

MIDSOUTH BANCORP INC

Form S-4

August 06, 2004

As filed with the Securities and Exchange Commission on August 6, 2004

Registration No. 333-_____

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

MidSouth Bancorp, Inc.
(Exact name of registrant as specified in its charter)

Louisiana
(State or other jurisdiction
of incorporation or organization)

6711
(Primary Standard Industrial
Classification Code Number)

72-1020809
(I.R.S. Employer
Identification Number)

102 Versailles Blvd.
Lafayette, Louisiana 70501
(337) 237-8343

(Address, including zip code, and telephone number,
including area code, of Registrant's principal executive offices)

Copy to:
ANTHONY J. CORRERO, III
Correro Fishman Haygood Phelps
Walmsley & Casteix, L.L.P.
Suite 4600
201 St. Charles Avenue
New Orleans, Louisiana 70170

C.R. Cloutier
102 Versailles Blvd.
Lafayette, Louisiana 70501
(337) 237-8343
(Name, address, including zip
code, and
telephone number, including area
code, of agent for service)

Copy to:
CAROLYN KELLY
Jenkins & Gilchrist
Suite 3200
1445 Ross Avenue
Dallas, Texas 75202-2799

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this registration statement and the satisfaction or waiver of all other conditions to the merger described in the proxy statement/prospectus.

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

CALCULATION OF REGISTRATION FEE

Title of each Class of	Amount to be	Proposed	Proposed	Amount of
Securities to be Registered	Registered (1)	Maximum	Maximum	Registration Fee
Common Stock	398,616	Offering Price	Aggregate	
		Per Share (2)	Offering Price	
			(3)	
			\$ 12,931,236.24	\$1,638.39

- (1) This registration statement relates to the securities of the registrant issuable to holders of common stock of Lamar Bancshares, Inc. in the proposed merger of it into MidSouth Bancorp, Inc.
- (2) Not applicable.
- (3) Computed in accordance with Rule 457(f)(2), based on \$58.16, the book value per share of the common stock of Lamar, as of March 31, 2004, multiplied by 222,339, the maximum number of Lamar Bancshares, Inc. shares that may be exchanged for the shares being registered.

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 THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

LAMAR BANCSHARES, INC.

**PROXY STATEMENT FOR SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD _____, 2004**

MIDSOUTH BANCORP, INC.

PROSPECTUS

COMMON STOCK

Dear Shareholder:

You are cordially invited to attend a special meeting of shareholders of Lamar Bancshares, Inc. to be held on _____, 2004, at 4:00 p.m. at the offices of Lamar Bancshares, Inc., 555 N. Dowlen Road, Beaumont, Texas.

At the meeting, you will be asked to vote upon a proposal to approve an Agreement and Plan of Merger dated as of May 27, 2004, between Lamar Bancshares, Inc. and MidSouth Bancorp, Inc. The merger agreement provides that Lamar Bancshares, Inc. will be merged into MidSouth Bancorp, Inc. In addition, you may be asked to vote upon a proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes at the time of the meeting to approve the merger agreement. A proxy card is enclosed for your use in voting, or you may attend the special meeting and vote in person.

If the merger is approved, each outstanding share of your common stock will be converted into cash and MidSouth Bancorp, Inc. common stock, which trades on the American Stock Exchange under the symbol MSL. On _____, 2004, the closing sales price of MidSouth's common stock was \$_____. Of course, there is no assurance as to the market value of MidSouth's common stock on the date the proposed merger is completed.

The proxy statement/prospectus gives you detailed information about the merger. You should read it carefully. It is a proxy statement that Lamar Bancshares, Inc. is using to solicit proxies for use at its special meeting of shareholders. It is also a prospectus relating to MidSouth's issuance of shares of its common stock in connection with the merger.

It is very important that your shares be represented at the meeting, regardless of whether you plan to attend in person. To assure that your shares are represented, **please sign, date and return the enclosed proxy** to Lamar Bancshares, Inc. in the enclosed postage-prepaid envelope. If you attend the meeting, you may revoke your proxy and vote your shares in person.

The board of directors is enthusiastic about the merger and the strength and capabilities expected from the combined institutions, and unanimously recommends that you vote FOR approval of the merger.

Very truly yours,

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES REGULATOR OR OTHER GOVERNMENTAL AGENCY HAS APPROVED OR DISAPPROVED THE MIDSOUTH BANCORP, INC. COMMON STOCK TO BE ISSUED IN THE MERGER OR DETERMINED IF THIS PROXY STATEMENT/ PROSPECTUS IS ACCURATE OR ADEQUATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE SECURITIES OFFERED THROUGH THIS DOCUMENT ARE *NOT* DEPOSITS, SAVINGS ACCOUNTS OR OTHER OBLIGATIONS OF A DEPOSITORY INSTITUTION AND ARE *NOT* INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.

This proxy statement/prospectus is dated _____, 2004 and is first being mailed to shareholders of Lamar Bancshares, Inc. on or about _____, 2004.

LAMAR BANCSHARES, INC.
555 N. Dowlen Road
Beaumont, Texas 77706

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

Beaumont, Texas
_____, 2004

A special meeting of shareholders of Lamar Bancshares, Inc. will be held on _____, 2004, at 4:00 p.m., local time, at the offices of Lamar Bancshares, Inc., 555 N. Dowlen Rd., Beaumont, Texas, to vote upon the following matters:

1. A proposal to approve an Agreement and Plan of Merger pursuant to which, among other things, Lamar Bancshares, Inc. will merge into MidSouth Bancorp, Inc., and on the effective date of the merger each outstanding share of common stock of Lamar Bancshares, Inc. will be converted into the right to receive shares of MidSouth Bancorp, Inc. common stock and cash;
2. A proposal to adjourn the meeting to a later date or dates, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the meeting to approve the merger agreement; and
3. Such other matters as may properly come before the special meeting or any adjournments thereof.

Only shareholders of record at the close of business on _____, 2004, are entitled to notice of and to vote at the special meeting.

Dissenting shareholders who comply with the procedural requirements of the Texas Business Corporation Act will be entitled to receive payment of the fair cash value of their shares.

Your vote is important regardless of the number of shares you own. Whether or not you plan to attend the meeting, please mark, date and sign the enclosed proxy and return it promptly in the enclosed stamped envelope. Your proxy may be revoked by appropriate notice to Lamar Bancshares, Inc.'s Secretary at any time prior to the voting thereof.

By Order of the Board of Directors

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**QUESTIONS AND ANSWERS ABOUT VOTING PROCEDURES
FOR THE SPECIAL MEETING**

Q: What Do I Need to Do Now?

A: *First*, carefully read this document in its entirety.

Second, vote your shares of Lamar Bancshares, Inc. common stock for or against the proposed merger agreement by either:

1. Marking, signing, dating and returning your enclosed proxy card to Lamar Bancshares, Inc. in the enclosed prepaid envelope; **or**
2. Attending the special meeting and submitting a properly executed proxy or ballot.

Please do not send in your stock certificates with the proxy card.

Q: Why Is My Vote Important?

A: A majority of the outstanding shares of Lamar Bancshares, Inc. common stock must be represented in person or by proxy at the meeting for there to be a quorum. If you do not vote using one of the methods described above, it will be more difficult for Lamar Bancshares, Inc. to obtain the necessary quorum to hold its meeting. Failure to secure a quorum on the date set for the meeting would require an adjournment that would cause Lamar Bancshares, Inc. to incur considerable additional expense.

Also, the merger agreement must be approved by the affirmative vote of the holders of two-thirds of the shares of Lamar Bancshares, Inc. common stock represented at the meeting in person or by proxy. Directors and executive officers of Lamar Bancshares, Inc. who own an aggregate of 111,107 shares, or approximately 49.75% of the outstanding Lamar Bancshares, Inc., common stock, have agreed, subject to certain conditions, to vote in favor of the merger agreement.

Q. Can I Change My Vote?

A. Yes. If you did not vote through a broker, there are several ways you can change your vote after you have submitted a proxy.

You may send a written notice to Lamar Bancshares, Inc.'s Secretary stating that you would like to revoke your proxy; or

You may complete and submit a new proxy card to Lamar Bancshares, Inc. Any earlier-dated proxy will be revoked automatically; or

You may attend the meeting and vote in person. Any earlier-dated proxy will be revoked. However, please note that simply attending the meeting without voting will not revoke your earlier proxy; you must also vote at that meeting.

If you did vote through a broker, you must follow directions you receive from your broker to change your vote.

Q. If My Shares Are Held in Street Name by My Broker, Will My Broker Automatically Vote My Shares for Me?

- A. **No.** If your shares are held in a brokerage account and you do not provide your broker with instructions on how to vote those shares, your broker will **not** be permitted to vote them. Therefore, you should be sure to provide your broker with instructions on how to vote these shares. If you do not give voting instructions to your broker, you will, in effect, be voting against the merger.

