LOUISIANA-DOMICILED BANKS AND THRIFTS FINANCIAL REPORT

For the Quarter Ended
June 30, 2010

STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS

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FINANCIAL CONDITION OF LOUISIANA-DOMICILED BANKS & THRIFTS AS OF JUNE 30, 2010

During the second quarter of 2010, total assets for all Louisiana-domiciled banks and thrifts decreased slightly from $61.05 billion to $61.02 billion, a decrease of $35.51 million or by 0.06 percent. During the second quarter, two of the four major asset categories increased. Total loans and leases increased from $38.92 billion to $39.29 billion or by 0.96 percent. Total securities increased from $12.27 billion to $12.55 billion or by 2.26 percent. Cash decreased from $4.16 billion to $4.08 billion or by 1.94 percent. Federal funds sold decreased from $934 million to $560 million or by 40.02 percent. On the liabilities side, total deposits decreased from $49.73 billion to $49.70 billion or by 0.06 percent, while borrowed money decreased from $4.05 billion to $3.84 billion or by 5.31 percent.

For Louisiana state-chartered banks and thrifts, total assets increased by 0.26 percent during the second quarter of 2009, with increases in total loans, securities, and cash and a decrease in Federal funds sold. On the liabilities side, total deposits increased while borrowed money decreased. For Louisiana-domiciled federally-chartered banks and thrifts, total assets decreased by 0.77 percent during the second quarter of 2010, with decreases in cash, total loans, and Federal funds sold, and an increase in securities. On the liabilities side, total deposits and borrowed money decreased.

The following chart provides selected performance indicators for all 7,830 banks and thrifts in the U. S. for the quarter ended June 30, 2010; and for all 156 Louisiana-domiciled banks and thrifts for the quarters ended June 30, 2010, and March 31, 2010; and for all 158 and 160 Louisiana-domiciled banks and thrifts for calendar years 2009 and 2008, respectively:

	U. S. Banks & Thrifts	**All Louisiana-Domiciled Banks & Thrifts**			
TRENDS	Quarter Ended 06/30/2010	Quarter Ended 06/30/2010	Quarter Ended 03/31/2010	Year Ended 12/31/2009	Year Ended 12/31/2008
Earnings					
Yield on Earning Assets	4.72%	5.33%↑	5.31%	5.57%↓	6.37%
Cost of Funds	0.97%	1.16%↓	1.18%	1.42%↓	2.04%
Net Interest Margin	3.76%	4.17%↑	4.13%	4.15%↓	4.33%
Loan Loss Provisions to Average Assets	1.22%	0.80%↑	0.51%	0.85%↑	0.58%
Operating Expenses to Average Assets	2.95%	3.25%↑	3.16%	3.28%↑	3.25%
Return on Average Assets	0.65%	0.57%↓	0.71%	0.78%↓	0.88%
Asset Quality					
Noncurrent Loans to Total Loans	5.22%	4.63%↓#	4.87%#	4.78%↑#	2.08%
Nonperforming Assets to Total Assets	3.31%	3.55%↓#	3.61%#	3.62%↑#	1.64%
Net Charge-offs to Total Loans	2.64%	0.94%↑	0.64%	1.00%↑	0.53%
Capital and Liquidity					
Tier 1 Leverage Capital Ratio	8.77%	9.57%↑	9.43%	9.74%↑	9.60%
Earning Assets to Total Assets	88.11%	89.58%↑	89.41%	89.16%↓	91.01%
Loans to Deposits	78.15%	77.70%↑	77.02%	79.00%↓	84.49%

For all Louisiana-domiciled banks and thrifts, the **year-to-date** 2010 return on average assets (ROAA) decreased by 7 basis points during the second quarter; however, the ratio increased by 10 basis points from the same time period in 2009. Although decreasing, this ratio, at 0.64 percent, is still above the national average **year-to-date** ROAA of 0.61 percent. Although returns are declining, a majority of Louisiana-domiciled banks and thrifts continue to show satisfactory earnings performance as a result of favorable net interest margins, stable and controlled operating expenses, and a decline in provisions for loan losses (year-to-date 2010 compared to year-to-date 2009). Capital levels remain sound and grew at a slightly faster rate than average assets through earnings retention and sales of additional capital during the second quarter of 2010. Asset quality appears to have stabilized as the dollar volume and ratio of nonperforming assets have declined slightly during the second quarter of 2010 but remain well above the same time period in 2009. Net charge-offs increased during the second quarter; however, the year-to-date 2010 ratio is below the ratio reported in 2009. Louisiana-domiciled banks and thrifts continue to compare very favorably in most categories when compared to all banks and thrifts in the U.S.

A majority of the increase in nonperforming assets and noncurrent loans is primarily attributable to the acquisition of failed institutions in 2009. A significant portion of these acquired assets are subject to loss-sharing agreements with the FDIC. **The ratios denoted with a # were impacted by these acquisitions.** The level of assets covered by loss-sharing agreements with the FDIC also increased with the failure of a bank in Louisiana during the first quarter of 2010. No adjustments for these are noted since the failed bank was acquired by a Louisiana-domiciled institution.

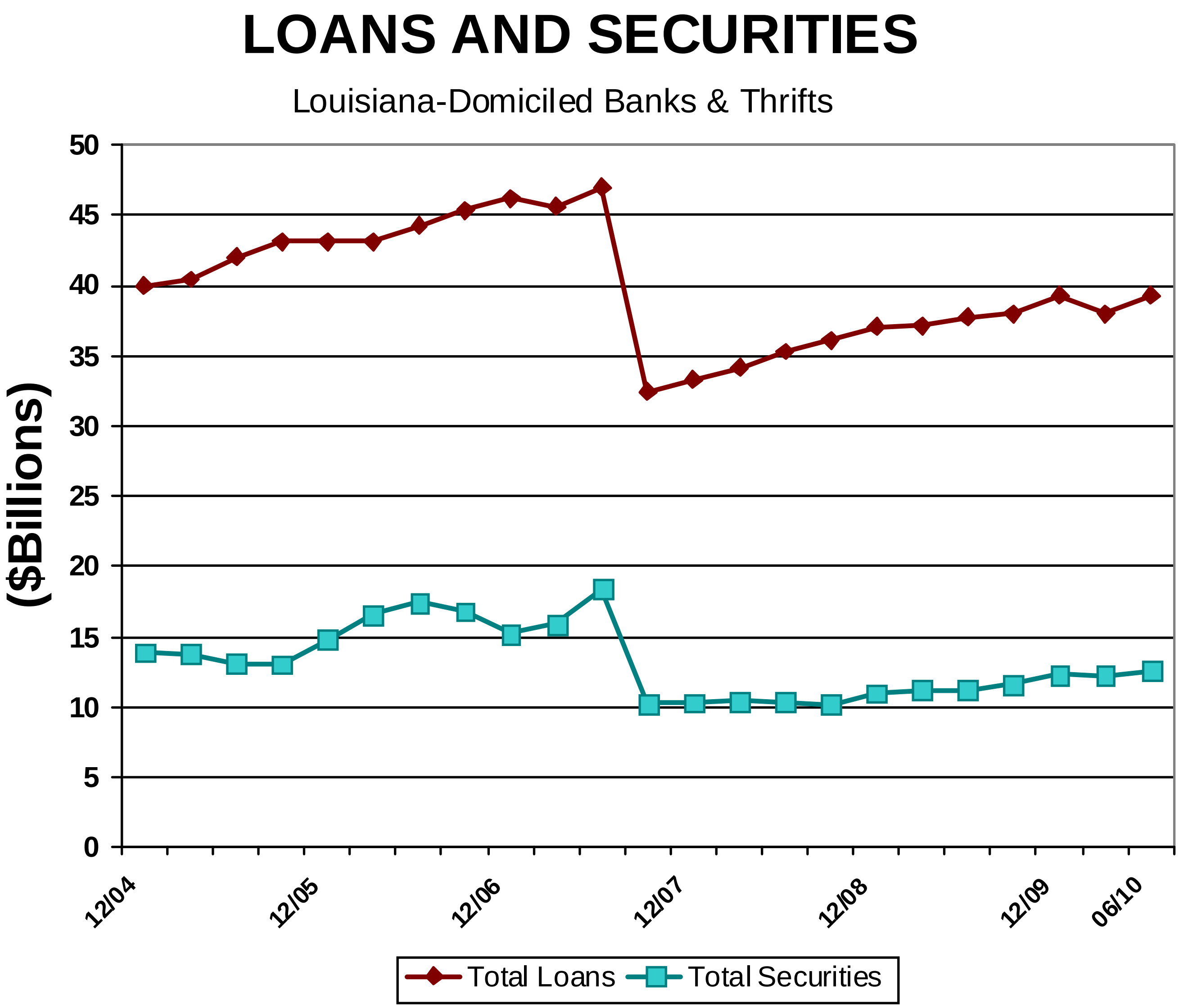

Figure 1

Figure 1 above shows the trend in total loans and leases and securities for each quarter since year-end 2004 with the significant decline in mid-2007 caused by the relocation of a large national bank's headquarters from Louisiana in July 2007. As previously mentioned, total loans and leases increased by 0.96 percent during the second quarter of 2010, from $38.92 billion to $39.29 billion or by approximately $372 million. Total loans and leases have increased in 20 of the past 24 quarters with one of the decreases occurring because of the relocation of the headquarters of a large national bank from Louisiana. **However, it is also noted that total loans and leases would have likely decreased for two additional quarters, the third and fourth quarters of 2009, if not for the acquisition of failed out-of-state institutions during that time period.** During the second quarter, farm loans, commercial loans, real estate loans, consumer loans, and other loans all increased, noted from highest to lowest dollar amount. Farm loans increased from $341 million to $505 million or by approximately $164 million. Commercial loans increased from $6.88 billion to $6.99 billion or by approximately $112 million. Real estate loans increased from $28.15 billion to $28.19 billion or by approximately $40 million. Consumer loans increased from $2.82 billion to $2.86 billion or by approximately $38 million. Other loans increased from $739 million to $757 million or by approximately $18 million.

During the second quarter of 2010, Louisiana state-chartered banks and thrifts experienced growth in total loans and in all loan categories, with the growth following the same order as above with the exception of real estate loans growing faster than commercial loans**.** Louisiana-domiciled federally-chartered banks and thrifts experienced a decline in total loans, because of declines in real estate loans and consumer loans, from highest to lowest, while commercial loans, consumer loans, and farm loans all grew, in that same order. All banks and thrifts in the U.S. experienced loan declines in real estate loans, consumer loans, other loans, and commercial loans, from highest to lowest, with only farm loans increasing.

