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BancorpSouth Reports Record Quarterly Earnings

TUPELO, MS, July 18, 2018/PRNewswire – BancorpSouth Bank (NYSE: BXS) (the “Company”) today announced financial results for the quarter ended June 30, 2018.

Highlights for the second quarter of 2018 included:

- Record quarterly net income of \$54.0 million, or \$0.55 per diluted share, which represents an increase of 34 percent on a per share basis compared to the second quarter of 2017.
- Completed operational integration of Central Community Corporation merger and recorded corresponding merger-related expenses of \$1.9 million for the second quarter.
- Net operating income – excluding MSR – of \$55.6 million, or \$0.56 per diluted share.
- Generated net loan growth of \$121.3 million, or 4.0 percent on an annualized basis.
- Net interest margin increased to 3.71 percent from 3.67 percent for the first quarter of 2018.
- Announced the signing of a definitive merger agreement with Icon Capital Corporation, parent company of Icon Bank of Texas, National Association, headquartered in Houston, Texas.
- Repurchased 785,877 shares of outstanding common stock at a weighted average price of \$31.39 per share.

The Company reported net income of \$54.0 million, or \$0.55 per diluted share, for the second quarter of 2018 compared with net income of \$37.9 million, or \$0.41 per diluted share, for the second quarter of 2017 and net income of \$53.5 million, or \$0.54 per diluted share, for the first quarter of 2018. The Company reported net operating income – excluding MSR – of \$55.6 million, or \$0.56 per diluted share, for the second quarter of 2018 compared to \$38.8 million, or

- MORE -

\$0.42 per diluted share, for the second quarter of 2017 and \$53.6 million, or \$0.54 per diluted share, for the first quarter of 2018.

Net operating income – excluding MSR – is a non-GAAP financial measure used by management to assess the core operating performance of the Company. This measure excludes items such as recognized securities gains and losses, mortgage servicing rights (“MSR”) valuation adjustments, restructuring charges, merger-related expenses, industry-related legal settlements, and other one-time charges.

“We are pleased to report another quarter of record financial performance,” remarked Dan Rollins, Chairman and Chief Executive Officer. “The increase in our earnings for the quarter was driven by balance sheet growth and improvement in our net interest margin combined with continued strong credit quality and a stable expense base. Our business development efforts yielded net loan growth of \$121 million for the quarter, or 4 percent on an annualized basis. We are pleased with these results, particularly given competitive pressures and anticipated runoff associated with our acquired loans. As expected, we experienced a seasonal decline on the deposit side of the balance sheet. Finally, our net interest margin improved to 3.71 percent as we continue to benefit from recent rate hikes.”

“Additionally, we continue our efforts to deploy capital in a manner that seeks to maximize shareholder value. We repurchased just over 785,000 shares of our stock at a weighted average price of \$31.39 per share during the quarter. We also announced the signing of a definitive merger agreement with Icon Capital Corporation, which has approximately \$800 million in assets in the Houston, Texas market. We are excited about the value the Icon team will add to our franchise as we continue to grow.”

Net Interest Revenue

Net interest revenue was \$142.1 million for the second quarter of 2018, an increase of 21.0 percent from \$117.5 million for the second quarter of 2017 and an increase of 2.9 percent from \$138.1 million for the first quarter of 2018. The fully taxable equivalent net interest margin was 3.71 percent for the second quarter of 2018 compared to 3.52 percent for the second quarter of 2017 and 3.67 percent for the first quarter of 2018. Yields on net loans and leases were 4.67 percent for the second quarter of 2018 compared with 4.27 percent for the second quarter of 2017 and 4.60 percent for the first quarter of 2018, while yields on total interest earning assets were 4.15 percent for the second quarter of 2018 compared with 3.80 percent for the second quarter of 2017 and 4.05 percent for the first quarter of 2018. The net interest margin, excluding accretable yield, was 3.63 percent for the second quarter of 2018 compared with 3.60 percent for the first quarter of 2018 while yields on net loans and leases, excluding accretable yield, were 4.57 percent for the second quarter of 2018 compared with 4.51 percent for the first quarter of 2018. Purchase accounting accretion did not impact the net interest margin or net loan and lease yields for the second quarter of 2017. The average cost of deposits was 0.34 percent for the second quarter of 2018 compared to 0.25 percent for the second quarter of 2017 and 0.31 percent for the first quarter of 2018.

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Asset, Deposit and Loan Activity

Total assets were \$17.2 billion at June 30, 2018 compared with \$14.8 billion at June 30, 2017. Loans and leases, net of unearned income, were \$12.4 billion at June 30, 2018 compared with \$11.0 billion at June 30, 2017. Total deposits were \$13.5 billion at June 30, 2018 compared with \$11.9 billion at June 30, 2017. These balance sheet comparisons include the impact of the acquisitions of Central Community Corporation and Ouachita Bancshares Corp., each of which closed effective January 15, 2018. Balance sheet totals for these two banks at the time of closing are disclosed in the “Transactions” section of this news release.

Provision for Credit Losses and Allowance for Credit Losses

Earnings for the second quarter of 2018 reflect a provision for credit losses of \$2.5 million, compared to a provision of \$1.0 million for both the second quarter of 2017 and first quarter of 2018. Net charge-offs for the second quarter of 2018 were \$2.0 million, compared with net charge-offs of \$4.6 million for the second quarter of 2017 and net recoveries of \$0.2 million for the first quarter of 2018. The allowance for credit losses was \$119.9 million, or 0.97 percent of net loans and leases, at June 30, 2018, compared with \$121.6 million, or 1.10 percent of net loans and leases, at June 30, 2017 and \$119.4 million, or 0.97 percent of net loans and leases, at March 31, 2018. The allowance for credit losses coverage metrics were impacted by loans acquired in the acquisitions that closed during the first quarter of 2018.

Total non-performing assets were \$81.2 million, or 0.65 percent of net loans and leases, at June 30, 2018 compared with \$79.4 million, or 0.72 percent of net loans and leases, at June 30, 2017, and \$90.9 million, or 0.74 percent of net loans and leases, at March 31, 2018. Other real estate owned was \$7.8 million at June 30, 2018 compared with \$7.7 million at June 30, 2017 and \$9.4 million at March 31, 2018.

Noninterest Revenue

Noninterest revenue was \$72.5 million for the second quarter of 2018, compared with \$68.1 million for the second quarter of 2017 and \$78.9 million for the first quarter of 2018. These results included a negative MSR valuation adjustment of \$0.2 million for the second quarter of 2018, compared with a negative MSR valuation adjustment of \$1.5 million for the second quarter of 2017 and a positive MSR valuation adjustment of \$5.5 million for the first quarter of 2018. Valuation adjustments in the MSR asset are driven primarily by fluctuations in interest rates period over period.

Excluding the MSR valuation adjustments, mortgage banking revenue was \$7.1 million for the second quarter of 2018, compared with \$7.6 million for the second quarter of 2017 and \$7.7 million for the first quarter of 2018. Mortgage origination volume for the second quarter of 2018 was \$523.7 million, compared with \$385.9 million for the second quarter of 2017 and \$291.9 million for the first quarter of 2018. Of total mortgage origination volume for the second quarter of 2018, \$209.3 million was portfolio loans, compared with \$93.5 million for the second quarter of 2017 and \$61.0 million for the first quarter of 2018.

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Credit and debit card fee revenue was \$10.5 million for the second quarter of 2018, compared with \$9.6 million for both the second quarter of 2017 and the first quarter of 2018. Deposit service charge revenue was \$10.8 million for the second quarter of 2018, compared with \$9.7 million for the second quarter of 2017 and \$10.9 million for the first quarter of 2018. Wealth management revenue was \$5.7 million for the second quarter of 2018, compared with \$5.3 million for the second quarter of 2017 and \$5.7 million for the first quarter of 2018. Other noninterest revenue was \$5.5 million for the second quarter of 2018, compared with \$6.3 million for the second quarter of 2017 and \$10.4 million for the first quarter of 2018. Other noninterest revenue for the first quarter of 2018 benefitted from a legal settlement totaling \$3.0 million.

Insurance commission revenue was \$33.0 million for the second quarter of 2018, compared with \$31.1 million for the second quarter of 2017 and \$29.1 million for the first quarter of 2018. New accounting guidance, which became effective January 1, 2018, impacted the Company's accounting for insurance commission revenue. Previously, contingent commissions were recognized as revenue in the period of receipt; however, under the guidance, the Company is required to estimate and accrue for contingent commissions throughout the year.

