

BANCORPSOUTH INC
Form S-4
October 03, 2005

Table of Contents

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

Registration No. 333-[]

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

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

(Exact name of registrant as specified in its charter)

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

With copies to:

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

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

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

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

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

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

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

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

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

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

The Boards of Directors of BancorpSouth, Inc. and American State Bank Corporation have approved a merger agreement to merge our two companies. If American State Bank Corporation shareholders vote to approve the merger agreement and the merger is completed, American State Bank Corporation will merge with and into BancorpSouth, American State Bank Corporation's subsidiary bank, American State Bank, will merge with and into BancorpSouth Bank, a subsidiary of BancorpSouth, and American State Bank Corporation shareholders, other than American State Bank Corporation shareholders who properly exercise their rights to dissent from the merger, will have the opportunity to elect to receive in exchange for shares of American State Bank Corporation common stock they own (i) a cash payment of \$93.9226, (ii) between 4.3537 and 3.7462 shares of BancorpSouth common stock, depending on the average closing price of BancorpSouth common stock reported on the New York Stock Exchange for the 10 trading days ending on the fifth trading day before the date that shareholders of American State Bank Corporation meet to approve the merger agreement, or (iii) a combination of cash and shares of BancorpSouth common stock. With respect to an election to receive stock consideration, for each share of American State Bank Corporation common stock you own, you may elect to receive 4.3537 shares of BancorpSouth common stock if the trailing average closing price is \$21.5729 or less, or 3.7462 shares of BancorpSouth common stock if the trailing average closing price is \$25.0712 or greater. Between these two trailing average closing prices, the exchange ratio will be proportionately adjusted between 4.3537 and 3.7462 based on the trailing average closing price of BancorpSouth common stock computed as described above. This will result in the issuance of up to 1,158,854 shares of BancorpSouth common stock. If you hold more than one share of American State Bank Corporation common stock, you may elect a combination of stock and cash consideration. In the merger, the percentage of shares of American State Bank Corporation common stock that will be exchangeable into the right to receive shares of BancorpSouth common stock is fixed at 50%. In order to ensure that the merger qualifies as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended, and as a result of the 50% limitation for stock consideration, regardless of your election, you may receive a combination of cash and shares of BancorpSouth common stock that is different than what you may have elected, depending on the elections made by other American State Bank Corporation shareholders.

The number of shares of BancorpSouth common stock that American State Bank Corporation shareholders may receive in the merger is not fixed. The dollar value of the stock consideration that American State Bank Corporation shareholders may receive will also change depending on fluctuations in the market price of BancorpSouth common stock and might not be known at the time American State Bank Corporation's shareholders vote on the merger. The following table shows the average closing price of BancorpSouth common stock reported on the New York Stock Exchange for the 10 trading days ending on the fifth trading day before August 9, 2005, the last trading day before we announced the merger, and before [], 2005, the last practicable trading day before the distribution of this Proxy Statement/Prospectus. This table also shows the implied value of the stock consideration proposed for each share of American State Bank Corporation common stock, which we calculated by multiplying the appropriate trailing average closing price of BancorpSouth common stock for those dates by the corresponding exchange ratio. You should obtain current market quotations for BancorpSouth common stock from a newspaper, the Internet or your broker. BancorpSouth common stock is listed on the New York Stock Exchange under the symbol BXS.

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

This Proxy Statement/Prospectus provides you with detailed information about the proposed merger between BancorpSouth and American State Bank Corporation. This document also contains information about BancorpSouth and American State Bank Corporation. We encourage you to carefully read and consider this Proxy Statement/Prospectus in its entirety. You can obtain additional information about BancorpSouth from documents that it has filed with the Securities and Exchange Commission. For information on how to obtain copies of these documents, you should refer to the section of this document entitled WHERE YOU CAN FIND MORE INFORMATION, which begins on page 89.

You should carefully consider the risk factors described beginning on page 17 of this Proxy Statement/Prospectus.

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

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

The date of this Proxy Statement/Prospectus is [], 2005,
and it is first being mailed to the shareholders of American State Bank Corporation on or about [], 2005.

Table of Contents

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

TO THE SHAREHOLDERS OF AMERICAN STATE BANK CORPORATION:

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

Only holders of record of American State Bank Corporation common stock at the close of business on [], 2005 are entitled to notice of and to vote at the special meeting or any adjournments or postponements of the special meeting. Each share of American State Bank Corporation common stock is entitled to one vote. Approval of the merger agreement requires approval by a majority of all the votes entitled to be cast by shareholders of American State Bank Corporation.

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

American State Bank Corporation shareholders, other than American State Bank Corporation shareholders who properly exercise their rights to dissent from the merger, will have the opportunity to elect to receive in exchange for each share of American State Bank Corporation common stock they own a cash payment of \$93.9226 or between 4.3537 and 3.7462 shares of BancorpSouth common stock as described in the Proxy Statement/Prospectus accompanying this notice, with cash to be paid in lieu of any remaining fractional share interest, if the merger agreement is approved and the merger is completed. Holders of more than one share of American State Bank Corporation common stock may elect a combination of stock and cash consideration.

Notice of Right to Dissent. Dissenting shareholders who comply with the procedural requirements of the Arkansas Business Corporation Act of 1987 will be entitled to receive payment of the fair cash value of their shares. A copy of Sections 4-27-1301 *et seq.* of the Arkansas Business Corporation Act of 1987 containing the procedural requirements to exercise dissenters' rights is attached as Annex B to the accompanying Proxy Statement/Prospectus. In addition, please see the section entitled **THE MERGER Shareholders Dissenters' Rights** in the accompanying Proxy Statement/Prospectus for a discussion of the procedures to be followed in asserting these dissenters' rights.

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

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

BY ORDER OF THE BOARD OF DIRECTORS,

Frank Oldham
Chairman and Chief Executive Officer

[], 2005

Table of Contents

ADDITIONAL INFORMATION

This Proxy Statement/Prospectus incorporates important business and financial information about BancorpSouth from documents that are not included in or delivered with this Proxy Statement/Prospectus. See WHERE YOU CAN FIND MORE INFORMATION beginning on page 89. This information is available to you without charge upon your written or oral request. You can obtain documents incorporated by reference in this Proxy Statement/Prospectus by requesting them in writing or by telephone from BancorpSouth at the following address:

BancorpSouth, Inc.
One Mississippi Plaza
Tupelo, Mississippi 38804
(662) 680-2000

Attention: Cathy S. Freeman, Secretary

In order to receive timely delivery of requested documents in advance of American State Bank Corporation's special meeting of shareholders, your request should be received no later than [], 2005.

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

TABLE OF CONTENTS

<u>QUESTIONS AND ANSWERS ABOUT THE MERGER</u>	5
<u>SUMMARY</u>	8
<u>RECENT DEVELOPMENTS</u>	16
<u>RISK FACTORS</u>	17
<u>You Might Not Receive the Form of Merger Consideration that You Elect</u>	17
<u>You Might Not Know the Exchange Ratio When You Send Your Election Form to the Exchange Agent</u>	17
<u>The Market Price of the Shares of BancorpSouth Common Stock You Receive in the Merger Will Fluctuate and the Precise Exchange Ratio Cannot be Presently Determined</u>	17
<u>The Valuation of the Merger is Subjective and a Fairness Opinion Was Not Provided</u>	18
<u>We May Fail to Achieve the Anticipated Benefits of the Merger</u>	18
<u>The Market Price of Shares of BancorpSouth Common Stock after the Merger May Be Affected by Factors Different from those Affecting Shares of American State Bank Corporation or BancorpSouth Currently</u>	18
<u>The Merger Agreement Limits the Ability of American State Bank Corporation to Pursue Alternative Transactions to the Merger and Requires American State Bank Corporation to Pay a Termination Fee if it Does</u>	18
<u>The Executive Officers and Directors of American State Bank Corporation Have Interests Different from Typical American State Bank Corporation Shareholders</u>	19
<u>Former Shareholders of American State Bank Corporation Will Be Limited in their Ability to Influence BancorpSouth's Actions and Decisions Following the Merger</u>	19
<u>The Merger May Result in a Loss of Current American State Bank Corporation Employees</u>	19
<u>SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF BANCORPSOUTH</u>	20
<u>SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF AMERICAN STATE BANK CORPORATION</u>	22
<u>COMPARATIVE HISTORICAL AND PRO FORMA PER SHARE DATA</u>	24
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION</u>	25
<u>THE SPECIAL MEETING</u>	27
<u>General</u>	27
<u>Proxies</u>	27

<u>Solicitation of Proxies</u>	28
<u>Record Date and Voting Rights</u>	28

Table of Contents

<u>Recommendation of Board of Directors</u>	29
<u>Shareholders Dissenters Rights</u>	29
<u>Certain Matters Relating to Proxy Materials</u>	29
<u>THE MERGER</u>	30
<u>Description of the Merger</u>	30
<u>Background of the Merger</u>	31
<u>Reasons for the Merger; Recommendation of the Board of Directors</u>	32
<u>Analysis of Financial Advisor to American State Bank Corporation</u>	33
<u>Regulatory Approval</u>	37
<u>Accounting Treatment</u>	38
<u>Material United States Federal Income Tax Consequences</u>	38
<u>Retirement Plan</u>	42
<u>Shareholders Dissenters Rights</u>	42
<u>Interests of Certain Persons in the Merger</u>	46
<u>Comparison of Rights of Shareholders</u>	47
<u>Restrictions on Resales by Affiliates</u>	47
<u>Source of Funds for Cash Portion of Merger Consideration</u>	47
<u>THE MERGER AGREEMENT</u>	48
<u>Terms of the Merger</u>	48
<u>Cash or Stock Election</u>	50
<u>Election Procedures; Surrender of Stock Certificates</u>	51
<u>Treatment of Stock Options</u>	53
<u>Representations and Warranties</u>	53
<u>Conduct of Business prior to the Merger and Other Covenants</u>	54
<u>Conditions to the Merger</u>	56
<u>Termination of the Merger Agreement</u>	57
<u>Indemnification</u>	58
<u>Amendment of the Merger Agreement</u>	58
<u>Waiver</u>	58
<u>Expenses</u>	58
<u>Management and Operations Following the Merger</u>	59
<u>PRICE RANGE OF COMMON STOCK AND DIVIDENDS</u>	60
<u>BancorpSouth</u>	60
<u>American State Bank Corporation</u>	60
<u>INFORMATION ABOUT BANCORPSOUTH</u>	61
<u>INFORMATION ABOUT AMERICAN STATE BANK CORPORATION</u>	62
<u>Business</u>	62
<u>Market Price of and Dividends on Common Equity and Related Stockholder Matters</u>	62
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	62
<u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	72
<u>Security Ownership of Certain Beneficial Owners and Management prior to the Merger</u>	72
<u>Quantitative and Qualitative Disclosures about Market Risk</u>	73
<u>COMPARISON OF RIGHTS OF SHAREHOLDERS</u>	75
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	89
<u>2006 ANNUAL SHAREHOLDER MEETING AND SHAREHOLDER PROPOSALS</u>	91
<u>BancorpSouth</u>	91
<u>American State Bank Corporation</u>	92
<u>LEGAL MATTERS</u>	92

