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

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**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): January 25, 2021

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**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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
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.

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**Item 2.02. Results of Operations and Financial Condition.**

On January 25, 2021, BancorpSouth Bank (the “**Company**”) issued a news release announcing its financial results for the fourth quarter and year ended December 31, 2020 (the “**News Release**”). In addition, the Company will conduct a conference call and webcast at 10:00 a.m. (Central Time) on January 26, 2021 to discuss its financial results for the fourth quarter and year ended December 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: January 25, 2021

## 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 Fourth Quarter 2020 and Annual Financial Results**

TUPELO, Miss., January 25, 2021/PRNewswire – BancorpSouth Bank (NYSE: BXS) (the “Company”) today announced financial results for the quarter and year ended December 31, 2020.

#### **Annual highlights for 2020 included:**

- Achieved net income available to common shareholders of \$218.6 million, or \$2.12 per diluted common share, and net operating income available to common shareholders – excluding mortgage servicing rights (“MSR”) – of \$237.3 million, or \$2.30 per diluted common share.
- Recorded provision for credit losses of \$86.0 million associated primarily with economic deterioration associated with the COVID-19 pandemic while net charge-offs totaled 0.18 percent of average loans and leases, 0.14 percent of which was related to previously acquired loans; adopted Accounting Standards Update 2016-13 “Financial Instruments – Credit Losses” (“CECL”) effective January 1, 2020 which, combined with the provision, contributed to an increase of \$125.4 million in the allowance for credit losses.
- Reported record annual pre-tax pre-provision net revenue (“PPNR”) of \$397.5 million, or 1.75 percent of average assets; represents an increase of 20.7 percent from \$329.2 million, or 1.73 percent of average assets, for 2019.
- Generated total organic deposit and customer repo growth of approximately \$3.2 billion, or 19 percent for the year.
- Originated over 15,000 loans totaling \$1.2 billion under the Paycheck Protection Program (“PPP”); processed forgiveness applications on approximately 6,900 loans totaling \$608.9 million and received forgiveness funds from the U.S. Small Business Administration (“SBA”) on just over 4,000 loans totaling \$262.5 million.
- Reported record annual mortgage production volume and mortgage revenue for the year – production volume of \$3.2 billion contributed to production and servicing revenue totaling \$99.1 million.

- MORE -

January 25, 2021

- Improvement in cost structure; operating efficiency ratio – excluding MSR – improved to 61.6 percent compared to 64.9 percent for 2019.
- Completed merger with Texas First Bancshares, Inc. which added \$396.9 million in assets to the Company’s Central Texas presence.
- Repurchased 3,300,000 shares of outstanding common stock at a weighted average price of \$26.42 per share.

**Highlights for the fourth quarter of 2020 included:**

- Achieved quarterly net income available to common shareholders of \$66.4 million, or \$0.65 per diluted common share, and net operating income available to common shareholders – excluding MSR – of \$70.8 million, or \$0.69 per diluted common share.
- Recorded provision for credit losses of \$5.0 million; total non-performing assets declined 15.7% while past dues, loan deferrals, and modifications remained relatively stable.
- Generated \$93.6 million in PPNR, or 1.57 percent of average assets on an annualized basis; PPNR was impacted by seasonal revenue factors as well as certain other elevated one-time or non-recurring expense items.
- Generated total deposit and customer repo growth of \$459.7 million for the quarter, or 9.1 percent on an annualized basis.
- Record fourth quarter mortgage production volume of \$845.9 million contributed to mortgage production and servicing revenue of \$19.9 million.
- Recorded a charge of \$5.8 million in accordance with Accounting Standards Codification (“ASC”) 715 “Compensation – Retirement Benefits” to reflect the settlement accounting impact of the lump sum payments associated with an elevated number of retirements that occurred in the fourth quarter of 2020.
- Maintained strong regulatory capital metrics; estimated total risk-based capital of 14.24 percent at December 31, 2020 compared to 14.17 percent at December 31, 2019.
- Announced the signing of a definitive merger agreement with National United Bancshares, Inc., the parent company of National United, which is expected to add approximately \$750 million in assets to the Company’s Central Texas presence.
- On January 13, 2021, announced the signing of a definitive merger agreement with FNS Bancshares, Inc., the parent company of FNB Bank, which is expected to add approximately \$790 million in assets across Alabama, Tennessee, and Georgia.

- MORE -

“As we look at our financial results for 2020, the COVID-19 pandemic certainly created a challenging year for our industry as a whole,” remarked Dan Rollins, Chairman and Chief Executive Officer. “I am extremely proud of our team’s ability to navigate this difficult environment while continuing to improve our core operating results. While protecting the health of our teammates and customers was our first priority, we achieved some unprecedented milestones in several areas of our Company. Our mortgage team generated record production of \$3.2 billion, which exceeds our previous annual production record of \$2.0 billion by 60 percent. As we have previously reported, our bankers and support staff produced over 15,000 PPP loans totaling over \$1.2 billion in a very short period of time. We are currently actively working with our customers on the second phase of funding under the PPP. I am also pleased with our lenders and credit administrators’ ability to work with our customers on deferrals and modifications while actively managing our credit risk. While we recorded a provision of credit losses of \$86 million for the year, our credit quality indicators continue to remain stable. Net charge-offs, excluding acquired loans, totaled 0.04 percent of net loans and leases for the year. Finally, we reported record pre-tax pre-provision net revenue of \$397.5 million, or 1.75 percent of average assets. This represents an increase from \$329.2 million, or 1.73 percent of average assets for 2019.”

“As we look specifically at our fourth quarter performance, we had another great quarter of deposit and customer repo growth, which totaled \$459.7 million, or 9.1 percent on an annualized basis. We were also pleased to be able to continue to work our total cost of deposits down meaningfully and hold our net interest margin in a relatively tight range. Our mortgage team had another outstanding quarter generating production volume of \$845.9 million and total production and servicing revenue of \$19.9 million. While we had several items that created some noise in our results, we are pleased to report operating earnings per share – excluding MSR – of \$0.69 per diluted share in a quarter that has historically faced seasonal headwinds in both our mortgage and insurance business. The largest of these items was a \$5.8 million pension accounting charge resulting from elevated retirements and lump sum pension payouts in the fourth quarter. While this charge adversely impacted earnings, the decline of employee FTE of approximately 100 over the course of 2020 reflects our continued focus on improving our operating efficiency. Finally, we are excited about the growth opportunities that we have recently announced with National United in Gatesville, Texas and FNB Bank in Scottsboro, Alabama, which will collectively add approximately \$1.5 billion in assets to our Company. We are hopeful that we can receive the required approvals in order to close these transactions during the second quarter of this year.”

## **Earnings Summary**

The Company reported net income available to common shareholders of \$66.4 million, or \$0.65 per diluted common share, for the fourth quarter of 2020, compared with net income available to common shareholders of \$65.8 million, or \$0.63 per diluted common share, for the fourth quarter of 2019 and net income available to common shareholders of \$71.5 million, or \$0.69 per diluted common share, for the third quarter of 2020. The Company reported net operating income available to common shareholders – excluding MSR – of \$70.8 million, or \$0.69 per diluted common share, for the fourth quarter of 2020, compared with \$67.8 million, or \$0.65 per diluted common share, for the fourth quarter of 2019 and \$71.2 million, or \$0.69 per diluted common share, for the third quarter of 2020.

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Additionally, the Company reported net income available to common shareholders of \$218.6 million, or \$2.12 per diluted common share, for the year ended December 31, 2020 compared with \$234.3 million, or \$2.30 per diluted common share, for the year ended December 31, 2019. The Company reported net operating income available to common shareholders – excluding MSR – of \$237.3 million, or \$2.30 per diluted common share, for the year ended December 31, 2020 compared with \$255.4 million, or \$2.51 per diluted common share, for the year ended December 31, 2019.

The Company reported pre-tax pre-provision net revenue of \$93.6 million, or 1.57 percent of average assets on an annualized basis, for the fourth quarter of 2020 compared to \$85.8 million, or 1.68 percent of average assets on an annualized basis, for the fourth quarter of 2019 and \$110.0 million, or 1.88 percent of average assets, for the third quarter of 2020. Additionally, the Company reported pre-tax pre-provision net revenue of \$397.5 million, or 1.75 percent of average assets, for the year ended December 31, 2020 compared with \$329.2 million, or 1.73 percent of average assets, for the year ended December 31, 2019.

### **Net Interest Revenue**

Net interest revenue was \$176.9 million for the fourth quarter of 2020, an increase of 3.6 percent from \$170.8 million for the fourth quarter of 2019 and an increase of 0.6 percent from \$175.9 million for the third quarter of 2020. The fully taxable equivalent net interest margin was 3.29 percent for the fourth quarter of 2020, compared with 3.76 percent for the fourth quarter of 2019 and 3.31 percent for the third quarter of 2020. Yields on net loans and leases were 4.55 percent for the fourth quarter of 2020, compared with 5.13 percent for the fourth quarter of 2019 and 4.54 percent for the third quarter of 2020, while yields on total interest earning assets were 3.70 percent for the fourth quarter of 2020, compared with 4.48 percent for the fourth quarter of 2019 and 3.77 percent for the third quarter of 2020. The net interest margin, excluding accretible yield, was 3.24 percent for the fourth quarter of 2020, compared with 3.61 percent for the fourth quarter of 2019 and 3.23 percent for the third quarter of 2020, while yields on net loans and leases, excluding accretible yield, were 4.49 percent for the fourth quarter of 2020, compared with 4.95 percent for the fourth quarter of 2019 and 4.44 percent for the third quarter of 2020.

The \$975.4 million in PPP loans on the balance sheet had an adverse impact of approximately four basis points on the yield on net loans and leases, excluding accretible yield, for the fourth quarter of 2020. Net interest income for the fourth quarter of 2020 included approximately \$2.5 million of accelerated PPP fee income recognition resulting from the payoff of loans that were forgiven by the SBA during the quarter. The average cost of deposits was 0.38 percent for the fourth quarter of 2020, compared with 0.68 percent for the fourth quarter of 2019 and 0.44 percent for the third quarter of 2020.

### **Balance Sheet Activity**

Loans and leases, net of unearned income, decreased \$305.3 million during the fourth quarter of 2020 primarily as a result of the SBA forgiveness of \$262.5 million of PPP loans during the quarter. Deposits and customer repos increased \$459.7 million, or 9.1 percent on an annualized

- MORE -

basis, during the fourth quarter of 2020. There were no acquisitions during the fourth quarter of 2020.

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

Earnings for the fourth quarter of 2020 reflect a provision for credit losses of \$5.0 million, compared with no provision for the fourth quarter of 2019 and a provision of \$15.0 million for the third quarter of 2020. Net charge-offs for the fourth quarter of 2020 were \$11.2 million, or 0.29 percent of net loans and leases on an annualized basis, compared with net recoveries of \$2.2 million for the fourth quarter of 2019 and net charge-offs of \$1.4 million for the third quarter of 2020. Net charge-offs for the fourth quarter of 2020 consisted primarily of the charge down of loans that were previously identified as impaired in prior quarters. The allowance for credit losses was \$244.4 million, or 1.63 percent of net loans and leases, at December 31, 2020, compared with \$119.1 million, or 0.85 percent of net loans and leases, at December 31, 2019, and \$250.6 million, or 1.64 percent of net loans and leases, at September 30, 2020. The allowance for credit losses coverage, excluding the impact of PPP loans, was 1.74 percent at December 31, 2020.

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

Total non-performing assets were \$132.6 million, or 0.55 percent of total assets, at December 31, 2020, compared with \$118.3 million, or 0.56 percent of total assets, at December 31, 2019, and \$157.3 million, or 0.67 percent of total assets, at September 30, 2020. Other real estate owned was \$11.4 million at December 31, 2020, compared with \$6.7 million at December 31, 2019 and \$6.4 million at September 30, 2020.

### **Noninterest Revenue**

Noninterest revenue was \$78.8 million for the fourth quarter of 2020, compared with \$74.7 million for the fourth quarter of 2019 and \$89.9 million for the third quarter of 2020. These results include a positive MSR valuation adjustment of \$0.2 million for the fourth quarter of 2020, compared with a positive MSR valuation adjustment of \$3.2 million for the fourth quarter of 2019 and a positive MSR valuation adjustment of \$0.4 million for the third quarter of 2020. Valuation adjustments in the MSR asset are driven primarily by fluctuations in interest rates period over period.

Mortgage production and servicing revenue was \$19.9 million for the fourth quarter of 2020, compared with \$6.9 million for the fourth quarter of 2019 and \$26.7 million for the third quarter of 2020. Mortgage origination volume for the fourth quarter of 2020 was \$845.9 million, compared with \$504.9 million for the fourth quarter of 2019 and \$937.7 million for the third quarter of 2020. Home purchase money volume was \$466.4 million for the fourth quarter of 2020,

- MORE -



January 25, 2021

compared with \$321.7 million for the fourth quarter of 2019 and \$568.4 million for the third quarter of 2020. Of the total mortgage origination volume for the fourth quarter of 2020, \$157.8 million was portfolio loans, compared with \$106.4 million for the fourth quarter of 2019 and \$218.0 million for the third quarter of 2020.

Credit card, debit card, and merchant fee revenue was \$10.1 million for the fourth quarter of 2020, compared with \$9.8 million for the fourth quarter of 2019 and \$9.9 million for the third quarter of 2020. Deposit service charge revenue was \$9.7 million for the fourth quarter of 2020, compared with \$12.2 million for the fourth quarter of 2019 and \$8.9 million for the third quarter of 2020. Wealth management revenue was \$6.8 million for the fourth quarter of 2020, compared with \$6.6 million for the fourth quarter of 2019 and \$6.5 million for the third quarter of 2020. Insurance commission revenue was \$29.8 million for the fourth quarter of 2020, compared with \$27.6 million for the fourth quarter of 2019 and \$32.8 million for the third quarter of 2020. Other noninterest revenue was \$2.3 million for the fourth quarter of 2020, compared with \$8.3 million for the fourth quarter of 2019 and \$4.8 million for the third quarter of 2020. Other noninterest revenue for the fourth quarter of 2020 was adversely impacted by \$2.7 million of book amortization associated with a historic tax credit. A related benefit of \$3.0 million was recorded as a reduction to income tax expense for the quarter.

### **Noninterest Expense**

Noninterest expense for the fourth quarter of 2020 was \$167.9 million, compared with \$162.4 million for the fourth quarter of 2019 and \$155.5 million for the third quarter of 2020. Salaries and employee benefits expense was \$97.2 million for the fourth quarter of 2020, compared with \$97.1 million for the fourth quarter of 2019 and \$104.2 million for the third quarter of 2020. Occupancy expense was \$13.0 million for the fourth quarter of 2020, compared with \$12.3 million for the fourth quarter of 2019 and \$13.1 million for the third quarter of 2020. Other noninterest expense was \$45.4 million for the fourth quarter of 2020, compared with \$46.0 million for the fourth quarter of 2019 and \$32.2 million for the third quarter of 2020. Additionally, merger-related expense for the fourth quarter of 2020 was \$0.2 million, compared with merger-related expense of \$5.8 million for the fourth quarter of 2019 and \$0.1 million for the third quarter of 2020.

Noninterest expense for the fourth quarter of 2020 included certain items that were either non-operating or non-routine in nature as defined by the Company. The Company recorded a charge of \$5.8 million in accordance with ASC 715 “Compensation – Retirement Benefits” to reflect the settlement accounting impact of an elevated number of retirements and related lump sum pension payouts during the quarter. Salaries and employee benefits expense was positively impacted by accrual true ups totaling approximately \$6.7 million relating to incentive compensation and other employee benefits. Other non-interest expense included charges and write-downs totaling approximately \$5.0 million associated with the anticipated disposition of certain facilities and other fixed assets, including fixed assets associated with branches identified for closure.

- MORE -

## Capital Management

The Company's ratio of shareholders' equity to assets was 11.72 percent at December 31, 2020, compared with 12.75 percent at December 31, 2019 and 11.81 percent at September 30, 2020. The ratio of tangible common shareholders' equity to tangible assets was 7.54 percent at December 31, 2020, compared with 8.09 percent at December 31, 2019 and 7.56 percent at September 30, 2020. The \$975.4 million in PPP loans had an adverse impact of approximately 33 basis points on tangible common shareholders' equity to tangible assets at December 31, 2020.