Noninterest Expense

Noninterest expense for the second quarter of 2018 was \$145.2 million, compared with \$127.6 million for the second quarter of 2017 and \$147.7 million for the first quarter of 2018. Salaries and employee benefits expense was \$91.5 million for the second quarter of 2018 compared to \$80.7 million for the second quarter of 2017 and \$91.2 million for the first quarter of 2018. Occupancy expense was \$11.1 million for the second quarter of 2018, compared with \$10.5 million for the second quarter of 2017 and \$10.8 million for the first quarter of 2018. Other noninterest expense was \$35.7 million for the second quarter of 2018, compared to \$30.7 million for the second quarter of 2017 and \$39.6 million for the first quarter of 2018. Other noninterest expense for the first quarter of 2018 was adversely impacted by a single forgery and theft loss totaling \$2.3 million and the second quarter benefitted from a \$1.3 million fraud loss recovery. Additionally, merger-related expense for the second quarter of 2018 was \$1.9 million, compared with no merger-related expense for the second quarter of 2017 and \$5.7 million for the first quarter of 2018. Income tax expense was reduced by the tax benefit of the vesting of restricted stock during the second quarter.

Capital Management

The Company's equity capitalization is comprised entirely of common stock. The Company's ratio of shareholders' equity to assets was 12.03 percent at June 30, 2018, compared with 11.40 percent at June 30, 2017 and 11.99 percent at March 31, 2018. The ratio of tangible shareholders' equity to tangible assets was 8.71 percent at June 30, 2018, compared with 9.44 percent at June 30, 2017 and 8.69 percent at March 31, 2018.

During the second quarter of 2018, the Company repurchased 785,877 shares of its outstanding common stock at a weighted average price of \$31.39 per share pursuant to its share repurchase program which is intended to comply with Rules 10b-18 and 10b5-1 promulgated under the

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Securities and Exchange Act of 1934, as amended. During the first quarter of 2018, the Company repurchased 2,073,986 shares of its outstanding common stock at a weighted average price of \$32.32 per share. As of June 30, 2018, the Company had 3,140,137 remaining shares available for repurchase under its current share repurchase authorization, which expires on December 31, 2019.

Estimated regulatory capital ratios at June 30, 2018 were calculated in accordance with the Basel III capital framework. The Company is a “well capitalized” bank, as defined by federal regulations, at June 30, 2018, with Tier 1 risk-based capital of 11.42 percent and total risk-based capital of 12.30 percent, compared with required minimum levels of 8 percent and 10 percent, respectively, in order to qualify for “well capitalized” classification.

Summary

Rollins concluded, “As we look toward the second half of 2018, I’m excited about the opportunity to continue improving our performance. While we do expect to see continued competitive pressure on deposit pricing, we anticipate our net interest margin will continue to improve as our loan and securities portfolios reprice. Additionally, we expect to continue to realize additional cost savings related to our two acquisitions that closed in January. In particular, the conversion for First State Bank Central Texas occurred late in the second quarter. Accordingly, we anticipate that most of the cost savings associated with this transaction will be realized in future quarters.”

TRANSACTIONS

Icon Capital Corporation

On April 18, 2018, the Company announced the signing of a definitive merger agreement (the “Icon Merger Agreement”) with Icon Capital Corporation and its wholly owned subsidiary, Icon Bank of Texas, National Association (collectively referred to as “Icon”), pursuant to which Icon agreed to be merged with and into the Company (the “Icon Merger”). Icon is headquartered in Houston, Texas and operates 7 full-service banking offices in the Houston, Texas metropolitan area. As of June 30, 2018, Icon, on a consolidated basis, reported total assets of \$740.7 million, total loans of \$627.6 million and total deposits of \$643.2 million. Under the terms of the definitive agreement, the Company expects to issue approximately 4,125,000 shares of the Company’s common stock plus \$17.5 million in cash for all outstanding shares of Icon Capital Corporation’s capital stock, subject to certain conditions and potential adjustments. For more information regarding the Icon Merger, see our Current Report on Form 8-K that was filed with the Federal Deposit Insurance Corporation (“FDIC”) on April 18, 2018. The Agreement has been unanimously approved by the Boards of Directors of both the Company and Icon. Icon has agreed to convene a meeting of its shareholders to vote upon the approval of the Merger Agreement. Subject to the satisfaction of all closing conditions, including the receipt of all required regulatory approvals, the Merger is expected to be completed during the second half of 2018 although the Company can provide no assurance that the Icon Merger will close during this time period or at all.

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Central Community Corporation

Effective January 15, 2018, the Company completed the merger with Central Community Corporation (“CCC”), headquartered in Temple, Texas, pursuant to which CCC merged with and into the Company. CCC was the parent company of First State Bank Central Texas (“First State Bank”), which was headquartered in Austin, Texas. First State Bank operated 31 full-service banking offices in central Texas. As of January 15, 2018, CCC, on a consolidated basis, reported total assets of \$1.4 billion, total loans of \$712.2 million and total deposits of \$1.2 billion. Under the terms of the definitive merger agreement, the Company issued approximately 7,250,000 shares of the Company’s common stock plus \$28.5 million in cash for all outstanding shares of CCC’s capital stock. For more information regarding the CCC merger, see our Current Report on Form 8-K that was filed with the FDIC on January 16, 2018. The purchase accounting for this transaction is considered provisional as management continues to identify and assess information regarding the nature of the acquired assets and liabilities and reviews the associated valuation assumptions and methodologies.

Ouachita Bancshares Corp.

Effective January 15, 2018, the Company completed the merger with Ouachita Bancshares Corp., parent company of Ouachita Independent Bank (collectively referred to as “OIB”), headquartered in Monroe, Louisiana, pursuant to which OIB was merged with and into the Company. OIB operated 11 full-service banking offices along the I-20 corridor and had a loan production office in Madison, Mississippi. As of January 15, 2018, OIB, on a consolidated basis, reported total assets of \$707.1 million, total loans of \$495.6 million and total deposits of \$653.4 million. Under the terms of the definitive merger agreement, the Company issued approximately 3,675,000 shares of the Company’s common stock plus \$22.875 million in cash for all outstanding shares of Ouachita Bancshares Corp.’s capital stock. For more information regarding the OIB merger, see our Current Report on Form 8-K that was filed with the FDIC on January 16, 2018. The purchase accounting for this transaction is considered provisional as management continues to identify and assess information regarding the nature of the acquired assets and liabilities and reviews the associated valuation assumptions and methodologies.

The Reorganization

Effective October 31, 2017, the merger of BancorpSouth, Inc. with and into BancorpSouth Bank was closed, with BancorpSouth Bank continuing as the surviving entity (the “Reorganization”). The Reorganization resulted in the elimination of the holding company structure. The Reorganization is expected to improve efficiency through the elimination of redundant corporate infrastructure and duplicative regulatory oversight. For more information regarding the Reorganization, see our Current Report on Form 8-K that was filed with the FDIC on November 1, 2017.

- MORE -

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 21 of this news release.

Conference Call and Webcast

The Company will conduct a conference call to discuss its second quarter 2018 financial results on July 19, 2018, at 10:00 a.m. (Central Time). This conference call will be an interactive session between management and analysts. Shareholders and other 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 \$17 billion in assets. BancorpSouth operates approximately 280 full service branch locations as well as additional mortgage, insurance, and loan production offices in Alabama, Arkansas, Florida, Louisiana, Mississippi, Missouri, Tennessee and Texas, including an insurance location in Illinois. BancorpSouth is committed to a culture of respect, diversity, and inclusion in both its workplace and communities. To learn more, visit our Community Commitment page at www.bancorpsouth.com. Like us on Facebook; follow us on Twitter: @MyBXS; or connect with us through LinkedIn.

