

BANCORPSOUTH INC  
Form 10-Q  
November 02, 2015  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2015

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-12991

BANCORPSOUTH, INC.

(Exact name of registrant as specified in its charter)

Mississippi  
(State or other jurisdiction of incorporation or organization)

64-0659571  
(I.R.S. Employer Identification No.)

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One Mississippi Plaza, 201 South Spring Street

Tupelo, Mississippi  
(Address of principal executive offices)

38804  
(Zip Code)

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

NOT APPLICABLE

(Former name, former address, and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check One): Large accelerated filer  Accelerated filer  Non-accelerated filer (Do not check if a smaller reporting company)  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of October 30, 2015, the registrant had outstanding 93,988,495 shares of common stock, par value \$2.50 per share.

BANCORPSOUTH, INC.

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## PART I.

## FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS.

## BANCORPSOUTH, INC. AND SUBSIDIARIES

## Consolidated Balance Sheets

	September 30, 2015 (Unaudited)	December 31, 2014 (1)	September 30, 2014 (Unaudited)
(Dollars in thousands, except per share amounts)			
<b>ASSETS</b>			
Cash and due from banks	\$ 159,923	\$ 204,231	\$ 169,226
Interest bearing deposits with other banks	113,068	153,019	70,408
Available-for-sale securities, at fair value	2,161,125	2,156,927	2,211,462
Loans and leases	10,254,013	9,749,540	9,546,250
Less: Unearned income	34,437	36,604	35,708
Allowance for credit losses	133,009	142,443	143,950
Net loans and leases	10,086,567	9,570,493	9,366,592
Loans held for sale, at fair value	170,175	141,015	137,005
Premises and equipment, net	304,317	304,943	307,497
Accrued interest receivable	41,599	41,985	42,311
Goodwill	291,498	291,498	291,498
Other identifiable intangibles	21,466	24,508	25,619
Bank-owned life insurance	249,825	247,076	243,827
Other real estate owned	23,696	33,984	42,691
Other assets	164,165	156,690	163,421
<b>TOTAL ASSETS</b>	<b>\$ 13,787,424</b>	<b>\$ 13,326,369</b>	<b>\$ 13,071,557</b>
<b>LIABILITIES</b>			
Deposits:			
Demand: Noninterest bearing	\$ 3,053,439	\$ 2,778,686	\$ 2,811,156
Interest bearing	4,794,656	4,868,054	4,498,275
Savings	1,409,856	1,331,963	1,311,874
Other time	1,883,995	1,993,636	2,080,232
Total deposits	11,141,946	10,972,339	10,701,537
Federal funds purchased and securities sold under agreement to repurchase	425,203	388,166	431,428
Short-term Federal Home Loan Bank borrowings and other short-term borrowing	224,500	3,500	2,000
Accrued interest payable	3,353	3,400	3,894
Junior subordinated debt securities	23,198	23,198	23,198
Long-term debt	71,868	78,148	81,742

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Other liabilities	252,536	251,559	217,215
<b>TOTAL LIABILITIES</b>	<b>12,142,604</b>	<b>11,720,310</b>	<b>11,461,014</b>
<b>SHAREHOLDERS' EQUITY</b>			
Common stock, \$2.50 par value per share			
Authorized - 500,000,000 shares; Issued - 93,969,994			
96,254,903 and 96,065,021 shares, respectively	234,925	240,637	240,165
Capital surplus	278,998	324,271	322,488
Accumulated other comprehensive loss	(36,355)	(43,686)	(15,513)
Retained earnings	1,167,252	1,084,837	1,063,403
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,644,820</b>	<b>1,606,059</b>	<b>1,610,543</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 13,787,424</b>	<b>\$ 13,326,369</b>	<b>\$ 13,071,557</b>

(1) Derived from audited financial statements.

See accompanying notes to consolidated financial statements.

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## BANCORPSOUTH, INC. AND SUBSIDIARIES

## Consolidated Statements of Income

(Unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2015	2014	2015	2014
(In thousands, except for per share amounts)				
<b>INTEREST REVENUE:</b>				
Loans and leases	\$ 107,086	\$ 102,681	\$ 312,649	\$ 301,387
Deposits with other banks	36	68	398	431
Available-for-sale securities:				
Taxable	6,490	6,646	19,758	21,326
Tax-exempt	3,226	3,607	9,938	10,991
Loans held for sale	1,363	920	3,585	1,885
Total interest revenue	118,201	113,922	346,328	336,020
<b>INTEREST EXPENSE:</b>				
Deposits:				
Interest bearing demand	2,209	1,956	6,654	5,781
Savings	431	410	1,269	1,203
Other time	3,646	5,083	11,481	16,222
Federal funds purchased and securities sold under agreement to repurchase	104	84	271	242
Long-term debt	571	612	1,704	1,860
Junior subordinated debt	168	164	496	494
Other	2	-	1	1
Total interest expense	7,131	8,309	21,876	25,803
Net interest revenue	111,070	105,613	324,452	310,217
Provision for credit losses	(3,000)	-	(13,000)	-
Net interest revenue, after provision for credit losses	114,070	105,613	337,452	310,217
<b>NONINTEREST REVENUE:</b>				
Mortgage lending	2,339	6,938	25,008	19,421
Credit card, debit card and merchant fees	9,282	8,972	27,119	25,382
Deposit service charges	12,150	13,111	34,929	38,084
Security gains, net	33	18	88	19
Insurance commissions	28,584	29,246	91,396	89,466
Wealth management	5,567	6,064	17,285	18,015
Other	4,998	4,929	14,757	15,246
Total noninterest revenue	62,953	69,278	210,582	205,633
<b>NONINTEREST EXPENSE:</b>				
Salaries and employee benefits	81,354	77,453	242,292	231,077
Occupancy, net of rental income	10,819	10,313	31,432	30,845

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Equipment	3,742	4,205	11,740	12,873
Deposit insurance assessments	2,191	2,125	6,879	5,760
Other	28,344	39,603	99,217	107,805
Total noninterest expense	126,450	133,699	391,560	388,360
Income before income taxes	50,573	41,192	156,474	127,490
Income tax expense	16,230	12,414	50,152	39,400
Net income	\$ 34,343	\$ 28,778	\$ 106,322	\$ 88,090
Earnings per share: Basic	\$ 0.36	\$ 0.30	\$ 1.10	\$ 0.92
Diluted	\$ 0.36	\$ 0.30	\$ 1.10	\$ 0.92
Dividends declared per common share	\$ 0.10	\$ 0.08	\$ 0.25	\$ 0.18

See accompanying notes to consolidated financial statements.

