

TRUSTMARK CORP  
Form S-4/A  
July 19, 2006

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**As filed with the Securities and Exchange Commission on July 19, 2006**

**Registration No. 333-135264**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**AMENDMENT NO. 1 TO  
FORM S-4  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**TRUSTMARK CORPORATION  
(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)

**64-0471500**  
(I.R.S. Employer  
Identification No.)

248 East Capitol Street  
Jackson, Mississippi 39201  
(601) 208-5111  
(Address, including zip code,  
and telephone, including area code, of  
Registrant's principal executive offices)

**ZACH L. WASSON**  
**TREASURER AND CFO**  
**TRUSTMARK CORPORATION**  
248 East Capitol Street  
Jackson, Mississippi 39201  
(601) 208-6816  
(Name, address, including zip code, and telephone  
number, including area code, of agent for service)

Copies of communications to:  
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(601) 948-3101

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**WILLIAM T. LUEDKE IV**  
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**BRACEWELL & GIULIANI LLP**  
711 Louisiana Street, Suite 2300  
Houston, Texas 77002-2770  
(713) 223-2300

Approximate date of commencement of proposed sale of the securities to the public:

As soon as practicable after  
the effective date of this Registration Statement

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.

**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.**

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**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

Dear Shareholders:

You are cordially invited to attend the special meeting of shareholders of Republic Bancshares of Texas, Inc. ( Republic ) to be held on Thursday, August 17, 2006 at 11:00 a.m. at 14604 Northwest Freeway, Houston, Texas 77040. At this important meeting, you will be asked to consider and vote on the approval of a merger agreement which provides for the merger of Republic into Trustmark Corporation. If the merger is completed, each outstanding share of Republic common stock and Series A preferred stock will, at the election of the holder be converted into (i) 1.3908 shares of Trustmark common stock, (ii) \$43.8089 in cash, or (iii) a combination of cash and shares of Trustmark common stock, subject to adjustment as set forth in the merger agreement. After completion of the merger, we expect that current Trustmark shareholders will own approximately 94.25% of the combined company and shareholders of Republic will own approximately 5.75% of the combined company. Trustmark's common stock is listed on The Nasdaq Stock Market, Inc. National Market System ( Nasdaq NMS ) under the symbol TRMK.

Due to the aggregate limitations on the number of shares of Trustmark common stock and the amount of cash that will be issued in connection with the merger, as a Republic shareholder, you will not know the exact number of shares of Trustmark common stock or the exact amount of cash you will receive in connection with the merger when you vote on the merger agreement.

We cannot complete the merger unless Trustmark obtains the necessary regulatory approvals and unless the shareholders of Republic approve the merger agreement. We are asking our shareholders to consider and vote on this merger proposal at a special meeting of shareholders. Whether or not you plan to attend the special meeting, please take the time to vote by completing and mailing the enclosed proxy card to Republic. If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote FOR the merger agreement. If you do not return your proxy card, or if you do not instruct your broker how to vote any shares held for you in street name, the effect will be a vote against the merger agreement.

This document contains a more complete description of the special meeting and the terms of the merger. We urge you to carefully review this entire document and the documents incorporated by reference. You may also obtain information about Trustmark from documents that Trustmark has filed with the Securities and Exchange Commission. Your board of directors enthusiastically supports the merger and recommends that you vote in favor of the merger agreement.

C. P. Bryan  
Chairman, President and Chief Executive Officer  
Republic Bancshares of Texas, Inc.

**An investment in Trustmark common stock in connection with the merger involves risks. See Risk Factors beginning on page 16.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this proxy statement/ prospectus or determined if this proxy statement/ prospectus is accurate or adequate. Any representation to the contrary is a criminal offense. The securities we are offering through this document are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either of our companies, and they are not insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund, the Bank Insurance Fund or any other governmental agency.**

Proxy statement/ prospectus dated July 19, 2006  
and first mailed to shareholders of Republic on or about July 20, 2006

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**HOW TO OBTAIN ADDITIONAL INFORMATION**

This proxy statement/ prospectus incorporates important business and financial information about Trustmark from other documents that are not included in or delivered with this proxy statement/ prospectus. This information is available to you without charge upon your written or oral request. You may obtain copies of those documents by accessing the Securities and Exchange Commission's Internet website maintained at <http://www.sec.gov> or by requesting copies in writing or by telephone from Trustmark Corporation, 248 E. Capitol Street, Suite 310, Jackson, Mississippi 39201, Attention: Joseph Rein, (601) 208-6898.

If you would like to request documents, please do so by August 3, 2006 in order to receive them before the special meeting. If you request any documents incorporated by reference, we will mail them to you promptly by first class mail or similar means.

*See* Where You Can Find More Information on page 60.

**PLEASE NOTE**

We have not authorized anyone to provide you with any information other than the information included in this document and the documents to which we refer you. If someone provides you with other information, please do not rely on it as being authorized by us.

This proxy statement/ prospectus has been prepared as of July 19, 2006. There may be changes in the affairs of Republic or Trustmark since that date which are not reflected in this document.

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**REPUBLIC BANCSHARES OF TEXAS, INC.**  
**4200 Westheimer, Suite 101**  
**Houston, Texas 77027**  
**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**  
**TO BE HELD ON AUGUST 17, 2006**

TO THE SHAREHOLDERS:

Notice is hereby given that a special meeting of the shareholders of Republic Bancshares of Texas, Inc. ( Republic ) will be held at 14604 Northwest Freeway, Houston, Texas 77040, on August 17, 2006, at 11:00 a.m., local time, for the purpose of considering and voting on the following matters, all as more fully described in the accompanying proxy statement/prospectus:

(1) approval of the Agreement and Plan of Reorganization dated as of April 13, 2006, as amended on May 16, 2006, between Republic and Trustmark Corporation ( Trustmark ), pursuant to which Republic will merge into Trustmark, all on and subject to the terms and conditions contained therein; and

(2) transaction of such other business as may properly come before the special meeting or any adjournments of the special meeting.

Only shareholders of record at the close of business on July 14, 2006, shall be entitled to notice of and to vote at the special meeting or any adjournments of the special meeting.

Shareholders of Republic have the right to dissent from the merger and obtain payment in cash of the fair value of their shares of Republic common stock or Series A preferred stock under applicable provisions of Texas law. In order for a shareholder of Republic to perfect his or her right to dissent, such shareholder must file a written objection to the merger with Republic prior to the special meeting, must not vote in favor of the merger agreement and must file with Trustmark a written demand for payment of the fair value of the shareholder's shares of Republic common stock or Series A preferred stock within ten days after the delivery of notice from Trustmark that the merger has been effected. A copy of the applicable Texas statutory provisions is included as *Appendix C* to the accompanying proxy statement/prospectus and a summary of these provisions can be found under the caption Dissenters' Rights of Appraisal.

By Order of the Board of Directors,

C. P. Bryan  
Chairman, President and Chief Executive Officer  
Republic Bancshares of Texas, Inc.

Houston, Texas  
July 19, 2006

**Republic's board of directors unanimously recommends that you vote FOR the approval of the merger agreement. Whether or not you plan to attend the meeting, please complete, sign, date and return the enclosed proxy in the accompanying pre-addressed postage-paid envelope.**

**Your Vote is Very Important**

A proxy card and a form of election are enclosed. Whether or not you plan to attend the special meeting, please complete, sign and date the proxy card and promptly mail it in the enclosed envelope. You may revoke your proxy card in the manner described in the proxy statement/prospectus at any time before it is exercised. If you attend the special meeting, you may vote in person if you wish, even if you have previously returned your proxy card. You should also complete and return the form of election on or before the special meeting.

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**SUMMARY**

This summary highlights selected information from this proxy statement/ prospectus and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should read carefully this entire document and the documents to which we refer you. For more information about Trustmark, see *Where You Can Find More Information* on page 60. We have included page references in this summary to direct you to other places in this proxy statement/ prospectus where you can find a more complete description of the topics we have summarized.

**The Parties**

**Trustmark Corporation**, 248 E. Capitol Street, Jackson, Mississippi 39201, (601) 208-5111, is a Mississippi corporation and a multi-bank holding company headquartered in Jackson, Mississippi. Through its subsidiaries, Trustmark operates as a financial services organization providing banking and financial solutions to corporate, institutional and individual customers predominantly within the states of Florida, Mississippi, Tennessee and Texas.

Trustmark National Bank, ( Trustmark Bank ), Trustmark's wholly-owned subsidiary, accounts for substantially all of the assets and revenues of Trustmark. In addition to banking activities, Trustmark Bank provides investment and insurance products and services to its customers through its wholly-owned subsidiaries, Trustmark Investment Advisors, Inc., The Bottrell Insurance Agency, Inc., Fisher-Brown, Incorporated and TRMK Risk Management, Inc. Trustmark also engages in banking activities through its wholly-owned subsidiary, Somerville Bank & Trust Company, headquartered in Somerville, Tennessee.

As of March 31, 2006, Trustmark, on a consolidated basis, had total assets of \$8.238 billion, total loans of \$6.099 billion, total deposits of \$6.321 billion and shareholders' equity of \$755.7 million.

**Republic Bancshares of Texas, Inc.**, 4200 Westheimer, Suite 101, Houston, Texas 77027, (281) 453-4100, is a Texas corporation and a registered bank holding company under the Bank Holding Company Act of 1956, as amended. Through its wholly-owned subsidiary, Republic National Bank, Republic offers a diversified range of commercial and personal banking products and services to small and medium-sized businesses and consumers through six banking locations in the greater Houston metropolitan area.

At March 31, 2006, Republic, on a consolidated basis, had total assets of \$654.0 million, total loans of \$475.3 million, total deposits of \$589.2 million and shareholders' equity of \$43.4 million.

**Proposed Merger (page 20)**

If Republic's shareholders approve the merger agreement at the special meeting, subject to the receipt of necessary regulatory approvals and the satisfaction or waiver of all other conditions to the merger, Republic will merge into Trustmark with Trustmark being the surviving corporation. Immediately following the merger, Republic's banking subsidiary, Republic National Bank, will be merged into Trustmark Bank. We currently expect to complete the merger in the third quarter of 2006, although delays could occur.

We have included the merger agreement, as amended, as *Appendix A* to this proxy statement/ prospectus. We encourage you to read the merger agreement in full, as it is the legal document that governs the merger.

**Holders of Republic Stock Will Receive Shares of Trustmark Common Stock and/or Cash in the Merger (see page 20)**

Subject to the aggregate limitations described below, holders of Republic common and preferred stock will have the right to convert their Republic stock into (i) cash at the rate of \$43.8089 per Republic share, (ii) shares of Trustmark common stock at the rate of 1.3908 Trustmark shares for each Republic share, or (iii) some combination of cash and Trustmark common stock.

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You may specify different elections with respect to different shares you own. For example, if you own 100 Republic shares, you could make a cash election with respect to 30 shares and a stock election as to the other 70 shares or vice versa. However, an election must be made with respect to a whole share and not any portion of a share.

The amount of cash and the number of shares of Trustmark common stock that Trustmark will issue in connection with the merger is subject to an aggregate limitation that 49% of Republic's shares will be converted into cash and 51% of Republic's shares will be converted into Trustmark common stock. Accordingly, your election and the elections of Republic's other shareholders may be adjusted on a pro rata basis to the extent necessary to achieve these aggregate limits.

