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BancorpSouth Announces Second Quarter 2020 Financial Results

TUPELO, Miss., July 20, 2020/PRNewswire – BancorpSouth Bank (NYSE: BXS) (the “Company”) today announced financial results for the quarter ended June 30, 2020.

Highlights for the second quarter of 2020 included:

- Achieved quarterly net income available to common shareholders of \$58.8 million, or \$0.57 per diluted common share, and net operating income available to common shareholders – excluding MSR – of \$60.9 million, or \$0.59 per diluted common share.
- Recorded provision for credit losses of \$20.0 million primarily as a result of the continued deterioration in certain economic factors included in the Company’s allowance for credit losses methodology resulting from the coronavirus (“COVID-19”) pandemic.
- Generated \$102.1 million in pre-tax pre-provision net revenue, or 1.81 percent of average assets on an annualized basis, which represents an increase from 1.73 percent for the second quarter of 2019 and an increase from 1.74 percent for the first quarter of 2020.
- Originated and funded approximately 14,500 loans totaling approximately \$1.2 billion under the U.S. Small Business Association (“SBA”) Paycheck Protection Program (the “PPP”).
- Generated total deposit growth of \$2.3 billion for the quarter; excluding the estimated impact of additional customer liquidity associated with the PPP loans and government stimulus payments, deposit growth totaled approximately \$1.0 billion, or 24 percent on an annualized basis.
- Record mortgage production volume of \$989.0 million contributed to mortgage production and servicing revenue of \$31.9 million; earnings were negatively impacted by a pre-tax mortgage servicing rights (“MSR”) valuation adjustment of \$2.4 million.
- Maintained strong regulatory capital metrics; estimated total risk-based capital of 13.79 percent at June 30, 2020 compared to 11.28 percent at June 30, 2019.

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“We are very pleased with our second quarter financial results, particularly in light of the economic and industry headwinds associated with the continuation of the COVID-19 pandemic,” remarked Dan Rollins, Chairman and Chief Executive Officer. “We had hoped to be taking steps toward a return to normal operations by now but COVID-19 case counts have continued to rise across our footprint. Protecting the health of both our teammates and customers has been, and will continue to be, our top priority. While we have not yet seen increases in charge-offs or significant deterioration in other credit quality metrics, we did record a provision for credit losses of \$20.0 million as a result of the deterioration of certain economic data points within our reserve methodology compared to March 31, 2020. Outside of the additional provisioning, our Company continues to perform at a very high level. We generated \$102.1 million in pre-tax pre-provision net revenue for the quarter, or 1.81 percent of average assets on an annualized basis.”

“As we look more specifically at our second quarter performance, our efforts were largely focused on assisting our customers with the SBA’s Paycheck Protection Program. A tremendous effort was required of all of our teammates to originate and fund approximately 14,500 loans totaling \$1.2 billion in a very short period of time. The additional customer liquidity created as a result of the PPP and other government stimulus programs contributed to tremendous deposit growth this quarter. Excluding the estimated impact of these programs, deposit growth was very strong totaling approximately \$1.0 billion, or 24 percent on an annualized basis. Finally, our mortgage operation had a record quarter. Production volume totaled almost \$1 billion, which contributed to total production and servicing revenue of \$31.9 million. While elevated refinance activity has certainly benefitted our mortgage production, new purchase money volume continues to hold strong.”

Earnings Summary

The Company reported net income available to common shareholders of \$58.8 million, or \$0.57 per diluted common share, for the second quarter of 2020, compared with net income available to common shareholders of \$53.1 million, or \$0.53 per diluted common share, for the second quarter of 2019 and net income available to common shareholders of \$21.9 million, or \$0.21 per diluted common share, for the first quarter of 2020. The Company reported net operating income available to common shareholders – excluding MSR – of \$60.9 million, or \$0.59 per diluted common share, for the second quarter of 2020, compared with \$62.0 million, or \$0.61 per diluted common share, for the second quarter of 2019 and \$34.4 million, or \$0.33 per diluted common share, for the first quarter of 2020.

The Company reported pre-tax pre-provision net revenue of \$102.1 million, or 1.81 percent of average assets on an annualized basis, compared to \$80.6 million, or 1.73 percent of average assets on an annualized basis, for the second quarter of 2019 and \$91.7 million, or 1.74 percent of average assets, for the first quarter of 2020.

Net Interest Revenue

Net interest revenue was \$170.6 million for the second quarter of 2020, an increase of 6.6 percent from \$160.0 million for the second quarter of 2019 and an increase of 1.8 percent from \$167.5

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million for the first quarter of 2020. The fully taxable equivalent net interest margin was 3.35 percent for the second quarter of 2020, compared with 3.87 percent for the second quarter of 2019 and 3.54 percent for the first quarter of 2020. Yields on net loans and leases were 4.59 percent for the second quarter of 2020, compared with 5.12 percent for the second quarter of 2019 and 5.00 percent for the first quarter of 2020, while yields on total interest earning assets were 3.87 percent for the second quarter of 2020, compared with 4.61 percent for the second quarter of 2019 and 4.27 percent for the first quarter of 2020. The net interest margin, excluding accretable yield, was 3.30 percent for the second quarter of 2020, compared with 3.79 percent for the second quarter of 2019 and 3.48 percent for the first quarter of 2020, while yields on net loans and leases, excluding accretable yield, were 4.53 percent for the second quarter of 2020, compared with 5.02 percent for the second quarter of 2019 and 4.93 percent for the first quarter of 2020.

The \$1.2 billion in PPP loans that closed during the quarter had an adverse impact of approximately 14 basis points on the yield on net loans and leases, excluding accretable yield, and 5 basis points on the net interest margin, excluding accretable yield, for the second quarter of 2020. In addition, the earning asset mix shift resulting from the deposit growth above and beyond the PPP loan growth was responsible for approximately 10 basis points of margin decline compared to the first quarter. The average cost of deposits was 0.50 percent for the second quarter of 2020, compared with 0.68 percent for the second quarter of 2019 and 0.67 percent for the first quarter of 2020.

Balance Sheet Activity

Loans and leases, net of unearned income, increased \$1.2 billion during the second quarter of 2020. Deposits increased \$2.3 billion during the second quarter of 2020. There were no acquisitions during the second quarter of 2020. The loan growth for the quarter was primarily attributable to the closing of \$1.2 billion in PPP loans. Otherwise, loans and leases were essentially flat on an organic basis for the quarter. The additional customer liquidity created by the PPP and other government stimulus programs, also aided in the deposit growth total for the quarter. Excluding the impact of these programs, organic deposit growth for the quarter totaled approximately \$1.0 billion, or 24.0 percent on an annualized basis. The elevated deposit growth resulted in an increase of approximately \$800 million in additional securities and lower yielding assets for the quarter.

Provision for Credit Losses and Allowance for Credit Losses

Earnings for the second quarter of 2020 reflect a provision for credit losses of \$20.0 million, compared with a provision of \$0.5 million for the second quarter of 2019 and a provision of \$46.0 million for the first quarter of 2020. Net charge-offs for the second quarter of 2020 were \$1.2 million, compared with net charge-offs of \$1.3 million for the second quarter of 2019 and net charge-offs of \$13.7 million for the first quarter of 2020. Net charge-offs for the second quarter of 2020 consisted primarily of acquired loans. Of the \$13.7 million in net charge-offs for the first quarter of 2020, \$12.7 million were acquired loans that were previously recorded as purchased credit impaired prior to the adoption of the Current Expected Credit Losses Methodology (“CECL”) and were subsequently classified as purchased credit deteriorated loans. The allowance for credit losses was \$237.0 million, or 1.54 percent of net loans and leases, at June 30, 2020, compared with \$115.7 million, or 0.85 percent of net loans and leases, at June 30, 2019, and \$218.2

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million, or 1.53 percent of net loans and leases, at March 31, 2020. The allowance for credit losses coverage, excluding the impact of PPP loans, was 1.67 percent at June 30, 2020.

The Company implemented CECL effective January 1, 2020. The increase in the allowance for credit losses resulting from this implementation was \$62.6 million. Of this increase, \$22.6 million was a result of the reclassification of non-accretable difference on previously purchased credit impaired loans that are now considered purchased credit deteriorated loans, while \$40.0 million was the result primarily of the requirement of estimating credits losses over the life of the loan portfolio. The adoption of this standard impacted the comparability of credit quality and coverage metrics to all periods preceding January 1, 2020.

Total non-performing assets were \$155.4 million, or 1.01 percent of net loans and leases, at June 30, 2020, compared with \$96.0 million, or 0.70 percent of net loans and leases, at June 30, 2019, and \$137.8 million, or 0.97 percent of net loans and leases, at March 31, 2020. Other real estate owned was \$7.2 million at June 30, 2020, compared with \$6.2 million at June 30, 2019 and \$9.2 million at March 31, 2020.

Noninterest Revenue

Noninterest revenue was \$91.3 million for the second quarter of 2020, compared with \$66.3 million for the second quarter of 2019 and \$76.5 million for the first quarter of 2020. These results include a negative MSR valuation adjustment of \$2.4 million for the second quarter of 2020, compared with a negative MSR valuation adjustment of \$8.8 million for the second quarter of 2019 and a negative MSR valuation adjustment of \$11.1 million for the first quarter of 2020. Valuation adjustments in the MSR asset are driven primarily by fluctuations in interest rates period over period.

Mortgage production and servicing revenue was \$31.9 million for the second quarter of 2020, compared with \$9.2 million for the second quarter of 2019 and \$20.6 million for the first quarter of 2020. Mortgage origination volume for the second quarter of 2020 was \$989.0 million, compared with \$495.5 million for the second quarter of 2019 and \$477.1 million for the first quarter of 2020. Home purchase money volume was \$522.6 million for the first quarter of 2020, compared with \$285.3 million for the second quarter of 2019 and \$397.9 million for the first quarter of 2020. Of the total mortgage origination volume for the second quarter of 2020, \$251.7 million was portfolio loans, compared with \$153.7 million for the second quarter of 2019 and \$85.6 million for the first quarter of 2020.

Credit card, debit card, and merchant fee revenue was \$9.1 million for the second quarter of 2020, compared with \$10.2 million for the second quarter of 2019 and \$9.2 million for the first quarter of 2020. Deposit service charge revenue, was \$7.6 million for the second quarter of 2020, compared with \$11.1 million for the second quarter of 2019 and \$11.7 million for the first quarter of 2020. Credit card, debit card, and merchant fee revenue as well as deposit service charge revenue for the second quarter of 2020 were adversely impacted by the COVID-19 pandemic. Wealth management revenue was \$6.4 million for the second quarter of 2020, compared with \$5.9 million for the second quarter of 2019 and \$6.6 million for the first quarter of 2020. Insurance

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commission revenue was \$33.1 million for the second quarter of 2020, compared with \$34.0 million for the second quarter of 2019 and \$29.6 million for the first quarter of 2020. Other noninterest revenue was \$5.4 million for the second quarter of 2020, compared with \$4.8 million for the second quarter of 2019 and \$10.1 million for the first quarter of 2020. Other noninterest revenue for the first quarter of 2020 included a \$4.2 million gain associated with the sale of a book of business within the Company's insurance agency.

