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BancorpSouth Announces First Quarter 2021 Results

TUPELO, Miss., April 21, 2021/PRNewswire – BancorpSouth Bank (NYSE: BXS) (the “Company”) today announced financial results for the quarter ended March 31, 2021.

Highlights for the first quarter of 2021 included:

- Achieved record quarterly net income available to common shareholders of \$79.2 million, or \$0.77 per diluted common share, and record net operating income available to common shareholders – excluding MSR – of \$74.8 million, or \$0.73 per diluted common share.
- Generated \$99.1 million in pre-tax pre-provision net revenue (PPNR), or 1.64 percent of average assets on an annualized basis.
- Credit quality indicators improved as evidenced by no recorded provision for credit losses for the quarter and a decline of \$21.9 million, or 16.5 percent, in total non-performing assets.
- Generated total deposit and customer repo growth of \$1.3 billion for the quarter, or 26.7 percent on an annualized basis.
- Originated and funded 7,527 loans totaling \$463.5 million under the Paycheck Protection Program (PPP); received PPP forgiveness payments totaling \$307.9 million during the quarter.
- Continued strong mortgage production volume of \$789.8 million which contributed to mortgage production and servicing revenue of \$17.9 million.
- Maintained strong regulatory capital metrics; estimated total risk-based capital of 14.65 percent at March 31, 2021 compared to 14.48 percent at December 31, 2020.
- Recently received regulatory approval to complete transactions with National United Bancshares, Inc., the parent company of National United, and FNS Bancshares, Inc., the parent company of FNB Bank, which are expected to close effective May 1, 2021 and add approximately \$1.6 billion in total assets to the Company.

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- On April 12, 2021, announced the signing of a merger agreement with Cadence Bancorporation, the parent company of Cadence Bank N.A., which creates a \$44 billion institution on a pro forma basis that will be the 5th largest bank headquartered in the Company's nine-state footprint.

“We are pleased to report another quarter of record financial performance,” remarked Dan Rollins, Chairman and Chief Executive Officer. “While the unprecedented liquidity levels in the industry continue to pressure our net interest margin and adversely impact loan demand, our teammates are doing a great job taking care of customers and controlling the things we can control. Consistent with industry trends, we reported meaningful deposit and customer repo growth for the quarter. Our mortgage team had another outstanding quarter, while our insurance and wealth management teams reported strong revenue growth for the quarter. We also originated almost \$465 million in new PPP loans during the quarter while also receiving forgiveness payments totaling over \$300 million on loans that were originated last year.”

“As we look at other highlights for the quarter, we are extremely pleased with credit quality. The economies across our footprint are open and generally performing quite well. Virtually all of our credit quality indicators, including non-performing and classified assets, improved which, along with the economic forecasts utilized in our modeling process, resulted in no recorded provision for credit losses for the quarter. Finally, we continue to be pleased with our efforts to improve our expense base as reflected in the meaningful decline in total non-interest expense compared to both the first and fourth quarters of last year.”

Earnings Summary

The Company reported net income available to common shareholders of \$79.2 million, or \$0.77 per diluted common share, for the first quarter of 2021, compared with net income available to common shareholders of \$21.9 million, or \$0.21 per diluted common share, for the first quarter of 2020 and net income available to common shareholders of \$66.4 million, or \$0.65 per diluted common share, for the fourth quarter of 2020. The Company reported net operating income available to common shareholders – excluding MSR – of \$74.8 million, or \$0.73 per diluted common share, for the first quarter of 2021, compared with \$34.4 million, or \$0.33 per diluted common share, for the first quarter of 2020 and \$70.8 million, or \$0.69 per diluted common share, for the fourth quarter of 2020.

The Company reported PPNR of \$99.1 million, or 1.64 percent of average assets on an annualized basis, for the first quarter of 2021 compared to \$91.7 million, or 1.74 percent of average assets on an annualized basis, for the first quarter of 2020 and \$93.6 million, or 1.57 percent of average assets on an annualized basis, for the fourth quarter of 2020.

Net Interest Revenue

Net interest revenue was \$172.8 million for the first quarter of 2021, an increase of 3.1 percent from \$167.5 million for the first quarter of 2020 and a decrease of 2.3 percent from \$176.9 million for the fourth quarter of 2020. The fully taxable equivalent net interest margin was 3.15 percent

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for the first quarter of 2021, compared with 3.54 percent for the first quarter of 2020 and 3.29 percent for the fourth quarter of 2020. Yields on net loans and leases were 4.53 percent for the first quarter of 2021, compared with 5.00 percent for the first quarter of 2020 and 4.55 percent for the fourth quarter of 2020, while yields on total interest earning assets were 3.51 percent for the first quarter of 2021, compared with 4.27 percent for the first quarter of 2020 and 3.70 percent for the fourth quarter of 2020. The net interest margin, excluding accretable yield, was 3.08 percent for the first quarter of 2021, compared with 3.48 percent for the first quarter of 2020 and 3.24 percent for the fourth quarter of 2020, while yields on net loans and leases, excluding accretable yield, were 4.43 percent for the first quarter of 2021, compared with 4.93 percent for the first quarter of 2020 and 4.49 percent for the fourth quarter of 2020.

The \$1.1 billion in PPP loans on the balance sheet had an adverse impact of approximately six basis points on the yield on net loans and leases, excluding accretable yield, for the first quarter of 2021. Net interest income for the first quarter of 2021 included approximately \$3.1 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 0.33 percent for the first quarter of 2021, compared with 0.67 percent for the first quarter of 2020 and 0.38 percent for the fourth quarter of 2020.

Balance Sheet Activity

Loans and leases, net of unearned income, increased \$16.3 million during the first quarter of 2021. Excluding the impact of PPP originations and paydowns, total loans declined approximately \$140.0 million compared to December 31, 2020. Deposits and customer repos increased \$1.3 billion, or 26.7 percent on an annualized basis, during the first quarter of 2021. There were no acquisitions during the first quarter of 2021.

Provision for Credit Losses and Allowance for Credit Losses

Earnings for the first quarter of 2021 reflect no provision for credit losses, compared with a provision of \$46.0 million for the first quarter of 2020 and a provision of \$5.0 million for the fourth quarter of 2020. Net charge-offs for the first quarter of 2021 were \$3.3 million, or 0.09 percent of net loans and leases on an annualized basis, compared with net charge-offs of \$13.7 million for the first quarter of 2020 and net charge-offs of \$11.2 million for the fourth quarter of 2020. The allowance for credit losses was \$241.1 million, or 1.60 percent of net loans and leases, at March 31, 2021, compared with \$218.2 million, or 1.53 percent of net loans and leases, at March 31, 2020, and \$244.4 million, or 1.63 percent of net loans and leases, at December 31, 2020. The allowance for credit losses coverage, excluding the impact of PPP loans, was 1.74 percent of net loans and leases at March 31, 2021.

Total non-performing assets were \$110.7 million, or 0.43 percent of total assets, at March 31, 2021, compared with \$137.8 million, or 0.66 percent of total assets, at March 31, 2020, and \$132.6 million, or 0.55 percent of total assets, at December 31, 2020. Other real estate owned was \$9.4 million at March 31, 2021, compared with \$9.2 million at March 31, 2020 and \$11.4 million at December 31, 2020.

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Noninterest Revenue

Noninterest revenue was \$87.9 million for the first quarter of 2021, compared with \$76.5 million for the first quarter of 2020 and \$78.8 million for the fourth quarter of 2020. These results include a positive mortgage servicing rights (MSR) valuation adjustment of \$7.4 million for the first quarter of 2021, compared with a negative MSR valuation adjustment of \$11.1 million for the first quarter of 2020 and a positive MSR valuation adjustment of \$0.2 million for the fourth 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 \$17.9 million for the first quarter of 2021, compared with \$20.6 million for the first quarter of 2020 and \$19.9 million for the fourth quarter of 2020. Mortgage origination volume for the first quarter of 2021 was \$789.8 million, compared with \$477.1 million for the first quarter of 2020 and \$845.9 million for the fourth quarter of 2020. Home purchase money volume was \$379.4 million for the first quarter of 2021, compared with \$285.3 million for the first quarter of 2020 and \$466.4 million for the fourth quarter of 2020. Of the total mortgage origination volume for the first quarter of 2021, \$149.0 million was portfolio loans, compared with \$85.6 million for the first quarter of 2020 and \$157.8 million for the fourth quarter of 2020.

Credit card, debit card, and merchant fee revenue was \$9.7 million for the first quarter of 2021, compared with \$9.2 million for the first quarter of 2020 and \$10.1 million for the fourth quarter of 2020. Deposit service charge revenue was \$8.5 million for the first quarter of 2021, compared with \$11.7 million for the first quarter of 2020 and \$9.7 million for the fourth quarter of 2020. Wealth management revenue was \$8.5 million for the first quarter of 2021, compared with \$6.6 million for the first quarter of 2020 and \$6.8 million for the fourth quarter of 2020. Insurance commission revenue was \$30.7 million for the first quarter of 2021, compared with \$29.6 million for the first quarter of 2020 and \$29.8 million for the fourth quarter of 2020. Other noninterest revenue was \$5.3 million for the first quarter of 2021, compared with \$10.1 million for the first quarter of 2020 and \$2.3 million for the fourth 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 fourth quarter of 2020. Other noninterest revenue for the first quarter of 2020 included a \$4.2 million gain associated with the sale of a book of business within the Company's insurance agency.

Noninterest Expense

Noninterest expense for the first quarter of 2021 was \$155.8 million, compared with \$168.0 million for the first quarter of 2020 and \$167.9 million for the fourth quarter of 2020. Salaries and employee benefits expense was \$101.1 million for the first quarter of 2021, compared with \$108.3 million for the first quarter of 2020 and \$97.2 million for the fourth quarter of 2020. Occupancy expense was \$12.8 million for the first quarter of 2021, compared with \$12.7 million for the first quarter of 2020 and \$13.0 million for the fourth quarter of 2020. Other noninterest expense was \$35.9 million for the first quarter of 2021, compared with \$40.8 million for the first quarter of

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2020 and \$45.4 million for the fourth quarter of 2020. Additionally, merger-related expense for the first quarter of 2021 was \$1.6 million, compared with merger-related expense of \$4.5 million for the first quarter of 2020 and \$0.2 million for the fourth quarter of 2020.