During the fourth quarter of 2020, the Company did not repurchase any shares of its common stock pursuant to its share repurchase program. On December 9, 2020, the Company announced a new share repurchase program, pursuant to which the Board of Directors has authorized the repurchase of up to an aggregate of 6 million shares, which commenced on January 4, 2021 and will expire on December 31, 2021.

Estimated regulatory capital ratios at December 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 December 31, 2020, with Tier 1 risk-based capital of 11.70 percent and total risk-based capital of 14.24 percent, compared with required minimum levels of 8 percent and 10 percent, respectively, in order to qualify for "well capitalized" classification.

## Summary

Rollins concluded, "I am proud of the accomplishments that our teammates achieved over the course of the year in unprecedented circumstances. We reported record deposit growth and mortgage origination volume, while our bankers cultivated current relationships and built new ones through the government stimulus programs as well as other opportunities to assist customers during this time. As a company, we have taken other actions to drive continued efficiency improvement including our efforts to improve our branch structure and employee headcount as well as various other initiatives to enhance our technology offerings and customer experience. While we expect the industry to continue to experience revenue headwinds as we enter the New Year, we are glad 2020 is behind us. We look forward to the opportunity to continue to grow our Company and improve shareholder value."

## TRANSACTIONS

### FNS Bancshares, Inc.

On January 13, 2021, the Company announced the signing of a definitive merger agreement (the "FNS Merger Agreement") with FNS Bancshares, Inc., the parent company of FNB Bank, (collectively referred to as "FNS"), pursuant to which FNS will be merged with and into the Company (the "FNS Merger"). FNS operates 17 full-service banking offices in Alabama, Georgia and Tennessee. The merger will expand the Company's presence in Jackson, DeKalb and Marshall

- MORE -

January 25, 2021

counties in Alabama and the Chattanooga, Tennessee-Georgia and Nashville-Davidson-Murfreesboro-Franklin, Tennessee metropolitan statistical areas. As of December 31, 2020, FNS collectively reported total assets of \$797.0 million, total loans of \$483.5 million and total deposits of \$675.5 million. Under the terms of the FNS Merger Agreement, the Company will issue approximately 2,975,000 shares of the Company's common stock plus \$18.0 million in cash for all outstanding shares of FNS. For more information regarding the FNS Merger, see our Current Report on Form 8-K that was filed with the Federal Deposit Insurance Corporation ("FDIC") on January 13, 2021. The FNS Merger Agreement has been unanimously approved by the Boards of Directors of the Company and FNS. FNS has agreed to convene a meeting of its shareholders to vote upon the approval of the FNS Merger Agreement. Subject to the satisfaction of all closing conditions, including the receipt of all required regulatory approvals, the FNS Merger is expected to be completed during the first half of 2021, although the Company can provide no assurance that the FNS Merger will close during this time period or at all.

### **National United Bancshares, Inc.**

On December 2, 2020, the Company announced the signing of a definitive merger agreement (the "National United Merger Agreement") with National United Bancshares, Inc., the parent company of National United, (collectively referred to as "National United"), pursuant to which National United will be merged with and into the Company (the "National United Merger"). National United operates 6 full-service banking offices in the Killeen-Temple, Texas; Waco, Texas; and Austin-Round Rock-Georgetown, Texas metropolitan statistical areas. As of December 31, 2020, National United collectively reported total assets of \$752.3 million, total loans of \$446.0 million and total deposits of \$676.7 million. Under the terms of the National United Merger Agreement, the Company will issue approximately 3,110,000 shares of the Company's common stock plus \$33.25 million in cash for all outstanding shares of National United. For more information regarding National United Merger, see our Current Report on Form 8-K that was filed with the FDIC on December 2, 2020. The National United Merger Agreement has been unanimously approved by the Boards of Directors of the Company and National United. National United has agreed to convene a meeting of its shareholders to vote upon the approval of the National United Merger Agreement. Subject to the satisfaction of all closing conditions, including the receipt of all required regulatory approvals, the National United Merger is expected to be completed during the first half of 2021, although the Company can provide no assurance that the National United Merger will close during this time period or at all.

### **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

- MORE -

information regarding this transaction, see our Current Report on Form 8-K that was filed with the FDIC on January 2, 2020.

### **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 26 of this news release.

### **Statement Regarding Impact of COVID-19 Pandemic**

The Company prioritizes the health and safety of its teammates and customers, and it will continue to do so throughout the duration of the COVID-19 pandemic. At the same time, the Company remains focused on improving shareholder value, managing credit exposure, challenging expenses, enhancing the customer experience and supporting the communities it serves. Lastly, as a SBA Preferred Lender, the Company is an active participant in the SBA’s PPP for the betterment of its customers and the communities that it serves.

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

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

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

- MORE -

## Conference Call and Webcast

The Company will conduct a conference call to discuss its fourth quarter 2020 financial results on January 26, 2021, at 10:00 a.m. (Central Time). This conference call will be an interactive session between management and analysts. Interested parties may listen to this live conference call via Internet webcast by accessing [www.bancorpsouth.investorroom.com/webcasts](http://www.bancorpsouth.investorroom.com/webcasts). The webcast will also be available in archived format at the same address.

## About BancorpSouth Bank

BancorpSouth Bank (NYSE: BXS) is headquartered in Tupelo, Mississippi, with approximately \$24 billion in assets. BancorpSouth operates approximately 305 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](http://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 (the “Exchange Act”), and are subject to the safe harbor created thereby under the Private Securities Litigation Reform Act of 1995. These statements are often, but not always, made through the use of words or phrases such as “anticipate,” “aspire,” “assume,” “believe,” “budget,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “forecast,” “foresee,” “goal,” “hope,” “indicate,” “intend,” “may,” “might,” “outlook,” “plan,” “project,” “projection,” “predict,” “prospect,” “potential,” “roadmap,” “seek,” “should,” “target,” “will,” and “would,” or the negative versions of those words or other comparable words of a future or forward-looking nature. These forward-looking statements include, without limitation, discussions regarding general economic, interest rate, real estate market, competitive, employment, and credit market conditions, including the impact of the COVID-19 pandemic on our business; our: assets; business; cash flows; financial condition; liquidity; prospects; results of operations; deposit and customer repo growth; interest and fee-based revenue; capital resources; capital metrics; efficiency ratio; valuation of mortgage servicing rights; mortgage production volume; net income; net interest revenue; non-interest revenue; net interest margin; interest expense; non-interest expense; earnings per share; interest rate sensitivity; interest rate risk; balance sheet and liquidity management; off-balance sheet arrangements; fair value determinations; asset quality; credit quality; credit losses; provision and allowance for credit losses, impairments, charge-offs, recoveries and changes in loan volumes; investment securities portfolio yields and values; ability to manage the impact of pandemics and natural disasters; adoption and use of critical accounting policies; adoption and implementation of new accounting standards and their effect on our financial results and our financial reporting; utilization of non-GAAP financial metrics; declaration and payment of dividends; ability to pay dividends or coupons on our 5.5% Series A Non-Cumulative Perpetual Preferred Stock, par value \$0.01 per share, or the 4.125% Fixed-to-Floating Rate Subordinated Notes due November 20, 2029; mortgage origination volume; mortgage servicing and production revenue; insurance commission revenue; implementation and execution of cost savings initiatives; ability to successfully litigate, resolve or otherwise dispense with threatened, pending, ongoing and future litigation and governmental, administrative and investigatory matters; ability to successfully complete pending or future acquisitions, dispositions and other strategic growth opportunities and initiatives; ability to successfully obtain regulatory approval for acquisitions and other growth initiatives; ability to successfully integrate and manage acquisitions; opportunities and efforts to grow market share; reputation; ability to compete with other financial institutions; ability to recruit and retain key employees and personnel; access to capital markets; availability of capital; investments in the securities of other financial institutions; and ability to operate our regulatory compliance programs in accordance with applicable law.

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

- MORE -

## BXS Announces Fourth Quarter and Annual 2020 Financial Results

Page 11

January 25, 2021

involving LIBOR; competitive factors and pricing pressures, including their effect on our net interest margin; general economic, unemployment, credit market and real estate market conditions, and the effect of such conditions on the creditworthiness of borrowers, collateral values, the value of investment securities and asset recovery values; changes in legal, financial and/or regulatory requirements; recently enacted and potential legislation and regulatory actions and the costs and expenses to comply with new and/or existing legislation and regulatory actions, including those actions in response to the COVID-19 pandemic such as the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the "Economic Aid Act") and any related rules and regulations; changes in U.S. Government monetary and fiscal policy, including any changes that result from the recent U.S. elections; FDIC special assessments or changes to regular assessments; possible adverse rulings, judgments, settlements and other outcomes of pending, ongoing and future litigation and governmental, administrative and investigatory matters (including litigation or actions arising from our participation in and administration of programs related to the COVID-19 pandemic (including, among other things, the PPP loan programs authorized by the CARES Act and the Economic Aid Act); the ability to keep pace with technological changes, including changes regarding maintaining cybersecurity; the impact of failure in, or breach of, our operational or security systems or infrastructure, or those of third parties with whom we do business, including as a result of cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting us or our customers; natural disasters or acts of war or terrorism; the adverse effects of the ongoing global COVID-19 pandemic, including the magnitude and duration of the pandemic, and the impact of actions taken to contain or treat COVID-19 on us, our employees, our customers, the global economy and the financial markets; international or political instability; impairment of our goodwill or other intangible assets; losses of key employees and personnel; adoption of new accounting standards, including the effects from the adoption of the current expected credit loss methodology on January 1, 2020, or changes in existing standards; and other factors as detailed from time to time in our press and news releases, periodic and current reports and other filings we file 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 we believe that the expectations reflected in these forward-looking statements are reasonable as of the date of this news release, if one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. Accordingly, undue reliance should not be placed on any forward-looking statements. The forward-looking statements speak only as of the date of this news release, and we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by applicable law. New risks and uncertainties may emerge from time to time, and it is not possible for us to predict their occurrence or how they will affect us. All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by this section.

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**BancorpSouth Bank**

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

	Quarter Ended 12/31/2020	Quarter Ended 9/30/2020	Quarter Ended 6/30/2020	Quarter Ended 3/31/2020	Quarter Ended 12/31/2019	Year Ended 12/31/2020	Year Ended 12/31/2019
<b>Earnings Summary:</b>							
Interest revenue	\$ 199,287	\$ 200,670	\$ 197,472	\$ 202,064	\$ 203,812	\$ 799,493	\$ 775,012
Interest expense	22,351	24,739	26,902	34,534	33,038	108,526	125,068
Net interest revenue	176,936	175,931	170,570	167,530	170,774	690,967	649,944
Provision for credit losses	5,000	15,000	20,000	46,000	-	86,000	1,500
Net interest revenue, after provision for credit losses	171,936	160,931	150,570	121,530	170,774	604,967	648,444
Noninterest revenue	78,826	89,924	91,258	76,496	74,697	336,504	280,681
Noninterest expense	167,911	155,505	162,504	168,006	162,351	653,926	629,607
Income before income taxes	82,851	95,350	79,324	30,020	83,120	287,545	299,518
Income tax expense	14,046	21,525	18,164	5,759	17,271	59,494	65,257
Net income	\$ 68,805	\$ 73,825	\$ 61,160	\$ 24,261	\$ 65,849	\$ 228,051	\$ 234,261
Less: Preferred dividends	2,372	2,372	2,372	2,372	-	9,488	-
Net income available to common shareholders	\$ 66,433	\$ 71,453	\$ 58,788	\$ 21,889	\$ 65,849	\$ 218,563	\$ 234,261
<b>Balance Sheet - Period End Balances</b>							
Total assets	\$ 24,081,194	\$ 23,555,422	\$ 23,236,176	\$ 21,032,524	\$ 21,052,576	\$ 24,081,194	\$ 21,052,576
Total earning assets	21,792,725	21,340,371	21,119,073	18,939,750	18,891,021	21,792,725	18,891,021
Total securities	6,231,006	5,659,785	4,973,171	4,468,340	4,481,974	6,231,006	4,481,974
Loans and leases, net of unearned income	15,022,479	15,327,735	15,427,421	14,224,645	14,089,683	15,022,479	14,089,683
Allowance for credit losses	244,422	250,624	237,025	218,199	119,066	244,422	119,066
Net book value of acquired loans (included in loans and leases above)	1,160,267	1,320,671	1,510,008	1,661,329	1,628,265	1,160,267	1,628,265
Paycheck protection program (PPP) loans (included in loans and leases above)	975,421	1,212,246	1,192,715	-	-	975,421	-
Remaining loan mark on acquired loans	13,886	16,198	19,977	22,286	46,240	13,886	46,240
Total deposits	19,846,441	19,412,979	19,179,486	16,887,916	16,410,699	19,846,441	16,410,699
Total deposits and securities sold under agreement to repurchase	20,484,156	20,024,434	19,849,502	17,426,878	16,924,121	20,484,156	16,924,121
Long-term debt	4,402	4,508	4,615	4,721	5,053	4,402	5,053
Junior subordinated debt securities	297,250	297,074	296,898	296,723	296,547	297,250	296,547
Total shareholders' equity	2,822,477	2,782,539	2,732,687	2,681,904	2,685,017	2,822,477	2,685,017
Common shareholders' equity	2,655,484	2,615,546	2,565,694	2,514,911	2,517,996	2,655,484	2,517,996
<b>Balance Sheet - Average Balances</b>							
Total assets	\$ 23,660,503	\$ 23,318,877	\$ 22,707,686	\$ 21,189,637	\$ 20,243,023	\$ 22,723,386	\$ 19,027,644
Total earning assets	21,497,938	21,241,896	20,594,889	19,113,449	18,125,676	20,616,184	17,036,618
Total securities	5,820,425	5,309,982	4,437,614	4,461,298	3,555,014	5,010,378	2,934,654
Loans and leases, net of unearned income	15,219,402	15,369,684	15,114,732	14,226,788	14,061,118	14,984,356	13,606,951
PPP loans (included in loans and leases above)	1,139,959	1,207,097	975,029	-	-	830,467	-
Total deposits	19,600,863	19,258,930	18,454,472	16,905,229	16,218,715	18,559,655	15,319,130
Total deposits and securities sold under agreement to repurchase	20,272,881	19,940,330	19,098,599	17,446,936	16,748,932	19,194,697	15,814,512
Long-term debt	4,488	4,592	4,699	4,800	5,138	4,644	5,415
Junior subordinated debt securities	297,145	296,969	296,793	296,617	135,535	296,882	34,162
Total shareholders' equity	2,774,589	2,729,870	2,738,434	2,658,699	2,572,750	2,725,545	2,366,745
Common shareholders' equity	2,607,596	2,562,877	2,571,441	2,491,678	2,498,033	2,558,545	2,347,913
<b>Nonperforming Assets:</b>							
Non-accrual loans and leases	\$ 96,378	\$ 122,108	\$ 126,753	\$ 110,074	\$ 78,796	\$ 96,378	\$ 78,796
Loans and leases 90+ days past due, still accruing	14,320	17,641	9,877	7,272	17,531	14,320	17,531
Restructured loans and leases, still accruing	10,475	11,154	11,575	11,284	15,184	10,475	15,184
Non-performing loans (NPLs)	121,173	150,903	148,205	128,630	111,511	121,173	111,511
Other real estate owned	11,395	6,397	7,164	9,200	6,746	11,395	6,746
Non-performing assets (NPAs)	\$ 132,568	\$ 157,300	\$ 155,369	\$ 137,830	\$ 118,257	\$ 132,568	\$ 118,257
<b>Financial Ratios and Other Data:</b>							
Return on average assets	1.16%	1.26%	1.08%	0.46%	1.29%	1.00%	1.23%
Operating return on average assets-excluding MSR*	1.23%	1.26%	1.12%	0.70%	1.33%	1.09%	1.34%
Return on average shareholders' equity	9.87%	10.76%	8.98%	3.67%	10.15%	8.37%	9.90%
Operating return on average shareholders' equity-excluding MSR*	10.49%	10.72%	9.29%	5.56%	10.46%	9.05%	10.79%
Return on average common shareholders' equity	10.14%	11.09%	9.19%	3.53%	10.46%	8.54%	9.98%
Operating return on average common shareholders' equity-excluding MSR*	10.80%	11.05%	9.53%	5.55%	10.78%	9.27%	10.88%
Return on average tangible equity*	14.66%	16.08%	13.43%	5.56%	15.47%	12.53%	15.04%
Operating return on average tangible equity-excluding MSR*	15.58%	16.03%	13.89%	8.42%	15.94%	13.56%	16.40%
Return on average tangible common equity*	15.54%	17.13%	14.20%	5.54%	16.19%	13.22%	15.22%
Operating return on average tangible common equity-excluding MSR*	16.56%	17.08%	14.71%	8.71%	16.68%	14.35%	16.60%
Pre-tax pre-provision net revenue to total average assets*	1.57%	1.88%	1.81%	1.74%	1.68%	1.75%	1.73%
Noninterest income to average assets	1.33%	1.53%	1.62%	1.45%	1.46%	1.48%	1.48%
Noninterest expense to average assets	2.82%	2.65%	2.88%	3.19%	3.18%	2.88%	3.31%
Net interest margin-fully taxable equivalent	3.29%	3.31%	3.35%	3.54%	3.76%	3.36%	3.84%
Net interest margin-fully taxable equivalent, excluding net accretion on acquired loans and leases	3.24%	3.23%	3.30%	3.48%	3.61%	3.31%	3.72%
Net interest rate spread	3.07%	3.06%	3.08%	3.24%	3.44%	3.11%	3.53%
Efficiency ratio (tax equivalent)*	65.47%	58.36%	61.89%	68.65%	65.92%	63.47%	67.38%
Operating efficiency ratio-excluding MSR (tax equivalent)*	63.18%	58.41%	61.16%	63.89%	64.39%	61.62%	64.90%
Loan/deposit ratio	75.69%	78.96%	80.44%	84.23%	85.86%	75.69%	85.86%
Price to earnings multiple (close)	12.88	9.18	11.15	9.46	13.60	12.88	13.60
Market value to common book value	105.98%	75.99%	90.91%	77.21%	130.38%	105.98%	130.38%
Market value to common book value (avg)	97.56%	83.75%	84.79%	107.86%	128.18%	90.96%	122.58%
Market value to common tangible book value	161.00%	116.01%	140.44%	120.81%	201.13%	161.00%	201.13%
Market value to common tangible book value (avg)	148.21%	127.86%	130.99%	168.76%	197.74%	138.19%	189.09%
Employee FTE	4,596	4,691	4,742	4,737	4,693	4,596	4,693