In addition, because Republic shares that are, in whole or in part, converted into Trustmark common stock will be converted at a fixed conversion ratio of 1.3908 Trustmark shares for each Republic share, the value of the merger consideration to Republic shareholders who receive Trustmark shares will fluctuate with the market price of Trustmark common stock. As of July 17, 2006, the closing price of Trustmark common stock was \$28.49 per share. For these reasons, you will not know the exact number or value of shares of Trustmark common stock and the exact amount of cash you will receive in connection with the merger when you vote on the merger agreement.

The table below shows the pre-tax values of the merger consideration to you assuming you own 100 Republic shares and (i) you receive cash for 100% of your shares, (ii) you receive cash for 49 of your shares and Trustmark common stock for the remainder, and (iii) you receive Trustmark common stock for all of your shares. The chart computes the value of the merger consideration (including cash paid for fractional shares) based upon various assumed Trustmark share prices at the time of the merger.

<b>Assumed Trustmark Share Price</b>	<b>Value of 100% Cash Election</b>	<b>Value of 49/51 Cash/ Stock Election</b>	<b>Value of 100% Stock Election</b>
\$26.50	\$ 4,380.89	\$ 4,030.96	\$ 3,686.02
27.50	4,380.89	4,100.96	3,825.02
28.50	4,380.89	4,170.96	3,964.02
29.50	4,380.89	4,240.96	4,103.02
30.50	4,380.89	4,310.96	4,242.02
31.50	4,380.89	4,380.96	4,381.02
32.50	4,380.89	4,450.96	4,520.02
33.50	4,380.89	4,520.96	4,659.02
34.50	4,380.89	4,590.96	4,798.02
35.50	4,380.89	4,660.96	4,937.02
36.50	4,380.89	4,730.96	5,076.02

No fractional shares of Trustmark common stock will be issued in connection with the merger. Instead, cash will be paid for any fractional share of Trustmark to which you would otherwise be entitled at the rate of \$31.50 multiplied by the fractional share.

Trustmark common stock is traded on the Nasdaq NMS under the symbol TRMK. We urge you to obtain information on the market value of Trustmark common stock that is more recent than that provided in this proxy statement/ prospectus. You should obtain current stock price quotations from a newspaper, the Internet or your broker. There is no active trading market for the Republic common stock or Series A preferred stock.

**Effect of the Merger on Republic Stock Options (page 21)**

As of June 30, 2006 certain of Republic's officers and a director held options to purchase an aggregate of 717,000 shares of Republic common stock with a weighted average exercise price of \$8.55 per share. Prior to the merger, Republic will take all actions necessary to accelerate the vesting of those



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options. Holders of vested options are required to exercise all such options at least three days prior to the date the merger is consummated. Options which are not exercised prior to that date will not be entitled to receive any consideration in connection with the merger.

**Federal Income Tax Consequences of the Merger (page 44)**

The merger is structured as a reorganization for United States federal income tax purposes. Accordingly, holders of Republic stock receiving solely Trustmark common stock in the merger will generally not recognize any gain or loss on the exchange of their Republic shares for shares of Trustmark common stock. Holders of Republic shares receiving solely cash in the merger will recognize gain or loss in the amount by which the cash exceeds the adjusted basis in the Republic stock surrendered in the merger. Holders of Republic stock receiving a combination of Trustmark common stock and cash in exchange for Republic shares, in general, will recognize gain, but not loss, equal to the lesser of cash received or gain realized in the exchange. The amount of gain realized will equal the amount by which the cash, if any, plus the fair market value at the effective time of the merger of the Trustmark common stock exceeds the adjusted tax basis in the Republic stock to be surrendered in the merger. Neither Trustmark or Republic will recognize gain or loss as a result of the merger. It is a condition to the obligations of Republic and Trustmark to complete the merger that each receive a legal opinion from its outside counsel that the merger will be a reorganization for United States federal income tax purposes.

The United States federal income tax consequences described above may not apply to all holders of Republic shares. If you are a holder of Republic stock, determining the actual tax consequences of the merger to you may be complicated and will depend on your specific situation and on variables not within our control. **You should consult your own tax advisor for a full understanding of the merger's tax consequences to you.**

**Republic's Board of Directors Unanimously Recommends Shareholder Approval (page 20)**

Republic's Board of Directors believes that the merger is in the best interests of Republic's shareholders and unanimously recommends that you vote FOR approval of the merger agreement.

**Republic's Board of Directors Received a Fairness Opinion from Keefe, Bruyette & Woods, Inc. (page 25)**

Republic's financial advisor, Keefe, Bruyette & Woods, Inc. ( KBW ), has delivered a written opinion to Republic's Board of Directors that, as of the date of this proxy statement/ prospectus, based on and subject to the considerations described in its opinion, the merger consideration is fair from a financial point of view to Republic's shareholders. The full text of this opinion is attached as *Appendix B* to this proxy statement/ prospectus. We encourage you to read the opinion carefully to understand the assumptions made, matters considered and limitations of the review undertaken by KBW in rendering its fairness opinion.

**Dissenter's Rights of Appraisal (page 50)**

As a shareholder of Republic, under Texas law you have the right to dissent from the merger and have the appraised fair value of your shares of Republic common stock or preferred stock paid to you in cash. The appraised fair value may be more or less than the value of the shares of Trustmark common stock and cash being paid in the merger.

Persons having beneficial interests in Republic stock held of record in the name of another person, such as a broker or bank, must act promptly to cause the record holder to take the actions required under Texas law to exercise dissenter's rights.

In order to dissent, you must carefully follow the requirements of the Texas Business Corporation Act, including giving the required written notice prior to the special meeting at which the vote on the

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merger agreement is taken. These steps are summarized under the caption **Dissenters' Rights of Appraisal** on page 50.

If you intend to exercise dissenters' rights, you should read the statutes carefully and consult with your own legal counsel. You should also remember that, if you return a signed proxy card but fail to provide instructions as to how your shares of Republic common stock or preferred stock are to be voted, you will be considered to have voted in favor for the merger agreement and you will not be able to assert dissenters' rights. Also, if you exercise dissenters' rights, you may have taxable income as a result, so you should consult with your own tax advisor if you intend to dissent. See **The Merger - Material Federal Income Tax Consequences of the Merger** on page 44. If the merger agreement is approved by the shareholders of Republic, holders of Republic common stock or preferred stock who make a written objection to the merger prior to the Republic special meeting, do not vote in favor of approval of the merger agreement, and properly make a written demand for payment following consummation of the merger will be entitled to receive the appraised fair value of their shares in cash under the Texas Business Corporation Act.

The text of the provisions of the Texas Business Corporation Act pertaining to dissenters' rights is attached to this proxy statement/ prospectus as *Appendix C*.

**Republic Shareholders Will Vote on the Merger Agreement at the Special Shareholders' Meeting to be Held on August 17, 2006 (page 18)**

Republic will hold a special shareholders' meeting at 11:00 a.m., local time, on August 17, 2006, at 14604 Northwest Freeway, Houston, Texas 77040. At the meeting, shareholders of Republic will vote on a proposal to approve the merger agreement and any other matters that properly arise.

**The Record Date Has Been Set at July 14, 2006 (page 18)**

If you owned shares of Republic at the close of business on July 14, 2006, which is the record date, you are entitled to vote on the merger agreement at the special meeting.

On the record date, there were 3,726,559 shares of Republic's common stock and 353,734 shares of Republic preferred stock outstanding. At the meeting, you will have one vote for each share of Republic common stock and one vote for each share of Republic preferred stock that you owned on the record date.

**Your Proxy**

A proxy for the special meeting is included as part of this proxy statement/ prospectus. Please complete, date, sign and return your proxy. A record holder of shares can revoke a proxy at any time before the vote is taken at the special meeting by sending a written notice revoking the proxy, submitting a later-dated proxy to the secretary of Republic or by voting in person at the special meeting.

Please do not send in your Republic stock certificates at this time. You will receive instructions from Trustmark shortly after the merger is completed with instructions on how to exchange your Republic stock certificates for Trustmark shares and/or cash.

**Vote Required to Approve the Merger Agreement (page 18)**

Approval of the merger agreement requires the affirmative vote of the holders of at least two-thirds of Republic's outstanding common stock and two-thirds of Republic's outstanding Series A preferred stock, voting as separate classes. If you fail to vote or if you abstain, it will have the effect of a vote against the merger agreement. On the record date, the directors and executive officers of Republic and their affiliates, in the aggregate, were entitled to vote approximately 12.40% of the Republic common stock and none of the shares of Republic Series A preferred stock. All of Republic's directors and executive officers executed an Agreement to vote their shares in favor of the merger agreement.

Under Mississippi law, Trustmark's shareholders are not required to approve the merger agreement.

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**Some of the Directors and Officers of Republic Have Financial Interests in the Merger That Differ From Your Interests (page 35)**

Some of the directors and officers of Republic have interests in the merger that differ from, or are in addition to, their interests as shareholders of Republic.

The merger will constitute a change in control of Republic that will trigger certain obligations that Republic owes to C. P. Bryan and R. John McWhorter under their respective employment agreements. Immediately before the completion of the merger, C. P. Bryan will receive a payment of \$1.5 million plus an amount calculated to provide an after tax benefit equal to applicable excise taxes imposed with respect to the payment, and R. John McWhorter will receive a payment of \$705,000 plus an amount calculated to provide an after tax benefit equal to applicable excise taxes imposed with respect to the payment.

As required by the merger agreement, C. P. Bryan and R. John McWhorter have entered into amendments to their employment agreements with Republic to eliminate certain severance benefits to which they otherwise would be entitled on a change in control.

It is a condition to Trustmark's obligation to consummate the merger that C. P. Bryan shall enter into an employment agreement with Trustmark and Trustmark Bank, pursuant to which Mr. Bryan will serve as the Chairman and Chief Executive Officer of Trustmark's banking operations in Texas. The agreement provides Mr. Bryan with a base salary of \$350,000, tax planning benefits in the aggregate amount of \$25,000, an automobile allowance of \$1,000 per month, a monthly payment of \$600 for his continued membership in a golf club and the right to ownership of certain artwork in his office. Mr. Bryan will also receive an award of 16,130 shares of Trustmark's common stock which will vest over three years. If the agreement is terminated by virtue of the death or disability of Mr. Bryan, he or his estate is entitled to a payment of 50% of his base salary for the remainder of the term of the agreement. If the agreement is terminated by Trustmark without cause or by Mr. Bryan for good reason following a change in control of Trustmark, then Mr. Bryan is entitled to payment of his base salary for two years. If Mr. Bryan resigns for any reason except for good reason following a change in control of Trustmark, he is entitled to payment of 50% of his base salary for two years. The agreement has a term of three years and will be renewable automatically for a three year period on each anniversary of the effective date of the Agreement unless either Trustmark or Mr. Bryan chooses not to renew. Mr. Bryan's employment agreement contains a noncompete covenant that extends for a period of two years following termination of his employment.

As required by the merger agreement, Mr. Bryan will also be elected to the board of directors of Trustmark Bank.

Under the merger agreement, Trustmark is obligated to indemnify Republic's directors, officers and employees for a period of four years following the merger to the same extent these persons were entitled to indemnification by Republic and to use commercially reasonable efforts to cover Republic's directors and officers for a period of four years for acts and omissions occurring prior to the merger under Trustmark's directors' and officers' liability insurance or comparable coverage.

The merger agreement provides that all of Republic's outstanding unvested options vest and become exercisable prior to consummation of the merger.

**Regulatory Approvals We Must Obtain for the Merger to Occur (page 48)**

The merger is subject to the approval of the Board of Governors of the Federal Reserve System and the merger of Republic National Bank into Trustmark Bank is subject to the approval of the Office of the Comptroller of the Currency. Applications to obtain approval of the mergers have been filed with those regulatory authorities. Neither Trustmark nor Republic can be certain if or when all such approvals will be obtained.

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**Other Conditions to the Merger (page 38)**

A number of other conditions must be met for the parties to complete the merger. Any of these conditions may be waived by the party for whose benefit the condition exists. Currently, neither party intends to waive any condition to the merger. Other conditions include:

the continuing accuracy of the parties' representations and warranties to each other as of the closing date of the merger;

the absence of any material adverse change in the assets, properties, business or financial condition of either party;

the performance or compliance by each party with its respective covenants and conditions required by the merger agreement;

the registration with the Securities and Exchange Commission of the shares of Trustmark common stock to be issued to shareholders of Republic;

the authorization for listing on the Nasdaq NMS of the shares of Trustmark common stock to be issued to shareholders of Republic;

Republic shall have received the opinion of Bracewell & Giuliani LLP to the effect that the merger will qualify as a reorganization under Section 368(a) of the Internal Revenue Code;

Trustmark shall have received the opinion of Brunini, Grantham, Grower & Hewes, PLLC to the effect that the merger will qualify as a reorganization under Section 368(a) of the Internal Revenue Code;

Republic shall have received a satisfactory opinion of Brunini, Grantham, Grower & Hewes, PLLC and Trustmark shall have received a satisfactory opinion of Bracewell & Giuliani LLP; and

Republic shall have received the written opinion of its financial advisor as to the fairness of the merger consideration to Republic's shareholders from a financial point of view.

**Modifications or Waiver (page 42)**

The parties may amend the merger agreement and each party may waive its right to require the other party to adhere to any term or condition of the merger agreement. However, the merger consideration to be received by the shareholders of Republic pursuant to the merger agreement may not be decreased after the approval of the merger agreement without the further approval by Republic's shareholders.

**Termination of the Merger Agreement (page 42)**

The parties can mutually agree at any time to terminate the merger agreement.

Either party can unilaterally terminate the merger agreement if:

the merger has not become effective within 150 days after April 13, 2006, unless the failure to complete the merger by that time is due to a material breach of the merger agreement by the party that seeks to terminate the merger agreement;

any court or other governmental body issues an order, decree or ruling or takes any other action restraining, enjoining or otherwise prohibiting the merger and such order, decree, ruling or other action is final and non-appealable;

any of the transactions contemplated by the merger agreement are disapproved by any regulatory authority or other person whose approval is required to consummate any of such transactions;



the approval of the merger agreement by the shareholders of Republic is not obtained;

any of the conditions to the obligations of Trustmark or the obligations of Republic, respectively, have not been met or waived by the party entitled to such benefit; or

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the other party materially breaches its representations and warranties or any covenant or agreement contained in the merger agreement and such breach has not been cured within 15 days after the terminating party gives written notice of such breach to the breaching party.

Republic may terminate the merger agreement, without the consent of Trustmark, if:

Republic accepts a superior acquisition proposal (as defined in the merger agreement); or

the average closing price for the Trustmark common stock for the five consecutive trading days ending on and including the third trading day prior to the date that is ten days prior to the effective date of the merger is less than \$25.988 per share and the number obtained by dividing the average closing price of Trustmark common stock by \$31.50 shall be less than the number obtained by dividing the average closing price of a Trustmark peer group by the April 12, 2006 closing price of that peer group and subtracting 0.15 from the quotient; provided, however, that Trustmark has the right, but not the obligation, to nullify any exercise by Republic of this termination right by paying, as additional merger consideration to each holder of Republic stock making a share election, additional shares of Trustmark common stock and/or cash in an amount per share of Republic stock equal to the difference between the average closing price of Trustmark common stock and \$25.988 per share.

Trustmark may terminate the merger agreement, without the consent of Republic, if Republic's board of directors: accepts an alternative acquisition proposal; or

withdraws or modifies its recommendation or approval of the merger agreement or recommends to the shareholders of Republic the acceptance or approval of any alternative acquisition proposal.

In the event of the termination of the merger agreement without breach by any party, the merger agreement will be void and have no effect, without liability on the part of any party or the directors, officers or shareholders of any party, except as specifically contemplated in the merger agreement or as set forth below.

Provided that Trustmark is not in material breach of any covenant or obligation contained in the merger agreement, Republic must pay Trustmark a termination fee of \$7.0 million if the merger agreement is terminated: by Republic because it has accepted a superior acquisition proposal;

by either Trustmark or Republic if the shareholders of Republic do not approve the merger agreement and there exists another acquisition proposal at that time and within 12 months of termination Republic enters into a definitive agreement with respect to any such acquisition proposal; or

by Trustmark if the Republic board of directors resolves to accept an acquisition proposal or withdraws or modifies its recommendation or approval of the merger agreement or recommends to the shareholders of Republic the acceptance or approval of any alternate acquisition proposal.

**Trustmark to Use Purchase Accounting Treatment (page 49)**

Trustmark will account for the merger using the purchase method of accounting. Under the purchase method, Trustmark will record, at fair value, the acquired assets and assumed liabilities of Republic. To the extent the total purchase price exceeds the fair value of tangible and identifiable intangible assets acquired over the liabilities assumed, Trustmark will record goodwill.

Utilizing information as of March 31, 2006, estimated goodwill and other intangibles resulting from the merger are currently expected to total approximately \$169.4 million. Trustmark will include in its consolidated financial statements the results of operations and financial condition of Republic after the merger is completed. Due to the fact that the proposed transaction is not deemed to be significant from

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an accounting perspective to Trustmark, no pro forma financial information is included in this proxy statement/prospectus, except to the extent included under the heading "Comparative Per Share Data" on page 14.

**There are Differences Between the Rights of Trustmark's and Republic's Shareholders (page 55)**

The rights of Republic's shareholders are currently governed by Republic's articles of incorporation, as amended, and bylaws and the Texas Business Corporation Act. Following the merger, Republic's shareholders who receive shares of Trustmark common stock will become Trustmark shareholders, and their rights will be governed by Trustmark's articles of incorporation and bylaws and the Mississippi Business Corporation Act. There are differences between the rights of Trustmark's shareholders and the rights of Republic's shareholders. A discussion of the rights of Trustmark's and Republic's shareholders is set forth under the heading "Comparison of the Rights of Trustmark's and Republic's Shareholders" on page 55.

**What You Need to Do Now**

**Proxy**

After you have carefully read this document, please vote your Republic shares by completing, signing, dating and mailing the enclosed proxy in the return envelope provided as soon as possible so that your shares will be represented at the special meeting. If you return a proxy that does not indicate how you want to vote, your proxy will be counted as a vote in favor of the merger agreement. If you do not vote or if you abstain, it will have the effect of a vote against the merger agreement.

A proxy may be revoked at any time before it is voted at the special meeting. See the heading "Republic Special Shareholders Meeting" at page 18.

**Election Form**

The form for making your election to receive shares of Trustmark common stock, cash or a combination of both is included as part of this proxy statement/prospectus. You must properly complete and return the election to Republic on or before the date of the special meeting. Persons holding options also need to submit elections for shares which will be acquired on exercise of those options. Any shareholder who does not return a properly executed form of election in a timely manner shall be deemed to have submitted an election to receive Trustmark common shares for 100% of his or her Republic shares. As discussed elsewhere in this proxy statement/prospectus, shareholder elections are subject to proration and adjustment.

**Comparative Market Prices and Dividends**

Trustmark common stock is traded on the Nasdaq NMS under the symbol TRMK. On April 12, 2006, the last full trading day before public announcement of the merger, Trustmark common stock closed at \$31.5625. On July 17, 2006, Trustmark common stock closed at \$28.49. The market price of Trustmark will fluctuate. You should obtain current stock price quotations from a newspaper, the Internet or your broker.

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The table below shows the high and low sales prices of Trustmark common stock and cash dividends paid per share on the Trustmark common stock for the last two fiscal years plus the first quarter of 2006.

<b>Quarter Ended</b>	<b>High</b>	<b>Low</b>	<b>Cash Dividend</b>
March 31, 2006	\$ 32.00	\$ 27.01	\$ 0.21
December 31, 2005	29.83	24.00	0.21
September 30, 2005	30.80	26.63	0.20
June 30, 2005	29.67	26.71	0.20
March 31, 2005	31.15	26.69	0.20
December 31, 2004	32.78	29.12	0.20
September 30, 2004	32.36	27.92	0.19
June 30, 2004	29.99	25.89	0.19
March 31, 2004	30.73	28.27	0.19

Neither Republic's common or preferred stock is actively traded, and any trading activity, as it occurs, takes place in privately negotiated transactions between the buyer and seller. Republic is aware of certain transactions in shares of its common stock that have occurred since January 1, 2004, although the trading prices of all stock transactions are not known. On February 1, 2006, Republic completed a reclassification transaction in which its shareholders authorized a class of Series A preferred stock, and shares of common stock held by shareholders owning 2,100 or fewer shares were reclassified into shares of Series A preferred stock on a one for one basis. The shares of preferred stock automatically convert into shares of Republic common stock upon a change in control of Republic, with each share of preferred stock convertible into one share of common stock. There have been no transactions in the preferred stock of which management is aware.

The following reflects the high and low sales prices for arm's length transactions in Republic common stock known to Republic that occurred during the first three months of 2006 and during 2005 and 2004. There may be other transactions of which Republic is not aware.

<b>Period</b>	<b>High</b>	<b>Low</b>
Three months ended March 31, 2006	\$ 13.71	\$ 13.26
Year ended December 31, 2005	13.26	11.66
Year ended December 31, 2004	11.66	9.90

Republic has never paid a dividend on its common or preferred stock.

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The following table summarizes the closing price per share of Trustmark common stock and the equivalent per share price for Republic common stock and preferred stock giving effect to the merger on (i) April 12, 2006, the business day prior to the announcement of the merger, and (ii) July 17, 2006, the most recent date practicable preceding the date of this proxy statement/ prospectus. Historical market value information regarding Republic common stock and preferred stock is not provided because there is no active market for Republic stock. Because the market value of Trustmark common stock is subject to fluctuation, the market value of the shares of Trustmark common stock that holders of Republic stock will receive upon consummation of the merger may increase or decrease prior to the receipt of such shares following completion of the merger.

	<b>Trustmark Common Stock(1)</b>		<b>Equivalent Pro Forma Value Per Share of Republic Common Stock and Preferred Stock(2)</b>	
April 12, 2006	\$	31.56	\$	43.89
July 17, 2006	\$	28.49	\$	39.62

- (1) Represents the closing price of Trustmark common stock on the Nasdaq NMS.
- (2) Equivalent pro forma market value per share of Republic common stock and preferred stock represents the market value per share of Trustmark common stock on the applicable date multiplied by the exchange ratio of 1.3908.

**Table of Contents****Selected Historical Financial Data****Trustmark**

Trustmark is providing the following information to help you analyze the financial aspects of the merger. Trustmark derived this information from its audited financial statements for the years 2001 through 2005, and from its unaudited financial statements for the three months ended March 31, 2005 and 2006. This information is only a summary, and you should read it in conjunction with the historical financial statements and the related notes contained in the annual and quarterly reports and other documents that Trustmark has filed with the Securities and Exchange Commission or otherwise has provided to its shareholders. *See* Where You Can Find More Information on page 60. You should not rely on the historical information as being indicative of results expected for the future. All information is in thousands, except per share data.

**TRUSTMARK SELECTED FINANCIAL DATA**

	<b>Quarters Ended</b>		<b>Years Ended December 31,</b>				
	<b>March 31,</b>		<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
	<b>2006</b>	<b>2005</b>					
<b>Consolidated Statements of Income</b>							
Total interest income	\$ 110,633	\$ 95,922	\$ 415,697	\$ 364,355	\$ 359,388	\$ 405,952	\$ 476,146
Total interest expense	42,392	27,513	139,256	88,738	89,558	113,766	209,242
Net interest income	68,241	68,409	276,441	275,617	269,830	292,186	266,904
Provision for loan losses	(2,984)	2,796	19,541	(3,055)	9,771	14,107	13,200
Noninterest income	36,690	36,548	143,107	124,028	136,310	116,997	117,662
Noninterest expense	63,512	61,142	243,276	225,309	214,887	208,968	199,939
Income before income taxes	44,403	41,019	156,731	177,391	181,482	186,108	171,427
Income taxes	15,084	14,238	53,780	60,682	62,952	64,968	60,146
<b>Net Income</b>	<b>\$ 29,319</b>	<b>\$ 26,781</b>	<b>\$ 102,951</b>	<b>\$ 116,709</b>	<b>\$ 118,530</b>	<b>\$ 121,140</b>	<b>\$ 111,281</b>
<b>Per Share Data</b>							
Basic earnings per share	\$ 0.53	\$ 0.47	\$ 1.82	\$ 2.01	\$ 2.01	\$ 1.95	\$ 1.72
Diluted earnings per share	\$ 0.52	\$ 0.47	\$ 1.81	\$ 2.00	\$ 2.00	\$ 1.94	\$ 1.72
Cash dividends per share	\$ 0.21	\$ 0.20	\$ 0.81	\$ 0.77	\$ 0.69	\$ 0.62	\$ 0.56

	<b>March 31,</b>		<b>December 31,</b>				
	<b>2006</b>	<b>2005</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>

**Consolidated Balance Sheets**

Total assets	\$ 8,237,688	\$ 8,179,993	\$ 8,389,750	\$ 8,052,957	\$ 7,914,321	\$ 7,138,706	\$ 7,180,339
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Securities	1,273,433	1,827,481	1,336,656	1,717,067	2,112,443	1,811,767	1,853,547
Loans (including loans held for sale)	6,099,054	5,572,808	6,040,375	5,431,277	5,032,612	4,617,366	4,524,366
Deposits	6,321,032	5,534,728	6,282,814	5,450,093	5,089,459	4,686,296	4,613,365

**Table of Contents****Republic**

The following table summarizes the selected historical consolidated financial data of Republic for the periods and at the dates indicated. The historical financial data as of and for each of the years in the five year period ended December 31, 2005 was derived from Republic's audited consolidated financial statements. The historical financial data as of and for the three months ended March 31, 2006 and 2005 are unaudited, but management of Republic believes that such amounts include all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of its financial position and results of operations as of the dates and for the periods indicated. Information for any interim period is not necessarily indicative of results that may be anticipated for the full year or any future period. All information is in thousands, except per share data.

**REPUBLIC SELECTED FINANCIAL DATA**

	Quarters Ended March 31,		Years Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001
<b>Income Statement Data:</b>							
Interest income	\$ 9,761	\$ 7,715	\$ 34,456	\$ 25,355	\$ 22,800	\$ 21,258	\$ 19,832
Interest expense	3,005	1,848	9,485	5,454	4,944	5,272	7,589
Net interest income	6,756	5,867	24,971	19,901	17,856	15,986	12,243
Provision for loan losses	200	495	1,500	1,450	1,730	2,095	1,076
Net interest income after provision for loan losses	6,556	5,372	23,471	18,451	16,126	13,891	11,167
Noninterest income	740	736	2,795	3,006	2,644	1,705	1,239
Noninterest expenses	4,484	4,117	16,441	14,312	12,666	11,014	8,986
Income before income taxes	2,812	1,991	9,825	7,145	6,104	4,582	3,420
Provision for income taxes	904	648	3,215	2,332	2,057	1,581	1,175
Net income	\$ 1,908	\$ 1,343	\$ 6,610	\$ 4,813	\$ 4,047	\$ 3,001	\$ 2,245
<b>Per Share Data(1):</b>							
Basic earnings per share(2)	\$ 0.48	\$ 0.34	\$ 1.67	\$ 1.23	\$ 1.04	\$ 0.78	\$ 0.59
Diluted earnings per share(2)	\$ 0.45	\$ 0.32	\$ 1.57	\$ 1.18	\$ 1.00	\$ 0.75	\$ 0.58
Book value per share	\$ 10.40	\$ 9.15	\$ 10.40	\$ 8.93	\$ 7.71	\$ 6.72	\$ 5.94
	4,002	3,943	3,966	3,912	3,877	3,855	3,845



Weighted average  
shares outstanding  
(basic)

Weighted average shares outstanding (diluted)	4,274	4,186	4,215	4,086	4,046	4,015	3,912
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**Performance Ratios:**

Return on average assets	1.25%	0.93%	1.10%	0.99%	0.94%	0.86%	0.86%
Return on average common equity	18.09%	15.10%	17.30%	14.92%	14.21%	12.18%	10.27%
Net interest margin	4.75%	4.40%	4.46%	4.44%	4.46%	4.98%	5.04%
Efficiency ratio(4)	59.82%	62.35%	59.21%	62.48%	63.38%	62.26%	66.65%

**Balance Sheet****Data(3):**

Total assets	\$ 653,977	\$ 589,486	\$ 634,514	\$ 573,662	\$ 435,218	\$ 384,419	\$ 312,197
Investment securities	84,390	97,790	90,851	89,445	83,922	41,704	1,125
Loans	475,317	425,238	470,770	402,495	315,486	293,555	258,487
Allowance for loan losses	(5,469)	(5,137)	(5,424)	(4,813)	(3,783)	(3,236)	(2,885)
Total deposits	589,214	522,578	572,182	497,760	355,181	349,083	288,141
Total shareholders equity	43,415	36,116	41,601	35,152	30,003	26,005	22,855

**Capital Ratio:**

Average equity to average assets	6.17%	6.91%	6.35%	6.64%	6.59%	7.07%	8.27%
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**Asset Quality****Ratios(3):**

Nonperforming assets(5) to loans and other real estate	0.10%	0.08%	0.17%	0.16%	0.15%	0.26%	0.07%
Net charge-offs to average loans	0.13%	0.17%	0.20%	0.12%	0.40%	0.63%	0.01%
Allowance for loan losses to total loans	1.15%	1.21%	1.15%	1.20%	1.20%	1.10%	1.12%
Allowance for loan losses to nonperforming assets(5)	1123.00%	1426.94%	663.08%	761.55%	793.08%	419.17%	1,559.46%

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- (1) Adjusted for a two-for-one stock split effective May 24, 2004.
- (2) Basic earnings per share is computed by dividing net income available to common and preferred shareholders by the weighted average number of common and preferred shares outstanding for the period. Diluted earnings per share is computed by dividing net income available to common and preferred shareholders, adjusted for any changes in income that would result from the assumed conversion of all potential dilutive common shares, by the sum of the weighted average number of common and preferred shares outstanding and the effect of all potential dilutive common shares outstanding for the period.
- (3) At period end, except net charge-offs to average loans.
- (4) Calculated by dividing total noninterest expenses by net interest income plus noninterest income, excluding net security gains (losses).
- (5) Nonperforming assets consist of nonaccrual loans, troubled debt restructurings and loans contractually past due 90 days or more, ORE and foreclosed property.

**Table of Contents****Comparative Per Share Data**

The following table sets forth per share information for Trustmark and Republic on a historical, pro forma combined and equivalent pro forma basis. The pro forma data in the table assumes that the merger is accounted for by the purchase method of accounting. The pro forma calculations reflect that 51% of the outstanding Republic shares will be converted into 1.3908 shares of Trustmark common stock per share of Republic and that 49% of the outstanding Republic shares will be converted into \$43.8089 per Republic share. The pro forma and pro forma equivalent per share information give effect to the merger as if the merger had been effective (i) on the dates presented, in the case of the book value presented, and (ii) as of the beginning of the fiscal years presented, in the case of earnings and dividends per share. The Republic equivalent pro forma per share information shows the effect of the merger from the perspective of an owner of Republic stock. The information was computed by multiplying the pro forma information by the exchange ratio of 1.3908. You should read this information in conjunction with the historical financial statements (and related notes) contained in the annual and quarterly reports and other documents Trustmark has filed with the Securities and Exchange Commission or that Trustmark and Republic otherwise have provided to their shareholders. *See Where You Can Find More Information* on page 60.

The pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings, opportunities to earn additional revenue, the impact of restructuring and merger-related costs or the amortization of certain intangibles 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 or future results that the combined company will experience after the merger. Upon completion of the merger, the operating results of Republic will be reflected in the consolidated financial statements of Trustmark on a prospective basis.

	<b>As of and for the Three Months Ended March 31, 2006</b>	<b>As of and for the Year Ended December 31, 2005</b>
<b>TRUSTMARK CORPORATION:</b>		
Earnings Per Share (Basic):		
Historical	\$ 0.53	\$ 1.82
Pro Forma	\$ 0.53	\$ 1.83
Earnings Per Share (Diluted):		
Historical	\$ 0.52	\$ 1.81
Pro Forma	\$ 0.53	\$ 1.82
Cash Dividends Per Share:		
Historical	\$ 0.21	\$ 0.81
Pro Forma	\$ 0.21	\$ 0.81
Book Value Per Share:		
Historical	\$ 13.57	\$ 13.29
Pro Forma	\$ 14.60	\$ 14.34

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	<b>As of and for the Three Months Ended March 31, 2006</b>	<b>As of and for the Year Ended December 31, 2005</b>
<b>REPUBLIC BANCSHARES OF TEXAS, INC.:</b>		
Earnings Per Share (Basic):		
Historical	\$ 0.48	\$ 1.67
Equivalent Pro Forma	\$ 0.74	\$ 2.55
Earnings Per Share (Diluted):		
Historical	\$ 0.45	\$ 1.57
Equivalent Pro Forma	\$ 0.74	\$ 2.53
Cash Dividends Per Share:		
Historical		
Equivalent Pro Forma	\$ 0.29	\$ 1.13
Book Value Per Share:		
Historical	\$ 10.84	\$ 10.40
Equivalent Pro Forma	\$ 20.31	\$ 19.94

**A WARNING ABOUT FORWARD-LOOKING INFORMATION**

Certain statements contained in this proxy statement/ prospectus or incorporated herein by reference are not statements of historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements relating to anticipated future operating and financial performance measures, including net interest margin, credit quality, business initiatives, growth opportunities and growth rates, among other things and encompass any estimate, prediction, expectation, projection, opinion, anticipation, outlook or statement of belief included therein as well as the management assumptions underlying these forward-looking statements. Should one or more of these risks materialize, or should any such underlying assumptions prove to be significantly different, actual results may vary significantly from those anticipated, estimated, projected or expected.