Q. Should I Send My Stock Certificates Now?

- A. **No.** Assuming the proposed merger is approved, MidSouth Bancorp, Inc. will send to you a letter of transmittal containing written instructions for exchanging Lamar Bancshares, Inc. stock certificates after the closing of the merger. Please do not send in any Lamar Bancshares, Inc. stock certificates until you have received these written instructions. However, if you are not sure where your stock certificates are located, now would be a good time to locate them so you do not encounter any delays in processing your exchange. Likewise, if your stock certificates are lost, please contact Ron D. Reed, President, Lamar Bancshares, Inc. at (409) 838-4781, ext. 311, to find out how to get a replacement certificate.

Q. When Do You Expect the Merger To Be Completed?

- A. We currently expect to complete the merger during the third quarter of 2004, assuming all the conditions to completion of the merger, including obtaining the approval of Lamar Bancshares, Inc. s shareholders at the meeting and receiving regulatory approvals, have been fulfilled on a timely basis. Fulfilling some of these conditions, such as receiving certain governmental clearances or approvals, is not entirely within our control. If all the conditions to completion of the merger have not been fulfilled at that time, we expect to complete the merger as quickly as practicable once the conditions are fulfilled.

Q. Who Do I Call if I Have Questions About the Meeting or the Merger?

- A. You should direct any questions regarding the meeting of Lamar Bancshares, Inc. shareholders or the merger to Ron D. Reed, President, Lamar Bancshares, Inc. at (409) 838-4781, ext. 311.

SUMMARY

This summary highlights selected information from this document 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 other documents to which we have referred you. See Where You Can Find More Information beginning on page 12. Page references are included in this summary to direct you to a more complete description of the topics.

The Companies

MidSouth Bancorp, Inc., a Louisiana corporation, is a bank holding company that owns all of the outstanding stock of MidSouth National Bank. Both companies' principal executive offices are at 102 Versailles Boulevard, Lafayette, Louisiana 70501, and their telephone number is (337) 237-8343.

Lamar Bancshares, Inc. is a Texas corporation that owns all the stock of Lamar Delaware Financial Corporation, which in turn owns all the stock of Lamar Bank. Its principal executive offices are at 555 North Dowlen Road, Beaumont, Texas 77706, and its telephone number is (409) 838-4781.

For where you can find more information about these companies, please see Where You Can Find More Information beginning on page 12.

The Special Meeting

Date; Voting. A special meeting of shareholders of Lamar Bancshares, Inc. will be held on _____, 2004, as described in the accompanying Notice of Special Meeting of Shareholders. Only record holders of the common stock of Lamar Bancshares, Inc. on July 1, 2004 are entitled to notice of and to vote at the meeting. On that date there were 222,339 shares of Lamar Bancshares, Inc. common stock outstanding, each of which is entitled to one vote on each matter properly to come before the meeting. See Introductory Statement beginning on page 13.

Purpose. The purpose of the meeting is to vote upon a proposal to approve an Agreement and Plan of Merger that will merge Lamar Bancshares, Inc. into MidSouth Bancorp, Inc. Shareholders of Lamar Bancshares, Inc. will receive shares of Common Stock of MidSouth Bancorp, Inc. and cash for each Lamar Bancshares, Inc. share, as described below under Conversion of Lamar Bancshares, Inc. Common Stock beginning on page 24.

Vote Required. The merger agreement must be approved by a two-thirds vote of the Lamar Bancshares, Inc. common stock present at the special meeting and eligible to vote. Directors and executive officers of Lamar Bancshares, Inc. who own an aggregate of 111,107 shares, or approximately 49.75% of the outstanding Lamar Bancshares, Inc. common stock, have agreed, subject to certain conditions, to vote in favor of the merger agreement.

Material Federal Income Tax Consequences (page 31)

Each Lamar Bancshares, Inc. shareholder should not recognize gain or loss for the merger consideration received except with respect to the receipt of cash. BECAUSE OF THE COMPLEXITY OF THE TAX LAWS, EACH SHAREHOLDER SHOULD CONSULT HIS TAX ADVISOR CONCERNING THE APPLICABLE FEDERAL, STATE AND LOCAL INCOME TAX CONSEQUENCES OF THE MERGER.

Opinion of Lamar Bancshares, Inc.'s Financial Advisor (page 16)

On April 6, 2004, The Bank Advisory Group, L.L.C., financial advisor to Lamar Bancshares, Inc. provided an oral presentation and opinion to the board of directors of Lamar Bancshares, Inc. that, as of March 2, 2004, based on and subject to the various assumptions made, the factors considered, the review undertaken and the limitations stated in the opinion, the merger consideration is fair to the holders of Lamar Bancshares, Inc. common stock from a financial point of view.

The Bank Advisory Group's opinion and presentation to the Lamar Bancshares, Inc. board of directors were among the many factors taken into consideration by the Lamar Bancshares, Inc. board of directors in making its determination to approve and to recommend that Lamar Bancshares, Inc. shareholders approve the merger. The

Bank Advisory Group's written opinion is attached as Appendix A to this proxy statement/prospectus. The opinion sets forth assumptions, limitations and matters considered in the review undertaken in connection with the opinion. The opinion does not constitute a recommendation by The Bank Advisory Group to you as to whether or not you should vote in favor of the merger or as to any other matter relating to the merger. You should read the opinion, which is attached as Appendix A, carefully and in its entirety.

Recommendation of Lamar Bancshares, Inc.'s Board of Directors (page 16)

The financial and other terms of the merger agreement were arrived at through arm's length negotiations between representatives of the companies. The board of directors of Lamar Bancshares, Inc. believes that the merger agreement is in the best interests of shareholders, has approved the merger agreement and unanimously recommends to shareholders the approval of the merger as set forth in the merger agreement.

The Merger Agreement (page 15)

Conversion of Lamar Bancshares, Inc. Common Stock (page 24). On the effective date of the merger, subject to adjustments as discussed below, each outstanding share of Lamar Bancshares, Inc. common stock will be converted into:

a number of shares of MidSouth Bancorp, Inc. common stock equal to \$12,556,351 divided by \$34, and further divided by the number of shares of Lamar Bancshares, Inc. common stock outstanding on the effective date of the merger; and

\$10,494,000 cash less (i) the cash amount paid to Lamar Bancshares, Inc. option holders for options cancelled on the closing date of the merger pursuant to the merger agreement and (ii) the excess over \$200,000 of Lamar's legal, accounting and investment banking fees related to the transaction, other than certain fees specified in the merger agreement, plus the amount paid to Lamar Bancshares, Inc. by option holders after the date of the merger agreement in order to exercise any options, with the result being divided by the number of shares of Lamar Bancshares, Inc. common stock outstanding on the effective date.

If on the closing date of the merger, the average closing sales price of MidSouth Bancorp, Inc. common stock on the American Stock Exchange for the ten trading days ending the day before such closing date (Average Price) is less than \$31.50 per share, MidSouth Bancorp, Inc. shall adjust the conversion rate by multiplying the conversion rate by 1.07937. If on the closing date the Average Price exceeds \$36.50, the conversion rate shall be adjusted by multiplying the conversion rate by 0.93151. If the Average Price is below \$29.00, Lamar Bancshares, Inc. may terminate the merger transaction.

Instead of issuing any fractional shares of MidSouth Bancorp, Inc. common stock, each shareholder of Lamar Bancshares, Inc. who would otherwise be entitled to a fractional share will receive a cash payment, without interest, equal to the fraction multiplied by the market value of a share of MidSouth Bancorp, Inc. common stock, as determined in accordance with the merger agreement.

Conditions to the Merger (page 25). In addition to approval by the shareholders of Lamar Bancshares, Inc., consummation of the merger agreement is conditioned upon, among other things:

receipt of required regulatory approvals, and the expiration of all applicable waiting periods; and

certain other conditions customary for agreements of this sort, such as the accuracy of representations and warranties and the compliance with all agreements.

The companies intend to consummate the merger as soon as practicable after all of the conditions have been met or waived. MidSouth Bancorp, Inc. has filed applications seeking the required regulatory approvals and expects to receive them by August 31, 2004. The approvals may not be obtained, by then or ever, and the other conditions to consummation of the merger agreement also may not be satisfied by such date or at all.

Waiver, Amendment and Termination (page 28). Each of the companies may waive any of the conditions to its obligation to consummate the merger agreement other than shareholder and regulatory approvals. The merger

agreement may also be amended at any time before or after shareholder approval by mutual agreement, but no amendment made after shareholder approval may alter the amount or type of consideration into which Lamar Bancshares, Inc. common stock will be converted or alter the merger agreement in a manner that would adversely affect any shareholder of Lamar Bancshares, Inc.

The merger agreement may be terminated at any time before the merger is completed by mutual consent, or by either party:

in the event of a material breach by the other party of any representation, warranty or covenant in the merger agreement that cannot be cured by the earlier of (i) 10 days after written notice of such breach is delivered to the breaching party, (ii) the effective date and time specified in the merger documents filed with the Secretaries of State of Louisiana and Texas, or (iii) January 3, 2005;

if (i) all conditions to closing set forth in the merger agreement have not been met or waived by January 3, 2005, or (ii) any such conditions cannot be met by such date and has not been waived by the party in whose favor it runs, or (iii) the merger has not occurred by such date;

if (i) the merger agreement is disapproved by the shareholders of Lamar Bancshares, Inc., or (ii) any agency whose approval is required for the merger denies any application for such approval or notifies such party that it intends to impose conditions to its approval that are not reasonably acceptable to such party; or

on the basis of certain other grounds specified in the merger agreement.

