

BANCORPSOUTH INC
Form S-4
October 03, 2005

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As filed with the Securities and Exchange Commission on October 3, 2005

Registration No. 333-[]

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM S-4**

**REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933
BANCORPSOUTH, INC.**

(Exact name of registrant as specified in its charter)

Mississippi (State or other jurisdiction of incorporation or organization)	6712 (Primary Standard Industrial Classification Code Number)	64-0659571 (I.R.S. Employer Identification Number)
One Mississippi Plaza 201 South Spring Street Tupelo, Mississippi 38804 (662) 680-2000 (Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)	Aubrey B. Patterson BancorpSouth, Inc. One Mississippi Plaza 201 South Spring Street Tupelo, Mississippi 38804 (662) 680-2000 (Name, address, including zip code, and telephone number, including area code, of agent for service)	

With copies to:

**E. Marlee Mitchell, Esq.
Waller Lansden Dortch & Davis, PLLC
511 Union Street, Suite 2700
Nashville, Tennessee 37219**

**Garland W. Binns, Jr., Esq.
Dover Dixon Horne PLLC
425 West Capitol, 37th Floor
Little Rock, Arkansas 72201**

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and completion of the merger described in the enclosed Proxy Statement/Prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Common stock, par value \$2.50 per share	1,158,854(1)	N/A	\$24,999,807(2)	\$2,942.48

(1) This number is based on an estimate of the maximum number of shares of the Registrant's common stock expected to be issued in connection with the proposed merger to which this Registration Statement relates as follows: (a)(i) 472,266 shares of common stock of American State Bank Corporation, \$0.01 par value per share, outstanding as of September 27, 2005, and (ii) 60,088 shares of American State Bank Corporation common stock to be issued immediately prior to the effective time of the merger pursuant to the cashless exercise of

outstanding options as of September 27, 2005; and (b) a maximum share exchange ratio of 4.3537 shares of common stock of the Registrant, \$2.50 par value per share, issuable in exchange for each share of American State Bank Corporation common stock, subject to a maximum share exchange of 50% of the outstanding shares of American State Bank Corporation common stock, a tax-related adjustment and the rounding of fractional shares of the Registrant's common stock. The common stock to be registered includes attached rights to purchase shares of the Registrant's common stock under the Registrant's shareholder rights plan. Prior to the occurrence of

certain events, none of which have occurred as of the date of the filing hereof, the rights will not be exercisable or evidenced separately from the Registrant's common stock.

- (2) Calculated in accordance with Rules 457(c) and (f)(1) under the Securities Act of 1933, the proposed maximum offering price equals the product of (i) \$22.915, the average of the high and low prices of the Registrant's common stock as reported on the New York Stock Exchange on September 27, 2005, and (ii) 1,090,980, representing the number of shares of common stock of the Registrant to be issued in connection with the proposed merger based on an assumed exchange ratio of 4.0987, calculated as set forth in this

Registration
Statement with
respect to such
average price of
the Registrant's
common stock.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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

