

BANCORPSOUTH INC
Form S-4
November 09, 2004

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As filed with the Securities and Exchange Commission on November 9, 2004

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)
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One Mississippi Plaza
201 South Spring Street
Tupelo, Mississippi 38804
(662) 680-2000

Aubrey B. Patterson
BancorpSouth, Inc.
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)

(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

Steven J. Eisen, Esq.
Baker, Donelson, Bearman, Caldwell & Berkowitz,
PC

211 Commerce Street, Suite 1000
Nashville, Tennessee 37201

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. o _____

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. o _____

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	1,050,326(1)	N/A	\$10,413,641(2)	\$ 1,319

- (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) 603,000 shares of common stock of Premier Bancorp, \$1.00 par value per share, outstanding as of November 5, 2004, and (ii) options outstanding to purchase 174,600 shares of Premier Bancorp common stock as of such date; and (b) a share exchange ratio of 2.1785 shares of common stock of the Registrant, \$2.50 par value per share, issuable in exchange for each share of Premier Bancorp common stock, subject to a maximum share exchange of 51% of the outstanding shares of Premier Bancorp common stock, a tax-related adjustment and the rounding of fractional shares of the Registrant's common stock resulting from the exercise of exchanged options. This 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), (f)(1) and (f)(3) under the Securities Act of 1933, the proposed maximum offering price equals (a) the product of (i) \$24.00, the average of the high and low prices of the Registrant's common stock as reported on the New York Stock Exchange on November 5, 2004, and (ii) 1,050,326, representing the maximum number of shares of common stock of the Registrant expected to be issued in connection with the proposed merger, less (b) \$14,794,183, the amount of cash to be paid by the Registrant in exchange for shares of Premier Bancorp 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 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 [], 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 [], 2004	[]	[]

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 [], 2004,
and it is first being mailed to the shareholders of Premier Bancorp on or about [], 2004.

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

James D. Harris
Chairman and Chief Executive Officer

[], 2004

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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 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 [], 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.

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**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 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 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.

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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

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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 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 [], 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

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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 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.

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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 43, 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 [], 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 [], 2004	[]	[]

Special Meeting (Page 24)

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

[], 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

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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 [], 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 [], 2004	224,100
Percentage of votes that executive officers and directors of Premier Bancorp and their affiliates can cast as of [], 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 [], 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 [], 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

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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.

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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 [], 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.

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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;

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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 [], 2004, the last practicable trading day before the distribution of this Proxy Statement/Prospectus, the closing sales price of BancorpSouth common stock was \$[] 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.

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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.

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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.

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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

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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.

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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			
		Premier		Per
		Bancorp	Pro	Equivalent
	BancorpSouth	Historical	Forma	Premier
	Historical	Combined	Bancorp	
	Historical	Combined	Share	
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

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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;

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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.

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THE SPECIAL MEETING

General

This Proxy Statement/Prospectus is first being mailed, on or about [], 2004, to all persons who were Premier Bancorp shareholders on [], 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:

[], 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

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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 [], 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 [], 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.

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.

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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.

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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

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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

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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

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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.

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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:

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	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
Median Premier Bancorp Contribution Percentage	1.19
Actual Premier Bancorp Pro Forma Ownership	1.27

Analysis of Selected Mergers

As part of its analysis, Hovde Financial reviewed three groups of comparable merger transactions. The first peer group included all banks in Tennessee that have sold since January 1, 2003 with the exception of Union Planters Corporation and National Commerce Financial. The Tennessee group consisted of the following seven transactions:

Buyer

FSB Bancshares, Inc. (TN)
Peoples Holding Co. (MS)
First Community Bancshares, Inc. (VA)
Synovus Financial Corp. (GA)
NBC Capital Corp. (MS)
Greene County Bancshares, Inc. (TN)
United Community Banks, Inc. (GA)

Seller

American City Bancorp, Inc. (TN)
Renasant Bancshares, Inc. (TN)
PCB Bancorp, Inc. (TN)
Trust One Bank (TN)
Enterprise Bancshares, Inc. (TN)
Independent Bankshares Corp. (TN)
First Central Bancshares, Inc. (TN)

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Hovde Financial also reviewed comparable mergers involving banks headquartered in the entire Southeast United States announced since January 1, 2003, in which the total assets of the seller were between \$100 million and \$250 million. The Southeastern group consisted of the following 17 transactions:

Buyer	Seller
United Community Banks, Inc. (GA)	Liberty National Bancshares (GA)
Liberty Bancshares, Inc. (AR)	Arkansas State Bancshares, Inc. (AR)
Mountain Home Bancshares, Inc. (AR)	Pocahontas Bankstock, Inc. (AR)
FSB Bancshares, Inc. (TN)	American City Bancorp, Inc. (TN)
Peoples Holding Co. (MS)	Renasant Bancshares, Inc. (TN)
First Community Bancshares, Inc. (VA)	PCB Bancorp Inc. (TN)
Union Bankshares Corp. (VA)	Guaranty Financial Corp. (VA)
Community Bancshares of MS (MS)	Security Bancshares, Inc. (MS)
Simmons First National Corp. (AR)	Alliance Bancorporation, Inc. (AR)
GB&T Bancshares, Inc. (GA)	Southern Heritage Bancorp, Inc. (GA)
Southern Community Financial (NC)	Community Bank (NC)
Greene County Bancshares, Inc. (TN)	Independent Bankshares Corp. (TN)
Yadkin Valley Bank and Trust (NC)	High Country Financial Corp (NC)
GB&T Bancshares, Inc. (GA)	Baldwin Bancshares, Inc. (GA)
Arvest Bank Group, Inc. (AR)	Mountain Bancshares, Inc. (AR)
First Community Bcshs, Inc. (VA)	CommonWealth Bank (VA)
United Community Banks, Inc. (GA)	First Central Bancshares, Inc. (TN)

Finally, Hovde Financial reviewed comparable mergers involving banks headquartered in the entire United States announced since January 1, 2004, in which the total assets of the seller were between \$150 million and \$200 million. The nationwide group consisted of the following 11 transactions:

Buyer	Seller
United Community Banks, Inc. (GA)	Liberty National Bancshares (GA)
Webster Financial Corp. (CT)	First City Bank (CT)
Liberty Bancshares, Inc. (AR)	Arkansas State Bancshares, Inc. (AR)
Boston Private Financial (MA)	Encino State Bank (CA)
Sterling Financial Corp. (PA)	Pennsylvania State Banking Co (PA)
Columbia Banking System, Inc. (WA)	Bank of Astoria (OR)
First Banks, Inc. (MO)	Continental Mortgage Corp. (IL)
Whitney Holding Corp. (LA)	Madison Bancshares, Inc. (FL)
Lincoln Bancorp (IN)	First Shares Bancorp, Inc. (IN)
Independent Bank Corp. (MI)	North Bancorp, Inc. (MI)
Investor Group (IL)	Strategic Capital Bancorp, Inc. (IL)

Hovde Financial calculated the medians and averages of the following relevant transaction ratios in each of the above groups: the percentage of the offer value to the acquired company's total assets; the multiple of the offer value to the acquired company's earnings per share for the twelve months preceding the announcement date of the transaction; the multiple of the offer value to the acquired company's tangible book value; and the tangible book value premium to core deposits. Hovde Financial compared these multiples with the corresponding multiples for the merger, valuing the

total consideration that would be received pursuant to the merger agreement at \$37 million (\$15.4 million in consideration in the form of BancorpSouth common stock, \$14.8 million in cash and \$6.8 million in consideration representing the in-the-money value of Premier Bancorp's stock options), or \$50.07 per Premier Bancorp diluted share. In calculating the multiples for the merger, Hovde Financial used Premier Bancorp's earnings per share for the 12 months ended June 30, 2004, and Premier Bancorp's tangible book value per share, total assets and total deposits as of June 30, 2004. The results of this analysis are as follows:

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	Offer Value to			Ratio of Tangible Book Value Premium to Core Deposits (%)
	Total Assets (%)	Tangible Book Value Per Share (x)	Preceding 12 Months Earnings Per Share (x)	
Premier Bancorp	24.5	3.96	34.1	31.7
Tennessee group median	20.9	2.68	24.5	16.4
Tennessee group average	21.9	2.70	29.3	19.9
Southeast group median	20.6	2.47	22.9	16.5
Southeast group average	20.7	2.35	25.2	27.5
Nationwide group median	20.5	2.55	31.7	16.7
Nationwide group average	19.2	2.39	28.7	16.7

Discounted Cash Flow Analysis

Hovde Financial estimated the present value of all shares of Premier Bancorp common stock by estimating the value of Premier Bancorp's estimated future earnings stream beginning in 2005. Reflecting Premier Bancorp's internal projections and Hovde Financial estimates, Hovde Financial assumed net income in 2005, 2006, 2007, 2008 and 2009 of \$1.599 million, \$1.947 million, \$2.371 million, \$2.432 million and \$2.961 million, respectively. The present value of these earnings was calculated based on discount rates of 10.5%, 12.0%, 13.5%, 15.0% and 16.5%, respectively. In order to derive the terminal value of Premier Bancorp's earnings stream beyond 2009, Hovde Financial assumed the growth rate of Premier Bancorp's earnings into perpetuity, based on a perpetual growth rate between 4.0% and 8.0% applied to free cash flows in 2009. These rates and values were chosen to reflect different assumptions regarding the required rates of return of holders or prospective buyers of Premier Bancorp common stock. This analysis and its underlying assumptions yielded a range of value for all shares of Premier Bancorp common stock of approximately \$16.5 million (at a 16.5% discount rate and 4.0% earnings growth into perpetuity) to \$73.3 million (at a 10.5% discount rate and 8.0% earnings growth into perpetuity), compared to total merger consideration of \$37.0 million.

Comparable Company Analysis

Using publicly available information, Hovde Financial compared the financial performance and stock market valuation of BancorpSouth with the following United States publicly traded banking institutions with assets as of June 30, 2004 between \$10 billion and \$15 billion:

Company Name (Ticker)	Assets (Dollars in Millions)
Bank of Hawaii Corporation (BOH)	14,465
BOK Financial Corporation (BOKF)	14,425
City National Corporation (CYN)	14,130

Commerce Bancshares, Inc. (CBSH)	13,988
First BanCorp (FBP)	13,474
First Citizens BancShares, Inc. (FCNCA)	12,830
FirstMerit Corporation (FMER)	12,242
Fulton Financial Corporation (FULT)	11,943
Mercantile Bankshares Corporation (MRBK)	11,475
Sky Financial Group, Inc. (SKYF)	10,556
South Financial Group, Inc. (The) (TSFG)	10,485
TCF Financial Corporation (TCB)	10,378
Valley National Bancorp (VLY)	10,019

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Indications of such financial performance and stock market valuation included profitability measures, earnings composition, operating and performance metrics, loan portfolio compositions, deposit compositions, yield and cost analysis, capital adequacy, asset quality and reserve adequacy, all based on financial information as of June 30, 2004 and, where relevant, closing stock market information as of September 2, 2004. Selected market information for BancorpSouth and the group of comparable companies that was analyzed is provided below.

