

BANCORPSOUTH INC
Form 424B2
January 19, 2012

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**Filed Pursuant to Rule 424(b)(2)
Registration Statement No. 333-161213**

PROSPECTUS SUPPLEMENT
(To Prospectus dated August 10, 2009)

9,523,810 Shares

Common Stock

We are offering 9,523,810 shares of our common stock, par value \$2.50 per share.

Our common stock is listed on the New York Stock Exchange, or NYSE, under the symbol BXS. The last reported sale price of our common stock on January 18, 2012 was \$10.89 per share.

Investing in our common stock involves risks. See Risk Factors beginning on page S-10 of this prospectus supplement and the Risk Factors section in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010 and in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, which are incorporated by reference into this prospectus supplement.

	Per Share	Total
Public offering price	\$ 10.50	\$ 100,000,005
Underwriting discount	\$ 0.525	\$ 5,000,000
Proceeds to BancorpSouth, Inc. (before expenses)	\$ 9.975	\$ 95,000,005

The underwriters may also purchase up to an additional 1,428,571 shares of common stock from us at the public offering price less the underwriting discount within 30 days after the date of this prospectus supplement to cover over-allotments, if any.

Shares of our common stock are not savings accounts, deposits or obligations of any of our bank or non-bank subsidiaries and are not insured or guaranteed by the Federal Deposit Insurance Corporation, or FDIC, the Deposit Insurance Fund or any other governmental agency or instrumentality.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The shares of our common stock will be ready for delivery on or about January 24, 2012.

Morgan Stanley

Stifel Nicolaus Weisel

Stephens Inc.

Keefe, Bruyette & Woods

Sandler O Neill + Partners, L.P.

The date of this prospectus supplement is January 18, 2012.

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We are responsible for the information contained and incorporated by reference in this prospectus supplement and the accompanying prospectus and in any related free writing prospectus we prepare or authorize. We have not, and the

underwriters have not, authorized anyone to give you any other information, and neither we nor the underwriters take responsibility for any other information that others may give you. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell, or a solicitation of an offer to purchase, shares of our common stock in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement is a supplement to the accompanying prospectus. This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the SEC utilizing a shelf registration process. Under this shelf registration process, we may sell from time to time any combination of securities described in the accompanying prospectus in one or more offerings such as this offering. The accompanying prospectus provides you with a general description of the securities we may offer. This prospectus supplement provides you with specific information about our common stock we are selling in this offering. Both this prospectus supplement and the accompanying prospectus include important information about us and other information you should know before investing. This prospectus supplement also adds to, updates and changes information contained in the accompanying prospectus. To the extent the information in this prospectus supplement is different from that in the accompanying prospectus, you should rely on the information in this prospectus supplement. You should read both this prospectus supplement and the accompanying prospectus, together with the additional information described in the section entitled "Where You Can Find More Information" of this prospectus supplement, before investing in our common stock.

Unless otherwise stated or the context otherwise requires, all references in this prospectus supplement to BancorpSouth, Inc., the Company, we, our, us and similar terms refer to BancorpSouth, Inc. and its consolidated subsidiaries, all references to the Bank refer to BancorpSouth Bank, our wholly owned subsidiary.

You should not consider any information in this prospectus supplement or the accompanying prospectus to be investment, legal or tax advice. You should consult your own counsel, accountants and other advisers for legal, tax, business, financial and related advice regarding the purchase of shares of our common stock.

FORWARD-LOOKING STATEMENTS

Certain statements contained or incorporated by reference in this prospectus supplement and accompanying prospectus are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities and Exchange Act of 1934, as amended, or the Exchange Act. Forward-looking statements include all statements that do not relate solely to historical or current facts, and can be identified by the use of words such as may, will, expect, believe, anticipate, intend, plan, estimate, continue, should, could, would and other comparable terms. These forward-looking statements are based on the current plans, assumptions and expectations of our management and are subject to a number of risks and uncertainties, including those set forth below, which could significantly affect our current plans and expectations and future financial condition and results.