The Boards of Directors of BancorpSouth, Inc. and American State Bank Corporation have approved a merger agreement to merge our two companies. If American State Bank Corporation shareholders vote to approve the merger agreement and the merger is completed, American State Bank Corporation will merge with and into BancorpSouth, American State Bank Corporation's subsidiary bank, American State Bank, will merge with and into BancorpSouth Bank, a subsidiary of BancorpSouth, and American State Bank Corporation shareholders, other than American State Bank Corporation shareholders who properly exercise their rights to dissent from the merger, will have the opportunity to elect to receive in exchange for shares of American State Bank Corporation common stock they own (i) a cash payment of \$93.9226, (ii) between 4.3537 and 3.7462 shares of BancorpSouth common stock, depending on the average closing price of BancorpSouth common stock reported on the New York Stock Exchange for the 10 trading days ending on the fifth trading day before the date that shareholders of American State Bank Corporation meet to approve the merger agreement, or (iii) a combination of cash and shares of BancorpSouth common stock. With respect to an election to receive stock consideration, for each share of American State Bank Corporation common stock you own, you may elect to receive 4.3537 shares of BancorpSouth common stock if the trailing average closing price is \$21.5729 or less, or 3.7462 shares of BancorpSouth common stock if the trailing average closing price is \$25.0712 or greater. Between these two trailing average closing prices, the exchange ratio will be proportionately adjusted between 4.3537 and 3.7462 based on the trailing average closing price of BancorpSouth common stock computed as described above. This will result in the issuance of up to 1,158,854 shares of BancorpSouth common stock. If you hold more than one share of American State Bank Corporation common stock, you may elect a combination of stock and cash consideration. In the merger, the percentage of shares of American State Bank Corporation common stock that will be exchangeable into the right to receive shares of BancorpSouth common stock is fixed at 50%. 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 50% limitation for stock consideration, 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 American State Bank Corporation shareholders.

The number of shares of BancorpSouth common stock that American State Bank Corporation shareholders may receive in the merger is not fixed. The dollar value of the stock consideration that American State Bank Corporation shareholders may receive will also change depending on fluctuations in the market price of BancorpSouth common stock and might not be known at the time American State Bank Corporation's shareholders vote on the merger. The following table shows the average closing price of BancorpSouth common stock reported on the New York Stock Exchange for the 10 trading days ending on the fifth trading day before August 9, 2005, the last trading day before we announced the merger, and before [], 2005, 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 American State Bank Corporation common stock, which we calculated by multiplying the appropriate trailing average closing price of BancorpSouth common stock for those dates by the corresponding exchange ratio. You should obtain current market quotations for 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.

	Trailing Average Closing Price of BancorpSouth Common Stock	Exchange Ratio	Implied Value per Share of American State Bank Corporation Common Stock
At August 9, 2005	\$ 23.85	3.9381	\$ 93.9226
At [], 2005	[]	[]	[]

This Proxy Statement/Prospectus provides you with detailed information about the proposed merger between BancorpSouth and American State Bank Corporation. This document also contains information about BancorpSouth and American State Bank Corporation. 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 89.

You should carefully consider the risk factors described beginning on page 17 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 [], 2005,
and it is first being mailed to the shareholders of American State Bank Corporation on or about [], 2005.

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**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON [], 2005**

TO THE SHAREHOLDERS OF AMERICAN STATE BANK CORPORATION:

This serves as notice to you that a special meeting of shareholders of American State Bank Corporation will be held on [], 2005 at 10:00 a.m., Central Time, at the main office of American State Bank, 2201 Fair Park Boulevard, Jonesboro, Arkansas 74201, for the purpose of considering and voting upon the approval of the Agreement and Plan of Merger, dated as of August 9, 2005, between American State Bank Corporation and BancorpSouth, Inc., which provides for the merger of American State Bank Corporation with and into BancorpSouth as more fully described in the attached Proxy Statement/Prospectus.

Only holders of record of American State Bank Corporation common stock at the close of business on [], 2005 are entitled to notice of and to vote at the special meeting or any adjournments or postponements of the special meeting. Each share of American State Bank Corporation common stock 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 American State Bank Corporation.

The Board of Directors of American State Bank Corporation has unanimously approved the merger agreement and recommends that American State Bank Corporation shareholders vote FOR approval of the merger agreement.

American State Bank Corporation shareholders, other than American State Bank Corporation 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 American State Bank Corporation common stock they own a cash payment of \$93.9226 or between 4.3537 and 3.7462 shares of BancorpSouth common stock as described in the Proxy Statement/Prospectus accompanying this notice, with cash to be paid in lieu of any remaining fractional share interest, if the merger agreement is approved and the merger is completed. Holders of more than one share of American State Bank Corporation 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 Arkansas Business Corporation Act of 1987 will be entitled to receive payment of the fair cash value of their shares. A copy of Sections 4-27-1301 *et seq.* of the Arkansas Business Corporation Act of 1987 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 American State Bank Corporation 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 white postage paid business reply envelope to American State Bank Corporation. 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 American State Bank Corporation 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,

Frank Oldham
Chairman and Chief Executive Officer

[], 2005

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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 89. 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 American State Bank Corporation's special meeting of shareholders, your request should be received no later than [], 2005.

