

LOUISIANA-DOMICILED BANKS AND THRIFTS FINANCIAL REPORT

For the Quarter Ended
June 30, 2012



STATE OF LOUISIANA OFFICE OF FINANCIAL INSTITUTIONS

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FINANCIAL CONDITION OF LOUISIANA-DOMICILED BANKS & THRIFTS AT JUNE 30, 2012

During the second quarter of 2012, total assets for all Louisiana-domiciled banks and thrifts increased from \$66.85 billion to \$66.97 billion, an increase of \$0.12 billion or by 0.17 percent. Total loans and leases increased from \$40.08 billion to \$41.19 billion or by 2.77 percent. Federal funds sold increased from \$810 million to \$993 million or by 22.59 percent. Cash decreased from \$5.25 billion to \$4.38 billion or by 16.58 percent. Total securities decreased from \$15.85 billion to \$15.50 billion or by 2.23 percent. Regarding liabilities, total deposits decreased from \$55.0 billion to \$54.68 billion or by 0.58 percent, while borrowed money increased from \$3.34 billion to \$3.58 billion or by 7.19 percent.

For Louisiana state-chartered banks and thrifts, total assets increased by 0.29 percent during the second quarter of 2012. Total loans and Federal funds sold increased, while cash and securities decreased. Regarding liabilities, total deposits declined, while borrowed money increased. For Louisiana-domiciled federally-chartered banks and thrifts, total assets decreased by 0.65 percent during the second quarter of 2012. Securities, Federal funds sold, and total loans increased, while cash declined. Regarding liabilities, total deposits increased, and borrowed money decreased.

The following chart provides selected performance ratios for all banks and thrifts in the U. S. for the quarter ended June 30, 2012; and for all Louisiana-domiciled banks and thrifts for the quarters ended June 30, 2012, and March 31, 2012, and the years ended December 31, 2011, and 2010. **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.**

TRENDS	U. S. Banks & Thrifts	All Louisiana-Domiciled Banks & Thrifts			
	Quarter Ended 06/30/2012	Quarter Ended 06/30/2012	Quarter Ended 03/31/2012	Year Ended 12/31/2011	Year Ended 12/31/2010
Earnings					
Yield on Earning Assets	4.01%	4.63% ↓	4.74%	4.88% ↓	5.25%
Cost of Funds	0.56%	0.66% ↓	0.69%	0.86% ↓	1.12%
Net Interest Margin	3.46%	3.97% ↓	4.05%	4.02% ↓	4.12%
Loan Loss Provisions to Average Assets	0.41%	0.21% ↓	0.26%	0.29% ↓	0.86%
Operating Expenses to Average Assets	2.96%	3.18% ↓	3.28%	3.30% ↑	3.27%
Return on Average Assets	0.99%	0.92% ↑*	0.80%*	0.79% ↑*	0.46%*
Asset Quality					
Noncurrent Loans to Total Loans	3.89%	2.64% ↓#	3.20%	3.18% ↓#	4.58%#
Nonperforming Assets to Total Assets	2.40%	2.19% ↓#	2.52%	2.49% ↓#	3.47%#
Net Charge-offs to Total Loans	1.10%	0.28% ↓	0.35%	0.34% ↓	1.23%
Capital and Liquidity					
Tier 1 Leverage Capital Ratio	9.25%	10.01% ↑	9.67%	9.82% ↑	9.61%
Earning Assets to Total Assets	89.32%	89.99% ↓	90.12%	89.43% ↓	89.85%
Loans to Deposits	71.07%	74.22% ↑	71.79%	72.90% ↓	73.32%

At June 30, 2012 (for all Louisiana-domiciled banks and thrifts), the **year-to-date** return on average assets (ROAA), not shown in the chart above, increased by 6 basis points during the second quarter of 2012 and 15 basis points from the same time period in 2011. This ratio is 13 basis points below the national average **year-to-date** ROAA (also not shown in the chart above) with the gap between the two declining during the quarter. Although below the national average, a great majority of Louisiana-domiciled banks and thrifts continue to show strong or satisfactory earnings performance as a result of stable operating expenses and reduced provisions for loan losses (year-to-date 2012 compared to 2011). Capital levels remain sound, with ratios increasing during the second quarter of 2012 and comparing favorably with the same time period in 2011. Asset quality continues to improve as the dollar volumes and ratios of nonperforming assets and noncurrent loans declined and are well below the same time period in 2011. Net charge-offs decreased during the second quarter, with the year-to-date ratio at essentially the same level for the same time period in 2011.

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

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

LOANS AND SECURITIES

Louisiana-Domiciled Banks & Thrifts at 6-30-12

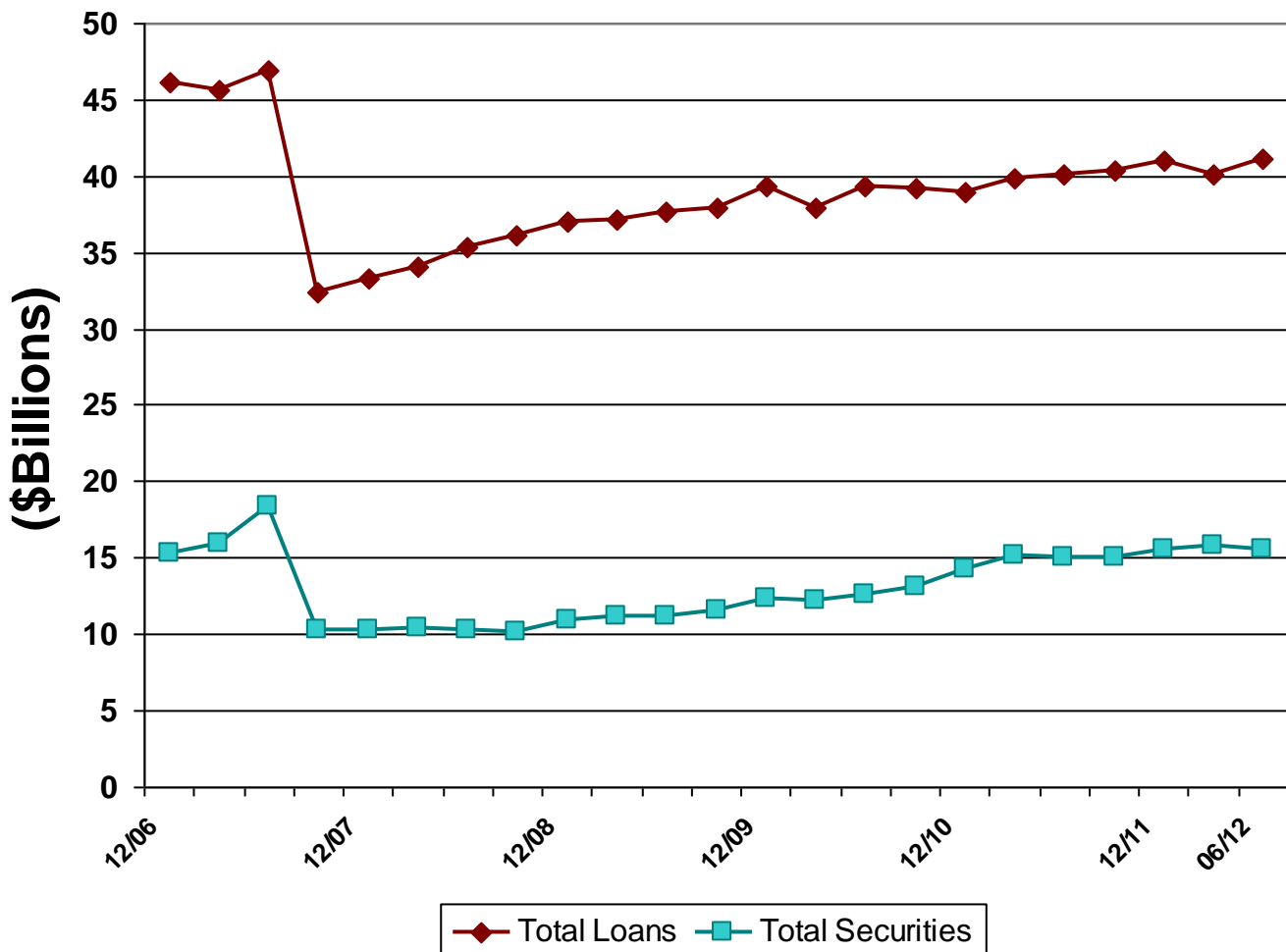


Figure 1

Figure 1 above shows the trend in total loans and leases and securities since year-end 2006. The significant decline in mid-2007 was caused by the relocation of a large national bank’s headquarters out of Louisiana. As previously mentioned, total loans and leases increased by 2.77 percent during the second quarter of 2012, from \$40.08 billion to \$41.19 billion, or by approximately \$1.112 billion. 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 increased from \$8.26 billion to \$8.66 billion or by approximately \$398 million, real estate loans increased from \$27.59 billion to \$27.87 billion or by approximately \$283 million, farm loans increased from \$373 million to \$569 million or by approximately \$195 million, consumer loans increased from \$2.86 billion to \$2.98 billion or by approximately \$118 million, and other loans increased from \$994 million to \$1.11 billion or by approximately \$117 million.

During the second quarter of 2012, Louisiana state-chartered banks and thrifts experienced growth in total loans and all five major reporting categories, with commercial loans, real estate loans, farm loans, consumer loans, and other loans growing from highest to lowest in dollar volume. Louisiana-domiciled federally-chartered banks and thrifts also experienced similar growth in total loans and all five major reporting categories, with growth in real estate loans, farm loans, commercial loans, consumer loans, and other loans growing from highest to lowest in dollar volume. All banks and thrifts in the U.S. experienced growth in total loans, with growth in all categories, from highest to lowest as follows: commercial loans, other loans, consumer loans, farm loans, and real estate loans.

