

BANCORPSOUTH INC
Form 424B2
November 23, 2004

Table of Contents

**Filed pursuant to Rule 424(b)(2)
under the Securities Act of 1933
Registration No. 333-120307**

PROXY STATEMENT/PROSPECTUS**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

The Boards of Directors of BancorpSouth, Inc. and Premier Bancorp, Inc. have approved a merger agreement to merge our two companies. If Premier Bancorp shareholders vote to approve the merger agreement and the merger is completed, Premier Bancorp will merge with and into BancorpSouth, Premier Bancorp's subsidiary bank, Premier Bank of Brentwood, will merge with and into BancorpSouth Bank, a subsidiary of BancorpSouth, and Premier Bancorp shareholders, other than Premier Bancorp shareholders who properly exercise their rights to dissent from the merger, will have the opportunity to elect to receive in exchange for each share of Premier Bancorp common stock they own 2.1785 shares of BancorpSouth common stock, a cash payment of \$50.07 or a combination of cash and shares of BancorpSouth common stock. If you hold more than one share of Premier Bancorp common stock, you may elect a combination of stock and cash consideration. In the merger, the percentage of shares of Premier Bancorp common stock that will be exchangeable into the right to receive shares of BancorpSouth common stock is fixed at 51%. In order to ensure that the merger qualifies as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended, and as a result of the 51% limitation, regardless of your election, you may receive a combination of cash and shares of BancorpSouth common stock that is different than what you may have elected, depending on the elections made by other Premier Bancorp shareholders.

The number of shares of BancorpSouth common stock that Premier Bancorp shareholders may receive in the merger is fixed. The dollar value of the stock consideration that Premier Bancorp shareholders may receive will change depending on fluctuations in the market price of BancorpSouth common stock and will not be known at the time Premier Bancorp's shareholders vote on the merger. The following table shows the closing price per share of BancorpSouth common stock reported on the New York Stock Exchange on September 16, 2004, the last trading day before we announced the merger, and on November 17, 2004, the last practicable trading day before the distribution of this Proxy Statement/Prospectus. This table also shows the implied value of the stock consideration proposed for each share of Premier Bancorp common stock, which we calculated by multiplying the closing price of BancorpSouth common stock on those dates by 2.1785, the exchange ratio. You should obtain current market quotations for the shares of BancorpSouth common stock from a newspaper, the Internet or your broker. BancorpSouth common stock is listed on the New York Stock Exchange under the symbol BXS.

	Closing Price of BancorpSouth Common Stock	Implied Value per Share of Premier Bancorp Common Stock
At September 16, 2004	\$ 23.15	\$ 50.43
At November 17, 2004	\$ 24.70	\$ 53.80

This Proxy Statement/Prospectus provides you with detailed information about the proposed merger between BancorpSouth and Premier Bancorp. This document also contains information about BancorpSouth and Premier Bancorp. We encourage you to carefully read and consider this Proxy Statement/Prospectus in its entirety. You can

obtain additional information about BancorpSouth from documents that it has filed with the Securities and Exchange Commission. For information on how to obtain copies of these documents, you should refer to the section of this document entitled WHERE YOU CAN FIND MORE INFORMATION, which begins on page 94.

You should carefully consider the risk factors described beginning on page 15 of this Proxy Statement/Prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the shares of BancorpSouth common stock to be issued under this Proxy Statement/Prospectus or determined if this Proxy Statement/Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Shares of BancorpSouth common stock are not savings or deposit accounts or other obligations of any bank or savings association, and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this Proxy Statement/Prospectus is November 19, 2004,
and it is first being mailed to the shareholders of Premier Bancorp on or about November 19, 2004.

Table of Contents

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON DECEMBER 20, 2004**

TO THE SHAREHOLDERS OF PREMIER BANCORP, INC.:

This serves as notice to you that a special meeting of shareholders of Premier Bancorp, Inc. will be held on December 20, 2004 at 5:30 p.m., Central Time, at the main office of Premier Bank of Brentwood, 5217 Maryland Way, Brentwood, Tennessee 37027, for the purpose of considering and voting upon the approval of the Agreement and Plan of Merger, dated as of September 17, 2004, between Premier Bancorp and BancorpSouth, Inc., which provides for the merger of Premier Bancorp with and into BancorpSouth as more fully described in the attached Proxy Statement/Prospectus.

Only holders of record of Premier Bancorp common stock at the close of business on November 18, 2004 are entitled to notice of and to vote at the special meeting or any adjournments or postponements of the special meeting. Each share of Premier Bancorp is entitled to one vote. Approval of the merger agreement requires approval by a majority of all the votes entitled to be cast by shareholders of Premier Bancorp.

The Board of Directors of Premier Bancorp has unanimously approved the merger agreement and recommends that Premier Bancorp shareholders vote For approval of the merger agreement.

Premier Bancorp shareholders, other than Premier Bancorp shareholders who properly exercise their rights to dissent from the merger, will have the opportunity to elect to receive in exchange for each share of Premier Bancorp common stock they own 2.1785 shares of BancorpSouth common stock, with cash to be paid in lieu of any remaining fractional share interest, or a cash payment of \$50.07 or a combination of cash and shares of BancorpSouth common stock, if the merger agreement is approved and the merger is completed. Holders of more than one share of Premier Bancorp common stock may elect a combination of stock and cash consideration.

Notice of Right to Dissent. Dissenting shareholders who comply with the procedural requirements of the Tennessee Business Corporation Act will be entitled to receive payment of the fair cash value of their shares. A copy of Sections 48-23-101 *et seq.* of the Tennessee Business Corporation Act containing the procedural requirements to exercise dissenters' rights is attached as Annex B to the accompanying Proxy Statement/Prospectus. In addition, please see the section entitled THE MERGER Shareholders Dissenters' Rights in the accompanying Proxy Statement/Prospectus for a discussion of the procedures to be followed in asserting these dissenters' rights.

Please mark, sign, date and return the enclosed proxy card promptly, whether or not you plan to attend the special meeting. All Premier Bancorp shareholders are invited to attend the special meeting. To ensure your representation at the special meeting, please complete and promptly mail the enclosed proxy card in the enclosed postage paid business reply envelope. This will not prevent you from voting in person, but will help to secure a quorum and avoid added solicitation costs. If you do not vote your proxy, the effect will be the same as a vote against the merger agreement. You may revoke your proxy at any time before it is voted.

Please also fill out the enclosed election form and letter of transmittal according to their instructions and promptly mail the election form and the letter of transmittal, along with all of your Premier Bancorp stock certificates. The election form is the document provided to you to select the amount of stock and/or cash consideration you wish to receive in connection with the proposed merger. Please review the Proxy Statement/Prospectus accompanying this notice for more complete information regarding the proposed merger and the special meeting.

BY ORDER OF THE BOARD OF DIRECTORS,

/s/ James D. Harris

James D. Harris

Chairman and Chief Executive Officer

November 19, 2004

Table of Contents

ADDITIONAL INFORMATION

This Proxy Statement/Prospectus incorporates important business and financial information about BancorpSouth from documents that are not included in or delivered with this Proxy Statement/Prospectus. See WHERE YOU CAN FIND MORE INFORMATION beginning on page 94. This information is available to you without charge upon your written or oral request. You can obtain documents incorporated by reference in this Proxy Statement/Prospectus by requesting them in writing or by telephone from BancorpSouth at the following address:

BancorpSouth, Inc.
One Mississippi Plaza
Tupelo, Mississippi 38804
(662) 680-2000
Attention: Cathy S. Freeman, Secretary

In order to receive timely delivery of requested documents in advance of Premier Bancorp's special meeting of shareholders, your request should be received no later than December 14, 2004.

You also may obtain these documents at the Securities and Exchange Commission's Internet world wide web site, <http://www.sec.gov>, and at BancorpSouth's Internet world wide web site, <http://www.bancorpsouth.com>, by selecting Investor Relations and then selecting SEC Filings. We have included the web addresses of the SEC and BancorpSouth as inactive textual references only. Except as specifically incorporated by reference into this Proxy Statement/Prospectus, information on those web sites is not part of this Proxy Statement/Prospectus.

Table of Contents

TABLE OF CONTENTS

<u>QUESTIONS AND ANSWERS ABOUT THE MERGER</u>	5
<u>SUMMARY</u>	8
<u>RISK FACTORS</u>	15
<u>You May Not Receive the Form of Merger Consideration that You Elect</u>	15
<u>Because the Market Price of BancorpSouth Common Stock Will Fluctuate, You Cannot Be Sure of the Value of the Stock Consideration You May Receive</u>	15
<u>We May Fail to Achieve the Anticipated Benefits of the Merger</u>	15
<u>The Market Price of Shares of BancorpSouth Common Stock after the Merger May Be Affected by Factors Different from those Affecting Shares of Premier Bancorp or BancorpSouth Currently</u>	16
<u>The Executive Officers and Directors of Premier Bancorp Have Interests Different from Typical Premier Bancorp Shareholders</u>	16
<u>Former Shareholders of Premier Bancorp Will be Limited in their Ability to Influence BancorpSouth's Actions and Decisions Following the Merger</u>	16
<u>The Merger May Result in a Loss of Current Premier Bancorp Employees</u>	16
<u>SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF BANCORPSOUTH</u>	17
<u>SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF PREMIER BANCORP</u>	19
<u>COMPARATIVE HISTORICAL AND PRO FORMA PER SHARE DATA</u>	21
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION</u>	22
<u>THE SPECIAL MEETING</u>	24
<u>General</u>	24
<u>Proxies</u>	24
<u>Solicitation of Proxies</u>	25
<u>Record Date and Voting Rights</u>	25
<u>Recommendation of Board of Directors</u>	25
<u>Shareholders Dissenters' Rights</u>	26
<u>Certain Matters Relating to Proxy Materials</u>	26
<u>THE MERGER</u>	27
<u>Description of the Merger</u>	27
<u>Background of the Merger</u>	27
<u>Reasons for the Merger; Recommendation of the Board of Directors</u>	28
<u>Opinion of Financial Advisor to Premier Bancorp</u>	30
<u>Regulatory Approval</u>	35
<u>Accounting Treatment</u>	35
<u>Material United States Federal Income Tax Consequences</u>	36
<u>Shareholders Dissenters' Rights</u>	39
<u>Interests of Certain Persons in the Merger</u>	42
<u>Comparison of Rights of Shareholders</u>	43
<u>Restrictions on Resales by Affiliates</u>	43
<u>Source of Funds for Cash Portion of Merger Consideration</u>	43
<u>THE MERGER AGREEMENT</u>	44
<u>Terms of the Merger</u>	44
<u>Cash or Stock Election</u>	46
<u>Election Procedures; Surrender of Stock Certificates</u>	47
<u>Treatment of Stock Options</u>	48
<u>Representations and Warranties</u>	49
<u>Conduct of Business Prior to the Merger and Other Covenants</u>	50
<u>Conditions to the Merger</u>	52