If Lamar Bancshares, Inc.'s board of directors determines that another proposal is more favorable to Lamar Bancshares, Inc.'s shareholders from a financial point of view than the proposed merger, it may terminate the merger agreement subject to MidSouth Bancorp, Inc.'s right of first refusal to submit a revised proposal.

Effect of Termination (page 29)

If the merger agreement is terminated, the parties will be relieved of all obligations and liabilities, except that:

a breaching party will not be relieved of liability for certain breaches as set forth in the merger agreement;

each party will remain bound by those certain provisions of the merger agreement that are intended to survive any termination of the merger agreement; and

under certain circumstances, MidSouth Bancorp, Inc. shall be paid \$700,000 if Lamar Bancshares, Inc. accepts an acquisition proposal within nine months after termination, and \$400,000 if Lamar Bancshares, Inc. accepts an acquisition proposal after such nine-month period but within two years after termination.

Financial Interests of Lamar Bancshares, Inc.'s Directors and Executive Officers in the Merger (page 29)

Indemnification and Insurance (page 30). MidSouth Bancorp, Inc. has agreed to allow Lamar Bancshares, Inc. to purchase a continuation of its current officers' and directors' liability insurance for a period no longer than two years after the merger.

MidSouth Bancorp, Inc. has also agreed to indemnify Lamar Bancshares, Inc.'s officers, directors and controlling persons against expenses and liabilities arising out of alleged misstatements or omissions in this document or the registration statement of which it is a part.

Employment Agreements (page 30). On the effective date, Lonnie Weir, Ron D. Reed, Tim Zajonc, Travis Riley, David McCrady, Lance Gordon, Wilma Pace, Linda Ott Reed, Carole Malmberg, Jason Riley, Linda Allen and David Locke of Lamar Bank will continue as employees of Lamar Bank under employment agreements to be entered into with the consent of MidSouth Bancorp, Inc.

Acceleration of Exercisability of Options (page 30). Prior to the consummation of the merger, Lamar Bancshares, Inc. will accelerate the exercisability of all previously granted Lamar Bancshares, Inc. stock options that are not currently exercisable.

Any such options not exercised at the effective date of the merger will be cancelled, and the holders of such cancelled options will receive from MidSouth Bancorp, Inc., (a) a cash amount equal to the same consideration payable to shareholders of Lamar Bancshares, Inc. common stock under the merger agreement, less the exercise price for the options, plus (b) a cash amount equal to the amount of tax savings realized by MidSouth Bancorp, Inc. attributable to the consideration paid under (a) of this paragraph for the cancelled options.

MidSouth Bancorp, Inc., Board of Directors (page 30). MidSouth Bancorp will cause to be appointed to its Board of Directors, to take office immediately after the effective date of the merger, Lonnie Weir, Ron Reed and Joe Tortorice, Jr., for the terms as set forth in the merger agreement.

Accounting Treatment (page 30)

MidSouth Bancorp, Inc. will account for the merger as a purchase transaction. The purchase method of accounting involves adding Lamar Bancshares, Inc. s assets and liabilities, estimated at their fair value at the effective date of the merger, to the recorded assets of MidSouth Bancorp, Inc. Therefore, the financial statements of MidSouth Bancorp, Inc. issued after the merger will reflect these values from Lamar Bancshares, Inc. and will not be restated retroactively to reflect the historical financial position or results of operations of Lamar Bancshares, Inc.

Dissenters Rights (page 34)

Shareholders of Lamar Bancshares, Inc. will have the right to dissent from the merger agreement if they comply with the specific procedures required by the Texas Business Corporation Act. Dissenting shareholders who comply with the procedural requirements will be entitled to receive payment of the fair cash value of their shares.

PER SHARE FINANCIAL DATA OF LAMAR BANCSHARES, INC.

Per share financial data for Lamar Bancshares, Inc. with respect to the fiscal year ended December 31, 2003, and the three months ended March 31, 2004, is set forth below.

	For the Three Months Ended March 31, 2004	For the Year Ended December 31, 2003
	(unaudited)	
Earnings per common share	\$ 2.22	\$ 8.86
Cash dividends declared	\$ 2.00	\$ 9.05
Book value per share	\$ 58.22	\$ 56.99
Common shares outstanding at end of period	222,339	216,564

PER SHARE FINANCIAL DATA OF MIDSOUTH BANCORP, INC.

Per share financial data for MidSouth Bancorp, Inc. with respect to the fiscal year ended December 31, 2003, and the three months ended March 31, 2004, is set forth below.

For the Year Ended

	For the Three Months Ended March 31, 2004	December 31, 2003
	(unaudited)	
Basic earnings per share (1)	\$ 0.52	\$ 1.99
Diluted earnings per share	\$ 0.50	\$ 1.91
Dividends declared per share	\$ 0.06	\$ 0.32
Book value per share	\$ 10.65	\$ 10.09
Average shares outstanding:		
Basic	3,184,337	3,174,880
Diluted	3,334,153	3,308,166

(1) On August 29, 2003, MidSouth Bancorp, Inc. paid a 10% stock dividend on its common stock to holders of record on July 31, 2003. Per common share data has been adjusted accordingly.

SELECTED UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following tables present unaudited pro forma condensed combined financial statements for MidSouth Bancorp, Inc. after giving effect to the completion of MidSouth Bancorp Inc.'s proposed acquisition of Lamar Bancshares, Inc., with respect to the unaudited pro forma combined statement of condition as of March 31, 2004 and the related unaudited pro forma combined statements of income for the year ended December 31, 2003 and for the three months ended March 31, 2004.

MidSouth Bancorp, Inc. intends to acquire all of the outstanding common stock of Lamar Bancshares, Inc. in a transaction to be accounted for under the purchase accounting method in accordance with accounting principles generally accepted in the United States of America. MidSouth Bancorp, Inc. will pay approximately \$10,495,000 in cash and issue an estimated 370,000 shares (based on an assumed market value of MidSouth Bancorp, Inc. stock of \$34 per share) of its common stock valued at approximately \$12,555,000. MidSouth Bancorp, Inc. will also incur acquisition costs presently estimated at approximately \$255,000. In connection with this acquisition, MidSouth Bancorp, Inc. intends to issue \$6,000,000 of junior subordinated debentures (*i.e.*, trust preferred stock) in order to fund a portion of the acquisition.

The unaudited pro forma condensed combined financial statements gives the effect of the proposed acquisition under the purchase accounting method in accordance with accounting principles generally accepted in the United States of America. The unaudited pro forma combined financial statements of income combine the historical consolidated financial statements for MidSouth Bancorp, Inc. and Lamar Bancshares, Inc.

The information as of March 31, 2004 and for the year ended December 31, 2003 and the three months ended March 31, 2004 is derived from:

the unaudited consolidated financial statements of Lamar for the three months ended March 31, 2004, which are included elsewhere in this proxy statement/prospectus;

the audited consolidated financial statements of Lamar Bancshares, Inc. for the year ended December 31, 2003, including the related notes, which are included elsewhere in this proxy statement/prospectus;

MidSouth Bancorp, Inc.'s unaudited consolidated financial statements for the three months ended March 31, 2004, which are incorporated by reference into this prospectus from MidSouth Bancorp, Inc.'s Form 10-Q for the three months ended March 31, 2004 accompanying this proxy statement/prospectus; and

MidSouth Bancorp, Inc.'s audited consolidated financial statements for the year ended December 31, 2003, including the related notes, which are incorporated by reference into this proxy statement/prospectus from MidSouth Bancorp, Inc.'s Form 10-KSB for the year ended December 31, 2003, including MidSouth Bancorp, Inc.'s accompanying annual report to shareholders.

MidSouth Bancorp, Inc. anticipates that the acquisition will provide the combined company with future financial benefits, such as reduced operating expenses and opportunities to earn more revenue. However, MidSouth Bancorp, Inc. does not reflect these anticipated cost savings and benefits in the unaudited pro forma financial information. While the unaudited pro forma financial information is helpful in showing the financial characteristics of the combined companies, it is not intended to show how the combined companies would have actually performed had they been combined throughout the periods, or how the combined companies would perform in the future. MidSouth Bancorp, Inc. has included in the unaudited pro forma financial statements all the adjustments, consisting of normal recurring adjustments believed necessary for a fair statement of results of the historical periods.

Given the information regarding the acquisition, the actual financial position and results of operations will differ, perhaps even significantly, from the unaudited pro forma amounts reflected below because, among other things:

assumptions used in preparing the unaudited pro forma condensed combined financial statements may be revised in the future due to changes in values of assets, including the finalization of the calculation of the core deposit intangible asset and changes in operating results between the dates of the unaudited pro forma financial information and the date on which the acquisition is completed; and

adjustments may need to be made to the unaudited historical financial information upon which such pro forma information was based.