LOAN PORTFOLIO MIX

Louisiana-Domiciled Banks & Thrifts as of June 30, 2010

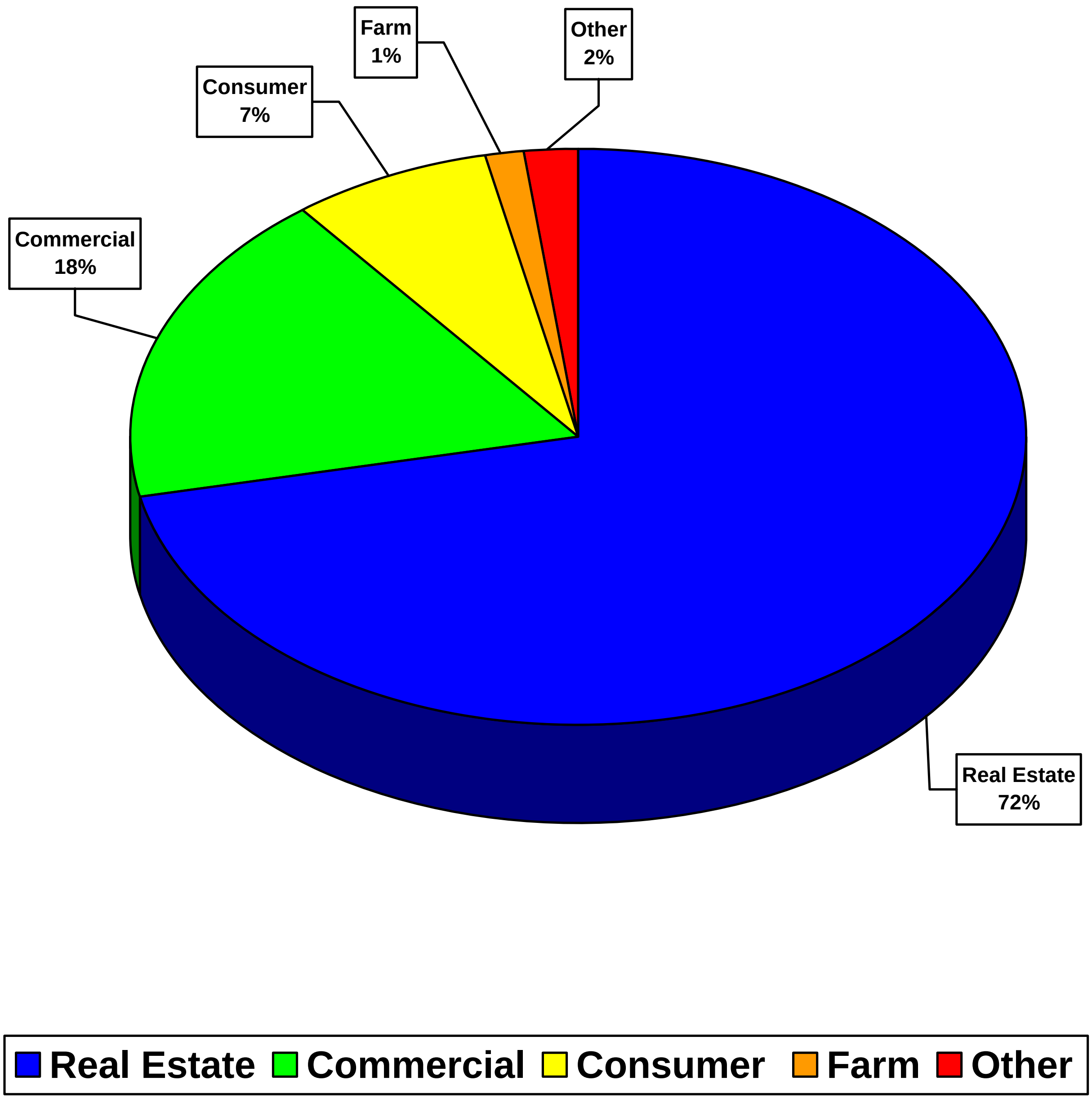

Figure 2

Figure 2 shows the June 30, 2010, loan portfolio mix for all Louisiana-domiciled banks and thrifts. As of June 30, 2010, Louisiana state-chartered banks and thrifts showed a loan portfolio mix as follows: real estate loans - 73 percent; commercial loans - 14 percent; consumer loans - 9 percent; other loans - 2 percent; and farm loans - 2 percent. As of this same date, for Louisiana-domiciled federally-chartered banks and thrifts, the loan portfolio mix is as follows: real estate loans - 69 percent; commercial loans - 25 percent; consumer loans - 4 percent; other loans - 2 percent; and farm loans - 0 percent.

As of June 30, 2010, for all banks and thrifts in the U.S., the loan portfolio mix is as follows: real estate loans - 59 percent; consumer loans - 18 percent; commercial loans - 16 percent; other loans - 6 percent; and farm loans - 1 percent.

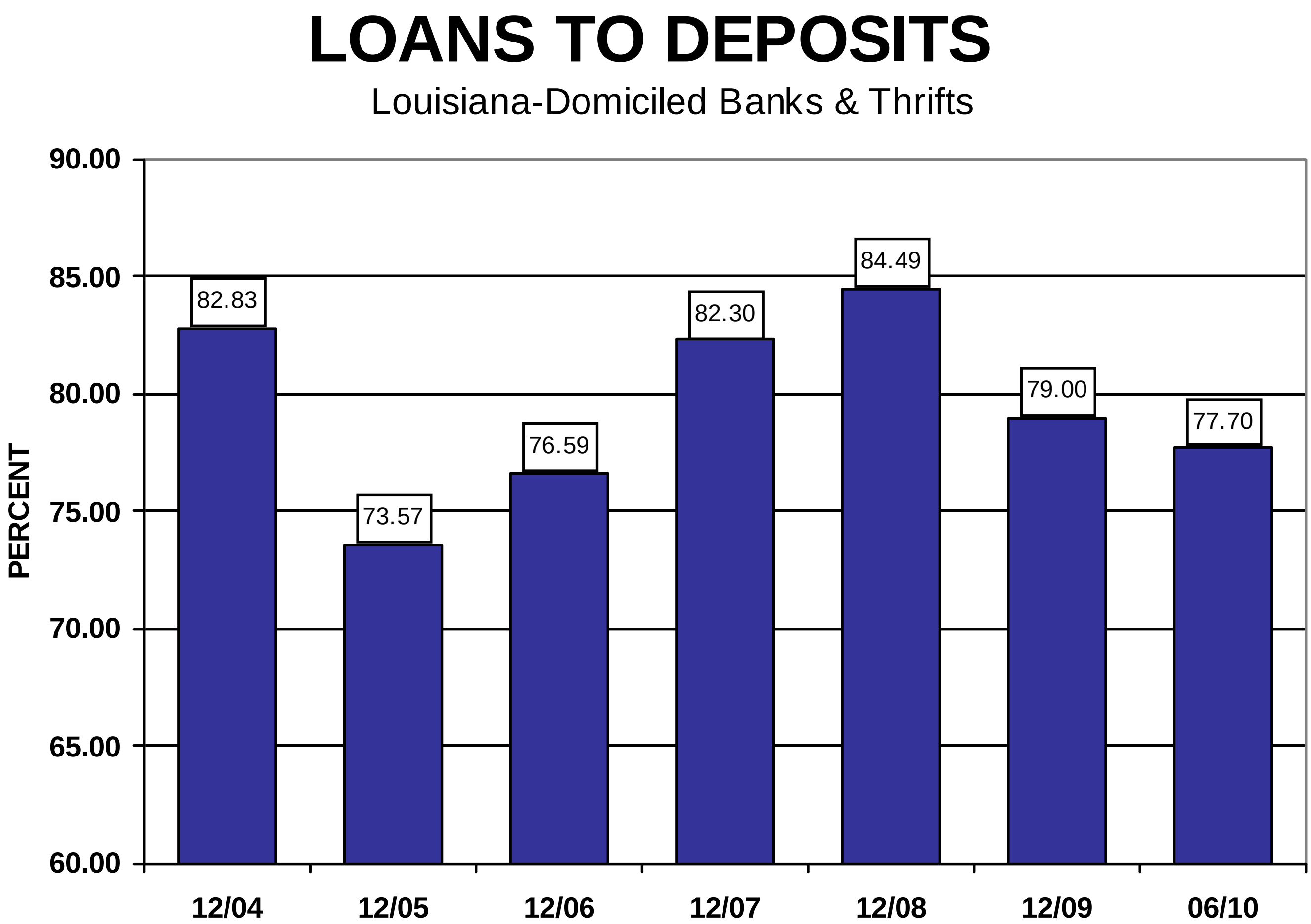

Figure 3

Figure 3 above illustrates the aggregate loan-to-deposit ratio trend for each year-end since 2004 as well as the current quarter-end. The ratio of net loans to deposits increased during the second quarter of 2010, going from 77.02 percent as of March 31, 2010, to 77.70 percent as of June 30, 2010, with growth in net loans and a decline in deposits.

During the second quarter of 2010, for Louisiana state-chartered banks and thrifts, the ratio of net loans to deposits increased from 72.74 percent as of March 31, 2010, to 73.58 percent as of June 30, 2010, as net loans increased at a faster rate than deposits. For Louisiana-domiciled federally-chartered banks and thrifts, the ratio of net loans to deposits increased from 87.28 percent as of March 31, 2010, to 87.66 percent as of June 30, 2010, as net loan decreased at a slower rate than deposits.

For all banks and thrifts in the U.S., the ratio of net loans to deposits decreased from 78.70 percent as of March 31, 2010, to 78.15 percent as of June 30, 2010, as net loans decreased at a faster rate than deposits.

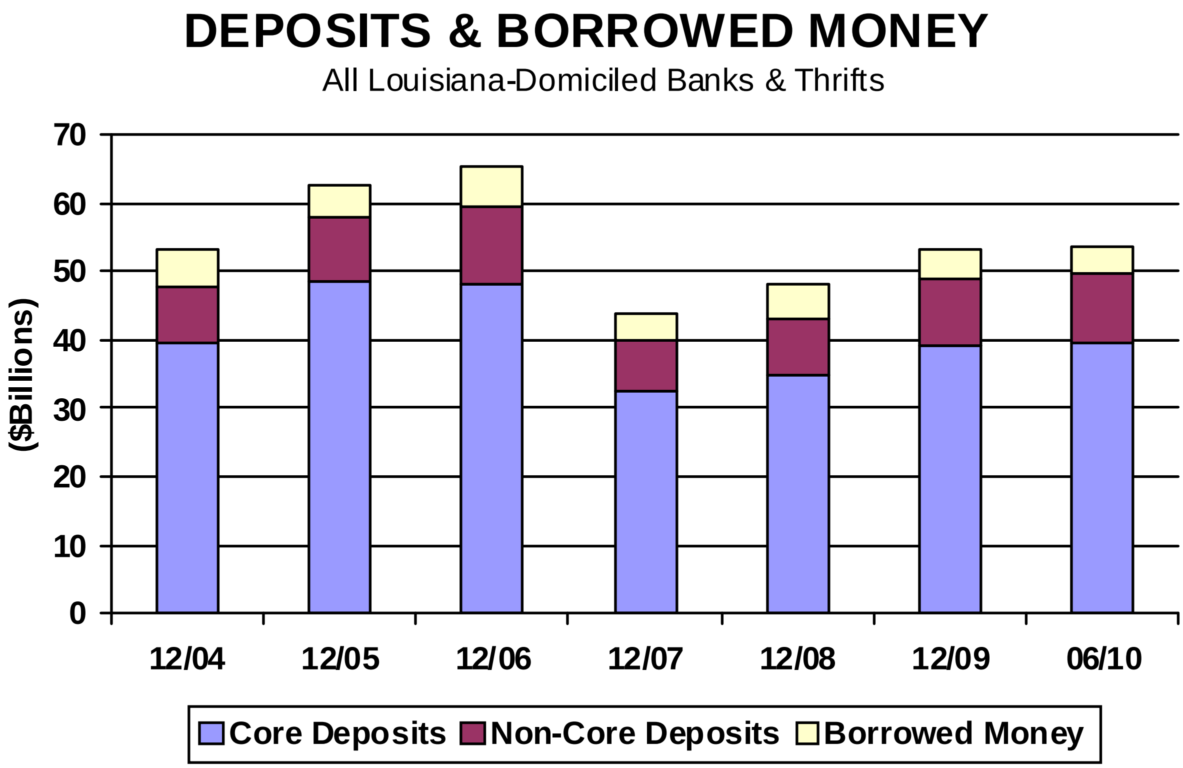

Figure 4

Figure 4 shows the mix of deposits and borrowed money for each year-end since 2004 plus the current quarter-end. The decreases in all three categories at December 31, 2007, shown in the chart above compared to prior years, resulted from a large national bank moving its headquarters out of Louisiana in July 2007. On the liabilities side, total deposits decreased from $49.73 billion as of March 31, 2010, to $49.70 billion as of June 30, 2010, or by 0.06 percent, while borrowed money decreased from $4.05 billion as of March 31, 2010, to $3.84 billion as of June 30, 2010, or by 5.31 percent. Total deposits at Louisiana state-chartered banks and thrifts and Louisiana-domiciled federally-chartered banks and thrifts increased and decreased, respectively, during the second quarter of 2010. Core deposits decreased from $39.90 billion as of March 31, 2010, to $39.77 billion as of March 31, 2010, or by 0.33 percent. Louisiana state-chartered banks and thrifts and Louisiana-domiciled federally-chartered banks and thrifts both experienced a decline in core deposits during the second quarter of 2010.

