LOUISIANA-DOMICILED BANKS AND THRIFTS FINANCIAL REPORT

For the Quarter Ended
June 30, 2011

STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS

Post Office Box 94095
Baton Rouge, Louisiana 70804-9095
(225) 925-4660
www.ofi.louisiana.gov

Bobby Jindal
Governor

John Ducrest
Commissioner

FINANCIAL CONDITION OF LOUISIANA-DOMICILED BANKS & THRIFTS AS OF JUNE 30, 2011

During the second quarter of 2011, total assets for all Louisiana-domiciled banks and thrifts increased slightly from $65.20 billion to $65.76 billion, an increase of $0.56 billion or by 0.86 percent. During the second quarter, two of the four major asset categories increased. Federal funds sold increased from $716 million to $1.33 billion or by 85.99 percent. Total loans and leases increased from $39.85 billion to $40.08 billion or by 0.56 percent. Total securities decreased from $15.12 billion to $15.01 billion or by 0.24 percent. Cash decreased from $4.80 billion to $3.94 billion or by 17.96 percent. On the liabilities side, total deposits decreased from $53.95 billion to $53.79 billion or by 0.30 percent, while borrowed money increased from $3.27 billion to $3.33 billion or by 1.88 percent.

For Louisiana state-chartered banks and thrifts, total assets increased by 27.99 percent during the second quarter of 2011, with the majority of this increase attributable to the merger of a large national bank into a state-chartered bank. Total loans, securities, and Federal funds sold all increased, while cash declined. On the liabilities side, total deposits and borrowed money increased. For Louisiana-domiciled federally-chartered banks and thrifts, total assets decreased by 61.79 percent during the second quarter of 2011, for the same reason noted above. Federal funds sold increased, while total loans and leases, securities, and cash declined. On the liabilities side, total deposits and borrowed money decreased.

The following chart provides selected performance indicators for all banks and thrifts in the U. S. for the quarter ended June 30, 2011; and for all Louisiana-domiciled banks and thrifts for the quarters ended June 30, 2011, and March 31, 2011; and for calendar years ended 2010 and 2009. **Louisiana-domiciled banks and thrifts continue to compare favorably in a number of categories when compared to all banks and thrifts in the U.S.**

	U. S. Banks & Thrifts	All Louisiana-Domiciled Banks & Thrifts			
TRENDS	Quarter Ended 06/30/2011	Quarter Ended 06/30/2011	Quarter Ended 03/31/2011	Year Ended 12/31/2010	Year Ended 12/31/2009
Earnings					
Yield on Earning Assets	4.39%	4.75%↓	4.93%	5.25%↓	5.57%
Cost of Funds	0.77%	0.91%↓	0.92%	1.12%↓	1.41%
Net Interest Margin	3.61%	3.84%↓	4.00%	4.12%↓	4.15%
Loan Loss Provisions to Average Assets	0.56%	0.34%↑	0.21%	1.01%↑	0.87%
Operating Expenses to Average Assets	3.08%	3.24%↑	3.22%	3.27%↓	3.30%
Return on Average Assets	0.85%*	0.63%↓*	0.83%*	0.46%↓*	0.74%*
Asset Quality					
Noncurrent Loans to Total Loans	4.37%	3.39%↓#	4.17%#	4.58%↓#	4.82%#
Nonperforming Assets to Total Assets	2.75%	2.75%↓#	3.22%#	3.47%↓#	3.64%#
Net Charge-offs to Total Loans	1.58%	0.34%↑	0.26%	1.23%↑	1.00%
Capital and Liquidity					
Tier 1 Leverage Capital Ratio	9.20%	11.11%↑	9.85%	9.61%↓	9.68%
Earning Assets to Total Assets	90.06%	89.01↓%	89.63%	89.85%↑	89.16%
Loans to Deposits	72.76%	73.45%↑	72.46%	73.32%↓	79.04%

As of June 30, 2011 (for all Louisiana-domiciled banks and thrifts), the **year-to-date** return on average assets (ROAA) was 0.73 percent (not reflected in the chart above), decreasing 10 basis points during the second quarter but increasing 12 basis points from the same time period in 2010. The ratio is now below the national average **year-to-date** ROAA of 0.86 percent (also not reflected in the chart above). While the ROAA is declining, a great majority of Louisiana-domiciled banks and thrifts continue to show satisfactory earnings performance as a result of stable and controlled operating expenses and declining provisions for loan losses (2011 compared to 2010). Capital levels remain sound, with ratios growing moderately during the second quarter of 2011 and comparing favorable with the same time period in 2010. Asset quality appears stable as both the dollar volume and ratio of nonperforming assets declined during the second quarter of 2011, and are below the same time period in 2010. Net charge-offs increased during the second quarter; however, the year-to-date ratio is well below that reported for the same time period in 2010.

A majority of the increase in nonperforming assets and noncurrent loans in 2009 and 2010 is primarily attributable to the acquisition of failed out-of-state institutions by Louisiana-domiciled institutions during this time period. However, a significant portion of these acquired assets are subject to loss-sharing agreements with the FDIC.

 # Ratios impacted by the acquisition of failed out-of-state institutions. *** Refer to page 20 for more details.**

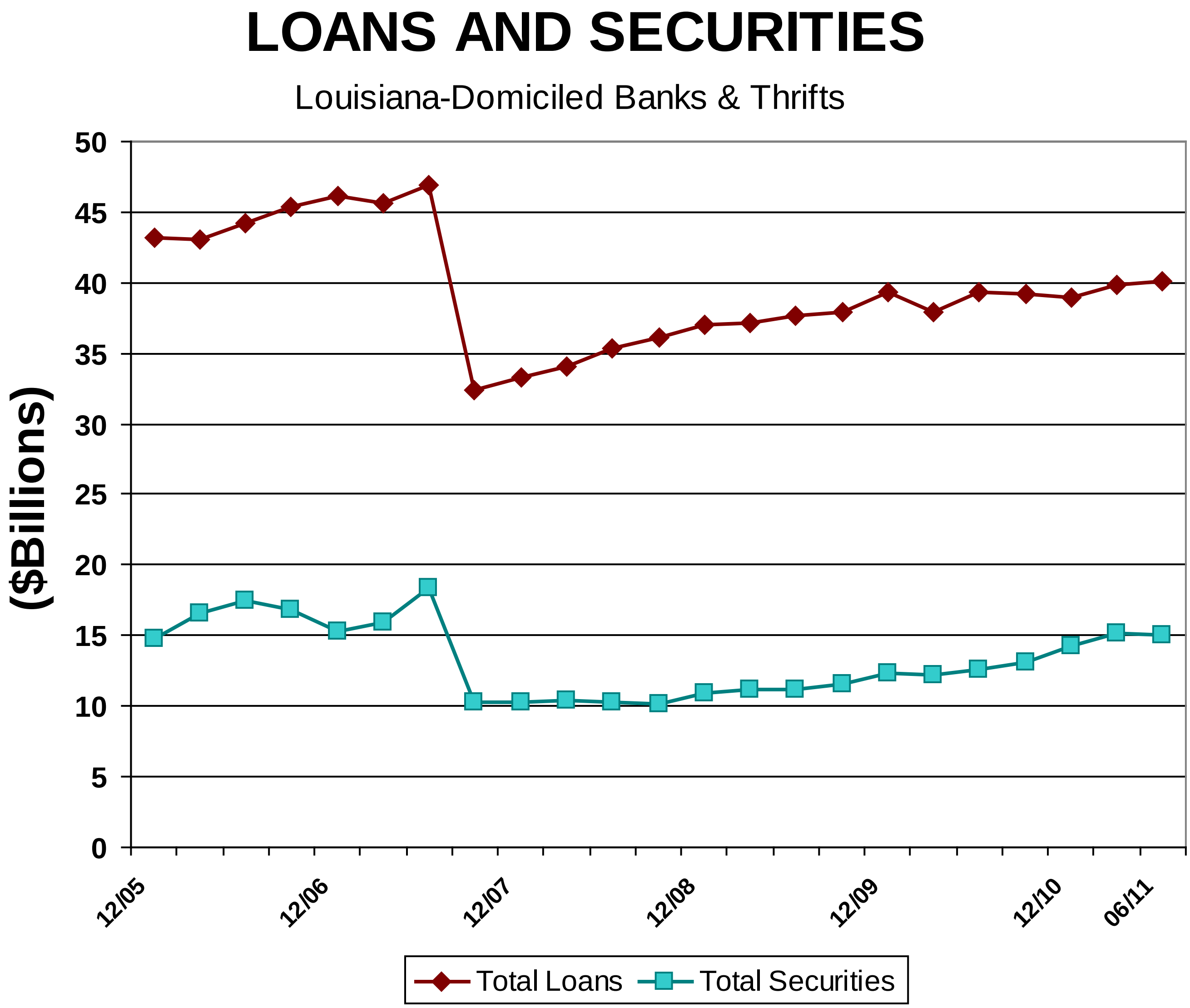

Figure 1

Figure 1 above shows the trend in total loans and leases and securities for each quarter since year-end 2005 through the current quarter-end. The significant decline in mid-2007 was caused by the relocation of a large national bank's headquarters from Louisiana to Virginia during the year. As previously mentioned, total loans and leases increased by 0.56 percent during the second quarter of 2011, from $39.85 billion to $40.08 billion or by approximately $221 million. Total loans and leases have increased in 15 of the past 20 quarters with one of the decreases occurring because of the relocation noted previously. **In addition, total loans and leases would have likely decreased for the third and fourth quarters of 2009 without the acquisition of failed out-of-state institutions by Louisiana-domiciled institutions during that time period.** During the second quarter, commercial loans, farm loans, other loans, and consumer loans increased, from highest to lowest, while real estate loans decreased. Commercial loans increased from $7.53 billion to $7.76 billion or by approximately $231 million. Farm loans increased from $365 million to $544 million or by approximately $179 million. Other loans increased from $877 million to $921 million or by approximately $44 million. Consumer loans increased from $2.70 billion to $2.72 billion or by approximately $18 million. Real estate loans decreased from $28.39 billion to $28.13 billion or by approximately $258 million.

During the second quarter of 2011, Louisiana state-chartered banks and thrifts experienced growth in total loans and, from highest to lowest, growth in real estate loans, commercial loans, consumer loans, other loans, and farm loans**.** Louisiana-domiciled federally-chartered banks and thrifts experienced a decline in total loans, real estate loans, commercial loans, consumer loans, and other loans from highest to lowest, while farm loans grew. All banks and thrifts in the U.S. experienced growth in total loans, other loans, commercial loans, consumer loans, and farm loans, from highest to lowest, while real estate loans declined.