MidSouth Bancorp, Inc.
 Unaudited Pro Forma Combined Statement of Condition
 (Dollars in thousands except
 share data)
 As of March 31, 2004

ASSETS	Historical MidSouth	Historical Lamar	Historical Combined	Pro Forma Adjustments	Pro Forma Combined
Cash and due from banks	\$ 12,209	\$ 4,971	\$ 17,180		\$ 17,180
Federal funds sold	21,900	4,600	26,500	(10,745)(a) 6,000(b)	21,755
Total cash and cash equivalents	34,109	9,571	43,680		38,935
Interest-bearing deposits in banks	2		2		2
Securities available-for-sale	118,562	21,006	139,568		139,568
Securities held-to-maturity	23,368		23,368		23,368
Loans, net	261,287	74,701	335,988		335,988
Bank premises and equipment, net	11,791	2,814	14,605		14,605
Other real estate owned, net	247		247		247
Accrued interest receivable	2,611	461	3,072		3,072
Goodwill, net	432	1,430	1,862	(1,430)(a) 9,985(a)	10,417
Intangibles	540		540	2,700(a)	3,240
Other assets	1,963	2,476	4,439		4,439
TOTAL ASSETS	\$454,912	\$112,459	\$567,371	\$ 6,510	\$ 573,881
LIABILITIES & STOCKHOLDERS EQUITY					
Deposits:					
Non-interest bearing	\$ 95,748	\$ 21,631	\$ 117,379		\$ 117,379
Interest bearing	311,778	77,105	388,883		388,883
Total deposits	407,526	98,736	506,262		506,262
Securities sold under repurchase agreements	4,621		4,621		4,621
Other liabilities	1,608	778	2,386	900(a)	3,286
Junior subordinated debentures	7,000		7,000	6,000(b)	13,000

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Total liabilities	420,755	99,514	520,269	6,900	527,169
Stockholders Equity:					
Common stock	321	245	566	37(a) (245)(a)	\$ 358
Surplus	18,817	3,019	21,836	12,518(a) (3,019)(a)	31,335
Unearned ESOP shares	(78)		(78)		(78)
Unrealized (losses) gains on securities available-for-sale, net of tax	1,241	158	1,399	(158)(a)	1,241
Retained earnings	13,942	10,804	24,746	(10,804)(a)	13,942
Treasury stock	(86)	(1,281)	(1,367)	1,281(a)	(86)
TOTAL STOCKHOLDERS EQUITY	34,157	12,945	47,102	(390)	46,712
TOTAL LIABILITIES & STOCKHOLDERS EQUITY	\$454,912	\$112,459	\$567,371	\$ 6,510	\$ 573,881

See accompanying notes to unaudited pro forma condensed combined financial statements. MidSouth Bancorp, Inc.

MidSouth Bancorp, Inc.
 Unaudited Pro Forma Combined Statement of Income
 Three Months Ended March 31, 2004
 (Dollars in thousands except share data)

	Historical MidSouth	Historical Lamar	Historical Combined	Pro Forma Adjustments	Pro Forma Combined
INTEREST INCOME:					
Loans, including fees	\$ 4,944	\$1,191	\$6,135		\$ 6,135
Securities					
Taxable	628	249	877		877
Nontaxable	538		538		538
Federal funds sold	20	8	28	(15)(c)	13
TOTAL	6,130	1,448	7,578	(15)	7,563
INTEREST EXPENSE:					
Deposits	895	256	1,151		1,151
Securities sold under repurchase agreements, federal funds purchased and advances	18		18		18
Long term debt	184		184	60(d)	244
TOTAL	1,097	256	1,353	60	1,413
NET INTEREST INCOME	5,033	1,192	6,225	(75)	6,150
PROVISION FOR LOAN LOSSES	230	23	253		253
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	4,803	1,169	5,972	(75)	5,897
OTHER OPERATING INCOME:					
Service charges on deposits	1,403	381	1,784		1,784
Gains on securities, net		56			56
Credit life insurance	20		20		20
Other charges and fees	438	196	634		634
TOTAL OTHER INCOME	1,861	633	2,494		2,494
OTHER EXPENSES:					

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Salaries and employee benefits	2,151	723	2,874		2,874
Occupancy expense	981	194	1,175		1,175
Other	1,265	430	1,695	120(e)	1,815
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL OTHER EXPENSES	4,397	1,347	5,744	120	5,864
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
INCOME BEFORE INCOME TAXES	2,267	455	2,722	(195)	2,527
PROVISION FOR INCOME TAXES	606		606	85(f)	691
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET INCOME	\$ 1,661	\$ 455	\$2,116	(\$280)	\$ 1,836
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
EARNINGS PER SHARE:					
Basic	\$ 0.52				\$ 0.52
Diluted	\$ 0.50				\$ 0.50
SHARES USED IN COMPUTATION OF EARNINGS PER SHARE					
Basic	3,184,337				3,553,337
Diluted	3,334,153				3,703,153

See accompanying notes to unaudited pro forma condensed combined financial statements.

MidSouth Bancorp, Inc.
 Unaudited Pro Forma Combined Statement of Income
 Year Ended December 31, 2003
 (Dollars in thousands except share data)

	Historical MidSouth	Historical Lamar	Historical Combined	Pro Forma Adjustments	Pro Forma Combined
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
INTEREST INCOME:					
Loans, including fees	\$ 19,828	\$ 5,052	\$ 24,880		\$ 24,880
Securities					
Taxable	2,323	1,096	3,419		3,419
Nontaxable	2,015		2,015		2,015
Federal funds sold	64	47	111	(60)(c)	51
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	24,230	6,195	30,425	(60)	30,365
INTEREST EXPENSE:					
Deposits	3,879	1,280	5,159		5,159
Securities sold under repurchase agreements, federal funds purchased and advances	66		66		66
Long term debt	734		734	240(d)	974
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	4,679	1,280	5,959	240	6,199
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET INTEREST INCOME	19,551	4,915	24,466	(300)	24,166
PROVISION FOR LOAN LOSSES	550	277	827		827
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	19,001	4,638	23,639	(300)	23,339
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NON INTEREST INCOME:					
Service charges on deposits	5,273	1,683	6,956		6,956
Gains on securities, net	98		98		98
Credit life insurance	165		165		165
Other charges and fees	2,061	998	3,059		3,059
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL OTHER INCOME	7,597	2,681	10,278		10,278
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER EXPENSES:					

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Salaries and employee benefits	8,649	2,888	11,537		11,537
Occupancy expense	3,882	790	4,672		4,672
Other	5,440	1,721	7,161	510(e)	7,671
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL OTHER EXPENSES	17,971	5,399	23,370	510	23,880
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
INCOME BEFORE INCOME TAXES	8,627	1,920	10,547	(810)	9,737
PROVISION FOR INCOME TAXES	2,294		2,294	380(f)	2,674
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET INCOME	\$ 6,333	\$ 1,920	\$ 8,253	(\$1,190)	\$ 7,063
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
EARNINGS PER SHARE:					
Basic	\$ 1.99				\$ 1.99
Diluted	\$ 1.91				\$ 1.92
SHARES USED IN COMPUTATION OF EARNINGS PER SHARE					
Basic	3,174,880				3,543,880
Diluted	3,308,166				3,677,166

See accompanying notes to unaudited pro forma condensed combined financial statements.

MidSouth Bancorp, Inc and Subsidiaries

Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

1. ACQUISITION OF LAMAR BANCSHARES, INC. AND SUBSIDIARIES

MidSouth Bancorp, Inc. intends to acquire all of the outstanding common stock of Lamar Bancshares, Inc. in a transaction to be accounted for under the purchase accounting method in accordance with accounting principles generally accepted in the United States of America. MidSouth Bancorp, Inc. will pay approximately \$10,495,000 in cash and will issue an estimated 369,000 shares (based on an assumed market value of MidSouth Bancorp, Inc. stock of \$34 per share) of its common stock valued at approximately \$12,555,000. MidSouth Bancorp, Inc. will also incur acquisition costs presently estimated at \$250,000 and issue \$6,000,000 of junior subordinated debentures.