\*Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 26 and 27.

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

	Quarter Ended 12/31/2020	Quarter Ended 9/30/2020	Quarter Ended 6/30/2020	Quarter Ended 3/31/2020	Quarter Ended 12/31/2019	Year Ended 12/31/2020	Year Ended 12/31/2019
<b>Credit Quality Ratios:</b>							
Net charge-offs(recoveries) to average loans and leases (annualized)	0.29%	0.04%	0.03%	0.39%	(0.06%)	0.18%	0.02%
Provision for credit losses to average loans and leases (annualized)	0.13%	0.39%	0.53%	1.30%	0.00%	0.57%	0.01%
Allowance for credit losses to net loans and leases	1.63%	1.64%	1.54%	1.53%	0.85%	1.63%	0.85%
Allowance for credit losses to net loans and leases, excluding PPP loans	1.74%	1.78%	1.67%	1.53%	0.85%	1.74%	0.85%
Allowance for credit losses to non-performing loans and leases	201.71%	166.08%	159.93%	169.63%	106.78%	201.71%	106.78%
Allowance for credit losses to non-performing assets	184.37%	159.33%	152.56%	158.31%	100.68%	184.37%	100.68%
Non-performing loans and leases to net loans and leases	0.81%	0.98%	0.96%	0.90%	0.79%	0.81%	0.79%
Non-performing loans and leases to net loans and leases, excluding acquired loans and leases	0.62%	0.74%	0.63%	0.64%	0.65%	0.62%	0.65%
Non-performing assets to total assets	0.55%	0.67%	0.67%	0.66%	0.56%	0.55%	0.56%
Non-performing assets to total assets, excluding acquired loans and leases	0.42%	0.49%	0.43%	0.44%	0.40%	0.42%	0.40%
<b>Equity Ratios:</b>							
Total shareholders' equity to total assets	11.72%	11.81%	11.76%	12.75%	12.75%	11.72%	12.75%
Total common shareholders' equity to total assets	11.03%	11.10%	11.04%	11.96%	11.96%	11.03%	11.96%
Tangible shareholders' equity to tangible assets*	8.26%	8.30%	8.18%	8.82%	8.92%	8.26%	8.92%
Tangible shareholders' equity to tangible assets-excluding PPP loans*	8.63%	8.77%	8.65%	8.82%	8.92%	8.63%	8.92%
Tangible common shareholders' equity to tangible assets*	7.54%	7.56%	7.44%	7.99%	8.09%	7.54%	8.09%
Tangible common shareholders' equity to tangible assets-excluding PPP loans*	7.87%	7.99%	7.86%	7.99%	8.09%	7.87%	8.09%
<b>Capital Adequacy:</b>							
Common Equity Tier 1 capital	10.70%	10.64%	10.21%	10.11%	10.57%	10.70%	10.57%
Tier 1 capital	11.70%	11.65%	11.22%	11.13%	11.60%	11.70%	11.60%
Total capital	14.24%	14.20%	13.79%	13.75%	14.17%	14.24%	14.17%
Tier 1 leverage capital	8.63%	8.59%	8.54%	8.90%	9.69%	8.63%	9.69%
Estimated for current quarter							
<b>Common Share Data:</b>							
Basic earnings per share	\$ 0.65	\$ 0.70	\$ 0.57	\$ 0.21	\$ 0.63	\$ 2.12	\$ 2.31
Diluted earnings per share	0.65	0.69	0.57	0.21	0.63	2.12	2.30
Operating earnings per share*	0.69	0.70	0.57	0.25	0.67	2.20	2.40
Operating earnings per share- excluding MSR*	0.69	0.69	0.59	0.33	0.65	2.30	2.51
Cash dividends per share	0.190	0.185	0.185	0.185	0.185	0.745	0.710
Book value per share	25.89	25.50	25.01	24.50	24.09	25.89	24.09
Tangible book value per share*	17.04	16.71	16.19	15.66	15.62	17.04	15.62
Market value per share (last)	27.44	19.38	22.74	18.92	31.41	27.44	31.41
Market value per share (high)	28.54	24.29	25.93	31.61	32.97	31.61	33.45
Market value per share (low)	18.77	18.11	17.21	17.24	28.13	17.21	25.76
Market value per share (avg)	25.26	21.36	21.21	26.43	30.88	23.55	29.53
Dividend payout ratio	29.34%	26.56%	32.29%	88.20%	29.43%	35.12%	30.76%
Total shares outstanding	102,561,480	102,558,459	102,566,301	102,632,484	104,522,804	102,561,480	104,522,804
Average shares outstanding - basic	102,569,547	102,564,466	102,603,525	104,354,328	104,739,906	103,022,966	101,506,583
Average shares outstanding - diluted	102,817,409	102,839,749	102,827,225	104,733,897	105,144,032	103,304,570	101,810,640
<b>Yield/Rate:</b>							
(Taxable equivalent basis)							
Loans, loans held for sale, and leases net of unearned income	4.55%	4.54%	4.59%	5.00%	5.13%	4.66%	5.13%
Loans, loans held for sale, and leases net of unearned income, excluding net accretion on acquired loans and leases	4.49%	4.44%	4.53%	4.93%	4.95%	4.59%	4.98%
Loans, loans held for sale, and leases net of unearned income, excluding net accretion on acquired loans and leases - excluding PPP loans	4.53%	4.55%	4.67%	4.93%	4.95%	4.66%	4.98%
PPP loans	3.99%	3.11%	2.50%	N/A	N/A	3.38%	N/A
Available-for-sale securities:							
Taxable	1.53%	1.64%	1.95%	1.99%	2.00%	1.75%	2.06%
Tax-exempt	3.40%	3.67%	3.86%	4.44%	4.69%	3.85%	4.82%
Short-term, FHLB and other equity investments	0.13%	0.19%	0.20%	1.53%	1.95%	0.43%	2.37%
Total interest earning assets and revenue	3.70%	3.77%	3.87%	4.27%	4.48%	3.89%	4.57%
Deposits	0.38%	0.44%	0.50%	0.67%	0.68%	0.49%	0.68%
Demand - interest bearing	0.47%	0.53%	0.61%	0.84%	0.88%	0.61%	0.89%
Savings	0.15%	0.18%	0.18%	0.26%	0.28%	0.19%	0.29%
Other time	1.28%	1.41%	1.54%	1.64%	1.68%	1.47%	1.61%
Total interest bearing deposits	0.57%	0.65%	0.74%	0.92%	0.96%	0.71%	0.95%
Short-term borrowings	0.26%	0.25%	0.39%	1.25%	1.51%	0.54%	1.93%
Total interest bearing deposits and short-term borrowings	0.55%	0.63%	0.71%	0.95%	1.01%	0.70%	1.03%
Junior subordinated debt	4.05%	4.24%	4.18%	4.42%	4.17%	4.40%	4.17%
Long-term debt	4.84%	4.85%	4.81%	4.96%	4.83%	4.87%	4.88%
Total interest bearing liabilities and expense	0.63%	0.71%	0.79%	1.03%	1.04%	0.78%	1.04%
Interest bearing liabilities to interest earning assets	65.99%	65.61%	66.65%	70.81%	69.37%	67.17%	70.25%
Net interest tax equivalent adjustment	\$ 709	\$ 618	\$ 725	\$ 714	\$ 800	\$ 2,766	\$ 3,782

\*Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 26 and 27.



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

	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19
(Dollars in thousands)					
<u>Assets</u>					
Cash and due from banks	\$ 284,095	\$ 306,164	\$ 240,354	\$ 253,495	\$ 261,773
Interest bearing deposits with other banks and Federal funds sold	133,273	39,782	318,615	29,490	71,233
Available-for-sale securities, at fair value	6,231,006	5,659,785	4,973,171	4,468,340	4,481,974
Loans and leases*	15,039,239	15,344,006	15,444,794	14,241,912	14,107,743
Less: Unearned income	16,760	16,271	17,373	17,267	18,060
Allowance for credit losses	244,422	250,624	237,025	218,199	119,066
Net loans and leases	14,778,057	15,077,111	15,190,396	14,006,446	13,970,617
Loans held for sale	397,076	304,215	391,051	194,321	210,361
Premises and equipment, net	508,147	508,149	504,748	497,669	480,901
Accrued interest receivable	106,318	110,185	101,321	70,463	65,173
Goodwill	851,612	847,531	847,984	848,242	825,679
Other identifiable intangibles	55,899	54,757	56,989	59,345	60,008
Bank owned life insurance	333,264	331,799	329,167	327,312	326,417
Other real estate owned	11,395	6,397	7,164	9,200	6,746
Other assets	391,052	309,547	275,216	268,201	291,694
<b>Total Assets</b>	<b>\$ 24,081,194</b>	<b>\$ 23,555,422</b>	<b>\$ 23,236,176</b>	<b>\$ 21,032,524</b>	<b>\$ 21,052,576</b>
<u>Liabilities</u>					
Deposits:					
Demand: Noninterest bearing	\$ 6,341,457	\$ 6,336,792	\$ 6,385,370	\$ 4,861,155	\$ 4,661,821
Interest bearing	8,524,010	8,170,402	7,907,637	7,268,053	7,176,934
Savings	2,452,059	2,325,980	2,234,853	2,013,343	1,937,985
Other time	2,528,915	2,579,805	2,651,626	2,745,365	2,633,959
Total deposits	19,846,441	19,412,979	19,179,486	16,887,916	16,410,699
Securities sold under agreement to repurchase	637,715	611,455	670,016	538,962	513,422
Federal funds purchased and other short-term borrowing	-	95,217	220	290,224	725,000
Accrued interest payable	10,885	15,286	13,476	17,482	15,124
Junior subordinated debt securities	297,250	297,074	296,898	296,723	296,547
Long-term debt	4,402	4,508	4,615	4,721	5,053
Other liabilities	462,024	336,364	338,778	314,592	401,714
<b>Total Liabilities</b>	<b>21,258,717</b>	<b>20,772,883</b>	<b>20,503,489</b>	<b>18,350,620</b>	<b>18,367,559</b>
<u>Shareholders' Equity</u>					
Preferred stock	166,993	166,993	166,993	166,993	167,021
Common stock	256,404	256,396	256,416	256,581	261,307
Capital surplus	565,187	565,635	561,541	558,114	605,976
Accumulated other comprehensive income (loss)	11,923	18,490	25,191	17,849	(62,663)
Retained earnings	1,821,970	1,775,025	1,722,546	1,682,367	1,713,376
<b>Total Shareholders' Equity</b>	<b>2,822,477</b>	<b>2,782,539</b>	<b>2,732,687</b>	<b>2,681,904</b>	<b>2,685,017</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$ 24,081,194</b>	<b>\$ 23,555,422</b>	<b>\$ 23,236,176</b>	<b>\$ 21,032,524</b>	<b>\$ 21,052,576</b>

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

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

	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19
(Dollars in thousands)					
<u>Assets</u>					
Cash and due from banks	\$ 247,799	\$ 232,421	\$ 229,334	\$ 246,860	\$ 244,444
Interest bearing deposits with other banks and Federal funds sold	171,650	257,057	760,789	239,766	300,495
Available-for-sale securities, at fair value	5,820,425	5,309,982	4,437,614	4,461,298	3,555,014
Loans and leases*	15,235,827	15,386,721	15,132,600	14,244,649	14,078,793
Less: Unearned income	16,425	17,037	17,868	17,861	17,675
Allowance for credit losses	247,049	236,536	217,508	193,796	117,668
Net loans and leases	14,972,353	15,133,148	14,897,224	14,032,992	13,943,450
Loans held for sale	277,600	296,352	261,377	147,798	173,649
Premises and equipment, net	508,053	507,190	499,767	494,413	481,623
Accrued interest receivable	105,513	104,435	137,456	64,010	60,678
Goodwill	852,472	847,744	848,160	844,635	823,812
Other identifiable intangibles	54,858	56,045	58,280	58,805	60,559
Bank owned life insurance	332,543	330,642	328,037	326,808	328,567
Other real estate owned	14,872	7,754	8,410	8,151	7,820
Other assets	302,365	236,107	241,238	264,101	262,912
<b>Total Assets</b>	<b>\$ 23,660,503</b>	<b>\$ 23,318,877</b>	<b>\$ 22,707,686</b>	<b>\$ 21,189,637</b>	<b>\$ 20,243,023</b>
<u>Liabilities</u>					
<u>Deposits:</u>					
Demand: Noninterest bearing	\$ 6,391,006	\$ 6,340,942	\$ 5,942,570	\$ 4,717,202	\$ 4,803,104
Interest bearing	8,268,528	8,022,755	7,674,479	7,466,674	6,872,921
Savings	2,386,034	2,280,860	2,152,092	1,975,690	1,913,650
Other time	2,555,295	2,614,373	2,685,331	2,745,663	2,629,040
Total deposits	19,600,863	19,258,930	18,454,472	16,905,229	16,218,715
Securities sold under agreement to repurchase	672,018	681,400	644,127	541,707	530,217
Federal funds purchased and other short-term borrowing	3,893	36,696	269,121	502,257	487,272
Accrued interest payable	14,175	15,589	16,268	19,205	14,942
Junior subordinated debt securities	297,145	296,969	296,793	296,617	135,535
Long-term debt	4,488	4,592	4,699	4,800	5,138
Other liabilities	293,332	294,831	283,772	261,123	278,454
<b>Total Liabilities</b>	<b>20,885,914</b>	<b>20,589,007</b>	<b>19,969,252</b>	<b>18,530,938</b>	<b>17,670,273</b>
<u>Shareholders' Equity</u>					
Preferred stock	166,993	166,993	166,993	167,021	74,717
Common stock	256,422	256,412	256,515	261,065	261,905
Capital surplus	568,343	563,267	559,737	600,880	611,667
Accumulated other comprehensive income (loss)	12,432	24,758	23,016	(36,367)	(53,111)
Retained earnings	1,770,399	1,718,440	1,732,173	1,666,100	1,677,572
<b>Total Shareholders' Equity</b>	<b>2,774,589</b>	<b>2,729,870</b>	<b>2,738,434</b>	<b>2,658,699</b>	<b>2,572,750</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$ 23,660,503</b>	<b>\$ 23,318,877</b>	<b>\$ 22,707,686</b>	<b>\$ 21,189,637</b>	<b>\$ 20,243,023</b>