<u>Termination of the Merger Agreement</u>	53
<u>Indemnification</u>	54
<u>Amendment of the Merger Agreement</u>	54
<u>Waiver</u>	54
<u>Expenses</u>	54
<u>Management and Operations Following the Merger</u>	54
<u>PRICE RANGE OF COMMON STOCK AND DIVIDENDS</u>	55

Table of Contents

<u>BancorpSouth</u>	55
<u>Premier Bancorp</u>	55
<u>INFORMATION ABOUT BANCORPSOUTH</u>	56
<u>INFORMATION ABOUT PREMIER BANCORP</u>	57
<u>Business</u>	57
<u>Market Price of and Dividends on Common Equity</u>	57
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	57
<u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	71
<u>Security Ownership of Certain Beneficial Owners and Management Prior to the Merger</u>	71
<u>Quantitative and Qualitative Disclosures About Market Risk</u>	73
<u>COMPARISON OF RIGHTS OF SHAREHOLDERS</u>	78
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	94
<u>2005 ANNUAL SHAREHOLDER MEETING AND SHAREHOLDER PROPOSALS</u>	95
<u>BancorpSouth</u>	95
<u>Premier Bancorp</u>	96
<u>LEGAL MATTERS</u>	97
<u>EXPERTS</u>	97
<u>Annex A: Agreement and Plan of Merger</u>	A-1
<u>Annex B: Sections 48-23-101 <i>et seq.</i> of the Tennessee Business Corporation Act</u>	B-1
<u>Annex C: Opinion of Hovde Financial LLC</u>	C-1

Table of Contents

**QUESTIONS AND ANSWERS
ABOUT THE MERGER**

Q: What is the proposed transaction?

A: A merger in which Premier Bancorp, Inc. will merge with and into BancorpSouth, Inc. and Premier Bancorp's subsidiary bank, Premier Bank of Brentwood, will merge with and into BancorpSouth Bank, a subsidiary of BancorpSouth. After the merger, you will no longer own shares of Premier Bancorp common stock and will receive either cash or shares of BancorpSouth common stock or a combination of both.

Q: What do I need to do now?

A: After you carefully read this Proxy Statement/Prospectus, please vote your proxy promptly by indicating on the enclosed proxy card how you want to vote, and by signing and mailing the proxy card in the enclosed postage paid business reply white envelope as soon as possible so that your shares may be represented at the special meeting of shareholders. Also, please fill out your election form and letter of transmittal according to their instructions and mail the election form and the letter of transmittal, along with all of your Premier Bancorp stock certificates, in the enclosed brown envelope to SunTrust Bank, Atlanta, N.A. as soon as possible so that we may know the amount of each type of consideration you wish to receive.

Regardless of whether you plan to attend the special meeting in person, we encourage you to vote your proxy promptly. This will help to ensure that a quorum is present at the special meeting and will help reduce the costs associated with the solicitation of proxies.

The Board of Directors of Premier Bancorp unanimously recommends that shareholders vote For approval of the merger agreement.

Q: Why is my vote important?

A: Under the Tennessee Business Corporation Act, the merger agreement must be approved by a majority of all the votes entitled to be cast by shareholders of Premier Bancorp. Accordingly, if you abstain, it will have the same effect as a vote against approval of the merger agreement.

Q: Can I change my vote after I have delivered my proxy card?

A: You may change your vote at any time before your proxy is voted at your meeting. You can do this in any of the following three ways:

by sending a written notice to the chief executive officer of Premier Bancorp in time to be received before the special meeting stating that you would like to revoke your proxy;

by completing, signing and dating another proxy card and returning it by mail in time to be received before the special meeting, in which case your later-submitted proxy will be recorded and your earlier proxy revoked; or

if you are a holder of record, by attending the special meeting and voting in person, although attendance by itself will not revoke a previously granted proxy.

If your shares are held in an account at a broker, you should contact your broker to change your vote.

Q: If my shares are held in street name by my broker, will my broker vote my shares for me?

A: You should instruct your broker to vote your shares, following the directions your broker provides. Your broker will generally not have the discretion to vote your shares without your instructions.

Table of Contents

Q: Will I be able to trade the shares of BancorpSouth common stock I receive in the merger?

A: Yes. The BancorpSouth common stock issued pursuant to the merger will be registered under the Securities Act of 1933 and will be listed on the New York Stock Exchange under the symbol BXS. All shares of BancorpSouth common stock that you receive in the merger will be freely transferable unless you are deemed an affiliate of Premier Bancorp prior to the merger. Persons who are considered affiliates of Premier Bancorp (generally directors, officers and holders of 10% or more of Premier Bancorp common stock) must comply with Rule 145 under the Securities Act of 1933 if they wish to sell or otherwise transfer any of the shares of BancorpSouth common stock they receive in the merger.

Q: What will I receive in connection with the merger?

A: You may elect to receive cash, shares of BancorpSouth common stock or a combination of cash and shares of BancorpSouth common stock by indicating your preference on the enclosed election form. The Proxy Statement/Prospectus explains in more detail what amount of cash and/or BancorpSouth common stock each shareholder of Premier Bancorp is entitled to receive. The percentage of shares of Premier Bancorp common stock that will be exchangeable for the right to receive shares of BancorpSouth common stock is fixed at 51%. In the event that more or less than 51% of the outstanding shares of Premier Bancorp common stock elect to receive common stock consideration, the amount of BancorpSouth common stock that you will have the right to receive upon exchange of your shares of Premier Bancorp common stock will be adjusted so that, in the aggregate, 51% of the shares of Premier Bancorp common stock will be exchanged for the right to receive shares of BancorpSouth common stock and the remaining shares of Premier Bancorp common stock will be exchanged for the right to receive cash. As a result, you may receive a different combination of consideration than you elected, based on the choices made by other Premier Bancorp shareholders and certain tax-related adjustments, if necessary.

Q: What are the U.S. federal income tax consequences of the merger to the shareholders?

A: If you exchange your shares of Premier Bancorp common stock solely for BancorpSouth common stock, you should not recognize any gain or loss (except with respect to the cash you receive instead of a fractional share) for U.S. federal income tax purposes. If you exchange your shares of Premier Bancorp common stock solely for cash, you should recognize gain or loss on the exchange. If you exchange your shares of Premier Bancorp common stock for a combination of BancorpSouth common stock and cash, you should recognize gain, but not loss, on the exchange to the extent of the lesser of cash received or gain realized in the exchange.

This tax treatment may not apply to all Premier Bancorp shareholders. You should consult your own tax advisor for a full understanding of the merger's tax consequences that are particular to you.

Q: What is the purpose of this Proxy Statement/Prospectus?

A: This document serves as Premier Bancorp's proxy statement and as BancorpSouth's prospectus. As a proxy statement, this document is being provided to Premier Bancorp shareholders because Premier Bancorp's Board of Directors is soliciting proxies to vote to approve the merger agreement. As a prospectus, this document is being provided to Premier Bancorp shareholders by BancorpSouth because BancorpSouth is offering them shares of BancorpSouth common stock in exchange for their shares of Premier Bancorp common stock if the merger is completed.

Q: Is there other information I should consider?

A: Yes. Much of the business and financial information about BancorpSouth that may be important to you is not included directly in this document. Instead, this information is incorporated into this document by references to documents separately filed by BancorpSouth with the Securities and Exchange Commission. This means that BancorpSouth may satisfy its disclosure obligations to you by referring you to one or more documents separately filed by it with the SEC. See WHERE YOU CAN FIND MORE INFORMATION

6

Table of Contents

beginning on page 94 for a list of documents that BancorpSouth has incorporated by reference into this Proxy Statement/Prospectus and for instructions on how to obtain copies of these documents. The documents are available to you without charge.

Q: What if I choose not to read the documents incorporated by reference?

A: Information that is incorporated from another document is considered to have been disclosed to you whether or not you choose to read the document. Information contained in a document that is incorporated into this Proxy Statement/Prospectus by reference is part of this Proxy Statement/Prospectus, unless it is superseded by information contained directly in this Proxy Statement/Prospectus or in documents filed by BancorpSouth with the SEC after the date of this Proxy Statement/Prospectus.

Q: Why have I been sent an election form?

A: If the merger agreement is approved and the merger is completed, unless you exercise your right to dissent from the merger, each share of Premier Bancorp common stock held by you will be converted into the right to receive, at your election, \$50.07 in cash, a number of shares of BancorpSouth common stock as determined by the exchange ratio or a combination of cash and shares of BancorpSouth common stock, with cash to be paid in lieu of any remaining fractional share interest. The election form is the document provided to you to select the amount of each type of consideration you wish to receive.

Q: What happens if I do not send in my election form?

A: If you do not make an election, you will be deemed to have made an election to receive the merger consideration in such form of cash and/or shares of BancorpSouth common stock as BancorpSouth shall determine consistent with the terms of the merger agreement.

Q: Should I send in my Premier Bancorp stock certificates now?

A: Yes. After you carefully read this Proxy Statement/Prospectus, please choose which form(s) of consideration you would like to receive if the merger is consummated by indicating your choice on the enclosed election form, signing the enclosed letter of transmittal and mailing both, along with all stock certificates representing shares of Premier Bancorp common stock that you own, in the enclosed brown envelope to SunTrust Bank, Atlanta, N.A., the exchange agent. To be properly completed, your election form together with the appropriate stock certificate(s) and letter of transmittal must be received by the transfer agent by December 16, 2004, two business days before the date of the special meeting.

Q: Whom do I contact if I have questions about the merger?

A: If you have more questions about the merger, including procedures for voting your shares, you should contact:

Premier Bancorp, Inc.
5217 Maryland Way
Brentwood, Tennessee 37027
Attention: James D. Harris, Chairman and CEO
Phone Number: (615) 376-0001

Table of Contents

SUMMARY

This summary highlights selected information from this Proxy Statement/Prospectus. It does not contain all of the information that is important to you. You should carefully read this entire Proxy Statement/Prospectus and the documents to which it refers you in order to understand fully the merger and to obtain a more complete description of the companies and the legal terms of the merger. For information on how to obtain copies of documents referred to in this Proxy Statement/Prospectus, you should read the section entitled WHERE YOU CAN FIND MORE INFORMATION. Each item in this summary includes a page reference that directs you to a more complete description in this Proxy Statement/Prospectus of the topic discussed.

