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BancorpSouth Announces Second Quarter 2021 Results

TUPELO, Miss., July 21, 2021/PRNewswire – BancorpSouth Bank (NYSE: BXS) (the “Company”) today announced financial results for the quarter ended June 30, 2021.

Highlights for the second quarter of 2021 included:

- Achieved quarterly net income available to common shareholders of \$73.2 million, or \$0.69 per diluted common share, and record net operating income available to common shareholders – excluding MSR – of \$90.6 million, or \$0.86 per diluted common share.
- Generated \$119.9 million in pre-tax pre-provision net revenue (PPNR), or 1.80 percent of average assets on an annualized basis.
- Credit quality indicators continued to improve as evidenced by a decline of \$8.9 million, or 8.1 percent, in total non-performing assets; provision for credit losses of \$11.5 million driven primarily by day one accounting provision requirements associated with loans acquired during the quarter.
- Generated organic total deposit and customer repo growth of \$224.4 million for the quarter, or 4.1 percent on an annualized basis, and total organic net loan growth of approximately \$65.0 million.
- Sold 12,289 Paycheck Protection Program (PPP) loans totaling \$725.4 million, which generated a gain on sale of \$21.6 million; received PPP forgiveness payments totaling \$347.1 million during the quarter.
- Maintained strong regulatory capital metrics; estimated total risk-based capital of 14.57 percent at June 30, 2021 compared to 14.65 percent at March 31, 2021.
- Completed transactions with National United Bancshares, Inc., the parent company of National United, and FNS Bancshares, Inc., the parent company of FNB Bank, effective May 1, 2021, which add approximately \$1.6 billion in total assets to the Company.

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- Announced the signing of a merger agreement with Cadence Bancorporation, the parent company of Cadence Bank N.A., which creates a \$46 billion institution on a pro forma basis that will be the 5th largest bank headquartered in the Company's nine-state footprint.

“While we aren't immune to the balance sheet and margin dynamics impacting the industry, we continue to report strong financial results,” remarked Dan Rollins, Chairman and Chief Executive Officer. “Second quarter was another record quarter from an operating earnings standpoint. Consistent with the last several quarters, we reported meaningful organic deposit growth, improvement in our credit quality indicators, and a stable core expense base. We generated net organic loan growth for the first time since the second quarter of 2019. In addition, our insurance brokerage team had a great quarter from a revenue growth perspective.”

“As we look at other highlights for the quarter, we sold \$725.4 million in PPP loans, which resulted in a gain on sale of \$21.6 million. In addition we received forgiveness payments totaling \$347.1 million which, combined with the loan sale, resulted in less than \$170 million in PPP loans remaining on the balance sheet at quarter end. This will allow our frontline team to return to critical sales and customer service activities including prospecting and building customer relationships. We are also pleased to have completed both the closing and operational integration of our transactions with National United Bancshares, Inc. and FNS Bancshares, Inc. These teams have made a seamless transition to our Company and will be an integral part of our growth efforts going forward.”

Earnings Summary

The Company reported net income available to common shareholders of \$73.2 million, or \$0.69 per diluted common share, for the second quarter of 2021, compared with net income available to common shareholders of \$58.8 million, or \$0.57 per diluted common share, for the second quarter of 2020 and net income available to common shareholders of \$79.2 million, or \$0.77 per diluted common share, for the first quarter of 2021. The Company reported net operating income available to common shareholders – excluding MSR – of \$90.6 million, or \$0.86 per diluted common share, for the second quarter of 2021, compared with \$60.9 million, or \$0.59 per diluted common share, for the second quarter of 2020 and \$74.8 million, or \$0.73 per diluted common share, for the first quarter of 2021.

The Company reported PPNR of \$119.9 million, or 1.80 percent of average assets on an annualized basis, for the second quarter of 2021 compared to \$102.1 million, or 1.81 percent of average assets on an annualized basis, for the second quarter of 2020 and \$99.1 million, or 1.64 percent of average assets on an annualized basis, for the first quarter of 2021.

Net Interest Revenue

Net interest revenue was \$180.2 million for the second quarter of 2021, an increase of 5.6 percent from \$170.6 million for the second quarter of 2020 and an increase of 4.3 percent from \$172.8 million for the first quarter of 2021. The fully taxable equivalent net interest margin was 2.99 percent for the second quarter of 2021, compared with 3.35 percent for the second quarter of 2020

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and 3.15 percent for the first quarter of 2021. Yields on net loans and leases were 4.43 percent for the second quarter of 2021, compared with 4.59 percent for the second quarter of 2020 and 4.53 percent for the first quarter of 2021, while yields on total interest earning assets were 3.31 percent for the second quarter of 2021, compared with 3.87 percent for the second quarter of 2020 and 3.51 percent for the first quarter of 2021. The net interest margin, excluding accretable yield, was 2.94 percent for the second quarter of 2021, compared with 3.30 percent for the second quarter of 2020 and 3.08 percent for the first quarter of 2021, while yields on net loans and leases, excluding accretable yield, were 4.35 percent for the second quarter of 2021, compared with 4.53 percent for the second quarter of 2020 and 4.43 percent for the first quarter of 2021.

PPP loans had an adverse impact of approximately four basis points on the yield on net loans and leases, excluding accretable yield, for the second quarter of 2021. Net interest income for the second quarter of 2021 included approximately \$3.7 million of accelerated PPP fee income recognition resulting from the payoff of loans that were forgiven by the SBA during the quarter. The average cost of deposits was 0.27 percent for the second quarter of 2021, compared with 0.50 percent for the second quarter of 2020 and 0.33 percent for the first quarter of 2021.

Balance Sheet Activity

Loans and leases, net of unearned income, decreased \$34.8 million during the second quarter of 2021 while deposits and customer repos increased \$1.7 billion. The Company completed a sale of \$725.4 million in PPP loans during the second quarter, which resulted in a gain on sale of \$21.6 million. In addition, forgiveness payments were received during the quarter totaling \$347.1 million. The Company also completed acquisitions with National United Bancshares, Inc., the parent company of National United, and FNS Bancshares, Inc., the parent company of FNB Bank, during the second quarter which collectively added \$877.9 million in loans, net of day one accounting adjustments, and \$1.5 billion in deposits and customer repos. Excluding the impact of acquisitions and PPP activity, total loans increased approximately \$65.0 million compared to March 31, 2021, while deposits and customer repos increased approximately \$225.0 million, or 4.1 percent on an annualized basis.

Provision for Credit Losses and Allowance for Credit Losses

Earnings for the second quarter of 2021 reflect a provision for credit losses of \$11.5 million, compared with a provision of \$20.0 million for the second quarter of 2020 and no provision for credit losses for the first quarter of 2021. The \$11.5 million provision for the second quarter was primarily associated with the day one accounting provision requirements for loans acquired during the quarter. Net recoveries for the second quarter of 2021 were \$1.8 million, or 0.05 percent of net loans and leases on an annualized basis, compared with net charge-offs of \$1.2 million for the second quarter of 2020 and net charge-offs of \$3.3 million for the first quarter of 2021. The allowance for credit losses was \$265.7 million, or 1.77 percent of net loans and leases, at June 30, 2021, compared with \$237.0 million, or 1.54 percent of net loans and leases, at June 30, 2020, and \$241.1 million, or 1.60 percent of net loans and leases, at March 31, 2021. The allowance for credit losses coverage, excluding the impact of PPP loans, was 1.79 percent of net loans and leases at June 30, 2021, compared with 1.67 percent at June 30, 2020 and 1.74 percent at March 31, 2021.

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Total non-performing assets were \$101.8 million, or 0.37 percent of total assets, at June 30, 2021, compared with \$155.4 million, or 0.67 percent of total assets, at June 30, 2020, and \$110.7 million, or 0.43 percent of total assets, at March 31, 2021. Other real estate owned was \$17.3 million at June 30, 2021, compared with \$7.2 million at June 30, 2020 and \$9.4 million at March 31, 2021.

Noninterest Revenue

Noninterest revenue was \$101.9 million for the second quarter of 2021, compared with \$91.3 million for the second quarter of 2020 and \$87.9 million for the first quarter of 2021. These results include a negative mortgage servicing rights (MSR) valuation adjustment of \$1.9 million for the second quarter of 2021, compared with a negative MSR valuation adjustment of \$2.4 million for the second quarter of 2020 and a positive MSR valuation adjustment of \$7.4 million for the first quarter of 2021. Valuation adjustments in the MSR asset are driven primarily by fluctuations in interest rates period over period.

Mortgage production and servicing revenue was \$11.0 million for the second quarter of 2021, compared with \$31.9 million for the second quarter of 2020 and \$17.9 million for the first quarter of 2021. Mortgage origination volume for the second quarter of 2021 was \$906.4 million, compared with \$989.0 million for the second quarter of 2020 and \$789.8 million for the first quarter of 2021. Home purchase money volume was \$615.2 million for the second quarter of 2021, compared with \$522.6 million for the second quarter of 2020 and \$379.4 million for the first quarter of 2021. Of the total mortgage origination volume for the second quarter of 2021, \$344.1 million was portfolio loans, compared with \$251.7 million for the second quarter of 2020 and \$149.0 million for the first quarter of 2021.

Credit card, debit card, and merchant fee revenue was \$11.6 million for the second quarter of 2021, compared with \$9.1 million for the second quarter of 2020 and \$9.7 million for the first quarter of 2021. Deposit service charge revenue was \$8.8 million for the second quarter of 2021, compared with \$7.6 million for the second quarter of 2020 and \$8.5 million for the first quarter of 2021. Wealth management revenue was \$7.5 million for the second quarter of 2021, compared with \$6.4 million for the second quarter of 2020 and \$8.5 million for the first quarter of 2021. Insurance commission revenue was \$36.1 million for the second quarter of 2021, compared with \$33.1 million for the second quarter of 2020 and \$30.7 million for the first quarter of 2021. Other noninterest revenue was \$7.1 million for the second quarter of 2021, compared with \$5.4 million for the second quarter of 2020 and \$5.3 million for the first quarter of 2021. Additionally, second quarter 2021 results included a \$21.6 million gain on the sale of PPP loans.

Noninterest Expense

Noninterest expense for the second quarter of 2021 was \$174.0 million, compared with \$162.5 million for the second quarter of 2020 and \$155.8 million for the first quarter of 2021. Salaries and employee benefits expense was \$108.2 million for the second quarter of 2021, compared with \$108.1 million for the second quarter of 2020 and \$101.1 million for the first quarter of 2021. Occupancy expense was \$13.2 million for the second quarter of 2021, compared with \$12.9 million for the second quarter of 2020 and \$12.8 million for the first quarter of 2021. Other noninterest

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expense was \$46.0 million for the second quarter of 2021, compared with \$34.8 million for the second quarter of 2020 and \$35.9 million for the first quarter of 2021. Additionally, merger-related expense for the second quarter of 2021 was \$10.0 million, compared with merger-related expense of \$0.5 million for the second quarter of 2020 and \$1.6 million for the first quarter of 2021. Salaries and benefits expense for the first quarter of 2021 benefited from an accrual true-up totaling approximately \$3.0 million related to the Company's equity compensation plans.

Capital Management

The Company's ratio of shareholders' equity to assets was 11.12 percent at June 30, 2021, compared with 11.76 percent at June 30, 2020 and 10.95 percent at March 31, 2021. The ratio of tangible common shareholders' equity to tangible assets was 7.11 percent at June 30, 2021, compared with 7.44 percent at June 30, 2020 and 7.04 percent at March 31, 2021.

