

## **BancorpSouth, Inc. Reports Fourth Quarter Earnings**

PRNewswire-FirstCall  
TUPELO, Miss.

BancorpSouth, Inc. today announced that an unusually strong mortgage refinancing market, increased value of its mortgage servicing asset, increased gains from the sale of investment securities and an increase in its net interest margin all contributed to an increase in net income for the fourth quarter ended December 31, 2001, compared to the fourth quarter of 2000. Net income for the fourth quarter ended December 31, 2001, was \$31.3 million or \$0.39 and \$0.38 per share (basic and diluted, respectively), compared to \$12.3 million or \$0.15 per share (basic and diluted) for the same period of 2000, an increase of 153.3% in diluted earnings per share.

The magnitude of the increase in net income and earnings per share during the fourth quarter of 2001 over the fourth quarter of 2000 was impacted by the \$10.6 million reduction in net income (\$0.13 per share) in the fourth quarter of 2000 related to restructuring and other merger-related charges incurred as a result of the merger with First United Bancshares in 2000. Excluding these charges from fourth quarter 2000 results, diluted earnings per share increased 35.7% in the fourth quarter of 2001 compared to the fourth quarter of 2000. Net income for the year ended December 31, 2001, was \$98.5 million, or \$1.19 per share (basic and diluted), compared to net income of \$74.4 million, or \$0.88 per share (basic and diluted) for 2000. Excluding merger-related items, net income in 2000 was \$96.9 million or \$1.14 per diluted share. Compared to these adjusted results for 2000, net income per diluted share increased 4.4% in 2001.

Aubrey Patterson, Chairman and Chief Executive Officer of BancorpSouth commented, "After 11 rate reductions in the Federal Reserve's key interest rates over the course of 2001, totaling 475 basis points, retail banking institutions are feeling considerable pressure on interest margins. In this environment, we are pleased to report that our net interest margin increased to 4.11% in the recent quarter, from 4.00% for the third quarter of 2001. Our interest rate spread also increased to 3.53% for the fourth quarter of 2001, compared to 3.35% for the third quarter of 2001. We expect to continue to see the benefit from declining deposit costs on our net interest margin and interest rate spread. However, while many of our loans repriced immediately as key interest rates dropped during 2001, many of our deposits reprice over a longer term. Thus it will take time to realize the benefit of repricing these deposits on our net interest margin and interest rate spread.

"Our mortgage business had a remarkable quarter, both in new mortgage loans originated and in the refinancing of mortgages by existing customers who took advantage of the decline in interest rates for mortgage loans. In addition to contributing current income, the high level of new mortgage loan originations contributes to future earnings by building our mortgage servicing portfolio. This business

does, however, add volatility to our earnings because of non-cash charges or credits associated with revaluing our mortgage servicing asset as interest rates change. In the fourth quarter of 2001, revenue from mortgage activities reflected the combined impact of increased mortgage loan originations and the increased value of our mortgage servicing asset. We believe that this business adds value for our shareholders in the long term, despite the short-term earnings volatility it creates.

"A major goal for the BancorpSouth in 2001 was to complete the conversion of the former First United Bancshares offices to BancorpSouth systems in a process that would be seamless from our customers point of view and to accomplish it without loss of market share," continued Patterson, "and we were successful. We have completed the product realignment and data processing conversion, which will enhance the efficiency of the combined operation. We have introduced the full BancorpSouth product line at the former First United offices, broadening the products and services offered at those locations, and we will be implementing the BancorpSouth sales management system in those offices throughout the first quarter of 2002 as we focus on increasing sales."

In November 2001, BancorpSouth announced a merger agreement with Pinnacle Bancshares, which operates two full-service banking locations in the Little Rock, Arkansas market. The transaction is expected to close in February 2002. "This merger will be a significant addition to our Arkansas operation," Patterson added, "and we look forward to expanding the BancorpSouth product line to these offices."

"Looking forward, we do not expect to see the percentage gain in net income in future quarters that we recorded in the most recent quarter, but we do expect to realize an increase in net interest rate spread as we are able to reprice our deposits. Our market share has increased as we have moved aggressively to expand our market share in growth markets and increase our dominance where we already have a significant market share. We attribute our success to the quality of our service, as well as superior sales effort and sales management. BancorpSouth provides the service level of traditional relationship banking, neglected by many larger banks, while offering a sophisticated array of products that smaller banks cannot provide," concluded Patterson.