2. KEY TO PRO FORMA ADJUSTMENTS

- a) To record the issuance of common stock, the payment of cash to the Lamar Bancshares, Inc. stockholders for acquisition costs, the adjustment of Lamar Bancshares, Inc. s assets and liabilities to fair value, and the elimination of the Lamar Bancshares, Inc. equity accounts:
- | | |
|--|----------|
| Cash paid to Lamar Bancshares, Inc. s stockholders | (10,495) |
| Cash paid for acquisition costs | (250) |
| To record estimated fair value of the core deposit intangible of Lamar | 2,700 |
| To eliminate preacquisition goodwill on Lamar s financial statements | (1,430) |
| To record goodwill relating to acquisition | 9,985 |
| To record estimated deferred income taxes | (900) |
| To record the par value of MidSouth Bancorp, Inc. common stock to be issued to the Lamar Bancshares, Inc. shareholders | 37 |
| To record the excess of fair value over par value of MidSouth Bancorp, Inc. common stock to be issued to the Lamar Bancshares, Inc. shareholders | 12,518 |
| Common stock-par value-Lamar | (245) |
| Additional paid in capital-Lamar | (3,019) |
| Unrealized gain on securities available for sale-Lamar | (158) |
| Retained earnings-Lamar | (10,804) |
| Treasury stock-Lamar | 1,281 |
- b) To record issuance of junior subordinated debentures
- | | |
|--|-------|
| | 6,000 |
|--|-------|
- c) To record effect of interest income not earned on funds used in Lamar Bancshares, Inc. acquisition less proceeds from issuance of junior subordinated debentures:
- | | |
|-----------------------------------|----|
| Three months ended March 31, 2004 | 15 |
| Year ended December 31, 2003 | 60 |
- d) To record interest expense on junior subordinated debentures at an average rate of 4%:
- | | |
|-----------------------------------|-----|
| Three months ended March 31, 2004 | 60 |
| Year ended December 31, 2003 | 240 |
- e) To record estimated amortization of core deposit intangible using accelerated method and an estimated life of 10 years:

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Three months ended March 31, 2004	120
Year ended December 31, 2003	510

- f) To record income taxes relating to (1) the historic income of Lamar Bancshares, Inc. which was not subject to income taxes due to Lamar Bancshares, Inc. election under subchapter S and (2) the effect of adjustments c, d and e above:

Three months ended March 31, 2004	85
Year ended December 31, 2003	380

RECENT MARKET PRICES

On May 26, 2004, the last business day before the public announcement of the merger agreement, the closing sales price for a share of MidSouth Bancorp, Inc. common stock, as quoted on the American Stock Exchange, was \$30.00. On _____, 2004, the closing sales price for a share of MidSouth Bancorp, Inc. common stock, was \$_____. No assurance can be given as to the sales price of a share of MidSouth Bancorp, Inc. common stock on the effective date of the merger.

There is no established public trading market in which shares of Lamar Bancshares, Inc. common stock are regularly traded, nor are there any uniformly quoted prices for Lamar Bancshares, Inc. shares. The last sale of Lamar Bancshares, Inc. common stock prior to the execution of the merger agreement known to Lamar Bancshares, Inc. s management occurred as a result of the exercise of stock options on March 22, 2004 at \$62.75 per share, when the fair market value of the stock was \$69.50 per share.

WHERE YOU CAN FIND MORE INFORMATION

MidSouth Bancorp, Inc. files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any of those filings at the SEC s public reference room in Washington D.C., which is located at the following address: Public Reference Room, Judiciary Plaza, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549.

You can request copies of these documents, upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the SEC s public reference rooms. The filings are also available to the public from document retrieval services and at the SEC s Internet website (<http://www.sec.gov>).

MidSouth Bancorp, Inc. has filed with the SEC a registration statement on Form S-4, and this document is part of that registration statement. As permitted by the SEC s rules, this document does not contain all of the information you can find in the registration statement. The registration statement is available for inspection and copying as set forth above.

The SEC allows MidSouth Bancorp, Inc. to incorporate by reference information into this document, which means important information can be disclosed to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this document, except for any information contained directly in this document or in later filed documents incorporated by reference in this document.

Copies of MidSouth Bancorp, Inc. s Annual Report to Shareholders on Form 10-KSB for the year ended December 31, 2003 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2004 incorporated by reference into this proxy statement/prospectus and should be read carefully in conjunction herewith. In addition, this proxy statement/prospectus incorporates by reference the documents set forth below that MidSouth Bancorp, Inc. has previously filed with the SEC and that contain important information about MidSouth Bancorp, Inc. and its business:

MidSouth Bancorp, Inc. s annual report on Form 10-KSB for the year ended December 31, 2003;

MidSouth Bancorp, Inc. s quarterly report on Form 10-Q for the fiscal quarter ended March 31, 2004;

MidSouth Bancorp, Inc. s current reports on Form 8-K filed January 27, 2004, April 21, 2004, and May 28, 2004;

The description of MidSouth Bancorp, Inc.'s common stock contained in MidSouth Bancorp, Inc.'s registration statement on Form 8-A filed July 25, 1995.

MidSouth Bancorp, Inc. also incorporates by reference additional documents that may be filed with the SEC between the date of this proxy statement/prospectus and the completion of the merger or the termination of the merger agreement (other than information in such future filings deemed, under SEC rules, not to have been filed). These include periodic reports, such as annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as proxy statements.

Any statement contained in a document incorporated or deemed to be incorporated by reference shall be deemed to be modified or superseded to the extent that a statement contained herein or in any other document subsequently filed and incorporated or deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this proxy statement/prospectus.

You may request a copy of all documents incorporated by reference in this document but not otherwise accompanying this document, as well as the merger agreement, at no cost, by writing or telephoning MidSouth Bancorp, Inc. at the following address:

102 Versailles Boulevard
Lafayette, Louisiana 70501
(337) 237-8343

To obtain timely delivery, you should request desired information no later than five business days before the date of the special meeting, or by _____, 2004.

You should rely only on the information contained or incorporated by reference in this document. Neither MidSouth Bancorp, Inc. nor Lamar Bancshares, Inc. has authorized anyone else to provide you with information that is different from that which is contained in this document. Moreover, neither MidSouth Bancorp, Inc. nor Lamar Bancshares, Inc. is making an offer to sell or soliciting an offer to buy any securities other than the MidSouth Bancorp, Inc. common stock to be issued by MidSouth Bancorp, Inc. in the merger, and neither MidSouth Bancorp,

Inc. nor Lamar Bancshares, Inc. is making an offer of such securities in any state where the offer is not permitted. The information contained in this document speaks only as of its date unless the information specifically indicates that another date applies.

INTRODUCTORY STATEMENT

General

This proxy statement/prospectus is furnished to the shareholders of Lamar Bancshares, Inc. in connection with the solicitation of proxies on behalf of Lamar Bancshares, Inc.'s board of directors for use at a special meeting of shareholders of Lamar Bancshares, Inc. to be held on the date and at the time and place specified in the accompanying notice.

Lamar Bancshares, Inc. and MidSouth Bancorp, Inc. have each supplied all information with respect to it and its consolidated subsidiaries.

Purpose of the Meeting

The purpose of the meeting is to consider and vote upon a proposal to approve an Agreement and Plan of Merger between Lamar Bancshares, Inc. and MidSouth Bancorp, Inc., pursuant to which, among other things, Lamar Bancshares, Inc. will merge into MidSouth Bancorp, Inc., and each outstanding share of common stock of Lamar Bancshares, Inc. will be converted into the right to receive shares of common stock of MidSouth Bancorp, Inc., and cash.

At the meeting, shareholders will also be asked, if necessary, to consider and vote upon a proposal to adjourn the meeting to permit further solicitation of proxies if there are not sufficient votes at the time of the meeting to approve the merger agreement and to consider any other matters that may be properly submitted for a vote at the meeting.

Shares Entitled to Vote; Quorum; Vote Required

Only holders of record of Lamar Bancshares, Inc. common stock at the close of business on July 1, 2004 are entitled to notice of and to vote at the meeting. On that date, there were 222,339 shares of Lamar Bancshares, Inc. common stock outstanding, each of which is entitled to one vote on each matter properly brought before the meeting. The presence at the meeting, in person or by proxy, of the holders of a majority of the outstanding shares of common stock of Lamar Bancshares, Inc. is necessary to constitute a quorum.

The merger agreement must be approved by the affirmative vote of the holders of at least two-thirds of the Lamar Bancshares, Inc. common stock present, in person or by proxy, at the meeting. An abstention will have the effect of a vote against the merger agreement. A broker non-vote in person or by proxy will be counted for purposes of determining a quorum but will not be counted in determining the voting power present with respect to the vote on the merger agreement and thus will have no effect on the vote.

The affirmative vote of a majority of the votes cast on the matter at the meeting is required to approve the proposal to adjourn the meeting if necessary to permit further solicitation of proxies on the proposal to approve the merger agreement and any other matter properly submitted to shareholders for their consideration at the meeting. Because of

the vote required for the proposal to adjourn the meeting, abstentions and broker non-votes will have no effect on this proposal.

Directors and executive officers of Lamar Bancshares, Inc. beneficially owning an aggregate of 111,107 shares, or approximately 49.75% of the outstanding Lamar Bancshares, Inc. common stock, have agreed to vote in favor of the merger agreement.

Solicitation, Voting and Revocation of Proxies

In addition to soliciting proxies by mail, directors, officers and other employees of Lamar Bancshares, Inc., and MidSouth Bancorp, Inc., without receiving additional compensation, may solicit proxies by telephone, fax, e-

mail and in person. Arrangements will also be made with brokerage firms and other custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of shares of Lamar Bancshares, Inc. common stock, and Lamar Bancshares, Inc. will reimburse such parties for reasonable out-of-pocket expenses incurred. The cost of soliciting proxies is being paid by Lamar Bancshares, Inc.