While it is not possible to identify all these factors, we continue to face many risks and uncertainties that could cause actual results to differ from those forward-looking statements, including:

Local, regional and national economic conditions and the impact they may have on us, our assets, our collateral values, investment values and our customers and our assessment of that impact;

Our ability to increase noninterest revenue and expand noninterest revenue business;

Changes in general business or economic conditions or government fiscal and monetary policies;

Fluctuations in prevailing interest rates and the effectiveness of our interest rate hedging strategies, which may adversely impact our net interest margin;

Our ability to maintain credit quality;

Our ability to provide and market competitive products and services;

Changes in our operating or expansion strategy;

Geographic concentration of our assets and susceptibility to economic downturns in that area;

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The availability of and costs associated with maintaining and/or obtaining adequate and timely sources of capital or liquidity;

Volatility and disruption in national and international financial markets;

Government intervention in the U.S. financial system;

Laws and regulations affecting financial institutions in general;

Our ability of to operate and integrate new technology;

Our ability to manage our growth and effectively serve an expanding customer and market base;

Our ability to attract, train and retain qualified personnel;

Changes in consumer preferences;

Our ability to collect amounts due under loan agreements and to attract deposits;

Legislation and court decisions related to the amount of damages recoverable in legal proceedings;

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

Other factors generally understood to affect the financial results of financial services companies.

We caution you that the factors listed above, as well as the risk factors included or incorporated by reference in this prospectus supplement, may not be exhaustive. We operate in a continually changing business environment, and new risks emerge from time to time. We cannot predict such new risks, nor can we assess the impact, if any, of such new risks on our business or the extent to which any factor or combination of factors may cause actual results to differ materially from those expressed or implied by any forward-looking statements.

All forward-looking statements attributable to us or persons acting on our behalf apply only as of the date on which the statements were made and are expressly qualified in their entirety by the cautionary statements included in this prospectus supplement. We undertake no obligation to publicly update or revise forward-looking statements, which may be made to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events, except as required by applicable securities laws. You are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented in this prospectus supplement.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements, information statements and other information with the SEC. You may read and copy any document that we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. Our SEC filings are also available to the public at the SEC's website at www.sec.gov and on our corporate website at www.bancorpsouthonline.com. The information on our corporate website is not part of this prospectus supplement, the accompanying prospectus or any free writing prospectuses or other offering materials. You can also inspect our reports, proxy statements and other information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

We incorporate by reference into this prospectus supplement information we file with the SEC, which means:

Incorporated documents are considered part of this prospectus supplement;

We can disclose important information to you by referring you to those documents; and

Information that we file later with the SEC automatically will update and supersede information contained in this prospectus supplement.

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We are incorporating by reference into this prospectus supplement the following documents:

Annual Report on Form 10-K for the year ended December 31, 2010 (including the portions of our proxy statement on Schedule 14A, filed on March 25, 2011, incorporated by reference therein);

Quarterly Reports on Form 10-Q for the three months ended March 31, 2011, June 30, 2011 and September 30, 2011; and

Current Reports on Form 8-K filed with the SEC on April 11, 2011, April 29, 2011 (as amended on Form 8-K/A filed on November 3, 2011), July 27, 2011, August 1, 2011, August 4, 2011, September 21, 2011 and January 17, 2012 (as amended on Form 8-K/A filed on January 18, 2012) (except to the extent any parts of such reports were deemed furnished and not filed in accordance with SEC rules).

We also incorporate by reference any future filings made by us with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement and until the termination of this offering (other than documents or information deemed furnished and not filed in accordance with SEC rules).

Any statement contained in this prospectus supplement or in a document incorporated or deemed to be incorporated by reference into this prospectus supplement will be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in this prospectus supplement or any other subsequently filed document that is deemed to be incorporated by reference into this prospectus supplement modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

We will provide to each person, including any beneficial owner, to whom a prospectus is delivered, a copy of any or all of the information that has been incorporated by reference in the prospectus but not delivered with the prospectus. Exhibits to the filings will not be sent, however, unless those exhibits have specifically been incorporated by reference into such documents. You can obtain copies of the documents incorporated by reference in this prospectus supplement, at no cost, by writing or calling us at the following address:

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

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This summary is not complete and does not contain all of the information that you should consider before investing in shares of our common stock. It is qualified in its entirety by the more detailed information included or incorporated by reference in this prospectus supplement and the accompanying prospectus. Before making your investment decision, you should carefully read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein. See the Risk Factors section beginning on page S-10 of this prospectus supplement and the Risk Factors section in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010 and in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, which are incorporated by reference into this prospectus supplement.

