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### **BancorpSouth Announces Record Third Quarter 2019 Financial Results**

TUPELO, Miss., October 21, 2019/PRNewswire – BancorpSouth Bank (NYSE: BXS) (the “Company”) today announced financial results for the quarter ended September 30, 2019.

**Highlights for the third quarter of 2019 included:**

- Reported quarterly net income of \$63.8 million, or \$0.63 per diluted share.
- Completed the acquisitions of Van Alstyne Financial Corporation and Summit Financial Enterprises, Inc. effective September 1, 2019; recorded merger-related expenses of \$4.1 million for the third quarter.
- Although earnings were impacted by a negative pre-tax mortgage servicing rights (“MSR”) valuation adjustment of \$4.0 million, strong mortgage production volume totaling \$536.1 million contributed to an increase in mortgage production and servicing revenue to \$11.3 million for the third quarter.
- Record net operating income – excluding MSR – of \$69.7 million, or \$0.69 per diluted share, which represents increases of 13.1 percent on a per share basis compared with the second quarter of 2019 and 23.2 percent compared with the third quarter of 2018.
- Generated organic deposit and customer repo growth for the quarter totaling approximately \$160.0 million, or 4.1 percent on an annualized basis.
- Net interest margin – excluding accretable yield – remained relatively stable at 3.76 percent.
- Continued strong credit quality reflected by net recoveries of \$0.7 million and a provision for credit losses of \$0.5 million for the quarter; non-performing and classified asset levels remained stable excluding the impact of acquired loans.
- Operating efficiency ratio – excluding MSR – improved to 63.0 percent for the quarter.

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- Announced the signing of a definitive merger agreement with Texas First Bancshares, Inc., the parent company of Texas First State Bank, which is expected to add approximately \$390 million in assets to the Company's Central Texas presence.
- Repurchased 561,260 shares of outstanding common stock at a weighted average price of \$27.04 per share.

The Company reported net income of \$63.8 million, or \$0.63 per diluted share, for the third quarter of 2019, compared with net income of \$66.7 million, or \$0.67 per diluted share, for the third quarter of 2018 and net income of \$53.1 million, or \$0.53 per diluted share, for the second quarter of 2019. The Company reported net operating income – excluding MSR – of \$69.7 million, or \$0.69 per diluted share, for the third quarter of 2019, compared with \$55.0 million, or \$0.56 per diluted share, for the third quarter of 2018 and \$62.0 million, or \$0.61 per diluted share, for the second quarter of 2019.

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 certain other charges.

“Our third quarter results reflect yet another quarter of record financial performance,” remarked Dan Rollins, Chairman and Chief Executive Officer. “We are pleased to report record net operating income – excluding MSR – of \$69.7 million, or \$0.69 per diluted share, for the third quarter. This success was driven by our ability to maintain a relatively stable net interest margin in a challenging rate environment while our credit quality metrics remain strong. In addition, we continue to leverage our cost structure and improve efficiency, which is reflected in the decline in our operating efficiency ratio – excluding MSR – to 63.0 percent for the quarter. Finally, our mortgage team had an outstanding quarter as \$536.1 million in total mortgage production volume contributed to production and service revenue of over \$11 million.”

"We are pleased to have recently completed our mergers with Summit Bank and Texas Star Bank. Andy Stein, Frank Hall, and the Summit team will provide us with a more meaningful presence in the Florida Panhandle while Randle Jones and the Texas Star team will enhance our market share in the Dallas MSA and surrounding markets. We anticipate completing the operational integration of these banks during the fourth quarter of this year."

### **Net Interest Revenue**

Net interest revenue was \$166.6 million for the third quarter of 2019, an increase of 17.2 percent from \$142.1 million for the third quarter of 2018 and an increase of 4.1 percent from \$160.0 million for the second quarter of 2019. The fully taxable equivalent net interest margin was 3.88 percent for the third quarter of 2019, compared with 3.67 percent for the third quarter of 2018 and 3.87 percent for the second quarter of 2019. Yields on net loans and leases were 5.16 percent for the third quarter of 2019, compared with 4.72 percent for the third quarter of 2018 and 5.12 percent for the second quarter of 2019, while yields on total interest earning assets were

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4.63 percent for the third quarter of 2019, compared with 4.21 percent for the third quarter of 2018 and 4.61 percent for the second quarter of 2019. The net interest margin, excluding accretable yield, was 3.76 percent for the third quarter of 2019, compared with 3.62 percent for the third quarter of 2018 and 3.79 percent for the second quarter of 2019 while yields on net loans and leases, excluding accretable yield, were 5.02 percent for the third quarter of 2019, compared with 4.64 percent for the third quarter of 2018 and 5.02 percent for the second quarter of 2019. The average cost of deposits was 0.71 percent for the third quarter of 2019, compared with 0.43 percent for the third quarter of 2018 and 0.68 percent for the second quarter of 2019.

### **Balance Sheet Activity**

Loans and leases, net of unearned income, increased \$462.3 million during the third quarter of 2019. This includes loans totaling \$610.2 million acquired as a part of the Summit and Texas Star mergers on September 1, 2019. Excluding acquired loans, total loans decreased approximately \$105.0 million during the third quarter.

Deposits increased \$889.1 million during the third quarter of 2019. This includes deposits totaling \$794.2 million acquired as a part of the Summit and Texas Star mergers on September 1, 2019. Excluding acquired deposits, total deposits increased approximately \$94.9 million during the quarter. Deposits have increased \$1.96 billion since December 31, 2018. Excluding acquired deposits, total deposits increased approximately \$632.6 million during the first nine months of the year, or 6.0% on an annualized basis.

### **Provision for Credit Losses and Allowance for Credit Losses**

Earnings for the third quarter of 2019 reflect a provision for credit losses of \$0.5 million, compared with no provision for the third quarter of 2018 and \$0.5 million for the second quarter of 2019. Net recoveries for the third quarter of 2019 were \$0.7 million, compared with net recoveries of \$1.1 million for the third quarter of 2018 and net charge-offs of \$1.3 million for the second quarter of 2019. The allowance for credit losses was \$116.9 million, or 0.83 percent of net loans and leases, at September 30, 2019, compared with \$121.0 million, or 0.97 percent of net loans and leases, at September 30, 2018 and \$115.7 million, or 0.85 percent of net loans and leases, at June 30, 2019. The allowance for credit losses coverage metrics were impacted by loans acquired in the acquisitions that closed during the fourth quarter of 2018, the second quarter of 2019, and the third quarter of 2019.

Total non-performing assets were \$116.0 million, or 0.82 percent of net loans and leases, at September 30, 2019, compared with \$70.3 million, or 0.56 percent of net loans and leases, at September 30, 2018, and \$96.0 million, or 0.70 percent of net loans and leases, at June 30, 2019. Other real estate owned was \$7.9 million at September 30, 2019, compared with \$4.3 million at September 30, 2018 and \$6.2 million at June 30, 2019.

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### **Noninterest Revenue**

Noninterest revenue was \$75.4 million for the third quarter of 2019, compared with \$71.6 million for the third quarter of 2018 and \$66.3 million for the second quarter of 2019. These results include a negative MSR valuation adjustment of \$4.0 million for the third quarter of 2019, compared with a positive MSR valuation adjustment of \$1.5 million for the third quarter of 2018 and a negative MSR valuation adjustment of \$8.8 million for the second quarter of 2019. Valuation adjustments in the MSR asset are driven primarily by fluctuations in interest rates period over period.

Mortgage production and servicing revenue was \$11.3 million for the third quarter of 2019, compared with \$5.0 million for the third quarter of 2018 and \$9.2 million for the second quarter of 2019. Mortgage origination volume for the third quarter of 2019 was \$536.1 million, compared with \$384.8 million for the third quarter of 2018 and \$495.5 million for the second quarter of 2019. Of the total mortgage origination volume for the third quarter of 2019, \$112.1 million was portfolio loans, compared with \$95.4 million for the third quarter of 2018 and \$153.7 million for the second quarter of 2019.

Credit card, debit card, and merchant fee revenue was \$9.8 million for the third quarter of 2019, compared with \$9.9 million for the third quarter of 2018 and \$10.2 million for the second quarter of 2019. Deposit service charge revenue was \$11.9 million for the third quarter of 2019, compared with \$11.3 million for the third quarter of 2018 and \$11.1 million for the second quarter of 2019. Wealth management revenue was \$6.7 million for the third quarter of 2019, compared with \$6.0 million for the third quarter of 2018 and \$5.9 million for the second quarter of 2019. Other noninterest revenue was \$8.1 million for the third quarter of 2019, compared with \$6.3 million for the third quarter of 2018 and \$4.8 million for the second quarter of 2019. Insurance commission revenue was \$31.5 million for the third quarter of 2019, compared with \$31.7 million for the third quarter of 2018 and \$34.0 million for the second quarter of 2019.

