

TRUSTMARK CORP
Form 11-K
June 27, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2011

OR

- TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 000-03683

Full title of the plan and the address of the plan, if different from that of the issuer named below:

Trustmark 401(k) Plan

Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

TRUSTMARK CORPORATION

248 E. Capitol Street

Jackson, Mississippi 39201

TRUSTMARK 401(k) PLAN

Jackson, Mississippi

Audited Financial Statements

Years Ended December 31, 2011 and 2010

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Note: Supplemental schedules required by the Employee Retirement Income Security Act of 1974 not included herein are deemed not applicable to the Trustmark 401(k) Plan.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Plan Administrator
Trustmark 401(k) Plan
Jackson, Mississippi

We have audited the accompanying statements of net assets available for benefits of the Trustmark 401(k) Plan (the "Plan") as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2011, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Ridgeland, Mississippi
June 25, 2012

TRUSTMARK 401(k) PLAN
 Statements of Net Assets Available for Benefits
 December 31, 2011 and 2010

	2011	2010
Investments, at fair value		
Money market accounts	\$ 4,834,431	\$ 5,736,659
Fixed income mutual funds	12,643,496	11,878,682
Collective investment fund	30,414,444	29,689,711
Common stock of Trustmark Corporation	35,721,815	35,952,324
Equity mutual funds	87,980,338	87,626,638
Total investments	171,594,524	170,884,014
Receivables		
Employer contributions	348,049	320,696
Participant contributions	230,346	236,233
Total receivables	578,395	556,929
Net assets, including investments at fair value	172,172,919	171,440,943
Adjustment from fair value to contract value for interest in a collective trust relating to fully benefit-responsive investment contracts (Note 9)	(647,014)	(982,651)
Net assets available for benefits	\$ 171,525,905	\$ 170,458,292

See accompanying notes to financial statements.

TRUSTMARK 401(k) PLAN
 Statements of Changes in Net Assets Available for Benefits
 Years Ended December 31, 2011 and 2010

	2011	2010
Contributions		
Employer	\$ 5,376,707	\$ 5,273,963
Participant	7,421,759	7,252,053
Other	710,531	118,152
Total contributions	13,508,997	12,644,168
Net investment (loss) income		
Net (depreciation) appreciation in fair value of investments	(5,785,514)	14,959,612
Interest and dividends	4,625,963	4,044,017
Net investment (loss) income	(1,159,551)	19,003,629
Benefits paid to participants	(11,281,833)	(10,570,923)
Net increase in net assets available for benefits	1,067,613	21,076,874
Net assets available for benefits		
Beginning of year	170,458,292	149,381,418
End of year	\$ 171,525,905	\$ 170,458,292

See accompanying notes to financial statements.

TRUSTMARK 401(k) PLAN

Years Ended December 31, 2011 and 2010

NOTES TO FINANCIAL STATEMENTS

Note 1. Plan Description

The following description of the Trustmark 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established for the associates of Trustmark Corporation (the "Company") and certain other associated companies. The Plan is subject to the provisions of the Employee Retirement Income Security Act ("ERISA") of 1974.

Eligibility

The Plan provides eligibility for participation in elective deferrals by associates on the first day of the month after thirty days of employment.

Plan Administration

Federated Retirement Plan Services serves as custodian of the Plan's assets. The Plan administrator and sponsor is Trustmark Corporation, parent company of Trustmark National Bank. The Plan's trustee functions are handled by Trustmark National Bank.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Participant Contributions

The Plan allows participants to make voluntary before-tax salary deferral contributions, through payroll deductions, to separately invested funds in accordance with Section 401(k) of the Internal Revenue Code ("IRC"). If certain requirements of IRC Section 401(k) are not met in Plan operation, the salary deferral agreements of participants may, on a nondiscriminatory and uniform basis, be amended or revoked to preserve the qualified status of the Plan. Voluntary after-tax contributions by participants are not allowed.

Participants may elect to contribute up to 75 percent of eligible compensation each period, subject to regulatory limitations. Any excess contributions must be returned to the applicable participant by April 15 of the calendar year following the year of excess contributions. The Plan allows for rollover contributions from individual retirement accounts, IRC Section 457(b) plans or other qualified plans.

TRUSTMARK 401(k) PLAN

Years Ended December 31, 2011 and 2010

NOTES TO FINANCIAL STATEMENTS

Note 1. Plan Description (continued)

Provisions of the Plan allow participants who were age 50 years or older by the end of the calendar year to make catch-up contributions to the Plan. Catch-up contributions represent associate compensation deferrals in excess of certain Plan limits and statutory limits, including Internal Revenue Service ("IRS") annual deferral limits.

