LOUISIANA-DOMICILED BANKS AND THRIFTS FINANCIAL REPORT

For the Quarter Ended
December 31, 2012

STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS

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FINANCIAL CONDITION OF LOUISIANA-DOMICILED BANKS & THRIFTS AT DECEMBER 31, 2012

During the fourth quarter of 2012, total assets for all Louisiana-domiciled banks and thrifts increased from $67.89 billion to $70.26 billion, an increase of $2.37 billion or by 3.49 percent. Total loans and leases increased from $42.39 billion to $43.22 billion or by 1.93 percent. Federal funds sold increased from $1.13 billion to $1.15 billion or by 1.59 percent. Cash increased from $4.40 billion to $6.19 billion or by 40.46 percent. Total securities decreased from $15.16 billion to $15.02 billion or by 0.90 percent. Regarding liabilities, total deposits increased from $55.69 billion to $58.49 billion or by 5.03 percent, while borrowed money decreased from $3.35 billion to $2.88 billion or by 14.13 percent.

For Louisiana state-chartered banks and thrifts, total assets increased by 3.26 percent during the fourth quarter of 2012. Total loans and cash increased, while Federal funds sold and securities decreased. Regarding liabilities, total deposits increased, while borrowed money declined. For Louisiana-domiciled federally-chartered banks and thrifts, total assets increased by 5.21 percent during the fourth quarter of 2012. Securities, Federal funds sold, and total loans increased, while cash declined. Regarding liabilities, total deposits and borrowed money both increased.

The following chart provides selected performance ratios for all banks and thrifts in the U. S. for the year ended December 31, 2012; and for all Louisiana-domiciled banks and thrifts for the years ended December 31, 2009, 2010, 2011, and 2012. **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	Year Ended 12/31/2012	Year Ended 12/31/2012	Year Ended 12/31/2011	Year Ended 12/31/2010	Year Ended 12/31/2009
Earnings					
Yield on Earning Assets	3.96%	4.63%↓	4.88%↓	5.25%↓	5.57%
Cost of Funds	0.54%	0.64%↓	0.86%↓	1.12%↓	1.41%
Net Interest Margin	3.42%	3.99%↓	4.02%↓	4.12%↓	4.15%
Loan Loss Provisions to Average Assets	0.41%	0.22%↓	0.29%↓	0.86%↓	0.87%
Operating Expenses to Average Assets	2.99%	3.18%↓	3.30%↑	3.27%↓	3.30%
Return on Average Assets	1.00%	0.94%↑*	0.79%↑*	0.44%↓*	0.74%*
Asset Quality					
Noncurrent Loans to Total Loans	3.60%	2.32%↓#*	3.18%↓#	4.57%↓#	4.82%#
Nonperforming Assets to Total Assets	2.20%	1.93%↓#*	2.49%↓#	3.46%↓#	3.64%#
Net Charge-offs to Total Loans	1.10%	0.31%↓	0.34%↓	1.24%↑	1.00%
Capital and Liquidity					
Tier 1 Leverage Capital Ratio	9.15%	10.11%↑	9.82%↑	9.58%↓	9.68%
Earning Assets to Total Assets	89.44%	90.50%↑	89.43%↓	89.89%↑	89.24%
Loans to Deposits	69.65%	72.74%↓	72.90%↓	73.32%↓	79.04%

At December 31, 2012 (for all Louisiana-domiciled banks and thrifts), the **year-to-date** return on average assets (ROAA), shown in the chart above, increased by 15 basis points from the same time period in 2011 and by 2 basis points during the fourth quarter of 2012. This ratio is 6 basis points below the national average **year-to-date** ROAA (also 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 increased net interest income and reduced provisions for loan losses (2012 compared to 2011). Capital levels remain sound, with ratios remaining stable during the fourth quarter of 2012 and comparing favorably to 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. Although net charge-offs increased during the fourth quarter of 2012, the year-to-date ratio is slightly lower when compared to 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 is 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.**

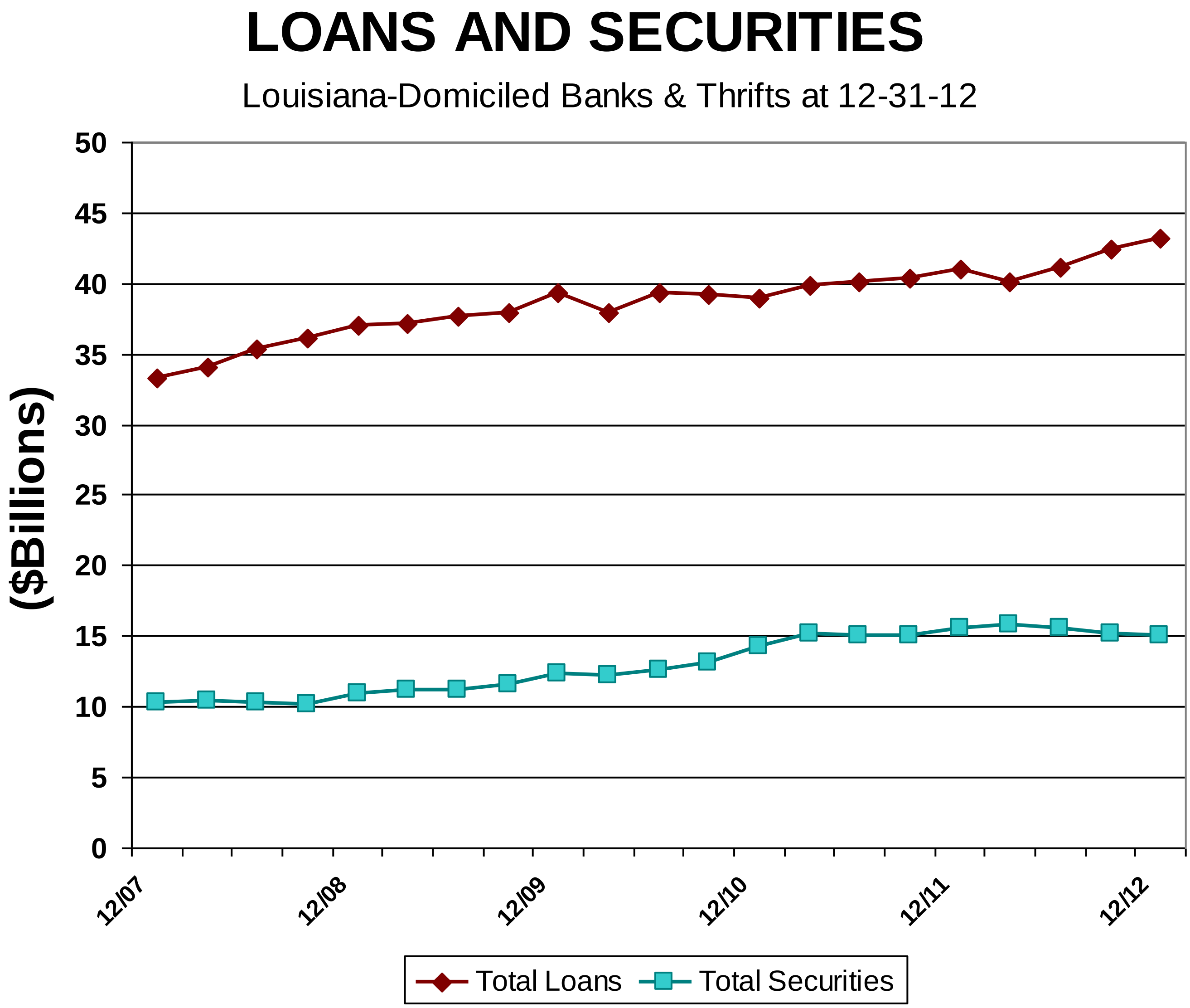


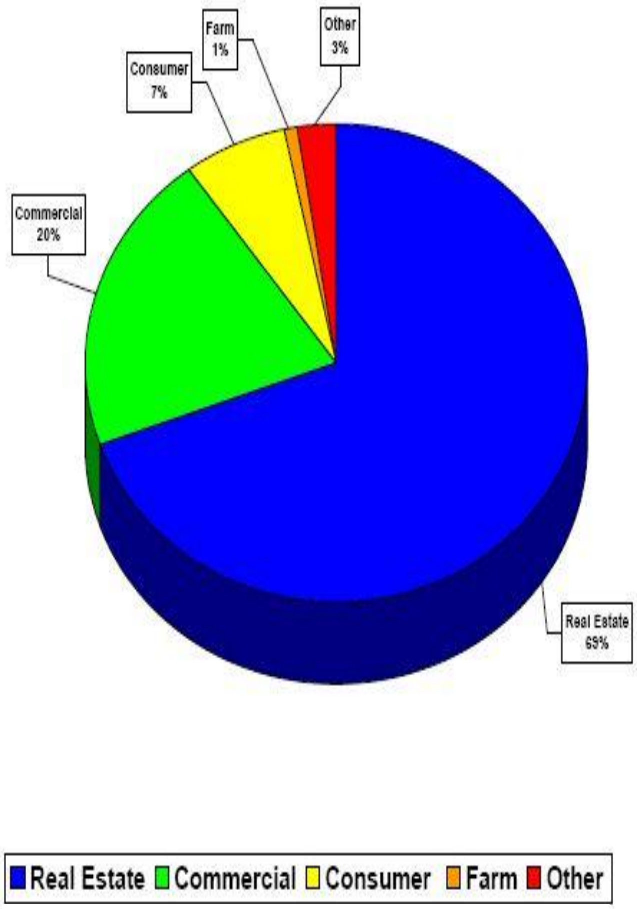
Figure 1

Figure 1 above shows the trend in total loans and leases and securities since year-end 2007. As previously mentioned, total loans and leases increased by 1.93 percent during the fourth quarter of 2012, from $42.39 billion to $43.22 billion, or by approximately $41.04 billion. Total loans and leases have increased in 16 of the past 20 quarters. **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 fourth quarter of 2012, real estate loans increased from $28.59 billion to $28.98 billion or by approximately $392 million, commercial loans increased from $9.23 billion to $9.60 billion or by approximately $364 million, other loans increased from $1.09 billion to $1.26 billion or by approximately $178 million, consumer loans increased from $3.02 billion to $3.03 billion or by approximately $10 million, and farm loans decreased from $476 million to $353 million or by approximately $124 million.