Noninterest Expense

Noninterest expense for the second quarter of 2020 was \$162.5 million, compared with \$157.7 million for the second quarter of 2019 and \$168.0 million for the first quarter of 2020. Salaries and employee benefits expense was \$108.1 million for the second quarter of 2020, compared with \$101.0 million for the second quarter of 2019 and \$108.3 million for the first quarter of 2020. Occupancy expense was \$12.9 million for the second quarter of 2020, compared with \$12.0 million for the second quarter of 2019 and \$12.7 million for the first quarter of 2020. Other noninterest expense was \$34.8 million for the second quarter of 2020, compared with \$38.1 million for the second quarter of 2019 and \$40.8 million for the first quarter of 2020. Additionally, merger-related expense for the second quarter of 2020 was \$0.5 million, compared with merger-related expense of \$3.1 million for the second quarter of 2019 and \$4.5 million for the first quarter of 2020.

Capital Management

The Company's ratio of shareholders' equity to assets was 11.76 percent at June 30, 2020, compared with 12.29 percent at June 30, 2019 and 12.75 percent at March 31, 2020. The ratio of tangible common shareholders' equity to tangible assets was 7.44 percent at June 30, 2020, compared with 8.42 percent at June 30, 2019 and 7.99 percent at March 31, 2020. The \$1.2 billion in PPP loans had an adverse impact of approximately 44 basis points on tangible common shareholders' equity to tangible assets at June 30, 2020.

In November 2019, the Company completed an underwritten public offering of \$300.0 million aggregate principal amount of its 4.125 percent Fixed-to-Floating Rate Subordinated Notes due November 20, 2029 (the "Notes") and an underwritten public offering of \$172.5 million of its 5.50 percent Series A Non-Cumulative Perpetual Preferred Stock, par value \$0.01 per share (the "Series A Preferred Stock"). For additional details regarding the terms of the Notes, including those related to interest rates and interest payment dates, redemption, seniority, and maturity, and the terms of the Series A Preferred Stock, including those related to dividends and dividend payment dates, redemption, seniority, and maturity, please refer to the offering circulars related to each offering that the Company filed with the Federal Deposit Insurance Corporation ("FDIC") on November 15, 2019.

During the second quarter of 2020, the Company did not repurchase any shares of its common stock pursuant to its share repurchase program. As of June 30, 2020, the Company had 4,700,000 remaining shares available for repurchase under its current share repurchase authorization which expires on December 31, 2020.

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Estimated regulatory capital ratios at June 30, 2020 were calculated in accordance with the Basel III capital framework as well as the interagency interim final rule published on March 31, 2020 entitled “Revised Transition of the Current Expected Credit Losses Methodology for Allowances”. The Company is a “well capitalized” bank, as defined by federal regulations, at June 30, 2020, with Tier 1 risk-based capital of 11.22 percent and total risk-based capital of 13.79 percent, compared with required minimum levels of 8 percent and 10 percent, respectively, in order to qualify for “well capitalized” classification.

Summary

Rollins concluded, “As we move into the second half of the year, our management team will continue to prioritize the health and wellbeing of our teammates and customers while at the same time ensuring the resources are available to meet each and every customer need. Our relationship managers and credit administrators are working diligently to monitor the impact of the pandemic on our customers and on our loan portfolio. While we expect there will be challenges along the way, we remain optimistic about the strength and position of our Company and our ability to weather the resulting credit cycle. Despite elevated provision levels, our capital metrics have continued to improve, which better positions our Company for any potential stressed scenarios.”

TRANSACTIONS

Texas First Bancshares, Inc.

On January 1, 2020, the Company completed the merger with Texas First Bancshares, Inc., the parent company of Texas First State Bank, (collectively referred to as “Texas First”), pursuant to which Texas First was merged with and into the Company. Texas First operated 6 full-service banking offices in the Waco, Texas and Killeen-Temple, Texas metropolitan statistical areas (“MSA”). As of January 1, 2020, Texas First collectively reported total assets of \$396.9 million, total loans of \$185.7 million and total deposits of \$369.3 million. Under the terms of the definitive merger agreement, the Company issued approximately 1,040,000 shares of the Company’s common stock plus \$13.0 million in cash for all outstanding shares of Texas First. For more information regarding this transaction, see our Current Report on Form 8-K that was filed with the FDIC on January 2, 2020. 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.

Van Alstyne Financial Corporation & Summit Financial Enterprises, Inc.

On September 1, 2019, the Company completed the mergers 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,

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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 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.

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 24 of this news release.

Statement Regarding Impact of COVID-19 Pandemic

The Company prioritizes the health and safety of its teammates and customers, and it will continue to do so throughout the duration of the pandemic. At the same time, the Company remains focused on improving shareholder value, managing credit exposure, challenging expenses, enhancing the customer experience and supporting the communities it serves. Lastly, as an SBA Preferred Lender, the Company is actively participating in the SBA's PPP for the betterment of its customers and the communities that it serves.

In the presentation that accompanies this news release and in its earnings conference call, the Company has sought and will seek to describe the historical and future impact of the COVID-19 pandemic on the Company's assets, business, cash flows, financial condition, liquidity, prospects and results of operations, including the information and discussions regarding the increases in its provision and allowance for credit losses and the discussion regarding negative pressure to its net interest revenue and net interest margin. Although the Company believes that the statements that pertain to future events, results and trends and their impact on the Company's business are reasonable at the present time, those statements are not historical facts and are based upon current assumptions, expectations, estimates and projections, many of which, by their nature, are beyond the Company's control. Accordingly, all discussions regarding future events, results and trends and their impact on the Company's business, even in the near term, are necessarily uncertain given the fluid and evolving nature of the pandemic.

If the health, logistical or economic effects of the pandemic worsen, or if the assumptions, expectations, estimates or projections that underlie the Company's statements regarding future effects or trends prove to be incorrect, then the Company's actual assets, business, cash flows,

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financial condition, liquidity, prospects and results of operations may be materially and adversely impacted in ways that the Company cannot reasonably forecast.

Accordingly, when reading this news release and the accompanying presentation and when listening to the earnings conference call, undue reliance should not be placed upon any statement pertaining to future events, results and trends and their impact on the Company's business in future periods.

Conference Call and Webcast

The Company will conduct a conference call to discuss its second quarter 2020 financial results on July 21, 2020, 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.

About BancorpSouth Bank

BancorpSouth Bank (NYSE: BXS) is headquartered in Tupelo, Mississippi, with approximately \$23 billion in assets. BancorpSouth operates approximately 310 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 made in this news release are not statements of historical fact and constitute "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to the safe harbor created under the Private Securities Litigation Reform Act of 1995. These statements are often, but not always, made through the use of words or phrases such as "may," "should," "could," "predict," "potential," "believe," "will likely result," "expect," "continue," "will," "anticipate," "seek," "aspire," "roadmap," "achieve," "estimate," "intend," "plan," "project," "projection," "forecast," "goal," "target," "would," and "outlook," or the negative version of those words or other comparable words of a future or forward-looking nature. These forward-looking statements include, without limitation, those relating to the impact of the COVID-19 pandemic on the Company's assets, business, cash flows, financial condition, liquidity, prospects and results of operations, 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 ability to pay dividends or coupons on Series A Preferred Stock or the Notes or its ability to ultimately repay the Notes or otherwise comply with the terms of such instruments, 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 and net interest margin, fair value determinations, the amount of the Company's non-performing loans and leases, credit quality, credit losses, liquidity, off-balance sheet commitments and arrangements, valuation of mortgage servicing rights, allowance and provision for credit losses, early identification and resolution of credit issues, utilization of non-GAAP financial measures, the ability of the Company to collect all amounts due according to the contractual terms of loan agreements, the Company's reserve for losses from representation and warranty obligations, the Company's foreclosure process related to mortgage loans, the resolution of non-performing loans that are collaterally dependent, real estate values, fully-indexed interest rates, interest rate risk, interest rate sensitivity, the impact of interest rates on loan yields, calculation of economic value of equity, impaired loan charge-offs, diversification of the Company's revenue stream, the growth of the Company's insurance business and commission revenue, the growth of the Company's customer base and loan, deposit and fee revenue sources, liquidity needs and strategies, the ability of the Company to access successfully the capital and credit markets when needed or as desired, sources of funding, 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, and the impact of certain claims and ongoing, pending or threatened litigation, administrative and investigatory matters.

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These forward-looking statements are not historical facts, and are based upon current expectations, estimates and projections about the Company's industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain, involve risk and are beyond the Company's control. The inclusion of these forward-looking statements should not be regarded as a representation by the Company or any other person that such expectations, estimates and projections will be achieved. Accordingly, the Company cautions that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict and that are beyond the Company's control. These risks, assumptions and uncertainties may include, but are not limited to, the impact of the COVID-19 pandemic on the Company's assets, business, cash flows, financial condition, liquidity, prospects and results of operations, increases in the provision and allowance for credit losses and interest rate pressure on net interest revenue and net interest margin, 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 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 Wall Street Reform, Consumer Protection Act, and the Coronavirus Aid, Relief and Economic Security Act established in response to the COVID-19 pandemic and any similar or related rules and regulations, 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 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 capital 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.

The foregoing factors should not be construed as exhaustive and should be read in conjunction with those factors that are set forth from time to time in our periodic and current reports filed with the FDIC, including those factors included in our Annual Report on Form 10-K for the year ended December 31, 2019 under the heading "Item 1A. Risk Factors," in our Quarterly Reports on Form 10-Q and in our Current Reports on Form 8-K.

Although the Company believes that the expectations reflected in these forward-looking statements are reasonable as of the date of this news release, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. If one or more events related to these or other risks or uncertainties materialize, or if the Company's underlying assumptions prove to be incorrect, actual results may differ materially from the Company's forward-looking statements. Accordingly, undue reliance should not be placed on any such forward-looking statements. Any forward-looking statement speaks only as of the date of this news release, and the Company does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. New risks and uncertainties may emerge from time to time, and it is not possible for the Company to predict their occurrence or how they will affect the Company.

