, Merchants Bank (collectively referred to as “Merchants”), pursuant to which Merchants was merged with and into the Company (the “Merchants Merger”). Merchants, which was based in Jackson, Alabama, operated 6 full-service banking offices in Clarke and

- MORE -

April 17, 2019

Mobile counties in Alabama. As of April 1, 2019, Merchants, on a consolidated basis, reported total assets of \$225.0 million, total loans of \$154.0 million and total deposits of \$205.0 million. Under the terms of the definitive merger agreement, the Company issued approximately 950,000 shares of the Company's common stock plus \$9.6 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 April 1, 2019.

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.

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 22 of this news release.

Conference Call and Webcast

The Company will conduct a conference call to discuss its first quarter 2019 financial results on April 18, 2019, at 10:00 a.m. (Central Time). This conference call will be an interactive session between management and analysts. 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.

- MORE -

About BancorpSouth Bank

BancorpSouth Bank (NYSE: BXS) is headquartered in Tupelo, Mississippi, with approximately \$19 billion in assets. BancorpSouth operates approximately 295 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 “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, Grand Bank, Merchants, Texas Star and Summit Mergers (referred to collectively as the “Mergers”) on the Company, the acceptance by customers of Icon, Grand Bank, Merchants, Texas Star and Summit 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 collateral 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, Grand Bank, Merchants, Texas Star and Summit Mergers, the possibility that any of the anticipated benefits, costs, synergies and financial and operational improvements of the Icon, Grand Bank, Merchants, Texas Star and Summit Mergers will not be realized or will not be realized as expected, the ability of the Company and Texas Star and Summit to complete the Texas Star Merger and Summit Merger, the ability of the Company and Texas Star and Summit to satisfy the conditions to the completion of the Texas Star Merger and Summit Merger, including the approval of the merger transaction by Texas Star and Summit shareholders and the receipt of all regulatory approvals required for the Texas Star Merger and Summit Merger on the terms expected in the Texas Star Merger Agreement and the Summit Merger Agreement, the ability of the Company and Texas Star and Summit to meet expectations regarding the timing, completion and accounting and tax treatments of the Texas Star Merger and Summit Merger, the possibility that any of the anticipated benefits of the Texas Star Merger and Summit Merger will not be realized or will not be realized as expected, the failure of the Texas Star Merger or Summit Merger to close for any other reason, the effect of any announcements regarding the Texas Star Merger or Summit Merger on the Company’s operating results, the possibility that the Texas Star Merger and Summit 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

- MORE -

BXS Announces First Quarter 2019 Financial Results

Page 9

April 17, 2019

the Company's regulatory capital and liquidity, the impact of regulations on service charges on the Company's core deposit accounts, the susceptibility of the Company's business to local economic and environmental conditions, the soundness of other financial institutions, changes in interest rates, the impact of monetary policies and economic factors on the Company's ability to attract deposits or make loans, volatility in capital and credit markets, reputational risk, the impact of the Tax Cuts and Jobs Act of 2017 on the Company and its operations and financial performance, the impact of the loss of any key Company personnel, the impact of hurricanes or other adverse weather events, any requirement that the Company write down goodwill or other intangible assets, diversification in the types of financial services the Company offers, the growth of the Company's insurance business and commission revenue, the growth of the Company's loan, deposit and fee revenue sources, the Company's ability to adapt its products and services to evolving industry standards and consumer preferences, competition with other financial services companies, risks in connection with completed or potential acquisitions, dispositions and other strategic growth opportunities and initiatives, the Company's growth strategy, interruptions or breaches in the Company's information system security, the failure of certain third-party vendors to perform, unfavorable ratings by rating agencies, dilution caused by the Company's issuance of any additional shares of its common stock to raise capital or acquire other banks, bank holding companies, financial holding companies and insurance agencies, the utilization of the Company's share repurchase program, the implementation and execution of cost saving initiatives, other factors generally understood to affect the assets, business, cash flows, financial condition, liquidity, prospects and/or results of operations of financial services companies and other factors detailed from time to time in the Company's press and news releases, reports and other filings with the FDIC. Forward-looking statements speak only as of the date that they were made, and, except as required by law, the Company does not undertake any obligation to update or revise forward-looking statements to reflect events or circumstances that occur after the date of this news release.