### **Noninterest Expense**

Noninterest expense for the third quarter of 2019 was \$159.6 million, compared with \$142.4 million for the third quarter of 2018 and \$157.7 million for the second quarter of 2019. Salaries and employee benefits expense was \$101.2 million for the third quarter of 2019, compared with \$89.6 million for the third quarter of 2018 and \$101.0 million for the second quarter of 2019. Occupancy expense was \$12.3 million for the third quarter of 2019, compared with \$11.7 million for the third quarter of 2018 and \$12.0 million for the second quarter of 2019. Other noninterest expense was \$39.4 million for the third quarter of 2019, compared with \$34.1 million for the third quarter of 2018 and \$38.1 million for the second quarter of 2019. Additionally, merger-related expense for the third quarter of 2019 was \$4.1 million, compared with merger-related expense of \$0.9 million for the third quarter of 2018 and \$3.1 million for the second quarter of 2019.

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## **Capital Management**

The Company's equity capitalization is comprised entirely of common stock. The Company's ratio of shareholders' equity to assets was 12.54 percent at September 30, 2019, compared with 12.27 percent at September 30, 2018 and 12.29 percent at June 30, 2019. The ratio of tangible shareholders' equity to tangible assets was 8.47 percent at September 30, 2019, compared with 8.96 percent at September 30, 2018 and 8.42 percent at June 30, 2019.

During the third quarter of 2019, the Company repurchased 561,260 shares of its outstanding common stock at a weighted average price of \$27.04 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 (the "Exchange Act"). During the second quarter of 2019, the Company repurchased 611,821 shares of its outstanding common stock at a weighted average price of \$28.21 per share. As of September 30, 2019, the Company had 826,919 remaining shares available for repurchase under its current share repurchase authorization, which expires on December 31, 2019.

Estimated regulatory capital ratios at September 30, 2019 were calculated in accordance with the Basel III capital framework. The Company is a "well capitalized" bank, as defined by federal regulations, at September 30, 2019, with Tier 1 risk-based capital of 10.54 percent and total risk-based capital of 11.28 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 our results through the first three quarters of 2019 and are optimistic about our ability to finish the year strong. In addition to the achievements reflected in our financial results, we continue to execute on other strategic initiatives as well. We have recently added several experienced lenders to our team in certain of our higher growth markets. We also continue to evaluate our product offerings and implement technology enhancements as we strive to improve the customer experience. Finally, we are excited about the recent merger announcement with Texas First State Bank. This transaction will provide us an entry point into the Waco, Texas market while also improving our existing market share in other parts of central Texas. We look forward to Rodney Kroll and the Texas First team officially joining our Company."

## **TRANSACTIONS**

### **Texas First Bancshares, Inc.**

On September 23, 2019, the Company announced the signing of a definitive merger agreement (the "Texas First Merger Agreement") with Texas First Bancshares, Inc., the parent company of Texas First State Bank, (collectively referred to as "Texas First"), pursuant to which Texas First will be merged with and into the Company (the "Texas First Merger"). Texas First operates 6 full-service banking offices in the Waco, Texas and Killeen-Temple, Texas metropolitan

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statistical areas (“MSA”). As of September 30, 2019, Texas First collectively reported total assets of \$398.1 million, total loans of \$175.6 million and total deposits of \$362.7 million. Under the terms of the Texas First Merger Agreement, the Company will issue approximately 1,065,000 shares of the Company’s common stock plus \$13.0 million in cash for all outstanding shares of Texas First. For more information regarding Texas First Merger, see our Current Report on Form 8-K that was filed with the Federal Deposit Insurance Corporation (“FDIC”) on September 23, 2019. The Texas First Merger Agreement has been unanimously approved by the Boards of Directors of the Company and Texas First. Texas First has agreed to convene a meeting of its shareholders to vote upon the approval of the Texas First Merger Agreement. Subject to the satisfaction of all closing conditions, including the receipt of all required regulatory approvals, the Texas First Merger is expected to be completed during the first half of 2020, although the Company can provide no assurance that the Texas First Merger will close during this time period or at all.

#### **Van Alstyne Financial Corporation & Summit Financial Enterprises, Inc.**

On September 1, 2019, the Company completed the merger with Van Alstyne Financial Corporation and its wholly owned subsidiary, Texas Star Bank, (collectively referred to as “Texas Star”), pursuant to which Texas Star was merged with and into the Company, and with Summit Financial Enterprises, Inc. and its wholly owned subsidiary, Summit Bank, (collectively referred to as “Summit”), pursuant to which Summit was merged with and into the Company. Texas Star operated 7 full-service banking offices in Collin and Grayson counties in Texas, and one loan production office in Durant, Oklahoma, while Summit operated 4 offices located in Panama City, Panama City Beach, Fort Walton Beach, and Pensacola, Florida. As of September 1, 2019, Texas Star and Summit collectively reported total assets of \$805.2 million, total loans of \$610.2 million and total deposits of \$794.2 million. Under the terms of the definitive merger agreements, the Company issued approximately 4,600,000 shares of the Company’s common stock plus \$48.2 million in cash for all outstanding shares of both institutions. For more information regarding these transactions, see our Current Report on Form 8-K that was filed with the Federal Deposit Insurance Corporation (“FDIC”) on September 3, 2019. The purchase accounting for these transactions 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.

#### **Casey Bancorp, Inc. & Merchants Trust, 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, and 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. Grand Bank operated 4 full-service banking offices in the cities of Dallas, Grand Prairie, Horseshoe Bay and Marble Falls, all in Texas, while Merchants, which was based in Jackson, Alabama, operated 6 full-service banking offices in Clarke and Mobile counties in Alabama. As of April 1, 2019, Grand Bank and Merchants collectively reported total assets of \$566.0 million, total loans of \$415.0 million and

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total deposits of \$529.0 million. Under the terms of the definitive merger agreements, the Company issued approximately 2,225,000 shares of the Company's common stock plus \$24.2 million in cash for all outstanding shares of both institutions. For more information regarding these transactions, see our Current Report on Form 8-K that was filed with the FDIC on April 1, 2019. The purchase accounting for these transactions 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.

### **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, 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.

### **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 third quarter 2019 financial results on October 22, 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](http://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 \$20 billion in assets. BancorpSouth operates more than 300 full service branch locations as well as additional mortgage, insurance, and loan production offices in Alabama, Arkansas, Florida,

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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](http://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 Exchange Act, 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, Summit and Texas First Mergers (referred to collectively as the “Mergers”) on the Company, the acceptance by customers of Icon, Grand Bank, Merchants, Texas Star, Summit and Texas First 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 impairments, 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, the ability of the Company to access successfully the capital and credit markets when needed or as desired, 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 Mergers, the possibility that any of the anticipated benefits, costs, synergies and financial and operational improvements of the Mergers will not be realized or will not be realized as expected, the ability of the Company and Texas First to complete the Texas First Merger, the ability of the Company and Texas First to satisfy the conditions to the completion of the Texas First Merger, including the receipt of all regulatory approvals required for the Texas First Merger on the terms expected in the Texas First Merger Agreement, the ability of the Company and Texas First to meet expectations regarding the timing, completion and accounting and tax treatments of the Texas First Merger, the possibility that any of the anticipated benefits of the Texas First Merger will not be realized or will not be realized as expected, the failure of the Texas First Merger to close for any other reason, the effect of any announcements regarding the Texas First Merger on the Company’s operating results, the possibility that the Texas First 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 Securities and Exchange Commission’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