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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 6/30/2020	Quarter Ended 3/31/2020	Quarter Ended 12/31/2019	Quarter Ended 9/30/2019	Quarter Ended 6/30/2019	Year to Date 6/30/2020	Year to Date 6/30/2019
Earnings Summary:							
Interest revenue	\$ 197,472	\$ 202,064	\$ 203,812	\$ 199,004	\$ 191,063	\$ 399,536	\$ 372,196
Interest expense	26,902	34,534	33,038	32,405	31,046	61,436	59,625
Net interest revenue	170,570	167,530	170,774	166,599	160,017	338,100	312,571
Provision for credit losses	20,000	46,000	-	500	500	66,000	1,000
Net interest revenue, after provision for credit losses	150,570	121,530	170,774	166,099	159,517	272,100	311,571
Noninterest revenue	91,258	76,496	74,697	75,432	66,332	167,754	130,552
Noninterest expense	162,504	168,006	162,351	159,614	157,674	330,510	307,642
Income before income taxes	79,324	30,020	83,120	81,917	68,175	109,344	134,481
Income tax expense	18,164	5,759	17,271	18,160	15,118	23,923	29,826
Net income	\$ 61,160	\$ 24,261	\$ 65,849	\$ 63,757	\$ 53,057	\$ 85,421	\$ 104,655
Less: Preferred dividends	2,372	2,372	-	-	-	4,744	-
Net income available to common shareholders	\$ 58,788	\$ 21,889	\$ 65,849	\$ 63,757	\$ 53,057	\$ 80,677	\$ 104,655
Balance Sheet - Period End Balances							
Total assets	\$ 23,236,176	\$ 21,032,524	\$ 21,052,576	\$ 19,850,225	\$ 18,936,814	\$ 23,236,176	\$ 18,936,814
Total earning assets	21,119,073	18,939,750	18,891,021	17,619,053	16,948,009	21,119,073	16,948,009
Total securities	4,973,171	4,468,340	4,481,974	2,766,446	2,760,732	4,973,171	2,760,732
Loans and leases, net of unearned income	15,427,421	14,224,645	14,089,683	14,120,783	13,658,527	15,427,421	13,658,527
Allowance for credit losses	237,025	218,199	119,066	116,908	115,691	237,025	115,691
Net book value of acquired loans (included in loans and leases above)	1,510,008	1,661,329	1,628,265	1,845,056	1,421,303	1,510,008	1,421,303
Paycheck protection program (PPP) loans (included in loans and leases above)	1,192,715	-	-	-	-	1,192,715	-
Remaining loan mark on acquired loans	19,977	22,286	46,240	53,137	38,408	19,977	38,408
Total deposits	19,179,486	16,887,916	16,410,699	16,025,756	15,136,648	19,179,486	15,136,648
Long-term debt	4,615	4,721	5,053	5,161	5,271	4,615	5,271
Junior subordinated debt securities	296,898	296,723	296,547	-	-	296,898	-
Total shareholders' equity	2,732,687	2,681,904	2,685,017	2,489,427	2,327,120	2,732,687	2,327,120
Common shareholders' equity	2,565,694	2,514,911	2,517,996	2,489,427	2,327,120	2,565,694	2,327,120
Balance Sheet - Average Balances							
Total assets	\$ 22,707,686	\$ 21,189,637	\$ 20,243,023	\$ 19,170,926	\$ 18,637,258	\$ 21,948,661	\$ 18,337,053
Total earning assets	20,594,889	19,113,449	18,125,676	17,148,574	16,693,115	19,854,169	16,426,158
Total securities	4,437,614	4,461,298	3,555,014	2,738,691	2,733,335	4,449,456	2,718,939
Loans and leases, net of unearned income	15,114,732	14,226,788	14,061,118	13,726,755	13,549,591	14,670,759	13,315,208
PPP loans (included in loans and leases above)	975,029	-	-	-	-	487,515	-
Total deposits	18,454,472	16,905,229	16,218,715	15,509,511	15,080,885	17,679,851	14,765,114
Long-term debt	4,699	4,800	5,138	5,303	5,403	4,750	5,613
Junior subordinated debt securities	296,793	296,617	135,535	-	-	296,705	-
Total shareholders' equity	2,738,434	2,658,699	2,572,750	2,378,882	2,298,512	2,698,567	2,255,866
Common shareholders' equity	2,571,441	2,491,678	2,498,033	2,378,882	2,298,512	2,531,560	2,255,866
Nonperforming Assets:							
Non-accrual loans and leases	\$ 126,753	\$ 110,074	\$ 78,796	\$ 76,383	\$ 71,076	\$ 126,753	\$ 71,076
Loans and leases 90+ days past due, still accruing	9,877	7,272	17,531	16,659	8,053	9,877	8,053
Restructured loans and leases, still accruing	11,575	11,284	15,184	15,033	10,676	11,575	10,676
Non-performing loans (NPLs)	148,205	128,630	111,511	108,075	89,805	148,205	89,805
Other real estate owned	7,164	9,200	6,746	7,929	6,179	7,164	6,179
Non-performing assets (NPAs)	\$ 155,369	\$ 137,830	\$ 118,257	\$ 116,004	\$ 95,984	\$ 155,369	\$ 95,984
Financial Ratios and Other Data:							
Return on average assets	1.08%	0.46%	1.29%	1.32%	1.14%	0.78%	1.15%
Operating return on average assets-excluding MSR*	1.12%	0.70%	1.33%	1.44%	1.33%	0.92%	1.30%
Return on average shareholders' equity	8.98%	3.67%	10.15%	10.63%	9.26%	6.37%	9.36%
Operating return on average shareholders' equity-excluding MSR*	9.29%	5.56%	10.46%	11.63%	10.82%	7.46%	10.54%
Return on average common shareholders' equity	9.19%	3.53%	10.46%	10.63%	9.26%	6.41%	9.36%
Operating return on average common shareholders' equity-excluding MSR*	9.53%	5.55%	10.78%	11.63%	10.82%	7.57%	10.54%
Return on average tangible equity*	13.43%	5.56%	15.47%	16.23%	14.06%	9.58%	14.16%
Operating return on average tangible equity-excluding MSR*	13.89%	8.42%	15.94%	17.75%	16.42%	11.22%	15.95%
Return on average tangible common equity*	14.20%	5.54%	16.19%	16.23%	14.06%	9.97%	14.16%
Operating return on average tangible common equity-excluding MSR*	14.71%	8.71%	16.68%	17.75%	16.42%	11.78%	15.95%
Pre-tax pre-provision net revenue to total average assets*	1.81%	1.74%	1.68%	1.87%	1.73%	1.78%	1.68%
Noninterest income to average assets	1.62%	1.45%	1.46%	1.56%	1.43%	1.54%	1.44%
Noninterest expense to average assets	2.88%	3.19%	3.18%	3.30%	3.39%	3.03%	3.38%
Net interest margin-fully taxable equivalent	3.35%	3.54%	3.76%	3.88%	3.87%	3.44%	3.86%
Net interest margin-fully taxable equivalent, excluding net accretion on acquired loans and leases	3.30%	3.48%	3.61%	3.76%	3.79%	3.38%	3.77%
Net interest rate spread	3.08%	3.24%	3.44%	3.56%	3.56%	3.15%	3.56%
Efficiency ratio (tax equivalent)*	61.89%	68.65%	65.92%	65.68%	69.36%	65.15%	69.11%
Operating efficiency ratio-excluding MSR (tax equivalent)*	61.16%	63.89%	64.39%	63.01%	65.46%	62.50%	66.19%
Loan/deposit ratio	80.44%	84.23%	85.86%	88.11%	90.23%	80.44%	90.23%
Price to earnings multiple (close)	11.15	9.46	13.60	13.77	13.26	11.15	13.26
Market value to common book value	90.91%	77.21%	130.38%	124.62%	125.60%	90.91%	125.60%
Market value to common book value (avg)	84.79%	107.86%	128.18%	120.12%	125.47%	95.14%	126.90%
Market value to common tangible book value	140.44%	120.81%	201.13%	193.15%	191.45%	140.44%	191.45%
Market value to common tangible book value (avg)	130.99%	168.76%	197.74%	186.17%	191.25%	146.99%	193.43%
Employee FTE	4,792	4,737	4,693	4,674	4,581	4,792	4,581

*Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 24 and 25.

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

	Quarter Ended 6/30/2020	Quarter Ended 3/31/2020	Quarter Ended 12/31/2019	Quarter Ended 9/30/2019	Quarter Ended 6/30/2019	Year to Date 6/30/2020	Year to Date 6/30/2019
Credit Quality Ratios:							
Net charge-offs(recoveries) to average loans and leases (annualized)	0.03%	0.39%	(0.06%)	(0.02%)	0.04%	0.20%	0.08%
Provision for credit losses to average loans and leases (annualized)	0.53%	1.30%	0.00%	0.01%	0.01%	0.90%	0.02%
Allowance for credit losses to net loans and leases	1.54%	1.53%	0.85%	0.83%	0.85%	1.54%	0.85%
Allowance for credit losses to net loans and leases, excluding PPP loans	1.67%	1.53%	0.85%	0.83%	0.85%	1.67%	0.85%
Allowance for credit losses to non-performing loans and leases	159.93%	169.63%	106.78%	108.17%	128.83%	159.93%	128.83%
Allowance for credit losses to non-performing assets	152.56%	158.31%	100.68%	100.78%	120.53%	152.56%	120.53%
Non-performing loans and leases to net loans and leases	0.96%	0.90%	0.79%	0.77%	0.66%	0.96%	0.66%
Non-performing loans and leases to net loans and leases, excluding acquired loans and leases	0.63%	0.64%	0.65%	0.66%	0.61%	0.63%	0.61%
Non-performing assets to net loans and leases	1.01%	0.97%	0.84%	0.82%	0.70%	1.01%	0.70%
Non-performing assets to net loans and leases, excluding acquired loans and leases	0.68%	0.68%	0.68%	0.69%	0.63%	0.68%	0.63%
Equity Ratios:							
Total shareholders' equity to total assets	11.76%	12.75%	12.75%	12.54%	12.29%	11.76%	12.29%
Total common shareholders' equity to total assets	11.04%	11.96%	11.96%	12.54%	12.29%	11.04%	12.29%
Tangible shareholders' equity to tangible assets*	8.18%	8.82%	8.92%	8.47%	8.42%	8.18%	8.42%
Tangible shareholders' equity to tangible assets-excluding PPP loans*	8.65%	8.82%	8.92%	8.47%	8.42%	8.65%	8.42%
Tangible common shareholders' equity to tangible assets*	7.44%	7.99%	8.09%	8.47%	8.42%	7.44%	8.42%
Tangible common shareholders' equity to tangible assets-excluding PPP loans*	7.86%	7.99%	8.09%	8.47%	8.42%	7.86%	8.42%
Capital Adequacy:							
Common Equity Tier 1 capital	10.21%	10.11%	10.57%	10.54%	10.52%	10.21%	10.52%
Tier 1 capital	11.22%	11.13%	11.60%	10.54%	10.52%	11.22%	10.52%
Total capital	13.79%	13.75%	14.17%	11.28%	11.28%	13.79%	11.28%
Tier 1 leverage capital	8.54%	8.90%	9.69%	9.14%	8.96%	8.54%	8.96%
Estimated for current quarter							
Common Share Data:							
Basic earnings per share	\$ 0.57	\$ 0.21	\$ 0.63	\$ 0.63	\$ 0.53	\$ 0.78	\$ 1.05
Diluted earnings per share	0.57	0.21	0.63	0.63	0.53	0.78	1.04
Operating earnings per share*	0.57	0.25	0.67	0.66	0.55	0.82	1.07
Operating earnings per share- excluding MSR*	0.59	0.33	0.65	0.69	0.61	0.92	1.18
Cash dividends per share	0.19	0.19	0.19	0.19	0.17	0.37	0.34
Book value per share	25.01	24.50	24.09	23.76	23.12	25.01	23.12
Tangible book value per share*	16.19	15.66	15.62	15.33	15.17	16.19	15.17
Market value per share (last)	22.74	18.92	31.41	29.61	29.04	22.74	29.04
Market value per share (high)	25.93	31.61	32.97	30.54	31.10	31.61	33.45
Market value per share (low)	17.21	17.24	28.13	26.47	26.92	17.21	25.76
Market value per share (avg)	21.21	26.43	30.88	28.54	29.01	23.80	29.34
Dividend payout ratio	32.29%	88.20%	29.43%	29.36%	32.24%	47.46%	32.51%
Total shares outstanding	102,566,301	102,632,484	104,522,804	104,775,876	100,651,798	102,566,301	100,651,798
Average shares outstanding - basic	102,603,525	104,354,328	104,739,906	101,168,730	100,610,746	103,478,927	100,058,849
Average shares outstanding - diluted	102,827,225	104,733,897	105,144,032	101,493,247	100,888,164	103,780,561	100,302,641
Yield/Rate:							
(Taxable equivalent basis)							
Loans, loans held for sale, and leases net of unearned income	4.59%	5.00%	5.13%	5.16%	5.12%	4.79%	5.11%
Loans, loans held for sale, and leases net of unearned income, excluding net accretion on acquired loans and leases	4.53%	4.93%	4.95%	5.02%	5.02%	4.72%	4.98%
Loans, loans held for sale, and leases net of unearned income, excluding net accretion on acquired loans and leases - excluding PPP loans	4.67%	4.93%	4.95%	5.02%	5.02%	4.80%	4.98%
PPP loans	2.50%	N/A	N/A	N/A	N/A	2.50%	N/A
Available-for-sale securities:							
Taxable	1.95%	1.99%	2.00%	2.13%	2.10%	1.97%	2.07%
Tax-exempt	3.86%	4.44%	4.69%	5.56%	4.53%	4.12%	4.58%
Short-term, FHLB and other equity investments	0.20%	1.53%	1.95%	2.41%	2.52%	0.55%	2.59%
Total interest earning assets and revenue	3.87%	4.27%	4.48%	4.63%	4.61%	4.06%	4.59%
Deposits	0.50%	0.67%	0.68%	0.71%	0.68%	0.58%	0.66%
Demand - interest bearing	0.61%	0.84%	0.88%	0.94%	0.91%	0.72%	0.88%
Savings	0.18%	0.26%	0.28%	0.28%	0.29%	0.22%	0.29%
Other time	1.54%	1.64%	1.68%	1.67%	1.60%	1.59%	1.53%
Short-term borrowings	0.39%	1.25%	1.51%	1.90%	2.14%	0.81%	2.15%
Total interest bearing deposits and short-term borrowings	0.71%	0.95%	1.01%	1.07%	1.06%	0.83%	1.03%
Junior subordinated debt	4.18%	4.42%	4.17%	N/A	N/A	4.42%	N/A
Long-term debt	4.81%	4.96%	4.83%	4.93%	4.87%	4.89%	4.88%
Total interest bearing liabilities and expense	0.79%	1.03%	1.04%	1.07%	1.06%	0.91%	1.03%
Interest bearing liabilities to interest earning assets	66.65%	70.81%	69.37%	70.15%	70.47%	68.65%	70.80%
Net interest tax equivalent adjustment	\$ 725	\$ 714	\$ 800	\$ 972	\$ 974	\$ 1,439	\$ 2,009

*Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 24 and 25.

BancorpSouth Bank
Consolidated Balance Sheets
(Unaudited)

	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19
(Dollars in thousands)					
<u>Assets</u>					
Cash and due from banks	\$ 240,354	\$ 253,495	\$ 261,773	\$ 333,108	\$ 212,080
Interest bearing deposits with other banks and Federal funds sold	318,615	29,490	71,233	466,650	314,172
Available-for-sale securities, at fair value	4,973,171	4,468,340	4,481,974	2,766,446	2,760,732
Loans and leases*	15,444,794	14,241,912	14,107,743	14,137,563	13,674,990
Less: Unearned income	17,373	17,267	18,060	16,780	16,463
Allowance for credit losses	237,025	218,199	119,066	116,908	115,691
Net loans and leases	15,190,396	14,006,446	13,970,617	14,003,875	13,542,836
Loans held for sale	391,051	194,321	210,361	229,514	175,898
Premises and equipment, net	504,748	497,669	480,901	480,819	447,564
Accrued interest receivable	101,321	70,463	65,173	62,818	60,598
Goodwill	847,984	848,242	825,679	822,093	734,473
Other identifiable intangibles	56,989	59,345	60,008	61,100	65,930
Bank owned life insurance	329,167	327,312	326,417	328,670	315,398
Other real estate owned	7,164	9,200	6,746	7,929	6,179
Other assets	275,216	268,201	291,694	287,203	300,954
Total Assets	\$ 23,236,176	\$ 21,032,524	\$ 21,052,576	\$ 19,850,225	\$ 18,936,814
<u>Liabilities</u>					
Deposits:					
Demand: Noninterest bearing	\$ 6,385,370	\$ 4,861,155	\$ 4,661,821	\$ 4,770,907	\$ 4,329,172
Interest bearing	7,907,637	7,268,053	7,176,934	6,745,329	6,511,332
Savings	2,234,853	2,013,343	1,937,985	1,898,813	1,861,247
Other time	2,651,626	2,745,365	2,633,959	2,610,707	2,434,897
Total deposits	19,179,486	16,887,916	16,410,699	16,025,756	15,136,648
Securities sold under agreement to repurchase	670,016	538,962	513,422	529,788	439,541
Federal funds purchased and other short-term borrowing	220	290,224	725,000	480,000	730,000
Accrued interest payable	13,476	17,482	15,124	13,120	12,225
Junior subordinated debt securities	296,898	296,723	296,547	-	-
Long-term debt	4,615	4,721	5,053	5,161	5,271
Other liabilities	338,778	314,592	401,714	306,973	286,009
Total Liabilities	20,503,489	18,350,620	18,367,559	17,360,798	16,609,694
<u>Shareholders' Equity</u>					
Preferred stock	166,993	166,993	167,021	-	-
Common stock	256,416	256,581	261,307	261,940	251,629
Capital surplus	561,541	558,114	605,976	611,115	506,201
Accumulated other comprehensive income (loss)	25,191	17,849	(62,663)	(50,538)	(53,252)
Retained earnings	1,722,546	1,682,367	1,713,376	1,666,910	1,622,542
Total Shareholders' Equity	2,732,687	2,681,904	2,685,017	2,489,427	2,327,120
Total Liabilities & Shareholders' Equity	\$ 23,236,176	\$ 21,032,524	\$ 21,052,576	\$ 19,850,225	\$ 18,936,814

*Includes \$1.193 billion in PPP loans at June 30, 2020.

BancorpSouth Bank
Consolidated Average Balance Sheets
(Unaudited)

	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19
	(Dollars in thousands)				
<u>Assets</u>					
Cash and due from banks	\$ 229,334	\$ 246,860	\$ 244,444	\$ 229,814	\$ 202,564
Interest bearing deposits with other banks and Federal funds sold	760,789	239,766	300,495	486,716	254,951
Available-for-sale securities, at fair value	4,437,614	4,461,298	3,555,014	2,738,691	2,733,335
Loans and leases*	15,132,600	14,244,649	14,078,793	13,743,876	13,565,632
Less: Unearned income	17,868	17,861	17,675	17,121	16,041
Allowance for credit losses	217,508	193,796	117,668	116,232	116,339
Net loans and leases	14,897,224	14,032,992	13,943,450	13,610,523	13,433,252
Loans held for sale	261,377	147,798	173,649	157,691	117,995
Premises and equipment, net	499,767	494,413	481,623	458,758	453,239
Accrued interest receivable	137,456	64,010	60,678	57,941	54,977
Goodwill	848,160	844,635	823,812	761,084	735,540
Other identifiable intangibles	58,280	58,805	60,559	59,253	49,058
Bank owned life insurance	328,037	326,808	328,567	319,894	313,550
Other real estate owned	8,410	8,151	7,820	6,908	7,313
Other assets	241,238	264,101	262,912	283,653	281,484
Total Assets	\$ 22,707,686	\$ 21,189,637	\$ 20,243,023	\$ 19,170,926	\$ 18,637,258
<u>Liabilities</u>					
<u>Deposits:</u>					
Demand: Noninterest bearing	\$ 5,942,570	\$ 4,717,202	\$ 4,803,104	\$ 4,479,698	\$ 4,307,570
Interest bearing	7,674,479	7,466,674	6,872,921	6,655,962	6,485,523
Savings	2,152,092	1,975,690	1,913,650	1,869,045	1,872,552
Other time	2,685,331	2,745,663	2,629,040	2,504,806	2,415,240
Total deposits	18,454,472	16,905,229	16,218,715	15,509,511	15,080,885
Securities sold under agreement to repurchase	644,127	541,707	530,217	507,558	484,950
Federal funds purchased and other short-term borrowing	269,121	502,257	487,272	487,456	499,385
Accrued interest payable	16,268	19,205	14,942	13,756	12,239
Junior subordinated debt securities	296,793	296,617	135,535	-	-
Long-term debt	4,699	4,800	5,138	5,303	5,403
Other liabilities	283,772	261,123	278,454	268,460	255,884
Total Liabilities	19,969,252	18,530,938	17,670,273	16,792,044	16,338,746
<u>Shareholders' Equity</u>					
Preferred stock	166,993	167,021	74,717	-	-
Common stock	256,515	261,065	261,905	254,881	252,351
Capital surplus	559,737	600,880	611,667	538,665	511,786
Accumulated other comprehensive income (loss)	23,016	(36,367)	(53,111)	(52,204)	(66,048)
Retained earnings	1,732,173	1,666,100	1,677,572	1,637,540	1,600,423
Total Shareholders' Equity	2,738,434	2,658,699	2,572,750	2,378,882	2,298,512
Total Liabilities & Shareholders' Equity	\$ 22,707,686	\$ 21,189,637	\$ 20,243,023	\$ 19,170,926	\$ 18,637,258

*Includes \$975.0 million in PPP loans for the quarter ended June 30, 2020.