	Stock Price as of 9/2/04	Price/ Total Book Value (%)	Price/Book (%)	Price/ Last 12 Months Earnings Per Share (x)	Dividend Yield (x)	Market Cap (\$billions)	Inside Ownership (%)
BancorpSouth	\$22.93	229.5	206.58	14.79	3.14	1.76	6.58
Comparable Company Average	\$46.99	319.41	264.36	17.32	2.28	2.69	15.89

Based upon the foregoing analyses and other investigations and assumptions set forth in its opinion, without giving specific weightings to any one factor or comparison, Hovde Financial determined that the transaction consideration was fair from a financial point of view to Premier Bancorp shareholders.

Regulatory Approval

Completion of the merger is conditioned on, among other things, the receipt of approvals by the Federal Deposit Insurance Corporation, the Mississippi Department of Banking and Consumer Finance and the Tennessee Department of Financial Institutions. BancorpSouth expects the Board of Governors of the Federal Reserve System to waive its notification filing requirements with respect to the merger.

As a Mississippi state non-member bank, BancorpSouth Bank must file an application with the FDIC for approval of the merger under Sections 18(c) and 18(d) of the Federal Deposit Insurance Act. The FDIC may disapprove the application if it finds that the merger tends to create or result in a monopoly, substantially lessens competition or would be in restraint of trade. BancorpSouth Bank filed this application with the FDIC on October 27, 2004. Following approval of the application by the FDIC, the United States Department of Justice has up to 30 calendar days to submit any adverse comments relating to competitive factors resulting from 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.

BancorpSouth notified the Mississippi Department of Banking and Consumer Finance on October 27, 2004 of the pending merger of Premier Bancorp's bank subsidiary into BancorpSouth Bank and submitted the necessary documents and applicable fees required for its approval. Approval of this bank merger by the Mississippi Department of Banking and Consumer Finance is expected to be received prior to approval of the merger agreement by Premier Bancorp shareholders. Also, in connection with this merger, Premier Bancorp and BancorpSouth filed with the Commissioner of the Tennessee Department of Financial Institutions on October 27, 2004 a notice of the pending merger, provided a copy of all applications filed with any federal agency in connection with the merger and paid a fee as prescribed by regulation of the Commissioner. Approval of the merger by the Commissioner of the Tennessee Department of Financial Institutions is expected to be received on or about November 24, 2004.

Accounting Treatment

The merger will be accounted for as a purchase, as that term is used under GAAP, for accounting and financial reporting purposes. Premier Bancorp will be treated as the acquired corporation for accounting and financial reporting purposes. Premier Bancorp's assets, liabilities and other items will be adjusted to their estimated fair value on the closing date of the merger and combined with the historical book values of the assets and liabilities of BancorpSouth. Applicable income tax effects of these adjustments will be included as a component of the combined company's deferred tax asset or liability. The difference between the estimated fair value of the assets (including separately identifiable intangible assets, such as core deposit intangibles), liabilities and other items

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(adjusted as discussed above) and the purchase price will be recorded as goodwill. Financial statements of BancorpSouth issued after the merger will reflect the values and will not be restated retroactively to reflect the historical financial position or results of operations of Premier Bancorp.

Material United States Federal Income Tax Consequences

The following discussion summarizes the material anticipated United States federal income tax consequences of the merger to Premier Bancorp shareholders who hold their shares of Premier Bancorp common stock as capital assets. This discussion does not address the tax consequences of transactions effectuated prior or subsequent to, or concurrently with, the merger (whether or not such transactions are undertaken in connection with the merger). In addition, this discussion does not address all of the federal income tax consequences that may be important to each taxpayer in light of its particular circumstances, nor does this discussion address the federal income tax consequences that may be applicable to taxpayers subject to special treatment under the Internal Revenue Code, such as:

tax-exempt organizations;

financial institutions, insurance companies and broker-dealers or persons who have elected to use the mark-to-market method of accounting with respect to their securities holdings;

shareholders who hold their shares of Premier Bancorp common stock as part of a hedge, straddle, wash sale, synthetic security, conversion transaction or other integrated investment comprised of shares of Premier Bancorp common stock and one or more other investments;

persons who acquired their shares of Premier Bancorp common stock through the exercise of employee stock options, through a benefit plan or otherwise in a compensatory transaction;

shareholders who are not U.S. persons within the meaning of the Internal Revenue Code or that have a functional currency other than the U.S. dollar;

pass-through entities and investors in such entities; or

shareholders who exercise their dissenters' rights.

No information is provided in this document or the tax opinions referred to below with respect to the tax consequences, if any, of the merger under applicable foreign, state, local and other tax laws. This discussion and the tax opinions are based upon the provisions of the Internal Revenue Code, applicable Treasury regulations, administrative rulings and judicial decisions, all as in effect as of the date of this Proxy Statement/Prospectus. There can be no assurance that future legislative, administrative or judicial changes or interpretations, which changes could apply retroactively, will not affect the accuracy of this discussion or the statements or conclusions set forth in the tax opinions referred to below.

In connection with the filing of the registration statement of which this Proxy Statement/Prospectus is a part, BancorpSouth has received an opinion of Waller Lansden Dortch & Davis, PLLC, and Premier Bancorp has received an opinion of Baker, Donelson, Bearman, Caldwell & Berkowitz, PC, that, as of the respective dates of such opinions, if certain factual circumstances exist, the merger will be treated for 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. The parties will not be required to consummate the merger unless they receive additional opinions of their respective counsel, dated the closing date of the merger, confirming that the merger will be treated for 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.

The opinions of the parties' respective counsel regarding the merger have relied, and the opinions regarding the merger as of the closing date will each rely, on the following:

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representations and covenants made by BancorpSouth and Premier Bancorp, including those contained in certificates of officers of BancorpSouth and Premier Bancorp; and

specified assumptions, including an assumption regarding the completion of the merger in the manner contemplated by the merger agreement.

In addition, the opinions of the parties' respective counsel have assumed, and such counsel's ability to provide the opinions at the closing of the merger will depend on, the absence of changes to the anticipated facts or changes in law between the date of this Proxy Statement/Prospectus and the closing date. If any of those representations, covenants or assumptions is inaccurate, the parties' respective counsel may not be able to provide one or more of the required opinions to be delivered at the closing of the merger and/or the tax consequences of the merger could differ from those described in the opinions that counsel have delivered.

The opinions of the parties' respective counsel do not bind the Internal Revenue Service and do not preclude the IRS or the courts from adopting a contrary position. BancorpSouth and Premier Bancorp do not intend to obtain a ruling from the IRS on the tax consequences of the merger. If the IRS were to assert successfully that the merger is not a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, then each Premier Bancorp shareholder would be required to recognize gain or loss equal to the difference between (i) the sum of the fair market value of the BancorpSouth common stock and the amount of cash received in the exchange and (ii) the shareholder's adjusted tax basis in the Premier Bancorp common stock surrendered for such consideration. Such gain or loss would be a capital gain or loss, provided that such shares of Premier Bancorp common stock were held as capital assets by the shareholder at the effective time of the merger. Such capital gain or loss recognized would be long-term capital gain or loss if the Premier Bancorp shareholder's holding period for the Premier Bancorp common stock was more than one year. In such event, a Premier Bancorp shareholder's total initial tax basis in the BancorpSouth common stock received would be equal to its fair market value at the effective time of the merger, and the shareholder's holding period for the BancorpSouth common stock would begin on the day after the merger.

Assuming that the merger qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, neither BancorpSouth nor Premier Bancorp will recognize any gain or loss as a result of the merger. The federal income tax consequences of the merger qualifying as a reorganization to a particular Premier Bancorp shareholder will vary depending primarily on whether the shareholder exchanges his or her Premier Bancorp common stock solely for BancorpSouth common stock (except for cash received instead of a fractional share of BancorpSouth common stock), solely for cash or for a combination of BancorpSouth common stock and cash. At the time that a Premier Bancorp shareholder makes an election as to the form of consideration to be received in the merger and at the time of the vote on the merger, such shareholder will not know the extent to which the shareholder's elected form of merger consideration will be given effect. Regardless of whether a Premier Bancorp shareholder elects to receive BancorpSouth common stock, cash or a combination of BancorpSouth common stock and cash, the federal income tax consequences to the shareholder will depend on the actual merger consideration received by the shareholder.

Premier Bancorp Shareholders Receiving Only BancorpSouth Common Stock

No gain or loss will be recognized by a holder of Premier Bancorp common stock as a result of the surrender of shares of Premier Bancorp common stock solely in exchange for shares of BancorpSouth common stock pursuant to the merger (except with respect to cash received instead of fractional shares of BancorpSouth common stock, as discussed below). The aggregate tax basis of the shares of BancorpSouth common stock received in the merger (including any fractional shares of BancorpSouth common stock deemed received) will be the same as the aggregate tax basis of the shares of Premier Bancorp common stock surrendered in exchange for the BancorpSouth common stock. The holding period of the shares of BancorpSouth common stock received (including any fractional shares of BancorpSouth common stock deemed received) will include the holding period of shares of Premier Bancorp common stock surrendered in exchange for the BancorpSouth common stock, provided that such shares of Premier Bancorp

common stock were held as capital assets of the shareholder at the effective time of the merger.

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Premier Bancorp Shareholders Receiving Only Cash

A holder of Premier Bancorp common stock that does not receive any shares of BancorpSouth common stock pursuant to the merger (and is not treated as constructively owning, after the merger, BancorpSouth common stock held by certain family members and entities affiliated with the holder under the Internal Revenue Code) will generally recognize gain or loss equal to the difference between the amount of cash received and the holder's adjusted tax basis in the shares of Premier Bancorp common stock exchanged in the merger. Such gain or loss will be a capital gain or loss, provided that such shares of Premier Bancorp common stock were held as capital assets by the shareholder at the effective time of the merger. Such capital gain or loss will be a long-term capital gain or loss to the extent that, at the effective time of the merger, the holder has a holding period in such Premier Bancorp common stock of more than one year. The Internal Revenue Code contains limitations on the extent to which a taxpayer may deduct capital losses from ordinary income.

Premier Bancorp Shareholders Receiving Both Cash and BancorpSouth Common Stock

If a holder of Premier Bancorp common stock receives both BancorpSouth common stock and cash (other than cash in lieu of a fractional interest in BancorpSouth common stock) in the merger, that holder will recognize gain, if any, equal to the lesser of:

the amount of cash received; or

the amount by which the sum of the amount of cash received and the fair market value, at the effective time of the merger, of the BancorpSouth common stock received exceeds the holder's adjusted tax basis in the shares of Premier Bancorp common stock exchanged in the merger.

Any recognized gain could be taxed as a capital gain or a dividend. Such gain will generally be capital gain (provided that such shares of Premier Bancorp common stock were held as capital assets by the shareholder at the effective time of the merger), unless the holder's exchange of Premier Bancorp common stock for cash and BancorpSouth common stock has the effect of the distribution of a dividend after giving effect to the constructive ownership rules of the Internal Revenue Code, in which case such gain might be treated as ordinary income. Any capital gain recognized generally will be long-term capital gain to the extent that, at the effective time of the merger, the holder has a holding period in the Premier Bancorp common stock exchanged in the merger of more than one year. Because the determination of whether a cash payment will be treated as having the effect of a dividend depends primarily upon the facts and circumstances of each Premier Bancorp shareholder, Premier Bancorp shareholders are urged to consult their own tax advisors regarding the tax treatment of any cash received in the merger.

