

BancorpSouth and Pinnacle Bancshares of Little Rock, Ark., Merge

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LITTLE ROCK, Ark., and TUPELO, Miss.

BancorpSouth Inc. and Pinnacle Bancshares, Inc. have consummated the merger of Pinnacle into BancorpSouth effective at the close of business February 28, 2002. In addition, Pinnacle Bank will be merged into BancorpSouth Bank.

Pinnacle Bancshares is an Arkansas business corporation that owns all of the stock of the \$130 million asset Pinnacle Bank. Pinnacle Bank is a state- chartered Arkansas bank with two full-service offices in Little Rock. Pinnacle Bank will begin operating on March 1, 2002 as BancorpSouth Bank and will become a part of BancorpSouth's Arkansas regional banking system. In addition to the Little Rock market, BancorpSouth operates 47 branches in 25 Arkansas communities.

BancorpSouth Chairman and CEO Aubrey B. Patterson said, "This strategic acquisition strengthens our existing six-state footprint and gives us a valuable presence in Little Rock. Customers previously doing business with us in surrounding communities can now bank with us in the largest market and the capital city of Arkansas."

Pinnacle Bank President Bob Althoff said, "Our merger with BancorpSouth gives us the capacity to continue to meet our customer's expectations and expanding needs in the rapidly growing Little Rock market. This partnership also allows us to provide our business clients with a higher and greater sophistication of service."

BancorpSouth President and COO James V. Kelley said, "Our merger with Pinnacle Bank is a real opportunity for both companies. Pinnacle has an excellent senior management team that has built an outstanding bank during the past five years. We welcome our new Pinnacle customers, directors, management and staff."

BancorpSouth is a bank holding company with assets at December 31, 2001 of \$9.4 billion. The Company is headquartered in Tupelo, Mississippi and operates approximately 250 banking and mortgage locations in Arkansas, Alabama, Louisiana, Mississippi, Tennessee and Texas. BancorpSouth also provides investment services through its subsidiary BancorpSouth Investment Services Inc. and insurance services through BancorpSouth Insurance Services. The Company's common stock is traded on the New York Stock Exchange under the symbol BXS.

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 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 the Company's future changes and the effects of the merger.

We caution you not to place undue reliance on the forward-looking statements contained in this news release in the actual results could differ materially from those indicated in the such forward-looking statements, due to a variety of factors. Those factors include, but are not limited to, inability to successfully integrate the companies after the merger, loss of deposits, employees, customers or revenues following the merger may be greater than anticipated, materially adverse changes in the companies' financial conditions, changes in economic conditions and government fiscal and monetary policies, fluctuations in prevailing interest rates, the ability of the Company to compete with other financial services companies, changes in the Company's operating or expansion strategy, geographic concentration of the Company's assets, the ability of the Company to attract, train, and retain qualified personnel, the ability of the Company to effectively market its services and products, the Company's dependence on existing sources of funding, and other factors generally understood to affect the financial results of financial service companies, and other risks detained from time to time in the Company's news releases and filings with the Securities and Exchange Commission. We undertake no obligations to update these forward- looking statements to reflect events or circumstances that occur after the date on which such statements were made.

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