Noninterest expense for the first quarter of 2021 and the fourth quarter of 2020 included certain items that were non-routine in nature as defined by the Company. Salaries and benefits expense for the first quarter of 2021 benefited from an accrual true-up totaling approximately \$3.0 million related to the Company's equity compensation plans. During the fourth quarter of 2020, 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.

Capital Management

The Company's ratio of shareholders' equity to assets was 10.95 percent at March 31, 2021, compared with 12.75 percent at March 31, 2020 and 11.72 percent at December 31, 2020. The ratio of tangible common shareholders' equity to tangible assets was 7.04 percent at March 31, 2021, compared with 7.99 percent at March 31, 2020 and 7.54 percent at December 31, 2020. The \$1.1 billion in PPP loans had an adverse impact of approximately 34 basis points on tangible common shareholders' equity to tangible assets at March 31, 2021.

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

Estimated regulatory capital ratios at March 31, 2021 were calculated in accordance with the Basel III capital framework as well as the interagency final rule published on September 30, 2020 entitled "Revised Transition of the Current Expected Credit Losses Methodology for Allowances". The Company is a "well capitalized" bank, as defined by federal regulations, at March 31, 2021, with Tier 1 risk-based capital of 11.95 percent and total risk-based capital of 14.65 percent, compared with required minimum levels of 8 percent and 10 percent, respectively, in order to qualify for "well capitalized" classification.

Summary

Rollins concluded, "It's an exciting time for our Company. The economies in our markets are performing quite well and, despite certain industry headwinds, we continue to be pleased with our financial performance. We look forward to the growth opportunities ahead of us. The recent merger announcement with Cadence is a transformational opportunity for our Company. We believe the strengths of each organization are complementary. Both organizations are highly

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focused on improving the customer experience and giving back to the communities we serve. We are also excited about the opportunity to complete our pending mergers with National United and FNB Bank next month. These two teams will be an integral part of our strategic efforts going forward as we continue to grow our Company and enhance shareholder value.”

TRANSACTIONS

Cadence Bancorporation (NYSE: CADE)

On April 12, 2021, the Company announced the signing of a definitive merger agreement (the Cadence Merger Agreement) with Cadence Bancorporation, the parent company of Cadence Bank N.A., (collectively referred to as Cadence), pursuant to which Cadence will be merged with and into the Company (the Cadence Merger). Cadence operates 98 full-service banking offices in the southeast. As of December 31, 2020, Cadence collectively reported total assets of \$18.7 billion, total loans of \$12.7 billion and total deposits of \$16.1 billion. Under the terms of the Cadence Merger Agreement, each Cadence shareholder will receive 0.70 shares of the Company’s common stock. In addition, Cadence will pay a one-time special dividend of \$1.25 per share at closing. For more information regarding the Cadence Merger, see our Current Report on Form 8-K that was filed with the Federal Deposit Insurance Corporation (FDIC) on April 12, 2021. The Cadence Merger Agreement has been unanimously approved by the Boards of Directors of the Company and Cadence. Subject to the satisfaction of all closing conditions, including the receipt of all required regulatory and shareholder approvals, the Cadence Merger is expected to be completed during the fourth quarter of 2021, although the Company can provide no assurance that the Cadence Merger will close during this time period or at all.

FNS Bancshares, Inc.

On 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 counties in Alabama and the Chattanooga, Tennessee-Georgia and Nashville-Davidson-Murfreesboro-Franklin, Tennessee metropolitan statistical areas. As of March 31, 2021, FNS collectively reported total assets of \$826.5 million, total loans of \$475.1 million and total deposits of \$709.9 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 FDIC on January 13, 2021. Subject to the satisfaction of all closing conditions, the FNS Merger is expected to close on May 1, 2021.

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

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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 March 31, 2021, National United collectively reported total assets of \$788.9 million, total loans of \$440.6 million and total deposits of \$712.8 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. Subject to the satisfaction of all closing conditions, the National United Merger is expected to close on May 1, 2021.

Non-GAAP Measures and Ratios

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

Statement Regarding Impact of COVID-19 Pandemic

The Company prioritizes the health and safety of its teammates and customers, and it will continue to do so throughout the duration of the COVID-19 pandemic. At the same time, the Company remains focused on improving shareholder value, managing credit exposure, challenging expenses, enhancing the customer experience and supporting the communities it serves. Lastly, as a SBA Preferred Lender, the Company 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 negative pressure on its net interest margin and loan demand. Although the Company believes that the statements that pertain to future events, results and trends and their impact on the Company's business are reasonable at the present time, those statements are not historical facts and are based upon current assumptions, expectations, estimates and projections, many of which, by their nature, are beyond the Company's control. Accordingly, all discussions regarding future events, results and trends and their impact on the Company's business, even in the near term, are necessarily uncertain given the fluid and evolving nature of the pandemic.

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

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

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

Conference Call and Webcast

The Company will conduct a conference call to discuss its first quarter 2021 financial results on April 22, 2021, at 10:00 a.m. (Central Time). This conference call will be an interactive session between management and analysts. Interested parties may listen to this live conference call via Internet webcast by accessing www.bancorpsouth.investorroom.com/webcasts. The webcast will also be available in archived format at the same address.

About BancorpSouth Bank

BancorpSouth Bank (NYSE: BXS) is headquartered in Tupelo, Mississippi, with approximately \$26 billion in assets. BancorpSouth operates approximately 300 full service branch locations as well as additional mortgage, insurance, and loan production offices in Alabama, Arkansas, Florida, Louisiana, Mississippi, Missouri, Tennessee and Texas, including an insurance location in Illinois. BancorpSouth is committed to a culture of respect, diversity, and inclusion in both its workplace and communities. To learn more, visit our Community Commitment page at www.bancorpsouth.com. Like us on Facebook; follow us on Twitter and Instagram: @MyBXS; or connect with us through LinkedIn.

Forward-Looking Statements

Certain statements made in this news release are not statements of historical fact and constitute "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and are subject to the safe harbor created thereby under the Private Securities Litigation Reform Act of 1995. These statements are often, but not always, made through the use of words or phrases such as "anticipate," "aspire," "assume," "believe," "budget," "contemplate," "continue," "could," "estimate," "expect," "forecast," "foresee," "goal," "hope," "indicate," "intend," "may," "might," "outlook," "plan," "project," "projection," "predict," "prospect," "potential," "roadmap," "seek," "should," "target," "will," and "would," or the negative versions of those words or other comparable words of a future or forward-looking nature. These forward-looking statements include, without limitation, discussions regarding general economic, interest rate, real estate market, competitive, employment, and credit market conditions, including the impact of the COVID-19 pandemic on the Company's business; the Company's: assets; business; cash flows; financial condition; liquidity; prospects; results of operations; deposit and customer repo growth; interest and fee-based revenue; capital resources; capital metrics; efficiency ratio; valuation of mortgage servicing rights; net income; net interest revenue; non-interest revenue; net interest margin; interest expense; non-interest expense; earnings per share; interest rate sensitivity; interest rate risk; balance sheet and liquidity management; off-balance sheet arrangements; fair value determinations; asset quality; credit quality; credit losses; provision and allowance for credit losses, impairments, charge-offs, recoveries and changes in loan volumes; investment securities portfolio yields and values; ability to manage the impact of pandemics, natural disasters and other force majeure events; adoption and use of critical accounting policies; adoption and implementation of new accounting standards and their effect on the Company's financial results and the Company's financial reporting; utilization of non-GAAP financial metrics; declaration and payment of dividends; ability to pay dividends or coupons on the Company's 5.5% Series A Non-Cumulative Perpetual Preferred Stock, par value \$0.01 per share, or the 4.125% Fixed-to-Floating Rate Subordinated Notes due November 20, 2029; mortgage origination volume; mortgage servicing and production revenue; insurance commission revenue; implementation and execution of cost savings initiatives; ability to successfully litigate, resolve or otherwise dispense with threatened, pending, ongoing and future litigation and governmental, administrative and investigatory matters; ability to successfully complete pending or future acquisitions, dispositions and other strategic growth opportunities and initiatives; ability to successfully obtain regulatory approval for acquisitions and other growth initiatives; ability to successfully integrate and manage acquisitions; opportunities and efforts to grow market share; reputation; ability to compete with other financial

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institutions; ability to recruit and retain key employees and personnel; access to capital markets; availability of capital; investments in the securities of other financial institutions; and ability to operate the Company's regulatory compliance programs in accordance with applicable law.