Our Business

BancorpSouth, Inc. is a financial holding company headquartered in Tupelo, Mississippi. Through our principal bank subsidiary, BancorpSouth Bank, which began operation in 1876, and our other subsidiaries, we provide commercial banking, trust and insurance services through 287 offices in Mississippi, Tennessee, Alabama, Arkansas, Texas, Louisiana, Florida, Missouri and Illinois. At September 30, 2011, and on a consolidated basis, we had total assets of \$13.2 billion, total deposits of \$11.1 billion and common shareholders' equity of \$1.3 billion.

We provide commercial and consumer banking products and services to individuals and small- to medium-size businesses in the markets we serve. We offer commercial loans to finance business operations, equipment and owner-occupied facilities, agricultural, commercial and industrial owner-occupied properties, income-producing commercial properties and construction loans. We also offer a variety of consumer loans including home equity, credit card and installment loans, and originate and service residential mortgage loans.

At September 30, 2011, our loan diversification was as follows:

Net Loan and Lease Portfolio	As of September 30, 2011	% of Total
	(Unaudited, dollars in thousands)	
Commercial and industrial	\$ 1,503,391(1)	16%
Real estate:		
Consumer mortgages	1,966,124	22
Home equity	523,030	6
Agricultural	249,715	3
Commercial owner occupied	1,329,644	15
Construction, acquisition and development	976,694	11
Commercial	1,772,003	19
Credit cards	103,232	1
All other	632,072	7
Total	\$ 9,055,905	100%

Geography		As of September 30, 2011	% of Total
		(Unaudited, dollars in thousands)	
Alabama-Florida Panhandle	\$	693,106	8%
Arkansas(2)		1,250,901	14
Mississippi(2)		2,494,932	27
Missouri		523,741	6
Greater Memphis		576,521	6
Tennessee(2)		688,440	8
Texas and Louisiana		1,657,263	18
Other(3)		1,171,001	13
Total	\$	9,055,905	100%

(1) Net of unearned income.

(2) Excludes the Greater Memphis area.

(3) Includes all other geographic regions and lines of business not managed by geographic region.

Our primary source of funding is deposits originated within the communities we serve. As of September 30, 2011, 19.9% of our total deposits were noninterest bearing, another 51.6% were transaction deposits (42.8% interest bearing demand and 8.8% savings) and 28.5% were time deposits. Our total cost of deposits was 0.75% for the quarter ended September 30, 2011.

Mortgage origination and servicing is a considerable portion of our banking business. Our normal practice is to originate mortgage loans for sale in the secondary market and retain a portion of the mortgage servicing. Mortgage loan origination volumes of \$822.9 million and \$1.4 billion produced origination revenue of

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\$16.0 million and \$28.6 million for the nine months ended September 30, 2011, and the year ended December 31, 2010, respectively. Revenue from the servicing of loans was \$9.6 million and \$11.9 million for the nine months ended September 30, 2011, and the year ended December 31, 2010, respectively.

BancorpSouth Insurance Services, Inc., or BXSI, serves as an agent in the sale of commercial lines of insurance, offers a full line of property and casualty, life, health and employee benefits products and services and operates in Mississippi, Tennessee, Alabama, Arkansas, Texas, Louisiana, Missouri and Illinois. As of December 31, 2010, BXSI was the 26th largest insurance agency in the United States, according to rankings provided by Business Insurance Magazine. Insurance revenue was \$67.5 million and \$82.2 million for the nine months ended September 30, 2011 and the year ended December 31, 2010, respectively.

Through BancorpSouth Investment Services, Inc., a registered investment adviser and broker/dealer, we offer a variety of investment products and services for individuals and small businesses.

We have grown through a combination of organic growth and selective acquisitions. Since 1990, we have completed 16 traditional whole bank acquisitions, two branch acquisitions and one government-assisted transaction. We have also made ten acquisitions to augment our insurance business.

Our principal executive offices are located at One Mississippi Plaza, 201 South Spring Street, Tupelo, Mississippi and our telephone number is (662) 682-2000.