These risks could cause actual results to differ materially from current expectations and include, but are not limited to, changes in the level of nonperforming assets and charge offs, local, state and national economic and market conditions, material changes in market interest rates, the costs and effects of litigation and of unexpected or adverse outcomes in such litigation, competition in loan and deposit pricing, as well as the entry of new competitors into our markets through de novo expansion and acquisitions, changes in existing regulations or the adoption of new regulations, natural disasters, acts of war or terrorism, changes in consumer spending, borrowings and savings habits, technological changes, changes in the financial performance or condition of Trustmark's borrowers, the ability to control expenses, changes in Trustmark's compensation and benefit plans, greater than expected costs or difficulties related to the integration of, or a material delay in closing of the merger, greater than expected costs or difficulties related to the integration of new products and lines of business and other risks described in Trustmark's filings with the Securities and Exchange Commission.

Although Trustmark believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. Trustmark undertakes no obligation to update or revise any of this information, whether as the result of new information, future events or developments or otherwise.

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**RISK FACTORS**

*In addition to the other information, including risk factors, included or incorporated by reference in this proxy statement/ prospectus, you should carefully read and consider the following factors in evaluating the proposal to be voted on at the special meeting of Republic shareholders and in deciding whether to elect to receive cash, shares of Trustmark common stock or some combination thereof in the merger.*

**Because the market price of Trustmark common stock will fluctuate, Republic shareholders electing to receive stock cannot be sure of the value of the merger consideration they will receive**

Upon completion of the merger, each share of Republic common and preferred stock will be converted into the merger consideration consisting of shares of Trustmark common stock, cash or a combination of the two. The value of the merger consideration to be received by Republic shareholders who receive part of the merger consideration in the form of Trustmark shares will vary with the price of Trustmark common stock. Stock prices change as a result of a variety of factors, including general market and economic conditions, changes in business, operations and prospects, and regulatory considerations. Many of these factors are beyond Trustmark's control.

In addition, if the price of Trustmark common stock falls and the price of the common stock of certain of Trustmark's peers falls and the decreases exceed certain pre-agreed levels, to avoid Republic's right to terminate the merger agreement, Trustmark may elect to increase the number of shares of Trustmark common stock and/or the amount of the per share cash consideration to be received by Republic shareholders who made an election to receive shares of Trustmark common stock as a component of the merger consideration.

Accordingly, at the time of the special meeting, Republic shareholders will not know or be able to calculate the total value of the merger consideration they will receive if the merger is approved.

**Republic shareholders may receive a form of consideration different from what they elect**

Although each Republic shareholder may elect to receive all cash, all Trustmark common stock or a combination of the two in the merger, the cash available to be paid to all Republic shareholders will be fixed in amount and the shares of Trustmark common stock available to be issued to all Republic's shareholders will be fixed in number. As a result, if either the aggregate cash or stock elections exceed the maximum available, and you make an election that exceeds the maximum available, you may receive consideration in proportions of cash and Trustmark common stock which are different from those you elected.

**Trustmark may fail to realize the anticipated benefits of the merger**

The success of the merger will depend, in part, on the ability to realize the anticipated cost savings from combining certain aspects of the businesses of Trustmark and Republic. However, to realize the anticipated benefits from the merger, Trustmark must successfully combine the businesses of Trustmark and Republic in a manner that permits those cost savings to be realized. The anticipated benefits of the merger also depend on the continued operating performance of Trustmark's and Republic's businesses following the merger. If Trustmark is not able to combine the businesses of Trustmark and Republic in a manner that permits the anticipated cost savings to be realized, or if Trustmark and Republic's businesses do not perform as anticipated following the merger, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected.

Trustmark and Republic 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 business or inconsistencies in standards, controls, procedures, and policies that adversely affect the combined company's ability to maintain relationships with clients, customers, depositors, and employees or to achieve the anticipated benefits of the merger.

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**The market price of the shares of Trustmark common stock after the merger may be affected by factors different from those affecting the shares of Trustmark or Republic currently**

Trustmark's current businesses and geographic markets differ from those of Republic and, accordingly, the results of operations of the combined company and the market price of the combined company's shares of common stock may be affected by factors different from those currently affecting the independent results of operations and market price of each of Trustmark and Republic.

**Republic will be subject to business uncertainties and contractual restrictions while the merger is pending**

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Republic and consequently on Trustmark. These uncertainties may impair Republic's ability to attract, retain, and motivate key personnel until the merger is consummated, and could cause customers and others that deal with Republic to seek to change existing business relationships with Republic. Retention of certain employees may be challenging during the pendency of the merger, as certain employees may experience uncertainty about their future roles with Trustmark. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with Trustmark, Trustmark's business following the merger could be harmed. In addition, the merger agreement restricts Republic's activities until the merger occurs. These restrictions may prevent Republic from pursuing attractive business opportunities that may arise prior to the completion of the merger. Please see the section entitled "The Merger - Conduct of Business Pending Effective Time" for a description of the restrictive covenants to which Republic is subject.

**Some of the executive officers of Republic may have financial interests that are different from, or in addition to, their interests as shareholders**

The interests of some of the directors and executive officers of Republic may be different from those of Republic's shareholders, and certain of Republic's officers are participants in financial arrangements that are different from, or in addition to, those of Republic's shareholders. These interests are described in more detail in the section of this proxy statement/prospectus entitled "The Merger - Some of the Directors and Officers of Republic Have Financial Interests in the Merger that Differ from Your Interests."

**The merger agreement limits Republic's ability to pursue alternatives to the merger**

The merger agreement contains provisions that make it more difficult for Republic to sell its business to a party other than Trustmark. These provisions include (1) the general prohibition on Republic soliciting any acquisition proposal or offer for a competing transaction, (2) the requirement that Republic pay a termination fee of \$7 million if the merger agreement is terminated in specified circumstances and thereafter an alternative transaction is entered into or completed, and (3) the requirement that Republic's directors and executive officers vote their shares in favor of the merger agreement even if they decide to accept another acquisition proposal. See "The Merger - Conduct of Business Pending Effective Time" and "The Merger - Termination."

Trustmark required Republic to agree to these provisions as a condition to Trustmark entering into the merger agreement. These provisions, however, might discourage a third party that might have an interest in acquiring all or a significant part of Republic from considering or proposing that acquisition, even if that party were prepared to pay greater consideration than the proposed merger consideration. Furthermore, the termination fee may result in a potential competing acquirer proposing to pay a lower per share price to acquire Republic than it might otherwise have proposed to pay.

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**The shares of Trustmark common stock to be received by Republic shareholders as a result of the merger will have different rights from shares of Republic stock**

Some of the rights associated with Republic common and preferred stock are different from the rights associated with Trustmark common stock. See Comparison of the Rights of Trustmark's and Republic's Shareholders for a discussion of the different rights associated with Trustmark common stock.

If the merger is approved, Republic's former shareholders will have less influence over the management and policies of Trustmark than they have over the management and policies of Republic.

**REPUBLIC SPECIAL SHAREHOLDERS MEETING**

**General**

This proxy statement/ prospectus is being furnished to you in connection with the solicitation of proxies by Republic's board of directors from holders of Republic's common and preferred shares, for use at the special meeting of shareholders to be held at 14604 Northwest Freeway, Houston, Texas 77040 on August 17, 2006 at 11:00 a.m., local time, and at any adjournments or postponements of the special meeting. At the special meeting, holders of Republic common and preferred shares will be asked to vote upon the following proposals:

approval of the Agreement and Plan of Reorganization dated April 13, 2006, as amended on May 16, 2006, between Trustmark and Republic pursuant to which Republic will merge into Trustmark, all on and subject to the terms and conditions contained therein; and

transaction of such other business as may properly come before the special meeting or any adjournments thereof.

Proxies may be voted on other matters that properly come before the special meeting at the discretion of the proxy holders. Republic's board of directors is not aware of any other matters that are likely to be considered at the special meeting.

**Who Can Vote at the Special Meeting**

Republic's board of directors has fixed the close of business on July 14, 2006 as the record date for determining the holders of Republic's common and preferred shares entitled to notice of, and to vote at, the special meeting. Only holders of record of Republic's shares at the close of business on the record date will be entitled to notice of, and to vote at, the special meeting.

On the record date, there were 3,726,559 shares of Republic common stock outstanding held by approximately 247 holders of record and 353,734 shares of Republic preferred stock outstanding held by approximately 422 holders of record.

**Quorum; Vote Required**

The presence, in person or by properly executed proxy, of a majority of Republic's common shares and a majority of Republic's preferred shares entitled to vote is necessary to constitute a quorum at the special meeting. In the event that a quorum is not present at the special meeting, it is expected that the special meeting will be adjourned or postponed in order to solicit additional proxies. All votes for or against, as well as all abstentions, will be counted for the purpose of determining whether a quorum is present. Brokers who hold Republic shares as nominees will not have discretionary authority to vote such shares in the absence of instructions from the beneficial owners of those shares. Any shares which are not voted because the nominee-broker lacks such discretionary authority ( broker non-votes ) will nevertheless be counted for the purpose of determining whether a quorum is present.

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Approval of the merger agreement will require the affirmative vote of the holders of at least two-thirds of Republic's common stock and the holders of at least two-thirds of Republic's preferred stock, voting as separate classes.

Failures to vote, abstentions and broker non-votes will have the same effect as votes against the merger agreement. Accordingly, Republic's board of directors urges you to complete, date and sign the accompanying proxy and return it promptly in the enclosed postage prepaid envelope whether or not you plan to attend the special meeting.

As of the record date, Republic's directors and executive officers were entitled to vote 12.40% of Republic's common shares and none of Republic's preferred shares.

Pursuant to the merger agreement, each director and executive officer of Republic entered into an agreement to vote such person's shares (i) in favor of the merger agreement, (ii) against any action that would result in a breach of the merger agreement, and (iii) against any acquisition proposal (as defined in the merger agreement) or any other action that might be expected to delay or prevent the merger from closing. The effect of this agreement is to waive each such person's right to exercise dissenters' rights of appraisal.

Action on any other matter that is properly presented at the special meeting for consideration of the shareholders requires the affirmative vote of a majority of the common shares and of the preferred shares cast at the special meeting. Because the required vote is based on the affirmative votes of a majority of the votes cast, failures to vote will not be treated as votes cast and will have no effect on any other matter that is properly presented.