LOAN PORTFOLIO MIX

Louisiana-Domiciled Banks & Thrifts at June 30, 2012

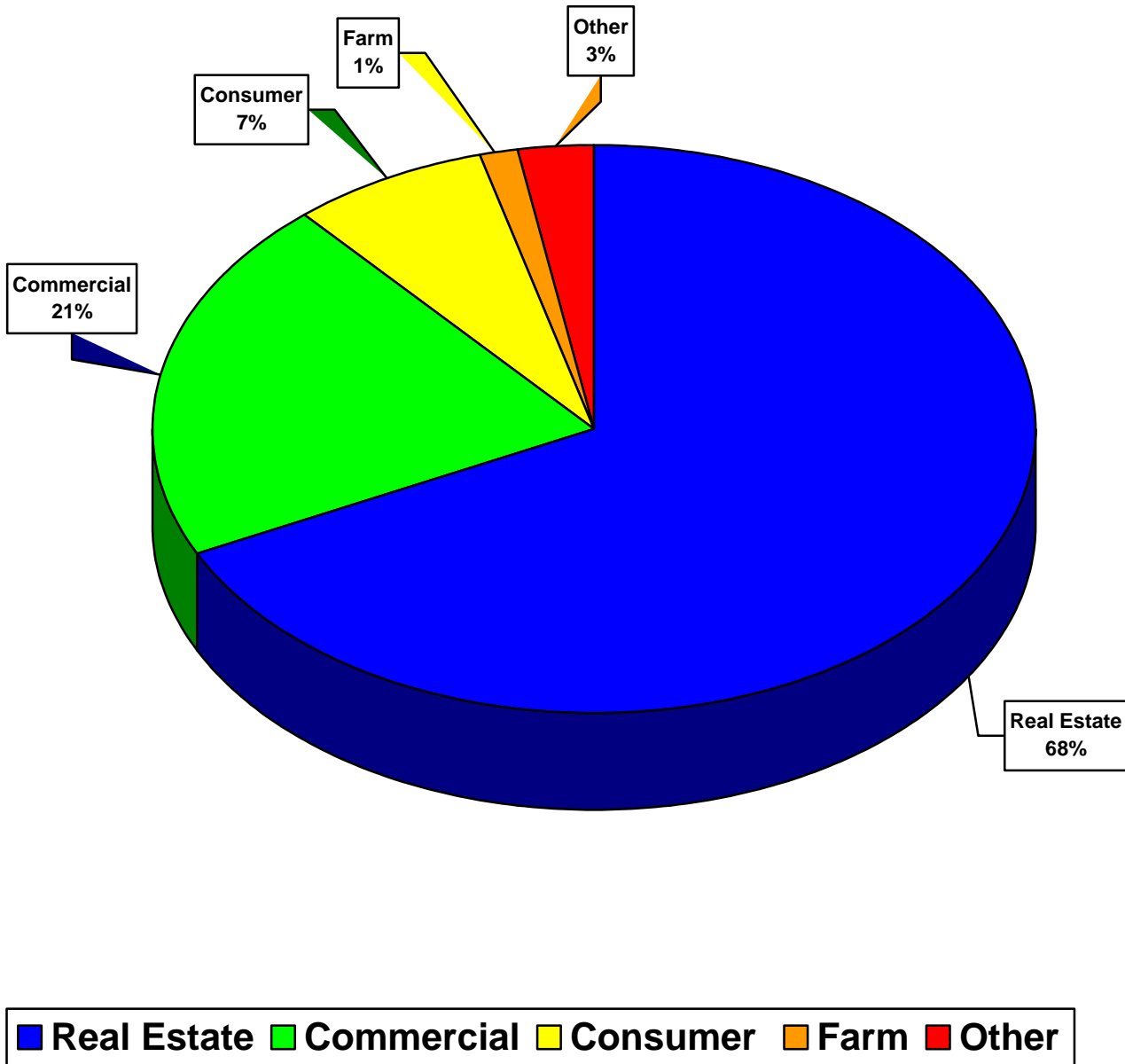


Figure 2

Figure 2 shows the June 30, 2012, loan portfolio mix for all Louisiana-domiciled banks and thrifts. At June 30, 2012, Louisiana state-chartered banks and thrifts showed a loan portfolio mix as follows: real estate loans - 66 percent; commercial loans - 22 percent; consumer loans - 8 percent; other loans - 3 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 - 11 percent; consumer loans - 4 percent; other loans - 3 percent; and farm loans - 1 percent.

At June 30, 2012, for all banks and thrifts in the U.S., the loan portfolio mix is as follows: real estate loans - 54 percent; commercial loans - 19 percent; consumer loans - 17 percent; other loans - 9 percent; and farm loans - 1 percent.

LOANS TO DEPOSITS

Louisiana-Domiciled Banks & Thrifts at 6-30-12

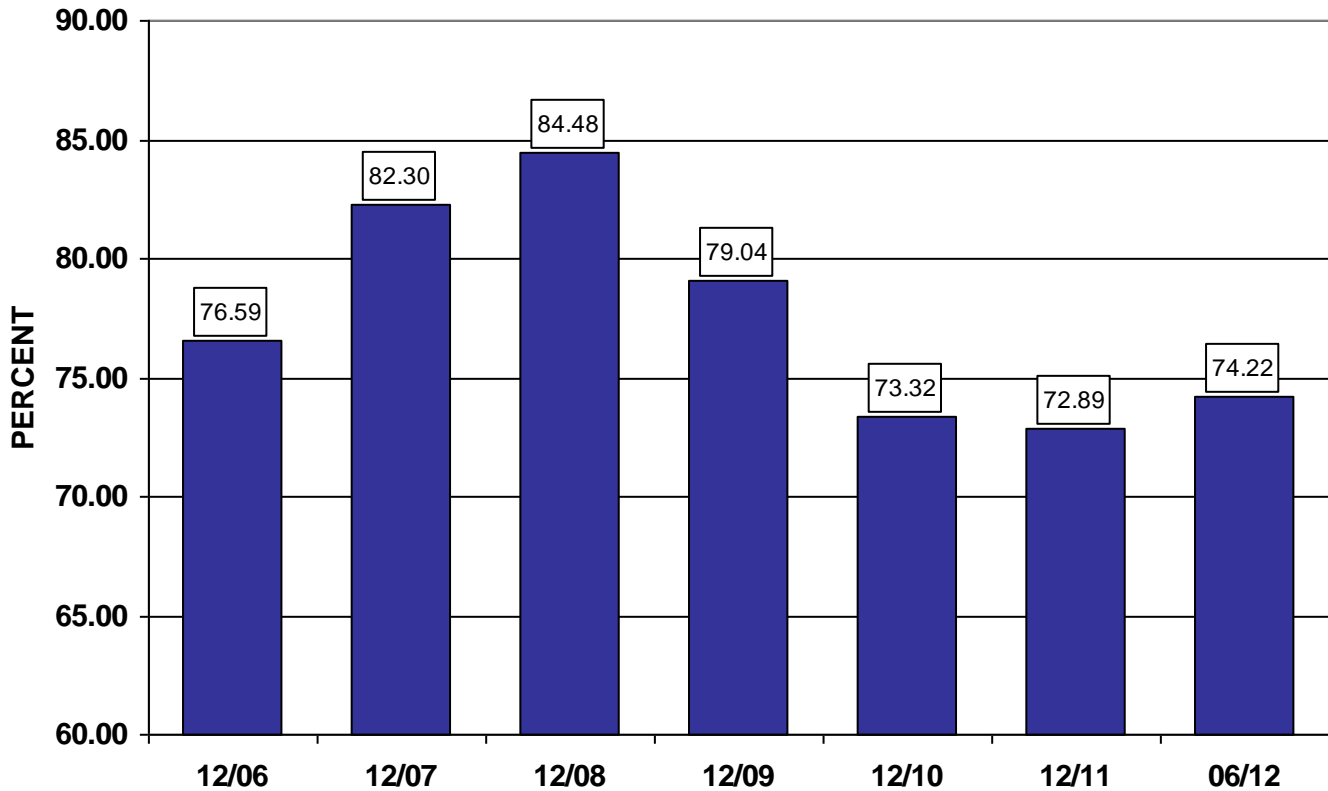


Figure 3

Figure 3 above illustrates the aggregate year-end loan-to-deposit ratio trend since year-end 2006. The ratio of net loans to deposits increased during the second quarter of 2012, increasing from 71.79 percent as of March 31, 2012, to 74.22 percent as of June 30, 2012, as net loans grew while deposits shrunk.

For Louisiana state-chartered banks and thrifts, the ratio of net loans to deposits increased from 71.79 percent as of March 31, 2012, to 74.22 percent as of June 30, 2012, as net loans increased and deposits shrunk. For Louisiana-domiciled federally-chartered banks and thrifts, the ratio of net loans to deposits decreased from 80.09 percent as of March 31, 2012, to 78.28 percent as of June 30, 2012, as deposits increased at a faster rate than net loans.

For all banks and thrifts in the U.S., the ratio of net loans to deposits increased from 70.44 percent as of March 31, 2012, to 71.07 percent as of June 30, 2012, as net loans increased at a faster pace than deposits.

DEPOSITS & BORROWED MONEY

Louisiana-Domiciled Banks & Thrifts at 6-30-12

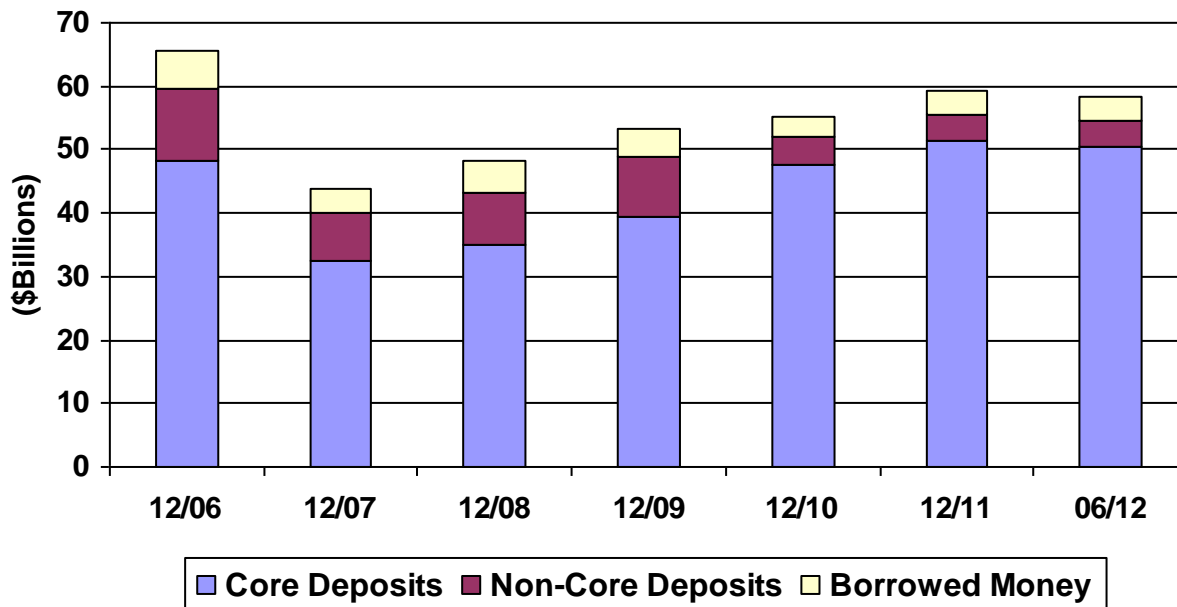


Figure 4

Figure 4 shows the mix of deposits and borrowed money since year-end 2006. The decreases in all three categories at December 31, 2007, shown in the chart above compared to the prior year, resulted from a large national bank moving its headquarters out of Louisiana during that year. Regarding liabilities, total deposits decreased from \$55 billion as of March 31, 2012, to \$54.68 billion as of June 30, 2012, or by 0.58 percent, while borrowed money increased from \$3.34 billion as of March 31, 2012, to \$3.58 billion as of June 30, 2012, or by 7.19 percent. Total deposits at Louisiana state-chartered banks and thrifts and Louisiana-domiciled federally-chartered banks and thrifts decreased and increased, respectively, during the second quarter of 2012. Core deposits decreased from \$51.02 billion as of March 31, 2012, to \$50.59 billion as of June 30, 2012, or by 0.85 percent. Louisiana state-chartered banks and thrifts and Louisiana-domiciled federally chartered banks and thrifts both experienced a decrease in core deposits during the second quarter of 2012.

