

BancorpSouth, Inc. Announces Fourth-Quarter Financial Results

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TUPELO, Miss.

BancorpSouth, Inc. today announced that net income in the fourth quarter of 2002 was \$25.6 million, or \$0.33 per basic and diluted share, compared to \$31.3 million, or \$0.39 and \$0.38 per basic and diluted share, respectively, in the fourth quarter of 2001.

Net income increased 13.8 percent in full-year 2002 to \$112.0 million from \$98.5 million in 2001. Basic earnings per share rose 17.6 percent in 2002 to \$1.40 from \$1.19 in 2001, and diluted earnings per share increased 16.8 percent to \$1.39 from \$1.19 in 2001.

Commenting on the announcement, Aubrey Patterson, BancorpSouth's Chairman and Chief Executive Officer, said, "We are generally pleased with BancorpSouth's financial and operating performance for the fourth quarter of 2002 in what has remained a difficult economic environment. As in previous quarters this year, our results for the fourth quarter include the effect of a provision for the impairment of our mortgage-servicing asset, which is a non-cash charge related to the decline in the asset's value as a result of declining mortgage interest rates. While we anticipate the value of this asset to increase when mortgage interest rates rise, the impairment charge of \$3.2 million in the fourth quarter reduced earnings by \$0.03 per basic and diluted share. In addition, during the fourth quarter we reserved \$3.2 million, or \$0.03 per basic and diluted share, to settle litigation against certain of our subsidiaries."

Net Interest Revenue

Interest revenue was \$144.5 million in the fourth quarter of 2002, a 7.2 percent decrease from \$155.7 million in the fourth quarter of 2001 and 2.0 percent below \$147.5 million in the third quarter of 2002. Interest expense fell 24.7 percent in the fourth quarter of 2002 to \$52.1 million from \$69.3 million in the prior-year fourth quarter and declined 5.0 percent from \$54.9 million in the third quarter of 2002.

The average taxable equivalent yield on earning assets in the fourth quarter of 2002 was 6.19 percent compared to 7.19 percent in the fourth quarter of 2001 and 6.40 percent in the third quarter of 2002. The average rate paid on interest-bearing liabilities during the fourth quarter of 2002 decreased to 2.55 percent from 3.73 percent in the fourth quarter of 2001 and 2.72 percent in the third quarter of 2002.

Net interest revenue increased 6.9 percent to \$92.4 million in the fourth quarter of 2002 from \$86.4 million in the comparable quarter in 2001, while decreasing 0.2 percent from \$92.6 million in the third quarter of 2002. Net interest margin was 4.00 percent in the fourth quarter of 2002 compared with 4.05 percent in the fourth quarter of 2001 and 4.07 percent in the third quarter of 2002. Interest revenue, net interest revenue and net interest margins for all periods presented have been adjusted to reflect the

reclassification of certain credit card related fees to non-interest revenue.

Patterson added, "We continue to face the constant challenge of managing and balancing our exposure to the changing interest rate environment. Despite the action of the Federal Reserve to lower interest rates in the fourth quarter of 2002, our net interest margin was virtually unchanged from the third quarter of 2002. We continually strive to position the Company to deal with, and limit our exposure to, future changes in interest rates."

Deposit and Loan Activity

Total assets grew 8.4 percent to \$10.2 billion at December 31, 2002, from \$9.4 billion at December 31, 2001. Total deposits also increased 8.8 percent to \$8.5 billion at December 31, 2002 from \$7.9 billion at December 31, 2001, while gross loans increased 5.2 percent to \$6.4 billion at December 31, 2002 from \$6.1 billion at December 31, 2001.

"The comparable-quarter growth rate in total deposits increased in each sequential quarter throughout the year," Patterson said, "reflecting our ongoing effort to increase market share in a tough environment. Because we are primarily a deposit-funded institution, the growth rate of our deposit base is managed to correspond to demand in loans. The growth in total loans in the quarter reflects the uncertain economic environment, as well as our strategic decision to reduce our exposure to indirect automobile sales financing by allowing that portfolio to decline to \$65.5 million at the end of 2002 from \$146.4 million at the same time in 2001."

Provision for Credit Losses and Allowance for Credit Losses

The provision for credit losses in the fourth quarter of 2002 was \$7.2 million, a 10.5 percent increase from \$6.5 million in the fourth quarter of the prior year and an 11.9 percent decrease from \$8.2 million in the third quarter of 2002. Annualized charge-offs for the fourth quarter of 2002 were 0.43 percent of average loans compared with 0.40 percent for the fourth quarter of 2001 and 0.44 percent for the third quarter of 2002.