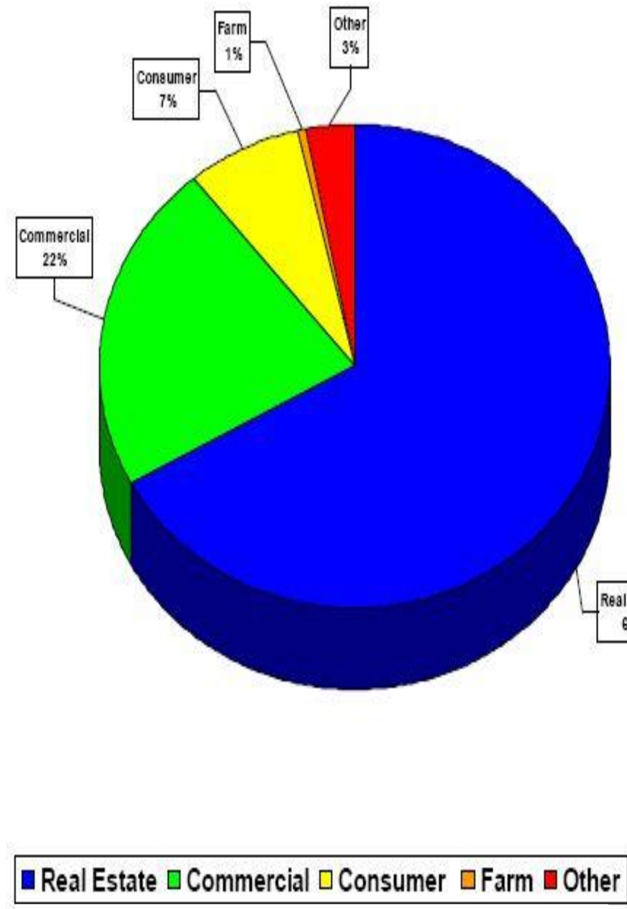
During the fourth quarter of 2012, Louisiana state-chartered banks and thrifts experienced growth in total loans and in three of the five major reporting categories. Commercial loans, real estate loans, and other loans grew from highest to lowest in dollar volume. Farm loans and consumer loans declined from highest to lowest in dollar volume**.** Louisiana-domiciled federally-chartered banks and thrifts experienced growth in total loans and in four of the five major reporting categories. Real estate loans, commercial loans, consumer loans, and farms loans grew from highest to lowest in dollar volume, while other loans declined**.** All banks and thrifts in the U.S. experienced growth in total loans and in all categories, from highest to lowest in dollar volume as follows: commercial loans, consumer loans, other loans, real estate loans, and farm loans.

LOAN PORTFOLIO MIX

Louisiana-Domiciled Banks & Thrifts



Portfolio Mix – December 31, 2011



Portfolio Mix – December 31, 2012

Figure 2

Figure 2 shows the loan portfolio mix for all Louisiana-domiciled banks and thrifts at December 31, 2011, and December 31, 2012.

At December 31, 2012, Louisiana state-chartered banks and thrifts showed a loan portfolio mix as follows: real estate loans - 65 percent; commercial loans - 24 percent; consumer loans - 7 percent; other loans - 3 percent; and farm loans - 1 percent. At December 31, 2011, Louisiana state-chartered banks and thrifts showed a loan portfolio mix as follows: real estate loans - 68 percent; commercial loans - 22 percent; consumer loans - 7 percent; other loans - 2 percent; and farm loans - 1 percent.

At December 31, 2012, 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 – 5 percent; other loans - 2 percent; and farm loans - 1 percent. At December 31, 2011, for Louisiana-domiciled federally-chartered banks and thrifts, the loan portfolio mix was as follows: real estate loans - 81 percent; commercial loans - 11 percent; consumer loans – 5 percent; other loans - 3 percent; and farm loans - 0 percent.

At December 31, 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. At December 31, 2011, for all banks and thrifts in the U.S., the loan portfolio mix was as follows: real estate loans - 55 percent; commercial loans - 18 percent; consumer loans - 18 percent; other loans - 8 percent; and farm loans - 1 percent.

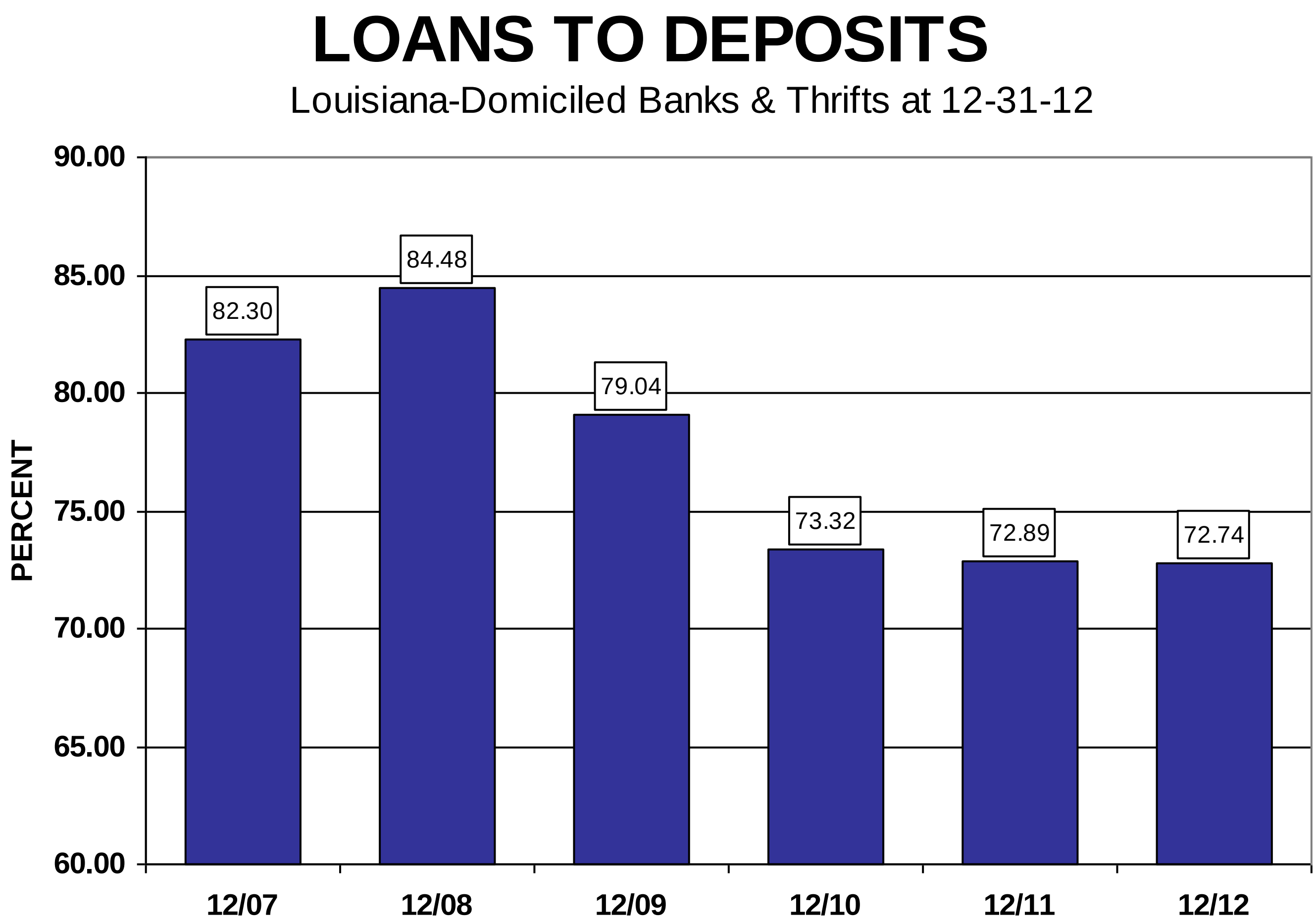


Figure 3

Figure 3 above illustrates the aggregate year-end loan-to-deposit ratio trend since year-end 2007. The ratio of net loans to deposits decreased during the fourth quarter of 2012, from 75.01 percent as of September 30, 2012, to 72.74 percent as of December 31, 2012, as deposits grew at a faster rate than net loans. The ratio also represents a 15 basis point decline from December 31, 2011, as shown in Figure 3 above.

For Louisiana state-chartered banks and thrifts, the ratio of net loans to deposits decreased from 74.54 percent as of September 30, 2012, to 72.07 percent as of December 31, 2012, as deposits increased faster than net loans. For Louisiana-domiciled federally-chartered banks and thrifts, the ratio of net loans to deposits decreased from 78.77 percent as of September 30, 2012, to 78.04 percent as of December 31, 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 decreased from 70.55 percent as of September 30, 2012, to 69.65 percent as of December 31, 2012, as deposits increased at a faster pace than net loans.

