

MIDSOUTH BANCORP INC  
Form FWP  
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Common Stock Offering Investor Presentation

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#### Cautionary Statements

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any underwriter, or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling toll-free 1-800-800-4693. This prospectus is available at <http://sec.gov/Archives/edgar/data/745981/000119312509249516/ds1a.htm>.

Certain statements included in this presentation, other than statements of historical fact, are forward-looking statements (as su

item is defined in Section 27A of the Securities Act of 1933, as amended, referred to as the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, referred to as the Exchange Act, and the regulations thereunder), which are intended to be covered by the safe harbors created thereby. The words anticipate, believe, estimate, expect, intend, may, will, would, could, should, guidance, potential, continue, project, forecast, confident, and similar words are typically used to identify forward-looking statements. These forward-looking statements include, among others, statements regarding (1) our growth opportunities and ability to capitalize on them, (2) our ability to maintain our liquidity position, (3) our net interest margin and (4) our ability to implement cost savings initiatives to improve efficiency. These statements are based on assumptions and assessments made by management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Any forward-looking statements are not guaranteed of MidSouth's future performance and are subject to risks and uncertainties and may be affected by various factors that may cause actual results, developments and business decisions to differ materially from those in the forward-looking statements. Some of the factors that may cause actual results, developments and business decisions to differ materially from those contemplated by such forward-looking statements include (i) changes in national or local economic and business conditions, including, without limitation, changes related to the oil and gas industries, (ii) greater than expected loan losses, (iii) changes in interest rates and/or market prices of securities and other assets, (iv) the timing and impact of potential future acquisitions, the success or failure of integration operations, and the ability to capitalize on growth opportunities upon entering new markets; (v) legislative and regulatory changes including changes in banking, securities and tax laws and regulations and their application by our regulators, and (vi) and the risk factors discussed under the heading "Risk Factors" in the prospectus.

MidSouth can give no assurance that any of the events anticipated by the forward-looking statements will occur or, if any of them does, what impact they will have on MidSouth's results of operations and financial condition. MidSouth disclaims any intent or obligation to publicly update or revise any forward-looking statements, regardless of whether new information becomes available or future developments occur or otherwise.

This presentation also includes non-GAAP financial measures determined by methods other than in accordance with generally accepted accounting principles ( GAAP ).  
Such non-GAAP financial measures

include

(1)

the

ratio

of

tangible

common

equity

to

tangible assets, (2) tangible book value per share, and (3) pre-tax pre-provision numbers. The most comparable GAAP measure

to these measures are the ratio of equity to total assets, book value per share, and net income, respectively.

We use these non-GAAP financial measures because we believe they are useful for evaluating our financial condition, operations

and

performance

over

periods

of

time,

as

well

as

in

managing

and

evaluating

our

business

and

in

discussions

about

our

operations and performance. We also believe these non-GAAP financial measures provides users of our financial information

a meaningful measure for assessing our financial condition, financial results and credit trends, as well as comparison to financial

results for prior periods. These disclosures should not be viewed as a substitute for results determined in accordance with GAAP

and are not necessarily comparable to non-GAAP performance measures that other companies may use. For a reconciliation of

these non-GAAP financial measures to the most comparable GAAP measure, please see the page 20 of this presentation.

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Non-GAAP Financial Measures

Offering Summary

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Issuer

MidSouth Bancorp, Inc (NYSE Amex: MSL)

Type of Security

Common stock

Transaction Size

\$30 million

Over-Allotment Option

15%

Share Price

\$13.60 (as of 12/7/09)

Pre-Offering Market Capitalization

\$90.0 million (as of 12/7/09)

Pre-Offering Shares Outstanding

6,618,268 common shares (as of 9/30/09)

Use of Proceeds

Opportunistic acquisitions, organic growth  
and general corporate purposes

Sole Book Running Manager

Howe Barnes Hoefler & Arnett

Co-Managers

Sterne Agee and FIG Partners



Company Profile -  
Healthy Markets with Growth Opportunities  
4  
Headquarters  
Lafayette, Louisiana  
Founded  
1985  
Total assets (9/30/09)  
\$947.8 million

Shareholders

equity (9/30/09)

\$97.4 million

Offices

35

Average daily trading volume

7,585 shares\*

Insider ownership

32.6%\*

Institutional ownership

9.2%\*

\*Source: SNL Financial LC

Market Employment More Robust Than National Levels  
Market Employment  
Unemployment rates  
significantly below national  
averages  
Recovery in Louisiana  
employment expected in  
2010  
Significant employment in

the oil and gas industry  
Technology and research  
industries supported by  
major universities in local  
markets

