
**FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, DC 20429**

FORM 8-K

**CURRENT REPORT PURSUANT TO
SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): April 20, 2020

BANCORPSOUTH BANK
(Exact Name of Registrant as Specified in Charter)

Mississippi
(State or Other Jurisdiction of
Incorporation)

11813
(FDIC Certificate No.)

64-0117230
(IRS Employer Identification
No.)

**One Mississippi Plaza
201 South Spring Street
Tupelo, Mississippi**
(Address of Principal Executive
Offices)

38804
(Zip Code)

Registrant's telephone number, including area code **(662) 680-2000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$2.50 par value per share	BXS	New York Stock Exchange
Series A Preferred Stock, \$0.01 par value per share	BXS-PrA	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

On April 20, 2020, BancorpSouth Bank (the “**Company**”) issued a news release announcing its financial results for the first quarter ended March 31, 2020 (the “**News Release**”). In addition, the Company will conduct a conference call and webcast at 10:00 a.m. (Central Time) on April 21, 2020 to discuss its financial results for the first quarter ended March 31, 2020. The Company prepared a presentation to be used in connection with this conference call and webcast (the “**Presentation**”). Copies of the News Release and the Presentation are furnished as Exhibit 99.1 and Exhibit 99.2, respectively, to this Current Report on Form 8-K (this “**Report**”) and are incorporated herein by reference in the entirety.

Item 7.01. Regulation FD Disclosure.

The disclosure contained in Item 2.02 of this Report is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.**EXHIBIT INDEX**

<u>Exhibit Number</u>	<u>Description</u>
99.1	News Release
99.2	Presentation

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

BANCORPSOUTH BANK

By: /s/ Cathy S. Freeman
Cathy S. Freeman
Senior Executive Vice President and
Chief Administrative Officer

Date: April 20, 2020

News Release



Contact:

John G. Copeland
Senior Executive Vice President and
Chief Financial Officer
662/680-2536

Will Fisackerly
Executive Vice President and
Director of Corporate Finance
662/680-2475

BancorpSouth Announces First Quarter 2020 Financial Results

TUPELO, Miss., April 20, 2020/PRNewswire – BancorpSouth Bank (NYSE: BXS) (the “Company”) today announced financial results for the quarter ended March 31, 2020.

Highlights for the first quarter of 2020 included:

- Achieved quarterly net income available to common shareholders of \$21.9 million, or \$0.21 per diluted common share and net operating income available to common shareholders – excluding MSR – of \$34.4 million, or \$0.33 per diluted common share.
- Recorded provision for credit losses of \$46.0 million primarily as a result of the impact of the coronavirus (“COVID-19”) pandemic on the economic factors included in the Company’s allowance for credit losses methodology; implemented Accounting Standards Update 2016-13 “Financial Instruments – Credit Losses” (“CECL”) effective January 1, 2020.
- Generated \$91.7 million in pre-tax pre-provision net revenue, or 1.74 percent of average assets on an annualized basis, which represents an increase from 1.63 percent for the first quarter of 2019 and an increase from 1.68 percent for the fourth quarter of 2019.
- Mortgage production volume of \$477.1 million contributed to mortgage production and servicing revenue of \$20.6 million; earnings were negatively impacted by a pre-tax mortgage servicing rights (“MSR”) valuation adjustment of \$11.1 million.
- Completed the acquisition of Texas First Bancshares, Inc., the parent company of Texas First State Bank, effective January 1, 2020, which added \$185 million in loans and \$370 million in deposits to the Company’s Central Texas presence; merger-related expenses totaled \$4.5 million for the quarter.
- Repurchased 3.3 million shares of outstanding common stock at a weighted average price of \$26.42 per share.
- Maintained strong regulatory capital metrics; estimated total risk-based capital of 13.73 percent at March 31, 2020 compared to 11.55 percent at March 31, 2019.

- MORE -

BancorpSouth Bank

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“Our first quarter efforts were obviously largely focused on navigating the health, logistical and economic impacts of the COVID-19 pandemic,” remarked Dan Rollins, Chairman and Chief Executive Officer. “We have worked diligently to create an environment that protects the health and wellbeing of our teammates while also meeting the needs of our customers. Although it is still too early to predict the ultimate impact of the pandemic on our customers and loan portfolio, particularly in light of the government stimulus programs, we recorded a provision for credit losses of \$46.0 million for the quarter primarily as a result of the deterioration of economic factors included in our reserve methodology. Otherwise, we continue to be pleased with our financial performance given the current operating environment. We reported pre-tax pre-provision net revenue of \$91.7 million for the quarter, or 1.74 percent of average assets on an annualized basis, which is actually an improvement over both the first and fourth quarters of 2019.”

“As we look more specifically at our first quarter performance, our mortgage team had a great quarter, generating \$477 million in total production. Refinance activity has historically helped our Company during periods of declining rates, and the first quarter was no different as mortgage production and servicing income totaled \$20.6 million for the quarter. The rate environment certainly had a negative impact on our net interest margin and we expect this trend to continue into the second quarter. Finally, we deployed a portion of the \$470 million in capital that we raised late last year through the closing of our merger with Texas First as well as the repurchase of 3.3 million shares of our common stock. With that said, our regulatory capital metrics remain strong. As of the end of the quarter, each ratio was in excess of 300 basis points above the regulatory prescribed ‘well-capitalized’ levels. We will continue to monitor the stability of the economy very closely with respect to any potential future share repurchase activity.”

The Company is a participant in the U.S. Small Business Association (“SBA”) Preferred Lender Program. The Company is actively assisting its customers to obtain the stimulus aid provided by the CARES Act, including the Paycheck Protection Program (“PPP”). The Company has received approval for and is currently in the process of funding approximately 8,500 loans totaling \$1.0 billion under the PPP program. The Company continues to take applications and is prepared to process them should additional funding be approved. Rollins added, “When you look at our balance sheet composition and footprint, small businesses are at the core of who we are as a company. They are critical to the economic success of the geographies we serve. Our relationship officers, credit administrators, and operational support staff have worked tirelessly over the past few weeks to accomplish what seemed to be an insurmountable task. The customer experience during this unprecedented time provides a real opportunity to broaden and deepen relationships.”

Earnings Summary

The Company reported net income available to common shareholders of \$21.9 million, or \$0.21 per diluted common share, for the first quarter of 2020, compared with net income available to common shareholders of \$51.6 million, or \$0.52 per diluted common share, for the first quarter of 2019 and net income available to common shareholders of \$65.8 million, or \$0.63 per diluted common share, for the fourth quarter of 2019. The Company reported net operating income available to common shareholders – excluding MSR – of \$34.4 million, or \$0.33 per diluted common share, for the first quarter of 2020, compared with \$55.9 million, or \$0.56 per diluted

- MORE -

common share, for the first quarter of 2019 and \$67.8 million, or \$0.65 per diluted common share, for the fourth quarter of 2019.

The Company reported pre-tax pre-provision net revenue of \$91.7 million, or 1.74 percent of average assets on an annualized basis, compared to \$72.5 million, or 1.63 percent of average assets on an annualized basis, for the first quarter of 2019 and \$85.8 million, or 1.68 percent of average assets, for the fourth quarter of 2019.

Net Interest Revenue

Net interest revenue was \$167.5 million for the first quarter of 2020, an increase of 9.8 percent from \$152.6 million for the first quarter of 2019 and a decrease of 1.9 percent from \$170.8 million for the fourth quarter of 2019. The fully taxable equivalent net interest margin was 3.54 percent for the first quarter of 2020, compared with 3.86 percent for the first quarter of 2019 and 3.76 percent for the fourth quarter of 2019. Yields on net loans and leases were 5.00 percent for the first quarter of 2020, compared with 5.09 percent for the first quarter of 2019 and 5.13 percent for the fourth quarter of 2019, while yields on total interest earning assets were 4.27 percent for the first quarter of 2020, compared with 4.57 percent for the first quarter of 2019 and 4.48 percent for the fourth quarter of 2019. The net interest margin, excluding accretable yield, was 3.48 percent for the first quarter of 2020, compared with 3.74 percent for the first quarter of 2019 and 3.61 percent for the fourth quarter of 2019, while yields on net loans and leases, excluding accretable yield, were 4.93 percent for the first quarter of 2020, compared with 4.95 percent for both the first quarter of 2019 and the fourth quarter of 2019. The average cost of deposits was 0.67 percent for the first quarter of 2020, compared with 0.63 percent for the first quarter of 2019 and 0.68 percent for the fourth quarter of 2019.

Balance Sheet Activity

Loans and leases, net of unearned income, increased \$135.0 million during the first quarter of 2020. Excluding acquired balances, loans decreased approximately \$50.0 million for the first quarter of 2020. Deposits increased \$477.2 million during the first quarter of 2020. Excluding acquired deposits, total deposits increased approximately \$105.0 million during the first quarter of 2020, or 2.6 percent on an annualized basis.

Provision for Credit Losses and Allowance for Credit Losses

Earnings for the first quarter of 2020 reflect a provision for credit losses of \$46.0 million, compared with a provision of \$0.5 million for the first quarter of 2019 and no provision for the fourth quarter of 2019. Net charge-offs for the first quarter of 2020 were \$13.7 million, compared with net charge-offs of \$4.1 million for the first quarter of 2019 and net recoveries of \$2.2 million for the fourth quarter of 2019. Of the \$13.7 million in net charge-offs for the first quarter of 2020, \$12.7 million were acquired loans that were previously recorded as purchased credit impaired prior to the adoption of CECL and were subsequently classified as purchase credit deteriorated loans. The allowance for credit losses was \$218.2 million, or 1.53 percent of net loans and leases, at March

- MORE -

31, 2020, compared with \$116.5 million, or 0.89 percent of net loans and leases, at March 31, 2019, and \$119.1 million, or 0.85 percent of net loans and leases, at December 31, 2019.

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

Total non-performing assets were \$137.8 million, or 0.97 percent of net loans and leases, at March 31, 2020, compared with \$97.0 million, or 0.74 percent of net loans and leases, at March 31, 2019, and \$118.3 million, or 0.84 percent of net loans and leases, at December 31, 2019. Other real estate owned was \$9.2 million at March 31, 2020, compared with \$9.7 million at March 31, 2019 and \$6.7 million at December 31, 2019.

Noninterest Revenue

Noninterest revenue was \$76.5 million for the first quarter of 2020, compared with \$64.2 million for the first quarter of 2019 and \$74.7 million for the fourth quarter of 2019. These results include a negative MSR valuation adjustment of \$11.1 million for the first quarter of 2020, compared with a negative MSR valuation adjustment of \$4.9 million for the first quarter of 2019 and a positive MSR valuation adjustment of \$3.2 million for the fourth quarter of 2019. Valuation adjustments in the MSR asset are driven primarily by fluctuations in interest rates period over period.

Mortgage production and servicing revenue was \$20.6 million for the first quarter of 2020, compared with \$6.9 million for both the first and fourth quarters of 2019. Mortgage origination volume for the first quarter of 2020 was \$477.1 million, compared with \$291.7 million for the first quarter of 2019 and \$504.9 million for the fourth quarter of 2019. Of the total mortgage origination volume for the first quarter of 2020, \$85.6 million was portfolio loans, compared with \$54.1 million for the first quarter of 2019 and \$106.4 million for the fourth quarter of 2019.

Credit card, debit card, and merchant fee revenue was \$9.2 million for the first quarter of 2020, compared with \$8.9 million for the first quarter of 2019 and \$9.8 million for the fourth quarter of 2019. Deposit service charge revenue was \$11.7 million for the first quarter of 2020, compared with \$10.8 million for the first quarter of 2019 and \$12.2 million for the fourth quarter of 2019. Wealth management revenue was \$6.6 million for the first quarter of 2020, compared with \$5.6 million for the first quarter of 2019 and \$6.6 million for the fourth quarter of 2019. Insurance commission revenue was \$29.6 million for the first quarter of 2020, compared with \$30.2 million for the first quarter of 2019 and \$27.6 million for the fourth quarter of 2019. Other noninterest revenue was \$10.1 million for the first quarter of 2020, compared with \$6.7 million for the first quarter of 2019 and \$8.3 million for the fourth quarter of 2019. Other noninterest revenue for the first quarter of 2020 included a \$4.2 million gain associated with the sale of a book of business within the Company's insurance agency.

- MORE -

Noninterest Expense

Noninterest expense for the first quarter of 2020 was \$168.0 million, compared with \$150.0 million for the first quarter of 2019 and \$162.4 million for the fourth quarter of 2019. Salaries and employee benefits expense was \$108.3 million for the first quarter of 2020, compared with \$97.2 million for the first quarter of 2019 and \$97.1 million for the fourth quarter of 2019. Occupancy expense was \$12.7 million for the first quarter of 2020, compared with \$11.6 million for the first quarter of 2019 and \$12.3 million for the fourth quarter of 2019. Other noninterest expense was \$40.8 million for the first quarter of 2020, compared with \$34.6 million for the first quarter of 2019 and \$46.0 million for the fourth quarter of 2019. Additionally, merger-related expense for the first quarter of 2020 was \$4.5 million, compared with merger-related expense of \$0.9 million for the first quarter of 2019 and \$5.8 million for the fourth quarter of 2019.

Capital Management

The Company's ratio of shareholders' equity to assets was 12.75 percent at March 31, 2020, compared with 12.16 percent at March 31, 2019 and 12.75 percent at December 31, 2019. The ratio of tangible common shareholders' equity to tangible assets was 7.99 percent at March 31, 2020, compared with 8.41 percent at March 31, 2019 and 8.09 percent at December 31, 2019.

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

During the first quarter of 2020, the Company repurchased 3,300,000 shares of its outstanding common stock at a weighted average price of \$26.42 per share pursuant to its share repurchase program. As of March 31, 2020, the Company had 4,700,000 remaining shares available for repurchase under its current share repurchase authorization which expires on December 31, 2020.

Estimated regulatory capital ratios at March 31, 2020 were calculated in accordance with the Basel III capital framework as well as the interagency interim final rule published on March 31, 2020 entitled "Revised Transition of the Current Expected Credit Losses Methodology for Allowances". The Company is a "well capitalized" bank, as defined by federal regulations, at March 31, 2020, with Tier 1 risk-based capital of 11.11 percent and total risk-based capital of 13.73 percent, compared with required minimum levels of 8 percent and 10 percent, respectively, in order to qualify for "well capitalized" classification.