EXPERTS

92

Annex A: Agreement and Plan of Merger

A-1

Annex B: Sections 4-27-1301 *et seq.* of the Arkansas Business Corporation Act of 1987

B-1

Annex C: Consolidated Financial Statements of American State Bank Corporation

C-1

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

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

EX-8.2 OPINION OF DOVER DIXON HORNE PLLC

EX-23.1 CONSENT OF KPMG LLP

EX-23.2 CONSENT OF BKD, LLP

EX-99.1 FORM OF AMERICAN STATE BANK CORPORATION PROXY CARD

EX-99.2 FORM OF AMERICAN STATE BANK CORPORATION ELECTION FORM

Table of Contents

**QUESTIONS AND ANSWERS
ABOUT THE MERGER**

Q: What is the proposed transaction?

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

Q: What do I need to do now?

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

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

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

Q: Why is my vote important?

A: Under the Arkansas Business Corporation Act of 1987, the merger agreement must be approved by a majority of all the votes entitled to be cast by shareholders of American State Bank Corporation. Accordingly, if you abstain, it will have the same effect as a vote against approval of the merger agreement.

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

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

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

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

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

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

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

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

5

Table of Contents

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

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

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

A: You may elect to receive cash, shares of BancorpSouth common stock or a combination of cash and shares of BancorpSouth common stock by indicating your preference on the enclosed election form. The Proxy Statement/Prospectus explains in more detail what amount of cash and/or BancorpSouth common stock each shareholder of American State Bank Corporation is entitled to receive. The percentage of shares of American State Bank Corporation common stock that will be exchangeable for the right to receive shares of BancorpSouth common stock is fixed at 50%. In the event that more or less than 50% of the outstanding shares of American State Bank Corporation common stock elect to receive common stock consideration, the amount of BancorpSouth common stock that you will have the right to receive upon exchange of your shares of American State Bank Corporation common stock will be adjusted so that, in the aggregate, 50% of the shares of American State Bank Corporation common stock will be exchanged for the right to receive shares of BancorpSouth common stock and the remaining shares of American State Bank Corporation common stock will be exchanged for the right to receive cash. As a result, you may receive a different combination of consideration than you elected, based on the choices made by other American State Bank Corporation shareholders and a tax-related adjustment, if necessary.

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

A: If you exchange your shares of American State Bank Corporation common stock solely for BancorpSouth common stock, you should not recognize any gain or loss (except with respect to the cash you receive instead of a fractional share) for U.S. federal income tax purposes. If you exchange your shares of American State Bank Corporation common stock solely for cash, you should recognize gain or loss on the exchange. If you exchange your shares of American State Bank Corporation common stock for a combination of BancorpSouth common stock and cash, you should recognize gain, but not loss, on the exchange to the extent of the lesser of cash received or gain realized in the exchange. If you have shares of American State Bank Corporation common stock allocated to you in the American State Bank 401(k) Employee Stock Ownership Plan, the tax treatment of this transaction will be different with respect to those shares in some ways. You will receive additional information from the administrator of the American State Bank 401(k) Employee Stock Ownership Plan.

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

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

A: This document serves as American State Bank Corporation's proxy statement and as BancorpSouth's prospectus. As a proxy statement, this document is being provided to American State Bank Corporation shareholders because American State Bank Corporation's Board of Directors is soliciting proxies to vote to approve the merger

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

Table of Contents

Q: Is there other information I should consider?

A: Yes. Much of the business and financial information about BancorpSouth that may be important to you is not included directly in this document. Instead, this information is incorporated into this document by references to documents separately filed by BancorpSouth with the Securities and Exchange Commission. This means that BancorpSouth may satisfy its disclosure obligations to you by referring you to one or more documents separately filed by it with the SEC. See **WHERE YOU CAN FIND MORE INFORMATION** beginning on page 89 for a list of documents that BancorpSouth has incorporated by reference into this Proxy Statement/Prospectus and for instructions on how to obtain copies of these documents. The documents are available to you without charge.

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

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

Q: Why have I been sent an election form?

A: If the merger agreement is approved and the merger is completed, unless you exercise your right to dissent from the merger, each share of American State Bank Corporation common stock held by you will be converted into the right to receive, at your election, \$93.9226 in cash, between 3.7462 and 4.3537 shares of BancorpSouth common stock as determined by the exchange ratio or a combination of cash and shares of BancorpSouth common stock, with cash to be paid in lieu of any remaining fractional share interest. The election form is the document provided to you to select the amount of each type of consideration you wish to receive.

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

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

Q: Should I send in my American State Bank Corporation stock certificates now?

A: Yes. After you carefully read this Proxy Statement/Prospectus, please choose which form(s) of consideration you would like to receive if the merger is consummated by indicating your choice on the enclosed election form, signing the enclosed letter of transmittal and mailing both, along with all stock certificates representing shares of American State Bank Corporation common stock that you own, in the enclosed brown envelope to SunTrust Bank, Atlanta, N.A., the exchange agent. To be properly completed, your election form together with the appropriate stock certificate(s) and letter of transmittal must be received by the transfer agent by [], 2005, two business days before the date of the special meeting.

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

A: If you have more questions about the merger, including procedures for voting your shares, you should contact:
American State Bank Corporation
2201 Fair Park Boulevard

Jonesboro, Arkansas 72401

Attention: Frank Oldham, Chairman and Chief Executive Officer

Phone Number: (870) 972-9800

Table of Contents

SUMMARY

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

The Companies (Pages 61, 62)

BANCORPSOUTH, INC.

One Mississippi Plaza

Tupelo, Mississippi 38804

(662) 680-2000

BancorpSouth (NYSE: BXS) is incorporated in Mississippi and is a financial holding company under the Bank Holding Company Act of 1956. It is based in Tupelo, Mississippi and conducts its operations through its bank subsidiary, BancorpSouth Bank, and its banking-related subsidiaries. BancorpSouth Bank conducts a commercial banking, trust, insurance and investment services business through 253 locations and 239 ATMs in Arkansas, Alabama, Louisiana, Mississippi, Tennessee and Texas. As of June 30, 2005, BancorpSouth had total assets of approximately \$10.8 billion, deposits of approximately \$9.0 billion and shareholders' equity of approximately \$936.2 million.

AMERICAN STATE BANK CORPORATION

2201 Fair Park Boulevard

Jonesboro, Arkansas 72401

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

The Merger (Page 30)

BancorpSouth and American State Bank Corporation entered into a merger agreement whereby American State Bank Corporation will merge with and into BancorpSouth, subject to shareholder and regulatory approval and other conditions. The merger agreement is attached to this Proxy Statement/Prospectus as Annex A. You should read it carefully. Subject to shareholder and regulatory approval, BancorpSouth and American State Bank Corporation hope to complete the merger during the fourth quarter of 2005.

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

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

a cash payment of \$93.9226;

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

Table of Contents

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

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

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

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

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

BancorpSouth's Stock Price Will Fluctuate (Page 60)

BancorpSouth expects the market price of its common stock to fluctuate as a result of market factors beyond its control before and after the merger. Because both the market price of BancorpSouth common stock and the exchange ratio may fluctuate, the value of the shares of BancorpSouth common stock that American State Bank Corporation shareholders may receive in the merger might increase or decrease prior to completion of the merger. BancorpSouth cannot assure American State Bank Corporation shareholders that the market price of BancorpSouth common stock will not decrease before or after completion of the merger. The following table shows the average closing price of BancorpSouth common stock reported on the New York Stock Exchange for the 10 trading days ending on the fifth trading day before August 9, 2005, the last trading day before we announced the merger, and before [], 2005, the last practicable trading day before the distribution of this Proxy Statement/Prospectus. This table also shows the implied value of the stock consideration proposed for each share of American State Bank Corporation common stock, which we calculated by multiplying the appropriate trailing average closing price of BancorpSouth common stock for those dates by the corresponding exchange ratio. You should obtain current market quotations for BancorpSouth common stock from a newspaper, the Internet or your broker. BancorpSouth common stock is listed on the New York Stock Exchange under the symbol BXS.

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

Table of Contents

Special Meeting (Page 27)

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

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

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

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

The Board of Directors of American State Bank Corporation unanimously approved the merger agreement, believes that the merger between American State Bank Corporation and BancorpSouth is in the best interests of American State Bank Corporation shareholders and recommends that American State Bank Corporation shareholders vote FOR the proposal to approve the merger agreement. This belief is based on a number of factors described in this Proxy Statement/Prospectus.