BANCORPSOUTH, INC. AND SUBSIDIARIES  
 Consolidated Statements of Comprehensive Income  
 (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
	(In thousands)			
Net income	\$ 34,343	\$ 28,778	\$ 106,322	\$ 88,090
Other comprehensive income (loss), net of tax				
Unrealized gains (losses) on securities	3,823	(928)	4,001	13,079
Pension and other postretirement benefits	1,110	455	3,330	1,367
Other comprehensive income (loss), net of tax	4,933	(473)	7,331	14,446
Comprehensive income	\$ 39,276	\$ 28,305	\$ 113,653	\$ 102,536

See accompanying notes to consolidated financial statements.



BANCORPSOUTH, INC. AND SUBSIDIARIES  
 Consolidated Statements of Cash Flows  
 (Unaudited)

	Nine months ended September 30,	
	2015	2014
	(In thousands)	
Operating Activities:		
Net income	\$ 106,322	\$ 88,090
Adjustment to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	(13,000)	-
Depreciation and amortization	19,914	20,336
Deferred taxes	-	(1,939)
Amortization of intangibles	3,042	3,332
Amortization of debt securities premium and discount, net	9,461	9,921
Share-based compensation expense	5,749	1,480
Security gains, net	(88)	(19)
Net deferred loan origination expense	(5,073)	(5,199)
Excess tax benefit from exercise of stock options	867	1,248
Decrease (increase) in interest receivable	386	(161)
Decrease in interest payable	(47)	(942)
Realized gain on mortgages sold	(34,965)	(24,543)
Proceeds from mortgages sold	1,134,164	781,368
Origination of mortgages held for sale	(1,130,433)	(793,850)
Loss on other real estate owned, net	2,956	10,485
Increase in bank-owned life insurance	(5,491)	(5,599)
Decrease in prepaid pension asset	-	4,244
Other, net	14,532	21,692
Net cash provided by operating activities	108,296	109,944
Investing activities:		
Proceeds from calls and maturities of available-for-sale securities	276,707	426,015
Proceeds from sales of available-for-sale securities	1,110	-
Purchases of available-for-sale securities	(294,853)	(160,387)
Net increase in loans and leases	(503,869)	(599,310)
Purchases of premises and equipment	(20,125)	(12,685)
Proceeds from sale of premises and equipment	549	336
Purchase of bank-owned life insurance, net of proceeds from death benefits	2,742	1,206
Acquisition of Insurance agency	-	(5,060)
Proceeds from sale of other real estate owned	13,033	28,366
Other, net	(12)	(12)
Net cash used in investing activities	(524,718)	(321,531)
Financing activities:		
Net increase (decrease) in deposits	169,607	(72,299)

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Net increase in short-term debt and other liabilities	258,024	10,388
Advances of long-term debt	-	8,000
Repayment of long-term debt	(6,280)	(5,972)
Redemption of junior subordinated debt	-	(8,248)
Issuance of common stock	6,071	9,621
Repurchase of common stock	(70,439)	(675)
Excess tax benefit from exercise of stock options	(867)	(1,248)
Payment of cash dividends	(23,953)	(16,769)
Net cash provided by (used in) financing activities	332,163	(77,202)
Decrease in cash and cash equivalents	(84,259)	(288,789)
Cash and cash equivalents at beginning of period	357,250	528,423
Cash and cash equivalents at end of period	\$ 272,991	\$ 239,634

See accompanying notes to consolidated financial statements.

## Notes to Consolidated Financial Statements

(Unaudited)

## NOTE 1 – BASIS OF FINANCIAL STATEMENT PRESENTATION AND PRINCIPLES OF CONSOLIDATION

The accompanying unaudited interim consolidated financial statements of BancorpSouth, Inc. (the “Company”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and follow general practices within the industries in which the Company operates. For further information, refer to the audited consolidated financial statements and notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2014. In the opinion of management, all adjustments necessary for a fair presentation of the consolidated financial statements have been included and all such adjustments were of a normal, recurring nature. The results of operations for the three-month and nine-month periods ended September 30, 2015 are not necessarily indicative of the results to be expected for the full year. Certain 2014 amounts have been reclassified to conform with the 2015 presentation.

The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries, BancorpSouth Bank (the “Bank”) and Gumtree Wholesale Insurance Brokers, Inc., and the Bank’s wholly-owned subsidiaries, BancorpSouth Insurance Services, Inc., BancorpSouth Municipal Development Corporation and BancorpSouth Bank Securities Corporation.

## NOTE 2 – LOANS AND LEASES

The Company’s loan and lease portfolio is disaggregated into the following segments: commercial and industrial; real estate; credit card; and all other loans and leases. The real estate segment is further disaggregated into the following classes: consumer mortgages; home equity; agricultural; commercial and industrial-owner occupied; construction, acquisition and development; and commercial real estate. A summary of gross loans and leases by segment and class as of the dates indicated follows:

	September 30, 2015	2014	December 31, 2014
	(In thousands)		
Commercial and industrial	\$ 1,715,293	\$ 1,721,208	\$ 1,753,041

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Real estate			
Consumer mortgages	2,447,132	2,191,265	2,257,726
Home equity	573,566	518,263	531,374
Agricultural	252,381	242,023	239,616
Commercial and industrial-owner occupied	1,605,811	1,508,679	1,522,536
Construction, acquisition and development	900,875	819,636	853,623
Commercial real estate	2,141,398	1,916,577	1,961,977
Credit cards	109,576	109,464	113,426
All other	507,981	519,135	516,221
Total	\$ 10,254,013	\$ 9,546,250	\$ 9,749,540

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The following table shows the Company's loans and leases, net of unearned income, as of September 30, 2015 by segment, class and geographical location:

	Alabama and Florida Panhandle (In thousands)	Arkansas	Louisiana	Mississippi	Missouri	Tennessee	Texas
Commercial and industrial	\$ 156,906	\$ 202,404	\$ 199,453	\$ 592,008	\$ 68,073	\$ 114,479	\$ -
Real estate							
Consumer mortgages	285,916	334,245	218,535	823,486	73,144	269,128	426,000
Home equity	80,490	39,037	62,196	219,209	22,330	139,264	9,300
Agricultural	6,246	76,058	30,511	79,688	3,109	12,935	43,000
Commercial and industrial-owner occupied	182,334	189,991	185,937	669,397	57,543	130,355	190,000
Construction, acquisition and development	106,784	100,059	77,098	293,502	22,768	135,188	165,000
Commercial real estate	336,677	349,996	234,714	590,385	203,867	175,412	250,000
Credit cards	-	-	-	-	-	-	-
All other	73,139	49,215	31,516	189,538	3,925	43,360	61,000
Total	\$ 1,228,492	\$ 1,341,005	\$ 1,039,960	\$ 3,457,213	\$ 454,759	\$ 1,020,121	\$ -

The Company's loan concentrations which exceed 10% of total loans are reflected in the preceding tables. A substantial portion of construction, acquisition and development loans are secured by real estate in markets in which the Company is located. The Company's loan policy generally prohibits the use of interest reserves on loans originated after March 2010. Certain of the construction, acquisition and development loans were structured with interest-only terms. A portion of the consumer mortgage and commercial real estate portfolios originated through the permanent financing of construction, acquisition and development loans. Future economic distress could negatively impact borrowers' and guarantors' ability to repay their debt which would make more of the Company's loans collateral dependent.

