

## **BancorpSouth, Inc. Announces 20.8 Percent Increase in Net Income and 26.9 Percent Increase in Earnings Per Share for Third Quarter**

PRNewswire-FirstCall  
TUPELO, Miss.

BancorpSouth, Inc. today announced that net income for the third quarter of 2002 increased 20.8 percent to \$26.1 million, or \$0.33 per basic and diluted share, compared to net income of \$21.6 million, or \$0.26 per basic and diluted share, for the third quarter of 2001.

Net income for the nine months ended September 30, 2002 totaled \$86.4 million, a 28.7 percent increase from \$67.1 million for the same period last year. Basic and diluted net income per share for the nine months ended September 30, 2002 was \$1.07, compared to basic and diluted net income per share of \$0.81 and \$0.80 respectively, for the same period in 2001.

"Our core earnings remain strong," said Aubrey Patterson, BancorpSouth Chairman and Chief Executive Officer. At the same time, our net income for the quarter increased 21 percent despite the impact of a \$9.2 million provision for the impairment of our mortgage-servicing asset. As consumers have continued to take advantage of the historically low mortgage interest rates, prepayment speeds have increased and have impaired the value of our mortgage-servicing asset. Impairment is a non-cash valuation charge that generally moves in tandem with mortgage interest rates, so we anticipate being able to recapture much of this impairment when mortgage loan interest rates rise."

Partially offsetting this impairment charge was a \$2.5 million gain in the third quarter of 2002 on the sale of securities that the Company had previously purchased. The net effect of both the mortgage-servicing asset impairment provision and the gain on the sale of securities reduced net income for the third quarter of 2002 by approximately \$4.1 million, or \$0.05 per basic and diluted share.

### **Net Interest Revenue**

Total interest revenue was \$148.9 million in the third quarter of 2002, down 9.7 percent from \$165.0 million in the third quarter of 2001 and down slightly from \$150.2 million in the second quarter of 2002. Total interest expense for the third quarter was \$54.9 million, down 31.9 percent from \$80.5 million for the third quarter of 2001 and essentially unchanged from \$54.7 million for the second quarter of 2002.

The average taxable equivalent yield on earning assets was 6.46 percent in the third quarter of 2002 versus 7.70 percent in the third quarter of 2001 and 6.69 percent in the second quarter of 2002. The average rate paid on interest-bearing liabilities during the third quarter of 2002 was 2.72 percent, compared to 4.35 percent during the third quarter of 2001 and 2.80 percent during the second quarter of 2002.

Net interest revenue was \$94.0 million in the third quarter of 2002, up 11.4 percent from \$84.4 million in the third quarter of 2001. Net interest margin was 4.13 percent in the third quarter of 2002 compared to 4.00 percent in the third quarter of 2001 and 4.30 percent in the second quarter of 2002.

"Interest rates have remained relatively flat during 2002," continued Patterson, "and we, like most other banks, are dealing with pressure on our net interest margin. Through careful pricing of assets and liabilities, we have been able to maintain our net interest margin at favorable levels while continuing to maintain our market share."

#### Deposit and Loan Activity

At September 30, 2002, total assets were \$10.1 billion, up 7.8 percent from \$9.4 billion at September 30, 2001. Total deposits at September 30, 2002 grew 8.7 percent to \$8.5 billion from \$7.8 billion at September 30, 2001. Total loans at September 30, 2002 were \$6.4 billion, an increase of 5.0 percent over loans of \$6.1 billion on the same date a year ago.

"We are pleased with our growth in loans and deposits and are especially pleased with our growth in non-interest bearing demand deposits, which increased 9.7% over the same date of 2001," said Patterson. "We attribute our success to the quality of our service as well as our outstanding sales effort. BancorpSouth provides the service level of traditional relationship banking while offering a sophisticated array of products that smaller banks generally cannot provide," concluded Patterson.

#### Provision for Credit Losses and Allowance for Credit Losses

The provision for credit losses for the third quarter of 2002 was \$8.2 million, up 19.8% from \$6.9 million for the same quarter last year and up 13.8% from \$7.2 million for the second quarter of 2002. Annualized net charge-offs for the third quarter of 2002 were 0.44 percent of average loans compared to 0.34 percent of average loans for the third quarter of 2001 and 0.39 percent of average loans for the second quarter of 2002.

At September 30, 2002, non-performing assets totaled \$55.3 million, or 0.86 percent of loans, compared to \$62.6 million, or 1.03 percent of loans, at September 30, 2001 and \$59.9 million, or 0.94 percent of loans, at June 30, 2002. The allowance for credit losses at September 30, 2002 was 1.37 percent of loans, compared to 1.36 percent of loans at September 30, 2001 and 1.36 percent of loans at June 30, 2002.

"Loan losses are running ahead of last year's pace due to the economic slowdown," said Patterson. "We increased our provision for credit losses consistent with our conservative stance regarding credit quality. We believe this vigilance will continue to serve us well."

#### Non-Interest Revenue

Total non-interest revenue for the third quarter of 2002 was \$27.9 million compared to \$26.7 million in the 2001 third quarter and \$31.4 million for the second quarter of 2002. The most significant event affecting non-interest revenue during the quarter was the impairment charge from revaluation of BancorpSouth's mortgage-servicing asset. The impairment charge was \$9.2 million in the third quarter of 2002, compared to \$6.0 million in the third quarter of 2001 and \$4.2 million in the second quarter of 2002. While experiencing a negative impact from impairment of BancorpSouth's mortgage-servicing asset as mortgage interest rates declined, mortgage loan originations for BancorpSouth increased by 52% to \$269.1 million for the third quarter of 2002 when compared to the \$177.6 million for same period of 2001. We expect this high level of new mortgage loan originations to have a strong impact on future earnings. The volume of mortgage loans being serviced totaled \$2.9 billion at September 30, 2002, compared to \$2.8 billion at June 30, 2002 and \$2.7 billion at September 30, 2001.

Service charges increased 23.1 percent to \$12.9 million in the third quarter of 2002 when compared to \$10.5 million in the third quarter of 2001, reflecting an expansion of BancorpSouth's deposit services which began in March 2002 and which should continue to positively impact non-interest revenue.

#### Non-Interest Expense

Non-interest expense for the third quarter of 2002 was \$75.8 million, up 3.4 percent from \$73.3 million for the 2001 third quarter and up 1.6 percent from \$74.6 million for the second quarter of 2002. Salaries and employee benefits continue to increase primarily due to commission based payments (especially commissions to mortgage loan originators), increased incentive accruals and the increased cost of employee benefits. The other components of non-interest expense generally reflect decreases as BancorpSouth continues to focus on expense control.

#### Capital Management

In February of 2002, BancorpSouth announced a common stock repurchase plan, which authorized the repurchase of up to 4.1 million shares within a period of 18 months. During the third quarter of 2002, BancorpSouth repurchased 2,343,403 shares of common stock under this plan, resulting in as of September 30, 2002, a total of 2,568,508 shares having been repurchased under this plan.

#### Conference Call

BancorpSouth will conduct a conference call with stock analysts at 1:30 p.m. (Central Time) on October 17, 2002. Investors may listen via the Internet by accessing BancorpSouth's 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 approximately

\$10.1 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," "could" or "intend." These forward-looking statements include, without limitation, those relating to interest rates, loan volume, credit quality, interest rate margin, loan losses, expansion and prospects of products and services, deposits, expenses, capital management and liquidity, 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, the ability of BancorpSouth to reduce interest rates paid on deposits as interest rates decline or stabilize, ability to maintain credit quality, laws and regulations affecting financial institutions, possible adverse rulings, judgments, settlements and other outcomes of pending litigation, the ability of BancorpSouth to compete with other financial services companies, 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 effectively manage its capital resources, the ability of BancorpSouth to attract, train and retain qualified personnel, the ability of BancorpSouth to effectively market its services and products, the ability of BancorpSouth to repurchase its common stock on favorable terms, the ability of BancorpSouth to identify potential acquisitions, 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		Nine Months Ended	
September 30,		September 30,	
2002	2001	2002	2001

(Dollars in thousands,  
except per share  
amounts)

# Earnings Summary:

Net interest revenue	\$94,022	\$84,436	\$283,396	\$246,960
Provision for credit losses	8,208	6,852	22,183	15,718
Noninterest revenue	27,907	26,734	92,792	86,674
Noninterest expense	75,773	73,285	227,519	219,363
Income before income taxes	37,948	31,033	126,486	98,553
Income tax provision	11,876	9,450	40,090	31,405
Net income	\$26,072	\$21,583	\$86,396	\$67,148
Earning per share: Basic	\$0.33	\$0.26	\$1.07	\$0.81
Diluted:	\$0.33	\$0.26	\$1.07	\$0.80

# Balance sheet data at

September 30:

Total assets	\$10,120,612	\$9,388,462
Total earning assets	9,384,987	8,703,017
Loans and lease receivables, net of unearned discount	6,373,149	6,061,146
Allowance for credit losses	87,497	82,605
Total deposits	8,490,860	7,810,741
Common shareholders' equity	804,250	796,441
Book value per share	10.24	9.78

# Average balance sheet

data:

Total assets	\$9,977,577	\$9,258,257	\$9,797,543	\$9,232,750
Total earning assets	9,321,348	8,653,304	9,160,134	8,621,313
Loans and lease receivables, net of unearned discount	6,355,451	6,004,966	6,258,897	5,999,552
Total deposits	8,326,409	7,699,508	8,165,513	7,669,155
Common shareholders' equity	813,798	789,400	813,590	793,014

# Non-performing assets at

September 30:

Non-accrual loans	\$10,705	\$13,238
Loans 90+ days past due	23,629	39,756
Restructured loans	21	46
Other real estate owned	20,959	9,528

# Net charge-offs as a percentage

of average loans (annualized)	0.44%	0.34%	0.41%	0.33%
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# Performance ratios

(annualized)

Return on average assets	1.04%	0.92%	1.18%	0.97%
Return on common equity	12.71%	10.85%	14.20%	11.32%

Net interest margin	4.13%	4.00%	4.27%	3.97%
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# Average shares

outstanding - diluted	80,166,776	82,437,761	81,115,325	83,437,112
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# BancorpSouth, Inc.

# Consolidated Balance Sheets

(dollars in thousands)

(Unaudited) September 30, September 30,  
2002 2001 % Chg

# Assets

Cash & due from banks	\$340,868	\$332,241	2.6%
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Interest bearing deposits with other banks	23,989	17,781	34.9%
Held-to-maturity securities	1,237,916	1,207,230	2.5%
Available-for-sale securities	1,434,485	1,107,626	29.5%
Federal funds sold and securities purchased under agreement to resell	247,118	260,020	(5.0%)
Loans & leases	6,373,149	6,061,146	5.1%
Allowance for credit losses	(87,497)	(82,605)	5.9%
Net loans & leases	6,285,652	5,978,541	5.1%
Mortgages held for sale	68,329	49,215	38.8%
Bank premises & equipment	209,637	209,367	0.1%
Accrued interest receivable	75,921	91,089	(16.7%)
Other real estate owned	20,959	9,528	120.0%
Other assets	175,738	125,824	39.7%
Total assets	\$10,120,612	\$9,388,462	7.8%
Liabilities			
Demand deposits:			
Non-interest bearing	\$1,168,087	\$1,064,780	9.7%
Interest bearing	2,402,511	2,006,120	19.8%
Total demand deposits	3,570,598	3,070,900	16.3%
Savings & time deposits:			
Savings	800,065	862,506	(7.2%)
Certificates of deposit	4,120,197	3,877,335	6.3%
Total savings & time deposits	4,920,262	4,739,841	3.8%
Total deposits	8,490,860	7,810,741	8.7%
Federal funds purchased and securities sold under agreement to repurchase	446,588	500,481	(10.8%)
Short-term borrowings	0	0	
Accrued interest payable	27,665	44,147	(37.3%)
Long-term debt	140,060	141,223	(0.8%)
Junior subordinated debt	125,000	0	NA
Other liabilities	86,189	95,429	(9.7%)
Total liabilities	9,316,362	8,592,021	8.4%
Shareholders' Equity			
Common stock	196,320	203,623	(3.6%)
Capital surplus	18,598	14,234	30.7%
Unrealized gain(loss) on securities	32,556	31,043	4.9%
Retained earnings	556,776	547,541	1.7%
Total shareholders' equity	804,250	796,441	1.0%
Total liabilities & shareholders' equity	\$10,120,612	\$9,388,462	7.8%

BancorpSouth, Inc.

#### Consolidated Statements of Income

(amounts in thousands, except per share data)

(Unaudited)	Quarter Ended		
	Sep-02	Jun-02	Mar-02
Interest Revenue:			
Loans, including fees	\$115,322	\$115,144	\$114,796
Held-to-maturity securities:	16,577	16,093	16,429
Available-for-sale securities	14,440	15,571	16,413
Short term investments	2,569	3,427	3,363
Total interest revenue	148,908	150,235	151,001
Interest Expense:			
Deposits	47,099	46,834	49,901
Short term borrowings	1,268	1,186	1,034
Long term borrowings	2,095	2,069	2,112
Junior subordinated debt	2,547	2,547	1,783
Other interest expense	1,877	2,107	2,288
Total interest expense	54,886	54,743	57,118
Net interest revenue	94,022	95,492	93,883
Provision for credit losses	8,208	7,215	6,760

Net interest revenue, after credit loss provision	85,814	88,277	87,123
Other Revenue:			
Mortgage lending	(2,595)	900	5,554
Service charges	12,888	12,595	10,210
Life insurance premiums	1,091	1,091	1,127
Trust income	1,693	1,644	1,917
Securities gains, net	2,453	2,888	(25)
Insurance commissions	6,123	5,887	5,668
Other	6,254	6,404	9,025
Total other revenue	27,907	31,409	33,476
Other Expense:			
Salaries and employee benefits	42,301	40,226	42,591
Occupancy	5,485	5,422	5,254
Equipment	6,070	6,264	6,535
Telecommunications	1,922	2,032	1,925
Other	19,995	20,630	20,867
Total other expense	75,773	74,574	77,172
Income before income taxes	37,948	45,112	43,427
Income tax expense	11,876	14,185	14,029
Net Income	\$26,072	\$30,927	\$29,398
Net Income Per Share:			
Basic	\$0.33	\$0.38	\$0.36
Diluted	\$0.33	\$0.38	\$0.36

BancorpSouth, Inc.

Consolidated Statements of Income

(amounts in thousands, except per share data)

(Unaudited)	Quarter Ended	
	Dec-01	Sep-01
Interest Revenue:		
Loans, including fees	\$121,626	\$128,049
Held-to-maturity securities:	16,706	17,698
Available-for-sale securities	14,772	14,757
Short term investments	3,932	4,477
Total interest revenue	157,036	164,981
Interest Expense:		
Deposits	63,060	73,071
Short term borrowings	1,571	2,700
Long term borrowings	2,100	2,105
Junior subordinated debt	0	0
Other interest expense	2,523	2,669
Total interest expense	69,254	80,545
Net interest revenue	87,782	84,436
Provision for credit losses	6,542	6,852
Net interest revenue, after credit loss provision	81,240	77,584
Other Revenue:		
Mortgage lending	12,913	(1,462)
Service charges	11,041	10,469
Life insurance premiums	1,155	1,151
Trust income	1,613	2,022
Securities gains, net	3,770	3,943
Insurance commissions	5,262	5,146
Other	6,205	5,465
Total other revenue	41,959	26,734
Other Expense:		
Salaries and employee benefits	41,451	37,083
Occupancy	5,132	5,263
Equipment	6,382	6,442
Telecommunications	2,143	2,244
Other	20,842	22,253
Total other expense	75,950	73,285

Income before income taxes	47,249	31,033
Income tax expense	15,935	9,450
Net Income	\$31,314	\$21,583
Net Income Per Share:		
Basic	\$0.39	\$0.26
Diluted	\$0.38	\$0.26

BancorpSouth, Inc.

Consolidated Statements of Income

(amounts in thousands, except per share data)

(Unaudited)	Year To Date	
	Sep-02	Sep-01
Interest Revenue:		
Loans, including fees	\$345,263	\$396,580
Held-to-maturity securities:	49,098	50,378
Available-for-sale securities	46,425	44,576
Short term investments	9,358	17,265
Total interest revenue	450,144	508,799
Interest Expense:		
Deposits	143,835	237,778
Short term borrowings	3,488	9,338
Long term borrowings	6,276	6,540
Junior subordinated debt	6,877	0
Other interest expense	6,272	8,183
Total interest expense	166,748	261,839
Net interest revenue	283,396	246,960
Provision for credit losses	22,183	15,718
Net interest revenue, after credit loss provision	261,213	231,242
Other Revenue:		
Mortgage lending	3,859	4,273
Service charges	35,693	31,718
Life insurance premiums	3,309	3,373
Trust income	5,253	5,316
Securities gains, net	5,316	6,901
Insurance commissions	17,676	15,160
Other	21,686	19,933
Total other revenue	92,792	86,674
Other Expense:		
Salaries and employee benefits	125,119	114,229
Occupancy	16,161	15,397
Equipment	18,869	20,417
Telecommunications	5,879	6,549
Other	61,491	62,771
Total other expense	227,519	219,363
Income before income taxes	126,486	98,553
Income tax expense	40,090	31,405
Net Income	\$86,396	\$67,148
Net Income Per Share:		
Basic	\$1.07	\$0.81
Diluted	\$1.07	\$0.80

BancorpSouth, Inc.