Vote Required to Complete the Merger (Page 28)

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

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

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

Record Date; Voting Power (Page 28)

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

Table of Contents

Background of the Merger (Page 31)

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

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

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

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

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

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

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

Table of Contents

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

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

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

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

Federal Income Tax Consequences (Page 38)

Your U.S. federal income tax consequences will depend primarily on whether you exchange your shares of American State Bank Corporation common stock solely for BancorpSouth common stock, solely for cash or for a combination of BancorpSouth common stock and cash. If you exchange your shares of American State Bank Corporation common stock solely for BancorpSouth common stock, you should not recognize any gain or loss (except with respect to the cash you receive instead of a fractional share) for U.S. federal income tax purposes. If you exchange your shares of American State Bank Corporation common stock solely for cash, you should recognize gain or loss on the exchange. If you exchange your shares of American State Bank Corporation common stock for a combination of BancorpSouth common stock and cash, you should recognize a gain, but not any loss, on the exchange to the extent of the lesser of cash received or gain realized in the exchange. The actual U.S. federal income tax consequences to you of electing to receive cash, BancorpSouth common stock or a combination of both will not be ascertainable at the time you make your election because we will not know at that time if, or to what extent, the allocation and proration procedures will apply. If you have shares of American State Bank Corporation common stock allocated to you in the American State Bank 401(k) Employee Stock Ownership Plan, the tax treatment of this transaction will be different with respect to those shares in some ways. You will receive additional information from the administrator of the American State Bank 401(k) Employee Stock Ownership Plan.

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

BancorpSouth and American State Bank Corporation will not be obligated to complete the merger unless they each receive an opinion from their respective legal counsel, dated the closing date, that the merger will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code and that BancorpSouth and American State Bank Corporation will each be a party to that reorganization. If such opinions are rendered, the U.S. federal income tax treatment of the merger should be as

Table of Contents

described above. The opinions of the parties' respective counsel, however, do not bind the Internal Revenue Service and do not preclude the IRS or the courts from adopting a contrary position.

Accounting Treatment (Page 38)

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

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

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

Shares of common stock of American State Bank Corporation beneficially owned by its executive officers, directors and holders of more than 5% of American State Bank Corporation common stock on [], 2005	153,074
Maximum number of shares of BancorpSouth common stock that may be received in the merger by executive officers, directors and holders of more than 5% of American State Bank Corporation common stock based upon their beneficial ownership	666,438

Four of American State Bank Corporation's executive officers will receive bonuses as part of the merger and in consideration for terminating their existing employment agreements with American State Bank Corporation and will also enter into employment agreements with BancorpSouth.

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

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

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

We cannot complete the merger unless we obtain the approval of the Federal Deposit Insurance Corporation. The U.S. Department of Justice has input into the FDIC's approval process. Once the FDIC has approved the merger, federal law requires that we wait up to 30 calendar days to complete the merger in order to give the Department of Justice the opportunity to review and object to the merger. BancorpSouth expects to obtain approval of the merger from the FDIC on or about October 17, 2005 and expects the waiting period to expire on or about November 1, 2005.

In addition, the merger is subject to the approval of the Mississippi Department of Banking and Consumer Finance and the Arkansas State Bank Department. BancorpSouth and American State Bank Corporation have filed all of the required notices and applications, as appropriate, with these state regulatory authorities, and approval of the merger is expected to be received prior to approval of

Table of Contents

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

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

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

Conditions to Complete the Merger (Page 57)

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

the New York Stock Exchange authorizing for listing the shares of BancorpSouth common stock to be issued to American State Bank Corporation shareholders;

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

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

the holders of less than 5% of the total outstanding shares of American State Bank Corporation common stock exercising dissenters' rights with respect to the merger;

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

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

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

Termination of the Merger Agreement (Page 57)

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

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

the merger is not completed on or before January 31, 2006; or

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

BancorpSouth may terminate the merger agreement if:

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

Table of Contents

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

American State Bank Corporation enters into a letter of intent or agreement related or with respect to any tender or exchange offer, proposal for a merger, consolidation or other business combination involving American State Bank Corporation or any offer to acquire all or a substantial portion of the assets of American State Bank Corporation.

Generally, a party can only terminate the merger agreement in one of these situations if that party is 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 60)

Shares of BancorpSouth common stock are listed on the New York Stock Exchange under the symbol BXS. On August 9, 2005, the last full trading day prior to the public announcement of the merger, the closing sales price of BancorpSouth common stock was \$22.44 per share. On [], 2005, the last practicable trading day before the distribution of this Proxy Statement/Prospectus, the closing sales price of BancorpSouth common stock was \$[] per share. The market price of BancorpSouth common stock is expected to fluctuate prior to and after completion of the merger. You should obtain current market quotations for BancorpSouth common stock from a newspaper, the Internet or your broker.

There is no established public trading market for shares of American State Bank Corporation common stock, which is inactively traded in private transactions. Therefore, reliable information is not available about the prices at which shares of American State Bank Corporation common stock have been bought and sold.

Table of Contents

RECENT DEVELOPMENTS

BancorpSouth continues to assess the status of its Mississippi Gulf Coast banking assets damaged and operations disrupted by Hurricane Katrina. The aggregate impact of this hurricane on BancorpSouth's financial condition and results of operations may not be known for some time and must be measured by the extent of the damage to BancorpSouth's properties, the extent of the damage to the properties of its customers (including property pledged to the bank as collateral) and the short- and long-term impact on the economy of the region affected by Hurricane Katrina. As of September 30, 2005, BancorpSouth had not completed its assessment primarily because of the difficulty in gaining access to certain properties that serve as collateral for its loans and the difficulty in locating some of its loan customers in the Gulf Coast area who were displaced by this natural disaster. As of September 30, 2005, management of BancorpSouth had estimated that, based on information available to it at the time, the effects of Hurricane Katrina could decrease earnings by approximately \$9 million after tax, or \$0.115 per diluted share, for the quarter ended September 30, 2005 and could result in a provision for credit losses of approximately \$11.6 million. There can be no assurance, however, that the decrease in earnings and the provision for credit losses will not exceed these estimates. Management's estimates are subject to change as BancorpSouth continues its assessment and obtains additional reliable information.

Table of Contents**RISK FACTORS**

The merger involves a number of risks. In addition to the risks described below, the combined companies will continue to be subject to the risks described in the documents that BancorpSouth has filed with the Securities and Exchange Commission that are incorporated by reference into this Proxy Statement/Prospectus, including without limitation, BancorpSouth's Annual Report on Form 10-K for the fiscal year ended December 31, 2004. 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 Might Not Receive the Form of Merger Consideration that You Elect.

The merger agreement contains provisions that are generally designed to ensure that 50% of the outstanding shares of American State Bank Corporation common stock are exchanged for shares of BancorpSouth common stock and the other 50% of the shares are exchanged for cash consideration, subject to a tax-related adjustment. If elections are made by American State Bank Corporation shareholders that would otherwise result in more or less than 50% of such shares being converted into BancorpSouth common stock, the shareholders will have the consideration of the type they selected modified 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 combination of cash and/or shares of BancorpSouth common stock as BancorpSouth shall determine.

You Might Not Know the Exchange Ratio When You Send Your Election Form to the Exchange Agent.

You are required to send to SunTrust Bank, Atlanta, N.A., the exchange agent, the election form and stock certificates representing shares of American State Bank Corporation common stock that you own so that they are received no later than the second business day immediately preceding the special meeting of the American State Bank Corporation shareholders. Because the exchange ratio will not be determinable until the end of business on the fifth day immediately preceding the special meeting, you might not know the exchange ratio when you send your election form to the exchange agent. Similarly, if you mail or otherwise submit your proxy prior to the fifth day immediately preceding the special meeting, you will not know the exchange ratio when you submit your proxy voting on the merger agreement, unless you subsequently revoke your proxy as described in this Proxy Statement/Prospectus or plan to attend the special meeting in person in lieu of submitting a proxy. As a result, you might not know the number of shares of BancorpSouth common stock you would receive as stock consideration when you vote on the merger agreement and elect the form of merger consideration you want to receive.

The Market Price of the Shares of BancorpSouth Common Stock You Receive in the Merger Will Fluctuate and the Precise Exchange Ratio Cannot be Presently Determined.

The merger agreement provides for an exchange ratio that is based on the average closing price of BancorpSouth common stock for the 10 trading day period ending on the fifth trading day prior to the date the shareholders of American State Bank Corporation meet to approve the merger agreement. The merger agreement provides for adjustment of the exchange ratio if the trailing average closing price is between \$21.5729 and \$25.0712 per share, but it does not provide any adjustment if the trailing average closing price is below \$21.5729 per share or above \$25.0712 per share. Consequently, the market price of the stock consideration per share of American State Bank Corporation common stock may be more or less than the cash consideration upon completion of the merger. The merger agreement does not provide for rights of termination by either party based on fluctuations of the market price of BancorpSouth common stock before closing of the proposed transaction. Because the exchange ratio is based on the average closing price of BancorpSouth common stock for a period of time prior to the shareholder meeting, the precise exchange ratio cannot be presently determined. Stock price changes may result from a variety

Table of Contents

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.

Shareholders of American State Bank Corporation are urged to obtain current market quotations for BancorpSouth common stock. The historical prices of BancorpSouth common stock included in this Proxy Statement/Prospectus are not necessarily indicative of the prices that will be used to calculate the exchange ratio. The future market price of BancorpSouth common stock cannot be guaranteed or predicted.

The Valuation of the Merger is Subjective and a Fairness Opinion Was Not Provided.

The exchange ratio may not necessarily reflect the market value of American State Bank Corporation common stock. No fairness opinion has been obtained with respect to the merger, although American State Bank Corporation retained Stephens Inc., an investment banking firm, to provide a financial analysis with respect to the merger. The exchange ratio and other terms of the merger were determined by an arm's length negotiation between BancorpSouth and American State Bank Corporation's respective management and Board of Directors and based on input from Stephens. Although we believe that the transaction is fair from a financial point of view, Stephens did not express an opinion as to the fairness of the transaction from a financial perspective. Therefore, the determination of the exchange ratio is subjective and our determination of the fairness thereof has been made without reliance upon an opinion of any financial advisor.

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

BancorpSouth and American State Bank Corporation 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.

The Market Price of Shares of BancorpSouth Common Stock after the Merger May Be Affected by Factors Different from those Affecting Shares of American State Bank Corporation or BancorpSouth Currently.