Forward-Looking Statements

Certain statements contained in this news release may not be based upon historical facts and are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements may be identified by their reference to a future period or periods or by the use of forward-looking terminology such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “foresee,” “hope,” “intend,” “may,” “might,” “plan,” “will,” or “would” or future or conditional verb tenses and variations or negatives of such terms. These forward-looking statements include, without limitation, those relating to the benefits, costs, synergies and financial and operational impact of the Reorganization on the Company, the benefits, costs, synergies, and financial and operational impact of the CCC and OIB mergers, the acceptance by customers of OIB and CCC of the Company’s products and services after the closing of the mergers, the terms, timing and closing of the proposed Icon Merger, acceptance by customers of Icon of the Company’s products and services, the opportunities to enhance market share in certain markets and market acceptance of the Company generally in new markets, the Company’s ability to operate its regulatory compliance programs consistent with federal, state and local laws, including its Bank Secrecy Act (“BSA”) and anti-money laundering (“AML”) compliance program and its fair lending compliance program, the Company’s compliance with the consent order it entered into with the Consumer Financial Protection Bureau and the United States Department of Justice related to the Company’s fair lending practices (the “Consent Order”), the impact of the Tax Cuts and Jobs Act of 2017 on the Company and its operations and financial performance, amortization expense for intangible assets, goodwill impairments, loan impairment, utilization of appraisals and inspections for real estate loans, maturity, renewal or extension of construction, acquisition and development loans, net interest revenue, fair value determinations, the amount of the Company’s non-performing loans and leases, credit quality, credit losses, liquidity, off-balance sheet commitments and arrangements, valuation of mortgage servicing rights, allowance and provision for credit losses, early identification and resolution of credit issues, utilization of non-GAAP financial measures, the ability of the Company to collect all amounts due according to the contractual terms of loan agreements, the Company’s reserve for losses from representation and warranty obligations, the Company’s foreclosure process related to mortgage loans, the resolution of non-performing loans that are collaterally dependent, real estate values, fully-indexed interest rates, interest rate risk, interest rate sensitivity, the impact of interest rates on loan yields, calculation of economic value of equity, impaired loan

- MORE -

BXS Announces Second Quarter 2018 Financial Results

Page 8

July 18, 2018

charge-offs, diversification of the Company's revenue stream, the growth of the Company's insurance business and commission revenue, the growth of the Company's customer base and loan, deposit and fee revenue sources, liquidity needs and strategies, sources of funding, net interest margin, declaration and payment of dividends, the utilization of the Company's share repurchase program, the implementation and execution of cost saving initiatives, improvement in the Company's efficiencies, operating expense trends, future acquisitions, dispositions and other strategic growth opportunities and initiatives and the impact of certain claims and ongoing, pending or threatened litigation, administrative and investigatory matters.

The Company cautions readers not to place undue reliance on the forward-looking statements contained in this news release, in that actual results could differ materially from those indicated in such forward-looking statements as a result of a variety of factors. These factors may include, but are not limited to, the Company's ability to operate its regulatory compliance programs consistent with federal, state and local laws, including its BSA/AML compliance program and its fair lending compliance program, the Company's ability to successfully implement and comply with the Consent Order, the ability of the Company to meet expectations regarding the benefits, costs, synergies, and financial and operational impact of the Reorganization and the CCC and OIB mergers, the possibility that any of the anticipated benefits, costs, synergies and financial and operational improvements of the Reorganization and the OIB and CCC mergers will not be realized or will not be realized as expected, the ability of the Company and Icon to complete the Icon Merger, the ability of the Company and Icon to satisfy the conditions to the completion of the Icon Merger, including the approval of the merger transaction by Icon's shareholders and the receipt of all regulatory approvals required for the Icon Merger on the terms expected in the Icon Merger Agreement, the ability of the Company and Icon to meet expectations regarding the timing, completion and accounting and tax treatments of the Icon Merger, the possibility that any of the anticipated benefits of the Icon Merger will not be realized or will not be realized as expected, the failure of the Icon Merger to close for any other reason, the effect of the announcement of the Icon Merger on the Company's operating results, the possibility that the Icon Merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events, the lack of availability of the Bank's filings mandated by the Exchange Act from the SEC's publicly available website after the closing of the Reorganization, the impact of any ongoing, pending or threatened litigation, administrative and investigatory matters involving the Company, conditions in the financial markets and economic conditions generally, the adequacy of the Company's provision and allowance for credit losses to cover actual credit losses, the credit risk associated with real estate construction, acquisition and development loans, limitations on the Company's ability to declare and pay dividends, the availability of capital on favorable terms if and when needed, liquidity risk, governmental regulation, including the Dodd-Frank Act, and supervision of the Company's operations, the short-term and long-term impact of changes to banking capital standards on the Company's regulatory capital and liquidity, the impact of regulations on service charges on the Company's core deposit accounts, the susceptibility of the Company's business to local economic and environmental conditions, the soundness of other financial institutions, changes in interest rates, the impact of monetary policies and economic factors on the Company's ability to attract deposits or make loans, volatility in capital and credit markets, reputational risk, the impact of the Tax Cuts and Jobs Act of 2017 on the Company and its operations and financial performance, the impact of the loss of any key Company personnel, the impact of hurricanes or other adverse weather events, any requirement that the Company write down goodwill or other intangible assets, diversification in the types of financial services the Company offers, the growth of the Company's insurance business and commission revenue, the growth of the Company's loan, deposit and fee revenue sources, the Company's ability to adapt its products and services to evolving industry standards and consumer preferences, competition with other financial services companies, risks in connection with completed or potential acquisitions, dispositions and other strategic growth opportunities and initiatives, the Company's growth strategy, interruptions or breaches in the Company's information system security, the failure of certain third-party vendors to perform, unfavorable ratings by rating agencies, dilution caused by the Company's issuance of any additional shares of its common stock to raise capital or acquire other banks, bank holding companies, financial holding companies and insurance agencies, the utilization of the Company's share repurchase program, the implementation and execution of cost saving initiatives, other factors generally understood to affect the assets, business, cash flows, financial condition, liquidity, prospects and/or results of operations of financial services companies and other factors detailed from time to time in the Company's press and news releases, reports and other filings with the FDIC. Forward-looking statements speak only as of the date that they were made, and, except as required by law, the Company does not undertake any obligation to update or revise forward-looking statements to reflect events or circumstances that occur after the date of this news release.

- MORE -

BancorpSouth Bank

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

	Quarter Ended 6/30/2018	Quarter Ended 3/31/2018	Quarter Ended 12/31/2017	Quarter Ended 9/30/2017	Quarter Ended 6/30/2017
Earnings Summary:					
Interest revenue	\$ 159,290	\$ 152,195	\$ 132,276	\$ 130,934	\$ 126,855
Interest expense	17,162	14,117	10,890	10,373	9,377
Net interest revenue	142,128	138,078	121,386	120,561	117,478
Provision for credit losses	2,500	1,000	500	500	1,000
Net interest revenue, after provision for credit losses	139,628	137,078	120,886	120,061	116,478
Noninterest revenue	72,456	78,934	63,074	65,960	68,130
Noninterest expense	145,182	147,701	125,881	126,903	127,553
Income before income taxes	66,902	68,311	58,079	59,118	57,055
Income tax expense	12,856	14,820	20,556	19,590	19,166
Net income	\$ 54,046	\$ 53,491	\$ 37,523	\$ 39,528	\$ 37,889
Balance Sheet - Period End Balances					
Total assets	\$ 17,222,491	\$ 17,185,772	\$ 15,298,518	\$ 14,760,394	\$ 14,843,130
Total earning assets	15,600,037	15,593,366	14,081,818	13,606,145	13,674,436
Total securities	2,828,754	2,989,767	2,798,542	2,326,900	2,388,392
Loans and leases, net of unearned income	12,418,114	12,296,849	11,056,434	11,055,509	11,018,540
Allowance for credit losses	119,920	119,434	118,200	119,496	121,561
Net book value of acquired loans (included in loans and leases above)	926,996	1,076,208	-	-	-
Remaining loan mark on acquired loans	14,485	19,330	-	-	-
Total deposits	13,476,558	13,894,301	11,915,596	11,775,988	11,938,296
Long-term debt	33,214	32,963	30,000	30,000	230,000
Total shareholders' equity	2,072,083	2,060,487	1,713,485	1,700,502	1,691,832
Balance Sheet - Average Balances					
Total assets	\$ 17,094,283	\$ 16,918,568	\$ 14,809,497	\$ 14,710,245	\$ 14,741,811
Total earning assets	15,496,007	15,374,336	13,678,542	13,591,124	13,636,415
Total securities	2,906,235	2,966,917	2,414,140	2,334,717	2,464,341
Loans and leases, net of unearned income	12,334,756	12,084,020	11,010,187	11,013,270	10,883,102
Total deposits	13,539,324	13,563,510	11,840,049	11,802,682	11,902,415
Long-term debt	33,147	34,433	30,000	162,609	398,132
Total shareholders' equity	2,051,452	2,012,639	1,701,228	1,695,899	1,680,053
Nonperforming Assets:					
Non-accrual loans and leases	\$ 60,045	\$ 65,303	\$ 61,891	\$ 55,796	\$ 63,585
Loans and leases 90+ days past due, still accruing	6,335	6,519	8,503	1,855	1,793
Restructured loans and leases, still accruing	6,982	9,681	8,060	7,366	6,303
Non-performing loans (NPLs)	73,362	81,503	78,454	65,017	71,681
Other real estate owned	7,828	9,362	6,038	5,956	7,704
Non-performing assets (NPAs)	\$ 81,190	\$ 90,865	\$ 84,492	\$ 70,973	\$ 79,385
Financial Ratios and Other Data:					
Return on average assets	1.27%	1.28%	1.01%	1.07%	1.03%
Operating return on average assets-excluding MSR*	1.31%	1.29%	0.99%	1.07%	1.06%
Return on average shareholders' equity	10.57%	10.78%	8.75%	9.25%	9.05%
Operating return on average shareholders' equity-excluding MSR*	10.88%	10.80%	8.58%	9.25%	9.27%
Return on tangible equity*	15.00%	15.08%	10.67%	11.36%	11.08%
Operating return on tangible equity-excluding MSR*	15.44%	15.11%	10.46%	11.36%	11.35%
Noninterest income to average assets	1.70%	1.89%	1.69%	1.78%	1.85%
Noninterest expense to average assets	3.41%	3.54%	3.37%	3.42%	3.47%
Net interest margin-fully taxable equivalent	3.71%	3.67%	3.58%	3.58%	3.52%
Net interest margin-fully taxable equivalent, excluding net accretion on acquired loans and leases	3.63%	3.60%	N/A	N/A	N/A
Net interest rate spread	3.52%	3.52%	3.44%	3.45%	3.40%
Efficiency ratio (tax equivalent)*	67.31%	67.66%	67.45%	67.23%	67.90%
Operating efficiency ratio-excluding MSR (tax equivalent)*	66.36%	66.79%	68.16%	67.24%	67.33%
Loan/deposit ratio	92.15%	88.50%	92.79%	93.88%	92.30%
Price to earnings multiple (avg)	17.07	17.77	18.95	19.42	18.83
Market value to book value	156.95%	153.77%	165.76%	170.25%	164.07%
Market value to book value (avg)	159.33%	159.14%	169.35%	158.92%	161.24%
Market value to tangible book value	225.06%	220.18%	203.64%	209.66%	202.52%
Market value to tangible book value (avg)	228.47%	227.87%	208.04%	195.70%	199.07%
Employee FTE	4,366	4,305	3,947	3,950	3,989

*Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 21 and 22.

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

	Quarter Ended 6/30/2018	Quarter Ended 3/31/2018	Quarter Ended 12/31/2017	Quarter Ended 9/30/2017	Quarter Ended 6/30/2017
Credit Quality Ratios:					
Net charge-offs(recoveries) to average loans and leases (annualized)	0.07%	(0.01%)	0.06%	0.09%	0.17%
Provision for credit losses to average loans and leases (annualized)	0.08%	0.03%	0.02%	0.02%	0.04%
Allowance for credit losses to net loans and leases	0.97%	0.97%	1.07%	1.08%	1.10%
Allowance for credit losses to net loans and leases, excluding acquired loans and leases	1.05%	1.07%	N/A	N/A	N/A
Allowance for credit losses to non-performing loans and leases	163.46%	146.54%	150.66%	183.79%	169.59%
Allowance for credit losses to non-performing assets	147.70%	131.44%	139.89%	168.37%	153.13%
Non-performing loans and leases to net loans and leases	0.59%	0.66%	0.71%	0.59%	0.65%
Non-performing assets to net loans and leases	0.65%	0.74%	0.76%	0.64%	0.72%
Equity Ratios:					
Total shareholders' equity to total assets	12.03%	11.99%	11.20%	11.52%	11.40%
Tangible shareholders' equity to tangible assets*	8.71%	8.69%	9.31%	9.56%	9.44%
Capital Adequacy:					
Common Equity Tier 1 capital	11.42%	11.30%	12.15%	12.04%	11.90%
Tier 1 capital	11.42%	11.30%	12.15%	12.04%	11.90%
Total capital	12.30%	12.18%	13.13%	13.03%	12.91%
Tier 1 leverage capital	9.38%	9.39%	10.12%	10.02%	9.93%
Estimated for current quarter					
Common Share Data:					
Basic earnings per share	\$ 0.55	\$ 0.54	\$ 0.42	\$ 0.43	\$ 0.41
Diluted earnings per share	0.55	0.54	0.41	0.43	0.41
Operating earnings per share*	0.56	0.58	0.42	0.43	0.41
Operating earnings per share- excluding MSR*	0.56	0.54	0.41	0.43	0.42
Cash dividends per share	0.14	0.14	0.14	0.14	0.13
Book value per share	20.99	20.68	18.97	18.83	18.59
Tangible book value per share*	14.64	14.44	15.44	15.29	15.06
Market value per share (last)	32.95	31.80	31.45	32.05	30.50
Market value per share (high)	35.45	35.55	34.45	32.70	31.85
Market value per share (low)	30.60	30.90	30.25	27.20	28.20
Market value per share (avg)	33.45	32.91	32.13	29.92	29.98
Dividend payout ratio	25.62%	25.85%	33.70%	32.20%	30.48%
Total shares outstanding	98,700,509	99,636,779	90,312,378	90,329,896	91,022,729
Average shares outstanding - basic	98,906,619	98,765,789	90,321,137	90,911,702	91,366,309
Average shares outstanding - diluted	99,057,054	98,942,268	90,546,824	91,099,770	91,530,552
Yield/Rate:					
(Taxable equivalent basis)					
Loans, loans held for sale, and leases net of unearned income	4.67%	4.60%	4.36%	4.33%	4.27%
Loans, loans held for sale, and leases net of unearned income, excluding net accretion on acquired loans and leases	4.57%	4.51%	N/A	N/A	N/A
Available-for-sale securities:					
Taxable	1.77%	1.72%	1.48%	1.41%	1.37%
Tax-exempt	4.39%	4.30%	5.29%	5.25%	5.26%
Short-term, FHLB and other equity investments	2.02%	1.54%	1.27%	1.22%	1.01%
Total interest earning assets and revenue	4.15%	4.05%	3.90%	3.89%	3.80%
Deposits	0.34%	0.31%	0.27%	0.26%	0.25%
Demand - interest bearing	0.43%	0.36%	0.29%	0.28%	0.25%
Savings	0.15%	0.13%	0.13%	0.12%	0.12%
Other time	0.95%	0.89%	0.86%	0.84%	0.81%
Short-term borrowings	1.62%	1.25%	0.96%	0.85%	0.69%
Total interest bearing deposits and short-term borrowings	0.62%	0.51%	0.45%	0.41%	0.37%
Long-term debt	4.11%	4.17%	4.05%	1.79%	1.01%
Total interest bearing liabilities and expense	0.63%	0.53%	0.46%	0.44%	0.40%
Interest bearing liabilities to interest earning assets	70.27%	70.91%	69.09%	69.55%	69.68%
Net interest tax equivalent adjustment	\$ 1,119	\$ 1,205	\$ 2,155	\$ 2,237	\$ 2,248

*Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 21 and 22.

BancorpSouth Bank
Consolidated Balance Sheets
(Unaudited)

	Jun-18	Mar-18	Dec-17	Sep-17	Jun-17
(Dollars in thousands)					
<u>Assets</u>					
Cash and due from banks	\$ 198,374	\$ 180,104	\$ 167,283	\$ 167,871	\$ 178,376
Interest bearing deposits with other banks and Federal funds sold	152,566	127,345	53,440	52,316	49,680
Available-for-sale securities, at fair value	2,828,754	2,989,767	2,798,542	2,326,900	2,388,392
Loans and leases	12,433,152	12,312,346	11,072,062	11,073,306	11,037,808
Less: Unearned income	15,038	15,497	15,628	17,797	19,268
Allowance for credit losses	119,920	119,434	118,200	119,496	121,561
Net loans and leases	12,298,194	12,177,415	10,938,234	10,936,013	10,896,979
Loans held for sale	153,396	141,979	136,577	138,353	184,921
Premises and equipment, net	339,372	342,353	314,362	311,530	306,863
Accrued interest receivable	51,921	52,856	45,671	44,454	40,716
Goodwill	588,004	580,900	300,798	300,798	300,798
Other identifiable intangibles	39,031	40,590	17,882	18,860	19,854
Bank owned life insurance	306,116	304,850	292,069	259,361	260,228
Other real estate owned	7,828	9,362	6,038	5,956	7,704
Other assets	258,935	238,251	227,622	197,982	208,619
Total Assets	\$ 17,222,491	\$ 17,185,772	\$ 15,298,518	\$ 14,760,394	\$ 14,843,130
<u>Liabilities</u>					
Deposits:					
Demand: Noninterest bearing	\$ 4,135,322	\$ 4,035,830	\$ 3,453,000	\$ 3,414,397	\$ 3,390,428
Interest bearing	5,509,901	5,945,359	5,066,614	4,925,127	5,095,570
Savings	1,810,149	1,843,264	1,638,799	1,638,033	1,630,123
Other time	2,021,186	2,069,848	1,757,183	1,798,431	1,822,175
Total deposits	13,476,558	13,894,301	11,915,596	11,775,988	11,938,296
Securities sold under agreement to repurchase	407,704	469,114	417,867	421,044	399,815
Federal funds purchased and other short-term borrowing	1,025,022	500,000	1,025,000	625,000	365,000
Accrued interest payable	5,961	5,525	4,882	4,826	4,259
Long-term debt	33,214	32,963	30,000	30,000	230,000
Other liabilities	201,949	223,382	191,688	203,034	213,928
Total Liabilities	15,150,408	15,125,285	13,585,033	13,059,892	13,151,298
<u>Shareholders' Equity</u>					
Common stock	246,751	249,092	225,781	225,825	227,557
Capital surplus	441,950	465,699	177,624	175,837	191,940
Accumulated other comprehensive loss	(88,751)	(85,994)	(63,843)	(50,203)	(49,861)
Retained earnings	1,472,133	1,431,690	1,373,923	1,349,043	1,322,196
Total Shareholders' Equity	2,072,083	2,060,487	1,713,485	1,700,502	1,691,832
Total Liabilities & Shareholders' Equity	\$ 17,222,491	\$ 17,185,772	\$ 15,298,518	\$ 14,760,394	\$ 14,843,130