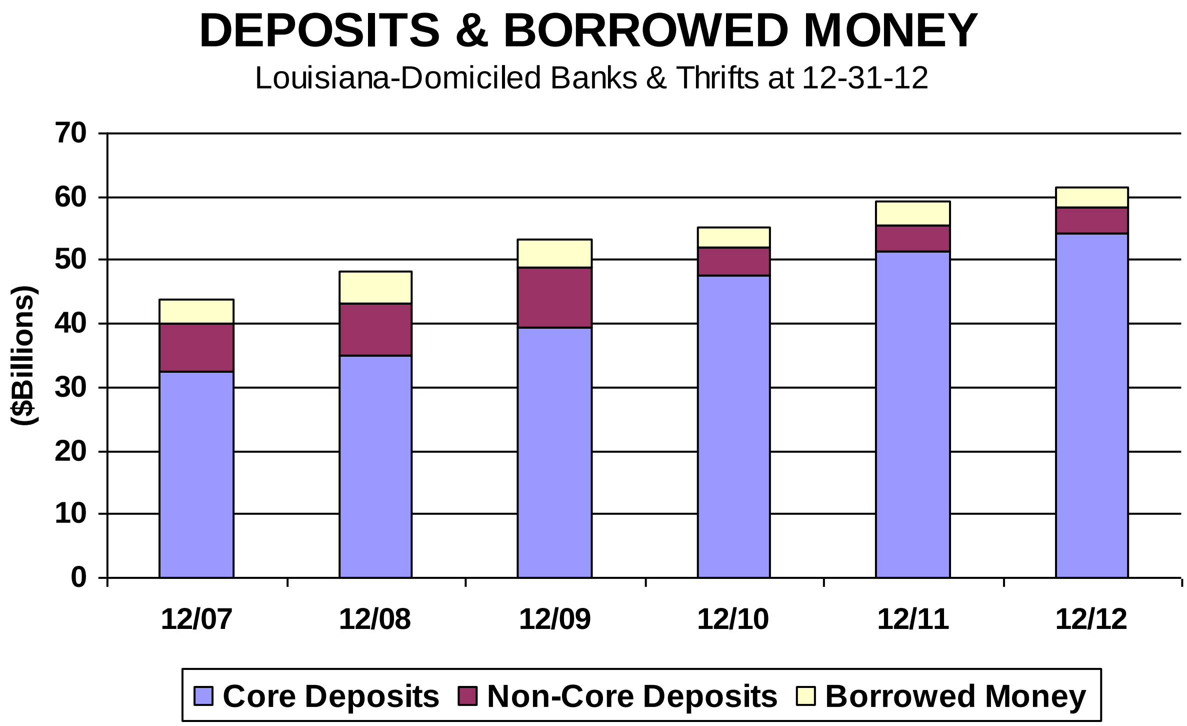


Figure 4

Figure 4 shows the mix of deposits and borrowed money since year-end 2007. Regarding liabilities, total deposits increased from $55.69 billion as of September 30, 2012, to $58.49 billion as of December 31, 2012, or by 5.03 percent, while borrowed money decreased from $3.35 billion as of September 30, 2012, to $2.88 billion as of December 31, 2012, or by 14.13 percent. Total deposits at both Louisiana state-chartered banks and thrifts and Louisiana-domiciled federally-chartered banks and thrifts increased during the fourth quarter of 2012. Core deposits increased from $51.60 billion as of September 30, 2012, to $54.17 billion as of December 31, 2012, or by 4.98 percent. Louisiana state-chartered banks and thrifts and Louisiana-domiciled federally chartered banks and thrifts also both experienced an increase in core deposits during the fourth quarter of 2012.

As noted previously, borrowed money decreased during the fourth quarter of 2012. At September 30, 2012, borrowed money totaled $3.35 billion and consisted of Federal funds purchased totaling $1.42 billion, Federal Home Loan Bank (FHLB) advances totaling $1.71 billion, and other borrowings totaling $220 million. At December 31, 2012, borrowed money totaled $2.88 billion and consisted of Federal funds purchased totaling $1.36 billion, FHLB advances totaling $1.30 billion, and other borrowings totaling $221 million. Total borrowed money for Louisiana state-chartered banks and thrifts decreased by $484 million during the fourth quarter with declines in FHLB advances and Federal funds purchased and an increase in other borrowings. Total borrowed money for Louisiana-domiciled federally-chartered banks and thrifts increased by $11 million during the fourth quarter with an increase in FHLB advances and declines in Federal funds purchased and other borrowings.

Non-core deposits also increased during the fourth quarter of 2012. At September 30, 2012, non-core deposits totaled $4.09 billion and consisted of time deposits of $250,000 or more totaling $3.10 billion, brokered deposits under $250,000 totaling $800 million, and deposits held in foreign offices totaling $183 million. At December 31, 2012, non-core deposits totaled $4.32 billion and consisted of time deposits of $250,000 or more totaling $3.06 billion, brokered deposits under $250,000 totaling $1.07 billion, and deposits in foreign offices totaling $194 million. During the fourth quarter, non-core deposits in Louisiana state-chartered banks and thrifts increased by $207 million, with increases of $244 million in brokered deposits under $250,000 and $11 million in deposits held in foreign offices, and decreases of $48 million in time deposits of $250,000 or more. During this same period, non-core deposits in Louisiana-domiciled federally-chartered banks and thrifts increased by $24 million, with an increase of $21 million in brokered deposits under $250,000 and $3 million in time deposits of $250,000 or more, with no deposits held in foreign offices reported.

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

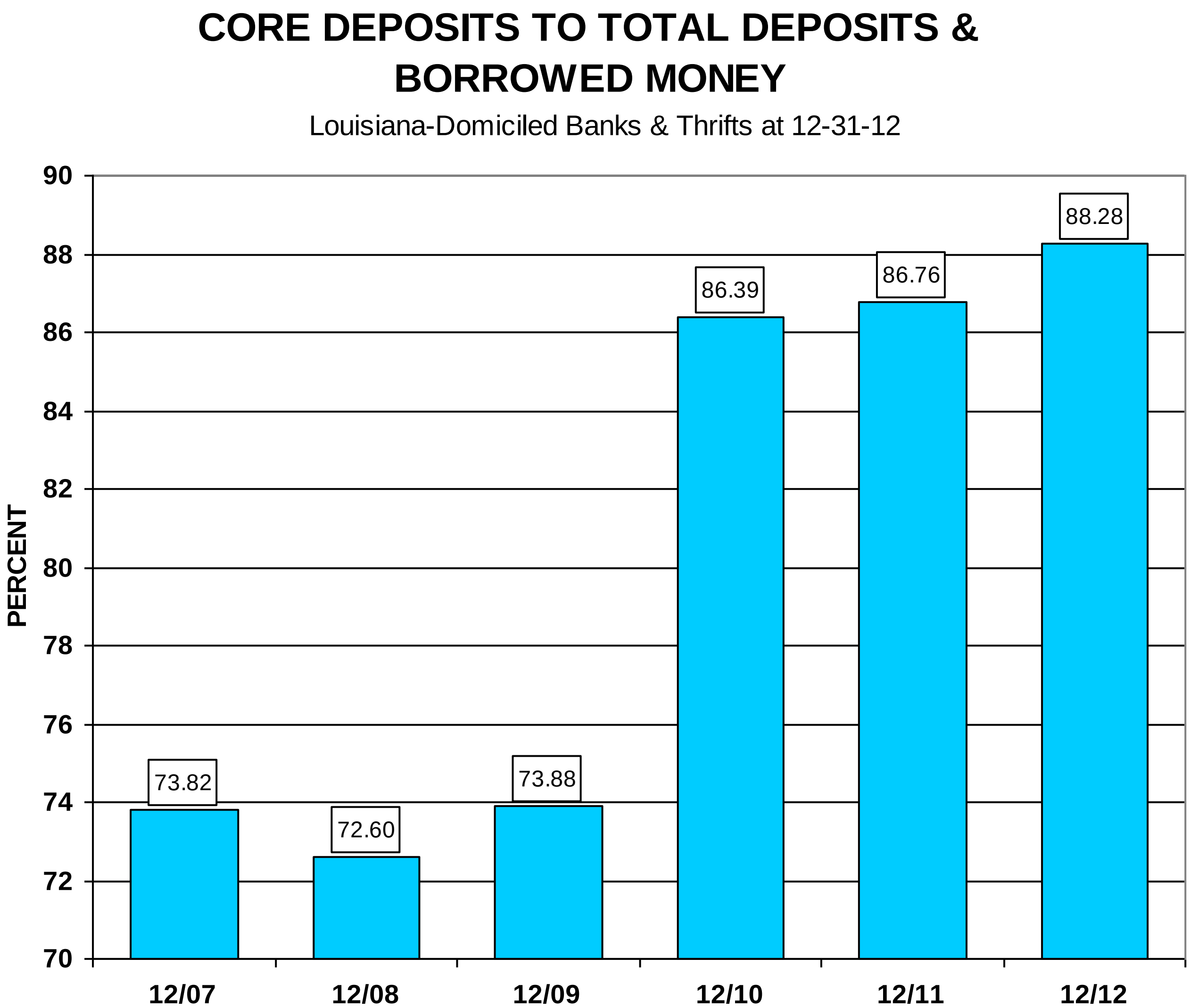


Figure 5

Figure 5 illustrates the trend in the core deposits to total deposits and borrowed money ratio since year-end 2007. 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 increased during the fourth quarter of 2012, going from 87.40 percent at September 30, 2012, to 88.28 percent at December 31, 2012, with the latter ratio also increasing 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 increased from 87.90 percent as of September 30, 2012, to 88.85 percent at December 31, 2012. For Louisiana-domiciled federally-chartered banks and thrifts, this ratio increased from 83.71 percent at September 30, 2012, to 84.09 percent as of December 31, 2012.

For all banks and thrifts in the U.S., the ratio of core deposits to total deposits and borrowed money increased from 68.67 percent at September 30, 2012, to 70.07 percent at December 31, 2012.

