

CODE OF ETHICS

OF

MIDSOUTH BANK

MIDSOUTH BANK, has adopted this Code of Ethics in response to changes in the laws, rules, and regulations related to or governing its activities as a prospective public company (which the Bank expects to be within the next twenty-four months) within the meaning of federal securities laws. In addition, like most public companies, MIDSOUTH BANK has found it appropriate to adopt a code of ethics and standards of conduct to provide guidance to employees and to state objectively the Bank's high ethical standards of conduct. This Code of Ethics applies to the chief executive officer, to the chief operating officer, to the chief financial officer, to all employees discharging these functions, and to all other employees. The Bank continues to expect that all employees and representatives of the Bank will comply with and demonstrate the highest characteristics of integrity, professionalism, and commitment to service. To do less is to miss the mark of excellence that the Bank wants to foster among its employees and to deliver to its Customers and Communities.

STANDARDS OF SERVICE

By your signature below, you agree that:

- * You will engage in honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.
- * You will make diligent efforts to make full, fair, accurate, timely, and understandable disclosure in reports and documents that the Bank files with, or submits to, its regulators, internal and external auditors, and the public, as well as in other public or private communications made by the Bank.

- * You will avoid conflicts of interest and, to the best of your ability, advise your supervisor of any likely conflicts of interest that you reasonably should expect to experience. The CEO's supervisor shall be the Board of Directors.
- * You will comply with applicable governmental laws, rules and regulations.
- * You will make diligent efforts to protect the confidentiality of non-public information about MIDSOUTH BANK and its business, and the Bank's Customers and their private and other business. You agree that our guiding principle is this: WHAT I LEARN HERE, STAYS HERE.
- * You will make diligent efforts to prevent others from secretly, unlawfully, or by deception obtaining non-public information in the Bank's possession.
- * You will use your position with the Bank solely to advance the interests of the Bank and, in so doing, to further the Bank's commitment and service to its Customers and Communities.
- * You will make diligent efforts to treat others as you would expect and want to be treated.
- * You will recognize that this Code of Ethics is intended to encourage good conduct as well as to deter wrongdoing.

STANDARDS OF ACCOUNTABILITY

By your signature below, you acknowledge and agree that:

You are prohibited from taking any action, or omitting to take any action, to fraudulently influence, coerce, manipulate, or mislead anyone related to the Bank's business, including the auditors and examiners of the Bank.

You are prohibited from taking or permitting any conduct (act or omission) that would render or could be expected to render the financial records and/or the financial statements of MIDSOUTH BANK misleading.

You are prohibited from trading upon or disclosing material non-public information.

You are accountable for fulfilling your obligations under this Code of Ethics everyday. Failure to comply with this Code of Ethics and to fulfill your obligations can be expected to lead to disciplinary action up to and including termination and, in some cases, legal action.

You are required to raise any question that you may have about this Code of Ethics from time to time with your immediate supervisor.

You are required to promptly report violations of this Code of Ethics, or conduct that you believe in good faith to be a violation or potential violation of this Code of Ethics, to your immediate supervisor or, if that is the person (or one of the persons) whom you believe to be in violation, you may always report to the CEO, to any Executive Vice President, and to the CFO. You may also report the same to any member of the Bank's Board of Directors if you believe that a report to the CEO, President, or CFO would be insufficient. You also have the right to report any such violation or suspected violation anonymously in accordance with the Bank's "Whistle Blower" Policy.

You acknowledge and agree that no provision of this Code of Ethics may be waived or amended except (1) in writing (2) by the CEO, by any Executive Vice President, or by the CFO. Any Executive Vice President shall obtain waivers, if any, in writing from the CEO. The CFO shall obtain waivers, if any, in writing from the CEO. The CEO shall obtain waivers, if any, in writing from the Board of Directors. Any such waiver or amendment will be publicly disclosed as required by applicable law or, if not so required, as determined by the Board of Directors.

INSIDER TRADING

Material information about MIDSOUTH BANK is disclosed to the public in a way so that everyone interested in the Bank or its securities will receive that information at the same time. Early or unauthorized disclosure is a violation of federal securities laws and violates our duty to act fairly to our Communities and Stakeholders.

The use of material non-public information concerning MIDSOUTH BANK (also known as "inside information") in securities transactions ("insider trading"), or the communication of that information to others who use it in securities trading, may violate federal securities laws ("tipping"). Violations of these securities laws are likely to result in harsh consequences for the individuals involved, including:

- * Exposure to investigations by the Securities and Exchange Commission (the "SEC"),

by the Board of Governors of the Federal Reserve System, by the Federal Deposit Insurance Corporation or by the Tennessee Department of Financial Institutions;

- * Criminal and civil prosecution;
- * Relinquishing any profits realized or losses avoided through use of the information;
- * Penalties of up to and more than One Million Dollars or three times the amount of any profits or losses, *whichever is greater*;
- * Prison terms of up to ten years; and/or
- * Possible additional liability in private lawsuits brought by persons with whom the employee engages in securities transactions.

Insider trading violations can also expose Bank and its employees acting in supervisory capacities to civil liabilities and penalties for the actions of employees under their control who engage in insider trading.

MIDSOUTH BANK has adopted this policy statement, in part, to ensure that insider information will not be used by Employees in securities transactions and to ensure that the confidentiality of the information will be maintained. This policy also applies to securities transactions made by individuals who reside in the same household with employees. Strict compliance is expected from all employees and members of their households. Any violation may result in disciplinary action, up to and including termination of employment.