The following tables provide details regarding the aging of the Company's loan and lease portfolio, net of unearned income, by segment and class at September 30, 2015 and December 31, 2014:



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September 30, 2015

	30-59 Days Past Due	60-89 Days Past Due	90+ Days Past Due	Total Past Due	Current	Total Outstanding	90+ Days Past Due still Accruing
(In thousands)							
Commercial and industrial	\$ 13,473	\$ 970	\$ 1,406	\$ 15,849	\$ 1,694,648	\$ 1,710,497	\$ 58
Real estate							
Consumer mortgages	9,732	5,951	10,255	25,938	2,421,194	2,447,132	1,068
Home equity	1,574	605	1,527	3,706	569,860	573,566	-
Agricultural	382	19	69	470	251,911	252,381	-
Commercial and industrial-owner occupied	6,288	264	1,359	7,911	1,597,900	1,605,811	-
Construction, acquisition and development	1,199	169	2,490	3,858	897,017	900,875	-
Commercial real estate	798	-	5,221	6,019	2,135,379	2,141,398	-
Credit cards	545	344	347	1,236	108,340	109,576	310
All other	1,229	224	93	1,546	476,795	478,340	-
Total	\$ 35,220	\$ 8,546	\$ 22,767	\$ 66,533	\$ 10,153,044	\$ 10,219,576	\$ 1,436

December 31, 2014

	30-59 Days Past Due	60-89 Days Past Due	90+ Days Past Due	Total Past Due	Current	Total Outstanding	90+ Days Past Due still Accruing
(In thousands)							
Commercial and industrial	\$ 2,322	\$ 544	\$ 601	\$ 3,467	\$ 1,743,019	\$ 1,746,486	\$ 41
Real estate							
Consumer mortgages	10,725	3,797	11,167	25,689	2,232,037	2,257,726	1,828
Home equity	1,834	397	658	2,889	528,485	531,374	-
Agricultural	365	1	130	496	239,120	239,616	-
Commercial and industrial-owner occupied	1,005	463	3,337	4,805	1,517,731	1,522,536	39
Construction, acquisition and development	4,547	278	1,568	6,393	847,230	853,623	387
Commercial real estate	4,722	1	1,545	6,268	1,955,709	1,961,977	137

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Credit cards	447	312	379	1,138	112,288	113,426	327
All other	1,562	203	102	1,867	484,305	486,172	4
Total	\$ 27,529	\$ 5,996	\$ 19,487	\$ 53,012	\$ 9,659,924	\$ 9,712,936	\$ 2,763

The Company utilizes an internal loan classification system to grade loans according to certain credit quality indicators. These credit quality indicators include, but are not limited to, recent credit performance, delinquency, liquidity, cash flows, debt coverage ratios, collateral type and loan-to-value ratio. The Company's internal loan classification system is compatible with classifications used by the Federal Deposit Insurance Corporation, as well as other regulatory agencies. Loans may be classified as follows:

Pass: Loans which are performing as agreed with few or no signs of weakness. These loans show sufficient cash flow, capital and collateral to repay the loan as agreed.

Special Mention: Loans where potential weaknesses have developed which could cause a more serious problem if not corrected.

Substandard: Loans where well-defined weaknesses exist that require corrective action to prevent further deterioration.



Doubtful: Loans having all the characteristics of Substandard and which have deteriorated to a point where collection and liquidation in full is highly questionable.

Loss: Loans that are considered uncollectible or with limited possible recovery.

Impaired: Loans for which it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement and for which a specific impairment reserve has been considered.

The following tables provide details of the Company's loan and lease portfolio, net of unearned income, by segment, class and internally assigned grade at September 30, 2015 and December 31, 2014:

	September 30, 2015						Total
	Pass	Special Mention	Substandard	Doubtful	Loss	Impaired (1)	
	(In thousands)						
Commercial and industrial Real estate	\$ 1,671,522	\$ -	\$ 24,967	\$ -	\$ -	\$ 14,008	\$ 1,710,497
Consumer mortgages	2,369,160	-	73,753	107	-	4,112	2,447,132
Home equity	563,119	-	8,645	-	-	1,802	573,566
Agricultural	243,814	-	8,235	-	-	332	252,381
Commercial and industrial-owner occupied	1,541,771	-	55,289	224	-	8,527	1,605,811
Construction, acquisition and development	870,595	-	27,243	430	-	2,607	900,875
Commercial real estate	2,072,229	-	59,514	410	-	9,245	2,141,398
Credit cards	109,576	-	-	-	-	-	109,576
All other	471,633	-	6,604	-	-	103	478,340
Total	\$ 9,913,419	\$ -	\$ 264,250	\$ 1,171	\$ -	\$ 40,736	\$ 10,219,576

December 31, 2014

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	Pass	Special Mention	Substandard	Doubtful	Loss	Impaired (1)	Total
(In thousands)							
Commercial and industrial	\$ 1,709,475	\$ 978	\$ 33,879	\$ -	\$ -	\$ 2,154	\$ 1,746,486
Real estate							
Consumer mortgages	2,167,965	-	84,975	-	-	4,786	2,257,726
Home equity	521,011	-	9,744	-	-	619	531,374
Agricultural	227,688	-	11,928	-	-	-	239,616
Commercial and industrial-owner occupied	1,450,158	-	64,420	491	-	7,467	1,522,536
Construction, acquisition and development	811,227	-	39,675	334	-	2,387	853,623
Commercial real estate	1,893,514	-	57,761	184	-	10,518	1,961,977
Credit cards	113,426	-	-	-	-	-	113,426
All other	471,662	-	14,340	-	-	170	486,172
Total	\$ 9,366,126	\$ 978	\$ 316,722	\$ 1,009	\$ -	\$ 28,101	\$ 9,712,936

(1) Impaired loans are shown exclusive of accruing troubled debt restructurings ("TDRs")