#### Net Interest Revenue

Interest revenue was \$157.0 million in the fourth quarter of 2001, down 12.0% from \$178.4 million in the corresponding period of 2000, and down 4.9% from \$165.0 million in the third quarter of 2001. Interest expense for the 2001 fourth quarter was \$69.3 million, a 27.5% decrease from interest expense of \$95.6 million in the same period of 2000, and a decline of 13.9% from interest expense of \$80.5 million in the third quarter of 2001.

Net interest margin in the fourth quarter of 2001 was 4.11%, compared to 4.03% for the fourth quarter of 2000 and 4.00% in the third quarter of 2001. The average rate paid on interest-bearing

liabilities was 3.73% in the fourth quarter of 2001, compared to 5.30% in the same quarter of 2000 and 4.35% in the third quarter of 2001. The average taxable equivalent yield on earning assets was 7.26% in the fourth quarter of 2001 versus 8.52% in the same period of 2000 and 7.70% in the third quarter of 2001.

"Through careful pricing of assets and liabilities, we were able to improve both our interest rate margin and spread compared to the third quarter of 2001 despite the unprecedented decline in short-term rates in 2001," commented Patterson. "Because a large volume of our deposits reprice in twelve months or less, we expect to see continued improvement in the interest rate spread."

#### Deposit and Loan Activity

As of December 31, 2001, total assets were \$9.4 billion, up 3.9% since December 31, 2000, and relatively unchanged from the level at September 30, 2001. Total deposits at December 31, 2001, were \$7.9 billion, up 5.0% from December 31, 2000, and increased marginally from September 30, 2001. Net loans as of December 31, 2001, were \$6.1 billion, essentially the same as the levels at December 31, 2000, and September 30, 2001.

Deposit growth in the fourth quarter was restricted through less aggressive pricing as loan demand slowed. BancorpSouth is a deposit-funded bank, operating in markets that continue to provide funding for loans as needed, and the growth of deposits is managed to correspond with demand for loans. Slower loan growth reflects general weakness in the economy of many of the markets served by BancorpSouth. In addition, part of the slowdown in loan growth is due to management's strategic decision to reduce BancorpSouth's exposure to indirect automobile sales financing by allowing its portfolio of such loans to decline. This portfolio has decreased \$113.9 million since December 31, 2000, and \$27.4 million since September 30, 2001, reaching \$146.4 million as of December 31, 2001. Excluding the impact of this portfolio reduction, total loans would have increased 2.6% on an annualized basis between September 30, 2001 and December 31, 2001.

#### Credit Losses

The provision for credit losses in the fourth quarter of 2001 was \$6.5 million, versus \$5.5 million in the same quarter of 2000, and \$6.9 million in the third quarter of 2001. Annualized net charge-offs for the fourth quarter of 2001 were 0.40% of average loans, versus 0.19% in the fourth quarter of 2000 and 0.34% in the third quarter of 2001.

For the twelve months ended December 31, 2001, the provision for credit losses was \$22.3 million, down from \$26.2 million in the same period of 2000. Net charge-offs were 0.35% of average loans in 2001, compared to 0.34% of average loans in 2000.

Non-performing assets totaled \$59.6 million (0.98% of net loans) as of December 31, 2001, compared

to \$50.1 million (0.82% of net loans) as of December 31, 2000, and \$62.2 million (1.03% of net loans) at September 30, 2001. The allowance for credit losses amounted to 1.37% of net loans at December 31, 2001, compared to 1.34% of net loans at December 31, 2000.

"We continue to adhere to our traditional high standards for credit quality, which we apply both at the time of origination and throughout the life of the loan," Patterson commented. "In addition, BancorpSouth is buffered somewhat from the impact of an economic downturn by the diversity of markets and businesses we serve, operating in six states and serving a variety of industries including manufacturing, distribution and tourism. While we see a little softening in some markets, our credit quality remains extremely strong overall."