LOAN PORTFOLIO MIX

Louisiana-Domiciled Banks & Thrifts as of June 30, 2011

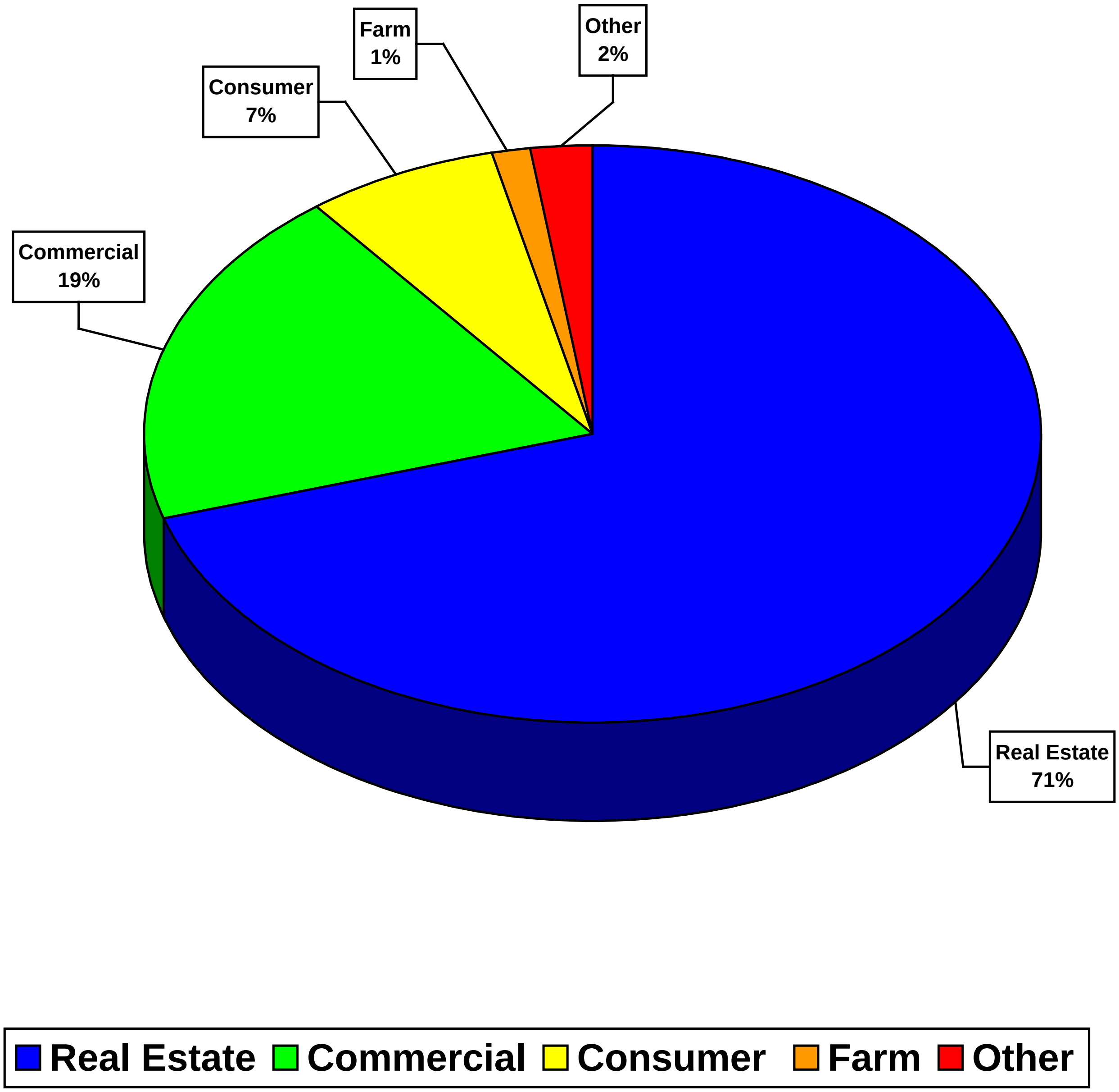

Figure 2

Figure 2 shows the June 30, 2011, loan portfolio mix for all Louisiana-domiciled banks and thrifts. As of June 30, 2011, Louisiana state-chartered banks and thrifts showed a loan portfolio mix as follows: real estate loans - 69 percent; commercial loans - 21 percent; consumer loans - 7 percent; other loans - 2 percent; and farm loans - 1 percent. As of this same date, for Louisiana-domiciled federally-chartered banks and thrifts, the loan portfolio mix is as follows: real estate loans - 81 percent; commercial loans - 10 percent; consumer loans – 5 percent; other loans - 3 percent; and farm loans - 1 percent.

As of June 30, 2011, for all banks and thrifts in the U.S., the loan portfolio mix is as follows: real estate loans - 56 percent; consumer loans - 17 percent; commercial loans - 18 percent; other loans - 8 percent; and farm loans - 1 percent.

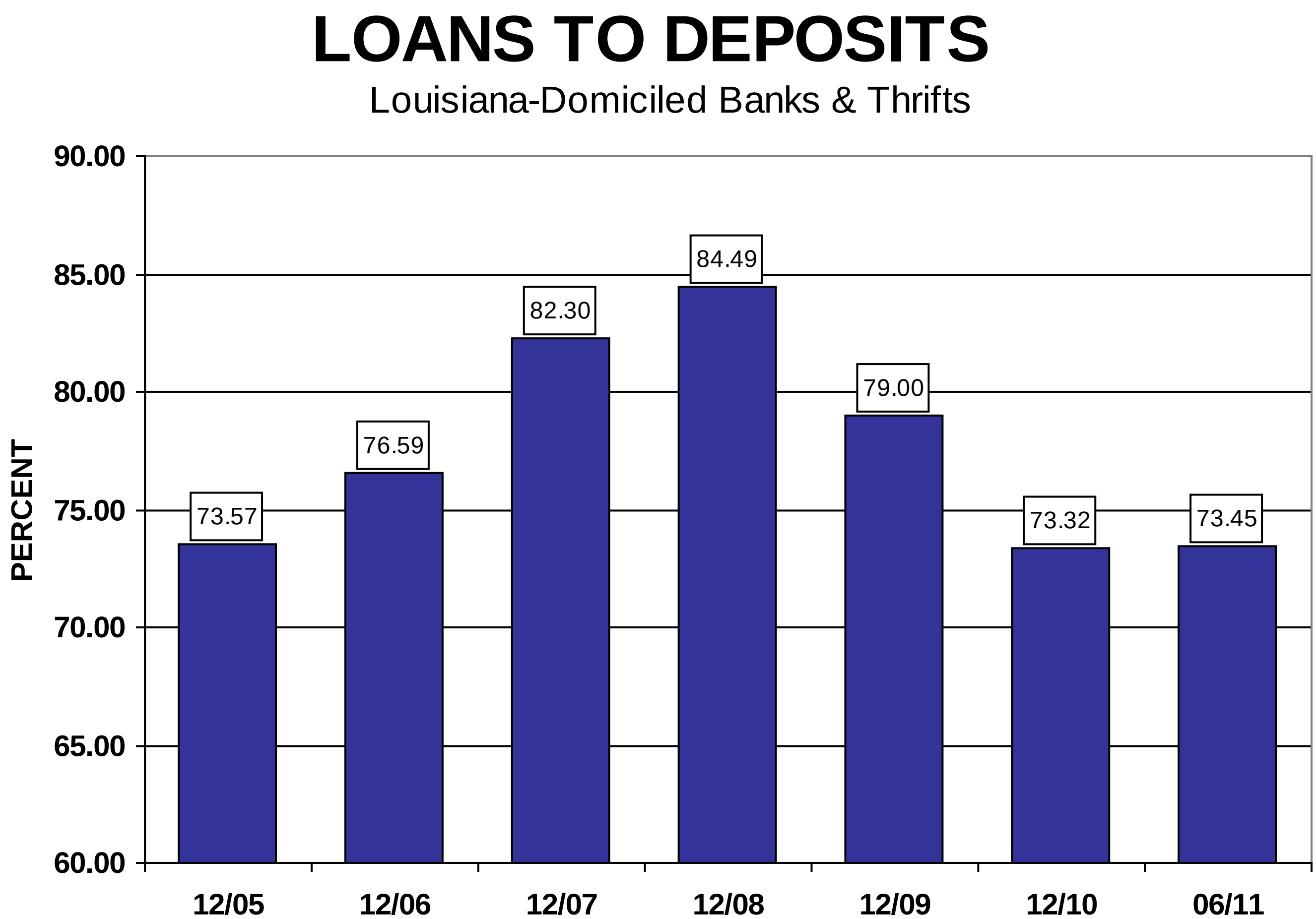

Figure 3

Figure 3 above illustrates the aggregate loan-to-deposit ratio trend for each year-end since 2005. The ratio of net loans to deposits increased during the second quarter of 2011, going from 72.46 percent as of March 31, 2011, to 73.45 percent as of June 30, 2011, with growth in net loans and a decline in deposits.

For Louisiana state-chartered banks and thrifts, the ratio of net loans to deposits increased from 70.53 percent as of March 31, 2011, to 72.62 percent as of June 30, 2011, 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 77.28 percent as of March 31, 2011, to 80.52 percent as of June 30, 2011, as deposits decreased at a faster rate than net loans.

For all banks and thrifts in the U.S., the ratio of net loans to deposits decreased from 73.22 percent as of March 31, 2011, to 72.76 percent as of June 30, 2011, as deposits increased at a faster pace than net loans.

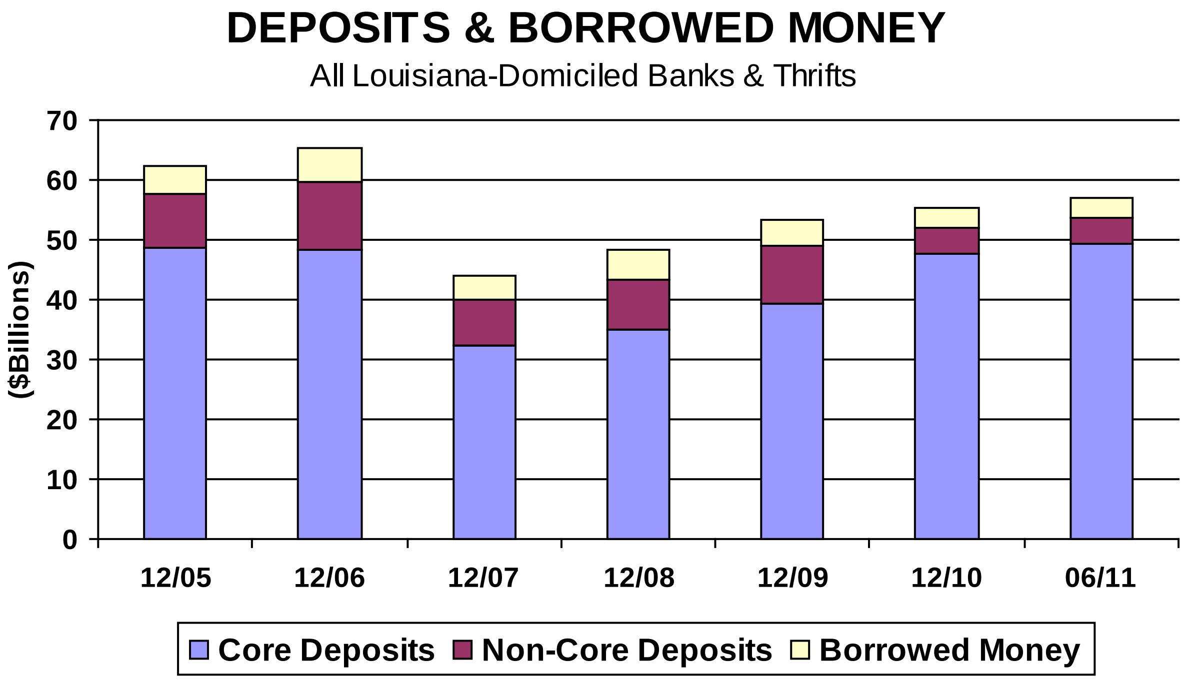

Figure 4

Figure 4 shows the mix of deposits and borrowed money for each year-end since 2005. 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 $53.95 billion as of March 31, 2011, to $53.79 billion as of June 30, 2011, or by 0.30 percent, while borrowed money increased from $3.27 billion as of March 31, 2011, to $3.33 billion as of June 30, 2011, or by 1.88 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 2011. Core deposits decreased from $49.50 billion as of March 31, 2011, to $49.37 billion as of June 30, 2011, or by 0.25 percent. Louisiana state-chartered banks and thrifts experienced an increase in core deposits during the second quarter of 2011, while Louisiana-domiciled federally chartered banks and thrifts experienced a decline in core deposits. The majority of the changes between Louisiana state-chartered and Louisiana-domiciled federally chartered institutions resulted primarily from the large national bank merger mentioned previously in this Report.