The businesses of BancorpSouth and American State Bank Corporation 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 financial condition and results of operations of each of BancorpSouth and American State Bank Corporation. For a discussion of the businesses of BancorpSouth and American State Bank Corporation and of certain factors to consider in connection with those businesses, see INFORMATION ABOUT BANCORPSOUTH on page 61 and INFORMATION ABOUT AMERICAN STATE BANK CORPORATION beginning on page 62.

The Merger Agreement Limits the Ability of American State Bank Corporation to Pursue Alternative Transactions to the Merger and Requires American State Bank Corporation to Pay a Termination Fee if it Does.

The merger agreement prohibits American State Bank Corporation and its directors, officers, representatives and agents from soliciting, authorizing the solicitation of or, subject to very narrow exceptions, entering into discussions with any third party regarding alternative acquisition proposals. The prohibition limits the ability of American State Bank Corporation to pursue offers that may be superior from a financial point of view from other possible acquirors. If the merger agreement is terminated for certain reasons and American State Bank Corporation receives an unsolicited proposal from a third party within nine months after such termination and actions are taken by the Board of Directors of American State Bank Corporation to pursue further discussions or negotiations, American State Bank Corporation will be required to pay \$1,500,000 in cash to BancorpSouth upon demand. This fee makes it less likely that a third party will make an alternative acquisition proposal.

Table of Contents

The Executive Officers and Directors of American State Bank Corporation Have Interests Different from Typical American State Bank Corporation Shareholders.

The executive officers and directors of American State Bank Corporation have certain interests in the merger and participate in certain arrangements that are different from, or are in addition to, those of American State Bank Corporation 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 American State Bank Corporation Will Be Limited in their Ability to Influence BancorpSouth's Actions and Decisions Following the Merger.

Following the merger, former shareholders of American State Bank Corporation will hold less than 1.5% of the outstanding shares of BancorpSouth common stock. As a result, former American State Bank Corporation shareholders will have only a limited ability to influence BancorpSouth's business. Former American State Bank Corporation 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 American State Bank Corporation Employees.

Despite BancorpSouth's efforts to retain quality employees, BancorpSouth might lose some of American State Bank Corporation's current employees following the merger. Current American State Bank Corporation 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 American State Bank Corporation employees. Competitors may recruit employees prior to the merger and during the integration process after the merger. As a result, current employees of American State Bank Corporation could leave with little or no prior notice. BancorpSouth cannot assure you that the combined companies will be able to attract, retain and integrate employees following the merger.

Table of Contents

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF BANCORPSOUTH

The following table sets forth certain financial information with respect to BancorpSouth which is derived from the audited and unaudited financial statements of BancorpSouth. The results of operations for the six months ended June 30, 2005 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 the dates presented. 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, 2004, and BancorpSouth's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005, which are incorporated by reference into this document and from which this information is derived. See **WHERE YOU CAN FIND MORE INFORMATION** beginning on page 89.

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

	For the Years Ended December 31,					For the Six Months Ended June 30, (Unaudited)	
2004	2003	2002	2001	2000	2005	2004	
(Dollars in Thousands, Except Per Share Amounts)							
Earnings Summary:							
Interest revenue	\$ 497,629	\$ 526,911	\$ 590,418	\$ 660,475	\$ 669,158	\$ 268,157	\$ 246,868
Interest expense	163,837	175,805	218,892	331,093	346,883	93,311	79,702
Net interest revenue	333,792	351,106	371,526	329,382	322,275	174,846	167,166
Provision for credit losses	17,485	25,130	29,411	22,259	26,166	7,767	8,851
Noninterest revenue	183,519	190,086	124,826	127,998	87,970	96,941	97,456
Noninterest expense	342,945	322,594	304,985	289,318	271,742	180,263	170,036
Income before income tax	156,881	193,468	161,956	145,803	112,337	83,757	85,735
Applicable income taxes	46,261	62,334	49,938	47,340	37,941	26,223	27,297
Net income	\$ 110,620	\$ 131,134	\$ 112,018	\$ 98,463	\$ 74,396	\$ 57,534	\$ 58,438
Per Share Data:							
Basic earnings	\$ 1.44	\$ 1.69	\$ 1.40	\$ 1.19	\$ 0.88	\$ 0.74	\$ 0.76
Diluted earnings	1.43	1.68	1.39	1.19	0.88	0.73	0.75
Cash dividends	0.73	0.66	0.61	0.57	0.53	0.38	0.36
Book value end of period	11.74	11.15	10.40	9.92	9.39	11.96	11.10
Balance Sheet Data (period end):							
Total assets	\$ 10,848,193	\$ 10,305,035	\$ 10,189,247	\$ 9,395,429	\$ 9,044,034	\$ 10,831,291	\$ 10,670,323
Loans, net of unearned income	6,836,698 91,673	6,233,067 92,112	6,389,385 87,875	6,073,200 83,150	6,095,315 81,730	7,046,942 91,076	6,422,864 90,537

Allowance for credit losses							
Total deposits	9,059,091	8,599,128	8,548,918	7,856,840	7,480,920	8,974,580	8,789,246
Total stockholders equity	\$ 916,428	\$ 868,906	\$ 807,823	\$ 805,403	\$ 789,576	\$ 936,167	\$ 852,910

Balance Sheet Data

(averages):

Total assets	\$ 10,555,133	\$ 10,236,904	\$ 9,882,168	\$ 9,261,912	\$ 8,756,474	\$ 10,833,282	\$ 10,533,989
Total stockholders equity	\$ 873,264	\$ 845,874	\$ 810,893	\$ 796,706	\$ 761,884	\$ 921,617	\$ 876,096
Average number of diluted shares outstanding (in thousands)	77,378	78,164	80,481	82,979	84,811	78,555	77,784

Selected Ratios

(annualized):

Return on average assets	1.05%	1.28%	1.13%	1.06%	0.85%	1.07%	1.12%
Return on average stockholders equity	12.67	15.50	13.81	12.36	9.76	12.59	13.40
Net interest margin	3.52	3.80	4.15	3.94	4.08	3.65	3.54
Net charge-offs to average loans	0.31	0.33	0.41	0.35	0.34	0.24	0.33
Tier 1 capital to risk-weighted assets	12.41	13.24	11.92	10.70	11.31	12.73	12.93
Total capital to risk-weighted assets	13.67	14.51	13.16	11.91	12.56	13.97	14.19

Table of Contents

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF AMERICAN STATE BANK CORPORATION

The following table sets forth certain financial information with respect to American State Bank Corporation which is derived from the audited and unaudited financial statements of American State Bank Corporation. The results of operations for the six months ended June 30, 2005 are not necessarily indicative of the results of operations for the full year or any other interim period. American State Bank Corporation management prepared the unaudited information on the same basis as it prepared American State Bank Corporation's audited consolidated financial statements. In the opinion of American State Bank Corporation management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for the dates presented.

22

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF AMERICAN STATE BANK CORPORATION**

	For the Years Ended December 31,					For the Six Months Ended June 30, (Unaudited)	
	2004	2003	2002	2001	2000	2005	2004
	(Dollars in Thousands, Except Per Share Amounts)						
Earnings							
Summary:							
Interest revenue	\$ 14,288	\$ 12,977	\$ 13,871	\$ 14,866	\$ 12,098	\$ 8,067	\$ 6,772
Interest expense	4,741	4,901	6,251	10,900	8,609	3,314	2,182
Net interest revenue	9,547	8,076	7,620	3,966	3,489	4,753	4,590
Provision for credit losses	205	400	1,000	300	80	129	150
Other revenue	2,614	2,304	1,469	1,689	1,016	1,314	1,231
Other expense	9,151	7,940	6,528	5,365	4,660	4,680	4,459
Income before income tax	2,805	2,040	1,561	(10)	(235)	1,258	1,212
Applicable income taxes	848	663	307	(100)	(99)	354	344
Net income	\$ 1,957	\$ 1,377	\$ 1,254	\$ 90	\$ (136)	\$ 904	\$ 868
Per Share Data:							
Basic earnings	\$ 4.17	\$ 2.94	\$ 2.69	\$ 0.21	\$ (0.34)	\$ 1.92	\$ 1.85
Diluted earnings	4.07	2.89	2.66	0.21	(0.34)	1.87	1.82
Cash dividends						0.50	
Book value end of period	46.22	42.67	40.20	36.10	34.45	46.83	42.80
Balance Sheet Data (period end):							
Total assets	\$ 334,400	\$ 268,507	\$ 239,376	\$ 218,807	\$ 189,631	\$ 342,786	\$ 308,785
Loans, net of unearned income	199,385	162,894	161,940	153,554	142,900	212,664	182,137
Allowance for credit losses	1,965	2,046	1,867	1,202	1,047	1,922	2,028
Securities	99,073	61,967	50,629	41,480	29,446	101,819	92,363
Deposits	282,764	244,717	218,289	199,469	163,781	272,001	254,223
Subordinated debentures	6,702					6,702	6,702
Total shareholders	\$ 21,734	\$ 20,012	\$ 18,806	\$ 16,591	\$ 13,855	\$ 22,115	\$ 20,094

equity

Balance Sheet**Data****(averages):**

Total assets	\$ 297,313	\$ 244,634	\$ 223,010	\$ 216,146	\$ 170,810	\$ 335,161	\$ 285,990
Total shareholders equity	\$ 20,873	\$ 19,409	\$ 17,699	\$ 15,223	\$ 13,852	\$ 21,925	\$ 20,053
Average number of diluted shares outstanding (in thousands)	481	477	472	427	402	483	478

Selected Ratios**(annualized):**

Return on average assets	0.66%	0.56%	0.56%	0.04%	(0.08)%	0.54%	0.61%
Return on average shareholders equity	9.38	7.09	7.09	0.59	(0.98)	8.25	8.66
Net interest margin	3.71	3.69	3.70	1.97	2.15	3.31	3.71
Net charge-offs to average loans	0.16	0.14	0.21	0.10	0.03	0.17	0.20
Tier 1 capital to risk-weighted assets	13.0	11.5	12.2	12.0	10.9	12.8	13.8
Total capital to risk-weighted assets	13.9	12.7	13.4	12.0	11.7	13.6	14.8
Leverage ratio	9.2	8.0	7.8	7.4	7.5	8.6	9.4

23

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

The following table sets forth for BancorpSouth common stock and American State Bank Corporation 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, 2004, in the case of the income from continuing operations and cash dividends paid data for the 12 months ended December 31, 2004, and as if the merger had become effective on January 1, 2005, in the case of the income from continuing operations and cash dividends paid data for the six months ended June 30, 2005. 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 an exchange ratio of 3.9381 shares of BancorpSouth common stock for each share of American State Bank Corporation common stock, which would have been the exchange ratio as of August 9, 2005, the last trading day before we announced the merger, and assuming that 100% of the outstanding common stock of American State Bank Corporation is converted into BancorpSouth common stock with no regard given to the effects of shares of American State Bank Corporation common stock that are exchanged for cash, as if these shares were outstanding for each period presented. 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 89.