#### Non-interest Revenue

Non-interest revenue totaled \$42.0 million in the fourth quarter of 2001, up 317.4% from \$10.1 million in the fourth quarter of 2000 and up 56.9% from \$26.7 million in the third quarter of 2001. For 2001, non-interest revenue totaled \$128.6 million, an increase of 50.3% over 2000. Excluding net securities gains (losses), non-interest income increased 49.2% in the fourth quarter of 2001 compared to the same period in 2000, and increased 16.6% for the year 2001 compared to 2000.

"Non-interest revenue in the fourth quarter of 2001 reflects the strength of our mortgage business," Patterson stated. "With mortgage rates low, we saw a high level of new mortgage loan originations as well as significant increases in refinancing of existing mortgage loans. At the same time, as mortgage rates began to increase during the fourth quarter of 2001, part of the charge for impairment of our mortgage servicing asset recognized in previous periods was reversed. In the fourth quarter of 2001, we had continued the strategy used in the third quarter of 2001 of making a short-term investment in intermediate-term securities to offset the anticipated impairment charge. Because of the timing of these events, we recognized a gain of \$3.6 million on the sale of the short-term investment in the fourth quarter of 2001, and benefited from the reversal during the fourth quarter of 2001 of \$4.5 million in previously recorded impairment charges to our mortgage servicing asset as mortgage rates increased, profiting on both sides."

Insurance commissions were \$5.3 million for the fourth quarter of 2001, an increase of 8.6% over the same period in 2000 and an increase of 2.3% from the third quarter of 2001. For 2001, insurance commissions totaled \$20.4 million, a gain of 27.4% over the 2000 level. The gain is largely attributable to a significant increase in the sale of annuities, which was driven by an aggressive sales campaign, as well as the inclusion of the results of the Pittman, Seay and Turner Insurance Agency for the full year of 2001. BancorpSouth acquired this agency in October 2000 in a transaction accounted for as a purchase.

#### Non-interest Expense

Non-interest expenses for the fourth quarter of 2001 were \$76.0 million, compared to \$69.7 million for

the fourth quarter of 2000 and \$73.3 million in the third quarter of 2001. The modest increase in expense for the fourth quarter of 2001 over the third quarter of 2001 reflects management's continued effort to reduce non-interest expense. This effort will be intensified now that the integration of First United Bancshares has been completed.

#### Capital Management

During the fourth quarter of 2001, BancorpSouth repurchased a total of 235,300 shares of its outstanding common stock under a repurchase program announced on March 5, 2001. The repurchase program authorizes BancorpSouth to acquire up to 4.2 million shares or approximately 5% of the shares outstanding at the time of the announcement. As of December 31, 2001, a total of 2,965,115 shares had been repurchased under the repurchase program.

#### Conference Call

BancorpSouth will conduct a conference call with analysts at 1:30 p.m. (Central Time) on January 18, 2002. Investors may listen via the internet by accessing our website at <http://www.bancorpsouth.com/>. A replay of the conference call will be available at BancorpSouth's website following the call.

BancorpSouth, Inc. is a bank holding company headquartered in Tupelo, Mississippi with \$9.4 billion in assets. BancorpSouth operates approximately 250 commercial banking, insurance, trust, broker/dealer and consumer finance locations in Alabama, Arkansas, Louisiana, Mississippi, Tennessee and Texas.

#### Forward-Looking Statements

Certain statements contained in this news release may not be based on 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," "estimate," "expect," "may," "might," "will," "would" or "intend." These forward-looking statements include, without limitation, those relating to interest rates, net income, loan volume, credit quality, interest rate margin, interest rate spread, market share, the transaction with Pinnacle Bancshares, expansion and prospects of products and services, deposits, credit losses, non-interest expense, liquidity, prospects for 2001 and 2002, mortgage servicing and BancorpSouth's future growth and profitability.