As noted previously, borrowed money increased during the second quarter of 2012. At March 31, 2012, borrowed money totaled \$3.34 billion and consisted of Federal funds purchased totaling \$1.59 billion, Federal Home Loan Bank (FHLB) advances totaling \$1.56 billion, and other borrowings totaling \$198 million. At June 30, 2012, borrowed money totaled \$3.58 billion and consisted of Federal funds purchased totaling \$1.48 billion, FHLB advances totaling \$1.89 billion, and other borrowings totaling \$206 million. Total borrowed money for Louisiana state-chartered banks and thrifts increased by \$331 million during the second quarter with increases in FHLB advances and other borrowings and a decline in Federal funds purchased. Total borrowed money for Louisiana-domiciled federally-chartered banks and thrifts decreased by \$91 million during the second quarter with decreases in Federal funds purchased, FHLB advances, and other borrowings.

Non-core deposits increased during the second quarter of 2012. At March 31, 2012, non-core deposits totaled \$3.98 billion and consisted of time deposits of \$250,000 or more totaling \$3.12 billion, brokered deposits under \$250,000 totaling \$750 million and deposits held in foreign offices totaling \$110 million. At June 30, 2012, non-core deposits totaled \$4.09 billion and consisted of time deposits of \$250,000 or more totaling \$3.14 billion, brokered deposits under \$250,000 totaling \$760 million and deposits in foreign offices totaling \$193 million. During the second quarter, non-core deposits in Louisiana state-chartered banks and thrifts increased by \$87 million, with increases of \$4 million in time deposits of \$250,000 or more and \$83 million in deposits held in foreign offices, and decreases of \$54 thousand in brokered deposits under \$250,000. During this same period, non-core deposits in Louisiana-domiciled federally-chartered banks and thrifts increased by \$30 million, with an increase of \$21 million in time deposits of \$250,000 or more and \$9 million in brokered deposits under \$250,000, with no deposits held in foreign offices reported.

During the second quarter of 2012, all banks and thrifts in the U.S. experienced an increase in total deposits, core deposits, time deposits over \$250,000, brokered deposits of \$250,000 or less and non-core deposits, and borrowed money, while deposits in foreign offices experienced a decline.

CORE DEPOSITS TO TOTAL DEPOSITS & BORROWED MONEY

Louisiana-Domiciled Banks & Thrifts at 6-30-12

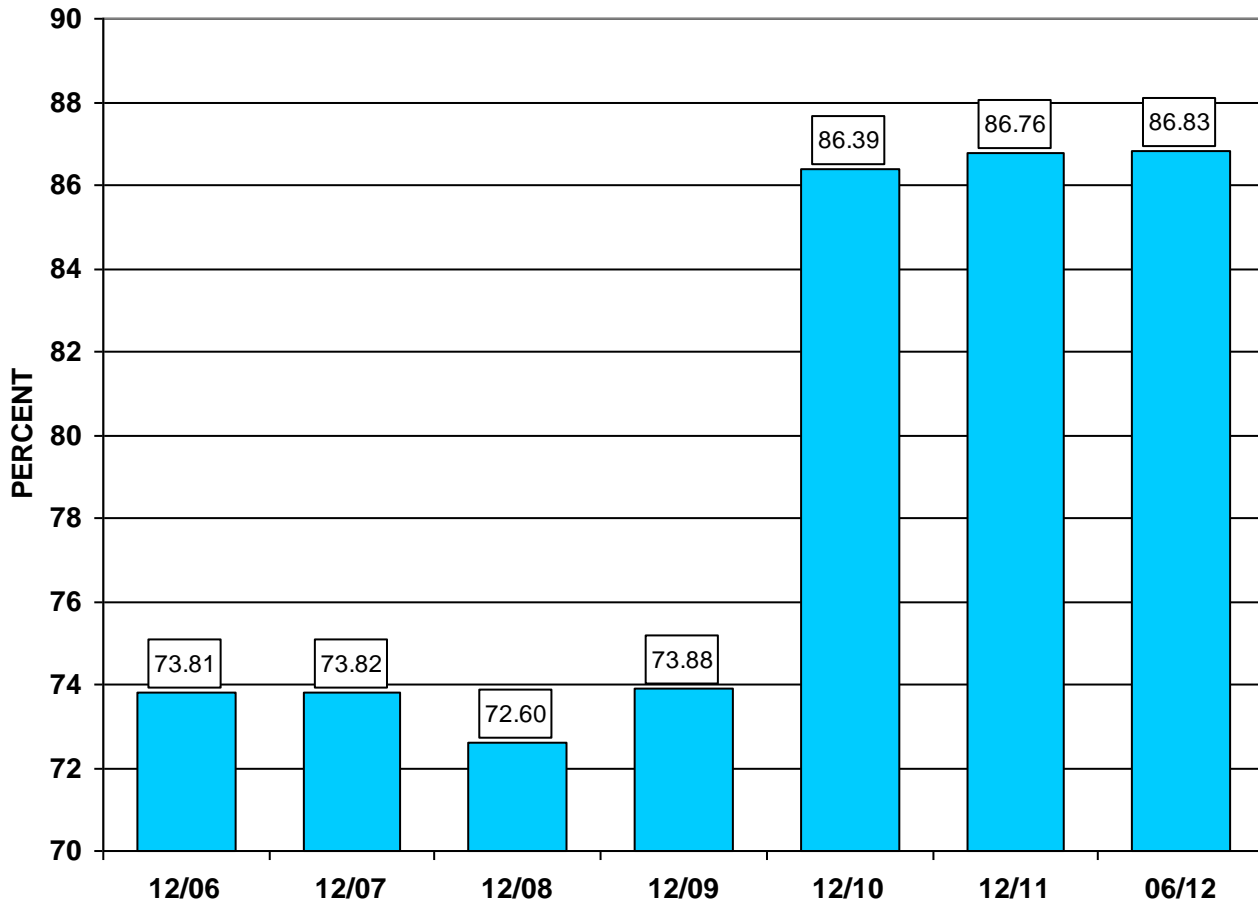


Figure 5

Figure 5 illustrates the trend in the core deposits to total deposits and borrowed money ratio since year-end 2006. The ratios shown in Figure 5 above from December 31, 2010, forward, 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 during the second quarter of 2012, going from 87.46 percent at March 31, 2012, to 86.83 percent at June 30, 2012, although the latter ratio increased slightly from year-end 2011 as shown in the chart above.

For Louisiana state-chartered banks and thrifts, the ratio of core deposits to total deposits and borrowed money decreased from 88.20 percent as of March 31, 2012, to 87.38 percent at June 30, 2012. For Louisiana-domiciled federally-chartered banks and thrifts, this ratio increased from 82.09 percent at March 31, 2012, to 82.76 percent as of June 30, 2012.

For all banks and thrifts in the U.S., the ratio of core deposits to total deposits and borrowed money decreased from 68.43 percent at March 31, 2012, to 68.32 percent at June 30, 2012.

NONPERFORMING ASSETS TO TOTAL ASSETS

Louisiana-Domiciled Banks & Thrifts at 6-30-12

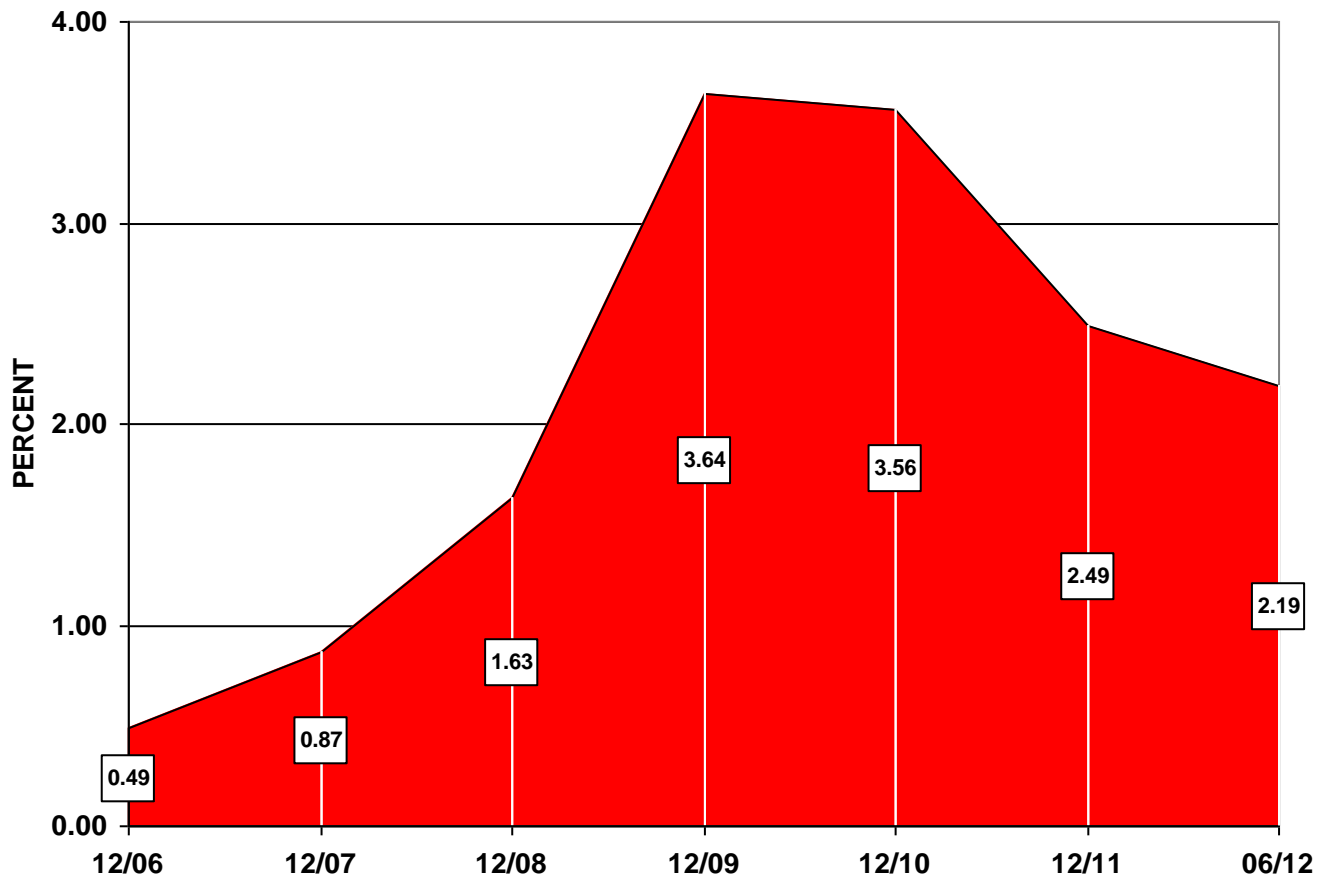


Figure 6

Figure 6 above illustrates the ratio of nonperforming assets to total assets since year-end 2006. This ratio 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 the acquired assets, the ratio of nonperforming assets would show 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 increase in the third quarter of 2010 was primarily because a Louisiana state-chartered bank acquired another out-of-state failed institution. Since that date, the ratio, which includes the acquired assets, has trended downward, with the exception of a 2 basis point increase in the first quarter of 2012.

The level of nonperforming assets, excluding those from the failed out-of-state institutions, began declining in the fourth quarter of 2010 and continued through all four quarters of 2011. In 2012, the level increased in the first quarter and declined again in the second quarter to below the level at year-end 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 2012, going from \$1.68 billion at March 31, 2012, to \$1.46 billion at June 30, 2012, or a decrease of 12.97 percent. Nonperforming assets associated with the acquisition of failed out-of-state institutions totaled \$679 million and \$512 million at of March 31, 2012, and June 30, 2012, respectively. Excluding these assets, the volume of nonperforming assets would decline from \$1 billion at March 31, 2012, to \$949 million at June 30, 2012, or by 5.04 percent. The ratio of

nonperforming assets to total assets decreased from 2.52 percent at March 31, 2012, to 2.19 percent at June 30, 2012. This ratio, excluding the assets acquired from the out-of-state failed institutions, would have also likely declined from March 31, 2012, to June 30, 2012; however, because the assets associated with 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 \$1.28 billion at March 31, 2012, to \$1.09 billion at June 30, 2012, or by 15.21 percent. Excluding the loans acquired from the out-of-state failed institutions, aggregate noncurrent loans decreased from \$696 million at March 31, 2012, to \$669 million at June 30, 2012, or by 3.80 percent. With this decline and loan growth in the second quarter, the ratio of noncurrent loans to gross loans decreased from 3.20 percent at March 31, 2012, to 2.64 percent at June 30, 2012. 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, 2012, and June 30, 2012, was not available. OREO decreased from \$395 million as of March 31, 2012, to \$373 million as of June 30, 2012, or by 5.71 percent. Excluding the OREO that was acquired from the out-of-state failed institutions, OREO decreased from \$304 million at March 31, 2012, to \$280 million at June 30, 2012, or by 7.87 percent.

Figure 7 below illustrates the level of noncurrent loans and OREO for all Louisiana-domiciled banks since year-end 2006. **Adjusted 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.**

NONPERFORMING ASSETS

Louisiana-Domiciled Banks & Thrifts at 6-30-12

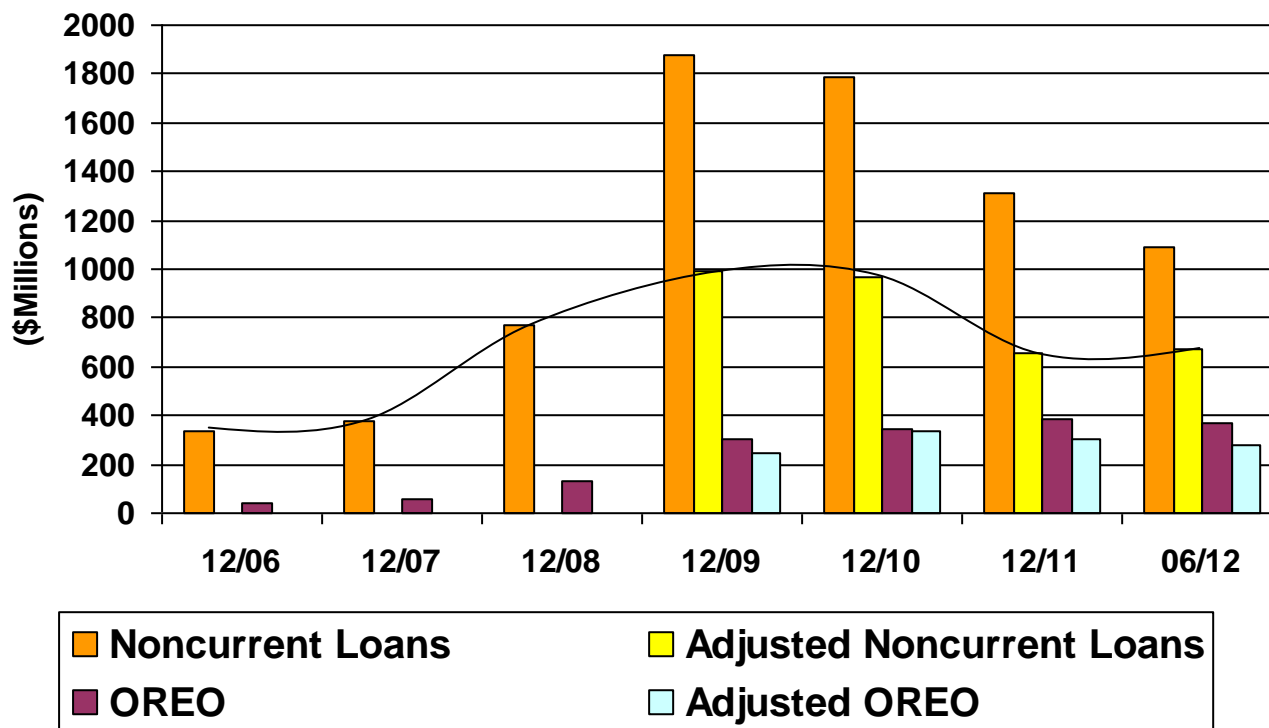


Figure 7

In the second quarter of 2012, for Louisiana state-chartered banks and thrifts, noncurrent loans decreased from \$1.18 billion to \$985 million, and OREO decreased from \$355 million to \$336 million. From March 31, 2012, to June 30, 2012, the ratios of nonperforming assets to total assets and noncurrent loans to gross loans for Louisiana state-chartered banks and thrifts decreased from 2.62 percent to 2.25 percent and from 3.34 percent to 2.72 percent, respectively. Excluding the assets acquired from the out-of-state failed institutions, noncurrent loans would decrease from \$589 million to \$566 million, while OREO would decrease from \$263 million to \$244 million. As noted previously, assets and gross loans acquired from the out-of-state failed institutions were unavailable. Both adjusted noncurrent loans and nonperforming assets increased in the first quarter of 2012 while the unadjusted gross loans and total assets declined; therefore, it is possible that the adjusted ratios may have increased in the first quarter, if gross loans and total assets associated with the out-of-state failed institutions were still available.

In the second quarter, noncurrent loans decreased from \$107 million to \$103 million and OREO decreased from \$41 million to \$37 million in Louisiana-domiciled federally-chartered banks and thrifts. From March 31, 2012, to June 30, 2012, the ratios of nonperforming assets to total assets and noncurrent loans to gross loans for Louisiana-domiciled federally-chartered banks and thrifts decreased from 1.82 percent to 1.73 percent and from 2.21 percent to 2.10 percent, respectively. For all commercial banks and thrifts in the U.S., nonperforming assets decreased from March 31, 2012, to June 30, 2012, as noncurrent loans and OREO both decreased. As a result, the ratio of nonperforming assets to total assets decreased from 2.53 percent to 2.40 percent, and the ratio of noncurrent loans to total loans decreased from 4.12 percent to 3.89 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-sharing 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, 2012, Louisiana-domiciled banks and thrifts reported the carrying amount of loans, OREO, and other assets covered by FDIC loss-sharing agreements at \$1.32 billion, \$103 million, and \$27 thousand, respectively, or a total of \$1.42 billion. The total carrying amount of these assets represented 3.51 percent and 2.12 percent of total loans plus OREO and total assets, respectively, reported as of this date. As of June 30, 2012, Louisiana-domiciled banks and thrifts reported the carrying amount of loans, OREO, and other assets covered by FDIC loss-sharing agreements at \$1.24 billion and \$101 million, and \$7 thousand, respectively, or a total of \$1.34 billion. The total carrying amount of these assets represented 3.22 percent and 2.00 percent of total loans plus OREO and total assets, respectively.

At June 30, 2012, noncurrent loans covered by the FDIC loss-share agreements totaled \$419 million, or 38.52 percent of the total noncurrent loans, compared to \$588 million, or 45.82 percent of total noncurrent loans, at March 31, 2012. At June 30, 2012, OREO covered by these loss-sharing agreements totaled \$93 million, or 24.84 percent of total OREO, compared to \$91 million, or 23.08 percent of total OREO, at March 31, 2012.

Beginning with the March 31, 2011, Call and Thrift Financial Reports, banks and thrifts also began reporting the portion of loans and OREO protected by these loss-sharing agreements, which is the amount recoverable from the FDIC on the assets covered by the loss-sharing agreements. At June 30, 2012, the portion of noncurrent loans protected by these loss-sharing agreements totaled \$396 million, or 36.40 percent of total noncurrent loans, compared to \$551 million, or 42.90 percent of total noncurrent loans, at March 31, 2012. At June 30, 2012, the portion of OREO protected by these loss-sharing agreements totaled \$89 million, or 23.73 percent of total OREO, compared to \$89 million, or 22.58 percent of total OREO, at March 31, 2012.

For all commercial banks and thrifts in the U.S., the carrying amounts of loans and OREO covered by loss-sharing agreements both declined, representing 1.09 percent and 1.18 percent of total loans and OREO, respectively, at June 30, 2012, and March 31, 2012. With similar declines in the carrying of amounts of debt securities and other assets covered by loss-sharing agreements, the ratio of covered assets to total assets declined to 0.60 percent at June 30, 2012, from 0.65 percent at March 31, 2012.

For all commercial banks and thrifts in the U.S., at June 30, 2012, covered noncurrent loans represented 4.65 percent of total noncurrent loans, compared to 4.94 percent at March 31, 2012. At June 30, 2012, covered OREO represented 9.17 percent of total OREO, compared to 9.33 percent at March 31, 2012. At June 30, 2012, protected noncurrent loans represented 3.82 percent of total noncurrent loans, compared to 4.04 percent at March 31, 2012. At June 30, 2012, protected OREO represented 7.13 percent of total OREO, compared to 7.30 percent at March 31, 2012.

NONCURRENT LOANS AND THE ALLL

Louisiana-Domiciled Banks & Thrifts at 6-30-12

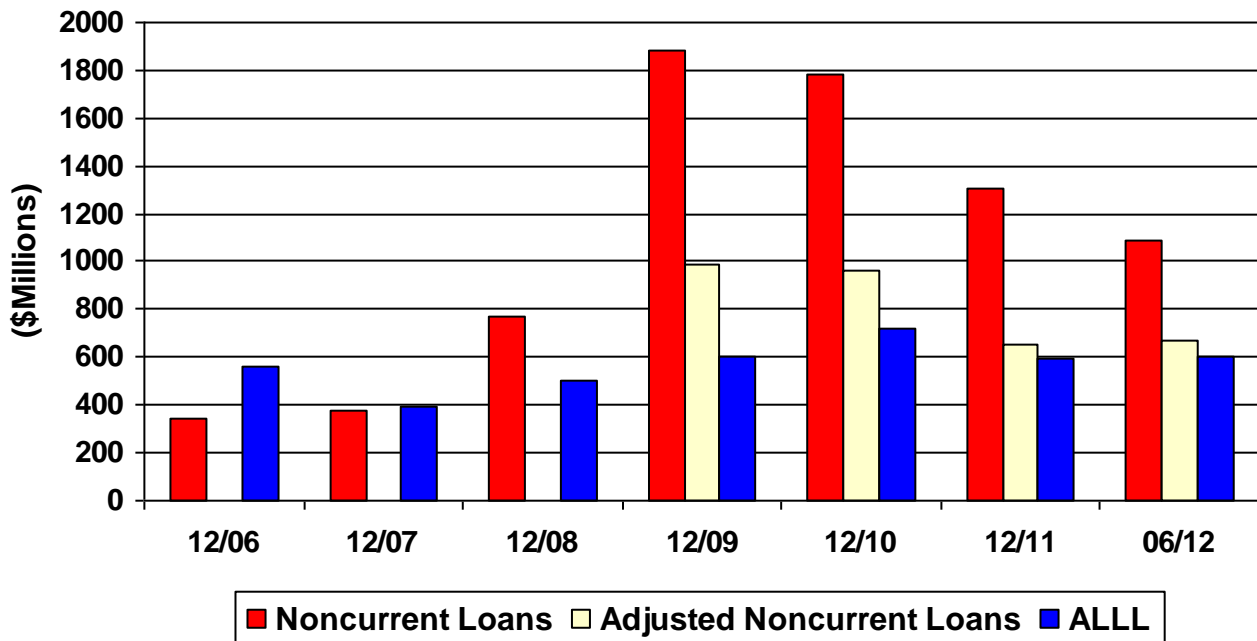


Figure 8

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) since year-end 2006. **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 2006 through year-end 2007, the level maintained in the ALLL exceeded the level of noncurrent loans; however, in the eighteen quarters since, the level of noncurrent loans has 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 2006 through the first quarter of 2008, while the level of noncurrent loans exceeded the level of noncurrent loans for the seventeen 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 2006 through the third quarter of 2007, while the level of noncurrent loans exceeded the level of noncurrent loans for the last nineteen 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 2006 through the third quarter of 2007, while the level of noncurrent loans exceeded the level of noncurrent loans for the last nineteen quarters, beginning with the fourth quarter of 2007.

CHARGE-OFFS AND PLLL

Louisiana-Domiciled Banks & Thrifts at 6-30-12

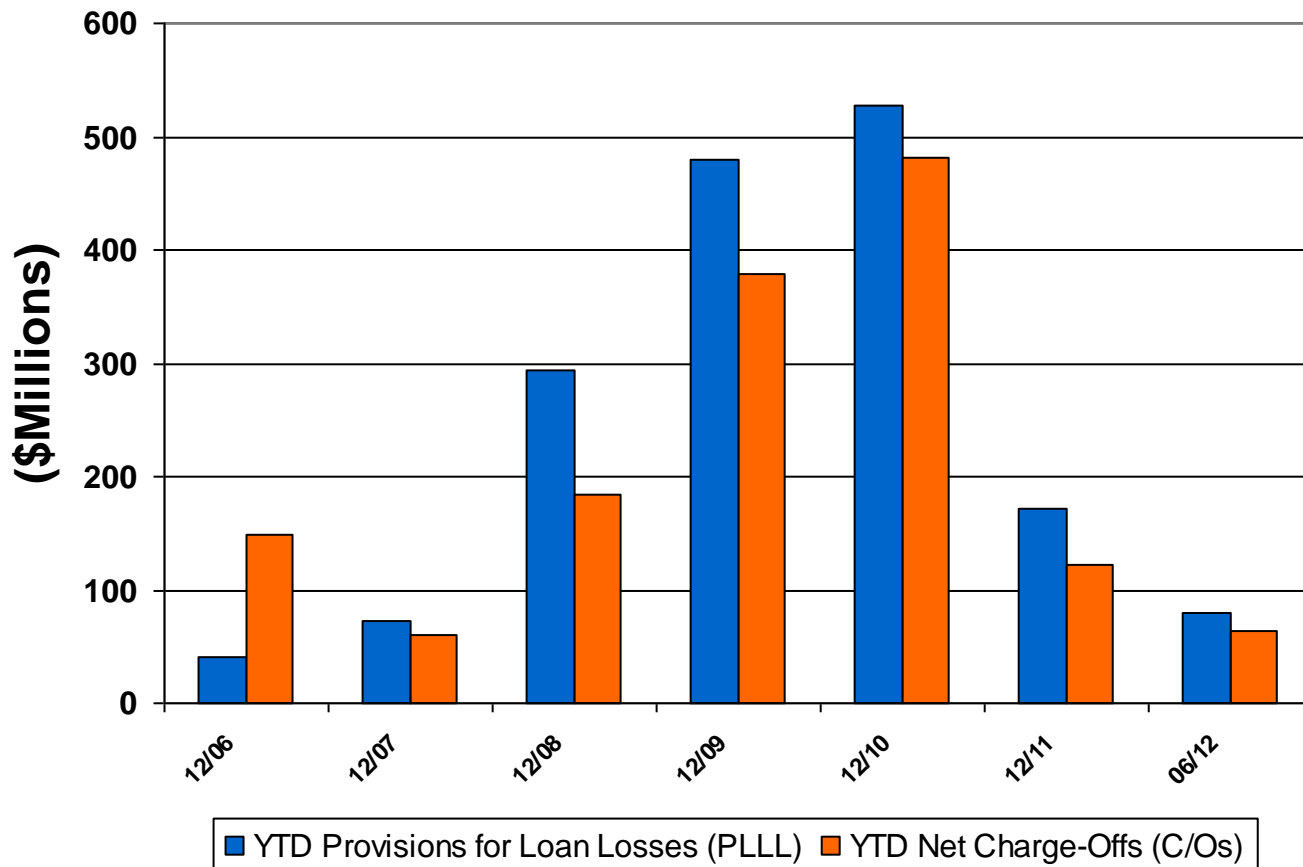


Figure 9

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 since year-end 2006. This chart shows that PLLL have exceeded net charge-offs for each year, with the exception of 2006, for Louisiana-domiciled banks and thrifts.

For Louisiana-domiciled banks and thrifts, net charge-offs recognized in the second quarter of 2012 totaled \$28 million, a decrease from the \$36 million in the first quarter of 2012. The annualized net charge-off ratio for the quarter ending June 30, 2012, decreased to 0.28 percent, from 0.35 percent for the quarter ending March 31, 2012. Based on year-to-date (YTD) net charge-offs reported at \$64 million, the YTD 2012 ratio of net charge-offs to total loans decreased slightly to 0.31 percent at June 30, 2012, from 0.35 percent at March 31, 2012. For the calendar years 2011, 2010, and 2009, net charge-offs totaled \$126 million, \$485 million, and \$379 million, respectively, with the net charge-off ratios of 0.34 percent, 1.24 percent, and 1.00 percent, respectively.

From March 31, 2012, to June 30, 2012, quarterly net charge-offs decreased from \$33 million to \$23 million for Louisiana state-chartered banks and thrifts. For these institutions, the annualized net charge-off ratio, based on quarterly charge-offs, decreased from 0.37 percent to 0.26 percent. Through June 30, 2012, the YTD net charge-off ratio decreased from 0.37 percent to 0.31 percent, with YTD net charge-offs totaling \$56 million. In comparison, net charge-offs totaled \$109 million, \$142 million, and \$166 million for the calendar years 2011, 2010, and 2009, respectively, with the net charge-off ratios of 0.34 percent, 0.54 percent, and 0.69 percent, respectively.

From March 31, 2012, to June 30, 2012, quarterly net charge-offs increased from \$3 million to \$5 million for Louisiana-domiciled federally-chartered banks and thrifts. These institutions saw the annualized net charge-off ratio, based on quarterly net charge-offs, increase from 0.22 percent to 0.43 percent. Through June 30, 2012, the YTD ratio increased from 0.22 percent to 0.32 percent, based on YTD net charge-offs at \$8 million. In comparison, net charge-offs totaled \$17 million, \$343 million, and \$213 million for the calendar years 2011, 2010, and 2009, respectively, with the YTD net charge-off ratios at 0.38 percent, 2.67 percent, and 1.57 percent, respectively. The merger of a large national bank into a state-chartered bank in the second quarter of 2011 significantly reduced the dollar volume of net charge-offs for Louisiana-domiciled federally-chartered banks and thrifts in 2011 from prior years.

For Louisiana-domiciled banks and thrifts, loan loss reserves increased to \$605 million at June 30, 2012, from \$596 million at March 31, 2012. However, the ratio of loan loss reserves to total loans decreased slightly to 1.47 percent at June 30, 2012, from 1.49 percent at March 31, 2012. This ratio (loan loss reserves to total loans), for each year-end since 2006, is as follows: 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; 1.85 percent as of December 31, 2010; and 1.44 percent as of December 31, 2011.

For Louisiana-domiciled banks and thrifts, loan loss provisions totaled \$43 million during the first quarter of 2012, or 0.26 percent of average assets, as compared to \$36 million during the second quarter of 2012, or 0.21 percent of average assets. For the calendar years 2011, 2010, and 2009, loan loss provisions totaled \$173 million, \$531 million, and \$492 million, respectively.

For Louisiana state-chartered banks and thrifts, loan loss reserves totaled \$545 million at June 30, 2012, an increase from \$534 million at March 31, 2012. However, because of loan growth during the second quarter, the ratio of loan loss reserves to total loans decreased slightly to 1.50 percent at June 30, 2012, from 1.52 percent at March 31, 2012. Loan loss provisions in the second quarter totaled \$32 million, a decrease from \$38 million in the first quarter. For the calendar years 2011, 2010, and 2009, loan loss provisions totaled \$155 million, \$187 million, and \$210 million, respectively.

For Louisiana-domiciled federally-chartered banks and thrifts, loan loss reserves totaled \$60 million at June 30, 2012, a decrease from \$61 million at March 31, 2012. As a result of loan growth in the second quarter, the ratio of loan loss reserves to total loans decreased to 1.23 percent at June 30, 2012, from 1.27 percent at March 31, 2012. Loan loss provisions for the second quarter totaled \$4 million, a decrease from \$5 million for the first quarter of 2012. For the calendar years 2011, 2010, and 2009, loan loss provisions totaled \$18 million, \$344 million, and \$283 million, respectively. The merger of a large national bank into a state-chartered bank in the second quarter of 2011 significantly reduced the dollar volume of loan loss provisions for Louisiana-domiciled federally-chartered banks and thrifts in 2011 from prior years.

For all banks and thrifts in the U.S., net charge-offs recognized in the second quarter of 2012 totaled \$20.46 billion, a decrease from the \$21.78 billion in the first quarter of 2012. As a result, the annualized net charge-off ratio for the quarter ending June 30, 2012, declined to 1.10 percent, from 1.17 percent for the quarter ending March 31, 2012. Net charge-offs for YTD 2012 totaled \$42.20 billion, with the YTD net charge-off ratio decreasing to 1.13 percent as of June 30, 2012, from 1.17 percent as of March 31, 2012. For the calendar years 2011, 2010, and 2009, net charge-offs totaled \$113.16 billion, \$187.67 billion, and \$188.84 billion, respectively, with YTD net charge-off ratios of 1.55 percent, 2.55 percent, and 2.52 percent, respectively.

For all banks and thrifts in the U.S., loan loss reserves totaled \$176.49 billion at of June 30, 2012, a decrease from \$183.16 billion at March 31, 2012. As a result, the ratio of loan loss reserves to total loans declined to 2.35 percent at June 30, 2012, from 2.47 percent at March 31, 2012. Loan loss provisions for the second quarter totaled \$14.17 billion, a decrease from \$14.34 billion during the third quarter. For the calendar years 2011, 2010, and 2009, loan loss provisions totaled \$77.35 billion, \$158.01 billion, and \$249.66 billion, respectively.

CORE CAPITAL (LEVERAGE) RATIO

Louisiana-Domiciled Banks & Thrifts at 6-30-12

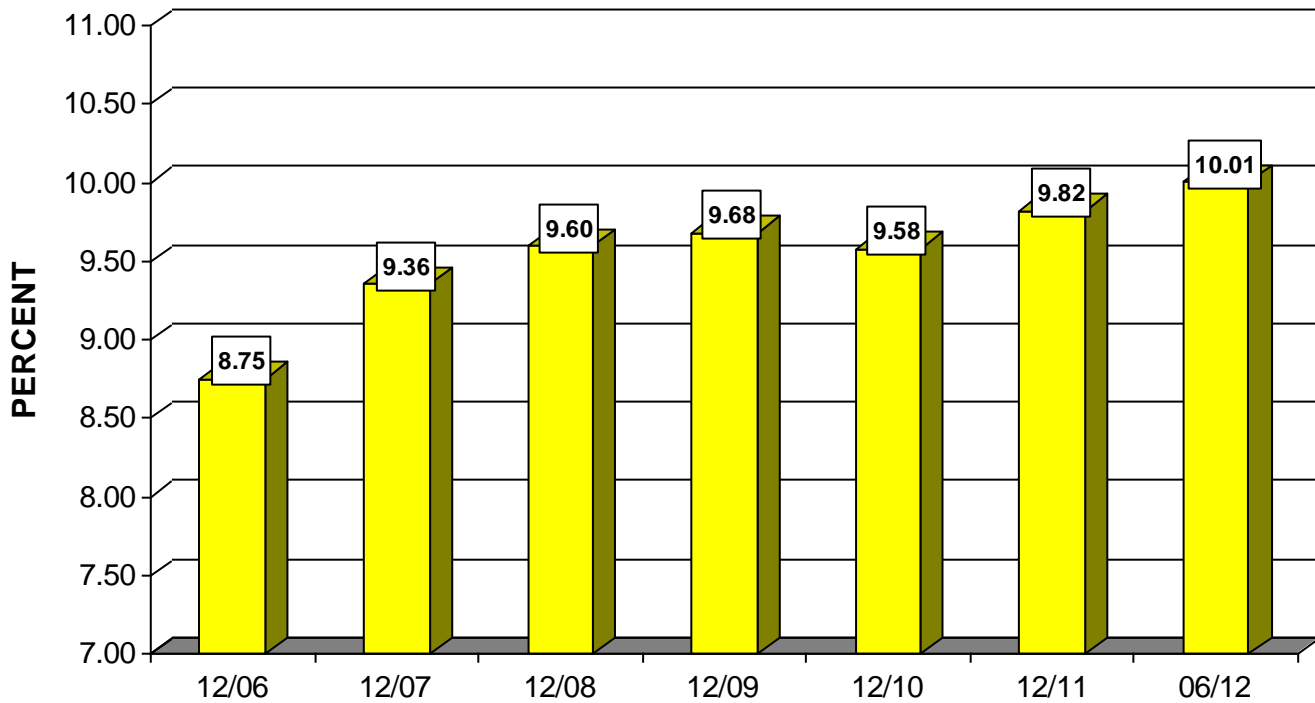


Figure 10

Figure 10 above illustrates the trend in the Tier 1 (core) capital ratio since year-end 2006. As Figure 10 above shows, the Core capital (leverage) ratio at June 30, 2012, increased by 19 basis points from the ratio reported at year-end 2011. During the second quarter, the Core capital (leverage) ratio increased, going from 9.67 percent at March 31, 2012, to 10.01 percent at June 30, 2012. Tier 1 (core) capital increased from \$6.39 billion at March 31, 2012, to \$6.54 billion at June 30, 2012, with the ratio also increasing during the quarter as quarterly average assets declined. Louisiana-domiciled banks and thrifts paid dividends of \$46 million in the second quarter of 2012, compared to dividends of \$261 million in the first quarter.

During the second quarter of 2012, Tier 1 (core) capital increased by \$136 million in Louisiana state-chartered banks and thrifts. With this growth and a decline in quarterly average assets, the Core capital (leverage) ratio increased from 9.37 percent to 9.72 percent. In addition, dividends paid by Louisiana state-chartered banks and thrifts during the second quarter decreased by \$10 million from the level paid in the first quarter. During the second quarter of 2012, Tier 1 (core) capital increased by \$14 million in Louisiana-domiciled federally-chartered banks and thrifts, and their Core capital (leverage) ratio increased from 11.84 percent to 12.12 percent. Dividends paid by Louisiana-domiciled federally-chartered banks and thrifts during the second quarter remained at the same 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 2012. With this increase exceeding the growth in quarterly average assets, the Core capital (leverage) ratio increased from 9.19 percent at March 31, 2012, to 9.25 percent at June 30, 2012. Cash dividends paid by these banks and thrifts in the second quarter of 2012 decreased by \$1.55 billion over the level paid during the first quarter of 2012.

At June 30, 2012, there were 57 Louisiana state-chartered and 7 Louisiana-domiciled federally-chartered banks and thrifts, or approximately 44 percent, of the 146 Louisiana-domiciled banks and thrifts, as compared to approximately 32 percent of all banks and thrifts in the U.S., that had elected tax treatment as a Subchapter S corporation.

RETURN ON AVERAGE ASSETS

Louisiana-Domiciled Banks & Thrifts at 6-30-12

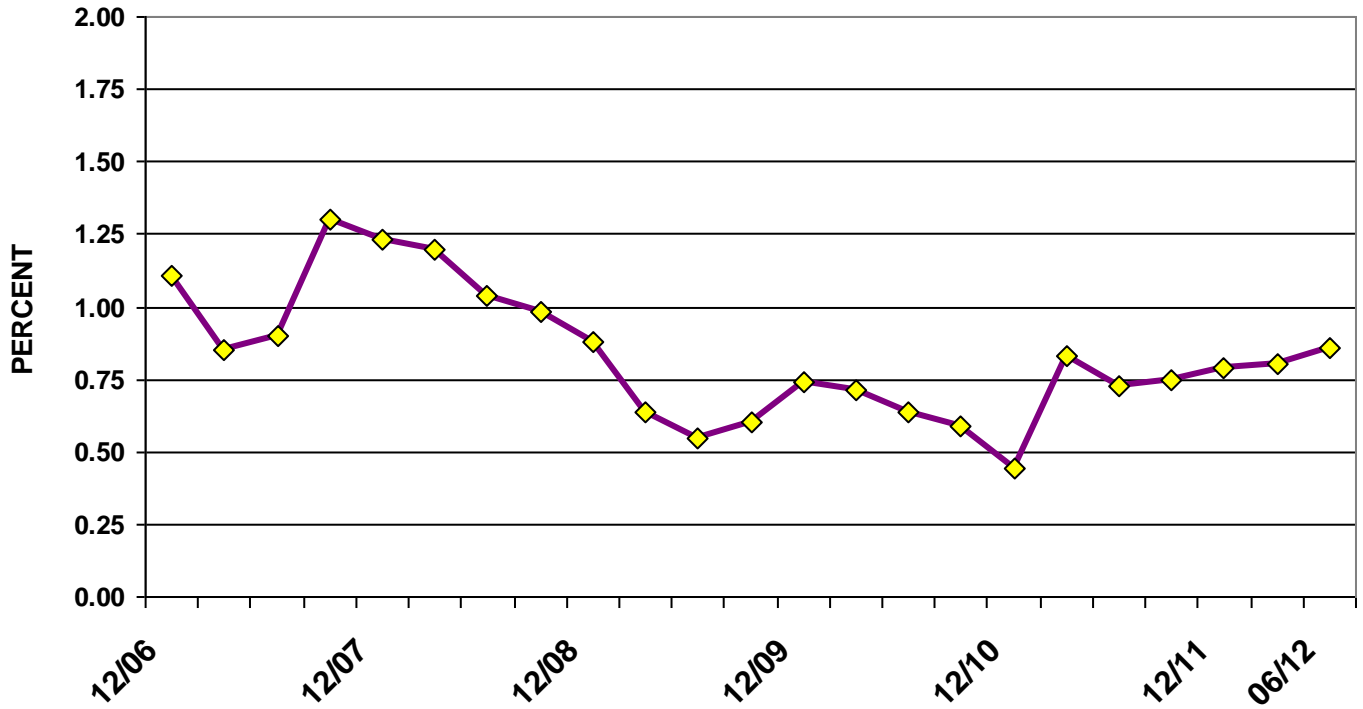


Figure 11

Figure 11 above reflects the annualized year-to-date ROAA for all Louisiana banks and thrifts since year-end 2006. Earnings for the second quarter of 2012 increased from the previous quarter. Net income for the second quarter of 2012 totaled \$153.88 million, for a return on average assets (ROAA) of 0.92 percent annualized, as compared to net income for the first quarter of 2012, which totaled \$135.54 million, or an ROAA of 0.80 percent annualized. Declines in noninterest expense and loan loss provisions and an increase in noninterest income were the primary factors in the increase in net income during the second quarter. The YTD ROAA increased to 0.86 percent at of June 30, 2012, from 0.80 percent at of March 31, 2012.