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

BXS Announces Fourth Quarter and Annual 2020 Financial Results

Page 16

January 25, 2021

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

	Quarter Ended					Year Ended	
	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19	Dec-20	Dec-19
<b>INTEREST REVENUE:</b>							
Loans and leases	\$ 174,072	\$ 175,810	\$ 173,164	\$ 177,019	\$ 182,269	\$ 700,065	\$ 697,425
Deposits with other banks	50	74	207	739	1,225	1,070	6,489
Federal funds sold, securities purchased under agreement to resell, FHLB and other equity investments	6	52	178	315	426	551	2,077
Available-for-sale securities:							
Taxable	21,895	21,280	20,783	21,508	17,241	85,466	56,660
Tax-exempt	760	986	1,178	1,060	1,266	3,984	7,160
Loans held for sale	2,504	2,468	1,962	1,423	1,385	8,357	5,201
Total interest revenue	<u>199,287</u>	<u>200,670</u>	<u>197,472</u>	<u>202,064</u>	<u>203,812</u>	<u>799,493</u>	<u>775,012</u>
<b>INTEREST EXPENSE:</b>							
Interest bearing demand	9,766	10,773	11,631	15,522	15,202	47,692	58,771
Savings	872	1,012	943	1,290	1,334	4,117	5,361
Other time	8,189	9,287	10,296	11,168	11,134	38,940	39,380
Federal funds purchased and securities sold under agreement to repurchase	276	279	291	1,436	1,591	2,282	7,195
Short-term and long-term debt	47	49	477	1,857	2,293	2,430	12,875
Junior subordinated debt	3,201	3,338	3,263	3,261	1,482	13,063	1,482
Other	-	1	1	-	2	2	4
Total interest expense	<u>22,351</u>	<u>24,739</u>	<u>26,902</u>	<u>34,534</u>	<u>33,038</u>	<u>108,526</u>	<u>125,068</u>
Net interest revenue	176,936	175,931	170,570	167,530	170,774	690,967	649,944
Provision for credit losses	5,000	15,000	20,000	46,000	-	86,000	1,500
Net interest revenue, after provision for credit losses	<u>171,936</u>	<u>160,931</u>	<u>150,570</u>	<u>121,530</u>	<u>170,774</u>	<u>604,967</u>	<u>648,444</u>
<b>NONINTEREST REVENUE:</b>							
Mortgage banking	20,129	27,097	29,557	9,470	10,102	86,253	19,782
Credit card, debit card and merchant fees	10,053	9,938	9,080	9,176	9,836	38,247	38,656
Deposit service charges	9,708	8,892	7,647	11,682	12,193	37,929	46,015
Security gains(losses), net	63	18	62	(85)	(41)	58	174
Insurance commissions	29,815	32,750	33,118	29,603	27,648	125,286	123,291
Wealth management	6,751	6,471	6,421	6,570	6,617	26,213	24,809
Other	2,307	4,758	5,373	10,080	8,342	22,518	27,954
Total noninterest revenue	<u>78,826</u>	<u>89,924</u>	<u>91,258</u>	<u>76,496</u>	<u>74,697</u>	<u>336,504</u>	<u>280,681</u>
<b>NONINTEREST EXPENSE:</b>							
Salaries and employee benefits	97,215	104,219	108,103	108,272	97,137	417,809	396,500
Occupancy, net of rental income	13,004	13,053	12,890	12,708	12,267	51,655	48,129
Equipment	4,756	4,519	4,762	4,649	4,725	18,686	17,712
Deposit insurance assessments	1,696	1,522	1,962	1,546	2,200	6,726	9,143
Pension settlement expense	5,846	-	-	-	-	5,846	-
Other	45,394	32,192	34,787	40,831	46,022	153,204	158,123
Total noninterest expense	<u>167,911</u>	<u>155,505</u>	<u>162,504</u>	<u>168,006</u>	<u>162,351</u>	<u>653,926</u>	<u>629,607</u>
Income before income taxes	82,851	95,350	79,324	30,020	83,120	287,545	299,518
Income tax expense	14,046	21,525	18,164	5,759	17,271	59,494	65,257
Net income	<u>\$ 68,805</u>	<u>\$ 73,825</u>	<u>\$ 61,160</u>	<u>\$ 24,261</u>	<u>\$ 65,849</u>	<u>\$ 228,051</u>	<u>\$ 234,261</u>
Less: Preferred dividends	2,372	2,372	2,372	2,372	-	9,488	-
Net income available to common shareholders	<u>\$ 66,433</u>	<u>\$ 71,453</u>	<u>\$ 58,788</u>	<u>\$ 21,889</u>	<u>\$ 65,849</u>	<u>\$ 218,563</u>	<u>\$ 234,261</u>
Net income per common share: Basic	<u>\$ 0.65</u>	<u>\$ 0.70</u>	<u>\$ 0.57</u>	<u>\$ 0.21</u>	<u>\$ 0.63</u>	<u>\$ 2.12</u>	<u>\$ 2.31</u>
Diluted	<u>\$ 0.65</u>	<u>\$ 0.69</u>	<u>\$ 0.57</u>	<u>\$ 0.21</u>	<u>\$ 0.63</u>	<u>\$ 2.12</u>	<u>\$ 2.30</u>

- MORE -

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

	Quarter Ended				
	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19
<b>LOAN AND LEASE PORTFOLIO:</b>					
<b>Commercial and industrial</b>					
Commercial and industrial-non real estate	2,673,429	2,937,608	3,038,957	2,008,043	1,979,507
Commercial and industrial-owner occupied	2,281,127	2,297,008	2,296,287	2,290,585	2,268,813
Total commercial and industrial	4,954,556	5,234,616	5,335,244	4,298,628	4,248,320
<b>Commercial real estate</b>					
Agricultural	317,994	333,839	333,615	339,539	337,349
Construction, acquisition and development	1,728,682	1,700,030	1,658,678	1,582,039	1,577,342
Commercial real estate	3,211,434	3,229,959	3,323,744	3,303,537	3,220,914
Total commercial real estate	5,258,110	5,263,828	5,316,037	5,225,115	5,135,605
<b>Consumer</b>					
Consumer mortgages	3,726,241	3,704,490	3,646,168	3,572,277	3,543,075
Home equity	630,097	658,708	655,543	686,202	683,515
Credit cards	89,077	85,760	86,592	93,896	102,559
Total consumer	4,445,415	4,448,958	4,388,303	4,352,375	4,329,149
All other	364,398	380,333	387,837	348,527	376,609
Total loans	\$ 15,022,479	\$ 15,327,735	\$ 15,427,421	\$ 14,224,645	\$ 14,089,683
<b>ALLOWANCE FOR CREDIT LOSSES:</b>					
Balance, beginning of period	\$ 250,624	\$ 237,025	\$ 218,199	\$ 119,066	\$ 116,908
Impact of adopting ASC 326 - cumulative effect adjustment	-	-	-	40,000	-
Impact of adopting ASC 326 - purchased loans with credit deterioration	-	-	-	22,634	-
<b>Loans and leases charged-off:</b>					
<b>Commercial and industrial</b>					
Commercial and industrial-non real estate	(4,343)	(560)	(1,506)	(10,792)	(1,273)
Commercial and industrial-owner occupied	(1,168)	(441)	(13)	(184)	(192)
Total commercial and industrial	(5,511)	(1,001)	(1,519)	(10,976)	(1,465)
<b>Commercial real estate</b>					
Agricultural	(155)	-	(21)	(65)	(11)
Construction, acquisition and development	(1,773)	-	(9)	(3,173)	(26)
Commercial real estate	(3,134)	(738)	-	(67)	-
Total commercial real estate	(5,062)	(738)	(30)	(3,305)	(37)
<b>Consumer</b>					
Consumer mortgages	(731)	(81)	(124)	(524)	(687)
Home equity	(395)	(41)	(162)	(236)	(173)
Credit cards	(458)	(682)	(703)	(798)	(797)
Total consumer	(1,584)	(804)	(989)	(1,558)	(1,657)
All other	(875)	(599)	(396)	(914)	(965)
Total loans charged-off	(13,032)	(3,142)	(2,934)	(16,753)	(4,124)
<b>Recoveries:</b>					
<b>Commercial and industrial</b>					
Commercial and industrial-non real estate	779	294	277	355	353
Commercial and industrial-owner occupied	37	163	136	1,179	30
Total commercial and industrial	816	457	413	1,534	383
<b>Commercial real estate</b>					
Agricultural	24	3	6	6	4
Construction, acquisition and development	73	55	172	245	584
Commercial real estate	45	209	50	135	4,212
Total commercial real estate	142	267	228	386	4,800
<b>Consumer</b>					
Consumer mortgages	230	352	345	397	407
Home equity	151	132	259	80	216
Credit cards	211	270	195	285	218
Total consumer	592	754	799	762	841
All other	280	263	320	344	258
Total recoveries	1,830	1,741	1,760	3,026	6,282
Net (charge-offs)/recoveries	(11,202)	(1,401)	(1,174)	(13,727)	2,158
Initial allowance on loans purchased with credit deterioration	-	-	-	4,226	-
<b>Provision:</b>					
Initial provision for loans acquired during the quarter	-	-	-	1,000	-
Provision for credit losses related to loans and leases	5,000	15,000	20,000	45,000	-
Total provision	5,000	15,000	20,000	46,000	-
Balance, end of period	\$ 244,422	\$ 250,624	\$ 237,025	\$ 218,199	\$ 119,066
Average loans for period	\$ 15,219,402	\$ 15,369,684	\$ 15,114,732	\$ 14,226,788	\$ 14,061,118
<b>Ratio:</b>					
Net charge-offs(recoveries) to average loans (annualized)	0.29%	0.04%	0.03%	0.39%	(0.06%)

January 25, 2021

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

	Quarter Ended				
	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19
<b>BXS ORIGINATED LOANS AND LEASES:</b>					
Loans and leases charged off:					
Commercial and industrial					
Commercial and industrial-non real estate	\$ (1,991)	\$ (490)	\$ (420)	\$ (230)	\$ (844)
Commercial and industrial-owner occupied	(303)	(434)	(13)	(19)	(184)
Total commercial and industrial	<u>(2,294)</u>	<u>(924)</u>	<u>(433)</u>	<u>(249)</u>	<u>(1,028)</u>
Commercial real estate					
Agricultural	(124)	-	-	(65)	(6)
Construction, acquisition and development	(1,709)	-	-	(121)	(26)
Commercial real estate	(1,704)	(155)	-	(67)	-
Total real estate	<u>(3,537)</u>	<u>(155)</u>	<u>-</u>	<u>(253)</u>	<u>(32)</u>
Consumer					
Consumer mortgages	(537)	(70)	(113)	(357)	(648)
Home equity	(395)	(41)	(162)	(236)	(173)
Credit cards	(458)	(682)	(703)	(798)	(797)
Total consumer	<u>(1,390)</u>	<u>(793)</u>	<u>(978)</u>	<u>(1,391)</u>	<u>(1,618)</u>
All other	(698)	(459)	(288)	(704)	(782)
Total loans charged off	<u>(7,919)</u>	<u>(2,331)</u>	<u>(1,699)</u>	<u>(2,597)</u>	<u>(3,460)</u>
Recoveries:					
Commercial and industrial					
Commercial and industrial-non real estate	645	231	210	325	277
Commercial and industrial-owner occupied	27	163	136	1,177	30
Total commercial and industrial	<u>672</u>	<u>394</u>	<u>346</u>	<u>1,502</u>	<u>307</u>
Commercial real estate					
Agricultural	23	3	5	4	4
Construction, acquisition and development	73	55	170	244	583
Commercial real estate	45	208	50	135	4,212
Total real estate	<u>141</u>	<u>266</u>	<u>225</u>	<u>383</u>	<u>4,799</u>
Consumer					
Consumer mortgages	221	350	343	395	405
Home equity	149	130	258	79	215
Credit cards	211	270	195	285	218
Total consumer	<u>581</u>	<u>750</u>	<u>796</u>	<u>759</u>	<u>838</u>
All other	249	235	275	316	245
Total recoveries	<u>1,643</u>	<u>1,645</u>	<u>1,642</u>	<u>2,960</u>	<u>6,189</u>
Net (charge-offs)/recoveries	<u>\$ (6,276)</u>	<u>\$ (686)</u>	<u>\$ (57)</u>	<u>\$ 363</u>	<u>\$ 2,729</u>

- MORE -

BXS Announces Fourth Quarter and Annual 2020 Financial Results

Page 19

January 25, 2021

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

	Quarter Ended				
	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19
<b>ACQUIRED LOANS AND LEASES:</b>					
Loans and leases charged off:					
Commercial and industrial					
Commercial and industrial-non real estate	\$ (2,352)	\$ (70)	\$ (1,086)	\$ (10,562)	\$ (429)
Commercial and industrial-owner occupied	(865)	(7)	-	(165)	(8)
Total commercial and industrial	(3,217)	(77)	(1,086)	(10,727)	(437)
Commercial real estate					
Agricultural	(31)	-	(21)	-	(5)
Construction, acquisition and development	(64)	-	(9)	(3,052)	-
Commercial real estate	(1,430)	(583)	-	-	-
Total real estate	(1,525)	(583)	(30)	(3,052)	(5)
Consumer					
Consumer mortgages	(194)	(11)	(11)	(167)	(39)
Home equity	-	-	-	-	-
Credit cards	-	-	-	-	-
Total consumer	(194)	(11)	(11)	(167)	(39)
All other	(177)	(140)	(108)	(210)	(183)
Total loans charged off	(5,113)	(811)	(1,235)	(14,156)	(664)
Recoveries:					
Commercial and industrial					
Commercial and industrial-non real estate	134	63	67	30	76
Commercial and industrial-owner occupied	10	-	-	2	-
Total commercial and industrial	144	63	67	32	76
Commercial real estate					
Agricultural	1	-	1	2	-
Construction, acquisition and development	-	-	2	1	1
Commercial real estate	-	1	-	-	-
Total real estate	1	1	3	3	1
Consumer					
Consumer mortgages	9	2	2	2	2
Home equity	2	2	1	1	1
Credit cards	-	-	-	-	-
Total consumer	11	4	3	3	3
All other	31	28	45	28	13
Total recoveries	187	96	118	66	93
Net (charge-offs)/recoveries	\$ (4,926)	\$ (715)	\$ (1,117)	\$ (14,090)	\$ (571)