As noted previously, borrowed money decreased during the second quarter of 2010. As of March 31, 2010, borrowed money totaled $4.05 billion and consisted of Federal funds purchased totaling $1.56 billion, Federal Home Loan Bank (FHLB) advances totaling $2.13 billion, and other borrowings totaling $364 million. As of June 30, 2010, borrowed money totaled $3.84 billion and consisted of Federal funds purchased totaling $1.54 billion, FHLB advances totaling $1.96 billion, and other borrowings totaling $340 million. Total borrowed money for Louisiana state-chartered banks and thrifts decreased by $153 million during the second quarter with decreases in FHLB advances and other borrowings and an increase in Federal funds purchased. Total borrowed money for Louisiana-domiciled federally-chartered banks and thrifts decreased by $62 million during the second quarter with decreases in Federal funds purchased, FHLB advances, and other borrowings.

Non-core deposits increased slightly during the second quarter of 2010. As of March 31, 2010, non-core deposits totaled $9.83 billion and consisted of time deposits of $100,000 or more totaling $9.67 billion and deposits held in foreign offices totaling $159 million. As of June 30, 2010, non-core deposits totaled $9.93 billion and consisted of time deposits of $100,000 or more totaling $9.76 billion and deposits in foreign offices totaling $177 million. During the second quarter, non-core deposits in Louisiana state-chartered banks and thrifts, consisting entirely of time deposits of $100,000 or more, increased by $117 million. During this same time, non-core deposits in Louisiana-domiciled federally-chartered banks and thrifts decreased by $13 million with a $31 million decrease in time deposits of $100,000 or more and a $18 million increase in deposits held in foreign offices.

During the second quarter of 2010, all banks and thrifts in the U.S. experienced a decline in total deposits and borrowed money, with declines in all the categories of deposits and borrowed money discussed above.

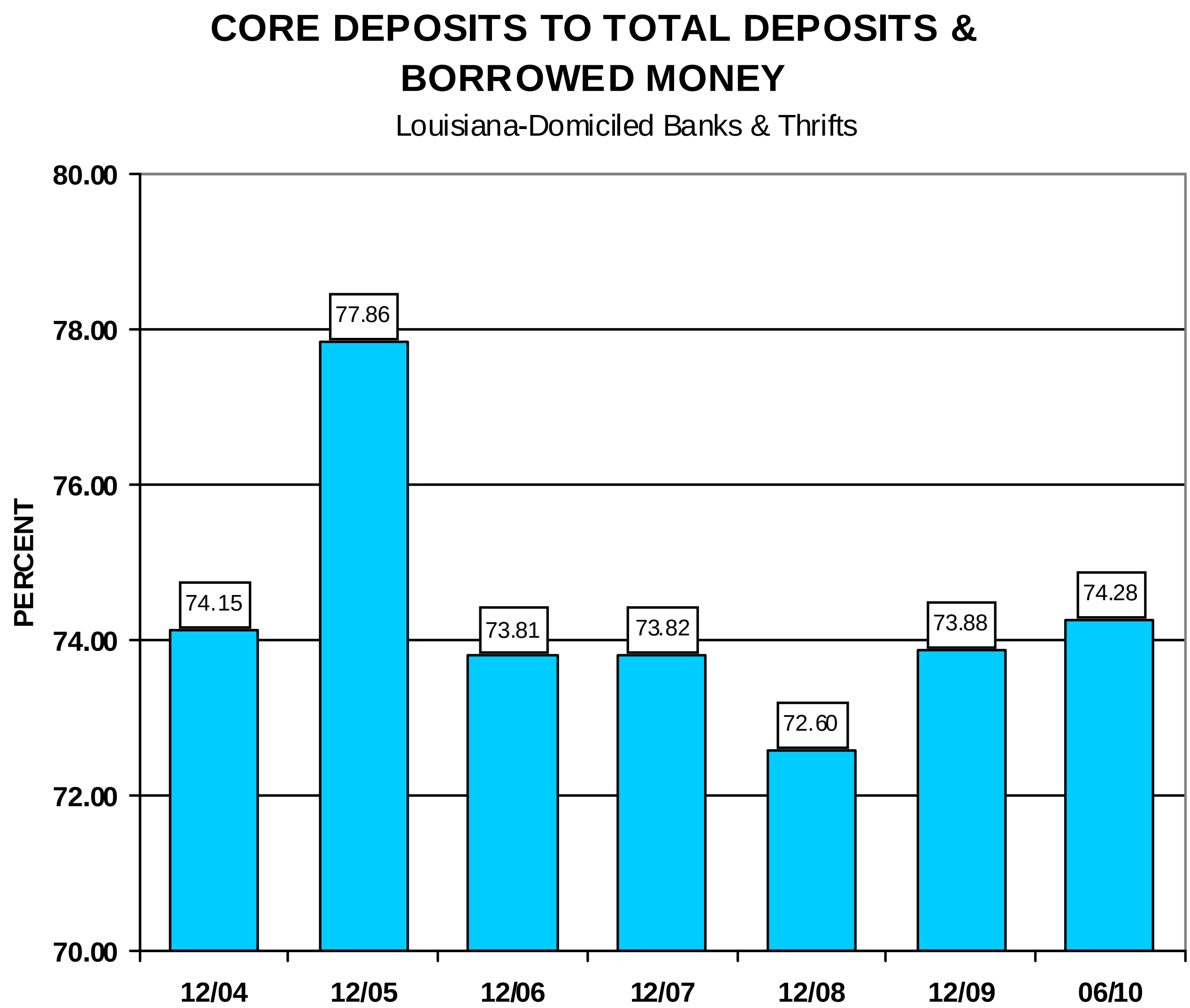

Figure 5

Figure 5 illustrates the trend in the core deposits to total deposits and borrowed money ratio for each year-end since 2004 as well as the current quarter-end. The ratio of core deposits to total deposits and borrowed money increased slightly during the second quarter of 2010, going from 74.19 percent as of March 31, 2010, to 74.28 percent as of June 30, 2010. This ratio has generally fluctuated between approximately 71 and 78 percent in the last 24 quarters.

For Louisiana state-chartered banks and thrifts, the ratio of core deposits to total deposits and borrowed money increased slightly from 73.53 percent as of March 31, 2010, to 73.58 percent as of June 30, 2010. For Louisiana-domiciled federally-chartered banks and thrifts, this ratio increased from 75.68 percent as of March 31, 2010, to 75.89 percent as of June 30, 2010.

For all banks and thrifts in the U.S., the ratio of core deposits to total deposits and borrowed money increased from 60.23 percent as of March 31, 2010, to 61.27 percent as of June 30, 2010.

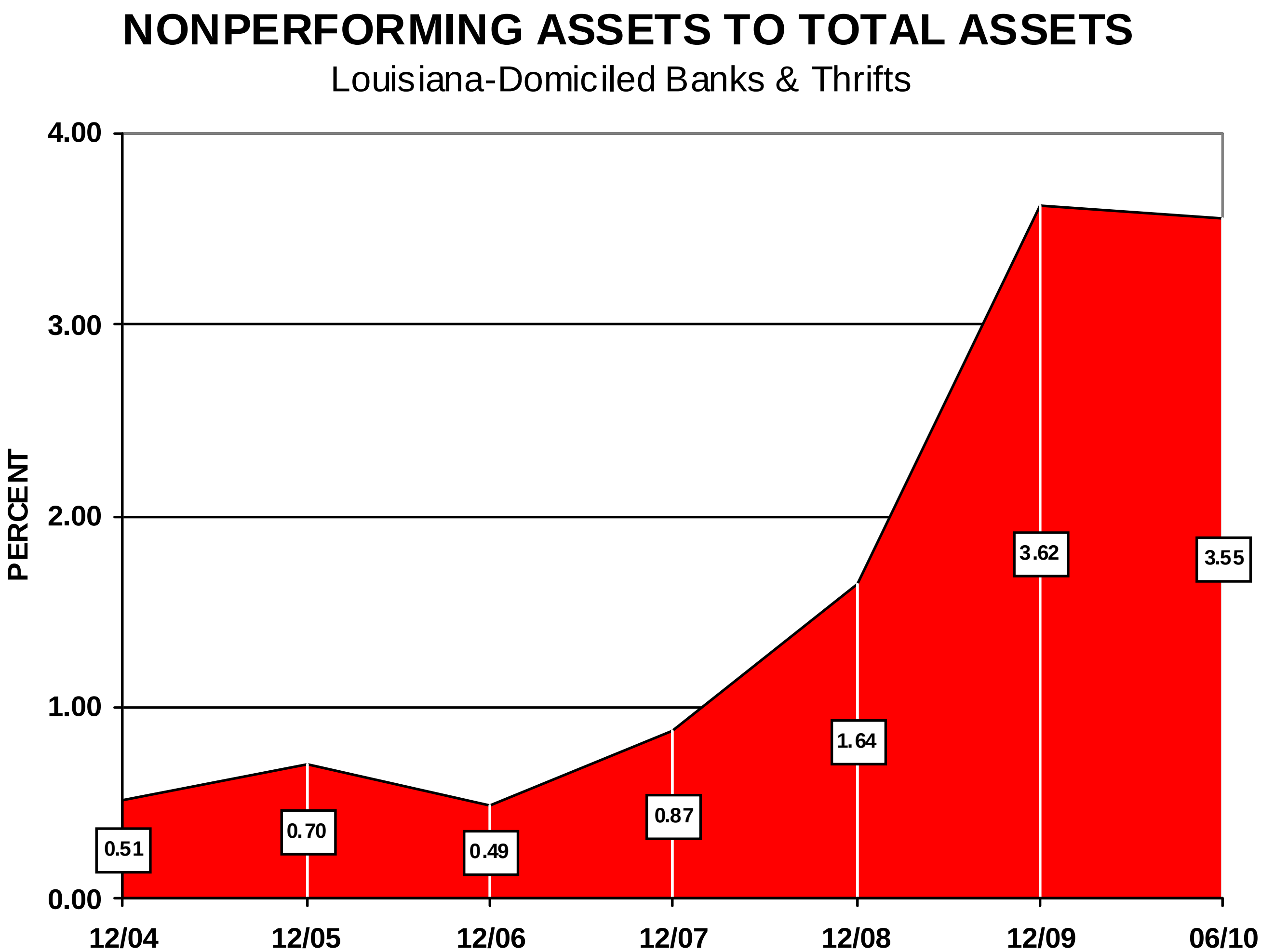

Figure 6

Figure 6 above illustrates that the ratio of nonperforming assets to total assets for each year-end since 2004 as well as the current quarter-end. This ratio has steadily increased between 10 and 30 basis points from the second quarter of 2007 through the third quarter of 2009 with a more significant increase of 139 basis points in the fourth quarter of 2009. However, a substantial portion of the increase in nonperforming assets, beginning in the third quarter of 2009, resulted from the acquisition of out-of-state failed institutions by a Louisiana state-chartered bank in the third and fourth quarters of 2009. Excluding these acquired assets, the ratio of nonperforming assets to total assets would show only a modest increase in the third and fourth quarters of 2009, respectively, and a less severe upturn of only 54 basis points from year-end 2008 to year-end 2009. The level of nonperforming assets, excluding those from the failed out-of-state institutions, would also continue to increase during the first two quarters of 2010 (discussed in more detail below). While the dollar volume of nonperforming assets associated with the acquisition of out-of-state failed institutions was available, the dollar volume of total assets was not available. Therefore, the estimated change in the ratio of nonperforming assets to total assets for March 31, 2010, and June 30, 2010, adjusted for these specific assets, was not available.