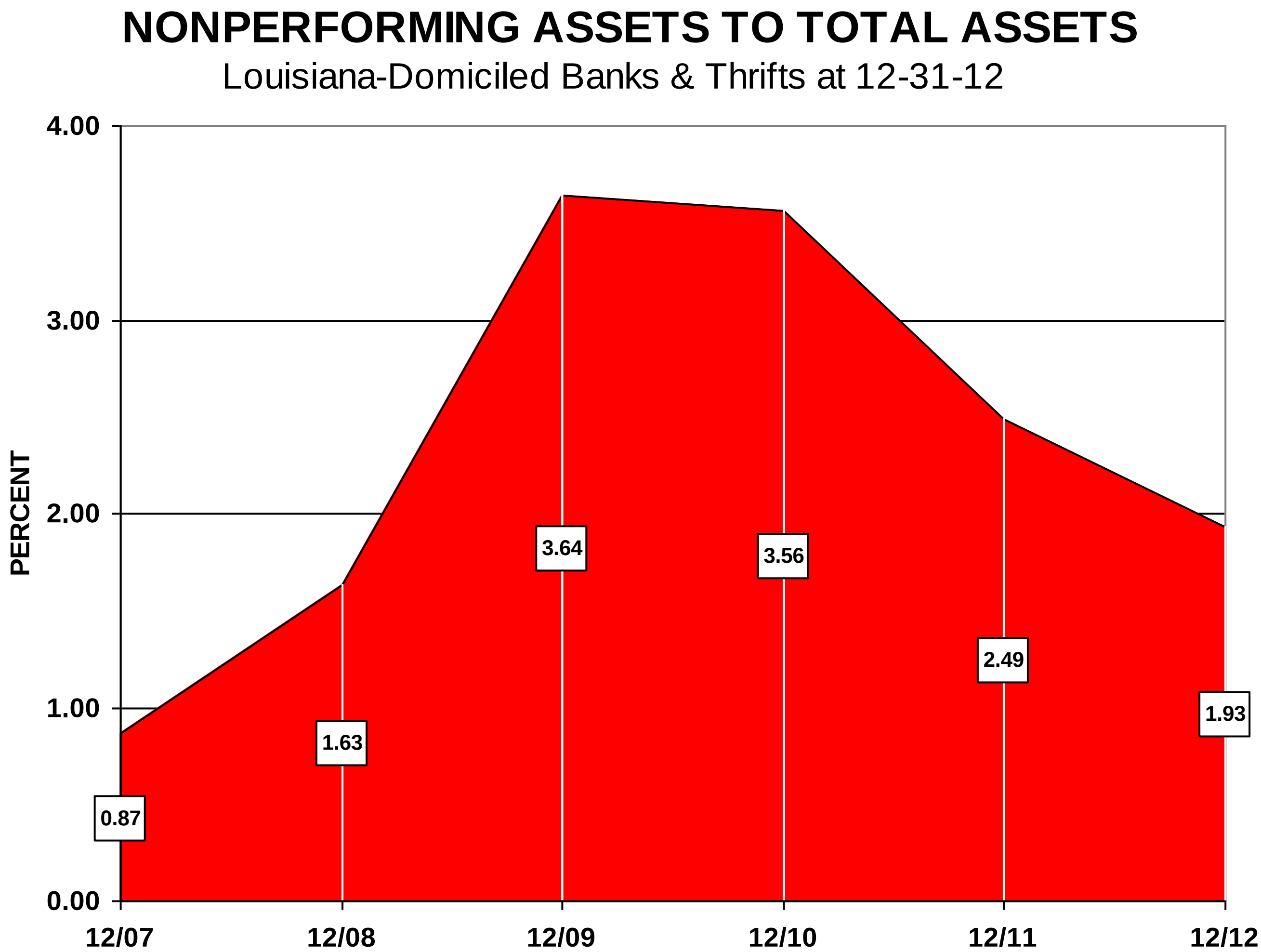


Figure 6

Figure 6 above illustrates the ratio of nonperforming assets to total assets since year-end 2007. 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 dollar volume of unadjusted nonperforming assets has actually declined each quarter since the fourth quarter of 2010, but the ratio increased in the first quarter of 2012 due to a decline in total assets.

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 through the fourth quarters 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 fourth quarter of 2012, going from $1.42 billion at September 30, 2012, to $1.35 billion at December 31, 2012, or a decrease of 4.94 percent. Nonperforming assets associated with the acquisition of failed out-of-state institutions totaled $491 million and $459 million at of September 30, 2012, and December 31, 2012, respectively. Excluding these assets, the volume of nonperforming assets would decline from $932 million at September 30, 2012, to $893 million at December 31, 2012, or by 4.18 percent. The ratio of nonperforming assets to total assets decreased from 2.10 percent at September 30, 2012, to 1.93 percent at December 31, 2012. This ratio, excluding the assets acquired from the out-of-state failed institutions, would have also likely declined from September 30, 2012, to December 31, 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 $1.05 billion at September 30, 2012, to $1.00 billion at December 31, 2012, or by 4.44 percent. Excluding the loans acquired from the out-of-state failed institutions, aggregate noncurrent loans decreased from $651 million at September 30, 2012, to $620 million at December 31, 2012, or by 4.68 percent. With this decline and loan growth in the fourth quarter, the ratio of noncurrent loans to gross loans decreased from 2.48 percent at September 30, 2012, to 2.32 percent at December 31, 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 September 30, 2012, and December 31, 2012, was not available. OREO decreased from $373 million as of September 30, 2012, to $349 million as of December 31, 2012, or by 6.38 percent. Excluding the OREO that was acquired from the out-of-state failed institutions, OREO decreased from $282 million at September 30, 2012, to $273 million at December 31, 2012, or by 3.04 percent.

Figure 7 below illustrates the level of noncurrent loans and OREO for all Louisiana-domiciled banks and thrifts since year-end 2007. 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.**

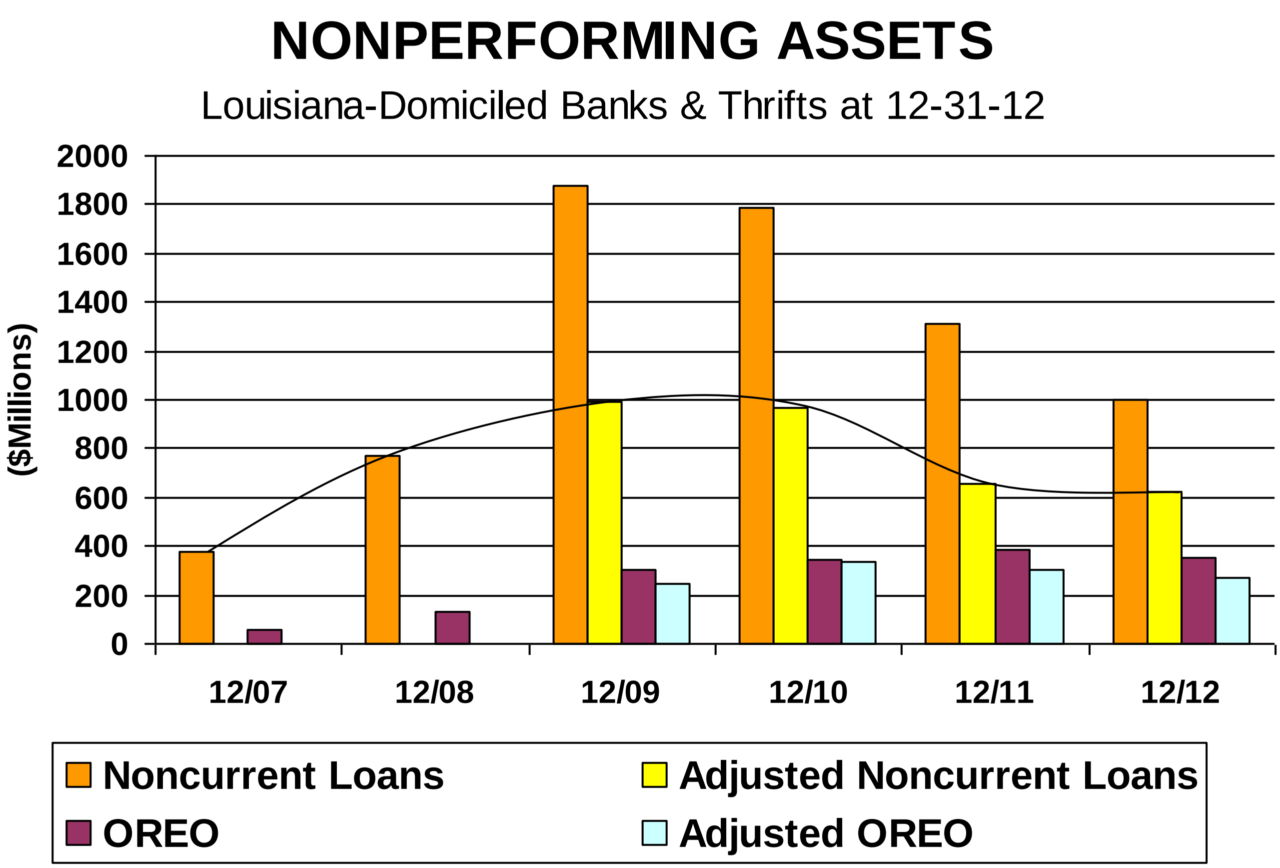


Figure 7

In the fourth quarter of 2012, for Louisiana state-chartered banks and thrifts, noncurrent loans decreased from $945 million to $901 million, and OREO decreased from $333 million to $312 million. From September 30, 2012, to December 31, 2012, the ratios of nonperforming assets to total assets and noncurrent loans to gross loans for Louisiana state-chartered banks and thrifts decreased from 2.15 percent to 1.97 percent and from 2.52 percent to 2.37 percent, respectively. Excluding the assets acquired from the out-of-state failed institutions, noncurrent loans would decrease from $545 million to $517 million, while OREO would decrease from $242 million to $226 million. As noted previously, assets and gross loans acquired from the out-of-state failed institutions were unavailable. Adjusted noncurrent loans and nonperforming assets decreased in the third and fourth quarters of 2012, and the unadjusted gross loans and total assets increased in the same time period. Therefore, it is likely that the adjusted ratios would have declined in both quarters, if gross loans and total assets associated with the out-of-state failed institutions were still available.

In the fourth quarter, noncurrent loans decreased from $106 million to $103 million and OREO decreased from $39 million to $37 million in Louisiana-domiciled federally-chartered banks and thrifts. From September 30, 2012, to December 31, 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 1.79 percent to 1.64 percent and from 2.13 percent to 1.98 percent, respectively. For all commercial banks and thrifts in the U.S., nonperforming assets decreased from September 30, 2012, to December 31, 2012, as noncurrent loans and OREO both decreased. As a result, the ratio of nonperforming assets to total assets decreased from 2.36 percent to 2.20 percent, and the ratio of noncurrent loans to total loans decreased from 3.86 percent to 3.60 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 September 30, 2012, Louisiana-domiciled banks and thrifts reported the carrying amount of loans, OREO, and other assets covered by FDIC loss-sharing agreements at $1.19 billion, $99 million, and $7 thousand, respectively, or a total of $1.29 billion. The total carrying amount of these assets represented 3.01 percent and 1.89 percent of total loans plus OREO and total assets, respectively, reported as of this date. As of December 31, 2012, Louisiana-domiciled banks and thrifts reported the carrying amount of loans, OREO, and other assets covered by FDIC loss-sharing agreements at $1.14 billion and $84 million, and $24 thousand, respectively, or a total of $1.22 billion. The total carrying amount of these assets represented 2.81 percent and 1.73 percent of total loans plus OREO and total assets, respectively.