- MORE -

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

	Quarter Ended				
	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19
<b>NON-PERFORMING ASSETS</b>					
<b>NON-PERFORMING LOANS AND LEASES:</b>					
Nonaccrual Loans and Leases					
Commercial and industrial					
Commercial and industrial-non real estate	\$ 12,768	\$ 17,936	\$ 16,124	\$ 16,589	\$ 11,105
Commercial and industrial-owner occupied	15,783	18,343	16,745	11,212	7,838
Total commercial and industrial	28,551	36,279	32,869	27,801	18,943
Commercial real estate					
Agricultural	5,013	5,907	5,244	5,454	4,772
Construction, acquisition and development	9,738	10,434	9,715	13,899	6,225
Commercial real estate	16,249	32,554	45,047	29,697	16,199
Total commercial real estate	31,000	48,895	60,006	49,050	27,196
Consumer					
Consumer mortgages	32,951	32,872	30,672	29,834	28,879
Home equity	2,657	3,325	2,584	2,597	2,993
Credit cards	173	144	90	122	63
Total consumer	35,781	36,341	33,346	32,553	31,935
All other	1,046	593	532	670	722
Total nonaccrual loans and leases	\$ 96,378	\$ 122,108	\$ 126,753	\$ 110,074	\$ 78,796
Loans and Leases 90+ Days Past Due, Still Accruing:	14,320	17,641	9,877	7,272	17,531
Restructured Loans and Leases, Still Accruing	10,475	11,154	11,575	11,284	15,184
Total non-performing loans and leases	\$ 121,173	\$ 150,903	\$ 148,205	\$ 128,630	\$ 111,511
OTHER REAL ESTATE OWNED:	11,395	6,397	7,164	9,200	6,746
Total Non-performing Assets	\$ 132,568	\$ 157,300	\$ 155,369	\$ 137,830	\$ 118,257
BXS originated assets	\$ 97,025	\$ 109,418	\$ 94,155	\$ 85,908	\$ 78,295
Acquired assets	35,543	47,882	61,214	51,922	39,962
Total Non-performing Assets	\$ 132,568	\$ 157,300	\$ 155,369	\$ 137,830	\$ 118,257
Additions to Nonaccrual Loans and Leases During the Quarter	\$ 11,087	\$ 19,973	\$ 36,619	\$ 47,523	\$ 25,147
Loans and Leases 30-89 Days Past Due, Still Accruing:					
BXS originated loans	\$ 40,424	\$ 42,978	\$ 35,002	\$ 54,315	\$ 44,559
Acquired loans	6,048	5,694	10,450	14,405	23,054
Total Loans and Leases 30-89 days past due, still accruing	\$ 46,472	\$ 48,672	\$ 45,452	\$ 68,720	\$ 67,613

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

		December 31, 2020							
		Pass	Special Mention	Substandard	Doubtful	Loss	Impaired	Purchased Credit Deteriorated (Loss)	Total
<b>LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:</b>									
<b>Commercial and industrial</b>									
Commercial and industrial-non real estate	\$	2,616,471	\$ 7,202	\$ 39,040	\$ 172	\$ -	\$ 1,949	\$ 8,595	\$ 2,673,429
Commercial and industrial-owner occupied		2,208,214	-	58,683	-	-	11,579	2,651	2,281,127
Total commercial and industrial		4,824,685	7,202	97,723	172	-	13,528	11,246	4,954,556
<b>Commercial real estate</b>									
Agricultural		310,766	-	4,526	-	-	777	1,925	317,994
Construction, acquisition and development		1,686,907	1,534	32,363	-	-	2,054	5,824	1,728,682
Commercial real estate		3,062,894	-	134,054	-	-	10,780	3,706	3,211,434
Total commercial real estate		5,060,567	1,534	170,943	-	-	13,611	11,455	5,258,110
<b>Consumer</b>									
Consumer mortgages		3,645,357	-	78,287	-	-	2,406	191	3,726,241
Home equity		624,581	-	5,516	-	-	-	-	630,097
Credit cards		89,077	-	-	-	-	-	-	89,077
Total consumer		4,359,015	-	83,803	-	-	2,406	191	4,445,415
<b>All other</b>									
Total loans	\$	14,602,079	\$ 8,736	\$ 358,988	\$ 172	\$ -	\$ 29,545	\$ 22,959	\$ 15,022,479
<b>BXS originated loans</b>									
	\$	13,459,529	\$ 8,736	\$ 259,682	\$ 172	\$ -	\$ 17,520	\$ -	\$ 13,745,639
<b>Acquired loans*</b>									
		1,142,550	-	99,306	-	-	12,025	22,959	1,276,840
Total Loans	\$	14,602,079	\$ 8,736	\$ 358,988	\$ 172	\$ -	\$ 29,545	\$ 22,959	\$ 15,022,479
		September 30, 2020							
		Pass	Special Mention	Substandard	Doubtful	Loss	Impaired	Purchased Credit Deteriorated (Loss)	Total
<b>LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:</b>									
<b>Commercial and industrial</b>									
Commercial and industrial-non real estate	\$	2,875,468	\$ -	\$ 47,526	\$ 178	\$ -	\$ 3,664	\$ 10,772	\$ 2,937,608
Commercial and industrial-owner occupied		2,224,302	-	56,919	-	-	12,116	3,671	2,297,008
Total commercial and industrial		5,099,770	-	104,445	178	-	15,780	14,443	5,234,616
<b>Commercial real estate</b>									
Agricultural		324,010	-	7,109	-	-	725	1,995	333,839
Construction, acquisition and development		1,656,961	-	34,197	-	-	2,961	5,911	1,700,030
Commercial real estate		3,070,472	-	127,835	-	-	27,493	4,159	3,229,959
Total commercial real estate		5,051,443	-	169,141	-	-	31,179	12,065	5,263,828
<b>Consumer</b>									
Consumer mortgages		3,615,071	-	85,827	-	-	2,859	733	3,704,490
Home equity		651,525	-	7,183	-	-	-	-	658,708
Credit cards		85,760	-	-	-	-	-	-	85,760
Total consumer		4,352,356	-	93,010	-	-	2,859	733	4,448,958
<b>All other</b>									
Total loans	\$	14,877,943	\$ -	\$ 372,483	\$ 178	\$ -	\$ 49,818	\$ 27,313	\$ 15,327,735
<b>BXS originated loans</b>									
	\$	13,592,460	\$ -	\$ 252,875	\$ 178	\$ -	\$ 30,909	\$ -	\$ 13,876,422
<b>Acquired loans*</b>									
		1,285,483	-	119,608	-	-	18,909	27,313	1,451,313
Total Loans	\$	14,877,943	\$ -	\$ 372,483	\$ 178	\$ -	\$ 49,818	\$ 27,313	\$ 15,327,735

\*Includes certain loans that are no longer included in the "Net book value of acquired loans" on page 12 as a result of maturity, refinance, or other triggering event.



January 25, 2021

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

	Quarter Ended				
	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19
<b>LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:</b>					
Pass	\$ 14,602,079	\$ 14,877,943	\$ 14,985,673	\$ 13,821,602	\$ 13,738,979
Special Mention	8,736	-	4,264	7,129	2,240
Substandard	358,988	372,483	350,264	323,697	298,491
Doubtful	172	178	179	191	194
Loss	-	-	-	667	-
Impaired	29,545	49,818	57,406	40,627	24,094
Purchased Credit Deteriorated (Loss)	22,959	27,313	29,635	30,732	-
Purchased Credit Impaired	-	-	-	-	25,685
Total	<u>\$ 15,022,479</u>	<u>\$ 15,327,735</u>	<u>\$ 15,427,421</u>	<u>\$ 14,224,645</u>	<u>\$ 14,089,683</u>
<b>BXS ORIGINATED LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:</b>					
Pass	\$ 13,459,529	\$ 13,592,460	\$ 13,516,292	\$ 12,150,616	\$ 12,080,336
Special Mention	8,736	-	2,741	2,045	-
Substandard	259,682	252,875	231,687	225,506	202,017
Doubtful	172	178	179	191	194
Loss	-	-	-	-	-
Impaired	17,520	30,909	28,288	22,356	17,110
Purchased Credit Deteriorated (Loss)	-	-	-	-	-
Purchased Credit Impaired	-	-	-	-	-
Total	<u>\$ 13,745,639</u>	<u>\$ 13,876,422</u>	<u>\$ 13,779,187</u>	<u>\$ 12,400,714</u>	<u>\$ 12,299,657</u>
<b>ACQUIRED LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:</b>					
Pass	\$ 1,142,550	\$ 1,285,483	\$ 1,469,381	\$ 1,670,986	\$ 1,658,643
Special Mention	-	-	1,523	5,084	2,240
Substandard	99,306	119,608	118,577	98,191	96,474
Doubtful	-	-	-	-	-
Loss	-	-	-	667	-
Impaired	12,025	18,909	29,118	18,271	6,984
Purchased Credit Deteriorated (Loss)	22,959	27,313	29,635	30,732	-
Purchased Credit Impaired	-	-	-	-	25,685
Total	<u>\$ 1,276,840</u>	<u>\$ 1,451,313</u>	<u>\$ 1,648,234</u>	<u>\$ 1,823,931</u>	<u>\$ 1,790,026</u>

- MORE -

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

December 31, 2020

	Alabama and Florida Panhandle	Arkansas	Louisiana	Mississippi	Missouri	Tennessee	Texas	Other	Total
<b>LOAN AND LEASE PORTFOLIO:</b>									
<b>Commercial and industrial</b>									
Commercial and industrial-non real estate	\$ 235,705	\$ 203,719	\$ 315,937	\$ 685,643	\$ 78,660	\$ 156,025	\$ 993,617	\$ 4,123	\$ 2,673,429
Commercial and industrial-owner occupied	266,149	184,830	230,662	615,647	64,430	123,899	785,629	9,881	2,281,127
Total commercial and industrial	501,854	388,549	546,599	1,301,290	143,090	279,924	1,779,246	14,004	4,954,556
<b>Commercial real estate</b>									
Agricultural	26,568	67,754	18,735	69,091	6,818	10,552	117,374	1,102	317,994
Construction, acquisition and development	176,272	56,042	79,577	333,078	20,293	87,469	975,951	-	1,728,682
Commercial real estate	332,075	336,629	260,110	664,930	221,773	221,706	1,171,593	2,618	3,211,434
Total commercial real estate	534,915	460,425	358,422	1,067,099	248,884	319,727	2,264,918	3,720	5,258,110
<b>Consumer</b>									
Consumer mortgages	598,700	325,951	342,591	820,025	111,956	326,826	1,148,809	51,383	3,726,241
Home equity	94,774	46,559	77,749	218,451	16,314	133,636	42,268	346	630,097
Credit cards	-	-	-	-	-	-	-	89,077	89,077
Total consumer	693,474	372,510	420,340	1,038,476	128,270	460,462	1,191,077	140,806	4,445,415
All other	56,584	39,079	37,097	114,565	3,054	24,281	80,821	8,917	364,398
Total loans	\$ 1,786,827	\$ 1,260,563	\$ 1,362,458	\$ 3,521,430	\$ 523,298	\$ 1,084,394	\$ 5,316,062	\$ 167,447	\$ 15,022,479
Loan growth, excluding loans acquired during the quarter (annualized)	(8.03%)	(14.12%)	(27.10%)	(8.00%)	(6.33%)	(26.19%)	2.81%	(6.11%)	(7.92%)
Loan growth, excluding PPP loans (annualized)	0.96%	(7.80%)	(21.61%)	(2.52%)	(3.49%)	(17.32%)	8.16%	4.28%	(1.78%)
<b>NON-PERFORMING LOANS AND LEASES:</b>									
<b>Commercial and industrial</b>									
Commercial and industrial-non real estate	\$ 233	\$ 1,050	\$ 1,774	\$ 1,113	\$ 1,408	\$ 530	\$ 7,202	\$ 283	\$ 13,593
Commercial and industrial-owner occupied	1,211	1,630	497	3,196	166	280	13,938	-	20,918
Total commercial and industrial	1,444	2,680	2,271	4,309	1,574	810	21,140	283	34,511
<b>Commercial real estate</b>									
Agricultural	312	409	44	988	-	-	3,264	-	5,017
Construction, acquisition and development	102	133	1,692	932	-	215	6,949	-	10,023
Commercial real estate	3,027	204	4,488	1,054	-	94	8,282	-	17,149
Total commercial real estate	3,441	746	6,224	2,974	-	309	18,495	-	32,189
<b>Consumer</b>									
Consumer mortgages	9,401	3,621	4,345	13,420	1,807	2,646	12,738	1,323	49,301
Home equity	331	115	306	859	103	1,038	399	-	3,151
Credit cards	-	-	-	-	-	-	-	918	918
Total consumer	9,732	3,736	4,651	14,279	1,910	3,684	13,137	2,241	53,370
All other	191	2	97	116	-	14	678	5	1,103
Total loans	\$ 14,808	\$ 7,164	\$ 13,243	\$ 21,678	\$ 3,484	\$ 4,817	\$ 53,450	\$ 2,529	\$ 121,173
<b>NON-PERFORMING LOANS AND LEASES AS A PERCENTAGE OF OUTSTANDING:</b>									
<b>Commercial and industrial</b>									
Commercial and industrial-non real estate	0.10%	0.52%	0.56%	0.16%	1.79%	0.34%	0.72%	6.86%	0.51%
Commercial and industrial-owner occupied	0.46%	0.88%	0.22%	0.52%	0.26%	0.23%	1.77%	0.00%	0.92%
Total commercial and industrial	0.29%	0.69%	0.42%	0.33%	1.10%	0.29%	1.19%	2.02%	0.70%
<b>Commercial real estate</b>									
Agricultural	1.17%	0.60%	0.23%	1.43%	0.00%	0.00%	2.78%	0.00%	1.58%
Construction, acquisition and development	0.06%	0.24%	2.13%	0.28%	0.00%	0.25%	0.71%	N/A	0.58%
Commercial real estate	0.91%	0.06%	1.73%	0.16%	0.00%	0.04%	0.71%	0.00%	0.53%
Total commercial real estate	0.64%	0.16%	1.74%	0.28%	0.00%	0.10%	0.82%	0.00%	0.61%
<b>Consumer</b>									
Consumer mortgages	1.57%	1.11%	1.27%	1.64%	1.61%	0.81%	1.11%	2.57%	1.32%
Home equity	0.35%	0.25%	0.39%	0.39%	0.63%	0.78%	0.94%	0.00%	0.50%
Credit cards	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.03%	1.03%
Total consumer	1.40%	1.00%	1.11%	1.37%	1.49%	0.80%	1.10%	1.59%	1.20%
All other	0.34%	0.01%	0.26%	0.10%	0.00%	0.06%	0.84%	0.06%	0.30%
Total loans	0.83%	0.57%	0.97%	0.62%	0.67%	0.44%	1.01%	1.51%	0.81%

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

	Quarter Ended					Year Ended	
	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19	Dec-20	Dec-19
<b>NONINTEREST REVENUE:</b>							
Mortgage banking excl. MSR and MSR Hedge market value adj	\$ 19,917	\$ 26,667	\$ 31,930	\$ 20,553	\$ 6,938	\$ 99,067	\$ 34,297
MSR and MSR Hedge market value adjustment	212	430	(2,373)	(11,083)	3,164	(12,814)	(14,515)
Credit card, debit card and merchant fees	10,053	9,938	9,080	9,176	9,836	38,247	38,656
Deposit service charges	9,708	8,892	7,647	11,682	12,193	37,929	46,015
Securities gains (losses), net	63	18	62	(85)	(41)	58	174
Insurance commissions	29,815	32,750	33,118	29,603	27,648	125,286	123,291
Trust income	4,046	3,902	4,064	4,013	3,951	16,025	16,042
Annuity fees	53	53	54	55	136	215	830
Brokerage commissions and fees	2,652	2,516	2,303	2,502	2,530	9,973	7,937
Bank-owned life insurance	2,425	1,902	1,855	1,999	3,427	8,181	9,632
Other miscellaneous income	(118)	2,856	3,518	8,081	4,915	14,337	18,322
Total noninterest revenue	<u>\$ 78,826</u>	<u>\$ 89,924</u>	<u>\$ 91,258</u>	<u>\$ 76,496</u>	<u>\$ 74,697</u>	<u>\$ 336,504</u>	<u>\$ 280,681</u>
<b>NONINTEREST EXPENSE:</b>							
Salaries and employee benefits	\$ 97,215	\$ 104,219	\$ 108,103	\$ 108,272	\$ 97,137	\$ 417,809	\$ 396,500
Occupancy, net of rental income	13,004	13,053	12,890	12,708	12,267	51,655	48,129
Equipment	4,756	4,519	4,762	4,649	4,725	18,686	17,712
Deposit insurance assessments	1,696	1,522	1,962	1,546	2,200	6,726	9,143
Pension settlement expense	5,846	-	-	-	-	5,846	-
Advertising	899	826	918	1,099	1,153	3,742	4,909
Foreclosed property expense	2,122	(278)	1,306	924	855	4,074	2,868
Telecommunications	1,448	1,462	1,512	1,461	1,504	5,883	5,663
Public relations	897	1,130	459	680	880	3,166	3,648
Data processing	9,980	9,477	9,693	9,646	10,041	38,796	35,517
Computer software	5,301	4,779	4,979	4,315	4,478	19,374	15,837
Amortization of intangibles	2,499	2,357	2,355	2,394	2,508	9,605	9,118
Legal	1,474	(316)	1,375	898	854	3,431	3,555
Merger expense	212	129	510	4,494	5,782	5,345	13,871
Postage and shipping	1,418	1,199	1,198	1,441	1,353	5,256	5,263
Other miscellaneous expense	19,144	11,427	10,482	13,479	16,614	54,532	57,874
Total noninterest expense	<u>\$ 167,911</u>	<u>\$ 155,505</u>	<u>\$ 162,504</u>	<u>\$ 168,006</u>	<u>\$ 162,351</u>	<u>\$ 653,926</u>	<u>\$ 629,607</u>
<b>INSURANCE COMMISSIONS:</b>							
Property and casualty commissions	\$ 21,304	\$ 24,060	\$ 23,644	\$ 21,246	\$ 19,994	\$ 90,254	\$ 87,304
Life and health commissions	5,915	6,072	6,771	6,175	5,979	24,933	25,432
Risk management income	829	609	540	532	667	2,510	2,440
Other	1,767	2,009	2,163	1,650	1,008	7,589	8,115
Total insurance commissions	<u>\$ 29,815</u>	<u>\$ 32,750</u>	<u>\$ 33,118</u>	<u>\$ 29,603</u>	<u>\$ 27,648</u>	<u>\$ 125,286</u>	<u>\$ 123,291</u>