At of June 30, 2012, five Louisiana banks and thrifts reported YTD net operating losses, which is the same number reporting net operating losses at March 31, 2012. At June 30, 2012, the percentage of unprofitable Louisiana-domiciled bank and thrifts was 3.42 percent, while the national percentage was 10.59 percent.

For the second quarter of 2012, all banks and thrifts in the U.S. reported net income of \$34.45 billion, for an annualized ROAA of 0.99 percent, as compared to net income of \$34.80 billion, for an annualized ROAA of 1.00 percent for the first quarter of 2012. Reduced net interest income and an extraordinary loss were the primary factors contributing to the decrease in net income for the second quarter. With the decline in net income in the second quarter, the YTD ROAA also declined from 1.00 percent at March 31, 2012, to 0.99 percent at June 30, 2012.

NET INTEREST MARGIN

Louisiana-Domiciled Banks & Thrifts at 6-30-12

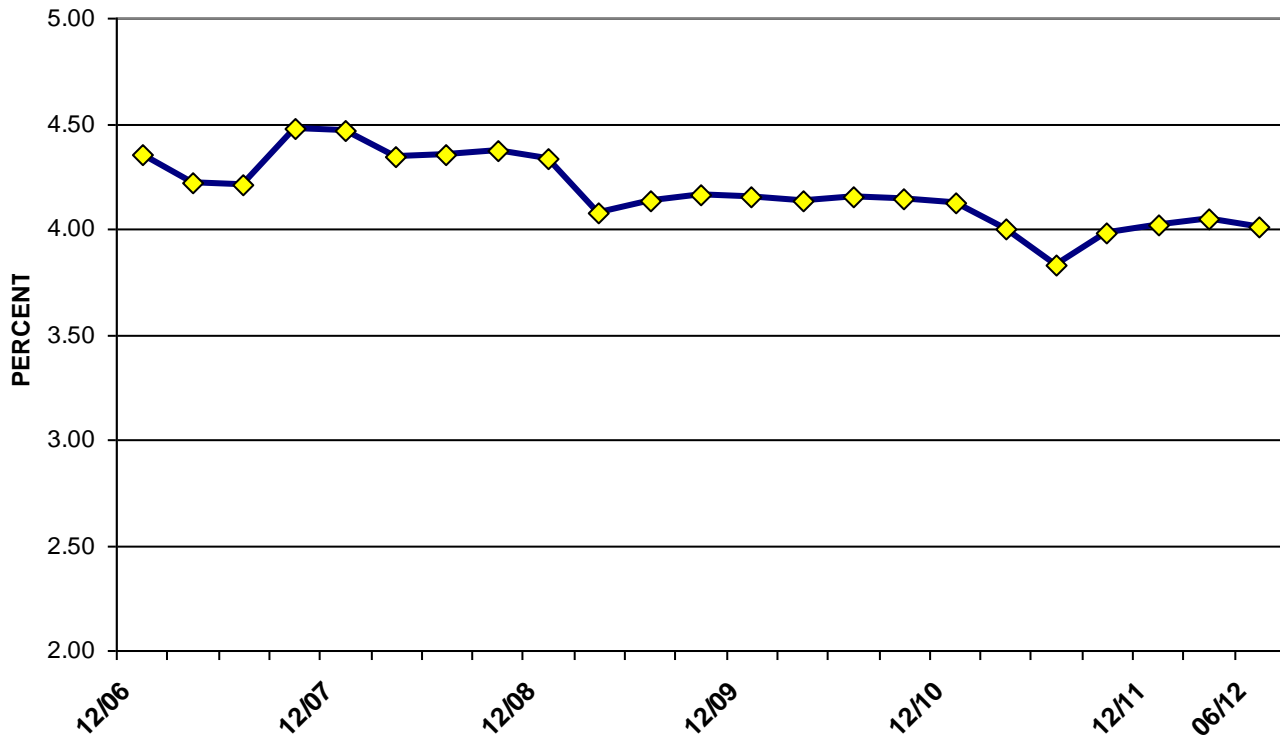


Figure 12

Figure 12 above reflects the annualized YTD net interest margin for all Louisiana banks and thrifts since year-end 2006. The net interest margin for all Louisiana-domiciled banks and thrifts decreased from 4.05 percent at March 31, 2012, to 4.01 percent at June 30, 2012. The aggregate yield on earning assets declined from 4.74 percent to 4.68 percent, while the cost of funds decreased from 0.69 percent to 0.68 percent.

During the second quarter of 2012, the net interest margin for Louisiana state-chartered banks and thrifts decreased from 4.07 percent to 4.02 percent, while the net interest margin for Louisiana-domiciled federally-chartered banks and thrifts decreased from 3.91 percent to 3.88 percent. The yield on earning assets decreased from 4.76 percent to 4.70 percent for Louisiana state-chartered banks and thrifts, while it decreased from 4.63 percent to 4.58 percent for Louisiana-domiciled federally-chartered banks and thrifts. The cost of funds decreased for Louisiana state-chartered banks and thrifts from 0.69 percent to 0.67 percent and also decreased for Louisiana-domiciled federally-chartered banks and thrifts from 0.71 percent to 0.70 percent.

For all banks and thrifts in the U.S., the net interest margin decreased slightly from 3.52 percent to 3.49 percent from March 31, 2012, to June 30, 2012. During the same time frame, the yield on earning assets decreased from 4.11 percent to 4.06 percent, while the cost of funds also decreased from 0.59 percent to 0.57 percent.

INDUSTRY CONSOLIDATION

Louisiana-Domiciled Banks & Thrifts at 6-30-12

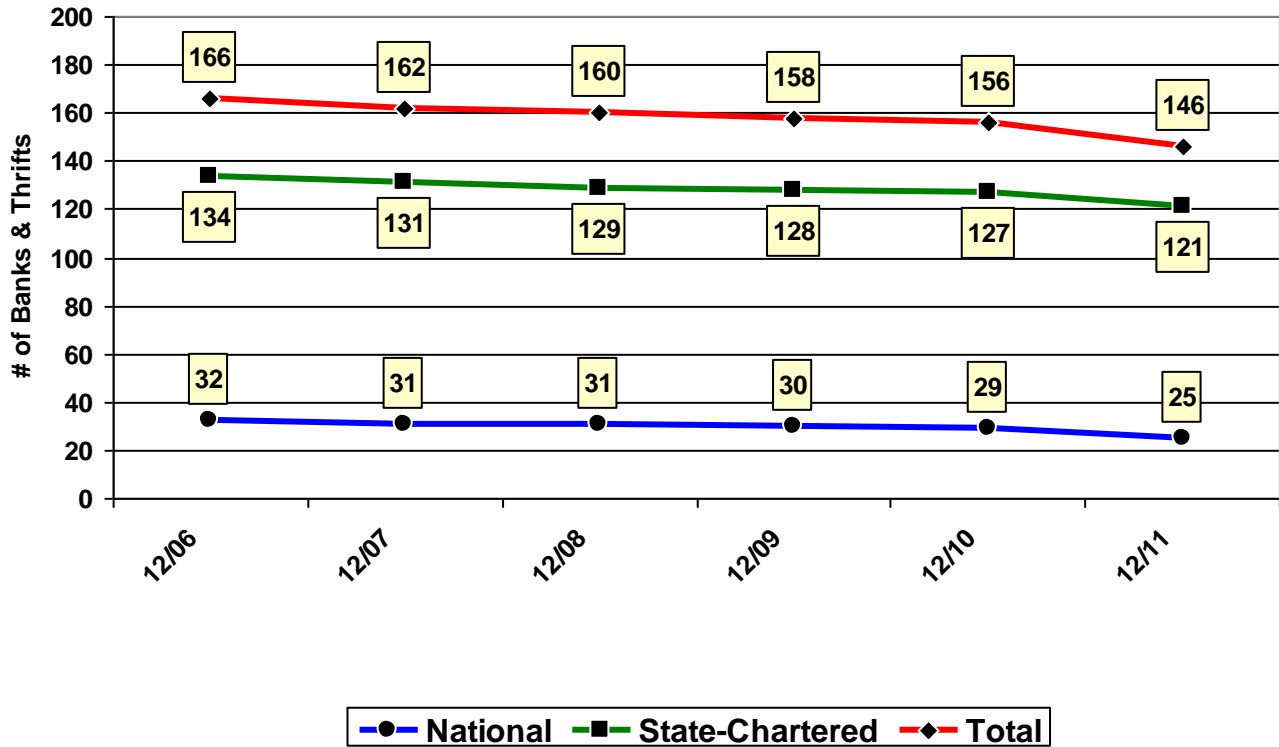


Figure 13

MERGERS AND ACQUISITIONS

Figure 13 above reflects the number of Louisiana-domiciled bank and thrifts since year-end 2006. Although no mergers occurred in the first and second quarters of 2012, a Louisiana-domiciled national bank recently announced that it had reached an agreement to acquire a Louisiana state-chartered bank with the merger expected to close in the fourth quarter of 2012.

As of June 30, 2012, there were 146 banks and thrifts domiciled in Louisiana. This included 121 state-chartered banks and thrifts, which represents 83 percent of the total number of Louisiana-domiciled banks and thrifts. As Figure 13 above illustrates, since December 31, 2006, the total number of Louisiana-domiciled banks and thrifts has decreased from 166 to 146, or by 12.05 percent.