We caution you 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, due to a variety of factors. Those factors include, but are not limited to, changes in economic conditions and government fiscal and monetary policies, fluctuations in prevailing interest rates, ability to reduce interest rates paid on deposits as interest rates decline, laws and regulations affecting financial institutions, the ability of BancorpSouth to compete with other financial services

companies, the ability of BancorpSouth to effectively integrate acquisitions, the ability of BancorpSouth to operate and integrate new technology, the ability of BancorpSouth to manage its growth and effectively serve an expanding customer and market base, the ability of BancorpSouth to provide competitive services and products, changes in BancorpSouth's operating or expansion strategy, geographic concentration of BancorpSouth's assets, availability of and costs associated with obtaining adequate and timely sources of liquidity, the ability of BancorpSouth to attract, train and retain qualified personnel, the ability of BancorpSouth to effectively market its services and products, changes in consumer preferences, other factors generally understood to affect the financial results of financial services companies, and other factors described from time to time in BancorpSouth's filings with the Securities and Exchange Commission. We undertake no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date on which such statements were made.

#### Selected Financial Data

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2001	2000	2001	2000
(Dollars in thousands, except per share amounts)				
Earnings Summary:				
Net interest revenue	\$87,782	\$82,799	\$334,742	\$327,152
Provision for credit losses	6,542	5,497	22,259	26,166
Noninterest revenue	41,959	10,052	128,633	85,578
Noninterest expense	75,950	69,665	295,313	274,227
Income before income taxes	47,249	17,689	145,803	112,337
Income tax provision	15,935	5,414	47,340	37,941
Net income	31,314	12,275	98,463	74,396
Earning per share: Basic	\$0.39	\$0.15	\$1.19	\$0.88
Diluted	\$0.38	\$0.15	\$1.19	\$0.88

#### Balance sheet data at December 31:

Total assets	\$9,395,429	\$9,044,034
Total earning assets	8,693,932	8,394,276
Loans and lease receivables, net of unearned discount	6,073,200	6,095,315
Allowance for credit losses	83,150	81,730
Total deposits	7,856,840	7,480,920
Common shareholders' equity	805,403	789,576
Book value per share	9.92	9.39

#### Average balance sheet data:

Total assets	\$9,348,448	\$9,062,617	\$9,261,912	\$8,756,474
Total earning assets	8,742,695	8,472,086	8,651,908	8,186,637
Loans and lease receivables, net of unearned discount	6,044,338	6,042,673	6,010,840	5,791,569
Total deposits	7,766,672	7,444,430	7,693,734	7,272,999
Common shareholders' equity	807,661	773,323	796,706	761,884

#### Non-performing assets at December 31:

Non-accrual loans	\$10,825	\$15,572
Loans 90+ days past due	33,012	25,732
Restructured loans	40	879
Other real estate owned	15,755	7,893

#### Net charge-offs as a

percentage of average loans (annualized)	0.40%	0.19%	0.35%	0.34%
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Performance ratios

(annualized)

Return on average assets	1.33%	0.54%	1.06%	0.85%
Return on common equity	15.38%	6.35%	12.36%	9.76%

Net interest margin	4.11%	4.03%	4.00%	4.14%
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Average shares outstanding

- diluted	81,605,806	84,264,285	82,979,286	84,811,079
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BancorpSouth, Inc.

Consolidated Balance Sheets

(dollars in thousands)

(Unaudited) December 31, 2001 December 31, 2000

Assets

Cash & due from banks	\$341,513	\$314,888
Interest bearing deposits		
with other banks	18,030	11,687
Held-to-maturity securities	1,110,463	1,189,129
Federal funds sold and securities		
purchased under agreement		
to resell	343,511	212,925

Loans & leases	6,073,200	6,095,315
Allowance for credit losses	(83,150)	(81,730)
Net loans & leases	5,990,050	6,013,585

Available-for-sale securities	1,083,191	857,400
Mortgages held for sale	65,537	27,820
Bank premises & equipment	211,576	197,898
Accrued interest receivable	85,359	89,605
Other real estate owned	16,140	7,892
Other assets	130,059	121,205
Total assets	\$9,395,429	\$9,044,034

Liabilities

Demand deposits:

Non-interest bearing	\$1,108,499	\$1,009,808
Interest bearing	2,158,698	1,682,278
Total demand deposits	3,267,197	2,692,086

Savings & time deposits:

Savings	910,682	924,591
Certificates of deposit	3,678,961	3,864,243
Total savings & time deposits	4,589,644	4,788,835
Total deposits	7,856,840	7,480,920