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

	Quarter Ended				
	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19
<b>MORTGAGE SERVICING RIGHTS:</b>					
Fair value, beginning of period	\$ 44,944	\$ 40,821	\$ 42,243	\$ 57,109	\$ 51,492
Additions to mortgage servicing rights:					
Originations of servicing assets	6,608	7,041	4,297	3,079	4,025
Changes in fair value:					
Due to payoffs/paydowns	(3,898)	(3,198)	(3,144)	(2,506)	(2,323)
Due to change in valuation inputs or assumptions used in the valuation model	(83)	280	(2,575)	(15,438)	3,915
Other changes in fair value	-	-	-	(1)	-
Fair value, end of period	<u>\$ 47,571</u>	<u>\$ 44,944</u>	<u>\$ 40,821</u>	<u>\$ 42,243</u>	<u>\$ 57,109</u>
<b>MORTGAGE BANKING REVENUE:</b>					
Production revenue:					
Origination	\$ 18,561	\$ 23,632	\$ 30,194	\$ 17,906	\$ 4,326
Servicing	5,254	6,233	4,880	5,153	4,935
Payoffs/Paydowns	(3,898)	(3,198)	(3,144)	(2,506)	(2,323)
Total production revenue	19,917	26,667	31,930	20,553	6,938
Market value adjustment on MSR	(83)	280	(2,575)	(15,438)	3,915
Market value adjustment on MSR Hedge	295	150	202	4,355	(751)
Total mortgage banking revenue	<u>\$ 20,129</u>	<u>\$ 27,097</u>	<u>\$ 29,557</u>	<u>\$ 9,470</u>	<u>\$ 10,102</u>
Mortgage loans serviced	\$ 7,330,293	\$ 7,218,090	\$ 7,000,425	\$ 6,999,383	\$ 6,898,195
MSR/mtg loans serviced	0.65%	0.62%	0.58%	0.60%	0.83%
<b>AVAILABLE-FOR-SALE SECURITIES, at fair value</b>					
U.S. Government agencies	2,871,408	\$ 3,116,458	\$ 3,348,206	\$ 3,532,905	\$ 3,599,317
U.S. Government agency issued residential mortgage-back securities	2,421,409	1,625,325	699,864	132,902	133,375
U.S. Government agency issued commercial mortgage-back securities	806,206	758,116	759,980	595,885	609,009
Obligations of states and political subdivisions	113,953	141,896	163,121	206,648	140,273
Corporate bonds	18,030	17,990	2,000	-	-
Total available-for-sale securities	<u>\$ 6,231,006</u>	<u>\$ 5,659,785</u>	<u>\$ 4,973,171</u>	<u>\$ 4,468,340</u>	<u>\$ 4,481,974</u>

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

Management evaluates the Company's capital position and operating performance by utilizing certain financial measures not calculated in accordance with U.S. Generally Accepted Accounting Principles (GAAP), including net operating income, net operating income available to common shareholders, net operating income-excluding MSR, net operating income available to common shareholders-excluding MSR, pre-tax pre-provision net revenue, total operating expense, tangible shareholders' equity to tangible assets, tangible shareholders' equity to tangible assets-excluding PPP loans, tangible common shareholders' equity to tangible assets, tangible common shareholders' equity to tangible assets-excluding PPP loans, return on tangible equity, return on tangible common equity, operating return on tangible equity-excluding MSR, operating return on tangible common equity-excluding MSR, operating return on average assets-excluding MSR, operating return on average shareholders' equity-excluding MSR, operating return on average common shareholders' equity-excluding MSR, pre-tax pre-provision net revenue to total average assets, tangible book value per common share, operating earnings per common share, operating earnings per common share-excluding MSR, efficiency ratio (tax equivalent) and operating efficiency ratio-excluding MSR (tax equivalent). The Company has included these non-GAAP financial measures in this news release for the applicable periods presented. Management believes that the presentation of these non-GAAP financial measures (i) provides important supplemental information that contributes to a proper understanding of the Company's capital position and operating performance, (ii) enables a more complete understanding of factors and trends affecting the Company's business and (iii) allows investors to evaluate the Company's performance in a manner similar to management, the financial services industry, bank stock analysts and bank regulators. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are presented in the tables below. These non-GAAP financial measures should not be considered as substitutes for GAAP financial measures, and the Company strongly encourages investors to review the GAAP financial measures included in this news release and not to place undue reliance upon any single financial measure. In addition, because non-GAAP financial measures are not standardized, it may not be possible to compare the non-GAAP financial measures presented in this news release with other companies' non-GAAP financial measures having the same or similar names.

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

	Quarter ended				Year Ended		
	12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019	12/31/2019	
Net income	\$ 68,805	\$ 73,825	\$ 61,160	\$ 24,261	\$ 65,849	\$ 228,051	\$ 234,261
Plus: Merger expense, net of tax	159	97	383	3,372	4,339	4,011	10,411
Initial provision for acquired loans, net of tax	-	-	-	751	-	751	-
Pension settlement expense, net of tax	4,388	-	-	-	-	4,388	-
Less: Security gains(losses), net of tax	48	13	47	(64)	(30)	44	132
Net operating income	\$ 73,304	\$ 73,909	\$ 61,496	\$ 28,448	\$ 70,218	\$ 237,157	\$ 244,540
Less: Preferred dividends	2,372	2,372	2,372	2,372	-	9,488	-
Net operating income available to common shareholders	<u>\$ 70,932</u>	<u>\$ 71,537</u>	<u>\$ 59,124</u>	<u>\$ 26,076</u>	<u>\$ 70,218</u>	<u>\$ 227,669</u>	<u>\$ 244,540</u>
Net operating income	\$ 73,304	\$ 73,909	\$ 61,496	\$ 28,448	\$ 70,218	\$ 237,157	\$ 244,540
Less: MSR market value adjustment, net of tax	159	323	(1,781)	(8,318)	2,374	(9,617)	(10,894)
Net operating income-excluding MSR	\$ 73,145	\$ 73,586	\$ 63,277	\$ 36,766	\$ 67,844	\$ 246,774	\$ 255,434
Less: Preferred dividends	2,372	2,372	2,372	2,372	-	9,488	-
Net operating income available to common shareholders-excluding MSR	<u>\$ 70,773</u>	<u>\$ 71,214</u>	<u>\$ 60,905</u>	<u>\$ 34,394</u>	<u>\$ 67,844</u>	<u>\$ 237,286</u>	<u>\$ 255,434</u>

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

Net income	\$ 68,805	\$ 73,825	\$ 61,160	\$ 24,261	\$ 65,849	\$ 228,051	\$ 234,261
Plus: Provision for credit losses	5,000	15,000	20,000	46,000	-	86,000	1,500
Merger expense	212	129	510	4,494	5,782	5,345	13,871
Pension settlement expense	5,846	-	-	-	-	5,846	-
Income tax expense	14,046	21,525	18,164	5,759	17,271	59,494	65,257
Less: Security gains(losses)	63	18	62	(85)	(41)	58	174
MSR market value adjustment	212	430	(2,373)	(11,083)	3,164	(12,814)	(14,515)
Pre-tax pre-provision net revenue	<u>\$ 93,634</u>	<u>\$ 110,031</u>	<u>\$ 102,145</u>	<u>\$ 91,682</u>	<u>\$ 85,779</u>	<u>\$ 397,492</u>	<u>\$ 329,230</u>

Reconciliation of Total Operating Expense to Total Noninterest Expense:

Total noninterest expense	\$ 167,911	\$ 155,505	\$ 162,504	\$ 168,006	\$ 162,351	\$ 653,926	\$ 629,607
Less: Merger expense	212	129	510	4,494	5,782	5,345	13,871
Pension settlement expense	5,846	-	-	-	-	5,846	-
Total operating expense	<u>\$ 161,853</u>	<u>\$ 155,376</u>	<u>\$ 161,994</u>	<u>\$ 163,512</u>	<u>\$ 156,569</u>	<u>\$ 642,735</u>	<u>\$ 615,736</u>

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

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

	Quarter ended					Year Ended	
	12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019	12/31/2020	12/31/2019
Tangible assets							
Total assets	\$ 24,081,194	\$ 23,555,422	\$ 23,236,176	\$ 21,032,524	\$ 21,052,576	\$ 24,081,194	\$ 21,052,576
Less: Goodwill	851,612	847,531	847,984	848,242	825,679	851,612	825,679
Other identifiable intangible assets	55,899	54,757	56,989	59,345	60,008	55,899	60,008
Total tangible assets	\$ 23,173,683	\$ 22,653,134	\$ 22,331,203	\$ 20,124,937	\$ 20,166,889	\$ 23,173,683	\$ 20,166,889
Less: PPP loans	975,421	1,212,246	1,192,715	-	-	975,421	-
Total tangible assets-excluding PPP loans	\$ 22,198,262	\$ 21,440,888	\$ 21,138,488	\$ 20,124,937	\$ 20,166,889	\$ 22,198,262	\$ 20,166,889
<b>PERIOD END BALANCES:</b>							
Tangible shareholders' equity							
Total shareholders' equity	\$ 2,822,477	\$ 2,782,539	\$ 2,732,687	\$ 2,681,904	\$ 2,685,017	\$ 2,822,477	\$ 2,685,017
Less: Goodwill	851,612	847,531	847,984	848,242	825,679	851,612	825,679
Other identifiable intangible assets	55,899	54,757	56,989	59,345	60,008	55,899	60,008
Total tangible shareholders' equity	\$ 1,914,966	\$ 1,880,251	\$ 1,827,714	\$ 1,774,317	\$ 1,799,330	\$ 1,914,966	\$ 1,799,330
Less: Preferred stock	166,993	166,993	166,993	166,993	167,021	166,993	167,021
Total tangible common shareholders' equity	\$ 1,747,973	\$ 1,713,258	\$ 1,660,721	\$ 1,607,324	\$ 1,632,309	\$ 1,747,973	\$ 1,632,309
<b>AVERAGE BALANCES:</b>							
Tangible shareholders' equity							
Total shareholders' equity	\$ 2,774,589	\$ 2,729,870	\$ 2,738,434	\$ 2,658,699	\$ 2,572,750	\$ 2,725,545	\$ 2,366,745
Less: Goodwill	852,472	847,744	848,160	844,635	823,812	848,263	754,426
Other identifiable intangible assets	54,858	56,045	58,280	58,805	60,559	56,988	54,787
Total tangible shareholders' equity	\$ 1,867,259	\$ 1,826,081	\$ 1,831,994	\$ 1,755,259	\$ 1,688,379	\$ 1,820,294	\$ 1,557,532
Less: Preferred stock	166,993	166,993	166,993	167,021	167,021	167,000	18,833
Total tangible common shareholders' equity	\$ 1,700,266	\$ 1,659,088	\$ 1,665,001	\$ 1,588,238	\$ 1,521,358	\$ 1,653,294	\$ 1,538,699
Total average assets	\$ 23,660,503	\$ 23,318,877	\$ 22,707,686	\$ 21,189,637	\$ 20,243,023	\$ 22,723,386	\$ 19,027,644
Total shares of common stock outstanding	102,561,480	102,558,459	102,566,301	102,632,484	104,522,804	102,561,480	104,522,804
Average shares outstanding-diluted	102,817,409	102,839,749	102,827,225	104,733,897	105,144,032	103,304,570	101,810,640
Tangible shareholders' equity to tangible assets (1)	8.26%	8.30%	8.18%	8.82%	8.92%	8.26%	8.92%
Tangible shareholders' equity to tangible assets-excluding PPP loans (2)	8.63%	8.77%	8.65%	8.82%	8.92%	8.63%	8.92%
Tangible common shareholders' equity to tangible assets (3)	7.54%	7.56%	7.44%	7.99%	8.09%	7.54%	8.09%
Tangible common shareholders' equity to tangible assets-excluding PPP loans (4)	7.87%	7.99%	7.86%	7.99%	8.09%	7.87%	8.09%
Return on average tangible equity (5)	14.66%	16.08%	13.43%	5.56%	15.47%	12.53%	15.04%
Return on average tangible common equity (6)	15.54%	17.13%	14.20%	5.54%	16.19%	13.22%	15.22%
Operating return on average tangible equity-excluding MSR (7)	15.58%	16.03%	13.89%	8.42%	15.94%	13.56%	16.40%
Operating return on average tangible common equity-excluding MSR (8)	16.56%	17.08%	14.71%	8.71%	16.68%	14.35%	16.60%
Operating return on average assets-excluding MSR (9)	1.23%	1.26%	1.12%	0.70%	1.33%	1.09%	1.34%
Operating return on average shareholders' equity-excluding MSR (10)	10.49%	10.72%	9.29%	5.56%	10.46%	9.05%	10.79%
Operating return on average common shareholders' equity-excluding MSR (11)	10.80%	11.05%	9.53%	5.55%	10.78%	9.27%	10.88%
Pre-tax pre-provision net revenue to total average assets (12)	1.57%	1.88%	1.81%	1.74%	1.68%	1.75%	1.73%
Tangible book value per common share (13)	\$ 17.04	\$ 16.71	\$ 16.19	\$ 15.66	\$ 15.62	\$ 17.04	\$ 15.62
Operating earnings per common share (14)	\$ 0.69	\$ 0.70	\$ 0.57	\$ 0.25	\$ 0.67	\$ 2.20	\$ 2.40
Operating earnings per common share-excluding MSR (15)	\$ 0.69	\$ 0.69	\$ 0.59	\$ 0.33	\$ 0.65	\$ 2.30	\$ 2.51

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

**Efficiency Ratio (tax equivalent) and Operating Efficiency Ratio-excluding MSR (tax equivalent) Definitions**

The efficiency ratio (tax equivalent) and the operating efficiency ratio-excluding MSR (tax equivalent) are supplemental financial measures utilized in management's internal evaluation of the Company's use of resources and are not defined under GAAP. The efficiency ratio (tax equivalent) is calculated by dividing total noninterest expense by total revenue, which includes net interest income plus noninterest income plus the tax equivalent adjustment. The operating efficiency ratio-excluding MSR (tax equivalent) excludes expense items otherwise disclosed as non-operating from total noninterest expense. In addition, the MSR valuation adjustment as well as securities gains and losses are excluded from total revenue.