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Source: Bureau of Labor Statistics (as of 9/09)

U.S. Unemployment Rate (9.8%)

5.9

7.6

7.5

7.2

6.4

8.3

8.6

6.8

5.2

4.9

10.8

7.9

11.1

6.2

8.5

4.0

5.0

6.0

7.0

8.0

9.0

10.0

11.0

12.0

Offering Rationale

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Take advantage of strategic and organic growth opportunities

Opportunistic FDIC assisted acquisitions both in our current market area and throughout the southern U.S.

Organic growth opportunities created from weakened competitors

Selective acquisitions of other banks and bank branches

Support balance sheet growth

No immediate plans to repay TARP

Will reduce TARP warrants by half if closed by December 31, 2009

Further strengthens capital ratios

Strong current ratios (7.33% TCE / 15.87% total risk based)

Robust pro forma capital levels (10.03% TCE / 19.93% total risk based)\*

\*Assumes \$28.2 million of net proceeds

Strategic Growth Opportunities

Strategic

Opportunities

Near term focus: FDIC

assisted acquisitions

throughout the southern

U.S.

Long term focus:

Consolidation of numerous

smaller banks and thrifts

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\*Banks and thrifts under \$1 billion in assets headquartered in Georgia, Louisiana and Texas

Source: SNL Financial, LC

Distressed Opportunities

(NPA s / assets over 5.00% at 9/30/2009)\*

Other Potential Opportunities\*

21

9

567

145

170

120



Organic Growth Opportunities  
Organic Growth  
Ability to grow significantly  
in current markets with  
limited additional branching  
Some competitors are

weakened and are  
encouraging customers to  
leave  
Dislocated bankers provide  
attractive hiring  
opportunities  
Opportunity to de novo into  
new markets  
Market area had \$138.0  
billion of deposits at  
6/30/09  
8

Deposits  
Market  
Market  
# of  
in Market  
Share  
Rank  
Institution (State)  
Branches  
(\$MM's)  
%  
1  
JPMorgan Chase & Co. (NY)  
279

44,525  
\$  
32.3%  
2  
Wells Fargo & Co. (CA)  
202

16,910  
12.3%  
3  
Bank of America Corp. (NC)  
102

10,446  
7.6%  
4  
Banco Bilbao Vizcaya Argentaria SA (Spain)  
87

7,466

5.4%

5

Capital One Financial Corp. (VA)

113

7,182

5.2%

6

Zions Bancorp. (UT)

64

7,013

5.1%

7

Sterling Bancshares Inc. (TX)

38

3,324

2.4%

8

Regions Financial Corp. (AL)

58

3,024

2.2%

9

Whitney Holding Corp. (LA)

49

2,628

1.9%

10

Woodforest Financial Group Inc. (TX)

97

2,281

1.7%

11

Prosperity Bancshares Inc. (TX)

39

2,080

1.5%

12  
IBERIABANK Corp. (LA)  
22

2,016

1.5%  
13  
Cullen/Frost Bankers Inc. (TX)  
20

1,681

1.2%  
14  
Comerica Inc. (TX)  
28

1,237

0.9%  
15  
BOK Financial Corp. (OK)  
12

1,066

0.8%  
16  
Hancock Holding Co. (MS)  
21

1,013

0.7%  
17  
Citigroup Inc. (NY)  
15

953

0.7%  
18  
CBFH Inc. (TX)  
18

935

0.7%  
19

Encore Bancshares Inc. (TX)

12

926

0.7%

20

MetroCorp Bancshares Inc. (TX)

8

771

0.6%

21

MidSouth Bancorp Inc. (LA)

35

768

0.6%

22

Teche Holding Co. (LA)

19

610

0.4%

23

Patriot Bancshares Inc. (TX)

5

601

0.4%

24

TCB Holding Co. (TX)

6

511

0.4%

25

Trustmark Corp. (MS)

13

480

0.3%

Grand total

1,871

137,963

\$

\*Deposit information is as of 6/30/09; Ownership information is as of 12/9/09; Source: SNL Financial LC;

Market area includes the following counties / parishes: Brazos, TX; Calcasieu, LA; East Baton Rouge, LA; Harris, TX; Iberia, LA; Lafourche, LA; Montgomery, TX; Orange, TX; St. Landry, LA; St. Martin, LA; St. Mary, LA; Terrebonne, LA