BancorpSouth Bank
Consolidated Average Balance Sheets
(Unaudited)

	Jun-18	Mar-18	Dec-17	Sep-17	Jun-17
(Dollars in thousands)					
<u>Assets</u>					
Cash and due from banks	\$ 203,220	\$ 202,141	\$ 154,843	\$ 153,797	\$ 156,387
Interest bearing deposits with other banks and Federal funds sold	66,035	182,488	108,880	83,109	117,414
Available-for-sale securities, at fair value	2,906,235	2,966,917	2,414,140	2,334,717	2,464,341
Loans and leases	12,350,226	12,099,694	11,026,437	11,032,159	10,903,524
Less: Unearned income	15,470	15,674	16,250	18,889	20,422
Allowance for credit losses	119,622	118,840	119,124	121,501	125,578
Net loans and leases	12,215,134	11,965,180	10,891,063	10,891,769	10,757,524
Loans held for sale	144,400	98,662	112,118	127,112	138,792
Premises and equipment, net	342,395	343,098	313,874	309,592	306,483
Accrued interest receivable	48,767	47,770	40,228	40,100	38,702
Goodwill	583,188	544,840	300,798	300,798	300,798
Other identifiable intangibles	39,752	17,811	18,231	19,222	20,218
Bank owned life insurance	305,016	301,982	265,761	261,100	259,182
Other real estate owned	8,997	9,300	5,777	6,985	7,860
Other assets	231,144	238,379	183,784	181,944	174,110
Total Assets	\$ 17,094,283	\$ 16,918,568	\$ 14,809,497	\$ 14,710,245	\$ 14,741,811
<u>Liabilities</u>					
Deposits:					
Demand: Noninterest bearing	\$ 3,976,039	\$ 3,822,216	\$ 3,479,771	\$ 3,369,468	\$ 3,362,801
Interest bearing	5,697,444	5,898,269	4,949,183	4,985,113	5,079,388
Savings	1,820,013	1,801,128	1,631,617	1,634,577	1,626,996
Other time	2,045,828	2,041,897	1,779,478	1,813,524	1,833,230
Total deposits	13,539,324	13,563,510	11,840,049	11,802,682	11,902,415
Securities sold under agreement to repurchase	416,839	445,840	471,581	444,999	412,825
Federal funds purchased and other short-term borrowing	875,641	667,546	589,261	411,815	151,352
Accrued interest payable	5,600	5,177	4,718	4,507	4,028
Long-term debt	33,147	34,433	30,000	162,609	398,132
Other liabilities	172,280	189,423	172,660	187,734	193,006
Total Liabilities	15,042,831	14,905,929	13,108,269	13,014,346	13,061,758
<u>Shareholders' Equity</u>					
Common stock	247,120	247,189	225,808	227,247	228,322
Capital surplus	444,379	447,576	176,613	189,545	199,115
Accumulated other comprehensive loss	(88,962)	(71,205)	(55,181)	(48,591)	(49,185)
Retained earnings	1,448,915	1,389,079	1,353,988	1,327,698	1,301,801
Total Shareholders' Equity	2,051,452	2,012,639	1,701,228	1,695,899	1,680,053
Total Liabilities & Shareholders' Equity	\$ 17,094,283	\$ 16,918,568	\$ 14,809,497	\$ 14,710,245	\$ 14,741,811

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

	Quarter Ended				
	Jun-18	Mar-18	Dec-17	Sep-17	Jun-17
INTEREST REVENUE:					
Loans and leases	\$ 143,029	\$ 136,568	\$ 120,381	\$ 119,599	\$ 115,286
Deposits with other banks	331	664	300	214	256
Federal funds sold, securities purchased under agreement to resell, FHLB and other equity investments	226	191	157	143	121
Available-for-sale securities:					
Taxable	11,554	11,313	7,957	7,235	7,388
Tax-exempt	2,435	2,504	2,417	2,514	2,562
Loans held for sale	1,715	955	1,064	1,229	1,242
Total interest revenue	<u>159,290</u>	<u>152,195</u>	<u>132,276</u>	<u>130,934</u>	<u>126,855</u>
INTEREST EXPENSE:					
Interest bearing demand	6,075	5,278	3,645	3,482	3,204
Savings	667	584	517	494	483
Other time	4,862	4,457	3,853	3,819	3,725
Federal funds purchased and securities sold under agreement to repurchase	1,898	1,341	930	754	509
Short-term and long-term debt	3,660	2,455	1,943	1,824	1,456
Other	-	2	2	-	-
Total interest expense	<u>17,162</u>	<u>14,117</u>	<u>10,890</u>	<u>10,373</u>	<u>9,377</u>
Net interest revenue	142,128	138,078	121,386	120,561	117,478
Provision for credit losses	2,500	1,000	500	500	1,000
Net interest revenue, after provision for credit losses	<u>139,628</u>	<u>137,078</u>	<u>120,886</u>	<u>120,061</u>	<u>116,478</u>
NONINTEREST REVENUE:					
Mortgage banking	6,904	13,265	7,246	6,909	6,134
Credit card, debit card and merchant fees	10,530	9,564	9,530	9,346	9,565
Deposit service charges	10,767	10,901	10,257	10,388	9,706
Security gains, net	(2)	27	523	5	23
Insurance commissions	32,965	29,130	25,758	28,616	31,126
Wealth management	5,745	5,697	5,619	5,386	5,275
Other	5,547	10,350	4,141	5,310	6,301
Total noninterest revenue	<u>72,456</u>	<u>78,934</u>	<u>63,074</u>	<u>65,960</u>	<u>68,130</u>
NONINTEREST EXPENSE:					
Salaries and employee benefits	91,451	91,197	77,268	80,541	80,723
Occupancy, net of rental income	11,103	10,804	10,064	10,343	10,455
Equipment	3,804	3,754	3,710	3,352	3,438
Deposit insurance assessments	3,129	2,360	2,659	2,499	2,261
Other	35,695	39,586	32,180	30,168	30,676
Total noninterest expense	<u>145,182</u>	<u>147,701</u>	<u>125,881</u>	<u>126,903</u>	<u>127,553</u>
Income before income taxes	66,902	68,311	58,079	59,118	57,055
Income tax expense	12,856	14,820	20,556	19,590	19,166
Net income	<u>\$ 54,046</u>	<u>\$ 53,491</u>	<u>\$ 37,523</u>	<u>\$ 39,528</u>	<u>\$ 37,889</u>
Net income per share: Basic	<u>\$ 0.55</u>	<u>\$ 0.54</u>	<u>\$ 0.42</u>	<u>\$ 0.43</u>	<u>\$ 0.41</u>
Diluted	<u>\$ 0.55</u>	<u>\$ 0.54</u>	<u>\$ 0.41</u>	<u>\$ 0.43</u>	<u>\$ 0.41</u>