The aggregate tax basis of the shares of BancorpSouth common stock received in the merger (including any fractional shares of BancorpSouth common stock deemed received) will be the same as the aggregate tax basis of the shares of Premier Bancorp common stock surrendered in the merger, increased by the amount of gain recognized in the exchange (whether characterized as capital gain or a dividend, but excluding any gain recognized with respect to any cash received instead of a fractional share of BancorpSouth common stock) and reduced by the amount of cash received in the exchange (excluding any cash received instead of a fractional share of BancorpSouth common stock). The holding period of the shares of BancorpSouth common stock received (including any fractional share of BancorpSouth common stock deemed received) will include the holding period of shares of Premier Bancorp common stock surrendered in exchange for the BancorpSouth common stock, provided that such shares of Premier Bancorp common stock were held as capital assets of the shareholder at the effective time of the merger. A Premier Bancorp shareholder who receives a combination of BancorpSouth common stock and cash in exchange for his or her Premier Bancorp common stock will not be permitted to recognize any loss for federal income tax purposes.

A Premier Bancorp shareholder's federal income tax consequences will also depend on whether his or her shares of Premier Bancorp common stock were purchased at different times at different prices. If they were, the Premier Bancorp shareholder could realize gain with respect to some of the shares of Premier Bancorp common stock and loss with respect to other shares. Such Premier Bancorp shareholder would have to recognize such gain to the extent such shareholder receives cash with respect to those shares of Premier Bancorp common stock in which

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the shareholder's adjusted tax basis is less than the amount of cash plus the fair market value at the effective time of the merger of the BancorpSouth common stock received, but could not recognize loss with respect to those shares of Premier Bancorp common stock in which the Premier Bancorp shareholder's adjusted tax basis is greater than the amount of cash plus the fair market value at the effective time of the merger of the BancorpSouth common stock received. Any disallowed loss would be included in the adjusted basis of the BancorpSouth common stock. Such a Premier Bancorp shareholder is urged to consult his or her own tax advisor respecting the tax consequences of the merger to that shareholder.

Cash Instead of Fractional Shares of BancorpSouth Common Stock

Holders of Premier Bancorp common stock who receive cash instead of a fractional share of BancorpSouth common stock will be treated as having received the fractional share in the merger and then as having the fractional share redeemed by BancorpSouth in exchange for the cash actually distributed instead of the fractional share, with such redemption qualifying as an exchange under Section 302 of the Internal Revenue Code. Accordingly, such holders will generally recognize gain or loss equal to the difference between the tax basis of the holder's Premier Bancorp common stock allocable to that fractional share and the amount of cash received. The gain or loss generally will be capital gain or loss and long-term capital gain or loss if the Premier Bancorp common stock exchanged has been held for more than one year.

Backup Withholding

A holder of Premier Bancorp common stock may be subject, under certain circumstances, to backup withholding at a rate of 28% with respect to the amount of cash, if any, received in the merger, including cash received instead of fractional shares of BancorpSouth common stock, unless the holder provides proof of an applicable exemption satisfactory to BancorpSouth and the exchange agent or furnishes its correct taxpayer identification number, and otherwise complies with applicable requirements of the backup withholding rules. Any amount withheld under the backup withholding rules is not additional tax and may be refunded or credited against the holder's federal income tax liability, so long as the required information is furnished to the IRS.

The preceding summary does not purport to be a complete analysis or discussion of all potential tax effects relevant to the merger. Accordingly, Premier Bancorp shareholders are urged to consult their own tax advisors as to the specific tax consequences to them of the merger, including tax return reporting requirements, the applicability and effect of federal, state, local, foreign and other tax laws and the effect of any proposed changes in the tax laws.

Shareholders Dissenters' Rights

Premier Bancorp is a corporation organized under the laws of the State of Tennessee and its principal place of business is in the State of Tennessee. Each record holder of Premier Bancorp common stock will be entitled to dissenters' rights as a result of the merger pursuant to Sections 48-23-101 *et seq.* of the Tennessee Business Corporation Act. If you have a beneficial interest in shares of Premier Bancorp common stock that are held of record in the name of another person, such as a broker or nominee, you must submit to Premier Bancorp the record shareholder's written consent to the dissent not later than the time you assert dissenters' rights and must do so with respect to all shares that you beneficially own.

The following discussion is not a complete statement of the law pertaining to dissenters' rights under the Tennessee Business Corporation Act. If you wish to exercise such dissenters' rights, or wish to preserve your right to do so, you should 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 following discussion carefully.

The availability of dissenters' rights is conditioned upon full compliance with a complicated procedure set forth in the Tennessee Business Corporation Act. Failure to timely and properly comply with the procedures specified will result in the complete loss of dissenters' rights. Accordingly, if you wish to dissent from the merger and demand the fair value of your Premier Bancorp common stock in cash, you should consult with your own legal counsel.

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Your vote not in favor of the merger agreement will not be deemed to satisfy all of the notice requirements under the Tennessee Business Corporation Act with respect to appraisal rights.

Procedure for the Exercise of Dissenters' Rights

In order to be eligible to exercise the right to dissent, 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 written notice of intent to dissent with respect to the merger should be sent to: Premier Bancorp, Inc., 5217 Maryland Way, Brentwood, Tennessee 37027, Attention: James D. Harris, Chairman and CEO. A vote against the merger agreement above will not satisfy the requirements for compliance with Section 48-203-101 *et. seq.* of the Tennessee Business Corporate Act. A shareholder of Premier Bancorp who wishes to dissent from the merger must, as an initial matter, comply with all of the conditions listed above.

If the merger agreement is approved at the Premier Bancorp special meeting, Premier Bancorp must deliver a written dissenters' notice to all dissenting Premier Bancorp shareholders who satisfied the requirements referred to above. The dissenters' notice must be sent no later than ten days after the merger agreement was approved by the shareholders and must:

state where the payment demand must be sent and where and when certificates for certificated shares must be deposited;

inform holders of uncertificated shares of Premier Bancorp common stock to what extent transfer of the shares will be restricted after the payment demand is received;

supply a form for demanding payment that specifies that the date of the first announcement to news media or to shareholders of the principal terms of the merger was September 17, 2004 and requires that the person asserting dissenters' rights certify whether or not that person acquired beneficial ownership of the shares before September 17, 2004; and

set a date by which Premier Bancorp must receive the payment demand, which date may not be fewer than one month nor more than two months after the date the notice is delivered.

If you are sent a written notice from Premier Bancorp, you must demand payment, certify whether you acquired beneficial ownership of the shares of Premier Bancorp common stock before September 17, 2004, and deposit your certificates in accordance with the terms of the notice from Premier Bancorp. If you do not demand payment or deposit your share certificates where required, each by the date set in Premier Bancorp's notice, you will not be entitled to payment for your shares of Premier Bancorp common stock.

Premier Bancorp may restrict the transfer of uncertificated shares of Premier Bancorp common stock from the date the demand for payment is received until the merger is completed or Premier Bancorp releases this restriction in accordance with the Tennessee Business Corporation Act.

If you demand payment and deposit your share certificates in accordance with the notice from Premier Bancorp, you shall retain all other rights of a shareholder until those rights are canceled or modified by the completion of the merger. You may not withdraw your demand for payment unless Premier Bancorp or BancorpSouth consents to your withdrawal.

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Premier Bancorp's Payment or Offer of Payment

As soon as the merger is completed, Premier Bancorp will pay each dissenter who complied with the requirements set forth in the notice from Premier Bancorp the amount that Premier Bancorp estimates to be the fair value of each dissenter's shares (which shall exclude any appreciation or depreciation in anticipation of the merger), plus accrued interest. The payment must be accompanied by:

Premier Bancorp's balance sheet as of the end of 2003, an income statement for 2003, a statement of changes in shareholders' equity for 2003 and the latest available interim financial statements, if any;

a statement of Premier Bancorp's estimate of the fair value of the shares;

an explanation of how the interest was calculated; and

a statement of the dissenter's right to demand payment of a different amount under the Tennessee Business Corporation Act.

If Premier Bancorp does not complete the merger within two months after the date set for demanding payment and depositing share certificates, Premier Bancorp shall return the deposited certificates and release the transfer restrictions imposed on uncertificated shares. If Premier Bancorp completes the merger after returning deposited certificates and releasing transfer restrictions, Premier Bancorp must send a new dissenter's notice and repeat the payment demand procedure.

Premier Bancorp may elect to withhold payment required by the Tennessee Business Corporation Act from a dissenter unless the dissenter was the beneficial owner of the shares of Premier Bancorp common stock before September 17, 2004, the date of the first announcement to news media of the principal terms of the proposed merger. If Premier Bancorp properly elects to withhold payment from a dissenter, Premier Bancorp shall estimate the fair value of the shares, plus accrued interest, and shall pay this amount to each dissenter who agrees to accept it in full satisfaction of the dissenter's demand. Premier Bancorp shall send with its offer a statement of its estimate of the fair value of the shares, an explanation of how the interest was calculated and a statement of the dissenter's right to demand payment under the Tennessee Business Corporation Act.

Procedure if Dissatisfied with Payment or Offer

A dissenter may notify Premier Bancorp in writing of his or her own estimate of the fair value of his or her shares of Premier Bancorp common stock and the amount of interest due, and demand payment of the estimate (less any payment already made by Premier Bancorp) or reject Premier Bancorp's offer, and demand payment of the fair value of his or her shares and interest due, if:

the dissenter believes that the amount paid or offered by Premier Bancorp is less than the fair value of his or her shares or that the interest due is incorrectly calculated;

Premier Bancorp fails to make payment within two months after the date set for demanding payment; or

Premier Bancorp, having failed to complete the merger, does not return the deposited certificates or release the transfer restrictions imposed on uncertificated shares within two months after the date set for demanding payment.

A dissenter waives his or her right to demand payment unless the dissenter notifies Premier Bancorp of his or her demand in writing as set forth above within one month after Premier Bancorp made or offered payment for the dissenter's shares of Premier Bancorp common stock.

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If a demand for payment by a dissenter remains unsettled, Premier Bancorp must commence a proceeding in a court of record having equity jurisdiction in Williamson County, Tennessee within two months after receiving the payment demand and petition the court to determine the fair value of the shares of Premier Bancorp common stock and accrued interest. If Premier Bancorp does not commence the proceeding within the two-month period, it shall pay each dissenter whose demand remains unsettled the amount demanded. Premier Bancorp shall make all dissenters (whether or not residents of Tennessee) whose demands remain unsettled, parties to the proceeding as in an action against their shares and all parties must be served with a copy of the petition. Nonresidents may be served by registered or certified mail or by publication as provided by law. The court in which the proceeding is commenced may appoint one or more persons as appraisers to receive evidence and recommend decision on the question of fair value. The dissenters will be entitled to the same discovery rights as parties in other civil proceedings. Each dissenter made a party to the proceeding is entitled to judgment:

for the amount, if any, by which the court finds the fair value of the dissenter's shares, plus accrued interest, exceeds the amount paid by Premier Bancorp; or

for the fair value, plus accrued interest, of the dissenter's shares acquired after September 17, 2004 for which Premier Bancorp elected to withhold payment.

The court in an appraisal proceeding shall determine all costs of the proceeding, including the reasonable compensation and expenses of appraisers appointed by the court. The court shall assess the costs against Premier Bancorp, except that the court may assess costs against all or some of the dissenters, in amounts the court finds equitable, to the extent the court finds the dissenters acted arbitrarily, vexatiously, or not in good faith in demanding payment. The court may also assess the fees and expenses of counsel and experts for the respective parties, in amounts the court finds equitable against:

Premier Bancorp and in favor of any or all dissenters if the court finds Premier Bancorp did not substantially comply with the requirements of Sections 48-23-201 *et seq.* of the Tennessee Business Corporation Act; or

either Premier Bancorp or a dissenter, in favor of any other party, if the court finds that the party against whom the fees and expenses are assessed acted arbitrarily, vexatiously, or not in good faith with respect to the rights provided by the Tennessee Business Corporation Act.

If the court finds that the services of counsel for any dissenter were of substantial benefit to other dissenters similarly situated, and that the fees for those services should not be assessed against Premier Bancorp, the court may award to these counsel reasonable fees to be paid out of the amounts awarded to the dissenters who were benefited.

Interests of Certain Persons in the Merger

Certain members of management of Premier Bancorp and Premier Bancorp's Board of Directors may be deemed to have interests in the merger that are in addition to their interests as Premier Bancorp shareholders generally. Premier Bancorp's Board of Directors was aware of these interests and considered them, among other matters, in approving the merger agreement.

In connection with the merger and in consideration for terminating their existing employment agreements with Premier Bank, William E. Ellis, J. Daniel Dellinger and Christopher P. Marchetti will each receive bonuses equal to 1.5 times their present annual base salaries and James D. Harris and Diane D. West will each receive bonuses equal to two times their present annual base salaries. Each of Messrs. Ellis, Marchetti and Harris and Ms. West has entered into an employment agreement with BancorpSouth for a term of one year at his or her former annual salary.

Executive officers and directors of Premier Bancorp will receive shares of BancorpSouth common stock in the merger on the same basis as other Premier Bancorp shareholders. The following chart shows the number of shares of

BancorpSouth common stock that may be issued to executive officers, directors and holders of more than 5% of Premier Bancorp common stock in the merger:

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Beneficial ownership by executive officers, directors and holders of more than 5% of Premier Bancorp common stock, and their affiliates, as of [], 2004 (including stock options that may be exercised within 60 days)	414,750
Maximum number of shares of BancorpSouth common stock to be received in the merger (based on such beneficial ownership)	903,535
Officers and directors of Premier Bancorp have certain interests under the merger agreement regarding indemnification following the merger. See THE MERGER AGREEMENT Indemnification.	

Comparison of Rights of Shareholders

At the effective time of the merger, Premier Bancorp shareholders who receive shares of BancorpSouth common stock will automatically become BancorpSouth shareholders. BancorpSouth is a Mississippi corporation governed by provisions of the Mississippi Business Corporation Act and BancorpSouth’s restated articles of incorporation, as amended, and amended and restated bylaws, as amended. Premier Bancorp is a Tennessee corporation governed by provisions of the Tennessee Business Corporation Act, and Premier Bancorp’s articles of incorporation and bylaws. See COMPARISON OF RIGHTS OF SHAREHOLDERS.

Restrictions on Resales by Affiliates

The shares of BancorpSouth common stock issuable to Premier Bancorp shareholders upon completion of the merger have been registered under the Securities Act of 1933. These shares may be traded freely without restriction by those shareholders who are not deemed to be affiliates of Premier Bancorp or BancorpSouth, as that term is defined in SEC rules under the Securities Act. An affiliate of a company generally includes its executive officers and directors and holders of 10% or more of the company’s voting stock.

Shares of BancorpSouth common stock received by those Premier Bancorp shareholders who are deemed to be affiliates of Premier Bancorp at the time of the Premier Bancorp special meeting may be resold without registration under the Securities Act only as permitted by Rule 145 under the Securities Act. Under Rule 145, during the one-year period following completion of the merger, affiliates of Premier Bancorp may resell shares of BancorpSouth common stock received by them in the merger subject to limitations on the number of shares that may be sold during any three-month period and the manner in which the shares may be sold, including the use of a broker and non-solicitation of a buyer. Affiliates of Premier Bancorp at the time of the Premier Bancorp special meeting who are not affiliates of BancorpSouth may resell their shares of BancorpSouth common stock acquired in connection with the merger without registration under the Securities Act after one year following completion of the merger so long as BancorpSouth maintains current public information and after two years following completion of the merger without any restrictions under Rule 145.

Premier Bancorp has agreed in the merger agreement to use its reasonable best efforts to cause each person who is an affiliate of Premier Bancorp, for purposes of Rule 145 under the Securities Act, to deliver to BancorpSouth a written agreement intended to ensure compliance with the Securities Act.

Source of Funds for Cash Portion of Merger Consideration

BancorpSouth intends to pay the cash portion of the merger consideration to the Premier Bancorp shareholders from funds available to BancorpSouth at closing. BancorpSouth currently intends these funds to be comprised of available cash that will be distributed from BancorpSouth Bank to BancorpSouth in accordance with a previously

declared dividend.

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THE MERGER AGREEMENT

The following summary of certain terms and provisions of the merger agreement is qualified in its entirety by reference to the merger agreement, which is incorporated into this Proxy Statement/Prospectus by reference and, with the exception of exhibits and schedules to the merger agreement, is attached as Annex A to this Proxy Statement/Prospectus.

Terms of the Merger

Upon completion of the merger, Premier Bancorp will merge with and into BancorpSouth, the separate corporate existence of Premier Bancorp will cease and BancorpSouth will be the surviving corporation. BancorpSouth will continue to exist as a Mississippi corporation. In addition, Premier Bancorp's wholly-owned subsidiary, Premier Bank of Brentwood, will merge with and into BancorpSouth Bank, a Mississippi state banking corporation and a wholly-owned subsidiary of BancorpSouth, and BancorpSouth Bank will be the surviving bank. BancorpSouth Bank will continue its existence under the laws of Mississippi. Subject to the satisfaction or waiver of certain conditions set forth in the merger agreement, the merger will become effective upon the filing of a certificate of merger in the offices of the Secretary of State of the State of Tennessee and the offices of the Secretary of State of the State of Mississippi in accordance with the Tennessee Business Corporation Act and the Mississippi Business Corporation Act of 1987. See THE MERGER AGREEMENT Conditions to the Merger.

The merger will have the effects set forth in Section 79-4-11.07 of the Mississippi Business Corporation Act, Section 81-5-85 of the Mississippi Banking Act, Section 48-21-108 of the Tennessee Business Corporation Act and Section 45-2-1308 of the Tennessee Banking Act.

BancorpSouth's restated articles of incorporation, as amended, and amended and restated bylaws, as amended, as in effect upon completion of the merger will be those of the surviving corporation, and BancorpSouth Bank's articles of incorporation and bylaws as in effect upon completion of the merger will be those of the surviving bank.

At the effective time of the merger, automatically by virtue of the merger and without any action on the part of any party or shareholder, each share of Premier Bancorp common stock outstanding immediately prior to the effective time (other than dissenting shares and shares held by Premier Bancorp and BancorpSouth) will become and be converted into the right to receive, at the election of the holder of such share and subject to tax-related adjustments, either:

\$50.07 in cash (without interest), assuming payment solely of cash in exchange for Premier Bancorp common stock; or

2.1785 shares of BancorpSouth common stock, assuming payment solely of BancorpSouth common stock in exchange for a share of Premier Bancorp common stock; or

a combination of cash plus BancorpSouth common stock. See THE MERGER AGREEMENT Cash or Stock Election.

No fractional shares of BancorpSouth common stock will be issued in connection with the merger. Instead, Premier Bancorp shareholders will receive, without interest, a cash payment from BancorpSouth equal to \$22.984 times the fraction of a share of BancorpSouth common stock to which the shareholder otherwise would be entitled.

The exchange ratio of 2.1785 will not be adjusted to reflect any change in the price of BancorpSouth common stock. BancorpSouth expects the market price of BancorpSouth common stock to fluctuate as a result of market

factors beyond its control between the date of this Proxy Statement/Prospectus and the date on which the merger is completed and thereafter. Because the exchange ratio is fixed and the market price of BancorpSouth common stock is expected to fluctuate and may decrease, the implied market value of BancorpSouth common stock that Premier Bancorp shareholders may receive in the merger may increase or decrease prior to completion of the merger. For further information concerning the historical market prices of BancorpSouth common stock and Premier

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Bancorp common stock, see PRICE RANGE OF COMMON STOCK AND DIVIDENDS. BancorpSouth cannot assure you that the market price of BancorpSouth common stock will not decrease before or after the merger.

The following table shows the implied value of the stock consideration into which one share of Premier Bancorp common stock would be converted in the merger at various hypothetical reference closing prices of BancorpSouth common stock at the effective time of the merger:

Closing Price of BancorpSouth		Implied Value per Share of Premier Bancorp Common Stock
Common Stock	Exchange Ratio	
\$20.00	2.1785	\$ 43.57
21.00	2.1785	45.75
22.00	2.1785	47.93
23.00	2.1785	50.11
24.00	2.1785	52.28
25.00	2.1785	54.46

At the effective time of the merger, all shares of Premier Bancorp common stock held by Premier Bancorp or its subsidiary bank, other than shares held in a fiduciary capacity or in connection with a debt previously contracted, will be canceled and will cease to exist, and no BancorpSouth common stock or other consideration will be delivered in exchange for such shares. Also at the effective time of the merger, all shares of BancorpSouth common stock held by Premier Bancorp or its subsidiary bank, other than shares held in a fiduciary capacity or in connection with a debt previously contracted, will become treasury stock and all other shares of BancorpSouth common stock outstanding as of the effective time will remain outstanding.

At the effective time of the merger, each outstanding and unexercised option to purchase shares of Premier Bancorp common stock granted by Premier Bancorp 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 under the appropriate BancorpSouth stock option plan. The number of shares of BancorpSouth common stock underlying these new options will be equal to the product of (i) the number of shares of Premier Bancorp common stock underlying the original options, multiplied by (ii) the exchange ratio, with any fractional shares of BancorpSouth common stock resulting from this calculation to be rounded to the nearest whole share. The exercise price per share of BancorpSouth common stock under these new options will be equal to the quotient of (i) the aggregate exercise price for the shares of Premier Bancorp common stock under the original options, divided by (ii) the number of shares of BancorpSouth common stock issuable under the new options. The duration and material terms of each new option to purchase BancorpSouth common stock will be the same as the replaced option to purchase Premier Bancorp common stock. At the effective time, BancorpSouth will either adopt the Premier Bancorp option plans for the purpose of issuing new options or, in BancorpSouth's sole discretion, issue new options under and subject to an appropriate stock option plan of BancorpSouth.