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The following tables provide details regarding impaired loans and leases, net of unearned income, by segment and class as of and for the three months and nine months ended September 30, 2015 and as of and for the year ended December 31, 2014:

	September 30, 2015			Average Recorded Investment		Interest Income Recognized	
	Recorded Investment in Impaired Loans (In thousands)	Unpaid Principal Balance of Impaired Loans	Related Allowance for Credit Losses	Three months ended September 30, 2015	Nine months ended September 30, 2015	Three months ended September 30, 2015	Nine months ended September 30, 2015
<b>With no related allowance:</b>							
Commercial and industrial	\$ 5,204	\$ 8,073	\$ -	\$ 4,861	\$ 3,190	\$ 33	\$ -
<b>Real estate:</b>							
Consumer mortgages	4,112	4,667	-	3,855	3,425	19	56
Home equity	197	197	-	1,014	746	1	5
Agricultural	332	390	-	239	81	2	2
Commercial and industrial-owner occupied	8,527	9,402	-	6,881	5,962	78	150
Construction, acquisition and development	2,378	2,461	-	2,710	3,554	9	21
Commercial real estate	8,469	12,282	-	8,518	8,297	49	165
All other	103	103	-	169	197	1	3
<b>Total</b>	<b>\$ 29,322</b>	<b>\$ 37,575</b>	<b>\$ -</b>	<b>\$ 28,247</b>	<b>\$ 25,452</b>	<b>\$ 192</b>	<b>\$ 441</b>
<b>With an allowance:</b>							
Commercial and industrial	\$ 8,804	\$ 9,115	\$ 4,454	\$ 3,991	\$ 2,899	\$ 14	\$ -
<b>Real estate:</b>							
Consumer mortgages	-	-	-	263	492	-	9
Home equity	1,605	1,605	401	792	535	4	12
Agricultural	-	-	-	-	-	-	-
Commercial and industrial-owner occupied	-	-	306	1,902	2,495	14	51
Construction, acquisition and development	229	229	3	75	109	-	-

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Commercial real estate	776	776	189	1,447	3,168	12	27
All other	-	-	-	-	-	-	-
Total	\$ 11,414	\$ 11,725	\$ 5,353	\$ 8,470	\$ 9,698	\$ 44	\$ 11
Total:							
Commercial and industrial	\$ 14,008	\$ 17,188	\$ 4,454	\$ 8,852	\$ 6,089	\$ 47	\$ 8
Real estate:							
Consumer mortgages	4,112	4,667	-	4,118	3,917	19	65
Home equity	1,802	1,802	401	1,806	1,281	5	17
Agricultural	332	390	-	239	81	2	2
Commercial and industrial-owner occupied	8,527	9,402	306	8,783	8,457	92	201
Construction, acquisition and development	2,607	2,690	3	2,785	3,663	9	21
Commercial real estate	9,245	13,058	189	9,965	11,465	61	192
All other	103	103	-	169	197	1	3
Total	\$ 40,736	\$ 49,300	\$ 5,353	\$ 36,717	\$ 35,150	\$ 236	\$ 5

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December 31, 2014

	Recorded Investment in Impaired Loans	Unpaid Principal Balance of Impaired Loans	Related Allowance for Credit Losses	Average Recorded Investment	Interest Income Recognized
(In thousands)					
With no related allowance:					
Commercial and industrial	\$ 1,235	\$ 1,583	\$ -	\$ 1,271	\$ 43
Real estate:					
Consumer mortgages	3,503	4,356	-	4,282	72
Home equity	209	209	-	215	6
Agricultural	-	-	-	370	2
Commercial and industrial-owner occupied	6,503	7,634	-	4,687	70
Construction, acquisition and development	2,387	3,654	-	5,796	66
Commercial real estate	7,975	9,275	-	7,935	128
All other	170	314	-	187	8
Total	\$ 21,982	\$ 27,025	\$ -	\$ 24,743	\$ 395
With an allowance:					
Commercial and industrial	\$ 919	\$ 919	\$ 215	\$ 328	\$ 19
Real estate:					
Consumer mortgages	1,283	1,658	123	1,376	30
Home equity	410	410	70	-	-
Agricultural	-	-	-	43	-
Commercial and industrial-owner occupied	964	1,094	89	1,203	21
Construction, acquisition and development	-	-	-	542	-
Commercial real estate	2,543	2,543	1,022	5,706	87
All other	-	-	-	6	-
Total	\$ 6,119	\$ 6,624	\$ 1,519	\$ 9,204	\$ 157
Total:					
Commercial and industrial	\$ 2,154	\$ 2,502	\$ 215	\$ 1,599	\$ 62
Real estate:					
Consumer mortgages	4,786	6,014	123	5,658	102
Home equity	619	619	70	215	6
Agricultural	-	-	-	413	2
Commercial and industrial-owner occupied	7,467	8,728	89	5,890	91
Construction, acquisition and development	2,387	3,654	-	6,338	66
Commercial real estate	10,518	11,818	1,022	13,641	215
All other	170	314	-	193	8
Total	\$ 28,101	\$ 33,649	\$ 1,519	\$ 33,947	\$ 552

The following tables provide details regarding impaired loans and leases, net of unearned income, which include troubled debt restructurings (TDRs), by segment and class as of and for the three months and nine months ended September 30, 2015 and as of and for the year ended December 31, 2014:

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	September 30, 2015							
	Recorded Investment in Impaired Loans and Accruing TDRs (In thousands)	Unpaid Principal Balance of Impaired Loans and Accruing TDRs	Related Allowance for Credit Losses	Average Recorded Investment Three months ended September 30, 2015	Nine months ended September 30, 2015	Interest Income Three months ended September 30, 2015	Recorded Investment in Impaired Loans and Accruing TDRs (In thousands)	Interest Income Three months ended September 30, 2015
With no related allowance:								
Commercial and industrial	\$ 5,204	\$ 8,073	\$ -	\$ 4,861	\$ 3,190	\$ 33	\$	\$
Real estate:								
Consumer mortgages	4,112	4,667	-	3,855	3,425	19		56
Home equity	197	197	-	1,014	746	1		5
Agricultural	332	390	-	239	81	2		2
Commercial and industrial-owner occupied	8,527	9,402	-	6,881	5,962	78		150
Construction, acquisition and development	2,378	2,461	-	2,710	3,554	9		21
Commercial real estate	8,469	12,282	-	8,518	8,297	49		165
All other	103	103	-	169	197	1		3
Total	\$ 29,322	\$ 37,575	\$ -	\$ 28,247	\$ 25,452	\$ 192	\$	\$
With an allowance:								
Commercial and industrial	\$ 9,522	\$ 9,833	\$ 4,479	\$ 4,865	\$ 3,461	\$ 24	\$	\$
Real estate:								
Consumer mortgages	926	1,017	185	1,351	2,204	11		59
Home equity	1,605	1,615	401	792	539	4		12
Agricultural	-	-	-	-	2	-		-
Commercial and industrial-owner occupied	5,076	5,421	467	7,174	7,120	63		175
Construction, acquisition and development	1,955	1,955	15	1,933	1,483	14		31
Commercial real estate	11,486	11,699	395	8,974	6,305	71		106
Credit card	932	932	42	980	1,021	98		308
All other	296	471	13	231	170	1		4
Total	\$ 31,798	\$ 32,943	\$ 5,997	\$ 26,300	\$ 22,305	\$ 286	\$	\$
Total:								
Commercial and industrial	\$ 14,726	\$ 17,906	\$ 4,479	\$ 9,726	\$ 6,651	\$ 57	\$	\$
Real estate:	5,038	5,684	185	5,206	5,629	30		115