Employer Contributions

Full-time and part-time associates are eligible to receive the safe harbor matching contribution on the first day of the month following one year of service and 1,000 hours. Eligible participant contributions are matched by the employer at a rate of 100 percent of the first 6 percent of covered compensation. The employer may also make discretionary contributions. No discretionary contributions were made for the years ended December 31, 2011 and 2010.

Investment Options

Participants may direct investments of their account balance among several investment options.

The Plan provides participants the opportunity to annually elect whether cash dividends paid on employer stock will be invested in shares of employer stock within the individual participant's account or be paid to the participant in cash.

Vesting

Participants are immediately vested in their voluntary contributions, employer contributions made on their behalf and the investment earnings and losses thereon.

Payment of Benefits

On retirement, death, disability or termination of service, a participant may elect to receive a lump-sum distribution equal to the total of his or her account balance or in installments. In addition, hardship distributions are permitted if certain criteria are met.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. However, no such action may deprive any participant or beneficiary under the Plan of any vested benefit.

TRUSTMARK 401(k) PLAN

Years Ended December 31, 2011 and 2010

NOTES TO FINANCIAL STATEMENTS

Note 2. Significant Accounting Policies

Basis of Presentation

The Plan's financial statements are prepared using the accrual basis of accounting, with the exception of the payment of benefits, which are recognized as a reduction in the net assets available for benefits of the Plan as they are disbursed to participants.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statements of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statements of changes in net assets available for benefits are prepared on a contract value basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of net assets and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Valuation of Investments and Income Recognition

Investments are stated at fair value. The fair value of mutual funds and other securities traded on a national securities exchange are valued at the closing quoted market price on the last business day of the year. The Plan's interest in a collective investment fund (the Federated Capital Preservation Fund) is valued based upon information reported by the investment advisor using the audited financial statements of the collective trust at year-end.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Net (Depreciation) Appreciation in Fair Value of Investments

Net (depreciation) appreciation in fair value of investments, as recorded in the accompanying statements of changes in net assets available for benefits, includes changes in the fair value of investments acquired, sold or held during the year.

Administrative Fees

Administrative fees are paid by the Plan. All other fees, including professional fees, are paid by the Company. Expenses that relate solely to a participant are assessed against such participant as provided in the Plan agreement.

TRUSTMARK 401(k) PLAN

Years Ended December 31, 2011 and 2010

NOTES TO FINANCIAL STATEMENTS

Note 3. Risks and Uncertainties

The Plan's investments include funds which invest in various types of investment securities and in various companies within various markets. Investment securities are exposed to several risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Note 4. Investments

The fair value of individual investments that represent 5 percent or more of the Plan's net assets as of December 31, 2011 or 2010, are as follows:

	2011	2010
Common stock of Trustmark Corporation	\$35,721,815	\$35,952,324
Federated Capital Preservation Fund (collective investment fund)	30,414,444	29,689,711

During 2011 and 2010, the Plan's investments (including investments bought and sold, as well as held during the year) (depreciated) appreciated in value as follows:

	2011	2010
Change in investments at fair value as determined by quoted market price		
Common stock of Trustmark Corporation	\$(426,803)	\$3,629,302
Mutual funds	(5,358,711)	11,330,310
Net (depreciation) appreciation in fair value of investments	\$(5,785,514)	\$14,959,612

Note 5. Tax Status

The IRS has determined and informed the Company by a letter dated November 19, 2001, that the Plan and related trust are designed in accordance with applicable sections of the IRC. The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

The Plan had no uncertain tax positions as of December 31, 2011 and 2010. If interest and penalties are incurred related to uncertain tax positions, such amounts are recognized in income tax expense. Tax periods for all fiscal years after 2007 remain open to examination by the federal and taxing jurisdictions to which the Plan is subject.

TRUSTMARK 401(k) PLAN

Years Ended December 31, 2011 and 2010

NOTES TO FINANCIAL STATEMENTS

Note 6. Related Parties

Certain Plan investments are invested in the common stock of the Company. Investment transactions in employer securities qualify as exempt party-in-interest transactions. For the years ended December 31, 2011 and 2010, dividends of \$1,370,576 and \$1,362,015, respectively, were received by the Plan from the Company.