Federal funds purchased and securities sold under

agreement to repurchase	473,912	503,427
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Accrued interest payable	31,124	40,611
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Long-term debt	140,939	152,049
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Other liabilities	87,211	77,451
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Total liabilities	8,590,026	8,254,458
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Shareholders' Equity

Common stock	214,484	214,484
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Capital surplus	70,329	70,841
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Unrealized gain (loss) on securities	24,243	15,202
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Retained earnings	566,639	515,599
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Less: Cost of treasury stock	(70,292)	(26,550)
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Total shareholders' equity	805,403	789,576
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Total liabilities & shareholders' equity	\$9,395,429	\$9,044,034
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BancorpSouth, Inc.

Consolidated Statements of Income

(amounts in thousands, except per share data)

(Unaudited)

Year To Date

Dec-01 Dec-00

Interest Revenue:

Loans, including fees	\$518,206	\$529,192
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Held-to-maturity securities:	67,084	64,756
Available-for-sale securities	59,346	72,582
Short term investments	21,199	7,505
Total interest revenue	665,835	674,035
Interest Expense:		
Deposits	300,838	310,365
Short term borrowings	10,909	24,754
Long term borrowings	8,640	9,775
Other interest expense	10,706	1,989
Total interest expense	331,093	346,883
Net interest revenue	334,742	327,152
Provision for credit losses	22,259	26,166
Net interest revenue, after credit loss provision	312,483	300,986
Other Revenue:		
Mortgage lending	17,186	10,874
Service charges	42,759	40,472
Life insurance premiums	4,528	4,300
Trust income	6,929	6,700
Securities gains, net	10,671	(15,632)
Insurance commissions	20,422	16,034
Other	26,138	22,830
Total other revenue	128,633	85,578
Other Expense:		
Salaries and employee benefits	155,680	133,855
Occupancy	20,529	18,343
Equipment	26,799	24,137
Telecommunications	8,693	7,234
Other	83,612	90,658
Total other expense	295,313	274,227
Income before income taxes	145,803	112,337
Income tax expense	47,340	37,941
Net Income	\$98,463	\$74,396
Net Income Per Share:		
Basic	\$1.19	\$0.88
Diluted	\$1.19	\$0.88

BancorpSouth, Inc.

#### Consolidated Statements of Income

(amounts in thousands, except per share data)

(Unaudited)

Quarter Ended

Dec-01 Sep-01 Jun-01 Mar-01 Dec-00

#### Interest Revenue:

Loans, including fees \$121,626 \$128,049 \$131,794 \$136,737 \$140,892

Held-to-maturity securities: 16,706 17,697 16,630 16,051 18,141

Available-for-sale securities 14,771 14,749 14,240 15,586 16,177

Short term investments 3,933 4,487 7,013 5,767 3,185

Total interest revenue 157,036 164,982 169,677 174,140 178,395

#### Interest Expense:

Deposits 63,060 73,071 80,763 83,944 84,709

Short term borrowings 1,571 2,700 3,082 3,557 7,007

Long term borrowings 2,100 2,105 2,171 2,265 2,378

Other interest expense 2,523 2,671 2,737 2,776 1,502

Total interest expense 69,254 80,545 88,754 92,541 95,596

Net interest revenue 87,782 84,436 80,924 81,599 82,799

Provision for credit losses 6,542 6,852 4,769 4,096 5,497

Net interest revenue, after credit loss provision 81,240 77,584 76,155 77,503 77,300