At the effective time of the merger, Premier Bancorp shareholders, other than those who perfect dissenters' rights, will have no further rights as Premier Bancorp shareholders, other than to receive the consideration to be issued to them in the merger. After the effective time of the merger, there will be no transfers on Premier Bancorp's stock transfer books of shares of Premier Bancorp common stock. If, after the effective time, stock certificates representing

shares of Premier Bancorp common stock are presented for transfer to SunTrust Bank, Atlanta, N.A., the exchange agent for the merger, they will be canceled and exchanged for either cash or certificates representing shares of BancorpSouth common stock as provided in the merger agreement.

If, prior to the merger, shares of BancorpSouth common stock are changed into a different number or class of shares as a result of any reclassification, recapitalization, split-up, combination, exchange of shares or readjustment, or if a stock dividend is declared on the shares of BancorpSouth common stock with a record date prior to the merger, the exchange ratio will be adjusted accordingly.

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

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the outstanding shares of common stock of the combined company, assuming the proposed merger of Business Holding Corporation with and into BancorpSouth, which is described in BancorpSouth's Form 8-K filed with the Securities and Exchange Commission on September 20, 2004, occurs prior to the proposed merger of Premier Bancorp with and into BancorpSouth and assuming all options to purchase shares of Premier Bancorp common stock are exercised prior to the merger and 51% of the outstanding shares of Premier Bancorp common stock are converted into shares of BancorpSouth common stock in connection with the merger.

Cash or Stock Election

Each shareholder of Premier Bancorp has the opportunity to elect the type of consideration to be received for such shareholder's shares of Premier Bancorp common stock in the merger—cash, shares of BancorpSouth common stock or a combination of both. All elections by Premier Bancorp shareholders are subject to the allocation and proration procedures described in the merger agreement. These procedures are intended to ensure that, subject to a tax-related adjustment, 51% of the outstanding shares of Premier Bancorp common stock will be converted into the right to receive BancorpSouth common stock, and the remaining shares of Premier Bancorp common stock will be converted into the right to receive cash.

It is unlikely that elections will be made in the exact proportions provided for in the merger agreement. As a result, the merger agreement describes procedures to be followed if Premier Bancorp shareholders in the aggregate elect to receive more or less of BancorpSouth common stock than BancorpSouth has agreed to issue. These procedures are summarized below.

If BancorpSouth Common Stock is Oversubscribed: If Premier Bancorp shareholders elect to receive more shares of BancorpSouth common stock than the maximum number that BancorpSouth has agreed to issue in the merger, then all Premier Bancorp shareholders who have elected to receive cash or who have made no election will receive cash for their shares of Premier Bancorp common stock and all shareholders who elected to receive BancorpSouth common stock will receive a pro rata portion of the available shares of BancorpSouth common stock plus cash for those shares not converted into shares of BancorpSouth common stock.

If BancorpSouth Common Stock is Undersubscribed: If Premier Bancorp shareholders elect to receive fewer shares of BancorpSouth common stock than the minimum number that BancorpSouth has agreed to issue in the merger, and

- (1) this shortfall is less than or equal to the number of shares as to which Premier Bancorp shareholders have made no election, then all Premier Bancorp shareholders who have elected to receive BancorpSouth common stock will receive BancorpSouth common stock, all Premier Bancorp shareholders who have elected to receive cash will receive cash and all Premier Bancorp shareholders who made no election will receive a pro rata portion of the minimum

remaining shares of BancorpSouth common stock to be issued in the merger plus cash for those shares not converted into shares of BancorpSouth common stock; or

- (2) this shortfall is greater than the number of shares as to which Premier Bancorp shareholders have made no election, then all Premier Bancorp shareholders who have elected to receive BancorpSouth common stock or who have made no election will receive BancorpSouth common stock and all Premier Bancorp shareholders who have elected to receive cash will receive a pro rata portion of the minimum remaining shares of BancorpSouth common stock to be issued in the merger plus cash consideration for those shares not converted into shares of BancorpSouth common stock.

BancorpSouth and Premier Bancorp have structured the merger to qualify as a reorganization for U.S. federal income tax purposes. The merger might not qualify as a reorganization, however, if, on the closing date of the merger, the total value of the BancorpSouth shares that Premier Bancorp shareholders receive is less than 45% of the value of the total consideration including BancorpSouth common stock, cash and any other amounts treated as consideration in connection with the merger for federal income tax purposes that Premier Bancorp shareholders

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(including shareholders who exercise dissenters' rights) receive in connection with the merger. To prevent this from happening, if the value of the shares of BancorpSouth common stock received would otherwise be less than 45% of the value of the total consideration, the BancorpSouth common stock consideration will be increased and the cash consideration will be correspondingly decreased. If this tax-related adjustment is necessary, the amount of cash you would have received, after taking into account your election and any proration, will be reduced and you will receive additional shares of BancorpSouth common stock. Whether the tax-related adjustment will be made and the magnitude of the tax-related adjustment, if made, will be based on a number of factors, including the trading price of shares of BancorpSouth common stock on the date the merger is completed and the number of shares of Premier Bancorp common stock for which dissenters' rights are exercised. In no event, however, will BancorpSouth be obligated to issue more than 1,050,326 shares of its common stock as merger consideration, including shares to be issued upon the exercise of certain stock options.

Neither Premier Bancorp nor BancorpSouth is making any recommendation as to whether Premier Bancorp shareholders should elect to receive cash or BancorpSouth common stock in the merger. Each Premier Bancorp shareholder must make his or her own decision with respect to such election.

No guarantee can be made that you will receive the amounts of cash or stock you elect. As a result of the allocation procedures and other limitations outlined in this document and in the merger agreement, you may receive BancorpSouth common stock or cash in amounts that vary from the amounts you elect to receive.

Election Procedures; Surrender of Stock Certificates

If you are a record holder of Premier Bancorp common stock, an election form and letter of transmittal should have been provided to you with this Proxy Statement/Prospectus. The election form will entitle you to elect to receive cash, BancorpSouth common stock or a combination of cash and BancorpSouth common stock, or to make no election with respect to the merger consideration that you wish to receive.

To make a valid election, you must submit a properly completed election form to SunTrust Bank, Atlanta, N.A., which will be acting as the exchange agent, on or before 5:00 p.m., Eastern Time, on [], 2004. SunTrust Bank will act as exchange agent in the merger and in that role will process the exchange of Premier Bancorp common stock certificates for cash and/or BancorpSouth common stock. Shortly after [], 2004, the exchange agent will allocate cash and shares of BancorpSouth common stock among Premier Bancorp shareholders, consistent with their elections, the allocation and proration procedures and the tax-related adjustment. **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.**

An election form will be deemed properly completed only if accompanied by stock certificates representing all shares of Premier Bancorp common stock covered by the election form (or an appropriate guarantee of delivery) together with duly executed transmittal materials included with the election form. You may change your election at any time prior to the election deadline by written notice accompanied by a properly completed and signed, revised election form received by the exchange agent prior to the election deadline. You may revoke your election by written notice received by the exchange agent prior to the election deadline. All elections will be revoked, and share certificates returned, automatically if the merger agreement is terminated. If you have a preference for receiving either BancorpSouth common stock and/or cash for your Premier Bancorp common stock, you should complete and return the election form. If you do not make an election, you will be allocated BancorpSouth common stock and/or cash depending on the elections made by other Premier Bancorp shareholders.

Premier Bancorp shareholders who do not submit a properly completed election form or revoke their election form prior to the election deadline will have their shares of Premier Bancorp common stock designated as shares for which no election has been made.

Premier Bancorp shareholders who hold their shares of common stock in street name through a bank, broker or other financial institution, and who wish to make an election, should seek instructions from the institution holding their shares concerning how to make the election.

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BancorpSouth will deposit with the exchange agent the shares representing BancorpSouth's common stock and cash to be issued to Premier Bancorp shareholders in exchange for their shares of Premier Bancorp common stock. Upon surrendering his or her certificate(s) representing shares of Premier Bancorp common stock, together with the signed letter of transmittal, the Premier Bancorp shareholder shall be entitled to receive on closing of the merger, as applicable:

certificate(s) representing a number of whole shares of BancorpSouth common stock (if any) determined in accordance with the exchange ratio;

a check representing the amount of cash (if any) to which such holder shall have become entitled to; and

a check representing the amount of cash in lieu of fractional shares, if any.

Until you surrender your Premier Bancorp stock certificates for exchange, you will not be paid dividends or other distributions declared after the merger with respect to any BancorpSouth common stock into which your shares have been exchanged. No interest will be paid or accrued to Premier Bancorp shareholders on the cash consideration, cash in lieu of fractional shares or unpaid dividends and distributions, if any. After the completion of the merger, there will be no further transfers of Premier Bancorp common stock. Premier Bancorp stock certificates presented for transfer will be canceled and exchanged for the merger consideration.

If any of your stock certificates representing Premier Bancorp common stock have been lost, stolen or destroyed, BancorpSouth can require you to give an affidavit and/or post a bond in an amount that is customarily required by BancorpSouth and the exchange agent as indemnity against any claim that may be made with respect to your Premier Bancorp certificate(s). Upon making such affidavit and/or posting such bond, the exchange agent will issue the consideration due under the merger agreement.

If any certificate representing shares of BancorpSouth's common stock is to be issued in a name other than that in which the certificate for shares surrendered in exchange is registered, it will be a condition of issuance or payment that the certificate so surrendered be properly endorsed or otherwise be in proper form for transfer and that the person requesting the exchange either:

pay to the exchange agent in advance any transfer or other taxes required by reason of the issuance of a certificate representing shares of BancorpSouth common stock in any name other than the registered holder of the certificate surrendered; or

establish to the satisfaction of the exchange agent that the tax has been paid or is not payable.

Any portion of the cash or shares of BancorpSouth common stock made available to the exchange agent that remains unclaimed by Premier Bancorp shareholders for twelve months after the effective time of the merger will be returned to BancorpSouth. Following the period of twelve months after the effective time, any Premier Bancorp shareholder who has not exchanged shares of Premier Bancorp common stock for the merger consideration in accordance with the merger agreement may look only to BancorpSouth for payment of the merger consideration for these shares and any unpaid dividends or distributions. Nonetheless, BancorpSouth, Premier Bancorp, the exchange agent or any other person will not be liable to any Premier Bancorp shareholder for any amount properly delivered to a public official under applicable abandoned property, escheat or similar laws.

Treatment of Stock Options

At the effective time of the merger, each outstanding and unexercised option to acquire shares of Premier Bancorp common stock will be considered an option to purchase shares of BancorpSouth common stock. The new option will be subject to the terms of the appropriate stock option plan of BancorpSouth (or, in BancorpSouth's sole discretion,

BancorpSouth may adopt the stock option plans of Premier Bancorp), except that:

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the number of shares of BancorpSouth common stock subject to the new BancorpSouth stock option will be equal to the product of the number of shares of Premier Bancorp common stock subject to the Premier Bancorp stock option and the exchange ratio, rounded to the nearest whole share; and

the exercise price per share of BancorpSouth common stock subject to the new BancorpSouth stock option will be equal to the aggregate exercise price for the shares of Premier Bancorp common stock purchasable under the Premier Bancorp stock option divided by the number of shares of BancorpSouth common stock issuable under the new BancorpSouth stock option, rounded to the nearest whole cent. Each original option to purchase shares of Premier Bancorp common stock which is an incentive stock option will be adjusted in a manner that is consistent with the requirements of the Internal Revenue Code.

