

BANCORPSOUTH INC
Form 10-Q
November 07, 2013
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2013

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 November 1, 2013, the registrant had outstanding 95,213,534 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, 2013 (Unaudited)	December 31, 2012 (1)	September 30, 2012 (Unaudited)
	(Dollars in thousands, except per share amounts)		
ASSETS			
Cash and due from banks	\$ 199,464	\$ 223,814	\$ 176,529
Interest bearing deposits with other banks	361,401	979,800	757,207
Available-for-sale securities, at fair value	2,554,156	2,434,032	2,483,606
Loans and leases	8,806,392	8,672,752	8,716,715
Less: Unearned income	33,277	35,763	36,746
Allowance for credit losses	153,974	164,466	169,019
Net loans and leases	8,619,141	8,472,523	8,510,950
Loans held for sale	77,114	129,138	129,408
Premises and equipment, net	314,441	319,456	321,068
Accrued interest receivable	43,034	44,356	48,314
Goodwill	275,173	275,173	275,173
Bank-owned life insurance	236,969	231,120	203,798
Other real estate owned	76,853	103,248	128,211
Other assets	158,407	184,538	201,473
TOTAL ASSETS	\$ 12,916,153	\$ 13,397,198	\$ 13,235,737
LIABILITIES			
Deposits:			
Demand: Noninterest bearing	\$ 2,597,762	\$ 2,545,169	\$ 2,492,508
Interest bearing	4,493,359	4,799,496	4,697,260
Savings	1,220,227	1,145,785	1,103,490
Other time	2,406,598	2,597,696	2,681,382
Total deposits	10,717,946	11,088,146	10,974,640
Federal funds purchased and securities sold under agreement to repurchase	418,623	414,611	377,676
Accrued interest payable	5,156	6,140	6,759
Junior subordinated debt securities	31,446	160,312	160,312
Long-term debt	83,500	33,500	33,500
Other liabilities	178,871	245,437	236,147
TOTAL LIABILITIES	11,435,542	11,948,146	11,789,034
SHAREHOLDERS' EQUITY			
Common stock, \$2.50 par value per share			

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Authorized - 500,000,000 shares; Issued - 95,211,602, 94,549,867 and 94,440,710 shares, respectively	238,029	236,375	236,102
Capital surplus	312,798	311,909	311,271
Accumulated other comprehensive (loss) income	(39,389)	(8,646)	5,952
Retained earnings	969,173	909,414	893,378
TOTAL SHAREHOLDERS' EQUITY	1,480,611	1,449,052	1,446,703
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 12,916,153	\$ 13,397,198	\$ 13,235,737

(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 September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
(In thousands, except for per share amounts)				
INTEREST REVENUE:				
Loans and leases	\$ 98,836	\$ 105,937	\$ 296,452	\$ 322,686
Deposits with other banks	310	399	1,395	1,182
Federal funds sold and securities purchased under agreement to resell	-	2	-	3
Available-for-sale securities:				
Taxable	8,218	9,329	25,323	30,679
Tax-exempt	3,866	4,109	11,737	12,575
Loans held for sale	731	974	2,090	2,204
Total interest revenue	111,961	120,750	336,997	369,329
INTEREST EXPENSE:				
Deposits:				
Interest bearing demand	2,061	3,889	7,609	12,523
Savings	383	686	1,318	2,091
Other time	7,271	9,482	22,983	31,048
Federal funds purchased and securities sold under agreement to repurchase	80	73	213	202
Federal Home Loan Bank borrowings	350	364	1,047	1,097
Junior subordinated debt	1,424	2,875	7,141	8,633
Other	151	2	154	5
Total interest expense	11,720	17,371	40,465	55,599
Net interest revenue	100,241	103,379	296,532	313,730
Provision for credit losses	500	6,000	7,500	22,000
Net interest revenue, after provision for credit losses	99,741	97,379	289,032	291,730
NONINTEREST REVENUE:				
Mortgage lending	5,134	13,549	35,372	39,731
Credit card, debit card and merchant fees	8,834	8,270	24,681	23,580
Deposit service charges	13,679	14,189	39,335	43,002
Trust income	3,332	3,101	9,734	8,522
Security (losses) gains, net	(5)	39	17	290
Insurance commissions	23,800	23,519	76,303	69,636
Other	7,740	7,753	24,499	24,487
Total noninterest revenue	62,514	70,420	209,941	209,248
NONINTEREST EXPENSE:				
Salaries and employee benefits	73,532	74,829	231,230	227,421
Occupancy, net of rental income	10,360	10,944	31,174	31,497

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Equipment	4,555	5,083	14,088	15,540
Deposit insurance assessments	3,325	3,998	9,068	13,375
Voluntary early retirement expense	-	-	10,850	-
Write-off and amortization of bond issue cost	2,907	38	2,983	114
Other	34,718	38,896	107,626	118,027
Total noninterest expense	129,397	133,788	407,019	405,974
Income before income taxes	32,858	34,011	91,954	95,004
Income tax expense	8,001	10,186	25,537	27,689
Net income	\$ 24,857	\$ 23,825	\$ 66,417	\$ 67,315
Earnings per share: Basic	\$ 0.26	\$ 0.25	\$ 0.70	\$ 0.72
Diluted	\$ 0.26	\$ 0.25	\$ 0.70	\$ 0.72
Dividends declared per common share	\$ 0.05	\$ 0.01	\$ 0.07	\$ 0.03

See accompanying notes to consolidated financial statements.

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

	Three months ended September 30, 2013		2012		Nine months ended September 30, 2013		2012	
	(In thousands)							
Net income	\$	24,857	\$	23,825	\$	66,417	\$	67,315
Other comprehensive (loss) income, net of tax								
Unrealized (losses) gains on securities		(881)		4,183		(33,220)		6,306
Pension and other postretirement benefits		825		435		2,477		1,907
Other comprehensive (loss) income, net of tax		(56)		4,618		(30,743)		8,213
Comprehensive income	\$	24,801	\$	28,443	\$	35,674	\$	75,528

See accompanying notes to consolidated financial statements.

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