Strong Capital Levels & Growth Potential

Capital Levels

Conservative philosophy -

avoided over-leveraging

capital

Strong capital ratios

Offering will more than

double MidSouth's growth

capacity\*\*

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\*Assumes \$28.2 million of net proceeds

\*\* Growth in risk weighted assets possible while maintaining a 12% total capital ratio

Strong Capital Ratios

7.33%

10.62%

14.65%

15.87%

10.03%

13.28%

18.72%

19.93%

0%

2%

4%

6%

8%

10%

12%

14%

16%

18%

20%

Tangible common  
equity / tangible assets

Leverage ratio

Tier 1 risk based ratio

Total risk based ratio

9/30/09

As Adjusted\*



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Business Strategy

Disciplined operating philosophy

Focused on profitable operating results

Attractive and stable funding

Predominantly funded with low cost core deposits -

no brokered CDs

Strong capital position

Consistent with conservative approach to balance sheet management

Robust risk management

Dedicated Risk Management Group of experienced audit and legal professionals

Conservative balance sheet management

Low loan-to-deposit ratio and access to significant off-balance sheet liquidity

Care for customers

Superior customer satisfaction, based an average rating of 98% over ten years

Liquidity  
Strong liquidity  
position  
Continued core  
deposit growth  
Opportunity to grow  
loan portfolio  
11  
Conservative Balance Sheet Management

\$442.8

\$499.0

\$569.5

\$609.0

\$588.6

\$624.9

\$716.2

\$733.5

\$766.7

\$772.1

76.2%

79.4%

77.6%

69.7%

70.9%

\$300.0

\$400.0

\$500.0

\$600.0

\$700.0

\$800.0

2005

2006

2007

2008

9/30/09

50.0%

55.0%

60.0%

65.0%

70.0%

75.0%

80.0%

85.0%

Loans (\$ millions)

Deposits (\$ millions)

Loan-to-deposit ratio

Diversified Loan Portfolio  
Loan Mix as of 9/30/09  
Diversified loan portfolio  
Focus on C&I and owner occupied  
commercial real estate  
Loans underwritten primarily on  
cash flows versus collateral  
valuations  
Land & lot development loans are

only 3% of total portfolio

Limited construction exposure, most  
of which is to fund commercial  
projects

70% of CRE is owner-occupied

Over half of consumer real estate

loans are first mortgages

No sub-prime lending

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Consumer

14%

Other

1%

Commercial

real estate

30%

Commercial &

industrial

34%

Other real

estate

21%

Commercial Real Estate (CRE)

13

Other Real Estate

Real Estate Loan Composition

Non-owner

occupied

\$53.2 million

30.0% of CRE

Owner occupied

\$123.6 million  
70.0% of CRE  
1-4 Family Homes  
\$71.0 million  
56.9% of Other RE  
Multi-family  
\$13.4 million  
10.7% of Other RE  
Farmland  
\$3.0 million  
2.4% of Other RE  
Construction  
\$37.4 million  
30.0% of Other RE



Strong Asset Quality  
Asset Quality  
Manageable level of  
non-performing  
assets at 9/30/09  
81% of nonaccrual  
loans at 9/30/09 were  
in the Baton Rouge  
market

Most of non-performing assets are outside core C&I and owner occupied CRE portfolios

Reserves / loans of 1.36% at 9/30/09

14

\$10.4

\$11.0

\$18.1

\$17.5

\$18.0

1.13%

1.17%

1.96%

1.89%

1.90%

\$0.0

\$2.0

\$4.0

\$6.0

\$8.0

\$10.0

\$12.0

\$14.0

\$16.0

\$18.0

\$20.0

3Q08

4Q08

1Q09

2Q09

3Q09

0.00%

0.20%

0.40%

0.60%

0.80%

1.00%

1.20%

1.40%

1.60%

1.80%

2.00%

NPA's

NPA's / assets

Attractive Core Deposit Mix  
Deposit Mix  
Low priced and  
stable core funding  
drives profitability  
and a strong net  
interest margin  
Checking accounts  
make up 46.2% of

total deposits  
Non-time deposits  
make up 81.6% of  
deposits  
No brokered CDs  
No FHLB borrowings  
15  
Time deposits  
18.4%  
Interest  
bearing  
checking  
22.7%  
Non-interest  
bearing  
23.5%  
Money market  
& savings  
35.4%