The Companies (Pages 56, 57)

BANCORPSOUTH, INC.
One Mississippi Plaza
Tupelo, Mississippi 38804
(662) 680-2000

BancorpSouth (NYSE: BXS) is incorporated in Mississippi and is a financial holding company under the Bank Holding Company Act of 1956. BancorpSouth conducts its operations through its bank subsidiary, BancorpSouth Bank, and its banking-related subsidiaries. BancorpSouth Bank conducts a commercial banking, trust, insurance and investment services business through 247 locations and 233 ATMs in Arkansas, Alabama, Louisiana, Mississippi, Tennessee and Texas. As of September 30, 2004, BancorpSouth had total assets of approximately \$10.6 billion, deposits of approximately \$8.8 billion and shareholders' equity of approximately \$875.1 million.

PREMIER BANCORP, INC.
5217 Maryland Way
Brentwood, Tennessee 37027
(615) 376-0001

Premier Bancorp is incorporated in Tennessee, based in Brentwood, Tennessee and conducts its operations through its subsidiary bank, Premier Bank of Brentwood. Premier Bancorp's subsidiary conducts commercial banking, trust and insurance business through its office in Brentwood Tennessee. As of September 30, 2004, Premier Bancorp had total assets of approximately \$152.5 million, deposits of approximately \$103.3 million and shareholders' equity of approximately \$9.9 million.

The Merger (Page 27)

BancorpSouth and Premier Bancorp entered into a merger agreement whereby Premier Bancorp will merge with and into BancorpSouth, subject to shareholder and regulatory approval and other conditions. The merger agreement is attached to this Proxy Statement/Prospectus as Annex A. You should read it carefully. Subject to shareholder and regulatory approval, BancorpSouth and Premier Bancorp hope to complete the merger during the fourth quarter of 2004.

What Premier Bancorp Shareholders Will Receive in the Merger (Page 44)

Premier Bancorp shareholders, other than Premier Bancorp shareholders who properly exercise their rights to dissent from the merger, will have the opportunity to elect to receive in exchange for each share of Premier Bancorp common stock they own 2.1785 shares of BancorpSouth common stock (which is referred to as the exchange ratio), with cash to be paid in lieu of any remaining fractional share interest, or a cash payment of \$50.07 or a combination of

cash and shares of BancorpSouth common stock, if the merger is completed. If you hold more than one share of Premier Bancorp common stock, you may elect a combination of stock and cash consideration. The exchange ratio is fixed and will not be adjusted to reflect any change in the market price of BancorpSouth common stock. Regardless of your election, you may receive a combination of cash and shares of BancorpSouth common stock that is different than what you may have elected, depending on the elections made by other Premier Bancorp shareholders and certain tax-related adjustments, if necessary.

Table of Contents

BancorpSouth will not issue any fractional shares of BancorpSouth common stock. Instead, a Premier Bancorp shareholder who receives any shares of BancorpSouth common stock as consideration in the merger will receive cash equal to \$22.984 times the fraction of a share of BancorpSouth common stock to which the shareholder otherwise would be entitled.

If the merger is completed, each outstanding and unexercised option to purchase shares of Premier Bancorp common stock will no longer represent a right to acquire shares of Premier Bancorp common stock and will be considered an option to purchase shares of BancorpSouth common stock. The number of shares underlying each new option, as well as the exercise price, will be adjusted based on the exchange ratio.

At the effective time of the merger, persons who are BancorpSouth shareholders immediately prior to the merger would own approximately 99.5% of the outstanding shares of common stock of the combined company and persons who are Premier Bancorp shareholders immediately prior to the merger would own approximately 0.5% of the outstanding shares of common stock of the combined company.

BancorpSouth's Stock Price Will Fluctuate (Page 44, 55)

BancorpSouth expects the market price of its common stock to fluctuate as a result of market factors beyond its control before and after the merger. Because the exchange ratio is fixed and the market price of BancorpSouth common stock may fluctuate, the value of the shares of BancorpSouth common stock that Premier Bancorp shareholders may receive in the merger might increase or decrease prior to completion of the merger. BancorpSouth cannot assure Premier Bancorp shareholders that the market price of BancorpSouth common stock will not decrease before or after completion of the merger. The following table shows the closing price per share of BancorpSouth common stock reported on the New York Stock Exchange on September 16, 2004, the last trading day before we announced the merger, and on November 17, 2004, the last practicable trading day before the distribution of this Proxy Statement/Prospectus. This table also shows the implied value of the merger consideration proposed for each share of Premier Bancorp common stock, which we calculated by multiplying the closing price of BancorpSouth common stock on those dates by 2.1785, the exchange ratio. You should obtain current market quotations for the shares of BancorpSouth common stock from a newspaper, the Internet or your broker. BancorpSouth common stock is listed on the New York Stock Exchange under the symbol BXS.

	Closing Price of BancorpSouth Common Stock	Implied Value per Share of Premier Bancorp Common Stock
At September 16, 2004	\$ 23.15	\$ 50.43
At November 17, 2004	\$ 24.70	\$ 53.80

Special Meeting (Page 24)

A special meeting of the shareholders of Premier Bancorp will be held at the following time and place:

December 20, 2004
5:30 p.m. (Central Time)
Premier Bank of Brentwood
5217 Maryland Way
Brentwood, Tennessee 37027

At the special meeting, shareholders of Premier Bancorp will be asked to approve the merger agreement between Premier Bancorp and BancorpSouth.

The Board of Directors of Premier Bancorp Recommends that its Shareholders Approve the Merger Agreement (Page 28)

The Board of Directors of Premier Bancorp unanimously approved the merger agreement, believes that the merger between Premier Bancorp and BancorpSouth is in the best interests of Premier Bancorp shareholders and

Table of Contents

recommends that Premier Bancorp shareholders vote FOR the proposal to approve the merger agreement. This belief is based on a number of factors described in this Proxy Statement/Prospectus.

Vote Required to Complete the Merger (Page 25)

Under Tennessee law, the merger agreement must be approved by a majority of all the votes entitled to be cast by shareholders of Premier Bancorp. Premier Bancorp expects that its executive officers and directors will vote all of their shares of Premier Bancorp common stock in favor of the merger agreement.

The following chart describes the Premier Bancorp shareholder vote required to approve the merger agreement:

Number of shares of Premier Bancorp common stock outstanding on November 18, 2004	603,000
Number of votes necessary to approve the merger agreement	301,501
Percentage of outstanding shares of Premier Bancorp common stock necessary to approve the merger agreement	>50%
Number of votes that executive officers and directors of Premier Bancorp and their affiliates can cast as of November 18, 2004	224,100
Percentage of votes that executive officers and directors of Premier Bancorp and their affiliates can cast as of November 18, 2004	37.16%

Record Date; Voting Power (Page 25)

You can vote at the special meeting of Premier Bancorp shareholders if you owned Premier Bancorp common stock as of the close of business on November 18, 2004, the record date set by Premier Bancorp's Board of Directors. Each share of Premier Bancorp common stock is entitled to one vote. On November 18, 2004, there were 603,000 shares of Premier Bancorp common stock outstanding and entitled to vote on the merger agreement.

Background of the Merger (Page 27)

On May 27, 2004, Premier Bancorp engaged Hovde Financial LLC, to act as its exclusive agent to provide investment banking and financial advisory services in relation to the evaluation, structure and possible negotiation of a potential business combination. After reviewing the information delivered by Hovde Financial and considering its own strategic plans, on August 11, 2004, BancorpSouth's management submitted a proposal for a merger with Premier Bancorp. After considering the resulting proposals, the management of Premier Bancorp, in consultation with Hovde Financial, elected to enter into exclusive negotiations with BancorpSouth. The parties and their representatives began negotiation of a merger agreement on August 31, 2004 and continued to negotiate the terms of the merger agreement until September 14, 2004.

On August 25, 2004, BancorpSouth's Board of Directors approved the merger agreement. On September 14, 2004, following presentations from its legal and financial advisors, Premier Bancorp's Board of Directors unanimously approved the merger agreement. The merger agreement was executed by the parties as of September 17, 2004.

Why BancorpSouth and Premier Bancorp are Seeking to Merge (Page 28)

The merger will combine the strengths of BancorpSouth and Premier Bancorp and their subsidiary banks. BancorpSouth has an established presence in Brentwood, Tennessee with plans to grow steadily in that market. Joining with BancorpSouth will provide Premier Bancorp's customers opportunities offered by a large, resourceful, community-minded bank. Two years ago BancorpSouth established a loan production office in Brentwood's Maryland

Farms area and has since expanded the office to full-service banking. BancorpSouth has been actively

Table of Contents

seeking other banking locations in the Brentwood and Franklin areas to expand its presence in Williamson County. This new partnership accelerates BancorpSouth's opportunity to grow in Williamson County and brings to BancorpSouth's team a number of outstanding bankers. BancorpSouth currently has 33 banking locations with combined deposits exceeding \$1.0 billion in 20 Tennessee cities, primarily in Memphis, Jackson and the West Tennessee area. BancorpSouth sees Brentwood, Tennessee and Williamson County as a logical growth area for its community style of banking. Williamson County is ranked third in the U.S. with most growth potential and prosperity by American City Business Journal.

Opinion of Financial Advisor to Premier Bancorp (Page 30)

Hovde Financial has delivered to the Board of Directors of Premier Bancorp its written opinion, dated September 16, 2004, that, based upon and subject to the various considerations set forth in its opinion, the total transaction consideration to be paid to the shareholders of Premier Bancorp is fair from a financial point of view as of such date. In requesting Hovde Financial's advice and opinion, no instructions were given and no limitations were imposed by Premier Bancorp upon Hovde Financial with respect to the investigations made or procedures followed by it in rendering its opinion.

The full text of the opinion of Hovde Financial, dated September 16, 2004, which describes the procedures followed, assumptions made, matters considered and limitations on the review undertaken, is attached as Annex C to this Proxy Statement/Prospectus. Premier Bancorp shareholders should read this opinion in its entirety.