As noted previously, borrowed money increased during the second quarter of 2011. As of March 31, 2011, borrowed money totaled $3.27 billion and consisted of Federal funds purchased totaling $1.54 billion, Federal Home Loan Bank (FHLB) advances totaling $1.53 billion, and other borrowings totaling $198 million. As of June 30, 2011, borrowed money totaled $3.33 billion and consisted of Federal funds purchased totaling $1.60 billion, FHLB advances totaling $1.54 billion, and other borrowings totaling $191 million. Total borrowed money for Louisiana state-chartered banks and thrifts increased by $686 million during the second quarter with increases in Federal funds purchased, FHLB advances, and other borrowings. Total borrowed money for Louisiana-domiciled federally-chartered banks and thrifts decreased by $106 million during the second quarter with decreases in Federal funds purchased, FHLB advances, and other borrowings.

Non-core deposits decreased during the second quarter of 2011. As of March 31, 2011, non-core deposits totaled $4.46 billion and consisted of time deposits of $250,000 or more and brokered deposits under $250,000 totaling $4.23 billion and deposits held in foreign offices totaling $227 million. As of June 30, 2011, non-core deposits totaled $4.42 billion and consisted of time deposits of $250,000 or more and brokered deposits under $250,000 totaling $4.23 billion and deposits in foreign offices totaling $193 million. During the second quarter, non-core deposits in Louisiana state-chartered banks and thrifts increased by $645 million, with increases of $451 million in time deposits of $250,000 or more and brokered deposits under $250,000 and $193 million in deposits held in foreign offices. During this same period, non-core deposits in Louisiana-domiciled federally-chartered banks and thrifts decreased by $682 million with decreases of $456 million and $226 million in time deposits of $250,000 or more and brokered deposits under $250,000 and deposits held in foreign offices, respectively.

During the second quarter of 2011, all banks and thrifts in the U.S. experienced an increase in total deposits, core deposits, and deposits over $250,000, with total non-core deposits, brokered deposits of $250,000 or less, and borrowed money decreasing.

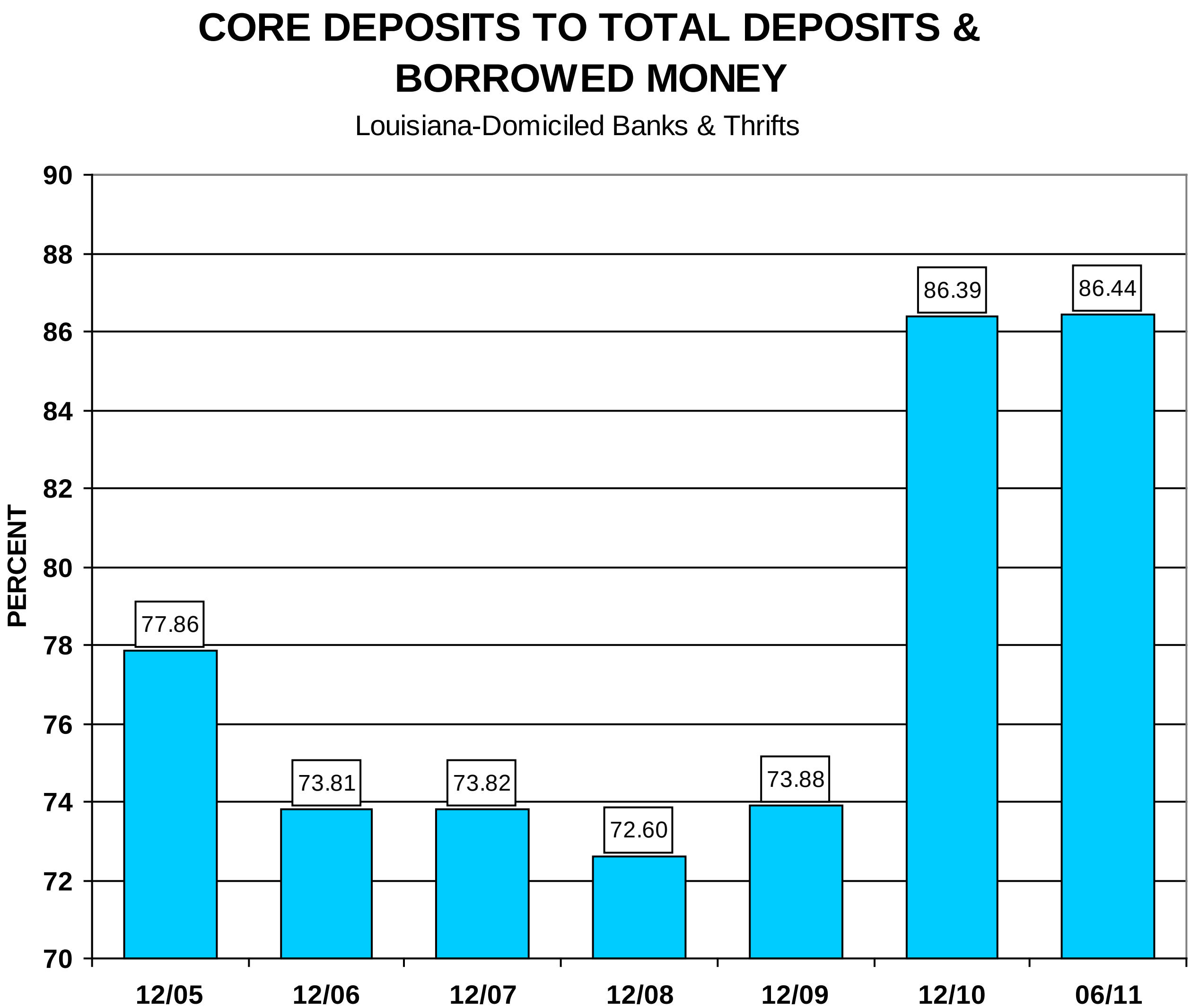

Figure 5

Figure 5 illustrates the trend in the core deposits to total deposits and borrowed money ratio for each year-end since 2005 and the current quarter-end. The ratios shown in Figure 5 above for December 31, 2010, and June 30, 2011, reflect the change in the definition of core deposits based on the increase in the FDIC insurance limit to $250,000 (see note on page 20). The ratio of core deposits to total deposits and borrowed money decreased slightly during the second quarter of 2011, going from 86.50 percent as of March 31, 2011, to 86.44 percent as of June 30, 2011.

For Louisiana state-chartered banks and thrifts, the ratio of core deposits to total deposits and borrowed money decreased slightly from 87.16 percent as of March 31, 2011, to 87.14 percent as of June 30, 2011. For Louisiana-domiciled federally-chartered banks and thrifts, this ratio decreased from 84.93 percent as of March 31, 2011, to 80.92 percent as of June 30, 2011.

For all banks and thrifts in the U.S., the ratio of core deposits to total deposits and borrowed money increased from 64.31 percent as of March 31, 2011, to 65.78 percent as of June 30, 2011.

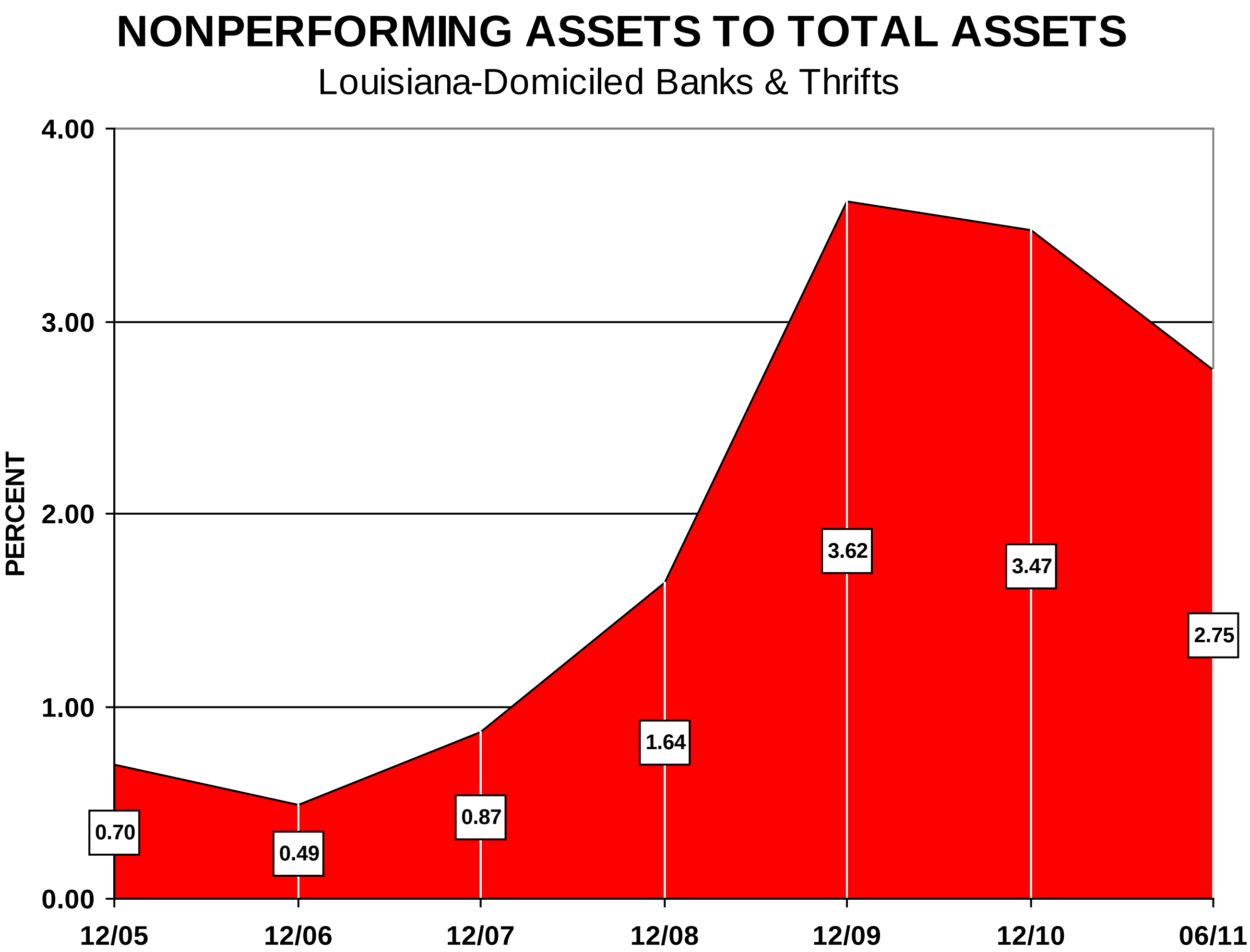

Figure 6

Figure 6 above illustrates that the ratio of nonperforming assets to total assets for each year-end since 2005 through 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. **In 2010, with the exception of the third quarter, the ratio declined on a quarterly basis.** The ratio increased in the third quarter primarily because a Louisiana state-chartered bank acquired another out-of-state failed institution. The level of nonperforming assets, excluding those from the failed out-of-state institutions, increased during the third quarter but declined in the fourth quarter of 2010, and the downward trend has continued through the first two quarters of 2011. While the dollar volume of nonperforming assets associated with all the acquisitions 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 from September 30, 2010, forward, 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 2011, going from $2.10 billion as of March 31, 2011, to $1.80 billion as of June 30, 2011, or a decrease of 14.03 percent. Nonperforming assets associated with the acquisition of failed out-of-state institutions total $835 million and $793 million as of March 31, 2011, and June 30, 2011, respectively. Excluding these assets, the volume of nonperforming assets would decline from $1.26 billion as of March 31, 2011, to $1.01 billion as of June 30, 2011, or by 19.96 percent. The ratio of nonperforming assets to total assets decreased from 3.22 percent at March 31, 2011, to 2.75 percent at