- MORE -

Summary

Rollins concluded, “As we move forward, we believe our Company is well positioned to weather the economic effects of this pandemic. We have worked diligently over the past several years to further diversify our loan portfolio and enhance our credit underwriting standards. We are pleased with our regulatory capital ratios and other liquidity metrics, including additional off balance sheet funding availability. Finally, we have a resilient team of professionals dedicated to serving our customers and communities as well as improving shareholder value.”

TRANSACTIONS

Texas First Bancshares, Inc.

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

Van Alstyne Financial Corporation & Summit Financial Enterprises, Inc.

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

- MORE -

Casey Bancorp, Inc. & Merchants Trust, Inc.

On April 1, 2019, the Company completed the mergers with Casey Bancorp, Inc. and its wholly owned subsidiary, Grand Bank of Texas (collectively referred to as “Grand Bank”), pursuant to which Grand Bank was merged with and into the Company, and with Merchants Trust, Inc. and its wholly owned subsidiary, Merchants Bank (collectively referred to as “Merchants”), pursuant to which Merchants was merged with and into the Company. Grand Bank operated 4 full-service banking offices in the cities of Dallas, Grand Prairie, Horseshoe Bay and Marble Falls, all in Texas, while Merchants, which was based in Jackson, Alabama, operated 6 full-service banking offices in Clarke and Mobile counties in Alabama. As of April 1, 2019, Grand Bank and Merchants collectively reported total assets of \$566.0 million, total loans of \$415.0 million and total deposits of \$529.0 million. Under the terms of the definitive merger agreements, the Company issued approximately 2,225,000 shares of the Company’s common stock plus \$24.2 million in cash for all outstanding shares of both institutions. For more information regarding these transactions, see our Current Report on Form 8-K that was filed with the FDIC on April 1, 2019.

Non-GAAP Measures and Ratios

This news release presents certain financial measures and ratios that are not calculated in accordance with U.S. generally accepted accounting principles (“GAAP”). A discussion regarding these non-GAAP measures and ratios, including reconciliations of non-GAAP measures to the most directly comparable GAAP measures and definitions for non-GAAP ratios, appears under the caption “Reconciliation of Non-GAAP Measures and Other Non-GAAP Ratio Definitions” beginning on page 24 of this news release.

Statement Regarding Impact of COVID-19 Pandemic

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

In this news release, the Company has sought 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 discussions regarding the increases in its provision and allowance for credit losses and the discussion regarding negative pressure to its net interest revenue and net interest margin. Although the Company believes that the statements that pertain to future events, results and trends and their impact on the Company’s business are reasonable at the present time, those statements are not historical facts and are based upon current assumptions, expectations, estimates and projections, many of which, by their nature, are beyond the Company’s control. Accordingly, all discussions regarding future events, results and trends and their impact on the Company’s business, even in the near term, are necessarily uncertain given the fluid and evolving nature of the pandemic.

- MORE -

If the health, logistical or economic effects of the pandemic worsen, or if the assumptions, expectations, estimates or projections that underlie the Company's statements regarding future effects or trends prove to be incorrect, then the Company's actual assets, business, cash flows, financial condition, liquidity, prospects and results of operations may be materially and adversely impacted in ways that the Company cannot reasonably forecast.

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

Conference Call and Webcast

The Company will conduct a conference call to discuss its first quarter 2020 financial results on April 21, 2020, at 10:00 a.m. (Central Time). This conference call will be an interactive session between management and analysts. Interested parties may listen to this live conference call via Internet webcast by accessing www.bancorpsouth.investorroom.com/webcasts. The webcast will also be available in archived format at the same address.

About BancorpSouth Bank

BancorpSouth Bank (NYSE: BXS) is headquartered in Tupelo, Mississippi, with approximately \$21 billion in assets. BancorpSouth operates approximately 310 full service branch locations as well as additional mortgage, insurance, and loan production offices in Alabama, Arkansas, Florida, Louisiana, Mississippi, Missouri, Tennessee and Texas, including an insurance location in Illinois. BancorpSouth is committed to a culture of respect, diversity, and inclusion in both its workplace and communities. To learn more, visit our Community Commitment page at www.bancorpsouth.com. Like us on Facebook; follow us on Twitter: @MyBXS; or connect with us through LinkedIn.

Forward-Looking Statements

Certain statements made in this news release are not statements of historical fact and constitute "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to the safe harbor created under the Private Securities Litigation Reform Act of 1995. These statements are often, but not always, made through the use of words or phrases such as "may," "should," "could," "predict," "potential," "believe," "will likely result," "expect," "continue," "will," "anticipate," "seek," "aspire," "roadmap," "achieve," "estimate," "intend," "plan," "project," "projection," "forecast," "goal," "target," "would," and "outlook," or the negative version of those words or other comparable words of a future or forward-looking nature. These forward-looking statements include, without limitation, those relating to the impact of the COVID-19 pandemic on the Company's assets, business, cash flows, financial condition, liquidity, prospects and results of operations, the benefits, costs, synergies and financial and operational impact of the Texas First merger on the Company, the acceptance by customers of Texas First of the Company's products and services after the closing of the merger, the opportunities to enhance market share in certain markets and market acceptance of the Company generally in new markets, the Company's ability to operate its regulatory compliance programs consistent with federal, state and local laws, including its Bank Secrecy Act ("BSA") and anti-money laundering ("AML") compliance program and its fair lending compliance program, the Company's ability to pay dividends or coupons on Series A Preferred Stock or the Notes or its ability to ultimately repay the Notes or otherwise comply with the terms of such instruments, amortization expense for intangible assets, goodwill impairments, loan impairments, utilization of appraisals and inspections for real estate loans, maturity, renewal or extension of construction, acquisition and development loans, net interest revenue and net interest margin, fair value determinations, the amount of the Company's non-performing loans and leases, credit quality, credit losses, liquidity, off-balance sheet commitments and arrangements, valuation of mortgage servicing rights, allowance and provision for credit losses, early identification and resolution of credit issues, utilization of non-GAAP financial measures, the ability of the Company to collect all amounts due according to the contractual terms of loan agreements, the Company's reserve for losses from representation and warranty obligations, the Company's foreclosure process related to mortgage loans, the resolution of non-performing loans that are collaterally dependent, real estate values, fully-indexed interest rates, interest rate risk, interest rate sensitivity, the impact of interest rates on loan yields, calculation of economic value of equity, impaired loan charge-offs, diversification of the Company's revenue stream, the growth of the Company's insurance business and commission revenue, the growth of the Company's customer base and loan, deposit and fee revenue sources, liquidity needs

- MORE -

BXS Announces First Quarter 2020 Financial Results

Page 9

April 20, 2020

and strategies, the ability of the Company to access successfully the capital and credit markets when needed or as desired, sources of funding, declaration and payment of dividends, the utilization of the Company's share repurchase program, the implementation and execution of cost saving initiatives, improvement in the Company's efficiencies, operating expense trends, and the impact of certain claims and ongoing, pending or threatened litigation, administrative and investigatory matters.

These forward-looking statements are not historical facts, and are based upon current expectations, estimates and projections about the Company's industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain, involve risk and are beyond the Company's control. The inclusion of these forward-looking statements should not be regarded as a representation by the Company or any other person that such expectations, estimates and projections will be achieved. Accordingly, the Company cautions that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict and that are beyond the Company's control. These risks, assumptions and uncertainties may include, but are not limited to, the impact of the COVID-19 pandemic on the Company's assets, business, cash flows, financial condition, liquidity, prospects and results of operations, increases in the provision and allowance for credit losses and interest rate pressure on net interest revenue and net interest margin, the Company's ability to operate its regulatory compliance programs consistent with federal, state and local laws, including its BSA/AML compliance program and its fair lending compliance program, the ability of the Company to meet expectations regarding the benefits, costs, synergies, and financial and operational impact of the Texas First merger, the possibility that any of the anticipated benefits, costs, synergies and financial and operational improvements of the Texas First merger will not be realized or will not be realized as expected, the ability of the Company and Texas First to meet expectations regarding the accounting and tax treatments of the Texas First merger, the possibility that any of the anticipated benefits of the Texas First merger will not be realized or will not be realized as expected, the lack of availability of the Company's filings mandated by the Exchange Act from the Securities and Exchange Commission's publicly available website after November 1, 2017, the impact of any ongoing pending or threatened litigation, administrative and investigatory matters involving the Company, conditions in the financial markets and economic conditions generally, the adequacy of the Company's provision and allowance for credit losses to cover actual credit losses, the credit risk associated with real estate construction, acquisition and development loans, limitations on the Company's ability to declare and pay dividends, the availability of capital on favorable terms if and when needed, liquidity risk, governmental regulation, including the Dodd-Frank Wall Street Reform and Consumer Protection Act, and supervision of the Company's operations, the short-term and long-term impact of changes to banking capital standards on the Company's regulatory capital and liquidity, the impact of regulations on service charges on the Company's core deposit accounts, the susceptibility of the Company's business to local economic and environmental conditions, the soundness of other financial institutions, changes in interest rates, the impact of monetary policies and economic factors on the Company's ability to attract deposits or make loans, volatility in capital and credit markets, reputational risk, the impact of the loss of any key Company personnel, the impact of hurricanes or other adverse weather events, any requirement that the Company write down goodwill or other intangible assets, diversification in the types of financial services the Company offers, the growth of the Company's insurance business and commission revenue, the growth of the Company's loan, deposit and fee revenue sources, the Company's ability to adapt its products and services to evolving industry standards and consumer preferences, competition with other financial services companies, risks in connection with completed or potential acquisitions, dispositions and other strategic growth opportunities and initiatives, the Company's growth strategy, interruptions or breaches in the Company's information system security, the failure of certain third-party vendors to perform, unfavorable ratings by rating agencies, dilution caused by the Company's issuance of any additional shares of its capital stock to raise capital or acquire other banks, bank holding companies, financial holding companies and insurance agencies, the utilization of the Company's share repurchase program, the implementation and execution of cost saving initiatives, other factors generally understood to affect the assets, business, cash flows, financial condition, liquidity, prospects and/or results of operations of financial services companies, and other factors detailed from time to time in the Company's press and news releases, reports and other filings with the FDIC.

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

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

- MORE -

BancorpSouth Bank

201 South Spring Street • Tupelo, MS 38804 • (662) 680-2000

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

	Quarter Ended 3/31/2020	Quarter Ended 12/31/2019	Quarter Ended 9/30/2019	Quarter Ended 6/30/2019	Quarter Ended 3/31/2019
Earnings Summary:					
Interest revenue	\$ 202,064	\$ 203,812	\$ 199,004	\$ 191,063	\$ 181,133
Interest expense	34,534	33,038	32,405	31,046	28,579
Net interest revenue	167,530	170,774	166,599	160,017	152,554
Provision for credit losses	46,000	-	500	500	500
Net interest revenue, after provision for credit losses	121,530	170,774	166,099	159,517	152,054
Noninterest revenue	76,496	74,697	75,432	66,332	64,220
Noninterest expense	168,006	162,351	159,614	157,674	149,968
Income before income taxes	30,020	83,120	81,917	68,175	66,306
Income tax expense	5,759	17,271	18,160	15,118	14,708
Net income	\$ 24,261	\$ 65,849	\$ 63,757	\$ 53,057	\$ 51,598
Less: Preferred dividends	2,372	-	-	-	-
Net income available to common shareholders	\$ 21,889	\$ 65,849	\$ 63,757	\$ 53,057	\$ 51,598
Balance Sheet - Period End Balances					
Total assets	\$ 21,032,524	\$ 21,052,576	\$ 19,850,225	\$ 18,936,814	\$ 18,314,183
Total earning assets	18,939,750	18,891,021	17,619,053	16,948,009	16,426,872
Total securities	4,468,340	4,481,974	2,766,446	2,760,732	2,692,499
Loans and leases, net of unearned income	14,224,645	14,089,683	14,120,783	13,658,527	13,071,059
Allowance for credit losses	218,199	119,066	116,908	115,691	116,499
Net book value of acquired loans (included in loans and leases above)	1,661,329	1,628,265	1,845,056	1,421,303	1,191,673
Remaining loan mark on acquired loans	22,286	46,240	53,137	38,408	30,782
Total deposits	16,887,916	16,410,699	16,025,756	15,136,648	14,692,609
Long-term debt	4,721	5,053	5,161	5,271	5,503
Junior subordinated debt securities	296,723	296,547	-	-	-
Total shareholders' equity	2,681,904	2,685,017	2,489,427	2,327,120	2,226,585
Common shareholders' equity	2,514,911	2,517,996	2,489,427	2,327,120	2,226,585
Balance Sheet - Average Balances					
Total assets	\$ 21,189,637	\$ 20,243,023	\$ 19,170,926	\$ 18,637,258	\$ 18,033,513
Total earning assets	19,113,449	18,125,676	17,148,574	16,693,115	16,156,235
Total securities	4,461,298	3,555,014	2,738,691	2,733,335	2,704,383
Loans and leases, net of unearned income	14,226,788	14,061,118	13,726,755	13,549,591	13,078,221
Total deposits	16,905,229	16,218,715	15,509,511	15,080,885	14,445,834
Long-term debt	4,800	5,138	5,303	5,403	5,826
Junior subordinated debt securities	296,617	135,535	-	-	-
Total shareholders' equity	2,658,699	2,572,750	2,378,882	2,298,512	2,212,748
Common shareholders' equity	2,491,678	2,498,033	2,378,882	2,298,512	2,212,748
Nonperforming Assets:					
Non-accrual loans and leases	\$ 110,074	\$ 78,796	\$ 76,383	\$ 71,076	\$ 68,949
Loans and leases 90+ days past due, still accruing	7,272	17,531	16,659	8,053	8,471
Restructured loans and leases, still accruing	11,284	15,184	15,033	10,676	9,874
Non-performing loans (NPLs)	128,630	111,511	108,075	89,805	87,294
Other real estate owned	9,200	6,746	7,929	6,179	9,686
Non-performing assets (NPAs)	\$ 137,830	\$ 118,257	\$ 116,004	\$ 95,984	\$ 96,980
Financial Ratios and Other Data:					
Return on average assets	0.46%	1.29%	1.32%	1.14%	1.16%
Operating return on average assets-excluding MSR*	0.70%	1.33%	1.44%	1.33%	1.26%
Return on average shareholders' equity	3.67%	10.15%	10.63%	9.26%	9.46%
Operating return on average shareholders' equity-excluding MSR*	5.56%	10.46%	11.63%	10.82%	10.24%
Return on average common shareholders' equity	3.53%	10.46%	10.63%	9.26%	9.46%
Operating return on average common shareholders' equity-excluding MSR*	5.55%	10.78%	11.63%	10.82%	10.24%
Return on average tangible equity*	5.56%	15.47%	16.23%	14.06%	14.27%
Operating return on average tangible equity-excluding MSR*	8.42%	15.94%	17.75%	16.42%	15.45%
Return on average tangible common equity*	5.54%	16.19%	16.23%	14.06%	14.27%
Operating return on average tangible common equity-excluding MSR*	8.71%	16.68%	17.75%	16.42%	15.45%
Pre-tax pre-provision net revenue to total average assets	1.74%	1.68%	1.87%	1.73%	1.63%
Noninterest income to average assets	1.45%	1.46%	1.56%	1.43%	1.44%
Noninterest expense to average assets	3.19%	3.18%	3.30%	3.39%	3.37%
Net interest margin-fully taxable equivalent	3.54%	3.76%	3.88%	3.87%	3.86%
Net interest margin-fully taxable equivalent, excluding net accretion on acquired loans and leases	3.48%	3.61%	3.76%	3.79%	3.74%
Net interest rate spread	3.24%	3.44%	3.56%	3.56%	3.56%
Efficiency ratio (tax equivalent)*	68.65%	65.92%	65.68%	69.36%	68.85%
Operating efficiency ratio-excluding MSR (tax equivalent)*	63.89%	64.39%	63.01%	65.46%	66.89%
Loan/deposit ratio	84.23%	85.86%	88.11%	90.23%	88.96%
Price to earnings multiple (close)	9.46	13.60	13.77	13.26	16.60
Market value to common book value	77.21%	130.38%	124.62%	125.60%	125.56%
Market value to common book value (avg)	107.86%	128.18%	120.12%	125.47%	132.05%
Market value to common tangible book value	120.81%	201.13%	193.15%	191.45%	189.14%
Market value to common tangible book value (avg)	168.76%	197.74%	186.17%	191.25%	198.92%
Employee FTE	4,737	4,693	4,674	4,581	4,370