During the second quarter of 2021, the Company did not repurchase any shares of its common stock pursuant to its share repurchase program. The Company has 6.0 million shares remaining on its current share repurchase authorization which will expire on December 31, 2021.

Estimated regulatory capital ratios at June 30, 2021 were calculated in accordance with the Basel III capital framework as well as the interagency final rule published on September 30, 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, 2021, with Tier 1 risk-based capital of 11.85 percent and total risk-based capital of 14.57 percent, compared with required minimum levels of 8 percent and 10 percent, respectively, in order to qualify for "well capitalized" classification.

Summary

Rollins concluded, "Despite the current industry headwinds, our board and management team are excited about the pathway ahead for our Company. We are in a strong position from a credit quality and capital perspective. Our noninterest product lines, including mortgage and insurance, are performing quite well in this environment. While we continue to exercise caution, our relationship managers are pleased to be back out in person calling on customers and prospects. Finally, we continue to work diligently toward the completion of our merger with Cadence. Our operational and back office teams are making progress daily on our conversion and integration planning and we remain optimistic that we are on track for a fourth quarter 2021 transaction closing."

TRANSACTIONS

Cadence Bancorporation (NYSE: CADE)

On April 12, 2021, the Company announced the signing of a definitive merger agreement (the Cadence Merger Agreement) with Cadence Bancorporation, the parent company of Cadence Bank N.A., (collectively referred to as Cadence), pursuant to which Cadence will be merged with and

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into the Company (the Cadence Merger). Cadence operates 98 full-service banking offices in the southeast. As of March 31, 2021, Cadence collectively reported total assets of \$18.8 billion, total loans of \$12.4 billion and total deposits of \$16.1 billion. Under the terms of the Cadence Merger Agreement, each Cadence shareholder will receive 0.70 shares of the Company's common stock. In addition, Cadence will pay a one-time special dividend of \$1.25 per share at closing. For more information regarding the Cadence Merger, see our Current Report on Form 8-K that was filed with the Federal Deposit Insurance Corporation (FDIC) on April 12, 2021. The Cadence Merger Agreement has been unanimously approved by the Boards of Directors of the Company and Cadence. Subject to the satisfaction of all closing conditions, including the receipt of all required regulatory and shareholder approvals, the Cadence Merger is expected to be completed during the fourth quarter of 2021, although the Company can provide no assurance that the Cadence Merger will close during this time period or at all.

FNS Bancshares, Inc.

On May 1, 2021, the Company completed the merger with FNS Bancshares, Inc., the parent company of FNB Bank, (collectively referred to as FNS), pursuant to which FNS was merged with and into the Company. FNS operated 17 full-service banking offices in Alabama, Georgia and Tennessee. The merger expanded the Company's presence in Jackson, DeKalb and Marshall counties in Alabama and the Chattanooga, Tennessee-Georgia and Nashville-Davidson-Murfreesboro-Franklin, Tennessee metropolitan statistical areas. As of May 1, 2021, FNS collectively reported total assets of \$826.6 million, total loans of \$464.7 million and total deposits of \$720.7 million. Under the terms of the definitive merger agreement, the Company issued approximately 2,975,000 shares of the Company's common stock plus \$18.0 million in cash for all outstanding shares of FNS. For more information regarding this transaction, see our Current Report on Form 8-K that was filed with the FDIC on May 3, 2021. 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.

National United Bancshares, Inc.

On May 1, 2021, the Company completed the merger with National United Bancshares, Inc., the parent company of National United, (collectively referred to as National United), pursuant to which National United was merged with and into the Company. National United operated 6 full-service banking offices in the Killeen-Temple, Texas; Waco, Texas; and Austin-Round Rock-Georgetown, Texas metropolitan statistical areas. As of May 1, 2021, National United collectively reported total assets of \$817.3 million, total loans of \$434.6 million and total deposits of \$742.9 million. Under the terms of the definitive merger agreement, the Company issued approximately 3,110,000 shares of the Company's common stock plus \$33.25 million in cash for all outstanding shares of National United. For more information regarding this transaction, see our Current Report on Form 8-K that was filed with the FDIC on May 3, 2021. 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.

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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 COVID-19 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 a SBA Preferred Lender, the Company 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 negative pressure on its net interest margin and loan demand. 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 and the trading prices of its capital stock 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.

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Conference Call and Webcast

The Company will conduct a conference call to discuss its second quarter 2021 financial results on July 22, 2021, 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 \$28 billion in assets. BancorpSouth operates approximately 315 full service branch locations as well as additional mortgage, insurance, and loan production offices in Alabama, Arkansas, Florida, Georgia, 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 and Instagram: @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 (the “Exchange Act”), and are subject to the safe harbor created thereby 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 “anticipate,” “aspire,” “assume,” “believe,” “budget,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “forecast,” “foresee,” “goal,” “hope,” “indicate,” “intend,” “may,” “might,” “outlook,” “plan,” “project,” “projection,” “predict,” “prospect,” “potential,” “roadmap,” “seek,” “should,” “target,” “will,” and “would,” or the negative versions of those words or other comparable words of a future or forward-looking nature. These forward-looking statements include, without limitation, discussions regarding general economic, interest rate, real estate market, competitive, employment, and credit market conditions, including the impact of the COVID-19 pandemic on the Company’s business; the Company’s assets; business; cash flows; financial condition; liquidity; prospects; results of operations; deposit and customer repo growth; interest and fee-based revenue; capital resources; capital metrics; efficiency ratio; valuation of mortgage servicing rights; net income; net interest revenue; non-interest revenue; net interest margin; interest expense; non-interest expense; earnings per share; interest rate sensitivity; interest rate risk; balance sheet and liquidity management; off-balance sheet arrangements; fair value determinations; asset quality; credit quality; credit losses; provision and allowance for credit losses, impairments, charge-offs, recoveries and changes in loan volumes; investment securities portfolio yields and values; ability to manage the impact of pandemics, natural disasters and other force majeure events; adoption and use of critical accounting policies; adoption and implementation of new accounting standards and their effect on the Company’s financial results and the Company’s financial reporting; utilization of non-GAAP financial metrics; declaration and payment of dividends; ability to pay dividends or coupons on the Company’s 5.5% Series A Non-Cumulative Perpetual Preferred Stock, par value \$0.01 per share, or the 4.125% Fixed-to-Floating Rate Subordinated Notes due November 20, 2029; mortgage origination volume; mortgage servicing and production revenue; insurance commission revenue; implementation and execution of cost savings initiatives; ability to successfully litigate, resolve or otherwise dispense with threatened, pending, ongoing and future litigation and governmental, administrative and investigatory matters; ability to successfully complete pending or future acquisitions, dispositions and other strategic growth opportunities and initiatives; ability to successfully obtain regulatory approval for acquisitions and other growth initiatives; ability to successfully integrate and manage acquisitions; opportunities and efforts to grow market share; reputation; ability to compete with other financial institutions; ability to recruit and retain key employees and personnel; access to capital markets; availability of capital; investments in the securities of other financial institutions; and ability to operate the Company’s regulatory compliance programs in accordance with applicable law.

Forward-looking statements are based upon management’s expectations as well as certain assumptions and estimates made by, and information available to, the Company’s management at the time such statements were made. Forward-looking statements are not historical facts, are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that are beyond the Company’s control and that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. These risks, uncertainties and other factors include, without limitation, potential delays or other problems in implementing and executing the Company’s growth, expansion and acquisition strategies, including delays in obtaining regulatory or other necessary approvals or the failure to realize any anticipated benefits or synergies from any acquisitions or growth strategies; the risks of changes in interest rates and their effects on the level and composition of deposits, loan demand and the values of loan collateral, securities and interest sensitive assets and liabilities; the failure of assumptions underlying the establishment of reserves for possible credit losses, fair value for loans and other real estate owned; changes in real estate values; the availability of and access to capital; possible downgrades in the Company’s credit ratings or outlook which could increase the costs or availability of funding from capital markets; the ability to attract new or retain existing deposits or to retain or grow loans; the ability to grow additional interest and fee income or to control noninterest expense; the potential impact of the proposed phase-out of the London Interbank

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Offered Rate (“LIBOR”) or other changes involving LIBOR; competitive factors and pricing pressures, including their effect on the Company’s net interest margin; general economic, unemployment, credit market and real estate market conditions, and the effect of such conditions on the creditworthiness of borrowers, collateral values, the value of investment securities and asset recovery values; changes in legal, financial and/or regulatory requirements; recently enacted and potential legislation and regulatory actions and the costs and expenses to comply with new and/or existing legislation and regulatory actions, including those actions in response to the COVID-19 pandemic such as the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the “Economic Aid Act”) and any related rules and regulations; changes in U.S. Government monetary and fiscal policy; FDIC special assessments or changes to regular assessments; the enforcement efforts of federal and state bank regulators; possible adverse rulings, judgments, settlements and other outcomes of pending, ongoing and future litigation and governmental, administrative and investigatory matters (including litigation or actions arising from the Company’s participation in and administration of programs related to the COVID-19 pandemic (including, among other things, the PPP loan programs authorized by the CARES Act and the Economic Aid Act); the ability to keep pace with technological changes, including changes regarding maintaining cybersecurity; the impact of failure in, or breach of, the Company’s operational or security systems or infrastructure, or those of third parties with whom the Company does business, including as a result of cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Company or the Company’s customers; natural disasters or acts of war or terrorism; the adverse effects of the ongoing global COVID-19 pandemic, including the magnitude and duration of the pandemic, and the effect of actions taken to mitigate the impact of the COVID-19 pandemic on the Company, the Company’s employees, the Company’s customers, the global economy and the financial markets; international or political instability; impairment of the Company’s goodwill or other intangible assets; losses of key employees and personnel; adoption of new accounting standards, including the effects from the adoption of the current expected credit loss methodology on January 1, 2020, or changes in existing standards; the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the Cadence Merger Agreement; the outcome of any legal proceedings that have been or may be instituted against the Company or Cadence in respect of the Cadence Merger; the possibility that the Cadence Merger will not close when expected or at all because required regulatory, shareholder or other approvals are not received or other conditions to the closing are not satisfied on a timely basis or at all, or are obtained subject to conditions that are not anticipated; the ability of the Company and Cadence to meet expectations regarding the timing, completion and accounting and tax treatments of the Cadence Merger; the risk that any announcements relating to the Cadence Merger could have adverse effects on the market price of the common stock of either or both parties to the Cadence Merger; the possibility that the anticipated benefits of the Cadence Merger will not be realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the strength of the economy and competitive factors in the areas where the Company and Cadence do business; certain restrictions during the pendency of the Cadence Merger that may impact the parties’ ability to pursue certain business opportunities or strategic transactions; the possibility that the Cadence Merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events; diversion of management’s attention from ongoing business operations and opportunities; the possibility that the parties may be unable to achieve expected synergies and operating efficiencies in the Cadence Merger within the expected timeframes or at all and to successfully integrate Cadence’s operations and those of the Company; such integration may be more difficult, time consuming or costly than expected; revenues following the Cadence Merger may be lower than expected; potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the Cadence Merger; the Company and Cadence’s success in executing their respective business plans and strategies and managing the risks involved in the foregoing; the dilution caused by the Company’s issuance of additional shares of its capital stock in connection with the Cadence Merger and other factors as detailed from time to time in the Company’s press and news releases, periodic and current reports and other filings the Company files 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 the Company’s periodic and current reports filed with the FDIC, including those factors included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020 under the heading “Item 1A. Risk Factors,” in the Company’s Quarterly Reports on Form 10-Q under the heading “Part II-Item 1A. Risk Factors” and in the Company’s 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, 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 prove to be materially different from the results expressed or implied by the forward-looking statements. Accordingly, undue reliance should not be placed on any forward-looking statements. The forward-looking statements speak 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 applicable 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. All written or oral forward-looking statements attributable to the Company are expressly qualified in their entirety by this section.