Management and Board of Directors of BancorpSouth Following the Merger (Page 54)

The officers and directors of each of BancorpSouth and BancorpSouth Bank immediately prior to the effective time of the merger will continue to be the officers and directors of BancorpSouth and BancorpSouth Bank, respectively, following the merger. Certain of the executive officers of Premier Bancorp will be retained by BancorpSouth and may serve as officers of BancorpSouth Bank but will not serve as executive officers of BancorpSouth.

Federal Income Tax Consequences (Page 36)

Your U.S. federal income tax consequences will depend primarily on whether you exchange your shares of Premier Bancorp common stock solely for BancorpSouth common stock, solely for cash or for a combination of BancorpSouth common stock and cash. If you exchange your shares of Premier Bancorp common stock solely for BancorpSouth common stock, you should not recognize any gain or loss (except with respect to the cash you receive instead of a fractional share) for U.S. federal income tax purposes. If you exchange your shares of Premier Bancorp common stock solely for cash, you should recognize gain or loss on the exchange. If you exchange your shares of Premier Bancorp common stock for a combination of BancorpSouth common stock and cash, you should recognize a gain, but not any loss, on the exchange to the extent of the lesser of cash received or gain realized in the exchange. The actual U.S. federal income tax consequences to you of electing to receive cash, BancorpSouth common stock or a combination of both will not be ascertainable at the time you make your election because we will not know at that time if, or to what extent, the allocation and proration procedures will apply.

This tax treatment may not apply to all shareholders of Premier Bancorp. Determining the actual tax consequences of the merger to you can be complicated. You should consult your own tax advisor for a full understanding of the merger's tax consequences that are particular to you.

BancorpSouth and Premier Bancorp will not be obligated to complete the merger unless they each receive an opinion from their respective legal counsel, dated the closing date, that the merger will be treated for U.S. federal

income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code and that BancorpSouth and Premier Bancorp will each be a party to that reorganization. If such opinions are rendered, the U.S. federal income tax treatment of the merger should be as described above. The opinions of the parties' respective counsel, however, do not bind the Internal Revenue Service and do not preclude the IRS or the courts from adopting a contrary position.

Table of Contents

Accounting Treatment (Page 35)

BancorpSouth will account for the merger under the purchase method of accounting for business combinations under United States generally accepted accounting principles.

Interests of Premier Bancorp Management and Directors in the Merger (Page 42)

Executive officers and directors of Premier Bancorp will be issued shares of BancorpSouth common stock in the merger on the same basis as other shareholders of Premier Bancorp. The following chart shows the number of shares of BancorpSouth common stock that may be issued to affiliates of Premier Bancorp in the merger (including shares reserved for issuance upon exercise of stock options):

Shares of common stock of Premier Bancorp beneficially owned by its executive officers, directors and holders of more than 5% of Premier Bancorp common stock on November 18, 2004	414,750
Maximum number of shares of BancorpSouth common stock that may be received in the merger by executive officers, directors and holders of more than 5% of Premier Bancorp common stock based upon their beneficial ownership	903,535

Five of Premier Bancorp's executive officers will receive bonuses as part of the merger and in consideration for terminating their existing employment agreements with Premier Bancorp and four of these executive officers of Premier Bancorp will enter into employment agreements with BancorpSouth.

Premier Bancorp Shareholders May Dissent from the Merger (Page 39)

Tennessee law permits Premier Bancorp shareholders to dissent from the merger and to receive the fair value of their shares of Premier Bancorp common stock in cash. To dissent, a Premier Bancorp shareholder must follow certain procedures, including filing certain notices with Premier Bancorp and voting his or her shares against the merger agreement. The shares of Premier Bancorp common stock held by a dissenter will not be exchanged for stock consideration or cash consideration in the merger and a dissenter's only right will be to receive the fair value of his or her shares of Premier Bancorp common stock in cash. A copy of the Tennessee statutes describing these dissenters' rights and the procedures for exercising them is attached as Annex B to this Proxy Statement/Prospectus. Premier Bancorp shareholders who perfect their dissenters' rights and receive cash in exchange for their shares of Premier Bancorp common stock may recognize gain or loss for U.S. federal income tax purposes.

We Must Obtain Regulatory Approvals to Complete the Merger (Page 35)

We cannot complete the merger unless we obtain the approval of the Federal Deposit Insurance Corporation. The U.S. Department of Justice has input into the FDIC's approval process. Once the FDIC has approved the merger, federal law requires that we wait up to 30 calendar days to complete the merger in order to give the Department of Justice the opportunity to review and object to the merger. BancorpSouth expects to obtain approval of the merger from the FDIC on December 11, 2004 and expects the waiting period to expire on December 26, 2004.

In addition, the merger is subject to the approval of the Mississippi Department of Banking and Consumer Finance and the Tennessee Department of Financial Institutions. BancorpSouth and Premier Bancorp have filed all of the

required notices and applications, as appropriate, with these state regulatory authorities, and approval of the merger is expected to be received prior to approval of the merger agreement by the shareholders of Premier Bancorp.

We also intend to make all required filings with the Securities and Exchange Commission under the Securities Act of 1933 and the Securities Exchange Act of 1934 relating to the merger.

Table of Contents

While we believe that we will obtain the remaining regulatory approvals in a timely manner, we cannot be certain if or when we will obtain them.

Conditions to Complete the Merger (Page 52)

The completion of the merger depends on a number of conditions being met, including the following:

shareholders of Premier Bancorp approving the merger;

the New York Stock Exchange authorizing for listing the shares of BancorpSouth common stock to be issued to Premier Bancorp shareholders;

receipt of all required regulatory approvals, including that of the FDIC, and the expiration of any regulatory waiting periods;

BancorpSouth's registration statement on Form S-4 shall have become effective under the Securities Act of 1933;

the holders of less than 5% of the total outstanding shares of Premier Bancorp common stock shall have exercised dissenters' rights with respect to the merger;

receipt of opinions of legal counsel to each company that the U.S. federal income tax treatment of the merger will generally be as described in this Proxy Statement/Prospectus;

BancorpSouth shall have received the consent of all of the holders of options to purchase shares of Premier Bancorp common stock to the conversion of such options into options to purchase shares of BancorpSouth common stock in an amount and at an exercise price based on the exchange ratio;

BancorpSouth shall have received an executed employment agreement in form and substance satisfactory to BancorpSouth from Jim Harris, Diane West, Bill Ellis and Chris Marchetti; and

BancorpSouth shall have succeeded to Premier Bancorp's rights, interests and obligations pursuant to the indenture, dated as of October 29, 2002, regarding certain floating rate junior subordinated debt securities due in 2032, and the current trustees of Premier Bancorp's special purpose trust subsidiary shall have resigned and successor trustees acceptable to BancorpSouth shall have been appointed.

In cases where the law permits, a party to the merger agreement could elect to waive a condition that has not been satisfied and complete the merger although the party is entitled not to complete the merger. We cannot be certain whether or when any of these conditions will be satisfied (or waived, where permissible) or that the merger will be completed.

Termination of the Merger Agreement (Page 53)

The merger agreement may be terminated at any time prior to the effective time of the merger, whether before or after approval of the merger by Premier Bancorp shareholders, as set forth in the merger agreement, including by mutual consent of BancorpSouth and Premier Bancorp. In addition, the merger agreement may generally be terminated by either party if:

a governmental entity denies or withdraws a request or application for a required regulatory approval (subject to a 60-day waiting period) or issues a final nonappealable order enjoining or otherwise prohibiting the merger;

the merger is not completed on or before February 28, 2005;

13

Table of Contents

Premier Bancorp shareholders fail to approve the merger agreement; or

any of the representations or warranties provided by the other party set forth in the merger agreement become untrue or incorrect or the other party materially breaches its covenants set forth in the merger agreement, and the representation or material breach is not cured within the prescribed time limit.

BancorpSouth may terminate the merger agreement if Premier Bancorp's Board of Directors has withdrawn, modified or changed, in a manner adverse to BancorpSouth, its approval and recommendation of the merger agreement, or if Premier Bancorp enters into a letter of intent or agreement related or with respect to any tender or exchange offer, proposal for a merger, consolidation or other business combination involving Premier Bancorp or any offer to acquire all or a substantial portion of the assets of Premier Bancorp.

Generally, a party can only terminate the merger agreement in one of these situations if that party is not in violation of the merger agreement or if its violations of the merger agreement are not the cause of the event permitting termination.

Comparative Per Share Market Price Information (Page 55)

Shares of BancorpSouth common stock are listed on the New York Stock Exchange under the symbol BXS. On September 16, 2004, the last full trading day prior to the public announcement of the merger, the closing sales price of BancorpSouth common stock was \$23.15 per share. On November 17, 2004, the last practicable trading day before the distribution of this Proxy Statement/Prospectus, the closing sales price of BancorpSouth common stock was \$24.70 per share. Of course, the market price of BancorpSouth common stock is expected to fluctuate prior to and after completion of the merger, while the exchange ratio is fixed. You should obtain current market quotations for the shares of BancorpSouth common stock from a newspaper, the Internet or your broker.

There is no established public trading market for shares of Premier Bancorp common stock, which is inactively traded in private transactions. However, Wiley Bros.-Aintree Capital, LLC in Nashville, Tennessee effects limited trades for Premier Bancorp shareholders. Since November 2003, there have been trades for approximately 2,000 shares of Premier Bancorp common stock. The per share sales price for these trades has ranged from a low of \$15.50 to a high of \$20.

Table of Contents

RISK FACTORS

The merger involves a number of risks. In addition to the risks described below, the combined companies will continue to be subject to the risks described in the documents that BancorpSouth has filed with the Securities and Exchange Commission that are incorporated by reference into this Proxy Statement/Prospectus, including without limitation, BancorpSouth's Annual Report on Form 10-K for the fiscal year ended December 31, 2003. If any of the risks described below or in the documents incorporated by reference into this Proxy Statement/Prospectus actually occur, the business, financial condition, results of operations or cash flows of the combined companies could be materially adversely affected. The risks below should be considered along with the other information included or incorporated by reference into this Proxy Statement/Prospectus.

You May Not Receive the Form of Merger Consideration that You Elect.

The merger agreement contains provisions that are generally designed to ensure that 51% of the outstanding shares of Premier Bancorp common stock are exchanged for shares of BancorpSouth common stock and the other 49% of the shares are exchanged for cash consideration, subject to a tax-related adjustment. If elections are made by Premier Bancorp shareholders that would otherwise result in more or less than 51% of such shares being converted into BancorpSouth common stock, either those electing to receive all or a portion of their consideration in cash or those electing to receive all or a portion of their consideration in shares of BancorpSouth common stock will have the consideration of the type they selected reduced by a pro rata amount and will receive a portion of their consideration in the form that they did not elect to receive. Accordingly, there is a risk that you will not receive a portion of the merger consideration in the form that you elect, which could result in, among other things, tax consequences that differ from those that would have resulted had you received the form of consideration you elected (including the recognition of gain for federal income tax purposes with respect to the cash received). If you do not make an election, you will be deemed to have made an election to receive the merger consideration in such form of cash and/or shares of BancorpSouth common stock as BancorpSouth shall determine.