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.

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Annex C: Consolidated Financial Statements of American State Bank Corporation

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EX-5.1 OPINION OF RILEY, CALDWELL, CORK & ALVIS, P.A.

EX-8.1 OPINION OF WALLER LANSDEN DORTHC & DAVIS, PLLC

EX-8.2 OPINION OF DOVER DIXON HORNE PLLC

EX-23.1 CONSENT OF KPMG LLP

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EX-99.1 FORM OF AMERICAN STATE BANK CORPORATION PROXY CARD

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**QUESTIONS AND ANSWERS
ABOUT THE MERGER**

Q: What is the proposed transaction?

A: A merger in which American State Bank Corporation will merge with and into BancorpSouth, Inc. and American State Bank Corporation's subsidiary bank, American State Bank, will merge with and into BancorpSouth Bank, a subsidiary of BancorpSouth. After the merger, you will no longer own shares of American State Bank Corporation 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 white postage paid business reply 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 American State Bank Corporation 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 American State Bank Corporation unanimously recommends that shareholders vote FOR approval of the merger agreement.

Q: Why is my vote important?

A: Under the Arkansas Business Corporation Act of 1987, the merger agreement must be approved by a majority of all the votes entitled to be cast by shareholders of American State Bank Corporation. 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 the special meeting of shareholders. You can do this in any of the following three ways:

by sending a written notice to the chief executive officer of American State Bank Corporation 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.

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Q: Will I be able to sell 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 American State Bank Corporation prior to the merger. Persons who are considered affiliates of American State Bank Corporation (generally directors, officers and holders of 10% or more of American State Bank Corporation 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 American State Bank Corporation is entitled to receive. The percentage of shares of American State Bank Corporation common stock that will be exchangeable for the right to receive shares of BancorpSouth common stock is fixed at 50%. In the event that more or less than 50% of the outstanding shares of American State Bank Corporation 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 American State Bank Corporation common stock will be adjusted so that, in the aggregate, 50% of the shares of American State Bank Corporation common stock will be exchanged for the right to receive shares of BancorpSouth common stock and the remaining shares of American State Bank Corporation 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 American State Bank Corporation shareholders and a tax-related adjustment, 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 American State Bank Corporation 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 American State Bank Corporation common stock solely for cash, you should recognize gain or loss on the exchange. If you exchange your shares of American State Bank Corporation 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. If you have shares of American State Bank Corporation common stock allocated to you in the American State Bank 401(k) Employee Stock Ownership Plan, the tax treatment of this transaction will be different with respect to those shares in some ways. You will receive additional information from the administrator of the American State Bank 401(k) Employee Stock Ownership Plan.

This tax treatment may not apply to all American State Bank Corporation 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 American State Bank Corporation's proxy statement and as BancorpSouth's prospectus. As a proxy statement, this document is being provided to American State Bank Corporation shareholders because American State Bank Corporation's Board of Directors is soliciting proxies to vote to approve the merger

agreement. As a prospectus, this document is being provided to American State Bank Corporation shareholders by BancorpSouth because BancorpSouth is offering them shares of BancorpSouth common stock in exchange for their shares of American State Bank Corporation common stock if the merger is completed.