The volume of nonperforming assets (noncurrent loans as defined below plus other real estate owned (OREO)) decreased during the second quarter of 2010, going from $2.20 billion as of March 31, 2010, to $2.16 billion as of June 30, 2010, or a decrease of 1.72 percent. Nonperforming assets associated with the failed out-of-state institution acquisitions total $853 million and $723 million as of March 31, 2010, and June 30, 2010, respectively. Excluding these assets, the volume of nonperforming assets would show an increase from $1.37 billion as of March 31, 2010, to $1.41 billion as of June 30, 2010, or by 2.85 percent. The ratio of nonperforming assets to total assets decreased from 3.61 percent at March 31, 2010, to 3.55 percent at June 30, 2010. This ratio, excluding the assets acquired from the out-of-state failed institutions, would likely have increased from March 31, 2010, to June 30, 2010; however, because total assets specifically associated with these acquisitions were not available going forward, the estimated change in the ratio was not available.

Aggregate noncurrent loans (loans past due 90 days or more and accruing interest plus nonaccrual loans) decreased from $1.90 billion as of March 31, 2010, to $1.82 million as of June 30, 2010, or by 4.07 percent. However, excluding the loans acquired from the out-of-state failed institutions, aggregate noncurrent loans increased from $1.08 billion as of March 31, 2010, to $1.13 billion as of June 30, 2010, or by 4.45 percent. The ratio of noncurrent loans to gross loans decreased from 4.87 percent as of March 31, 2010, to 4.63 percent as of June 30, 2010. Although the dollar volume of noncurrent loans acquired from the out-of-state failed institutions was available, the dollar volume of gross loans was not available. Therefore, an adjusted ratio of noncurrent loans to gross loans for March 31, 2010, and June 30, 2010, was not available. OREO increased from $304 million as of March 31, 2010, to $343 million as of June 30, 2010, or by 12.93 percent. Excluding the OREO that was acquired from the out-of-state failed institutions, OREO declined from $295 million as of March 31, 2010, to $285 million as of June 30, 2010, or by 3.36 percent.

Figure 7 below illustrates the level of noncurrent loans and OREO for all Louisiana-domiciled banks for each year-end since 2004 as well as the current quarter-end. A**djusted noncurrent loans and adjusted OREO in Figure 7 below are net of the assets acquired from the failed out-of-state institutions acquired in 2009.** In the second quarter of 20101, for Louisiana state-chartered banks and thrifts, noncurrent loans decreased from $1.34 billion to $1.25 billion, and OREO increased from $208 million to $218 million, respectively. Excluding these assets acquired from the out-of-state failed institutions, noncurrent loans and OREO would increase from $520 million to $558 million, and from $173 million to $187 million, respectively.

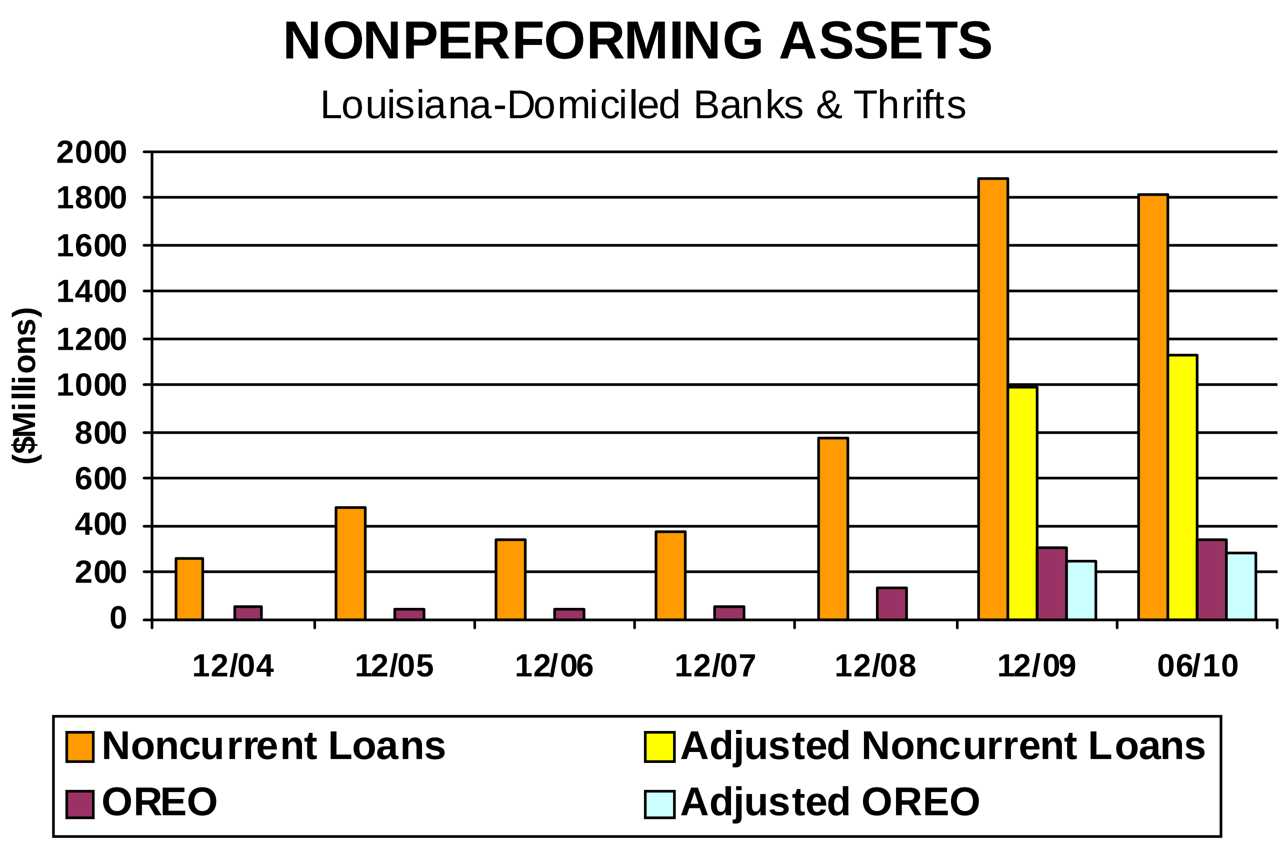

Figure 7

From March 31, 2010, to June 30, 2010, the ratios of nonperforming assets to total assets and noncurrent loans to gross loans for Louisiana state-chartered banks and thrifts decreased from 3.69 percent to 3.49 percent and from 5.18 percent to 4.76 percent, respectively. As noted previously, assets and gross loans acquired from the out-of-state failed institutions were unavailable. Although the ratios of nonperforming assets to total assets and noncurrent loans to gross loans were not available because of this, it is highly likely that both ratios would increase since the adjusted dollar volumes for nonperforming assets and noncurrent loans have steadily increased.

In this same quarter, noncurrent loans and OREO increased from $557 million to $569 million and from $96 million to $126 million, respectively, in Louisiana-domiciled federally-chartered banks and thrifts. From March 31, 2010, to June 30, 2010, the ratios of nonperforming assets to total assets and noncurrent loans to gross loans for Louisiana-domiciled federally-chartered banks and thrifts increased from 3.43 percent to 3.68 percent and from 4.27 percent to 4.36 percent, respectively. The acquisition of assets from the one failed bank in Louisiana, which occurred during the first quarter of 2010, by a Louisiana-domiciled, federally-chartered thrift likely contributed to some of increase in the dollar volume of noncurrent loans and OREO at both March 31, 2010, and June 30, 2010.

For all commercial banks and thrifts in the U.S., nonperforming assets decreased from March 31, 2010, to June 30, 2010, as noncurrent loans decreased, and OREO increased. As a result, the ratio of nonperforming assets to total assets decreased from 3.41 percent to 3.31 percent, and the ratio of noncurrent loans to total loans decreased from 5.40 percent to 5.22 percent.

Beginning with the March 31, 2010, Call and Thrift Financial Reports, banks and thrifts began reporting the carrying amount of assets covered by FDIC loss-share agreements. Both reports contain information for the following category of assets: covered loans, other real estate owned, debt securities, and other assets. As of March 31, 2010, Louisiana-domiciled banks and thrifts reported the amount of loans and OREO covered by FDIC loss-share agreements at $1.67 billion and $36 million, respectively, or a total of $1.71 billion. The total carrying amount of these assets represented 4.35 percent and 2.79 percent of total loans plus OREO and total assets, respectively, reported as of this date. As of June 30, 2010, Louisiana-domiciled banks and thrifts reported the amount of loans and OREO covered by FDIC loss-share agreements at $1.62 billion and $32 million, respectively, or a total of $1.66 billion. The total carrying amount of these assets represented 4.18 percent and 2.71 percent of total loans plus OREO and total assets, respectively, reported as of this date.

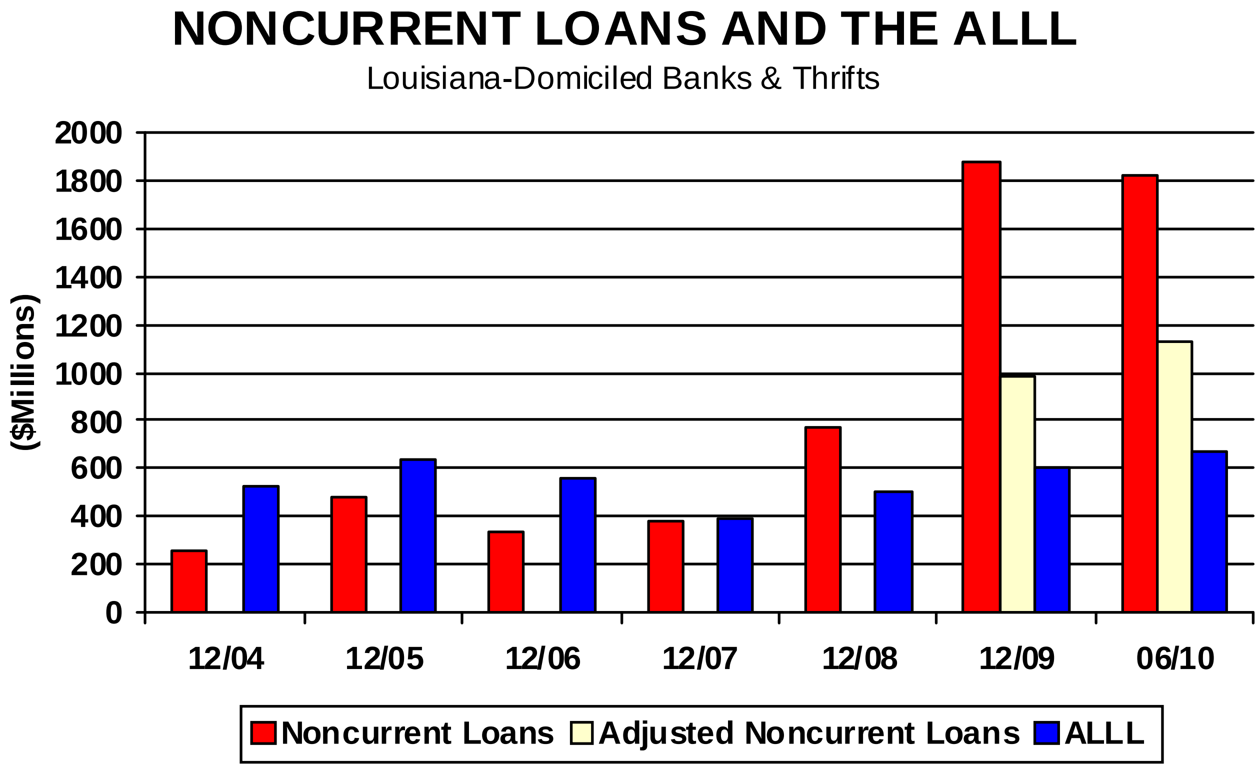

Figure 8

Figure 8 above illustrates the level of the ALLL for Louisiana-domiciled banks as compared to the level of noncurrent loans (those loans 90 days or more past due and still accruing interest or on nonaccrual status) for each year-end since 2004 as well as the current quarter-end. **Adjusted noncurrent loans are net of those loans acquired from the out-of-state failed institutions.** Banks and thrifts should continually review the level of the ALLL to noncurrent loans to ensure that these more severely delinquent loans do not cause the ALLL to fall below the level needed to cover risks in the remaining portfolio. For each quarter-end from year-end 2004 through year-end 2007, the level maintained in the ALLL exceeded the level of noncurrent loans; however, in the ten quarters since, the level of noncurrent loans exceeded the level of the ALLL.