The duration and material terms of each new option to purchase BancorpSouth common stock will be the same as the replaced option to purchase Premier Bancorp common stock.

Representations and Warranties

The merger agreement contains a number of representations and warranties by Premier Bancorp and BancorpSouth regarding aspects of their respective businesses, financial condition, structure and other facts pertinent to the merger that are customary for a transaction of this kind. They include, among other things, representations as to:

the organization, existence, corporate power and authority and capitalization of each company and their respective subsidiaries;

the absence of conflicts with and violations of law and various documents, contracts and agreements;

the consents or approvals of or filings or registrations with any governmental authority or third party necessary in connection with the consummation of the merger;

the filing of all reports, registrations and statements with applicable regulatory agencies;

the accuracy of reports and financial statements provided to the other company;

the absence of any event or circumstance which is reasonably likely to have a material adverse effect;

the accuracy of information relating to each respective company contained in this Proxy Statement/Prospectus; and

required approvals for the merger.

The merger agreement also contains a number of additional representations and warranties solely by Premier Bancorp regarding aspects of its business, financial condition, structure and other facts pertinent to the merger that are customary for a transaction of this kind. They include, among other things, representations as to:

the absence of any broker's or finder's fees, other than Hovde Financial, due in connection with the merger;

the absence of materially adverse litigation;

the timely filing and accuracy of tax returns and timely payment of taxes due and owing;

the operation of all employee benefit plans in accordance with applicable law;

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compliance with applicable laws;

the existence, performance and legal effect of certain contracts;

the absence of certain agreements with regulatory agencies;

the absence of any anti-takeover laws to which Premier Bancorp or the merger is subject;

compliance with applicable environmental laws;

the adequacy and efficacy of insurance coverage;

loan portfolio matters;

ownership of properties and assets;

the absence of any loan or other credit that would have violated Section 13(k) of the Securities Exchange Act of 1934;

the absence of any termination of a banking relationship by a customer that would have a material adverse effect on Premier Bancorp;

the accuracy of certain books and records;

qualification of the merger under Section 386(a) of the Internal Revenue Code; and

the absence in the merger agreement of any untrue statement of material fact or an omission of a material fact necessary to make the statements contained in the merger agreement not misleading.

All representations, warranties and covenants of the parties, other than the covenants in specified sections which relate to continuing matters, terminate upon the closing of the merger.

Conduct of Business Prior to the Merger and Other Covenants

In the merger agreement, Premier Bancorp and BancorpSouth agreed that, except as expressly contemplated or permitted by the merger agreement or with the prior written consent of the other party, each will carry on their respective businesses in the ordinary course consistent with past practice. Each of the parties also agreed to refrain from engaging in, or permitting its subsidiaries to engage in, certain activities which are described in the merger agreement.

Premier Bancorp has agreed to refrain, among other things, from:

declaring or paying any dividends on, or making other distributions in respect of, any of its capital stock during any period, other than dividends or distributions by a subsidiary of Premier Bancorp to Premier Bancorp;

issuing, acquiring, reclassifying or splitting its capital stock;

issuing any options or other securities convertible into or exchangeable for its capital stock;

amending its charter or bylaws;

soliciting, initiating, accepting or participating in any discussions relating to any business combination involving it or any offer to acquire all or a substantial portion of its assets;

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making capital expenditures in excess of \$250,000 in the aggregate;

entering into any new line of business;

engaging in a material acquisition of another business;

taking any action intended or reasonably expected to result in any of its representations and warranties in the merger agreement being or becoming untrue, or in any of the conditions to the merger set forth in the merger agreement not being satisfied;

changing its methods of accounting in effect at December 31, 2003, except as required by changes in generally accepted accounting principles or regulatory accounting principles;

adopting, amending or terminating any employee benefit plan or any agreement, plan or policy with one or more of its current or former directors, officers or employees;

encumbering or disposing of any of its material assets or properties other than in the ordinary course of business consistent with past practice;

incurring any indebtedness other than in the ordinary course of business consistent with past practice;

filing any application to relocate or terminate the operations of any of its or its subsidiaries' banking offices;

entering into, amending or terminating any contract, agreement or lease for goods, services or office space to which it is a party or by which it or its properties is bound involving aggregate payment obligations in excess of \$100,000;

taking any action or entering into any agreement that could reasonably be expected to jeopardize or materially delay the receipt of any required regulatory approval; or

entering or committing to enter into any new loans outside the ordinary course of business, or in an original principal amount in excess of \$1,000,000, without having provided prior written notice to BancorpSouth.

BancorpSouth has agreed to refrain, among other things, from:

taking any action intended or reasonably expected to result in any of its representations and warranties in the merger agreement being or becoming untrue, or in any of the conditions to the merger set forth in the merger agreement not being satisfied;

taking any action or entering into any agreement that could reasonably be expected to jeopardize or materially delay the receipt of any required regulatory approval; or

changing its methods of accounting in effect at December 31, 2003, except as required by changes in generally accepted accounting principles or regulatory accounting principles.

The merger agreement also contains certain other agreements relating to the conduct of the parties prior to the merger, including, among other things, those requiring each party to:

apply for and obtain all consents and approvals required to complete the merger;

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afford to the other party and its representatives access during normal business hours to all of such party's information concerning its business, properties and personnel as the other party may reasonably request; and

take all actions required to comply with any legal requirements to complete the merger.

Premier Bancorp agreed to cause each director, executive officer and other person who is an affiliate of Premier Bancorp for purposes of Rule 145 under the Securities Act of 1933 to deliver to BancorpSouth a written agreement intended to ensure compliance with the Securities Act. Premier Bancorp also agreed to call and hold a special meeting of its shareholders and, through its Boards of Directors, to recommend the merger agreement for approval to its shareholders. In addition, Premier Bancorp agreed to use its best efforts to obtain the consent of all 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. Premier Bancorp also agreed to use its reasonable best efforts to obtain all third-party consents required under certain of its contracts.

BancorpSouth agreed to cause the employees of Premier Bancorp to be eligible to participate in BancorpSouth's employee benefit plans in which similarly situated employees of BancorpSouth participate, to the same extent as similarly situated employees of BancorpSouth. BancorpSouth also agreed to cause the shares of BancorpSouth common stock to be issued in the merger to be approved for listing on the New York Stock Exchange.

Conditions to the Merger

The obligations of Premier Bancorp and BancorpSouth to complete the merger are subject to the satisfaction (or waiver, where legally allowed), at or prior to the effective time of the merger, of a number of conditions, which are set forth in the merger agreement. These conditions include:

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 absence of any governmental order, regulation or injunction preventing or restricting completion of the merger;

the representations and warranties of each company set forth in the merger agreement shall be true and correct in all material respects as of the closing date of the merger;

the obligations of each company set forth in the merger agreement shall have been performed in all material respects;

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;

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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;

BancorpSouth shall have received a signed consent to the transactions contemplated by the merger agreement from each of For 6, LLC, as landlord under a lease agreement, and K&L Investments, lessor under a lease agreement;

Premier Bancorp shall have amended, modified or obtained tail coverage to provide continuing coverage under its existing insurance policies; 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.

We cannot guarantee that the required regulatory approvals will be obtained or that all of the other conditions precedent to the merger will be satisfied or, where legally permitted, waived by the party permitted to do so.

Termination of the Merger Agreement

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;

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 subsidiary of Premier Bancorp or any proposal, inquiry or offer to acquire in any manner all or 25% or greater equity interest in, or all or a substantial portion of the assets of, Premier Bancorp or any subsidiary of Premier Bancorp.

In the event of termination of the merger agreement, the merger agreement will become void and have no effect, except with respect to the parties' obligations regarding confidential information and expenses as set forth in the merger agreement. Termination also will not relieve or release a breaching party from liability or damages for its willful breach of the merger agreement.

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In the event the merger agreement is terminated for certain reasons specified in the merger agreement, if any tender or exchange offer, proposal for a merger, consolidation or other business combination involving Premier Bancorp or Premier Bank or any proposal, inquiry or offer to acquire in any manner all or 25% or greater equity interest in, or all or a substantial portion of the assets of, Premier Bancorp or Premier Bank has been made or is made at any time within a six month period after such termination of the merger agreement and actions have been or are taken by the Board of Directors of either Premier Bancorp or Premier Bank to pursue further discussions or negotiations, Premier Bancorp must pay \$1,000,000 in cash to BancorpSouth on demand.

Indemnification

BancorpSouth agreed to provide indemnification to the officers, directors and employees of Premier Bancorp, subject to restrictions imposed by law after the merger.

Amendment of the Merger Agreement

Subject to compliance with applicable law, the merger agreement may be amended by Premier Bancorp and BancorpSouth, by action taken or authorized by their respective Boards of Directors, at any time. After any approval of the merger agreement by Premier Bancorp shareholders, however, there may not be, without further approval of the Premier Bancorp shareholders, any amendment of the merger agreement which reduces the amount or changes the form of the consideration due under the merger agreement, other than as contemplated in the merger agreement. The merger agreement may not be amended except by an instrument in writing signed on behalf of BancorpSouth and Premier Bancorp.

Waiver

Prior to the merger, BancorpSouth and Premier Bancorp may extend the time for the performance of any of the obligations or other acts of the other party to the merger agreement, waive any inaccuracies in the representations or warranties of the other party contained in the merger agreement or waive compliance with any of the agreements or conditions of the other party contained in the merger agreement.

Expenses

Each party to the merger agreement will bear all expenses incurred by it in connection with the merger agreement and the merger.

Management and Operations Following the Merger

After the merger, BancorpSouth will be managed by the same Board of Directors and executive officers as existed prior to the merger. Premier Bancorp will be merged with and into BancorpSouth. The surviving corporation will operate under the name BancorpSouth, Inc. and will continue to engage in the same business as prior to the merger. Premier Bank of Brentwood will merge with and into BancorpSouth Bank. The surviving subsidiary bank will operate under the name BancorpSouth Bank.

Table of Contents**PRICE RANGE OF COMMON STOCK AND DIVIDENDS****BancorpSouth**

BancorpSouth common stock is listed on the New York Stock Exchange under the symbol BXS. As of November 4, 2004, BancorpSouth common stock was held of record by approximately 8,642 holders. 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 [], 2004, the last practicable trading day before the distribution of this Proxy Statement/Prospectus, the closing sales price of BancorpSouth common stock was \$[] per share. You should obtain current market quotations for the shares of BancorpSouth common stock from a newspaper, the Internet or your broker. The following table sets forth the high and low sale prices for BancorpSouth common stock as reported on the New York Stock Exchange, and cash dividends declared per share of BancorpSouth common stock, for the periods indicated:

	<u>Sale Prices</u>		<u>Cash Dividends Per Share</u>
	<u>High</u>	<u>Low</u>	
2004			
First Quarter	\$24.09	\$21.30	\$ 0.18
Second Quarter	23.00	19.35	0.18
Third Quarter	23.50	20.48	0.18
Fourth Quarter (through [], 2004)	[]	[]	[]
2003			
First Quarter	\$20.30	\$17.50	\$ 0.16
Second Quarter	22.76	18.31	0.16
Third Quarter	22.23	20.29	0.16
Fourth Quarter	24.50	21.92	0.18
2002			
First Quarter	\$20.00	\$15.90	\$ 0.15
Second Quarter	22.21	19.37	0.15
Third Quarter	21.10	16.61	0.15
Fourth Quarter	20.19	17.43	0.16

Premier Bancorp

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 conducts 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. As of [], 2004, Premier Bancorp common stock was held of record by approximately 221 persons. Premier Bancorp has never paid any cash dividends on its common stock.