For full-year 2002, the provision for credit losses was \$29.4 million compared to \$22.3 million for 2001. Net charge-offs in 2002 were 0.41 percent of average loans compared with 0.35 percent in 2001.

At December 31, 2002, non-performing assets totaled \$52.2 million, or 0.82 percent of net loans, compared to \$60.0 million, or 0.99 percent of net loans, at the same time in 2001 and \$55.3 million, or 0.87 percent of net loans, at September 30, 2002. The allowance for credit losses at year-end was 1.38 percent of loans compared to 1.37 percent at both December 31, 2001, and September 30, 2002.

Patterson continued, "We are proud of the substantial reduction in non-performing assets at year-end, in spite of increasing loan volume for the year. This reduction accounts for the decline in our provision for credit losses for the fourth quarter from the third quarter of 2002 and reflects the quality of our

lending and credit procedures. We intend to maintain our conservative posture regarding credit quality with a goal of improving our credit quality metrics in a strengthening economy."

Non-Interest Revenue

Non-interest revenue in the fourth quarter of 2002 was \$35.2 million compared to \$43.3 million in the fourth quarter of 2001 and \$29.3 million in the third quarter of 2002. For 2002, non-interest revenue totaled \$132.2 million, a decrease of 1.3 percent when compared to 2001. BancorpSouth's non-interest revenue continued to be substantially affected by the impact of interest rate movements on the valuation of its mortgage-servicing asset. In the fourth quarter of 2002, mortgage lending revenue was \$6.1 million, which included an impairment charge of \$3.2 million, compared to \$12.9 million in the fourth quarter of 2001, which included a \$4.5 million reversal of previously recorded impairment charges. In the third quarter of 2002, mortgage lending revenue was a negative \$2.6 million, including an impairment charge of \$9.2 million. As a result of the Company's strategy of making short-term investments in intermediate-term securities to offset anticipated impairment charges, BancorpSouth's non-interest revenue benefited from gains on the sale of securities of \$3.8 million in the fourth quarter of 2001 and \$2.5 million in the third quarter of 2002. In the fourth quarter of 2002, the Company did not employ this technique and gains resulting from the sale of securities declined to \$170,000.

The fourth-quarter 2002 impairment charge masks the positive impact of new mortgage loan originations as a result of the lower interest rate environment. Mortgage loan originations increased 13.2 percent in the fourth quarter of 2002 to \$365.6 million from \$322.9 million for the fourth quarter last year, contributing to an increase in the Company's volume of mortgage loans being serviced to \$2.8 billion at year-end 2002 from \$2.5 billion at the end of 2001.

Non-interest revenue in the fourth quarter also included the benefit of a 22.8 percent increase in service charges to \$13.6 million from \$11.0 million in the prior-year fourth quarter, and a 5.2 percent increase from \$12.9 million in the third quarter of 2002. In addition, insurance commissions increased to \$5.9 million in the fourth quarter, up 12.6 percent from \$5.3 million in the fourth quarter of 2001 and down slightly from \$6.1 million for the third quarter of 2002.

"We are very pleased with the growth of our mortgage-servicing portfolio in a low interest-rate environment, which we expect to lower our mortgage-servicing asset's prepayment risk," said Patterson. "This growth is an important component of our long-term strategy to increase the relative contribution of non-interest revenue to our earnings. In this regard, we will also continue our efforts to leverage our strong retail and small to medium business banking relationships to sell various non-interest bearing products and services, including a variety of deposit, insurance, cash management and investment brokerage services."

Non-Interest Expense

Non-interest expense in the fourth quarter of 2002 was \$84.9 million, an increase of 11.8 percent from \$76.0 million in the same period in 2001 and a 12.0 percent increase from \$75.8 million in the third quarter of 2002. Salaries and employee benefits rose primarily because of increases in commission-based payments, including mortgage loan origination commissions, incentive accruals and the cost of employee benefits. The growth in other expenses reflects the \$3.2 million reserved to settle litigation against certain of our subsidiaries.

Income Tax Rate

BancorpSouth benefited from a significant reduction in its income tax rate for the fourth quarter of 2002 to 27.8 percent from 33.7 percent for the fourth quarter of 2001 and 31.3 percent for the third quarter of 2002. This reduction was primarily driven by a revision to the Company's 401(k) plan that enables BancorpSouth to deduct for tax purposes the dividends it pays to the plan for shares of BancorpSouth common stock held in the plan. This change was retroactive to January 1, 2002, which permitted BancorpSouth to deduct all such dividends for 2002 in the fourth quarter. These dividends will be deducted in the future on a quarterly basis.