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BancorpSouth Bank

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

	Quarter Ended 3/31/2019	Quarter Ended 12/31/2018	Quarter Ended 9/30/2018	Quarter Ended 6/30/2018	Quarter Ended 3/31/2018
Earnings Summary:					
Interest revenue	\$ 181,133	\$ 178,850	\$ 163,158	\$ 159,290	\$ 152,195
Interest expense	28,579	25,969	21,023	17,162	14,117
Net interest revenue	152,554	152,881	142,135	142,128	138,078
Provision for credit losses	500	1,000	-	2,500	1,000
Net interest revenue, after provision for credit losses	152,054	151,881	142,135	139,628	137,078
Noninterest revenue	64,220	59,031	71,616	72,456	78,934
Noninterest expense	149,968	152,342	142,409	145,182	147,701
Income before income taxes	66,306	58,570	71,342	66,902	68,311
Income tax expense	14,708	11,473	4,659	12,856	14,820
Net income	\$ 51,598	\$ 47,097	\$ 66,683	\$ 54,046	\$ 53,491
Balance Sheet - Period End Balances					
Total assets	\$ 18,314,183	\$ 18,001,540	\$ 17,249,175	\$ 17,222,491	\$ 17,185,772
Total earning assets	16,426,872	16,144,098	15,594,549	15,600,037	15,593,366
Total securities	2,692,499	2,749,188	2,826,359	2,828,754	2,989,767
Loans and leases, net of unearned income	13,071,059	13,112,149	12,449,995	12,418,114	12,296,849
Allowance for credit losses	116,499	120,070	121,019	119,920	119,434
Net book value of acquired loans (included in loans and leases above)	1,191,673	1,310,089	835,939	926,996	1,076,208
Remaining loan mark on acquired loans	30,782	37,366	13,368	14,485	19,330
Total deposits	14,692,609	14,069,966	13,347,193	13,476,558	13,894,301
Long-term debt	5,503	6,213	33,182	33,214	32,963
Total shareholders' equity	2,226,585	2,205,737	2,116,375	2,072,083	2,060,487
Balance Sheet - Average Balances					
Total assets	\$ 18,033,513	\$ 17,879,081	\$ 17,059,865	\$ 17,094,283	\$ 16,918,568
Total earning assets	16,156,235	16,056,656	15,465,260	15,496,007	15,374,336
Total securities	2,704,383	2,784,437	2,814,751	2,906,235	2,966,917
Loans and leases, net of unearned income	13,078,221	13,063,422	12,433,701	12,334,756	12,084,020
Total deposits	14,445,834	14,072,416	13,387,849	13,539,324	13,563,510
Long-term debt	5,826	17,403	33,196	33,147	34,433
Total shareholders' equity	2,212,748	2,191,852	2,089,746	2,051,452	2,012,639
Nonperforming Assets:					
Non-accrual loans and leases	\$ 68,949	\$ 70,555	\$ 55,532	\$ 60,045	\$ 65,303
Loans and leases 90+ days past due, still accruing	8,471	18,695	2,934	6,335	6,519
Restructured loans and leases, still accruing	9,874	7,498	7,564	6,982	9,681
Non-performing loans (NPLs)	87,294	96,748	66,030	73,362	81,503
Other real estate owned	9,686	9,276	4,301	7,828	9,362
Non-performing assets (NPAs)	\$ 96,980	\$ 106,024	\$ 70,331	\$ 81,190	\$ 90,865
Financial Ratios and Other Data:					
Return on average assets	1.16%	1.05%	1.55%	1.27%	1.28%
Operating return on average assets-excluding MSR*	1.26%	1.25%	1.28%	1.31%	1.29%
Return on average shareholders' equity	9.46%	8.52%	12.66%	10.57%	10.78%
Operating return on average shareholders' equity-excluding MSR*	10.24%	10.20%	10.45%	10.88%	10.80%
Return on tangible equity*	14.16%	12.81%	17.76%	15.00%	15.08%
Operating return on tangible equity-excluding MSR*	15.34%	15.33%	14.66%	15.44%	15.11%
Noninterest income to average assets	1.44%	1.31%	1.67%	1.70%	1.89%
Noninterest expense to average assets	3.37%	3.38%	3.31%	3.41%	3.54%
Net interest margin-fully taxable equivalent	3.86%	3.80%	3.67%	3.71%	3.67%
Net interest margin-fully taxable equivalent, excluding net accretion on acquired loans and leases	3.74%	3.71%	3.62%	3.63%	3.60%
Net interest rate spread	3.56%	3.53%	3.43%	3.52%	3.52%
Efficiency ratio (tax equivalent)*	68.85%	71.52%	66.29%	67.31%	67.66%
Operating efficiency ratio-excluding MSR (tax equivalent)*	66.89%	66.86%	66.34%	66.36%	66.79%
Loan/deposit ratio	88.96%	93.19%	93.28%	92.15%	88.50%
Price to earnings multiple (avg)	16.60	11.67	15.07	17.07	17.77
Market value to book value	125.56%	118.27%	152.23%	156.95%	153.77%
Market value to book value (avg)	132.05%	131.34%	158.19%	159.33%	159.14%
Market value to tangible book value	189.14%	178.79%	216.28%	225.06%	220.18%
Market value to tangible book value (avg)	198.92%	198.55%	224.75%	228.47%	227.87%
Employee FTE	4,370	4,445	4,270	4,366	4,305

*Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 22 and 23.

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

	Quarter Ended 3/31/2019	Quarter Ended 12/31/2018	Quarter Ended 9/30/2018	Quarter Ended 6/30/2018	Quarter Ended 3/31/2018
Credit Quality Ratios:					
Net charge-offs(recoveries) to average loans and leases (annualized)	0.12%	0.06%	(0.04%)	0.07%	(0.01%)
Provision for credit losses to average loans and leases (annualized)	0.02%	0.03%	0.00%	0.08%	0.03%
Allowance for credit losses to net loans and leases	0.89%	0.92%	0.97%	0.97%	0.97%
Allowance for credit losses to net loans and leases, excluding acquired loans and leases	0.98%	1.02%	1.04%	1.05%	1.07%
Allowance for credit losses to non-performing loans and leases	133.46%	124.11%	183.28%	163.46%	146.54%
Allowance for credit losses to non-performing assets	120.13%	113.25%	172.07%	147.70%	131.44%
Non-performing loans and leases to net loans and leases	0.67%	0.74%	0.53%	0.59%	0.66%
Non-performing assets to net loans and leases	0.74%	0.81%	0.56%	0.65%	0.74%
Equity Ratios:					
Total shareholders' equity to total assets	12.16%	12.25%	12.27%	12.03%	11.99%
Tangible shareholders' equity to tangible assets*	8.41%	8.46%	8.96%	8.71%	8.69%
Capital Adequacy:					
Common Equity Tier 1 capital	10.79%	10.84%	11.71%	11.42%	11.30%
Tier 1 capital	10.79%	10.84%	11.71%	11.42%	11.30%
Total capital	11.60%	11.68%	12.60%	12.30%	12.18%
Tier 1 leverage capital	9.03%	9.06%	9.68%	9.38%	9.39%
Estimated for current quarter					
Common Share Data:					
Basic earnings per share	\$ 0.52	\$ 0.47	\$ 0.68	\$ 0.55	\$ 0.54
Diluted earnings per share	0.52	0.47	0.67	0.55	0.54
Operating earnings per share*	0.52	0.51	0.57	0.56	0.58
Operating earnings per share- excluding MSR*	0.56	0.57	0.56	0.56	0.54
Cash dividends per share	0.17	0.17	0.17	0.14	0.14
Book value per share	22.48	22.10	21.48	20.99	20.68
Tangible book value per share*	14.92	14.62	15.12	14.64	14.44
Market value per share (last)	28.22	26.14	32.70	32.95	31.80
Market value per share (high)	33.45	33.50	35.40	35.45	35.55
Market value per share (low)	25.76	24.31	32.45	30.60	30.90
Market value per share (avg)	29.68	29.03	33.98	33.45	32.91
Dividend payout ratio	32.78%	35.93%	25.15%	25.62%	25.85%
Total shares outstanding	99,066,856	99,797,271	98,525,516	98,700,509	99,636,779
Average shares outstanding - basic	99,506,952	99,541,965	98,646,087	98,906,619	98,765,789
Average shares outstanding - diluted	99,717,119	99,720,219	98,819,905	99,057,054	98,942,268
Yield/Rate:					
(Taxable equivalent basis)					
Loans, loans held for sale, and leases net of unearned income	5.09%	4.94%	4.72%	4.67%	4.60%
Loans, loans held for sale, and leases net of unearned income, excluding net accretion on acquired loans and leases	4.95%	4.83%	4.64%	4.57%	4.51%
Available-for-sale securities:					
Taxable	2.04%	1.92%	1.80%	1.77%	1.72%
Tax-exempt	4.63%	4.47%	4.40%	4.39%	4.30%
Short-term, FHLB and other equity investments	2.67%	2.84%	2.04%	2.02%	1.54%
Total interest earning assets and revenue	4.57%	4.45%	4.21%	4.15%	4.05%
Deposits	0.63%	0.52%	0.43%	0.34%	0.31%
Demand - interest bearing	0.85%	0.70%	0.59%	0.43%	0.36%
Savings	0.30%	0.30%	0.24%	0.15%	0.13%
Other time	1.46%	1.26%	1.06%	0.95%	0.89%
Short-term borrowings	2.16%	2.06%	1.79%	1.62%	1.25%
Total interest bearing deposits and short-term borrowings	1.01%	0.91%	0.77%	0.62%	0.51%
Junior subordinated debt	N/A	N/A	N/A	N/A	0.00%
Long-term debt	4.88%	4.12%	4.06%	4.11%	4.17%
Total interest bearing liabilities and expense	1.01%	0.92%	0.78%	0.63%	0.53%
Interest bearing liabilities to interest earning assets	71.15%	69.79%	69.12%	70.27%	70.91%
Net interest tax equivalent adjustment	\$ 1,035	\$ 1,088	\$ 1,088	\$ 1,119	\$ 1,205

*Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 22 and 23.

BancorpSouth Bank
Consolidated Balance Sheets
(Unaudited)

	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18
(Dollars in thousands)					
<u>Assets</u>					
Cash and due from banks	\$ 207,486	\$ 239,960	\$ 169,493	\$ 198,374	\$ 180,104
Interest bearing deposits with other banks and Federal funds sold	490,667	92,476	138,677	152,566	127,345
Available-for-sale securities, at fair value	2,692,499	2,749,188	2,826,359	2,828,754	2,989,767
Loans and leases	13,086,801	13,129,012	12,464,877	12,433,152	12,312,346
Less: Unearned income	15,742	16,863	14,882	15,038	15,497
Allowance for credit losses	116,499	120,070	121,019	119,920	119,434
Net loans and leases	12,954,560	12,992,079	12,328,976	12,298,194	12,177,415
Loans held for sale	138,379	140,300	132,080	153,396	141,979
Premises and equipment, net	432,540	361,859	342,947	339,372	342,353
Accrued interest receivable	59,038	57,054	56,369	51,921	52,856
Goodwill	699,073	695,720	590,292	588,004	580,900
Other identifiable intangibles	49,396	50,896	36,475	39,031	40,590
Bank owned life insurance	305,315	308,324	304,687	306,116	304,850
Other real estate owned	9,686	9,276	4,301	7,828	9,362
Other assets	275,544	304,408	318,519	258,935	238,251
Total Assets	\$ 18,314,183	\$ 18,001,540	\$ 17,249,175	\$ 17,222,491	\$ 17,185,772
<u>Liabilities</u>					
Deposits:					
Demand: Noninterest bearing	\$ 4,201,695	\$ 4,124,744	\$ 4,007,158	\$ 4,135,322	\$ 4,035,830
Interest bearing	6,353,731	5,898,851	5,535,689	5,509,901	5,945,359
Savings	1,855,024	1,836,167	1,783,602	1,810,149	1,843,264
Other time	2,282,159	2,210,204	2,020,744	2,021,186	2,069,848
Total deposits	14,692,609	14,069,966	13,347,193	13,476,558	13,894,301
Securities sold under agreement to repurchase	481,567	416,008	403,724	407,704	469,114
Federal funds purchased and other short-term borrowing	630,000	1,095,000	1,095,000	1,025,022	500,000
Accrued interest payable	9,718	8,543	7,330	5,961	5,525
Long-term debt	5,503	6,213	33,182	33,214	32,963
Other liabilities	268,201	200,073	246,371	201,949	223,382
Total Liabilities	16,087,598	15,795,803	15,132,800	15,150,408	15,125,285
<u>Shareholders' Equity</u>					
Common stock	247,667	249,493	246,314	246,751	249,092
Capital surplus	462,256	484,482	439,590	441,950	465,699
Accumulated other comprehensive loss	(69,924)	(80,491)	(91,650)	(88,751)	(85,994)
Retained earnings	1,586,586	1,552,253	1,522,121	1,472,133	1,431,690
Total Shareholders' Equity	2,226,585	2,205,737	2,116,375	2,072,083	2,060,487
Total Liabilities & Shareholders' Equity	\$ 18,314,183	\$ 18,001,540	\$ 17,249,175	\$ 17,222,491	\$ 17,185,772

BancorpSouth Bank
Consolidated Average Balance Sheets
(Unaudited)