The form of proxy that accompanies this proxy statement/prospectus permits each holder of record of Lamar Bancshares, Inc. common stock on the record date to vote on all matters that properly come before the meeting. Where a shareholder specifies his choice on the accompanying form of proxy with respect to the proposal to approve the merger agreement, the shares represented by the proxy will be voted in accordance with that specification. If no specification is made, the shares will be voted in favor of the merger agreement and to adjourn the meeting, if necessary. If you do not sign and return a proxy and specify on the proxy an instruction to vote against the merger agreement, you will not be able to exercise dissenters' rights unless you attend the meeting in person and vote against the merger agreement and give written notice of your dissent from the merger agreement at or prior to the meeting. See Dissenters' Rights.

A proxy may be revoked at any time before it is voted by:

giving written notice of revocation at any time before its exercise to the Secretary of Lamar Bancshares, Inc.;

executing and delivering to the Secretary at any time before its exercise a later dated proxy; or

attending the meeting and voting in person.

RISK FACTORS RELATING TO THE MERGER

In addition to the other information contained in or incorporated by reference into this document, including without limitation, MidSouth Bancorp, Inc.'s Annual Report on Form 10-KSB for the fiscal year ended December 31, 2003, and its Quarterly Report on Form 10-Q for the three months ended March 31, 2004, you should carefully consider the following risk factors in deciding whether to vote to approve the merger agreement.

Because the market price of MidSouth Bancorp, Inc. Common Stock will fluctuate, Lamar Bancshares, Inc. shareholders cannot be sure of the number of shares they will receive.

Upon completion of the merger, each share of Lamar Bancshares, Inc. common stock will be converted into shares of MidSouth Bancorp, Inc. common stock and cash pursuant to the terms of the merger agreement. The number of shares of MidSouth Bancorp, Inc. to be received by Lamar Bancshares, Inc. shareholders will be based on the average closing sales price of MidSouth Bancorp, Inc. common stock on the AMEX during the ten trading days ending on the day before the completion of the merger. This average closing sales price may vary from the actual closing sales price of MidSouth Bancorp, Inc. common stock on the date we announced the merger, on the date that this proxy statement-prospectus was mailed to Lamar Bancshares, Inc. shareholders, and on the date of the special meeting of the Lamar Bancshares, Inc. shareholders. Any ultimate change in the closing sales price of MidSouth Bancorp, Inc. common stock during the ten days before completion of the merger will affect the number of shares that Lamar Bancshares, Inc. shareholders will receive upon completion of the merger. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations. Many of these factors are beyond our control.

Accordingly, at the time of the meeting, Lamar Bancshares, Inc. shareholders will not necessarily know or be able to calculate the number of shares they would receive or the exchange ratio used to determine the number of any shares of MidSouth Bancorp, Inc. common stock they would receive upon completion of the merger.

We may fail to realize the anticipated benefits of the merger.

The success of the merger will depend, in part, on our ability to realize the anticipated cost savings and revenue enhancements from combining the businesses. To realize the anticipated benefits from the merger, we must successfully combine the businesses in a manner that permits those cost savings and revenue enhancements to be realized. If we are not able to achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected.

MidSouth Bank and Lamar Bank have operated separately and, after the completion of the merger, will continue to operate separately to a certain extent. It is possible, however, that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger.

The market price of the shares of MidSouth Bancorp, Inc. common stock after the Merger may be affected by factors different from those affecting the shares of MidSouth Bancorp, Inc. currently.

The businesses of MidSouth Bancorp, Inc., and Lamar Bancshares, Inc., differ in some respects (including geographic locations, market competition and asset size) and, accordingly, the results of operations of the combined company and the market price of the combined company's shares of common stock may be affected by factors different from those currently affecting the independent results of operations of MidSouth Bancorp, Inc.

The volume of trading in MidSouth Bancorp, Inc., Common Stock is low, and shareholders who attempt to sell their shares may receive less than they expected.

The average weekly trading volume of MidSouth Bancorp., Inc. common stock over the last three months has been 7,725 shares, or 1,545 shares per day. A shareholder of MidSouth Bancorp, Inc., seeking to sell any appreciable amount of his or her stock may not find sufficient buyers who will pay the current trading price of the stock as quoted on the Amex and, therefore, may have to sell at a lower price.

THE MERGER AGREEMENT

The following brief description does not describe all of the terms of the merger agreement. We encourage you to obtain and read the merger agreement completely and carefully. It is the legal document that governs the merger.

Background of and Reasons for the Merger

The Lamar Bancshares, Inc. Board of Directors periodically has reviewed Lamar Bank's performance, compared its performance with that of certain relatively comparable institutions, reviewed the limited market activity in Lamar Bancshares, Inc.'s common stock, considered various business opportunities and strategies available to Lamar Bancshares, Inc. and discussed the general economic, regulatory, competitive and business pressures affecting Lamar Bancshares, Inc. In addition, the Lamar Bancshares, Inc. board, on an informal basis and during strategic planning sessions, would periodically review merger and acquisition activity in the banking industry.

The Lamar Bancshares, Inc. Board of Directors met on April 6, 2004, to review the terms and conditions of the proposed merger. The Lamar Bancshares, Inc. Board of Directors carefully reviewed and considered, with the assistance of its financial advisor and legal counsel, the financial and legal aspects of the proposed merger, as set forth in MidSouth Bancorp, Inc.'s then proposed letter of intent. At a special meeting on May 27, 2004, the Lamar Bancshares, Inc. Board of Directors authorized execution of the merger agreement and the other related agreements and documents. Each director of Lamar Bancshares, Inc. also entered into a commitment agreement with MidSouth Bancorp, Inc. obligating them to vote their shares in favor of the merger agreement and against any other transaction, and agreeing to certain non-competition agreements.

The Lamar Bancshares, Inc. Board of Directors has determined that the terms of the merger, the merger agreement, and the proposed issuance of MidSouth Bancorp, Inc. common stock and cash in connection with the merger are

advisable and fair to, and in the best interest of, Lamar Bancshares, Inc. and its shareholders. In reaching its determination, the Lamar Bancshares, Inc. Board of Directors considered a number of factors. The Lamar Bancshares, Inc. board of directors did not assign any specific or relative weights to the factors considered, and individual directors may have given different weights to different factors. The material factors considered were as follows:

Information concerning the business, earnings, operations, financial condition, prospects, capital levels and asset quality of MidSouth Bancorp, Inc., individually and as combined with Lamar Bancshares, Inc.

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The opinion rendered to the Lamar Bancshares, Inc. Board of Directors by Lamar Bancshares, Inc.'s financial advisor that, as of the date of the opinion, and subject to the various assumptions made and limitations stated in the written opinion, the merger consideration is fair, from a financial point of view, to holders of Lamar Bancshares, Inc. common stock. The opinion of the financial advisor is attached as Appendix A and should be reviewed for the assumptions made in connection with, and limitations on, such opinion.

The terms of the merger agreement and other documents executed in connection with the merger.

The current and prospective economic, competitive and regulatory environment facing each institution and financial institutions generally.

The results of the investigation conducted by the management of Lamar Bancshares, Inc., including assessment of credit policies, asset quality, interest rate risk, litigation and adequacy of loan loss reserves.

The Lamar Bancshares, Inc. board of directors's familiarity with and review of MidSouth Bancorp, Inc.'s business, operations, earnings, prospects, financial condition, asset quality and capital levels.

The opportunities for expense reductions, operating efficiencies and revenue enhancements in the combined entity.

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

The additional liquidity provided by MidSouth Bancorp, Inc.'s common stock, which is traded on the American Stock Exchange, compared to Lamar Bancshares, Inc.'s common stock, which is not regularly traded on an established public trading market.

Results that could be expected to be obtained by Lamar Bancshares, Inc. if it continued to operate independently, and the likely benefits to stockholders of such course of action, as compared with the value of the merger consideration being offered by MidSouth Bancorp, Inc.

Lamar Bancshares, Inc.'s board of directors unanimously recommends that the holders of Lamar Bancshares, Inc. common stock vote FOR approval of the merger as set forth in the Agreement and Plan of Merger.

Opinion of Lamar Bancshares, Inc.'s Financial Advisor

Pursuant to an engagement letter dated February 25, 2004, signed and executed by Lamar Bancshares, Inc. on March 8, 2004, Lamar Bancshares, Inc. engaged The Bank Advisory Group, L.L.C. to act as an independent financial advisor to the Lamar Bancshares, Inc. board of directors in connection with the proposed sale of Lamar Bancshares, Inc. to MidSouth Bancorp, Inc. Specifically, based on The Bank Advisory Group's reputation and qualifications in evaluating financial institutions, the Lamar Bancshares, Inc. board of directors requested that The Bank Advisory Group render advice and analysis in connection with the merger, and to provide opinions with regard to the fairness from the perspective of the shareholders of Lamar Bancshares, Inc. common stock of the financial terms of the merger.