*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 3/31/2020	Quarter Ended 12/31/2019	Quarter Ended 9/30/2019	Quarter Ended 6/30/2019	Quarter Ended 3/31/2019
Credit Quality Ratios:					
Net charge-offs(recoveries) to average loans and leases (annualized)	0.39%	(0.06%)	(0.02%)	0.04%	0.12%
Provision for credit losses to average loans and leases (annualized)	1.30%	0.00%	0.01%	0.01%	0.02%
Allowance for credit losses to net loans and leases	1.53%	0.85%	0.83%	0.85%	0.89%
Allowance for credit losses to non-performing loans and leases	169.63%	106.78%	108.17%	128.83%	133.46%
Allowance for credit losses to non-performing assets	158.31%	100.68%	100.78%	120.53%	120.13%
Non-performing loans and leases to net loans and leases	0.90%	0.79%	0.77%	0.66%	0.67%
Non-performing loans and leases to net loans and leases, excluding acquired loans and leases	0.64%	0.65%	0.66%	0.61%	0.62%
Non-performing assets to net loans and leases	0.97%	0.84%	0.82%	0.70%	0.74%
Non-performing assets to net loans and leases, excluding acquired loans and leases	0.68%	0.68%	0.69%	0.63%	0.65%
Equity Ratios:					
Total shareholders' equity to total assets	12.75%	12.75%	12.54%	12.29%	12.16%
Total common shareholders' equity to total assets	11.96%	11.96%	12.54%	12.29%	12.16%
Tangible shareholders' equity to tangible assets*	8.82%	8.92%	8.47%	8.42%	8.41%
Tangible common shareholders' equity to tangible assets*	7.99%	8.09%	8.47%	8.42%	8.41%
Capital Adequacy:					
Common Equity Tier 1 capital	10.08%	10.57%	10.54%	10.52%	10.75%
Tier 1 capital	11.11%	11.60%	10.54%	10.52%	10.75%
Total capital	13.73%	14.17%	11.28%	11.28%	11.55%
Tier 1 leverage capital	8.85%	9.69%	9.14%	8.96%	9.03%
Estimated for current quarter					
Common Share Data:					
Basic earnings per share	\$ 0.21	\$ 0.63	\$ 0.63	\$ 0.53	\$ 0.52
Diluted earnings per share	0.21	0.63	0.63	0.53	0.52
Operating earnings per share*	0.25	0.67	0.66	0.55	0.52
Operating earnings per share- excluding MSR*	0.33	0.65	0.69	0.61	0.56
Cash dividends per share	0.19	0.19	0.19	0.17	0.17
Book value per share	24.50	24.09	23.76	23.12	22.48
Tangible book value per share*	15.66	15.62	15.33	15.17	14.92
Market value per share (last)	18.92	31.41	29.61	29.04	28.22
Market value per share (high)	31.61	32.97	30.54	31.10	33.45
Market value per share (low)	17.24	28.13	26.47	26.92	25.76
Market value per share (avg)	26.43	30.88	28.54	29.01	29.68
Dividend payout ratio	88.20%	29.43%	29.36%	32.24%	32.78%
Total shares outstanding	102,632,484	104,522,804	104,775,876	100,651,798	99,066,856
Average shares outstanding - basic	104,354,328	104,739,906	101,168,730	100,610,746	99,506,952
Average shares outstanding - diluted	104,733,897	105,144,032	101,493,247	100,888,164	99,717,119
Yield/Rate:					
(Taxable equivalent basis)					
Loans, loans held for sale, and leases net of unearned income	5.00%	5.13%	5.16%	5.12%	5.09%
Loans, loans held for sale, and leases net of unearned income, excluding net accretion on acquired loans and leases	4.93%	4.95%	5.02%	5.02%	4.95%
Available-for-sale securities:					
Taxable	1.99%	2.00%	2.13%	2.10%	2.04%
Tax-exempt	4.44%	4.69%	5.56%	4.53%	4.63%
Short-term, FHLB and other equity investments	1.53%	1.95%	2.41%	2.52%	2.67%
Total interest earning assets and revenue	4.27%	4.48%	4.63%	4.61%	4.57%
Deposits	0.67%	0.68%	0.71%	0.68%	0.63%
Demand - interest bearing	0.84%	0.88%	0.94%	0.91%	0.85%
Savings	0.26%	0.28%	0.28%	0.29%	0.30%
Other time	1.64%	1.68%	1.67%	1.60%	1.46%
Short-term borrowings	1.25%	1.51%	1.90%	2.14%	2.16%
Total interest bearing deposits and short-term borrowings	0.95%	1.01%	1.07%	1.06%	1.01%
Junior subordinated debt	4.42%	4.17%	N/A	N/A	N/A
Long-term debt	4.96%	4.83%	4.93%	4.87%	4.88%
Total interest bearing liabilities and expense	1.03%	1.04%	1.07%	1.06%	1.01%
Interest bearing liabilities to interest earning assets	70.81%	69.37%	70.15%	70.47%	71.15%
Net interest tax equivalent adjustment	\$ 714	\$ 800	\$ 972	\$ 974	\$ 1,035

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

BancorpSouth Bank
Consolidated Balance Sheets
(Unaudited)

	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19
	(Dollars in thousands)				
<u>Assets</u>					
Cash and due from banks	\$ 253,495	\$ 261,773	\$ 333,108	\$ 212,080	\$ 207,486
Interest bearing deposits with other banks and Federal funds sold	29,490	71,233	466,650	314,172	490,667
Available-for-sale securities, at fair value	4,468,340	4,481,974	2,766,446	2,760,732	2,692,499
Loans and leases	14,241,912	14,107,743	14,137,563	13,674,990	13,086,801
Less: Unearned income	17,267	18,060	16,780	16,463	15,742
Allowance for credit losses	218,199	119,066	116,908	115,691	116,499
Net loans and leases	14,006,446	13,970,617	14,003,875	13,542,836	12,954,560
Loans held for sale	194,321	210,361	229,514	175,898	138,379
Premises and equipment, net	497,669	480,901	480,819	447,564	432,540
Accrued interest receivable	70,463	65,173	62,818	60,598	59,038
Goodwill	848,242	825,679	822,093	734,473	699,073
Other identifiable intangibles	59,345	60,008	61,100	65,930	49,396
Bank owned life insurance	327,312	326,417	328,670	315,398	305,315
Other real estate owned	9,200	6,746	7,929	6,179	9,686
Other assets	268,201	291,694	287,203	300,954	275,544
Total Assets	\$ 21,032,524	\$ 21,052,576	\$ 19,850,225	\$ 18,936,814	\$ 18,314,183
<u>Liabilities</u>					
Deposits:					
Demand: Noninterest bearing	\$ 4,861,155	\$ 4,661,821	\$ 4,770,907	\$ 4,329,172	\$ 4,201,695
Interest bearing	7,268,053	7,176,934	6,745,329	6,511,332	6,353,731
Savings	2,013,343	1,937,985	1,898,813	1,861,247	1,855,024
Other time	2,745,365	2,633,959	2,610,707	2,434,897	2,282,159
Total deposits	16,887,916	16,410,699	16,025,756	15,136,648	14,692,609
Securities sold under agreement to repurchase	538,962	513,422	529,788	439,541	481,567
Federal funds purchased and other short-term borrowing	290,224	725,000	480,000	730,000	630,000
Accrued interest payable	17,482	15,124	13,120	12,225	9,718
Junior subordinated debt securities	296,723	296,547	-	-	-
Long-term debt	4,721	5,053	5,161	5,271	5,503
Other liabilities	314,592	401,714	306,973	286,009	268,201
Total Liabilities	18,350,620	18,367,559	17,360,798	16,609,694	16,087,598
<u>Shareholders' Equity</u>					
Preferred stock	166,993	167,021	-	-	-
Common stock	256,581	261,307	261,940	251,629	247,667
Capital surplus	558,114	605,976	611,115	506,201	462,256
Accumulated other comprehensive income (loss)	17,849	(62,663)	(50,538)	(53,252)	(69,924)
Retained earnings	1,682,367	1,713,376	1,666,910	1,622,542	1,586,586
Total Shareholders' Equity	2,681,904	2,685,017	2,489,427	2,327,120	2,226,585
Total Liabilities & Shareholders' Equity	\$ 21,032,524	\$ 21,052,576	\$ 19,850,225	\$ 18,936,814	\$ 18,314,183

BancorpSouth Bank
Consolidated Average Balance Sheets
(Unaudited)

	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19
	(Dollars in thousands)				
<u>Assets</u>					
Cash and due from banks	\$ 246,860	\$ 244,444	\$ 229,814	\$ 202,564	\$ 213,415
Interest bearing deposits with other banks and Federal funds sold	239,766	300,495	486,716	254,951	238,194
Available-for-sale securities, at fair value	4,461,298	3,555,014	2,738,691	2,733,335	2,704,383
Loans and leases	14,244,649	14,078,793	13,743,876	13,565,632	13,094,817
Less: Unearned income	17,861	17,675	17,121	16,041	16,596
Allowance for credit losses	193,796	117,668	116,232	116,339	118,352
Net loans and leases	14,032,992	13,943,450	13,610,523	13,433,252	12,959,869
Loans held for sale	147,798	173,649	157,691	117,995	86,294
Premises and equipment, net	494,413	481,623	458,758	453,239	430,675
Accrued interest receivable	64,010	60,678	57,941	54,977	54,296
Goodwill	844,635	823,812	761,084	735,540	695,787
Other identifiable intangibles	58,805	60,559	59,253	49,058	50,115
Bank owned life insurance	326,808	328,567	319,894	313,550	306,134
Other real estate owned	8,151	7,820	6,908	7,313	9,555
Other assets	264,101	262,912	283,653	281,484	284,796
Total Assets	\$ 21,189,637	\$ 20,243,023	\$ 19,170,926	\$ 18,637,258	\$ 18,033,513
<u>Liabilities</u>					
Deposits:					
Demand: Noninterest bearing	\$ 4,717,202	\$ 4,803,104	\$ 4,479,698	\$ 4,307,570	\$ 4,078,027
Interest bearing	7,466,674	6,872,921	6,655,962	6,485,523	6,283,089
Savings	1,975,690	1,913,650	1,869,045	1,872,552	1,837,197
Other time	2,745,663	2,629,040	2,504,806	2,415,240	2,247,521
Total deposits	16,905,229	16,218,715	15,509,511	15,080,885	14,445,834
Securities sold under agreement to repurchase	541,707	530,217	507,558	484,950	457,875
Federal funds purchased and other short-term borrowing	502,257	487,272	487,456	499,385	664,056
Accrued interest payable	19,205	14,942	13,756	12,239	9,998
Junior subordinated debt securities	296,617	135,535	-	-	-
Long-term debt	4,800	5,138	5,303	5,403	5,826
Other liabilities	261,123	278,454	268,460	255,884	237,176
Total Liabilities	18,530,938	17,670,273	16,792,044	16,338,746	15,820,765
<u>Shareholders' Equity</u>					
Preferred stock	167,021	74,717	-	-	-
Common stock	261,065	261,905	254,881	252,351	248,810
Capital surplus	600,880	611,667	538,665	511,786	475,390
Accumulated other comprehensive loss	(36,367)	(53,111)	(52,204)	(66,048)	(78,255)
Retained earnings	1,666,100	1,677,572	1,637,540	1,600,423	1,566,803
Total Shareholders' Equity	2,658,699	2,572,750	2,378,882	2,298,512	2,212,748
Total Liabilities & Shareholders' Equity	\$ 21,189,637	\$ 20,243,023	\$ 19,170,926	\$ 18,637,258	\$ 18,033,513