Because the Market Price of BancorpSouth Common Stock Will Fluctuate, You Cannot Be Sure of the Value of the Stock Consideration You May Receive.

Upon completion of the merger, each share of Premier Bancorp common stock will be converted into merger consideration consisting of shares of BancorpSouth common stock and/or cash pursuant to the terms of the merger agreement. The implied value of the stock consideration that you may receive will be based on the number of shares of Premier Bancorp common stock you own and the market price of BancorpSouth common stock. This market price of BancorpSouth common stock may increase or decrease before or after completion of the merger and, therefore, the implied value of the stock consideration may vary from the implied value of the stock consideration on the date we announced the merger, the date that this Proxy Statement/Prospectus was mailed to Premier Bancorp shareholders and the date of the special meeting of the Premier Bancorp shareholders. The market price of the stock consideration may be more or less than the cash consideration upon completion of the merger. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations. Many of these factors are beyond our control.

Accordingly, at the time of the Premier Bancorp special meeting, you will not necessarily know or be able to calculate the exact value of the stock consideration you would receive upon completion of the merger.

We May Fail to Achieve the Anticipated Benefits of the Merger.

BancorpSouth and Premier Bancorp have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger.

Table of Contents

The Market Price of Shares of BancorpSouth Common Stock after the Merger May Be Affected by Factors Different from those Affecting Shares of Premier Bancorp or BancorpSouth Currently.

The businesses of BancorpSouth and Premier Bancorp differ in some respects and, accordingly, the results of operations of the combined company and the market price of the combined company's shares of common stock may be affected by factors different from those currently affecting the independent results of operations of each of BancorpSouth and Premier Bancorp. For a discussion of the businesses of BancorpSouth and Premier Bancorp and of certain factors to consider in connection with those businesses, see INFORMATION ABOUT BANCORPSOUTH and INFORMATION ABOUT PREMIER BANCORP beginning on pages 56 and 57, respectively.

The Executive Officers and Directors of Premier Bancorp Have Interests Different from Typical Premier Bancorp Shareholders.

The executive officers and directors of Premier Bancorp have certain interests in the merger and participate in certain arrangements that are different from, or are in addition to, those of Premier Bancorp shareholders generally. See THE MERGER Interests of Certain Persons in the Merger. As a result, these executive officers and directors could be more likely to approve the merger agreement than if they did not hold these interests.

Former Shareholders of Premier Bancorp Will be Limited in their Ability to Influence BancorpSouth's Actions and Decisions Following the Merger.

Following the merger, former shareholders of Premier Bancorp will hold less than one percent of the outstanding shares of BancorpSouth common stock. As a result, former Premier Bancorp shareholders will have only limited ability to influence BancorpSouth's business. Former Premier Bancorp shareholders will not have separate approval rights with respect to any actions or decisions of BancorpSouth or have separate representation on BancorpSouth's Board of Directors.

The Merger May Result in a Loss of Current Premier Bancorp Employees.

Despite BancorpSouth's efforts to retain quality employees, BancorpSouth might lose some of Premier Bancorp's current employees following the merger. Current Premier Bancorp employees may not want to work for a larger, publicly-traded company instead of a smaller, privately-held company or may not want to assume different duties, positions and compensation that BancorpSouth offers to the Premier Bancorp employees. Competitors may recruit employees prior to the merger and during the integration process after the merger. As a result, current employees of Premier Bancorp could leave with little or no prior notice. BancorpSouth cannot assure you that the combined companies will be able to attract, retain and integrate employees following the merger.

Table of Contents

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF BANCORPSOUTH

The following table sets forth certain financial information with respect to BancorpSouth which is derived from the audited and unaudited financial statements of BancorpSouth. The results of operations for the nine months ended September 30, 2004 are not necessarily indicative of the results of operations for the full year or any other interim period. BancorpSouth management prepared the unaudited information on the same basis as it prepared BancorpSouth's audited consolidated financial statements. In the opinion of BancorpSouth management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates. You should read this information in conjunction with BancorpSouth's consolidated financial statements and related notes included in BancorpSouth's Annual Report on Form 10-K for the year ended December 31, 2003, and BancorpSouth's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004, which are incorporated by reference in this document and from which this information is derived. See **WHERE YOU CAN FIND MORE INFORMATION** beginning on page 94.

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF BANCORPSOUTH**

	For the Years Ended December 31,					For the Nine Months Ended September 30, (Unaudited)	
	2003	2002	2001	2000	1999	2004	2003
(Dollars in Thousands, Except Per Share Amounts)							
Earnings Summary:							
Interest revenue	\$ 526,911	\$ 590,418	\$ 660,475	\$ 669,158	\$ 592,340	\$ 371,374	\$ 400,688
Interest expense	175,805	218,892	331,093	346,883	280,150	121,250	135,667
Net interest revenue	351,106	371,526	329,382	322,275	312,190	250,124	265,021
Provision for credit losses	25,130	29,411	22,259	26,166	17,812	12,381	17,658
Noninterest revenue	190,086	124,826	127,998	87,970	101,102	139,784	142,012
Noninterest expense	322,594	304,985	289,318	271,742	248,333	255,016	237,767
Income before income tax	193,468	161,956	145,803	112,337	147,147	122,511	151,608
Applicable income taxes	62,334	49,938	47,340	37,941	44,736	36,484	49,345
Net income	\$ 131,134	\$ 112,018	\$ 98,463	\$ 74,396	\$ 102,411	\$ 86,027	\$ 102,263
Per Share Data:							
Basic earnings	\$ 1.69	\$ 1.40	\$ 1.19	\$ 0.88	\$ 1.20	\$ 1.12	\$ 1.32
Diluted earnings	1.68	1.39	1.19	0.88	1.19	1.11	1.31
Cash dividends	0.66	0.61	0.57	0.53	0.49	0.54	0.48
Book value end of period	11.15	10.40	9.92	9.39	8.84	11.44	10.96
Balance Sheet Data (period							

end):

Total assets	\$ 10,305,035	\$ 10,189,247	\$ 9,395,429	\$ 9,044,034	\$ 8,441,697	\$ 10,608,150	\$ 10,185,547
Loans, net of unearned income	6,233,067	6,389,385	6,073,200	6,095,315	5,541,961	6,512,969	6,251,791
Allowance for credit losses	92,112	87,875	83,150	81,730	74,232	90,100	90,505
Total deposits	8,599,128	8,548,918	7,856,840	7,480,920	7,066,645	8,843,239	8,424,422
Total stockholders equity	\$ 868,906	\$ 807,823	\$ 805,403	\$ 789,576	\$ 757,111	\$ 875,142	\$ 854,441

Balance Sheet Data**(averages):**

Total assets	\$ 10,236,904	\$ 9,882,168	\$ 9,261,912	\$ 8,756,474	\$ 8,139,196	\$ 10,550,174	\$ 10,244,623
Total stockholders equity	\$ 845,874	\$ 810,893	\$ 796,706	\$ 761,884	\$ 737,526	\$ 871,192	\$ 841,207
Average number of diluted shares outstanding:	78,164	80,481	82,979	84,811	86,008	77,515	78,095

Selected Ratios**(annualized):**

Return on average assets	1.28%	1.13%	1.06%	0.85%	1.26%	1.09%	1.33%
Return on average stockholders equity	15.50	13.81	12.36	9.76	13.89	13.19	16.25
Net interest margin	3.80	4.15	3.94	4.08	4.12	3.52	3.83
Net charge-offs to average loans	0.33	0.41	0.35	0.34	0.25	0.30	0.32
Tier 1 capital to risk-weighted assets	13.24	11.92	10.70	11.31	12.75	12.91	13.08
Total capital to risk-weighted assets	14.51	13.16	11.91	12.56	14.02	14.17	14.34

Table of Contents

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF PREMIER BANCORP

The following table sets forth certain financial information with respect to Premier Bancorp which is derived from the audited and unaudited financial statements of Premier Bancorp. The results of operations for the nine months ended September 30, 2004 are not necessarily indicative of the results of operations for the full year or any other interim period. Premier Bancorp management prepared the unaudited information on the same basis as it prepared Premier Bancorp's audited consolidated financial statements. In the opinion of Premier Bancorp management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates.

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF PREMIER BANCORP**

	For the Years Ended December 31,					For the Nine Months Ended September 30, 2004 (Unaudited)	
	2003	2002	2001	2000	1999	2004	2003
(Dollars in Thousands, Except Per Share Amounts)							
Earnings Summary:							
Interest revenue	\$ 6,892	\$ 6,239	\$ 6,503	\$ 6,110	\$ 4,274	\$ 5,889	\$ 5,076
Interest expense	2,174	2,153	3,030	2,954	1,939	1,765	1,628
Net interest revenue	4,718	4,086	3,473	3,156	2,335	4,124	3,448
Provision for credit losses	365	165	289	183	226	475	215
Other revenue	1,423	921	840	408	345	810	1,118
Other expense	4,182	3,403	2,914	2,491	2,030	2,989	3,054
Income before income tax	1,594	1,439	1,110	890	424	1,470	1,297
Applicable income taxes	554	553	430	166		496	494
Net income	\$ 1,040	\$ 886	\$ 680	\$ 724	\$ 424	\$ 974	\$ 803
Per Share Data:							
Basic earnings	\$ 1.73	\$ 1.48	\$ 1.13	\$ 1.21	\$ 0.71	\$ 1.62	\$ 1.34
Diluted earnings	1.40	1.22	1.07	1.14	0.67	1.31	1.08
Cash dividends							
Book value (end of period)	14.85	13.28	11.67	10.28	8.61	16.41	14.44
Balance Sheet Data (Period End):							
Total assets	\$134,359	\$115,082	\$95,135	\$74,768	\$63,088	\$152,515	\$126,573
Loans, net of unearned income	114,061	81,992	72,149	59,010	45,804	130,292	103,567
Allowance for credit losses	1,192	1,050	900	773	590	1,445	1,154
Securities	11,372	13,547	8,891	9,394	9,161	13,598	12,325
Deposits	111,232	96,299	79,737	61,762	54,474	130,263	106,553