Other Revenue:					
Mortgage lending	12,913	(1,462)	7,068	(1,333)	1,900
Service charges	11,041	10,469	10,906	10,342	10,927
Life insurance					
premiums	1,155	1,151	1,127	1,094	1,116
Trust income	1,613	2,022	1,610	1,684	1,625
Securities gains,					
net	3,770	3,943	74	2,884	(15,549)
Insurance					
commissions	5,262	5,146	5,405	4,608	4,845
Other	6,205	5,464	5,800	8,670	5,188
Total other					
revenue	41,959	26,734	31,991	27,949	10,052
Other Expense:					
Salaries and					
employee					
benefits	41,451	37,084	38,425	38,721	33,845
Occupancy	5,132	5,263	5,005	5,129	4,838
Equipment	6,382	6,442	6,943	7,032	6,960
Telecommunications	2,143	2,244	2,123	2,182	2,041
Other	20,842	22,253	20,751	19,767	21,981
Total other					
expense	75,950	73,285	73,246	72,832	69,665
Income before					
income taxes	47,249	31,033	34,899	32,620	17,689
Income tax expense	15,935	9,450	11,654	10,300	5,414
Net Income	\$31,314	\$21,583	\$23,246	\$22,319	\$12,275
Net Income Per					
Share:					
Basic	\$0.39	\$0.26	\$0.28	\$0.27	\$0.15
Diluted	\$0.38	\$0.26	\$0.28	\$0.27	\$0.15

#### BancorpSouth, Inc.

#### Average Balances, Interest Income and Expense, and Average Yields and Rates

(dollars in thousands)	Quarter Ended		
Unaudited	December 31, 2001		
	Average	Yield/	
(Taxable equivalent basis)	Balance	Interest	Rate
ASSETS			
Loans net of Unearned Income	\$6,114,950	\$121,938	7.91%
Held-to-maturity securities:			
Taxable	925,219	14,155	6.07%
Non Taxable	204,945	3,925	7.60%
Available-for-sale securities			
Taxable	889,326	12,617	5.63%
Non Taxable	192,026	3,314	6.85%
Short term investments	416,228	3,933	3.75%
Total interest earning assets and revenue	8,742,694	159,882	7.26%
Other assets	689,115		
Less: allowance for credit losses	(83,361)		
Total	\$9,348,448		

#### LIABILITIES AND

#### SHAREHOLDERS' EQUITY

Deposits:			
Demand - interest bearing	\$2,045,838	\$10,089	1.96%
Savings	881,196	5,838	2.63%
Time	3,806,071	47,133	4.91%
Short-term borrowings	497,747	4,094	3.26%
Long-term debt	141,036	2,100	5.91%
Total interest bearing liabilities and expense	7,371,888	69,254	3.73%
Demand deposits - non-interest bearing	1,033,567		
Other liabilities	135,332		
Total liabilities	8,540,787		
Shareholders' equity	807,661		
Total	\$9,348,448		
Net interest revenue		\$90,628	

Net interest margin	4.11%
Net interest rate spread	3.53%
Interest bearing liabilities to interest earning assets	84.3%

Net interest tax equivalent adjustment	\$2,846
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BancorpSouth, Inc.

Average Balances, Interest Income and Expense,  
and Average Yields and Rates

(dollars in thousands)	Quarter Ended			
Unaudited	September 30, 2001			
	Average	Yield/		
(Taxable equivalent basis)	Balance	Interest	Rate	
<b>ASSETS</b>				
Loans net of Unearned Income	\$6,054,016	\$128,367	8.41%	
Held-to-maturity securities:				
Taxable	1,005,116	15,086	5.95%	
Non Taxable	207,277	4,017	7.69%	
Available-for-sale securities				
Taxable	831,339	12,559	5.99%	
Non Taxable	190,362	3,368	7.02%	
Short term investments	365,195	4,487	4.87%	
Total interest earning assets and revenue	8,653,305	167,884	7.70%	
Other assets	686,603			
Less: allowance for credit losses	(81,651)			
Total	\$9,258,257			

#### LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits:				
Demand - interest bearing	\$1,921,604	\$12,952	2.67%	
Savings	872,486	6,303	2.87%	
Time	3,899,185	53,816	5.48%	
Short-term borrowings	511,342	5,370	4.17%	
Long-term debt	141,323	2,105	5.91%	
Total interest bearing liabilities and expense	7,345,940	80,546	4.35%	
Demand deposits - non-interest bearing	1,006,233			
Other liabilities	116,684			
Total liabilities	8,468,857			
Shareholders' equity	789,400			
Total	\$9,258,257			
Net interest revenue		\$87,338		
Net interest margin		4.00%		
Net interest rate spread		3.35%		
Interest bearing liabilities to interest earning assets		84.9%		
Net interest tax equivalent adjustment		\$2,901		

BancorpSouth, Inc.