BXS Announces First Quarter 2020 Financial Results

Page 14

April 20, 2020

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

	Quarter Ended				
	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19
INTEREST REVENUE:					
Loans and leases	\$ 177,019	\$ 182,269	\$ 178,729	\$ 172,748	\$ 163,679
Deposits with other banks	739	1,225	2,456	1,292	1,516
Federal funds sold, securities purchased under agreement to resell, FHLB and other equity investments	315	426	735	542	374
Available-for-sale securities:					
Taxable	21,508	17,241	13,759	13,223	12,437
Tax-exempt	1,060	1,266	1,883	1,890	2,121
Loans held for sale	1,423	1,385	1,442	1,368	1,006
Total interest revenue	<u>202,064</u>	<u>203,812</u>	<u>199,004</u>	<u>191,063</u>	<u>181,133</u>
INTEREST EXPENSE:					
Interest bearing demand	15,522	15,202	15,689	14,741	13,139
Savings	1,290	1,334	1,341	1,348	1,338
Other time	11,168	11,134	10,546	9,635	8,065
Federal funds purchased and securities sold under agreement to repurchase	1,436	1,591	1,857	1,972	1,775
Short-term and long-term debt	1,857	2,293	2,971	3,349	4,262
Junior subordinated debt	3,261	1,482	-	-	-
Other	-	2	1	1	-
Total interest expense	<u>34,534</u>	<u>33,038</u>	<u>32,405</u>	<u>31,046</u>	<u>28,579</u>
Net interest revenue	167,530	170,774	166,599	160,017	152,554
Provision for credit losses	46,000	-	500	500	500
Net interest revenue, after provision for credit losses	<u>121,530</u>	<u>170,774</u>	<u>166,099</u>	<u>159,517</u>	<u>152,054</u>
NONINTEREST REVENUE:					
Mortgage banking	9,470	10,102	7,289	351	2,040
Credit card, debit card and merchant fees	9,176	9,836	9,778	10,168	8,874
Deposit service charges	11,682	12,193	11,939	11,117	10,766
Security gains(losses), net	(85)	(41)	117	59	39
Insurance commissions	29,603	27,648	31,512	33,951	30,180
Wealth management	6,570	6,617	6,651	5,906	5,635
Other	10,080	8,342	8,146	4,780	6,686
Total noninterest revenue	<u>76,496</u>	<u>74,697</u>	<u>75,432</u>	<u>66,332</u>	<u>64,220</u>
NONINTEREST EXPENSE:					
Salaries and employee benefits	108,272	97,137	101,154	100,981	97,228
Occupancy, net of rental income	12,708	12,267	12,323	11,988	11,551
Equipment	4,649	4,725	4,676	4,423	3,888
Deposit insurance assessments	1,546	2,200	2,038	2,165	2,740
Other	40,831	46,022	39,423	38,117	34,561
Total noninterest expense	<u>168,006</u>	<u>162,351</u>	<u>159,614</u>	<u>157,674</u>	<u>149,968</u>
Income before income taxes	30,020	83,120	81,917	68,175	66,306
Income tax expense	5,759	17,271	18,160	15,118	14,708
Net income	<u>\$ 24,261</u>	<u>\$ 65,849</u>	<u>\$ 63,757</u>	<u>\$ 53,057</u>	<u>\$ 51,598</u>
Less: Preferred dividends	2,372	-	-	-	-
Net income available to common shareholders	<u>\$ 21,889</u>	<u>\$ 65,849</u>	<u>\$ 63,757</u>	<u>\$ 53,057</u>	<u>\$ 51,598</u>
Net income per common share: Basic	<u>\$ 0.21</u>	<u>\$ 0.63</u>	<u>\$ 0.63</u>	<u>\$ 0.53</u>	<u>\$ 0.52</u>
Diluted	<u>\$ 0.21</u>	<u>\$ 0.63</u>	<u>\$ 0.63</u>	<u>\$ 0.53</u>	<u>\$ 0.52</u>

- MORE -

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

	Quarter Ended				
	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19
LOAN AND LEASE PORTFOLIO:					
Commercial and industrial					
Commercial and industrial-non real estate	2,008,043	1,979,507	1,887,817	1,832,016	1,728,897
Commercial and industrial-owner occupied	2,290,585	2,268,813	2,276,338	2,157,292	2,128,763
Total commercial and industrial	4,298,628	4,248,320	4,164,155	3,989,308	3,857,660
Commercial real estate					
Agricultural	339,539	337,349	347,866	332,902	309,931
Construction, acquisition and development	1,582,039	1,577,342	1,538,073	1,441,269	1,322,671
Commercial real estate	3,303,537	3,220,914	3,345,166	3,287,453	3,169,117
Total commercial real estate	5,225,115	5,135,605	5,231,105	5,061,624	4,801,719
Consumer					
Consumer mortgages	3,572,277	3,543,075	3,519,449	3,422,661	3,242,769
Home equity	686,202	683,515	678,294	670,352	663,120
Credit cards	93,896	102,559	101,213	101,024	99,260
Total consumer	4,352,375	4,329,149	4,298,956	4,194,037	4,005,149
All other	348,527	376,609	426,567	413,558	406,531
Total loans	\$ 14,224,645	\$ 14,089,683	\$ 14,120,783	\$ 13,658,527	\$ 13,071,059
ALLOWANCE FOR CREDIT LOSSES:					
Balance, beginning of period	\$ 119,066	\$ 116,908	\$ 115,691	\$ 116,499	\$ 120,070
Impact of adopting ASC 326 - cumulative effect adjustment	40,000	-	-	-	-
Impact of adopting ASC 326 - purchased loans with credit deterioration	22,634	-	-	-	-
Loans and leases charged-off:					
Commercial and industrial					
Commercial and industrial-non real estate	(10,792)	(1,273)	(218)	(866)	(819)
Commercial and industrial-owner occupied	(184)	(192)	(65)	-	-
Total commercial and industrial	(10,976)	(1,465)	(283)	(866)	(819)
Commercial real estate					
Agricultural	(65)	(11)	-	-	-
Construction, acquisition and development	(3,173)	(26)	-	(45)	-
Commercial real estate	(67)	-	(49)	(250)	(3,815)
Total commercial real estate	(3,305)	(37)	(49)	(295)	(3,815)
Consumer					
Consumer mortgages	(524)	(687)	(255)	(237)	(185)
Home equity	(236)	(173)	(39)	(124)	(353)
Credit cards	(798)	(797)	(631)	(922)	(955)
Total consumer	(1,558)	(1,657)	(925)	(1,283)	(1,493)
All other	(914)	(965)	(895)	(912)	(831)
Total loans charged-off	(16,753)	(4,124)	(2,152)	(3,356)	(6,958)
Recoveries:					
Commercial and industrial					
Commercial and industrial-non real estate	355	353	835	747	360
Commercial and industrial-owner occupied	1,179	30	49	71	100
Total commercial and industrial	1,534	383	884	818	460
Commercial real estate					
Agricultural	6	4	3	10	4
Construction, acquisition and development	245	584	480	63	714
Commercial real estate	135	4,212	29	218	78
Total commercial real estate	386	4,800	512	291	796
Consumer					
Consumer mortgages	397	407	278	244	1,081
Home equity	80	216	731	179	75
Credit cards	285	218	224	223	218
Total consumer	762	841	1,233	646	1,374
All other	344	258	240	293	257
Total recoveries	3,026	6,282	2,869	2,048	2,887
Net (charge-offs)recoveries	(13,727)	2,158	717	(1,308)	(4,071)
Initial allowance on loans purchased with credit deterioration	4,226	-	-	-	-
Provision:					
Initial provision for loans acquired during the quarter	1,000	-	-	-	-
Provision for credit losses related to loans and leases	45,000	-	500	500	500
Total provision	46,000	-	500	500	500
Balance, end of period	\$ 218,199	\$ 119,066	\$ 116,908	\$ 115,691	\$ 116,499
Average loans for period	\$ 14,226,788	\$ 14,061,118	\$ 13,726,755	\$ 13,549,591	\$ 13,078,221
Ratio:					
Net charge-offs(recoveries) to average loans (annualized)	0.39%	(0.06%)	(0.02%)	0.04%	0.12%

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

	Quarter Ended				
	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19
BXS ORIGINATED LOANS AND LEASES:					
Loans and leases charged off:					
Commercial and industrial					
Commercial and industrial-non real estate	\$ (230)	\$ (844)	\$ (185)	\$ (773)	\$ (651)
Commercial and industrial-owner occupied	(19)	(184)	(65)	-	-
Total commercial and industrial	(249)	(1,028)	(250)	(773)	(651)
Commercial Real estate					
Agricultural	(65)	(6)	-	-	-
Construction, acquisition and development	(121)	(26)	-	(45)	-
Commercial real estate	(67)	-	(49)	(250)	(3,815)
Total real estate	(253)	(32)	(49)	(295)	(3,815)
Consumer					
Consumer mortgages	(357)	(648)	(255)	(237)	(178)
Home equity	(236)	(173)	(39)	(124)	(353)
Credit cards	(798)	(797)	(631)	(922)	(955)
Total consumer	(1,391)	(1,618)	(925)	(1,283)	(1,486)
All other	(704)	(782)	(848)	(832)	(823)
Total loans charged off	(2,597)	(3,460)	(2,072)	(3,183)	(6,775)
Recoveries:					
Commercial and industrial					
Commercial and industrial-non real estate	325	277	833	720	357
Commercial and industrial-owner occupied	1,177	30	49	41	100
Total commercial and industrial	1,502	307	882	761	457
Commercial Real estate					
Agricultural	4	4	3	10	4
Construction, acquisition and development	244	583	480	63	714
Commercial real estate	135	4,212	29	218	78
Total real estate	383	4,799	512	291	796
Consumer					
Consumer mortgages	395	405	275	241	1,081
Home equity	79	215	729	177	75
Credit cards	285	218	224	223	218
Total consumer	759	838	1,228	641	1,374
All other	316	245	226	291	253
Total recoveries	2,960	6,189	2,848	1,984	2,880
Net (charge-offs)/recoveries	\$ 363	\$ 2,729	\$ 776	\$ (1,199)	\$ (3,895)

- MORE -

April 20, 2020

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

	Quarter Ended				
	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19
ACQUIRED LOANS AND LEASES:					
Loans and leases charged off:					
Commercial and industrial					
Commercial and industrial-non real estate	\$ (10,562)	\$ (429)	\$ (33)	\$ (93)	\$ (168)
Commercial and industrial-owner occupied	(165)	(8)	-	-	-
Total commercial and industrial	(10,727)	(437)	(33)	(93)	(168)
Commercial Real estate					
Agricultural	-	(5)	-	-	-
Construction, acquisition and development	(3,052)	-	-	-	-
Commercial real estate	-	-	-	-	-
Total real estate	(3,052)	(5)	-	-	-
Consumer					
Consumer mortgages	(167)	(39)	-	-	(7)
Home equity	-	-	-	-	-
Credit cards	-	-	-	-	-
Total consumer	(167)	(39)	-	-	(7)
All other	(210)	(183)	(47)	(80)	(8)
Total loans charged off	(14,156)	(664)	(80)	(173)	(183)
Recoveries:					
Commercial and industrial					
Commercial and industrial-non real estate	30	76	2	27	3
Commercial and industrial-owner occupied	2	-	-	30	-
Total commercial and industrial	32	76	2	57	3
Commercial Real estate					
Agricultural	2	-	-	-	-
Construction, acquisition and development	1	1	-	-	-
Commercial real estate	-	-	-	-	-
Total real estate	3	1	-	-	-
Consumer					
Consumer mortgages	2	2	3	3	-
Home equity	1	1	2	2	-
Credit cards	-	-	-	-	-
Total consumer	3	3	5	5	-
All other	28	13	14	2	4
Total recoveries	66	93	21	64	7
Net (charge-offs)/recoveries	<u>\$ (14,090)</u>	<u>\$ (571)</u>	<u>\$ (59)</u>	<u>\$ (109)</u>	<u>\$ (176)</u>

- MORE -

April 20, 2020

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

	Quarter Ended				
	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19
NON-PERFORMING ASSETS					
NON-PERFORMING LOANS AND LEASES:					
Nonaccrual Loans and Leases					
Commercial and industrial					
Commercial and industrial-non real estate	\$ 16,589	\$ 11,105	\$ 10,430	\$ 9,456	\$ 10,431
Commercial and industrial-owner occupied	11,212	7,838	7,446	8,648	8,782
Total commercial and industrial	27,801	18,943	17,876	18,104	19,213
Commercial real estate					
Agricultural	5,454	4,772	4,423	6,115	6,263
Construction, acquisition and development	13,899	6,225	2,231	2,071	2,710
Commercial real estate	29,697	16,199	16,823	13,064	12,283
Total commercial real estate	49,050	27,196	23,477	21,250	21,256
Consumer					
Consumer mortgages	29,834	28,879	31,744	28,779	25,680
Home equity	2,597	2,993	2,767	2,432	2,259
Credit cards	122	63	85	86	160
Total consumer	32,553	31,935	34,596	31,297	28,099
All other	670	722	434	425	381
Total nonaccrual loans and leases	\$ 110,074	\$ 78,796	\$ 76,383	\$ 71,076	\$ 68,949
Loans and Leases 90+ Days Past Due, Still Accruing:	7,272	17,531	16,659	8,053	8,471
Restructured Loans and Leases, Still Accruing	11,284	15,184	15,033	10,676	9,874
Total non-performing loans and leases	\$ 128,630	\$ 111,511	\$ 108,075	\$ 89,805	\$ 87,294
OTHER REAL ESTATE OWNED:	9,200	6,746	7,929	6,179	9,686
Total Non-performing Assets	\$ 137,830	\$ 118,257	\$ 116,004	\$ 95,984	\$ 96,980
BXS originated assets	\$ 85,908	\$ 78,295	\$ 84,413	\$ 76,816	\$ 77,110
Acquired assets	51,922	39,962	31,591	19,168	19,870
Total Non-performing Assets	\$ 137,830	\$ 118,257	\$ 116,004	\$ 95,984	\$ 96,980
Additions to Nonaccrual Loans and Leases During the Quarter	\$ 47,523	\$ 25,147	\$ 26,331	\$ 22,002	\$ 15,419
Loans and Leases 30-89 Days Past Due, Still Accruing:					
BXS originated loans	\$ 54,315	\$ 44,559	\$ 40,668	\$ 42,968	\$ 34,591
Acquired loans	14,405	23,054	16,741	14,042	10,840
Total Loans and Leases 30-89 days past due, still accruing	\$ 68,720	\$ 67,613	\$ 57,409	\$ 57,010	\$ 45,431