BXS Announces Second Quarter 2020 Financial Results

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July 20, 2020

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

	Quarter Ended					Year to Date	
	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19	Jun-20	Jul-19
INTEREST REVENUE:							
Loans and leases	\$ 173,164	\$ 177,019	\$ 182,269	\$ 178,729	\$ 172,748	\$ 350,183	\$ 336,427
Deposits with other banks	207	739	1,225	2,456	1,292	946	2,808
Federal funds sold, securities purchased under agreement to resell, FHLB and other equity investments	178	315	426	735	542	493	916
Available-for-sale securities:							
Taxable	20,783	21,508	17,241	13,759	13,223	42,291	25,660
Tax-exempt	1,178	1,060	1,266	1,883	1,890	2,238	4,011
Loans held for sale	1,962	1,423	1,385	1,442	1,368	3,385	2,374
Total interest revenue	<u>197,472</u>	<u>202,064</u>	<u>203,812</u>	<u>199,004</u>	<u>191,063</u>	<u>399,536</u>	<u>372,196</u>
INTEREST EXPENSE:							
Interest bearing demand	11,631	15,522	15,202	15,689	14,741	27,153	27,880
Savings	943	1,290	1,334	1,341	1,348	2,233	2,686
Other time	10,296	11,168	11,134	10,546	9,635	21,464	17,700
Federal funds purchased and securities sold under agreement to repurchase	291	1,436	1,591	1,857	1,972	1,727	3,747
Short-term and long-term debt	477	1,857	2,293	2,971	3,349	2,334	7,611
Junior subordinated debt	3,263	3,261	1,482	-	-	6,524	-
Other	1	-	2	1	1	1	1
Total interest expense	<u>26,902</u>	<u>34,534</u>	<u>33,038</u>	<u>32,405</u>	<u>31,046</u>	<u>61,436</u>	<u>59,625</u>
Net interest revenue	170,570	167,530	170,774	166,599	160,017	338,100	312,571
Provision for credit losses	20,000	46,000	-	500	500	66,000	1,000
Net interest revenue, after provision for credit losses	<u>150,570</u>	<u>121,530</u>	<u>170,774</u>	<u>166,099</u>	<u>159,517</u>	<u>272,100</u>	<u>311,571</u>
NONINTEREST REVENUE:							
Mortgage banking	29,557	9,470	10,102	7,289	351	39,027	2,391
Credit card, debit card and merchant fees	9,080	9,176	9,836	9,778	10,168	18,256	19,042
Deposit service charges	7,647	11,682	12,193	11,939	11,117	19,329	21,883
Security gains(losses), net	62	(85)	(41)	117	59	(23)	98
Insurance commissions	33,118	29,603	27,648	31,512	33,951	62,721	64,131
Wealth management	6,421	6,570	6,617	6,651	5,906	12,991	11,541
Other	5,373	10,080	8,342	8,146	4,780	15,453	11,466
Total noninterest revenue	<u>91,258</u>	<u>76,496</u>	<u>74,697</u>	<u>75,432</u>	<u>66,332</u>	<u>167,754</u>	<u>130,552</u>
NONINTEREST EXPENSE:							
Salaries and employee benefits	108,103	108,272	97,137	101,154	100,981	216,375	198,209
Occupancy, net of rental income	12,890	12,708	12,267	12,323	11,988	25,598	23,539
Equipment	4,762	4,649	4,725	4,676	4,423	9,411	8,311
Deposit insurance assessments	1,962	1,546	2,200	2,038	2,165	3,508	4,905
Other	34,787	40,831	46,022	39,423	38,117	75,618	72,678
Total noninterest expense	<u>162,504</u>	<u>168,006</u>	<u>162,351</u>	<u>159,614</u>	<u>157,674</u>	<u>330,510</u>	<u>307,642</u>
Income before income taxes	79,324	30,020	83,120	81,917	68,175	109,344	134,481
Income tax expense	18,164	5,759	17,271	18,160	15,118	23,923	29,826
Net income	<u>\$ 61,160</u>	<u>\$ 24,261</u>	<u>\$ 65,849</u>	<u>\$ 63,757</u>	<u>\$ 53,057</u>	<u>\$ 85,421</u>	<u>\$ 104,655</u>
Less: Preferred dividends	2,372	2,372	-	-	-	4,744	-
Net income available to common shareholders	<u>\$ 58,788</u>	<u>\$ 21,889</u>	<u>\$ 65,849</u>	<u>\$ 63,757</u>	<u>\$ 53,057</u>	<u>\$ 80,677</u>	<u>\$ 104,655</u>
Net income per common share: Basic	<u>\$ 0.57</u>	<u>\$ 0.21</u>	<u>\$ 0.63</u>	<u>\$ 0.63</u>	<u>\$ 0.53</u>	<u>\$ 0.78</u>	<u>\$ 1.05</u>
Diluted	<u>\$ 0.57</u>	<u>\$ 0.21</u>	<u>\$ 0.63</u>	<u>\$ 0.63</u>	<u>\$ 0.53</u>	<u>\$ 0.78</u>	<u>\$ 1.04</u>

- MORE -

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

	Quarter Ended				
	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19
LOAN AND LEASE PORTFOLIO:					
Commercial and industrial					
Commercial and industrial-non real estate	3,038,957	2,008,043	1,979,507	1,887,817	1,832,016
Commercial and industrial-owner occupied	2,296,287	2,290,585	2,268,813	2,276,338	2,157,292
Total commercial and industrial	5,335,244	4,298,628	4,248,320	4,164,155	3,989,308
Commercial real estate					
Agricultural	333,615	339,539	337,349	347,866	332,902
Construction, acquisition and development	1,658,678	1,582,039	1,577,342	1,538,073	1,441,269
Commercial real estate	3,323,744	3,303,537	3,220,914	3,345,166	3,287,453
Total commercial real estate	5,316,037	5,225,115	5,135,605	5,231,105	5,061,624
Consumer					
Consumer mortgages	3,646,168	3,572,277	3,543,075	3,519,449	3,422,661
Home equity	655,543	686,202	683,515	678,294	670,352
Credit cards	86,592	93,896	102,559	101,213	101,024
Total consumer	4,388,303	4,352,375	4,329,149	4,298,956	4,194,037
All other	387,837	348,527	376,609	426,567	413,558
Total loans	\$ 15,427,421	\$ 14,224,645	\$ 14,089,683	\$ 14,120,783	\$ 13,658,527
ALLOWANCE FOR CREDIT LOSSES:					
Balance, beginning of period	\$ 218,199	\$ 119,066	\$ 116,908	\$ 115,691	\$ 116,499
Impact of adopting ASC 326 - cumulative effect adjustment	-	40,000	-	-	-
Impact of adopting ASC 326 - purchased loans with credit deterioration	-	22,634	-	-	-
Loans and leases charged-off:					
Commercial and industrial					
Commercial and industrial-non real estate	(1,506)	(10,792)	(1,273)	(218)	(866)
Commercial and industrial-owner occupied	(13)	(184)	(192)	(65)	-
Total commercial and industrial	(1,519)	(10,976)	(1,465)	(283)	(866)
Commercial real estate					
Agricultural	(21)	(65)	(11)	-	-
Construction, acquisition and development	(9)	(3,173)	(26)	-	(45)
Commercial real estate	-	(67)	-	(49)	(250)
Total commercial real estate	(30)	(3,305)	(37)	(49)	(295)
Consumer					
Consumer mortgages	(124)	(524)	(687)	(255)	(237)
Home equity	(162)	(236)	(173)	(39)	(124)
Credit cards	(703)	(798)	(797)	(631)	(922)
Total consumer	(989)	(1,558)	(1,657)	(925)	(1,283)
All other	(396)	(914)	(965)	(895)	(912)
Total loans charged-off	(2,934)	(16,753)	(4,124)	(2,152)	(3,356)
Recoveries:					
Commercial and industrial					
Commercial and industrial-non real estate	277	355	353	835	747
Commercial and industrial-owner occupied	136	1,179	30	49	71
Total commercial and industrial	413	1,534	383	884	818
Commercial real estate					
Agricultural	6	6	4	3	10
Construction, acquisition and development	172	245	584	480	63
Commercial real estate	50	135	4,212	29	218
Total commercial real estate	228	386	4,800	512	291
Consumer					
Consumer mortgages	345	397	407	278	244
Home equity	259	80	216	731	179
Credit cards	195	285	218	224	223
Total consumer	799	762	841	1,233	646
All other	320	344	258	240	293
Total recoveries	1,760	3,026	6,282	2,869	2,048
Net (charge-offs)recoveries	(1,174)	(13,727)	2,158	717	(1,308)
Initial allowance on loans purchased with credit deterioration	-	4,226	-	-	-
Provision:					
Initial provision for loans acquired during the quarter	-	1,000	-	-	-
Provision for credit losses related to loans and leases	20,000	45,000	-	500	500
Total provision	20,000	46,000	-	500	500
Balance, end of period	\$ 237,025	\$ 218,199	\$ 119,066	\$ 116,908	\$ 115,691
Average loans for period	\$ 15,114,732	\$ 14,226,788	\$ 14,061,118	\$ 13,726,755	\$ 13,549,591
Ratio:					
Net charge-offs(recoveries) to average loans (annualized)	0.03%	0.39%	(0.06%)	(0.02%)	0.04%

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

	Quarter Ended				
	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19
BXS ORIGINATED LOANS AND LEASES:					
Loans and leases charged off:					
Commercial and industrial					
Commercial and industrial-non real estate	\$ (420)	\$ (230)	\$ (844)	\$ (185)	\$ (773)
Commercial and industrial-owner occupied	(13)	(19)	(184)	(65)	-
Total commercial and industrial	<u>(433)</u>	<u>(249)</u>	<u>(1,028)</u>	<u>(250)</u>	<u>(773)</u>
Commercial Real estate					
Agricultural	-	(65)	(6)	-	-
Construction, acquisition and development	-	(121)	(26)	-	(45)
Commercial real estate	-	(67)	-	(49)	(250)
Total real estate	<u>-</u>	<u>(253)</u>	<u>(32)</u>	<u>(49)</u>	<u>(295)</u>
Consumer					
Consumer mortgages	(113)	(357)	(648)	(255)	(237)
Home equity	(162)	(236)	(173)	(39)	(124)
Credit cards	(703)	(798)	(797)	(631)	(922)
Total consumer	<u>(978)</u>	<u>(1,391)</u>	<u>(1,618)</u>	<u>(925)</u>	<u>(1,283)</u>
All other	(288)	(704)	(782)	(848)	(832)
Total loans charged off	<u>(1,699)</u>	<u>(2,597)</u>	<u>(3,460)</u>	<u>(2,072)</u>	<u>(3,183)</u>
Recoveries:					
Commercial and industrial					
Commercial and industrial-non real estate	210	325	277	833	720
Commercial and industrial-owner occupied	136	1,177	30	49	41
Total commercial and industrial	<u>346</u>	<u>1,502</u>	<u>307</u>	<u>882</u>	<u>761</u>
Commercial Real estate					
Agricultural	5	4	4	3	10
Construction, acquisition and development	170	244	583	480	63
Commercial real estate	50	135	4,212	29	218
Total real estate	<u>225</u>	<u>383</u>	<u>4,799</u>	<u>512</u>	<u>291</u>
Consumer					
Consumer mortgages	343	395	405	275	241
Home equity	258	79	215	729	177
Credit cards	195	285	218	224	223
Total consumer	<u>796</u>	<u>759</u>	<u>838</u>	<u>1,228</u>	<u>641</u>
All other	275	316	245	226	291
Total recoveries	<u>1,642</u>	<u>2,960</u>	<u>6,189</u>	<u>2,848</u>	<u>1,984</u>
Net (charge-offs)/recoveries	<u>\$ (57)</u>	<u>\$ 363</u>	<u>\$ 2,729</u>	<u>\$ 776</u>	<u>\$ (1,199)</u>

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BXS Announces Second Quarter 2020 Financial Results

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July 20, 2020

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

	Quarter Ended				
	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19
ACQUIRED LOANS AND LEASES:					
Loans and leases charged off:					
Commercial and industrial					
Commercial and industrial-non real estate	\$ (1,086)	\$ (10,562)	\$ (429)	\$ (33)	\$ (93)
Commercial and industrial-owner occupied	-	(165)	(8)	-	-
Total commercial and industrial	(1,086)	(10,727)	(437)	(33)	(93)
Commercial Real estate					
Agricultural	(21)	-	(5)	-	-
Construction, acquisition and development	(9)	(3,052)	-	-	-
Commercial real estate	-	-	-	-	-
Total real estate	(30)	(3,052)	(5)	-	-
Consumer					
Consumer mortgages	(11)	(167)	(39)	-	-
Home equity	-	-	-	-	-
Credit cards	-	-	-	-	-
Total consumer	(11)	(167)	(39)	-	-
All other	(108)	(210)	(183)	(47)	(80)
Total loans charged off	(1,235)	(14,156)	(664)	(80)	(173)
Recoveries:					
Commercial and industrial					
Commercial and industrial-non real estate	67	30	76	2	27
Commercial and industrial-owner occupied	-	2	-	-	30
Total commercial and industrial	67	32	76	2	57
Commercial Real estate					
Agricultural	1	2	-	-	-
Construction, acquisition and development	2	1	1	-	-
Commercial real estate	-	-	-	-	-
Total real estate	3	3	1	-	-
Consumer					
Consumer mortgages	2	2	2	3	3
Home equity	1	1	1	2	2
Credit cards	-	-	-	-	-
Total consumer	3	3	3	5	5
All other	45	28	13	14	2
Total recoveries	118	66	93	21	64
Net (charge-offs)/recoveries	\$ (1,117)	\$ (14,090)	\$ (571)	\$ (59)	\$ (109)