NO EMPLOYEE OR MEMBER OF AN EMPLOYEE'S HOUSEHOLD MAY PURCHASE OR SELL ANY SECURITY, WHETHER OR NOT ISSUED BY MIDSOUTH BANK, IF THAT EMPLOYEE POSSESSES NON-PUBLIC MATERIAL INFORMATION CONCERNING MIDSOUTH BANK, ITS AFFILIATES OR ANY OTHER PUBLIC COMPANY. ANY EMPLOYEE WITH KNOWLEDGE OF MATERIAL INFORMATION REGARDING MIDSOUTH BANK, ITS AFFILIATES OR ANOTHER BANK OR COMPANY THAT TRANSACTS BUSINESS WITH MIDSOUTH BANK (SUCH AS A MERGER, ACQUISITION CANDIDATE OR VENDOR, ETC.) SHALL NOT COMMUNICATE SUCH INFORMATION TO ANY OTHER PERSON UNLESS THAT PERSON REQUIRES THE INFORMATION IN ORDER TO PERFORM HIS OR HER PROFESSIONAL DUTIES. EMPLOYEES SHOULD CONSULT WITH THE CEO OR THE CFO IF THEY HAVE ANY QUESTIONS PERTAINING TO THESE RESTRICTIONS.

“Material Information” means information relating to MIDSOUTH BANK (or any other company with publicly-traded securities), or its affiliates, its business operations or securities, which would be likely to affect the market price of any of its securities, or would be likely to be considered important by an investor in determining whether to buy, sell, or hold those securities if the information were to be publicly disseminated. Some examples of the types of information often found to be “material” are:

- * Earnings estimates; Dividends;
- * Major new discoveries or advances in research;
- * Acquisitions, including mergers and tender offers;
- * Sales of substantial assets;
- * Change in debt ratings;
- * Significant write-downs of assets or additions to reserves or bad debts or contingent liabilities;
- * Liquidity problems; Important management developments; Public offerings; Major price or marketing changes;
- * Labor negotiations; or
- * Significant litigation or investigations by internal auditors or government bodies.

Information about a company should be considered non-public if it is not widely disseminated to the general public. Information would generally be deemed “widely disseminated” if it has been disclosed, for example, in the Dow Jones broad tape; news wire services such as Associated Press (AP) or Reuters; radio or television; newspapers or magazines; public documents filed with the SEC, the Federal Reserve Board, or a comparable agency, such as periodic reports, prospectuses or proxies.

Employees, immediate family members and others residing at their place of residence, may not purchase or sell a security until at least 9:00 a.m. local time on the third business day after the material non-public information the Employee possesses has been widely disseminated.

WHISTLE BLOWER POLICY

Complaints

In compliance with the Sarbanes-Oxley Act of 2002, MIDSOUTH BANK, has determined to establish this procedure for the receipt, retention, and treatment of complaints received by the Bank regarding accounting, internal accounting controls, and auditing matters, and for the confidential, anonymous submission by employees of the Bank of concerns regarding questionable accounting or auditing matters.

It is the policy of the Bank that all employees have a responsibility to report any conduct they believe in good faith* to be fraudulent, dishonest, and/or inconsistent with the best interests of the Bank. An employee should report his or her concerns immediately to a supervisor or manager. If for any reason an employee finds it difficult to report his or her concern to a manager or supervisor, or believes that such a report would be ineffective, the employee can report it directly to the CEO, to any Executive Vice President, to the CFO, to the Chair of the Audit Committee, and/or to any member of the Audit Committee. Managers or supervisors are required to report suspected fraudulent, dishonest, or questionable conduct to the CEO, to any Executive Vice President, or to the CFO and such officer shall, in turn, forward the report to the Chair of the Audit Committee.

[***Important Note:** Every complaint shall be presumed to have been made in good faith unless facts and circumstances clearly demonstrate that such complaint was not so made.]

In the event that the employee believes in good faith that the Chair of the Audit Committee, President and/or CFO is not responding appropriately by investigating any complaint, then such employee is authorized to contact the Bank's CEO and/or the Chair of the Bank's Executive Committee or any member of the Board of Directors.

The Bank will investigate any possible or alleged fraudulent, dishonest or questionable conduct regarding questionable accounting or auditing matters. Anyone found to have engaged in fraudulent or dishonest conduct is subject to disciplinary action up to and including termination and civil or criminal prosecution when warranted.

The Bank prohibits retaliation or discrimination against anyone who, in good faith, makes a complaint or who is involved in the investigation of such a complaint. All complaints will be treated seriously and promptly investigated. The Bank shall defend the rights of any employee who, in good faith, raises a concern or makes a complaint in accordance with the terms of this policy.

Complaints can be submitted to any of the Chair of the Audit Committee, the CEO, any Executive Vice President, the CFO, and /or Chairman of the Executive Committee, by addressing any of them at MIDSOUTH BANK, One East College Street, Murfreesboro, Tennessee 37130. The envelope should be marked "PROFESSIONAL AND CONFIDENTIAL." Such good faith complaints shall not be identified as originating with any person(s) in any report made to the Audit Committee, Board of Directors, or otherwise.

Adopted by the MIDSOUTH BANK, Board of Directors

March ____, 2004

Last revised – Not revised.

<SIGNATURES FOLLOW>