June 30, 2011. This ratio, excluding the assets acquired from the out-of-state failed institutions, would have also likely declined from March 31, 2011, to June 30, 2011; however, because total assets specifically associated with all of these acquisitions were not available, 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 $1.66 billion as of March 31, 2011, to $1.36 billion as of June 30, 2011, or by 18.17 percent. Excluding the loans acquired from the out-of-state failed institutions, aggregate noncurrent loans decreased from $892 million as of March 31, 2011, to $641 million as of June 30, 2011, or by 28.09 percent. The ratio of noncurrent loans to gross loans decreased from 4.17 percent as of March 31, 2011, to 3.39 percent as of June 30, 2011. 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, 2011, and June 30, 2011, was not available. OREO increased from $434 million as of March 31, 2011, to $442 million as of June 30, 2011, or by 1.81 percent. Excluding the OREO that was acquired from the out-of-state failed institutions, OREO decreased slightly from $368 million as of March 31, 2011, to $367 million as of June 30, 2011, or by 0.27 percent.

Note: A great majority of the decline in noncurrent loans and nonperforming assets during the second quarter is attributable to the accounting for these loans in the merger of a large national bank into a state-chartered bank mentioned previously.

Figure 7 below illustrates the level of noncurrent loans and OREO for all Louisiana-domiciled banks for each year-end since 2005. 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 and 2010.**

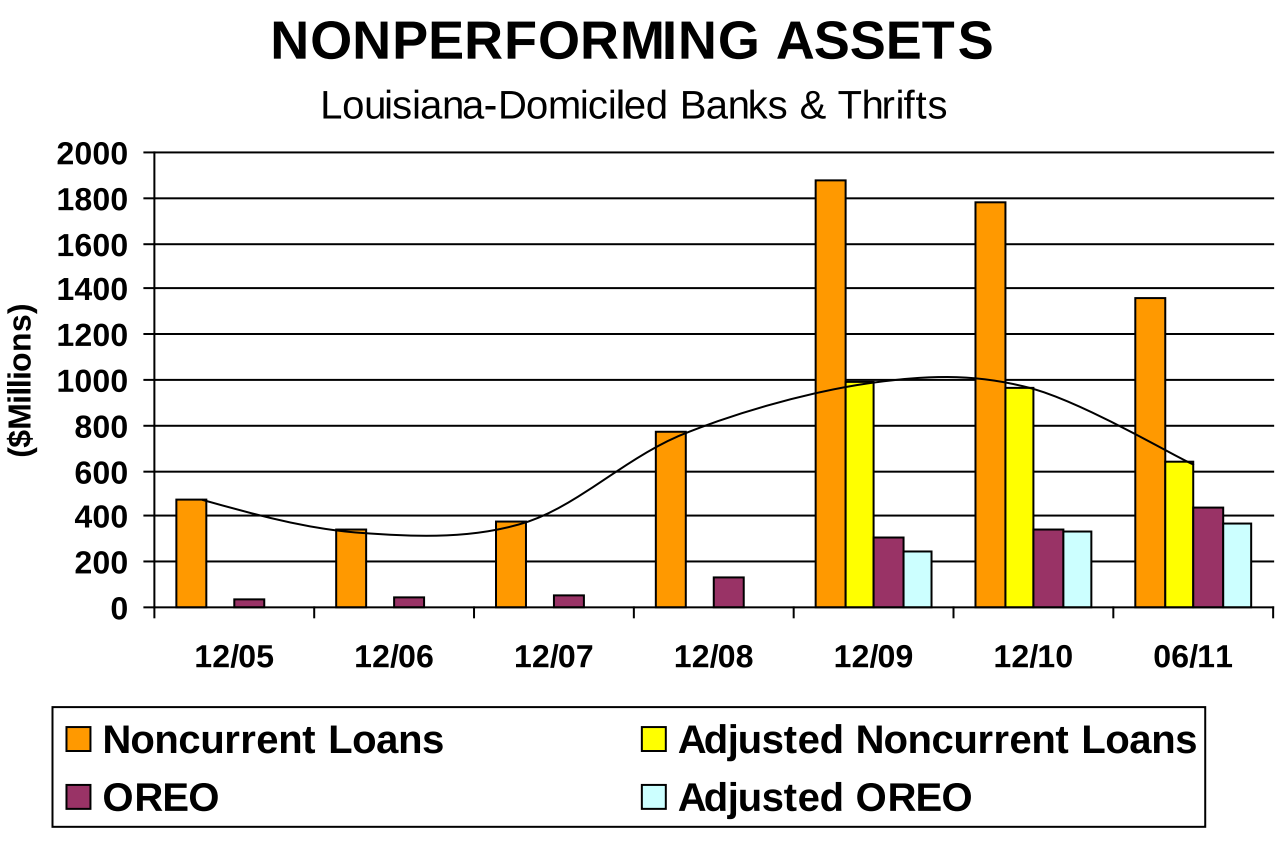

Figure 7

In the second quarter of 2011, for Louisiana state-chartered banks and thrifts, noncurrent loans decreased from $1.31 billion to $1.27 billion, and OREO increased from $315 million to $399 million, respectively. However, from March 31, 2011, to June 30, 2011, the ratios of nonperforming assets to total assets and noncurrent loans to gross loans for Louisiana state-chartered banks and thrifts decreased from 3.58 percent to 2.88 percent and from 4.73 percent to 3.58 percent, respectively. The slight increase in nonperforming assets, specifically OREO, for these institutions was offset by a larger increase in total assets, resulting in the decline in the ratio. **The merger of a large national bank into a state-chartered bank, as mentioned previously, substantially increased gross loans and total assets, thereby reducing the ratios. The accounting for noncurrent loans in the merger, as mentioned previously, also impacted these ratios.** Excluding the assets acquired from the out-of-state failed institutions, noncurrent loans would increase from $540 million to $552 million, while OREO would increase from $249 million to $324 million. 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 also not available, it is likely that both ratios would increase in the first and second quarters since the adjusted dollar volumes for nonperforming assets and noncurrent loans increased in both quarters.

In the second quarter, noncurrent loans and OREO decreased from $352 million to $89 million and from $119 million to $43 million, respectively, in Louisiana-domiciled federally-chartered banks and thrifts. From March 31, 2011, to June 30, 2011, the ratios of nonperforming assets to total assets and noncurrent loans to gross loans for Louisiana-domiciled federally-chartered banks and thrifts decreased from 2.39 percent to 1.75 percent and from 2.89 percent to 1.93 percent, respectively.

Note: In the first quarter of 2011, a Louisiana-domiciled national bank completed the sale of a package of its nonperforming loans, reducing the level from year-end 2010. In addition, the majority of the reduction in noncurrent loans and OREO for the Louisiana-domiciled federally-chartered banks and thrifts during the second quarter of 2011 occurred because of the merger of the national bank previously mentioned.

For all commercial banks and thrifts in the U.S., nonperforming assets decreased from March 31, 2011, to June 30, 2011, as noncurrent loans and OREO both decreased. As a result, the ratio of nonperforming assets to total assets decreased from 2.96 percent to 2.75 percent, and the ratio of noncurrent loans to total loans decreased from 4.72 percent to 4.37 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, 2011, Louisiana-domiciled banks and thrifts reported the amount of loans and OREO covered by FDIC loss-share agreements at $1.58 billion and $70 million, respectively, or a total of $1.65 billion. The total carrying amount of these assets represented 4.11 percent and 2.54 percent of total loans plus OREO and total assets, respectively, reported as of this date. As of June 30, 2011, Louisiana-domiciled banks and thrifts reported the amount of loans and OREO covered by FDIC loss-share agreements at $1.46 billion and $87 million, respectively, or a total of $1.55 billion. The total carrying amount of these assets represented 3.82 percent and 2.36 percent of total loans plus OREO and total assets, respectively.