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Subordinated debentures	3,093	3,093	N/A	N/A	N/A	3,093	3,093
Total shareholders equity	\$ 8,912	\$ 7,966	\$ 7,001	\$ 6,166	\$ 5,168	\$ 9,895	\$ 8,666
Balance Sheet Data (Averages):							
Total assets	\$ 120,951	\$ 99,579	\$ 82,910	\$ 68,302	\$ 53,000	\$ 144,774	\$ 118,359
Total shareholders equity	\$ 8,455	\$ 7,982	\$ 6,613	\$ 5,582	\$ 5,072	\$ 9,075	\$ 8,239
Average number of diluted shares outstanding	743	738	636	635	634	744	743
Selected Ratios (Annualized):							
Return on average assets	0.86%	0.89%	0.82%	1.06%	0.80%	0.90%	0.90%
Return on average shareholders equity	12.30	11.10	10.28	12.94	8.36	14.31	13.00
Net interest margin	4.29	4.42	4.41	4.96	4.71	4.09	4.28
Net charge-offs to average loans	0.22	0.02	0.24			0.19	0.12
Tier 1 capital to risk-weighted assets ⁽¹⁾	10.34	12.94	9.50	10.17	11.20	9.71	11.23
Total capital to risk-weighted assets ⁽¹⁾	11.42	14.19	10.75	11.42	12.40	10.85	12.39
Leverage ratio	8.85	9.54	7.21	8.67	9.24	8.26	9.08

⁽¹⁾ These risk-based capital ratios are for Premier Bank only.

Table of Contents**COMPARATIVE HISTORICAL AND PRO FORMA PER SHARE DATA**

The following table sets forth for BancorpSouth common stock and Premier Bancorp common stock certain historical, pro forma and pro forma-equivalent per share financial information. The pro forma and pro forma-equivalent per share information gives effect to the merger as if the merger had been effective on the dates presented, in the case of the book value data, and as if the merger had become effective on January 1, 2003, in the case of the income from continuing operations and cash dividends paid data for the twelve months ended December 31, 2003, and as if the merger had become effective on January 1, 2004, in the case of the income from continuing operations and cash dividends paid data for the nine months ended September 30, 2004. The pro forma data in the tables represents a current estimate based on available information of the combined company's results of operations and is based on the the conversion ratio of 2.1785 shares of BancorpSouth common stock for each share of Premier Bancorp common stock, assuming that 51% of the outstanding common stock of Premier Bancorp is converted into BancorpSouth common stock with no regard given to the effects of shares of Premier Bancorp common stock that are exchanged for cash, as if these shares were outstanding for each period presented. The pro forma financial adjustments record the assets and liabilities of Premier Bancorp at their estimated fair values and are subject to adjustment as additional information becomes available and as additional analyses are performed. The information in the following table is based on, and should be read together with, the historical financial information that BancorpSouth has presented in filings with the Securities and Exchange Commission. See **WHERE YOU CAN FIND MORE INFORMATION** beginning on page 94.

The pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the impact of possible revenue enhancements, expense efficiencies, asset dispositions and share repurchases, among other factors, that may result as a consequence of the merger and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had the companies been combined during these periods. Upon completion of the merger, the operating results of Premier Bancorp will be reflected in the consolidated financial statements of BancorpSouth on a prospective basis.

	Comparative Per Share Data			Per Equivalent Premier Bancorp Share
	BancorpSouth Historical	Premier Bancorp Historical	Pro Forma Combined	
Income from continuing operations for the twelve months ended December 31, 2003				
Basic	\$ 1.69	\$ 1.73	\$ 1.69	\$ 3.67
Diluted	1.68	1.40	1.67	3.65
Income from continuing operations for the nine months ended September 30, 2004				
Basic	1.12	1.62	1.12	2.44
Diluted	1.11	1.31	1.11	2.42
Cash Dividends Paid				
For the twelve months ended December 31, 2003	0.66		0.66	1.44
For the nine months ended September 30, 2004	0.54		0.54	1.18

Book Value

As of December 31, 2003	11.15	14.85	11.25	24.51
As of September 30, 2004	11.44	16.41	11.54	25.14

Table of Contents

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This Proxy Statement/Prospectus contains certain forward-looking statements about the financial condition, results of operations and business of BancorpSouth and Premier Bancorp and about the combined companies following the merger. These statements concern the cost savings, revenue enhancements and other advantages the companies expect to obtain from the merger, the anticipated impact of the merger on BancorpSouth's financial performance, tax consequences and accounting treatment of the merger, receipt of regulatory approvals, market prices of BancorpSouth common stock and earnings estimates for the combined company. These statements appear in several sections of this Proxy Statement/Prospectus, including SUMMARY and THE MERGER Reasons for the Merger. Also, the forward-looking statements generally include any of the words believes, expects, anticipates, intends, estimates, should, will or plans or similar expressions.

Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions. The future results and shareholder values of BancorpSouth and Premier Bancorp, and of the combined companies, may differ materially from those expressed in these forward-looking statements. Many of the factors that could influence or determine actual results are unpredictable and not within the control of BancorpSouth or Premier Bancorp. In addition, neither BancorpSouth nor Premier Bancorp intends to, nor are they obligated to, update these forward-looking statements after this Proxy Statement/Prospectus is distributed, even if new information, future events or other circumstances have made them incorrect or misleading as of any future date. For all of these statements, BancorpSouth claims the protection of the safe harbor for forward-looking statements provided in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

Factors that may cause actual results to differ materially from those contemplated by these forward-looking statements include, among others, the following possibilities:

- failure to obtain required shareholder or regulatory approvals;
- the companies' failure to consummate the merger;
- inability to successfully integrate the companies after the merger;
- 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 BancorpSouth to compete with other financial services companies;
- changes in BancorpSouth's operating or expansion strategy;
- geographic concentration of BancorpSouth's assets;
- the ability of BancorpSouth to attract, train and retain qualified personnel;
- the ability of BancorpSouth to effectively market its services and products;
- BancorpSouth's dependence on existing sources of funding;

changes in laws and regulations affecting financial institutions in general;

possible adverse rulings, judgments, settlements and other outcomes of pending litigation;

Table of Contents

the ability of BancorpSouth to manage its growth and effectively serve an expanding customer and market base;
and

other factors generally understood to affect the financial results of financial service companies and other risks detailed from time to time in BancorpSouth's news releases and filings with the Securities and Exchange Commission.

Table of Contents

THE SPECIAL MEETING

General

This Proxy Statement/Prospectus is first being mailed, on or about November 19, 2004, to all persons who were Premier Bancorp shareholders on November 18, 2004.

Along with this Proxy Statement/Prospectus, Premier Bancorp shareholders are being provided with a Notice of Special Meeting, election form, transmittal letter and form of proxy card for use at the special meeting of Premier Bancorp shareholders and at any adjournments or postponements of that meeting.

At the Premier Bancorp special meeting, Premier Bancorp shareholders will consider and vote upon a proposal to approve an Agreement and Plan of Merger, dated as of September 17, 2004, between Premier Bancorp and BancorpSouth, which provides for the merger of Premier Bancorp with and into BancorpSouth.

The special meeting of Premier Bancorp shareholders will be held at the following time and place:

December 20, 2004
5:30 p.m. (Central Time)
Premier Bank of Brentwood
5217 Maryland Way
Brentwood, Tennessee 37027

Proxies

We encourage Premier Bancorp shareholders to promptly vote their proxies by completing, signing, dating and returning the enclosed proxy card solicited by Premier Bancorp's Board of Directors whether or not they are able to attend the Premier Bancorp special meeting in person.

A Premier Bancorp shareholder may revoke any proxy given in connection with this solicitation by:

delivering to Premier Bancorp a written notice revoking the proxy prior to the taking of the vote at the Premier Bancorp special meeting;

delivering a duly executed proxy relating to the same shares bearing a later date; or

attending the meeting and voting in person (attendance at the Premier Bancorp special meeting without voting at the meeting will not in and of itself constitute a revocation of a proxy).

Revocation of proxy by written notice or execution of a new proxy bearing a later date should be submitted to:

Premier Bancorp, Inc.
5217 Maryland Way
Brentwood, Tennessee 37027
Attention: James D. Harris, Chairman and CEO

For a notice of revocation or later proxy to be valid, however, Premier Bancorp must receive it prior to the vote of Premier Bancorp shareholders at the Premier Bancorp special meeting. Premier Bancorp will vote all shares of Premier Bancorp common stock represented by valid proxies received through this solicitation and not revoked before they are exercised in the manner described above.

Premier Bancorp is currently unaware of any other matters that may be presented for action at the Premier Bancorp special meeting. If other matters do properly come before the Premier Bancorp special meeting, then shares

Table of Contents

of Premier Bancorp common stock represented by proxies will be voted (or not voted) by the persons named in the proxies in their discretion.

Please do not forward your Premier Bancorp stock certificates, election form and letter of transmittal with your proxy card. Stock certificates, election forms and letters of transmittal should be returned to the exchange agent in accordance with the instructions contained in the election form.

Solicitation of Proxies

Premier Bancorp will bear the costs of printing and mailing this Proxy Statement/Prospectus and BancorpSouth will bear the costs of filing BancorpSouth's registration statement on Form S-4 with the Securities and Exchange Commission.

If necessary, Premier Bancorp may use several of its regular employees, who will not be specially compensated, to solicit proxies from Premier Bancorp shareholders, either personally or by telephone, facsimile or mail.

Record Date and Voting Rights

Premier Bancorp's Board of Directors has fixed November 18, 2004 as the record date for the determination of Premier Bancorp shareholders entitled to receive notice of and to vote at Premier Bancorp's special meeting of shareholders. Accordingly, only Premier Bancorp shareholders of record at the close of business on November 18, 2004 will be entitled to notice of and to vote at the Premier Bancorp special meeting. At the close of business on Premier Bancorp's record date, there were 603,000 shares of Premier Bancorp common stock entitled to vote at the Premier Bancorp special meeting held by approximately 221 holders of record, and the executive officers and directors of Premier Bancorp beneficially owned 41.4% of the outstanding shares of Premier Bancorp common stock (including currently exercisable options).

The presence, in person or by proxy, of a majority of the votes entitled to be cast by the shareholder of Premier Bancorp common stock is necessary to constitute a quorum at the special meeting. Each share of Premier Bancorp common stock outstanding on Premier Bancorp's record date entitles its holder to one vote as to the approval of the merger agreement or any other proposal that may properly come before Premier Bancorp's special meeting.