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

	Quarter Ended				
	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19
NON-PERFORMING ASSETS					
NON-PERFORMING LOANS AND LEASES:					
Nonaccrual Loans and Leases					
Commercial and industrial					
Commercial and industrial-non real estate	\$ 16,124	\$ 16,589	\$ 11,105	\$ 10,430	\$ 9,456
Commercial and industrial-owner occupied	16,745	11,212	7,838	7,446	8,648
Total commercial and industrial	<u>32,869</u>	<u>27,801</u>	<u>18,943</u>	<u>17,876</u>	<u>18,104</u>
Commercial real estate					
Agricultural	5,244	5,454	4,772	4,423	6,115
Construction, acquisition and development	9,715	13,899	6,225	2,231	2,071
Commercial real estate	45,047	29,697	16,199	16,823	13,064
Total commercial real estate	<u>60,006</u>	<u>49,050</u>	<u>27,196</u>	<u>23,477</u>	<u>21,250</u>
Consumer					
Consumer mortgages	30,672	29,834	28,879	31,744	28,779
Home equity	2,584	2,597	2,993	2,767	2,432
Credit cards	90	122	63	85	86
Total consumer	<u>33,346</u>	<u>32,553</u>	<u>31,935</u>	<u>34,596</u>	<u>31,297</u>
All other	532	670	722	434	425
Total nonaccrual loans and leases	<u>\$ 126,753</u>	<u>\$ 110,074</u>	<u>\$ 78,796</u>	<u>\$ 76,383</u>	<u>\$ 71,076</u>
Loans and Leases 90+ Days Past Due, Still Accruing:	9,877	7,272	17,531	16,659	8,053
Restructured Loans and Leases, Still Accruing	11,575	11,284	15,184	15,033	10,676
Total non-performing loans and leases	<u>\$ 148,205</u>	<u>\$ 128,630</u>	<u>\$ 111,511</u>	<u>\$ 108,075</u>	<u>\$ 89,805</u>
OTHER REAL ESTATE OWNED:	7,164	9,200	6,746	7,929	6,179
Total Non-performing Assets	<u>\$ 155,369</u>	<u>\$ 137,830</u>	<u>\$ 118,257</u>	<u>\$ 116,004</u>	<u>\$ 95,984</u>
BXS originated assets	\$ 94,155	\$ 85,908	\$ 78,295	\$ 84,413	\$ 76,816
Acquired assets	61,214	51,922	39,962	31,591	19,168
Total Non-performing Assets	<u>\$ 155,369</u>	<u>\$ 137,830</u>	<u>\$ 118,257</u>	<u>\$ 116,004</u>	<u>\$ 95,984</u>
Additions to Nonaccrual Loans and Leases During the Quarter	<u>\$ 36,619</u>	<u>\$ 47,523</u>	<u>\$ 25,147</u>	<u>\$ 26,331</u>	<u>\$ 22,002</u>
Loans and Leases 30-89 Days Past Due, Still Accruing:					
BXS originated loans	\$ 35,002	\$ 54,315	\$ 44,559	\$ 40,668	\$ 42,968
Acquired loans	10,450	14,405	23,054	16,741	14,042
Total Loans and Leases 30-89 days past due, still accruing	<u>\$ 45,452</u>	<u>\$ 68,720</u>	<u>\$ 67,613</u>	<u>\$ 57,409</u>	<u>\$ 57,010</u>

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

June 30, 2020

	Pass	Special Mention	Substandard	Doubtful	Loss	Impaired	Purchased Credit		Total
							Deteriorated (Loss)		
LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:									
Commercial and industrial									
Commercial and industrial-non real estate	\$ 2,980,373	\$ -	\$ 43,368	\$ 179	\$ -	\$ 3,789	\$ 11,248	\$ -	\$ 3,038,957
Commercial and industrial-owner occupied	2,222,454	-	61,204	-	-	8,515	4,114	-	2,296,287
Total commercial and industrial	5,202,827	-	104,572	179	-	12,304	15,362	-	5,335,244
Commercial real estate									
Agricultural	316,390	-	14,159	-	-	714	2,352	-	333,615
Construction, acquisition and development	1,626,162	2,741	20,890	-	-	3,122	5,763	-	1,658,678
Commercial real estate	3,164,522	-	113,206	-	-	40,672	5,344	-	3,323,744
Total commercial real estate	5,107,074	2,741	148,255	-	-	44,508	13,459	-	5,316,037
Consumer									
Consumer mortgages	3,560,630	-	84,207	-	-	594	737	-	3,646,168
Home equity	648,891	-	6,652	-	-	-	-	-	655,543
Credit cards	86,592	-	-	-	-	-	-	-	86,592
Total consumer	4,296,113	-	90,859	-	-	594	737	-	4,388,303
All other									
All other	379,659	1,523	6,578	-	-	-	77	-	387,837
Total loans	\$ 14,985,673	\$ 4,264	\$ 350,264	\$ 179	\$ -	\$ 57,406	\$ 29,635	\$ -	\$ 15,427,421
BXS originated loans									
BXS originated loans	\$ 13,516,292	\$ 2,741	\$ 231,687	\$ 179	\$ -	\$ 28,288	\$ -	\$ -	\$ 13,779,187
Acquired loans*									
Acquired loans*	1,469,381	1,523	118,577	-	-	29,118	29,635	-	1,648,234
Total Loans	\$ 14,985,673	\$ 4,264	\$ 350,264	\$ 179	\$ -	\$ 57,406	\$ 29,635	\$ -	\$ 15,427,421

March 31, 2020

	Pass	Special Mention	Substandard	Doubtful	Loss	Impaired	Purchased Credit		Total
							Deteriorated (Loss)		
LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:									
Commercial and industrial									
Commercial and industrial-non real estate	\$ 1,936,032	\$ 3,424	\$ 53,713	\$ 191	\$ 667	\$ 1,769	\$ 12,247	\$ -	\$ 2,008,043
Commercial and industrial-owner occupied	2,224,075	-	56,824	-	-	5,568	4,118	-	2,290,585
Total commercial and industrial	4,160,107	3,424	110,537	191	667	7,337	16,365	-	4,298,628
Commercial real estate									
Agricultural	324,412	-	12,006	-	-	711	2,410	-	339,539
Construction, acquisition and development	1,551,667	2,045	14,739	-	-	7,778	5,810	-	1,582,039
Commercial real estate	3,199,726	-	74,263	-	-	24,205	5,343	-	3,303,537
Total commercial real estate	5,075,805	2,045	101,008	-	-	32,694	13,563	-	5,225,115
Consumer									
Consumer mortgages	3,476,631	-	94,324	-	-	596	726	-	3,572,277
Home equity	679,135	-	7,067	-	-	-	-	-	686,202
Credit cards	93,896	-	-	-	-	-	-	-	93,896
Total consumer	4,249,662	-	101,391	-	-	596	726	-	4,352,375
All other									
All other	336,028	1,660	10,761	-	-	-	78	-	348,527
Total loans	\$ 13,821,602	\$ 7,129	\$ 323,697	\$ 191	\$ 667	\$ 40,627	\$ 30,732	\$ -	\$ 14,224,645
BXS originated loans									
BXS originated loans	\$ 12,150,616	\$ 2,045	\$ 225,506	\$ 191	\$ -	\$ 22,356	\$ -	\$ -	\$ 12,400,714
Acquired loans*									
Acquired loans*	1,670,986	5,084	98,191	-	667	18,271	30,732	-	1,823,931
Total Loans	\$ 13,821,602	\$ 7,129	\$ 323,697	\$ 191	\$ 667	\$ 40,627	\$ 30,732	\$ -	\$ 14,224,645

*Includes certain loans that are no longer included in the "Net book value of acquired loans" on page 10 as a result of maturity, refinance, or other triggering event.

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

	Quarter Ended				
	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19
LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:					
Pass	\$ 14,985,673	\$ 13,821,602	\$ 13,738,979	\$ 13,782,584	\$ 13,363,023
Special Mention	4,264	7,129	2,240	2,530	490
Substandard	350,264	323,697	298,491	280,059	244,585
Doubtful	179	191	194	194	218
Loss	-	667	-	-	-
Impaired	57,406	40,627	24,094	24,948	24,048
Purchased Credit Deteriorated (Loss)	29,635	30,732	-	-	-
Purchased Credit Impaired	-	-	25,685	30,468	26,163
Total	<u>\$ 15,427,421</u>	<u>\$ 14,224,645</u>	<u>\$ 14,089,683</u>	<u>\$ 14,120,783</u>	<u>\$ 13,658,527</u>

**BXS ORIGINATED LOAN PORTFOLIO BY INTERNALLY
ASSIGNED GRADE:**

Pass	\$ 13,516,292	\$ 12,150,616	\$ 12,080,336	\$ 11,901,311	\$ 11,876,557
Special Mention	2,741	2,045	-	-	-
Substandard	231,687	225,506	202,017	192,133	181,045
Doubtful	179	191	194	194	218
Loss	-	-	-	-	-
Impaired	28,288	22,356	17,110	24,379	22,821
Purchased Credit Deteriorated (Loss)	-	-	-	-	-
Purchased Credit Impaired	-	-	-	-	-
Total	<u>\$ 13,779,187</u>	<u>\$ 12,400,714</u>	<u>\$ 12,299,657</u>	<u>\$ 12,118,017</u>	<u>\$ 12,080,641</u>

**ACQUIRED LOAN PORTFOLIO BY INTERNALLY
ASSIGNED GRADE:**

Pass	\$ 1,469,381	\$ 1,670,986	\$ 1,658,643	\$ 1,881,273	\$ 1,486,466
Special Mention	1,523	5,084	2,240	2,530	490
Substandard	118,577	98,191	96,474	87,926	63,540
Doubtful	-	-	-	-	-
Loss	-	667	-	-	-
Impaired	29,118	18,271	6,984	569	1,227
Purchased Credit Deteriorated (Loss)	29,635	30,732	-	-	-
Purchased Credit Impaired	-	-	25,685	30,468	26,163
Total	<u>\$ 1,648,234</u>	<u>\$ 1,823,931</u>	<u>\$ 1,790,026</u>	<u>\$ 2,002,766</u>	<u>\$ 1,577,886</u>