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 American State Bank Corporation will be reflected in the consolidated financial statements of BancorpSouth on a prospective basis.

	Comparative Per Share Data			Per Equivalent
		American		American
		State Bank		State
	BancorpSouth	Corporation	Pro Forma	Bank
	Historical	Historical	Combined	Corporation
				Share
Income from continuing operations for the 12 months ended December 31, 2004				
Basic	\$ 1.44	\$ 4.17	\$ 1.43	\$ 5.63
Diluted	1.43	4.07	1.42	5.59
Income from continuing operations for the six months ended June 30, 2005				
Basic	0.74	1.92	0.73	2.87
Diluted	0.73	1.87	0.73	2.86
Cash Dividends Paid				
For the 12 months ended December 31, 2004	0.73		0.73	2.87
For the six months ended June 30, 2005	0.38	0.50	0.38	1.50
Book Value				
As of December 31, 2004	11.74	46.22	12.02	47.35

As of June 30, 2005

11.96

46.83

12.23

48.17

24

Table of Contents

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This Proxy Statement/Prospectus contains certain forward-looking statements about the financial condition, results of operations and business of BancorpSouth and American State Bank Corporation 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, RECENT DEVELOPMENTS, THE MERGER Reasons for the Merger; Recommendation of the Board of Directors and THE MERGER AGREEMENT Terms of 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 American State Bank Corporation, 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 American State Bank Corporation. In addition, neither BancorpSouth nor American State Bank Corporation 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, those discussed in the section entitled RISK FACTORS beginning on page 17, as well as the following:

- 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;

Table of Contents

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

the ability of BancorpSouth to obtain additional reliable information in areas affected by Hurricane Katrina;

assumptions made in BancorpSouth's assessment and financial analysis regarding the effects of Hurricane Katrina;

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

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

Table of Contents

THE SPECIAL MEETING

General

This Proxy Statement/Prospectus is first being mailed, on or about [], 2005, to all persons who were American State Bank Corporation shareholders on [], 2005.

Along with this Proxy Statement/Prospectus, American State Bank Corporation 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 American State Bank Corporation shareholders and at any adjournments or postponements of that meeting.

At the American State Bank Corporation special meeting, American State Bank Corporation shareholders will consider and vote upon a proposal to approve an Agreement and Plan of Merger, dated as of August 9, 2005, between American State Bank Corporation and BancorpSouth, which provides for the merger of American State Bank Corporation with and into BancorpSouth.

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

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

Proxies

American State Bank Corporation encourages its shareholders to promptly vote their proxies by completing, signing, dating and returning the enclosed proxy card solicited by American State Bank Corporation's Board of Directors whether or not they are able to attend the American State Bank Corporation special meeting in person.

An American State Bank Corporation shareholder may revoke any proxy given in connection with this solicitation by:

delivering to American State Bank Corporation a written notice revoking the proxy prior to the taking of the vote at the American State Bank Corporation 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 American State Bank Corporation 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:

American State Bank Corporation
2201 Fair Park Boulevard
Jonesboro, Arkansas 72401

Attention: Frank Oldham, Chairman and Chief Executive Officer

For a notice of revocation or later proxy to be valid, however, American State Bank Corporation must receive it prior to the vote of American State Bank Corporation shareholders at the American State Bank Corporation special meeting. American State Bank Corporation will vote all shares of American State Bank

Table of Contents

Corporation common stock represented by valid proxies received through this solicitation and not revoked before they are exercised in the manner described above.

American State Bank Corporation is currently unaware of any other matters that may be presented for action at the American State Bank Corporation special meeting. If other matters do properly come before the American State Bank Corporation special meeting, then shares of American State Bank Corporation 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 American State Bank Corporation stock certificates, election form and letter of transmittal with your proxy card. Stock certificates, the election form and the letter of transmittal should be returned to the exchange agent in accordance with the instructions contained in the election form.

Solicitation of Proxies

American State Bank Corporation 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, American State Bank Corporation may use several of its regular employees, who will not be specially compensated, to solicit proxies from American State Bank Corporation shareholders, either personally or by telephone, facsimile or mail.

Record Date and Voting Rights

American State Bank Corporation's Board of Directors has fixed [], 2005 as the record date for the determination of American State Bank Corporation shareholders entitled to receive notice of and to vote at American State Bank Corporation's special meeting of shareholders. Accordingly, only American State Bank Corporation shareholders of record at the close of business on [], 2005 will be entitled to notice of and to vote at the American State Bank Corporation special meeting. At the close of business on American State Bank Corporation's record date, there were 472,266 shares of American State Bank Corporation common stock entitled to vote at the American State Bank Corporation special meeting held by 228 holders of record. The executive officers and directors of American State Bank Corporation beneficially owned 19.69% of the outstanding shares of American State Bank Corporation common stock as of that date.

The presence, in person or by proxy, of a majority of the votes entitled to be cast by the holders of American State Bank Corporation common stock is necessary to constitute a quorum at the special meeting. Each share of American State Bank Corporation common stock outstanding on American State Bank Corporation'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 American State Bank Corporation's special meeting.

For purposes of determining the presence or absence of a quorum for the transaction of business, American State Bank Corporation will count shares of American State Bank Corporation 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 American State Bank Corporation special meeting for purposes of determining whether a quorum exists.

Under the Arkansas Business Corporation Act of 1987, the merger agreement must be approved by a majority of all the votes entitled to be cast by shareholders of American State Bank Corporation. Because approval of the merger agreement requires approval based on 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, American State Bank Corporation's Board of Directors urges American State Bank Corporation shareholders to complete, date and sign the accompanying proxy card and return it promptly in the enclosed white postage paid business reply envelope.

Table of Contents

Recommendation of Board of Directors

American State Bank Corporation's Board of Directors has unanimously approved the merger agreement. American State Bank Corporation's Board of Directors believes that the merger is in the best interests of American State Bank Corporation and American State Bank Corporation shareholders and recommends that American State Bank Corporation shareholders vote FOR approval of the merger agreement. The conclusion of American State Bank Corporation'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.

Shareholders Dissenters Rights

Shareholders of American State Bank Corporation who do not wish to accept BancorpSouth common stock in the merger will be entitled under the Arkansas Business Corporation Act of 1987 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 American State Bank Corporation, 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 American State Bank Corporation common stock in favor of the merger agreement.

Any American State Bank Corporation shareholder who wishes to exercise dissenters' rights, or who wishes to preserve his or her right to do so, should carefully review Sections 4-27-1301 *et seq.* of the Arkansas Business Corporation Act of 1987, 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 such 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 this document was delivered. If you hold American State Bank Corporation common stock as a registered shareholder and prefer to receive separate copies of a proxy statement, please call (870) 972-9800 or send a written request to:

American State Bank Corporation
2201 Fair Park Boulevard
Jonesboro, Arkansas 72401

Attention: Frank Oldham, Chairman and Chief Executive Officer

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

Table of Contents

THE MERGER

The discussion in this Proxy Statement/Prospectus of the merger of American State Bank Corporation 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, American State Bank Corporation will merge with and into BancorpSouth and American State Bank Corporation's subsidiary bank will merge with and into BancorpSouth Bank, a subsidiary of BancorpSouth. American State Bank Corporation shareholders, other than American State Bank Corporation shareholders who properly exercise their rights to dissent from the merger, will have the opportunity to elect to receive in exchange for shares of American State Bank Corporation common stock they own:

a cash payment of \$93.9226;

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

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

With respect to an election to receive stock consideration, for each share of American State Bank Corporation common stock, American State Bank Corporation shareholders may receive 4.3537 shares of BancorpSouth common stock if the trailing average closing price is \$21.5729 or less, or 3.7462 shares of BancorpSouth common stock if the trailing average closing price is \$25.0712 or greater. If the trailing average closing price is between \$21.5729 and \$25.0712, the exchange ratio will be proportionately adjusted between 4.3537 and 3.7462 based on the trailing average closing price of BancorpSouth common stock computed as described above. See THE MERGER AGREEMENT Terms of the Merger.

Holders of more than one share of American State Bank Corporation common stock may elect a combination of stock and cash consideration. In the merger, 50% of the outstanding shares of American State Bank Corporation 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 50% limitation for stock consideration, regardless of your election, you may receive a combination of cash and shares of BancorpSouth common stock that is different than what you may have elected, depending on the elections made by other American State Bank Corporation shareholders. See THE MERGER AGREEMENT Cash or Stock Election.

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

Arkansas law permits American State Bank Corporation shareholders to dissent from the merger and to receive the fair value of their shares of American State Bank Corporation common stock in cash. To dissent, an American State Bank Corporation shareholder must follow certain procedures, including filing certain notices with American State Bank Corporation and not voting his or her shares in favor of the merger agreement. The shares of American State Bank Corporation common stock held by a dissenter will not be exchanged for stock consideration or cash consideration in the merger and a dissenter's only right will be to receive the appraised fair value of his or her shares of American State Bank Corporation 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.

Table of Contents

Background of the Merger

The management of American State Bank Corporation periodically has explored, assessed and discussed with the American State Bank Corporation Board of Directors strategic options potentially available to American State Bank Corporation. These strategic discussions have included the possibility of business combinations involving American State Bank Corporation 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.