For purposes of determining the presence or absence of a quorum for the transaction of business, Premier Bancorp will count shares of Premier Bancorp common stock present in person at the special meeting but not voting as present at the special meeting. Abstentions and broker non-votes will also be counted as present at the Premier Bancorp special meeting for purposes of determining whether a quorum exists.

Under the Tennessee Business Corporation Act, the merger agreement must be approved by a majority of all the votes entitled to be cast by shareholders of Premier Bancorp. Because approval of the merger agreement requires approval of all the votes entitled to be cast, an abstention or a broker non-vote will have the same effect as a vote against approval of the merger agreement. Accordingly, Premier Bancorp's Board of Directors urges Premier Bancorp shareholders to complete, date and sign the accompanying proxy card and return it promptly in the enclosed postage paid business reply envelope.

Recommendation of Board of Directors

Premier Bancorp's Board of Directors has unanimously approved the merger agreement. Premier Bancorp's Board of Directors believes that the merger is in the best interests of Premier Bancorp and Premier Bancorp shareholders and recommends that Premier Bancorp shareholders vote FOR approval of the merger agreement. The conclusion of Premier Bancorp's Board of Directors with respect to the merger is based on a number of factors, as described in this Proxy Statement/Prospectus. See THE MERGER Reasons for the Merger; Recommendation of the Board of Directors.

Table of Contents

Shareholders Dissenters Rights

Shareholders of Premier Bancorp who do not wish to accept BancorpSouth common stock in the merger will be entitled under the Tennessee Business Corporation Act to receive the fair value of their shares. This right to dissent is subject to a number of restrictions and technical requirements. Generally, in order to exercise dissenters rights, you must:

deliver to Premier Bancorp, before the vote on the merger agreement is taken, written notice of your intent to demand payment for your shares if the merger agreement is approved and the merger is completed; and

not vote such shares of Premier Bancorp common stock in favor of the merger agreement.

Any Premier Bancorp shareholder who wishes to exercise dissenters rights, or who wishes to preserve his or her right to do so, should carefully review Sections 48-23-101 *et seq.* of the Tennessee Business Corporation Act, a copy of which is attached as Annex B to this Proxy Statement/Prospectus, and the section entitled THE MERGER Shareholders Dissenters Rights.

Certain Matters Relating to Proxy Materials

The rules regarding delivery of proxy statements may be satisfied by delivering a single proxy statement to an address shared by two or more shareholders. This method of delivery is referred to as householding and can result in meaningful cost savings. In order to take advantage of this opportunity, we may deliver only one proxy statement to certain multiple shareholders who share an address, unless we have received contrary instructions from one or more of the shareholders. We undertake to deliver promptly upon request a separate copy of the proxy statement, as requested, to a shareholder at a shared address to which a single copy of these documents was delivered. If you hold Premier Bancorp common stock as a registered shareholder and prefer to receive separate copies of a proxy statement, please call (615) 376-0001 or send a written request to:

Premier Bancorp, Inc.
5217 Maryland Way
Brentwood, Tennessee 37027
Attention: James D. Harris, Chairman and CEO

If your Premier Bancorp common stock is held through a broker or bank and you prefer to receive separate copies of a proxy statement, please contact such broker or bank.

Table of Contents

THE MERGER

The discussion in this Proxy Statement/Prospectus of the merger of Premier Bancorp into BancorpSouth does not purport to be complete and is qualified by reference to the full text of the merger agreement and the other annexes attached to, and incorporated by reference into, this Proxy Statement/Prospectus.

Description of the Merger

If the merger is completed, Premier Bancorp will merge with and into BancorpSouth and Premier Bancorp's subsidiary bank will merge with and into BancorpSouth Bank, a subsidiary of BancorpSouth. Premier Bancorp shareholders, other than Premier Bancorp shareholders who properly exercise their rights to dissent from the merger, will have the opportunity to elect to receive in exchange for each share of Premier Bancorp common stock they own 2.1785 shares of BancorpSouth common stock, a cash payment of \$50.07 or a combination of cash and shares of BancorpSouth common stock. Holders of more than one share of Premier Bancorp common stock may elect a combination of stock and cash consideration. In the merger, 51% of the outstanding shares of Premier Bancorp common stock shall be exchanged for BancorpSouth common stock. In order to ensure that the merger qualifies as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, and as a result of the 51% limitation, regardless of your election, you may receive a combination of cash and shares of BancorpSouth common stock that is different than what you may have elected, depending on the elections made by other Premier Bancorp shareholders. See THE MERGER AGREEMENT Cash or Stock Election.

BancorpSouth will not issue any fractional shares of BancorpSouth common stock. Instead, a Premier Bancorp shareholder who receives any shares of BancorpSouth common stock as consideration in the merger will receive cash equal to \$22.984 times the fraction of a share of BancorpSouth common stock to which the shareholder otherwise would be entitled.

Tennessee law permits Premier Bancorp shareholders to dissent from the merger and to receive the fair value of their shares of Premier Bancorp common stock in cash. To dissent, a Premier Bancorp shareholder must follow certain procedures, including filing certain notices with Premier Bancorp and not voting his or her shares in favor of the merger agreement. The shares of Premier Bancorp common stock held by a dissenter will not be exchanged for stock consideration or cash consideration in the merger and a dissenter's only right will be to receive the appraised fair value of his or her shares of Premier Bancorp common stock in cash. For a discussion of the procedures that dissenting shareholders must follow to properly exercise their rights, please see THE MERGER Shareholders Dissenters Rights.

Background of the Merger

The management of Premier Bancorp periodically has explored, assessed and discussed with the Premier Bancorp Board of Directors strategic options potentially available to Premier Bancorp. These strategic discussions have included the possibility of business combinations involving Premier Bancorp and other financial institutions, particularly in view of the increasing competition and continuing consolidation in the financial services industry, as well as maximizing its performance as an independent company. In September 2003, at the Board of Directors strategic planning meeting, the Board directed management to investigate the:

alternatives of raising additional capital for purposes of expanding through additional branch locations, providing more technology options to deliver products and services, and broadening the product base in general; and

opportunities to enter into a business combination to achieve similar goals.

At the subsequent monthly Board of Directors meetings, the discussions of these alternatives continued with management making certain reports to the Board of Directors on their investigations. Because part of these investigations included authorizing management to pursue potential alternatives for a strategic business combination, various investment bankers were asked to make presentations to management and the Board of Directors. After an extensive interview process, on May 27, 2004, Premier Bancorp engaged Hovde Financial to act

Table of Contents

as its exclusive agent to provide investment banking and financial advisory services in relation to the evaluation, structure and possible negotiation of a potential business combination.

A financial analysis was presented by Hovde Financial to the Board of Directors to determine what prices the Board of Directors might expect if Premier Bancorp was sold. At the direction of the Board of Directors, Hovde Financial conducted a bidding and negotiation process and a number of acquisition proposals were collected, negotiated and presented to the Board of Directors.

After reviewing the information delivered by Hovde Financial and considering its own strategic plans, on August 11, 2004, BancorpSouth's management submitted a proposal for a merger with Premier Bancorp. After considering the resulting proposals, the management of Premier Bancorp, in consultation with Hovde Financial, elected to enter into exclusive negotiations with BancorpSouth.

On August 26 and 27, 2004, representatives of BancorpSouth and Premier Bancorp and their respective legal counsel and accountants met in Brentwood, Tennessee to conduct a due diligence review. The parties and their representatives began negotiation of a merger agreement on August 31, 2004 and continued to negotiate the terms of the merger agreement until September 14, 2004.

On August 25, 2004, BancorpSouth's Board of Directors met in a special meeting to consider the proposed merger between Premier Bancorp and BancorpSouth and the terms of the proposed merger agreement. The Board of Directors discussed the merger with its legal counsel, accountants and management. After further discussion among the directors, the merger agreement was approved by BancorpSouth's Board of Directors.

On September 14, 2004, Premier Bancorp's Board of Directors met in a special meeting to consider the proposed merger and the terms of the proposed merger agreement. The Board of Directors received presentations from its legal and financial advisors and from management regarding the merger. As part of the analysis provided by Hovde Financial, a fairness opinion, a copy of which is attached as Annex C to this Proxy Statement/Prospectus, was presented to the Board. Following these presentations and discussions among the directors, the merger agreement was unanimously approved by Premier Bancorp's Board of Directors.

The merger agreement was executed by the parties as of September 17, 2004.

Reasons for the Merger; Recommendation of the Board of Directors

The merger will combine the strengths of BancorpSouth and Premier Bancorp and their subsidiary banks. BancorpSouth has an established presence in Brentwood, Tennessee with plans to grow steadily in that market. Joining with BancorpSouth will provide Premier Bancorp's customers opportunities offered by a large, resourceful, community-minded bank. Two years ago BancorpSouth established a loan production office in Brentwood's Maryland Farms area and has since expanded the office to full-service banking. BancorpSouth has been actively seeking other banking locations in the Brentwood and Franklin areas to expand its presence in Williamson County. This new partnership accelerates BancorpSouth's opportunity to grow in Williamson County and brings to BancorpSouth's team a number of outstanding bankers. BancorpSouth currently has 33 banking locations with combined deposits exceeding \$1.0 billion in 20 Tennessee cities, primarily in Memphis, Jackson and the West Tennessee area. BancorpSouth sees Brentwood, Tennessee and Williamson County as a logical growth area for its community style of banking. Williamson County is ranked third in the U.S. with most growth potential and prosperity by American City Business Journal.

Premier Bancorp's Board of Directors deliberated and unanimously approved the merger agreement at a Board meeting held on September 14, 2004. In reaching its determination to approve the merger agreement, Premier Bancorp's Board of Directors consulted with Premier Bancorp's management and legal advisors and considered a number of factors, including a fairness opinion presented by Hovde Financial. The following is a discussion of information and factors considered by Premier Bancorp's Board of Directors in reaching this determination. This discussion is not intended to be exhaustive, but includes the material factors considered by Premier Bancorp's Board of Directors. In the course of its deliberations with respect to the merger, Premier Bancorp's Board of Directors

Table of Contents

discussed the anticipated impact of the merger on Premier Bancorp, Premier Bancorp's shareholders and the communities that Premier Bancorp serves.