Capital Management

During the fourth quarter of 2002, the Company repurchased an additional 904,100 shares of its common stock under a common stock repurchase plan authorized in February 2002. The repurchase plan authorized BancorpSouth to repurchase up to 4.1 million shares of its common stock. As of December 31, 2002, BancorpSouth has repurchased a total of 3,472,608 shares under this plan, having completed the repurchase of all the shares authorized in March 2001 under a separate 4.2 million share repurchase plan. As a result, BancorpSouth has repurchased an aggregate of approximately 7.7 million shares of its common stock since March 2001, or 9.1 percent of its outstanding common stock at that time. BancorpSouth will continue to evaluate additional share repurchases under the February 2002 plan, which authorizes these repurchases during the 18-month period following authorization of the plan.

Summary

"The stock repurchases in the past two years reflect our confidence in BancorpSouth's potential for further profitable growth," concluded Patterson. "We have a strong franchise in a growing six-state market that is based on a unique blend of traditional community bank customer service supported by a sophisticated array of products and services normally available only through much larger financial institutions. We support our objectives for steady growth through a demonstrated ability to expand organically and through acquisition. We continue to maintain high credit quality through a conservative lending posture, even as we implement strategies to leverage our banking business to expand non-interest revenue. As a result, we believe BancorpSouth is well positioned to produce consistent long-

term growth."

Conference Call

BancorpSouth will conduct a conference call with analysts at 1:30 p.m. (Central Time) on January 21, 2003. 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 for a least two weeks following the call.

BancorpSouth, Inc. is a bank holding company headquartered in Tupelo, Mississippi with approximately \$10.2 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, market share, deductibility of dividend payments on shares of BancorpSouth common stock held in its 401(k) plan, expansion and prospects of products and services, deposits, expenses, common stock repurchase plan, 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, the ability to maintain credit quality, changes in laws and regulations affecting financial institutions in general or relating to taxes, 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 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 December 31,		Twelve Months Ended December 31,	
	2002	2001	2002	2001
(Dollars in thousands, except per share amounts)				
Earnings Summary:				
Net interest revenue	\$92,394	\$86,417	\$371,526	\$329,382
Provision for credit losses	7,228	6,542	29,411	22,259
Noninterest revenue	35,182	43,324	132,239	133,993
Noninterest expense	84,879	75,950	312,398	295,313
Income before income taxes	35,469	47,249	161,956	145,803
Income tax provision	9,848	15,935	49,938	47,340
Net income	\$25,621	\$31,314	\$112,018	\$98,463
Earning per share:				
Basic	\$0.33	\$0.39	\$1.40	\$1.19
Diluted:	\$0.33	\$0.38	\$1.39	\$1.19

Balance sheet data at December 31:

Total assets	\$10,189,247	\$9,395,429
Total earning assets	9,427,250	8,693,932
Loans and lease receivables, net of unearned discount	6,389,385	6,073,200
Allowance for credit losses	87,875	83,150
Total deposits	8,548,918	7,856,840
Common shareholders' equity	807,823	805,403
Book value per share	10.40	9.92

Average balance sheet data:

Total assets	\$10,133,283	\$9,348,448	\$9,882,168	\$9,261,912
Total earning assets	9,447,700	8,742,695	9,232,615	8,651,908
Loans and lease receivables, net of unearned discount	6,357,688	6,044,338	6,283,798	6,010,840
Total deposits	8,490,567	7,766,672	8,247,444	7,693,734
Common shareholders' equity	802,890	807,661	810,893	796,706

Non-performing assets at December 31:

Non-accrual loans	\$10,514	\$10,825
Loans 90+ days past due	23,629	33,012
Restructured loans	20	40
Other real estate owned	18,048	16,140

Net charge-offs as a percentage of average loans (annualized)

0.43%	0.40%	0.41%	0.35%
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Performance ratios

(annualized)				
Return on average assets	1.00%	1.33%	1.13%	1.06%
Return on common equity	12.66%	15.38%	13.81%	12.36%

Net interest margin	4.00%	4.05%	4.15%	3.94%
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Average shares				
outstanding - diluted	78,576,536	81,605,806	80,480,627	82,979,286

BancorpSouth, Inc.
Consolidated Balance Sheets
(dollars in thousands)