# BancorpSouth Bank

## Financial Information

As of and for the Three Months and  
Year Ended December 31, 2020

*Presented January 26, 2021*



# 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 (the "Exchange Act"), and are subject to the safe harbor created thereby under the Private Securities Litigation Reform Act of 1995. These statements are often, but not always, made through the use of words or phrases such as "anticipate," "aspire," "assume," "believe," "budget," "contemplate," "continue," "could," "estimate," "expect," "forecast," "foresee," "goal," "hope," "indicate," "intend," "may," "might," "outlook," "plan," "project," "projection," "predict," "prospect," "potential," "roadmap," "seek," "should," "target," "will," and "would," or the negative versions of those words or other comparable words of a future or forward-looking nature. These forward-looking statements include, without limitation, discussions regarding general economic, interest rate, real estate market, competitive, employment, and credit market conditions, including the impact of the COVID-19 pandemic on our business; our assets; business; cash flows; financial condition; liquidity; prospects; results of operations; deposit and customer repo growth; interest and fee-based revenue; capital resources; capital metrics; efficiency ratio; valuation of mortgage servicing rights; mortgage production volume; net income; net interest revenue; non-interest revenue; net interest margin; interest expense; non-interest expense; earnings per share; interest rate sensitivity; interest rate risk; balance sheet and liquidity management; off-balance sheet arrangements; fair value determinations; asset quality; credit quality; credit losses; provision and allowance for credit losses, impairments, charge-offs, recoveries and changes in loan volumes; investment securities portfolio yields and values; ability to manage the impact of pandemics and natural disasters; adoption and use of critical accounting policies; adoption and implementation of new accounting standards and their effect on our financial results and our financial reporting; utilization of non-GAAP financial metrics; declaration and payment of dividends; ability to pay dividends or coupons on our 5.5% Series A Non-Cumulative Perpetual Preferred Stock, par value \$0.01 per share, or the 4.125% Fixed-to-Floating Rate Subordinated Notes due November 20, 2029; mortgage origination volume; mortgage servicing and production revenue; insurance commission revenue; implementation and execution of cost savings initiatives; ability to successfully litigate, resolve or otherwise dispense with threatened, pending, ongoing and future litigation and governmental, administrative and investigatory matters; ability to successfully complete pending or future acquisitions, dispositions and other strategic growth opportunities and initiatives; ability to successfully obtain regulatory approval for acquisitions and other growth initiatives; ability to successfully integrate and manage acquisitions; opportunities and efforts to grow market share; reputation; ability to compete with other financial institutions; ability to recruit and retain key employees and personnel; access to capital markets; availability of capital; investments in the securities of other financial institutions; and ability to operate our regulatory compliance programs in accordance with applicable law.

Forward-looking statements are based upon management's expectations as well as certain assumptions and estimates made by, and information available to, our management at the time such statements were made. Forward-looking statements are not historical facts, are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that are beyond our control and that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. These risks, uncertainties and other factors include, without limitation, potential delays or other problems in implementing and executing our growth, expansion and acquisition strategies, including delays in obtaining regulatory or other necessary approvals or the failure to realize any anticipated benefits or synergies from any acquisitions or growth strategies; the risks of changes in interest rates and their effects on the level and composition of deposits, loan demand and the values of loan collateral, securities and interest sensitive assets and liabilities; the failure of assumptions underlying the establishment of reserves for possible credit losses, fair value for loans and other real estate owned; changes in real estate values; the availability of and access to capital; possible downgrades in our credit ratings or outlook which could increase the costs or availability of funding from capital markets; the ability to attract new or retain existing deposits or to retain or grow loans; the ability to grow additional interest and fee income or to control noninterest expense; the potential impact of the proposed phase-out of the London Interbank Offered Rate ("LIBOR") or other changes involving LIBOR; competitive factors and pricing pressures, including their effect on our net interest margin; general economic, unemployment, credit market and real estate market conditions, and the effect of such conditions on the creditworthiness of borrowers, collateral values, the value of investment securities and asset recovery values; changes in legal, financial and/or regulatory requirements; recently enacted and potential legislation and regulatory actions and the costs and expenses to comply with new and/or existing legislation and regulatory actions, including those actions in response to the COVID-19 pandemic such as the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the "Economic Aid Act") and any related rules and regulations; changes in U.S. Government monetary and fiscal policy, including any changes that result from the recent U.S. elections; FDIC special assessments or changes to regular assessments; possible adverse rulings, judgments, settlements and other outcomes of pending, ongoing and future litigation and governmental, administrative and investigatory matters (including litigation or actions arising from our participation in and administration of programs related to the COVID-19 pandemic (including, among other things, the PPP loan programs authorized by the CARES Act and the Economic Aid Act); the ability to keep pace with technological changes, including changes regarding maintaining cybersecurity; the impact of failure in, or breach of, our operational or security systems or infrastructure, or those of third parties with whom we do business, including as a result of cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting us or our customers; natural disasters or acts of war or terrorism; the adverse effects of the ongoing global COVID-19 pandemic, including the magnitude and duration of the pandemic, and the impact of actions taken to contain or treat COVID-19 on us, our employees, our customers, the global economy and the financial markets; international or political instability; impairment of our goodwill or other intangible assets; losses of key employees and personnel; adoption of new accounting standards, including the effects from the adoption of the current expected credit loss methodology on January 1, 2020, or changes in existing standards; and other factors as detailed from time to time in our press and news releases, periodic and current reports and other filings we file 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 we believe that the expectations reflected in these forward-looking statements are reasonable as of the date of this presentation, if one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. Accordingly, undue reliance should not be placed on any forward-looking statements. The forward-looking statements speak only as of the date of this presentation, and we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by applicable law. New risks and uncertainties may emerge from time to time, and it is not possible for us to predict their occurrence or how they will affect us. All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by this section.



# 2020 Financial Highlights



<b>Earnings Highlights</b>	<ul style="list-style-type: none"> <li>Record pre-tax pre-provision net revenue of \$397.5 million – 1.75% of average assets</li> <li>Net income available to common shareholders of \$218.6 million, or \$2.12 per diluted common share</li> <li>Net operating income available to common shareholders – excluding MSR – of \$237.3 million, or \$2.30 per diluted common share</li> </ul>
<b>Credit</b>	<ul style="list-style-type: none"> <li>Adopted CECL effective January 1, 2020; Provision for credit losses for the year of \$86.0 million</li> <li>Net charge-offs of \$27.5 million, or 0.18% of net loans and leases, 0.14% of which represented acquired loans while 0.04% represented originated credits</li> <li>Allowance for credit losses coverage increased to 1.74% of net loans and leases, excluding the impact of PPP loans</li> </ul>
<b>Mortgage</b>	<ul style="list-style-type: none"> <li>Record production volume of \$3.2 billion, a 60% increase over previous annual production record</li> <li>Production and servicing revenue of \$99.1 million</li> <li>Negative pre-tax mortgage servicing rights (“MSR”) valuation adjustment of \$12.8 million</li> </ul>
<b>Other Highlights</b>	<ul style="list-style-type: none"> <li>Generated \$3.2 billion, or 19%, in total organic deposit and customer repo growth</li> <li>Produced \$1.2 billion in loans under the Paycheck Protection Program (“PPP”)</li> <li>Continued success improving cost structure; operating efficiency ratio – excluding MSR – declined to 61.6%</li> </ul>
<b>Capital</b>	<ul style="list-style-type: none"> <li>Repurchased 3.3 million shares at a weighted average price of \$26.42</li> <li>Maintained strong regulatory capital metrics – total risk-based capital of 14.24%</li> </ul>

As of and for the year ended December 31, 2020.

All non-GAAP measures are discussed and reconciled in the earnings news release which accompanies this presentation.

# Annual Results



## 4-Year Compound Operating EPS Growth of 11.3%

	Year Ended				
	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
Net interest revenue	\$ 691.0	\$ 649.9	\$ 575.2	\$ 474.0	\$ 453.5
Provision for credit losses	86.0	1.5	4.5	3.0	4.0
Noninterest revenue	336.5	280.7	282.0	268.0	274.9
Noninterest expense	653.9	629.6	587.6	507.4	527.9
Income before income taxes	287.5	299.5	265.1	231.6	196.4
Income tax expense	59.5	65.3	43.8	78.6	63.7
<b>Net income</b>	<b>\$ 228.1</b>	<b>\$ 234.3</b>	<b>\$ 221.3</b>	<b>\$ 153.0</b>	<b>\$ 132.7</b>
Less: Preferred dividends	9.5	-	-	-	-
<b>Net income available to common shareholders</b>	<b>\$ 218.6</b>	<b>\$ 234.3</b>	<b>\$ 221.3</b>	<b>\$ 153.0</b>	<b>\$ 132.7</b>
Plus: Non-operating items, net of tax	9.1	10.3	(1.6)	0.0	9.3
Less: MSR market value adjustment, net of tax	(9.6)	(10.9)	(0.9)	1.1	0.6
<b>Net operating income - excluding MSR available to common shareholders</b>	<b>\$ 237.3</b>	<b>\$ 255.4</b>	<b>\$ 220.7</b>	<b>\$ 152.0</b>	<b>\$ 141.4</b>
<b>Net income per common share: diluted</b>	<b>\$ 2.12</b>	<b>\$ 2.30</b>	<b>\$ 2.23</b>	<b>\$ 1.67</b>	<b>\$ 1.41</b>
<b>Operating earnings per common share - excluding MSR</b>	<b>\$ 2.30</b>	<b>\$ 2.51</b>	<b>\$ 2.23</b>	<b>\$ 1.66</b>	<b>\$ 1.50</b>
<b>Year over year operating EPS growth</b>	<b>-8.4%</b>	<b>12.6%</b>	<b>34.3%</b>	<b>10.7%</b>	<b>4.2%</b>
<b>Pre-tax pre-provision net revenue</b>	<b>\$ 397.5</b>	<b>\$ 329.2</b>	<b>\$ 283.8</b>	<b>\$ 231.9</b>	<b>\$ 212.5</b>
<b>Pre-tax pre-provision net revenue to total average assets</b>	<b>1.75%</b>	<b>1.73%</b>	<b>1.65%</b>	<b>1.57%</b>	<b>1.49%</b>

Dollars in millions, except per share data.

All non-GAAP measures are discussed and reconciled in the earnings news release which accompanies this presentation.

NM – Not Meaningful.

Figures may not foot due to rounding.

# Q4 Financial Highlights



<b>Earnings Highlights</b>	<ul style="list-style-type: none"><li>• Pre-tax pre-provision net revenue of \$93.6 million – 1.57% of average assets annualized</li><li>• Net income available to common shareholders of \$66.4 million, or \$0.65 per diluted common share</li><li>• Net operating income available to common shareholders – excluding MSR – of \$70.8 million, or \$0.69 per diluted common share</li></ul>
<b>Credit</b>	<ul style="list-style-type: none"><li>• Provision for credit losses of \$5.0 million for the quarter</li><li>• Total non-performing assets declined 15.7% while past dues, loan deferrals, and modifications remained relatively stable</li></ul>
<b>Mortgage</b>	<ul style="list-style-type: none"><li>• Production volume of \$845.9 million, 55% of which represented purchase money production</li><li>• Production and servicing revenue of \$19.9 million</li><li>• Positive MSR valuation adjustment of \$0.2 million</li></ul>
<b>Other Highlights</b>	<ul style="list-style-type: none"><li>• Generated \$459.7 million, or 9.1% annualized, in total deposit and customer repo growth</li><li>• Recorded charge of \$5.8 million to reflect settlement accounting impact of lump sum payment associated with elevated number of retirements</li></ul>
<b>Capital</b>	<ul style="list-style-type: none"><li>• No share repurchases during the quarter</li><li>• Announced the signing of merger agreements with National United Bancshares, Inc., and FNS Bancshares, Inc. which will add approximately \$1.5 billion in assets</li></ul>

As of and for the three months ended December 31, 2020.  
All non-GAAP measures are discussed and reconciled in the earnings news release which accompanies this presentation.

# Recent Quarterly Results



	Three Months Ended			% Change	
	12/31/20	9/30/20	12/31/19	vs 9/30/20	vs 12/31/19
Net interest revenue	\$ 176.9	\$ 175.9	\$ 170.8	0.6 %	3.6 %
Provision for credit losses	5.0	15.0	0.0	NM	NM
Noninterest revenue	78.8	89.9	74.7	(12.3)	5.5
Noninterest expense	167.9	155.5	162.4	8.0	3.4
Income before income taxes	82.9	95.4	83.1	(13.1)	(0.3)
Income tax expense	14.0	21.5	17.3	(34.7)	(18.7)
Net income	\$ 68.8	\$ 73.8	\$ 65.8	(6.8) %	4.5 %
Less: Preferred dividends	2.4	2.4	-	-	-
Net income available to common shareholders	\$ 66.4	\$ 71.5	\$ 65.8	(7.0) %	0.9 %
Plus: Non-operating items, net of tax	4.5	0.1	4.3	NM	NM
Less: MSR market value adjustment, net of tax	0.2	0.3	2.4	NM	NM
Net operating income available to common shareholders - excluding MSR	\$ 70.8	\$ 71.2	\$ 67.8	(0.6) %	4.4 %
Net income per common share: diluted	\$ 0.65	\$ 0.69	\$ 0.63	(5.8) %	3.2 %
Operating earnings per common share - excluding MSR	\$ 0.69	\$ 0.69	\$ 0.65	0.0 %	6.2 %
<b>Pre-tax pre-provision net revenue</b>	<b>\$ 93.6</b>	<b>\$ 110.0</b>	<b>\$ 85.8</b>	<b>(14.9) %</b>	<b>9.1 %</b>
<b>Pre-tax pre-provision net revenue to total average assets</b>	<b>1.57%</b>	<b>1.88%</b>	<b>1.68%</b>	<b>(16.5) %</b>	<b>(6.5) %</b>

Dollars in millions, except per share data.

All non-GAAP measures are discussed and reconciled in the earnings news release which accompanies this presentation.

NM – Not Meaningful.

Figures may not foot due to rounding.

# Noninterest Revenue



	Three Months Ended			% Change	
	12/31/20	9/30/20	12/31/19	vs 9/30/20	vs 12/31/19
Mortgage production and servicing revenue	\$ 19,917	\$ 26,667	\$ 6,938	(25.3) %	187.1 %
Credit card, debit card and merchant fees	10,053	9,938	9,836	1.2	2.2
Deposit service charges	9,708	8,892	12,193	9.2	(20.4)
Insurance commissions	29,815	32,750	27,648	(9.0)	7.8
Wealth management	6,751	6,471	6,617	4.3	2.0
Other	2,370	4,776	8,301	(50.4)	(71.4)
<b>Total noninterest revenue-excluding MSR</b>	<b>78,614</b>	<b>89,494</b>	<b>71,533</b>	<b>(12.2) %</b>	<b>9.9 %</b>
MSR valuation adjustment	212	430	3,164	NM	NM
<b>Total noninterest revenue</b>	<b>\$ 78,826</b>	<b>\$ 89,924</b>	<b>\$ 74,697</b>	<b>(12.3) %</b>	<b>5.5 %</b>
% of total revenue	30.8%	33.8%	30.4%		

Dollars in thousands.  
 NM – Not Meaningful.

# Noninterest Expense



	Three Months Ended			% Change	
	12/31/20	9/30/20	12/31/19	vs 9/30/20	vs 12/31/19
Salaries and employee benefits <sup>(1)</sup>	\$ 97,215	\$ 104,219	\$ 97,137	(6.7) %	0.1 %
Occupancy, net of rental income	13,004	13,053	12,267	(0.4)	6.0
Equipment	4,756	4,519	4,725	5.2	0.7
Deposit insurance assessments	1,696	1,522	2,200	11.4	(22.9)
Pension settlement expense	5,846	-	-	NM	NM
Advertising and public relations	1,796	1,956	2,033	(8.2)	(11.7)
Foreclosed property expense	2,122	(278)	855	NM	NM
Data processing, telecom and computer software	16,729	15,718	16,023	6.4	4.4
Amortization of intangibles	2,499	2,357	2,508	6.0	(0.4)
Legal	1,474	(316)	854	NM	NM
Merger expense	212	129	5,782	NM	NM
Postage and shipping	1,418	1,199	1,353	18.3	4.8
Other miscellaneous expense <sup>(2)</sup>	19,144	11,427	16,614	67.5	15.2
<b>Total noninterest expense</b>	<b>167,911</b>	<b>155,505</b>	<b>162,351</b>	<b>8.0 %</b>	<b>3.4 %</b>
<b>Non-operating items:</b>					
Merger expense	212	129	5,782	NM	NM
Pension settlement expense	5,846	-	-	NM	NM
<b>Total noninterest expense - operating</b>	<b>\$ 161,853</b>	<b>\$ 155,376</b>	<b>\$ 156,569</b>	<b>4.2 %</b>	<b>3.4 %</b>

Dollars in thousands.

NM – Not Meaningful.