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INFORMATION ABOUT BANCORPSOUTH

Important business and financial information about BancorpSouth is incorporated by reference into this Proxy Statement/Prospectus. See the section entitled **WHERE YOU CAN FIND MORE INFORMATION** that begins on page 94 of this Proxy Statement/Prospectus.

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INFORMATION ABOUT PREMIER BANCORP

Business

Premier Bancorp is a Tennessee corporation and the parent bank holding company of Premier Bank of Brentwood. Premier Bank is a Tennessee-chartered commercial bank, which is headquartered in Brentwood, Tennessee. Premier Bank currently has two banking offices in Tennessee, both located in Brentwood. Premier Bancorp has its principal offices at 5217 Maryland Way, Brentwood, Tennessee, which also serves as the main office of Premier Bank.

Premier Bank conducts its business as a commercial bank, with an emphasis in retail banking, including the acceptance of checking and savings deposits and the making of commercial, real estate, personal, home improvement, automobile and other installment and term loans. The bank also offers other customary bank services to its customers.

Premier Bank encounters competition in its market area for the provision of depository institution financial services from a number of sources, including bank holding companies and commercial banks, savings and loan associations and other thrift institutions, credit unions, other financial institutions and financial intermediaries that operate in Premier Bank's market area. Regional interstate banking laws and other recent federal and state laws have resulted in increased competition from both conventional banking institutions and other businesses offering financial services and products. Premier Bank also competes for interest-bearing funds with a number of other financial intermediaries and nontraditional consumer investment alternatives, including brokerage firms, consumer finance companies, commercial finance companies, credit unions, money market funds and federal, state and municipal issuers of short-term obligations. Many of these competitors have greater financial resources than do banks such as Premier Bank. At September 30, 2004, there were approximately 52 commercial banks and 27 credit unions competing with Premier Bank in its market area, which consists of Williamson County and Davidson County, Tennessee.

Market Price of and Dividends on Common Equity

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 conducts 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 trades has ranged from a low of \$15.50 to a high of \$20. As of [], 2004, Premier Bancorp common stock was held of record by approximately 221 persons. Premier Bancorp has never paid any cash dividends on its common stock principally because of management's decision to reinvest capital.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Premier Bancorp's assets consist solely of its investment in Premier Bank and minority interest in Premier Capital Trust. Its primary activities are conducted through Premier Bank. Premier Bank is committed to providing quality services in a constantly changing interest rate environment. At September 30, 2004, Premier Bancorp's consolidated total assets were \$152,514,758, its consolidated net loans were \$128,847,065, its total deposits were \$130,262,914 and its total shareholders' equity was \$9,894,923. At December 31, 2003, Premier Bancorp's consolidated total assets were \$134,359,000, its consolidated net loans were \$112,868,000, its total deposits were \$111,232,000 and its total shareholders' equity was \$8,912,000.

Premier Bancorp's results of operations depend primarily on Premier Bank's net interest income, which is the difference between the income earned on Premier Bank's loan and securities portfolios and its cost of funds, consisting of the interest paid on deposits and borrowings. Results of operations are also affected by Premier Bank's provision for loan losses, noninterest income and noninterest expense. Noninterest income consists primarily of fees and service charges. Premier Bank's noninterest expense consists principally of compensation and employee

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benefits, occupancy, equipment and data processing, and other operating expenses. Results of operations are significantly affected by general economic and competitive conditions and changes in interest rates, as well as government policies and actions of regulatory authorities. Additionally, future changes in applicable law, regulations or government policies may materially affect Premier Bancorp's results of operations and financial condition.

The accompanying tables and the discussion and financial information are presented to aid in understanding Premier Bancorp's financial condition and results of operations. The emphasis of this discussion will be on the years 2003 and 2002; however, financial information for prior years will also be discussed where appropriate.

Critical Accounting Policies and Estimates

The accounting principles Premier Bancorp follows and the methods of applying these principles conform with accounting principles generally accepted in the United States and with general practices within the banking industry. Premier Bancorp's critical accounting policy relates to the allowance for loan losses. It is based on management's opinion of an amount that is intended to absorb losses in the existing portfolio. The allowance for loan losses is established through a provision for losses based on management's evaluation of the risk inherent in the loan portfolio, the composition of the portfolio, specific impaired loans and current economic conditions. Such evaluation, which includes a review of all loans for which full collectibility may not be reasonably assured, considers among other matters, the estimated net realizable value or the fair value of the underlying collateral, economic conditions, historical loan loss experience, management's estimate of probable credit losses, and other factors that warrant recognition in providing for the allowance for loan losses. This evaluation involves a high degree of complexity, however, and requires management to make subjective judgments that often require assumptions or estimates about highly uncertain matters. This critical accounting policy and its application are periodically reviewed with the Audit Committee and the Board of Directors.

*Results of Operations for Nine Months Ended September 30, 2004 Compared to Nine Months Ended September 30, 2003***General**

Net income, after tax, for the nine month period ended September 30, 2004 was \$973,572 compared to \$802,759 for the nine month period ended September 30, 2003. Basic and diluted income per common share were \$1.62 and \$1.31, respectively, for 2004, compared to \$1.34 and \$1.08 for 2003. Premier Bancorp was fully taxable, and for the nine month period ended September 30, 2004 had a charge against earnings of \$496,125 compared to \$493,869 for the nine month period ended September 30, 2003. No dividends have been paid in 2004.

Returns on average consolidated assets and average consolidated equity for the periods indicated were as follows:

	Nine-Month Period Ended September 30,	
	2004	2003
Return on average assets	0.90%	0.90%
Return on average equity	14.31	13.00
Average equity to average assets ratio	6.27	6.96
Dividend payout ratio		

Net Interest Income

Net interest income for the nine-month period ended September 30, 2004 was \$4,124,336 compared to \$3,447,666 for the nine-month period ended September 30, 2003. The increase was primarily a result of a combined continued growth in Premier Bank's loan portfolio during 2004, increased real estate construction loan fees and falling rates on time deposits. The loan growth was funded primarily by deposit growth. Annualized net interest margin for the nine-month period ended September 30, 2004 was 4.09%, compared to 4.30% for the nine-month

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period ended September 30, 2003. For the nine-month period ended September 30, 2004, the average annualized yield on interest earning assets was 5.66%, compared to 6.04% for the nine-month period ended September 30, 2003. For the nine-month period ended September 30, 2004, loans produced an annualized yield of 5.98%, compared to 6.48% for the nine-month period ended September 30, 2003. The average rate paid on interest-bearing deposits was 1.95% for the nine-month period ended September 30, 2004, compared to 2.18% for the nine-month period ended September 30, 2003. The decrease was the result of falling rates on time deposits. Management expects that the cost of funds will remain steady for the remainder of 2004. As a result of the competition among all financial services firms for customers' deposits, however, Premier Bank's cost of funds could be adversely affected.

Noninterest Income

Total noninterest income was \$809,734 for the nine-month period ended September 30, 2004, compared to \$1,118,243 for the nine-month period ended September 30, 2003. Service charges on deposits totaled \$104,390 for the nine-month period ended September 30, 2004 and \$107,940 for the nine-month period ended September 30, 2003. Mortgage banking income was \$269,182 versus \$547,879 for the same respective periods, mainly resulting from decreased refinancing activity. Other income includes safe deposit box rent, ATM interchange income and surcharges, credit card interchange income and the sale of checks to depositors. Management expects that other fee income will continue to increase as the bank increases in size.

Noninterest Expense

Total noninterest expense was \$2,989,373 for the nine-month period ended September 30, 2004, a decrease of \$64,908 or 2% compared to \$3,054,281 for the nine-month period ended September 30, 2003. The major component of this decrease was salaries and employee benefits which decreased by \$106,973 for 2004 when compared to 2003. At September 30, 2004, Premier Bank had 42 full-time equivalent employees as compared to 41 at September 30, 2003. Management expects that, as Premier Bank continues to grow, noninterest expenses will increase moderately, but overhead costs as a percentage of both interest income and total assets will continue to decrease.

Provision For Loan Losses

The allowance for loan losses is maintained by management at a level considered adequate to cover probable future losses in Premier Bank's loan portfolio. Management's determination of the appropriate provision for loan losses and the adequacy of the allowance for loan losses is based, in part, on the consideration of loss histories of other similar community financial institutions which management believes are representative of the probable expected loss experience of Premier Bank. Other factors considered by management include the composition of the loan portfolio, current economic conditions, the creditworthiness of Premier Bank's borrowers and other related factors.

The provision for loan losses was \$475,000 for the nine-month period ended September 30, 2004, compared with \$215,000 for the nine-month period ended September 30, 2003. At September 30, 2004, the allowance for loan losses was 1.11% of total loans, compared to 1.11% at September 30, 2003. At September 30, 2004, \$74,000 of the allowance for loan losses was allocated to impaired loan balances as compared to \$0 at September 30, 2003. At September 30, 2004, five loans totaling \$610,826 were in nonaccrual status compared to three for \$284,691 at September 30, 2003. Management believes the allowance for loan losses at September 30, 2004 is adequate to absorb probable losses in the loan portfolio.

An analysis of Premier Bank's loss experience is furnished in the following table for the periods indicated, as well as a breakdown of the allowance for possible loan losses (dollars in thousands):

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	Nine Months Ended September 30,	
	2004	2003
Balance at beginning of period, January 1	\$ 1,192	\$ 1,050
Charge-offs:	(229)	(119)
Recoveries	7	8
Net Charge-offs	(222)	(111)
Additions charged to operations	475	215
Balance at end of period	<u>\$ 1,445</u>	<u>\$ 1,154</u>
Ratio of net charge-offs during the period to average loans outstanding during the period	0.19%	0.12%

Allowance For Loan Losses

In considering the adequacy of Premier Bank's allowance for loan losses at September 30, 2004, management analyzed the loan portfolio for underlying credit risk. Among other things, factors such as historical experience, volume and type of lending, the amount of non-performing assets, regulatory policies, generally accepted accounting principles, general economic conditions and other factors related to collectibility of loans were considered. In its analysis, management noted that 76% of outstanding loans were secured by real estate and 17% were secured by commercial and industrial loans. Management also considered that only 1.45% of the outstanding loans were in a classified category. Furthermore, management reviewed any concentrations of credit and considered the limited lending area in which it operates. Management believes that its methodology in calculating the sufficiency of the allowance for loan losses is adequate for the size and complexity of its loan portfolio.