Business Segments

Our mortgage, insurance and investment services businesses provide revenue streams which complement our traditional commercial banking business. Our three operating segments are Community Banking, Insurance Agencies, and General Corporate and Other. General Corporate and Other includes leasing, mortgage lending, trust services, credit card activities, investment services and other activities.

The following table presents our results of operations by operating segment for the nine months ended September 30, 2011 and the year ended December 31, 2010:

	Nine Months Ended September 30, 2011				Year Ended December 31, 2010			
	Community Banking	Insurance Agencies	General Corporate	Total	Community Banking	Insurance Agencies	General Corporate	Total

(Unaudited, dollars in thousands)

Net interest revenue(1)	\$ 306,635	\$ 258	\$ 20,531	\$ 327,424	\$ 411,936	\$ 561	\$ 28,645	\$ 441,142
Noninterest income	99,845	67,436	38,229	205,510	114,736	82,327	67,081	264,144
Noninterest expense	257,683	56,095	83,999	397,777	308,299	70,830	107,904	487,033
Net income (loss)	26,293	6,960	(8,987)	24,266	17,920	7,272	(2,250)	22,942

(1) Before provision for credit losses.

Management

Our management team has extensive experience with our company and in our markets. Our management team is led by Aubrey B. Patterson and James V. Kelley. Mr. Patterson is Chairman of our board of directors and Chief Executive Officer of the Company and the Bank. Mr. Patterson joined us in 1972 and has held numerous positions throughout the Company. Mr. Kelley has served as President and Chief Operating Officer of the Company and the Bank and as a director of the Company since our merger in 2000 with First United Bancshares, Inc., where he served as Chairman, President and Chief Executive Officer. Including Messrs. Patterson and Kelley, our senior management team (consisting of 11 people) has a combined tenure with the Company or one of its predecessors of 254 years.

Expiration of Rights Agreement

Our shareholder rights agreement expired as of March 28, 2011. As a result, none of the issued and outstanding shares of our common stock has a common stock purchase right attached to it.

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On January 17, 2012, we announced financial results for the quarter and year ended December 31, 2011. We reported net income of \$37.6 million, or \$0.45 per diluted share, for 2011 compared with \$22.9 million, or \$0.27 per diluted share, for 2010. We reported net income of \$13.3 million, or \$0.16 per diluted share, for the fourth quarter of 2011 compared with \$11.9 million, or \$0.14 per diluted share, for the third quarter of 2011 and \$15.8 million, or \$0.19 per diluted share, for the fourth quarter of 2010.

**Three Months Ended
December 31,
2011 2010 Year Ended
December 31,
2011 2010**
(Unaudited, dollars in thousands, except per share amounts)

EARNINGS SUMMARY:

Net interest revenue	\$ 107,489	\$ 110,253	\$ 434,913	\$ 441,142
Provision for credit losses	19,250	43,293	130,081	204,016
Noninterest revenue	65,335	73,974	270,845	264,144
Noninterest expense	135,856	123,447	533,633	487,033
Income before income taxes	17,718	17,487	42,044	14,237
Income tax provision (benefit)	4,415	1,641	4,475	(8,705)
Net income	\$ 13,303	\$ 15,846	\$ 37,569	\$ 22,942
Earning per share: Basic	\$ 0.16	\$ 0.19	\$ 0.45	\$ 0.28
Diluted	\$ 0.16	\$ 0.19	\$ 0.45	\$ 0.27

BALANCE SHEET DATA AT DECEMBER 31:

Total assets			\$ 12,995,851	\$ 13,615,010
Total earning assets			11,770,950	12,458,055
Loans and leases, net of unearned income			8,870,311	9,333,107
Allowance for credit losses			195,118	196,913
Total deposits			10,955,189	11,490,021
Common shareholders' equity			1,262,912	1,222,244
Book value per share			15.13	14.64

AVERAGE BALANCE SHEET DATA:

Total assets	\$ 13,046,779	\$ 13,559,038	\$ 13,280,047	\$ 13,304,836
Total earning assets	11,918,358	12,510,705	12,143,391	12,223,933
Loans and leases, net of unearned interest	8,954,229	9,418,687	9,159,431	9,621,529
Total deposits	11,017,231	11,292,903	11,251,406	11,107,445
Common shareholders' equity	1,268,905	1,225,514	1,240,768	1,241,321

NON-PERFORMING ASSETS AT DECEMBER 31: