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BancorpSouth Announces Third Quarter 2020 Financial Results

TUPELO, Miss., October 19, 2020/PRNewswire – BancorpSouth Bank (NYSE: BXS) (the “Company”) today announced financial results for the quarter ended September 30, 2020.

Highlights for the third quarter of 2020 included:

- Achieved record quarterly net income available to common shareholders of \$71.5 million, or \$0.69 per diluted common share, and record net operating income available to common shareholders – excluding MSR – of \$71.2 million, or \$0.69 per diluted common share.
- Recorded provision for credit losses of \$15.0 million primarily as a result of the lengthening of the anticipated recovery time for certain economic factors included in the Company’s allowance for credit losses methodology associated with the coronavirus (“COVID-19”) pandemic; net charge-offs for the quarter totaled \$1.4 million, or 0.04 percent of net loans and leases on an annualized basis.
- Generated a record \$110.0 million in pre-tax pre-provision net revenue, or 1.88 percent of average assets on an annualized basis, which represents an increase from 1.87 percent for the third quarter of 2019 and an increase from 1.81 percent for the second quarter of 2020.
- Generated total deposit and customer repo growth of \$174.9 million for the quarter, or 3.5 percent on an annualized basis.
- Mortgage production volume of \$937.7 million contributed to mortgage production and servicing revenue of \$26.7 million.
- Continued improvement in operating efficiency reflected in the decline in the operating efficiency ratio – excluding MSR – to 58.4 percent for the quarter.
- Maintained strong regulatory capital metrics; estimated total risk-based capital of 14.20 percent at September 30, 2020 compared to 11.28 percent at September 30, 2019.

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“We continue to report strong financial performance despite the lingering economic and operational impact of the COVID-19 pandemic,” remarked Dan Rollins, Chairman and Chief Executive Officer. “While the economies across our footprint have generally re-opened and most businesses are performing well, there are certain industries, including hospitality, that are still feeling the impact of the pandemic. The economic forecasts that we utilize in our reserve methodology reflect a lengthening in the anticipated economic recovery time as compared to the forecasts at the end of the second quarter. Accordingly, we recorded a provision for credit losses of \$15.0 million for the third quarter of 2020. Outside of this additional provisioning, we continue to be pleased with our operating performance. We generated a record \$110.0 million in pre-tax pre-provision net revenue for the quarter, or 1.88 percent of average assets on an annualized basis.”

“As we look more specifically at our third quarter performance, our mortgage team had another outstanding quarter generating production volume of over \$937.7 million and total production and servicing revenue of \$26.7 million. Although refinance activity remains elevated, purchase money production remains very strong, representing 61 percent of total volume for the quarter. Although loan demand has been slow following the completion of the Paycheck Protection Program (“PPP”), we had a solid quarter from a deposit growth standpoint as total deposits and customer repos increased \$174.9 million, or 3.5 percent on an annualized basis, during the third quarter. While we saw a meaningful increase in net interest income, the shift in earning asset mix resulting from the additional liquidity continues to pressure our net interest margin. Finally, our operating efficiency continues to improve as reflected in the operating efficiency ratio – excluding MSR – of 58.4 percent for the third quarter. This marks the first time our efficiency ratio has been below 60 percent for a quarter since well before the last financial crisis.”

Earnings Summary

The Company reported net income available to common shareholders of \$71.5 million, or \$0.69 per diluted common share, for the third quarter of 2020, compared with net income available to common shareholders of \$63.8 million, or \$0.63 per diluted common share, for the third quarter of 2019 and net income available to common shareholders of \$58.8 million, or \$0.57 per diluted common share, for the second quarter of 2020. The Company reported net operating income available to common shareholders – excluding MSR – of \$71.2 million, or \$0.69 per diluted common share, for the third quarter of 2020, compared with \$69.7 million, or \$0.69 per diluted common share, for the third quarter of 2019 and \$60.9 million, or \$0.59 per diluted common share, for the second quarter of 2020.

The Company reported pre-tax pre-provision net revenue of \$110.0 million, or 1.88 percent of average assets on an annualized basis, compared to \$90.4 million, or 1.87 percent of average assets on an annualized basis, for the third quarter of 2019 and \$102.1 million, or 1.81 percent of average assets, for the second quarter of 2020.

Net Interest Revenue

Net interest revenue was \$175.9 million for the third quarter of 2020, an increase of 5.6 percent from \$166.6 million for the third quarter of 2019 and an increase of 3.1 percent from \$170.6 million

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for the second quarter of 2020. The fully taxable equivalent net interest margin was 3.31 percent for the third quarter of 2020, compared with 3.88 percent for the third quarter of 2019 and 3.35 percent for the second quarter of 2020. Yields on net loans and leases were 4.54 percent for the third quarter of 2020, compared with 5.16 percent for the third quarter of 2019 and 4.59 percent for the second quarter of 2020, while yields on total interest earning assets were 3.77 percent for the third quarter of 2020, compared with 4.63 percent for the third quarter of 2019 and 3.87 percent for the second quarter of 2020. The net interest margin, excluding accretable yield, was 3.23 percent for the third quarter of 2020, compared with 3.76 percent for the third quarter of 2019 and 3.30 percent for the second quarter of 2020, while yields on net loans and leases, excluding accretable yield, were 4.44 percent for the third quarter of 2020, compared with 5.02 percent for the third quarter of 2019 and 4.53 percent for the second quarter of 2020.

The \$1.2 billion in PPP loans on the balance sheet had an adverse impact of approximately 11 basis points on the yield on net loans and leases, excluding accretable yield, for the third quarter of 2020. The average cost of deposits was 0.44 percent for the third quarter of 2020, compared with 0.71 percent for the third quarter of 2019 and 0.50 percent for the second quarter of 2020.

Balance Sheet Activity

Loans and leases, net of unearned income, decreased \$99.7 million during the third quarter of 2020. Deposits and customer repos increased \$174.9 million during the third quarter of 2020. There were no acquisitions during the third quarter of 2020. Most of the loan origination volume occurred during the second quarter of 2020, with the PPP expiring during the third quarter of 2020. In total, the Company originated and funded just over 15,000 loans totaling in excess of \$1.2 billion under the program. Over 5,000 of these loans were made to new customers of the Company.

Provision for Credit Losses and Allowance for Credit Losses

Earnings for the third quarter of 2020 reflect a provision for credit losses of \$15.0 million, compared with a provision of \$0.5 million for the third quarter of 2019 and a provision of \$20.0 million for the second quarter of 2020. Net charge-offs for the third quarter of 2020 were \$1.4 million, or 0.04 percent of net loans and leases on an annualized basis, compared with net recoveries of \$0.7 million for the third quarter of 2019 and net charge-offs of \$1.2 million for the second quarter of 2020. The allowance for credit losses was \$250.6 million, or 1.64 percent of net loans and leases, at September 30, 2020, compared with \$116.9 million, or 0.83 percent of net loans and leases, at September 30, 2019, and \$237.0 million, or 1.54 percent of net loans and leases, at June 30, 2020. The allowance for credit losses coverage, excluding the impact of PPP loans, was 1.78 percent at September 30, 2020.

The Company adopted Accounting Standards Update 2016-13 “Financial Instruments – Credit Losses” 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

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this standard impacted the comparability of credit quality and coverage metrics to all periods preceding January 1, 2020.

Total non-performing assets were \$157.3 million, or 1.03 percent of net loans and leases, at September 30, 2020, compared with \$116.0 million, or 0.82 percent of net loans and leases, at September 30, 2019, and \$155.4 million, or 1.01 percent of net loans and leases, at June 30, 2020. Other real estate owned was \$6.4 million at September 30, 2020, compared with \$7.9 million at September 30, 2019 and \$7.2 million at June 30, 2020.

Noninterest Revenue

Noninterest revenue was \$89.9 million for the third quarter of 2020, compared with \$75.4 million for the third quarter of 2019 and \$91.3 million for the second quarter of 2020. These results include a positive mortgage servicing rights (“MSR”) valuation adjustment of \$0.4 million for the third quarter of 2020, compared with a negative MSR valuation adjustment of \$4.0 million for the third quarter of 2019 and a negative MSR valuation adjustment of \$2.4 million for the second 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 \$26.7 million for the third quarter of 2020, compared with \$11.3 million for the third quarter of 2019 and \$31.9 million for the second quarter of 2020. Mortgage origination volume for the third quarter of 2020 was \$937.7 million, compared with \$536.1 million for the third quarter of 2019 and \$989.0 million for the second quarter of 2020. Home purchase money volume was \$568.4 million for the third quarter of 2020, compared with \$353.9 million for the third quarter of 2019 and \$522.6 million for the second quarter of 2020. Of the total mortgage origination volume for the third quarter of 2020, \$218.0 million was portfolio loans, compared with \$112.1 million for the third quarter of 2019 and \$251.7 million for the second quarter of 2020.

Credit card, debit card, and merchant fee revenue was \$9.9 million for the third quarter of 2020, compared with \$9.8 million for the third quarter of 2019 and \$9.1 million for the second quarter of 2020. Deposit service charge revenue was \$8.9 million for the third quarter of 2020, compared with \$11.9 million for the third quarter of 2019 and \$7.6 million for the second quarter of 2020. Wealth management revenue was \$6.5 million for the third quarter of 2020, compared with \$6.7 million for the third quarter of 2019 and \$6.4 million for the second quarter of 2020. Insurance commission revenue was \$32.8 million for the third quarter of 2020, compared with \$31.5 million for the third quarter of 2019 and \$33.1 million for the second quarter of 2020. Other noninterest revenue was \$4.8 million for the third quarter of 2020, compared with \$8.1 million for the third quarter of 2019 and \$5.4 million for the second quarter of 2020.