Forward-looking statements are based upon management's expectations as well as certain assumptions and estimates made by, and information available to, the Company's management at the time such statements were made. Forward-looking statements are not historical facts, are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that are beyond the Company's control and that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. These risks, uncertainties and other factors include, without limitation, potential delays or other problems in implementing and executing the Company's growth, expansion and acquisition strategies, including delays in obtaining regulatory or other necessary approvals or the failure to realize any anticipated benefits or synergies from any acquisitions or growth strategies; the risks of changes in interest rates and their effects on the level and composition of deposits, loan demand and the values of loan collateral, securities and interest sensitive assets and liabilities; the failure of assumptions underlying the establishment of reserves for possible credit losses, fair value for loans and other real estate owned; changes in real estate values; the availability of and access to capital; possible downgrades in the Company's credit ratings or outlook which could increase the costs or availability of funding from capital markets; the ability to attract new or retain existing deposits or to retain or grow loans; the ability to grow additional interest and fee income or to control noninterest expense; the potential impact of the proposed phase-out of the London Interbank Offered Rate ("LIBOR") or other changes involving LIBOR; competitive factors and pricing pressures, including their effect on the Company's net interest margin; general economic, unemployment, credit market and real estate market conditions, and the effect of such conditions on the creditworthiness of borrowers, collateral values, the value of investment securities and asset recovery values; changes in legal, financial and/or regulatory requirements; recently enacted and potential legislation and regulatory actions and the costs and expenses to comply with new and/or existing legislation and regulatory actions, including those actions in response to the COVID-19 pandemic such as the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the "Economic Aid Act") and any related rules and regulations; changes in U.S. Government monetary and fiscal policy; FDIC special assessments or changes to regular assessments; the enforcement efforts of federal and state bank regulators; possible adverse rulings, judgments, settlements and other outcomes of pending, ongoing and future litigation and governmental, administrative and investigatory matters (including litigation or actions arising from the Company's participation in and administration of programs related to the COVID-19 pandemic (including, among other things, the PPP loan programs authorized by the CARES Act and the Economic Aid Act); the ability to keep pace with technological changes, including changes regarding maintaining cybersecurity; the impact of failure in, or breach of, the Company's operational or security systems or infrastructure, or those of third parties with whom the Company does business, including as a result of cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Company or the Company's customers; natural disasters or acts of war or terrorism; the adverse effects of the ongoing global COVID-19 pandemic, including the magnitude and duration of the pandemic, and the effect of actions taken to mitigate the impact of the COVID-19 pandemic on the Company, the Company's employees, the Company's customers, the global economy and the financial markets; international or political instability; impairment of the Company's goodwill or other intangible assets; losses of key employees and personnel; adoption of new accounting standards, including the effects from the adoption of the current expected credit loss methodology on January 1, 2020, or changes in existing standards; the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the definitive merger agreement between the Company and Cadence; the outcome of any legal proceedings that may be instituted against the Company or Cadence; the possibility that the proposed transaction will not close when expected or at all because required regulatory, shareholder or other approvals are not received or other conditions to the closing are not satisfied on a timely basis or at all, or are obtained subject to conditions that are not anticipated; the ability of the Company and Cadence to meet expectations regarding the timing, completion and accounting and tax treatments of the proposed transaction; the risk that any announcements relating to the proposed transaction could have adverse effects on the market price of the common stock of either or both parties to the proposed transaction; the possibility that the anticipated benefits of the proposed transaction will not be realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the strength of the economy and competitive factors in the areas where the Company and Cadence do business; certain restrictions during the pendency of the proposed transaction that may impact the parties' ability to pursue certain business opportunities or strategic transactions; the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events; diversion of management's attention from ongoing business operations and opportunities; the possibility that the parties may be unable to achieve expected synergies and operating efficiencies in the merger within the expected timeframes or at all and to successfully integrate Cadence's operations and those of the Company; such integration may be more difficult, time consuming or costly than expected; revenues following the proposed transaction may be lower than expected; potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the proposed transaction; the Company and Cadence's success in executing their respective business plans and strategies and managing the risks involved in the foregoing; the dilution caused by the Company's issuance of additional shares of its capital stock in connection with the proposed transaction and other factors as detailed from time to time in the Company's press and news releases, periodic and current reports and other filings the Company files with the FDIC.

The foregoing factors should not be construed as exhaustive and should be read in conjunction with those factors that are set forth from time to time in the Company's periodic and current reports filed with the FDIC, including those factors included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020 under the heading "Item 1A. Risk Factors," in the Company's Quarterly Reports on Form 10-Q and in the Company's Current Reports on Form 8-K.

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

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BancorpSouth Bank

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

	Quarter Ended 3/31/2021	Quarter Ended 12/31/2020	Quarter Ended 9/30/2020	Quarter Ended 6/30/2020	Quarter Ended 3/31/2020
Earnings Summary:					
Interest revenue	\$ 192,783	\$ 199,287	\$ 200,670	\$ 197,472	\$ 202,064
Interest expense	19,994	22,351	24,739	26,902	34,534
Net interest revenue	172,789	176,936	175,931	170,570	167,530
Provision for credit losses	-	5,000	15,000	20,000	46,000
Net interest revenue, after provision for credit losses	172,789	171,936	160,931	150,570	121,530
Noninterest revenue	87,936	78,826	89,924	91,258	76,496
Noninterest expense	155,823	167,911	155,505	162,504	168,006
Income before income taxes	104,902	82,851	95,350	79,324	30,020
Income tax expense	23,347	14,046	21,525	18,164	5,759
Net income	\$ 81,555	\$ 68,805	\$ 73,825	\$ 61,160	\$ 24,261
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372
Net income available to common shareholders	\$ 79,183	\$ 66,433	\$ 71,453	\$ 58,788	\$ 21,889
Balance Sheet - Period End Balances					
Total assets	\$ 25,802,497	\$ 24,081,194	\$ 23,555,422	\$ 23,236,176	\$ 21,032,524
Total earning assets	23,542,657	21,792,725	21,340,371	21,119,073	18,939,750
Total securities	7,640,268	6,231,006	5,659,785	4,973,171	4,468,340
Loans and leases, net of unearned income	15,038,808	15,022,479	15,327,735	15,427,421	14,224,645
Allowance for credit losses	241,117	244,422	250,624	237,025	218,199
Net book value of acquired loans (included in loans and leases above)	1,023,252	1,160,267	1,320,671	1,510,008	1,661,329
Paycheck protection program (PPP) loans (included in loans and leases above)	1,146,000	975,421	1,212,246	1,192,715	-
Remaining loan mark on acquired loans	10,069	13,886	16,198	19,977	22,286
Total deposits	21,173,186	19,846,441	19,412,979	19,179,486	16,887,916
Total deposits and securities sold under agreement to repurchase	21,833,671	20,484,156	20,024,434	19,849,502	17,426,878
Long-term debt	4,295	4,402	4,508	4,615	4,721
Junior subordinated debt securities	297,425	297,250	297,074	296,898	296,723
Total shareholders' equity	2,825,198	2,822,477	2,782,539	2,732,687	2,681,904
Common shareholders' equity	2,658,205	2,655,484	2,615,546	2,565,694	2,514,911
Balance Sheet - Average Balances					
Total assets	\$ 24,545,560	\$ 23,660,503	\$ 23,318,877	\$ 22,707,686	\$ 21,189,637
Total earning assets	22,346,075	21,497,938	21,241,896	20,594,889	19,113,449
Total securities	6,606,027	5,820,425	5,309,982	4,437,614	4,461,298
Loans and leases, net of unearned income	15,029,076	15,219,402	15,369,684	15,114,732	14,226,788
PPP loans (included in loans and leases above)	1,062,423	1,139,959	1,207,097	975,029	-
Total deposits	20,472,080	19,600,863	19,258,930	18,454,472	16,905,229
Total deposits and securities sold under agreement to repurchase	21,123,774	20,272,881	19,940,330	19,098,599	17,446,936
Long-term debt	4,378	4,488	4,592	4,699	4,800
Junior subordinated debt securities	297,318	297,145	296,969	296,793	296,617
Total shareholders' equity	2,813,001	2,774,589	2,729,870	2,738,434	2,658,699
Common shareholders' equity	2,646,008	2,607,596	2,562,877	2,571,441	2,491,678
Nonperforming Assets:					
Non-accrual loans and leases	\$ 73,142	\$ 96,378	\$ 122,108	\$ 126,753	\$ 110,074
Loans and leases 90+ days past due, still accruing	21,208	14,320	17,641	9,877	7,272
Restructured loans and leases, still accruing	6,971	10,475	11,154	11,575	11,284
Non-performing loans (NPLs)	101,321	121,173	150,903	148,205	128,630
Other real estate owned	9,351	11,395	6,397	7,164	9,200
Non-performing assets (NPAs)	\$ 110,672	\$ 132,568	\$ 157,300	\$ 155,369	\$ 137,830
Financial Ratios and Other Data:					
Return on average assets	1.35%	1.16%	1.26%	1.08%	0.46%
Operating return on average assets-excluding MSR*	1.28%	1.23%	1.26%	1.12%	0.70%
Return on average shareholders' equity	11.76%	9.87%	10.76%	8.98%	3.67%
Operating return on average shareholders' equity-excluding MSR*	11.13%	10.49%	10.72%	9.29%	5.56%
Return on average common shareholders' equity	12.14%	10.14%	11.09%	9.19%	3.53%
Operating return on average common shareholders' equity-excluding MSR*	11.47%	10.80%	11.05%	9.53%	5.55%
Return on average tangible equity*	17.35%	14.66%	16.08%	13.43%	5.56%
Operating return on average tangible equity-excluding MSR*	16.42%	15.58%	16.03%	13.89%	8.42%
Return on average tangible common equity*	18.46%	15.54%	17.13%	14.20%	5.54%
Operating return on average tangible common equity-excluding MSR*	17.44%	16.56%	17.08%	14.71%	8.71%
Pre-tax pre-provision net revenue to total average assets*	1.64%	1.57%	1.88%	1.81%	1.74%
Noninterest income to average assets	1.45%	1.33%	1.53%	1.62%	1.45%
Noninterest expense to average assets	2.57%	2.82%	2.65%	2.88%	3.19%
Net interest margin-fully taxable equivalent	3.15%	3.29%	3.31%	3.35%	3.54%
Net interest margin-fully taxable equivalent, excluding net accretion on acquired loans and leases	3.08%	3.24%	3.23%	3.30%	3.48%
Net interest rate spread	2.97%	3.07%	3.06%	3.08%	3.24%
Efficiency ratio (tax equivalent)*	59.64%	65.47%	58.36%	61.89%	68.65%
Operating efficiency ratio-excluding MSR (tax equivalent)*	60.74%	63.18%	58.41%	61.16%	63.89%
Loan/deposit ratio	71.03%	75.69%	78.96%	80.44%	84.23%
Price to earnings multiple (close)	12.07	12.88	9.18	11.15	9.46
Market value to common book value	125.39%	105.98%	75.99%	90.91%	77.21%
Market value to common book value (avg)	119.10%	97.56%	83.75%	84.79%	107.86%
Market value to common tangible book value	190.14%	161.00%	116.01%	140.44%	120.81%
Market value to common tangible book value (avg)	180.60%	148.21%	127.86%	130.99%	168.76%
Employee FTE	4,546	4,596	4,691	4,742	4,737