At December 31, 2012, noncurrent loans covered by the FDIC loss-share agreements totaled $392 million, or 39.05 percent of the total noncurrent loans, compared to $408 million, or 38.82 percent of total noncurrent loans, at September 30, 2012. At December 31, 2012, OREO covered by these loss-sharing agreements totaled $84 million, or 24.04 percent of total OREO, compared to $99 million, or 26.46 percent of total OREO, at September 30, 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 December 31, 2012, the portion of noncurrent loans protected by these loss-sharing agreements totaled $360 million, or 35.82 percent of total noncurrent loans, compared to $359 million, or 34.19 percent of total noncurrent loans, at September 30, 2012. At December 31, 2012, the portion of OREO protected by these loss-sharing agreements totaled $72 million, or 20.75 percent of total OREO, compared to $87 million, or 23.37 percent of total OREO, at September 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 0.93 percent and 1.01 percent of total loans and OREO, respectively, at December 31, 2012, and September 30, 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 0.51 percent at December 31, 2012, from 0.56 percent at September 30, 2012.

For all commercial banks and thrifts in the U.S., at December 31, 2012, covered noncurrent loans represented 4.30 percent of total noncurrent loans, compared to 4.36 percent at September, 2012. At December 31, 2012, covered OREO represented 9.09 percent of total OREO, compared to 9.10 percent at September 30, 2012. At December 31, 2012, protected noncurrent loans represented 3.53 percent of total noncurrent loans, compared to 3.57 percent at September, 2012. At December 31, 2012, protected OREO represented 6.73 percent of total OREO, compared to 6.95 percent at September 30, 2012.

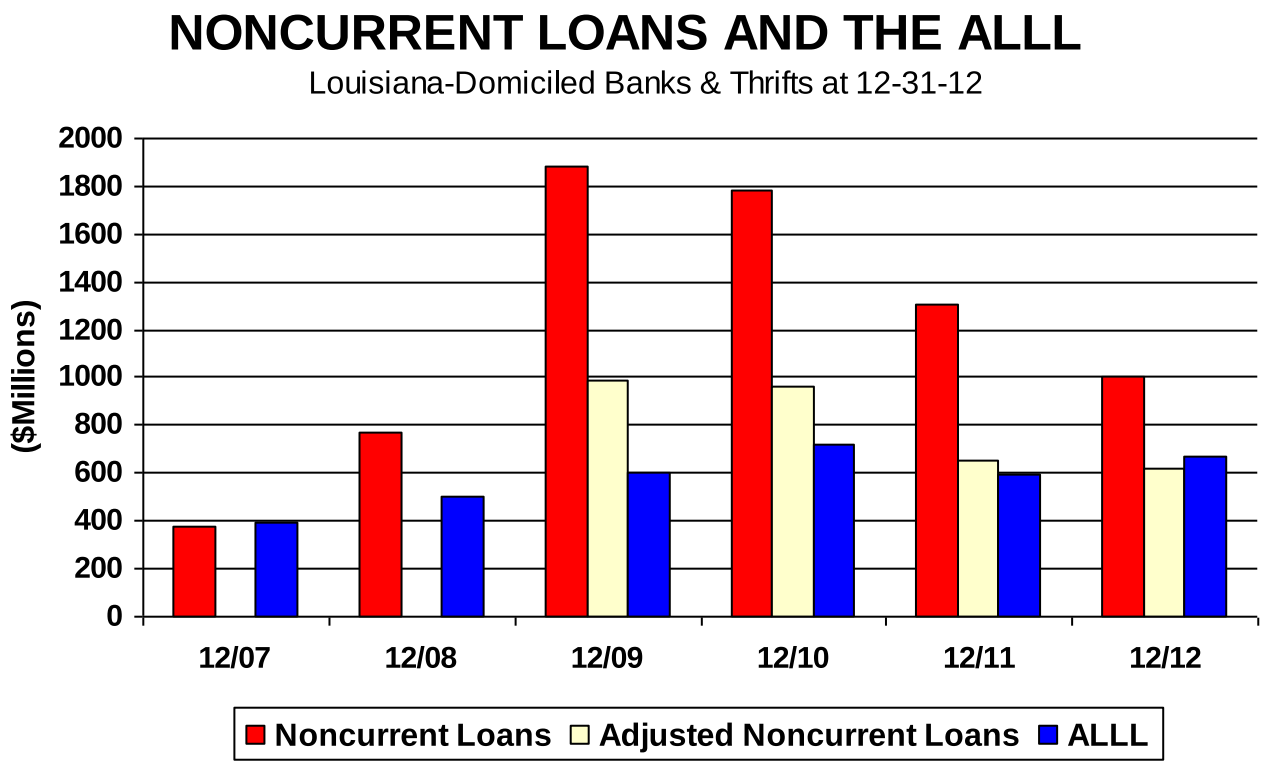


Figure 8

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 2007. **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. At year-end 2007, the level maintained in the ALLL exceeded the level of noncurrent loans; however, in the twenty 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 from year-end 2007 through the first quarter of 2008, while the level of noncurrent loans exceeded the level of noncurrent loans for the nineteen quarters since then. For Louisiana-domiciled federally-chartered banks and thrifts, the level of noncurrent loans exceeded the level of the ALLL at year-end 2007 and has stayed that way for the twenty quarters since then.

For commercial banks and thrifts throughout the U. S., the level of noncurrent loans exceeded the level of the ALLL at year-end 2007 and has stayed that way for the twenty quarters since then.

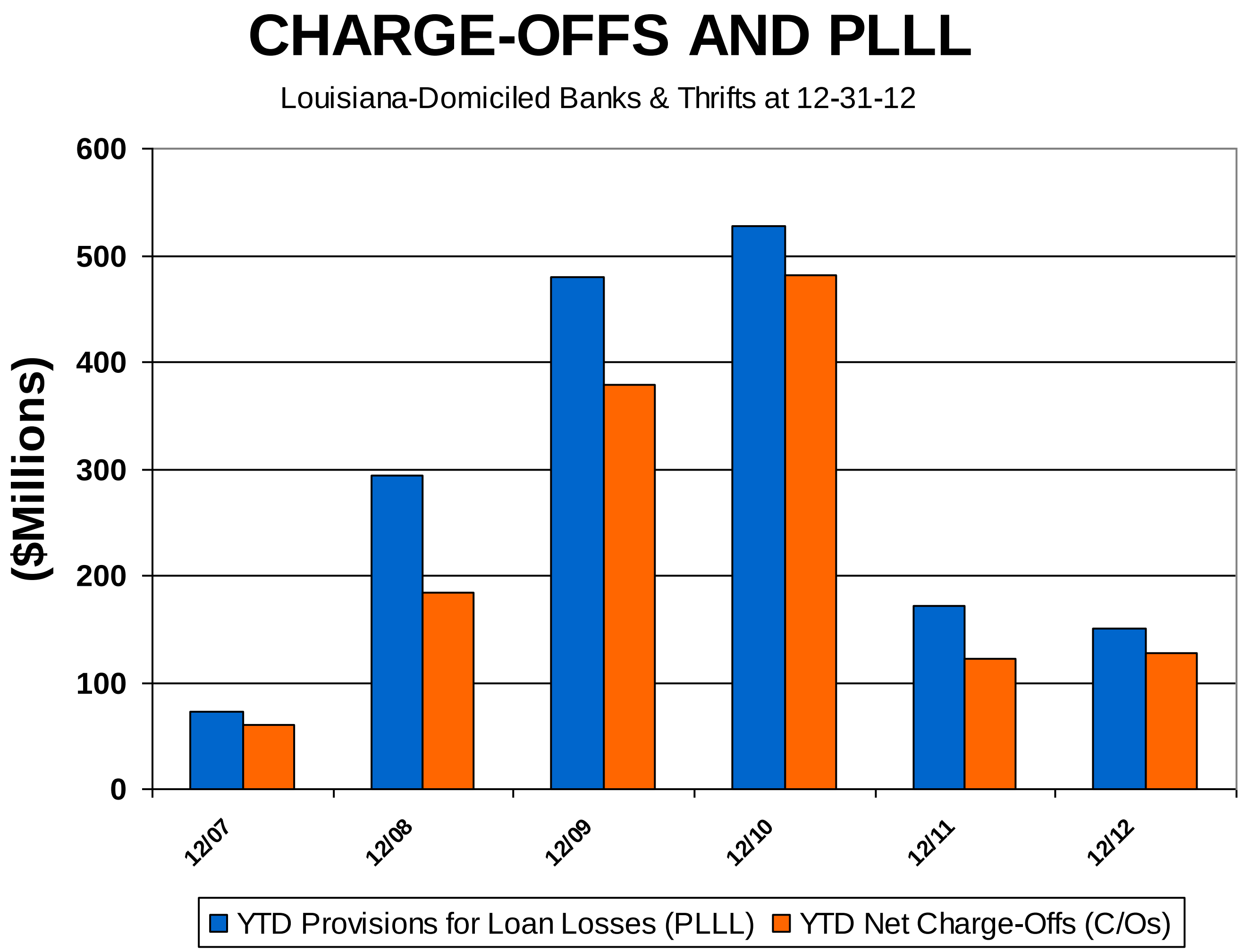


Figure 9

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 2007. This chart shows that PLLLs have exceeded net charge-offs for each year for Louisiana-domiciled banks and thrifts.

For Louisiana-domiciled banks and thrifts, net charge-offs recognized in the fourth quarter of 2012 totaled $43 million, a significant increase from the $21 million in the third quarter of 2012. The annualized net charge-off ratio for the quarter ending December 31, 2012, increased to 0.40 percent, from 0.20 percent for the quarter ending September 30, 2012. Based on year-to-date (YTD) net charge-offs reported at $127 million, the YTD 2012 ratio of net charge-offs to total loans increased slightly to 0.31 percent at December 31, 2012, from 0.27 percent at September 30, 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 September 30, 2012, to December 31, 2012, quarterly net charge-offs increased substantially from $19 million to $39 million for Louisiana state-chartered banks and thrifts. For these institutions, the annualized net charge-off ratio, based on quarterly charge-offs, increased from 0.21 percent to 0.42 percent. The YTD net charge-off ratio, based on net charge-offs of $114 million for the calendar year 2012, increased from 0.28 percent at September 30, 2012, to 0.31 percent at December 31, 2012. 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 September 30, 2012, to December 31, 2012, quarterly net charge-offs increased from $1.5 million to $3.7 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 0.12 percent to 0.29 percent. The YTD net charge-off ratio, based on net charge-offs of $13 million for the calendar year 2012, remained at 0.26 percent at September 30, 2012, and December 31, 2012. 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 $670 million at December 31, 2012, from $624 million at September 30, 2012, and the ratio of loan loss reserves to total loans increased to 1.55 percent at December 31, 2012, from 1.47 percent at September 30, 2012. This ratio (loan loss reserves to total loans), for each year-end since 2007, is as follows: 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 $27 million during the third quarter of 2012, or 0.16 percent of average assets, as compared to $45 million during the fourth quarter of 2012, or 0.26 percent of average assets. For the calendar years 2012, 2011, and 2010, loan loss provisions totaled $151 million, $173 million, and $531 million, respectively.