(1) Salaries and employee benefits for the fourth quarters of 2020 and 2019 was positively impacted by accrual true-ups totaling approximately \$6.7 million and \$4.0 million, respectively, relating to incentive compensation and other employee benefits.

(2) Includes charges and write-downs totaling approximately \$5.0 million recorded in the fourth quarter of 2020 associated with the disposition of certain facilities and other fixed assets.

# Deposits and Customer Repos



- Total deposits and customer repos increased \$459.7 million, or 9.1 percent annualized, compared to September 30, 2020. There were no acquisitions during the fourth quarter.
- Total deposits and customer repos have increased \$3.6 billion since December 31, 2019. Of this increase, approximately \$3.2 billion represents organic growth, which includes additional liquidity generated from the PPP and other stimulus programs. Acquired deposits totaled \$0.4 billion for 2020.

	<u>As of 12/31/20</u>		<u>As of 9/30/20</u>		<u>As of 12/31/19</u>	
	<u>Balance</u>	<u>% of Total</u>	<u>Balance</u>	<u>% of Total</u>	<u>Balance</u>	<u>% of Total</u>
Noninterest bearing demand	\$ 6,341	31.0%	\$ 6,337	31.6%	\$ 4,662	27.5%
Interest bearing demand	8,524	41.6%	8,170	40.8%	7,177	42.4%
Savings	2,452	12.0%	2,326	11.6%	1,938	11.5%
Other time	2,529	12.3%	2,580	12.9%	2,634	15.6%
Customer Repos	638	3.1%	611	3.1%	513	3.0%
<b>Total Deposits and Customer Repos</b>	<b>\$20,484</b>	<b>100.0%</b>	<b>\$20,024</b>	<b>100.0%</b>	<b>\$16,924</b>	<b>100.0%</b>
<b>Total Cost of Deposits</b>		<b>0.38%</b>		<b>0.44%</b>		<b>0.68%</b>

# Loan Portfolio



- Total loans decreased \$305.3 million, compared to September 30, 2020. There were no acquisitions during the fourth quarter.
- Total loans have increased \$932.8 million since December 31, 2019. This increase includes \$185 million of acquired loans as well as \$1.2 billion in loans originated under the PPP, \$0.3 billion of which was forgiven during the year.

	As of 12/31/20		As of 9/30/20		As of 12/31/19	
	Balance	% of Total	Balance	% of Total	Balance	% of Total
Commercial and industrial						
Commercial and industrial-non real estate	\$ 2,673	17.8%	\$ 2,938	19.2%	\$ 1,980	14.0%
Commercial and industrial-owner occupied	2,281	15.2%	2,297	15.0%	2,269	16.1%
Total commercial and industrial	4,955	33.0%	5,235	34.2%	4,248	30.2%
Commercial real estate						
Agricultural	318	2.1%	334	2.2%	337	2.4%
Construction, acquisition and development	1,729	11.5%	1,700	11.1%	1,577	11.2%
Commercial real estate	3,211	21.4%	3,230	21.1%	3,221	22.9%
Total commercial real estate	5,258	35.0%	5,264	34.3%	5,136	36.4%
Consumer						
Consumer mortgages	3,726	24.8%	3,704	24.2%	3,543	25.1%
Home equity	630	4.2%	659	4.3%	684	4.9%
Credit cards	89	0.6%	86	0.6%	103	0.7%
Total consumer	4,445	29.6%	4,449	29.0%	4,329	30.7%
All other	364	2.4%	380	2.5%	377	2.7%
<b>Total</b>	<b>\$15,022</b>	<b>100.0%</b>	<b>\$15,328</b>	<b>100.0%</b>	<b>\$14,090</b>	<b>100.0%</b>
<b>PPP Loans</b>	<b>\$ 975</b>	<b>6.5%</b>	<b>\$ 1,212</b>	<b>7.9%</b>	<b>\$ -</b>	<b>0.0%</b>



# Paycheck Protection Program



## Phase 1 Highlights\*

- The Company originated and funded 15,021 PPP loans totaling \$1.2 billion, with an average loan size of approximately \$82,500
- Over 5,000 of the loans were to new customers of the bank
- PPP loans had an adverse impact of approximately 4 basis points on the reported loan yield for the fourth quarter

## Forgiveness Update

- As of January 25, 2021 applications for forgiveness have been received for 7,590 loans totaling \$670.8 million
- 5,812 applications totaling \$513.5 million have been submitted to SBA, 5,295 of which have been approved for full forgiveness and funds have been received totaling \$355.4 million
- As of December 31, 2020 there were 12,347 loans totaling \$342.9 million that were under the streamlined forgiveness threshold of \$150,000

## Phase 2 Highlights

- Actively processing applications for funding under Phase 2 of the program
- As of January 25, 2021 applications have been received for 3,358 loans totaling \$314.0 million
- Not all applications will qualify under the revenue reduction requirement; actively working with customers to fully understand rules and ensure compliance

# Credit Quality Highlights



- Recorded a provision for credit losses of \$5.0 million for the quarter
- Net charge-offs totaled \$11.2 million for the quarter, which represents 0.29 percent of net loans and leases on an annualized basis; consisted primarily of the charge-down of loans identified as impaired in prior quarters
- Continued to actively monitor COVID-19 high risk portfolios
- Allowance for credit losses coverage of 1.74 percent of net loans and leases, excluding the impact of PPP loans
- Approximately 0.1 percent of loan portfolio (by outstanding balance) in deferral as of December 31, 2020, excluding the impact of PPP loans, and 1.3 percent temporarily converted to interest only

# COVID-19 Pandemic Update

# COVID-19 Borrower Accommodations



- Approximately 0.1 percent of loan portfolio (by outstanding balance) in deferral as of December 31, 2020\*
- In addition to the deferral programs, the Company has also converted certain qualifying loans to interest only for a limited time period. As of December 31, 2020 approximately \$177.5 million have been temporarily converted to interest only

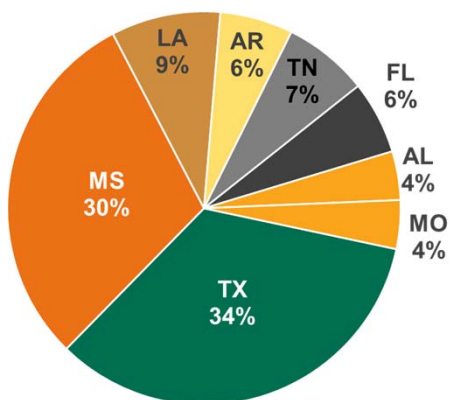
## COVID-19 High Risk Portfolios

	As of 12/31/2020							
	Outstanding Balance	Total Committed Balance	Average Loan Size	% of Portfolio (based on committed balance)	\$ Loans Converted to Interest Only*	% Loans Converted to Interest Only*	\$ Deferred*	% Deferred*
Hotels & Accommodation	710,033	787,887	2,407	4.2%	138,195	19.5%	-	0.0%
Retail CRE	1,067,563	1,164,497	931	6.3%	705	0.1%	-	0.0%
Food Services	264,177	292,858	365	1.6%	6,810	2.6%	-	0.0%
High Risk Portfolios	2,041,773	2,245,242			145,710	7.1%	-	0.0%
All Other Portfolios	12,980,706	16,364,953			31,765	0.3%	20,585	0.2%
<b>Total</b>	<b>\$ 15,022,479</b>	<b>\$ 18,610,195</b>			<b>\$ 177,475</b>	<b>1.3%</b>	<b>\$ 20,585</b>	<b>0.1%</b>

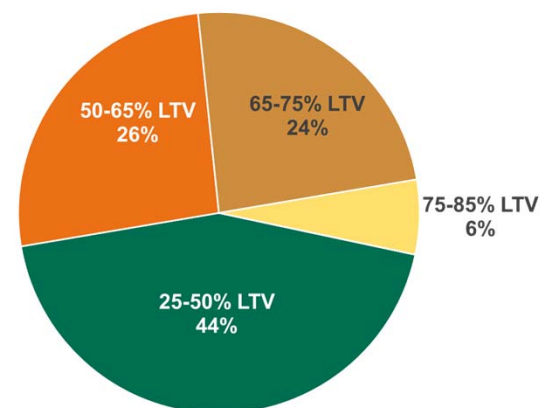
# Hotels & Accommodation Portfolio



## Outstanding Balance by State



## LTV



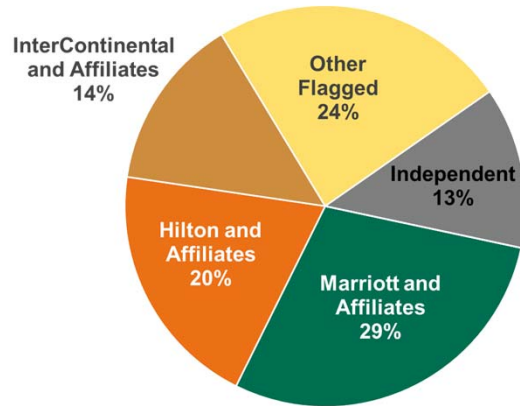
## Hotel Portfolio Stats

- \$710.0 million outstanding
- Average loan size of \$2.4 million
- Only 15 loans with outstanding balances in excess of \$10 million
- 19.5% temporarily converted to interest only
- Weighted average LTV of 54.4%

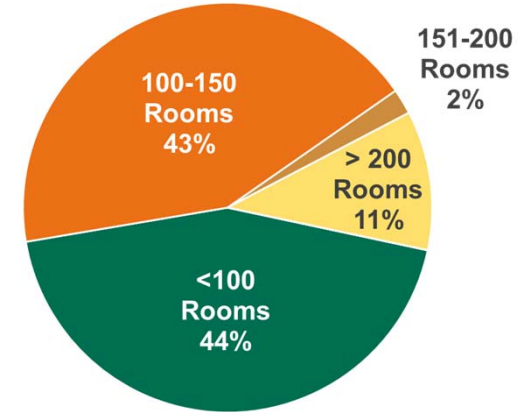
# Hotels & Accommodation Portfolio (cont.)



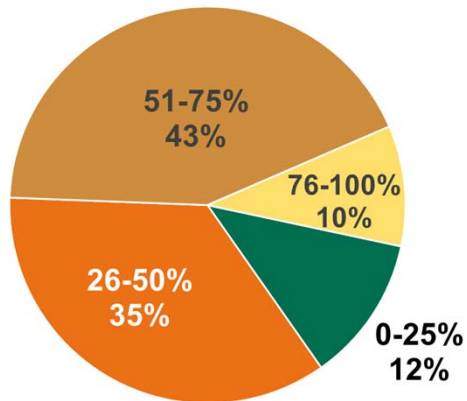
## Brand



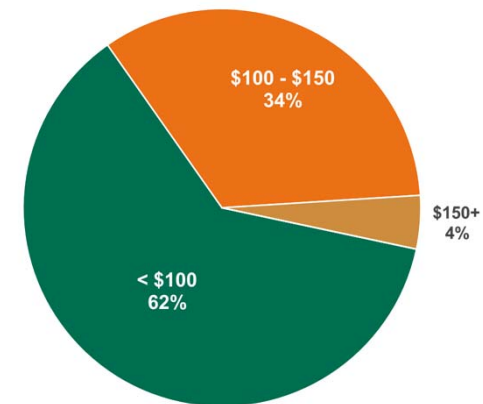
## Number of Rooms



## Current Occupancy Rate



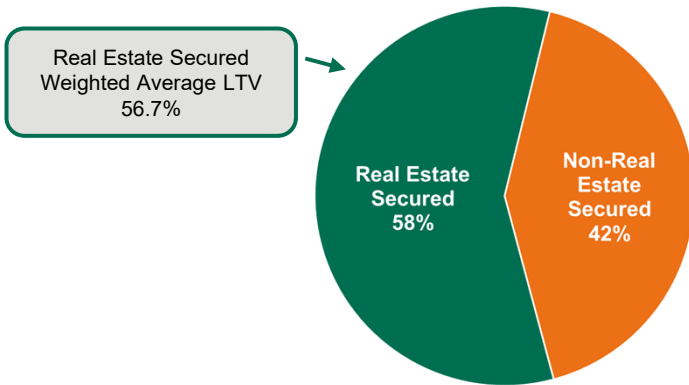
## Current Average Daily Room Rate



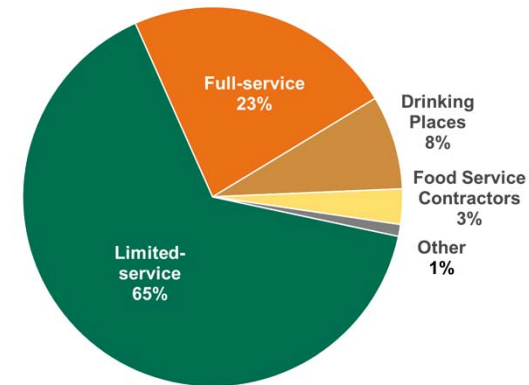
# Food Services Portfolio



## Total Food Services by Collateral Type



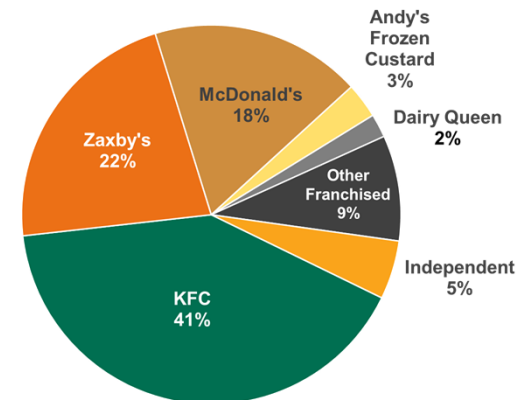
## Non-Real Estate Secured by Type of Service



## Food Services Portfolio Stats

- \$264.2 million outstanding
- Average loan size of \$365,000
- 2.6% temporarily converted to interest only

## Non-Real Estate Secured Limited Service by Brand



# Mortgage and Insurance Revenue



## Mortgage Lending Revenue

	Three Months Ended				
	12/31/20	9/30/20	6/30/20	3/31/20	12/31/19
Origination revenue	\$ 18,561	\$ 23,632	\$ 30,194	\$ 17,906	\$ 4,326
Servicing revenue	5,254	6,233	4,880	5,153	4,935
MSR payoffs/paydowns	(3,898)	(3,198)	(3,144)	(2,506)	(2,323)
Mortgage production and servicing revenue	19,917	26,667	31,930	20,553	6,938
MSR valuation adjustment	212	430	(2,373)	(11,083)	3,164
Total mortgage banking revenue	\$ 20,129	\$ 27,097	\$ 29,557	\$ 9,470	\$ 10,102
Production volume	\$ 845,937	\$ 937,656	\$ 989,023	\$ 477,054	\$ 504,851
Purchase money production	\$ 466,400	\$ 568,400	\$ 522,600	\$ 285,300	\$ 321,700
Mortgage loans sold	\$ 707,094	\$ 807,036	\$ 554,448	\$ 409,436	\$ 419,142
Margin on loans sold	2.62%	2.93%	5.45%	4.37%	1.03%
Current pipeline	\$ 558,651	\$ 629,906	\$ 691,755	\$ 570,151	\$ 289,648
Mortgage originators	160	161	158	157	153

## Insurance Commission Revenue

Property and casualty commissions	\$ 21,304	\$ 24,060	\$ 23,644	\$ 21,246	\$ 19,994
Life and health commissions	5,915	6,072	6,771	6,175	5,979
Risk management income	829	609	540	532	667
Other	1,767	2,009	2,163	1,650	1,008
Total insurance commissions	\$ 29,815	\$ 32,750	\$ 33,118	\$ 29,603	\$ 27,648



# Summary



## Highlights

- Generated record pre-tax pre-provision net revenue for the year
- Strong core deposit growth
- Continued elevated mortgage production volume contributed to strong mortgage production and servicing revenue
- Operating efficiency ratio – excluding MSR – improved to 61.6% for 2020
- Maintained strong regulatory capital metrics
- Announced the signing of merger agreements with National United Bancshares, Inc., and FNS Bancshares, Inc., which will add approximately \$1.5 billion in total assets

## Current Focus

- Support our teammates, customers, and communities while appropriately managing credit exposure and the impact of the COVID-19 pandemic
- Continue to challenge expenses and improve efficiency
- Enhance customer experience, including improved technology offerings