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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 Federal Deposit Insurance Corporation. 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 9/30/2019	Quarter Ended 6/30/2019	Quarter Ended 3/31/2019	Quarter Ended 12/31/2018	Quarter Ended 9/30/2018	Year to Date 9/30/2019	Year to Date 9/30/2018
<b>Earnings Summary:</b>							
Interest revenue	\$ 199,004	\$ 191,063	\$ 181,133	\$ 178,850	\$ 163,158	\$ 571,200	\$ 474,643
Interest expense	32,405	31,046	28,579	25,969	21,023	92,030	52,302
Net interest revenue	166,599	160,017	152,554	152,881	142,135	479,170	422,341
Provision for credit losses	500	500	500	1,000	-	1,500	3,500
Net interest revenue, after provision	166,099	159,517	152,054	151,881	142,135	477,670	418,841
for credit losses	166,099	159,517	152,054	151,881	142,135	477,670	418,841
Noninterest revenue	75,432	66,332	64,220	59,031	71,616	205,984	223,006
Noninterest expense	159,614	157,674	149,968	152,342	142,409	467,256	435,292
Income before income taxes	81,917	68,175	66,306	58,570	71,342	216,398	206,555
Income tax expense	18,160	15,118	14,708	11,473	4,659	47,986	32,335
Net income	\$ 63,757	\$ 53,057	\$ 51,598	\$ 47,097	\$ 66,683	\$ 168,412	\$ 174,220
<b>Balance Sheet - Period End Balances</b>							
Total assets	\$ 19,850,225	\$ 18,936,814	\$ 18,314,183	\$ 18,001,540	\$ 17,249,175	\$ 19,850,225	\$ 17,249,175
Total earning assets	17,619,053	16,948,009	16,426,872	16,144,098	15,594,549	17,619,053	15,594,549
Total securities	2,766,446	2,760,732	2,692,499	2,749,188	2,826,359	2,766,446	2,826,359
Loans and leases, net of unearned income	14,120,783	13,658,527	13,071,059	13,112,149	12,449,995	14,120,783	12,449,995
Allowance for credit losses	116,908	115,691	116,499	120,070	121,019	116,908	121,019
Net book value of acquired loans (included in loans and leases above)	1,844,245	1,421,303	1,191,673	1,310,089	835,939	1,844,245	835,939
Remaining loan mark on acquired loans	53,948	38,408	30,782	37,366	13,368	53,948	13,368
Total deposits	16,025,756	15,136,648	14,692,609	14,069,966	13,347,193	16,025,756	13,347,193
Long-term debt	5,161	5,271	5,503	6,213	33,182	5,161	33,182
Total shareholders' equity	2,489,427	2,327,120	2,226,585	2,205,737	2,116,375	2,489,427	2,116,375
<b>Balance Sheet - Average Balances</b>							
Total assets	\$ 19,170,926	\$ 18,637,258	\$ 18,033,513	\$ 17,879,081	\$ 17,059,865	\$ 18,618,066	\$ 17,024,756
Total earning assets	17,148,574	16,693,115	16,156,235	16,056,656	15,465,260	16,669,610	15,445,534
Total securities	2,738,691	2,733,335	2,704,383	2,784,437	2,814,751	2,725,595	2,895,410
Loans and leases, net of unearned income	13,726,755	13,549,591	13,078,221	13,063,422	12,433,701	13,453,898	12,285,440
Total deposits	15,509,511	15,080,885	14,445,834	14,072,416	13,387,849	15,015,973	13,496,251
Long-term debt	5,303	5,403	5,826	17,403	33,196	5,509	33,588
Total shareholders' equity	2,378,882	2,298,512	2,212,748	2,191,852	2,089,746	2,297,322	2,051,561
<b>Nonperforming Assets:</b>							
Non-accrual loans and leases	\$ 76,383	\$ 71,076	\$ 68,949	\$ 70,555	\$ 55,532	\$ 76,383	\$ 55,532
Loans and leases 90+ days past due, still accruing	16,659	8,053	8,471	18,695	2,934	16,659	2,934
Restructured loans and leases, still accruing	15,033	10,676	9,874	7,498	7,564	15,033	7,564
Non-performing loans (NPLs)	108,075	89,805	87,294	96,748	66,030	108,075	66,030
Other real estate owned	7,929	6,179	9,686	9,276	4,301	7,929	4,301
Non-performing assets (NPAs)	\$ 116,004	\$ 95,984	\$ 96,980	\$ 106,024	\$ 70,331	\$ 116,004	\$ 70,331
<b>Financial Ratios and Other Data:</b>							
Return on average assets	1.32%	1.14%	1.16%	1.05%	1.55%	1.21%	1.37%
Operating return on average assets-excluding MSR*	1.44%	1.33%	1.26%	1.25%	1.28%	1.35%	1.29%
Return on average shareholders' equity	10.63%	9.26%	9.46%	8.52%	12.66%	9.80%	11.35%
Operating return on average shareholders' equity-excluding MSR*	11.63%	10.82%	10.24%	10.20%	10.45%	10.92%	10.71%
Return on tangible equity*	15.75%	13.94%	14.16%	12.81%	17.76%	14.02%	15.64%
Operating return on tangible equity-excluding MSR*	17.22%	16.28%	15.34%	15.33%	14.66%	15.61%	14.75%
Noninterest income to average assets	1.56%	1.43%	1.44%	1.31%	1.67%	1.48%	1.75%
Noninterest expense to average assets	3.30%	3.39%	3.37%	3.38%	3.31%	3.36%	3.42%
Net interest margin-fully taxable equivalent	3.88%	3.87%	3.86%	3.80%	3.67%	3.87%	3.68%
Net interest margin-fully taxable equivalent, excluding net accretion on acquired loans and leases	3.76%	3.79%	3.74%	3.71%	3.62%	3.76%	3.62%
Net interest rate spread	3.56%	3.56%	3.56%	3.53%	3.43%	3.56%	3.49%
Efficiency ratio (tax equivalent)*	65.68%	69.36%	68.85%	71.52%	66.29%	67.90%	67.11%
Operating efficiency ratio-excluding MSR (tax equivalent)*	63.01%	65.46%	66.89%	66.86%	66.34%	65.07%	66.52%
Loan/deposit ratio	88.11%	90.23%	88.96%	93.19%	93.28%	88.11%	93.28%
Price to earnings multiple (avg)	13.77	13.26	16.60	11.67	15.07	13.77	15.07
Market value to book value	124.62%	125.60%	125.56%	118.27%	152.23%	124.62%	152.23%
Market value to book value (avg)	120.12%	125.47%	132.05%	131.34%	158.19%	122.35%	155.72%
Market value to tangible book value	193.15%	191.45%	189.14%	178.79%	216.28%	193.15%	216.28%
Market value to tangible book value (avg)	186.17%	191.25%	198.92%	198.55%	224.75%	189.63%	221.24%
Employee FTE	4,674	4,581	4,370	4,445	4,270	4,674	4,270

\*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 9/30/2019	Quarter Ended 6/30/2019	Quarter Ended 3/31/2019	Quarter Ended 12/31/2018	Quarter Ended 9/30/2018	Year to Date 9/30/2019	Year to Date 9/30/2018
<b>Credit Quality Ratios:</b>							
Net (recoveries)charge-offs to average loans and leases (annualized)	(0.02%)	0.04%	0.12%	0.06%	(0.04%)	0.05%	0.01%
Provision for credit losses to average loans and leases (annualized)	0.01%	0.01%	0.02%	0.03%	0.00%	0.01%	0.04%
Allowance for credit losses to net loans and leases	0.83%	0.85%	0.89%	0.92%	0.97%	0.83%	0.97%
Allowance for credit losses to net loans and leases, excluding acquired loans and leases	0.95%	0.95%	0.98%	1.02%	1.04%	0.95%	1.04%
Allowance for credit losses to non-performing loans and leases	108.17%	128.83%	133.46%	124.11%	183.28%	108.17%	183.28%
Allowance for credit losses to non-performing assets	100.78%	120.53%	120.13%	113.25%	172.07%	100.78%	172.07%
Non-performing loans and leases to net loans and leases	0.77%	0.66%	0.67%	0.74%	0.53%	0.77%	0.53%
Non-performing assets to net loans and leases	0.82%	0.70%	0.74%	0.81%	0.56%	0.82%	0.56%
<b>Equity Ratios:</b>							
Total shareholders' equity to total assets	12.54%	12.29%	12.16%	12.25%	12.27%	12.54%	12.27%
Tangible shareholders' equity to tangible assets*	8.47%	8.42%	8.41%	8.46%	8.96%	8.47%	8.96%
<b>Capital Adequacy:</b>							
Common Equity Tier 1 capital	10.54%	10.52%	10.75%	10.84%	11.71%	10.54%	11.71%
Tier 1 capital	10.54%	10.52%	10.75%	10.84%	11.71%	10.54%	11.71%
Total capital	11.28%	11.28%	11.55%	11.68%	12.60%	11.28%	12.60%
Tier 1 leverage capital	9.14%	8.96%	9.03%	9.06%	9.68%	9.14%	9.68%
Estimated for current quarter							
<b>Common Share Data:</b>							
Basic earnings per share	\$ 0.63	\$ 0.53	\$ 0.52	\$ 0.47	\$ 0.68	\$ 1.68	\$ 1.76
Diluted earnings per share	0.63	0.53	0.52	0.47	0.67	1.67	1.76
Operating earnings per share*	0.66	0.55	0.52	0.51	0.57	1.73	1.72
Operating earnings per share- excluding MSR*	0.69	0.61	0.56	0.57	0.56	1.86	1.67
Cash dividends per share	0.19	0.17	0.17	0.17	0.17	0.53	0.45
Book value per share	23.76	23.12	22.48	22.10	21.48	23.76	21.48
Tangible book value per share*	15.33	15.17	14.92	14.62	15.12	15.33	15.12
Market value per share (last)	29.61	29.04	28.22	26.14	32.70	29.61	32.70
Market value per share (high)	30.54	31.10	33.45	33.50	35.40	33.45	35.55
Market value per share (low)	26.47	26.92	25.76	24.31	32.45	25.76	30.60
Market value per share (avg)	28.54	29.01	29.68	29.03	33.98	29.07	33.45
Dividend payout ratio	29.36%	32.24%	32.78%	35.93%	25.15%	31.31%	25.51%
Total shares outstanding	104,775,876	100,651,798	99,066,856	99,797,271	98,525,516	104,775,876	98,525,516
Average shares outstanding - basic	101,168,730	100,610,746	99,506,952	99,541,965	98,646,087	100,428,809	98,772,832
Average shares outstanding - diluted	101,493,247	100,888,164	99,717,119	99,720,219	98,819,905	100,699,510	98,939,743
<b>Yield/Rate:</b>							
(Taxable equivalent basis)							
Loans, loans held for sale, and leases net of unearned income	5.16%	5.12%	5.09%	4.94%	4.72%	5.13%	4.66%
Loans, loans held for sale, and leases net of unearned income, excluding net accretion on acquired loans and leases	5.02%	5.02%	4.95%	4.83%	4.64%	4.99%	4.58%
Available-for-sale securities:							
Taxable	2.13%	2.10%	2.04%	1.92%	1.80%	2.09%	1.76%
Tax-exempt	5.56%	4.53%	4.63%	4.47%	4.40%	4.85%	4.36%
Short-term, FHLB and other equity investments	2.41%	2.52%	2.67%	2.84%	2.04%	2.50%	1.78%
Total interest earning assets and revenue	4.63%	4.61%	4.57%	4.45%	4.21%	4.61%	4.14%
Deposits	0.71%	0.68%	0.63%	0.52%	0.43%	0.68%	0.36%
Demand - interest bearing	0.94%	0.91%	0.85%	0.70%	0.59%	0.90%	0.46%
Savings	0.28%	0.29%	0.30%	0.30%	0.24%	0.29%	0.17%
Other time	1.67%	1.60%	1.46%	1.26%	1.06%	1.58%	0.97%
Short-term borrowings	1.90%	2.14%	2.16%	2.06%	1.79%	2.07%	1.58%
Total interest bearing deposits and short-term borrowings	1.07%	1.06%	1.01%	0.91%	0.77%	1.04%	0.64%
Long-term debt	4.93%	4.87%	4.88%	4.12%	4.06%	4.89%	4.11%
Total interest bearing liabilities and expense	1.07%	1.06%	1.01%	0.92%	0.78%	1.05%	0.65%
Interest bearing liabilities to interest earning assets	70.15%	70.47%	71.15%	69.79%	69.12%	70.58%	70.09%
Net interest tax equivalent adjustment	\$ 972	\$ 974	\$ 1,035	\$ 1,088	\$ 1,088	\$ 2,982	\$ 3,302