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

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

On December 14, 2004, the American State Bank Corporation Board of Directors met to consider the two preliminary written proposals and the one preliminary oral proposal. After discussion with Stephens, the Board of Directors determined that the proposal from BancorpSouth and the preliminary oral proposal were the superior proposals, but none of the initial indications of interest were adequate in the judgment of the Board of Directors of American State Bank Corporation. The Board of Directors authorized Stephens to continue discussions with the two potential merger candidates, while continuing to study the option of remaining independent.

On February 15, 2005, the American State Bank Corporation Board of Directors met again to discuss the two proposals under consideration. Stephens updated the Board of Directors on the discussions with the two potential merger candidates. The Board of Directors instructed Stephens to continue valuation discussions with both potential merger candidates and to ask for final indications of interest from both interested institutions.

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

Management of American State Bank Corporation and BancorpSouth met in Memphis, Tennessee on July 7, 2005 to continue discussions of the terms of a merger and to begin due diligence discussions. Following this meeting, work began on a draft merger agreement while the due diligence process continued.

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

Table of Contents

was financially superior to the transaction proposed by BancorpSouth and that, if requested, it was prepared to render an opinion as to the fairness of the transaction from a financial point of view.

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

Reasons for the Merger; Recommendation of the Board of Directors

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

In approving the merger agreement at its meeting on August 9, 2005, the American State Bank Corporation Board of Directors considered the following material factors based in part on the presentation by Stephens:

the dividends, financial condition and earnings of BancorpSouth;

the resulting relative interests of American State Bank Corporation shareholders in the common stock of the combined companies following the merger;

the terms of the merger agreement, including the amount and form of consideration to be received by American State Bank Corporation shareholders in the merger and the expectation that the merger will be a partially tax-free transaction;

the anticipated cost savings, operating efficiencies and opportunities for revenue enhancement available to the combined companies from the merger, and the likelihood that these would be achieved following the merger;

the advice of Stephens that it believed it was unlikely that another publicly traded merger candidate would be willing to propose a transaction that was financially superior to the transaction proposed by BancorpSouth;

the nature of, and likelihood of obtaining, the regulatory approvals that would be required for the merger;

the liquidity provided by shares of BancorpSouth common stock compared to shares of American State Bank Corporation common stock; and

the historical market prices of BancorpSouth common stock and the fact that the proposed per-share merger consideration represented a premium over the book value of American State Bank Corporation's common stock on the business day before the merger was announced.

Based on a thorough evaluation of these factors, American State Bank Corporation's Board of Directors believes the merger is in the best interests of American State Bank Corporation and American State Bank Corporation shareholders. American State Bank Corporation's Board of Directors recommends that American State Bank Corporation shareholders vote FOR approval of the merger agreement.

Table of Contents**Analysis of Financial Advisor to American State Bank Corporation**

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

Set forth below is a summary of the material analyses presented by Stephens on August 9, 2005 to the Board of Directors of American State Bank Corporation. Representatives from Stephens were present to discuss the reasonableness of the financial terms of the proposed merger agreement.

Offer Valuation

Stephens reviewed the financial terms of the proposed merger, including the consideration (with a then-current value per share of approximately \$93.9226) and the estimated aggregate transaction value offered in the BancorpSouth proposal of approximately \$50 million (subject to market fluctuations of the value of the BancorpSouth common stock as consideration in the merger), including the estimated \$5.6 million value of American State Bank Corporation stock options. Stephens calculated the ratio of the estimated transaction value per diluted share to American State Bank Corporation's earnings per share for the 12 months ended June 30, 2005 and to book value per share and tangible book value per share as of June 30, 2005, which were 25.1:1, 2.26:1 and 2.26:1, respectively. Stephens also calculated the tangible core deposit premium to be 12.6%.

Pricing Structure

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

a cash payment of \$93.9226;

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

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

With respect to an election to receive stock consideration, for each share of American State Bank Corporation common stock, shareholders may elect to receive 4.3537 shares of BancorpSouth common stock if the trailing average closing price is \$21.5729 or less, and 3.7462 shares of BancorpSouth common stock if the trailing

Table of Contents

average closing price is \$25.0712 or greater. If the trailing average closing price is between \$21.5729 and \$25.0712, the exchange ratio will be proportionately adjusted between 4.3537 and 3.7462 based on the trailing average closing price of BancorpSouth common stock computed as described above. If shareholders hold more than one share of American State Bank Corporation common stock, they may elect a combination of stock and cash consideration. Regardless of their election, they may receive a combination of cash and shares of BancorpSouth common stock that is different than what they may have elected, depending on the elections made by other American State Bank Corporation shareholders and a tax-related adjustment, if necessary.

The chart below represents estimates of the aggregate number of shares of BancorpSouth common stock to be issued in connection with the transaction, the aggregate value of BancorpSouth common stock to be issued in connection with the transaction, the aggregate transaction value, the aggregate transaction value per share of American State Bank Corporation common stock and transaction value ratios based upon a range of trailing average closing prices of BancorpSouth common stock. The chart reflects that all of these parameters will vary based on the 10-day average closing price of BancorpSouth common stock ending on the fifth trading day before the shareholders of American State Bank Corporation meet to approve the merger agreement.

Trailing Average Closing Price of BancorpSouth Common Stock	Aggregate Number of Shares to be Issued (In thousands)	Aggregate Value of Stock (In thousands)	Aggregate Transaction Value (In thousands)	Aggregate Per Share Transaction Value	Transaction Value/ Last 12 Months Earnings	Transaction Value/ Tangible Book Value
\$ 18.00	1,158.9	\$ 20,859	\$ 45,859	\$ 86.1446	23.0	2.07
20.00	1,158.9	23,177	48,177	90.4983	24.2	2.18
21.5729	1,158.9	25,000	50,000	93.9223	25.1	2.26
22.00	1,136.4	25,000	50,000	93.9226	25.1	2.26
23.00	1,087.0	25,000	50,000	93.9226	25.1	2.26
24.00	1,041.7	25,000	50,000	93.9226	25.1	2.26
25.00	1,000.0	25,000	50,000	93.9226	25.1	2.26
25.0712	997.2	25,000	50,000	93.9222	25.1	2.26
26.00	997.2	25,926	50,926	95.6619	25.5	2.30
28.00	997.2	27,920	52,920	99.4081	26.5	2.39

Analysis of Selected Recent Regional Bank and Thrift Merger Transactions

Stephens reviewed the consideration paid in nine Arkansas transactions announced between August 1, 2003 and August 8, 2005 with transaction values between \$10 million and \$100 million for bank and thrift targets and ten regional transactions announced between August 1, 2004 and August 8, 2005 with transaction values between \$15 million and \$100 million for bank and thrift targets located in Arkansas, Louisiana, Missouri and Tennessee. There were no such transactions in Alabama, Mississippi or Oklahoma. For each company merged in such transactions, Stephens compiled data comparing the transaction value at announcement to the most recent 12 months earnings, the transaction value to book value, the transaction value to tangible book value and the tangible core deposit premium paid.

The characteristics of the Arkansas transactions considered were as follows:

a median ratio of the transaction value to the most recent 12 months earnings per share of 20.5:1;

a median ratio of the transaction value to book value of 2.0:1;

a median ratio of the transaction value to tangible book value of 2.0:1; and

a median tangible core deposit premium paid of 16.4%.

The median ratios for these selected transactions when applied to American State Bank Corporation resulted in implied aggregate merger values ranging from \$40.9 million to \$58.3 million, or per diluted share values of \$78.15 to \$108.30.

Table of Contents

The characteristics of the regional transactions considered were as follows:

a median ratio of the transaction value to the most recent 12 months earnings per share of 19.7:1;

a median ratio of the transaction value to book value of 2.3:1;

a median ratio of the transaction value to tangible book value of 2.4:1; and

a median tangible core deposit premium paid of 18.9%.

The median ratios for these selected transactions when applied to American State Bank Corporation resulted in implied aggregate merger values of \$39.2 million to \$63.8 million, or per diluted share values of \$75.33 to \$117.76.

No other company or transaction used in the above analysis as a comparison was identical to American State Bank Corporation or the proposed merger. Accordingly, Stephens analysis of the foregoing results was not solely mathematical; rather, it involved complex considerations and judgments concerning differences in financial and operating characteristics of the companies included and other factors that could affect the acquisition of the companies to which American State Bank Corporation was being compared.

Potential Merger Valuation Range

Stephens prepared an analysis that provided an estimate of the potential transaction value that selected potential acquirors which are publicly traded, including BancorpSouth, might hypothetically offer to acquire American State Bank Corporation. The analysis showed that, based on closing stock market prices on August 5, 2005 and the assumption of potential cost savings of 0% to 16% of non-interest expense, the selected acquirors might offer between \$33.45 million and \$57.5 million, or per diluted share values between \$65.37 and \$106.86 in a merger transaction. The analysis was predicated on the assumption that each potential acquiror would be willing to offer the transaction value that results from applying the potential acquiror's price-to-earnings multiple to the estimated earnings of American State Bank Corporation, adjusted to include the after-tax benefit of potential cost savings and giving effect to the after-tax estimated amortization of intangibles. This analysis also assumed a 50% stock and 50% cash transaction structure, with a 6% pre-tax interest cost on cash consideration, and a 39% marginal corporate income tax rate. This analysis was based on analysts' consensus estimates of 2006 earnings per share for the potential acquirors and management's estimate of American State Bank Corporation's 2006 earnings.

Discounted Cash Flow Analysis

Stephens performed a discounted cash flow analysis on American State Bank Corporation to determine the implied present value per share of American State Bank Corporation's common stock assuming American State Bank Corporation continued to operate on a stand-alone basis. A discounted cash flow analysis is a traditional method of evaluating an asset by estimating the future cash flows of the asset and taking into consideration the time value of money with respect to those future cash flows by calculating the present value of the estimated future cash flows of the assets. Present value refers to the current value of one or more future cash payments (or cash flows) from the asset and is obtained by discounting those future cash flows or amounts by a discount rate that takes into account macro-economic assumptions and estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors. Terminal value refers to the value of all future cash flows from an asset at a particular time.