Noninterest Expense

Noninterest expense for the third quarter of 2020 was \$155.5 million, compared with \$159.6 million for the third quarter of 2019 and \$162.5 million for the second quarter of 2020. Salaries and employee benefits expense was \$104.2 million for the third quarter of 2020, compared with

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\$101.2 million for the third quarter of 2019 and \$108.1 million for the second quarter of 2020. Occupancy expense was \$13.1 million for the third quarter of 2020, compared with \$12.3 million for the third quarter of 2019 and \$12.9 million for the second quarter of 2020. Other noninterest expense was \$32.2 million for the third quarter of 2020, compared with \$39.4 million for the third quarter of 2019 and \$34.8 million for the second quarter of 2020. Additionally, merger-related expense for the third quarter of 2020 was \$0.1 million, compared with merger-related expense of \$4.1 million for the third quarter of 2019 and \$0.5 million for the second quarter of 2020.

Capital Management

The Company's ratio of shareholders' equity to assets was 11.81 percent at September 30, 2020, compared with 12.54 percent at September 30, 2019 and 11.76 percent at June 30, 2020. The ratio of tangible common shareholders' equity to tangible assets was 7.56 percent at September 30, 2020, compared with 8.47 percent at September 30, 2019 and 7.44 percent at June 30, 2020. The \$1.2 billion in PPP loans had an adverse impact of approximately 43 basis points on tangible common shareholders' equity to tangible assets at September 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 third quarter of 2020, the Company did not repurchase any shares of its common stock pursuant to its share repurchase program. As of September 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.

Estimated regulatory capital ratios at September 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 September 30, 2020, with Tier 1 risk-based capital of 11.65 percent and total risk-based capital of 14.20 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 look to the remainder of 2020 and into 2021, we will not be immune to the headwinds facing our industry and our nation's economy. While we expect our mortgage

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operation to continue to provide a significant component of our revenue, it's not reasonable to believe that production volume can remain at the level that we have seen thus far in 2020. In addition, it's inevitable there will be some customers experience financial hardships as the economic impact of this pandemic continues. Beyond continuing to ensure we protect the health of our teammates and customers, monitoring credit quality and working through issues with our customers will be our top priority. Given the changes in customer behavior as well as lessons learned through this pandemic, banks like ours will need to continue to automate processes and rethink the workplace while ensuring the customer experience is a top priority. As we work through our 2021 strategic planning and budgeting process, our team is working diligently to identify ways to improve our cost structure including continued investments in technology as well as an enhanced focus on optimizing our branch structure. I'm confident that the strength of both our balance sheet and capital position will aid us in navigating this economic cycle and continuing to improve shareholder value."

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.

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

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customer experience and supporting the communities it serves. Lastly, as a Small Business Administration (“SBA”) Preferred Lender, the Company actively participated 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, 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 third quarter 2020 financial results on October 20, 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 \$24 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

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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 collateral dependent, real estate values, fully-indexed interest rates, interest rate risk, interest rate sensitivity, the impact of interest rates on loan yields, calculation of economic value of equity, impaired loan charge-offs, diversification of the Company’s revenue stream, the growth of the Company’s insurance business and commission revenue, the growth of the Company’s customer base and loan, deposit and fee revenue sources, liquidity needs and strategies, the ability of the Company to access successfully the capital and credit markets when needed or as desired, sources of funding, 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.

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.

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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 9/30/2020	Quarter Ended 6/30/2020	Quarter Ended 3/31/2020	Quarter Ended 12/31/2019	Quarter Ended 9/30/2019	Year to Date 9/30/2020	Year to Date 9/30/2019
Earnings Summary:							
Interest revenue	\$ 200,670	\$ 197,472	\$ 202,064	\$ 203,812	\$ 199,004	\$ 600,206	\$ 571,200
Interest expense	24,739	26,902	34,534	33,038	32,405	86,175	92,030
Net interest revenue	175,931	170,570	167,530	170,774	166,599	514,031	479,170
Provision for credit losses	15,000	20,000	46,000	-	500	81,000	1,500
Net interest revenue, after provision for credit losses	160,931	150,570	121,530	170,774	166,099	433,031	477,670
Noninterest revenue	89,924	91,258	76,496	74,697	75,432	257,678	205,984
Noninterest expense	155,505	162,504	168,006	162,351	159,614	486,015	467,256
Income before income taxes	95,350	79,324	30,020	83,120	81,917	204,694	216,398
Income tax expense	21,525	18,164	5,759	17,271	18,160	45,448	47,986
Net income	\$ 73,825	\$ 61,160	\$ 24,261	\$ 65,849	\$ 63,757	\$ 159,246	\$ 168,412
Less: Preferred dividends	2,372	2,372	2,372	-	-	7,116	-
Net income available to common shareholders	\$ 71,453	\$ 58,788	\$ 21,889	\$ 65,849	\$ 63,757	\$ 152,130	\$ 168,412
Balance Sheet - Period End Balances							
Total assets	\$ 23,555,422	\$ 23,236,176	\$ 21,032,524	\$ 21,052,576	\$ 19,850,225	\$ 23,555,422	\$ 19,850,225
Total earning assets	21,340,371	21,119,073	18,939,750	18,891,021	17,619,053	21,340,371	17,619,053
Total securities	5,659,785	4,973,171	4,468,340	4,481,974	2,766,446	5,659,785	2,766,446
Loans and leases, net of unearned income	15,327,735	15,427,421	14,224,645	14,089,683	14,120,783	15,327,735	14,120,783
Allowance for credit losses	250,624	237,025	218,199	119,066	116,908	250,624	116,908
Net book value of acquired loans (included in loans and leases above)	1,320,671	1,510,008	1,661,329	1,628,265	1,845,056	1,320,671	1,845,056
Paycheck protection program (PPP) loans (included in loans and leases above)	1,212,246	1,192,715	-	-	-	1,212,246	-
Remaining loan mark on acquired loans	16,198	19,977	22,286	46,240	53,137	16,198	53,137
Total deposits	19,412,979	19,179,486	16,887,916	16,410,699	16,025,756	19,412,979	16,025,756
Total deposits and securities sold under agreement to repurchase	20,024,434	19,849,502	17,426,878	16,924,121	16,555,544	20,024,434	16,555,544
Long-term debt	4,508	4,615	4,721	5,053	5,161	4,508	5,161
Junior subordinated debt securities	297,074	296,898	296,723	296,547	-	297,074	-
Total shareholders' equity	2,782,539	2,732,687	2,681,904	2,685,017	2,489,427	2,782,539	2,489,427
Common shareholders' equity	2,615,546	2,565,694	2,514,911	2,517,996	2,489,427	2,615,546	2,489,427
Balance Sheet - Average Balances							
Total assets	\$ 23,318,877	\$ 22,707,686	\$ 21,189,637	\$ 20,243,023	\$ 19,170,926	\$ 22,408,734	\$ 18,618,066
Total earning assets	21,241,896	20,594,889	19,113,449	18,125,676	17,148,574	20,320,121	16,669,610
Total securities	5,309,982	4,437,614	4,461,298	3,555,014	2,738,691	4,738,392	2,725,595
Loans and leases, net of unearned income	15,369,684	15,114,732	14,226,788	14,061,118	13,726,755	14,905,435	13,453,898
PPP loans (included in loans and leases above)	1,207,097	975,029	-	-	-	729,126	-
Total deposits	19,258,930	18,454,472	16,905,229	16,218,715	15,509,511	18,210,053	15,015,973
Total deposits and securities sold under agreement to repurchase	19,940,330	19,098,599	17,446,936	16,748,932	16,017,069	18,832,679	15,499,616
Long-term debt	4,592	4,699	4,800	5,138	5,303	4,697	5,509
Junior subordinated debt securities	296,969	296,793	296,617	135,535	-	296,794	-
Total shareholders' equity	2,729,870	2,738,434	2,658,699	2,572,750	2,378,882	2,709,077	2,297,322
Common shareholders' equity	2,562,877	2,571,441	2,491,678	2,498,033	2,378,882	2,542,075	2,297,322
Nonperforming Assets:							
Non-accrual loans and leases	\$ 122,108	\$ 126,753	\$ 110,074	\$ 78,796	\$ 76,383	\$ 122,108	\$ 76,383
Loans and leases 90+ days past due, still accruing	17,641	9,877	7,272	17,531	16,659	17,641	16,659
Restructured loans and leases, still accruing	11,154	11,575	11,284	15,184	15,033	11,154	15,033
Non-performing loans (NPLs)	150,903	148,205	128,630	111,511	108,075	150,903	108,075
Other real estate owned	6,397	7,164	9,200	6,746	7,929	6,397	7,929
Non-performing assets (NPAs)	\$ 157,300	\$ 155,369	\$ 137,830	\$ 118,257	\$ 116,004	\$ 157,300	\$ 116,004
Financial Ratios and Other Data:							
Return on average assets	1.26%	1.08%	0.46%	1.29%	1.32%	0.95%	1.21%
Operating return on average assets-excluding MSR*	1.26%	1.12%	0.70%	1.33%	1.44%	1.03%	1.35%
Return on average shareholders' equity	10.76%	8.98%	3.67%	10.15%	10.63%	7.85%	9.80%
Operating return on average shareholders' equity-excluding MSR*	10.72%	9.29%	5.56%	10.46%	11.63%	8.56%	10.92%
Return on average common shareholders' equity	11.09%	9.19%	3.53%	10.46%	10.63%	7.99%	9.80%
Operating return on average common shareholders' equity-excluding MSR*	11.05%	9.53%	5.55%	10.78%	11.63%	8.75%	10.92%
Return on average tangible equity*	16.08%	13.43%	5.56%	15.47%	16.23%	11.79%	14.88%
Operating return on average tangible equity-excluding MSR*	16.03%	13.89%	8.42%	15.94%	17.75%	12.85%	16.57%
Return on average tangible common equity*	17.13%	14.20%	5.54%	16.19%	16.23%	12.41%	14.88%
Operating return on average tangible common equity-excluding MSR*	17.08%	14.71%	8.71%	16.68%	17.75%	13.58%	16.57%
Pre-tax pre-provision net revenue to total average assets*	1.88%	1.81%	1.74%	1.68%	1.87%	1.81%	1.75%
Noninterest income to average assets	1.53%	1.62%	1.45%	1.46%	1.56%	1.54%	1.48%
Noninterest expense to average assets	2.65%	2.88%	3.19%	3.18%	3.30%	2.90%	3.36%
Net interest margin-fully taxable equivalent	3.31%	3.35%	3.54%	3.76%	3.88%	3.39%	3.87%
Net interest margin-fully taxable equivalent, excluding net accretion on acquired loans and leases	3.23%	3.30%	3.48%	3.61%	3.76%	3.33%	3.76%
Net interest rate spread	3.06%	3.08%	3.24%	3.44%	3.56%	3.12%	3.56%
Efficiency ratio (tax equivalent)*	58.36%	61.89%	68.65%	65.92%	65.68%	62.81%	67.90%
Operating efficiency ratio-excluding MSR (tax equivalent)*	58.41%	61.16%	63.89%	64.39%	63.01%	61.12%	65.07%
Loan/deposit ratio	78.96%	80.44%	84.23%	85.86%	88.11%	78.96%	88.11%
Price to earnings multiple (close)	9.18	11.15	9.46	13.60	13.77	9.18	13.77
Market value to common book value	75.99%	90.91%	77.21%	130.38%	124.62%	75.99%	124.62%
Market value to common book value (avg)	83.75%	84.79%	107.86%	128.18%	120.12%	90.07%	122.35%
Market value to common tangible book value	116.01%	140.44%	120.81%	201.13%	193.15%	116.01%	193.15%
Market value to common tangible book value (avg)	127.86%	130.99%	168.76%	197.74%	186.17%	137.50%	189.63%
Employee FTE	4,691	4,742	4,737	4,693	4,674	4,691	4,674