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

	Quarter Ended				
	Jun-18	Mar-18	Dec-17	Sep-17	Jun-17
LOAN AND LEASE PORTFOLIO:					
Commercial and industrial	\$ 1,668,174	\$ 1,695,718	\$ 1,480,279	\$ 1,506,352	\$ 1,566,459
Real estate					
Consumer mortgages	3,143,215	3,000,479	2,864,623	2,826,333	2,776,213
Home equity	653,450	655,634	638,394	626,961	624,868
Agricultural	315,828	313,470	243,449	247,211	245,646
Commercial and industrial-owner occupied	2,147,176	2,102,493	1,846,085	1,835,430	1,795,321
Construction, acquisition and development	1,346,370	1,377,153	1,153,187	1,175,979	1,156,901
Commercial real estate	2,636,533	2,640,503	2,345,231	2,336,219	2,341,633
Credit cards	102,790	102,114	107,848	104,613	104,169
All other	404,578	409,285	377,338	396,411	407,330
Total loans	<u>\$ 12,418,114</u>	<u>\$ 12,296,849</u>	<u>\$ 11,056,434</u>	<u>\$ 11,055,509</u>	<u>\$ 11,018,540</u>
ALLOWANCE FOR CREDIT LOSSES:					
Balance, beginning of period	\$ 119,434	\$ 118,200	\$ 119,496	\$ 121,561	\$ 125,196
Loans and leases charged-off:					
Commercial and industrial	(1,057)	(484)	(1,234)	(1,963)	(3,773)
Real estate					
Consumer mortgages	(366)	(134)	(773)	(1,193)	(522)
Home equity	(107)	(143)	(95)	(439)	(125)
Agricultural	(6)	(12)	(5)	(54)	(6)
Commercial and industrial-owner occupied	(279)	(41)	(720)	(20)	(1,460)
Construction, acquisition and development	(66)	(163)	(206)	(29)	(54)
Commercial real estate	(946)	(35)	(159)	(49)	(1)
Credit cards	(830)	(794)	(849)	(745)	(781)
All other	(551)	(725)	(627)	(711)	(591)
Total loans charged-off	<u>(4,208)</u>	<u>(2,531)</u>	<u>(4,668)</u>	<u>(5,203)</u>	<u>(7,313)</u>
Recoveries:					
Commercial and industrial	684	372	599	481	1,034
Real estate					
Consumer mortgages	361	95	755	642	339
Home equity	72	333	69	378	110
Agricultural	10	79	7	77	34
Commercial and industrial-owner occupied	46	80	391	285	481
Construction, acquisition and development	308	1,262	483	260	208
Commercial real estate	149	53	98	151	75
Credit cards	367	220	218	177	205
All other	197	271	252	187	192
Total recoveries	<u>2,194</u>	<u>2,765</u>	<u>2,872</u>	<u>2,638</u>	<u>2,678</u>
Net (charge-offs)recoveries	(2,014)	234	(1,796)	(2,565)	(4,635)
Provision charged to operating expense	2,500	1,000	500	500	1,000
Balance, end of period	<u>\$ 119,920</u>	<u>\$ 119,434</u>	<u>\$ 118,200</u>	<u>\$ 119,496</u>	<u>\$ 121,561</u>
Average loans for period	<u>\$ 12,334,756</u>	<u>\$ 12,084,020</u>	<u>\$ 11,010,187</u>	<u>\$ 11,013,270</u>	<u>\$ 10,883,102</u>
Ratio:					
Net charge-offs(recoveries) to average loans (annualized)	<u>0.07%</u>	<u>(0.01%)</u>	<u>0.06%</u>	<u>0.09%</u>	<u>0.17%</u>

July 18, 2018

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

	Quarter Ended				
	Jun-18	Mar-18	Dec-17	Sep-17	Jun-17
NON-PERFORMING ASSETS					
NON-PERFORMING LOANS AND LEASES:					
Nonaccrual Loans and Leases					
Commercial and industrial	\$ 11,090	\$ 11,122	\$ 10,178	\$ 8,776	\$ 9,988
Real estate					
Consumer mortgages	22,588	26,832	22,988	23,635	24,690
Home equity	2,446	2,587	2,956	2,555	3,183
Agricultural	1,536	6,225	6,160	5,919	6,172
Commercial and industrial-owner occupied	12,275	12,210	12,585	7,558	10,215
Construction, acquisition and development	1,563	2,223	2,197	1,771	2,223
Commercial real estate	8,265	3,597	4,318	4,645	6,418
Credit cards	104	136	74	126	122
All other	178	371	435	811	574
Total nonaccrual loans and leases	<u>\$ 60,045</u>	<u>\$ 65,303</u>	<u>\$ 61,891</u>	<u>\$ 55,796</u>	<u>\$ 63,585</u>
Loans and Leases 90+ Days Past Due, Still Accruing:	6,335	6,519	8,503	1,855	1,793
Restructured Loans and Leases, Still Accruing	6,982	9,681	8,060	7,366	6,303
Total non-performing loans and leases	<u>\$ 73,362</u>	<u>\$ 81,503</u>	<u>\$ 78,454</u>	<u>\$ 65,017</u>	<u>\$ 71,681</u>
OTHER REAL ESTATE OWNED:	7,828	9,362	6,038	5,956	7,704
Total Non-performing Assets	<u>\$ 81,190</u>	<u>\$ 90,865</u>	<u>\$ 84,492</u>	<u>\$ 70,973</u>	<u>\$ 79,385</u>
Additions to Nonaccrual Loans and Leases During the Quarter	<u>\$ 16,902</u>	<u>\$ 16,641</u>	<u>\$ 20,799</u>	<u>\$ 16,975</u>	<u>\$ 17,020</u>
Loans and Leases 30-89 Days Past Due, Still Accruing:					
Commercial and industrial	\$ 7,540	\$ 5,020	\$ 1,990	\$ 3,791	\$ 3,304
Real estate					
Consumer mortgages	16,242	17,076	15,080	18,603	12,395
Home equity	2,231	1,768	1,858	2,042	2,590
Agricultural	6,415	295	191	476	197
Commercial and industrial-owner occupied	2,338	4,356	1,655	4,453	2,228
Construction, acquisition and development	1,240	2,215	1,386	4,464	2,639
Commercial real estate	816	679	1,200	1,206	1,183
Credit cards	778	705	851	720	705
All other	1,435	733	951	699	1,203
Total Loans and Leases 30-89 days past due, still accruing	<u>\$ 39,035</u>	<u>\$ 32,847</u>	<u>\$ 25,162</u>	<u>\$ 36,454</u>	<u>\$ 26,444</u>
Credit Quality Ratios:					
Provision for credit losses to average loans and leases (annualized)	0.08%	0.03%	0.02%	0.02%	0.04%
Allowance for credit losses to net loans and leases	0.97%	0.97%	1.07%	1.08%	1.10%
Allowance for credit losses to non-performing loans and leases	163.46%	146.54%	150.66%	183.79%	169.59%
Allowance for credit losses to non-performing assets	147.70%	131.44%	139.89%	168.37%	153.13%
Non-performing loans and leases to net loans and leases	0.59%	0.66%	0.71%	0.59%	0.65%
Non-performing assets to net loans and leases	0.65%	0.74%	0.76%	0.64%	0.72%

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

	June 30, 2018							
	Pass	Special Mention	Substandard	Doubtful	Loss	Impaired	Purchased Credit Impaired	Total
LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:								
Commercial and industrial	\$ 1,609,943	\$ -	\$ 51,862	\$ 858	\$ -	\$ 5,347	\$ 164	\$ 1,668,174
Real estate								
Consumer mortgages	3,084,706	-	54,775	180	-	3,554	-	3,143,215
Home equity	644,893	-	8,281	-	-	276	-	653,450
Agricultural	297,506	-	15,080	-	-	228	3,014	315,828
Commercial and industrial-owner occupied	2,079,866	-	57,429	-	-	7,964	1,917	2,147,176
Construction, acquisition and development	1,329,372	-	16,569	-	-	424	5	1,346,370
Commercial real estate	2,594,808	-	35,424	-	-	6,301	-	2,636,533
Credit cards	102,790	-	-	-	-	-	-	102,790
All other	393,765	-	10,813	-	-	-	-	404,578
Total loans	<u>\$ 12,137,649</u>	<u>\$ -</u>	<u>\$ 250,233</u>	<u>\$ 1,038</u>	<u>\$ -</u>	<u>\$ 24,094</u>	<u>\$ 5,100</u>	<u>\$ 12,418,114</u>