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

**BancorpSouth Bank**  
**Consolidated Balance Sheets**  
**(Unaudited)**

	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
(Dollars in thousands)					
<u>Assets</u>					
Cash and due from banks	\$ 333,108	\$ 212,080	\$ 207,486	\$ 239,960	\$ 169,493
Interest bearing deposits with other banks and Federal funds sold	466,650	314,172	490,667	92,476	138,677
Available-for-sale securities, at fair value	2,766,446	2,760,732	2,692,499	2,749,188	2,826,359
Loans and leases	14,137,563	13,674,990	13,086,801	13,129,012	12,464,877
Less: Unearned income	16,780	16,463	15,742	16,863	14,882
Allowance for credit losses	116,908	115,691	116,499	120,070	121,019
Net loans and leases	14,003,875	13,542,836	12,954,560	12,992,079	12,328,976
Loans held for sale	229,514	175,898	138,379	140,300	132,080
Premises and equipment, net	480,819	447,564	432,540	361,859	342,947
Accrued interest receivable	62,818	60,598	59,038	57,054	56,369
Goodwill	822,093	734,473	699,073	695,720	590,292
Other identifiable intangibles	61,100	65,930	49,396	50,896	36,475
Bank owned life insurance	328,670	315,398	305,315	308,324	304,687
Other real estate owned	7,929	6,179	9,686	9,276	4,301
Other assets	287,203	300,954	275,544	304,408	318,519
<b>Total Assets</b>	<b>\$ 19,850,225</b>	<b>\$ 18,936,814</b>	<b>\$ 18,314,183</b>	<b>\$ 18,001,540</b>	<b>\$ 17,249,175</b>
<u>Liabilities</u>					
Deposits:					
Demand: Noninterest bearing	\$ 4,770,907	\$ 4,329,172	\$ 4,201,695	\$ 4,124,744	\$ 4,007,158
Interest bearing	6,745,329	6,511,332	6,353,731	5,898,851	5,535,689
Savings	1,898,813	1,861,247	1,855,024	1,836,167	1,783,602
Other time	2,610,707	2,434,897	2,282,159	2,210,204	2,020,744
Total deposits	16,025,756	15,136,648	14,692,609	14,069,966	13,347,193
Securities sold under agreement to repurchase	529,788	439,541	481,567	416,008	403,724
Federal funds purchased and other short-term borrowing	480,000	730,000	630,000	1,095,000	1,095,000
Accrued interest payable	13,120	12,225	9,718	8,543	7,330
Long-term debt	5,161	5,271	5,503	6,213	33,182
Other liabilities	306,973	286,009	268,201	200,073	246,371
<b>Total Liabilities</b>	<b>17,360,798</b>	<b>16,609,694</b>	<b>16,087,598</b>	<b>15,795,803</b>	<b>15,132,800</b>
<u>Shareholders' Equity</u>					
Common stock	261,940	251,629	247,667	249,493	246,314
Capital surplus	611,115	506,201	462,256	484,482	439,590
Accumulated other comprehensive loss	(50,538)	(53,252)	(69,924)	(80,491)	(91,650)
Retained earnings	1,666,910	1,622,542	1,586,586	1,552,253	1,522,121
<b>Total Shareholders' Equity</b>	<b>2,489,427</b>	<b>2,327,120</b>	<b>2,226,585</b>	<b>2,205,737</b>	<b>2,116,375</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$ 19,850,225</b>	<b>\$ 18,936,814</b>	<b>\$ 18,314,183</b>	<b>\$ 18,001,540</b>	<b>\$ 17,249,175</b>

**BancorpSouth Bank**  
**Consolidated Average Balance Sheets**  
**(Unaudited)**

	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
	(Dollars in thousands)				
<u>Assets</u>					
Cash and due from banks	\$ 229,814	\$ 202,564	\$ 213,415	\$ 218,553	\$ 179,098
Interest bearing deposits with other banks and Federal funds sold	486,716	254,951	238,194	62,516	57,204
Available-for-sale securities, at fair value	2,738,691	2,733,335	2,704,383	2,784,437	2,814,751
Loans and leases	13,743,876	13,565,632	13,094,817	13,079,321	12,448,814
Less: Unearned income	17,121	16,041	16,596	15,899	15,113
Allowance for credit losses	116,232	116,339	118,352	120,426	120,678
Net loans and leases	13,610,523	13,433,252	12,959,869	12,942,996	12,313,023
Loans held for sale	157,691	117,995	86,294	96,588	112,387
Premises and equipment, net	458,758	453,239	430,675	372,488	340,456
Accrued interest receivable	57,941	54,977	54,296	54,156	50,437
Goodwill	761,084	735,540	695,787	668,544	588,777
Other identifiable intangibles	59,253	49,058	50,115	47,567	37,529
Bank owned life insurance	319,894	313,550	306,134	305,888	305,476
Other real estate owned	6,908	7,313	9,555	15,048	6,245
Other assets	283,653	281,484	284,796	310,300	254,482
Total Assets	\$ 19,170,926	\$ 18,637,258	\$ 18,033,513	\$ 17,879,081	\$ 17,059,865
<u>Liabilities</u>					
Deposits:					
Demand: Noninterest bearing	\$ 4,479,698	\$ 4,307,570	\$ 4,078,027	\$ 4,284,521	\$ 4,076,890
Interest bearing	6,655,962	6,485,523	6,283,089	5,753,655	5,495,517
Savings	1,869,045	1,872,552	1,837,197	1,836,148	1,794,229
Other time	2,504,806	2,415,240	2,247,521	2,198,092	2,021,213
Total deposits	15,509,511	15,080,885	14,445,834	14,072,416	13,387,849
Securities sold under agreement to repurchase	507,558	484,950	457,875	447,727	427,583
Federal funds purchased and other short-term borrowing	487,456	499,385	664,056	953,137	918,153
Accrued interest payable	13,756	12,239	9,998	8,305	6,617
Long-term debt	5,303	5,403	5,826	17,403	33,196
Other liabilities	268,460	255,884	237,176	188,241	196,721
Total Liabilities	16,792,044	16,338,746	15,820,765	15,687,229	14,970,119
<u>Shareholders' Equity</u>					
Common stock	254,881	252,351	248,810	250,752	246,635
Capital surplus	538,665	511,786	475,390	497,330	441,779
Accumulated other comprehensive loss	(52,204)	(66,048)	(78,255)	(91,541)	(89,244)
Retained earnings	1,637,540	1,600,423	1,566,803	1,535,311	1,490,576
Total Shareholders' Equity	2,378,882	2,298,512	2,212,748	2,191,852	2,089,746
Total Liabilities & Shareholders' Equity	\$ 19,170,926	\$ 18,637,258	\$ 18,033,513	\$ 17,879,081	\$ 17,059,865