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

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

	Quarter Ended 3/31/2021	Quarter Ended 12/31/2020	Quarter Ended 9/30/2020	Quarter Ended 6/30/2020	Quarter Ended 3/31/2020
Credit Quality Ratios:					
Net charge-offs(recoveries) to average loans and leases (annualized)	0.09%	0.29%	0.04%	0.03%	0.39%
Provision for credit losses to average loans and leases (annualized)	0.00%	0.13%	0.39%	0.53%	1.30%
Allowance for credit losses to net loans and leases	1.60%	1.63%	1.64%	1.54%	1.53%
Allowance for credit losses to net loans and leases, excluding PPP loans	1.74%	1.74%	1.78%	1.67%	1.53%
Allowance for credit losses to non-performing loans and leases	237.97%	201.71%	166.08%	159.93%	169.63%
Allowance for credit losses to non-performing assets	217.87%	184.37%	159.33%	152.56%	158.31%
Non-performing loans and leases to net loans and leases	0.67%	0.81%	0.98%	0.96%	0.90%
Non-performing loans and leases to net loans and leases, excluding acquired loans and leases	0.54%	0.62%	0.74%	0.63%	0.64%
Non-performing assets to total assets	0.43%	0.55%	0.67%	0.67%	0.66%
Non-performing assets to total assets, excluding acquired loans and leases	0.34%	0.42%	0.49%	0.43%	0.44%
Equity Ratios:					
Total shareholders' equity to total assets	10.95%	11.72%	11.81%	11.76%	12.75%
Total common shareholders' equity to total assets	10.30%	11.03%	11.10%	11.04%	11.96%
Tangible shareholders' equity to tangible assets*	7.71%	8.26%	8.30%	8.18%	8.82%
Tangible shareholders' equity to tangible assets-excluding PPP loans*	8.08%	8.63%	8.77%	8.65%	8.82%
Tangible common shareholders' equity to tangible assets*	7.04%	7.54%	7.56%	7.44%	7.99%
Tangible common shareholders' equity to tangible assets-excluding PPP loans*	7.38%	7.87%	7.99%	7.86%	7.99%
Capital Adequacy:					
Common Equity Tier 1 capital	10.97%	10.74%	10.64%	10.21%	10.11%
Tier 1 capital	11.95%	11.74%	11.65%	11.22%	11.13%
Total capital	14.65%	14.48%	14.20%	13.79%	13.75%
Tier 1 leverage capital	8.59%	8.67%	8.59%	8.54%	8.90%
Estimated for current quarter					
Common Share Data:					
Basic earnings per share	\$ 0.77	\$ 0.65	\$ 0.70	\$ 0.57	\$ 0.21
Diluted earnings per share	0.77	0.65	0.69	0.57	0.21
Operating earnings per share*	0.78	0.69	0.70	0.57	0.25
Operating earnings per share- excluding MSR*	0.73	0.69	0.69	0.59	0.33
Cash dividends per share	0.190	0.190	0.185	0.185	0.185
Book value per share	25.90	25.89	25.50	25.01	24.50
Tangible book value per share*	17.08	17.04	16.71	16.19	15.66
Market value per share (last)	32.48	27.44	19.38	22.74	18.92
Market value per share (high)	35.59	28.54	24.29	25.93	31.61
Market value per share (low)	26.95	18.77	18.11	17.21	17.24
Market value per share (avg)	30.85	25.26	21.36	21.21	26.43
Dividend payout ratio	24.62%	29.34%	26.56%	32.29%	88.20%
Total shares outstanding	102,624,818	102,561,480	102,558,459	102,566,301	102,632,484
Average shares outstanding - basic	102,622,111	102,569,547	102,564,466	102,603,525	104,354,328
Average shares outstanding - diluted	102,711,584	102,817,409	102,839,749	102,827,225	104,733,897
Yield/Rate:					
(Taxable equivalent basis)					
Loans, loans held for sale, and leases net of unearned income	4.53%	4.55%	4.54%	4.59%	5.00%
Loans, loans held for sale, and leases net of unearned income, excluding net accretion on acquired loans and leases	4.43%	4.49%	4.44%	4.53%	4.93%
Loans, loans held for sale, and leases net of unearned income, excluding net accretion on acquired loans and leases - excluding PPP loans	4.49%	4.53%	4.55%	4.67%	4.93%
PPP loans	3.69%	3.99%	3.11%	2.50%	N/A
Available-for-sale securities:					
Taxable	1.32%	1.53%	1.64%	1.95%	1.99%
Tax-exempt	3.52%	3.40%	3.67%	3.86%	4.44%
Short-term, FHLB and other equity investments	0.11%	0.13%	0.19%	0.20%	1.53%
Total interest earning assets and revenue	3.51%	3.70%	3.77%	3.87%	4.27%
Deposits	0.33%	0.38%	0.44%	0.50%	0.67%
Demand - interest bearing	0.40%	0.47%	0.53%	0.61%	0.84%
Savings	0.11%	0.15%	0.18%	0.18%	0.26%
Other time	1.14%	1.28%	1.41%	1.54%	1.64%
Total interest bearing deposits	0.48%	0.57%	0.65%	0.74%	0.92%
Short-term borrowings	0.13%	0.26%	0.25%	0.39%	1.25%
Total interest bearing deposits and short-term borrowings	0.46%	0.55%	0.63%	0.71%	0.95%
Junior subordinated debt	4.46%	4.05%	4.24%	4.18%	4.42%
Long-term debt	4.88%	4.84%	4.85%	4.81%	4.96%
Total interest bearing liabilities and expense	0.54%	0.63%	0.71%	0.79%	1.03%
Interest bearing liabilities to interest earning assets	66.87%	65.99%	65.61%	66.65%	70.81%
Net interest tax equivalent adjustment	\$ 569	\$ 709	\$ 618	\$ 725	\$ 714

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

BancorpSouth Bank
Consolidated Balance Sheets
(Unaudited)

	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20
(Dollars in thousands)					
<u>Assets</u>					
Cash and due from banks	\$ 263,289	\$ 284,095	\$ 306,164	\$ 240,354	\$ 253,495
Interest bearing deposits with other banks and Federal funds sold	336,253	133,273	39,782	318,615	29,490
Available-for-sale securities, at fair value	7,640,268	6,231,006	5,659,785	4,973,171	4,468,340
Loans and leases*	15,056,559	15,039,239	15,344,006	15,444,794	14,241,912
Less: Unearned income	17,751	16,760	16,271	17,373	17,267
Allowance for credit losses	241,117	244,422	250,624	237,025	218,199
Net loans and leases	14,797,691	14,778,057	15,077,111	15,190,396	14,006,446
Loans held for sale	518,352	397,076	304,215	391,051	194,321
Premises and equipment, net	508,508	508,147	508,149	504,748	497,669
Accrued interest receivable	106,355	106,318	110,185	101,321	70,463
Goodwill	851,612	851,612	847,531	847,984	848,242
Other identifiable intangibles	53,581	55,899	54,757	56,989	59,345
Bank owned life insurance	335,707	333,264	331,799	329,167	327,312
Other real estate owned	9,351	11,395	6,397	7,164	9,200
Other assets	381,530	391,052	309,547	275,216	268,201
Total Assets	<u>\$ 25,802,497</u>	<u>\$ 24,081,194</u>	<u>\$ 23,555,422</u>	<u>\$ 23,236,176</u>	<u>\$ 21,032,524</u>
<u>Liabilities</u>					
Deposits:					
Demand: Noninterest bearing	\$ 6,990,880	\$ 6,341,457	\$ 6,336,792	\$ 6,385,370	\$ 4,861,155
Interest bearing	9,067,373	8,524,010	8,170,402	7,907,637	7,268,053
Savings	2,678,276	2,452,059	2,325,980	2,234,853	2,013,343
Other time	2,436,657	2,528,915	2,579,805	2,651,626	2,745,365
Total deposits	21,173,186	19,846,441	19,412,979	19,179,486	16,887,916
Securities sold under agreement to repurchase	660,485	637,715	611,455	670,016	538,962
Federal funds purchased and other short-term borrowing	-	-	95,217	220	290,224
Accrued interest payable	11,879	10,885	15,286	13,476	17,482
Junior subordinated debt securities	297,425	297,250	297,074	296,898	296,723
Long-term debt	4,295	4,402	4,508	4,615	4,721
Other liabilities	830,029	462,024	336,364	338,778	314,592
Total Liabilities	22,977,299	21,258,717	20,772,883	20,503,489	18,350,620
<u>Shareholders' Equity</u>					
Preferred stock	166,993	166,993	166,993	166,993	166,993
Common stock	256,562	256,404	256,396	256,416	256,581
Capital surplus	563,481	565,187	565,635	561,541	558,114
Accumulated other comprehensive (loss) income	(43,459)	11,923	18,490	25,191	17,849
Retained earnings	1,881,621	1,821,970	1,775,025	1,722,546	1,682,367
Total Shareholders' Equity	2,825,198	2,822,477	2,782,539	2,732,687	2,681,904
Total Liabilities & Shareholders' Equity	<u>\$ 25,802,497</u>	<u>\$ 24,081,194</u>	<u>\$ 23,555,422</u>	<u>\$ 23,236,176</u>	<u>\$ 21,032,524</u>

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

BancorpSouth Bank
Consolidated Average Balance Sheets
(Unaudited)