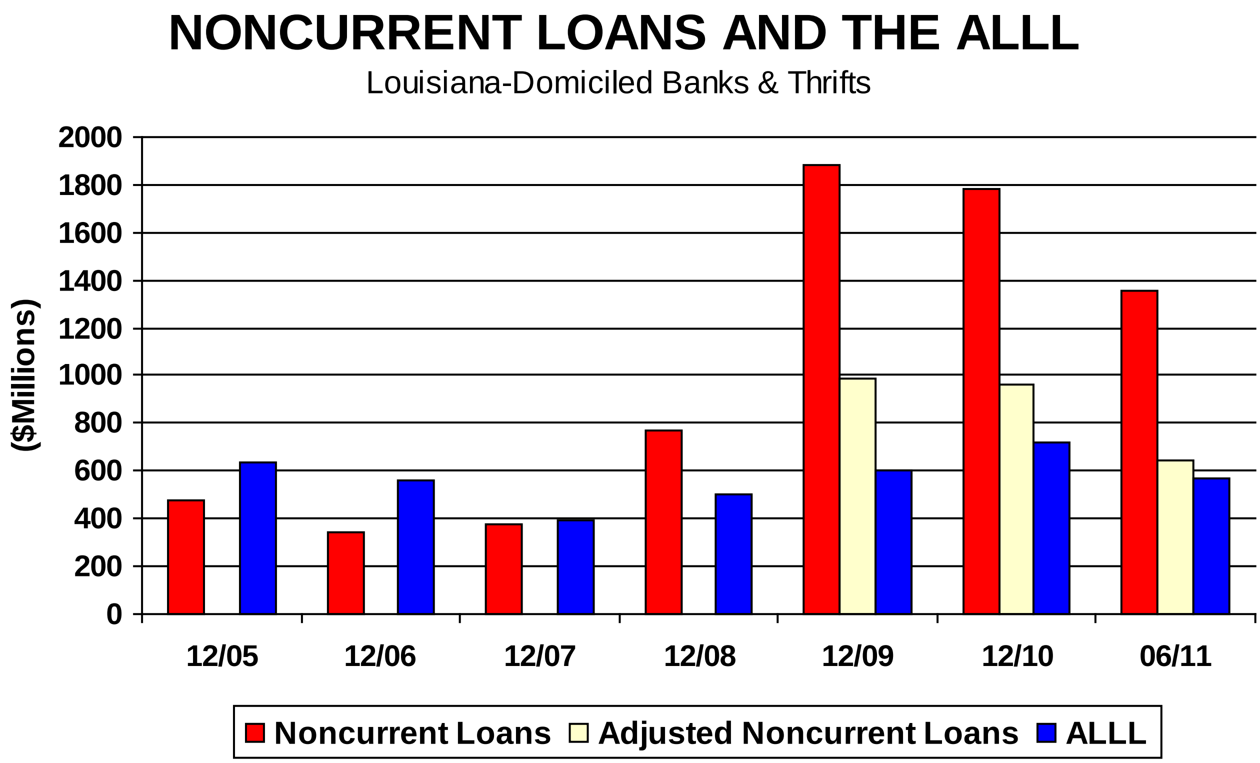

Figure 8

Figure 8 above illustrates the level of the ALLL for Louisiana-domiciled banks and thrifts 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 2005 and the present quarter-end. **Adjusted noncurrent loans are net of those loans acquired from the out-of-state failed institutions in 2009 and 2010.** Institutions are expected to continually review the level of the ALLL to noncurrent loans to ensure that the more severely delinquent loans do not cause the ALLL to fall below the level needed to cover risks in the remainder of the loan portfolio. For each quarter-end from year-end 2005 through year-end 2007, the level maintained in the ALLL exceeded the level of noncurrent loans; however, in the fourteen 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 2005 through the first quarter of 2008, while the level of noncurrent loans exceeded the level of noncurrent loans for the thirteen 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 2005 through the third quarter of 2007, while the level of noncurrent loans exceeded the level of noncurrent loans for the last fifteen 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 2005 through the third quarter of 2007, while the level of noncurrent loans exceeded the level of noncurrent loans for the last fifteen quarters, beginning with the fourth quarter of 2007.

For Louisiana-domiciled banks and thrifts, net charge-offs recognized in the second quarter of 2011 totaled $31 million, an increase from the $27 million in the first quarter of 2011. The annualized net charge-off ratio for the quarter ending June 30, 2011, increased to 0.34 percent, from 0.26 percent for the quarter ending March 31, 2011. Based on year-to-date (YTD) net charge-offs reported at $53 million (although quarterly net charge-offs for first and second quarter total $57 million), the YTD 2011 ratio of net charge-offs to total loans increased to 0.30 percent as of June 30, 2011, from 0.26 percent as of March 31, 2011. For the calendar years 2010, 2009, and 2008, net charge-offs totaled $485 million, $379 million, and $189 million, respectively, with the net charge-off ratios of 1.24 percent, 1.00 percent, and 0.54 percent, respectively.

From March 31, 2011, to June 30, 2011, quarterly net charge-offs increased from $17 million to $28 million for Louisiana state-chartered banks and thrifts. For these institutions, the annualized net charge-off ratio, based on quarterly charge-offs, increased from 0.25 percent to 0.36 percent. Through June 30, 2011, the YTD net charge-off ratio increased from 0.25 percent to 0.29 percent, with YTD net charge-offs totaling $44 million (quarterly amounts total $43 million). In comparison, net charge-offs totaled $142 million, $166 million, and $111 million for the calendar years 2010, 2009, and 2008, respectively, with the net charge-off ratios of 0.54 percent, 0.69 percent, and 0.50 percent, respectively.

From March 31, 2011, to June 30, 2011, quarterly net charge-offs decreased from $9 million to $2 million for Louisiana-domiciled federally-chartered banks and thrifts. These institutions saw the annualized net charge-off ratio, based on quarterly net charge-offs, decreased from 0.31 percent to 0.20 percent. However, through June 30, 2011, the YTD ratio increased from 0.31 percent to 0.37 percent, with YTD net charge-offs reported at $9 million (reported quarterly amounts total $12 million). The YTD ratio increase is likely attributable to the decline in average total loans during the second quarter of 2011. In comparison, net charge-offs totaled $343 million, $213 million and $78 million for the calendar years 2010, 2009 and 2008, respectively, with the YTD net charge-off ratios at 2.67 percent, 1.57 percent, and 0.61 percent, respectively.

For Louisiana-domiciled banks and thrifts, loan loss reserves decreased to $567 million as of June 30, 2011, from $761 million as of March 31, 2011. A substantial portion of this decline was attributable to the mergers that occurred in the second quarter of 2011, including that of the large national bank mentioned previously. As a result, the ratio of loan loss reserves to total loans decreased to 1.42 percent as of June 30, 2011, from 1.91 percent as of March 31, 2011. This ratio (loan loss reserves to total loans), for each year-end since 2005, is as follows: 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; 1.56 percent as of December 31, 2009; and 1.67 percent as of December 31, 2010.

For Louisiana-domiciled banks and thrifts, loan loss provisions totaled $35 million during the first quarter of 2011, or 0.21 percent of average assets, as compared to $51 million during the second quarter of 2011, or 0.34 percent of average assets. For the calendar years 2010, 2009, and 2008, loan loss provisions totaled $527 million, $486 million, and $297 million, respectively.

For Louisiana state-chartered banks and thrifts, loan loss reserves totaled $507 million as of June 30, 2011, an increase from $482 million as of March 31, 2011. However, because of loan growth during the second quarter, the ratio of loan loss reserves to total loans decreased to 1.43 percent as of June 30, 2011, from 1.74 percent as of March 31, 2011. Loan loss provisions in the second quarter totaled $46 million, an increase from $29 million in the first quarter. For the calendar years 2010, 2009, and 2008, loan loss provisions totaled $183 million, $210 million, and $143 million, respectively.

For Louisiana-domiciled federally-chartered banks and thrifts, loan loss reserves totaled $60 million as of June 30, 2011, a decrease from $279 million as of March 31, 2011. With this decrease combined with a decline in loans, the ratio of loan loss reserves to total loans decreased to 1.31 percent as of June 30, 2011, from 2.29 percent as of March 31, 2011. Loan loss provisions for the second quarter totaled $5 million, a decrease from $6 million for the first quarter of 2011. For the calendar years 2010, 2009, and 2008, loan loss provisions totaled $344 million, $283 million, and $154 million, respectively.

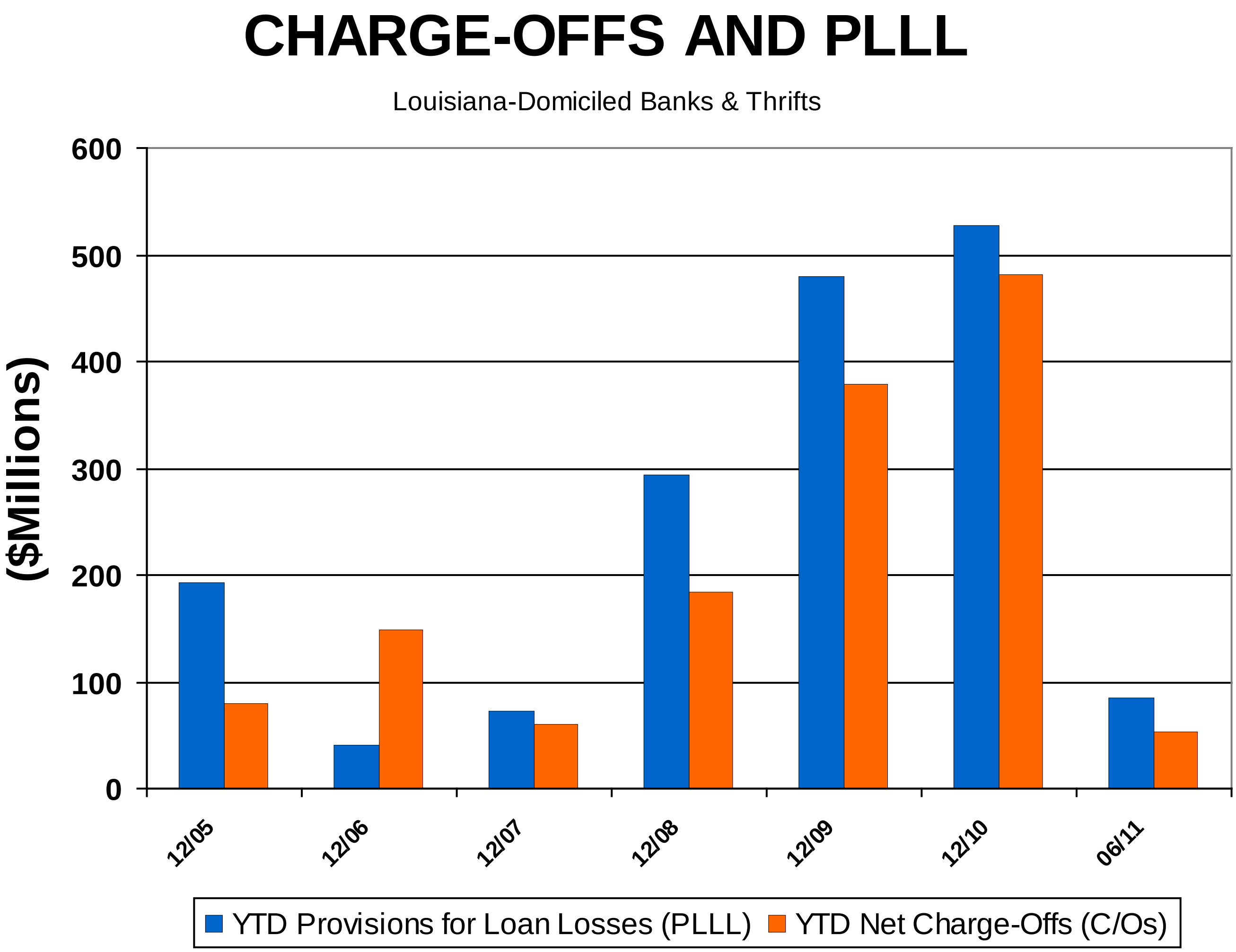

Figure 9

Figure 9 above illustrates the level of year-to-date provisions for loan and lease losses (PLLL) and net charge-offs for all Louisiana-domiciled banks and thrifts for each year-end since 2005 and the current quarter-end, with the discussion of this shown on the previous page. 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.

For all banks and thrifts in the U.S., net charge-offs recognized in the second quarter of 2011 totaled $28.81 billion, a decrease from the $33.44 billion in the first quarter of 2011. As a result, the annualized net charge-off ratio for the quarter ending June 30, 2011, declined to 1.58 percent, from 1.83 percent for the quarter ending March 31, 2011. Net charge-offs for YTD 2011 totaled $62.17 billion, with the YTD net charge-off ratio decreasing to 1.70 percent as of June 30, 2011, from 1.83 percent as of March 31, 2011. For the calendar years 2010, 2009 and 2008, net charge-offs totaled $187.63 billion, $188.83 billion and $100.38 billion, respectively, with YTD net charge-off ratios of 2.55 percent, 2.52 percent, and 1.29 percent, respectively.