For Louisiana state-chartered banks and thrifts, loan loss reserves totaled $609 million at December 31, 2012, an increase from $563 million at September 30, 2012. During the fourth quarter, the ratio of loan loss reserves to total loans increased to 1.60 percent at December 31, 2012, from 1.50 percent at September 30, 2012. Loan loss provisions in the fourth quarter totaled $42 million, an increase from $25 million in the third quarter. For the calendar years 2012, 2011, and 2010, loan loss provisions totaled $136 million, $155 million, and $187 million, respectively.

For Louisiana-domiciled federally-chartered banks and thrifts, loan loss reserves remained essentially the same at $61 million for both December 31, 2012 and September 30, 2012. As a result of loan growth in the fourth quarter, the ratio of loan loss reserves to total loans decreased to 1.17 percent at December 31, 2012, from 1.23 percent at September 30, 2012. Loan loss provisions for the fourth quarter also remained essentially the same as the third quarter, at approximately $3 million. For the calendar years 2012, 2011, and 2010, loan loss provisions totaled $15 million, $18 million, and $344 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 the prior year.

For all banks and thrifts in the U.S., net charge-offs recognized in the fourth quarter of 2012 totaled $18.58 billion, a decrease from the $22.34 billion in the third quarter of 2012. As a result, the annualized net charge-off ratio for the quarter ending December 31, 2012, declined to 0.97 percent, from 1.19 percent for the quarter ending September 30, 2012. Net charge-offs for the calendar year 2012 totaled $82.78 billion, with the YTD net charge-off ratio decreasing to 1.10 percent as of December 31, 2012, from 1.15 percent as of September 30, 2012. For the calendar years 2011, 2010, and 2009, net charge-offs totaled $113.23 billion, $187.62 billion, and $188.89 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 $162.04 billion at of December 31, 2012, a decrease from $167.00 billion at September 30, 2012. As a result, the ratio of loan loss reserves to total loans declined to 2.20 percent at December 31, 2012, from 2.20 percent at September 30, 2012. Loan loss provisions for the fourth quarter totaled $15.12 billion, an increase from $14.78 billion during the third quarter. For the calendar years 2012, 2011, and 2010, loan loss provisions totaled $58.24 billion, $77.51 billion, and $157.97 billion, respectively.

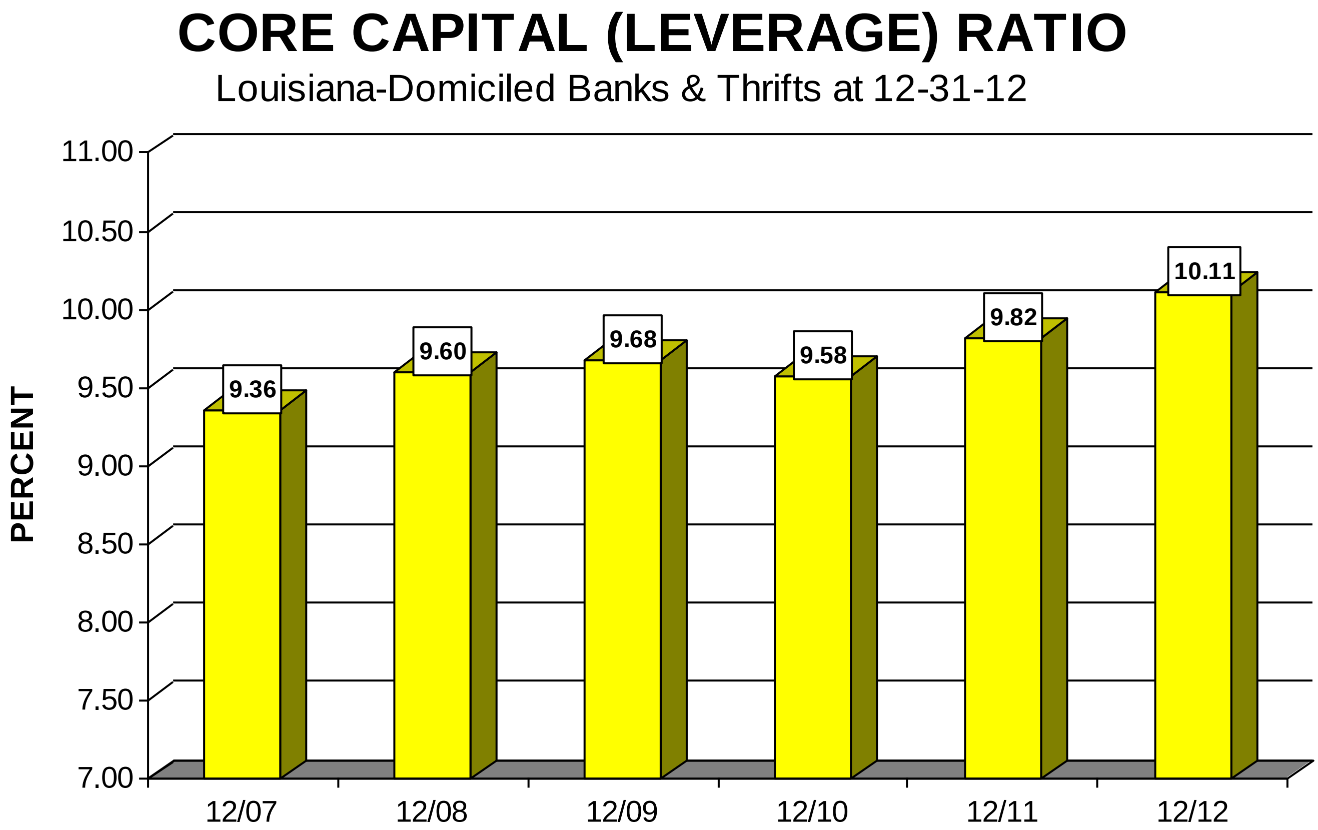


Figure 10

Figure 10 above illustrates the trend in the Tier 1 (core) capital ratio since year-end 2007. As Figure 10 above shows, the Core capital (leverage) ratio at December 31, 2012, increased by 29 basis points from the ratio reported at year-end 2011. During the fourth quarter, the Core capital (leverage) ratio remained essentially the same, going from 10.12 percent at September 30, 2012, to 10.11 percent at December 31, 2012, as Tier 1 (core) capital increased from $6.65 billion at September 30, 2012, to $6.78 billion at December 31, 2012, and quarterly average assets also increased. Louisiana-domiciled banks and thrifts paid dividends of $93 million in the fourth quarter of 2012, compared to dividends of $99 million in the third quarter.

During the fourth quarter of 2012, Tier 1 (core) capital increased by $94 million in Louisiana state-chartered banks and thrifts. However, with quarterly average assets growing faster, the Core capital (leverage) ratio decreased slightly from 9.81 percent to 9.77 percent. In addition, dividends paid by Louisiana state-chartered banks and thrifts during the fourth quarter decreased by $18 million from the level paid in the third quarter. During the fourth quarter of 2012, Tier 1 (core) capital increased by $32 million in Louisiana-domiciled federally-chartered banks and thrifts, and their Core capital (leverage) ratio increased from 12.41 percent to 12.61 percent. Dividends paid by Louisiana-domiciled federally-chartered banks and thrifts during the fourth quarter increased by $12 million over the level paid in the third quarter.

For all banks and thrifts in the U.S., Tier 1 (core) capital decreased during the fourth quarter of 2012. With this decrease and growth in quarterly average assets, the Core capital (leverage) ratio declined from 9.28 percent at September 30, 2012, to 9.15 percent at December 31, 2012. Cash dividends paid by these banks and thrifts in the fourth quarter of 2012 increased by $15.05 billion over the level paid during the third 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 145 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.

