

BancorpSouth Expands in Alabama and Texas

Opens Loan Production Offices in Huntsville, Alabama and Tyler, Texas

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BancorpSouth, Inc. today announced its continued expansion in attractive growth markets in Alabama and Texas, though the opening of loan production offices in Huntsville, Alabama, and Tyler, Texas. The offices will focus on commercial lending, real estate construction and residential mortgage lending. Consistent with BancorpSouth's development strategy, the Company expects to seek regulatory approval to provide full-service banking operations at the appropriate time, including a comprehensive array of integrated retail and commercial financial products and services.

Aubrey B. Patterson, BancorpSouth Chairman and Chief Executive Officer, remarked, "Today's announcement reflects a continuation of one of BancorpSouth's central long-term growth strategies, that of expanding our market share within our six-state mid-south franchise by entering new markets with attractive growth dynamics. A key aspect of this strategy is to enter these markets with experienced management who understand and embrace our style of community bank customer service, backed by sophisticated financial product and service capabilities. We are confident we have achieved this goal in Huntsville and Tyler, and we will continue to evaluate additional plans for future expansion in attractive markets within or contiguous to our current six-state footprint."

Byrd Williams, President of our Alabama Region, added, "Huntsville is one of the most attractive markets among Alabama's 11 medium to large metropolitan areas, with a highly educated workforce, outstanding job growth in the private sector, which is complemented by planned increases in personnel at the Redstone Arsenal, and low unemployment. In 2005, Forbes ranked Huntsville sixth in its survey of the best American cities for business and careers, and Inc. reported that Huntsville had the highest number of high growth companies per capita of any city in the country. We are pleased to report that Shane Parker has joined BancorpSouth as President of the Huntsville office. Shane is a highly respected banker in this area and brings seven years of banking experience to BancorpSouth."

Gordon Lewis, President of BancorpSouth's Texas and Louisiana Division, commented, "Our new Tyler loan production office represents our 17th location in east Texas. With Tyler only 90 miles east of Dallas, the office also marks the western edge of BancorpSouth's expansion to date. As with other east Texas cities in which we operate full-service banking offices, such as Longview, Texarkana and Nacogdoches, Tyler is a growing community, which has a diversified economy including a mix of manufacturing, healthcare, educational, retail and agriculture businesses. Also similar to our entry in other Texas markets, we have brought in Mike Henderson as Senior Vice President and Manager for the Tyler office who brings in-depth banking experience and proven management capabilities to BancorpSouth. Mike has done a great job for us in Nacogdoches and we feel he will be a real asset to our efforts in Tyler."

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 may include, without limitation, statements relating to the contribution of our new loan production offices to expanding our loan markets, the magnitude of loan-related losses in the area impacted by Hurricane Katrina, the aggregate impact of Hurricane Katrina on our financial condition and results of operation, the impact of a rising interest rate environment on our mortgage business, purchases under our common stock repurchase plan, our involvement in rebuilding and renewing the Gulf Coast and the reconciliation of GAAP and non-GAAP results.

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. These factors may include, but are not limited to, the rate of economic recovery in the region affected by Hurricane Katrina, changes in economic conditions and government fiscal and monetary policies, fluctuations in prevailing interest rates and the ability of BancorpSouth to manage its assets and liabilities to limit exposure to changing interest rates, the ability of BancorpSouth to increase noninterest revenue and expand noninterest revenue business, the ability of BancorpSouth to continue to fund growth with lower cost demand deposits rather than higher cost liabilities, the ability of BancorpSouth to maintain credit quality, changes in laws and regulations affecting financial service companies in general, 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 and market competitive services and products, changes in BancorpSouth's operating or expansion strategy, the ability of BancorpSouth to diversify revenue, geographic concentration of BancorpSouth's assets, availability of and costs associated with obtaining adequate and timely sources of liquidity, the ability of BancorpSouth to manage its growth and effectively serve an expanding customer and market base, the ability of BancorpSouth to achieve profitable growth and increase shareholder value, the ability of BancorpSouth to attract, train and retain qualified personnel, the ability of BancorpSouth to repurchase its common stock on favorable terms, the ability of BancorpSouth to leverage opportunities, the ability of BancorpSouth to identify, close and effectively integrate potential acquisitions, the ability of BancorpSouth to expand geographically and enter fast-growing markets, 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.

BancorpSouth, Inc. is a financial holding company headquartered in Tupelo, Mississippi with approximately \$11.8 billion in assets. BancorpSouth Bank, a wholly-owned subsidiary of BancorpSouth, Inc., operates approximately 270 commercial banking, insurance, trust and broker/dealer locations in Alabama, Arkansas, Louisiana, Mississippi, Tennessee and Texas.

SOURCE: BancorpSouth, Inc.

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