*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 9/30/2020	Quarter Ended 6/30/2020	Quarter Ended 3/31/2020	Quarter Ended 12/31/2019	Quarter Ended 9/30/2019	Year to Date 9/30/2020	Year to Date 9/30/2019
Credit Quality Ratios:							
Net charge-offs(recoveries) to average loans and leases (annualized)	0.04%	0.03%	0.39%	(0.06%)	(0.02%)	0.15%	0.05%
Provision for credit losses to average loans and leases (annualized)	0.39%	0.53%	1.30%	0.00%	0.01%	0.73%	0.01%
Allowance for credit losses to net loans and leases	1.64%	1.54%	1.53%	0.85%	0.83%	1.64%	0.83%
Allowance for credit losses to net loans and leases, excluding PPP loans	1.78%	1.67%	1.53%	0.85%	0.83%	1.78%	0.83%
Allowance for credit losses to non-performing loans and leases	166.08%	159.93%	169.63%	106.78%	108.17%	166.08%	108.17%
Allowance for credit losses to non-performing assets	159.33%	152.56%	158.31%	100.68%	100.78%	159.33%	100.78%
Non-performing loans and leases to net loans and leases	0.98%	0.96%	0.90%	0.79%	0.77%	0.98%	0.77%
Non-performing loans and leases to net loans and leases, excluding acquired loans and leases	0.74%	0.63%	0.64%	0.65%	0.66%	0.74%	0.66%
Non-performing assets to net loans and leases	1.03%	1.01%	0.97%	0.84%	0.82%	1.03%	0.82%
Non-performing assets to net loans and leases, excluding acquired loans and leases	0.78%	0.68%	0.68%	0.68%	0.69%	0.78%	0.69%
Equity Ratios:							
Total shareholders' equity to total assets	11.81%	11.76%	12.75%	12.75%	12.54%	11.81%	12.54%
Total common shareholders' equity to total assets	11.10%	11.04%	11.96%	11.96%	12.54%	11.10%	12.54%
Tangible shareholders' equity to tangible assets*	8.30%	8.18%	8.82%	8.92%	8.47%	8.30%	8.47%
Tangible shareholders' equity to tangible assets-excluding PPP loans*	8.77%	8.65%	8.82%	8.92%	8.47%	8.77%	8.47%
Tangible common shareholders' equity to tangible assets*	7.56%	7.44%	7.99%	8.09%	8.47%	7.56%	8.47%
Tangible common shareholders' equity to tangible assets-excluding PPP loans*	7.99%	7.86%	7.99%	8.09%	8.47%	7.99%	8.47%
Capital Adequacy:							
Common Equity Tier 1 capital	10.64%	10.21%	10.11%	10.57%	10.54%	10.64%	10.54%
Tier 1 capital	11.65%	11.22%	11.13%	11.60%	10.54%	11.65%	10.54%
Total capital	14.20%	13.79%	13.75%	14.17%	11.28%	14.20%	11.28%
Tier 1 leverage capital	8.59%	8.54%	8.90%	9.69%	9.14%	8.59%	9.14%
Estimated for current quarter							
Common Share Data:							
Basic earnings per share	\$ 0.70	\$ 0.57	\$ 0.21	\$ 0.63	\$ 0.63	\$ 1.47	\$ 1.68
Diluted earnings per share	0.69	0.57	0.21	0.63	0.63	1.47	1.67
Operating earnings per share*	0.70	0.57	0.25	0.67	0.66	1.51	1.73
Operating earnings per share- excluding MSR*	0.69	0.59	0.33	0.65	0.69	1.61	1.86
Cash dividends per share	0.19	0.19	0.19	0.19	0.19	0.56	0.53
Book value per share	25.50	25.01	24.50	24.09	23.76	25.50	23.76
Tangible book value per share*	16.71	16.19	15.66	15.62	15.33	16.71	15.33
Market value per share (last)	19.38	22.74	18.92	31.41	29.61	19.38	29.61
Market value per share (high)	24.29	25.93	31.61	32.97	30.54	31.61	33.45
Market value per share (low)	18.11	17.21	17.24	28.13	26.47	17.21	25.76
Market value per share (avg)	21.36	21.21	26.43	30.88	28.54	22.97	29.07
Dividend payout ratio	26.56%	32.29%	88.20%	29.43%	29.36%	37.64%	31.31%
Total shares outstanding	102,558,459	102,566,301	102,632,484	104,522,804	104,775,876	102,558,459	104,775,876
Average shares outstanding - basic	102,564,466	102,603,525	104,354,328	104,739,906	101,168,730	103,174,106	100,428,809
Average shares outstanding - diluted	102,839,749	102,827,225	104,733,897	105,144,032	101,493,247	103,466,957	100,699,510
Yield/Rate:							
(Taxable equivalent basis)							
Loans, loans held for sale, and leases net of unearned income	4.54%	4.59%	5.00%	5.13%	5.16%	4.70%	5.13%
Loans, loans held for sale, and leases net of unearned income, excluding net accretion on acquired loans and leases	4.44%	4.53%	4.93%	4.95%	5.02%	4.62%	4.99%
Loans, loans held for sale, and leases net of unearned income, excluding net accretion on acquired loans and leases - excluding PPP loans	4.55%	4.67%	4.93%	4.95%	5.02%	4.72%	4.99%
PPP loans	3.11%	2.50%	N/A	N/A	N/A	2.84%	N/A
Available-for-sale securities:							
Taxable	1.64%	1.95%	1.99%	2.00%	2.13%	1.85%	2.09%
Tax-exempt	3.67%	3.86%	4.44%	4.69%	5.56%	3.97%	4.85%
Short-term, FHLB and other equity investments	0.19%	0.20%	1.53%	1.95%	2.41%	0.47%	2.50%
Total interest earning assets and revenue	3.77%	3.87%	4.27%	4.48%	4.63%	3.96%	4.61%
Deposits	0.44%	0.50%	0.67%	0.68%	0.71%	0.53%	0.68%
Demand - interest bearing	0.53%	0.61%	0.84%	0.88%	0.94%	0.66%	0.90%
Savings	0.18%	0.18%	0.26%	0.28%	0.28%	0.20%	0.29%
Other time	1.41%	1.54%	1.64%	1.68%	1.67%	1.53%	1.58%
Total interest bearing deposits	0.65%	0.74%	0.92%	0.96%	0.99%	0.77%	0.95%
Short-term borrowings	0.25%	0.39%	1.25%	1.51%	1.90%	0.63%	2.07%
Total interest bearing deposits and short-term borrowings	0.63%	0.71%	0.95%	1.01%	1.07%	0.76%	1.04%
Junior subordinated debt	4.24%	4.18%	4.42%	4.17%	N/A	4.44%	N/A
Long-term debt	4.85%	4.81%	4.96%	4.83%	4.93%	4.87%	4.89%
Total interest bearing liabilities and expense	0.71%	0.79%	1.03%	1.04%	1.07%	0.84%	1.05%
Interest bearing liabilities to interest earning assets	65.61%	66.65%	70.81%	69.37%	70.15%	67.58%	70.58%
Net interest tax equivalent adjustment	\$ 618	\$ 725	\$ 714	\$ 800	\$ 972	\$ 2,057	\$ 2,982

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

BancorpSouth Bank
Consolidated Balance Sheets
(Unaudited)