Trustmark National Bank serves as the investment advisor for the Performance Funds Trust Mutual Funds.

Note 7. Contingencies

The Company and its subsidiaries are parties to lawsuits and other claims that arise in the ordinary course of business. Some of the lawsuits assert claims related to various business activities and some of the lawsuits allege substantial claims for damages. The cases are being vigorously contested. In the regular course of business, management evaluates estimated losses or costs related to litigation, and provision is made for anticipated losses whenever management believes that such losses are probable and can be reasonably estimated. At the present time, management believes, based on the advice of legal counsel, that the final resolution of pending legal proceedings will not have a material impact on the Company or the Plan's financial statements.

Note 8. Fair Value Measurements

FASB ASC Topic 820, Fair Value Measurements and Disclosures ("ASC Topic 820"), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC Topic 820 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

TRUSTMARK 401(k) PLAN

Years Ended December 31, 2011 and 2010

NOTES TO FINANCIAL STATEMENTS

Note 8. Fair Value Measurements (continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis. There have been no changes in the methodologies used at December 31, 2011 and 2010.

Common stock of Trustmark Corporation (Level 1): Valued at the closing price reported on the active market on which the individual securities are traded.

Money market accounts and mutual funds (Level 1): Valued at the net asset value ("NAV") of shares held by the Plan at year-end.

Collective investment fund (Level 2): Valued based on information reported by the investment advisor using audited financial statements of the collective trust at year-end which outlines how the fund is valued within the fair value hierarchy.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and 2010:

	Assets at Fair Values as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Index equity funds	\$ 12,700,628	\$-	\$-	\$ 12,700,628
Balanced equity funds	9,220,958	-	-	9,220,958
Growth equity funds	66,058,752	-	-	66,058,752
Fixed income funds	12,643,496	-	-	12,643,496
Money market accounts	4,834,431	-	-	4,834,431
Total mutual funds	105,458,265	-	-	105,458,265
Common stocks				
Financial services	35,721,815	-	-	35,721,815
Collective investment fund	-	30,414,444	-	30,414,444
Total assets at fair value	\$ 141,180,080	\$ 30,414,444	\$-	\$ 171,594,524

TRUSTMARK 401(k) PLAN

Years Ended December 31, 2011 and 2010

NOTES TO FINANCIAL STATEMENTS

Note 8. Fair Value Measurements (continued)

	Assets at Fair Values as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Index equity funds	\$ 12,980,069	\$-	\$-	\$ 12,980,069
Balanced equity funds	9,357,717	-	-	9,357,717
Growth equity funds	65,288,852	-	-	65,288,852
Fixed income funds	11,878,682	-	-	11,878,682
Money market accounts	5,736,659	-	-	5,736,659
Total mutual funds	105,241,979	-	-	105,241,979
Common stocks				
Financial services	35,952,324	-	-	35,952,324
Collective investment fund	-	29,689,711	-	29,689,711
Total assets at fair value	\$ 141,194,303	\$ 29,689,711	\$-	\$ 170,884,014

Note 9. Common Collective Investment Fund

The Plan invests in a benefit-responsive common collective investment fund with Federated Investors Trust Company ("Federated"), which invests in a money market mutual fund and guaranteed investment contracts. The fund is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses.

Because the common collective investment fund is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. The common collective investment fund is presented on the face of the statements of net assets available for benefits at fair value with an adjustment to contract value in arriving at net assets available for benefits. Contract value, as reported to the Plan by Federated, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the common collective investment fund at December 31, 2011 and 2010, was \$30,414,444 and \$29,689,711, respectively. The crediting interest rate of the associated guaranteed investment contracts are based on a formula agreed upon by the issuer. Such interest rates are reviewed on a quarterly basis for resetting.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another Plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan Sponsor or other Plan Sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan or (4) the failure of the trust to qualify for exemption

from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan administrator does not believe that any events which would limit the Plan's ability to transact at contract value with participants are probable of occurring.