For Louisiana state-chartered banks and thrifts, the level maintained in the ALLL has exceeded the level of noncurrent loans for each quarter from year-end 2004 through the first quarter of 2008, while the level of noncurrent loans exceeded the level of noncurrent loans for the nine quarters since then. For Louisiana-domiciled federally-chartered banks and thrifts, the level maintained in the ALLL has exceeded the level of noncurrent loans for each quarter from year-end 2004 through the third quarter of 2007, while the level of noncurrent loans exceeded the level of noncurrent loans for the last eleven quarters, beginning with the fourth quarter of 2007.

For commercial banks and thrifts throughout the U. S., the level maintained in the ALLL has exceeded the level of noncurrent loans for each quarter from year-end 2004 through the third quarter of 2007, while the level of noncurrent loans exceeded the level of noncurrent loans for the last eleven quarters, beginning with the fourth quarter of 2007.

Net charge-offs recognized in the second quarter of 2010 totaled $92 million, an increase from the $63 million in the first quarter of 2010. The annualized net charge-off ratio for the quarter ending June 30, 2010, increased to 0.94 percent, from 0.64 percent for the quarter ending March 31, 2010. Net charge-offs for year-to-date (YTD) 2010 totaled $155 million, with the YTD ratio of net charge-offs to total loans increasing to 0.79 percent as of June 30, 2010, from 0.64 percent as of March 31, 2010. For the calendar years 2009, 2008 and 2007, net charge-offs totaled $379 million, $189 million and $60 million, respectively, with the net charge-off ratios of 1.00 percent, 0.54 percent and 0.19 percent, respectively.

From March 31, 2010, to June 30, 2010, quarterly net charge-offs increased from $21 million to $34 million for Louisiana state-chartered banks and thrifts. For these banks, the annualized net charge-off ratio, based on quarterly charge-offs, increased from 0.33 percent to 0.53 percent. Through June 30, 2010, the YTD net charge-off ratio increased from 0.33 percent to 0.43 percent, with YTD net charge-offs totaling $55 million. In comparison, net charge-offs totaled $166 million, $111 million and $47 million for the calendar years 2009, 2008 and 2007, respectively, with the net charge-off ratios of 0.69 percent, 0.50 percent and 0.24 percent, respectively.

From March 31, 2010, to June 30, 2010, quarterly net charge-offs increased from $41 million to $58 million for Louisiana-domiciled federally-chartered banks and thrifts. These banks and thrifts saw the annualized net charge-off ratio increase from 1.25 percent to 1.77 percent. Through June 30, 2010, the YTD ratio increased slightly from 1.25 percent to 1.51 percent, with YTD net charge-offs totaling $99 million. In comparison, net charge-offs totaled $213 million, $78 million and $13 million for the calendar years 2009, 2008 and 2007, respectively, with the YTD net charge-off ratios at 1.57 percent, 0.61 percent and 0.11 percent, respectively.

For Louisiana-domiciled banks and thrifts, loan loss reserves increased to $674 million as of June 30, 2010, from $619 million as of March 31, 2010, and the ratio of loan loss reserves to total loans increased to 1.72 percent as of June 30, 2010, from 1.59 percent as of March 31, 2010. This ratio, for each year-end since 2004, is as follows: 1.38 percent as of December 31, 2004; 1.49 percent as of December 31, 2005; 1.22 percent as of December 31, 2006; 1.22 percent as of December 31, 2007; 1.36 percent as of December 31, 2008; and 1.55 percent as of December 31, 2009.

For Louisiana-domiciled banks and thrifts, loan loss provisions totaled $78 million during the first quarter of 2010, or 0.51 percent of average assets, as compared to $123 million during the second quarter of 2010, or 0.80 percent of average assets. Loan loss provisions totaled $486 million, $297 million and $73 million for calendar years 2009, 2008, and 2007, respectively.

For Louisiana state-chartered banks and thrifts, loan loss reserves totaled $387 million as of June 30, 2010, an increase from $339 million as of March 31, 2010. Although loans grew during the second quarter, the ratio of loan loss reserves to total loans increased to 1.48 percent as of June 30, 2010, from 1.31 percent as of March 31, 2010. Loan loss provisions in the second quarter totaled $58 million, an increase from $35 million in the first quarter. For the calendar years 2009, 2008, and 2007, loan loss provisions totaled $204 million, $143 million, and $49 million, respectively.

For Louisiana-domiciled federally-chartered banks and thrifts, loan loss reserves totaled $287 million as of June 30, 2010, an increase from $280 million as of March 31, 2010. The ratio of loan loss reserves to total loans increased to 2.20 percent as of June 30, 2010, from 2.14 percent as of March 31, 2010. Loan loss provisions for the second quarter totaled $65 million, an increase from $43 million for the first quarter of 2010. For the calendar years 2009, 2008, and 2007, loan loss provisions totaled $283 million, $154 million, and $24 million, respectively.

For all banks and thrifts in the U.S., net charge-offs recognized in the second quarter of 2010 totaled $48.96 billion, a decrease from the $52.50 billion in the first quarter of 2010. As a result, the annualized net charge-off ratio for the quartered ending June 30, 2010, declined to 2.64 percent, from 2.84 percent for the quarter ending March 31, 2010. Net charge-offs for YTD 2010 totaled $101.46 billion, with the YTD net charge-off ratio decreasing to 2.74 percent as of June 30, 2010, from 2.84 percent as of March 31, 2010. For the calendar years 2009, 2008, and 2007, net charge-offs totaled $187.54 billion, $100.36 billion, and $44.11 billion, respectively, with YTD net charge-off ratios of 2.50 percent, 1.29 percent, and 0.59 percent, respectively.

For all banks and thrifts in the U.S., loan loss reserves totaled $251.29 billion as of June 30, 2010, a decrease from $263.07 billion as of March 31, 2010. As a result, the ratio of loan loss reserves to total loans declined to 3.40 percent as of June 30, 2010, from 3.51 percent as of March 31, 2010. Loan loss provisions for the second quarter totaled $40.30 billion, a decrease from $51.46 billion during the first quarter. For the calendar years 2009, 2008, and 2007, loan loss provisions totaled $249.36 billion, $176.21 billion, and $69.28 billion, respectively.

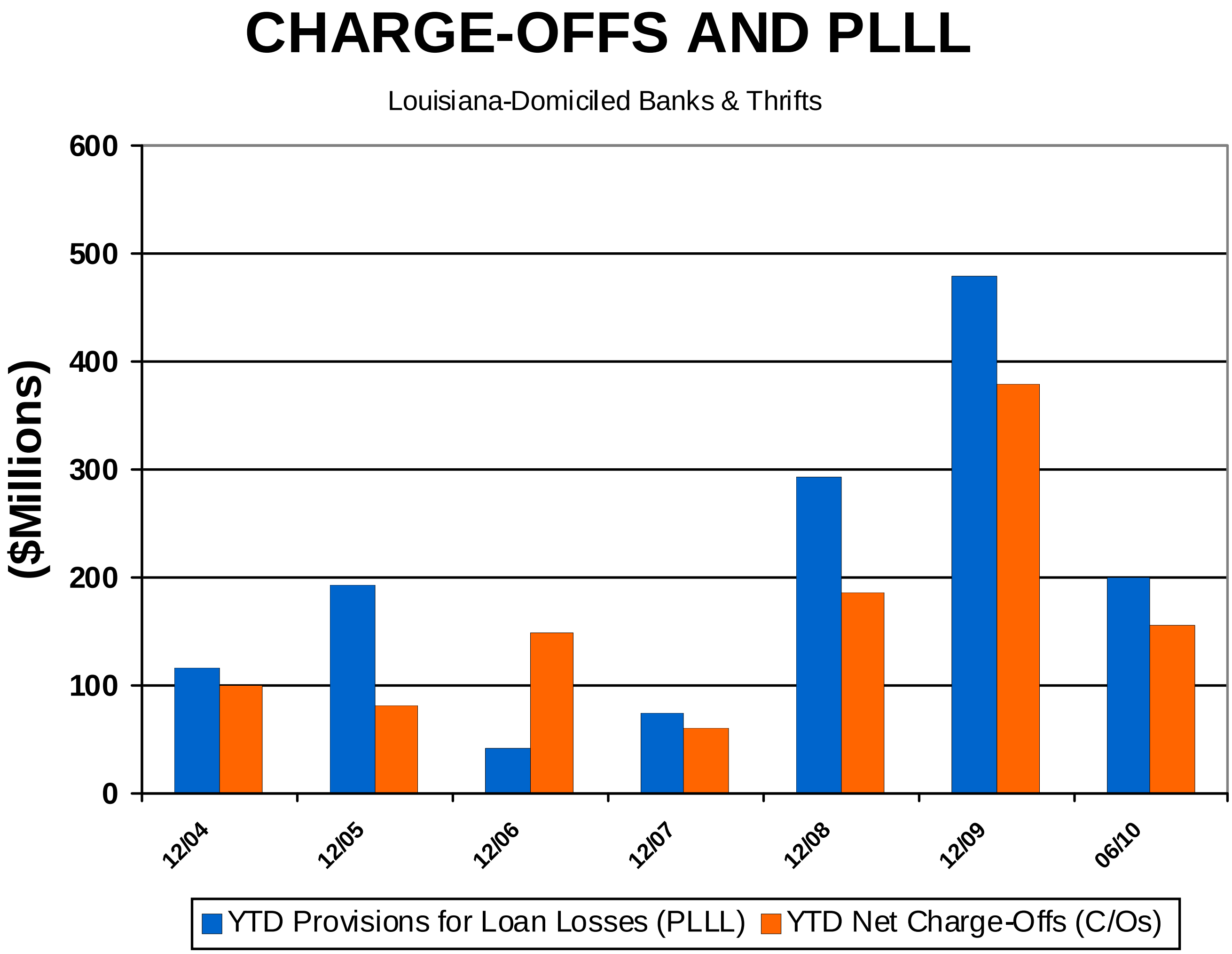

Figure 9

Figure 9 above illustrates the level of year-to-date net charge-offs and provisions for loan and lease losses (PLLL) for all Louisiana-domiciled banks and thrifts for each year-end since 2004 as well as through the current quarter-end. This chart shows that PLLL have exceeded net charge-offs for each year, with the exception of 2006, for Louisiana-domiciled banks and thrifts. However, the excess PLLL in 2005 was more than enough to cover the deficiency in 2006.