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

June 30, 2020

	Alabama and Florida Panhandle	Arkansas	Louisiana	Mississippi	Missouri	Tennessee	Texas	Other	Total
LOAN AND LEASE PORTFOLIO:									
Commercial and industrial									
Commercial and industrial-non real estate	\$ 277,855	\$ 232,865	\$ 363,059	\$ 813,505	\$ 95,316	\$ 191,870	\$ 1,058,622	\$ 5,865	\$ 3,038,957
Commercial and industrial-owner occupied	270,088	187,072	256,107	639,818	64,171	135,193	743,838	-	2,296,287
Total commercial and industrial	547,943	419,937	619,166	1,453,323	159,487	327,063	1,802,460	5,865	5,335,244
Commercial real estate									
Agricultural	26,828	71,146	26,722	66,207	7,190	11,125	123,797	600	333,615
Construction, acquisition and development	158,608	48,414	79,285	323,112	19,204	122,846	907,209	-	1,658,678
Commercial real estate	355,893	353,641	316,082	676,399	230,650	224,551	1,164,087	2,441	3,323,744
Total commercial real estate	541,329	473,201	422,089	1,065,718	257,044	358,522	2,195,093	3,041	5,316,037
Consumer									
Consumer mortgages	583,468	345,831	342,423	843,050	105,036	322,052	1,031,117	73,191	3,646,168
Home equity	104,309	46,520	85,555	234,473	16,229	131,247	36,890	320	655,543
Credit cards	-	-	-	-	-	-	-	86,592	86,592
Total consumer	687,777	392,351	427,978	1,077,523	121,265	453,299	1,068,007	160,103	4,388,303
All other	66,043	43,392	33,804	113,763	3,628	18,373	99,599	9,235	387,837
Total loans	\$ 1,843,092	\$ 1,328,881	\$ 1,503,037	\$ 3,710,327	\$ 541,424	\$ 1,157,257	\$ 5,165,159	\$ 178,244	\$ 15,427,421
Loan growth, excluding loans acquired during the quarter (annualized)									
	28.32%	32.98%	34.25%	27.87%	24.31%	42.95%	40.77%	10.58%	34.01%
Loan growth, excluding PPP loans (annualized)									
	(6.46%)	2.87%	(10.34%)	(1.16%)	3.26%	(1.99%)	8.17%	(45.62%)	0.28%
NON-PERFORMING LOANS AND LEASES:									
Commercial and industrial									
Commercial and industrial-non real estate	\$ 594	\$ 1,569	\$ 1,193	\$ 1,787	\$ 1,457	\$ 433	\$ 10,311	\$ 201	\$ 17,545
Commercial and industrial-owner occupied	3,278	2,444	622	3,375	163	94	12,661	-	22,637
Total commercial and industrial	3,872	4,013	1,815	5,162	1,620	527	22,972	201	40,182
Commercial real estate									
Agricultural	410	727	223	251	-	-	4,128	-	5,739
Construction, acquisition and development	203	182	2,404	161	-	462	6,579	-	9,991
Commercial real estate	3,320	33	5,347	1,214	-	95	38,164	-	48,173
Total commercial real estate	3,933	942	7,974	1,626	-	557	48,871	-	63,903
Consumer									
Consumer mortgages	8,065	3,756	2,579	14,124	149	3,010	6,400	1,273	39,356
Home equity	243	259	390	997	188	965	100	-	3,142
Credit cards	-	-	-	-	-	-	-	1,039	1,039
Total consumer	8,308	4,015	2,969	15,121	337	3,975	6,500	2,312	43,537
All other	204	3	2	108	-	16	247	3	583
Total loans	\$ 16,317	\$ 8,973	\$ 12,760	\$ 22,017	\$ 1,957	\$ 5,075	\$ 78,590	\$ 2,516	\$ 148,205
NON-PERFORMING LOANS AND LEASES AS A PERCENTAGE OF OUTSTANDING:									
Commercial and industrial									
Commercial and industrial-non real estate	0.21%	0.67%	0.33%	0.22%	1.53%	0.23%	0.97%	3.43%	0.58%
Commercial and industrial-owner occupied	1.21%	1.31%	0.24%	0.53%	0.25%	0.07%	1.70%	N/A	0.99%
Total commercial and industrial	0.71%	0.96%	0.29%	0.36%	1.02%	0.16%	1.27%	3.43%	0.75%
Commercial real estate									
Agricultural	1.53%	1.02%	0.83%	0.38%	0.00%	0.00%	3.33%	0.00%	1.72%
Construction, acquisition and development	0.13%	0.38%	3.03%	0.05%	0.00%	0.38%	0.73%	N/A	0.60%
Commercial real estate	0.93%	0.01%	1.69%	0.18%	0.00%	0.04%	3.28%	0.00%	1.45%
Total commercial real estate	0.73%	0.20%	1.89%	0.15%	0.00%	0.16%	2.23%	0.00%	1.20%
Consumer									
Consumer mortgages	1.38%	1.09%	0.75%	1.68%	0.14%	0.93%	0.62%	1.74%	1.08%
Home equity	0.23%	0.56%	0.46%	0.43%	1.16%	0.74%	0.27%	0.00%	0.48%
Credit cards	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.20%	1.20%
Total consumer	1.21%	1.02%	0.69%	1.40%	0.28%	0.88%	0.61%	1.44%	0.99%
All other	0.31%	0.01%	0.01%	0.09%	0.00%	0.09%	0.25%	0.03%	0.15%
Total loans	0.89%	0.68%	0.85%	0.59%	0.36%	0.44%	1.52%	1.41%	0.96%

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

	Quarter Ended					Year to Date	
	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19	Jun-20	Jun-19
NONINTEREST REVENUE:							
Mortgage banking excl. MSR and MSR Hedge market value adj	\$ 31,930	\$ 20,553	\$ 6,938	\$ 11,283	\$ 9,167	\$ 52,483	\$ 16,076
MSR and MSR Hedge market value adjustment	(2,373)	(11,083)	3,164	(3,994)	(8,816)	(13,456)	(13,685)
Credit card, debit card and merchant fees	9,080	9,176	9,836	9,778	10,168	18,256	19,042
Deposit service charges	7,647	11,682	12,193	11,939	11,117	19,329	21,883
Securities gains (losses), net	62	(85)	(41)	117	59	(23)	98
Insurance commissions	33,118	29,603	27,648	31,512	33,951	62,721	64,131
Trust income	4,064	4,013	3,951	4,488	3,815	8,077	7,603
Annuity fees	54	55	136	184	245	109	510
Brokerage commissions and fees	2,303	2,502	2,530	1,979	1,846	4,805	3,428
Bank-owned life insurance	1,855	1,999	3,427	2,529	1,854	3,854	3,676
Other miscellaneous income	3,518	8,081	4,915	5,617	2,926	11,599	7,790
Total noninterest revenue	<u>\$ 91,258</u>	<u>\$ 76,496</u>	<u>\$ 74,697</u>	<u>\$ 75,432</u>	<u>\$ 66,332</u>	<u>\$ 167,754</u>	<u>\$ 130,552</u>
NONINTEREST EXPENSE:							
Salaries and employee benefits	\$ 108,103	\$ 108,272	\$ 97,137	\$ 101,154	\$ 100,981	\$ 216,375	\$ 198,209
Occupancy, net of rental income	12,890	12,708	12,267	12,323	11,988	25,598	23,539
Equipment	4,762	4,649	4,725	4,676	4,423	9,411	8,311
Deposit insurance assessments	1,962	1,546	2,200	2,038	2,165	3,508	4,905
Advertising	918	1,099	1,153	1,382	1,427	2,017	2,374
Foreclosed property expense	1,306	924	855	870	519	2,230	1,143
Telecommunications	1,512	1,461	1,504	1,400	1,419	2,973	2,759
Public relations	459	680	880	1,069	934	1,139	1,699
Data processing	9,693	9,646	10,041	9,066	7,968	19,339	16,410
Computer software	4,979	4,315	4,478	3,825	3,835	9,294	7,534
Amortization of intangibles	2,355	2,394	2,508	2,117	2,508	4,749	4,493
Legal	1,375	898	854	786	1,310	2,273	1,915
Merger expense	510	4,494	5,782	4,062	3,136	5,004	4,027
Postage and shipping	1,198	1,441	1,353	1,281	1,217	2,639	2,629
Other miscellaneous expense	10,482	13,479	16,614	13,565	13,844	23,961	27,695
Total noninterest expense	<u>\$ 162,504</u>	<u>\$ 168,006</u>	<u>\$ 162,351</u>	<u>\$ 159,614</u>	<u>\$ 157,674</u>	<u>\$ 330,510</u>	<u>\$ 307,642</u>
INSURANCE COMMISSIONS:							
Property and casualty commissions	\$ 23,644	\$ 21,246	\$ 19,994	\$ 22,643	\$ 23,429	\$ 44,890	\$ 44,667
Life and health commissions	6,771	6,175	5,979	6,116	7,355	12,946	13,337
Risk management income	540	532	667	564	622	1,072	1,209
Other	2,163	1,650	1,008	2,189	2,545	3,813	4,918
Total insurance commissions	<u>\$ 33,118</u>	<u>\$ 29,603</u>	<u>\$ 27,648</u>	<u>\$ 31,512</u>	<u>\$ 33,951</u>	<u>\$ 62,721</u>	<u>\$ 64,131</u>

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

	Quarter Ended				
	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19
MORTGAGE SERVICING RIGHTS:					
Fair value, beginning of period	\$ 42,243	\$ 57,109	\$ 51,492	\$ 55,294	\$ 64,643
Additions to mortgage servicing rights:					
Originations of servicing assets	4,297	3,079	4,025	3,410	2,790
Changes in fair value:					
Due to payoffs/paydowns	(3,144)	(2,506)	(2,323)	(2,542)	(2,739)
Due to change in valuation inputs or assumptions used in the valuation model	(2,575)	(15,438)	3,915	(4,669)	(9,399)
Other changes in fair value	-	(1)	-	(1)	(1)
Fair value, end of period	<u>\$ 40,821</u>	<u>\$ 42,243</u>	<u>\$ 57,109</u>	<u>\$ 51,492</u>	<u>\$ 55,294</u>
MORTGAGE BANKING REVENUE:					
Production revenue:					
Origination	\$ 30,194	\$ 17,906	\$ 4,326	\$ 8,922	\$ 7,016
Servicing	4,880	5,153	4,935	4,903	4,890
Payoffs/Paydowns	(3,144)	(2,506)	(2,323)	(2,542)	(2,739)
Total production revenue	<u>31,930</u>	<u>20,553</u>	<u>6,938</u>	<u>11,283</u>	<u>9,167</u>
Market value adjustment on MSR	(2,575)	(15,438)	3,915	(4,669)	(9,399)
Market value adjustment on MSR Hedge	202	4,355	(751)	675	583
Total mortgage banking revenue	<u>\$ 29,557</u>	<u>\$ 9,470</u>	<u>\$ 10,102</u>	<u>\$ 7,289</u>	<u>\$ 351</u>
Mortgage loans serviced	\$ 7,000,425	\$ 6,999,383	\$ 6,898,195	\$ 6,799,186	\$ 6,749,416
MSR/mtg loans serviced	0.58%	0.60%	0.83%	0.76%	0.82%
AVAILABLE-FOR-SALE SECURITIES, at fair value					
U.S. Government agencies	\$ 3,348,206	\$ 3,532,905	\$ 3,599,317	\$ 2,323,159	\$ 2,283,899
U.S. Government agency issued residential mortgage-back securities	699,864	132,902	133,375	128,677	134,648
U.S. Government agency issued commercial mortgage-back securities	759,980	595,885	609,009	115,228	94,878
Obligations of states and political subdivisions	163,121	206,648	140,273	199,382	247,307
Corporate bonds	2,000	-	-	-	-
Total available-for-sale securities	<u>\$ 4,973,171</u>	<u>\$ 4,468,340</u>	<u>\$ 4,481,974</u>	<u>\$ 2,766,446</u>	<u>\$ 2,760,732</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 available to common shareholders, net operating income-excluding MSR, net operating income available to common shareholders-excluding MSR, pre-tax pre-provision net revenue, total operating expense, tangible shareholders' equity to tangible assets, tangible shareholders' equity to tangible assets-excluding PPP loans, tangible common shareholders' equity to tangible assets, tangible common shareholders' equity to tangible assets-excluding PPP loans, return on tangible equity, return on tangible common equity, operating return on tangible equity-excluding MSR, operating return on tangible common equity-excluding MSR, operating return on average assets-excluding MSR, operating return on average shareholders' equity-excluding MSR, operating return on average common shareholders' equity-excluding MSR, pre-tax pre-provision net revenue to total average assets, tangible book value per common share, operating earnings per common share, operating earnings per common 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, Net Operating Income Available to Common Shareholders, Net Operating Income-Excluding MSR, and Net Operating Income Available to Common Shareholders-excluding MSR to Net Income:

	Quarter ended					Year to Date	
	6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019	6/30/2020	6/30/2019
Net income	\$ 61,160	\$ 24,261	\$ 65,849	\$ 63,757	\$ 53,057	\$ 85,421	\$ 104,655
Plus: Merger expense, net of tax	383	3,372	4,339	3,049	2,354	3,755	3,023
Initial provision for acquired loans, net of tax	-	751	-	-	-	751	-
Less: Security gains(losses), net of tax	47	(64)	(30)	88	45	(17)	74
Net operating income	\$ 61,496	\$ 28,448	\$ 70,218	\$ 66,718	\$ 55,366	\$ 89,944	\$ 107,604
Less: Preferred dividends	2,372	2,372	-	-	-	4,744	-
Net operating income available to common shareholders	<u>\$ 59,124</u>	<u>\$ 26,076</u>	<u>\$ 70,218</u>	<u>\$ 66,718</u>	<u>\$ 55,366</u>	<u>\$ 85,200</u>	<u>\$ 107,604</u>
Net operating income	\$ 61,496	\$ 28,448	\$ 70,218	\$ 66,718	\$ 55,366	\$ 89,944	\$ 107,604
Less: MSR market value adjustment, net of tax	(1,781)	(8,318)	2,374	(2,998)	(6,616)	(10,099)	(10,270)
Net operating income-excluding MSR	\$ 63,277	\$ 36,766	\$ 67,844	\$ 69,716	\$ 61,982	\$ 100,043	\$ 117,874
Less: Preferred dividends	2,372	2,372	-	-	-	4,744	-
Net operating income available to common shareholders-excluding MSR	<u>\$ 60,905</u>	<u>\$ 34,394</u>	<u>\$ 67,844</u>	<u>\$ 69,716</u>	<u>\$ 61,982</u>	<u>\$ 95,299</u>	<u>\$ 117,874</u>

Reconciliation of Net Income to Pre-Tax Pre-Provision Net Revenue

Net income	\$ 61,160	\$ 24,261	\$ 65,849	\$ 63,757	\$ 53,057	\$ 85,421	\$ 104,655
Plus: Provision for credit losses	20,000	46,000	-	500	500	66,000	1,000
Merger expense	510	4,494	5,782	4,062	3,136	5,004	4,027
Income tax expense	18,164	5,759	17,271	18,160	15,118	23,923	29,826
Less: Security gains(losses)	62	(85)	(41)	117	59	(23)	98
MSR market value adjustment	(2,373)	(11,083)	3,164	(3,994)	(8,816)	(13,456)	(13,685)
Pre-tax pre-provision net revenue	<u>\$ 102,145</u>	<u>\$ 91,682</u>	<u>\$ 85,779</u>	<u>\$ 90,356</u>	<u>\$ 80,568</u>	<u>\$ 193,827</u>	<u>\$ 153,095</u>

Reconciliation of Total Operating Expense to Total Noninterest Expense:

Total noninterest expense	\$ 162,504	\$ 168,006	\$ 162,351	\$ 159,614	\$ 157,674	\$ 330,510	\$ 307,642
Less: Merger expense	510	4,494	5,782	4,062	3,136	5,004	4,027
Total operating expense	<u>\$ 161,994</u>	<u>\$ 163,512</u>	<u>\$ 156,569</u>	<u>\$ 155,552</u>	<u>\$ 154,538</u>	<u>\$ 325,506</u>	<u>\$ 303,615</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		
	6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019	6/30/2019	
Tangible assets							
Total assets	\$ 23,236,176	\$ 21,032,524	\$ 21,052,576	\$ 19,850,225	\$ 18,936,814	\$ 23,236,176	\$ 18,936,814
Less: Goodwill	847,984	848,242	825,679	822,093	734,473	847,984	734,473
Other identifiable intangible assets	56,989	59,345	60,008	61,100	65,930	56,989	65,930
Total tangible assets	\$ 22,331,203	\$ 20,124,937	\$ 20,166,889	\$ 18,967,032	\$ 18,136,411	\$ 22,331,203	\$ 18,136,411
Less: PPP loans	1,192,715	-	-	-	-	1,192,715	-
Total tangible assets-excluding PPP loans	\$ 21,138,488	\$ 20,124,937	\$ 20,166,889	\$ 18,967,032	\$ 18,136,411	\$ 21,138,488	\$ 18,136,411
PERIOD END BALANCES:							
Tangible shareholders' equity							
Total shareholders' equity	\$ 2,732,687	\$ 2,681,904	\$ 2,685,017	\$ 2,489,427	\$ 2,327,120	\$ 2,732,687	\$ 2,327,120
Less: Goodwill	847,984	848,242	825,679	822,093	734,473	847,984	734,473
Other identifiable intangible assets	56,989	59,345	60,008	61,100	65,930	56,989	65,930
Total tangible shareholders' equity	\$ 1,827,714	\$ 1,774,317	\$ 1,799,330	\$ 1,606,234	\$ 1,526,717	\$ 1,827,714	\$ 1,526,717
Less: Preferred stock	166,993	166,993	167,021	-	-	166,993	-
Total tangible common shareholders' equity	\$ 1,660,721	\$ 1,607,324	\$ 1,632,309	\$ 1,606,234	\$ 1,526,717	\$ 1,660,721	\$ 1,526,717
AVERAGE BALANCES:							
Tangible shareholders' equity							
Total shareholders' equity	\$ 2,738,434	\$ 2,658,699	\$ 2,572,750	\$ 2,378,882	\$ 2,298,512	\$ 2,698,567	\$ 2,255,866
Less: Goodwill	848,160	844,635	823,812	761,084	735,540	846,398	715,773
Other identifiable intangible assets	58,280	58,805	60,559	59,253	49,058	58,542	49,583
Total tangible shareholders' equity	\$ 1,831,994	\$ 1,755,259	\$ 1,688,379	\$ 1,558,545	\$ 1,513,914	\$ 1,793,627	\$ 1,490,510
Less: Preferred stock	166,993	167,021	167,021	-	-	167,000	-
Total tangible common shareholders' equity	\$ 1,665,001	\$ 1,588,238	\$ 1,521,358	\$ 1,558,545	\$ 1,513,914	\$ 1,626,627	\$ 1,490,510
Total average assets	\$ 22,707,686	\$ 21,189,637	\$ 20,243,023	\$ 19,170,926	\$ 18,637,258	\$ 21,948,661	\$ 18,337,053
Total shares of common stock outstanding	102,566,301	102,632,484	104,522,804	104,775,876	100,651,798	102,566,301	100,651,798
Average shares outstanding-diluted	102,827,225	104,733,897	105,144,032	101,493,247	100,888,164	103,780,561	100,302,641
Tangible shareholders' equity to tangible assets (1)	8.18%	8.82%	8.92%	8.47%	8.42%	8.18%	8.42%
Tangible shareholders' equity to tangible assets-excluding PPP loans (2)	8.65%	8.82%	8.92%	8.47%	8.42%	8.65%	8.42%
Tangible common shareholders' equity to tangible assets (3)	7.44%	7.99%	8.09%	8.47%	8.42%	7.44%	8.42%
Tangible common shareholders' equity to tangible assets-excluding PPP loans (4)	7.86%	7.99%	8.09%	8.47%	8.42%	7.86%	8.42%
Return on average tangible equity (5)	13.43%	5.56%	15.47%	16.23%	14.06%	9.58%	14.16%
Return on average tangible common equity (6)	14.20%	5.54%	16.19%	16.23%	14.06%	9.97%	14.16%
Operating return on average tangible equity-excluding MSR (7)	13.89%	8.42%	15.94%	17.75%	16.42%	11.22%	15.95%
Operating return on average tangible common equity-excluding MSR (8)	14.71%	8.71%	16.68%	17.75%	16.42%	11.78%	15.95%
Operating return on average assets-excluding MSR (9)	1.12%	0.70%	1.33%	1.44%	1.33%	0.92%	1.30%
Operating return on average shareholders' equity-excluding MSR (10)	9.29%	5.56%	10.46%	11.63%	10.82%	7.46%	10.54%
Operating return on average common shareholders' equity-excluding MSR (11)	9.53%	5.55%	10.78%	11.63%	10.82%	7.57%	10.54%
Pre-tax pre-provision net revenue to total average assets (12)	1.81%	1.74%	1.68%	1.87%	1.73%	1.78%	1.68%
Tangible book value per common share (13)	\$ 16.19	\$ 15.66	\$ 15.62	\$ 15.33	\$ 15.17	\$ 16.19	\$ 15.17
Operating earnings per common share (14)	\$ 0.57	\$ 0.25	\$ 0.67	\$ 0.66	\$ 0.55	\$ 0.82	\$ 1.07
Operating earnings per common share-excluding MSR (15)	\$ 0.59	\$ 0.33	\$ 0.65	\$ 0.69	\$ 0.61	\$ 0.92	\$ 1.18

- (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) Tangible shareholders' equity to tangible assets-excluding PPP loans 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, other identifiable intangible assets, and PPP loans.
- (3) Tangible common shareholders' equity to tangible assets is defined by the Company as total shareholders' equity less preferred stock, goodwill and other identifiable intangible assets, divided by the difference of total assets less goodwill and other identifiable intangible assets.
- (4) Tangible common shareholders' equity to tangible assets-excluding PPP loans is defined by the Company as total shareholders' equity less preferred stock, goodwill and other identifiable intangible assets, divided by the difference of total assets less goodwill, other identifiable intangible assets, and PPP loans.
- (5) Return on average tangible equity is defined by the Company as annualized net income divided by average tangible shareholders' equity.
- (6) Return on average tangible common equity is defined by the Company as annualized net income available to common shareholders divided by average tangible common shareholders' equity.
- (7) Operating return on average tangible equity-excluding MSR is defined by the Company as annualized net operating income-excluding MSR divided by average tangible shareholders' equity.
- (8) Operating return on average tangible common equity-excluding MSR is defined by the Company as annualized net operating income available to common shareholders-excluding MSR divided by average tangible common shareholders' equity.
- (9) Operating return on average assets-excluding MSR is defined by the Company as annualized net operating income-excluding MSR divided by total average assets.
- (10) 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.
- (11) Operating return on average common shareholders' equity-excluding MSR is defined by the Company as annualized net operating income available to common shareholders-excluding MSR divided by average common shareholders' equity.
- (12) Pre-tax pre-provision net revenue to total average assets is defined by the Company as annualized pre-tax pre-provision net revenue divided by total average assets adjusted for other non-operating items included in the definition and calculation of net operating income-excluding MSR.
- (13) Tangible book value per common share is defined by the Company as tangible common shareholders' equity divided by total shares of common stock outstanding.
- (14) Operating earnings per common share is defined by the Company as net operating income available to common shareholders divided by average common shares outstanding-diluted.
- (15) Operating earnings per common share-excluding MSR is defined by the Company as net operating income available to common shareholders-excluding MSR divided by average common 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.