	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18
	(Dollars in thousands)				
<u>Assets</u>					
Cash and due from banks	\$ 213,415	\$ 218,553	\$ 179,098	\$ 203,220	\$ 202,141
Interest bearing deposits with other banks and Federal funds sold	238,194	62,516	57,204	66,035	182,488
Available-for-sale securities, at fair value	2,704,383	2,784,437	2,814,751	2,906,235	2,966,917
Loans and leases	13,094,817	13,079,321	12,448,814	12,350,226	12,099,694
Less: Unearned income	16,596	15,899	15,113	15,470	15,674
Allowance for credit losses	118,352	120,426	120,678	119,622	118,840
Net loans and leases	12,959,869	12,942,996	12,313,023	12,215,134	11,965,180
Loans held for sale	86,294	96,588	112,387	144,400	98,662
Premises and equipment, net	430,675	372,488	340,456	342,395	343,098
Accrued interest receivable	54,296	54,156	50,437	48,767	47,770
Goodwill	695,787	668,544	588,777	583,188	544,840
Other identifiable intangibles	50,115	47,567	37,529	39,752	17,811
Bank owned life insurance	306,134	305,888	305,476	305,016	301,982
Other real estate owned	9,555	15,048	6,245	8,997	9,300
Other assets	284,796	310,300	254,482	231,144	238,379
Total Assets	\$ 18,033,513	\$ 17,879,081	\$ 17,059,865	\$ 17,094,283	\$ 16,918,568
<u>Liabilities</u>					
Deposits:					
Demand: Noninterest bearing	\$ 4,078,027	\$ 4,284,521	\$ 4,076,890	\$ 3,976,039	\$ 3,822,216
Interest bearing	6,283,089	5,753,655	5,495,517	5,697,444	5,898,269
Savings	1,837,197	1,836,148	1,794,229	1,820,013	1,801,128
Other time	2,247,521	2,198,092	2,021,213	2,045,828	2,041,897
Total deposits	14,445,834	14,072,416	13,387,849	13,539,324	13,563,510
Securities sold under agreement to repurchase	457,875	447,727	427,583	416,839	445,840
Federal funds purchased and other short-term borrowing	664,056	953,137	918,153	875,641	667,546
Accrued interest payable	9,998	8,305	6,617	5,600	5,177
Long-term debt	5,826	17,403	33,196	33,147	34,433
Other liabilities	237,176	188,241	196,721	172,280	189,423
Total Liabilities	15,820,765	15,687,229	14,970,119	15,042,831	14,905,929
<u>Shareholders' Equity</u>					
Common stock	248,810	250,752	246,635	247,120	247,189
Capital surplus	475,390	497,330	441,779	444,379	447,576
Accumulated other comprehensive loss	(78,255)	(91,541)	(89,244)	(88,962)	(71,205)
Retained earnings	1,566,803	1,535,311	1,490,576	1,448,915	1,389,079
Total Shareholders' Equity	2,212,748	2,191,852	2,089,746	2,051,452	2,012,639
Total Liabilities & Shareholders' Equity	\$ 18,033,513	\$ 17,879,081	\$ 17,059,865	\$ 17,094,283	\$ 16,918,568

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

	Quarter Ended				
	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18
INTEREST REVENUE:					
Loans and leases	\$ 163,679	\$ 162,237	\$ 147,404	\$ 143,029	\$ 136,568
Deposits with other banks	1,516	457	243	331	664
Federal funds sold, securities purchased under agreement to resell, FHLB and other equity investments	374	344	295	226	191
Available-for-sale securities:					
Taxable	12,437	12,208	11,529	11,554	11,313
Tax-exempt	2,121	2,308	2,394	2,435	2,504
Loans held for sale	1,006	1,296	1,293	1,715	955
Total interest revenue	<u>181,133</u>	<u>178,850</u>	<u>163,158</u>	<u>159,290</u>	<u>152,195</u>
INTEREST EXPENSE:					
Interest bearing demand	13,139	10,191	8,113	6,075	5,278
Savings	1,338	1,367	1,087	667	584
Other time	8,065	6,967	5,399	4,862	4,457
Federal funds purchased and securities sold under agreement to repurchase	1,775	2,563	2,071	1,898	1,341
Short-term and long-term debt	4,262	4,880	4,353	3,660	2,455
Other	-	1	-	-	2
Total interest expense	<u>28,579</u>	<u>25,969</u>	<u>21,023</u>	<u>17,162</u>	<u>14,117</u>
Net interest revenue	152,554	152,881	142,135	142,128	138,078
Provision for credit losses	500	1,000	-	2,500	1,000
Net interest revenue, after provision for credit losses	<u>152,054</u>	<u>151,881</u>	<u>142,135</u>	<u>139,628</u>	<u>137,078</u>
NONINTEREST REVENUE:					
Mortgage banking	2,040	(3,275)	6,517	6,904	13,265
Credit card, debit card and merchant fees	8,874	9,941	9,857	10,530	9,564
Deposit service charges	10,766	11,699	11,278	10,767	10,901
Security gains(losses), net	39	162	(54)	(2)	27
Insurance commissions	30,180	27,981	31,705	32,965	29,130
Wealth management	5,635	5,534	6,016	5,745	5,697
Other	6,686	6,989	6,297	5,547	10,350
Total noninterest revenue	<u>64,220</u>	<u>59,031</u>	<u>71,616</u>	<u>72,456</u>	<u>78,934</u>
NONINTEREST EXPENSE:					
Salaries and employee benefits	97,228	92,013	89,646	91,451	91,197
Occupancy, net of rental income	11,551	12,107	11,690	11,103	10,804
Equipment	3,888	3,837	3,994	3,804	3,754
Deposit insurance assessments	2,740	1,866	2,954	3,129	2,360
Other	34,561	42,519	34,125	35,695	39,586
Total noninterest expense	<u>149,968</u>	<u>152,342</u>	<u>142,409</u>	<u>145,182</u>	<u>147,701</u>
Income before income taxes	66,306	58,570	71,342	66,902	68,311
Income tax expense	14,708	11,473	4,659	12,856	14,820
Net income	<u>\$ 51,598</u>	<u>\$ 47,097</u>	<u>\$ 66,683</u>	<u>\$ 54,046</u>	<u>\$ 53,491</u>
Net income per share: Basic	<u>\$ 0.52</u>	<u>\$ 0.47</u>	<u>\$ 0.68</u>	<u>\$ 0.55</u>	<u>\$ 0.54</u>
Diluted	<u>\$ 0.52</u>	<u>\$ 0.47</u>	<u>\$ 0.67</u>	<u>\$ 0.55</u>	<u>\$ 0.54</u>