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

	March 31, 2020							
	Pass	Special Mention	Substandard	Doubtful	Loss	Impaired	Purchased Credit Deteriorated (Loss)	Total
LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:								
Commercial and industrial								
Commercial and industrial-non real estate	\$ 1,936,032	\$ 3,424	\$ 53,713	\$ 191	\$ 667	\$ 1,769	\$ 12,247	\$ 2,008,043
Commercial and industrial-owner occupied	2,224,075	-	56,824	-	-	5,568	4,118	2,290,585
Total commercial and industrial	4,160,107	3,424	110,537	191	667	7,337	16,365	4,298,628
Commercial real estate								
Agricultural	324,412	-	12,006	-	-	711	2,410	339,539
Construction, acquisition and development	1,551,667	2,045	14,739	-	-	7,778	5,810	1,582,039
Commercial real estate	3,199,726	-	74,263	-	-	24,205	5,343	3,303,537
Total commercial real estate	5,075,805	2,045	101,008	-	-	32,694	13,563	5,225,115
Consumer								
Consumer mortgages	3,476,631	-	94,324	-	-	596	726	3,572,277
Home equity	679,135	-	7,067	-	-	-	-	686,202
Credit cards	93,896	-	-	-	-	-	-	93,896
Total consumer	4,249,662	-	101,391	-	-	596	726	4,352,375
All other	336,028	1,660	10,761	-	-	-	78	348,527
Total loans	\$ 13,821,602	\$ 7,129	\$ 323,697	\$ 191	\$ 667	\$ 40,627	\$ 30,732	\$ 14,224,645
BXS originated loans	\$ 12,150,616	\$ 2,045	\$ 225,506	\$ 191	\$ -	\$ 22,356	\$ -	\$ 12,400,714
Acquired loans*	1,670,986	5,084	98,191	-	667	18,271	30,732	1,823,931
Total Loans	\$ 13,821,602	\$ 7,129	\$ 323,697	\$ 191	\$ 667	\$ 40,627	\$ 30,732	\$ 14,224,645

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

April 20, 2020

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

	Quarter Ended				
	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19
LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:					
Pass	\$ 13,821,602	\$ 13,738,979	\$ 13,782,584	\$ 13,363,023	\$ 12,757,342
Special Mention	7,129	2,240	2,530	490	534
Substandard	323,697	298,491	280,059	244,585	264,138
Doubtful	191	194	194	218	786
Loss	667	-	-	-	-
Impaired	40,627	24,094	24,948	24,048	25,545
Purchased Credit Deteriorated (Loss)	30,732	-	-	-	-
Purchased Credit Impaired	-	25,685	30,468	26,163	22,714
Total	<u>\$ 14,224,645</u>	<u>\$ 14,089,683</u>	<u>\$ 14,120,783</u>	<u>\$ 13,658,527</u>	<u>\$ 13,071,059</u>

BXS ORIGINATED LOAN PORTFOLIO BY INTERNALLY
ASSIGNED GRADE:

Pass	\$ 12,150,616	\$ 12,080,336	\$ 11,901,311	\$ 11,876,557	\$ 11,537,493
Special Mention	2,045	-	-	-	534
Substandard	225,506	202,017	192,133	181,045	205,512
Doubtful	191	194	194	218	786
Loss	-	-	-	-	-
Impaired	22,356	17,110	24,379	22,821	25,545
Purchased Credit Deteriorated (Loss)	-	-	-	-	-
Purchased Credit Impaired	-	-	-	-	-
Total	<u>\$ 12,400,714</u>	<u>\$ 12,299,657</u>	<u>\$ 12,118,017</u>	<u>\$ 12,080,641</u>	<u>\$ 11,769,870</u>

ACQUIRED LOAN PORTFOLIO BY INTERNALLY
ASSIGNED GRADE:

Pass	\$ 1,670,986	\$ 1,658,643	\$ 1,881,273	\$ 1,486,466	\$ 1,219,849
Special Mention	5,084	2,240	2,530	490	-
Substandard	98,191	96,474	87,926	63,540	58,626
Doubtful	-	-	-	-	-
Loss	667	-	-	-	-
Impaired	18,271	6,984	569	1,227	-
Purchased Credit Deteriorated (Loss)	30,732	-	-	-	-
Purchased Credit Impaired	-	25,685	30,468	26,163	22,714
Total	<u>\$ 1,823,931</u>	<u>\$ 1,790,026</u>	<u>\$ 2,002,766</u>	<u>\$ 1,577,886</u>	<u>\$ 1,301,189</u>

- MORE -

April 20, 2020

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

March 31, 2020

	Alabama and Florida Panhandle	Arkansas	Louisiana	Mississippi	Missouri	Tennessee	Texas	Other	Total
LOAN AND LEASE PORTFOLIO:									
Commercial and industrial									
Commercial and industrial-non real estate	\$ 161,379	\$ 147,987	\$ 245,925	\$ 569,402	\$ 73,625	\$ 90,747	\$ 713,421	\$ 5,557	\$ 2,008,043
Commercial and industrial-owner occupied	280,031	177,657	260,897	636,396	63,915	139,738	731,951	-	2,290,585
Total commercial and industrial	441,410	325,644	506,822	1,205,798	137,540	230,485	1,445,372	5,557	4,298,628
Commercial real estate									
Agricultural	31,654	71,630	27,448	69,331	6,649	11,992	120,835	-	339,539
Construction, acquisition and development	151,040	53,615	72,365	303,362	18,206	120,200	863,251	-	1,582,039
Commercial real estate	347,572	350,034	325,375	687,595	227,905	212,568	1,151,833	655	3,303,537
Total commercial real estate	530,266	475,279	425,188	1,060,288	252,760	344,760	2,135,919	655	5,225,115
Consumer									
Consumer mortgages	579,516	338,882	337,456	846,244	100,368	318,084	987,688	64,039	3,572,277
Home equity	110,978	50,228	90,722	243,681	17,080	137,408	35,993	112	686,202
Credit cards	-	-	-	-	-	-	-	93,896	93,896
Total consumer	690,494	389,110	428,178	1,089,925	117,448	455,492	1,023,681	158,047	4,352,375
All other	59,698	38,146	24,908	113,905	2,817	14,855	84,782	9,416	348,527
Total loans	\$ 1,721,868	\$ 1,228,179	\$ 1,385,096	\$ 3,469,916	\$ 510,565	\$ 1,045,592	\$ 4,689,754	\$ 173,675	\$ 14,224,645
Loan growth, excluding loans acquired during the quarter (annualized)									
	(0.99%)	(15.66%)	(17.95%)	8.26%	14.61%	(7.46%)	11.02%	(164.48%)	(1.45%)
NON-PERFORMING LOANS AND LEASES:									
Commercial and industrial									
Commercial and industrial-non real estate	\$ 252	\$ 1,387	\$ 1,334	\$ 1,332	\$ 796	\$ 427	\$ 12,022	\$ 183	\$ 17,733
Commercial and industrial-owner occupied	2,848	2,230	1,295	3,089	-	40	7,569	-	17,071
Total commercial and industrial	3,100	3,617	2,629	4,421	796	467	19,591	183	34,804
Commercial real estate									
Agricultural	509	569	224	81	-	-	4,077	-	5,460
Construction, acquisition and development	210	219	2,404	12	-	393	10,848	-	14,086
Commercial real estate	1,100	14	5,134	1,243	-	-	23,515	-	31,006
Total commercial real estate	1,819	802	7,762	1,336	-	393	38,440	-	50,552
Consumer									
Consumer mortgages	7,076	3,880	2,225	14,103	151	2,459	7,563	926	38,383
Home equity	291	259	391	810	162	1,023	119	-	3,055
Credit cards	-	-	-	-	-	-	-	1,111	1,111
Total consumer	7,367	4,139	2,616	14,913	313	3,482	7,682	2,037	42,549
All other	165	122	10	76	-	18	331	3	725
Total loans	\$ 12,451	\$ 8,680	\$ 13,017	\$ 20,746	\$ 1,109	\$ 4,360	\$ 66,044	\$ 2,223	\$ 128,630
NON-PERFORMING LOANS AND LEASES AS A PERCENTAGE OF OUTSTANDING:									
Commercial and industrial									
Commercial and industrial-non real estate	0.16%	0.94%	0.54%	0.23%	1.08%	0.47%	1.69%	3.29%	0.88%
Commercial and industrial-owner occupied	1.02%	1.26%	0.50%	0.49%	0.00%	0.03%	1.03%	N/A	0.75%
Total commercial and industrial	0.70%	1.11%	0.52%	0.37%	0.58%	0.20%	1.36%	3.29%	0.81%
Commercial real estate									
Agricultural	1.61%	0.79%	0.82%	0.12%	0.00%	0.00%	3.37%	N/A	1.61%
Construction, acquisition and development	0.14%	0.41%	3.32%	0.00%	0.00%	0.33%	1.26%	N/A	0.89%
Commercial real estate	0.32%	0.00%	1.58%	0.18%	0.00%	0.00%	2.04%	0.00%	0.94%
Total commercial real estate	0.34%	0.17%	1.83%	0.13%	0.00%	0.11%	1.80%	0.00%	0.97%
Consumer									
Consumer mortgages	1.22%	1.14%	0.66%	1.67%	0.15%	0.77%	0.77%	1.45%	1.07%
Home equity	0.26%	0.52%	0.43%	0.33%	0.95%	0.74%	0.33%	0.00%	0.45%
Credit cards	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.18%	1.18%
Total consumer	1.07%	1.06%	0.61%	1.37%	0.27%	0.76%	0.75%	1.29%	0.98%
All other	0.28%	0.32%	0.04%	0.07%	0.00%	0.12%	0.39%	0.03%	0.21%
Total loans	0.72%	0.71%	0.94%	0.60%	0.22%	0.42%	1.41%	1.28%	0.90%

April 20, 2020

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

	Quarter Ended				
	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19
NONINTEREST REVENUE:					
Mortgage banking excl. MSR and MSR Hedge market value adj	\$ 20,553	\$ 6,938	\$ 11,283	\$ 9,167	\$ 6,909
MSR and MSR Hedge market value adjustment	(11,083)	3,164	(3,994)	(8,816)	(4,869)
Credit card, debit card and merchant fees	9,176	9,836	9,778	10,168	8,874
Deposit service charges	11,682	12,193	11,939	11,117	10,766
Securities gains (losses), net	(85)	(41)	117	59	39
Insurance commissions	29,603	27,648	31,512	33,951	30,180
Trust income	4,013	3,951	4,488	3,815	3,788
Annuity fees	55	136	184	245	265
Brokerage commissions and fees	2,502	2,530	1,979	1,846	1,582
Bank-owned life insurance	1,999	3,427	2,529	1,854	1,822
Other miscellaneous income	8,081	4,915	5,617	2,926	4,864
Total noninterest revenue	<u>\$ 76,496</u>	<u>\$ 74,697</u>	<u>\$ 75,432</u>	<u>\$ 66,332</u>	<u>\$ 64,220</u>
NONINTEREST EXPENSE:					
Salaries and employee benefits	\$ 108,272	\$ 97,137	\$ 101,154	\$ 100,981	\$ 97,228
Occupancy, net of rental income	12,708	12,267	12,323	11,988	11,551
Equipment	4,649	4,725	4,676	4,423	3,888
Deposit insurance assessments	1,546	2,200	2,038	2,165	2,740
Advertising	1,099	1,153	1,382	1,427	947
Foreclosed property expense	924	855	870	519	624
Telecommunications	1,461	1,504	1,400	1,419	1,340
Public relations	680	880	1,069	934	765
Data processing	9,646	10,041	9,066	7,968	8,442
Computer software	4,315	4,478	3,825	3,835	3,699
Amortization of intangibles	2,394	2,508	2,117	2,508	1,985
Legal	898	854	786	1,310	605
Merger expense	4,494	5,782	4,062	3,136	891
Postage and shipping	1,441	1,353	1,281	1,217	1,412
Other miscellaneous expense	13,479	16,614	13,565	13,844	13,851
Total noninterest expense	<u>\$ 168,006</u>	<u>\$ 162,351</u>	<u>\$ 159,614</u>	<u>\$ 157,674</u>	<u>\$ 149,968</u>
INSURANCE COMMISSIONS:					
Property and casualty commissions	\$ 21,246	\$ 19,994	\$ 22,643	\$ 23,429	\$ 21,238
Life and health commissions	6,175	5,979	6,116	7,355	5,982
Risk management income	532	667	564	622	587
Other	1,650	1,008	2,189	2,545	2,373
Total insurance commissions	<u>\$ 29,603</u>	<u>\$ 27,648</u>	<u>\$ 31,512</u>	<u>\$ 33,951</u>	<u>\$ 30,180</u>

April 20, 2020

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

	Quarter Ended				
	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19
MORTGAGE SERVICING RIGHTS:					
Fair value, beginning of period	\$ 57,109	\$ 51,492	\$ 55,294	\$ 64,643	\$ 69,822
Additions to mortgage servicing rights:					
Originations of servicing assets	3,079	4,025	3,410	2,790	1,976
Changes in fair value:					
Due to payoffs/paydowns	(2,506)	(2,323)	(2,542)	(2,739)	(2,052)
Due to change in valuation inputs or assumptions used in the valuation model	(15,438)	3,915	(4,669)	(9,399)	(5,103)
Other changes in fair value	(1)	-	(1)	(1)	-
Fair value, end of period	<u>\$ 42,243</u>	<u>\$ 57,109</u>	<u>\$ 51,492</u>	<u>\$ 55,294</u>	<u>\$ 64,643</u>
MORTGAGE BANKING REVENUE:					
Production revenue:					
Origination	\$ 17,906	\$ 4,326	\$ 8,922	\$ 7,016	\$ 4,068
Servicing	5,153	4,935	4,903	4,890	4,893
Payoffs/Paydowns	(2,506)	(2,323)	(2,542)	(2,739)	(2,052)
Total production revenue	20,553	6,938	11,283	9,167	6,909
Market value adjustment on MSR	(15,438)	3,915	(4,669)	(9,399)	(5,103)
Market value adjustment on MSR Hedge	4,355	(751)	675	583	234
Total mortgage banking revenue	<u>\$ 9,470</u>	<u>\$ 10,102</u>	<u>\$ 7,289</u>	<u>\$ 351</u>	<u>\$ 2,040</u>
 Mortgage loans serviced	 \$ 6,999,383	 \$ 6,898,195	 \$ 6,799,186	 \$ 6,749,416	 \$ 6,718,236
MSR/mtg loans serviced	0.60%	0.83%	0.76%	0.82%	0.96%
 AVAILABLE-FOR-SALE SECURITIES, at fair value					
U.S. Government agencies	3,532,905	3,599,317	2,323,159	\$ 2,283,899	\$ 2,179,699
U.S. Government agency issued residential mortgage-back securities	132,902	133,375	128,677	134,648	141,542
U.S. Government agency issued commercial mortgage-back securities	595,885	609,009	115,228	94,878	98,941
Obligations of states and political subdivisions	206,648	140,273	199,382	247,307	272,317
Total available-for-sale securities	<u>\$ 4,468,340</u>	<u>\$ 4,481,974</u>	<u>\$ 2,766,446</u>	<u>\$ 2,760,732</u>	<u>\$ 2,692,499</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 common shareholders' equity to tangible assets, return on tangible equity, return on tangible common equity, operating return on tangible equity-excluding MSR, operating return on tangible common equity-excluding MSR, operating return on average assets-excluding MSR, operating return on average shareholders' equity-excluding MSR, operating return on average common shareholders' equity-excluding MSR, pre-tax pre-provision net revenue to total average assets, tangible book value per common share, operating earnings per common share, operating earnings per common share-excluding MSR, efficiency ratio (tax equivalent) and operating efficiency ratio-excluding MSR (tax equivalent). The Company has included these non-GAAP financial measures in this news release for the applicable periods presented. Management believes that the presentation of these non-GAAP financial measures (i) provides important supplemental information that contributes to a proper understanding of the Company's capital position and operating performance, (ii) enables a more complete understanding of factors and trends affecting the Company's business and (iii) allows investors to evaluate the Company's performance in a manner similar to management, the financial services industry, bank stock analysts and bank regulators. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are presented in the tables below. These non-GAAP financial measures should not be considered as substitutes for GAAP financial measures, and the Company strongly encourages investors to review the GAAP financial measures included in this news release and not to place undue reliance upon any single financial measure. In addition, because non-GAAP financial measures are not standardized, it may not be possible to compare the non-GAAP financial measures presented in this news release with other companies' non-GAAP financial measures having the same or similar names.