Average Balances, Interest Income and Expense,  
and Average Yields and Rates

(dollars in thousands)	Quarter Ended			
Unaudited	June 30, 2001			
	Average	Yield/		
(Taxable equivalent basis)	Balance	Interest	Rate	
<b>ASSETS</b>				
Loans net of Unearned Income	\$6,024,236	\$132,119	8.80%	
Held-to-maturity securities:				
Taxable	908,896	13,964	6.16%	
Non Taxable	214,305	4,103	7.68%	
Available-for-sale securities				
Taxable	767,913	12,056	6.30%	
Non Taxable	182,598	3,360	7.38%	

Short term investments	572,207	7,013	4.92%
Total interest earning assets and revenue	8,670,155	172,615	7.99%
Other assets	689,128		
Less: allowance for credit losses	(80,425)		
Total	\$9,278,858		

#### LIABILITIES AND SHAREHOLDERS' EQUITY

##### Deposits:

Demand - interest bearing	\$1,830,983	\$13,345	2.92%
Savings	889,841	9,013	4.06%
Time	3,971,149	58,405	5.90%
Short-term borrowings	512,104	5,819	4.56%
Long-term debt	146,321	2,171	5.95%
Total interest bearing liabilities and expense	7,350,398	88,753	4.84%
Demand deposits - non-interest bearing	1,002,588		
Other liabilities	126,115		
Total liabilities	8,479,101		
Shareholders' equity	799,757		
Total	\$9,278,858		
Net interest revenue	\$83,862		
Net interest margin		3.88%	
Net interest rate spread		3.14%	
Interest bearing liabilities to interest earning assets		84.78%	

Net interest tax equivalent adjustment	\$2,938
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#### BancorpSouth, Inc.

#### Average Balances, Interest Income and Expense, and Average Yields and Rates

(dollars in thousands) Quarter Ended

Unaudited March 31, 2001

	Average Balance	Yield/Interest	Rate
(Taxable equivalent basis)			
ASSETS			
Loans net of Unearned Income	\$6,063,946	\$137,055	9.17%
Held-to-maturity securities:			
Taxable	842,693	13,212	6.36%
Non Taxable	232,636	4,366	7.61%
Available-for-sale securities			
Taxable	838,410	13,616	6.59%
Non Taxable	155,988	3,031	7.88%
Short term investments	405,553	5,767	5.77%
Total interest earning assets and revenue	8,539,226	177,047	8.41%
Other assets	701,784		
Less: allowance for credit losses	(80,953)		
Total	\$9,160,057		

#### LIABILITIES AND SHAREHOLDERS' EQUITY

##### Deposits:

Demand - interest bearing	\$1,770,537	\$14,340	3.28%
Savings	896,888	10,685	4.83%
Time	3,975,219	58,918	6.01%
Short-term borrowings	490,736	6,333	5.23%
Long-term debt	151,870	2,265	6.05%
Total interest bearing liabilities and expense	7,285,250	92,541	5.15%
Demand deposits - non-interest bearing	969,793		
Other liabilities	115,122		
Total liabilities	8,370,165		
Shareholders' equity	789,892		
Total	\$9,160,057		

Net interest revenue	\$84,506
Net interest margin	4.01%
Net interest rate spread	3.26%
Interest bearing liabilities to interest earning assets	85.32%
Net interest tax equivalent adjustment	\$2,907

BancorpSouth, Inc.

Average Balances, Interest Income and Expense,  
and Average Yields and Rates

(dollars in thousands) Quarter Ended

Unaudited December 31, 2000

	Average	Yield/ Interest	Rate
(Taxable equivalent basis)	Balance		
ASSETS			
Loans net of Unearned Income	\$6,073,609	\$141,295	9.25%
Held-to-maturity securities:			
Taxable	889,349	14,114	6.31%
Non Taxable	327,673	6,195	7.52%
Available-for-sale securities			
Taxable	913,866	15,271	6.65%
Non Taxable	69,280	1,394	8.00%
Short term investments	198,310	3,185	6.39%
Total interest earning assets and revenue	8,472,087	181,454	8.52%
Other assets	670,163		
Less: allowance for credit losses	(79,633)		
Total	\$9,062,617		