BXS Announces Third Quarter 2019 Financial Results

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October 21, 2019

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

	Quarter Ended					Year to Date	
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18	Sep-19	Sep-18
<b>INTEREST REVENUE:</b>							
Loans and leases	\$ 178,729	\$ 172,748	\$ 163,679	\$ 162,237	\$ 147,404	\$ 515,156	\$ 427,001
Deposits with other banks	2,456	1,292	1,516	457	243	5,264	1,238
Federal funds sold, securities purchased under agreement to resell, FHLB and other equity investments	735	542	374	344	295	1,651	712
Available-for-sale securities:							
Taxable	13,759	13,223	12,437	12,208	11,529	39,419	34,396
Tax-exempt	1,883	1,890	2,121	2,308	2,394	5,894	7,333
Loans held for sale	1,442	1,368	1,006	1,296	1,293	3,816	3,963
Total interest revenue	<u>199,004</u>	<u>191,063</u>	<u>181,133</u>	<u>178,850</u>	<u>163,158</u>	<u>571,200</u>	<u>474,643</u>
<b>INTEREST EXPENSE:</b>							
Interest bearing demand	15,689	14,741	13,139	10,191	8,113	43,569	19,466
Savings	1,341	1,348	1,338	1,367	1,087	4,027	2,338
Other time	10,546	9,635	8,065	6,967	5,399	28,246	14,718
Federal funds purchased and securities sold under agreement to repurchase	1,857	1,972	1,775	2,563	2,071	5,604	5,310
Short-term and long-term debt	2,971	3,349	4,262	4,880	4,353	10,582	10,468
Other	1	1	-	1	-	2	2
Total interest expense	<u>32,405</u>	<u>31,046</u>	<u>28,579</u>	<u>25,969</u>	<u>21,023</u>	<u>92,030</u>	<u>52,302</u>
Net interest revenue	166,599	160,017	152,554	152,881	142,135	479,170	422,341
Provision for credit losses	500	500	500	1,000	-	1,500	3,500
Net interest revenue, after provision for credit losses	<u>166,099</u>	<u>159,517</u>	<u>152,054</u>	<u>151,881</u>	<u>142,135</u>	<u>477,670</u>	<u>418,841</u>
<b>NONINTEREST REVENUE:</b>							
Mortgage banking	7,289	351	2,040	(3,275)	6,517	9,680	26,686
Credit card, debit card and merchant fees	9,778	10,168	8,874	9,941	9,857	28,820	29,951
Deposit service charges	11,939	11,117	10,766	11,699	11,278	33,822	32,946
Security gains(losses), net	117	59	39	162	(54)	215	(29)
Insurance commissions	31,512	33,951	30,180	27,981	31,705	95,643	93,800
Wealth management	6,651	5,906	5,635	5,534	6,016	18,192	17,458
Other	8,146	4,780	6,686	6,989	6,297	19,612	22,194
Total noninterest revenue	<u>75,432</u>	<u>66,332</u>	<u>64,220</u>	<u>59,031</u>	<u>71,616</u>	<u>205,984</u>	<u>223,006</u>
<b>NONINTEREST EXPENSE:</b>							
Salaries and employee benefits	101,154	100,981	97,228	92,013	89,646	299,363	272,294
Occupancy, net of rental income	12,323	11,988	11,551	12,107	11,690	35,862	33,597
Equipment	4,676	4,423	3,888	3,837	3,994	12,987	11,552
Deposit insurance assessments	2,038	2,165	2,740	1,866	2,954	6,943	8,443
Other	39,423	38,117	34,561	42,519	34,125	112,101	109,406
Total noninterest expense	<u>159,614</u>	<u>157,674</u>	<u>149,968</u>	<u>152,342</u>	<u>142,409</u>	<u>467,256</u>	<u>435,292</u>
Income before income taxes	81,917	68,175	66,306	58,570	71,342	216,398	206,555
Income tax expense	18,160	15,118	14,708	11,473	4,659	47,986	32,335
Net income	<u>\$ 63,757</u>	<u>\$ 53,057</u>	<u>\$ 51,598</u>	<u>\$ 47,097</u>	<u>\$ 66,683</u>	<u>\$ 168,412</u>	<u>\$ 174,220</u>
Net income per share: Basic	<u>\$ 0.63</u>	<u>\$ 0.53</u>	<u>\$ 0.52</u>	<u>\$ 0.47</u>	<u>\$ 0.68</u>	<u>\$ 1.68</u>	<u>\$ 1.76</u>
Diluted	<u>\$ 0.63</u>	<u>\$ 0.53</u>	<u>\$ 0.52</u>	<u>\$ 0.47</u>	<u>\$ 0.67</u>	<u>\$ 1.67</u>	<u>\$ 1.76</u>

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

	Quarter Ended				
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
<b>LOAN AND LEASE PORTFOLIO:</b>					
<b>Commercial and industrial</b>					
Commercial and industrial-non real estate	1,887,817	1,832,016	1,728,897	\$ 1,766,515	\$ 1,617,293
Commercial and industrial-owner occupied	2,276,338	2,157,292	2,128,763	2,267,902	2,157,177
Total commercial and industrial	4,164,155	3,989,308	3,857,660	4,034,417	3,774,470
<b>Commercial real estate</b>					
Agricultural	347,866	332,902	309,931	318,038	315,842
Construction, acquisition and development	1,538,073	1,441,269	1,322,671	1,286,786	1,103,532
Commercial real estate	3,345,166	3,287,453	3,169,117	3,026,214	2,923,791
Total commercial real estate	5,231,105	5,061,624	4,801,719	4,631,038	4,343,165
<b>Consumer</b>					
Consumer mortgages	3,519,449	3,422,661	3,242,769	3,259,390	3,184,674
Home equity	678,294	670,352	663,120	663,572	655,213
Credit cards	101,213	101,024	99,260	105,569	102,353
Total consumer	4,298,956	4,194,037	4,005,149	4,028,531	3,942,240
All other	426,567	413,558	406,531	418,163	390,120
Total loans	\$ 14,120,783	\$ 13,658,527	\$ 13,071,059	\$ 13,112,149	\$ 12,449,995
<b>ALLOWANCE FOR CREDIT LOSSES:</b>					
Balance, beginning of period	\$ 115,691	\$ 116,499	\$ 120,070	\$ 121,019	\$ 119,920
<b>Loans and leases charged-off:</b>					
<b>Commercial and industrial</b>					
Commercial and industrial-non real estate	(218)	(866)	(819)	(1,042)	(322)
Commercial and industrial-owner occupied	(65)	-	-	(237)	(315)
Total commercial and industrial	(283)	(866)	(819)	(1,279)	(637)
<b>Commercial real estate</b>					
Agricultural	-	-	-	(6)	(6)
Construction, acquisition and development	-	(45)	-	(142)	(41)
Commercial real estate	(49)	(250)	(3,815)	(594)	-
Total commercial real estate	(49)	(295)	(3,815)	(742)	(47)
<b>Consumer</b>					
Consumer mortgages	(255)	(237)	(185)	(298)	(210)
Home equity	(39)	(124)	(353)	(237)	(227)
Credit cards	(631)	(922)	(955)	(816)	(596)
Total consumer	(925)	(1,283)	(1,493)	(1,351)	(1,033)
All other	(895)	(912)	(831)	(761)	(941)
Total loans charged-off	(2,152)	(3,356)	(6,958)	(4,133)	(2,658)
<b>Recoveries:</b>					
<b>Commercial and industrial</b>					
Commercial and industrial-non real estate	835	747	360	504	1,558
Commercial and industrial-owner occupied	49	71	100	40	413
Total commercial and industrial	884	818	460	544	1,971
<b>Commercial real estate</b>					
Agricultural	3	10	4	304	20
Construction, acquisition and development	480	63	714	197	564
Commercial real estate	29	218	78	139	200
Total commercial real estate	512	291	796	640	784
<b>Consumer</b>					
Consumer mortgages	278	244	1,081	419	522
Home equity	731	179	75	86	58
Credit cards	224	223	218	245	198
Total consumer	1,233	646	1,374	750	778
All other	240	293	257	250	224
Total recoveries	2,869	2,048	2,887	2,184	3,757
Net recoveries(charge-offs)	717	(1,308)	(4,071)	(1,949)	1,099
Provision charged to operating expense	500	500	500	1,000	-
Balance, end of period	\$ 116,908	\$ 115,691	\$ 116,499	\$ 120,070	\$ 121,019
Average loans for period	\$ 13,726,755	\$ 13,549,591	\$ 13,078,221	\$ 13,063,422	\$ 12,433,701
Ratio:					
Net (recoveries) charge-offs to average loans (annualized)	(0.02%)	0.04%	0.12%	0.06%	(0.04%)