**You should not return your stock certificates with your proxy cards.** The procedure for surrendering your stock certificates is described under "The Merger" Exchange of Republic Stock Certificates on page 35.

### **How to Vote in Person**

If your shares are registered in your name, you are considered the shareholder of record, and you may vote in person at the special meeting. If you want to vote your Republic shares held in street name in person at the special meeting, you will have to get a written proxy in your name from the broker, bank or other nominee that holds your shares. The grant of a proxy on the enclosed proxy card does not preclude a shareholder from voting in person.

### **How to Vote by Proxy**

Whether you hold shares directly as the shareholder of record or beneficially in street name, you may direct how your shares are voted without attending the special meeting. If you are a shareholder of record, you may vote by completing, signing and dating the enclosed proxy card and mailing it in the accompanying pre-addressed envelopes. If you hold shares beneficially in street name, you may vote by submitting voting instructions to your broker, trustee or nominee.

### **How Proxies Work**

Shares represented by properly submitted proxies received in time for the special meeting will be voted at the special meeting in the manner specified by such proxies. If your proxy is properly executed but does not contain voting instructions, your proxy will be voted **FOR** approval of the merger agreement. The proxy also grants authority to the persons designated in the proxy to vote in accordance with their own judgment if an unscheduled matter is properly brought before the special meeting.



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**How to Revoke a Proxy**

You may revoke a proxy at any time prior to your proxy being voted at the special meeting by:

prior to the special meeting, delivering a written notice of revocation bearing a later date or time than the proxy to Republic at 4200 Westheimer, Suite 101, Houston, Texas 77027, Attention: Corporate Secretary;

prior to the special meeting, submitting another proxy by mail or by hand delivery that is later dated and that is properly signed, dated and completed; or

oral revocation at the special meeting in person to any of the persons named on the enclosed proxy card.

Attendance at the special meeting will not by itself constitute revocation of a proxy. You must specifically revoke your proxy.

**Solicitation of Proxies; Expenses**

Directors, officers and other employees of Republic or its subsidiaries may solicit proxies personally, by telephone, by facsimile or otherwise. None of these people will receive any special compensation for soliciting proxies. Republic will arrange with brokerage firms and other custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of shares held of record by such brokerage firms and other custodians, nominees and fiduciaries, and Republic will reimburse these record holders for their reasonable out-of-pocket expenses.

**Recommendation of the Republic Board of Directors**

Republic's board of directors has unanimously approved the merger agreement and believes that the merger is in the best interests of Republic and its shareholders. Republic's board of directors unanimously recommends that Republic's shareholders vote FOR approval of the merger agreement.

See The Merger Background of and Republic's Reasons for the Merger on page 22.

**THE MERGER**

*The following information describes the material aspects of the merger. This description does not purport to be complete, and is qualified in its entirety by reference to the merger agreement which is attached to this proxy statement/prospectus as Appendix A. All shareholders are urged to read the merger agreement in its entirety.*

**General**

The merger consists of several components including the merger of Republic's wholly owned subsidiary, RBT Holdings, Inc. into Republic followed by the merger of Republic into Trustmark, and the subsequent merger of Republic's subsidiary, Republic National Bank, into Trustmark Bank.

**Merger Consideration**

The merger agreement provides for the merger of Republic into Trustmark. If the shareholders of Republic approve the merger agreement at the special meeting, and if the required regulatory approvals are obtained and the other conditions to the parties' obligations to effect the merger are met or waived by the party entitled to do so, we anticipate that the merger will be completed in the third quarter of 2006, although delays could occur.

Under the merger agreement, Republic's common and preferred shareholders will have the right to elect to receive (i) cash in the amount of \$43.8089 per Republic share, (ii) Trustmark common stock at the rate of 1.3908 shares of Trustmark common stock for each Republic share, or (iii) part cash and part

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Trustmark common stock on the same basis. The ability to make this election is, however, subject to the aggregate limitations described below.

The amount of cash and/or Trustmark common stock Republic shareholders will receive as a result of the merger is subject to an overall limitation that an aggregate of 49% of the Republic shares will be converted into cash, including cash payable in lieu of fractional shares and cash payable to dissenting shareholders. The remaining 51% of Republic's shares will be converted into Trustmark common stock. Accordingly, each Republic shareholder's election will be subject to proration and adjustment so that these aggregate percentages can be achieved.

For example, even if you elect to receive cash for all of your Republic shares, depending on what other shareholders elect, as many as 51% of your shares may be converted into Trustmark common stock, and even if you elect to receive Trustmark common stock for all of your shares, up to 49% of your shares may be converted into cash. Accordingly, at the time they vote with respect to the merger agreement, Republic's shareholders will not know exactly how much cash or the exact number of Trustmark shares they will receive as a result of the merger.

The exchange ratio and/or the per share cash consideration may be adjusted if (1) the average closing price of the Trustmark common stock for the five trading days ending on the third trading day prior to the date that is ten days prior to completion of the merger is less than \$25.988 and (2) the number obtained by dividing the average closing price of the Trustmark common stock by \$31.50 shall be less than the number obtained by dividing the average closing price of the Trustmark peer group by the April 12, 2006 closing price of the peer group set forth in the merger agreement and subtracting 0.15 from the quotient. In the event the foregoing conditions are met and Republic exercises its termination right under the merger agreement, Trustmark has the discretion, but not the obligation, to increase either the number of shares of common stock that it will issue to Republic shareholders, the per share cash consideration that it will pay to Republic shareholders or a combination of both, in an amount equal to the difference between the average closing price of the Trustmark common stock and \$25.988 per share. If Trustmark elects not to adjust the exchange ratio and/or the per share cash consideration, Republic may terminate the merger agreement.

No fractional shares of Trustmark common stock will be issued in connection with the merger. Instead, cash will be paid for any fractional Trustmark share to which you would otherwise be entitled at the rate of \$31.50 multiplied by the fractional share.

As a result of the merger, certificates for Republic common stock and preferred stock will only represent the right to receive the merger consideration pursuant to the merger agreement, and otherwise will be null and void after completion of the merger.

You should be aware that the market value of Trustmark's shares will fluctuate, and neither Trustmark nor Republic can give you any assurance as to what the price of Trustmark common stock will be when the merger becomes effective or when certificates for those shares are delivered to you. We urge you to obtain current information on the market value of Trustmark shares. See Summary Comparative Market Prices and Dividends on page 8

**Effect of the Merger on Republic Stock Options**

On June 30, 2006, Republic had outstanding options to purchase 717,000 shares of Republic's common stock held by approximately 41 Republic officers and one director. Of these options, 396,100 are currently vested. Pursuant to the merger agreement, Republic has agreed to take all actions necessary to accelerate the vesting of all outstanding Republic options. Owners of vested options must exercise them at least three days prior to consummation of the merger to be entitled to receive any part of the merger consideration. Options which are unexercised subsequent to that deadline will not receive any part of the merger consideration.

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Although holders of unexercised options have no right to vote in connection with the proposed merger, holders of options will be provided forms of election as if they were currently holders of Republic common stock.

**Background of and Republic's Reasons for the Merger**

**Background**

From time to time, as part of its fiduciary duties and responsibilities to evaluate strategic alternatives for Republic, the board of directors of Republic has reviewed Republic's future prospects for profitability and earnings and asset growth and the viability of Republic's continued operation as an independent banking organization. In the last three years, one major factor routinely discussed by the board in assessing Republic's future earnings potential was the passage of the Sarbanes-Oxley Act of 2002, which added several additional reporting and procedural requirements. In addition, during the normal course of its business, Republic has also received inquiries regarding its willingness to consider an affiliation with other financial institutions and visited from time to time with various investment banking firms regarding the potential marketability of Republic.

In September of 2004, Republic received a non-binding offer from Trustmark to acquire all of the shares of Republic common stock, subject to Trustmark's completion of a satisfactory due diligence examination of Republic and other conditions. That same month, Republic's Chairman, President and CEO, C. P. Bryan met with Richard Hickson, Trustmark's Chairman and CEO, to discuss a potential business combination. Republic subsequently elected not to pursue further discussions with Trustmark.

As the Sarbanes-Oxley Act continued to subject Republic to heightened compliance and documentation requirements in a variety of areas, including disclosure and internal controls, internal and external audit relationships and the duties and qualifications of board committees, Republic's costs of compliance increased, particularly relative to Republic's limited personnel resources. In response to these increased costs, in January 2005, Republic's board began to evaluate generally the advantages and disadvantages of repurchasing shares from shareholders in order to go private and terminate its reporting obligations under the Securities Exchange Act of 1934. At that time, management informally considered various possible methods of repurchasing shares, including an open market repurchase plan and a fixed price tender offer, although no action was taken.

On February 22, 2005, Republic's board met with Keefe, Bruyette & Woods, Inc. ( KBW ), an investment banking firm, to discuss strategic alternatives to better manage Republic's large shareholder base and evaluate Republic's status as a Securities and Exchange Commission ( SEC ) reporting company. The alternatives considered included a possible going private transaction, various structures of which were discussed, including a reverse stock split whereby shareholders owning less than a certain number of shares would be cashed-out of the company or the issuance of preferred stock to holders of a smaller number of shares of common stock, as well as alternatives such as a tender offer, stock repurchases on the open market, other methods of reducing the number of outstanding shares of Republic's common stock (although not necessarily the number of Republic's record shareholders), or continuing operations as a SEC reporting company. Subsequent to this meeting, the board of directors considered these discussions and evaluated the costs associated with a potential going private transaction and the ongoing costs of remaining a SEC reporting company.

Republic's board continued to pursue the idea of going private, and at a special meeting of the board of directors held on September 13, 2005, management discussed its analysis of the costs and benefits associated with a potential going private transaction and the ongoing costs of remaining an SEC reporting company. The board then renewed its discussions as to whether it was in Republic's best interests and the best interests of Republic's shareholders to engage in the going private transaction. After lengthy discussion, the board unanimously determined that Republic would go forward with the going private proposal in the form of a reclassification transaction that would automatically convert the shares held by persons holding a certain number of shares or less into Series A preferred shares. The Series A shares would automatically convert to common stock upon a change in control at Republic. In approving the

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going private transaction, the board took into consideration the fact that holders of 2,100 or fewer shares of common stock would not be cashed-out but, rather, would retain an equity interest in Republic and therefore, realize the same value per share as holders of common stock in the event of any future sale of Republic. In November 2005, the board reviewed the terms of the Series A preferred stock and approved a modification to the liquidation preference on the Series A preferred stock.

On September 26, 2005, Republic filed a Schedule 14A with the Securities and Exchange Commission, which was amended in response to SEC comments on November 15, 2005 and December 9, 2005. Pursuant to a proxy statement dated January 9, 2006, Republic called a special meeting of shareholders for January 31, 2006 to vote on the amendments to Republic's articles of incorporation that would effect the going private transaction. The transaction was approved by the shareholders at the special meeting and consummated on February 1, 2006.

On January 24, 2006, as part of its ongoing review of strategic alternatives, the board met with representatives of KBW and one other investment banking firm to discuss a potential sale of Republic and the prices that the investment bankers believed that Republic was likely to attract. The board met again on January 31, 2006, to discuss the pros and cons of offering Republic for sale at this time.