Based on all factors that The Bank Advisory Group deemed relevant and assuming the accuracy and completeness of the information and data provided, The Bank Advisory Group rendered a written fairness opinion, dated July 21, 2004 which is set forth in Appendix A to this proxy statement/prospectus to the effect that the terms of the proposed merger, including, without limitation, the gross consideration equaling the sum of (i) a number of shares of MidSouth Bancorp, Inc. common stock equal to \$12,556,351 divided by \$34; plus (ii) \$10,494,000 in cash, offered in exchange

for all of the outstanding common shares and outstanding stock options of Lamar Bancshares, Inc. on the effective date, is fair, from a financial point of view, to the shareholders of Lamar Bancshares, Inc. common stock.

No limitations were imposed by the Lamar Bancshares, Inc. board of directors upon The Bank Advisory Group with respect to the analysis, conclusions, opinions or procedures followed in rendering the July 21, 2004

fairness opinion. The Bank Advisory Group does not, and its officers, directors and shareholders do not, own any shares of Lamar Bancshares, Inc. common stock or MidSouth Bancorp, Inc. common stock; nor does The Bank Advisory Group make a market in the stock of Lamar Bancshares, MidSouth Bancorp, Inc., or any other publicly-traded security, financial or otherwise.

The full text of the July 21, 2004 fairness opinion which sets forth certain assumptions made, matters considered, and limits on the review undertaken by The Bank Advisory Group is set forth in Appendix A to this proxy statement/prospectus. Lamar Bancshares, Inc. shareholders are urged to read the July 21, 2004 fairness opinion in its entirety. The July 21, 2004 fairness opinion, addressed to the Lamar Bancshares, Inc. board of directors, covers only the fairness of the financial terms of the merger, from a financial point of view, to the shareholders of Lamar Bancshares, Inc. common stock. The financial terms include, but are not limited to, the gross consideration of a the sum of (i) a number of shares of MidSouth Bancorp, Inc. common stock equal to \$12,556,351 divided by \$34; plus (ii) \$10,494,000 in cash in exchange for all of the outstanding common shares and outstanding stock options of Lamar Bancshares, Inc. at the effective time of the merger.

The July 21, 2004 fairness opinion does not constitute an endorsement of the merger. The Bank Advisory Group was not asked to consider, and the July 21, 2004 fairness opinion does not address, the relative merits of the proposed sale of Lamar Bancshares, Inc. to MidSouth Bancorp, Inc. as compared to alternative business strategies that might exist for Lamar Bancshares, Inc. or the effect of any other transaction(s) in which Lamar Bancshares, Inc. might engage. In furnishing the July 21, 2004 fairness opinion, The Bank Advisory Group does not purport to be an expert with respect to the registration statement of which this proxy statement/prospectus is part within the meaning of the term expert as used in, or that would come within the category of persons whose consent is required under, the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission promulgated thereunder. The summary of the procedures and analysis performed and assumptions used by The Bank Advisory Group set forth in this proxy statement/prospectus is qualified in its entirety by reference to the text of the July 21, 2004 fairness opinion, which is set forth in Appendix A to this proxy statement/prospectus and incorporated herein by reference. Neither this discussion nor the July 21, 2004 fairness opinion constitute a recommendation by the Bank Advisory Group to any shareholder of Lamar Bancshares, Inc. as to how such shareholder should vote at the shareholders meeting held for the purpose of voting on the merger.

Summary of Information Reviewed. The Bank Advisory Group, in connection with the issuance of the July 21, 2004 fairness opinion reviewed, among other things, the following Lamar Bancshares, Inc. information:

audited consolidated financial statements for Lamar Bancshares, Inc. and Lamar Bank for the years ended December 31, 2002 and 2003;

parent company-only financial statements for Lamar Bancshares, Inc., presented on form F.R. Y-9LP, at and for the three months ended March 31, 2004, and for the years ended December 31, 2003, 2002, and 2001, as filed with the Federal Reserve System;

parent company-only financial statements for Lamar Delaware Financial Corporation, Dover, Delaware, Lamar Bancshares subsidiary bank holding company, presented on form F.R. Y-9LP, at and for the three months ended March 31, 2004, and for the years ended December 31, 2003, 2002, and 2001, as filed with the Federal Reserve System;

Reports of Condition and Income for Lamar Bank, Beaumont, Texas, at and for the three months ended March 31, 2004, and for the years ended December 31, 2003, 2002, and 2001, as filed with the as filed with the Federal Deposit Insurance Corporation;

internal financial statements for Lamar Bank, at and for the six months ended June 30, 2004;

certain internal financial analyses and forecasts for Lamar Bank prepared by the management of Lamar Bank, including projections of future performance;

certain other summary materials and analyses with respect to Lamar Bank's loan portfolio, securities portfolio, deposit base, fixed assets, and operations including, but not limited to:

schedules of loans and other assets identified by management as deserving special attention or monitoring given the characteristics of the loan/asset and the local economy,

analyses concerning the adequacy of the loan loss reserve,

schedules of other real estate owned, including current carrying values and recent appraisals, and,

schedules of securities, detailing book values, market values, and lengths to maturity.

In addition, The Bank Advisory Group reviewed the following MidSouth Bancorp, Inc. information:

audited consolidated financial statements, included in the MidSouth Bancorp, Inc. annual reports on Form 10-KSB, as filed with the Securities and Exchange Commission, for the years ended December 31, 2003, 2002, and 2001;

quarterly financial statements, included in the MidSouth Bancorp, Inc. quarterly report on Form 10-Q, as filed with the Securities and Exchange Commission, at and for the three months ended March 31, 2004, and in the MidSouth Bancorp, Inc. quarterly reports on Form 10-QSB for the first three quarters in the years ended December 31, 2003, 2002 and 2001;

consolidated financial statements, included in the MidSouth Bancorp, Inc. regulatory filings on Form F.R. Y-9C, at and for the three months ended March 31, 2004, and for the years ended December 31, 2003, 2002, and 2001, as filed with the Federal Reserve System;

recorded earnings per share for MidSouth Bancorp, Inc. for the years ended December 31, 2002 and 2003, and earnings per share estimates for MidSouth Bancorp, Inc. for the years ended December 31, 2004 and 2005, published by SNL Financial, LC, Charlottesville, Virginia;

the publicly reported historical price and trading activity for MidSouth Bancorp, Inc.'s common stock, including a comparison of certain market pricing and financial fundamentals for MidSouth Bancorp, Inc. with (i) those of similar publicly-traded banking organizations in MidSouth Bancorp, Inc.'s demographic region and (ii) those of all United States publicly-traded banking organizations;

equity research reports regarding MidSouth Bancorp, Inc. prepared by various stock analysts who cover the financial institutions sector;

the views of senior management of Lamar Bancshares, Inc., based on limited discussions with members of senior management, regarding MidSouth Bancorp, Inc.'s lines of business, financial condition, results of operations and future prospects;

the pro forma financial impact of the merger on MidSouth Bancorp, Inc., based on assumptions relating to transaction expenses, purchase accounting adjustments and cost savings determined by the senior managements of Lamar Bancshares, Inc. and MidSouth Bancorp, Inc.;

the current stock market environment generally and the banking environment in particular; and,

such other information, financial studies, analyses and investigations and financial, economic and market criteria as the Bank Advisory Group considered relevant.

The Bank Advisory Group, in connection with the merger, reviewed, among other things, the following items:

the Agreement and Plan of Merger, dated May 27, 2004;

the Proxy Statement/Prospectus;

the financial terms and price levels for selected commercial banking organizations with total assets between \$75 \$150 million acquired in the United States during 2002 through year-to-date 2004, together with the financial

performance and condition of the acquired banking organizations;

the financial terms and price levels for selected commercial banking organizations with total assets below \$500 million acquired in the United States during 2002 through year-to-date 2004, together with (a) the financial performance and condition of the acquired banking organizations and (b) the financial performance, financial condition, and market pricing of the acquiring banking organizations; and,

such other information including financial studies, analyses, investigations, and economic and market criteria that The Bank Advisory Group deems relevant to this assignment

In connection with its review, The Bank Advisory Group has relied upon the information provided by the management of Lamar Bancshares, Inc. and MidSouth Bancorp, Inc., or otherwise publicly-available and reviewed by The Bank Advisory Group, as being complete and accurate in all material respects. The Bank Advisory Group

met with the management of Lamar Bancshares, Inc. and MidSouth Bancorp, Inc. for the purpose of discussing the relevant information that has been provided to The Bank Advisory Group.

The Bank Advisory Group has not verified, through independent inspection or direct examination, the specific assets or liabilities of Lamar Bancshares, Inc., MidSouth Bancorp, Inc. or their subsidiary banks. The Bank Advisory Group has assumed that there have been no material changes in the assets, financial condition, results of operations, or business prospects of Lamar Bancshares, Inc. and MidSouth Bancorp, Inc. since the date of the last financial statements made available to The Bank Advisory Group. The Bank Advisory Group has also assumed that there are no material off-balance sheet assets or liabilities for Lamar Bancshares, Inc. or MidSouth Bancorp, Inc. that are not otherwise disclosed in the financial information either disclosed or publicly-available.