Reconciliation of Net Operating Income, Net Operating Income Available to Common Shareholders, Net Operating Income-Excluding MSR, and Net Operating Income Available to Common Shareholders-excluding MSR to Net Income:

	Quarter ended				
	3/31/2020	12/31/2019	9/30/2019	6/30/2019	3/31/2019
Net income	\$ 24,261	\$ 65,849	\$ 63,757	\$ 53,057	\$ 51,598
Plus: Merger expense, net of tax	3,372	4,339	3,049	2,354	669
Initial provision for acquired loans, net of tax	751	-	-	-	-
Less: Security gains(losses), net of tax	(64)	(30)	88	45	29
Net operating income	\$ 28,448	\$ 70,218	\$ 66,718	\$ 55,366	\$ 52,238
Less: Preferred dividends	2,372	-	-	-	-
Net operating income available to common shareholders	<u>\$ 26,076</u>	<u>\$ 70,218</u>	<u>\$ 66,718</u>	<u>\$ 55,366</u>	<u>\$ 52,238</u>
Net operating income	\$ 28,448	\$ 70,218	\$ 66,718	\$ 55,366	\$ 52,238
Less: MSR market value adjustment, net of tax	(8,318)	2,374	(2,998)	(6,616)	(3,654)
Net operating income-excluding MSR	\$ 36,766	\$ 67,844	\$ 69,716	\$ 61,982	\$ 55,892
Less: Preferred dividends	2,372	-	-	-	-
Net operating income available to common shareholders-excluding MSR	<u>\$ 34,394</u>	<u>\$ 67,844</u>	<u>\$ 69,716</u>	<u>\$ 61,982</u>	<u>\$ 55,892</u>

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

Net income	\$ 24,261	\$ 65,849	\$ 63,757	\$ 53,057	\$ 51,598
Plus: Provision for credit losses	46,000	-	500	500	500
Merger expense	4,494	5,782	4,062	3,136	891
Income tax expense	5,759	17,271	18,160	15,118	14,708
Less: Security gains(losses)	(85)	(41)	117	59	39
MSR market value adjustment	(11,083)	3,164	(3,994)	(8,816)	(4,869)
Pre-tax pre-provision net revenue	<u>\$ 91,682</u>	<u>\$ 85,779</u>	<u>\$ 90,356</u>	<u>\$ 80,568</u>	<u>\$ 72,527</u>

Reconciliation of Total Operating Expense to Total Noninterest Expense:

Total noninterest expense	\$ 168,006	\$ 162,351	\$ 159,614	\$ 157,674	\$ 149,968
Less: Merger expense	4,494	5,782	4,062	3,136	891
Total operating expense	<u>\$ 163,512</u>	<u>\$ 156,569</u>	<u>\$ 155,552</u>	<u>\$ 154,538</u>	<u>\$ 149,077</u>

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

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

	Quarter ended				
	3/31/2020	12/31/2019	9/30/2019	6/30/2019	3/31/2019
Tangible assets					
Total assets	\$ 21,032,524	\$ 21,052,576	\$ 19,850,225	\$ 18,936,814	\$ 18,314,183
Less: Goodwill	848,242	825,679	822,093	734,473	699,073
Other identifiable intangible assets	59,345	60,008	61,100	65,930	49,396
Total tangible assets	\$ 20,124,937	\$ 20,166,889	\$ 18,967,032	\$ 18,136,411	\$ 17,565,714

PERIOD END BALANCES:

Tangible shareholders' equity					
Total shareholders' equity	\$ 2,681,904	\$ 2,685,017	\$ 2,489,427	\$ 2,327,120	\$ 2,226,585
Less: Goodwill	848,242	825,679	822,093	734,473	699,073
Other identifiable intangible assets	59,345	60,008	61,100	65,930	49,396
Total tangible shareholders' equity	\$ 1,774,317	\$ 1,799,330	\$ 1,606,234	\$ 1,526,717	\$ 1,478,116
Less: Preferred stock	166,993	167,021	-	-	-
Total tangible common shareholders' equity	\$ 1,607,324	\$ 1,632,309	\$ 1,606,234	\$ 1,526,717	\$ 1,478,116

AVERAGE BALANCES:

Tangible shareholders' equity					
Total shareholders' equity	\$ 2,658,699	\$ 2,572,750	\$ 2,378,882	\$ 2,298,512	\$ 2,212,748
Less: Goodwill	844,635	823,812	761,084	735,540	695,787
Other identifiable intangible assets	58,805	60,559	59,253	49,058	50,115
Total tangible shareholders' equity	\$ 1,755,259	\$ 1,688,379	\$ 1,558,545	\$ 1,513,914	\$ 1,466,846
Less: Preferred stock	167,021	167,021	-	-	-
Total tangible common shareholders' equity	\$ 1,588,238	\$ 1,613,662	\$ 1,558,545	\$ 1,513,914	\$ 1,466,846

Total average assets	\$ 21,189,637	\$ 20,243,023	\$ 19,170,926	\$ 18,637,258	\$ 18,033,513
Total shares of common stock outstanding	102,632,484	104,522,804	104,775,876	100,651,798	99,066,856
Average shares outstanding-diluted	104,733,897	105,144,032	101,493,247	100,888,164	99,717,119

Tangible shareholders' equity to tangible assets (1)	8.82%	8.92%	8.47%	8.42%	8.41%
Tangible common shareholders' equity to tangible assets (2)	7.99%	8.09%	8.47%	8.42%	8.41%
Return on average tangible equity (3)	5.56%	15.47%	16.23%	14.06%	14.27%
Return on average tangible common equity (4)	5.54%	16.19%	16.23%	14.06%	14.27%
Operating return on average tangible equity-excluding MSR (5)	8.42%	15.94%	17.75%	16.42%	15.45%
Operating return on average tangible common equity-excluding MSR (6)	8.71%	16.68%	17.75%	16.42%	15.45%
Operating return on average assets-excluding MSR (7)	0.70%	1.33%	1.44%	1.33%	1.26%
Operating return on average shareholders' equity-excluding MSR (8)	5.56%	10.46%	11.63%	10.82%	10.24%
Operating return on average common shareholders' equity-excluding MSR (9)	5.55%	10.78%	11.63%	10.82%	10.24%
Pre-tax pre-provision net revenue to total average assets (10)	1.74%	1.68%	1.87%	1.73%	1.63%
Tangible book value per common share (11)	\$ 15.66	\$ 15.62	\$ 15.33	\$ 15.17	\$ 14.92
Operating earnings per common share (12)	\$ 0.25	\$ 0.67	\$ 0.66	\$ 0.55	\$ 0.52
Operating earnings per common share-excluding MSR (13)	\$ 0.33	\$ 0.65	\$ 0.69	\$ 0.61	\$ 0.56

- (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 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.
- (3) Return on average tangible equity is defined by the Company as annualized net income divided by average tangible shareholders' equity.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) Operating return on average assets-excluding MSR is defined by the Company as annualized net operating income-excluding MSR divided by total average assets.
- (8) 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.
- (9) 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.
- (10) 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.
- (11) Tangible book value per common share is defined by the Company as tangible common shareholders' equity divided by total shares of common stock outstanding.
- (12) 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.
- (13) 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.



BANCORPSOUTH BANK

Financial Information

As of and for the Three Months
Ended March 31, 2020



Forward Looking Statements

Certain statements made in this presentation are not statements of historical fact and constitute “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to the safe harbor created under the Private Securities Litigation Reform Act of 1995. These statements are often, but not always, made through the use of words or phrases such as “may,” “should,” “could,” “predict,” “potential,” “believe,” “will likely result,” “expect,” “continue,” “will,” “anticipate,” “seek,” “aspire,” “roadmap,” “achieve,” “estimate,” “intend,” “plan,” “project,” “projection,” “forecast,” “goal,” “target,” “would,” and “outlook,” or the negative version of those words or other comparable words of a future or forward-looking nature. These forward-looking statements include, without limitation, those relating to the impact of the COVID-19 pandemic on BancorpSouth Bank’s (the “Company”) assets, business, cash flows, financial condition, liquidity, prospects and results of operations, the benefits, costs, synergies and financial and operational impact of the Texas First merger on the Company, the acceptance by customers of Texas First of the Company’s products and services after the closing of the merger, the opportunities to enhance market share in certain markets and market acceptance of the Company generally in new markets, the Company’s ability to operate its regulatory compliance programs consistent with federal, state and local laws, including its Bank Secrecy Act (“BSA”) and anti-money laundering (“AML”) compliance program and its fair lending compliance program, the Company’s ability to pay dividends or coupons on 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 (the “Notes”) or its ability to ultimately repay the Notes or otherwise comply with the terms of such instruments, amortization expense for intangible assets, goodwill impairments, loan impairments, utilization of appraisals and inspections for real estate loans, maturity, renewal or extension of construction, acquisition and development loans, net interest revenue and net interest margin, fair value determinations, the amount of the Company’s non-performing loans and leases, credit quality, credit losses, liquidity, off-balance sheet commitments and arrangements, valuation of mortgage servicing rights, allowance and provision for credit losses, early identification and resolution of credit issues, utilization of non-GAAP financial measures, the ability of the Company to collect all amounts due according to the contractual terms of loan agreements, the Company’s reserve for losses from representation and warranty obligations, the Company’s foreclosure process related to mortgage loans, the resolution of non-performing loans that are collaterally dependent, real estate values, fully-indexed interest rates, interest rate risk, interest rate sensitivity, the impact of interest rates on loan yields, calculation of economic value of equity, impaired loan charge-offs, diversification of the Company’s revenue stream, the growth of the Company’s insurance business and commission revenue, the growth of the Company’s customer base and loan, deposit and fee revenue sources, liquidity needs and strategies, the ability of the Company to access successfully the capital and credit markets when needed or as desired, sources of funding, declaration and payment of dividends, the utilization of the Company’s share repurchase program, the implementation and execution of cost saving initiatives, improvement in the Company’s efficiencies, operating expense trends, and the impact of certain claims and ongoing, pending or threatened litigation, administrative and investigatory matters.

These forward-looking statements are not historical facts, and are based upon current expectations, estimates and projections about the Company’s industry, management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain, involve risk and are beyond the Company’s control. The inclusion of these forward-looking statements should not be regarded as a representation by the Company or any other person that such expectations, estimates and projections will be achieved. Accordingly, the Company cautions that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict and that are beyond the Company’s control. These risks, assumptions and uncertainties may include, but are not limited to, the impact of the COVID-19 pandemic on the Company’s assets, business, cash flows, financial condition, liquidity, prospects and results of operations, increases in the provision and allowance for credit losses and interest rate pressure on net interest revenue and net interest margin, the Company’s ability to operate its regulatory compliance programs consistent with federal, state and local laws, including its BSA/AML compliance program and its fair lending compliance program, the ability of the Company to meet expectations regarding the benefits, costs, synergies, and financial and operational impact of the Texas First merger, the possibility that any of the anticipated benefits, costs, synergies and financial and operational improvements of the Texas First merger will not be realized or will not be realized as expected, the ability of the Company and Texas First to meet expectations regarding the accounting and tax treatments of the Texas First merger, the possibility that any of the anticipated benefits of the Texas First merger will not be realized or will not be realized as expected, the lack of availability of the Company’s filings mandated by the Exchange Act from the Securities and Exchange Commission’s publicly available website after November 1, 2017, the impact of any ongoing pending or threatened litigation, administrative and investigatory matters involving the Company, conditions in the financial markets and economic conditions generally, the adequacy of the Company’s provision and allowance for credit losses to cover actual credit losses, the credit risk associated with real estate construction, acquisition and development loans, limitations on the Company’s ability to declare and pay dividends, the availability of capital on favorable terms if and when needed, liquidity risk, governmental regulation, including the Dodd-Frank Wall Street Reform and Consumer Protection Act, and supervision of the Company’s operations, the short-term and long-term impact of changes to banking capital standards on the Company’s regulatory capital and liquidity, the impact of regulations on service charges on the Company’s core deposit accounts, the susceptibility of the Company’s business to local economic and environmental conditions, the soundness of other financial institutions, changes in interest rates, the impact of monetary policies and economic factors on the Company’s ability to attract deposits or make loans, volatility in capital and credit markets, reputational risk, the impact of the loss of any key Company personnel, the impact of hurricanes or other adverse weather events, any requirement that the Company write down goodwill or other intangible assets, diversification in the types of financial services the Company offers, the growth of the Company’s insurance business and commission revenue, the growth of the Company’s loan, deposit and fee revenue sources, the Company’s ability to adapt its products and services to evolving industry standards and consumer preferences, competition with other financial services companies, risks in connection with completed or potential acquisitions, dispositions and other strategic growth opportunities and initiatives, the Company’s growth strategy, interruptions or breaches in the Company’s information system security, the failure of certain third-party vendors to perform, unfavorable ratings by rating agencies, dilution caused by the Company’s issuance of any additional shares of its capital stock to raise capital or acquire other banks, bank holding companies, financial holding companies and insurance agencies, the utilization of the Company’s share repurchase program, the implementation and execution of cost saving initiatives, other factors generally understood to affect the assets, business, cash flows, financial condition, liquidity, prospects and/or results of operations of financial services companies, and other factors detailed from time to time in the Company’s press and news releases, reports and other filings with the Federal Deposit Insurance Corporation (the “FDIC”).