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Consumer mortgages									
Home equity	1,802	1,812	401	1,806	1,285	5	17		
Agricultural	332	390	-	239	83	2	2		
Commercial and industrial-owner occupied	13,603	14,823	467	14,055	13,082	141	325		
Construction, acquisition and development	4,333	4,416	15	4,643	5,037	23	52		
Commercial real estate	19,955	23,981	395	17,492	14,602	120	271		
Credit card	932	932	42	980	1,021	98	308		
All other	399	574	13	400	367	2	7		
Total	\$ 61,120	\$ 70,518	\$ 5,997	\$ 54,547	\$ 47,757	\$ 478	\$		

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	December 31, 2014				
	Recorded Investment in Impaired Loans and Accruing TDRs (In thousands)	Unpaid Principal Balance of Impaired Loans and Accruing TDRs	Related Allowance for Credit Losses	Average Recorded Investment	Interest Income Recognized
With no related allowance:					
Commercial and industrial Real estate:	\$ 1,235	\$ 1,583	\$ -	\$ 1,271	\$ 43
Consumer mortgages	3,503	4,356	-	4,282	72
Home equity	209	209	-	215	6
Agricultural	-	-	-	370	2
Commercial and industrial-owner occupied	6,503	7,634	-	4,687	70
Construction, acquisition and development	2,387	3,654	-	5,796	66
Commercial real estate	7,975	9,275	-	7,935	128
All other	170	314	-	187	8
Total	\$ 21,982	\$ 27,025	\$ -	\$ 24,743	\$ 395
With an allowance:					
Commercial and industrial Real estate:	\$ 1,275	\$ 1,276	\$ 239	\$ 1,208	\$ 63
Consumer mortgages	4,832	5,549	875	4,278	140
Home equity	427	438	70	18	1
Agricultural	8	8	1	305	11
Commercial and industrial-owner occupied	5,520	5,856	404	6,571	243
Construction, acquisition and development	1,488	1,752	241	2,410	70
Commercial real estate	3,957	4,200	1,290	8,135	195
Credit cards	1,109	1,109	64	1,374	137
All other	154	195	46	143	5
Total	\$ 18,770	\$ 20,383	\$ 3,230	\$ 24,442	\$ 865
Total:					
Commercial and industrial Real estate:	\$ 2,510	\$ 2,859	\$ 239	\$ 2,479	\$ 106
Consumer mortgages	8,335	9,905	875	8,560	212
Home equity	636	647	70	233	7
Agricultural	8	8	1	675	13
Commercial and industrial-owner occupied	12,023	13,490	404	11,258	313

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Construction, acquisition and development	3,875	5,406	241	8,206	136
Commercial real estate	11,932	13,475	1,290	16,070	323
Credit cards	1,109	1,109	64	1,374	137
All other	324	509	46	330	13
Total	\$ 40,752	\$ 47,408	\$ 3,230	\$ 49,185	\$ 1,260

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Loans considered impaired under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 310, Receivables (“FASB ASC 310”), are loans for which, based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. The Company’s recorded investment in loans considered impaired exclusive of accruing TDRs at September 30, 2015 and December 31, 2014 was \$40.7 million and \$28.1 million, respectively. At September 30, 2015 and December 31, 2014, \$11.4 million and \$6.1 million, respectively, of those impaired loans had a valuation allowance of \$5.4 million and \$1.5 million, respectively. The remaining balance of impaired loans of \$29.3 million and \$22.0 million at September 30, 2015 and December 31, 2014, respectively, were charged down to fair value, less estimated selling costs which approximated net realizable value. Therefore, such loans did not have an associated valuation allowance. Impaired loans that were characterized as TDRs totaled \$2.7 million and \$4.6 million at September 30, 2015 and December 31, 2014, respectively. The average recorded investment in impaired loans was \$36.7 million and \$35.2 for the three months and nine months ended September 30, 2015 and \$33.9 million for the year ended December 31, 2014.

Non-performing loans and leases (“NPLs”) consist of non-accrual loans and leases, loans and leases 90 days or more past due and still accruing, and loans and leases that have been restructured (primarily in the form of reduced interest rates and modified payment terms) because of the borrower’s weakened financial condition or bankruptcy proceedings. The following table presents information concerning NPLs as of the dates indicated:

	September 30, 2015	2014	December 31, 2014
	(In thousands)		
Non-accrual loans and leases	\$ 70,237	\$ 54,612	\$ 58,052
Loans and leases 90 days or more past due, still accruing	1,436	1,925	2,763
Restructured loans and leases still accruing	18,578	12,398	10,920
Total non-performing loans and leases	\$ 90,251	\$ 68,935	\$ 71,735

The Bank’s policy for all loan classifications provides that loans and leases are generally placed in non-accrual status if, in management’s opinion, payment in full of principal or interest is not expected or payment of principal or interest is more than 90 days past due, unless such loan or lease is both well-secured and in the process of collection. At September 30, 2015, the Company’s geographic NPL distribution was concentrated primarily in its Arkansas and Mississippi markets. The following table presents the Company’s nonaccrual loans and leases by segment and class as of the dates indicated:

	September 30, 2015	2014	December 31, 2014
	(In thousands)		

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Commercial and industrial	\$ 15,697	\$ 2,786	\$ 3,934
Real estate			
Consumer mortgages	21,959	23,408	23,668
Home equity	3,664	2,073	2,253
Agricultural	484	638	291
Commercial and industrial-owner occupied	12,690	7,495	11,190
Construction, acquisition and development	4,240	6,070	4,162
Commercial real estate	10,730	11,102	11,915
Credit cards	215	168	133
All other	558	872	506
Total	\$ 70,237	\$ 54,612	\$ 58,052