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

(dollars in thousands)

Unaudited	Year To Date		
	September 30, 2002		
	Average	Yield/	
(Taxable equivalent basis)	Balance	Interest	Rate
ASSETS			
Loans net of Unearned Income	\$6,312,781	\$346,673	7.34%
Held-to-maturity securities:			



Taxable	993,581	41,763	5.62%
Non Taxable	196,275	11,286	7.69%
Available-for-sale securities			
Taxable	1,107,887	39,947	4.82%
Non Taxable	197,409	9,965	6.75%
Short term investments	352,201	9,359	3.55%
Total interest earning assets and revenue	9,160,134	458,993	6.70%
Other assets	722,992		
Less: allowance for credit losses	(85,583)		
Total	\$9,797,543		

#### LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits:			
Demand - interest bearing	\$2,313,168	\$27,657	1.60%
Savings	859,490	9,901	1.54%
Time	3,945,818	106,277	3.60%
Short-term borrowings	456,620	9,762	2.86%
Junior subordinated debt	111,264	6,877	8.15%
Long-term debt	140,161	6,276	5.99%
Total interest bearing liabilities and expense	7,826,521	166,750	2.85%
Demand deposits - non-interest bearing	1,047,037		
Other liabilities	110,395		
Total liabilities	8,983,953		
Shareholders' equity	813,590		
Total	\$9,797,543		
Net interest revenue		\$292,243	
Net interest margin			4.27%
Net interest rate spread			3.85%
Interest bearing liabilities to interest earning assets			85.44%
Net interest tax equivalent adjustment		\$8,847	

#### BancorpSouth, Inc.

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

(dollars in thousands) Year To Date

Unaudited	September 30, 2001			
	Average	Yield/		
(Taxable equivalent basis)	Balance	Interest	Rate	
ASSETS				
Loans net of Unearned Income	\$6,047,363	\$397,541	8.79%	
Held-to-maturity securities:				
Taxable	919,497	42,262	6.15%	
Non Taxable	217,980	12,486	7.66%	
Available-for-sale securities				
Taxable	813,006	38,233	6.29%	
Non Taxable	176,442	9,759	7.39%	
Short term investments	447,025	17,265	5.16%	
Total interest earning assets and revenue	8,621,313	517,546	8.03%	
Other assets	692,449			
Less: allowance for credit losses	(81,012)			
Total	\$9,232,750			

#### LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits:			
Demand - interest bearing	\$1,841,595	\$40,637	2.95%
Savings	886,316	26,001	3.92%
Time	3,948,239	171,139	5.80%
Short-term borrowings	504,803	17,522	4.64%
Junior subordinated debt	0	0	
Long-term debt	146,466	6,541	5.97%
Total interest bearing			

liabilities and expense	7,327,419	261,840	4.78%
Demand deposits - non-interest bearing	993,005		
Other liabilities	119,312		
Total liabilities	8,439,736		
Shareholders' equity	793,014		
Total	\$9,232,750		
Net interest revenue		\$255,706	
Net interest margin			3.97%
Net interest rate spread			3.25%
Interest bearing liabilities to interest earning assets			84.99%
Net interest tax equivalent adjustment	\$8,746		

BancorpSouth, Inc.

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

(dollars in thousands) Quarter Ended

Unaudited September 30, 2002

	Average	Yield/	
(Taxable equivalent basis)	Balance	Interest	Rate
<b>ASSETS</b>			
Loans net of Unearned Income	\$6,412,420	\$115,789	7.16%
Held-to-maturity securities:			
Taxable	1,089,342	14,182	5.17%
Non Taxable	194,142	3,685	7.53%
Available-for-sale securities			
Taxable	1,175,225	12,274	4.14%
Non Taxable	201,465	3,333	6.56%
Short term investments	248,754	2,569	4.10%
Total interest earning assets and revenue	9,321,348	151,832	6.46%
Other assets	743,219		
Less: allowance for credit losses	(86,990)		
Total	\$9,977,577		

#### LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits:

Demand - interest bearing	\$2,357,120	\$9,528	1.60%
Savings	821,663	2,917	1.41%
Time	4,088,905	34,654	3.36%
Short-term borrowings	464,639	3,146	2.69%
Junior subordinated debt	125,000	2,547	8.15%
Long-term debt	140,162	2,095	5.93%
Total interest bearing liabilities and expense	7,997,489	54,887	2.72%
Demand deposits - non-interest bearing	1,058,721		
Other liabilities	107,569		
Total liabilities	9,163,779		
Shareholders' equity	813,798		
Total	\$9,977,577		
Net interest revenue		\$96,945	
Net interest margin			4.13%
Net interest rate spread			3.74%
Interest bearing liabilities to interest earning assets			85.80%
Net interest tax equivalent adjustment	\$2,923		

BancorpSouth, Inc.

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

(dollars in thousands) Quarter Ended

Unaudited	June 30, 2002			
(Taxable equivalent basis)	Average	Balance	Yield/ Interest	Rate
<b>ASSETS</b>				
Loans net of Unearned Income		\$6,323,983	\$115,611	7.33%
Held-to-maturity securities:				
Taxable	954,261	13,643	5.73%	
Non Taxable	196,409	3,769	7.70%	
Available-for-sale securities				
Taxable	1,091,573	13,417	4.93%	
Non Taxable	197,212	3,314	6.74%	
Short term investments		424,143	3,427	3.24%
Total interest earning assets and revenue		9,187,581	153,181	6.69%
Other assets		715,892		
Less: allowance for credit losses		(85,472)		
Total		\$9,818,001		

**LIABILITIES AND  
SHAREHOLDERS' EQUITY**

Deposits:				
Demand - interest bearing		\$2,323,638	\$9,295	1.60%
Savings	866,708	3,424	1.58%	
Time	3,930,864	34,115	3.48%	
Short-term borrowings		453,611	3,293	2.91%
Junior subordinated debt		125,000	2,547	8.15%
Long-term debt		140,458	2,069	5.91%
Total interest bearing liabilities and expense		7,840,279	54,743	2.80%
Demand deposits - non-interest bearing		1,044,430		
Other liabilities		113,351		
Total liabilities		8,998,060		
Shareholders' equity		819,941		
Total		\$9,818,001		
Net interest revenue			\$98,438	
Net interest margin			4.30%	
Net interest rate spread			3.89%	
Interest bearing liabilities to interest earning assets			85.34%	
Net interest tax equivalent adjustment		\$2,946		

**BancorpSouth, Inc.  
Average Balances, Interest Income and Expense,  
and Average Yields and Rates**

(dollars in thousands)	Quarter Ended			
Unaudited	March 31, 2002			
(Taxable equivalent basis)	Average	Balance	Yield/ Interest	Rate
<b>ASSETS</b>				
Loans net of Unearned Income		\$6,199,602	\$115,273	7.54%
Held-to-maturity securities:				
Taxable	935,448	13,938	6.04%	
Non Taxable	198,319	3,832	7.84%	
Available-for-sale securities				
Taxable	1,055,547	14,256	5.48%	
Non Taxable	193,462	3,318	6.96%	
Short term investments		385,204	3,363	3.54%
Total interest earning assets and revenue		8,967,582	153,980	6.96%
Other assets		709,501		
Less: allowance for credit losses		(84,258)		
Total		\$9,592,825		

**LIABILITIES AND  
SHAREHOLDERS' EQUITY**

Deposits:				
Demand - interest bearing		\$2,257,654	\$8,834	1.59%

Savings	890,858	3,560	1.62%
Time	3,814,671	37,509	3.99%
Short-term borrowings	451,464	3,322	2.98%
Junior subordinated debt	83,333	1,783	8.15%
Long-term debt	139,859	2,112	6.12%
Total interest bearing liabilities and expense	7,637,839	57,118	3.03%
Demand deposits - non-interest bearing	1,037,730		
Other liabilities	110,299		
Total liabilities	8,785,869		
Shareholders' equity	806,956		
Total	\$9,592,825		
Net interest revenue		\$96,862	
Net interest margin			4.38%
Net interest rate spread			3.93%
Interest bearing liabilities to interest earning assets			85.17%
Net interest tax equivalent adjustment		\$2,979	

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	

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	
ASSETS				
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 \$2,902

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SOURCE: BancorpSouth, Inc.

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