Results of Operations for Year Ended December 31, 2003 Compared to Year Ended December 31, 2002 and Year Ended December 31, 2001**General**

Net income, after tax for the year ended December 31, 2003 was \$1,040,181 compared to \$886,251 for 2002 and \$679,859 for 2001. Basic and diluted income per common share were \$1.73 and \$1.40, respectively, for 2003, compared to \$1.48 and \$1.20 for 2002 and \$1.13 and \$0.96 for 2001. Premier Bancorp was fully taxable, and for the year ended December 31, 2003 had a charge against earnings of \$554,038 compared to \$553,472 for 2002 and \$429,957 for 2001. No dividends were paid in 2003, 2002 or 2001.

Returns on average consolidated assets and average consolidated equity for the years indicated were as follows:

	Year Ended December 31,		
	2003	2002	2001
Return on average assets	0.86%	0.89%	0.89%
Return on average equity	12.30	11.10	11.10

Average equity to average assets ratio	6.99	8.02	7.95
Dividend payout ratio			

Net Interest Income

Net interest income for the year ended December 31, 2003 was \$4,718,059 compared to \$4,086,153 for 2002 and \$3,473,297 for 2001. The increased net interest income was primarily a result of continued growth in Premier Bank's loan portfolio in 2003 and 2002, which was funded primarily by deposit growth. Net interest margin for 2003 was 4.29%, compared to 4.42% for 2002 and 4.17% for 2001. For 2003, the average yield on interest earning assets was 6.06%, compared to 6.66% for 2002 and 7.85% for 2001. For 2003, loans yielded 6.49%, compared to 7.43% for 2002 and 8.48% for 2001. The average rate paid on interest-bearing deposits was 2.14% for 2003, compared to 2.89% for 2002 and 4.73% for 2001. The decrease was the result of general decreases in interest rates. Management expects that the cost of funds will decline in 2004 because of a leveling off of interest rates. As a

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result of the competition among all financial services firms for customers' deposits, however, Premier Bancorp's cost of funds could be adversely affected.

Noninterest Income

Total noninterest income was \$1,423,052 for the year ended December 31, 2003, compared to \$921,575 for 2002 and \$839,955 for 2001. Service charges on deposits totaled \$444,009 for the year ended December 31, 2003 and \$337,788 for 2002 and \$259,750 for 2001. Mortgage banking income was \$679,561 for the year ended December 31, 2003, versus \$429,859 for 2002 and \$469,497 for 2001. The increase for 2003 mainly resulted from increased refinancing activity. There were no net securities gains or losses for the year ended December 31, 2003 and 2001 compared to a gain of \$1,008 for 2002. Other income includes safe deposit box rent, ATM interchange income and surcharges, credit card interchange income and the sale of checks to depositors. Management expects that other fee income will continue to increase as the bank increases in size.

Noninterest Expense

Total noninterest expense was \$4,181,892 for the year ended December 31, 2003, an increase of \$778,887 or 23% compared to \$3,403,005 for 2002. Major components of this increase include salaries and employee benefits (which increased \$621,615 for 2003 when compared to 2002) and other expenses, office management and supplies (which increased \$65,646). These increases include such items as outside fees and assessments, dues and subscriptions, loan expense, directors fees, travel and franchise tax. For the year ended December 31, 2001, noninterest expense was \$2,914,043, an increase of \$488,962 compared to the year ended December 31, 2002. The primary component of this increase was an increase in salaries and employee benefits of \$329,901. At December 31, 2003, Premier Bank had 43 full-time equivalent employees as compared to 40 at December 31, 2002 and 37 at December 31, 2001. Management expects that, as Premier Bank continues to grow, noninterest expenses will increase moderately, but overhead costs as a percentage of both interest income and total assets will continue to decrease.

Provision For Loan Losses

The allowance for loan losses is maintained by management at a level considered adequate to cover probable future losses in Premier Bank's loan portfolio. Management's determination of the appropriate provision for loan losses and the adequacy of the allowance for loan losses is based, in part, on the consideration of loss histories of other similar community financial institutions which management believes are representative of the probable expected loss experience of Premier Bank. Other factors considered by management include the composition of the loan portfolio, current economic conditions, the creditworthiness of Premier Bank's borrowers and other related factors.

The provision for loan losses was \$365,000 for the year ended December 31, 2003, compared with \$165,000 for the year ended December 31, 2002 and \$289,393 for the year ended December 31, 2001. At December 31, 2003, the allowance for loan losses was 1.05% of total loans, compared to 1.28% at year-end 2002 and 1.25% for year-end 2001. At December 31, 2003, \$168,000 of the allowance for loan losses was allocated to impaired loan balances as compared to \$185,531 at December 31, 2002 and \$15,344 at December 31, 2001. At December 31, 2003, two loans totaling \$193,869 were in nonaccrual status as compared to eight loans totaling \$185,531 at December 31, 2002 and one loan totaling \$17,325 at December 31, 2001. Management believes the allowance for loan losses at December 31, 2003 is adequate to absorb probable losses in the loan portfolio.

An analysis of Premier Bank's loss experience is furnished in the following table for the years indicated, as well as a breakdown of the allowance for possible loan losses (dollars in thousands):

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	Year Ended December 31,		
	2003	2002	2001
Balance at beginning of period	\$ 1,050	\$ 900	\$ 773
Charge-offs:	(233)	(23)	(162)
Recoveries	10	8	
Net Charge-offs	(223)	(15)	(162)
Additions charged to operations	365	165	289
Balance at end of period	<u>\$ 1,192</u>	<u>\$ 1,050</u>	<u>\$ 900</u>
Ratio of net charge-offs during the period to average loans outstanding during the period	0.22%	0.02%	0.24%

At December 31, 2003 and 2002, the allowance was allocated as follows (dollars in thousands):

	Year Ended December 31,	
	2003	2002
Classified Loans:		
Substandard Loans	\$ 221,862	\$ 428,898
Doubtful Loans	168,163	
Uncriticized Loans:		
Real Estate	416,009	314,568
Commercial and Industrial	321,738	267,899
Individual	34,158	27,685
Other	<u>30,139</u>	<u>11,110</u>
Total	<u>\$ 1,192,069</u>	<u>\$ 1,050,160</u>

Allowance For Loan Losses

In considering the adequacy of Premier Bank's allowance for loan losses, management has considered that at December 31, 2003, 72% of outstanding loans were secured by real estate.

Premier Bank's consumer loan portfolio was well secured at December 31, 2003 and, accordingly, does not, in management's opinion, involve more than normal credit risk. The same is true for Premier Bank's real estate mortgage portfolio, approximately 25% of which is secured by a first mortgage on 1-4 family residential properties.

Although Premier Bank's loan portfolio is concentrated in Middle Tennessee, management does not believe this geographic concentration presents an abnormally high risk.

Table of Contents*Financial Condition at September 30, 2004 Compared to September 30, 2003*

Total assets at September 30, 2004 were \$152,515,000, an increase of \$25,942,000 or 20% over total assets at September 30, 2003 of \$126,573,000. Deposits increased to \$130,263,000 at September 30, 2004, an increase of \$23,710,000 or 22% from \$106,553,000 at September 30, 2003. The increased deposits were used to fund loan growth. Loans increased by \$26,725,000 or 25% to \$130,292,000 at September 30, 2004, from \$103,567,000 at September 30, 2003. Securities were \$13,598,000 at September 30, 2004 compared to \$12,325,000 at September 30, 2003.

Loans

Gross loans grew from \$103,567,000 at September 30, 2003, to \$130,292,000 at September 30, 2004, an increase of \$26,725,000 or 25%. Most of the net loan growth in 2004 was in commercial and construction loans secured by real estate. Commercial loans secured by real estate increased from \$25,372,000 at September 30, 2003 to \$33,451,000 at September 30, 2004, an increase of \$8,079,000 or 32%. Construction loans secured by real estate increased from \$21,598,000 at September 30, 2003 to \$37,006,000 at September 30, 2004, an increase of \$15,408,000 or 71%. At September 30, 2004, \$99,094,000 or 76% of total loans consisted of construction, 1-4 family residential and commercial loans secured by real estate. Commercial loans totaling \$27,229,000 represented 21% of total loans.

Of the total loans of \$130,292,000 in the portfolio at September 30, 2004, approximately \$82,727,000 or 63% were variable rate loans and \$47,565,000 or 37% were fixed rate loans. Of those total loans, \$85,703,000 or 66% mature or reprice within 12 months. Only \$1,335 or 1.02% of those total loans mature or reprice over five years.

Loan quality remained strong at September 30, 2004. Delinquent and nonaccrual loans remained very low. At September 30, 2004, Premier Bank's loan to deposit ratio was 100%, compared to 97% at September 30, 2003. The loan to asset ratio was 85% at September 30, 2004, compared to 82% at September 30, 2003. Management expects loan demand to remain strong, especially in commercial and construction real estate loans.

The following table presents various categories of loans contained in Premier Bank's loan portfolio for the periods indicated and the total amount of all loans for such periods:

	Period Ended September 30,	
	2004	2003
	(Dollars in Thousands)	
Domestic:		
Commercial	\$ 27,229	\$ 24,456
Real estate construction	37,006	21,598
Real estate residential	28,637	26,936
Real estate commercial	33,451	25,372
Consumer	3,969	5,205
Total loans	130,292	103,567
Allowance for possible loan losses	(1,445)	(1,154)
Total (net of allowance)	\$128,847	\$102,413

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The following is a presentation of an analysis of maturities of loans at September 30, 2004:

Type of Loan	Due in 1 Year or Less	Due in 1 to 5 Years	Due After 5 Years	Total
(Dollars in Thousands)				
Commercial	\$ 11,687	\$ 11,030	\$ 4,512	\$ 27,229
Real estate construction	35,479	1,299	228	37,006
Real estate residential	9,782	4,350	14,505	28,637
Real estate commercial	11,761	20,341	1,349	33,451
Consumer	2,056	1,478	435	3,969
Total	\$ 70,765	\$ 38,498	\$ 21,029	\$ 130,292

The following is a presentation of an analysis of sensitivities of such loans to changes in interest rates at September 30, 2004 (dollars in thousands):

Loans due after 1 year with fixed interest rates	\$ 35,151
Loans due after 1 year with variable interest rates	\$ 24,376

The following table presents information regarding nonaccrual, past due and restructured loans at the dates indicated (dollars in thousands):

	September 30,	
	2004	2003
Loans accounted for on a non-accrual basis:		
Number	5	3
Amount	\$ 611	\$ 285
Accruing loans (including consumer loans) which are contractually past due 90 days or more as to principal and interest payments:		
Number	2	1
Amount	\$ 71	\$ 100
Loans defined as troubled debt restructurings		
Number	0	0
Amount	\$	\$
Loans defined as doubtful		
Number	1	0
Amount	\$ 148	\$
Loans defined as substandard		
Number	10	6
Amount	\$ 1,706	\$ 2,079

At September 30, 2004, there were no loans classified for regulatory purposes as doubtful or substandard that have not been disclosed in the above table, which (i) represent or result from trends or uncertainties which management reasonably expects will materially impact future operating results, liquidity or capital resources, or (ii) represent material credits about which management is aware of any information which causes management to have serious doubts as to the ability of such borrowers to comply with the loan repaymen