	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20
	(Dollars in thousands)				
<u>Assets</u>					
Cash and due from banks	\$ 261,519	\$ 247,799	\$ 232,421	\$ 229,334	\$ 246,860
Interest bearing deposits with other banks and Federal funds sold	412,313	171,650	257,057	760,789	239,766
Available-for-sale securities, at fair value	6,606,027	5,820,425	5,309,982	4,437,614	4,461,298
Loans and leases*	15,045,837	15,235,827	15,386,721	15,132,600	14,244,649
Less: Unearned income	16,761	16,425	17,037	17,868	17,861
Allowance for credit losses	242,935	247,049	236,536	217,508	193,796
Net loans and leases	14,786,141	14,972,353	15,133,148	14,897,224	14,032,992
Loans held for sale	289,755	277,600	296,352	261,377	147,798
Premises and equipment, net	508,551	508,053	507,190	499,767	494,413
Accrued interest receivable	102,190	105,513	104,435	137,456	64,010
Goodwill	851,612	852,472	847,744	848,160	844,635
Other identifiable intangibles	54,876	54,858	56,045	58,280	58,805
Bank owned life insurance	333,837	332,543	330,642	328,037	326,808
Other real estate owned	11,043	14,872	7,754	8,410	8,151
Other assets	327,696	302,365	236,107	241,238	264,101
Total Assets	<u>\$ 24,545,560</u>	<u>\$ 23,660,503</u>	<u>\$ 23,318,877</u>	<u>\$ 22,707,686</u>	<u>\$ 21,189,637</u>
<u>Liabilities</u>					
Deposits:					
Demand: Noninterest bearing	\$ 6,484,703	\$ 6,391,006	\$ 6,340,942	\$ 5,942,570	\$ 4,717,202
Interest bearing	8,956,420	8,268,528	8,022,755	7,674,479	7,466,674
Savings	2,550,095	2,386,034	2,280,860	2,152,092	1,975,690
Other time	2,480,862	2,555,295	2,614,373	2,685,331	2,745,663
Total deposits	20,472,080	19,600,863	19,258,930	18,454,472	16,905,229
Securities sold under agreement to repurchase	651,694	672,018	681,400	644,127	541,707
Federal funds purchased and other short-term borrowing	1,500	3,893	36,696	269,121	502,257
Accrued interest payable	11,607	14,175	15,589	16,268	19,205
Junior subordinated debt securities	297,318	297,145	296,969	296,793	296,617
Long-term debt	4,378	4,488	4,592	4,699	4,800
Other liabilities	293,982	293,332	294,831	283,772	261,123
Total Liabilities	21,732,559	20,885,914	20,589,007	19,969,252	18,530,938
<u>Shareholders' Equity</u>					
Preferred stock	166,993	166,993	166,993	166,993	167,021
Common stock	256,536	256,422	256,412	256,515	261,065
Capital surplus	563,529	568,343	563,267	559,737	600,880
Accumulated other comprehensive (loss) income	(5,090)	12,432	24,758	23,016	(36,367)
Retained earnings	1,831,033	1,770,399	1,718,440	1,732,173	1,666,100
Total Shareholders' Equity	2,813,001	2,774,589	2,729,870	2,738,434	2,658,699
Total Liabilities & Shareholders' Equity	<u>\$ 24,545,560</u>	<u>\$ 23,660,503</u>	<u>\$ 23,318,877</u>	<u>\$ 22,707,686</u>	<u>\$ 21,189,637</u>

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

BXS Announces First Quarter 2021 Financial Results

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April 21, 2021

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

	Quarter Ended				
	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20
INTEREST REVENUE:					
Loans and leases	\$ 169,195	\$ 174,072	\$ 175,810	\$ 173,164	\$ 177,019
Deposits with other banks	108	50	74	207	739
Federal funds sold, securities purchased under agreement to resell, FHLB and other equity investments	6	6	52	178	315
Available-for-sale securities:					
Taxable	21,192	21,895	21,280	20,783	21,508
Tax-exempt	687	760	986	1,178	1,060
Loans held for sale	1,595	2,504	2,468	1,962	1,423
Total interest revenue	<u>192,783</u>	<u>199,287</u>	<u>200,670</u>	<u>197,472</u>	<u>202,064</u>
INTEREST EXPENSE:					
Interest bearing demand	8,796	9,766	10,773	11,631	15,522
Savings	700	872	1,012	943	1,290
Other time	6,966	8,189	9,287	10,296	11,168
Federal funds purchased and securities sold under agreement to repurchase	203	276	279	291	1,436
Short-term and long-term debt	45	47	49	477	1,857
Junior subordinated debt	3,269	3,201	3,338	3,263	3,261
Other	15	-	1	1	-
Total interest expense	<u>19,994</u>	<u>22,351</u>	<u>24,739</u>	<u>26,902</u>	<u>34,534</u>
Net interest revenue	172,789	176,936	175,931	170,570	167,530
Provision for credit losses	-	5,000	15,000	20,000	46,000
Net interest revenue, after provision for credit losses	<u>172,789</u>	<u>171,936</u>	<u>160,931</u>	<u>150,570</u>	<u>121,530</u>
NONINTEREST REVENUE:					
Mortgage banking	25,310	20,129	27,097	29,557	9,470
Credit card, debit card and merchant fees	9,659	10,053	9,938	9,080	9,176
Deposit service charges	8,477	9,708	8,892	7,647	11,682
Security gains(losses), net	82	63	18	62	(85)
Insurance commissions	30,667	29,815	32,750	33,118	29,603
Wealth management	8,465	6,751	6,471	6,421	6,570
Other	5,276	2,307	4,758	5,373	10,080
Total noninterest revenue	<u>87,936</u>	<u>78,826</u>	<u>89,924</u>	<u>91,258</u>	<u>76,496</u>
NONINTEREST EXPENSE:					
Salaries and employee benefits	101,060	97,215	104,219	108,103	108,272
Occupancy, net of rental income	12,814	13,004	13,053	12,890	12,708
Equipment	4,564	4,756	4,519	4,762	4,649
Deposit insurance assessments	1,455	1,696	1,522	1,962	1,546
Pension settlement expense	-	5,846	-	-	-
Other	35,930	45,394	32,192	34,787	40,831
Total noninterest expense	<u>155,823</u>	<u>167,911</u>	<u>155,505</u>	<u>162,504</u>	<u>168,006</u>
Income before income taxes	104,902	82,851	95,350	79,324	30,020
Income tax expense	23,347	14,046	21,525	18,164	5,759
Net income	<u>\$ 81,555</u>	<u>\$ 68,805</u>	<u>\$ 73,825</u>	<u>\$ 61,160</u>	<u>\$ 24,261</u>
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372
Net income available to common shareholders	<u>\$ 79,183</u>	<u>\$ 66,433</u>	<u>\$ 71,453</u>	<u>\$ 58,788</u>	<u>\$ 21,889</u>
Net income per common share: Basic	<u>\$ 0.77</u>	<u>\$ 0.65</u>	<u>\$ 0.70</u>	<u>\$ 0.57</u>	<u>\$ 0.21</u>
Diluted	<u>\$ 0.77</u>	<u>\$ 0.65</u>	<u>\$ 0.69</u>	<u>\$ 0.57</u>	<u>\$ 0.21</u>

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

	Quarter Ended				
	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20
LOAN AND LEASE PORTFOLIO:					
Commercial and industrial					
Commercial and industrial-non real estate	2,865,706	2,673,429	2,937,608	3,038,957	2,008,043
Commercial and industrial-owner occupied	2,260,456	2,281,127	2,297,008	2,296,287	2,290,585
Total commercial and industrial	5,126,162	4,954,556	5,234,616	5,335,244	4,298,628
Commercial real estate					
Agricultural	337,710	317,994	333,839	333,615	339,539
Construction, acquisition and development	1,707,800	1,728,682	1,700,030	1,658,678	1,582,039
Commercial real estate	3,127,510	3,211,434	3,229,959	3,323,744	3,303,537
Total commercial real estate	5,173,020	5,258,110	5,263,828	5,316,037	5,225,115
Consumer					
Consumer mortgages	3,700,076	3,726,241	3,704,490	3,646,168	3,572,277
Home equity	608,924	630,097	658,708	655,543	686,202
Credit cards	81,499	89,077	85,760	86,592	93,896
Total consumer	4,390,499	4,445,415	4,448,958	4,388,303	4,352,375
All other	349,127	364,398	380,333	387,837	348,527
Total loans	\$ 15,038,808	\$ 15,022,479	\$ 15,327,735	\$ 15,427,421	\$ 14,224,645
ALLOWANCE FOR CREDIT LOSSES:					
Balance, beginning of period	\$ 244,422	\$ 250,624	\$ 237,025	\$ 218,199	\$ 119,066
Impact of adopting ASC 326 - cumulative effect adjustment	-	-	-	-	40,000
Impact of adopting ASC 326 - purchased loans with credit deterioration	-	-	-	-	22,634
Loans and leases charged-off:					
Commercial and industrial					
Commercial and industrial-non real estate	(2,269)	(4,343)	(560)	(1,506)	(10,792)
Commercial and industrial-owner occupied	(677)	(1,168)	(441)	(13)	(184)
Total commercial and industrial	(2,946)	(5,511)	(1,001)	(1,519)	(10,976)
Commercial real estate					
Agricultural	(98)	(155)	-	(21)	(65)
Construction, acquisition and development	(807)	(1,773)	-	(9)	(3,173)
Commercial real estate	(478)	(3,134)	(738)	-	(67)
Total commercial real estate	(1,383)	(5,062)	(738)	(30)	(3,305)
Consumer					
Consumer mortgages	(293)	(731)	(81)	(124)	(524)
Home equity	(50)	(395)	(41)	(162)	(236)
Credit cards	(733)	(458)	(682)	(703)	(798)
Total consumer	(1,076)	(1,584)	(804)	(989)	(1,558)
All other	(501)	(875)	(599)	(396)	(914)
Total loans charged-off	(5,906)	(13,032)	(3,142)	(2,934)	(16,753)
Recoveries:					
Commercial and industrial					
Commercial and industrial-non real estate	1,031	779	294	277	355
Commercial and industrial-owner occupied	62	37	163	136	1,179
Total commercial and industrial	1,093	816	457	413	1,534
Commercial real estate					
Agricultural	86	24	3	6	6
Construction, acquisition and development	53	73	55	172	245
Commercial real estate	56	45	209	50	135
Total commercial real estate	195	142	267	228	386
Consumer					
Consumer mortgages	403	230	352	345	397
Home equity	220	151	132	259	80
Credit cards	297	211	270	195	285
Total consumer	920	592	754	799	762
All other	393	280	263	320	344
Total recoveries	2,601	1,830	1,741	1,760	3,026
Net (charge-offs)recoveries	(3,305)	(11,202)	(1,401)	(1,174)	(13,727)
Initial allowance on loans purchased with credit deterioration	-	-	-	-	4,226
Provision:					
Initial provision for loans acquired during the quarter	-	-	-	-	1,000
Provision for credit losses related to loans and leases	-	5,000	15,000	20,000	45,000
Total provision	-	5,000	15,000	20,000	46,000
Balance, end of period	\$ 241,117	\$ 244,422	\$ 250,624	\$ 237,025	\$ 218,199
Average loans for period	\$ 15,029,076	\$ 15,219,402	\$ 15,369,684	\$ 15,114,732	\$ 14,226,788
Ratio:					
Net charge-offs(recoveries) to average loans (annualized)	0.09%	0.29%	0.04%	0.03%	0.39%