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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** beginning on page 89 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 American State Bank Corporation common stock held by you will be converted into the right to receive, at your election, \$93.9226 in cash, between 3.7462 and 4.3537 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 American State Bank Corporation 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 American State Bank Corporation 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 [], 2005, 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:
American State Bank Corporation
2201 Fair Park Boulevard

Jonesboro, Arkansas 72401

Attention: Frank Oldham, Chairman and Chief Executive Officer

Phone Number: (870) 972-9800

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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 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 61, 62)

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. It is based in Tupelo, Mississippi and 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 253 locations and 239 ATMs in Arkansas, Alabama, Louisiana, Mississippi, Tennessee and Texas. As of June 30, 2005, BancorpSouth had total assets of approximately \$10.8 billion, deposits of approximately \$9.0 billion and shareholders' equity of approximately \$936.2 million.

AMERICAN STATE BANK CORPORATION

2201 Fair Park Boulevard

Jonesboro, Arkansas 72401

American State Bank Corporation is incorporated in Arkansas and is a financial holding company under the Bank Holding Company Act of 1956. It is based in Jonesboro, Arkansas and conducts its banking operations through its subsidiary bank, American State Bank. American State Bank Corporation's banking subsidiary, American State Financial Services, Inc., conducts trust and investment services business through its office in Jonesboro, Arkansas. As of June 30, 2005, American State Bank Corporation had total assets of approximately \$342.8 million, deposits of approximately \$272.0 million and shareholders' equity of approximately \$22.1 million.

The Merger (Page 30)

BancorpSouth and American State Bank Corporation entered into a merger agreement whereby American State Bank Corporation 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 American State Bank Corporation hope to complete the merger during the fourth quarter of 2005.

What American State Bank Corporation Shareholders Will Receive in the Merger (Page 48)

American State Bank Corporation shareholders, other than American State Bank Corporation shareholders who properly exercise their rights to dissent from the merger, will have the opportunity to elect to receive in exchange for shares of American State Bank Corporation common stock they own:

a cash payment of \$93.9226;

between 4.3537 and 3.7462 shares of BancorpSouth common stock (which is referred to as the exchange ratio), depending on the average closing price of BancorpSouth common stock for the 10 trading days ending on the fifth trading day before the date that shareholders of American State Bank Corporation meet to approve the merger agreement; or

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a combination of cash and shares of BancorpSouth common stock if the merger is completed.

With respect to an election to receive stock consideration, for each share of American State Bank Corporation common stock you own, you may elect to receive 4.3537 shares of BancorpSouth common stock if the trailing average closing price is \$21.5729 or less, or 3.7462 shares of BancorpSouth common stock if the trailing average closing price is \$25.0712 or greater. If the trailing average closing price is between \$21.5729 and \$25.0712, the exchange ratio will be proportionately adjusted between 4.3537 and 3.7462 based on the trailing average closing price of BancorpSouth common stock computed as described above. If you hold more than one share of American State Bank Corporation common stock, you may elect a combination of stock and cash consideration. 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 American State Bank Corporation shareholders and a tax-related adjustment, if necessary.

BancorpSouth will not issue any fractional shares of BancorpSouth common stock. Instead, an American State Bank Corporation shareholder who receives any shares of BancorpSouth common stock as consideration in the merger will receive cash equal to the product of (i) the closing price per share of BancorpSouth common stock for the trading day immediately prior to the effective time of the merger, times (ii) the fraction of a share of BancorpSouth common stock to which the shareholder otherwise would be entitled.

Immediately prior to the effective time of the merger, each outstanding option to purchase shares of American State Bank Corporation common stock will be converted into the appropriate number of shares of American State Bank Corporation common stock through a cashless exercise arrangement. The resultant shares of American State Bank Corporation common stock will be entitled to conversion into cash, shares of BancorpSouth common stock or a combination of both on the terms described above.

At the effective time of the merger, persons who are BancorpSouth shareholders immediately prior to the merger would own more than 98.5% of the outstanding shares of common stock of the combined company and persons who are American State Bank Corporation shareholders immediately prior to the merger would own less than 1.5% of the outstanding shares of common stock of the combined company.