LIABILITIES AND

SHAREHOLDERS' EQUITY

Deposits:

Demand - interest bearing	\$1,668,090	\$13,960	3.33%
Savings	904,717	11,888	5.23%
Time	3,883,979	58,861	6.03%
Short-term borrowings	567,066	8,509	5.97%
Long-term debt	157,786	2,378	6.00%
Total interest bearing liabilities and expense	7,181,638	95,596	5.30%
Demand deposits - non-interest bearing	987,644		
Other liabilities	120,012		
Total liabilities	8,289,294		
Shareholders' equity	773,323		
Total	\$9,062,617		

Net interest revenue	\$85,858
Net interest margin	4.03%
Net interest rate spread	3.23%
Interest bearing liabilities to interest earning assets	84.77%

Net interest tax equivalent adjustment	\$3,060
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BancorpSouth, Inc.

Average Balances, Interest Income and Expense,  
and Average Yields and Rates

(dollars in thousands) Year to Date

Unaudited December 31, 2001

	Average	Yield/ Interest	Rate
(Taxable equivalent basis)	Balance		
ASSETS			
Loans net of Unearned Income	\$6,064,399	\$519,479	8.57%
Held-to-maturity securities:			
Taxable	920,939	56,417	6.13%
Non Taxable	214,694	16,411	7.64%

Available-for-sale securities			
Taxable	831,885	50,848	6.11%
Non Taxable	180,370	13,073	7.25%
Short term investments	439,621	21,200	4.82%
Total interest earning assets and revenue	8,651,908	677,428	7.83%
Other assets	691,608		
Less: allowance for credit losses	(81,604)		
Total	\$9,261,912		

#### LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits:			
Demand - interest bearing	\$1,893,075	\$50,726	2.68%
Savings	885,025	31,839	3.60%
Time	3,912,405	218,272	5.58%
Short-term borrowings	503,024	21,616	4.30%
Long-term debt	145,097	8,641	5.96%
Total interest bearing liabilities and expense	7,338,626	331,094	4.51%
Demand deposits - non-interest bearing	1,003,229		
Other liabilities	123,351		
Total liabilities	8,465,206		
Shareholders' equity	796,706		
Total	\$9,261,912		
Net interest revenue		\$346,334	
Net interest margin			4.00%
Net interest rate spread			3.32%
Interest bearing liabilities to interest earning assets			84.82%
Net interest tax equivalent adjustment			
	\$11,592		

BancorpSouth, Inc.

#### Average Balances, Interest Income and Expense, and Average Yields and Rates

(dollars in thousands)	Year to Date		
Unaudited	December 31, 2000		
	Average	Yield/	
(Taxable equivalent basis)	Balance	Interest	Rate
ASSETS			
Loans net of Unearned Income	\$5,831,030	\$530,730	9.10%
Held-to-maturity securities:			
Taxable	796,125	49,086	6.17%
Non Taxable	325,027	24,108	7.42%
Available-for-sale securities			
Taxable	1,040,026	68,581	6.59%
Non Taxable	73,829	6,154	8.34%
Short term investments	120,601	7,505	6.22%
Total interest earning assets and revenue	8,186,637	686,164	8.38%
Other assets	646,879		
Less: allowance for credit losses	(77,042)		
Total	\$8,756,474		

#### LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits:			
Demand - interest bearing	\$1,672,466	\$54,226	3.24%
Savings	874,707	38,947	4.45%
Time	3,758,002	217,191	5.78%
Short-term borrowings	454,089	26,742	5.89%
Long-term debt	164,681	9,776	5.94%
Total interest bearing liabilities and expense	6,923,945	346,882	5.01%
Demand deposits - non-interest bearing	967,823		
Other liabilities	102,821		

Total liabilities	7,994,589	
Shareholders' equity	761,884	
Total	\$8,756,474	
Net interest revenue		\$339,282
Net interest margin		4.14%
Net interest rate spread		3.37%
Interest bearing liabilities to interest earning assets		84.58%
Net interest tax equivalent adjustment		\$12,131

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SOURCE: BancorpSouth, Inc.

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