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

	Quarter Ended				
	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18
LOAN AND LEASE PORTFOLIO:					
Commercial and industrial	1,728,897	\$ 1,766,515	\$ 1,617,293	\$ 1,668,174	\$ 1,695,718
Real estate					
Consumer mortgages	3,242,769	3,259,390	3,184,674	3,143,215	3,000,479
Home equity	663,120	663,572	655,213	653,450	655,634
Agricultural	309,931	318,038	315,842	315,828	313,470
Commercial and industrial-owner occupied	2,128,763	2,267,902	2,157,177	2,147,176	2,102,493
Construction, acquisition and development	1,322,671	1,286,786	1,103,532	1,346,370	1,377,153
Commercial real estate	3,169,117	3,026,214	2,923,791	2,636,533	2,640,503
Credit cards	99,260	105,569	102,353	102,790	102,114
All other	406,531	418,163	390,120	404,578	409,285
Total loans	<u>\$ 13,071,059</u>	<u>\$ 13,112,149</u>	<u>\$ 12,449,995</u>	<u>\$ 12,418,114</u>	<u>\$ 12,296,849</u>
ALLOWANCE FOR CREDIT LOSSES:					
Balance, beginning of period	\$ 120,070	\$ 121,019	\$ 119,920	\$ 119,434	\$ 118,200
Loans and leases charged-off:					
Commercial and industrial	(819)	(1,042)	(322)	(1,057)	(484)
Real estate					
Consumer mortgages	(185)	(298)	(210)	(366)	(134)
Home equity	(353)	(237)	(227)	(107)	(143)
Agricultural	-	(6)	(6)	(6)	(12)
Commercial and industrial-owner occupied	-	(237)	(315)	(279)	(41)
Construction, acquisition and development	-	(142)	(41)	(66)	(163)
Commercial real estate	(3,815)	(594)	-	(946)	(35)
Credit cards	(955)	(816)	(596)	(830)	(794)
All other	(831)	(761)	(941)	(551)	(725)
Total loans charged-off	<u>(6,958)</u>	<u>(4,133)</u>	<u>(2,658)</u>	<u>(4,208)</u>	<u>(2,531)</u>
Recoveries:					
Commercial and industrial	360	504	1,558	684	372
Real estate					
Consumer mortgages	1,081	419	522	361	95
Home equity	75	86	58	72	333
Agricultural	4	304	20	10	79
Commercial and industrial-owner occupied	100	40	413	46	80
Construction, acquisition and development	714	197	564	308	1,262
Commercial real estate	78	139	200	149	53
Credit cards	218	245	198	367	220
All other	257	250	224	197	271
Total recoveries	<u>2,887</u>	<u>2,184</u>	<u>3,757</u>	<u>2,194</u>	<u>2,765</u>
Net (charge-offs) recoveries	(4,071)	(1,949)	1,099	(2,014)	234
Provision charged to operating expense	500	1,000	-	2,500	1,000
Balance, end of period	<u>\$ 116,499</u>	<u>\$ 120,070</u>	<u>\$ 121,019</u>	<u>\$ 119,920</u>	<u>\$ 119,434</u>
Average loans for period	<u>\$ 13,078,221</u>	<u>\$ 13,063,422</u>	<u>\$ 12,433,701</u>	<u>\$ 12,334,756</u>	<u>\$ 12,084,020</u>
Ratio:					
Net charge-offs(recoveries) to average loans (annualized)	<u>0.12%</u>	<u>0.06%</u>	<u>(0.04%)</u>	<u>0.07%</u>	<u>(0.01%)</u>

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

	Quarter Ended				
	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18
NON-PERFORMING ASSETS					
NON-PERFORMING LOANS AND LEASES:					
Nonaccrual Loans and Leases					
Commercial and industrial	\$ 10,431	\$ 10,537	\$ 11,158	\$ 11,090	\$ 11,122
Real estate					
Consumer mortgages	25,680	23,932	23,015	22,588	26,832
Home equity	2,259	2,686	2,349	2,446	2,587
Agricultural	6,263	4,617	1,603	1,536	6,225
Commercial and industrial-owner occupied	8,782	8,637	7,927	12,275	12,210
Construction, acquisition and development	2,710	3,124	1,410	1,563	2,223
Commercial real estate	12,283	16,590	7,787	8,265	3,597
Credit cards	160	173	120	104	136
All other	381	259	163	178	371
Total nonaccrual loans and leases	<u>\$ 68,949</u>	<u>\$ 70,555</u>	<u>\$ 55,532</u>	<u>\$ 60,045</u>	<u>\$ 65,303</u>
Loans and Leases 90+ Days Past Due, Still Accruing:	8,471	18,695	2,934	6,335	6,519
Restructured Loans and Leases, Still Accruing	9,874	7,498	7,564	6,982	9,681
Total non-performing loans and leases	<u>\$ 87,294</u>	<u>\$ 96,748</u>	<u>\$ 66,030</u>	<u>\$ 73,362</u>	<u>\$ 81,503</u>
OTHER REAL ESTATE OWNED:	9,686	9,276	4,301	7,828	9,362
Total Non-performing Assets	<u>\$ 96,980</u>	<u>\$ 106,024</u>	<u>\$ 70,331</u>	<u>\$ 81,190</u>	<u>\$ 90,865</u>
BXS originated assets	\$ 77,110	\$ 72,527	\$ 66,062	\$ 75,980	\$ 84,586
Assets acquired during 2018	19,870	33,497	4,269	5,210	6,279
Total Non-performing Assets	<u>\$ 96,980</u>	<u>\$ 106,024</u>	<u>\$ 70,331</u>	<u>\$ 81,190</u>	<u>\$ 90,865</u>
Additions to Nonaccrual Loans and Leases During the Quarter	<u>\$ 15,419</u>	<u>\$ 28,572</u>	<u>\$ 12,217</u>	<u>\$ 16,902</u>	<u>\$ 16,641</u>
Loans and Leases 30-89 Days Past Due, Still Accruing:					
BXS originated loans	\$ 34,591	\$ 43,922	\$ 33,093	\$ 27,225	\$ 29,422
Loans acquired during 2018	10,840	9,769	11,294	11,810	3,425
Total Loans and Leases 30-89 days past due, still accruing	<u>\$ 45,431</u>	<u>\$ 53,691</u>	<u>\$ 44,387</u>	<u>\$ 39,035</u>	<u>\$ 32,847</u>
Credit Quality Ratios:					
Provision for credit losses to average loans and leases (annualized)	0.02%	0.03%	0.00%	0.08%	0.03%
Allowance for credit losses to net loans and leases	0.89%	0.92%	0.97%	0.97%	0.97%
Allowance for credit losses to non-performing loans and leases	133.46%	124.11%	183.28%	163.46%	146.54%
Allowance for credit losses to non-performing assets	120.13%	113.25%	172.07%	147.70%	131.44%
Non-performing loans and leases to net loans and leases	0.67%	0.74%	0.53%	0.59%	0.66%
Non-performing assets to net loans and leases	0.74%	0.81%	0.56%	0.65%	0.74%