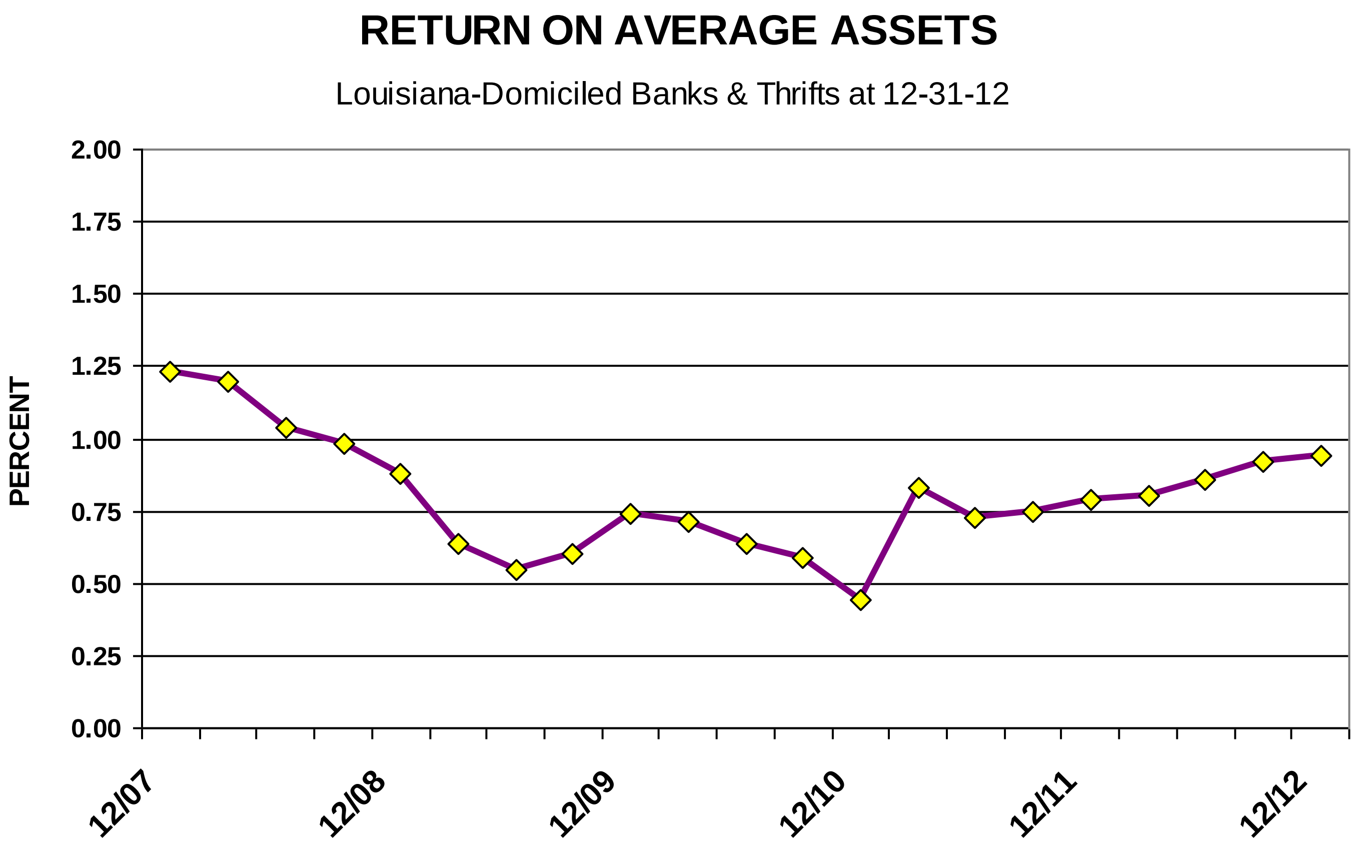


Figure 11

Figure 11 above reflects the annualized year-to-date ROAA for all Louisiana banks and thrifts since year-end 2007. Earnings for the fourth quarter of 2012 declined slightly from the previous quarter. Net income for the fourth quarter of 2012 totaled $175.64 million, for a return on average assets (ROAA) of 1.02 percent annualized, as compared to net income for the third quarter of 2012, which totaled $176.18 million, or an ROAA of 1.05 percent annualized. Increased noninterest income offset most of the increase in provisions for loan losses and noninterest expenses. However, as shown in the chart above, the YTD ROAA increased to 0.94 percent at December 31, 2012, from 0.92 percent at September 30, 2012. At December 31, 2012, seven Louisiana banks and thrifts reported YTD net operating losses, with those same banks and thrifts also reporting YTD net operating losses at September 30, 2012. At December 31, 2012, the percentage of unprofitable Louisiana-domiciled bank and thrifts was 4.83 percent, while the nationwide percentage was 10.48 percent.

For the fourth quarter of 2012, all banks and thrifts in the U.S. reported net income of $34.67 billion, for an annualized ROAA of 0.97 percent, as compared to net income of $37.58 billion, for an annualized ROAA of 1.06 percent for the third quarter of 2012. Increased provisions for loan losses, noninterest expenses, and extraordinary losses were the primary factors contributing to the decline in net income for the fourth quarter. With the decline in net income in the fourth quarter, the YTD ROAA also declined slightly from 1.02 percent at September 30, 2012, to 1.00 percent at December 31, 2012.

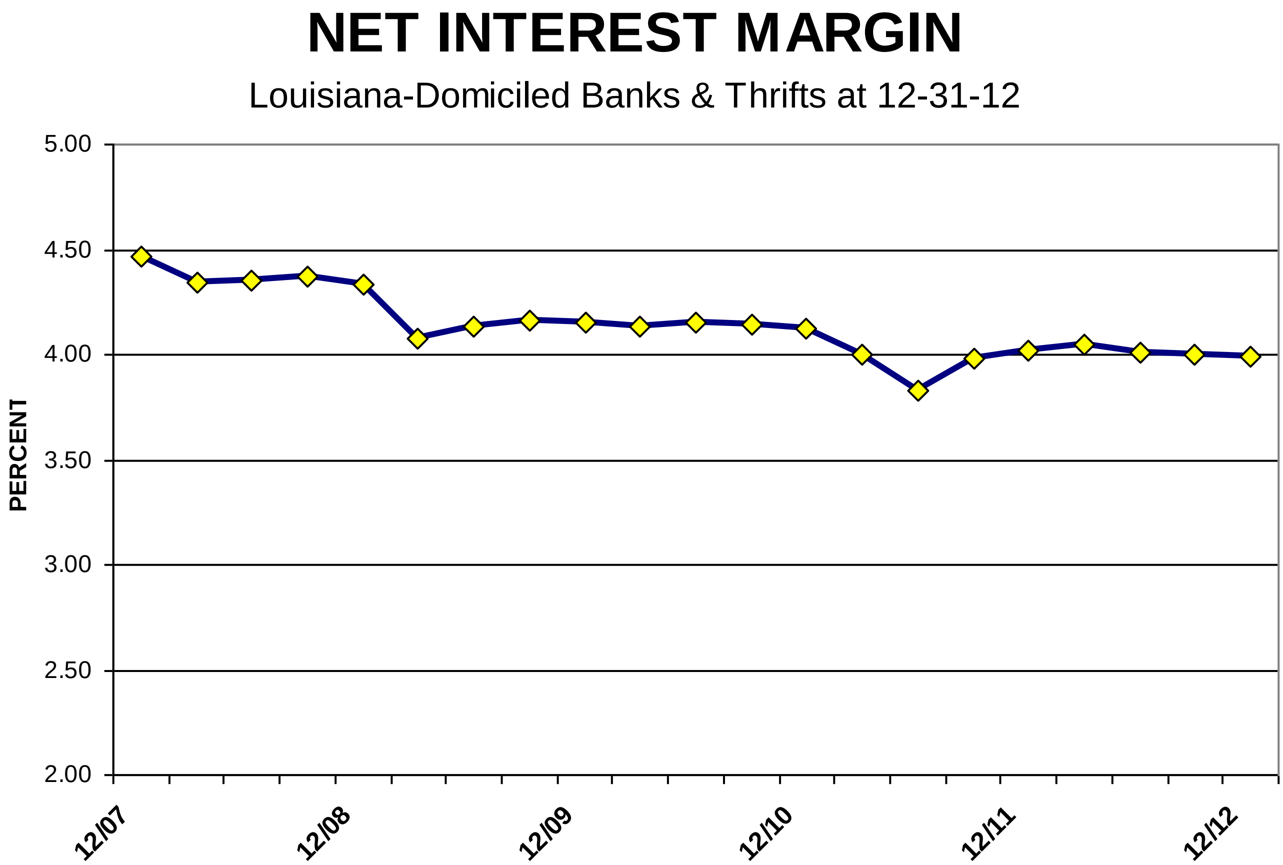


Figure 12

Figure 12 above reflects the annualized YTD net interest margin for all Louisiana banks and thrifts since year-end 2007. The net interest margin for all Louisiana-domiciled banks and thrifts decreased nominally from 4.00 percent at September 30, 2012, to 3.99 percent at December 31, 2012. The aggregate yield on earning assets declined from 4.66 percent to 4.63 percent, while the cost of funds decreased from 0.66 percent to 0.64 percent.

During the fourth quarter of 2012, the net interest margin for Louisiana state-chartered banks and thrifts decreased nominally from 4.02 percent to 4.01 percent, while the net interest margin for Louisiana-domiciled federally-chartered banks and thrifts decreased from 3.90 percent to 3.85 percent. The yield on earning assets decreased from 4.67 percent to 4.64 percent for Louisiana state-chartered banks and thrifts, while it decreased from 4.57 percent to 4.50 percent for Louisiana-domiciled federally-chartered banks and thrifts. The cost of funds decreased for Louisiana state-chartered banks and thrifts from 0.65 percent to 0.63 percent and also decreased for Louisiana-domiciled federally-chartered banks and thrifts from 0.67 percent to 0.65 percent.

For all banks and thrifts in the U.S., the net interest margin decreased slightly from 3.46 percent to 3.42 percent from September 30, 2012, to December 31, 2012. During the same time frame, the yield on earning assets decreased from 4.02 percent to 3.96 percent, while the cost of funds also decreased from 0.55 percent to 0.54 percent.