The board requested additional information from each of the investment banking firms and met again on February 3, 2006, with representatives of KBW. On February 14, 2006 Republic engaged KBW to assist with exploring the sale of Republic.

In February, Republic worked with KBW to compile a booklet containing various financial and other information concerning Republic. KBW contacted nine financial organizations that it believed might be interested in acquiring and had the financial wherewithal to acquire Republic, and on February 22, 2006 the booklets were distributed to potential acquirers.

On February 27, 2006, Mr. Bryan met with management of one of the potential acquirers other than Trustmark. On March 7, 2006, Richard Hickson of Trustmark met with C. P. Bryan in Houston and visually inspected Republic's banking offices. By March 7, 2006, seven financial organizations, including Trustmark, had signed confidentiality agreements. Based on preliminary indications of interest, Republic decided to allow three organizations, including Trustmark, to conduct due diligence investigations of Republic and meet with Republic representatives.

From March 16, 2006 through April 3, 2006 three banking organizations, including Trustmark, conducted due diligence examinations of Republic. On March 27, 2006, Trustmark conducted a presentation and a series of management meetings for all senior officers of Republic at a Houston hotel.

On April 5 and 6, 2006, Republic received revised nonbinding indications of interest from the three organizations. Two of the organizations, including Trustmark, furnished Republic with comments to a draft definitive acquisition agreement which had been prepared by Republic. On April 8, 2006, representatives of Republic met with representatives of KBW and with legal counsel to review the bids and any comments to the draft definitive agreement. KBW was instructed to contact all of the potential acquirers to continue to engage in negotiations regarding price and other terms and conditions.

On April 11, 2006, the Republic board of directors held a special meeting to review the terms of the merger agreement and related agreements that had been negotiated with Trustmark. KBW made a presentation to the Republic board of directors on the proposed transaction and the results of various financial analyses KBW had prepared in connection with the proposed transaction. KBW then orally delivered its opinion that the total merger consideration was fair to Republic's shareholders from a financial point of view. Representatives of Bracewell & Giuliani LLP, Republic's outside legal counsel, then reviewed the merger agreement and related agreements that had been negotiated with Trustmark.

Republic's board considered the financial performance, stock performance, market position, growth prospects and other matters regarding Trustmark. The board evaluated Trustmark's offer in relation to the then current market value of Republic common stock and Series A preferred stock and management's estimate of the future value of the Republic stock as an independent entity. Following a thorough

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discussion, including the matters listed below, the Republic board of directors determined that the merger pursuant to the merger agreement would be in the best interests of Republic and its shareholders. As a result, Republic's board unanimously approved the proposed merger and the merger agreement and instructed management, subject to the satisfactory finalization of the merger documents, to execute and deliver the merger documents on behalf of Republic.

Counsel for Trustmark and counsel for Republic further negotiated a definitive agreement, and on April 13, 2006, Republic and Trustmark entered into the merger agreement and issued a joint press release announcing the proposed merger.

**Republic's Reasons for the Merger and Recommendation of the Board of Republic**

The Republic board of directors believes that the merger is in the best interests of Republic and its shareholders. Accordingly, the Republic board has unanimously approved the merger agreement and unanimously recommends that Republic shareholders vote FOR the proposal to approve the merger agreement.

In approving the merger agreement, the Republic board consulted with its financial advisor with respect to the financial aspects and fairness of the proposed acquisition from a financial point of view and with its legal counsel as to its legal duties and the terms of the merger agreement and related agreements. Republic believes that combining with Trustmark will create a stronger and more diversified company that will provide significant benefits to Republic's shareholders and customers alike. The terms of the merger agreement, including the consideration to be paid to Republic shareholders, were the result of arm's length negotiations between representatives of Trustmark and Republic. In evaluating whether to merge with Trustmark, Republic's board of directors considered a number of factors, including, without limitation, the following:

the current financial services industry environment, including increased competition, consolidation trends and the effects of the continued rising rate environment;

the additional capital, liquidity and resources needed for Republic's operations to continue to grow;

the business, financial condition and results of operations for Trustmark and future prospects for Trustmark and its capital stock based on management's examination of Trustmark's past performance and current financial condition;

the per share merger consideration, using Republic's financial information as of December 31, 2005, represents a 5.05 multiple of tangible book value and a 31.8 multiple of twelve months trailing earnings;

deal protection in the form of a "walk away" if Trustmark's stock price falls below certain levels;

KBW's review and analysis of comparable transactions and valuations of recent transactions;

the opinion to be provided by KBW that the consideration to be paid by Trustmark is fair to Republic's shareholders from a financial point of view;

the compatibility of Trustmark's management team with that of Republic and the general strategic fit of the entities;

the tax free nature of the Trustmark common stock portion of the merger consideration to Republic shareholders for federal income tax purposes;

the non-economic terms of the transaction, including the impact on existing customers and employees;

the enhanced liquidity provided by shares of Trustmark common stock and the historical dividends paid by Trustmark on its common stock;



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the ability of Trustmark, as a successful acquirer of financial institutions, to integrate the operations of Republic;  
the likelihood that the transaction will be approved by regulatory authorities; and  
the ability of Trustmark to finance the cash portion of the merger consideration.

Republic's board of directors determined that Republic's competitive position and the value of its stock could best be enhanced through merging with Trustmark. The aggregate price to be paid to holders of Republic stock resulted from negotiations which considered the historical earnings and dividends of Trustmark and Republic; the potential growth in Republic's market and earnings, both as an independent entity and as a part of a larger organization such as Trustmark; Republic's asset quality; and the effect of the merger on the shareholders and customers of Republic and the communities that Republic serves.

The above discussion of the information and factors considered by Republic's board is not intended to be exhaustive, but includes the material factors that Republic's board considered. In reaching its determination to approve and recommend the merger, Republic's board did not assign any relative or specific weights to any of the foregoing factors and individual directors may have given differing weights to different factors. Based on the reasons stated, Republic's board of directors believes that the merger is in the best interests of Republic and its shareholders. The board of directors of Republic therefore unanimously approved the merger agreement and unanimously recommends that the Republic shareholders vote FOR approval of the merger agreement.

**Trustmark's Reasons for the Merger**

The proposed transaction provides an excellent opportunity for Trustmark to expand and enhance its franchise within the attractive and high-growth Houston, Texas marketplace. This transaction complements Trustmark's existing Houston presence and improves the demographic and growth prospects of our organization. Trustmark and Republic share a similar operating philosophy and complementary business mix. Republic provides a strong middle-market commercial lending base and branch network around which Trustmark will build enhanced retail, mortgage banking and wealth management platforms in Houston.

**Opinion of Republic's Financial Advisor**

The fairness opinion of Republic's financial advisor, KBW is described below. The description contains projections, estimates and/or other forward-looking statements about the future earnings or other measures of the future performance of Republic. You should not rely on any of these statements as having been made or adopted by Republic or Trustmark.

Republic engaged KBW to render financial advisory and investment banking services. KBW assisted Republic in analyzing, structuring and negotiating the merger of Republic into Trustmark. KBW is a nationally-recognized investment banking firm with substantial experience in transactions similar to the merger and is familiar with Republic and its business. As part of its investment banking business, KBW is continually engaged in the valuation of financial businesses and its securities in connection with mergers and acquisitions.

On April 11, 2006, the Republic board held a meeting to evaluate the proposed merger with Trustmark. At this meeting, KBW reviewed the financial aspects of the proposed merger and rendered an oral opinion that the consideration to be received by Republic shareholders in the merger was fair to those shareholders from a financial point of view. The Republic board approved the merger agreement at this meeting.

KBW has confirmed its oral opinion by delivering to the Republic board a written opinion dated the date of this proxy statement/ prospectus, which opinion reflected certain changes to the per share consideration described in the paragraph "Summary of Proposal" below. In rendering its updated opinion, KBW confirmed the appropriateness of its reliance on the analyses used to render the earlier opinion by

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reviewing the assumptions upon which its analyses were based, performing procedures to update certain of its analyses and reviewing certain other factors considered in rendering its opinion.

**The full text of KBW's opinion, dated July 19, 2006, is attached as *Appendix B* to this proxy statement/prospectus. Republic shareholders are encouraged to read KBW's opinion carefully in its entirety for a discussion of the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by KBW in connection with the rendering of its opinion.**

KBW's opinion speaks only as of the date of the opinion. The opinion is directed solely to the Republic board and addresses only the fairness, from a financial point of view, of the merger consideration to Republic shareholders. It does not address the underlying business decision to proceed with the merger and does not constitute a recommendation to any Republic shareholder as to how the shareholder should vote at the Republic special meeting on the merger agreement or any related matter.

In rendering its opinion, KBW:

Reviewed, among other things:

the merger agreement, as amended,

annual reports to shareholders and annual reports on Form 10-K of Trustmark,

quarterly reports on Form 10-Q of Trustmark,

annual reports to shareholders and annual reports on Form 10-KSB of Republic,

quarterly reports on Form 10-Q and Form 10-QSB of Republic, and

consolidated financial statements (FR Y-9C) of Republic, as filed with the Federal Reserve.

Held discussions with members of senior management of Republic regarding:

past and current business operations,

regulatory matters,

financial condition, and

future prospects.

Reviewed the publicly reported financial condition and results of operations for Republic and compared them with those of certain companies that KBW deemed to be relevant;

Evaluated the potential pro forma impact of the merger on Trustmark;

Reviewed the market prices, valuation multiples, publicly reported financial condition and results of operations for Trustmark and compared them with those of certain publicly-traded companies that KBW deemed to be relevant;

Compared the proposed financial terms of the merger with the financial terms of certain other transactions that KBW deemed to be relevant; and

Performed such other studies and analyses and reviewed such other information as KBW deemed appropriate.

In conducting its review and arriving at its opinion, KBW relied upon and assumed the accuracy and completeness of all of the financial and other information provided to or otherwise made available to KBW or that was discussed with, or reviewed by KBW, or that was publicly available. KBW did not attempt or assume any responsibility to verify such information independently. KBW relied upon the management of Republic as to the reasonableness and achievability of the financial and operating forecasts and projections (and assumptions and bases therefor) provided to KBW. KBW assumed, without independent verification, that the aggregate allowances for loan and lease losses for Trustmark and Republic are adequate to cover





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those losses. KBW did not make or obtain any evaluations or appraisals of any assets or liabilities of Trustmark or Republic, or examine or review any individual credit files.

In the course of its analysis, KBW reviewed certain financial projections furnished by Republic's senior management team. Republic does not publicly disclose internal management projections of the type provided to KBW in connection with its review of the merger. As a result, such projections were not prepared with a view towards public disclosure. The projections were based on numerous variables and assumptions, which are inherently uncertain, including factors related to general economic and competitive conditions. Accordingly, actual results could vary significantly from those set forth in the projections. For purposes of rendering its opinion, KBW assumed that, in all respects material to its analyses:

the merger will be completed substantially in accordance with the terms set forth in the merger agreement;

the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement are true and correct;

each party to the merger agreement and all related documents will perform all of the covenants and agreements required to be performed by such party under such documents;

all conditions to the completion of the merger will be satisfied without any waivers; and

in the course of obtaining the necessary regulatory, contractual or other consents or approvals for the merger, no restrictions, including any divestiture requirements, termination or other payments or amendments or modifications, will be imposed that will have a material adverse effect on the future results of operations or financial condition of the combined entity or the contemplated benefits of the merger, including the cost savings and related expenses expected to result from the merger.