(Unaudited)	December 31, 2002	December 31, 2001	% Chg
Assets			
Cash & due from banks	\$356,976	\$341,513	4.5%
Interest bearing deposits with other banks	5,007	18,030	(72.2%)
Held-to-maturity securities	1,193,375	1,110,463	7.5%
Available-for-sale securities	1,642,172	1,083,191	51.6%
Federal funds sold and securities purchased under agreement to resell	139,508	343,511	(59.4%)
Loans & leases	6,389,385	6,073,200	5.2%
Allowance for credit losses	(87,875)	(83,150)	5.7%
Net loans & leases	6,301,510	5,990,050	5.2%
Mortgages held for sale	57,804	65,537	(11.8%)
Bank premises & equipment	210,183	211,576	(0.7%)
Accrued interest receivable	83,614	85,359	(2.0%)
Other real estate owned	18,048	16,140	11.8%
Other assets	181,050	130,059	39.2%
Total assets	\$10,189,247	\$9,395,429	8.4%
Liabilities			
Demand deposits:			
Non-interest bearing	\$1,183,127	\$1,108,499	6.7%
Interest bearing	2,455,821	2,158,698	13.8%
Total demand deposits	3,638,948	3,267,197	11.4%
Savings & time deposits:			
Savings	824,902	910,682	(9.4%)
Certificates of deposit	4,085,068	3,678,961	11.0%
Total savings & time deposits	4,909,970	4,589,643	7.0%
Total deposits	8,548,918	7,856,840	8.8%
Federal funds purchased and securities sold under agreement to repurchase	457,389	473,912	(3.5%)
Short-term borrowings	0	0	---
Accrued interest payable	23,306	31,124	(25.1%)
Long-term debt	139,757	140,939	(0.8%)
Junior subordinated debt	125,000	0	NA
Other liabilities	87,054	87,211	(0.2%)
Total liabilities	9,381,424	8,590,026	9.2%
Shareholders' Equity			
Common stock	194,202	203,064	(4.4%)
Capital surplus	20,773	11,457	81.3%
Unrealized gain(loss) on securities	37,744	24,243	55.7%
Retained earnings	555,103	566,639	(2.0%)
Total shareholders' equity	807,823	805,403	0.3%
Total liabilities & shareholders' equity	\$10,189,247	\$9,395,429	8.4%

BancorpSouth, Inc.
Consolidated Statements of Income
(amounts in thousands, except per share data)

(Unaudited)	Quarter Ended				
	Dec-02	Sep-02	Jun-02	Mar-02	Dec-01

Interest Revenue:					
Loans, including fees	\$110,129	\$113,922	\$113,735	\$113,342	\$120,261
Held-to-maturity securities:					
	15,681	16,577	16,093	16,429	16,706
Available-for-sale securities					
	16,277	14,440	15,571	16,413	14,772
Short term investments	2,451	2,569	3,427	3,363	3,932
Total interest revenue					
	144,538	147,508	148,825	149,547	155,671
Interest Expense:					
Deposits	44,695	47,099	46,834	49,901	63,060
Short term borrowings	1,132	1,268	1,186	1,034	1,571
Long term borrowings	2,090	2,095	2,069	2,112	2,100
Junior subordinated debt	2,547	2,547	2,547	1,783	0
Other interest expense	1,680	1,877	2,107	2,288	2,523
Total interest expense					
	52,144	54,886	54,743	57,118	69,254
Net interest revenue					
	92,394	92,622	94,083	92,429	86,417
Provision for credit losses					
	7,228	8,208	7,215	6,760	6,542
Net interest revenue, after credit loss provision					
	85,166	84,414	86,868	85,669	79,875
Other Revenue:					
Mortgage lending	6,069	(2,595)	900	5,554	12,913
Service charges	13,557	12,888	12,595	10,210	11,041
Life insurance premiums	1,031	1,091	1,091	1,127	1,155
Trust income	1,767	1,693	1,644	1,917	1,613
Securities gains, net	170	2,453	2,888	(25)	3,770
Insurance commissions	5,927	6,123	5,887	5,668	5,262
Other	6,661	7,654	7,814	10,479	7,570
Total other revenue					
	35,182	29,307	32,819	34,930	43,324
Other Expense:					
Salaries and employee benefits					
	45,985	42,301	40,226	42,591	41,451
Occupancy	5,497	5,485	5,422	5,254	5,132
Equipment	6,093	6,070	6,264	6,535	6,382
Telecommunications	1,948	1,922	2,032	1,925	2,143
Other	25,356	19,995	20,630	20,867	20,842
Total other expense					
	84,879	75,773	74,574	77,172	75,950
Income before income taxes					
	35,469	37,948	45,112	43,427	47,249
Income tax expense					
	9,848	11,876	14,185	14,029	15,935
Net Income					
	\$25,621	\$26,072	\$30,927	\$29,398	\$31,314
Net Income Per Share:					
Basic	\$0.33	\$0.33	\$0.38	\$0.36	\$0.39
Diluted	\$0.33	\$0.33	\$0.38	\$0.36	\$0.38

BancorpSouth, Inc.