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

	March 31, 2019							
	Pass	Special Mention	Substandard	Doubtful	Loss	Impaired	Purchased Credit Impaired	Total
LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:								
Commercial and industrial	\$ 1,667,040	\$ -	\$ 45,639	\$ 407	\$ -	\$ 5,598	\$ 10,213	\$ 1,728,897
Real estate								
Consumer mortgages	3,183,452	-	54,091	379	-	4,847	-	3,242,769
Home equity	655,726	-	7,171	-	-	223	-	663,120
Agricultural	296,177	-	9,806	-	-	1,594	2,354	309,931
Commercial and industrial-owner occupied	2,067,541	-	53,467	-	-	3,422	4,333	2,128,763
Construction, acquisition and development	1,292,434	534	23,889	-	-	-	5,814	1,322,671
Commercial real estate	3,096,319	-	62,937	-	-	9,861	-	3,169,117
Credit cards	99,260	-	-	-	-	-	-	99,260
All other	399,393	-	7,138	-	-	-	-	406,531
Total loans	\$ 12,757,342	\$ 534	\$ 264,138	\$ 786	\$ -	\$ 25,545	\$ 22,714	\$ 13,071,059
BXS originated loans	\$ 11,537,493	\$ 534	\$ 205,512	\$ 786	\$ -	\$ 25,545	\$ -	\$ 11,769,870
Loans acquired during 2018	1,219,849	-	58,626	-	-	-	22,714	1,301,189
Total Loans	\$ 12,757,342	\$ 534	\$ 264,138	\$ 786	\$ -	\$ 25,545	\$ 22,714	\$ 13,071,059

	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

April 17, 2019

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

March 31, 2019

	Alabama and Florida Panhandle	Arkansas	Louisiana	Mississippi	Missouri	Tennessee	Texas	Other	Total
LOAN AND LEASE PORTFOLIO:									
Commercial and industrial	\$ 107,849	\$ 134,217	\$ 279,971	\$ 571,164	\$ 75,330	\$ 96,737	\$ 438,733	\$ 24,896	\$ 1,728,897
Real estate									
Consumer mortgages	455,363	336,318	334,993	882,495	91,083	322,987	759,641	59,889	3,242,769
Home equity	102,371	47,044	91,444	234,765	19,219	144,165	24,112	-	663,120
Agricultural	9,091	82,731	35,127	69,008	6,411	12,293	95,260	10	309,931
Commercial and industrial-owner occupied	199,702	210,794	303,963	684,504	52,019	139,580	538,201	-	2,128,763
Construction, acquisition and development	117,580	55,240	89,374	244,148	20,284	170,364	625,681	-	1,322,671
Commercial real estate	266,576	369,857	369,337	727,690	201,378	217,449	1,015,812	1,018	3,169,117
Credit cards	-	-	-	-	-	-	-	99,260	99,260
All other	43,036	38,563	24,973	182,213	3,945	18,513	89,734	5,554	406,531
Total loans	\$ 1,301,568	\$ 1,274,764	\$ 1,529,182	\$ 3,595,987	\$ 469,669	\$ 1,122,088	\$ 3,587,174	\$ 190,627	\$ 13,071,059
NON-PERFORMING LOANS AND LEASES:									
Commercial and industrial	\$ 399	\$ 279	704	\$ 3,678	\$ 951	\$ 968	\$ 5,653	\$ 430	\$ 13,062
Real estate									
Consumer mortgages	2,508	3,105	5,753	12,633	233	2,291	3,502	102	30,127
Home equity	383	34	168	774	230	742	47	-	2,378
Agricultural	50	835	182	1,694	-	-	3,806	-	6,567
Commercial and industrial-owner occupied	240	399	1,606	3,340	-	868	8,758	-	15,211
Construction, acquisition and development	191	238	105	727	-	86	1,390	-	2,737
Commercial real estate	100	467	3,498	851	-	-	10,594	-	15,510
Credit cards	-	-	-	-	-	-	-	1,191	1,191
All other	1	139	1	84	-	132	151	3	511
Total loans	\$ 3,872	\$ 5,496	\$ 12,017	\$ 23,781	\$ 1,414	\$ 5,087	\$ 33,901	\$ 1,726	\$ 87,294
NON-PERFORMING LOANS AND LEASES AS A PERCENTAGE OF OUTSTANDING:									
Commercial and industrial	0.37%	0.21%	0.25%	0.64%	1.26%	1.00%	1.29%	1.73%	0.76%
Real estate									
Consumer mortgages	0.55%	0.92%	1.72%	1.43%	0.26%	0.71%	0.46%	0.17%	0.93%
Home equity	0.37%	0.07%	0.18%	0.33%	1.20%	0.51%	0.19%	N/A	0.36%
Agricultural	0.55%	1.01%	0.52%	2.45%	0.00%	0.00%	4.00%	0.00%	2.12%
Commercial and industrial-owner occupied	0.12%	0.19%	0.53%	0.49%	0.00%	0.62%	1.63%	N/A	0.71%
Construction, acquisition and development	0.16%	0.43%	0.12%	0.30%	0.00%	0.05%	0.22%	N/A	0.21%
Commercial real estate	0.04%	0.13%	0.95%	0.12%	0.00%	0.00%	1.04%	0.00%	0.49%
Credit cards	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.20%	1.20%
All other	0.00%	0.36%	0.00%	0.05%	0.00%	0.71%	0.17%	0.05%	0.13%
Total loans	0.30%	0.43%	0.79%	0.66%	0.30%	0.45%	0.95%	0.91%	0.67%