BancorpSouth's Stock Price Will Fluctuate (Page 60)

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 both the market price of BancorpSouth common stock and the exchange ratio may fluctuate, the value of the shares of BancorpSouth common stock that American State Bank Corporation shareholders may receive in the merger might increase or decrease prior to completion of the merger. BancorpSouth cannot assure American State Bank Corporation shareholders that the market price of BancorpSouth common stock will not decrease before or after completion of the merger. The following table shows the average closing price of BancorpSouth common stock reported on the New York Stock Exchange for the 10 trading days ending on the fifth trading day before August 9, 2005, the last trading day before we announced the merger, and before [], 2005, 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 American State Bank Corporation common stock, which we calculated by multiplying the appropriate trailing average closing price of BancorpSouth common stock for those dates by the corresponding exchange ratio. You should obtain current market quotations for 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.

	Trailing Average Closing Price of BancorpSouth Common Stock	Exchange Ratio	Implied Value per Share of American State Bank Corporation Common Stock
At August 9, 2005	\$ 23.85	3.9381	\$ 93.9226
At [], 2005	[]	[]	[]

Table of Contents**Special Meeting (Page 27)**

A special meeting of the shareholders of American State Bank Corporation will be held at the following time and place:

[], 2005
10:00 a.m. (Central Time)
American State Bank
2201 Fair Park Boulevard
Jonesboro, Arkansas 72401

At the special meeting, shareholders of American State Bank Corporation will be asked to approve the merger agreement between American State Bank Corporation and BancorpSouth.

The Board of Directors of American State Bank Corporation Recommends that its Shareholders Approve the Merger Agreement (Page 29)

The Board of Directors of American State Bank Corporation unanimously approved the merger agreement, believes that the merger between American State Bank Corporation and BancorpSouth is in the best interests of American State Bank Corporation shareholders and recommends that American State Bank Corporation 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 28)

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

The following chart describes the American State Bank Corporation shareholder vote required to approve the merger agreement:

Number of shares of American State Bank Corporation common stock outstanding on [], 2005	472,266
Number of votes necessary to approve the merger agreement	236,134
Percentage of outstanding shares of American State Bank Corporation common stock necessary to approve the merger agreement	>50%
Number of votes that executive officers and directors of American State Bank Corporation and their affiliates can cast as of [], 2005	92,986
Percentage of votes that executive officers and directors of American State Bank Corporation and their affiliates can cast as of [], 2005	19.69%

Record Date; Voting Power (Page 28)

You can vote at the special meeting of American State Bank Corporation shareholders if you owned American State Bank Corporation common stock as of the close of business on [], 2005, the record date set by American State Bank Corporation's Board of Directors. Each share of American State Bank Corporation common stock is entitled to one vote. On [], 2005, there were 472,266 shares of American State Bank Corporation common stock outstanding and entitled to vote on the merger agreement.

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Background of the Merger (Page 31)

On July 16, 2004, management of American State Bank Corporation began initial discussions with representatives of Stephens Inc., an investment banking firm, regarding the alternatives available to American State Bank Corporation. On August 17, 2004, the Board of Directors of American State Bank Corporation met with representatives of Stephens to discuss alternatives available to American State Bank Corporation to maximize shareholder value. At this meeting, Stephens made a presentation to the Board of Directors on the company's strategic options, including a discussion of potential merger partners and other options. After further deliberation, American State Bank Corporation's Board of Directors retained Stephens on September 16, 2004 to assist the Board in soliciting expressions of interest from publicly traded companies regarding a potential business combination and in considering any such expressions of interest compared with the potential value of American State Bank Corporation as a stand-alone enterprise.

After discussions with management and preparation of a descriptive memorandum, Stephens began contacting 20 banking institutions on October 4, 2004 that were likely to have an interest in a business combination with American State Bank Corporation. Five institutions signed confidentially agreements with American State Bank Corporation and two of those institutions, including BancorpSouth, submitted written preliminary indications of interest based on information provided by American State Bank Corporation. One institution that had signed a confidentially agreement provided an oral indication of interest.

