MidSouth merges with Texas bank

Lafayette-based MidSouth Bancorp has made a bold move into Texas. On Friday, MidSouth announced its agreement to merge with Beaumont-based Lamar Bancshares Inc., which has $112 million in assets. Lamar has three branches in Beaumont, along with locations in Vidor, College Station, and Conroe.

“We bought the last community bank in the Southeast Texas market,” confirms MidSouth President and CEO Rusty Cloutier.

Under the $23 million deal, the two holding companies will be merged under the MidSouth Bancorp umbrella, but will continue to operate under their separate bank names. Cloutier, who just stepped down as chairman of the Independent Community Bankers of America, plans to run Lamar Bank as a community bank. The board, management, and staff will remain in place. “We ain’t laying off,” Cloutier says. “We’re expanding.”

Earlier this year, MidSouth launched a major Louisiana expansion, spending $10 million to open new branches and update older facilities. The $455 million-asset bank plans to open six new Louisiana facilities over the next 18 months. Cloutier intends to branch out in Texas as well.

“We have the opportunity to continue to expand in College Station, Conroe, the Woodlands and the North Houston area,” he says. “We think this is a great opportunity for our company to continue on expansion mode. We have built what we consider to be a major Louisiana bank, and now have the opportunity to partner up with some great people and build a major Texas bank.”

Cloutier believes that the merger will be a win-win deal for both banks, as well as the community. “It’s going to mean a lot to Lafayette, La., to have these types of bank holding companies publicly trade,” he maintains.

Both boards of directors have approved the merger, which is expected to close later this year. Ind Publisher Steve May is a member of the MidSouth board.

— Lisa Hanchey