From March 31, 2010, to June 30, 2010, banks and thrifts in the U.S. reported an decrease in quarterly net charge-offs from $52.50 billion to $48.96 billion. The quarterly net charge-off ratio decreased from 2.84 percent for the quarter ending March 31, 2010, to 2.64 percent for the quarter ending June 30, 2010. With the decrease in charge-offs in the second quarter, the year-to-date net charge-off ratio decreased to 2.74 percent. These banks and thrifts reported net charge-offs of $186.82 billion, $100.36 billion and $44.11 billion for the calendar years 2009, 2008 and 2007, respectively, with net charge-off ratios for 2009, 2008 and 2007 at 2.49 percent, 1.29 percent and 0.59 percent, respectively.

For all banks and thrifts in the U.S., loan loss reserves decreased from $263.06 billion as of March 31, 2010, to $251.29 billion as of June 30, 2010. As a result, the ratio of loan loss reserves to total loans decreased from 3.51 percent as of March 31, 2010, to 3.40 percent as of June 30, 2010. Loan loss provisions totaled $51.46 billion for the first quarter of 2010, compared to $40.30 billion for the second quarter of 2010. For the calendar years 2009, 2008, and 2007, all banks and thrifts in the U.S. recognized loan loss provisions totaling $249.36 billion, $176.21 billion, and $69.28 billion, respectively.

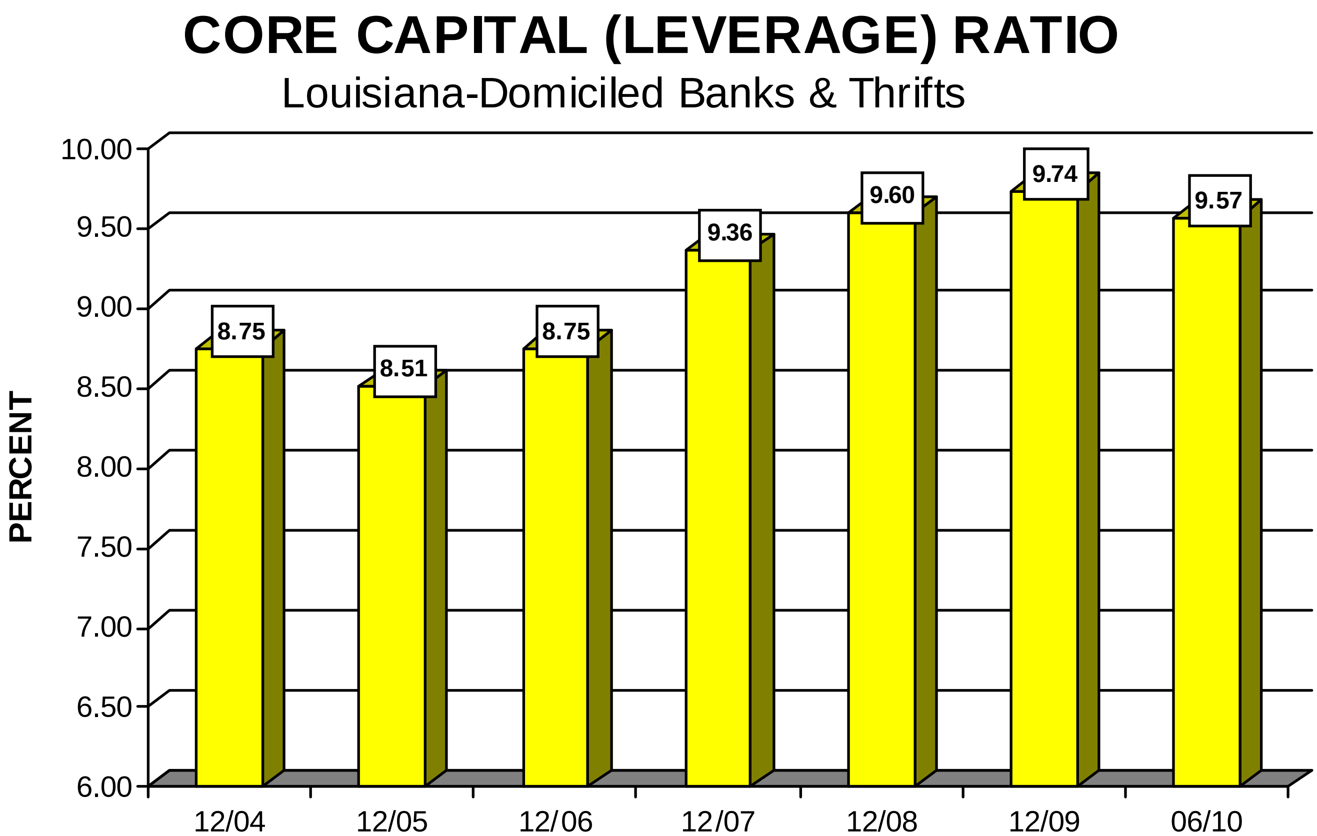

Figure 10

Figure 10 above illustrates the trend in the Tier 1 (core) capital ratio for each year-end since 2004 through the current quarter-end for all Louisiana-domiciled banks and thrifts. As Figure 10 above shows, the Core capital (leverage) ratio at June 30, 2010 was below the ratio reported at year-end 2009. While the dollar amount of Tier 1 (core) increased during the first two quarters of 2010, quarterly average assets grew at a faster rate, causing the decline in the ratios. Tier 1 (core) capital increased from $5.62 billion as of March 31, 2010, to $5.74 billion as of June 30, 2010. As a result of this growth and smaller growth in quarterly average assets, the Core capital (leverage) ratio increased from 9.43 percent at March 31, 2010, to 9.57 percent as of June 30, 2010.

During the second quarter of 2010, Tier 1 (core) capital increased by $137 million in Louisiana state-chartered banks and thrifts. With the capital growth exceeding growth in quarter-end average assets, the Core capital (leverage) ratio increased from 9.31 percent to 9.51 percent. Dividends paid by Louisiana state-chartered banks and thrifts during the second quarter increased by $7 million from the level paid in the first quarter. During the second quarter of 2010, Tier 1 (core) capital decreased by $17 million in Louisiana-domiciled federally-chartered banks and thrifts. With the decrease in quarterly average assets exceeding the decrease in Tier 1 (core) capital, the Core capital (leverage) ratio increased slightly from 9.70 percent to 9.72 percent. Dividends paid by Louisiana-domiciled federally-chartered banks and thrifts during the second quarter increased by $17 million from the level paid in the first quarter.

For all banks and thrifts in the U.S., Tier 1 (core) capital increased during the second quarter of 2010. With the increase in Tier 1 (core) capital exceeding growth in quarterly average assets, the Core capital (leverage) ratio increased from 8.56 percent as of March 31, 2010, to 8.77 percent as of June 30, 2010. Cash dividends paid by these banks and thrifts in the second quarter of 2010 declined by $3.54 billion over the level paid during the first quarter of 2010.

As of June 30, 2010, there are 56 Louisiana state-chartered and 7 Louisiana-domiciled federally-chartered banks and thrifts, or approximately 40 percent, of the 156 Louisiana-domiciled banks and thrifts, as compared to approximately 31 percent of all banks and thrifts in the U.S, that have elected tax treatment as a Subchapter S corporation.

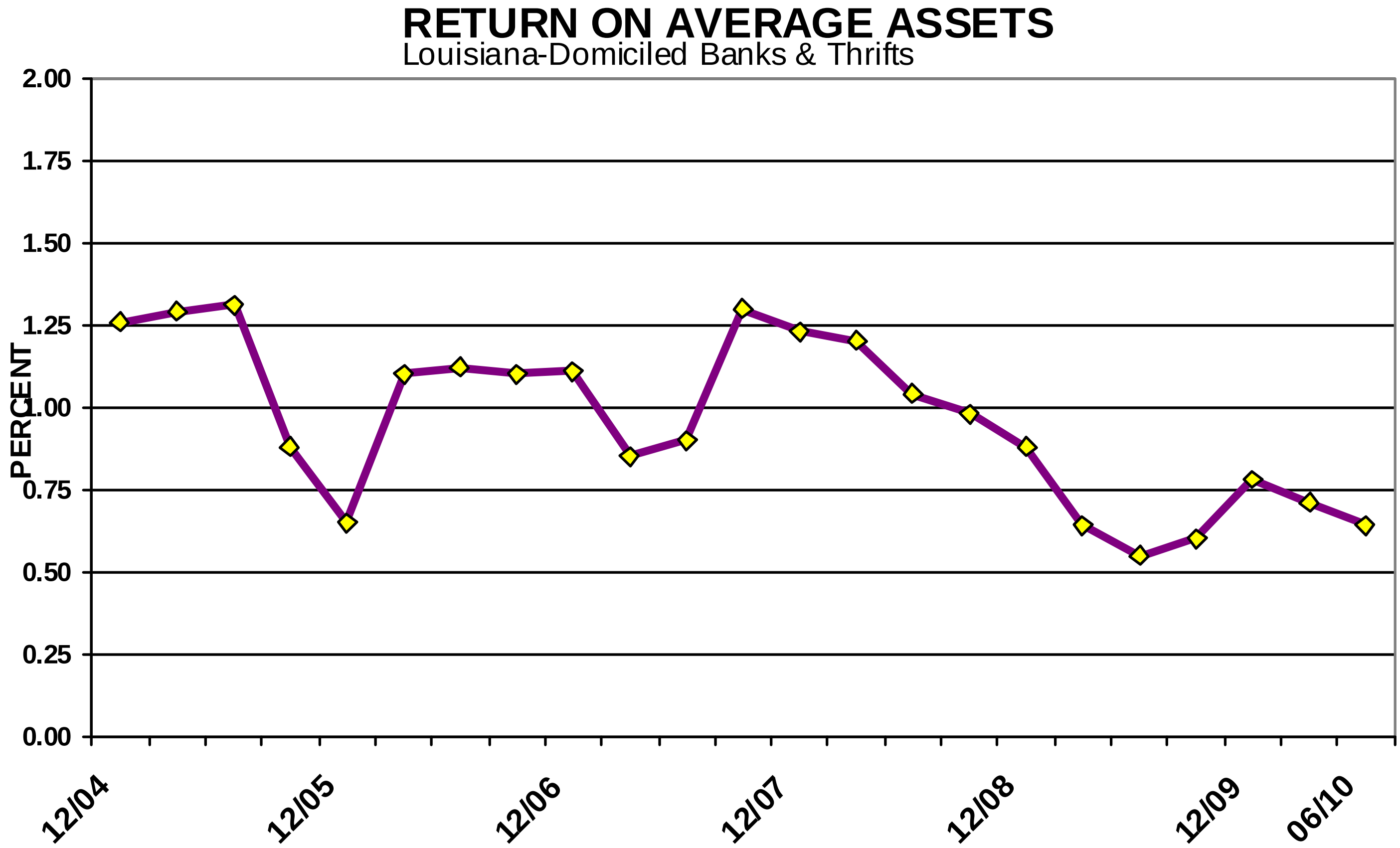

Figure 11

Figure 11 above reflects the annual year-to-date ROAA for all Louisiana banks and thrifts for every quarter since year-end 2004 through the current quarter-end. Earnings for the second quarter of 2010 decreased from the previous quarter. Net income for the second quarter of 2010 totaled $87.68 million, for a return on average assets (ROAA) of 0.57 percent annualized, as compared to net income for the first quarter of 2010, which totaled $107.04 million, or an ROAA of 0.71 percent annualized. Increased loan loss provisions and non-interest expense were the primary factors contributing to the decline in net income for the second quarter of 2010. The YTD ROAA decreased to 0.64 percent as of June 30, 2010, from 0.71 percent as of March 31, 2010. As of June 30, 2010, 10 Louisiana banks and thrifts reported YTD net operating losses, down from the 12 banks and thrifts reporting YTD net operating losses as of March 31, 2010. The primary reason for the operating losses was an increase in provisions for loan losses. As of June 30, 2010, the percentage of unprofitable Louisiana-domiciled bank and thrifts was 6.41 percent while the percentage of unprofitable bank and thrifts in the U.S. was 20.32 percent.

For the second quarter of 2010, all banks and thrifts in the U.S. reported net income of $21.60 billion, for an annualized ROAA of 0.65 percent, as compared to net income of $17.79 billion, for an annualized ROAA of 0.54 percent, for the first quarter of 2010. A decrease in loan loss provisions was the primary factor contributing to the increase in net income for the second quarter. With increased net income in the second quarter, the YTD ROAA increased from 0.54 percent as of March 31, 2010, to 0.61 percent as of June 30, 2010.

Increases in the FDIC’s insurance premiums continued to impact non-interest expenses in the first two quarters of 2010. However, since the dollar amount of this item is no longer publicly available, the full impact on non-interest expenses is not completely known.

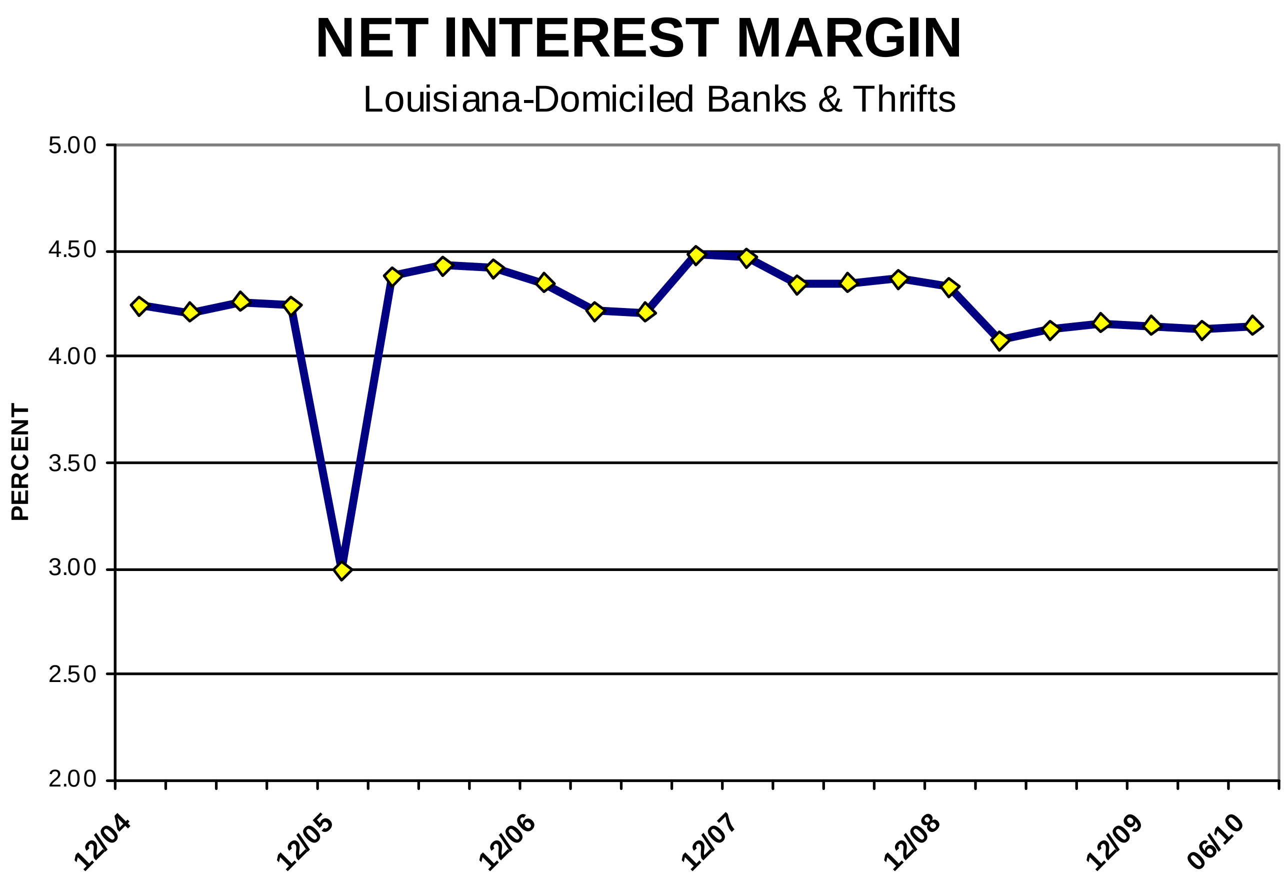

Figure 12

Figure 12 above reflects the annualized YTD net interest margin for all Louisiana banks and thrifts for every quarter since year-end 2004 through the current quarter-end. The net interest margin for all Louisiana-domiciled banks and thrifts increased from 4.13 percent for the first quarter of 2010 to 4.17 percent for the second quarter of 2010. The aggregate yield on earning assets increased from 5.31 percent to 5.33 percent, while the cost of funds decreased from 1.18 percent to 1.16 percent.

During the second quarter of 2010, the net interest margin for Louisiana state-chartered banks and thrifts increased nominally from 4.13 percent to 4.15 percent, while the net interest margin for Louisiana-domiciled federally-chartered banks and thrifts increased from 4.12 percent to 4.21 percent. The yield on earning assets increased nominally from 5.44 percent to 5.45 percent for Louisiana state-chartered banks and thrifts, while it increased from 5.01 percent to 5.07 percent for Louisiana-domiciled federally-chartered banks and thrifts. The cost of funds for Louisiana state-chartered banks and thrifts and for Louisiana-domiciled federally-chartered banks and thrifts both decreased from 1.31 percent to 1.30 percent and from 0.89 percent to 0.85 percent, respectively.

For all banks and thrifts in the U.S., the net interest margin decreased from 3.83 percent to 3.76 percent from the first quarter to the second quarter of 2010. During the same time frame, the yield on earning assets decreased from 4.86 percent to 4.72 percent, while the cost of funds also decreased from 1.03 percent to 0.97 percent.

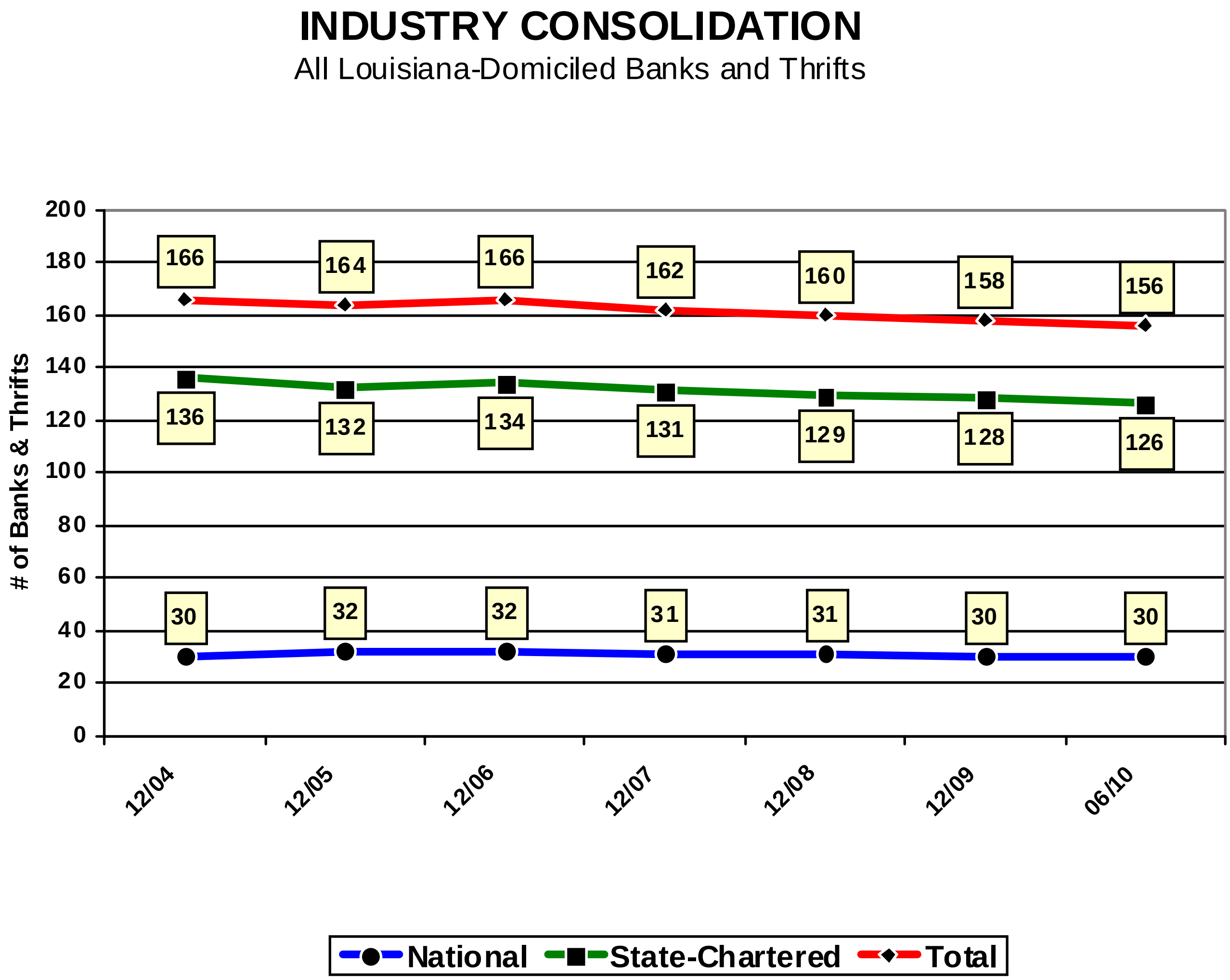

Figure 13

MERGERS AND ACQUISITIONS

Figure 13 above reflects the number of Louisiana-domiciled bank and thrifts for each year-end since 2004 as well as the current quarter-end. During the first quarter of 2010, Louisiana experienced its first bank failure since December 2002, and one state-chartered bank merged into another state-chartered bank. The number of Louisiana-domiciled banks and thrifts remained at the same level during the second quarter of 2010.

As of June 30, 2010, there were 156 banks and thrifts domiciled in Louisiana. This included 126 state-chartered banks and thrifts, which represents 81 percent of the total Louisiana-domiciled banks and thrifts. As Figure 13 above illustrates, since December 31, 2004, the total number of Louisiana-domiciled banks and thrifts has decreased from 166 to 156, or by 6.02 percent.

Note: (Not included in above chart) In July 2010, Louisiana chartered the first de novo bank (not formed to acquire failed banks) in the U.S. for 2010. The bank is located in Lake Charles, Louisiana.

The number of banks and thrifts in the U.S. declined from 7,934 as of March 31, 2010, to 7,830 as of June 30, 2010, or by 104 institutions during the second quarter. During the second quarter of 2010, 45 banks and thrifts failed with the FDIC named as receiver, compared to 50 failures in the third quarter of 2009. During the second quarter of 2009, there were no de novo institutions chartered, compared to the first quarter of 2010 when 3 de novo banks were chartered with these charters specifically formed to acquire failed banks.