	March 31, 2018							
	Pass	Special Mention	Substandard	Doubtful	Loss	Impaired	Purchased Credit Impaired	Total
LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:								
Commercial and industrial	\$ 1,646,715	\$ -	\$ 41,194	\$ 599	\$ -	\$ 6,549	\$ 661	\$ 1,695,718
Real estate								
Consumer mortgages	2,934,287	-	61,049	181	-	4,962	-	3,000,479
Home equity	647,562	-	7,791	-	-	281	-	655,634
Agricultural	296,260	-	9,557	-	-	4,744	2,909	313,470
Commercial and industrial-owner occupied	2,025,321	-	67,204	-	-	8,150	1,818	2,102,493
Construction, acquisition and development	1,360,548	-	16,087	-	-	518	-	1,377,153
Commercial real estate	2,598,283	1,207	39,395	-	-	1,618	-	2,640,503
Credit cards	102,114	-	-	-	-	-	-	102,114
All other	399,205	-	10,080	-	-	-	-	409,285
Total loans	<u>\$ 12,010,295</u>	<u>\$ 1,207</u>	<u>\$ 252,357</u>	<u>\$ 780</u>	<u>\$ -</u>	<u>\$ 26,822</u>	<u>\$ 5,388</u>	<u>\$ 12,296,849</u>

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

June 30, 2018

	Alabama and Florida Panhandle	Arkansas	Louisiana	Mississippi	Missouri	Tennessee	Texas	Other	Total
LOAN AND LEASE PORTFOLIO:									
Commercial and industrial	\$ 108,863	\$ 157,532	\$ 288,909	\$ 581,187	\$ 78,691	\$ 104,027	\$ 312,245	\$ 36,720	\$ 1,668,174
Real estate									
Consumer mortgages	425,740	338,448	316,997	874,822	93,044	331,427	649,749	112,988	3,143,215
Home equity	98,027	48,025	89,283	231,900	20,345	143,382	20,700	1,788	653,450
Agricultural	8,330	86,002	38,186	69,253	6,192	11,751	96,114	-	315,828
Commercial and industrial-owner occupied	204,044	207,077	334,836	747,080	50,762	154,312	449,065	-	2,147,176
Construction, acquisition and development	103,155	85,836	108,039	338,837	17,269	184,188	509,046	-	1,346,370
Commercial real estate	315,605	339,100	366,568	550,501	209,819	209,919	645,021	-	2,636,533
Credit cards	-	-	-	-	-	-	-	102,790	102,790
All other	44,640	40,282	28,523	189,663	2,730	20,971	71,781	5,988	404,578
Total loans	\$ 1,308,404	\$ 1,302,302	\$ 1,571,341	\$ 3,583,243	\$ 478,852	\$ 1,159,977	\$ 2,753,721	\$ 260,274	\$ 12,418,114
NON-PERFORMING LOANS AND LEASES:									
Commercial and industrial	\$ 93	\$ 503	946	\$ 3,586	\$ 3,709	\$ 164	\$ 2,163	\$ 879	\$ 12,043
Real estate									
Consumer mortgages	2,481	3,862	4873	9,962	-	3,274	4,245	1,028	29,725
Home equity	404	214	877	722	70	149	51	2	2,489
Agricultural	50	758	5	379	-	-	692	-	1,884
Commercial and industrial-owner occupied	42	1,220	940	4,129	4,160	967	2,848	-	14,306
Construction, acquisition and development	38	640	294	256	-	-	476	-	1,704
Commercial real estate	577	456	6727	1,665	-	-	42	-	9,467
Credit cards	-	-	-	-	-	-	-	1,133	1,133
All other	10	-	6	441	-	150	4	-	611
Total loans	\$ 3,695	\$ 7,653	\$ 14,668	\$ 21,140	\$ 7,939	\$ 4,704	\$ 10,521	\$ 3,042	\$ 73,362
NON-PERFORMING LOANS AND LEASES AS A PERCENTAGE OF OUTSTANDING:									
Commercial and industrial	0.09%	0.32%	0.33%	0.62%	4.71%	0.16%	0.69%	2.39%	0.72%
Real estate									
Consumer mortgages	0.58%	1.14%	1.54%	1.14%	0.00%	0.99%	0.65%	0.91%	0.95%
Home equity	0.41%	0.45%	0.98%	0.31%	0.34%	0.10%	0.25%	0.11%	0.38%
Agricultural	0.60%	0.88%	0.01%	0.55%	0.00%	0.00%	0.72%	N/A	0.60%
Commercial and industrial-owner occupied	0.02%	0.59%	0.28%	0.55%	8.20%	0.63%	0.63%	N/A	0.67%
Construction, acquisition and development	0.04%	0.75%	0.27%	0.08%	0.00%	0.00%	0.09%	N/A	0.13%
Commercial real estate	0.18%	0.13%	1.84%	0.30%	0.00%	0.00%	0.01%	N/A	0.36%
Credit cards	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.10%	1.10%
All other	0.02%	0.00%	0.02%	0.23%	0.00%	0.72%	0.01%	0.00%	0.15%
Total loans	0.28%	0.59%	0.93%	0.59%	1.66%	0.41%	0.38%	1.17%	0.59%

July 18, 2018

BancorpSouth Bank
Acquired Loan Information
(Dollars in thousands)
(Unaudited)

	Quarter Ended June 30, 2018		
	Acquired Loans Accounted for Under ASC 310-20	Acquired Loans Accounted for Under ASC 310-30	Total Acquired Loans
Net book value of acquired loans at beginning of period	\$ 1,070,820	\$ 5,388	\$ 1,076,208
Fair value of loans acquired during the period	-	-	-
Reductions in acquired loans	(148,925)	(287)	(149,212)
Net book value of acquired loans at end of period	<u>\$ 921,895</u>	<u>\$ 5,101</u>	<u>\$ 926,996</u>
Loan mark on acquired loans at beginning of period	\$ (13,098)	\$ (6,231)	\$ (19,329)
Loan mark recorded on loans acquired during the period	-	-	-
Change in nonaccretable difference (for ASC 310-30 loans only)	N/A	2,163	2,163
Net accretion recognized on acquired loans	2,683	325	3,008
Other adjustments to accretable yield	(487)	160	(327)
Remaining loan mark on acquired loans*	<u>\$ (10,902)</u>	<u>\$ (3,583)</u>	<u>\$ (14,485)</u>

	Quarter Ended March 31, 2018		
	Acquired Loans Accounted for Under ASC 310-20	Acquired Loans Accounted for Under ASC 310-30	Total Acquired Loans
Net book value of acquired loans at beginning of period	\$ -	\$ -	\$ -
Fair value of loans acquired during the period	1,179,376	6,706	1,186,082
Reductions in acquired loans	(108,556)	(1,318)	(109,874)
Net book value of acquired loans at end of period	<u>\$ 1,070,820</u>	<u>\$ 5,388</u>	<u>\$ 1,076,208</u>
Loan mark on acquired loans at beginning of period	\$ -	\$ -	\$ -
Loan mark recorded on loans acquired during the period	(15,621)	(6,359)	(21,980)
Change in nonaccretable difference (for ASC 310-30 loans only)	N/A	-	-
Net accretion recognized on acquired loans	2,523	128	2,651
Remaining loan mark on acquired loans	<u>\$ (13,098)</u>	<u>\$ (6,231)</u>	<u>\$ (19,329)</u>

	Quarter Ended 6/30/2018	Quarter Ended 3/31/2018
Loan yield, as reported	4.67%	4.60%
Loan yield, excluding net accretion on acquired loans	4.57%	4.51%
Net interest margin, as reported	3.71%	3.67%
Net interest margin, excluding net accretion on acquired loans	3.63%	3.60%

* The remaining loan mark shown above for loans accounted for under ASC 310-30 includes \$424 thousand in accretable yield as of June 30, 2018 compared to \$895 thousand in accretable yield as of March 31, 2018. In addition, the same loans include \$3.2 million in nonaccretable difference as of June 30, 2018 compared to \$5.3 million as of March 31, 2018.