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

	Quarter Ended				
	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20
BXS ORIGINATED LOANS AND LEASES:					
Loans and leases charged off:					
Commercial and industrial					
Commercial and industrial-non real estate	\$ (1,971)	\$ (1,991)	\$ (490)	\$ (420)	\$ (230)
Commercial and industrial-owner occupied	(187)	(303)	(434)	(13)	(19)
Total commercial and industrial	<u>(2,158)</u>	<u>(2,294)</u>	<u>(924)</u>	<u>(433)</u>	<u>(249)</u>
Commercial real estate					
Agricultural	(94)	(124)	-	-	(65)
Construction, acquisition and development	(344)	(1,709)	-	-	(121)
Commercial real estate	(27)	(1,704)	(155)	-	(67)
Total real estate	<u>(465)</u>	<u>(3,537)</u>	<u>(155)</u>	<u>-</u>	<u>(253)</u>
Consumer					
Consumer mortgages	(181)	(537)	(70)	(113)	(357)
Home equity	(50)	(395)	(41)	(162)	(236)
Credit cards	(733)	(458)	(682)	(703)	(798)
Total consumer	<u>(964)</u>	<u>(1,390)</u>	<u>(793)</u>	<u>(978)</u>	<u>(1,391)</u>
All other	(399)	(698)	(459)	(288)	(704)
Total loans charged off	<u>(3,986)</u>	<u>(7,919)</u>	<u>(2,331)</u>	<u>(1,699)</u>	<u>(2,597)</u>
Recoveries:					
Commercial and industrial					
Commercial and industrial-non real estate	387	645	231	210	325
Commercial and industrial-owner occupied	61	27	163	136	1,177
Total commercial and industrial	<u>448</u>	<u>672</u>	<u>394</u>	<u>346</u>	<u>1,502</u>
Commercial real estate					
Agricultural	5	23	3	5	4
Construction, acquisition and development	51	73	55	170	244
Commercial real estate	36	45	208	50	135
Total real estate	<u>92</u>	<u>141</u>	<u>266</u>	<u>225</u>	<u>383</u>
Consumer					
Consumer mortgages	392	221	350	343	395
Home equity	219	149	130	258	79
Credit cards	297	211	270	195	285
Total consumer	<u>908</u>	<u>581</u>	<u>750</u>	<u>796</u>	<u>759</u>
All other	325	249	235	275	316
Total recoveries	<u>1,773</u>	<u>1,643</u>	<u>1,645</u>	<u>1,642</u>	<u>2,960</u>
Net (charge-offs)/recoveries	<u>\$ (2,213)</u>	<u>\$ (6,276)</u>	<u>\$ (686)</u>	<u>\$ (57)</u>	<u>\$ 363</u>

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BXS Announces First Quarter 2021 Financial Results

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April 21, 2021

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

	Quarter Ended				
	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20
ACQUIRED LOANS AND LEASES:					
Loans and leases charged off:					
Commercial and industrial					
Commercial and industrial-non real estate	\$ (298)	\$ (2,352)	\$ (70)	\$ (1,086)	\$ (10,562)
Commercial and industrial-owner occupied	(490)	(865)	(7)	-	(165)
Total commercial and industrial	(788)	(3,217)	(77)	(1,086)	(10,727)
Commercial real estate					
Agricultural	(4)	(31)	-	(21)	-
Construction, acquisition and development	(463)	(64)	-	(9)	(3,052)
Commercial real estate	(451)	(1,430)	(583)	-	-
Total real estate	(918)	(1,525)	(583)	(30)	(3,052)
Consumer					
Consumer mortgages	(112)	(194)	(11)	(11)	(167)
Home equity	-	-	-	-	-
Credit cards	-	-	-	-	-
Total consumer	(112)	(194)	(11)	(11)	(167)
All other	(102)	(177)	(140)	(108)	(210)
Total loans charged off	(1,920)	(5,113)	(811)	(1,235)	(14,156)
Recoveries:					
Commercial and industrial					
Commercial and industrial-non real estate	644	134	63	67	30
Commercial and industrial-owner occupied	1	10	-	-	2
Total commercial and industrial	645	144	63	67	32
Commercial real estate					
Agricultural	81	1	-	1	2
Construction, acquisition and development	2	-	-	2	1
Commercial real estate	20	-	1	-	-
Total real estate	103	1	1	3	3
Consumer					
Consumer mortgages	11	9	2	2	2
Home equity	1	2	2	1	1
Credit cards	-	-	-	-	-
Total consumer	12	11	4	3	3
All other	68	31	28	45	28
Total recoveries	828	187	96	118	66
Net (charge-offs)/recoveries	\$ (1,092)	\$ (4,926)	\$ (715)	\$ (1,117)	\$ (14,090)

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April 21, 2021

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

	Quarter Ended				
	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20
NON-PERFORMING ASSETS					
NON-PERFORMING LOANS AND LEASES:					
Nonaccrual Loans and Leases					
Commercial and industrial					
Commercial and industrial-non real estate	\$ 9,703	\$ 12,768	\$ 17,936	\$ 16,124	\$ 16,589
Commercial and industrial-owner occupied	15,019	15,783	18,343	16,745	11,212
Total commercial and industrial	<u>24,722</u>	<u>28,551</u>	<u>36,279</u>	<u>32,869</u>	<u>27,801</u>
Commercial real estate					
Agricultural	2,293	5,013	5,907	5,244	5,454
Construction, acquisition and development	8,494	9,738	10,434	9,715	13,899
Commercial real estate	12,838	16,249	32,554	45,047	29,697
Total commercial real estate	<u>23,625</u>	<u>31,000</u>	<u>48,895</u>	<u>60,006</u>	<u>49,050</u>
Consumer					
Consumer mortgages	23,535	32,951	32,872	30,672	29,834
Home equity	847	2,657	3,325	2,584	2,597
Credit cards	131	173	144	90	122
Total consumer	<u>24,513</u>	<u>35,781</u>	<u>36,341</u>	<u>33,346</u>	<u>32,553</u>
All other					
Total nonaccrual loans and leases	<u>\$ 73,142</u>	<u>\$ 96,378</u>	<u>\$ 122,108</u>	<u>\$ 126,753</u>	<u>\$ 110,074</u>
Loans and Leases 90+ Days Past Due, Still Accruing:	21,208	14,320	17,641	9,877	7,272
Restructured Loans and Leases, Still Accruing	6,971	10,475	11,154	11,575	11,284
Total non-performing loans and leases	<u>\$ 101,321</u>	<u>\$ 121,173</u>	<u>\$ 150,903</u>	<u>\$ 148,205</u>	<u>\$ 128,630</u>
OTHER REAL ESTATE OWNED:					
	<u>9,351</u>	<u>11,395</u>	<u>6,397</u>	<u>7,164</u>	<u>9,200</u>
Total Non-performing Assets	<u>\$ 110,672</u>	<u>\$ 132,568</u>	<u>\$ 157,300</u>	<u>\$ 155,369</u>	<u>\$ 137,830</u>
BXS originated assets					
Acquired assets	\$ 85,266	\$ 97,025	\$ 109,418	\$ 94,155	\$ 85,908
Total Non-performing Assets	<u>25,406</u>	<u>35,543</u>	<u>47,882</u>	<u>61,214</u>	<u>51,922</u>
	<u>\$ 110,672</u>	<u>\$ 132,568</u>	<u>\$ 157,300</u>	<u>\$ 155,369</u>	<u>\$ 137,830</u>
Additions to Nonaccrual Loans and Leases During the Quarter	<u>\$ 10,029</u>	<u>\$ 11,087</u>	<u>\$ 19,973</u>	<u>\$ 36,619</u>	<u>\$ 47,523</u>
Loans and Leases 30-89 Days Past Due, Still Accruing:					
BXS originated loans	\$ 34,929	\$ 40,424	\$ 42,978	\$ 35,002	\$ 54,315
Acquired loans	2,798	6,048	5,694	10,450	14,405
Total Loans and Leases 30-89 days past due, still accruing	<u>\$ 37,727</u>	<u>\$ 46,472</u>	<u>\$ 48,672</u>	<u>\$ 45,452</u>	<u>\$ 68,720</u>

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

March 31, 2021

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

December 31, 2020

	Pass	Special Mention	Substandard	Doubtful	Loss	Impaired	Purchased Credit		Total
							Deteriorated (Loss)		
LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:									
Commercial and industrial									
Commercial and industrial-non real estate	\$ 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
Commercial real estate									
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
Consumer									
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
All other									
All other	357,812	-	6,519	-	-	-	67	-	364,398
Total loans	\$ 14,602,079	\$ 8,736	\$ 358,988	\$ 172	\$ -	\$ 29,545	\$ 22,959	\$ -	\$ 15,022,479
BXS originated loans									
BXS originated loans	\$ 13,459,529	\$ 8,736	\$ 259,682	\$ 172	\$ -	\$ 17,520	\$ -	\$ -	\$ 13,745,639
Acquired loans*									
Acquired loans*	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

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

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

	Quarter Ended				
	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20
LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:					
Pass	\$ 14,646,582	\$ 14,602,079	\$ 14,877,943	\$ 14,985,673	\$ 13,821,602
Special Mention	5,005	8,736	-	4,264	7,129
Substandard	336,410	358,988	372,483	350,264	323,697
Doubtful	171	172	178	179	191
Loss	-	-	-	-	667
Impaired	28,615	29,545	49,818	57,406	40,627
Purchased Credit Deteriorated (Loss)	22,025	22,959	27,313	29,635	30,732
Total	<u>\$ 15,038,808</u>	<u>\$ 15,022,479</u>	<u>\$ 15,327,735</u>	<u>\$ 15,427,421</u>	<u>\$ 14,224,645</u>

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

Pass	\$ 13,635,053	\$ 13,459,529	\$ 13,592,460	\$ 13,516,292	\$ 12,150,616
Special Mention	5,005	8,736	-	2,741	2,045
Substandard	252,140	259,682	252,875	231,687	225,506
Doubtful	171	172	178	179	191
Loss	-	-	-	-	-
Impaired	18,188	17,520	30,909	28,288	22,356
Purchased Credit Deteriorated (Loss)	-	-	-	-	-
Total	<u>\$ 13,910,557</u>	<u>\$ 13,745,639</u>	<u>\$ 13,876,422</u>	<u>\$ 13,779,187</u>	<u>\$ 12,400,714</u>

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

Pass	\$ 1,011,529	\$ 1,142,550	\$ 1,285,483	\$ 1,469,381	\$ 1,670,986
Special Mention	-	-	-	1,523	5,084
Substandard	84,270	99,306	119,608	118,577	98,191
Doubtful	-	-	-	-	-
Loss	-	-	-	-	667
Impaired	10,427	12,025	18,909	29,118	18,271
Purchased Credit Deteriorated (Loss)	22,025	22,959	27,313	29,635	30,732
Total	<u>\$ 1,128,251</u>	<u>\$ 1,276,840</u>	<u>\$ 1,451,313</u>	<u>\$ 1,648,234</u>	<u>\$ 1,823,931</u>

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

March 31, 2021

	Alabama and Florida Panhandle	Arkansas	Louisiana	Mississippi	Missouri	Tennessee	Texas	Other	Total
LOAN AND LEASE PORTFOLIO:									
Commercial and industrial									
Commercial and industrial-non real estate	\$ 254,421	\$ 205,840	\$ 331,255	\$ 674,111	\$ 87,701	\$ 175,804	\$ 1,132,825	\$ 3,749	\$ 2,865,706
Commercial and industrial-owner occupied	265,198	180,900	229,123	592,555	64,563	123,882	787,661	16,574	2,260,456
Total commercial and industrial	519,619	386,740	560,378	1,266,666	152,264	299,686	1,920,486	20,323	5,126,162
Commercial real estate									
Agricultural	26,692	69,704	22,287	69,210	7,834	11,234	130,343	406	337,710
Construction, acquisition and development	202,159	52,596	74,407	346,196	12,741	83,245	936,258	198	1,707,800
Commercial real estate	316,143	320,806	243,605	645,649	204,343	218,316	1,177,921	727	3,127,510
Total commercial real estate	544,994	443,106	340,299	1,061,055	224,918	312,795	2,244,522	1,331	5,173,020
Consumer									
Consumer mortgages	594,984	319,060	326,864	811,487	110,284	327,596	1,157,824	51,977	3,700,076
Home equity	92,721	44,282	73,245	209,906	16,218	130,875	41,573	104	608,924
Credit cards	-	-	-	-	-	-	-	81,499	81,499
Total consumer	687,705	363,342	400,109	1,021,393	126,502	458,471	1,199,397	133,580	4,390,499
All other	48,036	36,285	46,268	117,094	2,030	22,245	73,793	3,376	349,127
Total loans	\$ 1,800,354	\$ 1,229,473	\$ 1,347,054	\$ 3,466,208	\$ 505,714	\$ 1,093,197	\$ 5,438,198	\$ 158,610	\$ 15,038,808
Loan growth, excluding loans acquired during the quarter (annualized)	3.07%	(10.00%)	(4.59%)	(6.36%)	(13.63%)	3.29%	9.32%	(21.40%)	0.44%
Loan growth, excluding PPP loans (annualized)	(0.62%)	(13.30%)	(13.71%)	(9.37%)	(16.50%)	(1.02%)	4.46%	(41.87%)	(4.16%)
NON-PERFORMING LOANS AND LEASES:									
Commercial and industrial									
Commercial and industrial-non real estate	\$ 188	\$ 776	\$ 1,176	\$ 841	\$ 1,162	\$ 422	\$ 5,546	\$ 156	\$ 10,267
Commercial and industrial-owner occupied	607	1,225	373	1,512	166	-	13,351	-	17,234
Total commercial and industrial	795	2,001	1,549	2,353	1,328	422	18,897	156	27,501
Commercial real estate									
Agricultural	63	337	-	965	-	-	1,522	-	2,887
Construction, acquisition and development	-	131	1,149	83	-	189	10,838	-	12,390
Commercial real estate	2,027	243	1,766	896	-	-	8,584	-	13,516
Total commercial real estate	2,090	711	2,915	1,944	-	189	20,944	-	28,793
Consumer									
Consumer mortgages	11,093	2,942	2,975	11,157	1,120	2,597	8,481	2,027	42,392
Home equity	163	52	298	388	87	131	294	-	1,413
Credit cards	-	-	-	-	-	-	-	832	832
Total consumer	11,256	2,994	3,273	11,545	1,207	2,728	8,775	2,859	44,637
All other	43	1	45	42	-	3	234	22	390
Total loans	\$ 14,184	\$ 5,707	\$ 7,782	\$ 15,884	\$ 2,535	\$ 3,342	\$ 48,850	\$ 3,037	\$ 101,321
NON-PERFORMING LOANS AND LEASES AS A PERCENTAGE OF OUTSTANDING:									
Commercial and industrial									
Commercial and industrial-non real estate	0.07%	0.38%	0.36%	0.12%	1.32%	0.24%	0.49%	4.16%	0.36%
Commercial and industrial-owner occupied	0.23%	0.68%	0.16%	0.26%	0.26%	0.00%	1.70%	0.00%	0.76%
Total commercial and industrial	0.15%	0.52%	0.28%	0.19%	0.87%	0.14%	0.98%	0.77%	0.54%
Commercial real estate									
Agricultural	0.24%	0.48%	0.00%	1.39%	0.00%	0.00%	1.17%	0.00%	0.85%
Construction, acquisition and development	0.00%	0.25%	1.54%	0.02%	0.00%	0.23%	1.16%	0.00%	0.73%
Commercial real estate	0.64%	0.08%	0.72%	0.14%	0.00%	0.00%	0.73%	0.00%	0.43%
Total commercial real estate	0.38%	0.16%	0.86%	0.18%	0.00%	0.06%	0.93%	0.00%	0.56%
Consumer									
Consumer mortgages	1.86%	0.92%	0.91%	1.37%	1.02%	0.79%	0.73%	3.90%	1.15%
Home equity	0.18%	0.12%	0.41%	0.18%	0.54%	0.10%	0.71%	0.00%	0.23%
Credit cards	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.02%	1.02%
Total consumer	1.64%	0.82%	0.82%	1.13%	0.95%	0.60%	0.73%	2.14%	1.02%
All other	0.09%	0.00%	0.10%	0.04%	0.00%	0.01%	0.32%	0.65%	0.11%
Total loans	0.79%	0.46%	0.58%	0.46%	0.50%	0.31%	0.90%	1.91%	0.67%

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

	Quarter Ended				
	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20
NONINTEREST REVENUE:					
Mortgage banking excl. MSR and MSR Hedge market value adj	\$ 17,929	\$ 19,917	\$ 26,667	\$ 31,930	\$ 20,553
MSR and MSR Hedge market value adjustment	7,381	212	430	(2,373)	(11,083)
Credit card, debit card and merchant fees	9,659	10,053	9,938	9,080	9,176
Deposit service charges	8,477	9,708	8,892	7,647	11,682
Securities gains (losses), net	82	63	18	62	(85)
Insurance commissions	30,667	29,815	32,750	33,118	29,603
Trust income	5,129	4,046	3,902	4,064	4,013
Annuity fees	51	53	53	54	55
Brokerage commissions and fees	3,285	2,652	2,516	2,303	2,502
Bank-owned life insurance	2,020	2,425	1,902	1,855	1,999
Other miscellaneous income	3,256	(118)	2,856	3,518	8,081
Total noninterest revenue	<u>\$ 87,936</u>	<u>\$ 78,826</u>	<u>\$ 89,924</u>	<u>\$ 91,258</u>	<u>\$ 76,496</u>
NONINTEREST EXPENSE:					
Salaries and employee benefits	\$ 101,060	\$ 97,215	\$ 104,219	\$ 108,103	\$ 108,272
Occupancy, net of rental income	12,814	13,004	13,053	12,890	12,708
Equipment	4,564	4,756	4,519	4,762	4,649
Deposit insurance assessments	1,455	1,696	1,522	1,962	1,546
Pension settlement expense	-	5,846	-	-	-
Advertising	1,004	899	826	918	1,099
Foreclosed property expense	1,021	2,122	(278)	1,306	924
Telecommunications	1,398	1,448	1,462	1,512	1,461
Public relations	741	897	1,130	459	680
Data processing	10,424	9,980	9,477	9,693	9,646
Computer software	5,113	5,301	4,779	4,979	4,315
Amortization of intangibles	2,318	2,499	2,357	2,355	2,394
Legal	1,166	1,474	(316)	1,375	898
Merger expense	1,649	212	129	510	4,494
Postage and shipping	1,547	1,418	1,199	1,198	1,441
Other miscellaneous expense	9,549	19,144	11,427	10,482	13,479
Total noninterest expense	<u>\$ 155,823</u>	<u>\$ 167,911</u>	<u>\$ 155,505</u>	<u>\$ 162,504</u>	<u>\$ 168,006</u>
INSURANCE COMMISSIONS:					
Property and casualty commissions	\$ 21,949	\$ 21,304	\$ 24,060	\$ 23,644	\$ 21,246
Life and health commissions	6,494	5,915	6,072	6,771	6,175
Risk management income	613	829	609	540	532
Other	1,611	1,767	2,009	2,163	1,650
Total insurance commissions	<u>\$ 30,667</u>	<u>\$ 29,815</u>	<u>\$ 32,750</u>	<u>\$ 33,118</u>	<u>\$ 29,603</u>