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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 6/30/2021	Quarter Ended 3/31/2021	Quarter Ended 12/31/2020	Quarter Ended 9/30/2020	Quarter Ended 6/30/2020	Year to Date 6/30/2021	Year to Date 6/30/2020
Earnings Summary:							
Interest revenue	\$ 199,129	\$ 192,783	\$ 199,287	\$ 200,670	\$ 197,472	\$ 391,912	\$ 399,536
Interest expense	18,947	19,994	22,351	24,739	26,902	38,941	61,436
Net interest revenue	180,182	172,789	176,936	175,931	170,570	352,971	338,100
Provision for credit losses	11,500	-	5,794	16,000	20,000	11,500	67,250
Net interest revenue, after provision for credit losses	168,682	172,789	171,142	159,931	150,570	341,471	270,850
Noninterest revenue	101,943	87,936	78,826	89,924	91,258	189,879	167,754
Noninterest expense	173,984	155,823	167,117	154,505	162,504	329,807	329,260
Income before income taxes	96,641	104,902	82,851	95,350	79,324	201,543	109,344
Income tax expense	21,102	23,347	14,046	21,525	18,164	44,449	23,923
Net income	\$ 75,539	\$ 81,555	\$ 68,805	\$ 73,825	\$ 61,160	\$ 157,094	\$ 85,421
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372	4,744	4,744
Net income available to common shareholders	\$ 73,167	\$ 79,183	\$ 66,433	\$ 71,453	\$ 58,788	\$ 152,350	\$ 80,677
Balance Sheet - Period End Balances							
Total assets	\$ 27,612,365	\$ 25,802,497	\$ 24,081,194	\$ 23,555,422	\$ 23,236,176	\$ 27,612,365	\$ 23,236,176
Total earning assets	25,129,873	23,542,657	21,792,725	21,340,371	21,119,073	25,129,873	21,119,073
Total securities	9,084,111	7,640,268	6,231,006	5,659,785	4,973,171	9,084,111	4,973,171
Loans and leases, net of unearned income	15,004,039	15,038,808	15,022,479	15,327,735	15,427,421	15,004,039	15,427,421
Allowance for credit losses	265,720	241,117	244,422	250,624	237,025	265,720	237,025
Net book value of acquired loans (included in loans and leases above)	1,646,031	1,023,252	1,160,267	1,320,671	1,510,008	1,646,031	1,510,008
Paycheck protection program (PPP) loans (included in loans and leases above)	167,144	1,146,000	975,421	1,212,246	1,192,715	167,144	1,192,715
Remaining loan mark on acquired loans	13,037	10,069	13,886	16,198	19,977	13,037	19,977
Total deposits	22,838,486	21,173,186	19,846,441	19,412,979	19,179,486	22,838,486	19,179,486
Total deposits and securities sold under agreement to repurchase	23,521,621	21,833,671	20,484,156	20,024,434	19,849,502	23,521,621	19,849,502
Long-term debt	4,189	4,295	4,402	4,508	4,615	4,189	4,615
Junior subordinated debt securities	307,601	297,425	297,250	297,074	296,898	307,601	296,898
Total shareholders' equity	3,069,574	2,825,198	2,822,477	2,782,539	2,732,687	3,069,574	2,732,687
Common shareholders' equity	2,902,581	2,658,205	2,655,484	2,615,546	2,565,694	2,902,581	2,565,694
Balance Sheet - Average Balances							
Total assets	\$ 26,666,296	\$ 24,545,560	\$ 23,660,503	\$ 23,318,877	\$ 22,707,686	\$ 25,611,786	\$ 21,948,661
Total earning assets	24,211,759	22,346,075	21,497,938	21,241,896	20,594,889	23,284,071	19,854,169
Total securities	8,067,109	6,606,027	5,820,425	5,309,982	4,437,614	7,340,604	4,449,456
Loans and leases, net of unearned income	15,470,539	15,029,076	15,219,402	15,369,684	15,114,732	15,251,207	14,670,759
PPP loans (included in loans and leases above)	973,036	1,062,423	1,139,959	1,207,097	975,029	1,017,483	487,515
Total deposits	22,385,883	20,472,080	19,600,863	19,258,930	18,454,472	21,434,268	17,679,851
Total deposits and securities sold under agreement to repurchase	23,092,969	21,123,774	20,272,881	19,940,330	19,098,599	22,113,811	18,272,768
Long-term debt	4,714	4,378	4,488	4,592	4,699	4,547	4,750
Junior subordinated debt securities	304,056	297,318	297,145	296,969	296,793	300,706	296,705
Total shareholders' equity	2,954,834	2,813,001	2,774,589	2,729,870	2,738,434	2,884,309	2,698,567
Common shareholders' equity	2,787,841	2,646,008	2,607,596	2,562,877	2,571,441	2,717,316	2,531,560
Nonperforming Assets:							
Non-accrual loans and leases	\$ 61,664	\$ 73,142	\$ 96,378	\$ 122,108	\$ 126,753	\$ 61,664	\$ 126,753
Loans and leases 90+ days past due, still accruing	15,386	21,208	14,320	17,641	9,877	15,386	9,877
Restructured loans and leases, still accruing	7,368	6,971	10,475	11,154	11,575	7,368	11,575
Non-performing loans (NPLs)	84,418	101,321	121,173	150,903	148,205	84,418	148,205
Other real estate owned	17,333	9,351	11,395	6,397	7,164	17,333	7,164
Non-performing assets (NPAs)	\$ 101,751	\$ 110,672	\$ 132,568	\$ 157,300	\$ 155,369	\$ 101,751	\$ 155,369
Financial Ratios and Other Data:							
Return on average assets	1.14%	1.35%	1.16%	1.26%	1.08%	1.24%	0.78%
Operating return on average assets-excluding MSR*	1.40%	1.28%	1.23%	1.26%	1.12%	1.34%	0.92%
Return on average shareholders' equity	10.25%	11.76%	9.87%	10.76%	8.98%	10.98%	6.37%
Operating return on average shareholders' equity-excluding MSR*	12.62%	11.13%	10.49%	10.72%	9.29%	11.90%	7.46%
Return on average common shareholders' equity	10.53%	12.14%	10.14%	11.09%	9.19%	11.31%	6.41%
Operating return on average common shareholders' equity-excluding MSR*	13.04%	11.47%	10.80%	11.05%	9.53%	12.28%	7.57%
Return on average tangible equity*	15.21%	17.35%	14.66%	16.08%	13.43%	16.25%	9.58%
Operating return on average tangible equity-excluding MSR*	18.73%	16.42%	15.58%	16.03%	13.89%	17.61%	11.22%
Return on average tangible common equity*	16.08%	18.46%	15.54%	17.13%	14.20%	17.24%	9.97%
Operating return on average tangible common equity-excluding MSR*	19.92%	17.44%	16.56%	17.08%	14.71%	18.72%	11.78%
Pre-tax pre-provision net revenue to total average assets*	1.80%	1.64%	1.59%	1.89%	1.81%	1.72%	1.79%
Noninterest income to average assets	1.53%	1.45%	1.33%	1.53%	1.62%	1.50%	1.54%
Noninterest expense to average assets	2.62%	2.57%	2.81%	2.64%	2.88%	2.60%	3.02%
Net interest margin-fully taxable equivalent	2.99%	3.15%	3.29%	3.31%	3.35%	3.07%	3.44%
Net interest margin-fully taxable equivalent, excluding net accretion on acquired loans and leases	2.94%	3.08%	3.24%	3.23%	3.30%	3.01%	3.38%
Net interest rate spread	2.83%	2.97%	3.07%	3.06%	3.08%	2.90%	3.15%
Efficiency ratio (tax equivalent)*	61.55%	59.64%	65.16%	57.98%	61.89%	60.63%	64.91%
Operating efficiency ratio-excluding MSR (tax equivalent)*	57.66%	60.74%	62.87%	58.03%	61.16%	59.11%	62.26%
Loan/deposit ratio	65.70%	71.03%	75.69%	78.96%	80.44%	65.70%	80.44%
Price to earnings multiple (close)	10.08	12.07	12.88	9.18	11.15	10.08	11.15
Market value to common book value	106.01%	125.39%	105.98%	75.99%	90.91%	106.01%	90.91%
Market value to common book value (avg)	113.49%	119.10%	97.56%	83.75%	84.79%	114.43%	95.14%
Market value to common tangible book value	162.77%	190.14%	161.00%	116.01%	140.44%	162.77%	140.44%
Market value to common tangible book value (avg)	174.26%	180.60%	148.21%	127.86%	130.99%	175.70%	146.99%
Employee FTE	4,835	4,546	4,596	4,691	4,742	4,835	4,742