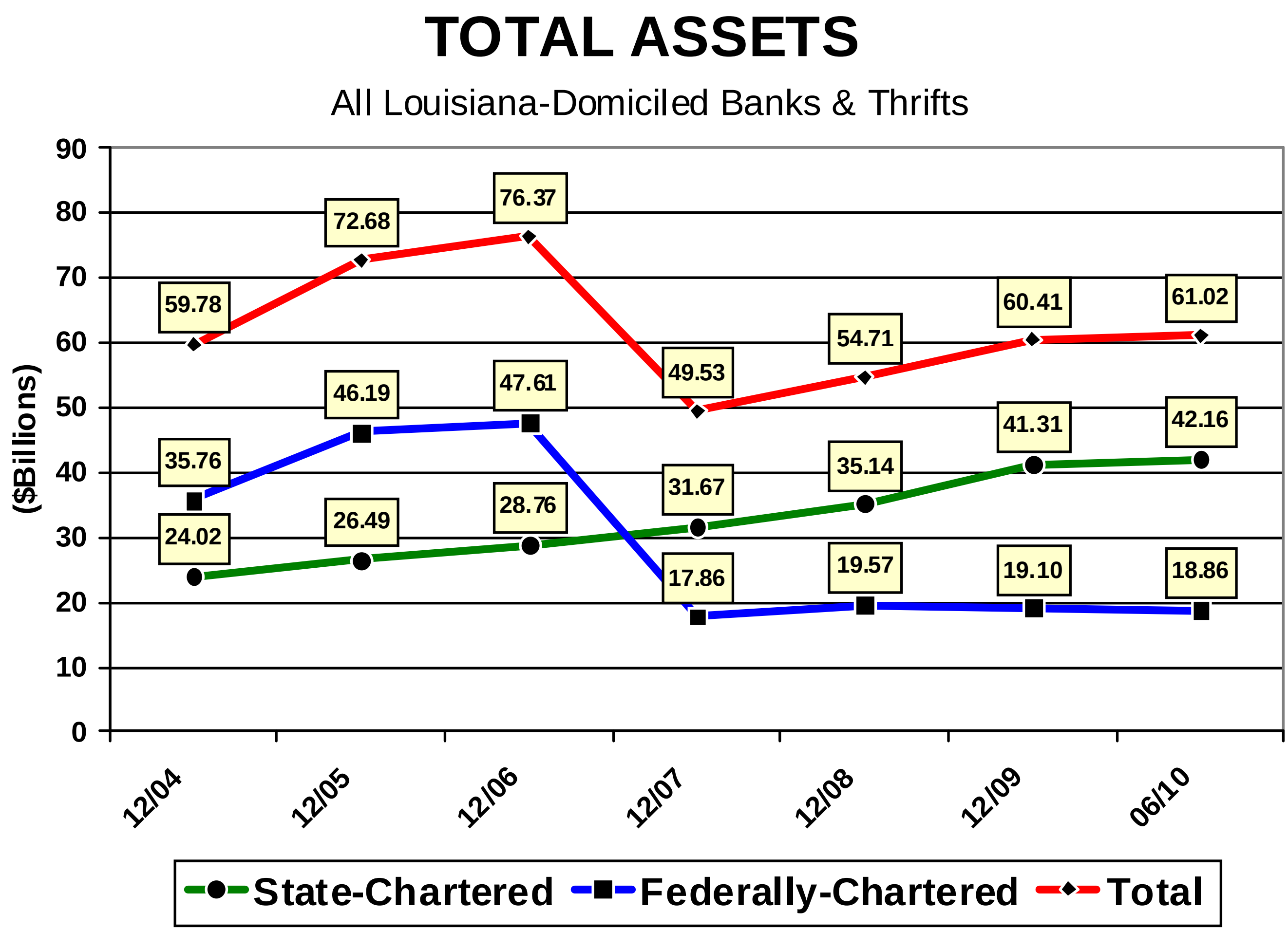

Figure 14

Figure 14 above reflects the trend in total assets for state-chartered banks and thrifts, Louisiana-domiciled federally-chartered banks and thrifts, and all Louisiana-domiciled banks and thrifts for each year-end since 2004 as well as the current quarter-end. Total assets for all Louisiana-domiciled banks and thrifts decreased slightly from $61.05 billion as of March 31, 2010, to $61.02 billion as of June 30, 2010, or by 0.06 percent. **Total assets for all Louisiana-domiciled banks and thrifts grew at a faster rate in the third and fourth quarter of 2009 because of the acquisitions of the out-of-state failed institutions. However, total assets specifically associated with these institutions are not available.** Total assets in Louisiana-domiciled banks and thrifts have grown for 20 of the past 23 quarters, despite some industry consolidation since year-end 2004. The biggest drop occurred when a large national bank moved its headquarters out of Louisiana in July 2007, which caused total assets for all banks and thrifts and federally-chartered banks and thrifts to drop from the second quarter to the third quarter of 2007.

As of June 30, 2010, Louisiana state-chartered banks and thrifts held assets totaling $42.17 billion, or 69.09 percent of the Louisiana banking industry's $61.02 billion in total assets. One out-of-state bank holding company from Mississippi owns a Louisiana-domiciled bank subsidiary, which is a Louisiana state-chartered bank, with total assets of $2.87 billion, or 4.71 percent of the total assets for all Louisiana-domiciled banks and thrifts. Three Louisiana-domiciled bank holding companies, which own Louisiana state-chartered banks, own a federal thrift and a state-chartered bank, both in Arkansas, and a state-chartered bank in Texas, with total assets of $1.67 billion, $32.41 million, and $268.74 million, respectively, as of June 30, 2010. One Louisiana-domiciled bank holding company, which owns a Louisiana-domiciled national bank, also owns national banks in Alabama, Arkansas, and Mississippi, with total assets of $551.22 million as of June 30, 2010.

Total assets for all banks and thrifts in the U.S. decreased from $13.35 trillion as of March 31, 2010, to $13.22 trillion as of June 30, 2010, and the number of banks and thrifts declined as noted previously.

BANK AND THRIFT SUMMARY AS OF DECEMBER 31, 2009

While some slippage is noted, the overall financial condition of Louisiana-domiciled banks and thrifts remains sound. The second quarter of 2010 saw a minimal decline in total assets and total deposits, and a modest increase in Tier 1 (core) capital. During the second quarter, core deposits as a percent of total deposits and borrowed money increased slightly from the prior quarter. Earnings for the second quarter decreased, down from the previous quarter primarily because of increased loan loss provisions and non-interest expenses. With Tier 1 (core) capital increasing slightly faster than quarterly average assets, the Core capital (leverage) ratio increased slightly, and all capital ratios remain well above minimum regulatory requirements. During the second quarter of 2010, asset quality showed mixed signal as the dollar volume and ratio of nonperforming assets declined, while the dollar volume and ratio of net charge-offs increased. As noted previously, the dollar volume of nonperforming assets, excluding those associated with the acquisition of the out-of-state failed institutions, would continue an increasing trend. However, the change in the ratio as a percentage of total assets is unknown since total assets for the out-of-state failed institutions are not available going forward. State and federal regulatory agencies will continue to closely monitor asset quality to ensure that banks and thrifts continue to adhere to sound underwriting guidelines and properly evaluate the adequacy of their ALLL, especially with the ongoing concerns with local, state, and national economies.

BANK LAGNIAPPE

- As of June 30, 2010, the breakdown of **all** Louisiana-domiciled **banks & thrifts** by asset size is as follows:

Asset Size	# of B & T's	%	Total Assets *	%
Assets < $100 Million	45	29	$2,846,732	5
Assets $100 Million to $300 Million	70	45	12,492,159	20
Assets $300 Million to $500 Million	19	12	7,140,266	12
Assets $500 Million to $1 Billion	16	10	11,947,621	19
Assets $1 Billion to $10 Billion	5	3	15,189,907	25
Assets > $10 Billion	1	1	11,400,263	19
TOTAL ASSETS	156	100	$61,016,948	100

- As of June 30, 2010, the breakdown of Louisiana **state-chartered banks & thrifts** by asset size is as follows:

Asset Size	# of B & T's	%	Total Assets *	%
Assets < $100 Million	37	29	$2,310,713	5
Assets $100 Million to $300 Million	57	45	10,085,658	24
Assets $300 Million to $500 Million	15	12	5,727,827	14
Assets $500 Million to $1 Billion	12	10	8,842,863	21
Assets $1 Billion to $10 Billion	5	4	15,189,907	36
TOTAL ASSETS	126	100	$42,156,968	100

- As of June 30, 2010, the breakdown of Louisiana-domiciled **federally-chartered banks & thrifts** by asset size is as follows:

Asset Size	# of B & T's	%	Total Assets *	%
Assets < $100 Million	8	27	$536,019	3
Assets $100 Million to $300 Million	13	44	2,406,501	13
Assets $300 Million to $500 Million	4	13	1,412,439	8
Assets $500 Million to $1 Billion	4	13	3,104,758	16
Assets > $10 Billion	1	3	11,400,263	60
TOTAL ASSETS	30	100	$18,859,980	100

* Thousands

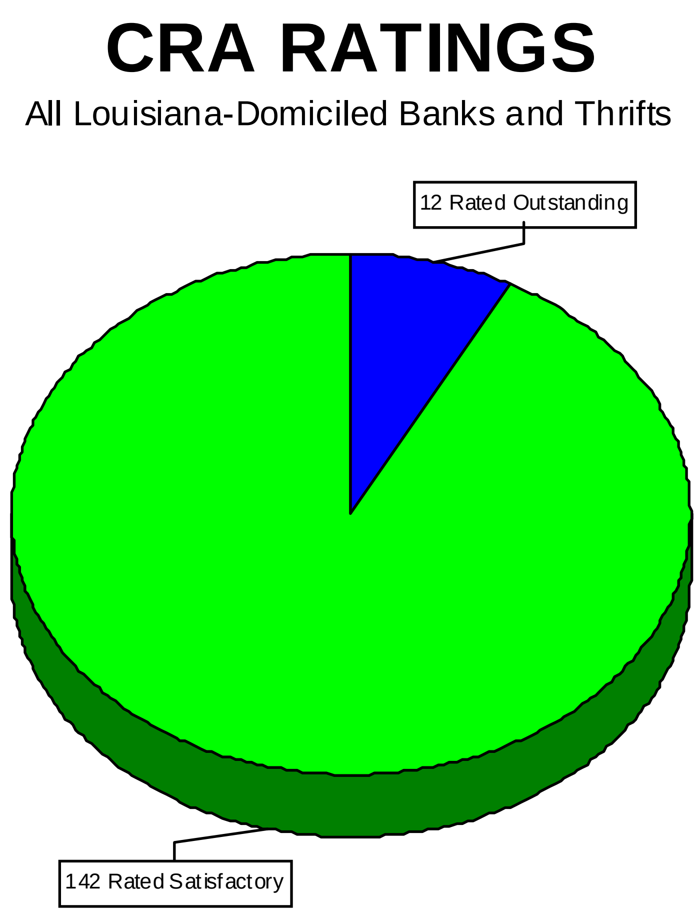

Figure 15

(Note: This chart does not include a bankers' bank since CRA ratings are not applicable, and one de novo bank that is not yet rated, and reflects all ratings issued through June 30, 2010.)

As Figure 15 above demonstrates, Louisiana-domiciled banks and thrifts continue to work aggressively to meet the requirements of the Community Reinvestment Act. Of the 156 banks and thrifts assigned a CRA rating, all Louisiana banks and thrifts were rated Satisfactory or better at their last CRA examination.

All financial information contained within this report was obtained from the Institution Directory and Statistics on Depository Institutions sections of the Federal Deposit Insurance Corporation's (FDIC) website, which is based on the quarterly financial reports filed by the individual banks and thrifts. This information was deemed reliable at the time it was obtained; however, the banks and thrifts amend their reports at times, which may result in differences in information contained herein.

While dollar amounts within this report may use billions initially, then millions, then thousands, depending on the reported amount, all percentage changes are calculated using the dollar amounts rounded to the nearest thousandth, as reported by the banks and thrifts in their quarterly financial reports (Call Reports and Thrift Financial Reports).