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

	Quarter Ended March 31, 2019		
	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	\$ 1,279,296	\$ 30,793
Fair value of loans acquired during the period	-	-	-
Changes in acquired loans	(110,337)	(8,079)	(118,416)
Net book value of acquired loans at end of period	<u>\$ 1,168,959</u>	<u>\$ 22,714</u>	<u>\$ 1,191,673</u>

Loan mark on acquired loans at beginning of period	\$ (13,819)	\$ (23,547)	\$ (37,366)
Loan mark recorded on loans acquired during the period	-	-	-
Change in remaining nonaccretable difference (for ASC 310-30 loans only)	-	1,997	1,997
Net accretion recognized on acquired loans	2,570	2,017	4,587
Remaining loan mark on acquired loans*	<u>\$ (11,249)</u>	<u>\$ (19,533)</u>	<u>\$ (30,782)</u>

	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
Fair value of loans acquired during the period	597,609	26,134	623,743
Changes in acquired loans	(149,144)	(449)	(149,593)
Net book value of acquired loans at end of period	<u>\$ 1,279,296</u>	<u>\$ 30,793</u>	<u>\$ 1,310,089</u>

Loan mark on acquired loans at beginning of period	\$ (9,414)	\$ (3,954)	\$ (13,368)
Loan mark recorded on loans acquired during the period	(8,059)	(20,662)	(28,721)
Change in remaining nonaccretable difference (for ASC 310-30 loans only)	-	545	545
Net accretion recognized on acquired loans	3,654	524	4,178
Remaining loan mark on acquired loans	<u>\$ (13,819)</u>	<u>\$ (23,547)</u>	<u>\$ (37,366)</u>

	Quarter Ended 3/31/2019	Quarter Ended 12/31/2018	Quarter Ended 9/30/2018
Loan yield, as reported	5.09%	4.94%	4.72%
Loan yield, excluding net accretion on acquired loans	4.95%	4.83%	4.64%
Net interest margin, as reported	3.86%	3.80%	3.67%
Net interest margin, excluding net accretion on acquired loans	3.74%	3.71%	3.62%

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 \$1.1 million in accretable yield as of March 31, 2019 compared to \$1.9 million in accretable yield as of December 31, 2018. In addition, the same loans include \$18.4 million in nonaccretable difference as of March 31, 2019 compared to \$21.7 million as of December 31, 2018.

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

	Quarter Ended				
	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18
NONINTEREST REVENUE:					
Mortgage banking excl. MSR and MSR Hedge market value adj	\$ 6,909	\$ 4,789	\$ 5,045	\$ 7,105	\$ 7,732
MSR and MSR Hedge market value adjustment	(4,869)	(8,064)	1,472	(201)	5,533
Credit card, debit card and merchant fees	8,874	9,941	9,857	10,530	9,564
Deposit service charges	10,766	11,699	11,278	10,767	10,901
Securities gains, net	39	162	(54)	(2)	27
Insurance commissions	30,180	27,981	31,705	32,965	29,130
Trust income	3,788	3,681	3,742	3,850	3,848
Annuity fees	265	218	276	357	297
Brokerage commissions and fees	1,582	1,635	1,998	1,538	1,552
Bank-owned life insurance	1,822	3,636	2,842	3,259	1,947
Other miscellaneous income	4,864	3,353	3,455	2,288	8,403
Total noninterest revenue	<u>\$ 64,220</u>	<u>\$ 59,031</u>	<u>\$ 71,616</u>	<u>\$ 72,456</u>	<u>\$ 78,934</u>
NONINTEREST EXPENSE:					
Salaries and employee benefits	\$ 97,228	\$ 92,013	\$ 89,646	\$ 91,451	\$ 91,197
Occupancy, net of rental income	11,551	12,107	11,690	11,103	10,804
Equipment	3,888	3,837	3,994	3,804	3,754
Deposit insurance assessments	2,740	1,866	2,954	3,129	2,360
Advertising	947	1,440	1,522	1,226	855
Foreclosed property expense	624	1,113	920	997	366
Telecommunications	1,340	1,364	1,318	1,327	1,217
Public relations	765	834	795	829	794
Data processing	8,442	8,231	8,113	7,970	7,360
Computer software	3,699	3,840	3,652	3,624	3,336
Amortization of intangibles	1,985	2,040	1,438	1,559	1,602
Legal	605	1,082	657	1,568	691
Merger expense	891	4,456	942	1,911	5,727
Postage and shipping	1,412	1,214	1,238	1,151	1,237
Other miscellaneous expense	13,851	16,905	13,530	13,533	16,401
Total noninterest expense	<u>\$ 149,968</u>	<u>\$ 152,342</u>	<u>\$ 142,409</u>	<u>\$ 145,182</u>	<u>\$ 147,701</u>
INSURANCE COMMISSIONS:					
Property and casualty commissions	\$ 21,238	\$ 19,242	\$ 21,907	\$ 23,041	\$ 20,100
Life and health commissions	5,982	5,892	6,162	6,753	5,943
Risk management income	587	558	635	605	750
Other	2,373	2,289	3,001	2,566	2,337
Total insurance commissions	<u>\$ 30,180</u>	<u>\$ 27,981</u>	<u>\$ 31,705</u>	<u>\$ 32,965</u>	<u>\$ 29,130</u>