	Sep-20	Jun-20	Mar-20	Dec-19	Sep-19
(Dollars in thousands)					
<u>Assets</u>					
Cash and due from banks	\$ 306,164	\$ 240,354	\$ 253,495	\$ 261,773	\$ 333,108
Interest bearing deposits with other banks and Federal funds sold	39,782	318,615	29,490	71,233	466,650
Available-for-sale securities, at fair value	5,659,785	4,973,171	4,468,340	4,481,974	2,766,446
Loans and leases*	15,344,006	15,444,794	14,241,912	14,107,743	14,137,563
Less: Unearned income	16,271	17,373	17,267	18,060	16,780
Allowance for credit losses	250,624	237,025	218,199	119,066	116,908
Net loans and leases	15,077,111	15,190,396	14,006,446	13,970,617	14,003,875
Loans held for sale	304,215	391,051	194,321	210,361	229,514
Premises and equipment, net	508,149	504,748	497,669	480,901	480,819
Accrued interest receivable	110,185	101,321	70,463	65,173	62,818
Goodwill	847,531	847,984	848,242	825,679	822,093
Other identifiable intangibles	54,757	56,989	59,345	60,008	61,100
Bank owned life insurance	331,799	329,167	327,312	326,417	328,670
Other real estate owned	6,397	7,164	9,200	6,746	7,929
Other assets	309,547	275,216	268,201	291,694	287,203
Total Assets	\$ 23,555,422	\$ 23,236,176	\$ 21,032,524	\$ 21,052,576	\$ 19,850,225
<u>Liabilities</u>					
Deposits:					
Demand: Noninterest bearing	\$ 6,336,792	\$ 6,385,370	\$ 4,861,155	\$ 4,661,821	\$ 4,770,907
Interest bearing	8,170,402	7,907,637	7,268,053	7,176,934	6,745,329
Savings	2,325,980	2,234,853	2,013,343	1,937,985	1,898,813
Other time	2,579,805	2,651,626	2,745,365	2,633,959	2,610,707
Total deposits	19,412,979	19,179,486	16,887,916	16,410,699	16,025,756
Securities sold under agreement to repurchase	611,455	670,016	538,962	513,422	529,788
Federal funds purchased and other short-term borrowing	95,217	220	290,224	725,000	480,000
Accrued interest payable	15,286	13,476	17,482	15,124	13,120
Junior subordinated debt securities	297,074	296,898	296,723	296,547	-
Long-term debt	4,508	4,615	4,721	5,053	5,161
Other liabilities	336,364	338,778	314,592	401,714	306,973
Total Liabilities	20,772,883	20,503,489	18,350,620	18,367,559	17,360,798
<u>Shareholders' Equity</u>					
Preferred stock	166,993	166,993	166,993	167,021	-
Common stock	256,396	256,416	256,581	261,307	261,940
Capital surplus	565,635	561,541	558,114	605,976	611,115
Accumulated other comprehensive income (loss)	18,490	25,191	17,849	(62,663)	(50,538)
Retained earnings	1,775,025	1,722,546	1,682,367	1,713,376	1,666,910
Total Shareholders' Equity	2,782,539	2,732,687	2,681,904	2,685,017	2,489,427
Total Liabilities & Shareholders' Equity	\$ 23,555,422	\$ 23,236,176	\$ 21,032,524	\$ 21,052,576	\$ 19,850,225

*Includes \$1.212 billion and \$1.193 billion in PPP loans at September 30, 2020 and June 30, 2020.

BancorpSouth Bank
Consolidated Average Balance Sheets
(Unaudited)

	Sep-20	Jun-20	Mar-20	Dec-19	Sep-19
(Dollars in thousands)					
<u>Assets</u>					
Cash and due from banks	\$ 232,421	\$ 229,334	\$ 246,860	\$ 244,444	\$ 229,814
Interest bearing deposits with other banks and Federal funds sold	257,057	760,789	239,766	300,495	486,716
Available-for-sale securities, at fair value	5,309,982	4,437,614	4,461,298	3,555,014	2,738,691
Loans and leases*	15,386,721	15,132,600	14,244,649	14,078,793	13,743,876
Less: Unearned income	17,037	17,868	17,861	17,675	17,121
Allowance for credit losses	236,536	217,508	193,796	117,668	116,232
Net loans and leases	15,133,148	14,897,224	14,032,992	13,943,450	13,610,523
Loans held for sale	296,352	261,377	147,798	173,649	157,691
Premises and equipment, net	507,190	499,767	494,413	481,623	458,758
Accrued interest receivable	104,435	137,456	64,010	60,678	57,941
Goodwill	847,744	848,160	844,635	823,812	761,084
Other identifiable intangibles	56,045	58,280	58,805	60,559	59,253
Bank owned life insurance	330,642	328,037	326,808	328,567	319,894
Other real estate owned	7,754	8,410	8,151	7,820	6,908
Other assets	236,107	241,238	264,101	262,912	283,653
Total Assets	\$ 23,318,877	\$ 22,707,686	\$ 21,189,637	\$ 20,243,023	\$ 19,170,926
<u>Liabilities</u>					
<u>Deposits:</u>					
Demand: Noninterest bearing	\$ 6,340,942	\$ 5,942,570	\$ 4,717,202	\$ 4,803,104	\$ 4,479,698
Interest bearing	8,022,755	7,674,479	7,466,674	6,872,921	6,655,962
Savings	2,280,860	2,152,092	1,975,690	1,913,650	1,869,045
Other time	2,614,373	2,685,331	2,745,663	2,629,040	2,504,806
Total deposits	19,258,930	18,454,472	16,905,229	16,218,715	15,509,511
Securities sold under agreement to repurchase	681,400	644,127	541,707	530,217	507,558
Federal funds purchased and other short-term borrowing	36,696	269,121	502,257	487,272	487,456
Accrued interest payable	15,589	16,268	19,205	14,942	13,756
Junior subordinated debt securities	296,969	296,793	296,617	135,535	-
Long-term debt	4,592	4,699	4,800	5,138	5,303
Other liabilities	294,831	283,772	261,123	278,454	268,460
Total Liabilities	20,589,007	19,969,252	18,530,938	17,670,273	16,792,044
<u>Shareholders' Equity</u>					
Preferred stock	166,993	166,993	167,021	74,717	-
Common stock	256,412	256,515	261,065	261,905	254,881
Capital surplus	563,267	559,737	600,880	611,667	538,665
Accumulated other comprehensive income (loss)	24,758	23,016	(36,367)	(53,111)	(52,204)
Retained earnings	1,718,440	1,732,173	1,666,100	1,677,572	1,637,540
Total Shareholders' Equity	2,729,870	2,738,434	2,658,699	2,572,750	2,378,882
Total Liabilities & Shareholders' Equity	\$ 23,318,877	\$ 22,707,686	\$ 21,189,637	\$ 20,243,023	\$ 19,170,926

*Includes \$1.207 billion and \$975.0 million in PPP loans for the quarter ended September 30, 2020 and June 30, 2020.

BXS Announces Third Quarter 2020 Financial Results

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October 19, 2020

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

	Quarter Ended					Year to Date	
	Sep-20	Jun-20	Mar-20	Dec-19	Sep-19	Sep-20	Sep-19
INTEREST REVENUE:							
Loans and leases	\$ 175,810	\$ 173,164	\$ 177,019	\$ 182,269	\$ 178,729	\$ 525,993	\$ 515,156
Deposits with other banks	74	207	739	1,225	2,456	1,020	5,264
Federal funds sold, securities purchased under agreement to resell, FHLB and other equity investments	52	178	315	426	735	545	1,651
Available-for-sale securities:							
Taxable	21,280	20,783	21,508	17,241	13,759	63,571	39,419
Tax-exempt	986	1,178	1,060	1,266	1,883	3,224	5,894
Loans held for sale	2,468	1,962	1,423	1,385	1,442	5,853	3,816
Total interest revenue	<u>200,670</u>	<u>197,472</u>	<u>202,064</u>	<u>203,812</u>	<u>199,004</u>	<u>600,206</u>	<u>571,200</u>
INTEREST EXPENSE:							
Interest bearing demand	10,773	11,631	15,522	15,202	15,689	37,926	43,569
Savings	1,012	943	1,290	1,334	1,341	3,245	4,027
Other time	9,287	10,296	11,168	11,134	10,546	30,751	28,246
Federal funds purchased and securities sold under agreement to repurchase	279	291	1,436	1,591	1,857	2,006	5,604
Short-term and long-term debt	49	477	1,857	2,293	2,971	2,383	10,582
Junior subordinated debt	3,338	3,263	3,261	1,482	-	9,862	-
Other	1	1	-	2	1	2	2
Total interest expense	<u>24,739</u>	<u>26,902</u>	<u>34,534</u>	<u>33,038</u>	<u>32,405</u>	<u>86,175</u>	<u>92,030</u>
Net interest revenue	175,931	170,570	167,530	170,774	166,599	514,031	479,170
Provision for credit losses	15,000	20,000	46,000	-	500	81,000	1,500
Net interest revenue, after provision for credit losses	<u>160,931</u>	<u>150,570</u>	<u>121,530</u>	<u>170,774</u>	<u>166,099</u>	<u>433,031</u>	<u>477,670</u>
NONINTEREST REVENUE:							
Mortgage banking	27,097	29,557	9,470	10,102	7,289	66,124	9,680
Credit card, debit card and merchant fees	9,938	9,080	9,176	9,836	9,778	28,194	28,820
Deposit service charges	8,892	7,647	11,682	12,193	11,939	28,221	33,822
Security gains(losses), net	18	62	(85)	(41)	117	(5)	215
Insurance commissions	32,750	33,118	29,603	27,648	31,512	95,471	95,643
Wealth management	6,471	6,421	6,570	6,617	6,651	19,462	18,192
Other	4,758	5,373	10,080	8,342	8,146	20,211	19,612
Total noninterest revenue	<u>89,924</u>	<u>91,258</u>	<u>76,496</u>	<u>74,697</u>	<u>75,432</u>	<u>257,678</u>	<u>205,984</u>
NONINTEREST EXPENSE:							
Salaries and employee benefits	104,219	108,103	108,272	97,137	101,154	320,594	299,363
Occupancy, net of rental income	13,053	12,890	12,708	12,267	12,323	38,651	35,862
Equipment	4,519	4,762	4,649	4,725	4,676	13,930	12,987
Deposit insurance assessments	1,522	1,962	1,546	2,200	2,038	5,030	6,943
Other	32,192	34,787	40,831	46,022	39,423	107,810	112,101
Total noninterest expense	<u>155,505</u>	<u>162,504</u>	<u>168,006</u>	<u>162,351</u>	<u>159,614</u>	<u>486,015</u>	<u>467,256</u>
Income before income taxes	95,350	79,324	30,020	83,120	81,917	204,694	216,398
Income tax expense	21,525	18,164	5,759	17,271	18,160	45,448	47,986
Net income	<u>\$ 73,825</u>	<u>\$ 61,160</u>	<u>\$ 24,261</u>	<u>\$ 65,849</u>	<u>\$ 63,757</u>	<u>\$ 159,246</u>	<u>\$ 168,412</u>
Less: Preferred dividends	2,372	2,372	2,372	-	-	7,116	-
Net income available to common shareholders	<u>\$ 71,453</u>	<u>\$ 58,788</u>	<u>\$ 21,889</u>	<u>\$ 65,849</u>	<u>\$ 63,757</u>	<u>\$ 152,130</u>	<u>\$ 168,412</u>
Net income per common share: Basic	<u>\$ 0.70</u>	<u>\$ 0.57</u>	<u>\$ 0.21</u>	<u>\$ 0.63</u>	<u>\$ 0.63</u>	<u>\$ 1.47</u>	<u>\$ 1.68</u>
Diluted	<u>\$ 0.69</u>	<u>\$ 0.57</u>	<u>\$ 0.21</u>	<u>\$ 0.63</u>	<u>\$ 0.63</u>	<u>\$ 1.47</u>	<u>\$ 1.67</u>