On or about May 10, 2005, BancorpSouth orally revised its indication of interest for American State Bank Corporation. On May 16, 2005, the American State Bank Corporation Board of Directors met to consider this revised indication of interest from BancorpSouth. The Board of Directors decided that the proposal from BancorpSouth was clearly superior to the other indications of interest and determined to enter into discussions with BancorpSouth.

American State Bank Corporation's Board of Directors met on August 9, 2005 to discuss and consider the proposed transaction with BancorpSouth. Stephens made a presentation regarding the financial rationale supporting the transaction, which included a detailed financial analysis concerning American State Bank Corporation and BancorpSouth. Although Stephens did not render a fairness opinion, it indicated to the Board that, as a result of its analysis and discussions with several potential acquirors, it believed it was unlikely that another publicly traded merger candidate would be willing to propose a transaction that was financially superior to the transaction proposed by BancorpSouth and that, if requested, it was prepared to render an opinion as to the fairness of the transaction from a financial point of view.

On May 25, 2005, BancorpSouth's Board of Directors approved the merger and authorized management to negotiate and execute the merger agreement. After a review of all aspects of the proposed transaction, American State Bank Corporation's Board of Directors approved the merger agreement with BancorpSouth on August 9, 2005. The merger agreement was executed by the parties as of August 9, 2005.

Why BancorpSouth and American State Bank Corporation are Seeking to Merge (Page 32)

The merger will combine the strengths of BancorpSouth and American State Bank Corporation and their subsidiary banks. The combined company resulting from the merger should be able to provide greater services than each company could provide independently. By merging with BancorpSouth, American State Bank Corporation will provide its current and potential customers with access to a substantially larger capital base and lending limits, as well as a broader array of financial products. The combined company also expects to reduce costs by eliminating overlap of the companies' operations and by applying BancorpSouth's technology to American State Bank Corporation's operations. The competitiveness of the financial services industry is increasing continually, and the greater strength realized through combining the companies is expected to enable them to provide superior products and services to their customers and benefits to their shareholders.

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Analysis of Financial Advisor to American State Bank Corporation (Page 33)

Stephens Inc. acted as a financial advisor to American State Bank Corporation in connection with the proposed merger with and into BancorpSouth. As part of its investment banking business, Stephens regularly engages in the valuation of securities in connection with mergers and acquisitions and valuations for corporate, estate tax and other purposes. American State Bank Corporation retained Stephens based on its experience as a financial advisor in mergers and acquisitions of financial institutions and its knowledge of the financial institutions industry. As part of this engagement, Stephens agreed to provide analysis and advice to American State Bank Corporation's Board of Directors on the financial implications of any merger proposals received. At the August 9, 2005 meeting of American State Bank Corporation's Board of Directors, Stephens discussed its analysis of the BancorpSouth proposal and whether a superior offer could likely be obtained from another publicly traded potential acquiror. Stephens also presented a summary of its financial analysis to the Board of Directors. As part of this analysis, Stephens examined values of selected bank and thrift merger transactions, the potential merger valuation range that certain publicly traded potential acquirors might offer, a stand-alone valuation based on discounted cash flow analysis and a comparison to selected publicly traded companies. Stephens indicated that it had, during the course of its engagement, contacted 20 potential acquirors and received two other indications of interest, only one of which was considered viable, and that the expected transaction value from the proposed merger with BancorpSouth was clearly superior to the other competing indication of interest. American State Bank Corporation did not ask for and Stephens did not express an opinion as to the fairness of the transaction from a financial perspective.