In the normal course of business, management will sometimes grant concessions, which would not otherwise be considered, to borrowers that are experiencing financial difficulty. Loans identified as meeting the criteria set out in FASB ASC 310 are identified as TDRs. The concessions granted most frequently for TDRs

involve reductions or delays in required payments of principal and interest for a specified period, the rescheduling of payments in accordance with a bankruptcy plan or the charge-off of a portion of the loan. In most cases, the conditions of the credit also warrant nonaccrual status, even after the restructure occurs. Other conditions that warrant a loan being considered a TDR include reductions in interest rates to below market rates due to bankruptcy plans or by the bank in an attempt to assist the borrower in working through liquidity problems. As part of the credit approval process, the restructured loans are evaluated for adequate collateral protection in determining the appropriate accrual status at the time of restructure. TDRs recorded as nonaccrual loans may generally be returned to accrual status in years after the restructure if there has been at least a six-month period of sustained repayment performance by the borrower in accordance with the terms of the restructured loan and the interest rate at the time of restructure was at or above market for a comparable loan. During the third quarter of 2015, the most common concessions that were granted involved rescheduling payments of principal and interest over a longer amortization period, granting a period of reduced principal payment or interest only payment for a limited time period, or the rescheduling of payments in accordance with a bankruptcy plan.

The following tables summarize the financial effect of TDRs recorded during the periods indicated:

Three months ended September 30, 2015

	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
(Dollars in thousands)			
Commercial and industrial Real estate	1	\$ 62	\$ 57
Consumer mortgages	2	93	93
Commercial and industrial-owner occupied	1	110	110
Commercial real estate	1	9,828	9,821
All other	1	23	23
Total	6	\$ 10,116	\$ 10,104

Nine months ended September 30, 2015

	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
(Dollars in thousands)			
Commercial and industrial Real estate	6	\$ 1,159	\$ 1,146

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Consumer mortgages	8	485	485	
Commercial and industrial-owner occupied	8	5,388	5,368	
Construction, acquisition and development	2	201	199	
Commercial real estate	8	12,278	11,857	
All other	3	60	54	
Total	35	\$	19,571	\$ 19,109

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	Year ended December 31, 2014		
	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
	(Dollars in thousands)		
Commercial and industrial Real estate	5	\$ 613	\$ 613
Consumer mortgages	33	4,823	4,263
Home equity	2	31	30
Agricultural	1	10	10
Commercial and industrial-owner occupied	8	2,103	1,810
Construction, acquisition and development	3	924	924
Commercial real estate	7	1,426	1,519
All other	14	290	286
Total	73	\$ 10,220	\$ 9,455

The tables below summarize TDRs within the previous 12 months for which there was a payment default during the period indicated (i.e., 30 days or more past due at any given time during the period indicated).

	Three months ended September 30, 2015	
	Number of Contracts	Recorded Investment
	(Dollars in thousands)	
Consumer mortgages	1	\$ 19
Total	1	\$ 19

	Nine months ended September 30, 2015	
	Number of Contracts	Recorded Investment
	(Dollars in thousands)	
Commercial and industrial	1	\$ 84

Real estate

Consumer mortgages	4	226	
Commercial and industrial-owner occupied	1	517	
Commercial real estate	1	150	
Total	7	\$	977



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	Year ended December 31, 2014	
	Number of Contracts	Recorded Investment
	(Dollars in thousands)	
Real estate		
Consumer mortgages	8	\$ 540
Commercial and industrial-owner occupied	2	784
Construction, acquisition and development	2	279
Commercial real estate	5	901
All other	6	65
Total	23	\$ 2,569

NOTE 3 – ALLOWANCE FOR CREDIT LOSSES

The following tables summarize the changes in the allowance for credit losses by segment and class for the periods indicated:

	Nine months ended September 30, 2015				Balance, End of Period
	Balance, Beginning of Period (In thousands)	Charge-offs	Recoveries	Provision	
Commercial and industrial	\$ 21,419	\$ (3,829)	\$ 1,681	\$ 4,559	\$ 23,830
Real estate					
Consumer mortgages	40,015	(2,849)	2,113	(5,635)	33,644
Home equity	9,542	(1,057)	516	(1,039)	7,962
Agricultural	3,420	(17)	364	(1,252)	2,515
Commercial and industrial-owner occupied	16,325	(1,443)	2,527	(2,452)	14,957
Construction, acquisition and development	9,885	(818)	10,666	(8,933)	10,800
Commercial real estate	23,562	(3,601)	1,507	3,637	25,105
Credit cards	6,514	(1,909)	506	(221)	4,890
All other	11,761	(1,648)	857	(1,664)	9,306
Total	\$ 142,443	\$ (17,171)	\$ 20,737	\$ (13,000)	\$ 133,009



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	Year ended December 31, 2014				Balance, End of Period
	Balance, Beginning of Period	Charge-offs	Recoveries	Provision	Balance, End of Period
	(In thousands)				
Commercial and industrial	\$ 18,376	\$ (2,546)	\$ 2,298	\$ 3,291	\$ 21,419
Real estate					
Consumer mortgages	39,525	(6,037)	3,267	3,260	40,015
Home equity	5,663	(1,359)	625	4,613	9,542
Agricultural	2,800	(765)	96	1,289	3,420
Commercial and industrial-owner occupied	17,059	(3,591)	1,112	1,745	16,325
Construction, acquisition and development	11,828	(3,731)	3,734	(1,946)	9,885
Commercial real estate	43,853	(1,795)	1,458	(19,954)	23,562
Credit cards	3,782	(2,359)	542	4,549	6,514
All other	10,350	(2,844)	1,102	3,153	11,761
Total	\$ 153,236	\$ (25,027)	\$ 14,234	\$ -	\$ 142,443

	Nine months ended September 30, 2014				Balance, End of Period
	Balance, Beginning of Period	Charge-offs	Recoveries	Provision	Balance, End of Period
	(In thousands)				
Commercial and industrial	\$ 18,376	\$ (1,367)	\$ 2,000	\$ 2,319	\$ 21,328
Real estate					
Consumer mortgages	39,525	(5,137)	2,446	4,594	41,428
Home equity	5,663	(1,266)	523	4,720	9,640
Agricultural	2,800	(761)	80	1,579	3,698
Commercial and industrial-owner occupied	17,059	(3,371)	896	2,673	17,257
Construction, acquisition and development	11,828	(3,165)	2,837	(1,326)	10,174
Commercial real estate	43,853	(1,332)	835	(20,155)	23,201
Credit cards	3,782	(1,779)	382	3,470	5,855
All other	10,350	(1,997)	890	2,126	11,369
Total	\$ 153,236	\$ (20,175)	\$ 10,889	\$ -	\$ 143,950