For all banks and thrifts in the U.S., loan loss reserves totaled $207.56 billion as of June 30, 2011, a decrease from $218.43 billion as of March 31, 2011. As a result, the ratio of loan loss reserves to total loans declined to 2.84 percent as of June 30, 2011, from 3.01 percent as of March 31, 2011. Loan loss provisions for the second quarter totaled $18.99 billion, a decrease from $20.86 billion during the first quarter. For the calendar years 2010, 2009, and 2008, loan loss provisions totaled $157.90 billion, $249.65 billion, and $176.22 billion, respectively.

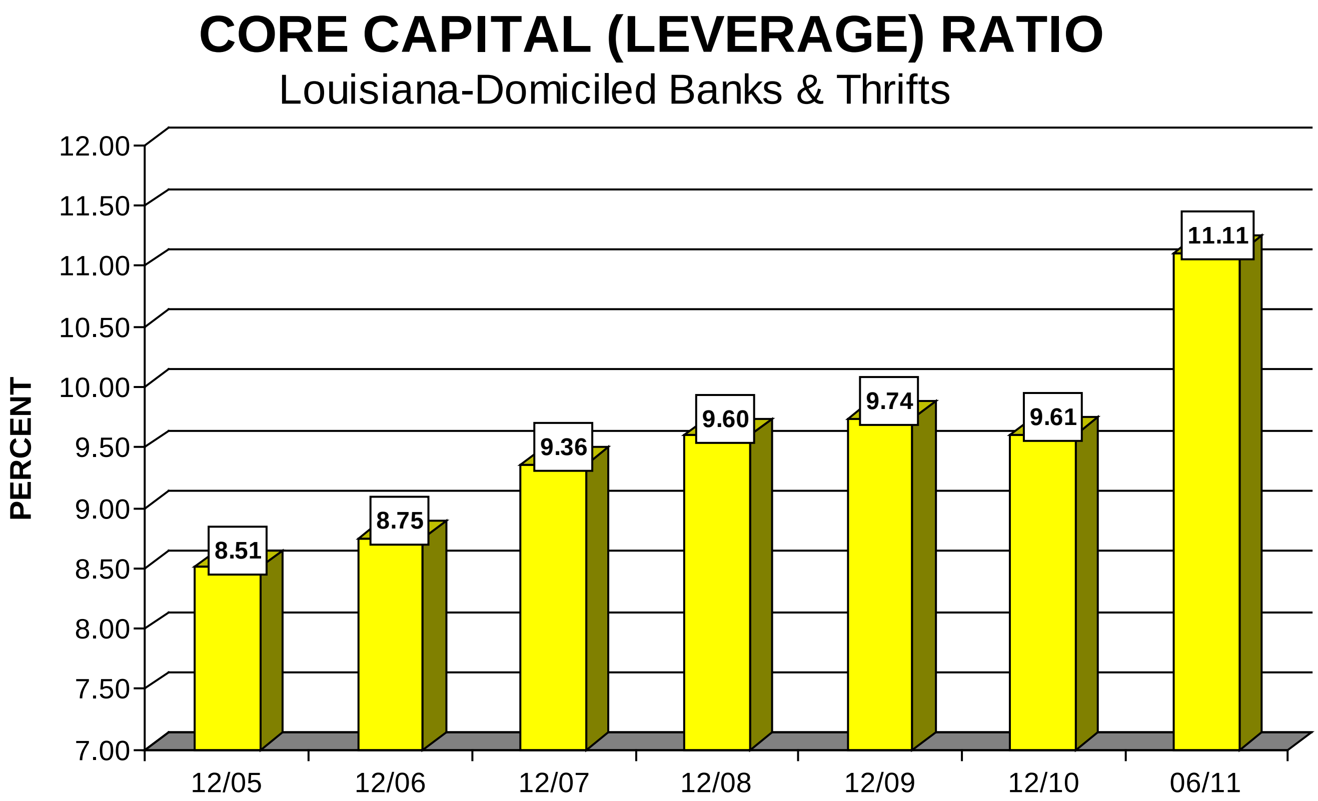

Figure 10

Figure 10 above illustrates the trend in the Tier 1 (core) capital ratio for each year-end since 2005 and the current quarter-end for all Louisiana-domiciled banks and thrifts. As Figure 10 above shows, the Core capital (leverage) ratio at June 30, 2011, increased by 150 basis points from the ratio reported at year-end 2010. The Core capital (leverage) ratio increased from 9.85 percent at March 31, 2011, to 11.11 percent as of June 30, 2011. While Tier 1 (core) capital declined from $6.33 billion at March 31, 2011, to $6.09 billion as of June 30, 2011, the ratio increased during the quarter because of a substantial decline in quarterly average assets. Most of the decline is attributable to the merger of the large national bank into the state-chartered bank mentioned previously. The acquiring bank only includes the acquired assets in its calculation of quarterly average assets from the date of acquisition through quarter-end (less than one month) rather than for the entire quarter.

During the second quarter of 2011, Tier 1 (core) capital increased by $776 million in Louisiana state-chartered banks and thrifts, with the majority of this increase attributable to the merger of the large national bank into a state-chartered bank. With the capital growth exceeding growth in quarterly average assets, the Core capital (leverage) ratio increased from 9.73 percent to 10.92 percent. However, dividends paid by Louisiana state-chartered banks and thrifts during the second quarter increased by $71 million from the level paid in the first quarter. During the second quarter of 2011, Tier 1 (core) capital decreased by $1.02 billion in Louisiana-domiciled federally-chartered banks and thrifts, with the majority of the decline attributable to the merger of the large national bank into a state-chartered bank. However, with the decrease in quarterly average assets exceeding the decrease in Tier 1 (core) capital, the Core capital (leverage) ratio increased from 10.12 percent to 12.33 percent. Dividends paid by Louisiana-domiciled federally-chartered banks and thrifts during the second quarter increased by $5 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 2011. With the increase in Tier 1 (core) capital slightly exceeding the increase in quarterly average assets, the Core capital (leverage) ratio increased from 9.14 percent as of March 31, 2011, to 9.20 percent as of June 30, 2011. Cash dividends paid by these banks and thrifts in the second quarter of 2011 increased by $5.22 billion over the level paid during the first quarter of 2011.

As of June 30, 2011, there are 55 Louisiana state-chartered and 8 Louisiana-domiciled federally-chartered banks and thrifts, or approximately 41 percent, of the 153 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.

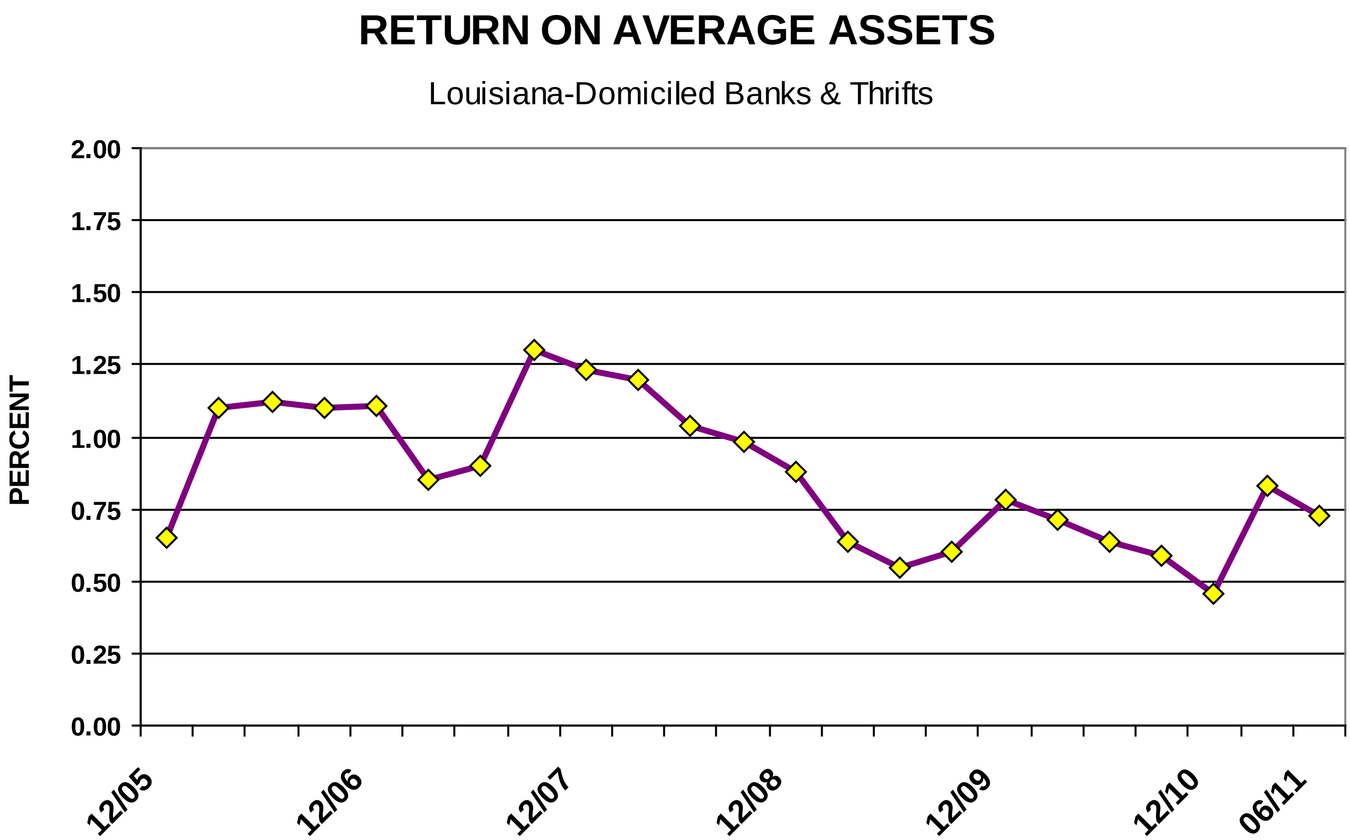

Figure 11

Figure 11 above reflects the annualized year-to-date ROAA for all Louisiana banks and thrifts for every quarter since year-end 2005 through the current quarter-end. Earnings for the second quarter of 2011 decreased from the previous quarter. Net income for the second quarter of 2011 totaled $93.68 million, for a return on average assets (ROAA) of 0.63 percent annualized, as compared to net income for the first quarter of 2011, which totaled $134.43 million, or an ROAA of 0.83 percent annualized. Declines in interest and non-interest income were the primary factors in the reduction of net income during the second quarter. The YTD ROAA decreased to 0.73 percent as of June 30, 2011, from 0.83 percent as of March 31, 2011.

As of June 30, 2011, nine Louisiana banks and thrifts reported YTD net operating losses, up from the eight banks and thrifts reporting YTD net operating losses as of March 31, 2011. As of June 30, 2011, the percentage of unprofitable Louisiana-domiciled bank and thrifts was 5.88 percent, while the national percentage was 15.61 percent.

For the second quarter of 2011, all banks and thrifts in the U.S. reported net income of $28.80 billion, and an annualized ROAA of 0.85 percent, as compared to net income of $28.88 billion, and an annualized ROAA of 0.86 percent, for the first quarter of 2011. An increase in noninterest expense was the primary factor contributing to the decrease in net income for the second quarter. Although net income declined in the second quarter, the YTD ROAA remained at 0.86 percent as of both March 31, 2011, and June 30, 2011.