TRUSTMARK 401(k) PLAN

Years Ended December 31, 2011 and 2010

NOTES TO FINANCIAL STATEMENTS

Note 9. Common Collective Investment Fund (continued)

Average yields:

	2011	2010
Ratio of year-end market value yield to investments	2.09%	3.03%
Ratio of year-end crediting rate to investments	2.33%	3.28%

Note 10. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for Plan benefits per the financial statements to the corresponding amounts shown in the Plan's Form 5500 as of December 31, 2011 and 2010:

	2011	2010
Net assets available for plan benefits per the financial statements	\$ 171,525,905	\$ 170,458,292
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	647,014	982,651
Net assets available for plan benefits per the Form 5500	\$ 172,172,919	\$ 171,440,943

The following is a reconciliation of investment loss per the financial statements for the year ended December 31, 2011, to the corresponding amounts shown on the Plan's Form 5500:

Total investment loss per the financial statements	\$(1,159,551)
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	(335,637)
Total investment loss per the Form 5500	\$(1,495,188)

Note 11. Subsequent Events

The Plan has evaluated, for consideration of recognition or disclosure, subsequent events that have occurred through the date of issuance of its financial statements and has determined that no significant events occurred after December 31, 2011, but prior to the issuance of these financial statements, that would have a material impact on its financial statements.

SUPPLEMENTAL SCHEDULE

TRUSTMARK 401(k) PLAN

Plan Sponsor: Trustmark Corporation

Plan Sponsor: EIN 64-0471500

Plan Number: 002

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2011

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Shares/Units Held	(d) Cost	(e) Current Value
	Money market accounts				
	Federated	Prime Obligations Fund	4,834,431		\$ 4,834,431
	Fixed income mutual funds				
*	Performance Funds Trust	Short-Term Government Income Fund	236,902		2,342,964
*	Performance Funds Trust	Intermediate Term Government Income Fund	256,050		2,854,956
	American Funds	High Income Trust Fund	221,456		2,360,719
	Federated	Mortgage Institutional Services Fund	70,174		698,936
	Federated	Intermediate Corporate Bond Institutional Services Fund	52,403		514,598
	Federated	Total Return Bond Institutional Services Fund	343,202		3,871,323
		Total fixed income mutual funds			12,643,496
	Collective investment fund				
**	Federated	Capital Preservation Fund	2,976,743		30,414,444
	Common stock fund				
*	Trustmark Corporation	Common stock	1,470,639		35,721,815
	Equity mutual funds				
*	Performance Funds Trust	Mid-Cap Equity Fund	810,234		8,402,126
*		Large-Cap Equity Fund	783,423		6,815,778

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	Performance Funds Trust			
*	Performance Funds Trust	Leader's Equity Fund	277,178	1,665,214
*	Performance Funds Trust	Strategic Dividend Fund	155,227	1,715,261
	American Funds	Euro Pacific Growth Fund	35,044	1,210,776
	Davis	New York Venture Fund	71,149	2,312,346
	Federated	Kaufmann Fund	262,932	1,222,636
	Federated	Kaufmann Small-Cap Fund	46,407	968,985
	Federated	MDT Balanced Fund	259,417	2,983,292
	Federated	Mid-Cap Index Fund	214,389	4,298,502
	Franklin	Balance Sheet Investment Fund	116,025	4,509,887
	Franklin	Mutual Discovery Fund	247,827	6,726,014
	Goldman Sachs	Small-Cap Value Institutional Fund	16,434	670,841
	Goldman Sachs	Structured Small-Cap Equity Fund	176,985	2,095,503
	JP Morgan	Mid-Cap Value Fund	152,580	3,571,899
	Nationwide	Investor Destinations Aggressive Services Fund	172,048	1,386,710
	Nationwide	Investor Destinations Conservative Services Fund	98,066	1,000,272
	Nationwide	Investor Destinations Moderate Services Fund	427,276	3,960,852
	Nationwide	Investor Destinations Moderately Aggressive Services Fund	258,310	2,255,046
	Nationwide	Investor Destinations Moderately Conservative Services Fund	128,944	1,276,542
	Neuberger	Neuberger Berman Genesis Assets Advantage Fund	243,306	6,615,491
	Oppenheimer	Global Fund	44,015	2,378,575
	Oppenheimer	International Growth Fund	11,890	305,467
	Oppenheimer	International Small Co Fund	108,735	2,030,082
	Oppenheimer	Main Street Small-Cap Fund	62,778	1,245,522
	Van Kampen	Growth & Income Fund	202,792	3,765,851
	T. Rowe Price	Growth Stock Fund	156,616	4,934,957
	T. Rowe Price	Retirement 2010 Advisor	3,529	52,788
	T. Rowe Price	Retirement 2015 Advisor	72,810	840,957
	T. Rowe Price	Retirement 2020 Advisor	86,630	1,370,492
	T. Rowe Price	Retirement 2025 Advisor	128,287	