July 18, 2018

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

	Quarter Ended				
	Jun-18	Mar-18	Dec-17	Sep-17	Jun-17
NONINTEREST REVENUE:					
Mortgage banking excl. MSR and MSR Hedge market value adj	\$ 7,105	\$ 7,732	\$ 4,868	\$ 6,955	\$ 7,643
MSR and MSR Hedge market value adjustment	(201)	5,533	2,378	(46)	(1,509)
Credit card, debit card and merchant fees	10,530	9,564	9,530	9,346	9,565
Deposit service charges	10,767	10,901	10,257	10,388	9,706
Securities gains, net	(2)	27	523	5	23
Insurance commissions	32,965	29,130	25,758	28,616	31,126
Trust income	3,850	3,848	3,985	3,803	3,679
Annuity fees	357	297	216	246	264
Brokerage commissions and fees	1,538	1,552	1,418	1,337	1,332
Bank-owned life insurance	3,259	1,947	1,732	2,700	1,710
Other miscellaneous income	2,288	8,403	2,409	2,610	4,591
Total noninterest revenue	<u>\$ 72,456</u>	<u>\$ 78,934</u>	<u>\$ 63,074</u>	<u>\$ 65,960</u>	<u>\$ 68,130</u>
NONINTEREST EXPENSE:					
Salaries and employee benefits	\$ 91,451	\$ 91,197	\$ 77,268	\$ 80,541	\$ 80,723
Occupancy, net of rental income	11,103	10,804	10,064	10,343	10,455
Equipment	3,804	3,754	3,710	3,352	3,438
Deposit insurance assessments	3,129	2,360	2,659	2,499	2,261
Advertising	1,226	855	1,671	1,185	1,037
Foreclosed property expense	997	366	1,035	447	960
Telecommunications	1,327	1,217	1,219	1,192	1,233
Public relations	829	794	705	675	654
Data processing	7,970	7,360	6,855	6,942	7,230
Computer software	3,624	3,336	3,172	3,074	2,913
Amortization of intangibles	1,559	1,602	979	994	1,010
Legal	1,568	691	1,326	1,016	1,330
Merger expense	1,911	5,727	688	-	-
Postage and shipping	1,151	1,237	1,092	1,050	1,080
Other miscellaneous expense	13,533	16,401	13,438	13,593	13,229
Total noninterest expense	<u>\$ 145,182</u>	<u>\$ 147,701</u>	<u>\$ 125,881</u>	<u>\$ 126,903</u>	<u>\$ 127,553</u>
INSURANCE COMMISSIONS:					
Property and casualty commissions	\$ 23,041	\$ 20,100	\$ 18,667	\$ 21,086	\$ 22,363
Life and health commissions	6,753	5,943	5,900	6,134	6,623
Risk management income	605	750	608	703	600
Other	2,566	2,337	583	693	1,540
Total insurance commissions	<u>\$ 32,965</u>	<u>\$ 29,130</u>	<u>\$ 25,758</u>	<u>\$ 28,616</u>	<u>\$ 31,126</u>

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

	Quarter Ended				
	Jun-18	Mar-18	Dec-17	Sep-17	Jun-17
MORTGAGE SERVICING RIGHTS:					
Fair value, beginning of period	\$ 75,206	\$ 69,190	\$ 66,417	\$ 65,491	\$ 67,161
Additions to mortgage servicing rights:					
Originations of servicing assets	3,516	2,683	3,011	3,393	2,772
Changes in fair value:					
Due to payoffs/paydowns	(2,916)	(2,382)	(2,659)	(2,502)	(2,825)
Due to change in valuation inputs or assumptions used in the valuation model	(191)	5,716	2,422	36	(1,616)
Other changes in fair value	(1)	(1)	(1)	(1)	(1)
Fair value, end of period	<u>\$ 75,614</u>	<u>\$ 75,206</u>	<u>\$ 69,190</u>	<u>\$ 66,417</u>	<u>\$ 65,491</u>
MORTGAGE BANKING REVENUE:					
Production revenue:					
Origination	\$ 5,295	\$ 5,239	\$ 2,824	\$ 4,809	\$ 5,771
Servicing	4,726	4,875	4,703	4,648	4,697
Payoffs/Paydowns	(2,916)	(2,382)	(2,659)	(2,502)	(2,825)
Total production revenue	7,105	7,732	4,868	6,955	7,643
Market value adjustment on MSR	(191)	5,716	2,422	36	(1,616)
Market value adjustment on MSR Hedge	(10)	(183)	(44)	(82)	107
Total mortgage banking revenue	<u>\$ 6,904</u>	<u>\$ 13,265</u>	<u>\$ 7,246</u>	<u>\$ 6,909</u>	<u>\$ 6,134</u>
Mortgage loans serviced	\$ 6,579,444	\$ 6,532,950	\$ 6,533,642	\$ 6,506,550	\$ 6,431,273
MSR/mtg loans serviced	1.15%	1.15%	1.06%	1.02%	1.02%
AVAILABLE-FOR-SALE SECURITIES, at fair value					
U.S. Government agencies	\$ 2,235,238	\$ 2,385,962	\$ 2,214,995	\$ 1,687,186	\$ 1,713,374
U.S. Government agency issued residential mortgage-back securities	141,443	139,148	148,548	157,891	159,246
U.S. Government agency issued commercial mortgage-back securities	122,974	124,041	122,068	153,509	170,642
Obligations of states and political subdivisions	329,099	340,616	312,931	328,314	345,130
Total available-for-sale securities	<u>\$ 2,828,754</u>	<u>\$ 2,989,767</u>	<u>\$ 2,798,542</u>	<u>\$ 2,326,900</u>	<u>\$ 2,388,392</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-excluding MSR, total operating expense, tangible shareholders' equity to tangible assets, return on tangible equity, operating return on tangible equity-excluding MSR, operating return on average assets-excluding MSR, operating return on average shareholders' equity-excluding MSR, tangible book value per share, operating earnings per share, operating earnings per 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 and Net Operating Income-Excluding MSR to Net Income:

	Quarter ended				
	6/30/2018	3/31/2018	12/31/2017	9/30/2017	6/30/2017
Net income	\$ 54,046	\$ 53,491	\$ 37,523	\$ 39,528	\$ 37,889
Plus: Merger expense, net of tax	1,434	4,298	427	-	-
Changes due to tax reform	-	-	623	-	-
Less: Security (losses)/gains, net of tax	(2)	20	325	3	14
Net operating income	<u>\$ 55,482</u>	<u>\$ 57,769</u>	<u>\$ 38,248</u>	<u>\$ 39,525</u>	<u>\$ 37,875</u>
Less: MSR market value adjustment, net of tax	(151)	4,153	1,476	(28)	(936)
Net operating income-excluding MSR	<u>\$ 55,633</u>	<u>\$ 53,616</u>	<u>\$ 36,772</u>	<u>\$ 39,553</u>	<u>\$ 38,811</u>

Reconciliation of Total Operating Expense to Total Noninterest Expense:

Total noninterest expense	\$ 145,182	\$ 147,701	\$ 125,881	\$ 126,903	\$ 127,553
Less: Merger expense	1,911	5,727	688	-	-
Total operating expense	<u>\$ 143,271</u>	<u>\$ 141,974</u>	<u>\$ 125,193</u>	<u>\$ 126,903</u>	<u>\$ 127,553</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				
	6/30/2018	3/31/2018	12/31/2017	9/30/2017	6/30/2017
Tangible assets					
Total assets	\$ 17,222,491	\$ 17,185,772	\$ 15,298,518	\$ 14,760,394	\$ 14,843,130
Less: Goodwill	588,004	580,900	300,798	300,798	300,798
Other identifiable intangible assets	39,031	40,590	17,882	18,860	19,854
Total tangible assets	<u>\$ 16,595,456</u>	<u>\$ 16,564,282</u>	<u>\$ 14,979,838</u>	<u>\$ 14,440,736</u>	<u>\$ 14,522,478</u>
Tangible shareholders' equity					
Total shareholders' equity	\$ 2,072,083	\$ 2,060,487	\$ 1,713,485	\$ 1,700,502	\$ 1,691,832
Less: Goodwill	588,004	580,900	300,798	300,798	300,798
Other identifiable intangible assets	39,031	40,590	17,882	18,860	19,854
Total tangible shareholders' equity	<u>\$ 1,445,048</u>	<u>\$ 1,438,997</u>	<u>\$ 1,394,805</u>	<u>\$ 1,380,844</u>	<u>\$ 1,371,180</u>
Total average assets					
Total average assets	\$ 17,094,283	\$ 16,918,568	\$ 14,809,497	\$ 14,710,245	\$ 14,741,811
Total shares of common stock outstanding	98,700,509	99,636,779	90,312,378	90,329,896	91,022,729
Average shares outstanding-diluted	99,057,054	98,942,268	90,546,824	91,099,770	91,530,552
Tangible shareholders' equity to tangible assets (1)					
Return on tangible equity (2)	8.71%	8.69%	9.31%	9.56%	9.44%
Operating return on tangible equity-excluding MSR (3)	15.00%	15.08%	10.67%	11.36%	11.08%
Operating return on average assets-excluding MSR (4)	15.44%	15.11%	10.46%	11.36%	11.35%
Operating return on average shareholders' equity-excluding MSR (5)	1.31%	1.29%	0.99%	1.07%	1.06%
Tangible book value per share (6)	10.88%	10.80%	8.58%	9.25%	9.27%
Operating earnings per share (7)	\$ 14.64	\$ 14.44	\$ 15.44	\$ 15.29	\$ 15.06
Operating earnings per share-excluding MSR (8)	\$ 0.56	\$ 0.58	\$ 0.42	\$ 0.43	\$ 0.41
	\$ 0.56	\$ 0.54	\$ 0.41	\$ 0.43	\$ 0.42

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