Consolidated Statements of Income

(amounts in thousands, except per share data)

(Unaudited)	Year To Date	
	Dec-02	Dec-01
Interest Revenue:		
Loans, including fees	\$451,127	\$512,846
Held-to-maturity securities:		
	64,779	67,084
Available-for-sale securities		
	62,702	59,348
Short term investments	11,810	21,198
Total interest revenue		
	590,418	660,475
Interest Expense:		
Deposits	188,530	300,838
Short term borrowings	4,621	10,909
Long term borrowings	8,365	8,640
Junior subordinated debt	9,423	0
Other interest expense	7,953	10,706
Total interest expense		
	218,892	331,093
Net interest revenue		
	371,526	329,382
Provision for credit		

losses	29,411	22,259
Net interest revenue, after credit loss provision	342,115	307,123
Other Revenue:		
Mortgage lending	9,928	17,186
Service charges	49,249	42,759
Life insurance premiums	4,340	4,528
Trust income	7,021	6,929
Securities gains, net	5,486	10,671
Insurance commissions	23,604	20,422
Other	32,611	31,498
Total other revenue	132,239	133,993
Other Expense:		
Salaries and employee benefits	171,104	155,680
Occupancy	21,658	20,529
Equipment	24,962	26,799
Telecommunications	7,827	8,693
Other	86,847	83,612
Total other expense	312,398	295,313
Income before income taxes	161,956	145,803
Income tax expense	49,938	47,340
Net Income	\$112,018	\$98,463
Net Income Per Share:		
Basic	\$1.40	\$1.19
Diluted	\$1.39	\$1.19

BancorpSouth, Inc.

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

(dollars in thousands)	Year To Date		
Unaudited	December 31, 2002		
	Average	Yield/	
(Taxable equivalent basis)	Balance	Interest	Rate
ASSETS			
Loans net of Unearned Income	\$6,342,682	\$452,982	7.14%
Held-to-maturity securities:			
Taxable	998,800	55,091	5.52%
Non Taxable	194,089	14,905	7.68%
Available-for-sale securities			
Taxable	1,160,733	54,065	4.66%
Non Taxable	199,218	13,287	6.67%
Short term investments	337,093	11,810	3.50%
Total interest earning assets and revenue	9,232,615	602,140	6.52%
Other assets	735,800		
Less: allowance for credit losses	(86,247)		
Total	\$9,882,168		

LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits:			
Demand - interest bearing	\$2,338,775	\$35,756	1.53%
Savings	852,694	12,689	1.49%
Time	3,991,757	140,085	3.51%
Short-term borrowings	457,347	12,574	2.75%
Junior subordinated debt	114,726	9,423	8.15%
Long-term debt	140,085	8,366	5.97%
Total interest bearing liabilities and expense	7,895,384	218,893	2.77%
Demand deposits - non-interest bearing	1,064,218		
Other liabilities	111,673		
Total liabilities	9,071,275		

Shareholders' equity	810,893	
Total	\$9,882,168	
Net interest revenue	\$383,247	
Net interest margin		4.15%
Net interest rate spread		3.75%
Interest bearing liabilities to interest earning assets		85.52%
Net interest tax equivalent adjustment	\$11,721	

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	\$514,119	8.48%
Held-to-maturity securities:			
Taxable	920,939	56,417	6.13%
Non Taxable	214,694	16,411	7.64%
Available-for-sale securities			
Taxable	832,368	50,851	6.11%
Non Taxable	180,370	13,073	7.25%
Short term investments	439,138	21,197	4.83%
Total interest earning assets and revenue	8,651,908	672,068	7.77%
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%
Junior subordinated debt	0	0	
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	\$9,261,913		
Net interest revenue	\$340,974		
Net interest margin			3.94%
Net interest rate spread			3.26%
Interest bearing liabilities to interest earning assets			84.82%

Net interest tax equivalent adjustment	\$11,592
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BancorpSouth, Inc.