The following tables provide the allowance for credit losses by segment, class and impairment status as of the dates indicated::

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	September 30, 2015			
	Recorded Balance of Impaired Loans	Allowance for Impaired Loans and Leases	Allowance for All Other Loans and Leases	Total Allowance
	(In thousands)			
Commercial and industrial Real estate	\$ 14,008	\$ 4,454	\$ 19,376	\$ 23,830
Consumer mortgages	4,112	-	33,644	33,644
Home equity	1,802	401	7,561	7,962
Agricultural	332	-	2,515	2,515
Commercial and industrial-owner occupied	8,527	306	14,651	14,957
Construction, acquisition and development	2,607	3	10,797	10,800
Commercial real estate	9,245	189	24,916	25,105
Credit cards	-	-	4,890	4,890
All other	103	-	9,306	9,306
Total	\$ 40,736	\$ 5,353	\$ 127,656	\$ 133,009

	December 31, 2014			
	Recorded Balance of Impaired Loans	Allowance for Impaired Loans and Leases	Allowance for All Other Loans and Leases	Total Allowance
	(In thousands)			
Commercial and industrial Real estate	\$ 2,154	\$ 215	\$ 21,204	\$ 21,419
Consumer mortgages	4,786	123	39,892	40,015
Home equity	619	70	9,472	9,542
Agricultural	-	-	3,420	3,420
Commercial and industrial-owner occupied	7,467	89	16,236	16,325
Construction, acquisition and development	2,387	-	9,885	9,885
Commercial real estate	10,518	1,022	22,540	23,562
Credit cards	-	-	6,514	6,514
All other	170	-	11,761	11,761
Total	\$ 28,101	\$ 1,519	\$ 140,924	\$ 142,443

Management evaluates impaired loans individually in determining the adequacy of the allowance for impaired loans. As a result of the Company individually evaluating loans of \$500,000 or more that are 60 or more days past due for impairment, further review of remaining loans collectively, as well as the corresponding potential allowance, would be immaterial in the opinion of management.

NOTE 4 – OTHER REAL ESTATE OWNED

The following table presents the activity in other real estate owned (“OREO”) for the periods indicated:

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	Nine months ended September 30, 2015		2014	Year ended December 31, 2014
	(In thousands)			
Balance at beginning of period	\$ 33,984	\$ 69,338		\$ 69,338
Additions to foreclosed properties				
New foreclosed properties	5,867	12,475		14,732
Reductions in foreclosed properties				
Sales	(12,422)	(33,465)		(42,013)
Writedowns	(3,733)	(5,657)		(8,073)
Balance at end of period	\$ 23,696	\$ 42,691		\$ 33,984

The following tables present the OREO by geographical location, segment and class as of the dates indicated:

	September 30, 2015								
	Alabama and Florida								
	Panhandle	Arkansas	Louisiana	Mississippi	Missouri	Tennessee	Texas	Other	Total
	(In thousands)								
Commercial and industrial Real estate	\$ 84	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84
Consumer mortgages	214	116	53	2,039	-	180	4	-	2,606
Home equity	-	-	-	101	-	-	-	-	101
Agricultural	-	-	-	25	-	-	-	-	25
Commercial and industrial-owner occupied	260	-	-	601	-	385	60	-	1,306
Construction, acquisition and development	3,689	84	130	12,693	-	2,134	-	-	18,730
Commercial real estate	170	108	-	278	127	-	63	-	746
All other	-	-	-	98	-	-	-	-	98
Total	\$ 4,417	\$ 308	\$ 183	\$ 15,835	\$ 127	\$ 2,699	\$ 127	\$ -	\$ 23,696





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December 31, 2014

Alabama  
and Florida

Panhandle Arkansas Louisiana Mississippi Missouri Tennessee Texas Other Total  
(In thousands)

Commercial and industrial Real estate	\$ 84	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84
Consumer mortgages	309	97	470	1,181	-	198	39	-	-	2,294
Home equity	24	-	-	188	-	-	-	-	-	212
Agricultural	-	-	-	25	-	-	-	-	-	25
Commercial and industrial-owner occupied	-	-	-	1,162	-	223	60	-	-	1,445
Construction, acquisition and development	7,302	84	140	17,152	-	3,006	56	-	-	27,740
Commercial real estate	1,000	256	-	646	-	121	63	-	-	2,086
All other	-	-	-	98	-	-	-	-	-	98
Total	\$ 8,719	\$ 437	\$ 610	\$ 20,452	\$ -	\$ 3,548	\$ 218	\$ -	\$ -	\$ 33,984

September 30, 2014

Alabama  
and Florida

Panhandle Arkansas Louisiana Mississippi Missouri Tennessee Texas Other Total  
(In thousands)

Commercial and industrial Real estate	\$ 84	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84
Consumer mortgages	809	97	25	1,777	-	173	4	-	-	2,885
Home equity	-	-	-	188	-	-	-	-	-	188
Agricultural	-	-	-	216	-	462	-	-	-	678
Commercial and industrial-owner occupied	-	-	-	2,679	-	616	60	-	-	3,355
Construction, acquisition and development	8,318	83	140	21,193	37	3,737	-	-	-	33,508
Commercial real estate	796	288	-	767	-	-	-	-	-	1,851
All other	-	-	-	142	-	-	-	-	-	142
Total	\$ 10,007	\$ 468	\$ 165	\$ 26,962	\$ 37	\$ 4,988	\$ 64	\$ -	\$ -	\$ 42,691

The Company incurred total foreclosed property expenses of approximately \$808,000 and \$5.7 million for the three months ended September 30, 2015 and 2014, respectively. Realized net gains/losses on dispositions and holding losses on valuations of these properties, a component of total foreclosed property expenses, were approximately \$321,000 and \$4.9 million for the three months ended September 30, 2015 and 2014, respectively. The Company incurred total foreclosed property expenses of \$4.4 million and \$12.5 million for the nine months ended September 30, 2015 and 2014, respectively. Realized net gains/losses on dispositions and holding losses on valuations of these properties, a component of total foreclosed property expenses, were \$3.0 million and \$10.5 million for the nine months ended September 30, 2015 and 2014, respectively.