With respect to American State Bank Corporation, Stephens estimated the implied present value of American State Bank Corporation as of September 30, 2005 based upon a discounted cash flow analysis by calculating the present value of the estimated annual dividends to be paid by American State Bank Corporation in March 2006 and 2007 plus the present value of the estimated terminal value of American State Bank Corporation's common stock as of December 31, 2007.

Table of Contents

Stephens estimated the implied present value of American State Bank Corporation's common stock on a stand-alone basis based on management's projected earnings and dividends estimates for the years ending December 31, 2005 through 2007 and a terminal value of American State Bank Corporation common stock at December 31, 2007 based on price to earnings ratios of 15.0:1 to 20.0:1.

The estimated dividends and terminal value resulting from these calculations were then discounted to present value using discount rates of 10% to 14%, which Stephens viewed as appropriate for companies of American State Bank Corporation's risk characteristics.

The implied value of American State Bank Corporation resulting from this analysis ranged from \$37.9 million to \$54.6 million, or per diluted share values of \$72.98 to \$101.79.

Comparison of Selected Companies for American State Bank Corporation

Stephens reviewed and compared certain public market ratios relating American State Bank Corporation to the publicly available corresponding data for a group of 14 selected banks and thrifts which Stephens deemed to be relevant. The selected banks consisted of Pulaski Financial Corp., Cass Information Systems, Inc., Pocahontas Bancorp, Inc., Teche Holding Company, Peoples Financial Corporation, MidSouth Bancorp, Inc., Cavalry Bancorp, Inc., United Security Bancshares, Inc., Auburn National Bancorporation, Inc., Citizens Holding Company, Guaranty Bancshares, Inc., Guaranty Federal Bancshares, Inc., Britton & Koontz Capital Corporation and Southern Missouri Bancorp, Inc. Based on a review of the selected bank and thrift data, Stephens determined (in each case, based on closing stock prices as of August 5, 2005) that:

with respect to the ratio of price to earnings per share for the most recent 12-month period ended June 30, 2005, the selected banks and thrifts had a median ratio of 15.5:1;

with respect to the ratio of price to estimated earnings per share for 2005, the selected banks and thrifts (based on projected earnings per share for 2005 as reported by First Call) had a median ratio of 15.1:1;

with respect to the ratio of stock price to estimated earnings per share for 2006, the selected banks and thrifts (based on earnings per share for 2006 as reported by First Call) had a median ratio of 14.5:1;

with respect to the ratio of stock price to book value per share, the selected banks had a median ratio of 1.8:1; and

with respect to the ratio of stock price to tangible book value per share, the selected banks and thrifts had a median ratio of 1.9:1.

The median ratios on these selected transactions when applied to American State Bank Corporation resulted in implied aggregate merger values of \$30.9 million to \$42.9 million, or per diluted share values of \$60.82 to \$81.60.

Comparison of Selected Companies for BancorpSouth

Stephens reviewed and compared certain public market ratios relating BancorpSouth to the publicly available corresponding data for a group of seven selected banks which Stephens deemed to be relevant. The selected banks consisted of Alabama National Bancorporation, BancFirst Corporation, BOK Financial Corporation, Colonial BancGroup, Inc., Hancock Holding Company, Trustmark Corporation and Whitney Holding Corporation. Based on a review of the selected bank data, Stephens determined (in each case, based on closing stock prices as of August 5, 2005) that:

with respect to the ratio of price to earnings per share for the most recent 12-month period ended June 30, 2005, the selected banks had a median ratio of 16.0:1 compared to 15.9:1 for BancorpSouth;

Table of Contents

with respect to the ratio of price to estimated earnings per share for 2005, the selected banks (based on estimated earnings per share for 2005 as reported by First Call) had a median ratio of 15.5:1 compared to 14.9:1 for BancorpSouth;

with respect to the ratio of stock price to estimated earnings per share for 2006, the selected banks (based on estimated earnings per share for 2006 as reported by First Call) had a median ratio of 14.4:1 compared to 14.0:1 for BancorpSouth;

with respect to the ratio of stock price to book value per share, the selected banks had a median ratio of 2.1:1 compared to 1.9:1 for BancorpSouth; and

with respect to the ratio of stock price to tangible book value per share, the selected banks had a median ratio of 2.8:1 compared to 2.2:1 for BancorpSouth.

A market price of \$22.38 per share of BancorpSouth common stock, which was the last reported trade during regular market hours on August 5, 2005, was used for this analysis.

In summary, although no fairness opinion was rendered by Stephens, Stephens indicated to the American State Bank Corporation Board of Directors that, as a result of these analyses and its discussions with potential acquirors, it believed it was unlikely that another potential merger candidate would be willing to propose a transaction that was financially superior to the transaction proposed by BancorpSouth and that, if requested, it was prepared to render an opinion as to the fairness of the transaction from a financial point of view.

In performing its analyses, Stephens made numerous assumptions with respect to industry performance, regulatory, general business and economic conditions and other matters, many of which are beyond the control of American State Bank Corporation and BancorpSouth. The analyses performed by Stephens are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those suggested by such analyses. Such analyses were prepared solely as part of Stephens' analysis of the consideration to be received from a financial point of view. The analyses do not purport to be appraisals 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. Stephens expressed no opinion or recommendation as to how American State Bank Corporation shareholders should vote on the proposed transaction and Stephens did not present an analysis of the merits of the decision by American State Bank Corporation to pursue the transaction.

Compensation and Interests of Stephens

Pursuant to the terms of Stephens' engagement as financial advisor, American State Bank Corporation has agreed to pay Stephens a fee, which is contingent upon the completion of the merger transaction, of an amount equal to 1.0% of the transaction value at closing, which amounts to an estimated fee of approximately \$500,000.

American State Bank Corporation also agreed to reimburse Stephens for its out-of-pocket expenses, including reasonable fees and disbursements of its outside legal counsel, incurred in connection with its engagement and agreed to indemnify Stephens, its affiliates and their respective partners, directors, officers, agents, consultants, employees and controlling persons against certain liabilities, including liabilities under federal securities laws.

In the ordinary course of its business, Stephens and its affiliates at any time may hold long or short positions and may trade or otherwise effect transactions, as principal or for the accounts of customers, in the equity securities of American State Bank Corporation and/or BancorpSouth. As of August 9, 2005, the date of the presentation to American State Bank Corporation's Board of Directors, affiliates of Stephens held ownership positions in shares of American State Bank Corporation and in shares of BancorpSouth.

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 Arkansas

Table of Contents

State Bank Department. BancorpSouth Bank must notify the Board of Governors of the Federal Reserve System within 30 days after consummation of 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 result in a restraint of trade. BancorpSouth Bank filed this application with the FDIC on September 16, 2005. 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 or about October 17, 2005, and expects the waiting period to expire on or about November 1, 2005.

BancorpSouth notified the Mississippi Department of Banking and Consumer Finance on September 16, 2005 of the pending merger of American State Bank Corporation's bank subsidiary into BancorpSouth Bank and submitted the necessary documents 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 American State Bank Corporation shareholders. Also, in connection with this merger, BancorpSouth filed with the Commissioner of the Arkansas State Bank Department on September 16, 2005 a Change in Control application, provided a copy of all applications filed with any federal agency in connection with the merger and paid the appropriate fee as prescribed by regulation. Approval of the merger by the Commissioner of the Arkansas State Bank Department is expected to be received on or about October 17, 2005.

Accounting Treatment

The merger will be accounted for as a purchase, as that term is used under GAAP, for accounting and financial reporting purposes. American State Bank Corporation will be treated as the acquired corporation for accounting and financial reporting purposes. American State Bank Corporation'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 (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 American State Bank Corporation.

Material United States Federal Income Tax Consequences

The following discussion summarizes the material anticipated United States federal income tax consequences of the merger to American State Bank Corporation shareholders who hold their shares of American State Bank Corporation 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 American State Bank Corporation common stock as part of a hedge, straddle, wash sale, synthetic security, conversion transaction or other integrated investment

Table of Contents

comprised of shares of American State Bank Corporation common stock and one or more other investments;

persons who acquired their shares of American State Bank Corporation 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 American State Bank Corporation has received an opinion of Dover Dixon Horne PLLC 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 American State Bank Corporation 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 American State Bank Corporation 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:

representations and covenants made by BancorpSouth and American State Bank Corporation, including those contained in certificates of officers of BancorpSouth and American State Bank Corporation; 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 American State Bank Corporation 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 American State Bank Corporation 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

Table of Contents

amount of cash received in the exchange and (ii) the shareholder's adjusted tax basis in the American State Bank Corporation common stock surrendered for such consideration. Such gain or loss would be a capital gain or loss, provided that such shares of American State Bank Corporation 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 American State Bank Corporation shareholder's holding period for the American State Bank Corporation common stock was more than one year. In such event, an American State Bank Corporation 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 American State Bank Corporation 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 American State Bank Corporation shareholder will vary depending primarily on whether the shareholder exchanges his or her American State Bank Corporation 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 an American State Bank Corporation 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 an American State Bank Corporation 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.

American State Bank Corporation Shareholders Receiving Only BancorpSouth Common Stock

No gain or loss will be recognized by a holder of American State Bank Corporation common stock as a result of the surrender of shares of American State Bank Corporation 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 American State Bank Corporation 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 American State Bank Corporation common stock surrendered in exchange for the BancorpSouth common stock, provided that such shares of American State Bank Corporation common stock were held as capital assets of the shareholder at the effective time of the merger.

American State Bank Corporation Shareholders Receiving Only Cash

A holder of American State Bank Corporation 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 American State Bank Corporation common stock exchanged in the merger. Such gain or loss will be a capital gain or loss, provided that such shares of American State Bank Corporation 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 American State Bank Corporation 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.