The Bank Advisory Group is not an expert in the evaluation of loan portfolios for purposes of assessing the adequacy of the allowances for losses with respect thereto, and The Bank Advisory Group assumed, with Lamar Bancshares, Inc. consent, that such allowances for each of Lamar Bancshares, Inc. and MidSouth Bancorp, Inc. are in the aggregate adequate to cover such losses. In addition, The Bank Advisory Group did not assume responsibility for reviewing any individual credit files, or for making an independent evaluation, appraisal or physical inspection of any of the assets or liabilities (contingent or otherwise) of Lamar Bancshares, Inc. or MidSouth Bancorp, Inc., nor was The Bank Advisory Group furnished with any such appraisals. Finally, The Bank Advisory Group's opinions were based on economic, monetary and market and other conditions in effect as of the date of the fairness opinions. Accordingly, although subsequent developments may affect The Bank Advisory Group's opinions, The Bank Advisory Group has not assumed any obligation to update, revise or reaffirm such opinions.

The Bank Advisory Group did not discuss with the independent accountants for either Lamar Bancshares, Inc. or MidSouth Bancorp, Inc. any financial reporting matters with respect to Lamar Bancshares, Inc., MidSouth Bancorp, Inc., the merger, or the merger agreement. Lamar Bancshares, Inc. informed The Bank Advisory Group, and The Bank Advisory Group assumed, that the merger would be recorded as a purchase under generally accepted accounting principles. The Bank Advisory Group assumed that the merger would be consummated in a manner that complies in all respects with the applicable provisions of the Securities Act of 1933, the Securities Exchange Act of 1934 and all other applicable federal and state statutes, rules and regulations.

With respect to the financial forecasts for Lamar Bancshares, Inc., The Bank Advisory Group assumed for purposes of its opinion, and with Lamar Bancshares, Inc. consent, that the forecasts were reasonably prepared on bases reflecting the best available estimates at the time of preparation as to the future financial performance of Lamar Bancshares, Inc., and that they provided a reasonable basis upon which The Bank Advisory Group could form its opinion.

Professional Fees Paid to The Bank Advisory Group. Since May 2000, and prior to its retention for this specific assignment, The Bank Advisory Group has provided financial services to Lamar Bancshares, Inc. in various capacities on an infrequent basis; however, the revenues derived from the delivery of such services are insignificant when compared to The Bank Advisory Group's total gross revenues.

For The Bank Advisory Group's services as an independent financial analyst and advisor to Lamar Bancshares, Inc. in connection with the merger, Lamar Bancshares, Inc. has agreed to pay The Bank Advisory Group a professional fee approximating \$110,000, of which \$20,000 has been received by The Bank Advisory Group. Additionally, Lamar Bancshares, Inc. also has agreed to reimburse The Bank Advisory Group for reasonable out-of-pocket expenses. Furthermore, in connection with the merger, Lamar Bancshares, Inc. has agreed to indemnify The Bank Advisory Group, the officers, directors, employees, and shareholders of The Bank Advisory Group and assigns, heirs, beneficiaries and legal representatives of each indemnified entity and person. No portion of The Bank Advisory Group's fee is contingent upon the conclusion reached in the July 21, 2004 fairness opinion; and, Lamar Bancshares,

Inc. obligation to pay the remaining balance of the professional fee due to The Bank Advisory Group is not contingent upon the conclusion reached in the July 21, 2004 fairness opinion.

The Bank Advisory Group has not previously provided any services to MidSouth Bancorp, Inc. and, thus, has never received any professional fees from MidSouth Bancorp, Inc.

Financial Projections for Lamar Bancshares, Inc. The Bank Advisory Group developed stand-alone financial projections for Lamar Bancshares, Inc., which were derived by The Bank Advisory Group with input from

management of Lamar Bancshares, Inc. However, the financial projections for Lamar Bancshares, Inc. represented The Bank Advisory Group's independent assessment of a reasonable and defensible outlook for the future performance and condition of Lamar Bancshares, Inc. The financial projections were derived for a twelve-year period, 2004–2015, with specific focus given to the six-year period representing the years 2004–2009. In summary, the financial projections reflected total assets of Lamar Bancshares, Inc. growing at a rate of between 1.50% and 3.00% per annum. Return on average assets (converted to C corporation earnings through the application of a 36% federal income tax rate) for Lamar Bancshares, Inc. was projected to range between 1.02% and 1.22%, annually. The financial projections were presented to the Lamar Bancshares, Inc. board of directors at an April 6, 2004 meeting.

The projection of future financial performance of Lamar Bancshares, Inc. (on a fully-diluted basis) allowed The Bank Advisory Group, and in turn, the Lamar Bancshares, Inc. Board of Directors, to compare, based on a number of assumptions, the potential future value of Lamar Bancshares, Inc. expressed in terms of today's dollars (a present value basis) in relation to the transaction value per share of \$95.99. This comparative analysis resulted in multiple scenarios. However, the vast majority of the scenarios, and all of the scenarios based on the most reasonable assumptions, revealed similar results. In summary, the analyses suggested that the transaction value per share of \$95.99 exceeded the future potential value, when expressed on a present value basis, of Lamar Bancshares, Inc. common stock, based on a range of assumed earnings multiples applied to projected earnings per share of \$6.67 and projected dividends per share of \$6.00 for Lamar Bancshares, Inc. during 2009 (the last year of the projection period). Thus, this analysis provided support for the acceptance of the MidSouth Bancorp, Inc. offer of \$23,382,725 in total consideration. The analysis revealed similar results when considering the projection years prior to 2009. The chart below briefly summarizes the analyses for the 2009 projection year:

Assuming Future Earnings Multiple of:

	12.0x	14.0x	16.0x	18.0x	20.0x	22.0x
Year 2009 Earnings Per Share (\$6.67) x Indicated Multiple	\$80.09	\$93.43	\$106.78	\$120.13	\$133.48	\$146.82
Present Value of Above @ 11% Discount Rate	\$68.20	\$75.34	\$82.47	\$89.61	\$96.75	\$103.88
Transaction Value per share	\$95.99	\$95.99	\$95.99	\$95.99	\$95.99	\$95.99
Transaction Value, less Present Value (Row 3 minus Row 2)	\$27.79	\$20.65	\$13.52	\$6.38	(\$0.76)	(\$7.89)

Likewise, the analyses suggested that the transaction value per share of \$95.99 exceeded the future potential value (on a fully-diluted basis), when expressed on a present value basis, of Lamar Bancshares, Inc. common stock, based on a range of assumed equity multiples applied to projected core equity per share of \$55.10 for Lamar Bancshares, Inc. at year-end 2009, the end of the six-year projection period. This analysis included assumed annual dividends per share of \$6.00. Thus, this analysis provided further support for the acceptance of the MidSouth Bancorp, Inc. offer of \$23,382,725 in total consideration. The analysis revealed similar results when considering the projection years prior to 2009. The chart below briefly summarizes the analyses:

Assuming Future Equity Multiple of:

	1.40x	1.60x	1.80x	2.00x	2.20x	2.40x
	\$77.15	\$88.17	\$99.19	\$110.21	\$121.23	\$132.25

Year 2009 Equity Per Share (\$55.10) x
Indicated Multiple

Present Value of Above @ 11% Discount

Rate	\$66.63	\$72.52	\$78.41	\$ 84.31	\$ 90.20	\$ 96.09
Transaction Value per share	\$95.99	\$95.99	\$95.99	\$ 95.99	\$ 95.99	\$ 95.99
Transaction Value, less Present Value (Row 3 minus Row 2)	\$29.36	\$23.47	\$17.58	\$ 11.68	\$ 5.79	(\$0.10)

The projection of future financial performance of Lamar Bancshares, Inc. on a C corporation basis (assuming a federal tax rate of 36%) further allowed The Bank Advisory Group, and in turn the Lamar Bancshares, Inc. board of directors, to compare the projection of future dividend streams of Lamar Bancshares, Inc. shareholders on a stand-alone basis (assuming no merger with MidSouth Bancorp, Inc. and, thus, Lamar Bancshares, Inc. operating on a status quo basis with an annual dividend payout of \$6.00 per share) versus the dividend stream Lamar Bancshares, Inc. shareholders likely would receive as MidSouth Bancorp, Inc. shareholders on a post-merger basis (with earnings per share for MidSouth Bancorp, Inc. based on the composite average of analysts' estimates for 2004-2005, earnings per share growth thereafter consistent with stated goals for MidSouth Bancorp, Inc., and a dividend payout rate consistent with MidSouth Bancorp, Inc.'s historical payout history). However, given that Lamar Bancshares,

Inc. is an S corporation which historically paid and projects to pay cash dividends approximating 100% of net earnings; and, given that MidSouth Bancorp, Inc. is a growth-oriented publicly-traded banking organization which has historical