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

	Quarter Ended				
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
<b>NON-PERFORMING ASSETS</b>					
<b>NON-PERFORMING LOANS AND LEASES:</b>					
Nonaccrual Loans and Leases					
Commercial and industrial					
Commercial and industrial-non real estate	\$ 10,430	\$ 9,456	\$ 10,431	\$ 10,537	\$ 11,158
Commercial and industrial-owner occupied	7,446	8,648	8,782	8,637	7,927
Total commercial and industrial	17,876	18,104	19,213	19,174	19,085
Commercial real estate					
Agricultural	4,423	6,115	6,263	4,617	1,603
Construction, acquisition and development	2,231	2,071	2,710	3,124	1,410
Commercial real estate	16,823	13,064	12,283	16,590	7,787
Total commercial real estate	23,477	21,250	21,256	24,331	10,800
Consumer					
Consumer mortgages	31,744	28,779	25,680	23,932	23,015
Home equity	2,767	2,432	2,259	2,686	2,349
Credit cards	85	86	160	173	120
Total consumer	34,596	31,297	28,099	26,791	25,484
All other					
Total nonaccrual loans and leases	\$ 76,383	\$ 71,076	\$ 68,949	\$ 70,555	\$ 55,532
Loans and Leases 90+ Days Past Due, Still Accruing:					
	16,659	8,053	8,471	18,695	2,934
Restructured Loans and Leases, Still Accruing					
	15,033	10,676	9,874	7,498	7,564
Total non-performing loans and leases	\$ 108,075	\$ 89,805	\$ 87,294	\$ 96,748	\$ 66,030
OTHER REAL ESTATE OWNED:					
	7,929	6,179	9,686	9,276	4,301
Total Non-performing Assets	\$ 116,004	\$ 95,984	\$ 96,980	\$ 106,024	\$ 70,331
BXS originated assets					
	\$ 84,413	\$ 76,816	\$ 77,110	\$ 72,527	\$ 66,062
Acquired assets					
	31,591	19,168	19,870	33,497	4,269
Total Non-performing Assets	\$ 116,004	\$ 95,984	\$ 96,980	\$ 106,024	\$ 70,331
Additions to Nonaccrual Loans and Leases During the Quarter					
	\$ 26,331	\$ 22,002	\$ 15,419	\$ 28,572	\$ 12,217
Loans and Leases 30-89 Days Past Due, Still Accruing:					
BXS originated loans	\$ 40,668	\$ 42,968	\$ 34,591	\$ 43,922	\$ 33,093
Acquired loans	16,741	14,042	10,840	9,769	11,294
Total Loans and Leases 30-89 days past due, still accruing	\$ 57,409	\$ 57,010	\$ 45,431	\$ 53,691	\$ 44,387
Credit Quality Ratios:					
Provision for credit losses to average loans and leases (annualized)	0.01%	0.01%	0.02%	0.03%	0.00%
Allowance for credit losses to net loans and leases	0.83%	0.85%	0.89%	0.92%	0.97%
Allowance for credit losses to non-performing loans and leases	108.17%	128.83%	133.46%	124.11%	183.28%
Allowance for credit losses to non-performing assets	100.78%	120.53%	120.13%	113.25%	172.07%
Non-performing loans and leases to net loans and leases	0.77%	0.66%	0.67%	0.74%	0.53%
Non-performing assets to net loans and leases	0.82%	0.70%	0.74%	0.81%	0.56%



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

LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:	September 30, 2019							
	Pass	Special Mention	Substandard	Doubtful	Loss	Impaired	Purchased Credit Impaired	Total
	Commercial and industrial							
Commercial and industrial-non real estate	\$ 1,820,611	\$ 500	\$ 52,338	\$ 194	\$ -	\$ 1,653	\$ 12,521	\$ 1,887,817
Commercial and industrial-owner occupied	2,224,622	-	41,503	-	-	4,211	6,002	2,276,338
Total commercial and industrial	4,045,233	500	93,841	194	-	5,864	18,523	4,164,155
Commercial real estate								
Agricultural	337,586	-	8,876	-	-	-	1,404	347,866
Construction, acquisition and development	1,518,970	-	13,298	-	-	-	5,805	1,538,073
Commercial real estate	3,256,932	-	70,072	-	-	14,244	3,918	3,345,166
Total commercial real estate	5,113,488	-	92,246	-	-	14,244	11,127	5,231,105
Consumer								
Consumer mortgages	3,436,136	-	77,677	-	-	4,840	796	3,519,449
Home equity	671,520	-	6,774	-	-	-	-	678,294
Credit cards	101,213	-	-	-	-	-	-	101,213
Total consumer	4,208,869	-	84,451	-	-	4,840	796	4,298,956
All other	414,994	2,030	9,521	-	-	-	22	426,567
Total loans	\$ 13,782,584	\$ 2,530	\$ 280,059	\$ 194	\$ -	\$ 24,948	\$ 30,468	\$ 14,120,783
BXS originated loans	\$ 11,901,311	\$ -	\$ 192,133	\$ 194	\$ -	\$ 24,379	\$ -	\$ 12,118,017
Acquired loans*	1,881,273	2,530	87,926	-	-	569	30,468	2,002,766
Total Loans	\$ 13,782,584	\$ 2,530	\$ 280,059	\$ 194	\$ -	\$ 24,948	\$ 30,468	\$ 14,120,783

LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:	June 30, 2019							
	Pass	Special Mention	Substandard	Doubtful	Loss	Impaired	Purchased Credit Impaired	Total
	Commercial and industrial							
Commercial and industrial-non real estate	\$ 1,779,607	\$ 490	\$ 38,074	\$ 218	\$ -	\$ 3,320	\$ 10,307	\$ 1,832,016
Commercial and industrial-owner occupied	2,108,890	-	38,077	-	-	4,075	6,250	2,157,292
Total commercial and industrial	3,888,497	490	76,151	218	-	7,395	16,557	3,989,308
Commercial real estate								
Agricultural	319,673	-	9,558	-	-	1,409	2,262	332,902
Construction, acquisition and development	1,417,312	-	18,140	-	-	-	5,817	1,441,269
Commercial real estate	3,203,433	-	72,798	-	-	10,400	822	3,287,453
Total commercial real estate	4,940,418	-	100,496	-	-	11,809	8,901	5,061,624
Consumer								
Consumer mortgages	3,363,963	-	53,149	-	-	4,844	705	3,422,661
Home equity	663,978	-	6,374	-	-	-	-	670,352
Credit cards	101,024	-	-	-	-	-	-	101,024
Total consumer	4,128,965	-	59,523	-	-	4,844	705	4,194,037
All other	405,143	-	8,415	-	-	-	-	413,558
Total loans	\$ 13,363,023	\$ 490	\$ 244,585	\$ 218	\$ -	\$ 24,048	\$ 26,163	\$ 13,658,527
BXS originated loans	\$ 11,876,557	\$ -	\$ 181,045	\$ 218	\$ -	\$ 22,821	\$ -	\$ 12,080,641
Acquired loans*	1,486,466	490	63,540	-	-	1,227	26,163	1,577,886
Total Loans	\$ 13,363,023	\$ 490	\$ 244,585	\$ 218	\$ -	\$ 24,048	\$ 26,163	\$ 13,658,527

\* Includes certain loans that are no longer included in acquired loans in the purchase accounting disclosures on page 19 as a result of a maturity, refinance, or other triggering event.

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

September 30, 2019

	Alabama and Florida Panhandle	Arkansas	Louisiana	Mississippi	Missouri	Tennessee	Texas	Other	Total
<b>LOAN AND LEASE PORTFOLIO:</b>									
<b>Commercial and industrial</b>									
Commercial and industrial-non real estate	\$ 159,553	\$ 153,197	\$ 279,842	\$ 526,954	\$ 67,661	\$ 99,249	\$ 571,837	\$ 29,524	\$ 1,887,817
Commercial and industrial-owner occupied	281,681	193,300	279,545	658,567	59,574	153,855	649,816	-	2,276,338
Total commercial and industrial	441,234	346,497	559,387	1,185,521	127,235	253,104	1,221,653	29,524	4,164,155
<b>Commercial real estate</b>									
Agricultural	31,795	79,092	30,686	73,615	6,980	12,240	113,458	-	347,866
Construction, acquisition and development	182,975	65,305	78,585	283,648	22,626	131,172	773,722	40	1,538,073
Commercial real estate	358,594	385,389	355,399	696,494	212,924	211,392	1,124,974	-	3,345,166
Total commercial real estate	573,364	529,786	464,670	1,053,757	242,530	354,804	2,012,154	40	5,231,105
<b>Consumer</b>									
Consumer mortgages	566,804	336,089	351,829	868,647	93,331	325,707	903,613	73,429	3,519,449
Home equity	110,966	49,348	90,504	243,012	17,559	138,934	27,971	-	678,294
Credit cards	-	-	-	-	-	-	-	101,213	101,213
Total consumer	677,770	385,437	442,333	1,111,659	110,890	464,641	931,584	174,642	4,298,956
All other	59,471	37,364	25,241	183,953	2,859	18,041	94,421	5,217	426,567
Total loans	\$ 1,751,839	\$ 1,299,084	\$ 1,491,631	\$ 3,534,890	\$ 483,514	\$ 1,090,590	\$ 4,259,812	\$ 209,423	\$ 14,120,783

Loan growth, excluding loans acquired during the quarter (annualized)	5.00%	4.71%	(1.87%)	(6.01%)	2.36%	(5.57%)	(3.49%)	(59.13%)	(3.26%)
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**NON-PERFORMING LOANS AND LEASES:**