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

	Quarter Ended				
	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18
MORTGAGE SERVICING RIGHTS:					
Fair value, beginning of period	\$ 69,822	\$ 77,796	\$ 75,614	\$ 75,206	\$ 69,190
Additions to mortgage servicing rights:					
Originations of servicing assets	1,976	2,840	3,520	3,516	2,683
Changes in fair value:					
Due to payoffs/paydowns	(2,052)	(2,465)	(2,984)	(2,916)	(2,382)
Due to change in valuation inputs or assumptions used in the valuation model	(5,103)	(8,348)	1,646	(191)	5,716
Other changes in fair value	-	(1)	-	(1)	(1)
Fair value, end of period	<u>\$ 64,643</u>	<u>\$ 69,822</u>	<u>\$ 77,796</u>	<u>\$ 75,614</u>	<u>\$ 75,206</u>
MORTGAGE BANKING REVENUE:					
Production revenue:					
Origination	\$ 4,068	\$ 2,207	\$ 3,161	\$ 5,295	\$ 5,239
Servicing	4,893	5,047	4,868	4,726	4,875
Payoffs/Paydowns	(2,052)	(2,465)	(2,984)	(2,916)	(2,382)
Total production revenue	<u>6,909</u>	<u>4,789</u>	<u>5,045</u>	<u>7,105</u>	<u>7,732</u>
Market value adjustment on MSR	(5,103)	(8,348)	1,646	(191)	5,716
Market value adjustment on MSR Hedge	234	284	(174)	(10)	(183)
Total mortgage banking revenue	<u>\$ 2,040</u>	<u>\$ (3,275)</u>	<u>\$ 6,517</u>	<u>\$ 6,904</u>	<u>\$ 13,265</u>
Mortgage loans serviced	\$ 6,718,236	\$ 6,686,475	\$ 6,628,445	\$ 6,579,444	\$ 6,532,950
MSR/mtg loans serviced	0.96%	1.04%	1.17%	1.15%	1.15%
AVAILABLE-FOR-SALE SECURITIES, at fair value					
U.S. Government agencies	\$ 2,179,699	\$ 2,200,158	\$ 2,260,949	\$ 2,235,238	\$ 2,385,962
U.S. Government agency issued residential mortgage-back securities	141,542	136,846	138,624	141,443	139,148
U.S. Government agency issued commercial mortgage-back securities	98,941	107,841	107,506	122,974	124,041
Obligations of states and political subdivisions	272,317	304,343	319,280	329,099	340,616
Total available-for-sale securities	<u>\$ 2,692,499</u>	<u>\$ 2,749,188</u>	<u>\$ 2,826,359</u>	<u>\$ 2,828,754</u>	<u>\$ 2,989,767</u>

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

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

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

	Quarter ended				
	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
Net income	\$ 51,598	\$ 47,097	\$ 66,683	\$ 54,046	\$ 53,491
Plus: Merger expense, net of tax	669	3,345	707	1,434	4,298
Tax-related matters	-	-	-	-	-
Less: Security gains(losses), net of tax	29	122	(40)	(2)	20
Tax-related matters	-	-	11,288	-	-
Net operating income	<u>\$ 52,238</u>	<u>\$ 50,320</u>	<u>\$ 56,142</u>	<u>\$ 55,482</u>	<u>\$ 57,769</u>
Less: MSR market value adjustment, net of tax	<u>(3,654)</u>	<u>(6,052)</u>	<u>1,103</u>	<u>(151)</u>	<u>4,153</u>
Net operating income-excluding MSR	<u>\$ 55,892</u>	<u>\$ 56,372</u>	<u>\$ 55,039</u>	<u>\$ 55,633</u>	<u>\$ 53,616</u>

Reconciliation of Total Operating Expense to Total Noninterest Expense:

Total noninterest expense	\$ 149,968	\$ 152,342	\$ 142,409	\$ 145,182	\$ 147,701
Less: Merger expense	891	4,456	942	1,911	5,727
Total operating expense	<u>\$ 149,077</u>	<u>\$ 147,886</u>	<u>\$ 141,467</u>	<u>\$ 143,271</u>	<u>\$ 141,974</u>

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

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

	Quarter ended				
	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
Tangible assets					
Total assets	\$ 18,314,183	\$ 18,001,540	\$ 17,249,175	\$ 17,222,491	\$ 17,185,772
Less: Goodwill	699,073	695,720	590,292	588,004	580,900
Other identifiable intangible assets	49,396	50,896	36,475	39,031	40,590
Total tangible assets	<u>\$ 17,565,714</u>	<u>\$ 17,254,924</u>	<u>\$ 16,622,408</u>	<u>\$ 16,595,456</u>	<u>\$ 16,564,282</u>
Tangible shareholders' equity					
Total shareholders' equity	\$ 2,226,585	\$ 2,205,737	\$ 2,116,375	\$ 2,072,083	\$ 2,060,487
Less: Goodwill	699,073	695,720	590,292	588,004	580,900
Other identifiable intangible assets	49,396	50,896	36,475	39,031	40,590
Total tangible shareholders' equity	<u>\$ 1,478,116</u>	<u>\$ 1,459,121</u>	<u>\$ 1,489,608</u>	<u>\$ 1,445,048</u>	<u>\$ 1,438,997</u>
Total average assets					
Total average assets	\$ 18,033,513	\$ 17,879,081	\$ 17,059,865	\$ 17,094,283	\$ 16,918,568
Total shares of common stock outstanding	99,066,856	99,797,271	98,525,516	98,700,509	99,636,779
Average shares outstanding-diluted	99,717,119	99,720,219	98,819,905	99,057,054	98,942,268
Operating return ratios					
Tangible shareholders' equity to tangible assets (1)	8.41%	8.46%	8.96%	8.71%	8.69%
Return on tangible equity (2)	14.16%	12.81%	17.76%	15.00%	15.08%
Operating return on tangible equity-excluding MSR (3)	15.34%	15.33%	14.66%	15.44%	15.11%
Operating return on average assets-excluding MSR (4)	1.26%	1.25%	1.28%	1.31%	1.29%
Operating return on average shareholders' equity-excluding MSR (5)	10.24%	10.20%	10.45%	10.88%	10.80%
Tangible book value per share (6)	\$ 14.92	\$ 14.62	\$ 15.12	\$ 14.64	\$ 14.44
Operating earnings per share (7)	\$ 0.52	\$ 0.51	\$ 0.57	\$ 0.56	\$ 0.58
Operating earnings per share-excluding MSR (8)	\$ 0.56	\$ 0.57	\$ 0.56	\$ 0.56	\$ 0.54

- (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.