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

	Quarter Ended				
	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20
MORTGAGE SERVICING RIGHTS:					
Fair value, beginning of period	\$ 47,571	\$ 44,944	\$ 40,821	\$ 42,243	\$ 57,109
Additions to mortgage servicing rights:					
Originations of servicing assets	5,588	6,608	7,041	4,297	3,079
Changes in fair value:					
Due to payoffs/paydowns	(3,273)	(3,898)	(3,198)	(3,144)	(2,506)
Due to change in valuation inputs or assumptions used in the valuation model	10,446	(83)	280	(2,575)	(15,438)
Other changes in fair value	-	-	-	-	(1)
Fair value, end of period	<u>\$ 60,332</u>	<u>\$ 47,571</u>	<u>\$ 44,944</u>	<u>\$ 40,821</u>	<u>\$ 42,243</u>
MORTGAGE BANKING REVENUE:					
Production revenue:					
Origination	\$ 15,955	\$ 18,561	\$ 23,632	\$ 30,194	\$ 17,906
Servicing	5,247	5,254	6,233	4,880	5,153
Payoffs/Paydowns	(3,273)	(3,898)	(3,198)	(3,144)	(2,506)
Total production revenue	17,929	19,917	26,667	31,930	20,553
Market value adjustment on MSR	10,446	(83)	280	(2,575)	(15,438)
Market value adjustment on MSR Hedge	(3,065)	295	150	202	4,355
Total mortgage banking revenue	<u>\$ 25,310</u>	<u>\$ 20,129</u>	<u>\$ 27,097</u>	<u>\$ 29,557</u>	<u>\$ 9,470</u>
Mortgage loans serviced	\$ 7,259,808	\$ 7,330,293	\$ 7,218,090	\$ 7,000,425	\$ 6,999,383
MSR/mtg loans serviced	0.83%	0.65%	0.62%	0.58%	0.60%
AVAILABLE-FOR-SALE SECURITIES, at fair value					
U.S. Government agencies	2,642,646	2,871,408	\$ 3,116,458	\$ 3,348,206	\$ 3,532,905
U.S. Government agency issued residential mortgage-back securities	3,438,246	2,421,409	1,625,325	699,864	132,902
U.S. Government agency issued commercial mortgage-back securities	1,414,345	806,206	758,116	759,980	595,885
Obligations of states and political subdivisions	126,589	113,953	141,896	163,121	206,648
Corporate bonds	18,442	18,030	17,990	2,000	-
Total available-for-sale securities	<u>\$ 7,640,268</u>	<u>\$ 6,231,006</u>	<u>\$ 5,659,785</u>	<u>\$ 4,973,171</u>	<u>\$ 4,468,340</u>

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

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

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

	Quarter ended				
	3/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
Net income	\$ 81,555	\$ 68,805	\$ 73,825	\$ 61,160	\$ 24,261
Plus: Merger expense, net of tax	1,238	159	97	383	3,372
Initial provision for acquired loans, net of tax	-	-	-	-	751
Pension settlement expense, net of tax	-	4,388	-	-	-
Less: Security gains(losses), net of tax	62	48	13	47	(64)
Net operating income	\$ 82,731	\$ 73,304	\$ 73,909	\$ 61,496	\$ 28,448
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372
Net operating income available to common shareholders	<u>\$ 80,359</u>	<u>\$ 70,932</u>	<u>\$ 71,537</u>	<u>\$ 59,124</u>	<u>\$ 26,076</u>
Net operating income	\$ 82,731	\$ 73,304	\$ 73,909	\$ 61,496	\$ 28,448
Less: MSR market value adjustment, net of tax	5,539	159	323	(1,781)	(8,318)
Net operating income-excluding MSR	\$ 77,192	\$ 73,145	\$ 73,586	\$ 63,277	\$ 36,766
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372
Net operating income available to common shareholders-excluding MSR	<u>\$ 74,820</u>	<u>\$ 70,773</u>	<u>\$ 71,214</u>	<u>\$ 60,905</u>	<u>\$ 34,394</u>

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

Net income	\$ 81,555	\$ 68,805	\$ 73,825	\$ 61,160	\$ 24,261
Plus: Provision for credit losses	-	5,000	15,000	20,000	46,000
Merger expense	1,649	212	129	510	4,494
Pension settlement expense	-	5,846	-	-	-
Income tax expense	23,347	14,046	21,525	18,164	5,759
Less: Security gains(losses)	82	63	18	62	(85)
MSR market value adjustment	7,381	212	430	(2,373)	(11,083)
Pre-tax pre-provision net revenue	<u>\$ 99,088</u>	<u>\$ 93,634</u>	<u>\$ 110,031</u>	<u>\$ 102,145</u>	<u>\$ 91,682</u>

Reconciliation of Total Operating Expense to Total Noninterest Expense:

Total noninterest expense	\$ 155,823	\$ 167,911	\$ 155,505	\$ 162,504	\$ 168,006
Less: Merger expense	1,649	212	129	510	4,494
Pension settlement expense	-	5,846	-	-	-
Total operating expense	<u>\$ 154,174</u>	<u>\$ 161,853</u>	<u>\$ 155,376</u>	<u>\$ 161,994</u>	<u>\$ 163,512</u>

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

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

	Quarter ended				
	3/31/2021	12/31/2020	9/30/2020	6/30/2020	3/31/2020
Tangible assets					
Total assets	\$ 25,802,497	\$ 24,081,194	\$ 23,555,422	\$ 23,236,176	\$ 21,032,524
Less: Goodwill	851,612	851,612	847,531	847,984	848,242
Other identifiable intangible assets	53,581	55,899	54,757	56,989	59,345
Total tangible assets	\$ 24,897,304	\$ 23,173,683	\$ 22,653,134	\$ 22,331,203	\$ 20,124,937
Less: PPP loans	1,146,000	975,421	1,212,246	1,192,715	-
Total tangible assets-excluding PPP loans	\$ 23,751,304	\$ 22,198,262	\$ 21,440,888	\$ 21,138,488	\$ 20,124,937
PERIOD END BALANCES:					
Tangible shareholders' equity					
Total shareholders' equity	\$ 2,825,198	\$ 2,822,477	\$ 2,782,539	\$ 2,732,687	\$ 2,681,904
Less: Goodwill	851,612	851,612	847,531	847,984	848,242
Other identifiable intangible assets	53,581	55,899	54,757	56,989	59,345
Total tangible shareholders' equity	\$ 1,920,005	\$ 1,914,966	\$ 1,880,251	\$ 1,827,714	\$ 1,774,317
Less: Preferred stock	166,993	166,993	166,993	166,993	166,993
Total tangible common shareholders' equity	\$ 1,753,012	\$ 1,747,973	\$ 1,713,258	\$ 1,660,721	\$ 1,607,324
AVERAGE BALANCES:					
Tangible shareholders' equity					
Total shareholders' equity	\$ 2,813,001	\$ 2,774,589	\$ 2,729,870	\$ 2,738,434	\$ 2,658,699
Less: Goodwill	851,612	852,472	847,744	848,160	844,635
Other identifiable intangible assets	54,876	54,858	56,045	58,280	58,805
Total tangible shareholders' equity	\$ 1,906,513	\$ 1,867,259	\$ 1,826,081	\$ 1,831,994	\$ 1,755,259
Less: Preferred stock	166,993	166,993	166,993	166,993	167,021
Total tangible common shareholders' equity	\$ 1,739,520	\$ 1,700,266	\$ 1,659,088	\$ 1,665,001	\$ 1,588,238
Total average assets	\$ 24,545,560	\$ 23,660,503	\$ 23,318,877	\$ 22,707,686	\$ 21,189,637
Total shares of common stock outstanding	102,624,818	102,561,480	102,558,459	102,566,301	102,632,484
Average shares outstanding-diluted	102,711,584	102,817,409	102,839,749	102,827,225	104,733,897
Tangible shareholders' equity to tangible assets (1)	7.71%	8.26%	8.30%	8.18%	8.82%
Tangible shareholders' equity to tangible assets-excluding PPP loans (2)	8.08%	8.63%	8.77%	8.65%	8.82%
Tangible common shareholders' equity to tangible assets (3)	7.04%	7.54%	7.56%	7.44%	7.99%
Tangible common shareholders' equity to tangible assets-excluding PPP loans (4)	7.38%	7.87%	7.99%	7.86%	7.99%
Return on average tangible equity (5)	17.35%	14.66%	16.08%	13.43%	5.56%
Return on average tangible common equity (6)	18.46%	15.54%	17.13%	14.20%	5.54%
Operating return on average tangible equity-excluding MSR (7)	16.42%	15.58%	16.03%	13.89%	8.42%
Operating return on average tangible common equity-excluding MSR (8)	17.44%	16.56%	17.08%	14.71%	8.71%
Operating return on average assets-excluding MSR (9)	1.28%	1.23%	1.26%	1.12%	0.70%
Operating return on average shareholders' equity-excluding MSR (10)	11.13%	10.49%	10.72%	9.29%	5.56%
Operating return on average common shareholders' equity-excluding MSR (11)	11.47%	10.80%	11.05%	9.53%	5.55%
Pre-tax pre-provision net revenue to total average assets (12)	1.64%	1.57%	1.88%	1.81%	1.74%
Tangible book value per common share (13)	\$ 17.08	\$ 17.04	\$ 16.71	\$ 16.19	\$ 15.66
Operating earnings per common share (14)	\$ 0.78	\$ 0.69	\$ 0.70	\$ 0.57	\$ 0.25
Operating earnings per common share-excluding MSR (15)	\$ 0.73	\$ 0.69	\$ 0.69	\$ 0.59	\$ 0.33

- (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.