<b>Commercial and industrial</b>									
Commercial and industrial-non real estate	\$ 43	\$ 529	\$ 1,586	\$ 938	\$ 672	\$ 1,273	\$ 7,105	\$ 1,289	\$ 13,435
Commercial and industrial-owner occupied	1,057	1,400	1,445	4,270	-	157	8,965	-	17,294
Total commercial and industrial	1,100	1,929	3,031	5,208	672	1,430	16,070	1,289	30,729
<b>Commercial real estate</b>									
Agricultural	327	626	122	109	-	-	3,550	-	4,734
Construction, acquisition and development	330	413	548	426	-	250	6,713	-	8,680
Commercial real estate	424	801	3,307	1,487	-	-	16,587	-	22,606
Total commercial real estate	1,081	1,840	3,977	2,022	-	250	26,850	-	36,020
<b>Consumer</b>									
Consumer mortgages	3,542	3,237	5,364	12,272	135	2,236	9,312	125	36,223
Home equity	343	213	442	1,210	164	919	119	-	3,410
Credit cards	-	-	-	-	-	-	-	1,155	1,155
Total consumer	3,885	3,450	5,806	13,482	299	3,155	9,431	1,280	40,788
All other	91	-	9	45	-	73	317	3	538
Total loans	\$ 6,157	\$ 7,219	\$ 12,823	\$ 20,757	\$ 971	\$ 4,908	\$ 52,668	\$ 2,572	\$ 108,075

**NON-PERFORMING LOANS AND LEASES  
AS A PERCENTAGE OF OUTSTANDING:**

<b>Commercial and industrial</b>									
Commercial and industrial-non real estate	0.03%	0.35%	0.57%	0.18%	0.99%	1.28%	1.24%	4.37%	0.71%
Commercial and industrial-owner occupied	0.38%	0.72%	0.52%	0.65%	0.00%	0.10%	1.38%	N/A	0.76%
Total commercial and industrial	0.25%	0.56%	0.54%	0.44%	0.53%	0.56%	1.32%	4.37%	0.74%
<b>Commercial real estate</b>									
Agricultural	1.03%	0.79%	0.40%	0.15%	0.00%	0.00%	3.13%	N/A	1.36%
Construction, acquisition and development	0.18%	0.63%	0.70%	0.15%	0.00%	0.19%	0.87%	0.00%	0.56%
Commercial real estate	0.12%	0.21%	0.93%	0.21%	0.00%	0.00%	1.47%	N/A	0.68%
Total commercial real estate	0.19%	0.35%	0.86%	0.19%	0.00%	0.07%	1.33%	0.00%	0.69%
<b>Consumer</b>									
Consumer mortgages	0.62%	0.96%	1.52%	1.41%	0.14%	0.69%	1.03%	0.17%	1.03%
Home equity	0.31%	0.43%	0.49%	0.50%	0.93%	0.66%	0.43%	N/A	0.50%
Credit cards	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.14%	1.14%
Total consumer	0.57%	0.90%	1.31%	1.21%	0.27%	0.68%	1.01%	0.73%	0.95%
All other	0.15%	0.00%	0.04%	0.02%	0.00%	0.40%	0.34%	0.06%	0.13%
Total loans	0.35%	0.56%	0.86%	0.59%	0.20%	0.45%	1.24%	1.23%	0.77%

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

	Quarter Ended September 30, 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	\$ 1,395,140	\$ 26,163
Fair value of loans acquired during the period	582,969	6,253	589,222
Changes in acquired loans	(164,332)	(1,948)	(166,280)
Net book value of acquired loans at end of period	<u>\$ 1,813,777</u>	<u>\$ 30,468</u>	<u>\$ 1,844,245</u>
Loan mark on acquired loans at beginning of period	\$ (15,493)	\$ (22,915)	\$ (38,408)
Loan mark recorded on loans acquired during the period	(15,637)	(5,327)	(20,964)
Change in remaining nonaccretable difference (for ASC 310-30 loans only)	-	315	315
Net accretion recognized on acquired loans	2,775	2,334	5,109
Remaining loan mark on acquired loans*	<u>\$ (28,355)</u>	<u>\$ (25,593)</u>	<u>\$ (53,948)</u>

	Quarter Ended June 30, 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	\$ 1,168,959	\$ 22,714
Fair value of loans acquired during the period	400,571	3,895	404,466
Changes in acquired loans	(174,390)	(446)	(174,836)
Net book value of acquired loans at end of period	<u>\$ 1,395,140</u>	<u>\$ 26,163</u>	<u>\$ 1,421,303</u>
Loan mark on acquired loans at beginning of period	\$ (11,249)	\$ (19,533)	\$ (30,782)
Loan mark recorded on loans acquired during the period	(6,857)	(4,634)	(11,491)
Change in remaining nonaccretable difference (for ASC 310-30 loans only)	-	298	298
Net accretion recognized on acquired loans	2,613	954	3,567
Remaining loan mark on acquired loans	<u>\$ (15,493)</u>	<u>\$ (22,915)</u>	<u>\$ (38,408)</u>

	Quarter Ended 9/30/2019	Quarter Ended 6/30/2019	Quarter Ended 3/31/2019
Loan yield, as reported	5.16%	5.12%	5.09%
Loan yield, excluding net accretion on acquired loans	5.02%	5.02%	4.95%
Net interest margin, as reported	3.88%	3.87%	3.86%
Net interest margin, excluding net accretion on acquired loans	3.76%	3.79%	3.74%

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 news release.

\* The remaining loan mark shown above for loans accounted for under ASC 310-30 includes approximately \$865,000 in accretable yield as of September 30, 2019 compared to \$1.0 million in accretable yield as of June 30, 2019. In addition, the same loans include \$24.7 million in nonaccretable difference as of September 30, 2019 compared to \$21.9 million as of June 30, 2019.

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

	Quarter Ended					Year to Date	
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18	Sep-19	Sep-18
<b>NONINTEREST REVENUE:</b>							
Mortgage banking excl. MSR and MSR Hedge market value adj	\$ 11,283	\$ 9,167	\$ 6,909	\$ 4,789	\$ 5,045	\$ 27,359	\$ 19,882
MSR and MSR Hedge market value adjustment	(3,994)	(8,816)	(4,869)	(8,064)	1,472	(17,679)	6,804
Credit card, debit card and merchant fees	9,778	10,168	8,874	9,941	9,857	28,820	29,951
Deposit service charges	11,939	11,117	10,766	11,699	11,278	33,822	32,946
Securities gains (losses), net	117	59	39	162	(54)	215	(29)
Insurance commissions	31,512	33,951	30,180	27,981	31,705	95,643	93,800
Trust income	4,488	3,815	3,788	3,681	3,742	12,091	11,440
Annuity fees	184	245	265	218	276	694	930
Brokerage commissions and fees	1,979	1,846	1,582	1,635	1,998	5,407	5,088
Bank-owned life insurance	2,529	1,854	1,822	3,636	2,842	6,205	8,048
Other miscellaneous income	5,617	2,926	4,864	3,353	3,455	13,407	14,146
Total noninterest revenue	<u>\$ 75,432</u>	<u>\$ 66,332</u>	<u>\$ 64,220</u>	<u>\$ 59,031</u>	<u>\$ 71,616</u>	<u>\$ 205,984</u>	<u>\$ 223,006</u>
<b>NONINTEREST EXPENSE:</b>							
Salaries and employee benefits	\$ 101,154	\$ 100,981	\$ 97,228	\$ 92,013	\$ 89,646	\$ 299,363	\$ 272,294
Occupancy, net of rental income	12,323	11,988	11,551	12,107	11,690	35,862	33,597
Equipment	4,676	4,423	3,888	3,837	3,994	12,987	11,552
Deposit insurance assessments	2,038	2,165	2,740	1,866	2,954	6,943	8,443
Advertising	1,382	1,427	947	1,440	1,522	3,756	3,603
Foreclosed property expense	870	519	624	1,113	920	2,013	2,283
Telecommunications	1,400	1,419	1,340	1,364	1,318	4,159	3,862
Public relations	1,069	934	765	834	795	2,768	2,418
Data processing	9,066	7,968	8,442	8,231	8,113	25,476	23,443
Computer software	3,825	3,835	3,699	3,840	3,652	11,359	10,612
Amortization of intangibles	2,117	2,508	1,985	2,040	1,438	6,610	4,599
Legal	786	1,310	605	1,082	657	2,701	2,916
Merger expense	4,062	3,136	891	4,456	942	8,089	8,580
Postage and shipping	1,281	1,217	1,412	1,214	1,238	3,910	3,626
Other miscellaneous expense	13,565	13,844	13,851	16,905	13,530	41,260	43,464
Total noninterest expense	<u>\$ 159,614</u>	<u>\$ 157,674</u>	<u>\$ 149,968</u>	<u>\$ 152,342</u>	<u>\$ 142,409</u>	<u>\$ 467,256</u>	<u>\$ 435,292</u>
<b>INSURANCE COMMISSIONS:</b>							
Property and casualty commissions	\$ 22,643	\$ 23,429	\$ 21,238	\$ 19,242	\$ 21,907	\$ 67,310	\$ 65,048
Life and health commissions	6,116	7,355	5,982	5,892	6,162	19,453	18,858
Risk management income	564	622	587	558	635	1,773	1,990
Other	2,189	2,545	2,373	2,289	3,001	7,107	7,904
Total insurance commissions	<u>\$ 31,512</u>	<u>\$ 33,951</u>	<u>\$ 30,180</u>	<u>\$ 27,981</u>	<u>\$ 31,705</u>	<u>\$ 95,643</u>	<u>\$ 93,800</u>