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

(dollars in thousands) Quarter Ended

Unaudited December 31, 2002

	Average	Yield/ Interest	Rate
(Taxable equivalent basis)	Balance		
ASSETS			
Loans net of Unearned Income	\$6,431,410	\$110,573	6.82%

Held-to-maturity securities:			
Taxable	1,014,286	13,328	5.21%
Non Taxable	187,603	3,619	7.65%
Available-for-sale securities			
Taxable	1,317,550	14,118	4.25%
Non Taxable	204,586	3,322	6.44%
Short term investments	292,265	2,451	3.33%
Total interest earning assets and revenue	9,447,700	147,411	6.19%
Other assets	773,798		
Less: allowance for credit losses	(88,215)		
Total	\$10,133,283		

LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits:			
Demand - interest bearing	\$2,414,759	\$8,099	1.33%
Savings	832,530	2,788	1.33%
Time	4,128,077	33,808	3.25%
Short-term borrowings	459,505	2,812	2.43%
Junior subordinated debt	125,000	2,547	8.15%
Long-term debt	139,859	2,090	5.93%
Total interest bearing liabilities and expense	8,099,730	52,144	2.55%
Demand deposits - non-interest bearing	1,115,201		
Other liabilities	115,462		
Total liabilities	9,330,394		
Shareholders' equity	802,890		
Total	\$10,133,284		
Net interest revenue	\$95,267		
Net interest margin		4.00%	
Net interest rate spread		3.64%	
Interest bearing liabilities to interest earning assets		85.73%	
Net interest tax equivalent adjustment			
	\$2,873		

BancorpSouth, Inc.

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

(dollars in thousands)

Unaudited	Quarter Ended		
	September 30, 2002		
(Taxable equivalent basis)	Average Balance	Yield/Interest	Rate
ASSETS			
Loans net of Unearned Income	\$6,412,420	\$114,389	7.08%
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	150,432	6.40%
Other assets	743,218		
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		\$95,545	
Net interest margin		4.07%	
Net interest rate spread		3.68%	
Interest bearing liabilities to interest earning assets		85.80%	
Net interest tax equivalent adjustment	\$2,924		

BancorpSouth, Inc.

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

(dollars in thousands) Quarter Ended

Unaudited June 30, 2002

	Average	Yield/ Interest	Rate
(Taxable equivalent basis)	Balance		
ASSETS			
Loans net of Unearned Income	\$6,323,983	\$114,202	7.24%
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	151,772	6.63%
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	3,294	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	54,744	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		\$97,028	
Net interest margin		4.24%	
Net interest rate spread		3.83%	
Interest bearing liabilities to interest earning assets		85.34%	
Net interest tax equivalent adjustment	\$2,947		

BancorpSouth, Inc.

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

(dollars in thousands)	Quarter Ended			
Unaudited	March 31, 2002			
	Average	Yield/		
(Taxable equivalent basis)	Balance	Interest	Rate	
ASSETS				
Loans net of Unearned Income	\$6,199,602	\$113,818	7.45%	
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	152,525	6.90%	
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	37,508	3.99%	
Short-term borrowings	451,464	3,322	2.98%	
Junior subordinated debt	83,333	1,783	8.56%	
Long-term debt	139,859	2,112	6.12%	
Total interest bearing liabilities and expense	7,637,839	57,119	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		\$95,406		
Net interest margin		4.31%		
Net interest rate spread		3.86%		
Interest bearing liabilities to interest earning assets		85.17%		
Net interest tax equivalent adjustment	\$2,978			

**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	\$120,573	7.82%	
Held-to-maturity securities:				
Taxable	925,219	14,155	6.07%	
Non Taxable	204,945	3,925	7.60%	
Available-for-sale securities				
Taxable	889,822	12,618	5.63%	
Non Taxable	192,026	3,314	6.85%	
Short term investments	415,733	3,932	3.75%	
Total interest earning assets and revenue	8,742,695	158,517	7.19%	
Other assets	689,114			
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	0	0	
Total interest bearing liabilities and expense	141,036	2,100	5.91%
Demand deposits - non-interest bearing	7,371,888	69,254	3.73%
Other liabilities	1,033,567		
Total liabilities	135,332		
Shareholders' equity	8,540,787		
Total	\$807,661		
Net interest revenue	\$9,348,448		
Net interest margin	89,263		
Net interest rate spread		4.05%	
Interest bearing liabilities to interest earning assets		3.47%	
		84.32%	
Net interest tax equivalent adjustment	\$2,845		

SOURCE: BancorpSouth, Inc.

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