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

	Quarter Ended				
	Sep-20	Jun-20	Mar-20	Dec-19	Sep-19
LOAN AND LEASE PORTFOLIO:					
Commercial and industrial					
Commercial and industrial-non real estate	2,937,608	3,038,957	2,008,043	1,979,507	1,887,817
Commercial and industrial-owner occupied	2,297,008	2,296,287	2,290,585	2,268,813	2,276,338
Total commercial and industrial	5,234,616	5,335,244	4,298,628	4,248,320	4,164,155
Commercial real estate					
Agricultural	333,839	333,615	339,539	337,349	347,866
Construction, acquisition and development	1,700,030	1,658,678	1,582,039	1,577,342	1,538,073
Commercial real estate	3,229,959	3,323,744	3,303,537	3,220,914	3,345,166
Total commercial real estate	5,263,828	5,316,037	5,225,115	5,135,605	5,231,105
Consumer					
Consumer mortgages	3,704,490	3,646,168	3,572,277	3,543,075	3,519,449
Home equity	658,708	655,543	686,202	683,515	678,294
Credit cards	85,760	86,592	93,896	102,559	101,213
Total consumer	4,448,958	4,388,303	4,352,375	4,329,149	4,298,956
All other	380,333	387,837	348,527	376,609	426,567
Total loans	\$ 15,327,735	\$ 15,427,421	\$ 14,224,645	\$ 14,089,683	\$ 14,120,783
ALLOWANCE FOR CREDIT LOSSES:					
Balance, beginning of period	\$ 237,025	\$ 218,199	\$ 119,066	\$ 116,908	\$ 115,691
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	(560)	(1,506)	(10,792)	(1,273)	(218)
Commercial and industrial-owner occupied	(441)	(13)	(184)	(192)	(65)
Total commercial and industrial	(1,001)	(1,519)	(10,976)	(1,465)	(283)
Commercial real estate					
Agricultural	-	(21)	(65)	(11)	-
Construction, acquisition and development	-	(9)	(3,173)	(26)	-
Commercial real estate	(738)	-	(67)	-	(49)
Total commercial real estate	(738)	(30)	(3,305)	(37)	(49)
Consumer					
Consumer mortgages	(81)	(124)	(524)	(687)	(255)
Home equity	(41)	(162)	(236)	(173)	(39)
Credit cards	(682)	(703)	(798)	(797)	(631)
Total consumer	(804)	(989)	(1,558)	(1,657)	(925)
All other	(599)	(396)	(914)	(965)	(895)
Total loans charged-off	(3,142)	(2,934)	(16,753)	(4,124)	(2,152)
Recoveries:					
Commercial and industrial					
Commercial and industrial-non real estate	294	277	355	353	835
Commercial and industrial-owner occupied	163	136	1,179	30	49
Total commercial and industrial	457	413	1,534	383	884
Commercial real estate					
Agricultural	3	6	6	4	3
Construction, acquisition and development	55	172	245	584	480
Commercial real estate	209	50	135	4,212	29
Total commercial real estate	267	228	386	4,800	512
Consumer					
Consumer mortgages	352	345	397	407	278
Home equity	132	259	80	216	731
Credit cards	270	195	285	218	224
Total consumer	754	799	762	841	1,233
All other	263	320	344	258	240
Total recoveries	1,741	1,760	3,026	6,282	2,869
Net (charge-offs)/recoveries	(1,401)	(1,174)	(13,727)	2,158	717
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	15,000	20,000	45,000	-	500
Total provision	15,000	20,000	46,000	-	500
Balance, end of period	\$ 250,624	\$ 237,025	\$ 218,199	\$ 119,066	\$ 116,908
Average loans for period	\$ 15,369,684	\$ 15,114,732	\$ 14,226,788	\$ 14,061,118	\$ 13,726,755
Ratio:					
Net charge-offs(recoveries) to average loans (annualized)	0.04%	0.03%	0.39%	(0.06%)	(0.02%)

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

	Quarter Ended				
	Sep-20	Jun-20	Mar-20	Dec-19	Sep-19
BXS ORIGINATED LOANS AND LEASES:					
Loans and leases charged off:					
Commercial and industrial					
Commercial and industrial-non real estate	\$ (490)	\$ (420)	\$ (230)	\$ (844)	\$ (185)
Commercial and industrial-owner occupied	(434)	(13)	(19)	(184)	(65)
Total commercial and industrial	<u>(924)</u>	<u>(433)</u>	<u>(249)</u>	<u>(1,028)</u>	<u>(250)</u>
Commercial real estate					
Agricultural	-	-	(65)	(6)	-
Construction, acquisition and development	-	-	(121)	(26)	-
Commercial real estate	(155)	-	(67)	-	(49)
Total real estate	<u>(155)</u>	<u>-</u>	<u>(253)</u>	<u>(32)</u>	<u>(49)</u>
Consumer					
Consumer mortgages	(70)	(113)	(357)	(648)	(255)
Home equity	(41)	(162)	(236)	(173)	(39)
Credit cards	(682)	(703)	(798)	(797)	(631)
Total consumer	<u>(793)</u>	<u>(978)</u>	<u>(1,391)</u>	<u>(1,618)</u>	<u>(925)</u>
All other	(459)	(288)	(704)	(782)	(848)
Total loans charged off	<u>(2,331)</u>	<u>(1,699)</u>	<u>(2,597)</u>	<u>(3,460)</u>	<u>(2,072)</u>
Recoveries:					
Commercial and industrial					
Commercial and industrial-non real estate	231	210	325	277	833
Commercial and industrial-owner occupied	163	136	1,177	30	49
Total commercial and industrial	<u>394</u>	<u>346</u>	<u>1,502</u>	<u>307</u>	<u>882</u>
Commercial real estate					
Agricultural	3	5	4	4	3
Construction, acquisition and development	55	170	244	583	480
Commercial real estate	208	50	135	4,212	29
Total real estate	<u>266</u>	<u>225</u>	<u>383</u>	<u>4,799</u>	<u>512</u>
Consumer					
Consumer mortgages	350	343	395	405	275
Home equity	130	258	79	215	729
Credit cards	270	195	285	218	224
Total consumer	<u>750</u>	<u>796</u>	<u>759</u>	<u>838</u>	<u>1,228</u>
All other	235	275	316	245	226
Total recoveries	<u>1,645</u>	<u>1,642</u>	<u>2,960</u>	<u>6,189</u>	<u>2,848</u>
Net (charge-offs)/recoveries	<u>\$ (686)</u>	<u>\$ (57)</u>	<u>\$ 363</u>	<u>\$ 2,729</u>	<u>\$ 776</u>

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BXS Announces Third Quarter 2020 Financial Results