## NOTE 5 – SECURITIES

A comparison of amortized cost and estimated fair values of available-for-sale securities as of September 30, 2015 and 2014, respectively, and December 31, 2014 follows:

	September 30, 2015			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(In thousands)			
U.S. Government agencies	\$ 1,249,043	\$ 6,674	\$ -	\$ 1,255,717
Government agency issued residential mortgage-backed securities	203,852	3,301	275	206,878
Government agency issued commercial mortgage-backed securities	226,285	3,661	24	229,922
Obligations of states and political subdivisions	426,911	24,730	41	451,600
Other	16,158	850	-	17,008
Total	\$ 2,122,249	\$ 39,216	\$ 340	\$ 2,161,125

	December 31, 2014			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(In thousands)			
U.S. Government agencies	\$ 1,213,310	\$ 4,093	\$ 2,349	\$ 1,215,054
Government agency issued residential mortgage-backed securities	204,918	4,751	439	209,230
Government agency issued commercial mortgage-backed securities	241,449	2,319	3,200	240,568
Obligations of states and political subdivisions	458,026	25,986	148	483,864
Other	6,864	1,347	-	8,211
Total	\$ 2,124,567	\$ 38,496	\$ 6,136	\$ 2,156,927

	September 30, 2014			
	Amortized	Gross Unrealized	Gross Unrealized	Estimated Fair

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	Cost	Gains	Losses	Value
	(In thousands)			
U.S. Government agencies	\$ 1,236,827	\$ 5,129	\$ 3,868	\$ 1,238,088
Government agency issued residential mortgage-backed securities	214,804	4,675	731	218,748
Government agency issued commercial mortgage-backed securities	240,702	1,788	5,165	237,325
Obligations of states and political subdivisions	484,691	24,794	181	509,304
Other	6,856	1,141	-	7,997
Total	\$ 2,183,880	\$ 37,527	\$ 9,945	\$ 2,211,462

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Gross gains of approximately \$88,000 and no gross losses were recognized on available-for-sale securities during the first nine months of 2015, while gross gains of approximately \$31,000 and gross losses of approximately \$12,000 were recognized during the first nine months of 2014.

The amortized cost and estimated fair value of available-for-sale securities at September 30, 2015 by contractual maturity are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Equity securities are considered as maturing after ten years.

	September 30, 2015		
	Amortized Cost	Estimated Fair Value	Weighted Average Yield
	(Dollars in thousands)		
Maturing in one year or less	\$ 330,495	\$ 331,904	1.60 %
Maturing after one year through five years	1,037,343	1,044,196	1.25
Maturing after five years through ten years	51,766	54,198	5.13
Maturing after ten years	272,508	294,027	5.87
Mortgage-backed securities	430,137	436,800	2.04
Total	\$ 2,122,249	\$ 2,161,125	

The following tables summarize information pertaining to temporarily impaired available-for-sale securities with continuous unrealized loss positions at September 30, 2015 and December 31, 2014:

	September 30, 2015					
	Continuous Unrealized Loss Position					
	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(In thousands)					
U.S. Government agencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Government agency issued residential mortgage-backed securities	13,493	114	21,535	161	35,028	275
Government agency issued commercial mortgage-backed securities	-	-	10,748	24	10,748	24
Obligations of states and political subdivisions	5,769	25	4,366	16	10,135	41
Total	\$ 19,262	\$ 139	\$ 36,649	\$ 201	\$ 55,911	\$ 340



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December 31, 2014

Continuous Unrealized Loss Position

	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(In thousands)					
U.S. Government agencies	\$ 237,891	\$ 471	\$ 283,643	\$ 1,878	\$ 521,534	\$ 2,349
Government agency issued residential mortgage-backed securities	-	-	24,565	439	24,565	439
Government agency issued commercial mortgage-backed securities	3,822	24	203,520	3,176	207,342	3,200
Obligations of states and political subdivisions	17,317	62	10,616	86	27,933	148
Total	\$ 259,030	\$ 557	\$ 522,344	\$ 5,579	\$ 781,374	\$ 6,136

Based upon a review of the credit quality of these securities, and considering that the issuers were in compliance with the terms of the securities, management had no intent to sell these securities, and it was more likely than not that the Company would not be required to sell the securities prior to recovery of costs. Therefore, the impairments related to these securities were determined to be temporary. No other-than-temporary impairment was recorded during the first nine months of 2015.

NOTE 6 – PER SHARE DATA

Basic earnings per share (“EPS”) are calculated using the two-class method. The two-class method provides that unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and shall be included in the computation of basic EPS. Diluted EPS is computed using the weighted-average number of shares determined for the basic EPS computation plus the shares resulting from the assumed exercise of all outstanding share-based awards using the treasury stock method. Weighted-average antidilutive stock options to purchase approximately 32,400 shares of Company common stock with a weighted average exercise price of \$25.31 per share for both the three months and nine months ended September 30, 2015 were excluded from diluted shares. There were no antidilutive other equity awards for the three months and nine months ended September 30, 2015. Weighted-average antidilutive stock options to purchase approximately 907,000 and approximately 69,000 shares of Company common stock with a weighted average exercise price of \$23.43 and \$24.89 per share for the three months and nine months ended September 30, 2014 were excluded from diluted shares. There were no antidilutive other equity awards for the three months and nine months ended September 30, 2014. The following table provides a reconciliation of the numerators and denominators of the basic and diluted earnings per share computations for the periods shown:





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		Three months ended September 30, 2015			2014		
	Income	Shares	Per Share	Income	Shares	Per Share	
	(Numerator)	(Denominator)	Amount	(Numerator)	(Denominator)	Amount	
Basic EPS (In thousands, except per share amounts)							
Income available to common shareholders	\$ 34,343	96,203	\$ 0.36	\$ 28,778	96,052	\$ 0.30	
Effect of dilutive share-based awards	-	265		-	322		
Diluted EPS							
Income available to common shareholders plus assumed exercise of all outstanding share-based awards	\$ 34,343	96,468	\$ 0.36	\$ 28,778	96,374	\$ 0.30	

		Nine months ended September 30, 2015			2014		
	Income	Shares	Per Share	Income	Shares	Per Share	
	(Numerator)	(Denominator)	Amount	(Numerator)	(Denominator)	Amount	
Basic EPS (In thousands, except per share amounts)							
Income available to common shareholders	\$ 106,322	96,396	\$ 1.10	\$ 88,090	95,906	\$ 0.92	
Effect of dilutive share-based awards	-	308		-	327		
Diluted EPS							
Income available to common shareholders plus assumed exercise of all outstanding share-based awards	\$ 106,322	96,704	\$ 1.10	\$ 88,090	96,233	\$ 0.92	

NOTE 7 – COMPREHENSIVE INCOME

The following tables present the components of other comprehensive (loss) income and the related tax effects allocated to each component for the periods indicated:

Three months  
ended  
September 30,