Net Interest  
Margin  
Strong historical net  
interest margin  
Driven by attractive  
deposit mix  
Active management of  
loan and deposit  
pricing

Balanced interest rate  
sensitivity

Net Interest Margin

16

7.82%

8.67%

8.95%

7.91%

6.97%

2.21%

3.19%

3.35%

2.32%

1.45%

4.96%

4.93%

5.10%

4.90%

4.96%

0.00%

1.00%

2.00%

3.00%

4.00%

5.00%

6.00%

7.00%

8.00%

9.00%

2005

2006

2007

2008

YTD 9/30/09

Yield on loans

Cost of interest bearing deposits

Net interest margin

Operating  
Performance  
History of double digit  
ROE and 100bps +  
ROA  
Profitable in each  
quarter of 2008 and  
2009  
Recent results

impacted by provisions  
and FDIC expenses

Annualized pre-tax pre  
provision income  
similar to 2008 levels

Operating Performance

17

Pre-tax Pre-Provision Income

(\$ millions)

\$10.7

\$11.8

\$12.2

\$10.5

\$10.2

\$0.0

\$2.0

\$4.0

\$6.0

\$8.0

\$10.0

\$12.0

\$14.0

2005

2006

2007

2008

YTD 9/30/09

(annualized)

1.13%

1.08%

1.06%

0.60%

0.37%

14.24%

14.68%

13.83%

7.79%

3.54%

0.00%

0.20%

0.40%

0.60%

0.80%

1.00%

1.20%

1.40%

2005

2006

2007

2008



YTD 9/30/09

0.00%

2.00%

4.00%

6.00%

8.00%

10.00%

12.00%

14.00%

16.00%

Return on average assets

Return on average equity

Focus on Shareholder Value

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Shareholder

focus

Focus on increasing  
long term earnings per  
share and tangible

book value per share

Current dividend of

\$0.07 per quarter /  
\$0.28 per year  
53 quarters of  
consecutive dividend  
payments

Insider ownership of

32.6%

\$6.61

\$7.60

\$8.93

\$9.59

\$10.39

\$1.10

\$1.24

\$1.32

\$0.83

\$0.38

\$0.00

\$2.00

\$4.00

\$6.00

\$8.00

\$10.00

\$12.00

2005

2006

2007

2008

YTD 9/30/09

\$0.00

\$0.20

\$0.40

\$0.60

\$0.80

\$1.00

\$1.20

\$1.40

\$1.60

Tangible book value per share

Earnings per share

Investment Considerations

Positioned to be a successful consolidator

Healthy markets with significant growth opportunities

Conservative operating philosophy

Continued growth in core deposit base

Diversified loan portfolio with limited construction exposure

C&I and owner-occupied commercial real estate lending focus

Experienced management team

Strong pro forma capital position



20  
Non-GAAP Reconciliation  
As of and for  
the nine months  
As of and for the year ended December 31,  
ended  
As  
2005  
2006

2007

2008

9/30/09

Adjusted

Book value per common share

8.18

\$

9.12

\$

10.41

\$

11.04

\$

11.83

\$

Effect of intangible assets per share

1.57

1.52

1.48

1.45

1.44

Tangible book value per common share

6.61

\$

7.60

\$

8.93

\$

9.59

\$

10.39

\$

Equity to total assets at period end

7.61

%

7.42

%

8.02

%

7.80

%

10.28

%

12.87

%

Effect of intangible assets

1.38

1.16

1.07

0.96

0.91

0.85

Tangible equity to tangible assets at period end

6.23

%

6.26

%

6.95

%

6.84

%

9.37

%

12.02

%

Effect of preferred equity

-

-

-

-

2.04

1.99

Tangible common equity to tangible assets at period end

6.23

%

6.26



%  
6.95

%  
6.84

%  
7.33

%  
10.03

%  
(in \$ millions)  
Earnings before income taxes

9.7

\$  
10.9

\$  
11.1

\$  
6.0

\$  
3.5

\$  
Provision for loan losses

1.0

0.9

1.2

4.6

4.1

Pre-tax pre-provision income

10.7  
\$

11.8  
\$

12.2  
\$

10.5  
\$

7.6  
\$

Annualized

10.2

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Common Stock Offering Investor Presentation  
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& Chief Executive Officer  
James R. McLemore, Jr.  
Senior Executive Vice President & Chief Financial Officer

December 2009