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October 19, 2020

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

	Quarter Ended				
	Sep-20	Jun-20	Mar-20	Dec-19	Sep-19
ACQUIRED LOANS AND LEASES:					
Loans and leases charged off:					
Commercial and industrial					
Commercial and industrial-non real estate	\$ (70)	\$ (1,086)	\$ (10,562)	\$ (429)	\$ (33)
Commercial and industrial-owner occupied	(7)	-	(165)	(8)	-
Total commercial and industrial	(77)	(1,086)	(10,727)	(437)	(33)
Commercial real estate					
Agricultural	-	(21)	-	(5)	-
Construction, acquisition and development	-	(9)	(3,052)	-	-
Commercial real estate	(583)	-	-	-	-
Total real estate	(583)	(30)	(3,052)	(5)	-
Consumer					
Consumer mortgages	(11)	(11)	(167)	(39)	-
Home equity	-	-	-	-	-
Credit cards	-	-	-	-	-
Total consumer	(11)	(11)	(167)	(39)	-
All other	(140)	(108)	(210)	(183)	(47)
Total loans charged off	(811)	(1,235)	(14,156)	(664)	(80)
Recoveries:					
Commercial and industrial					
Commercial and industrial-non real estate	63	67	30	76	2
Commercial and industrial-owner occupied	-	-	2	-	-
Total commercial and industrial	63	67	32	76	2
Commercial real estate					
Agricultural	-	1	2	-	-
Construction, acquisition and development	-	2	1	1	-
Commercial real estate	1	-	-	-	-
Total real estate	1	3	3	1	-
Consumer					
Consumer mortgages	2	2	2	2	3
Home equity	2	1	1	1	2
Credit cards	-	-	-	-	-
Total consumer	4	3	3	3	5
All other	28	45	28	13	14
Total recoveries	96	118	66	93	21
Net (charge-offs)/recoveries	\$ (715)	\$ (1,117)	\$ (14,090)	\$ (571)	\$ (59)

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

	Quarter Ended				
	Sep-20	Jun-20	Mar-20	Dec-19	Sep-19
NON-PERFORMING ASSETS					
NON-PERFORMING LOANS AND LEASES:					
Nonaccrual Loans and Leases					
Commercial and industrial					
Commercial and industrial-non real estate	\$ 17,936	\$ 16,124	\$ 16,589	\$ 11,105	\$ 10,430
Commercial and industrial-owner occupied	18,343	16,745	11,212	7,838	7,446
Total commercial and industrial	36,279	32,869	27,801	18,943	17,876
Commercial real estate					
Agricultural	5,907	5,244	5,454	4,772	4,423
Construction, acquisition and development	10,434	9,715	13,899	6,225	2,231
Commercial real estate	32,554	45,047	29,697	16,199	16,823
Total commercial real estate	48,895	60,006	49,050	27,196	23,477
Consumer					
Consumer mortgages	32,872	30,672	29,834	28,879	31,744
Home equity	3,325	2,584	2,597	2,993	2,767
Credit cards	144	90	122	63	85
Total consumer	36,341	33,346	32,553	31,935	34,596
All other	593	532	670	722	434
Total nonaccrual loans and leases	\$ 122,108	\$ 126,753	\$ 110,074	\$ 78,796	\$ 76,383
Loans and Leases 90+ Days Past Due, Still Accruing:	17,641	9,877	7,272	17,531	16,659
Restructured Loans and Leases, Still Accruing	11,154	11,575	11,284	15,184	15,033
Total non-performing loans and leases	\$ 150,903	\$ 148,205	\$ 128,630	\$ 111,511	\$ 108,075
OTHER REAL ESTATE OWNED:	6,397	7,164	9,200	6,746	7,929
Total Non-performing Assets	\$ 157,300	\$ 155,369	\$ 137,830	\$ 118,257	\$ 116,004
BXS originated assets	\$ 109,418	\$ 94,155	\$ 85,908	\$ 78,295	\$ 84,413
Acquired assets	47,882	61,214	51,922	39,962	31,591
Total Non-performing Assets	\$ 157,300	\$ 155,369	\$ 137,830	\$ 118,257	\$ 116,004
Additions to Nonaccrual Loans and Leases During the Quarter	\$ 19,973	\$ 36,619	\$ 47,523	\$ 25,147	\$ 26,331
Loans and Leases 30-89 Days Past Due, Still Accruing:					
BXS originated loans	\$ 42,978	\$ 35,002	\$ 54,315	\$ 44,559	\$ 40,668
Acquired loans	5,694	10,450	14,405	23,054	16,741
Total Loans and Leases 30-89 days past due, still accruing	\$ 48,672	\$ 45,452	\$ 68,720	\$ 67,613	\$ 57,409

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

		September 30, 2020							
		Pass	Special Mention	Substandard	Doubtful	Loss	Impaired	Purchased Credit Deteriorated (Loss)	Total
LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:									
Commercial and industrial									
Commercial and industrial-non real estate	\$	2,875,468	\$ -	\$ 47,526	\$ 178	\$ -	\$ 3,664	\$ 10,772	\$ 2,937,608
Commercial and industrial-owner occupied		2,224,302	-	56,919	-	-	12,116	3,671	2,297,008
Total commercial and industrial		5,099,770	-	104,445	178	-	15,780	14,443	5,234,616
Commercial real estate									
Agricultural		324,010	-	7,109	-	-	725	1,995	333,839
Construction, acquisition and development		1,656,961	-	34,197	-	-	2,961	5,911	1,700,030
Commercial real estate		3,070,472	-	127,835	-	-	27,493	4,159	3,229,959
Total commercial real estate		5,051,443	-	169,141	-	-	31,179	12,065	5,263,828
Consumer									
Consumer mortgages		3,615,071	-	85,827	-	-	2,859	733	3,704,490
Home equity		651,525	-	7,183	-	-	-	-	658,708
Credit cards		85,760	-	-	-	-	-	-	85,760
Total consumer		4,352,356	-	93,010	-	-	2,859	733	4,448,958
All other									
Total loans	\$	14,877,943	\$ -	\$ 372,483	\$ 178	\$ -	\$ 49,818	\$ 27,313	\$ 15,327,735
BXS originated loans									
	\$	13,592,460	\$ -	\$ 252,875	\$ 178	\$ -	\$ 30,909	\$ -	\$ 13,876,422
Acquired loans*									
		1,285,483	-	119,608	-	-	18,909	27,313	1,451,313
Total Loans	\$	14,877,943	\$ -	\$ 372,483	\$ 178	\$ -	\$ 49,818	\$ 27,313	\$ 15,327,735

		June 30, 2020							
		Pass	Special Mention	Substandard	Doubtful	Loss	Impaired	Purchased Credit Deteriorated (Loss)	Total
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									
Total loans	\$	14,985,673	\$ 4,264	\$ 350,264	\$ 179	\$ -	\$ 57,406	\$ 29,635	\$ 15,427,421
BXS originated loans									
	\$	13,516,292	\$ 2,741	\$ 231,687	\$ 179	\$ -	\$ 28,288	\$ -	\$ 13,779,187
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

*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				
	Sep-20	Jun-20	Mar-20	Dec-19	Sep-19
LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:					
Pass	\$ 14,877,943	\$ 14,985,673	\$ 13,821,602	\$ 13,738,979	\$ 13,782,584
Special Mention	-	4,264	7,129	2,240	2,530
Substandard	372,483	350,264	323,697	298,491	280,059
Doubtful	178	179	191	194	194
Loss	-	-	667	-	-
Impaired	49,818	57,406	40,627	24,094	24,948
Purchased Credit Deteriorated (Loss)	27,313	29,635	30,732	-	-
Purchased Credit Impaired	-	-	-	25,685	30,468
Total	<u>\$ 15,327,735</u>	<u>\$ 15,427,421</u>	<u>\$ 14,224,645</u>	<u>\$ 14,089,683</u>	<u>\$ 14,120,783</u>
BXS ORIGINATED LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:					
Pass	\$ 13,592,460	\$ 13,516,292	\$ 12,150,616	\$ 12,080,336	\$ 11,901,311
Special Mention	-	2,741	2,045	-	-
Substandard	252,875	231,687	225,506	202,017	192,133
Doubtful	178	179	191	194	194
Loss	-	-	-	-	-
Impaired	30,909	28,288	22,356	17,110	24,379
Purchased Credit Deteriorated (Loss)	-	-	-	-	-
Purchased Credit Impaired	-	-	-	-	-
Total	<u>\$ 13,876,422</u>	<u>\$ 13,779,187</u>	<u>\$ 12,400,714</u>	<u>\$ 12,299,657</u>	<u>\$ 12,118,017</u>
ACQUIRED LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:					
Pass	\$ 1,285,483	\$ 1,469,381	\$ 1,670,986	\$ 1,658,643	\$ 1,881,273
Special Mention	-	1,523	5,084	2,240	2,530
Substandard	119,608	118,577	98,191	96,474	87,926
Doubtful	-	-	-	-	-
Loss	-	-	667	-	-
Impaired	18,909	29,118	18,271	6,984	569
Purchased Credit Deteriorated (Loss)	27,313	29,635	30,732	-	-
Purchased Credit Impaired	-	-	-	25,685	30,468
Total	<u>\$ 1,451,313</u>	<u>\$ 1,648,234</u>	<u>\$ 1,823,931</u>	<u>\$ 1,790,026</u>	<u>\$ 2,002,766</u>

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

September 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	\$ 275,711	\$ 237,417	\$ 352,908	\$ 739,580	\$ 78,753	\$ 189,569	\$ 1,058,826	\$ 4,844	\$ 2,937,608
Commercial and industrial-owner occupied	265,239	185,519	238,839	636,024	62,987	128,232	777,603	2,565	2,297,008
Total commercial and industrial	540,950	422,936	591,747	1,375,604	141,740	317,801	1,836,429	7,409	5,234,616
Commercial real estate									
Agricultural	26,136	70,808	24,489	71,275	7,362	10,925	122,401	443	333,839
Construction, acquisition and development	173,894	49,582	83,313	310,262	22,506	104,294	956,179	-	1,700,030
Commercial real estate	333,696	338,794	304,446	659,031	230,587	222,234	1,141,171	-	3,229,959
Total commercial real estate	533,726	459,184	412,248	1,040,568	260,455	337,453	2,219,751	443	5,263,828
Consumer									
Consumer mortgages	584,926	335,889	344,462	828,965	109,091	340,804	1,093,636	66,717	3,704,490
Home equity	102,779	46,382	79,574	227,479	16,660	145,480	40,354	-	658,708
Credit cards	-	-	-	-	-	-	-	85,760	85,760
Total consumer	687,705	382,271	424,036	1,056,444	125,751	486,284	1,133,990	152,477	4,448,958
All other	61,241	42,561	34,041	121,036	3,818	19,284	88,622	9,730	380,333
Total loans	\$ 1,823,622	\$ 1,306,952	\$ 1,462,072	\$ 3,593,652	\$ 531,764	\$ 1,160,822	\$ 5,278,792	\$ 170,059	\$ 15,327,735