*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 6/30/2021	Quarter Ended 3/31/2021	Quarter Ended 12/31/2020	Quarter Ended 9/30/2020	Quarter Ended 6/30/2020	Year to Date 6/30/2021	Year to Date 6/30/2020
Credit Quality Ratios:							
Net (recoveries)charge-offs to average loans and leases (annualized)	(0.05%)	0.09%	0.29%	0.04%	0.03%	0.02%	0.20%
Provision for credit losses to average loans and leases (annualized)	0.30%	0.00%	0.15%	0.42%	0.53%	0.15%	0.92%
Allowance for credit losses to net loans and leases	1.77%	1.60%	1.63%	1.64%	1.54%	1.77%	1.54%
Allowance for credit losses to net loans and leases, excluding PPP loans	1.79%	1.74%	1.74%	1.78%	1.67%	1.79%	1.67%
Allowance for credit losses to non-performing loans and leases	314.77%	237.97%	201.71%	166.08%	159.93%	314.77%	159.93%
Allowance for credit losses to non-performing assets	261.15%	217.87%	184.37%	159.33%	152.56%	261.15%	152.56%
Non-performing loans and leases to net loans and leases	0.56%	0.67%	0.81%	0.98%	0.96%	0.56%	0.96%
Non-performing loans and leases to net loans and leases, excluding acquired loans and leases	0.49%	0.54%	0.62%	0.74%	0.63%	0.49%	0.63%
Non-performing assets to total assets	0.37%	0.43%	0.55%	0.67%	0.67%	0.37%	0.67%
Non-performing assets to total assets, excluding acquired loans and leases	0.31%	0.34%	0.42%	0.49%	0.43%	0.31%	0.43%
Equity Ratios:							
Total shareholders' equity to total assets	11.12%	10.95%	11.72%	11.81%	11.76%	11.12%	11.76%
Total common shareholders' equity to total assets	10.51%	10.30%	11.03%	11.10%	11.04%	10.51%	11.04%
Tangible shareholders' equity to tangible assets*	7.73%	7.71%	8.26%	8.30%	8.18%	7.73%	8.18%
Tangible shareholders' equity to tangible assets-excluding PPP loans*	7.78%	8.08%	8.63%	8.77%	8.65%	7.78%	8.65%
Tangible common shareholders' equity to tangible assets*	7.11%	7.04%	7.54%	7.56%	7.44%	7.11%	7.44%
Tangible common shareholders' equity to tangible assets-excluding PPP loans*	7.15%	7.38%	7.87%	7.99%	7.86%	7.15%	7.86%
Capital Adequacy:							
Common Equity Tier 1 capital	10.94%	10.97%	10.74%	10.64%	10.21%	10.94%	10.21%
Tier 1 capital	11.85%	11.95%	11.74%	11.65%	11.22%	11.85%	11.22%
Total capital	14.57%	14.65%	14.48%	14.20%	13.79%	14.57%	13.79%
Tier 1 leverage capital	8.43%	8.59%	8.67%	8.59%	8.54%	8.43%	8.54%
Estimated for current quarter							
Common Share Data:							
Basic earnings per share	\$ 0.69	\$ 0.77	\$ 0.65	\$ 0.70	\$ 0.57	\$ 1.46	\$ 0.78
Diluted earnings per share	0.69	0.77	0.65	0.69	0.57	1.46	0.78
Operating earnings per share*	0.84	0.78	0.69	0.70	0.57	1.63	0.82
Operating earnings per share- excluding MSR*	0.86	0.73	0.69	0.69	0.59	1.59	0.92
Cash dividends per share	0.190	0.190	0.190	0.185	0.185	0.380	0.370
Book value per share	26.72	25.90	25.89	25.50	25.01	26.72	25.01
Tangible book value per share*	17.41	17.08	17.04	16.71	16.19	17.41	16.19
Market value per share (last)	28.33	32.48	27.44	19.38	22.74	28.33	22.74
Market value per share (high)	33.18	35.59	28.54	24.29	25.93	35.59	31.61
Market value per share (low)	27.59	26.95	18.77	18.11	17.21	26.95	17.21
Market value per share (avg)	30.33	30.85	25.26	21.36	21.21	30.58	23.80
Dividend payout ratio	27.43%	24.62%	29.34%	26.56%	32.29%	25.97%	47.46%
Total shares outstanding	108,614,595	102,624,818	102,561,480	102,558,459	102,566,301	108,614,595	102,566,301
Average shares outstanding - basic	105,626,612	102,622,111	102,569,547	102,564,466	102,603,525	104,124,361	103,478,927
Average shares outstanding - diluted	105,838,056	102,711,584	102,817,409	102,839,749	102,827,225	104,274,819	103,780,561
Yield/Rate:							
(Taxable equivalent basis)							
Loans, loans held for sale, and leases net of unearned income	4.43%	4.53%	4.55%	4.54%	4.59%	4.48%	4.79%
Loans, loans held for sale, and leases net of unearned income, excluding net accretion on acquired loans and leases	4.35%	4.43%	4.49%	4.44%	4.53%	4.39%	4.72%
Loans, loans held for sale, and leases net of unearned income, excluding net accretion on acquired loans and leases - excluding PPP loans	4.39%	4.49%	4.53%	4.55%	4.67%	4.44%	4.80%
PPP loans	3.80%	3.69%	3.99%	3.11%	2.50%	3.74%	2.50%
Available-for-sale securities:							
Taxable	1.21%	1.32%	1.53%	1.64%	1.95%	1.26%	1.97%
Tax-exempt	2.77%	3.52%	3.40%	3.67%	3.86%	3.10%	4.12%
Short-term, FHLB and other equity investments	0.16%	0.11%	0.13%	0.19%	0.20%	0.13%	0.55%
Total interest earning assets and revenue	3.31%	3.51%	3.70%	3.77%	3.87%	3.40%	4.06%
Deposits							
Demand - interest bearing	0.34%	0.40%	0.47%	0.53%	0.61%	0.37%	0.72%
Savings	0.09%	0.11%	0.15%	0.18%	0.18%	0.10%	0.22%
Other time	1.00%	1.14%	1.28%	1.41%	1.54%	1.07%	1.59%
Total interest bearing deposits	0.41%	0.48%	0.57%	0.65%	0.74%	0.44%	0.83%
Short-term borrowings	0.12%	0.13%	0.26%	0.25%	0.39%	0.12%	0.81%
Total interest bearing deposits and short-term borrowings	0.40%	0.46%	0.55%	0.63%	0.71%	0.43%	0.83%
Junior subordinated debt	4.47%	4.46%	4.05%	4.24%	4.18%	4.46%	4.42%
Long-term debt	4.46%	4.88%	4.84%	4.85%	4.81%	4.66%	4.89%
Total interest bearing liabilities and expense	0.47%	0.54%	0.63%	0.71%	0.79%	0.51%	0.91%
Interest bearing liabilities to interest earning assets	66.24%	66.87%	65.99%	65.61%	66.65%	66.54%	68.65%
Net interest tax equivalent adjustment	\$ 550	\$ 569	\$ 709	\$ 618	\$ 725	\$ 1,118	\$ 1,439

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

BancorpSouth Bank
Consolidated Balance Sheets
(Unaudited)

	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20
(Dollars in thousands)					
<u>Assets</u>					
Cash and due from banks	\$ 331,873	\$ 263,289	\$ 284,095	\$ 306,164	\$ 240,354
Interest bearing deposits with other banks and Federal funds sold	629,390	336,253	133,273	39,782	318,615
Available-for-sale securities, at fair value	9,084,111	7,640,268	6,231,006	5,659,785	4,973,171
Loans and leases*	15,023,228	15,056,559	15,039,239	15,344,006	15,444,794
Less: Unearned income	19,189	17,751	16,760	16,271	17,373
Allowance for credit losses	265,720	241,117	244,422	250,624	237,025
Net loans and leases	14,738,319	14,797,691	14,778,057	15,077,111	15,190,396
Loans held for sale	403,046	518,352	397,076	304,215	391,051
Premises and equipment, net	533,276	508,508	508,147	508,149	504,748
Accrued interest receivable	98,575	106,355	106,318	110,185	101,321
Goodwill	957,474	851,612	851,612	847,531	847,984
Other identifiable intangibles	54,659	53,581	55,899	54,757	56,989
Bank owned life insurance	355,660	335,707	333,264	331,799	329,167
Other real estate owned	17,333	9,351	11,395	6,397	7,164
Other assets	408,649	381,530	391,052	309,547	275,216
Total Assets	<u>\$ 27,612,365</u>	<u>\$ 25,802,497</u>	<u>\$ 24,081,194</u>	<u>\$ 23,555,422</u>	<u>\$ 23,236,176</u>
<u>Liabilities</u>					
Deposits:					
Demand: Noninterest bearing	\$ 7,619,308	\$ 6,990,880	\$ 6,341,457	\$ 6,336,792	\$ 6,385,370
Interest bearing	9,671,662	9,067,373	8,524,010	8,170,402	7,907,637
Savings	2,939,958	2,678,276	2,452,059	2,325,980	2,234,853
Other time	2,607,558	2,436,657	2,528,915	2,579,805	2,651,626
Total deposits	22,838,486	21,173,186	19,846,441	19,412,979	19,179,486
Securities sold under agreement to repurchase	683,135	660,485	637,715	611,455	670,016
Federal funds purchased and other short-term borrowing	-	-	-	95,217	220
Accrued interest payable	8,718	11,879	10,885	15,286	13,476
Junior subordinated debt securities	307,601	297,425	297,250	297,074	296,898
Long-term debt	4,189	4,295	4,402	4,508	4,615
Other liabilities	700,662	830,029	462,024	336,364	338,778
Total Liabilities	24,542,791	22,977,299	21,258,717	20,772,883	20,503,489
<u>Shareholders' Equity</u>					
Preferred stock	166,993	166,993	166,993	166,993	166,993
Common stock	271,536	256,562	256,404	256,396	256,416
Capital surplus	730,294	563,481	565,187	565,635	561,541
Accumulated other comprehensive (loss) income	(34,575)	(43,459)	11,923	18,490	25,191
Retained earnings	1,935,326	1,881,621	1,821,970	1,775,025	1,722,546
Total Shareholders' Equity	3,069,574	2,825,198	2,822,477	2,782,539	2,732,687
Total Liabilities & Shareholders' Equity	<u>\$ 27,612,365</u>	<u>\$ 25,802,497</u>	<u>\$ 24,081,194</u>	<u>\$ 23,555,422</u>	<u>\$ 23,236,176</u>

*Includes \$167.1 million, \$1.146 billion, \$975.4 million, \$1.212 billion and \$1.193 billion in PPP loans at June 30, 2021, March 31, 2021, December 31, 2020, September 30, 2020 and June 30, 2020, respectively.

BancorpSouth Bank
Consolidated Average Balance Sheets
(Unaudited)

	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20
	(Dollars in thousands)				
<u>Assets</u>					
Cash and due from banks	\$ 365,647	\$ 261,519	\$ 247,799	\$ 232,421	\$ 229,334
Interest bearing deposits with other banks and Federal funds sold	302,845	412,313	171,650	257,057	760,789
Available-for-sale securities, at fair value	8,067,109	6,606,027	5,820,425	5,309,982	4,437,614
Loans and leases*	15,488,980	15,045,837	15,235,827	15,386,721	15,132,600
Less: Unearned income	18,441	16,761	16,425	17,037	17,868
Allowance for credit losses	245,095	242,935	247,049	236,536	217,508
Net loans and leases	15,225,444	14,786,141	14,972,353	15,133,148	14,897,224
Loans held for sale	361,999	289,755	277,600	296,352	261,377
Premises and equipment, net	526,960	508,551	508,053	507,190	499,767
Accrued interest receivable	100,357	102,190	105,513	104,435	137,456
Goodwill	910,448	851,612	852,472	847,744	848,160
Other identifiable intangibles	52,564	54,876	54,858	56,045	58,280
Bank owned life insurance	348,378	333,837	332,543	330,642	328,037
Other real estate owned	12,293	11,043	14,872	7,754	8,410
Other assets	392,252	327,696	302,365	236,107	241,238
Total Assets	\$ 26,666,296	\$ 24,545,560	\$ 23,660,503	\$ 23,318,877	\$ 22,707,686
<u>Liabilities</u>					
Deposits:					
Demand: Noninterest bearing	\$ 7,367,832	\$ 6,484,703	\$ 6,391,006	\$ 6,340,942	\$ 5,942,570
Interest bearing	9,598,550	8,956,420	8,268,528	8,022,755	7,674,479
Savings	2,851,113	2,550,095	2,386,034	2,280,860	2,152,092
Other time	2,568,388	2,480,862	2,555,295	2,614,373	2,685,331
Total deposits	22,385,883	20,472,080	19,600,863	19,258,930	18,454,472
Securities sold under agreement to repurchase	707,086	651,694	672,018	681,400	644,127
Federal funds purchased and other short-term borrowing	3,901	1,500	3,893	36,696	269,121
Accrued interest payable	11,169	11,607	14,175	15,589	16,268
Junior subordinated debt securities	304,056	297,318	297,145	296,969	296,793
Long-term debt	4,714	4,378	4,488	4,592	4,699
Other liabilities	294,653	293,982	293,332	294,831	283,772
Total Liabilities	23,711,462	21,732,559	20,885,914	20,589,007	19,969,252
<u>Shareholders' Equity</u>					
Preferred stock	166,993	166,993	166,993	166,993	166,993
Common stock	266,676	256,536	256,422	256,412	256,515
Capital surplus	674,949	563,529	568,343	563,267	559,737
Accumulated other comprehensive (loss) income	(30,614)	(5,090)	12,432	24,758	23,016
Retained earnings	1,876,830	1,831,033	1,770,399	1,718,440	1,732,173
Total Shareholders' Equity	2,954,834	2,813,001	2,774,589	2,729,870	2,738,434
Total Liabilities & Shareholders' Equity	\$ 26,666,296	\$ 24,545,560	\$ 23,660,503	\$ 23,318,877	\$ 22,707,686

*Includes \$973.0 million, \$1.062 billion, \$1.140 billion, \$1.207 billion and \$975.0 million in PPP loans for the quarter ended June 30, 2021, March 31, 2021, December 31, 2020, September 30, 2020 and June 30, 2020, respectively.

BXS Announces Second Quarter 2021 Financial Results

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July 21, 2021

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

	Quarter Ended					Year to Date	
	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20	Jun-21	Jun-20
INTEREST REVENUE:							
Loans and leases	\$ 171,305	\$ 169,195	\$ 174,072	\$ 175,810	\$ 173,164	\$ 340,500	\$ 350,183
Deposits with other banks	97	108	50	74	207	205	946
Federal funds sold, securities purchased under agreement to resell, FHLB and other equity investments	28	6	6	52	178	34	493
Available-for-sale securities:							
Taxable	23,983	21,192	21,895	21,280	20,783	45,175	42,291
Tax-exempt	676	687	760	986	1,178	1,363	2,238
Loans held for sale	3,040	1,595	2,504	2,468	1,962	4,635	3,385
Total interest revenue	<u>199,129</u>	<u>192,783</u>	<u>199,287</u>	<u>200,670</u>	<u>197,472</u>	<u>391,912</u>	<u>399,536</u>
INTEREST EXPENSE:							
Interest bearing demand	8,247	8,796	9,766	10,773	11,631	17,043	27,153
Savings	626	700	872	1,012	943	1,326	2,233
Other time	6,428	6,966	8,189	9,287	10,296	13,394	21,464
Federal funds purchased and securities sold under agreement to repurchase	206	203	276	279	291	409	1,727
Short-term and long-term debt	44	45	47	49	477	89	2,334
Junior subordinated debt	3,387	3,269	3,201	3,338	3,263	6,656	6,524
Other	9	15	-	1	1	24	1
Total interest expense	<u>18,947</u>	<u>19,994</u>	<u>22,351</u>	<u>24,739</u>	<u>26,902</u>	<u>38,941</u>	<u>61,436</u>
Net interest revenue	180,182	172,789	176,936	175,931	170,570	352,971	338,100
Provision for credit losses	11,500	-	5,794	16,000	20,000	11,500	67,250
Net interest revenue, after provision for credit losses	<u>168,682</u>	<u>172,789</u>	<u>171,142</u>	<u>159,931</u>	<u>150,570</u>	<u>341,471</u>	<u>270,850</u>
NONINTEREST REVENUE:							
Mortgage banking	9,105	25,310	20,129	27,097	29,557	34,415	39,027
Credit card, debit card and merchant fees	11,589	9,659	10,053	9,938	9,080	21,248	18,256
Deposit service charges	8,849	8,477	9,708	8,892	7,647	17,326	19,329
Security gains(losses), net	96	82	63	18	62	178	(23)
Insurance commissions	36,106	30,667	29,815	32,750	33,118	66,773	62,721
Wealth management	7,543	8,465	6,751	6,471	6,421	16,008	12,991
Gain on sale of PPP loans	21,572	-	-	-	-	21,572	-
Other	7,083	5,276	2,307	4,758	5,373	12,359	15,453
Total noninterest revenue	<u>101,943</u>	<u>87,936</u>	<u>78,826</u>	<u>89,924</u>	<u>91,258</u>	<u>189,879</u>	<u>167,754</u>
NONINTEREST EXPENSE:							
Salaries and employee benefits	108,188	101,060	97,215	104,219	108,103	209,248	216,375
Occupancy, net of rental income	13,187	12,814	13,004	13,053	12,890	26,001	25,598
Equipment	4,967	4,564	4,756	4,519	4,762	9,531	9,411
Deposit insurance assessments	1,638	1,455	1,696	1,522	1,962	3,093	3,508
Pension settlement expense	-	-	5,846	-	-	-	-
Other	46,004	35,930	44,600	31,192	34,787	81,934	74,368
Total noninterest expense	<u>173,984</u>	<u>155,823</u>	<u>167,117</u>	<u>154,505</u>	<u>162,504</u>	<u>329,807</u>	<u>329,260</u>
Income before income taxes	96,641	104,902	82,851	95,350	79,324	201,543	109,344
Income tax expense	21,102	23,347	14,046	21,525	18,164	44,449	23,923
Net income	<u>\$ 75,539</u>	<u>\$ 81,555</u>	<u>\$ 68,805</u>	<u>\$ 73,825</u>	<u>\$ 61,160</u>	<u>\$ 157,094</u>	<u>\$ 85,421</u>
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372	4,744	4,744
Net income available to common shareholders	<u>\$ 73,167</u>	<u>\$ 79,183</u>	<u>\$ 66,433</u>	<u>\$ 71,453</u>	<u>\$ 58,788</u>	<u>\$ 152,350</u>	<u>\$ 80,677</u>
Net income per common share: Basic	<u>\$ 0.69</u>	<u>\$ 0.77</u>	<u>\$ 0.65</u>	<u>\$ 0.70</u>	<u>\$ 0.57</u>	<u>\$ 1.46</u>	<u>\$ 0.78</u>
Diluted	<u>\$ 0.69</u>	<u>\$ 0.77</u>	<u>\$ 0.65</u>	<u>\$ 0.69</u>	<u>\$ 0.57</u>	<u>\$ 1.46</u>	<u>\$ 0.78</u>

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

	Quarter Ended				
	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20
LOAN AND LEASE PORTFOLIO:					
Commercial and industrial					
Commercial and industrial-non real estate	2,056,034	2,865,706	2,673,429	2,937,608	3,038,957
Commercial and industrial-owner occupied	2,273,433	2,260,456	2,281,127	2,297,008	2,296,287
Total commercial and industrial	4,329,467	5,126,162	4,954,556	5,234,616	5,335,244
Commercial real estate					
Agricultural	350,067	337,710	317,994	333,839	333,615
Construction, acquisition and development	1,926,421	1,707,800	1,728,682	1,700,030	1,658,678
Commercial real estate	3,323,883	3,127,510	3,211,434	3,229,959	3,323,744
Total commercial real estate	5,600,371	5,173,020	5,258,110	5,263,828	5,316,037
Consumer					
Consumer mortgages	3,991,790	3,700,076	3,726,241	3,704,490	3,646,168
Home equity	625,365	608,924	630,097	658,708	655,543
Credit cards	84,699	81,499	89,077	85,760	86,592
Total consumer	4,701,854	4,390,499	4,445,415	4,448,958	4,388,303
All other	372,347	349,127	364,398	380,333	387,837
Total loans	\$ 15,004,039	\$ 15,038,808	\$ 15,022,479	\$ 15,327,735	\$ 15,427,421
ALLOWANCE FOR CREDIT LOSSES:					
Balance, beginning of period	\$ 241,117	\$ 244,422	\$ 250,624	\$ 237,025	\$ 218,199
Loans and leases charged-off:					
Commercial and industrial					
Commercial and industrial-non real estate	(1,411)	(2,269)	(4,343)	(560)	(1,506)
Commercial and industrial-owner occupied	(471)	(677)	(1,168)	(441)	(13)
Total commercial and industrial	(1,882)	(2,946)	(5,511)	(1,001)	(1,519)
Commercial real estate					
Agricultural	-	(98)	(155)	-	(21)
Construction, acquisition and development	(125)	(807)	(1,773)	-	(9)
Commercial real estate	(498)	(478)	(3,134)	(738)	-
Total commercial real estate	(623)	(1,383)	(5,062)	(738)	(30)
Consumer					
Consumer mortgages	(421)	(293)	(731)	(81)	(124)
Home equity	(64)	(50)	(395)	(41)	(162)
Credit cards	(476)	(733)	(458)	(682)	(703)
Total consumer	(961)	(1,076)	(1,584)	(804)	(989)
All other	(396)	(501)	(875)	(599)	(396)
Total loans charged-off	(3,862)	(5,906)	(13,032)	(3,142)	(2,934)
Recoveries:					
Commercial and industrial					
Commercial and industrial-non real estate	2,318	1,031	779	294	277
Commercial and industrial-owner occupied	735	62	37	163	136
Total commercial and industrial	3,053	1,093	816	457	413
Commercial real estate					
Agricultural	8	86	24	3	6
Construction, acquisition and development	1,265	53	73	55	172
Commercial real estate	26	56	45	209	50
Total commercial real estate	1,299	195	142	267	228
Consumer					
Consumer mortgages	510	403	230	352	345
Home equity	201	220	151	132	259
Credit cards	254	297	211	270	195
Total consumer	965	920	592	754	799
All other	345	393	280	263	320
Total recoveries	5,662	2,601	1,830	1,741	1,760
Net recoveries(charge-offs)	1,800	(3,305)	(11,202)	(1,401)	(1,174)
Initial allowance on loans purchased with credit deterioration	12,803	-	-	-	-
Provision:					
Initial provision for loans acquired during the quarter	11,500	-	-	-	-
Provision for credit losses related to loans and leases	(1,500)	-	5,000	15,000	20,000
Total provision for loans and leases	10,000	-	5,000	15,000	20,000
Balance, end of period	\$ 265,720	\$ 241,117	\$ 244,422	\$ 250,624	\$ 237,025
Average loans for period	\$ 15,470,539	\$ 15,029,076	\$ 15,219,402	\$ 15,369,684	\$ 15,114,732
Ratio:					
Net (recoveries)charge-offs to average loans (annualized)	(0.05%)	0.09%	0.29%	0.04%	0.03%
RESERVE FOR UNFUNDED COMMITMENTS*					
Balance, beginning of period	\$ 7,044	\$ 7,044	\$ 6,250	\$ 5,250	\$ 5,250
Provision for credit losses for unfunded commitments	1,500	-	794	1,000	-
Balance, end of period	\$ 8,544	\$ 7,044	\$ 7,044	\$ 6,250	\$ 5,250

*The Reserve for Unfunded Commitments is classified in other liabilities on the balance sheet.

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

	Quarter Ended				
	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20
BXS ORIGINATED LOANS AND LEASES:					
Loans and leases charged off:					
Commercial and industrial					
Commercial and industrial-non real estate	\$ (1,108)	\$ (1,971)	\$ (1,991)	\$ (490)	\$ (420)
Commercial and industrial-owner occupied	(471)	(187)	(303)	(434)	(13)
Total commercial and industrial	<u>(1,579)</u>	<u>(2,158)</u>	<u>(2,294)</u>	<u>(924)</u>	<u>(433)</u>
Commercial real estate					
Agricultural	-	(94)	(124)	-	-
Construction, acquisition and development	(113)	(344)	(1,709)	-	-
Commercial real estate	(110)	(27)	(1,704)	(155)	-
Total real estate	<u>(223)</u>	<u>(465)</u>	<u>(3,537)</u>	<u>(155)</u>	<u>-</u>
Consumer					
Consumer mortgages	(398)	(181)	(537)	(70)	(113)
Home equity	(64)	(50)	(395)	(41)	(162)
Credit cards	(476)	(733)	(458)	(682)	(703)
Total consumer	<u>(938)</u>	<u>(964)</u>	<u>(1,390)</u>	<u>(793)</u>	<u>(978)</u>
All other	(315)	(399)	(698)	(459)	(288)
Total loans charged off	<u>(3,055)</u>	<u>(3,986)</u>	<u>(7,919)</u>	<u>(2,331)</u>	<u>(1,699)</u>
Recoveries:					
Commercial and industrial					
Commercial and industrial-non real estate	1,014	387	645	231	210
Commercial and industrial-owner occupied	325	61	27	163	136
Total commercial and industrial	<u>1,339</u>	<u>448</u>	<u>672</u>	<u>394</u>	<u>346</u>
Commercial real estate					
Agricultural	(65)	5	23	3	5
Construction, acquisition and development	1,184	51	73	55	170
Commercial real estate	(403)	36	45	208	50
Total real estate	<u>716</u>	<u>92</u>	<u>141</u>	<u>266</u>	<u>225</u>
Consumer					
Consumer mortgages	359	392	221	350	343
Home equity	199	219	149	130	258
Credit cards	254	297	211	270	195
Total consumer	<u>812</u>	<u>908</u>	<u>581</u>	<u>750</u>	<u>796</u>
All other	287	325	249	235	275
Total recoveries	<u>3,154</u>	<u>1,773</u>	<u>1,643</u>	<u>1,645</u>	<u>1,642</u>
Net recoveries/(charge-offs)	<u>\$ 99</u>	<u>\$ (2,213)</u>	<u>\$ (6,276)</u>	<u>\$ (686)</u>	<u>\$ (57)</u>

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BXS Announces Second Quarter 2021 Financial Results

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July 21, 2021

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

	Quarter Ended				
	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20
ACQUIRED LOANS AND LEASES:					
Loans and leases charged off:					
Commercial and industrial					
Commercial and industrial-non real estate	\$ (303)	\$ (298)	\$ (2,352)	\$ (70)	\$ (1,086)
Commercial and industrial-owner occupied	-	(490)	(865)	(7)	-
Total commercial and industrial	(303)	(788)	(3,217)	(77)	(1,086)
Commercial real estate					
Agricultural	-	(4)	(31)	-	(21)
Construction, acquisition and development	(12)	(463)	(64)	-	(9)
Commercial real estate	(388)	(451)	(1,430)	(583)	-
Total real estate	(400)	(918)	(1,525)	(583)	(30)
Consumer					
Consumer mortgages	(23)	(112)	(194)	(11)	(11)
Home equity	-	-	-	-	-
Credit cards	-	-	-	-	-
Total consumer	(23)	(112)	(194)	(11)	(11)
All other	(81)	(102)	(177)	(140)	(108)
Total loans charged off	(807)	(1,920)	(5,113)	(811)	(1,235)
Recoveries:					
Commercial and industrial					
Commercial and industrial-non real estate	1,304	644	134	63	67
Commercial and industrial-owner occupied	410	1	10	-	-
Total commercial and industrial	1,714	645	144	63	67
Commercial real estate					
Agricultural	73	81	1	-	1
Construction, acquisition and development	81	2	-	-	2
Commercial real estate	429	20	-	1	-
Total real estate	583	103	1	1	3
Consumer					
Consumer mortgages	151	11	9	2	2
Home equity	2	1	2	2	1
Credit cards	-	-	-	-	-
Total consumer	153	12	11	4	3
All other	58	68	31	28	45
Total recoveries	2,508	828	187	96	118
Net recoveries/(charge-offs)	\$ 1,701	\$ (1,092)	\$ (4,926)	\$ (715)	\$ (1,117)

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

	Quarter Ended				
	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20
NON-PERFORMING ASSETS					
NON-PERFORMING LOANS AND LEASES:					
Nonaccrual Loans and Leases					
Commercial and industrial					
Commercial and industrial-non real estate	\$ 10,485	\$ 9,703	\$ 12,768	\$ 17,936	\$ 16,124
Commercial and industrial-owner occupied	11,872	15,019	15,783	18,343	16,745
Total commercial and industrial	<u>22,357</u>	<u>24,722</u>	<u>28,551</u>	<u>36,279</u>	<u>32,869</u>
Commercial real estate					
Agricultural	1,284	2,293	5,013	5,907	5,244
Construction, acquisition and development	2,582	8,494	9,738	10,434	9,715
Commercial real estate	13,483	12,838	16,249	32,554	45,047
Total commercial real estate	<u>17,349</u>	<u>23,625</u>	<u>31,000</u>	<u>48,895</u>	<u>60,006</u>
Consumer					
Consumer mortgages	20,532	23,535	32,951	32,872	30,672
Home equity	686	847	2,657	3,325	2,584
Credit cards	122	131	173	144	90
Total consumer	<u>21,340</u>	<u>24,513</u>	<u>35,781</u>	<u>36,341</u>	<u>33,346</u>
All other	618	282	1,046	593	532
Total nonaccrual loans and leases	<u>\$ 61,664</u>	<u>\$ 73,142</u>	<u>\$ 96,378</u>	<u>\$ 122,108</u>	<u>\$ 126,753</u>
Loans and Leases 90+ Days Past Due, Still Accruing:	15,386	21,208	14,320	17,641	9,877
Restructured Loans and Leases, Still Accruing	7,368	6,971	10,475	11,154	11,575
Total non-performing loans and leases	<u>\$ 84,418</u>	<u>\$ 101,321</u>	<u>\$ 121,173</u>	<u>\$ 150,903</u>	<u>\$ 148,205</u>
OTHER REAL ESTATE OWNED:	17,333	9,351	11,395	6,397	7,164
Total Non-performing Assets	<u>\$ 101,751</u>	<u>\$ 110,672</u>	<u>\$ 132,568</u>	<u>\$ 157,300</u>	<u>\$ 155,369</u>
BXS originated assets	\$ 81,039	\$ 85,266	\$ 97,025	\$ 109,418	\$ 94,155
Acquired assets	20,712	25,406	35,543	47,882	61,214
Total Non-performing Assets	<u>\$ 101,751</u>	<u>\$ 110,672</u>	<u>\$ 132,568</u>	<u>\$ 157,300</u>	<u>\$ 155,369</u>
Additions to Nonaccrual Loans and Leases During the Quarter	<u>\$ 16,005</u>	<u>\$ 10,029</u>	<u>\$ 11,087</u>	<u>\$ 19,973</u>	<u>\$ 36,619</u>
Loans and Leases 30-89 Days Past Due, Still Accruing:					
BXS originated loans	\$ 36,748	\$ 34,929	\$ 40,424	\$ 42,978	\$ 35,002
Acquired loans	10,701	2,798	6,048	5,694	10,450
Total Loans and Leases 30-89 days past due, still accruing	<u>\$ 47,449</u>	<u>\$ 37,727</u>	<u>\$ 46,472</u>	<u>\$ 48,672</u>	<u>\$ 45,452</u>

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

June 30, 2021

	Pass	Special Mention	Substandard	Doubtful	Loss	Purchased Credit		Total
						Impaired	Deteriorated (Loss)	
LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:								
Commercial and industrial								
Commercial and industrial-non real estate	\$ 2,005,765	\$ -	\$ 40,286	\$ 171	\$ -	\$ 1,885	\$ 7,927	\$ 2,056,034
Commercial and industrial-owner occupied	2,193,141	4,000	63,638	-	-	7,452	5,202	2,273,433
Total commercial and industrial	4,198,906	4,000	103,924	171	-	9,337	13,129	4,329,467
Commercial real estate								
Agricultural	341,430	-	6,326	-	-	-	2,311	350,067
Construction, acquisition and development	1,879,040	-	40,498	-	-	714	6,169	1,926,421
Commercial real estate	3,150,789	-	159,066	-	-	9,316	4,712	3,323,883
Total commercial real estate	5,371,259	-	205,890	-	-	10,030	13,192	5,600,371
Consumer								
Consumer mortgages	3,926,705	-	63,645	-	-	1,256	184	3,991,790
Home equity	619,269	-	6,096	-	-	-	-	625,365
Credit cards	84,699	-	-	-	-	-	-	84,699
Total consumer	4,630,673	-	69,741	-	-	1,256	184	4,701,854
All other	362,556	-	9,726	-	-	-	65	372,347
Total loans	\$ 14,563,394	\$ 4,000	\$ 389,281	\$ 171	\$ -	\$ 20,623	\$ 26,570	\$ 15,004,039
BXS originated loans								
BXS originated loans	\$ 13,007,886	\$ 4,000	\$ 219,242	\$ 171	\$ -	\$ 13,989	\$ -	\$ 13,245,288
Acquired loans*	1,555,508	-	170,039	-	-	6,634	26,570	1,758,751
Total Loans	\$ 14,563,394	\$ 4,000	\$ 389,281	\$ 171	\$ -	\$ 20,623	\$ 26,570	\$ 15,004,039

March 31, 2021

	Pass	Special Mention	Substandard	Doubtful	Loss	Purchased Credit		Total
						Impaired	Deteriorated (Loss)	
LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:								
Commercial and industrial								
Commercial and industrial-non real estate	\$ 2,825,297	\$ -	\$ 30,526	\$ 171	\$ -	\$ 1,909	\$ 7,803	\$ 2,865,706
Commercial and industrial-owner occupied	2,184,516	3,471	58,754	-	-	11,086	2,629	2,260,456
Total commercial and industrial	5,009,813	3,471	89,280	171	-	12,995	10,432	5,126,162
Commercial real estate								
Agricultural	331,802	-	2,877	-	-	705	2,326	337,710
Construction, acquisition and development	1,659,787	1,534	38,665	-	-	2,448	5,366	1,707,800
Commercial real estate	2,987,075	-	127,147	-	-	9,642	3,646	3,127,510
Total commercial real estate	4,978,664	1,534	168,689	-	-	12,795	11,338	5,173,020
Consumer								
Consumer mortgages	3,629,182	-	67,881	-	-	2,825	188	3,700,076
Home equity	603,768	-	5,156	-	-	-	-	608,924
Credit cards	81,499	-	-	-	-	-	-	81,499
Total consumer	4,314,449	-	73,037	-	-	2,825	188	4,390,499
All other	343,656	-	5,404	-	-	-	67	349,127
Total loans	\$ 14,646,582	\$ 5,005	\$ 336,410	\$ 171	\$ -	\$ 28,615	\$ 22,025	\$ 15,038,808
BXS originated loans								
BXS originated loans	\$ 13,635,053	\$ 5,005	\$ 252,140	\$ 171	\$ -	\$ 18,188	\$ -	\$ 13,910,557
Acquired loans*	1,011,529	-	84,270	-	-	10,427	22,025	1,128,251
Total Loans	\$ 14,646,582	\$ 5,005	\$ 336,410	\$ 171	\$ -	\$ 28,615	\$ 22,025	\$ 15,038,808

*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-21	Mar-21	Dec-20	Sep-20	Jun-20
LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:					
Pass	\$ 14,563,394	\$ 14,646,582	\$ 14,602,079	\$ 14,877,943	\$ 14,985,673
Special Mention	4,000	5,005	8,736	-	4,264
Substandard	389,281	336,410	358,988	372,483	350,264
Doubtful	171	171	172	178	179
Loss	-	-	-	-	-
Impaired	20,623	28,615	29,545	49,818	57,406
Purchased Credit Deteriorated (Loss)	26,570	22,025	22,959	27,313	29,635
Total	<u>\$ 15,004,039</u>	<u>\$ 15,038,808</u>	<u>\$ 15,022,479</u>	<u>\$ 15,327,735</u>	<u>\$ 15,427,421</u>

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

Pass	\$ 13,007,886	\$ 13,635,053	\$ 13,459,529	\$ 13,592,460	\$ 13,516,292
Special Mention	4,000	5,005	8,736	-	2,741
Substandard	219,242	252,140	259,682	252,875	231,687
Doubtful	171	171	172	178	179
Loss	-	-	-	-	-
Impaired	13,989	18,188	17,520	30,909	28,288
Purchased Credit Deteriorated (Loss)	-	-	-	-	-
Total	<u>\$ 13,245,288</u>	<u>\$ 13,910,557</u>	<u>\$ 13,745,639</u>	<u>\$ 13,876,422</u>	<u>\$ 13,779,187</u>

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

Pass	\$ 1,555,508	\$ 1,011,529	\$ 1,142,550	\$ 1,285,483	\$ 1,469,381
Special Mention	-	-	-	-	1,523
Substandard	170,039	84,270	99,306	119,608	118,577
Doubtful	-	-	-	-	-
Loss	-	-	-	-	-
Impaired	6,634	10,427	12,025	18,909	29,118
Purchased Credit Deteriorated (Loss)	26,570	22,025	22,959	27,313	29,635
Total	<u>\$ 1,758,751</u>	<u>\$ 1,128,251</u>	<u>\$ 1,276,840</u>	<u>\$ 1,451,313</u>	<u>\$ 1,648,234</u>

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

	June 30, 2021								
	Alabama and Florida Panhandle	Arkansas	Louisiana	Mississippi	Missouri	Tennessee and Georgia	Texas	Other	Total
LOAN AND LEASE PORTFOLIO:									
Commercial and industrial									
Commercial and industrial-non real estate	\$ 200,136	\$ 140,703	\$ 189,328	\$ 438,063	\$ 70,107	\$ 124,418	\$ 886,927	\$ 6,352	\$ 2,056,034
Commercial and industrial-owner occupied	304,416	160,747	217,698	579,772	63,502	119,129	827,525	644	2,273,433
Total commercial and industrial	504,552	301,450	407,026	1,017,835	133,609	243,547	1,714,452	6,996	4,329,467
Commercial real estate									
Agricultural	32,020	68,507	22,108	66,530	6,920	12,187	140,762	1,033	350,067
Construction, acquisition and development	241,404	56,528	70,949	359,989	20,030	92,610	1,084,692	219	1,926,421
Commercial real estate	476,140	313,530	236,752	632,114	202,824	230,910	1,229,165	2,448	3,323,883
Total commercial real estate	749,564	438,565	329,809	1,058,633	229,774	335,707	2,454,619	3,700	5,600,371
Consumer									
Consumer mortgages	703,186	322,580	343,656	815,369	109,712	356,234	1,305,445	35,608	3,991,790
Home equity	128,529	43,435	70,696	201,327	16,118	126,052	39,208	-	625,365
Credit cards	-	-	-	-	-	-	-	84,699	84,699
Total consumer	831,715	366,015	414,352	1,016,696	125,830	482,286	1,344,653	120,307	4,701,854
All other	64,976	31,056	32,756	122,687	1,750	20,578	98,232	312	372,347
Total loans	<u>\$ 2,150,807</u>	<u>\$ 1,137,086</u>	<u>\$ 1,183,943</u>	<u>\$ 3,215,851</u>	<u>\$ 490,963</u>	<u>\$ 1,082,118</u>	<u>\$ 5,611,956</u>	<u>\$ 131,315</u>	<u>\$ 15,004,039</u>
Loan growth, excluding loans acquired during the quarter (annualized)	5.29%	(30.14%)	(48.57%)	(28.97%)	(11.70%)	(39.49%)	(16.63%)	(69.02%)	(22.86%)
Loan growth, excluding PPP loans (annualized)	101.71%	(6.60%)	(5.03%)	(5.16%)	5.60%	25.94%	36.65%	(13.45%)	25.18%
NON-PERFORMING LOANS AND LEASES:									
Commercial and industrial									
Commercial and industrial-non real estate	\$ 525	\$ 689	\$ 1,369	\$ 973	\$ 936	\$ 314	\$ 6,178	\$ -	\$ 10,984
Commercial and industrial-owner occupied	571	827	1,067	1,076	163	-	10,758	-	14,462
Total commercial and industrial	1,096	1,516	2,436	2,049	1,099	314	16,936	-	25,446
Commercial real estate									
Agricultural	63	219	-	964	-	-	98	-	1,344
Construction, acquisition and development	119	630	72	25	-	191	1,676	-	2,713
Commercial real estate	2,756	171	1,741	872	-	-	8,762	-	14,302
Total commercial real estate	2,938	1,020	1,813	1,861	-	191	10,536	-	18,359
Consumer									
Consumer mortgages	9,012	3,438	3,764	9,050	1,454	3,167	6,649	1,184	37,718
Home equity	244	50	298	270	87	233	132	-	1,314
Credit cards	-	-	-	-	-	-	-	771	771
Total consumer	9,256	3,488	4,062	9,320	1,541	3,400	6,781	1,955	39,803
All other	121	2	45	190	-	48	404	-	810
Total loans	<u>\$ 13,411</u>	<u>\$ 6,026</u>	<u>\$ 8,356</u>	<u>\$ 13,420</u>	<u>\$ 2,640</u>	<u>\$ 3,953</u>	<u>\$ 34,657</u>	<u>\$ 1,955</u>	<u>\$ 84,418</u>
NON-PERFORMING LOANS AND LEASES AS A PERCENTAGE OF OUTSTANDING:									
Commercial and industrial									
Commercial and industrial-non real estate	0.26%	0.49%	0.72%	0.22%	1.34%	0.25%	0.70%	0.00%	0.53%
Commercial and industrial-owner occupied	0.19%	0.51%	0.49%	0.19%	0.26%	0.00%	1.30%	0.00%	0.64%
Total commercial and industrial	0.22%	0.50%	0.60%	0.20%	0.82%	0.13%	0.99%	0.00%	0.59%
Commercial real estate									
Agricultural	0.20%	0.32%	0.00%	1.45%	0.00%	0.00%	0.07%	0.00%	0.38%
Construction, acquisition and development	0.05%	1.11%	0.10%	0.01%	0.00%	0.21%	0.15%	0.00%	0.14%
Commercial real estate	0.58%	0.05%	0.74%	0.14%	0.00%	0.00%	0.71%	0.00%	0.43%
Total commercial real estate	0.39%	0.23%	0.55%	0.18%	0.00%	0.06%	0.43%	0.00%	0.33%
Consumer									
Consumer mortgages	1.28%	1.07%	1.10%	1.11%	1.33%	0.89%	0.51%	3.33%	0.94%
Home equity	0.19%	0.12%	0.42%	0.13%	0.54%	0.18%	0.34%	N/A	0.21%
Credit cards	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.91%	0.91%
Total consumer	1.11%	0.95%	0.98%	0.92%	1.22%	0.70%	0.50%	1.63%	0.85%
All other	0.19%	0.01%	0.14%	0.15%	0.00%	0.23%	0.41%	0.00%	0.22%
Total loans	<u>0.62%</u>	<u>0.53%</u>	<u>0.71%</u>	<u>0.42%</u>	<u>0.54%</u>	<u>0.37%</u>	<u>0.62%</u>	<u>1.49%</u>	<u>0.56%</u>

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

	Quarter Ended					Year to Date	
	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20	Jun-21	Jun-20
NONINTEREST REVENUE:							
Mortgage banking excl. MSR and MSR Hedge market value adj	\$ 11,013	\$ 17,929	\$ 19,917	\$ 26,667	\$ 31,930	\$ 28,942	\$ 52,483
MSR and MSR Hedge market value adjustment	(1,908)	7,381	212	430	(2,373)	5,473	(13,456)
Credit card, debit card and merchant fees	11,589	9,659	10,053	9,938	9,080	21,248	18,256
Deposit service charges	8,849	8,477	9,708	8,892	7,647	17,326	19,329
Securities gains (losses), net	96	82	63	18	62	178	(23)
Insurance commissions	36,106	30,667	29,815	32,750	33,118	66,773	62,721
Trust income	4,434	5,129	4,046	3,902	4,064	9,563	8,077
Annuity fees	50	51	53	53	54	101	109
Brokerage commissions and fees	3,059	3,285	2,652	2,516	2,303	6,344	4,805
Gain on sale of PPP loans	21,572	-	-	-	-	21,572	-
Bank-owned life insurance	1,845	2,020	2,425	1,902	1,855	3,865	3,854
Other miscellaneous income	5,238	3,256	(118)	2,856	3,518	8,494	11,599
Total noninterest revenue	<u>\$ 101,943</u>	<u>\$ 87,936</u>	<u>\$ 78,826</u>	<u>\$ 89,924</u>	<u>\$ 91,258</u>	<u>\$ 189,879</u>	<u>\$ 167,754</u>
NONINTEREST EXPENSE:							
Salaries and employee benefits	\$ 108,188	\$ 101,060	\$ 97,215	\$ 104,219	\$ 108,103	\$ 209,248	\$ 216,375
Occupancy, net of rental income	13,187	12,814	13,004	13,053	12,890	26,001	25,598
Equipment	4,967	4,564	4,756	4,519	4,762	9,531	9,411
Deposit insurance assessments	1,638	1,455	1,696	1,522	1,962	3,093	3,508
Pension settlement expense	-	-	5,846	-	-	-	-
Advertising	783	1,004	899	826	918	1,787	2,017
Foreclosed property expense	649	1,021	2,122	(278)	1,306	1,670	2,230
Telecommunications	1,517	1,398	1,448	1,462	1,512	2,915	2,973
Public relations	1,012	741	897	1,130	459	1,753	1,139
Data processing	11,024	10,424	9,980	9,477	9,693	21,448	19,339
Computer software	4,887	5,113	5,301	4,779	4,979	10,000	9,294
Amortization of intangibles	2,401	2,318	2,499	2,357	2,355	4,719	4,749
Legal	774	1,166	1,474	(316)	1,375	1,940	2,273
Merger expense	9,962	1,649	212	129	510	11,611	5,004
Postage and shipping	1,317	1,547	1,418	1,199	1,198	2,864	2,639
Other miscellaneous expense	11,678	9,549	18,350	10,427	10,482	21,227	22,711
Total noninterest expense	<u>\$ 173,984</u>	<u>\$ 155,823</u>	<u>\$ 167,117</u>	<u>\$ 154,505</u>	<u>\$ 162,504</u>	<u>\$ 329,807</u>	<u>\$ 329,260</u>
INSURANCE COMMISSIONS:							
Property and casualty commissions	\$ 26,040	\$ 21,949	\$ 21,304	\$ 24,060	\$ 23,644	\$ 47,989	\$ 44,890
Life and health commissions	7,130	6,494	5,915	6,072	6,771	13,624	12,946
Risk management income	611	613	829	609	540	1,224	1,072
Other	2,325	1,611	1,767	2,009	2,163	3,936	3,813
Total insurance commissions	<u>\$ 36,106</u>	<u>\$ 30,667</u>	<u>\$ 29,815</u>	<u>\$ 32,750</u>	<u>\$ 33,118</u>	<u>\$ 66,773</u>	<u>\$ 62,721</u>

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

	Quarter Ended				
	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20
MORTGAGE SERVICING RIGHTS:					
Fair value, beginning of period	\$ 60,332	\$ 47,571	\$ 44,944	\$ 40,821	\$ 42,243
Additions to mortgage servicing rights:					
Originations of servicing assets	6,833	5,588	6,608	7,041	4,297
Changes in fair value:					
Due to payoffs/paydowns	(2,946)	(3,273)	(3,898)	(3,198)	(3,144)
Due to change in valuation inputs or assumptions used in the valuation model	(3,604)	10,446	(83)	280	(2,575)
Other changes in fair value	-	-	-	-	-
Fair value, end of period	<u>\$ 60,615</u>	<u>\$ 60,332</u>	<u>\$ 47,571</u>	<u>\$ 44,944</u>	<u>\$ 40,821</u>
MORTGAGE BANKING REVENUE:					
Production revenue:					
Origination	\$ 8,646	\$ 15,955	\$ 18,561	\$ 23,632	\$ 30,194
Servicing	5,313	5,247	5,254	6,233	4,880
Payoffs/Paydowns	(2,946)	(3,273)	(3,898)	(3,198)	(3,144)
Total production revenue	11,013	17,929	19,917	26,667	31,930
Market value adjustment on MSR	(3,604)	10,446	(83)	280	(2,575)
Market value adjustment on MSR Hedge	1,696	(3,065)	295	150	202
Total mortgage banking revenue	<u>\$ 9,105</u>	<u>\$ 25,310</u>	<u>\$ 20,129</u>	<u>\$ 27,097</u>	<u>\$ 29,557</u>
Mortgage loans serviced	\$ 7,407,690	\$ 7,259,808	\$ 7,330,293	\$ 7,218,090	\$ 7,000,425
MSR/mtg loans serviced	0.82%	0.83%	0.65%	0.62%	0.58%
AVAILABLE-FOR-SALE SECURITIES, at fair value					
U.S. Government agencies	2,758,412	2,642,646	2,871,408	\$ 3,116,458	\$ 3,348,206
U.S. Government agency issued residential mortgage-back securities	4,709,540	3,438,246	2,421,409	1,625,325	699,864
U.S. Government agency issued commercial mortgage-back securities	1,478,058	1,414,345	806,206	758,116	759,980
Obligations of states and political subdivisions	117,248	126,589	113,953	141,896	163,121
Corporate bonds	20,853	18,442	18,030	17,990	2,000
Total available-for-sale securities	<u>\$ 9,084,111</u>	<u>\$ 7,640,268</u>	<u>\$ 6,231,006</u>	<u>\$ 5,659,785</u>	<u>\$ 4,973,171</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 average tangible equity, return on average tangible common equity, operating return on average tangible equity-excluding MSR, operating return on average 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, average 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	
	6/30/2021	3/31/2021	12/31/2020	9/30/2020	6/30/2020	6/30/2021	6/30/2020
Net income	\$ 75,539	\$ 81,555	\$ 68,805	\$ 73,825	\$ 61,160	\$ 157,094	\$ 85,421
Plus: Merger expense, net of tax	7,476	1,238	159	97	383	8,714	3,755
Initial provision for acquired loans, net of tax	8,631	-	-	-	-	8,631	751
Pension settlement expense, net of tax	-	-	4,388	-	-	-	-
Less: Security gains(losses), net of tax	72	62	48	13	47	134	(17)
Net operating income	\$ 91,574	\$ 82,731	\$ 73,304	\$ 73,909	\$ 61,496	\$ 174,305	\$ 89,944
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372	4,744	4,744
Net operating income available to common shareholders	\$ 89,202	\$ 80,359	\$ 70,932	\$ 71,537	\$ 59,124	\$ 169,561	\$ 85,200
Net operating income	\$ 91,574	\$ 82,731	\$ 73,304	\$ 73,909	\$ 61,496	\$ 174,305	\$ 89,944
Less: MSR market value adjustment, net of tax	(1,432)	5,539	159	323	(1,781)	4,107	(10,099)
Net operating income-excluding MSR	\$ 93,006	\$ 77,192	\$ 73,145	\$ 73,586	\$ 63,277	\$ 170,198	\$ 100,043
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372	4,744	4,744
Net operating income available to common shareholders-excluding MSR	\$ 90,634	\$ 74,820	\$ 70,773	\$ 71,214	\$ 60,905	\$ 165,454	\$ 95,299

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

Net income	\$ 75,539	\$ 81,555	\$ 68,805	\$ 73,825	\$ 61,160	\$ 157,094	\$ 85,421
Plus: Provision for credit losses	11,500	-	5,794	16,000	20,000	11,500	67,250
Merger expense	9,962	1,649	212	129	510	11,611	5,004
Pension settlement expense	-	-	5,846	-	-	-	-
Income tax expense	21,102	23,347	14,046	21,525	18,164	44,449	23,923
Less: Security gains(losses)	96	82	63	18	62	178	(23)
MSR market value adjustment	(1,908)	7,381	212	430	(2,373)	5,473	(13,456)
Pre-tax pre-provision net revenue	\$ 119,915	\$ 99,088	\$ 94,428	\$ 111,031	\$ 102,145	\$ 219,003	\$ 195,077

Reconciliation of Total Operating Expense to Total Noninterest Expense:

Total noninterest expense	\$ 173,984	\$ 155,823	\$ 167,911	\$ 155,505	\$ 162,504	\$ 329,807	\$ 329,260
Less: Merger expense	9,962	1,649	212	129	510	11,611	5,004
Pension settlement expense	-	-	5,846	-	-	-	-
Total operating expense	\$ 164,022	\$ 154,174	\$ 161,853	\$ 155,376	\$ 161,994	\$ 318,196	\$ 324,256

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		
	6/30/2021	3/31/2021	12/31/2020	9/30/2020	6/30/2020	6/30/2021	6/30/2020
Tangible assets							
Total assets	\$ 27,612,365	\$ 25,802,497	\$ 24,081,194	\$ 23,555,422	\$ 23,236,176	\$ 27,612,365	\$ 23,236,176
Less: Goodwill	957,474	851,612	851,612	847,531	847,984	957,474	847,984
Other identifiable intangible assets	54,659	53,581	55,899	54,757	56,989	54,659	56,989
Total tangible assets	\$ 26,600,232	\$ 24,897,304	\$ 23,173,683	\$ 22,653,134	\$ 22,331,203	\$ 26,600,232	\$ 22,331,203
Less: PPP loans	167,144	1,146,000	975,421	1,212,246	1,192,715	167,144	1,192,715
Total tangible assets-excluding PPP loans	\$ 26,433,088	\$ 23,751,304	\$ 22,198,262	\$ 21,440,888	\$ 21,138,488	\$ 26,433,088	\$ 21,138,488
PERIOD END BALANCES:							
Tangible shareholders' equity							
Total shareholders' equity	\$ 3,069,574	\$ 2,825,198	\$ 2,822,477	\$ 2,782,539	\$ 2,732,687	\$ 3,069,574	\$ 2,732,687
Less: Goodwill	957,474	851,612	851,612	847,531	847,984	957,474	847,984
Other identifiable intangible assets	54,659	53,581	55,899	54,757	56,989	54,659	56,989
Total tangible shareholders' equity	\$ 2,057,441	\$ 1,920,005	\$ 1,914,966	\$ 1,880,251	\$ 1,827,714	\$ 2,057,441	\$ 1,827,714
Less: Preferred stock	166,993	166,993	166,993	166,993	166,993	166,993	166,993
Total tangible common shareholders' equity	\$ 1,890,448	\$ 1,753,012	\$ 1,747,973	\$ 1,713,258	\$ 1,660,721	\$ 1,890,448	\$ 1,660,721
AVERAGE BALANCES:							
Tangible shareholders' equity							
Total shareholders' equity	\$ 2,954,834	\$ 2,813,001	\$ 2,774,589	\$ 2,729,870	\$ 2,738,434	\$ 2,884,309	\$ 2,698,567
Less: Goodwill	910,448	851,612	852,472	847,744	848,160	881,192	846,398
Other identifiable intangible assets	52,564	54,876	54,858	56,045	58,280	53,714	58,542
Total tangible shareholders' equity	\$ 1,991,822	\$ 1,906,513	\$ 1,867,259	\$ 1,826,081	\$ 1,831,994	\$ 1,949,403	\$ 1,793,627
Less: Preferred stock	166,993	166,993	166,993	166,993	166,993	166,993	167,007
Total tangible common shareholders' equity	\$ 1,824,829	\$ 1,739,520	\$ 1,700,266	\$ 1,659,088	\$ 1,665,001	\$ 1,782,410	\$ 1,626,620
Total average assets	\$ 26,666,296	\$ 24,545,560	\$ 23,660,503	\$ 23,318,877	\$ 22,707,686	\$ 25,611,786	\$ 21,948,661
Total shares of common stock outstanding	108,614,595	102,624,818	102,561,480	102,558,459	102,566,301	108,614,595	102,566,301
Average shares outstanding-diluted	105,838,056	102,711,584	102,817,409	102,839,749	102,827,225	104,274,819	103,780,561
Tangible shareholders' equity to tangible assets (1)	7.73%	7.71%	8.26%	8.30%	8.18%	7.73%	8.18%
Tangible shareholders' equity to tangible assets-excluding PPP loans (2)	7.78%	8.08%	8.63%	8.77%	8.65%	7.78%	8.65%
Tangible common shareholders' equity to tangible assets (3)	7.11%	7.04%	7.54%	7.56%	7.44%	7.11%	7.44%
Tangible common shareholders' equity to tangible assets-excluding PPP loans (4)	7.15%	7.38%	7.87%	7.99%	7.86%	7.15%	7.86%
Return on average tangible equity (5)	15.21%	17.35%	14.66%	16.08%	13.43%	16.25%	9.58%
Return on average tangible common equity (6)	16.08%	18.46%	15.54%	17.13%	14.20%	17.24%	9.97%
Operating return on average tangible equity-excluding MSR (7)	18.73%	16.42%	15.58%	16.03%	13.89%	17.61%	11.22%
Operating return on average tangible common equity-excluding MSR (8)	19.92%	17.44%	16.56%	17.08%	14.71%	18.72%	11.78%
Operating return on average assets-excluding MSR (9)	1.40%	1.28%	1.23%	1.26%	1.12%	1.34%	0.92%
Operating return on average shareholders' equity-excluding MSR (10)	12.62%	11.13%	10.49%	10.72%	9.29%	11.90%	7.46%
Operating return on average common shareholders' equity-excluding MSR (11)	13.04%	11.47%	10.80%	11.05%	9.53%	12.28%	7.57%
Pre-tax pre-provision net revenue to total average assets (12)	1.80%	1.64%	1.59%	1.89%	1.81%	1.72%	1.79%
Tangible book value per common share (13)	\$ 17.41	\$ 17.08	\$ 17.04	\$ 16.71	\$ 16.19	\$ 17.41	\$ 16.19
Operating earnings per common share (14)	\$ 0.84	\$ 0.78	\$ 0.69	\$ 0.70	\$ 0.57	\$ 1.63	\$ 0.82
Operating earnings per common share-excluding MSR (15)	\$ 0.86	\$ 0.73	\$ 0.69	\$ 0.69	\$ 0.59	\$ 1.59	\$ 0.92

- (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.