Management and Board of Directors of BancorpSouth Following the Merger (Page 59)

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 American State Bank Corporation 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 38)

Your U.S. federal income tax consequences will depend primarily on whether you exchange your shares of American State Bank Corporation 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 American State Bank Corporation 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 American State Bank Corporation common stock solely for cash, you should recognize gain or loss on the exchange. If you exchange your shares of American State Bank Corporation 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. If you have shares of American State Bank Corporation common stock allocated to you in the American State Bank 401(k) Employee Stock Ownership Plan, the tax treatment of this transaction will be different with respect to those shares in some ways. You will receive additional information from the administrator of the American State Bank 401(k) Employee Stock Ownership Plan.

This tax treatment may not apply to all shareholders of American State Bank Corporation. 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 American State Bank Corporation 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 American State Bank Corporation 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

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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.

Accounting Treatment (Page 38)

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

Interests of American State Bank Corporation Executive Officers and Directors in the Merger (Page 46)

Executive officers and directors of American State Bank Corporation will be issued shares of BancorpSouth common stock in the merger on the same basis as other shareholders of American State Bank Corporation. The following chart shows the number of shares of BancorpSouth common stock that may be issued to affiliates of American State Bank Corporation in the merger (including shares reserved for issuance upon the cashless exercise of stock options immediately prior to the effective time of the merger):

Shares of common stock of American State Bank Corporation beneficially owned by its executive officers, directors and holders of more than 5% of American State Bank Corporation common stock on [], 2005	153,074
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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 American State Bank Corporation common stock based upon their beneficial ownership	666,438
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Four of American State Bank Corporation's executive officers will receive bonuses as part of the merger and in consideration for terminating their existing employment agreements with American State Bank Corporation and will also enter into employment agreements with BancorpSouth.

American State Bank Corporation Shareholders May Dissent from the Merger (Page 42)

Arkansas law permits American State Bank Corporation shareholders to dissent from the merger and to receive the fair value of their shares of American State Bank Corporation common stock in cash. To dissent, an American State Bank Corporation shareholder must follow certain procedures, including filing certain notices with American State Bank Corporation and not voting his or her shares in favor of the merger agreement. The shares of American State Bank Corporation 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 American State Bank Corporation common stock in cash. A copy of the Arkansas statute describing these dissenters' rights and the procedures for exercising them is attached as Annex B to this Proxy Statement/Prospectus. American State Bank Corporation shareholders who perfect their dissenters' rights and receive cash in exchange for their shares of American State Bank Corporation common stock may recognize gain or loss for U.S. federal income tax purposes.

We Must Obtain Regulatory Approvals to Complete the Merger (Page 37)

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 or about October 17, 2005 and expects the waiting period to expire on or about November 1, 2005.

In addition, the merger is subject to the approval of the Mississippi Department of Banking and Consumer Finance and the Arkansas State Bank Department. BancorpSouth and American State Bank Corporation 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

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the merger agreement by the shareholders of American State Bank Corporation.

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.

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 57)

The completion of the merger depends on a number of conditions being met, including the following:
shareholders of American State Bank Corporation approving the merger;

the New York Stock Exchange authorizing for listing the shares of BancorpSouth common stock to be issued to American State Bank Corporation 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 becoming effective under the Securities Act of 1933;

the holders of less than 5% of the total outstanding shares of American State Bank Corporation common stock exercising 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; and

BancorpSouth shall have received executed employment agreements which include non-competition and non-solicitation provisions in form and substance satisfactory to BancorpSouth from Messrs. Oldham, Dudley and Gramling and Ms. Dacus.

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 57)

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 American State Bank Corporation shareholders, as set forth in the merger agreement, including by mutual consent of BancorpSouth and American State Bank Corporation. 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 January 31, 2006; 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:

American State Bank Corporation shareholders fail to approve the merger agreement;

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American State Bank Corporation's Board of Directors has withdrawn, modified or changed, in a manner adverse to BancorpSouth, its approval and recommendation of the merger agreement; or

American State Bank Corporation 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 American State Bank Corporation or any offer to acquire all or a substantial portion of the assets of American State Bank Corporation.

Generally, a party can only terminate the merger agreement in one of these situations if that party is no