Loan growth, excluding loans acquired during the quarter (annualized)	(4.20%)	(6.56%)	(10.84%)	(12.51%)	(7.10%)	1.23%	8.75%	(18.27%)	(2.57%)
Loan growth, excluding PPP loans (annualized)	(5.32%)	(6.83%)	(11.42%)	(12.95%)	(7.59%)	0.91%	8.29%	(17.53%)	(3.07%)

NON-PERFORMING LOANS AND LEASES:

Commercial and industrial									
Commercial and industrial-non real estate	\$ 582	\$ 1,363	\$ 2,160	\$ 1,742	\$ 1,799	\$ 595	\$ 10,611	\$ 225	\$ 19,077
Commercial and industrial-owner occupied	2,921	2,373	677	3,644	166	-	14,201	-	23,982
Total commercial and industrial	3,503	3,736	2,837	5,386	1,965	595	24,812	225	43,059
Commercial real estate									
Agricultural	279	618	166	999	-	-	3,850	-	5,912
Construction, acquisition and development	161	166	2,573	208	-	315	7,270	-	10,693
Commercial real estate	3,388	33	5,265	876	-	95	24,052	-	33,709
Total commercial real estate	3,828	817	8,004	2,083	-	410	35,172	-	50,314
Consumer									
Consumer mortgages	9,198	4,069	4,224	13,572	1,032	6,456	11,741	1,912	52,204
Home equity	363	258	395	996	237	1,228	387	-	3,864
Credit cards	-	-	-	-	-	-	-	817	817
Total consumer	9,561	4,327	4,619	14,568	1,269	7,684	12,128	2,729	56,885
All other	197	2	52	95	-	16	279	4	645
Total loans	\$ 17,089	\$ 8,882	\$ 15,512	\$ 22,132	\$ 3,234	\$ 8,705	\$ 72,391	\$ 2,958	\$ 150,903

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

Commercial and industrial									
Commercial and industrial-non real estate	0.21%	0.57%	0.61%	0.24%	2.28%	0.31%	1.00%	4.64%	0.65%
Commercial and industrial-owner occupied	1.10%	1.28%	0.28%	0.57%	0.26%	0.00%	1.83%	0.00%	1.04%
Total commercial and industrial	0.65%	0.88%	0.48%	0.39%	1.39%	0.19%	1.35%	3.04%	0.82%
Commercial real estate									
Agricultural	1.07%	0.87%	0.68%	1.40%	0.00%	0.00%	3.15%	0.00%	1.77%
Construction, acquisition and development	0.09%	0.33%	3.09%	0.07%	0.00%	0.30%	0.76%	N/A	0.63%
Commercial real estate	1.02%	0.01%	1.73%	0.13%	0.00%	0.04%	2.11%	N/A	1.04%
Total commercial real estate	0.72%	0.18%	1.94%	0.20%	0.00%	0.12%	1.58%	0.00%	0.96%
Consumer									
Consumer mortgages	1.57%	1.21%	1.23%	1.64%	0.95%	1.89%	1.07%	2.87%	1.41%
Home equity	0.35%	0.56%	0.50%	0.44%	1.42%	0.84%	0.96%	N/A	0.59%
Credit cards	N/A	0.95%	0.95%						
Total consumer	1.39%	1.13%	1.09%	1.38%	1.01%	1.58%	1.07%	1.79%	1.28%
All other	0.32%	0.00%	0.15%	0.08%	0.00%	0.08%	0.31%	0.04%	0.17%
Total loans	0.94%	0.68%	1.06%	0.62%	0.61%	0.75%	1.37%	1.74%	0.98%

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

	Quarter Ended					Year to Date	
	Sep-20	Jun-20	Mar-20	Dec-19	Sep-19	Sep-20	Sep-19
NONINTEREST REVENUE:							
Mortgage banking excl. MSR and MSR Hedge market value adj	\$ 26,667	\$ 31,930	\$ 20,553	\$ 6,938	\$ 11,283	\$ 79,150	\$ 27,359
MSR and MSR Hedge market value adjustment	430	(2,373)	(11,083)	3,164	(3,994)	(13,026)	(17,679)
Credit card, debit card and merchant fees	9,938	9,080	9,176	9,836	9,778	28,194	28,820
Deposit service charges	8,892	7,647	11,682	12,193	11,939	28,221	33,822
Securities gains (losses), net	18	62	(85)	(41)	117	(5)	215
Insurance commissions	32,750	33,118	29,603	27,648	31,512	95,471	95,643
Trust income	3,902	4,064	4,013	3,951	4,488	11,979	12,091
Annuity fees	53	54	55	136	184	162	694
Brokerage commissions and fees	2,516	2,303	2,502	2,530	1,979	7,321	5,407
Bank-owned life insurance	1,902	1,855	1,999	3,427	2,529	5,756	6,205
Other miscellaneous income	2,856	3,518	8,081	4,915	5,617	14,455	13,407
Total noninterest revenue	<u>\$ 89,924</u>	<u>\$ 91,258</u>	<u>\$ 76,496</u>	<u>\$ 74,697</u>	<u>\$ 75,432</u>	<u>\$ 257,678</u>	<u>\$ 205,984</u>
NONINTEREST EXPENSE:							
Salaries and employee benefits	\$ 104,219	\$ 108,103	\$ 108,272	\$ 97,137	\$ 101,154	\$ 320,594	\$ 299,363
Occupancy, net of rental income	13,053	12,890	12,708	12,267	12,323	38,651	35,862
Equipment	4,519	4,762	4,649	4,725	4,676	13,930	12,987
Deposit insurance assessments	1,522	1,962	1,546	2,200	2,038	5,030	6,943
Advertising	826	918	1,099	1,153	1,382	2,843	3,756
Foreclosed property expense	(278)	1,306	924	855	870	1,952	2,013
Telecommunications	1,462	1,512	1,461	1,504	1,400	4,435	4,159
Public relations	1,130	459	680	880	1,069	2,269	2,768
Data processing	9,477	9,693	9,646	10,041	9,066	28,816	25,476
Computer software	4,779	4,979	4,315	4,478	3,825	14,073	11,359
Amortization of intangibles	2,357	2,355	2,394	2,508	2,117	7,106	6,610
Legal	(316)	1,375	898	854	786	1,957	2,701
Merger expense	129	510	4,494	5,782	4,062	5,133	8,089
Postage and shipping	1,199	1,198	1,441	1,353	1,281	3,838	3,910
Other miscellaneous expense	11,427	10,482	13,479	16,614	13,565	35,388	41,260
Total noninterest expense	<u>\$ 155,505</u>	<u>\$ 162,504</u>	<u>\$ 168,006</u>	<u>\$ 162,351</u>	<u>\$ 159,614</u>	<u>\$ 486,015</u>	<u>\$ 467,256</u>
INSURANCE COMMISSIONS:							
Property and casualty commissions	\$ 24,060	\$ 23,644	\$ 21,246	\$ 19,994	\$ 22,643	\$ 68,950	\$ 67,310
Life and health commissions	6,072	6,771	6,175	5,979	6,116	19,018	19,453
Risk management income	609	540	532	667	564	1,681	1,773
Other	2,009	2,163	1,650	1,008	2,189	5,822	7,107
Total insurance commissions	<u>\$ 32,750</u>	<u>\$ 33,118</u>	<u>\$ 29,603</u>	<u>\$ 27,648</u>	<u>\$ 31,512</u>	<u>\$ 95,471</u>	<u>\$ 95,643</u>