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

	Quarter Ended				
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
<b>MORTGAGE SERVICING RIGHTS:</b>					
Fair value, beginning of period	\$ 55,294	\$ 64,643	\$ 69,822	\$ 77,796	\$ 75,614
Additions to mortgage servicing rights:					
Originations of servicing assets	3,410	2,790	1,976	2,840	3,520
Changes in fair value:					
Due to payoffs/paydowns	(2,542)	(2,739)	(2,052)	(2,465)	(2,984)
Due to change in valuation inputs or assumptions used in the valuation model	(4,669)	(9,399)	(5,103)	(8,348)	1,646
Other changes in fair value	(1)	(1)	-	(1)	-
Fair value, end of period	<u>\$ 51,492</u>	<u>\$ 55,294</u>	<u>\$ 64,643</u>	<u>\$ 69,822</u>	<u>\$ 77,796</u>
<b>MORTGAGE BANKING REVENUE:</b>					
Production revenue:					
Origination	\$ 8,922	\$ 7,016	\$ 4,068	\$ 2,207	\$ 3,161
Servicing	4,903	4,890	4,893	5,047	4,868
Payoffs/Paydowns	(2,542)	(2,739)	(2,052)	(2,465)	(2,984)
Total production revenue	<u>11,283</u>	<u>9,167</u>	<u>6,909</u>	<u>4,789</u>	<u>5,045</u>
Market value adjustment on MSR	(4,669)	(9,399)	(5,103)	(8,348)	1,646
Market value adjustment on MSR Hedge	675	583	234	284	(174)
Total mortgage banking revenue	<u>\$ 7,289</u>	<u>\$ 351</u>	<u>\$ 2,040</u>	<u>\$ (3,275)</u>	<u>\$ 6,517</u>
Mortgage loans serviced	\$ 6,799,186	\$ 6,749,416	\$ 6,718,236	\$ 6,686,475	\$ 6,628,445
MSR/mtg loans serviced	0.76%	0.82%	0.96%	1.04%	1.17%
<b>AVAILABLE-FOR-SALE SECURITIES, at fair value</b>					
U.S. Government agencies	2,323,159	\$ 2,283,899	\$ 2,179,699	\$ 2,200,158	\$ 2,260,949
U.S. Government agency issued residential mortgage-back securities	128,677	134,648	141,542	136,846	138,624
U.S. Government agency issued commercial mortgage-back securities	115,228	94,878	98,941	107,841	107,506
Obligations of states and political subdivisions	199,382	247,307	272,317	304,343	319,280
Total available-for-sale securities	<u>\$ 2,766,446</u>	<u>\$ 2,760,732</u>	<u>\$ 2,692,499</u>	<u>\$ 2,749,188</u>	<u>\$ 2,826,359</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					Year to Date	
	9/30/2019	6/30/2019	3/31/2019	12/31/2018	9/30/2018	9/30/2019	9/30/2018
Net income	\$ 63,757	\$ 53,057	\$ 51,598	\$ 47,097	\$ 66,683	\$ 168,412	\$ 174,220
Plus: Merger expense, net of tax	3,049	2,354	669	3,345	707	6,072	6,439
Less: Security gains(losses), net of tax	88	45	29	122	(40)	162	(22)
Tax-related matters	-	-	-	-	11,288	-	11,288
Net operating income	<u>\$ 66,718</u>	<u>\$ 55,366</u>	<u>\$ 52,238</u>	<u>\$ 50,320</u>	<u>\$ 56,142</u>	<u>\$ 174,322</u>	<u>\$ 169,393</u>
Less: MSR market value adjustment, net of tax	(2,998)	(6,616)	(3,654)	(6,052)	1,103	(13,268)	5,106
Net operating income-excluding MSR	<u>\$ 69,716</u>	<u>\$ 61,982</u>	<u>\$ 55,892</u>	<u>\$ 56,372</u>	<u>\$ 55,039</u>	<u>\$ 187,590</u>	<u>\$ 164,287</u>

Reconciliation of Total Operating Expense to Total Noninterest Expense:

Total noninterest expense	\$ 159,614	\$ 157,674	\$ 149,968	\$ 152,342	\$ 142,409	\$ 467,256	\$ 435,292
Less: Merger expense	4,062	3,136	891	4,456	942	8,089	8,580
Total operating expense	<u>\$ 155,552</u>	<u>\$ 154,538</u>	<u>\$ 149,077</u>	<u>\$ 147,886</u>	<u>\$ 141,467</u>	<u>\$ 459,167</u>	<u>\$ 426,712</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					Year to Date	
	9/30/2019	6/30/2019	3/31/2019	12/31/2018	9/30/2018	9/30/2019	9/30/2018
<b>Tangible assets</b>							
Total assets	\$ 19,850,225	\$ 18,936,814	\$ 18,314,183	\$ 18,001,540	\$ 17,249,175	\$ 19,850,225	\$ 17,249,175
Less: Goodwill	822,093	734,473	699,073	695,720	590,292	822,093	590,292
Other identifiable intangible assets	61,100	65,930	49,396	50,896	36,475	61,100	36,475
<b>Total tangible assets</b>	<b>\$ 18,967,032</b>	<b>\$ 18,136,411</b>	<b>\$ 17,565,714</b>	<b>\$ 17,254,924</b>	<b>\$ 16,622,408</b>	<b>\$ 18,967,032</b>	<b>\$ 16,622,408</b>
<b>Tangible shareholders' equity</b>							
Total shareholders' equity	\$ 2,489,427	\$ 2,327,120	\$ 2,226,585	\$ 2,205,737	\$ 2,116,375	\$ 2,489,427	\$ 2,116,375
Less: Goodwill	822,093	734,473	699,073	695,720	590,292	822,093	590,292
Other identifiable intangible assets	61,100	65,930	49,396	50,896	36,475	61,100	36,475
<b>Total tangible shareholders' equity</b>	<b>\$ 1,606,234</b>	<b>\$ 1,526,717</b>	<b>\$ 1,478,116</b>	<b>\$ 1,459,121</b>	<b>\$ 1,489,608</b>	<b>\$ 1,606,234</b>	<b>\$ 1,489,608</b>
<b>Total average assets</b>	<b>\$ 19,170,926</b>	<b>\$ 18,637,258</b>	<b>\$ 18,033,513</b>	<b>\$ 17,879,081</b>	<b>\$ 17,059,865</b>	<b>\$ 18,618,066</b>	<b>\$ 17,024,756</b>
Total shares of common stock outstanding	104,775,876	100,651,798	99,066,856	99,797,271	98,525,516	104,775,876	98,525,516
Average shares outstanding-diluted	101,493,247	100,888,164	99,717,119	99,720,219	98,819,905	100,699,510	98,939,743
<b>Tangible shareholders' equity to tangible assets (1)</b>	<b>8.47%</b>	<b>8.42%</b>	<b>8.41%</b>	<b>8.46%</b>	<b>8.96%</b>	<b>8.47%</b>	<b>8.96%</b>
<b>Return on tangible equity (2)</b>	<b>15.75%</b>	<b>13.94%</b>	<b>14.16%</b>	<b>12.81%</b>	<b>17.76%</b>	<b>14.02%</b>	<b>15.64%</b>
<b>Operating return on tangible equity-excluding MSR (3)</b>	<b>17.22%</b>	<b>16.28%</b>	<b>15.34%</b>	<b>15.33%</b>	<b>14.66%</b>	<b>15.61%</b>	<b>14.75%</b>
<b>Operating return on average assets-excluding MSR (4)</b>	<b>1.44%</b>	<b>1.33%</b>	<b>1.26%</b>	<b>1.25%</b>	<b>1.28%</b>	<b>1.35%</b>	<b>1.29%</b>
<b>Operating return on average shareholders' equity-excluding MSR (5)</b>	<b>11.63%</b>	<b>10.82%</b>	<b>10.24%</b>	<b>10.20%</b>	<b>10.45%</b>	<b>10.92%</b>	<b>10.71%</b>
<b>Tangible book value per share (6)</b>	<b>\$ 15.33</b>	<b>\$ 15.17</b>	<b>\$ 14.92</b>	<b>\$ 14.62</b>	<b>\$ 15.12</b>	<b>\$ 15.33</b>	<b>\$ 15.12</b>
<b>Operating earnings per share (7)</b>	<b>\$ 0.66</b>	<b>\$ 0.55</b>	<b>\$ 0.52</b>	<b>\$ 0.51</b>	<b>\$ 0.57</b>	<b>\$ 1.73</b>	<b>\$ 1.72</b>
<b>Operating earnings per share-excluding MSR (8)</b>	<b>\$ 0.69</b>	<b>\$ 0.61</b>	<b>\$ 0.56</b>	<b>\$ 0.57</b>	<b>\$ 0.56</b>	<b>\$ 1.86</b>	<b>\$ 1.67</b>

- (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.