

BANCORPSOUTH INC
Form 10-Q
November 07, 2012

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, 2012

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.)

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

Edgar Filing: BANCORPSOUTH INC - Form 10-Q

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 2, 2012, the registrant had outstanding 94,440,710 shares of common stock, par value \$2.50 per share.

BANCORPSOUTH, INC.
TABLE OF CONTENTS

PART I.	Financial Information	Page
	ITEM 1.	
	Financial Statements	
	Consolidated Balance Sheets September 30, 2012 and 2011 (Unaudited) and December 31, 2011	3
	Consolidated Statements of Operations (Unaudited)	
	Three Months and Nine Months Ended September 30, 2012 and 2011	4
	Consolidated Statements of Comprehensive Income	
	Three Months and Nine Months Ended September 30, 2012 and 2011	5
	Consolidated Statements of Cash Flows (Unaudited)	
	Nine Months Ended September 30, 2012 and 2011	6
	Notes to Consolidated Financial Statements (Unaudited)	7
	ITEM 2.	
	Management's Discussion and Analysis of Financial Condition and Results of Operations	38
	ITEM 3.	
	Quantitative and Qualitative Disclosures About Market Risk	75
	ITEM 4.	
	Controls and Procedures	76
	PART II.	
	Other Information	
	ITEM 1.	
	Legal Proceedings	76
	ITEM 1A.	
	Risk Factors	77
	ITEM 6.	
	Exhibits	77

PART I.
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

BANCORPSOUTH, INC. AND SUBSIDIARIES
Consolidated Balance Sheets

	September 30, 2012 (Unaudited)	December 31, 2011 (1)	September 30, 2011 (Unaudited)
(Dollars in thousands, except per share amounts)			
ASSETS			
Cash and due from banks	\$ 176,529	\$ 195,681	\$ 161,876
Interest bearing deposits with other banks	757,207	303,663	338,250
Available-for-sale securities, at fair value	2,483,606	2,513,518	2,481,555
Loans and leases	8,716,715	8,911,258	9,096,928
Less: Unearned income	36,746	40,947	41,023
Allowance for credit losses	169,019	195,118	199,686
Net loans	8,510,950	8,675,193	8,856,219
Loans held for sale	129,408	83,458	100,687
Premises and equipment, net	321,068	323,383	323,285
Accrued interest receivable	48,314	51,266	53,338
Goodwill	275,173	271,297	271,297
Bank-owned life insurance	203,798	200,085	197,945
Other real estate owned	128,211	173,805	162,686
Other assets	201,473	204,502	251,380
TOTAL ASSETS	\$ 13,235,737	\$ 12,995,851	\$ 13,198,518
LIABILITIES			
Deposits:			
Demand: Noninterest bearing	\$ 2,492,508	\$ 2,269,799	\$ 2,198,535
Interest bearing	4,697,260	4,706,825	4,736,858
Savings	1,103,490	991,702	968,277
Other time	2,681,382	2,986,863	3,159,563
Total deposits	10,974,640	10,955,189	11,063,233
Federal funds purchased and securities sold under agreement to repurchase	377,676	373,933	449,501
Short-term Federal Home Loan Bank and other short-term borrowings	-	1,500	1,500
Accrued interest payable	6,759	8,644	10,017
Junior subordinated debt securities	160,312	160,312	160,312
Long-term Federal Home Loan Bank borrowings	33,500	33,500	33,500
Other liabilities	236,147	199,861	213,702
TOTAL LIABILITIES	11,789,034	11,732,939	11,931,765
SHAREHOLDERS' EQUITY			

Edgar Filing: BANCORPSOUTH INC - Form 10-Q

Common stock, \$2.50 par value per share
 Authorized - 500,000,000 shares; Issued -
 94,440,710,

83,483,796 and 83,488,963 shares, respectively	236,102	208,709	208,722
Capital surplus	311,271	227,567	227,006
Accumulated other comprehensive income (loss)	5,952	(2,261)	14,595
Retained earnings	893,378	828,897	816,430
TOTAL SHAREHOLDERS' EQUITY	1,446,703	1,262,912	1,266,753
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 13,235,737	\$ 12,995,851	\$ 13,198,518

(1) Derived from audited financial statements.

See accompanying notes to consolidated financial statements.

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

Three months ended
September 30,
2012 2011 2012 2011
Nine months ended
September 30,
2012 2011
(In thousands, except for per share amounts)

INTEREST REVENUE:

Loans and leases	\$ 105,937	\$ 114,260	\$ 322,686	\$ 348,510
Deposits with other banks	399	203	1,182	449
Federal funds sold and securities purchased under agreement to resell	2	-	3	166
Held-to-maturity securities:				
Taxable	-	-	-	13,080
Tax-exempt	-	-	-	5,638
Available-for-sale securities:				
Taxable	9,329	13,172	30,679	32,208
Tax-exempt	4,109	4,130	12,575	6,825
Loans held for sale	974	632	2,204	1,584
Total interest revenue	120,750	132,397	369,329	408,460

INTEREST EXPENSE:

Deposits:

Interest bearing demand	3,889	5,324	12,523	17,909
Savings	686	828	2,091	2,464
Other time	9,482	14,837	31,048	48,605
Federal funds purchased and securities sold under agreement to repurchase	73	95	202	382
Federal Home Loan Bank borrowings	364	375	1,097	3,092
Junior subordinated debt	2,875	2,861	8,633	8,580
Other	2	2	5	4
Total interest expense	17,371	24,322	55,599	81,036
Net interest revenue	103,379	108,075	313,730	327,424
Provision for credit losses	6,000	25,112	22,000	110,831
Net interest revenue, after provision for credit losses	97,379	82,963	291,730	216,593

NONINTEREST REVENUE:

Mortgage lending	13,549	(1,443)	39,731	8,141
Credit card, debit card and merchant fees	8,270	12,981	23,580	34,590
Service charges	14,189	17,334	43,002	49,258
Trust income	3,101	2,854	8,522	8,838
Security gains, net	39	2,047	290	12,109
Insurance commissions	23,519	22,012	69,636	67,502
Other	7,753	6,270	24,487	25,072
Total noninterest revenue	70,420	62,055	209,248	205,510

NONINTEREST EXPENSE:

Edgar Filing: BANCORPSOUTH INC - Form 10-Q

Salaries and employee benefits	74,829	71,851	227,421	212,368
Occupancy, net of rental income	10,944	11,144	31,497	32,047
Equipment	5,083	5,346	15,540	16,599
Deposit insurance assessments	3,998	3,781	13,375	15,642
Prepayment penalty on FHLB borrowings	-			