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

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

COVID-19 Pandemic Response

Customers & Communities

- SBA Preferred Lender actively engaged in assisting customers with loan programs – currently in the process of funding over \$1.0 billion in approved PPP loans
- Granting loan extensions and deferrals to qualifying customers
- Actively working with mortgage customers on CARES Act forbearance opportunity – approximately 5% of mortgage servicing portfolio currently in forbearance
- Provided waivers on certain fees and charges including penalties on early CD withdrawals
- Suspended all foreclosures and repossessions

Operational

- Converted branch lobby hours to appointment only in an effort to promote drive-thru teller traffic and mobile banking
- Temporarily closed a limited number of branches on a case by case basis
- Implemented additional cleaning and sanitary measures
- Established multiple facility initiatives to promote social distancing

Teammates

- Focused on the health and protection of all teammates
- Implemented travel restrictions early in the pandemic
- Employees deemed “high-risk” according to the CDC guidelines encouraged to work remotely or to quarantine
- Significant portion of workforce working remotely and other departments working on rotating schedules; teammates in critical functions have been further separated in our facilities
- Provided additional three weeks of paid time off specific to COVID-19 family and dependent support

Q1 Financial Highlights

Earnings Highlights	<ul style="list-style-type: none"> • Pre-tax pre-provision net revenue of \$91.7 million – 1.74% of average assets annualized • Net income available to common shareholders of \$21.9 million, or \$0.21 per diluted common share • Net operating income available to common shareholders – excluding MSR – of \$34.4 million, or \$0.33 per diluted common share
M&A Activity	<ul style="list-style-type: none"> • Completed acquisition of Texas First Bancshares, Inc. • Added \$185 million in loans and \$370 million in deposits to Central Texas presence • Merger-related expenses of \$4.5 million
Credit	<ul style="list-style-type: none"> • Adopted CECL effective January 1, 2020 • Provision for credit losses of \$46.0 million for the quarter
Mortgage	<ul style="list-style-type: none"> • Production volume of \$477.1 million • Production and servicing revenue of \$20.6 million • Negative pre-tax mortgage servicing rights (“MSR”) valuation adjustment of \$11.1 million
Capital	<ul style="list-style-type: none"> • Repurchased 3.3 million shares at weighted average price of \$26.42 per share • Maintained strong regulatory capital metrics – total risk-based capital of 13.73%

Recent Quarterly Results

	Three Months Ended			% Change	
	3/31/20	12/31/19	3/31/19	vs 12/31/19	vs 3/31/19
Net interest revenue	\$ 167.5	\$ 170.8	\$ 152.6	(1.9) %	9.8 %
Provision for credit losses	46.0	0.0	0.5	NM	NM
Noninterest revenue	76.5	74.7	64.2	2.4	19.1
Noninterest expense	168.0	162.4	150.0	3.5	12.0
Income before income taxes	30.0	83.1	66.3	(63.9)	(54.7)
Income tax expense	5.8	17.3	14.7	(66.7)	(60.8)
Net income	\$ 24.3	\$ 65.8	\$ 51.6	(63.2) %	(53.0) %
Less: Preferred dividends	2.4	-	-	-	-
Net income available to common shareholders	\$ 21.9	\$ 65.8	\$ 51.6	(66.8) %	(57.6) %
Plus: Non-operating items, net of tax	4.2	4.3	0.6	NM	NM
Less: MSR market value adjustment, net of tax	(8.3)	2.4	(3.7)	NM	NM
Net operating income available to common shareholders - excluding MSR	\$ 34.4	\$ 67.8	\$ 55.9	(49.3) %	(38.5) %
Net income per common share: diluted	\$ 0.21	\$ 0.63	\$ 0.52	(66.7) %	(59.6) %
Operating earnings per common share - excluding MSR	\$ 0.33	\$ 0.65	\$ 0.56	(49.2) %	(41.1) %
Pre-tax pre-provision net revenue	\$ 91.7	\$ 85.8	\$ 72.5	6.9 %	26.4 %
Pre-tax pre-provision net revenue to total average assets	1.74%	1.68%	1.63%	3.6 %	6.7 %

Dollars in millions, except per share data.

All non-GAAP measures are defined and/or reconciled in the quarterly news release which accompanies this presentation.

NM – Not Meaningful

Figures may not foot due to rounding.



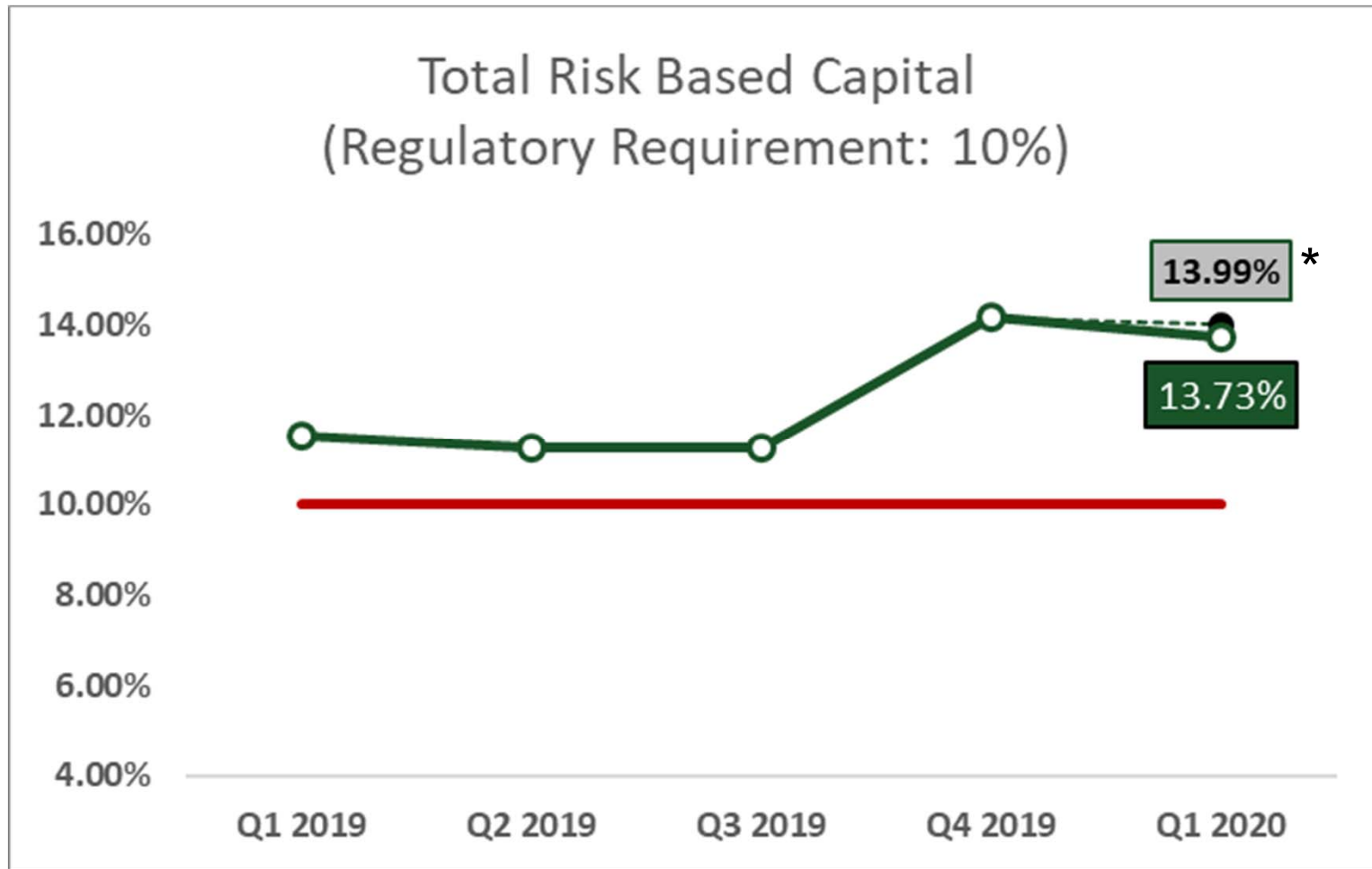
Noninterest Revenue

	Three Months Ended			% Change	
	3/31/20	12/31/19	3/31/19	vs 12/31/19	vs 3/31/19
Mortgage production and servicing revenue	\$ 20,553	\$ 6,938	\$ 6,909	196.2 %	197.5 %
Credit card, debit card and merchant fees	9,176	9,836	8,874	(6.7)	3.4
Deposit service charges	11,682	12,193	10,766	(4.2)	8.5
Insurance commissions	29,603	27,648	30,180	7.1	(1.9)
Wealth management	6,570	6,617	5,635	(0.7)	16.6
Other	9,995	8,301	6,725	20.4	48.6
Total noninterest revenue-excluding MSR	87,579	71,533	69,089	22.4 %	26.8 %
MSR valuation adjustment	(11,083)	3,164	(4,869)	NM	NM
Total noninterest revenue	\$ 76,496	\$ 74,697	\$ 64,220	2.4 %	19.1 %
 % of total revenue	 31.3%	 30.4%	 29.6%		

Noninterest Expense

	Three Months Ended			% Change	
	3/31/20	12/31/19	3/31/19	vs 12/31/19	vs 3/31/19
Salaries and employee benefits	\$ 108,272	\$ 97,137	\$ 97,228	11.5 %	11.4 %
Occupancy, net of rental income	12,708	12,267	11,551	3.6	10.0
Equipment	4,649	4,725	3,888	(1.6)	19.6
Deposit insurance assessments	1,546	2,200	2,740	(29.7)	(43.6)
Advertising and public relations	1,779	2,033	1,712	(12.5)	3.9
Foreclosed property expense	924	855	624	8.1	48.1
Data processing, telecom and computer software	15,422	16,023	13,481	(3.8)	14.4
Amortization of intangibles	2,394	2,508	1,985	(4.5)	20.6
Legal	898	854	605	5.2	48.4
Merger expense	4,494	5,782	891	NM	NM
Postage and shipping	1,441	1,353	1,412	6.5	2.1
Other miscellaneous expense	13,479	16,614	13,851	(18.9)	(2.7)
Total noninterest expense	168,006	162,351	149,968	3.5 %	12.0 %
Non-operating items:					
Merger expense	4,494	5,782	891	NM	NM
Total noninterest expense - operating	\$ 163,512	\$ 156,569	\$ 149,077	4.4 %	9.7 %

Capital



Deposits and Customer Repos

- Total deposits and customer repos have increased \$503 million, or 11.9 percent annualized compared to December 31, 2019. Acquired deposits and customer repos totaled approximately \$370 million during the quarter, while deposits and customer repos increased approximately \$130 million on an organic basis.
- Total deposits and customer repos have increased \$2.3 billion, or 14.8 percent, since March 31, 2019. Of this increase, approximately \$1.7 billion represents acquired balances while organic funding growth totaled approximately \$560 million, or 3.7 percent.

	As of 3/31/20		As of 12/31/19		As of 3/31/19	
	Balance	% of Total	Balance	% of Total	Balance	% of Total
Noninterest bearing demand	\$ 4,861	27.9%	\$ 4,662	27.5%	\$ 4,202	27.7%
Interest bearing demand	7,268	41.7%	7,177	42.4%	6,354	41.9%
Savings	2,013	11.6%	1,938	11.5%	1,855	12.2%
Other time	2,745	15.8%	2,634	15.6%	2,282	15.0%
Customer Repos	539	3.1%	513	3.0%	482	3.2%
Total Deposits and Customer Repos	\$17,427	100.0%	\$16,924	100.0%	\$15,174	100.0%
Total Cost of Deposits	0.67%		0.68%		0.63%	

Loan Portfolio

- Total loans have increased \$135 million, or 3.9 percent annualized compared to December 31, 2019. Acquired loans totaled approximately \$185 million during the quarter, while loans decreased approximately \$50 million organically during the quarter.
- Total loans have increased \$1.2 billion, or 8.8 percent, since March 31, 2019, primarily as a result of acquired loans. Organic loan growth has been essentially flat over this period.

	As of 3/31/20		As of 12/31/19		As of 3/31/19	
	Balance	% of Total	Balance	% of Total	Balance	% of Total
Commercial and industrial						
Commercial and industrial-non real estate	\$ 2,008	14.1%	\$ 1,980	14.0%	\$ 1,729	13.2%
Commercial and industrial-owner occupied	2,291	16.1%	2,269	16.1%	2,129	16.3%
Total commercial and industrial	4,299	30.2%	4,248	30.2%	3,858	29.5%
Commercial real estate						
Agricultural	340	2.4%	337	2.4%	310	2.4%
Construction, acquisition and development	1,582	11.1%	1,577	11.2%	1,323	10.1%
Commercial real estate	3,304	23.2%	3,221	22.9%	3,169	24.2%
Total commercial real estate	5,225	36.7%	5,136	36.4%	4,802	36.7%
Consumer						
Consumer mortgages	3,572	25.1%	3,543	25.1%	3,243	24.8%
Home equity	686	4.8%	684	4.9%	663	5.1%
Credit cards	94	0.7%	103	0.7%	99	0.8%
Total consumer	4,352	30.6%	4,329	30.7%	4,005	30.6%
All other	349	2.5%	377	2.7%	407	3.1%
Total	\$14,225	100.0%	\$14,090	100.0%	\$13,071	100.0%

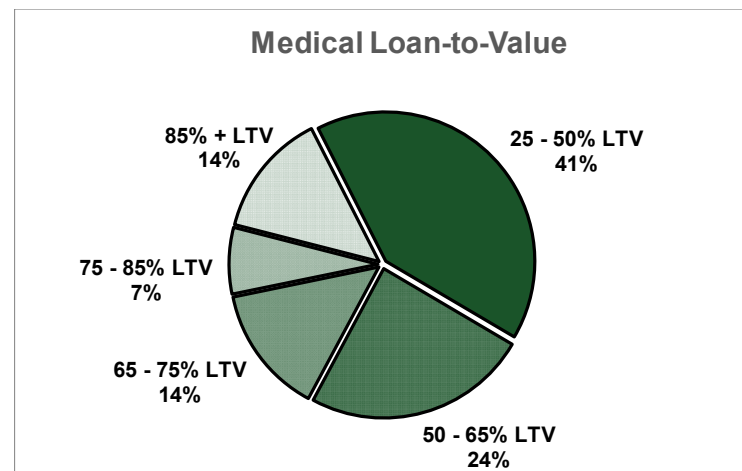
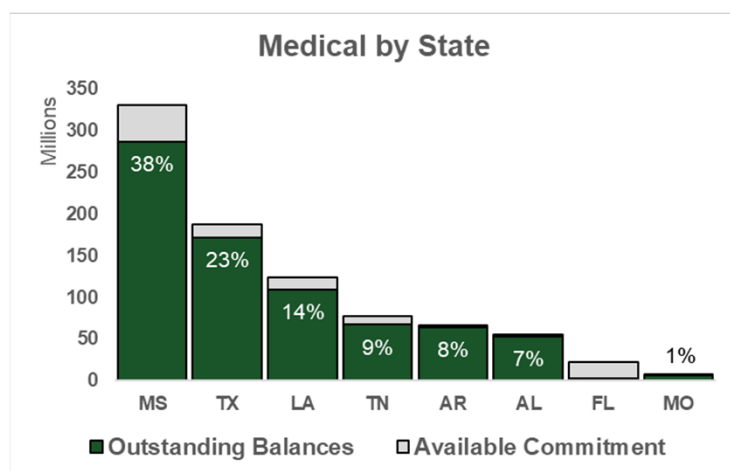
COVID-19 High Risk Portfolios