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

	Quarter Ended				
	Sep-20	Jun-20	Mar-20	Dec-19	Sep-19
MORTGAGE SERVICING RIGHTS:					
Fair value, beginning of period	\$ 40,821	\$ 42,243	\$ 57,109	\$ 51,492	\$ 55,294
Additions to mortgage servicing rights:					
Originations of servicing assets	7,041	4,297	3,079	4,025	3,410
Changes in fair value:					
Due to payoffs/paydowns	(3,198)	(3,144)	(2,506)	(2,323)	(2,542)
Due to change in valuation inputs or assumptions used in the valuation model	280	(2,575)	(15,438)	3,915	(4,669)
Other changes in fair value	-	-	(1)	-	(1)
Fair value, end of period	<u>\$ 44,944</u>	<u>\$ 40,821</u>	<u>\$ 42,243</u>	<u>\$ 57,109</u>	<u>\$ 51,492</u>
MORTGAGE BANKING REVENUE:					
Production revenue:					
Origination	\$ 23,632	\$ 30,194	\$ 17,906	\$ 4,326	\$ 8,922
Servicing	6,233	4,880	5,153	4,935	4,903
Payoffs/Paydowns	(3,198)	(3,144)	(2,506)	(2,323)	(2,542)
Total production revenue	<u>26,667</u>	<u>31,930</u>	<u>20,553</u>	<u>6,938</u>	<u>11,283</u>
Market value adjustment on MSR	280	(2,575)	(15,438)	3,915	(4,669)
Market value adjustment on MSR Hedge	150	202	4,355	(751)	675
Total mortgage banking revenue	<u>\$ 27,097</u>	<u>\$ 29,557</u>	<u>\$ 9,470</u>	<u>\$ 10,102</u>	<u>\$ 7,289</u>
Mortgage loans serviced	\$ 7,218,090	\$ 7,000,425	\$ 6,999,383	\$ 6,898,195	\$ 6,799,186
MSR/mtg loans serviced	0.62%	0.58%	0.60%	0.83%	0.76%
AVAILABLE-FOR-SALE SECURITIES, at fair value					
U.S. Government agencies	\$ 3,116,458	\$ 3,348,206	\$ 3,532,905	\$ 3,599,317	\$ 2,323,159
U.S. Government agency issued residential mortgage-back securities	1,625,325	699,864	132,902	133,375	128,677
U.S. Government agency issued commercial mortgage-back securities	758,116	759,980	595,885	609,009	115,228
Obligations of states and political subdivisions	141,896	163,121	206,648	140,273	199,382
Corporate bonds	17,990	2,000	-	-	-
Total available-for-sale securities	<u>\$ 5,659,785</u>	<u>\$ 4,973,171</u>	<u>\$ 4,468,340</u>	<u>\$ 4,481,974</u>	<u>\$ 2,766,446</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	
	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019	9/30/2020	9/30/2019
Net income	\$ 73,825	\$ 61,160	\$ 24,261	\$ 65,849	\$ 63,757	\$ 159,246	\$ 168,412
Plus: Merger expense, net of tax	97	383	3,372	4,339	3,049	3,852	6,072
Initial provision for acquired loans, net of tax	-	-	751	-	-	751	-
Less: Security gains(losses), net of tax	13	47	(64)	(30)	88	(4)	162
Net operating income	\$ 73,909	\$ 61,496	\$ 28,448	\$ 70,218	\$ 66,718	\$ 163,853	\$ 174,322
Less: Preferred dividends	2,372	2,372	2,372	-	-	7,116	-
Net operating income available to common shareholders	\$ 71,537	\$ 59,124	\$ 26,076	\$ 70,218	\$ 66,718	\$ 156,737	\$ 174,322
Net operating income	\$ 73,909	\$ 61,496	\$ 28,448	\$ 70,218	\$ 66,718	\$ 163,853	\$ 174,322
Less: MSR market value adjustment, net of tax	323	(1,781)	(8,318)	2,374	(2,998)	(9,776)	(13,268)
Net operating income-excluding MSR	\$ 73,586	\$ 63,277	\$ 36,766	\$ 67,844	\$ 69,716	\$ 173,629	\$ 187,590
Less: Preferred dividends	2,372	2,372	2,372	-	-	7,116	-
Net operating income available to common shareholders-excluding MSR	\$ 71,214	\$ 60,905	\$ 34,394	\$ 67,844	\$ 69,716	\$ 166,513	\$ 187,590

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

Net income	\$ 73,825	\$ 61,160	\$ 24,261	\$ 65,849	\$ 63,757	\$ 159,246	\$ 168,412
Plus: Provision for credit losses	15,000	20,000	46,000	-	500	81,000	1,500
Merger expense	129	510	4,494	5,782	4,062	5,133	8,089
Income tax expense	21,525	18,164	5,759	17,271	18,160	45,448	47,986
Less: Security gains(losses)	18	62	(85)	(41)	117	(5)	215
MSR market value adjustment	430	(2,373)	(11,083)	3,164	(3,994)	(13,026)	(17,679)
Pre-tax pre-provision net revenue	\$ 110,031	\$ 102,145	\$ 91,682	\$ 85,779	\$ 90,356	\$ 303,858	\$ 243,451

Reconciliation of Total Operating Expense to Total Noninterest Expense:

Total noninterest expense	\$ 155,505	\$ 162,504	\$ 168,006	\$ 162,351	\$ 159,614	\$ 486,015	\$ 467,256
Less: Merger expense	129	510	4,494	5,782	4,062	5,133	8,089
Total operating expense	\$ 155,376	\$ 161,994	\$ 163,512	\$ 156,569	\$ 155,552	\$ 480,882	\$ 459,167

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

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

	Quarter ended				Year to Date		
	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019	9/30/2019	
Tangible assets							
Total assets	\$ 23,555,422	\$ 23,236,176	\$ 21,032,524	\$ 21,052,576	\$ 19,850,225	\$ 23,555,422	\$ 19,850,225
Less: Goodwill	847,531	847,984	848,242	825,679	822,093	847,531	822,093
Other identifiable intangible assets	54,757	56,989	59,345	60,008	61,100	54,757	61,100
Total tangible assets	\$ 22,653,134	\$ 22,331,203	\$ 20,124,937	\$ 20,166,889	\$ 18,967,032	\$ 22,653,134	\$ 18,967,032
Less: PPP loans	1,212,246	1,192,715	-	-	-	1,212,246	-
Total tangible assets-excluding PPP loans	\$ 21,440,888	\$ 21,138,488	\$ 20,124,937	\$ 20,166,889	\$ 18,967,032	\$ 21,440,888	\$ 18,967,032
PERIOD END BALANCES:							
Tangible shareholders' equity							
Total shareholders' equity	\$ 2,782,539	\$ 2,732,687	\$ 2,681,904	\$ 2,685,017	\$ 2,489,427	\$ 2,782,539	\$ 2,489,427
Less: Goodwill	847,531	847,984	848,242	825,679	822,093	847,531	822,093
Other identifiable intangible assets	54,757	56,989	59,345	60,008	61,100	54,757	61,100
Total tangible shareholders' equity	\$ 1,880,251	\$ 1,827,714	\$ 1,774,317	\$ 1,799,330	\$ 1,606,234	\$ 1,880,251	\$ 1,606,234
Less: Preferred stock	166,993	166,993	166,993	167,021	-	166,993	-
Total tangible common shareholders' equity	\$ 1,713,258	\$ 1,660,721	\$ 1,607,324	\$ 1,632,309	\$ 1,606,234	\$ 1,713,258	\$ 1,606,234
AVERAGE BALANCES:							
Tangible shareholders' equity							
Total shareholders' equity	\$ 2,729,870	\$ 2,738,434	\$ 2,658,699	\$ 2,572,750	\$ 2,378,882	\$ 2,709,077	\$ 2,297,322
Less: Goodwill	847,744	848,160	844,635	823,812	761,084	846,850	731,043
Other identifiable intangible assets	56,045	58,280	58,805	60,559	59,253	57,704	52,842
Total tangible shareholders' equity	\$ 1,826,081	\$ 1,831,994	\$ 1,755,259	\$ 1,688,379	\$ 1,558,545	\$ 1,804,523	\$ 1,513,437
Less: Preferred stock	166,993	166,993	167,021	74,717	-	167,002	-
Total tangible common shareholders' equity	\$ 1,659,088	\$ 1,665,001	\$ 1,588,238	\$ 1,613,662	\$ 1,558,545	\$ 1,637,521	\$ 1,513,437
Total average assets	\$ 23,318,877	\$ 22,707,686	\$ 21,189,637	\$ 20,243,023	\$ 19,170,926	\$ 22,408,734	\$ 18,618,066
Total shares of common stock outstanding	102,558,459	102,566,301	102,632,484	104,522,804	104,775,876	102,558,459	104,775,876
Average shares outstanding-diluted	102,839,749	102,827,225	104,733,897	105,144,032	101,493,247	103,466,957	100,699,510
Tangible shareholders' equity to tangible assets (1)	8.30%	8.18%	8.82%	8.92%	8.47%	8.30%	8.47%
Tangible shareholders' equity to tangible assets-excluding PPP loans (2)	8.77%	8.65%	8.82%	8.92%	8.47%	8.77%	8.47%
Tangible common shareholders' equity to tangible assets (3)	7.56%	7.44%	7.99%	8.09%	8.47%	7.56%	8.47%
Tangible common shareholders' equity to tangible assets-excluding PPP loans (4)	7.99%	7.86%	7.99%	8.09%	8.47%	7.99%	8.47%
Return on average tangible equity (5)	16.08%	13.43%	5.56%	15.47%	16.23%	11.79%	14.88%
Return on average tangible common equity (6)	17.13%	14.20%	5.54%	16.19%	16.23%	12.41%	14.88%
Operating return on average tangible equity-excluding MSR (7)	16.03%	13.89%	8.42%	15.94%	17.75%	12.85%	16.57%
Operating return on average tangible common equity-excluding MSR (8)	17.08%	14.71%	8.71%	16.68%	17.75%	13.58%	16.57%
Operating return on average assets-excluding MSR (9)	1.26%	1.12%	0.70%	1.33%	1.44%	1.03%	1.35%
Operating return on average shareholders' equity-excluding MSR (10)	10.72%	9.29%	5.56%	10.46%	11.63%	8.56%	10.92%
Operating return on average common shareholders' equity-excluding MSR (11)	11.05%	9.53%	5.55%	10.78%	11.63%	8.75%	10.92%
Pre-tax pre-provision net revenue to total average assets (12)	1.88%	1.81%	1.74%	1.68%	1.87%	1.81%	1.75%
Tangible book value per common share (13)	\$ 16.71	\$ 16.19	\$ 15.66	\$ 15.62	\$ 15.33	\$ 16.71	\$ 15.33
Operating earnings per common share (14)	\$ 0.70	\$ 0.57	\$ 0.25	\$ 0.67	\$ 0.66	\$ 1.51	\$ 1.73
Operating earnings per common share-excluding MSR (15)	\$ 0.69	\$ 0.59	\$ 0.33	\$ 0.65	\$ 0.69	\$ 1.61	\$ 1.86

- (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.