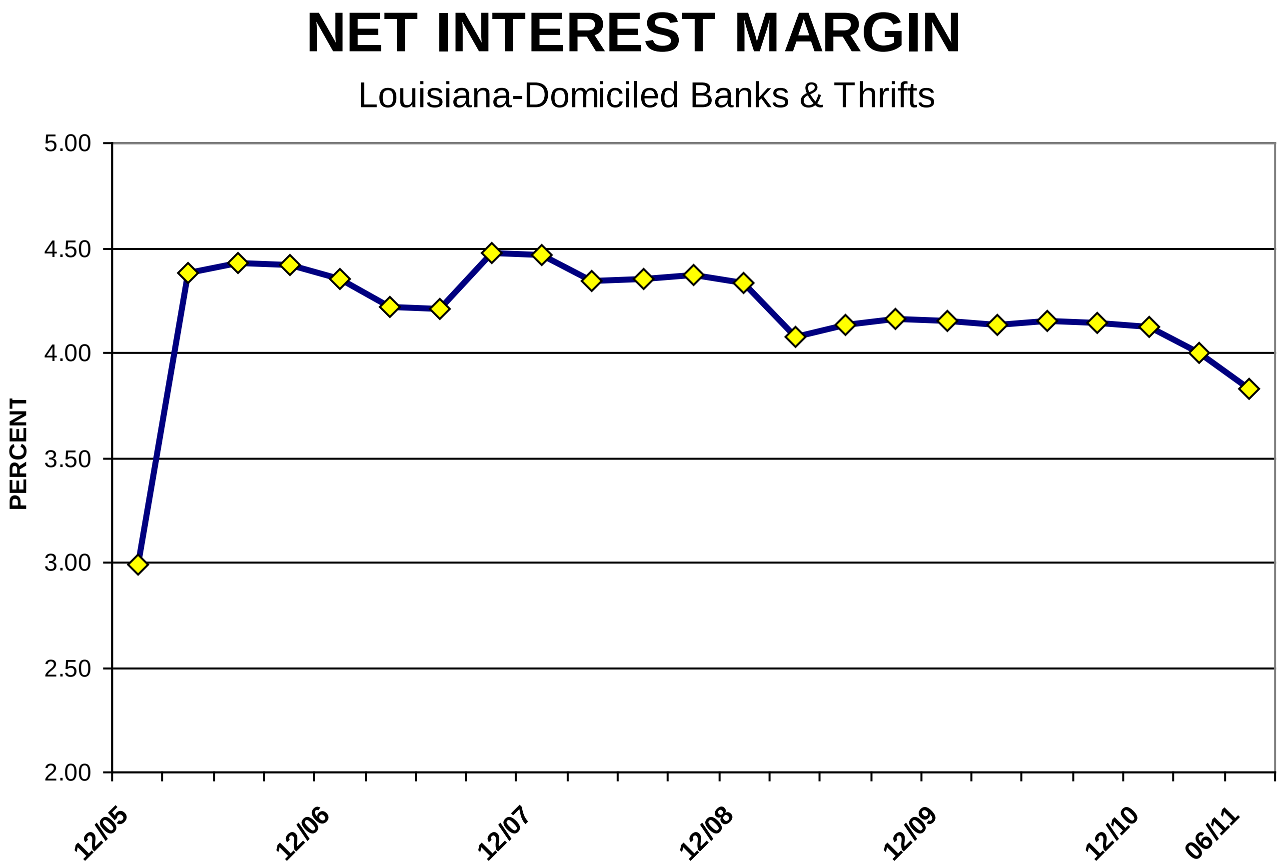

Figure 12

Figure 12 above reflects the annualized YTD net interest margin for all Louisiana banks and thrifts for every quarter since year-end 2005 through the current quarter-end. The net interest margin for all Louisiana-domiciled banks and thrifts decreased from 4.00 percent for the first quarter of 2011 to 3.84 percent for the second quarter of 2011. The aggregate yield on earning assets decreased from 4.93 percent to 4.75 percent, while the cost of funds decreased from 0.92 percent to 0.91 percent.

During the second quarter of 2011, the net interest margin for Louisiana state-chartered banks and thrifts decreased from 4.03 percent to 3.84 percent, while the net interest margin for Louisiana-domiciled federally-chartered banks and thrifts decreased from 3.95 percent to 3.88 percent. The yield on earning assets decreased from 5.07 percent to 4.74 percent for Louisiana state-chartered banks and thrifts, while it increased from 4.60 percent to 4.81 percent for Louisiana-domiciled federally-chartered banks and thrifts. The cost of funds decreased for Louisiana state-chartered banks and thrifts from 1.04 percent to 0.90 percent and increased for Louisiana-domiciled federally-chartered banks and thrifts from 0.65 percent to 0.93 percent.

For all banks and thrifts in the U.S., the net interest margin decreased from 3.67 percent to 3.61 percent from the first quarter to the second quarter of 2011. During the same time frame, the yield on earning assets decreased from 4.47 percent to 4.39 percent, while the cost of funds also decreased from 0.80 percent to 0.77 percent.

INDUSTRY CONSOLIDATION

All Louisiana-Domiciled Banks and Thrifts

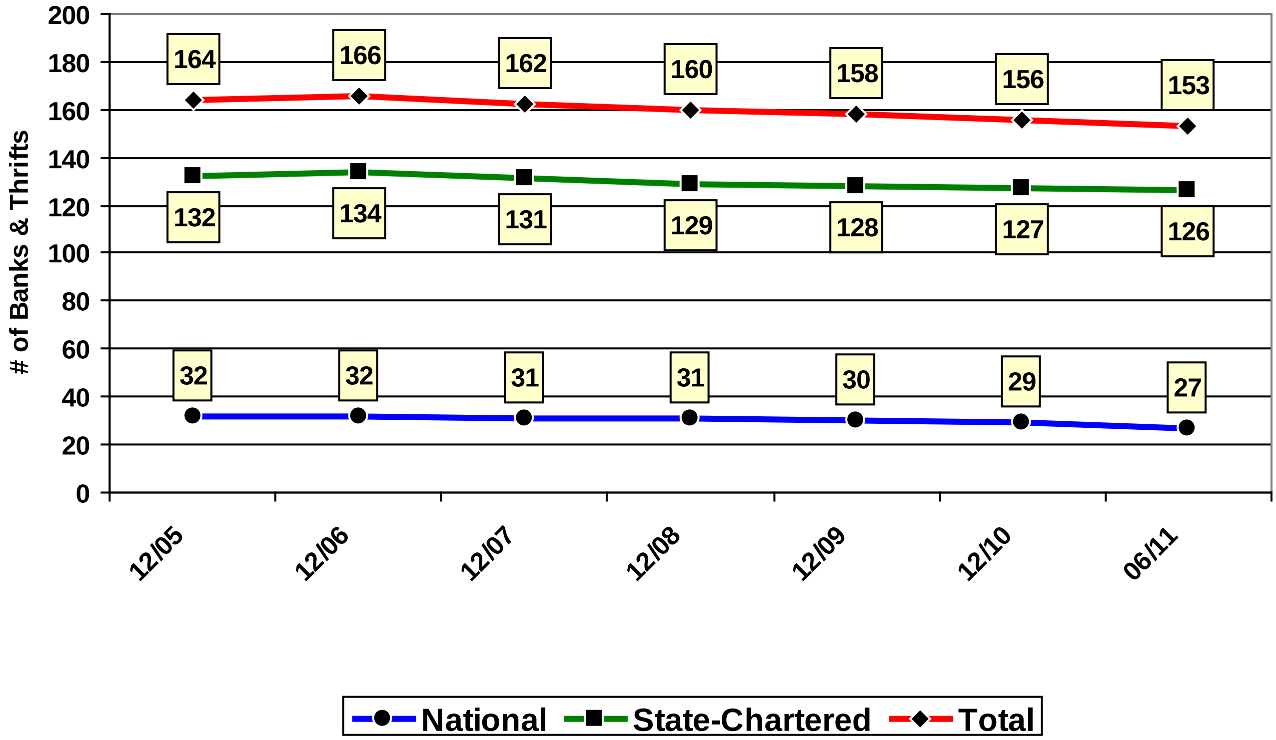

Figure 13

MERGERS AND ACQUISITIONS

Figure 13 above reflects the number of Louisiana-domiciled bank and thrifts for each year-end since 2005 and at the end of the second quarter of 2011. During the first quarter of 2011, a Louisiana-domiciled national bank acquired its three out-of-state sister banks through a merger with no other mergers occurring. During the second quarter of 2011, a state-chartered bank acquired two other state-chartered banks, a second state-chartered bank acquired a Louisiana-domiciled national bank, and a Louisiana-domiciled federally-chartered thrift converted to a state-chartered bank. Shortly after the close of the second quarter, one state-chartered bank acquired another state-chartered bank, two Louisiana-domiciled, federally-chartered thrifts merged, and a Louisiana state-chartered bank merged into a Mississippi state-chartered bank. In addition, there is a pending merger of a Louisiana state-chartered bank into a Louisiana-domiciled national bank and a recent announcement regarding the merger of two Louisiana-domiciled national banks, both of which are subject to regulatory review and approval.

As of June 30, 2011, there were 153 banks and thrifts domiciled in Louisiana. This included 126 state-chartered banks and thrifts, which represents 82 percent of the total Louisiana-domiciled banks and thrifts. As Figure 13 above illustrates, since December 31, 2005, the total number of Louisiana-domiciled banks and thrifts has decreased from 164 to 153, or by 6.71 percent.

The number of banks and thrifts in the U.S. declined from 7,574 as of March 31, 2011, to 7,513 as of June 30, 2011, or by 61 institutions during the second quarter. During the second quarter of 2011, 22 banks and thrifts failed, compared to 26 failures in the first quarter of 2011. For 2010 and 2009, there were 157 and 140 failures, respectively. During the second quarter of 2011, there were two de novo institutions chartered, compared to one in the first quarter. All three were specifically formed to acquire failed institutions.