The number of banks and thrifts in the U.S. declined from 7,308 as of March 31, 2012, to 7,246 as of June 30, 2012, or by 62 institutions during the second quarter. During the second quarter of 2012, 15 banks and thrifts failed, compared to 16 failures in the first quarter of 2012. For 2011, 2010 and 2009, there were 92, 157, and 140 failures, respectively. In Louisiana, we experienced one bank failure in both 2010 and 2011. During the first and second quarters of 2012, there were no de novo institutions chartered, including those chartered to acquire failed banks. The last two de novo institutions (not chartered to acquire failed banks) were chartered in 2010, including one that was chartered and opened in Louisiana on July 26, 2010.

TOTAL ASSETS

Louisiana-Domiciled Banks & Thrifts at 6-30-12

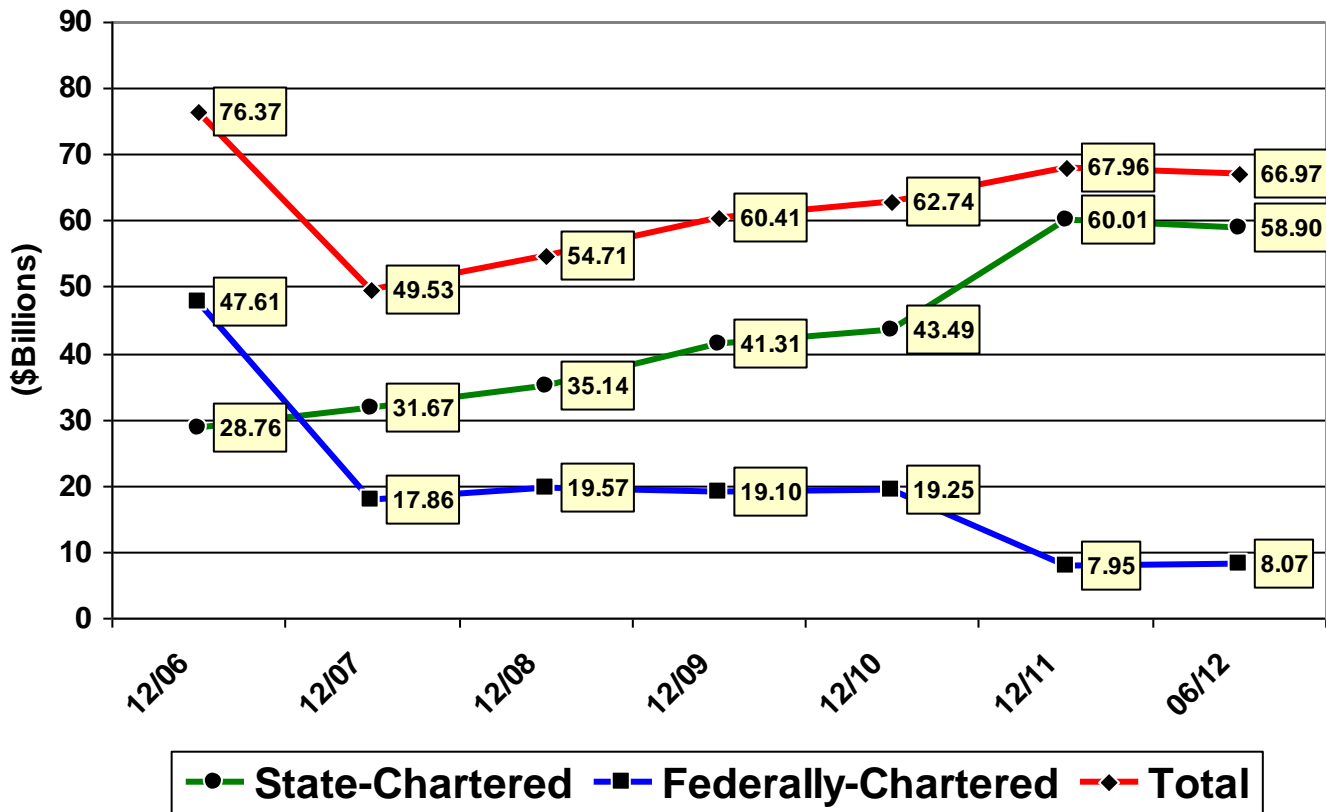


Figure 14

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 since year-end 2006. Total assets for all Louisiana-domiciled banks and thrifts increased from \$66.85 billion at March 31, 2012, to \$66.97 billion at June 30, 2012, or by 0.17 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 17 of the past 20 quarters, despite some industry consolidation since year-end 2006. The biggest decline occurred when a large national bank moved its headquarters out of Louisiana in July 2007.

At June 30, 2012, Louisiana state-chartered banks and thrifts held assets totaling \$58.90 billion, or 87.95 percent of the Louisiana banking industry's \$66.97 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 \$12.53 billion, or 18.70 percent of the total assets for all Louisiana-domiciled banks and thrifts. At June 30, 2012, 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 \$27.85 million.

Total assets for all banks and thrifts in the U.S. increased from \$13.93 trillion at March 31, 2012, to \$14.03 trillion at June 30, 2012, and the number of banks and thrifts declined as noted previously.

BANK AND THRIFT SUMMARY AT JUNE 30, 2012

During the second quarter of 2012, the overall financial condition of Louisiana-domiciled banks and thrifts remained sound with further improvement noted in asset quality and improvement in quarterly earnings. The second quarter of 2012 saw a minimal increase in total assets, a minimal decline in 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 decreased from the prior quarter. Earnings for the second quarter increased, improving from the previous quarter primarily because of a decline in noninterest expenses. With Tier 1 (core) capital increasing and quarterly average assets declining, the Core capital (leverage) ratio increased, with all capital ratios remaining well above minimum regulatory requirements. During the second quarter of 2012, asset quality shows improvement as the dollar volume and ratio of nonperforming assets and the dollar volume and ratio of net charge-offs declined. As noted previously, the dollar volume of nonperforming assets, excluding those associated with the acquisition of the out-of-state failed institutions, increased in the first quarter but declined in the second quarter. 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 AND THRIFT LAGNIAPPE

➤ At June 30, 2012, the breakdown of **all** Louisiana-domiciled **banks & thrifts** by asset size is as follows:

Asset Size	Number	No. %	Total Assets *	TA %
Assets < \$100 Million	36	25	\$2,333,092	4
Assets \$100 Million to \$300 Million	67	46	11,854,295	18
Assets \$300 Million to \$500 Million	19	13	6,997,700	10
Assets \$500 Million to \$1 Billion	17	12	12,277,248	18
Assets \$1 Billion to \$10 Billion	5	3	8,953,190	13
Assets > \$10 Billion	2	1	24,554,449	37
TOTAL ASSETS	146	100	\$66,969,974	100

➤ At June 30, 2012, the breakdown of Louisiana **state-chartered banks & thrifts** by asset size is as follows:

Asset Size	Number	No. %	Total Assets *	TA %
Assets < \$100 Million	30	25	\$1,965,219	3
Assets \$100 Million to \$300 Million	55	45	9,506,561	16
Assets \$300 Million to \$500 Million	17	14	6,305,196	11
Assets \$500 Million to \$1 Billion	13	11	9,007,205	15
Assets \$1 Billion to \$10 Billion	4	3	7,559,102	13
Assets > \$10 Billion	2	2	24,554,449	42
TOTAL ASSETS	121	100	\$58,897,732	100

➤ At June 30, 2012, 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	6	24	\$367,873	5
Assets \$100 Million to \$300 Million	12	48	2,347,734	29
Assets \$300 Million to \$500 Million	2	8	692,504	9
Assets \$500 Million to \$1 Billion	4	16	3,270,043	40
Assets \$1 Billion to \$10 Billion	1	4	1,394,088	17
TOTAL ASSETS	25	100	\$8,072,242	100

* Thousands

CRA RATINGS

Louisiana-Domiciled Banks and Thrifts

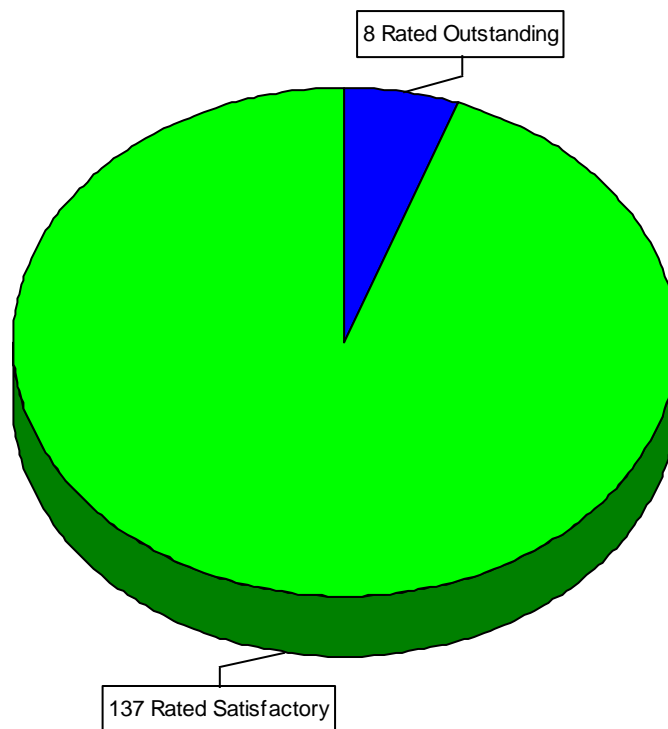


Figure 15

(Note: The above chart does not include a Louisiana-domiciled bankers' bank, since CRA ratings are not applicable. The above chart reflects all ratings issued through June 30, 2012.)

As demonstrated, 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 above chart reflects one bank/thrift changed from Outstanding to Satisfactory at their last examination. The ratings shown in the above chart still includes some ratings formerly assigned by the OTS, for those institutions that were under their federal supervision until July 21, 2011, when the supervisory authority for these institutions 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. During preparation of the report, it was noted that some year-end ratios had changed. To the extent possible, the changes to the year-end ratios are reflected in the various charts and graphs within this report.

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, 2012, and March 31, 2012, are 1.03 percent and 1.03 percent, respectively, with the ROAA for U. S. banks and thrifts for the quarter ending June 30, 2012, at 0.84 percent. In addition, the ratios of nonperforming assets to total assets and noncurrent loans to gross loans for Louisiana-domiciled banks and thrifts would both decline and remain below the non-weighted ratios for U.S. banks and thrifts, with both of these ratios comparing more favorably to the U.S. ratios 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, December 31, 2011, and June 30, 2012, information based on the new definition of core deposits.