Premier Bancorp's Board of Directors did not identify any material disadvantages expected to result from the merger during these discussions. In reaching its determination to approve and recommend the merger agreement, Premier Bancorp's Board of Directors did not assign any relative or specific weights to the factors considered in reaching such determination, and individual members of Premier Bancorp's Board of Directors may have given differing weights to different factors.

The following includes the material factors that were considered by Premier Bancorp's Board of Directors:

its familiarity with and review of Premier Bancorp's business, operations, earnings, and financial condition;

its review, based in part on the presentation by Premier Bancorp management and Hovde Financial regarding its due diligence of BancorpSouth, of the business, operations, earnings and financial conditions of BancorpSouth on both a historical and prospective basis, the enhanced opportunities for operating efficiencies (particularly in terms of integration of operations, data processing and support functions) that could result from the merger, the enhanced opportunities for growth that the merger would make possible and the respective contributions the parties would bring to a combined institution;

the presentation of a fairness opinion by Hovde Financial regarding the prices being paid for shares of Premier Bancorp common stock;

its belief that the terms of the merger agreement are attractive because it allows Premier Bancorp's shareholders to become shareholders of BancorpSouth, an institution the recent earnings performance of which has been strong;

its review of alternatives to the merger (including the alternatives of remaining independent and growing internally, remaining independent for a period of time and then selling the company, and remaining independent and growing through future acquisitions);

its review of possible affiliation partners of Premier Bancorp other than BancorpSouth, the prospects of such other possible affiliation partners, and the likelihood of any such affiliation;

its belief, based upon an analysis of the anticipated financial effects of the merger, that upon consummation of the merger, BancorpSouth and its bank subsidiary will be well capitalized institutions, the financial positions of which would be in excess of all applicable regulatory capital requirements;

its belief that, in light of the reasons discussed above, BancorpSouth was the most attractive choice as a long-term affiliation partner of Premier Bancorp;

the expectation that the merger will generally be a tax-free transaction for Premier Bancorp and its shareholders to the extent such shareholders receive shares of BancorpSouth common stock;

its review, based in part on presentations by Premier Bancorp's management and legal counsel of the business, operations, technology, dividends, financial condition and earnings of BancorpSouth on a historical and a prospective basis and of the combined company on a pro forma basis;

the current and prospective economic and regulatory environment and competitive constraints facing the banking and financial institutions in Premier Bancorp's market area; and

Table of Contents

recent business combinations involving financial institutions, either announced or completed, during the past year in the United States, the State of Tennessee and contiguous states and the effect of such combinations on competitive conditions in Premier Bancorp's market area.

Based on a thorough evaluation of these factors, Premier Bancorp's Board of Directors believes the merger is in the best interests of Premier Bancorp and Premier Bancorp shareholders. Premier Bancorp's Board of Directors recommends that Premier Bancorp shareholders vote For approval of the merger agreement.

Opinion of Financial Advisor to Premier Bancorp

Hovde Financial has delivered to the Board of Directors of Premier Bancorp its written opinion, dated September 16, 2004, that, based upon and subject to the various considerations set forth in its opinion, the total transaction consideration to be paid to the shareholders of Premier Bancorp is fair from a financial point of view as of such date. In requesting Hovde Financial's advice and opinion, no instructions were received nor were any limitations imposed by Premier Bancorp upon Hovde Financial with respect to the investigations made or procedures followed by it in rendering its opinion. **The full text of the opinion of Hovde Financial, dated September 16, 2004, which describes the procedures followed, assumptions made, matters considered and limitations on the review undertaken, is attached as Annex C to this Proxy Statement/Prospectus. Premier Bancorp shareholders should read this opinion in its entirety.**

Hovde Financial is a nationally recognized investment banking firm and, as part of its investment banking business, is continually engaged in the valuation of financial institutions in connection with mergers and acquisitions, private placements and valuations for other purposes. As a specialist in securities of financial institutions, Hovde Financial has experience in, and knowledge of, banks, thrifts and bank and thrift holding companies. Premier Bancorp interviewed three investment banking firms. While all three firms had a strong presence in the Southeast, Hovde Financial's pricing structure was the most attractive and Hovde Financial was more willing to pursue opportunities with banks outside of Tennessee. Premier Bancorp's Board of Directors selected Hovde Financial to act as its financial advisor in connection with the merger on the basis of these reasons, as well as Hovde Financial's reputation and expertise in transactions similar to the merger.

Hovde Financial will receive a fee contingent upon the completion of the merger for services rendered in connection with advising Premier Bancorp regarding the merger, including the fairness opinion and financial advisory services provided to Premier Bancorp. As of the date of Hovde Financial's written opinion, such fee would have been approximately 1.15% of the total transaction consideration.

Hovde Financial's opinion is directed only to the fairness, from a financial point of view, of the total transaction consideration, and, as such, does not constitute a recommendation to any Premier Bancorp shareholder as to how the shareholder should vote at the special meeting of Premier Bancorp shareholders. This summary of the opinion of Hovde Financial set forth in this Proxy Statement/Prospectus is qualified in its entirety by reference to the full text of the opinion.

Following is a summary of the analyses performed by Hovde Financial in connection with its fairness opinion. Certain of these analyses were confirmed in a presentation to the Premier Bancorp Board of Directors by Hovde Financial. The summary set forth below does not purport to be a complete description of either the analyses performed by Hovde Financial in rendering its opinion or the presentation delivered by Hovde Financial to the Premier Board of Directors, but it does summarize all of the material analyses performed and presented by Hovde Financial.

The preparation of a fairness opinion involves various determinations as to the most appropriate and relevant methods of financial analyses and the application of those methods to the particular circumstances. In arriving at its opinion, Hovde Financial did not attribute weight to any particular analysis or factor considered by it, but rather made

qualitative judgments as to the significance and relevance of each analysis and factor. Hovde Financial may have given various analyses more or less weight than other analyses. Accordingly, Hovde Financial believes that its analyses and the following summary must be considered as a whole and that selecting portions of its analyses, without considering all factors and analyses, could create an incomplete view of the process underlying the analyses set forth in its report to the Premier Bancorp Board of Directors and its fairness opinion.

Table of Contents

In performing its analyses, Hovde Financial made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Premier Bancorp and BancorpSouth. The analyses performed by Hovde Financial are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by such analyses. Such analyses were prepared solely as part of Hovde Financial's analysis of the fairness of the transaction consideration, from a financial point of view, to Premier Bancorp shareholders. The analyses do not purport to be an appraisal or to reflect the prices at which a company might actually be sold or the prices at which any securities may trade at the present time or at any time in the future. Hovde Financial's opinion does not address the relative merits of the merger as compared to any other business combination in which Premier Bancorp might engage. In addition, as described above, Hovde Financial's opinion to the Premier Bancorp Board of Directors was one of many factors taken into consideration by the Premier Bancorp Board of Directors in making its determination to approve the merger agreement.

During the course of its engagement, and as a basis for arriving at its opinion, Hovde Financial reviewed and analyzed material bearing upon the financial and operating conditions of Premier Bancorp and BancorpSouth and material prepared in connection with the merger, including, among other things, the following:

the merger agreement;

certain historical publicly available information concerning BancorpSouth;

the nature and terms of recent merger transactions; and

financial and other information provided to Hovde Financial by the management of Premier Bancorp.

Hovde Financial conducted meetings and had discussions with members of senior management of Premier Bancorp for purposes of reviewing the future prospects of Premier Bancorp. Hovde Financial also took into account its experience in other transactions, as well as its knowledge of the commercial banking industry and its general experience in securities valuations.

In rendering its opinion, Hovde Financial assumed, without independent verification, the accuracy and completeness of the financial and other information related to Premier Bancorp and BancorpSouth and relied upon the accuracy of the representations of the parties contained in the merger agreement. Hovde Financial also assumed that the financial forecasts furnished to or discussed with Hovde Financial by Premier Bancorp were reasonably prepared and reflected the best currently available estimates and judgments of senior management of Premier Bancorp as to the future financial performance of Premier Bancorp. Hovde Financial has not made any independent evaluation or appraisal of any properties, assets or liabilities of Premier Bancorp.

Financial Implications to Premier Bancorp Shareholders

Hovde Financial prepared an analysis of the financial implications of BancorpSouth's offer to holders of Premier Bancorp common stock. This analysis indicated that on a pro forma equivalent basis, assuming a hypothetical 100% stock transaction with an exchange ratio of 2.1978, and excluding any potential cost savings or revenue enhancement opportunities, a holder of Premier Bancorp common stock would achieve approximately 41.8% accretion in GAAP earnings per share, approximately 66.6% accretion in cash earnings per share and an increase in total book value per share of approximately 52.6% as a result of the consummation of the merger. The table below summarizes the results of Hovde Financial's analysis:

Table of Contents

	Per Share:		
	2005 GAAP Earnings Estimated	2005 Cash Earnings Estimated	Book Value
Premier Bancorp standalone	\$2.65	\$2.65	\$18.15
Premier Bancorp Pro Forma ⁽¹⁾	\$3.76	\$4.42	\$27.70
% Accretion Dilution	41.8%	66.6%	52.6%

⁽¹⁾ Based on exchange ratio of 2.1978 and a hypothetical 100% stock transaction for purposes of comparability. The actual exchange ratio will be 2.1785 and only 51% of the merger consideration will consist of BancorpSouth common stock.

Contribution Analysis

Hovde Financial prepared a contribution analysis showing percentages of total assets, total net loans, total deposits, total common equity and total tangible equity at June 30, 2004 for Premier Bancorp and for BancorpSouth and actual earnings for the twelve-month period ended June 30, 2004, as well as estimated fiscal year 2004 and 2005 earnings that would be contributed to the combined company on a pro-forma basis by Premier Bancorp and BancorpSouth. This analysis indicated that holders of Premier Bancorp common stock would own approximately 0.87% of the pro forma common shares outstanding of BancorpSouth, assuming an exchange ratio of 1.1111, while contributing an average of 1.27% of the financial components listed above. This pro forma ownership is based on the total consideration being paid to shareholders of Premier Bancorp consisting of 51% in BancorpSouth common stock and 49% in cash. If the total consideration were to be paid 100% in BancorpSouth common stock, holders of Premier Bancorp common stock would own 1.7% of the pro forma outstanding shares of BancorpSouth common stock.

	Premier Contribution to BancorpSouth
Total assets	1.40%
Total net loans	1.95
Total deposits	1.46
Total equity	1.08
Tangible equity	1.19
Net income last 12 months through June 30, 2004	0.89
Net income estimated fiscal year 2004	1.05
Net income estimated fiscal year 2005	1.19
Media	