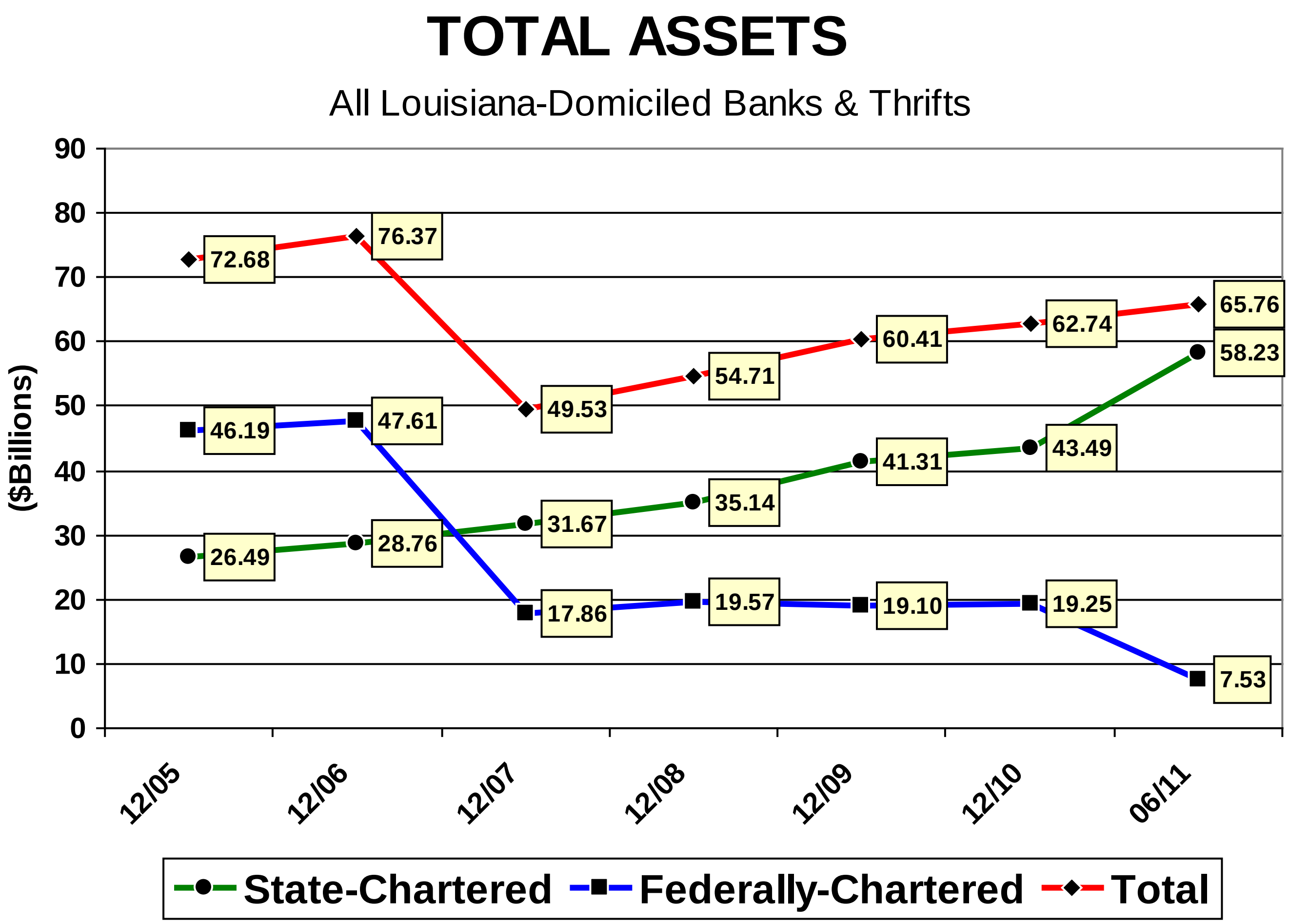

Figure 14

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 2005 and as of June 30, 2011. Total assets for all Louisiana-domiciled banks and thrifts increased from $65.20 billion as of March 31, 2011, to $65.76 billion as of June 30, 2011, or by 0.86 percent. **Total assets for all Louisiana-domiciled banks and thrifts grew at a faster rate in the third and fourth quarter of 2009 and the third quarter of 2010 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 18 of the past 20 quarters, despite some industry consolidation since year-end 2005. The biggest drop occurred when a large national bank moved its headquarters out of Louisiana in July 2007.

As of June 30, 2011, Louisiana state-chartered banks and thrifts held assets totaling $58.23 billion, or 88.55 percent of the Louisiana banking industry's $65.76 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 $14.56 billion, or 22.14 percent of the total assets for all Louisiana-domiciled banks and thrifts. As of June 30, 2011, one Louisiana-domiciled bank holding company, which owns a Louisiana state-chartered bank, also owns a state-chartered bank domiciled in Arkansas, with total assets of $30.86 million.

Total assets for all banks and thrifts in the U.S. increased from $13.41 trillion as of March 31, 2011, to $13.60 trillion as of June 30, 2011, and the number of banks and thrifts declined as noted previously.

BANK AND THRIFT SUMMARY AS OF JUNE 30, 2011

During the second quarter of 2011, the overall financial condition of Louisiana-domiciled banks and thrifts remained sound with some improvement noted in asset quality and some slippage in earnings. The second quarter of 2011 saw a minimal increase in total assets, a minimal decrease in total deposits, and a modest decline in Tier 1 (core) capital. During the second quarter, core deposits as a percent of total deposits and borrowed money decreased from the prior quarter. Earnings for the second quarter decreased, down from the previous quarter primarily because of declines in interest and noninterest income and increased loan loss provisions. With quarterly average assets decreasing at a higher rate than Tier 1 (core) capital, the Core capital (leverage) ratio increased, with all capital ratios remaining well above minimum regulatory requirements. During the second quarter of 2010, asset quality showed mixed signals 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, declined in both the first and second quarters. 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 no longer available. 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, earnings performance, and capital levels, especially with the ongoing concerns with local, state, and national economies.

BANK LAGNIAPPE

- As of June 30, 2011, the breakdown of **all** Louisiana-domiciled **banks & thrifts** by asset size is as follows:

Asset Size	Number	No. %	Total Assets *	TA %
Assets < $100 Million	42	27	$2,632,879	4
Assets $100 Million to $300 Million	68	44	11,920,457	18
Assets $300 Million to $500 Million	21	14	7,825,645	12
Assets $500 Million to $1 Billion	16	11	11,548,894	18
Assets $1 Billion to $10 Billion	4	3	5,917,163	9
Assets > $10 Billion	2	1	25,913,935	39
TOTAL ASSETS	153	100	$65,758,973	100

- As of June 30, 2011, the breakdown of Louisiana **state-chartered banks & thrifts** by asset size is as follows:

Asset Size	Number	No. %	Total Assets *	TA %
Assets < $100 Million	37	29	$2,358,586	4
Assets $100 Million to $300 Million	53	42	9,187,869	16
Assets $300 Million to $500 Million	18	14	6,679,326	11
Assets $500 Million to $1 Billion	13	10	9,221,045	16
Assets $1 Billion to $10 Billion	3	3	4,868,795	8
Assets > $10 Billion	2	2	25,913,935	45
TOTAL ASSETS	126	100	$58,229,556	100

- As of June 30, 2011, the breakdown of Louisiana-domiciled **federally-chartered banks & thrifts** by asset size is as follows:

Asset Size	Number	No. %	Total Assets *	TA %
Assets < $100 Million	5	18	$274,293	4
Assets $100 Million to $300 Million	15	56	2,732,588	36
Assets $300 Million to $500 Million	3	11	1,146,319	15
Assets $500 Million to $1 Billion	3	11	2,327,849	31
Assets $1 Billion to $10 Billion	1	4	1,048,368	14
TOTAL ASSETS	27	100	$7,529,417	100

* Thousands

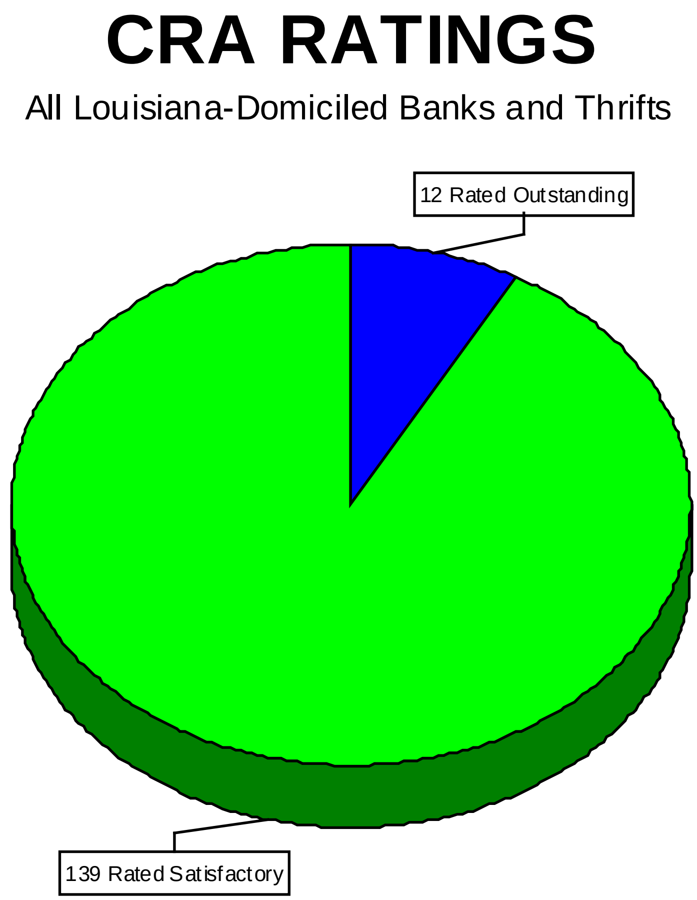

Figure 15

(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, 2011.)

As Figure 15 above demonstrates, Louisiana-domiciled banks and thrifts continue to work aggressively to meet the requirements of the Community Reinvestment Act. All Louisiana-domiciled banks and thrifts that received a CRA rating were rated Satisfactory or better at their last CRA examination. The ratings shown in the above chart include ratings formerly assigned by the OTS, for those institutions that were under their federal supervision until July 21, 2011, when their supervisory authority for these was transferred to either the FDIC or OCC.

All financial information contained within this report was obtained from the Institution Directory and Statistics on Depository Institutions(SDI) 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).

Page 1 Note: *Information gathered from the SDI section of the FDIC website is based on the Standard Peer Group selection. In using this selection, the ratios available on the Performance and Conditions Ratios report and others are based on a weighted average of all the ratios within the selected peer group, which are the same ratios used in the FDIC's Quarterly Banking Profile. However, the weighted average ratios place more emphasis on the ratios of the larger banks and thrifts within the peer group and may slant ratios based on the performance of these larger institutions. With the Standard Peer Group selection, the reports only allow you to view weighted average ratios.*

By changing to a Custom Peer Group, SDI allows you to look at the ratios on the Performance and Conditions Ratios report based on selections other than weighted average, with the selections being maximum, minimum, non-weighted average, and median. Based on the Custom Peer Group with non-weighted averages, which is a straight average of all the ratios in the selected peer group, all of the ratios shown in the chart on Page 1 for Louisiana-domiciled would change somewhat. However, there are several ratios that would show significant positive changes, especially those specific to quarterly performance, including: Loan Loss Provisions to Average Assets, Return on Average Assets, Noncurrent Loans to Total Loans, Nonperforming Assets to Total Assets, and Tier 1 Leverage Capital. For banks and thrifts in the U.S., most of these same ratios would also show a positive change with the exception of Return on Average Assets, which would decline.

Based on a non-weighted average, the ROAA for Louisiana-domiciled banks and thrifts for the quarters ending June 30, 2011, and March 31, 2011, are 0.97 percent and 0.92 percent, respectively, with the ROAA for U. S. banks and thrifts for the quarter ending June 30, 2011, at 0.64 percent. In addition, the ratios of nonperforming assets to total assets for Louisiana-domiciled banks and thrifts would fall below the ratio for U. S. banks and thrifts shown in the chart on page 1.

Pages 5 and 6 (Figures 4 and 5) Note: *The signature of the Dodd-Frank Act in July 2010 impacted the information contained in the narrative and charts related to discussion of core deposits. While the insurance limit was increased upon signature of the act, the definition of core deposits was not changed until a later date. As a result, the December 31, 2010, report contained the same charts that used the old definition since it was not changed at the time the report was issued. However, the charts on these two pages in the current report reflect the December 31, 2010, and June 30, 2011, information based on the new definition of core deposits.*