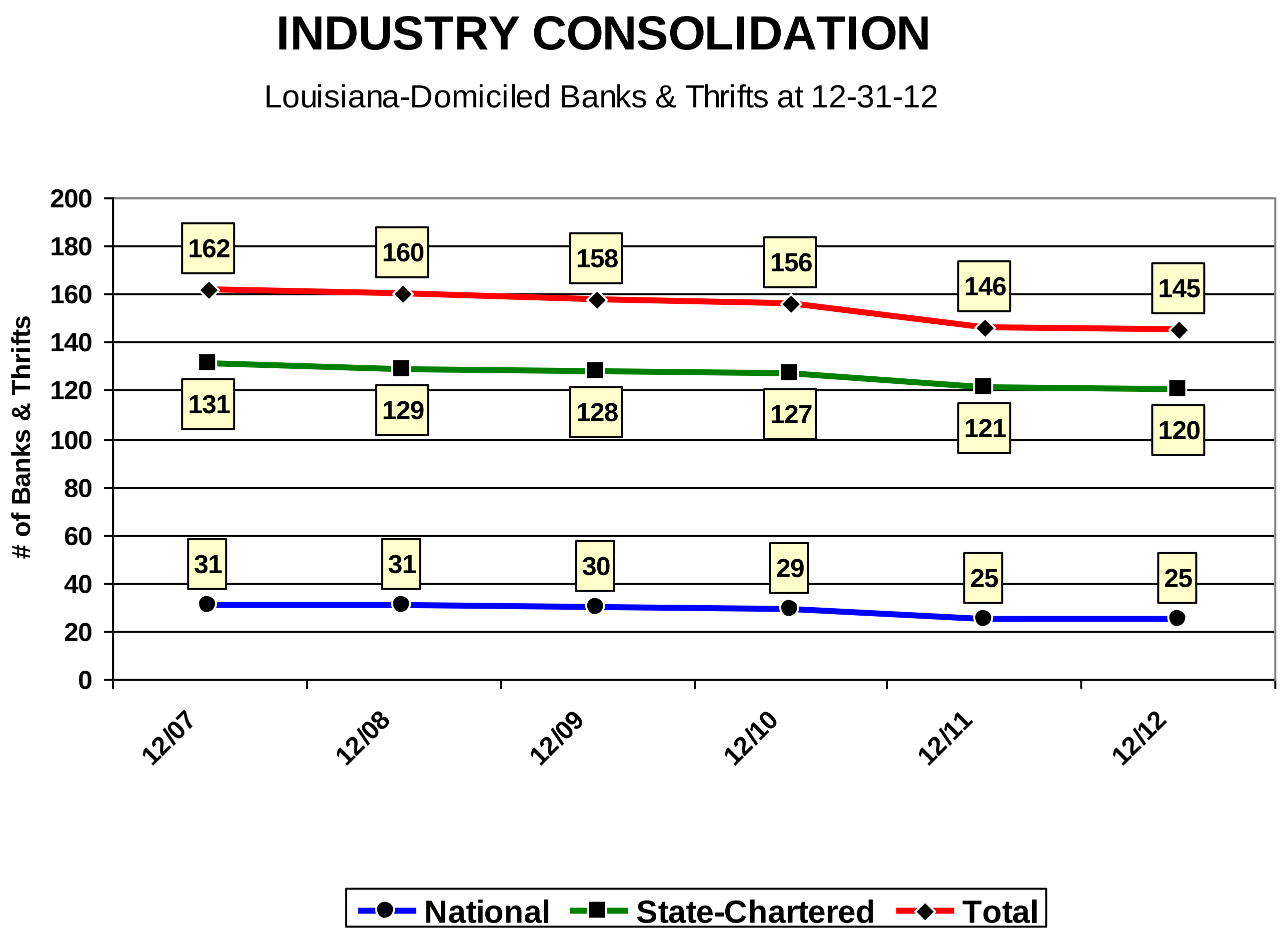


Figure 13

MERGERS AND ACQUISITIONS

Figure 13 above reflects the number of Louisiana-domiciled bank and thrifts since year-end 2007. Although there were no mergers during the third quarter, a Louisiana-domiciled national bank and a Louisiana state-chartered bank merged in the fourth quarter, with the national bank the surviving bank. Effective January 1, 2013, two Louisiana state-chartered banks completed their previously announced merger. In addition, two Louisiana state-chartered banks have each announced acquisitions of other Louisiana state-chartered banks with mergers expected to occur in the first and second quarters of 2013, respectively, pending regulatory approval.

As of December 31, 2012, there were 145 banks and thrifts domiciled in Louisiana. This included 120 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, 2007, the total number of Louisiana-domiciled banks and thrifts has decreased from 162 to 145, or by 10.49 percent.

Nationwide, the number of banks and thrifts declined from 7,181 as of September 30, 2012, to 7,083 as of December 31, 2012, or by 98 institutions during the fourth quarter. During the fourth quarter of 2012, 8 banks and thrifts failed, compared to 12 failures in the first quarter of 2012. For 2012, 2011, and 2010, there were 51, 92, and 157 failures, respectively. In Louisiana, we experienced one bank failure in both 2010 and 2011. During the third and fourth 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 acquired failed banks) were chartered in 2010, including one Louisiana state-chartered institution that was opened on July 26, 2010.

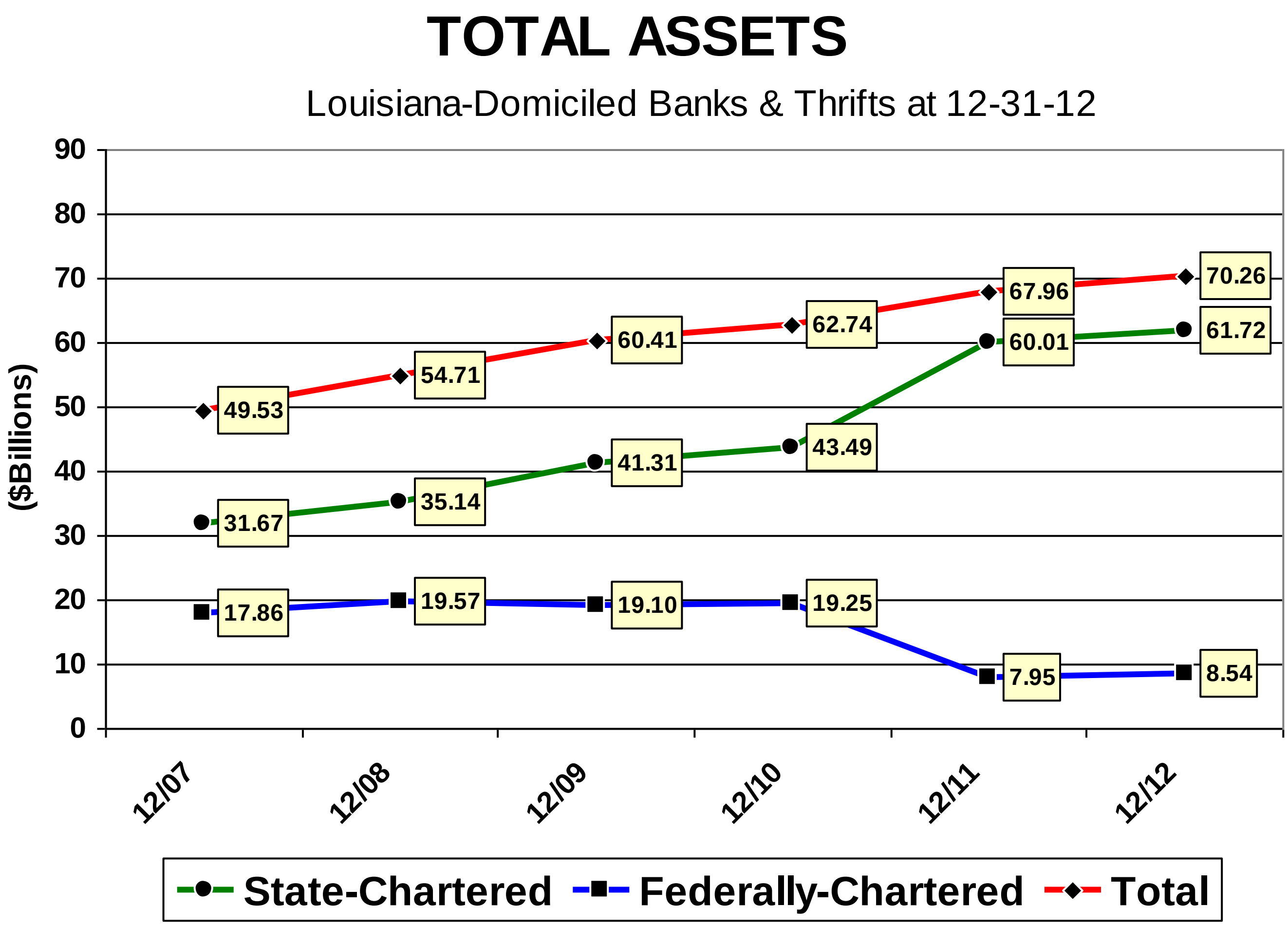


Figure 14

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 2007. Total assets for all Louisiana-domiciled banks and thrifts increased from $67.89 billion at September 30, 2012, to $70.26 billion at December 31, 2012, or by 3.49 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 2007.

At December 31, 2012, Louisiana state-chartered banks and thrifts held assets totaling $61.72 billion, or 87.84 percent of the Louisiana banking industry's $70.26 billion in total assets. One out-of-state bank holding company located in Mississippi owns a Louisiana-domiciled bank subsidiary, which is a state-chartered bank, with total assets of $13.21 billion, or 18.81 percent of the total assets for all Louisiana-domiciled banks and thrifts. At December 31, 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 $30.55 million.

Total assets for all banks and thrifts in the U.S. increased from $14.22 trillion at September 30, 2012, to $14.45 trillion at December 31, 2012, and the number of banks and thrifts declined as noted previously.

BANK AND THRIFT SUMMARY AT DECEMBER 31, 2012

During the fourth quarter of 2012, the overall financial condition of Louisiana-domiciled banks and thrifts remained sound with further improvement noted in asset quality and stable quarterly earnings. The fourth quarter of 2012 saw a moderate increase in total assets and total deposits, and a minimal increase in Tier 1 (core) capital. During the fourth quarter, core deposits as a percent of total deposits and borrowed money increased from the prior quarter, primarily due a decline in borrowed money. Earnings for the fourth quarter remained steady, with increased noninterest income mostly offsetting increased provision and noninterest expenses. With both Tier 1 (core) capital and quarterly average assets increasing, the Core capital (leverage) ratio declined slightly, although all capital ratios remained well above minimum regulatory requirements. During the fourth quarter of 2012, asset quality continues to show improvement as the dollar volume and ratio of nonperforming assets and the dollar volume of nonperforming assets, both with and excluding those associated with the acquisition of the out-of-state failed institutions, both declined. While the net charge-off ratio increased during the fourth quarter, it declined from the level reported in the prior year. 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 December 31, 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	34	24	$2,197,566	3
Assets $100 Million to $300 Million	68	47	12,131,033	17
Assets $300 Million to $500 Million	19	13	7,185,037	10
Assets $500 Million to $1 Billion	17	12	12,355,250	18
Assets $1 Billion to $10 Billion	5	3	10,117,676	15
Assets > $10 Billion	2	1	26,274,046	37
TOTAL ASSETS	145	100	$70,260,608	100

- At December 31, 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	28	23	$1,835,110	3
Assets $100 Million to $300 Million	56	47	9,748,621	16
Assets $300 Million to $500 Million	17	14	6,506,518	10
Assets $500 Million to $1 Billion	13	11	9,084,920	15
Assets $1 Billion to $10 Billion	4	3	8,268,402	13
Assets > $10 Billion	2	2	26,274,046	43
TOTAL ASSETS	120	100	$61,717,617	100

- At December 31, 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	$362,456	4
Assets $100 Million to $300 Million	12	48	2,382,412	28
Assets $300 Million to $500 Million	2	8	678,519	8
Assets $500 Million to $1 Billion	4	16	3,270,330	38
Assets $1 Billion to $10 Billion	1	4	1,849,274	22
TOTAL ASSETS	25	100	$8,542,991	100

* Thousands

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 December 31, 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 including: Yield on Earning Assets, Net Interest Margin, 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 exceptions of Return on Average Assets, which would decline, and Nonperforming Assets to Total Assets, which would increase.

Based on a non-weighted average, the ROAA for Louisiana-domiciled banks and thrifts for the year ending December 31, 2012, is 1.05 percent, while the ROAA for U. S. banks and thrifts for the year ending December 31, 2012, is 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 the nonperforming assets ratio 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.*