Table of Contents

American State Bank Corporation Shareholders Receiving Both Cash and BancorpSouth Common Stock

If a holder of American State Bank Corporation 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 American State Bank Corporation 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 American State Bank Corporation common stock were held as capital assets by the shareholder at the effective time of the merger), unless the holder's exchange of American State Bank Corporation 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 American State Bank Corporation 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 American State Bank Corporation shareholder, American State Bank Corporation 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 American State Bank Corporation 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 American State Bank Corporation common stock surrendered in exchange for the BancorpSouth common stock, provided that such shares of American State Bank Corporation common stock were held as capital assets of the shareholder at the effective time of the merger. An American State Bank Corporation shareholder who receives a combination of BancorpSouth common stock and cash in exchange for his or her American State Bank Corporation common stock will not be permitted to recognize any loss for federal income tax purposes.

An American State Bank Corporation shareholder's federal income tax consequences will also depend on whether his or her shares of American State Bank Corporation common stock were purchased at different times at different prices. If they were, the American State Bank Corporation shareholder could realize gain with respect to some of the shares of American State Bank Corporation common stock and loss with respect to other shares. Such American State Bank Corporation shareholder would have to recognize such gain to the extent such shareholder receives cash with respect to those shares of American State Bank Corporation common stock in which 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 American State Bank Corporation common stock in which the American State Bank Corporation 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 an American State Bank Corporation shareholder is urged to consult his or her own tax advisor respecting the tax consequences of the merger to that shareholder.

Table of Contents

Cash Instead of Fractional Shares of BancorpSouth Common Stock

Holders of American State Bank Corporation 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 American State Bank Corporation 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 American State Bank Corporation common stock exchanged has been held for more than one year.

Backup Withholding

A holder of American State Bank Corporation 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, American State Bank Corporation 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.

Retirement Plan

The American State Bank 401(k) Employee Stock Ownership Plan currently owns 6,315 shares of American State Bank Corporation common stock. Plan participants will have the ability to direct the vote on the merger agreement with respect to the shares allocated to their accounts.

It is anticipated that American State Bank Corporation will terminate the American State Bank 401(k) Employee Stock Ownership Plan immediately prior to the merger. Upon termination of the plan, the retirement accounts of the plan participants will be, at the direction of each participant, either distributed directly to the participant or rolled over to another retirement plan or an individual retirement account. These distributions upon termination of the plan will have specific tax consequences to the plan participants. Accordingly, American State Bank Corporation will provide separate disclosure to the plan participants describing these tax consequences.

Shareholders Dissenters' Rights

American State Bank Corporation is a corporation organized under the laws of the State of Arkansas and its principal place of business is in the State of Arkansas. Each record holder of American State Bank Corporation common stock will be entitled to dissenters' rights as a result of the merger pursuant to Sections 4-27-1301 *et seq.* of the Arkansas Business Corporation Act of 1987. If you have a beneficial interest in shares of American State Bank Corporation common stock that are held of record in the name of another person, such as a broker or nominee, you must submit to American State Bank Corporation 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 Arkansas Business Corporation Act of 1987. If you wish to exercise such dissenters' rights, or wish to preserve your right to do so, you should review Sections 4-27-1301 *et seq.* of the Arkansas Business Corporation Act of 1987, a copy of which is attached as Annex B to this Proxy Statement/Prospectus, and the following discussion carefully.

Table of Contents

The availability of dissenters' rights is conditioned upon full compliance with a complicated procedure set forth in the Arkansas Business Corporation Act of 1987. 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 American State Bank Corporation common stock in cash, you should consult with your own legal counsel.

Your vote not in favor of the merger agreement will not be deemed to satisfy all of the notice requirements under the Arkansas Business Corporation Act of 1987 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 American State Bank Corporation, before the vote on the merger agreement is taken, written notice of your intent to demand payment for your shares of American State Bank Corporation common stock if the merger agreement is approved and the merger is completed; and

not vote such shares of American State Bank Corporation common stock in favor of the merger agreement.

Any written notice of intent to dissent with respect to the merger should be sent to: American State Bank Corporation, 2201 Fair Park Boulevard, Jonesboro, Arkansas 72401, Attention: Frank Oldham, Chairman and Chief Executive Officer. A vote against the merger agreement alone will not satisfy the requirements for compliance with Sections 4-27-1301 *et seq.* of the Arkansas Business Corporation Act of 1987. A shareholder of American State Bank Corporation 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 American State Bank Corporation special meeting, American State Bank Corporation must deliver a written dissenters' notice to all dissenting American State Bank Corporation shareholders who satisfied the requirements referred to above. The dissenter's 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 American State Bank Corporation 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 August 10, 2005 and requires that the person asserting dissenters' rights certify whether or not he or she acquired beneficial ownership of the shares before August 10, 2005;

set a date by which American State Bank Corporation must receive the payment demand, which date may not be fewer than 30 days nor more than 60 days after the date the written dissenters' notice is delivered; and

be accompanied by a copy of Sections 4-27-1301 *et seq.* of the Arkansas Business Corporation Act of 1987.

If you are sent a written notice from American State Bank Corporation, you must demand payment, certify whether you acquired beneficial ownership of the shares of American State Bank Corporation common stock before August 10, 2005 and deposit your certificates in accordance with the terms of the notice from American State Bank Corporation. If you do not demand payment or deposit your share certificates where required, each by the date set in American State Bank Corporation's notice, you will not be entitled to payment for your shares of American State

Table of Contents

Bank Corporation common stock under Sections 4-27-1301 *et seq.* of the Arkansas Business Corporation Act of 1987.

American State Bank Corporation may restrict the transfer of uncertificated shares of American State Bank Corporation common stock from the date the demand for payment is received until the date the merger is consummated or American State Bank Corporation releases this restriction in accordance with the Arkansas Business Corporation Act of 1987.

If you demand payment and deposit your share certificates in accordance with the notice from American State Bank Corporation, you will retain all other rights of a shareholder until those rights are canceled or modified by the consummation of the merger.

American State Bank Corporation's Payment or Offer of Payment

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

American State Bank Corporation's balance sheet as of December 31, 2004, an income statement for the year ended December 31, 2004, a statement of changes in shareholders' equity for the year ended December 31, 2004 and the latest available interim financial statements, if any;

a statement of American State Bank Corporation's estimate of the fair value of the shares of American State Bank Corporation common stock;

an explanation of how the interest was calculated;

a statement of the dissenter's right to demand payment of a different amount under Section 4-27-1328 of the Arkansas Business Corporation Act of 1987; and

a copy of Sections 4-27-1301 *et seq.* of the Arkansas Business Corporation Act of 1987.

If American State Bank Corporation does not complete the merger within 60 days after the date set for demanding payment and depositing share certificates, American State Bank Corporation must return the deposited certificates and release the transfer restrictions imposed on uncertificated shares. If American State Bank Corporation completes the merger after returning deposited certificates and releasing transfer restrictions, American State Bank Corporation must send a new dissenter's notice and repeat the payment demand procedure.

American State Bank Corporation may elect to withhold payment required by the Arkansas Business Corporation Act of 1987 from a dissenter unless the dissenter was the beneficial owner of the shares of American State Bank Corporation common stock before August 10, 2005, the date of the first announcement to news media of the principal terms of the proposed merger. If American State Bank Corporation properly elects to withhold payment from a dissenter for this reason, American State Bank Corporation must estimate the fair value of the shares, plus accrued interest, and pay this amount to each dissenter who agrees to accept it in full satisfaction of the dissenter's demand. American State Bank Corporation must 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 Section 4-27-1328 of the Arkansas Business Corporation Act of 1987.

Procedure if Dissatisfied with Payment or Offer

A dissenter may notify American State Bank Corporation in writing of his or her own estimate of the fair value of his or her shares of American State Bank Corporation common stock and the amount of interest due, and demand payment of his or her estimate (less any payment already made by American State Bank Corporation) or

Table of Contents

reject American State Bank Corporation'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 American State Bank Corporation is less than the fair value of his or her shares or that the interest due is incorrectly calculated;

American State Bank Corporation fails to make payment within 60 days after the date set for demanding payment; or

American State Bank Corporation, having failed to complete the merger, does not return the deposited certificates or release the transfer restrictions imposed on uncertificated shares within 60 days after the date set for demanding payment.

A dissenter waives his or her right to demand payment unless the dissenter notifies American State Bank Corporation of his or her demand in writing as set forth above within 30 days after American State Bank Corporation made or offered payment for the dissenter's shares of American State Bank Corporation common stock.

Judicial Appraisal of Shares

If a demand for payment by a dissenter remains unsettled, American State Bank Corporation must commence a proceeding in the circuit court of Craighead County, Arkansas within 60 days after receiving the payment demand and petition the court to determine the fair value of the shares of American State Bank Corporation common stock and accrued interest. If American State Bank Corporation does not commence the proceeding within the 60-day period, it must pay each dissenter whose demand remains unsettled the amount demanded. American State Bank Corporation must make all dissenters (whether or not residents of Arkansas) whose demands remain unsettled parties to the proceeding as in an action against their shares of American State Bank Corporation common stock and all parties must be served with a copy of the petition. Dissenters who are not residents of Arkansas 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 of American State Bank Corporation common stock, plus accrued interest, exceeds the amount paid by American State Bank Corporation; or

for the fair value, plus accrued interest, of the dissenter's shares of American State Bank Corporation common stock acquired after August 10, 2005 for which American State Bank Corporation elected to withhold payment.

The court in an appraisal proceeding will determine all costs of the proceeding, including the reasonable compensation and expenses of appraisers appointed by the court. The court will assess the costs against American State Bank Corporation, 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 as follows:

against American State Bank Corporation and in favor of any or all dissenters if the court finds American State Bank Corporation did not substantially comply with the requirements of Sections 4-27-1320 to 4-27-1328 of the Arkansas Business Corporation Act of 1987; or

against either American State Bank Corporation 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 Sections 4-27-1301 *et seq.* of the Arkansas Business Corporation Act of 1987.

Table of Contents

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 American State Bank Corporation, the court may award to these counsel reasonable fees to be paid out of the amounts awarded to the dissenters who were benefited.