KBW further assumed that the merger will be accounted for as a purchase under generally accepted accounting principles, and that the merger will qualify as a tax-free reorganization for U.S. federal income tax purposes. KBW's opinion is not an expression of an opinion as to the prices at which shares of Trustmark common stock will trade following the announcement of the merger or the value of the shares of common stock of the combined company when issued pursuant to the merger, or the prices at which the shares of common stock of the combined company will trade following the completion of the merger.

In performing its analyses, KBW made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of KBW, Republic and Trustmark. Any estimates contained in the analyses performed by KBW are not necessarily indicative of values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, the KBW opinion was among several factors taken into consideration by the Republic board in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the Republic board with respect to the fairness of the merger consideration.

The following is a summary of the material analyses presented by KBW to the Republic board on April 11, 2006, in connection with its oral fairness opinion, which was subsequently confirmed in an updated written opinion letter dated July 19, 2006, that reflected the May 16, 2006 First Amendment to Agreement and Plan of Reorganization. The amendment provided, among other things, that Republic's shareholders would have the right to receive either 1.3908 shares of Trustmark, \$43.8089 in cash or a combination of the two. The summary is not a complete description of the analyses underlying the KBW opinion or the presentation made by KBW to the Republic board, but summarizes the analyses performed and presented in connection with such opinion. The preparation of a fairness opinion is a complex analytic process involving various determinations as to the most appropriate and relevant methods of

financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion

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is not readily susceptible to partial analysis or summary description. In arriving at its opinion, KBW did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. KBW did not address whether any individual analysis did or did not support the overall fairness conclusion. The financial analyses summarized below include information presented in tabular format. Accordingly, KBW believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion. The tables alone do not constitute a complete description of the financial analyses.

*Summary of Proposal.* Pursuant to the merger agreement, as amended, Republic shareholders would have the right to receive 1.3908 shares of Trustmark, \$43.8089 in cash, or a combination thereof for each share of Republic common stock and preferred stock, subject to the limitation that 51% of the Republic shares will be converted into shares of Trustmark common stock and 49% of Republic's shares will be converted into cash. All options to purchase shares of Republic common stock outstanding at the date of the merger agreement will be accelerated and exercisable beginning ten (10) days prior to the effective date of the merger. Holders of Republic options will be required to exercise their options in order to receive the consideration in the merger. Based on Trustmark's closing price on April 7, 2006 of \$31.50, and based on the exercise of all outstanding Republic options with cash, the merger consideration would represent a value of approximately \$43.8089 per share to Republic shareholders and an aggregate value of \$210.0 million for Republic.

*Selected Peer Group Analysis.* Using publicly available information, KBW compared the financial performance, financial condition and market valuations of Trustmark to those of a group of comparable banks. The companies in the peer group were:

AmSouth Bancorporation	United Community Banks, Inc.
First Horizon National Corporation	Prosperity Bancshares, Inc.
Compass Bancshares, Inc.	Sterling Bancshares, Inc.
Synovus Financial Corp.	BancFirst Corporation
Colonial BancGroup, Inc.	Texas Capital Bancshares, Inc.
BOK Financial Corporation	IBERIABANK Corporation
South Financial Group, Inc.	First Financial Bankshares, Inc.
Cullen/Frost Bankers, Inc.	Capital City Bank Group, Inc.
BancorpSouth, Inc.	Simmons First National Corporation
International Bancshares Corporation	Seacoast Banking Corporation of Florida
Texas Regional Bancshares, Inc.	Renasant Corporation
Alabama National Bancorporation	Bank of the Ozarks, Inc.
Hancock Holding Company	Southwest Bancorp, Inc.

To perform this analysis, KBW used financial data as of and for the quarter ended December 31, 2005. Market data was as of April 7, 2006 and the source for 2006 and 2007 earnings per share estimates was First Call, a nationally-recognized earnings per share estimate consolidator.

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KBW's analysis showed the following concerning Trustmark's financial performance:

	<b>Trustmark</b>	<b>Peer Group Average</b>	<b>Peer Group Median</b>
Core Return on Average Assets	1.33%	1.27%	1.22%
Core Return on Average Equity	14.65	14.61	14.20
Net Interest Margin	3.94	4.02	4.11
Fee Income/ Revenue	32.4	29.6	28.4
Efficiency Ratio	55.9	58.0	57.7

KBW's analysis showed the following concerning Trustmark's financial condition:

	<b>Trustmark</b>	<b>Peer Group Average</b>	<b>Peer Group Median</b>
Equity/ Assets	8.84%	8.98%	9.00%
Tangible Equity/ Tangible Assets	7.00	6.59	6.68
Loans/ Deposits	93.8	83.7	84.5
Securities/ Assets	15.9	22.6	21.5
Loan Loss Reserve/ Loans	1.27	1.25	1.20
Nonperforming Assets/ Loans plus Other Real Estate Owned	0.55	0.44	0.34
Net Charge-Offs/ Average Loans	0.15	0.26	0.20

KBW's analysis showed the following concerning Trustmark's market valuations:

	<b>Trustmark</b>	<b>Peer Group Average</b>	<b>Peer Group Median</b>
Stock Price/ Book Value per Share	2.37x	2.31x	2.30x
Stock Price/ Tangible Book Value per Share	3.05x	3.24x	3.14x
Stock Price/ 2006 Estimated GAAP EPS	15.3x	15.7x	15.7x
Stock Price/ 2007 Estimated GAAP EPS	14.1x	14.1x	13.7x
Dividend Yield	2.7%	2.2%	2.1%
2006 Dividend Payout Ratio	40.8%	32.7%	35.6%

For purposes of this analysis, core earnings excluded revenue and expense items deemed non-recurring or extraordinary and excluded gains or losses on the sale of investment securities.

*Financial Impact Analysis.* KBW performed pro forma merger analyses that combined the projected income statements and balance sheets of Trustmark and Republic. Assumptions regarding the accounting treatment and acquisition adjustments were made by KBW to calculate the financial impact that the merger would have on certain projected financial results of Trustmark. The analysis assumed the 2006 and 2007 First Call consensus earnings per share estimates of \$2.06 and \$2.24, respectively, for Trustmark. For Republic, the analysis assumed 2006 management budgeted earnings. The analysis also assumed Republic would achieve 15% earnings growth in 2007. This analysis indicated that the merger is expected to be neutral to slightly accretive to Trustmark's estimated earnings per share in 2006 and in 2007 and that the merger is expected to be dilutive to tangible book value per share for Trustmark. The analysis also indicated that Trustmark would remain at least adequately capitalized as per regulatory guidelines and thus have the financial ability to execute the merger. This analysis was based on certain assumptions with regard to cost savings, merger related charges and amortization of intangibles that were based on KBW's experience with

comparable transactions and on information supplied to KBW by Republic's management. For all of the above analyses, the actual results achieved by Trustmark following the merger will vary from the projected results, and the variations may be material.

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*Comparable Transaction Analysis.* KBW reviewed certain financial data related to comparable transactions. KBW reviewed selected acquisitions of Texas metropolitan banks and bank holding companies announced after January 1, 2003, with aggregate transaction values greater than \$25 million. The transactions included in the group were:

<b>Survivor</b>	<b>Acquired Entity</b>
Texas United Bancshares Inc.	Northwest Bancshares, Inc.
Cullen/Frost Bankers, Inc.	Alamo Corporation of Texas
Prosperity Bancshares, Inc.	SNB Bancshares, Inc.
Compass Bancshares, Inc.	TexasBanc Holding Company
Cullen/Frost Bankers, Inc.	Texas Community Bancshares, Inc.
Sterling Bancshares, Inc.	Prestonwood Bancshares, Inc.
Zions Bancorporation	Amegy Bancorporation, Inc.
State National Bancshares, Inc.	Heritage Financial Corporation
Texas United Bancshares, Inc.	Gateway Holding Company, Inc.
Cullen/Frost Bankers, Inc.	Horizon Capital Bank
Wells Fargo & Company	First Community Capital Corp.
Southwest Bancorp. of Texas	Klein Bancshares, Incorporated
State National Bancshares, Inc.	Mercantile Bank Texas
Southwest Bancorp. of Texas	Reunion Bancshares, Inc.
Adam Corporation Group	Beltline Bancshares Inc.
Prosperity Bancshares, Inc.	MainBancorp, Incorporated
Inwood Bancshares, Inc.	WB&T Bancshares, Inc.

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KBW also reviewed selected acquisitions of Texas banks and bank holding companies announced after January 1, 2003, with aggregate transaction values greater than \$25 million. The transactions included in the group were:

<b>Survivor</b>	<b>Acquired Entity</b>
Texas United Bancshares Inc.	Northwest Bancshares, Inc.
Cullen/Frost Bankers, Inc.	Alamo Corporation of Texas
Prosperity Bancshares, Inc.	SNB Bancshares, Inc.
Compass Bancshares, Inc.	TexasBanc Holding Company
Cullen/Frost Bankers, Inc.	Texas Community Bancshares, Inc.
Sterling Bancshares, Inc.	Prestonwood Bancshares, Inc.
Zions Bancorporation	Amegy Bancorporation, Inc.
State National Bancshares, Inc.	Heritage Financial Corporation
Texas United Bancshares, Inc.	Gateway Holding Company, Inc.
Cullen/Frost Bankers, Inc.	Horizon Capital Bank
Wells Fargo & Company	First Community Capital Corp.
Southwest Bancorp. of Texas	Klein Bancshares, Incorporated
State National Bancshares, Inc.	Mercantile Bank Texas
Southwest Bancorp. of Texas	Reunion Bancshares, Inc.
Adam Corporation Group	Beltline Bancshares Inc.
Prosperity Bancshares, Inc.	MainBancorp, Incorporated
Inwood Bancshares, Inc.	WB&T Bancshares, Inc.
North American Bancshares, Inc.	State Bank & Trust of Seguin, Texas
Franklin Bank Corp.	First National Bank of Athens
First Financial Bankshares, Inc.	Clyde Financial Corporation
Banco Bilbao Vizcaya Argentaria, S.A.	Laredo National Bancshares, Inc.
Texas United Bancshares, Inc.	GNB Bancshares, Inc.
Southwest Bancorp. of Texas	Maxim Financial Holdings, Inc.



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KBW also reviewed selected acquisitions of banks and bank holding companies nationwide, announced after January 1, 2005, with aggregate transaction values between \$100 million and \$300 million. The transactions included in the group were:

<b>Survivor</b>	<b>Acquired Entity</b>
Mercantile Bankshares Corporation	James Monroe Bancorp, Inc.
Cathay General Bancorp, Inc.	Great Eastern Bank
Placer Sierra Bancshares	Southwest Community Bancorp
Midwest Banc Holdings, Inc.	Royal American Corporation
BB&T Corporation	First Citizens Bancorporation
Western Alliance Bancorporation	Intermountain First Bancorp