As of 3/31/20			
	Outstanding Balance	Total Committed Balance	% of BancorpSouth Portfolio (based on committed balance)
Medical	\$ 762	\$ 872	4.88%
Hotels & Accommodation	620	715	4.01%
Retail CRE	654	714	4.00%
Food Services	264	288	1.62%
Oil & Gas	76	188	1.06%
Total	\$ 2,376	\$ 2,777	15.57%

Medical Portfolio

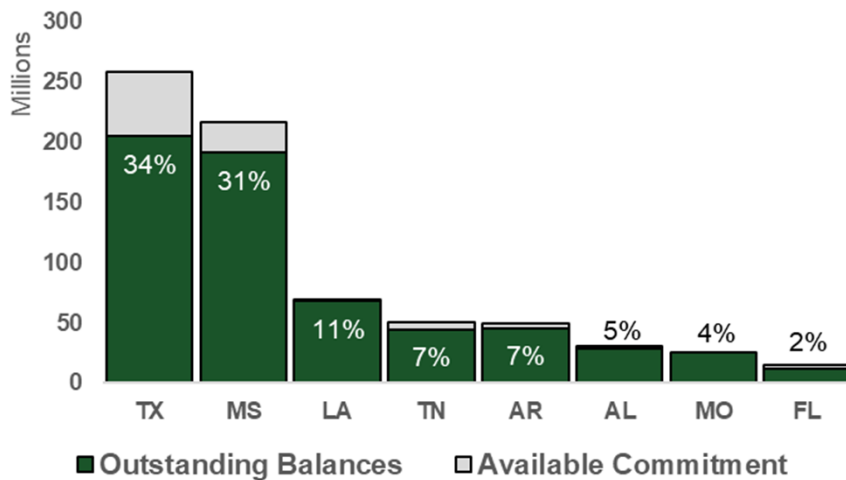
As of 3/31/20

	Outstanding Balance	Total Committed Balance	% of BancorpSouth Portfolio (based on committed balance)
Medical clinics	\$ 490	\$ 565	3.17%
Nursing homes	178	206	1.15%
Dental	59	63	0.35%
All other medical	35	38	0.21%
Total	\$ 762	\$ 872	4.88%

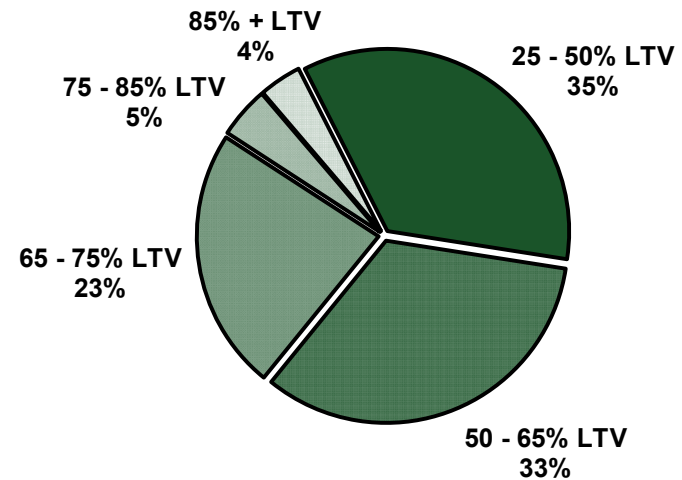


Hotels & Accommodation Portfolio

Hotels and Accommodation by State



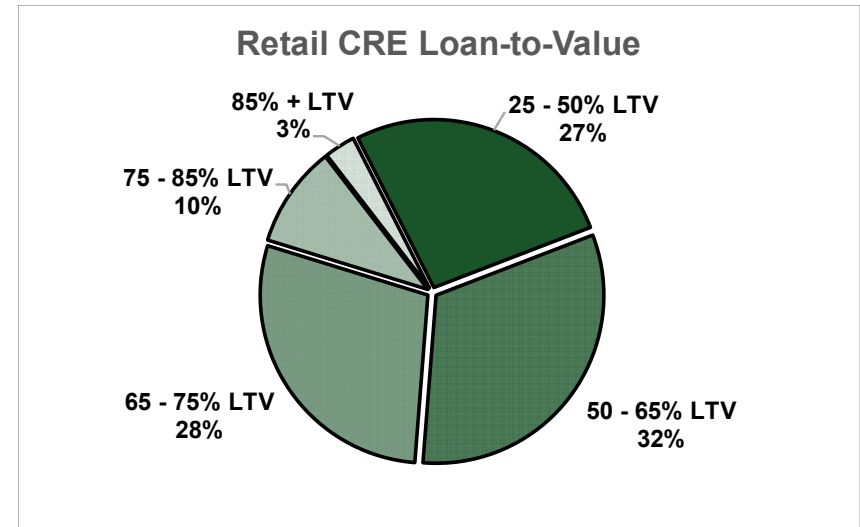
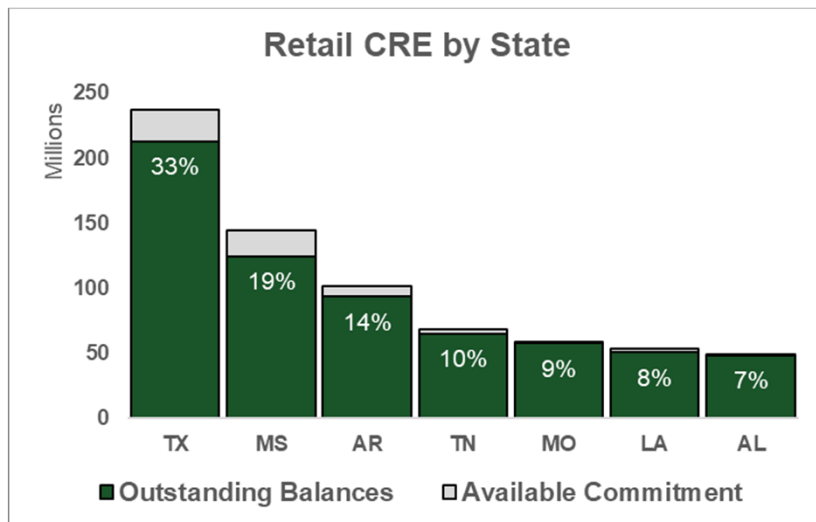
Hotels and Accommodation Loan-to-Value



Retail CRE Portfolio

Commercial real estate
Commercial and industrial-owner occupied
Construction, acquisition and development
Total

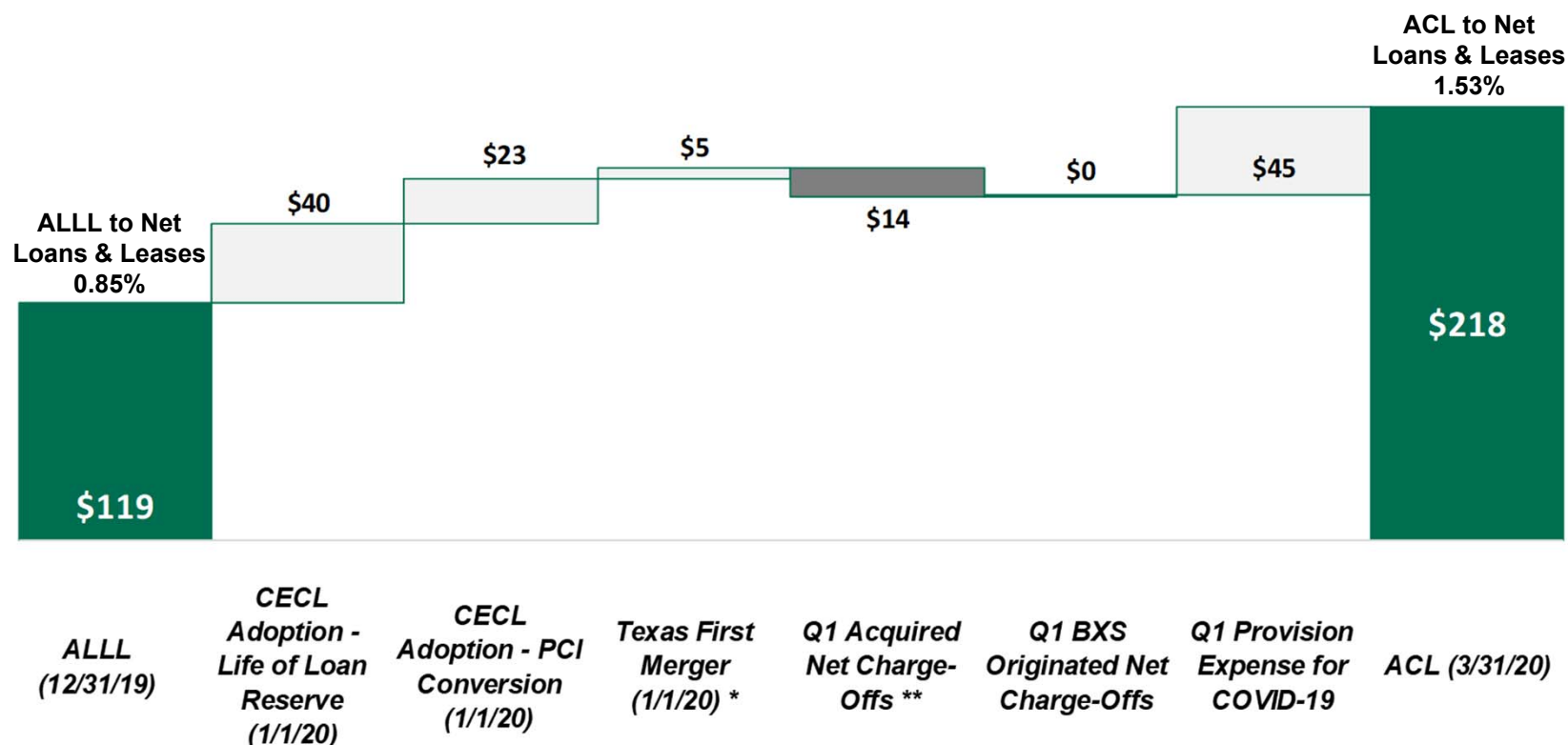
As of 3/31/20			
		% of BancorpSouth Portfolio	
Outstanding Balance	Total Committed Balance	(based on committed balance)	
\$ 336	\$ 351	1.97%	
268	287	1.61%	
50	76	0.42%	
\$ 654	\$ 714	4.00%	



Credit Quality Highlights

- Adopted CECL effective January 1, 2020
 - Initial adoption resulted in \$62.6 million increase to allowance (\$40.0 million recorded to retained earnings and \$22.6 million resulting from reduction in non-accretable difference on PCI loans)
 - Recorded a provision for credit losses of \$46.0 million for the quarter
 - Net charge-offs totaled \$13.7 million for the quarter
 - Ending allowance for credit losses of \$218.2 million, or 1.53% of net loans and leases, at March 31, 2020
- Reported net charge-offs of \$14.1 million on acquired credits (discount “grossed up” under CECL) compared to net recoveries of \$0.4 million on BXS originated loans
- Continued stability in other credit quality indicators including non-performing loans, non-performing assets, and near-term delinquencies.

Allowance for Credit Losses



Dollars in millions

*Day one provision of \$1 million associated with acquired loans is included in the \$5 million allowance for credit losses increase resulting from the Texas First merger closing.

**Approximately \$13 million of total is related to loans characterized as PCI prior to transition to CECL.



Mortgage and Insurance Revenue

Mortgage Lending Revenue

	Three Months Ended				
	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19
Origination revenue	\$ 17,906	\$ 4,326	\$ 8,922	\$ 7,016	\$ 4,068
Servicing revenue	5,153	4,935	4,903	4,890	4,893
MSR payoffs/paydowns	(2,506)	(2,323)	(2,542)	(2,739)	(2,052)
Mortgage production and servicing revenue	20,553	6,938	11,283	9,167	6,909
MSR valuation adjustment	(11,083)	3,164	(3,994)	(8,816)	(4,869)
Total mortgage banking revenue	\$ 9,470	\$ 10,102	\$ 7,289	\$ 351	\$ 2,040
Production volume	\$ 477,054	\$ 504,851	\$ 536,089	\$ 495,535	\$ 291,746
Purchase money production	\$ 285,300	\$ 321,700	\$ 353,900	\$ 397,900	\$ 227,500
Mortgage loans sold	\$ 409,436	\$ 419,142	\$ 374,156	\$ 304,352	\$ 239,239
Margin on loans sold	4.37%	1.03%	2.38%	2.31%	1.70%
Current pipeline	\$ 570,151	\$ 289,648	\$ 370,172	\$ 304,778	\$ 234,748
Mortgage originators	157	153	159	161	159

Insurance Commission Revenue

Property and casualty commissions	\$ 21,246	\$ 19,994	\$ 22,643	\$ 23,429	\$ 21,238
Life and health commissions	6,175	5,979	6,116	7,355	5,982
Risk management income	532	667	564	622	587
Other	1,650	1,008	2,189	2,545	2,373
Total insurance commissions	\$ 29,603	\$ 27,648	\$ 31,512	\$ 33,951	\$ 30,180

Dollars in thousands

Summary



Highlights

- Maintained strong regulatory capital metrics
- Repurchased 3.3 million shares during the first quarter
- Robust mortgage production volume contributed to increased mortgage production and servicing revenue
- Completed the acquisition of Texas First Bancshares, Inc., effective January 1, 2020 adding approximately \$185 million in loans and \$370 million in deposits

Current Focus

- Support our teammates, customers, and communities while appropriately managing credit exposure
- Continue to challenge expenses and improve efficiency
- Enhance customer experience, including improved technology offerings