LOUISIANA-DOMICILED BANKS AND THRIFTS FINANCIAL REPORT

For the Quarter Ended
June 30, 2014

STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS

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FINANCIAL CONDITION OF LOUISIANA-DOMICILED BANKS & THRIFTS AT JUNE 30, 2014

During the second quarter of 2014, total assets for all Louisiana-domiciled banks and thrifts increased from $60.43 billion to $62.01 billion, an increase of $1.58 billion or by 2.61 percent. Total loans and leases increased from $40.01 billion to $441.81 billion or by 4.50 percent. Total securities increased from $12.66 billion to $12.74 billion or by 0.64 percent. Federal funds sold decreased from $529 million to $440 million or by 16.84 percent. Cash decreased from $3.88 billion to $3.53 billion or by 8.99 percent. Regarding liabilities, total deposits increased from $50.69 billion to $51.30 billion or by 1.20 percent, while borrowed money increased from $2.59 billion to $3.23 billion or by 24.86 percent.

For Louisiana state-chartered banks and thrifts, total assets increased by 2.73 percent during the second quarter of 2014. Total loans and securities increased, while cash and Federal funds sold decreased. Regarding liabilities, total deposits and borrowed money both increased. For Louisiana-domiciled federally-chartered banks and thrifts, total assets increased by 1.94 percent during the second quarter of 2014. Total loans and Federal funds sold increased, while cash and securities decreased. 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 quarter ended June 30, 2014; and for all Louisiana-domiciled banks and thrifts for the quarters ended June 30, 2014, and March 31, 2014, and years ended December 31, 2012, and 2013. **The overall financial performance of Louisiana-domiciled banks and thrifts continues to compare very favorably with all banks and thrifts in the U.S.**

	U. S. Banks & Thrifts	All Louisiana-Domiciled Banks & Thrifts			
TRENDS	Quarter Ended 06/30/2014	Quarter Ended 06/30/2014	Quarter Ended 03/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2012
Earnings					
Yield on Earning Assets	3.51%	4.44%↑	4.39%	4.35%↓	4.63%
Cost of Funds	0.36%	0.49%↓	0.50%	0.50%↓	0.64%
Net Interest Margin	3.15%	3.96%↑	3.89%	3.85%↓	3.99%
Loan Loss Provisions to Average Assets	0.18%	0.17%–	0.17%	0.15%↓	0.22%
Operating Expenses to Average Assets	2.79%	3.19%↑	3.11%	3.17%↓	3.18%
Return on Average Assets	1.07%	0.98%↑*	0.96%*	0.93%↓*	0.94%*
Asset Quality					
Noncurrent Loans to Total Loans	1.40%	1.16%↓#*	1.25%#*	1.40%↓#*	2.32%#*
Nonperforming Assets to Total Assets	2.24%	1.22%↓#*	1.33%#*	1.27%↓#*	1.93%#*
Net Charge-offs to Total Loans	0.50%	0.13%↓	0.16%	0.21%↓	0.31%
Capital and Liquidity					
Tier 1 Leverage Capital Ratio	9.57%	10.50%↑	10.37%	10.20%↑	10.11%
Earning Assets to Total Assets	90.29%	91.46%↓	91.49%	91.14%↑	90.50%
Loans to Deposits	69.46%	80.48%↑	77.90%	77.17%↑	72.74%

At June 30, 2014 (for all Louisiana-domiciled banks and thrifts), the **year-to-date** return on average assets (ROAA), not shown in the chart above, increased by 5 basis points from the same time period in 2013 and by 1 basis point from the end of the first quarter of 2014 (this ratio shown in chart above). This ratio is 7 basis points below the national average **year-to-date** ROAA (also not shown in the chart above) with the gap between the two increasing by 2 basis points during the second quarter. Although the state average is below the national average, a vast majority of Louisiana-domiciled banks and thrifts continue to show strong or satisfactory earnings performance as a result of increased net interest income, due to both increased interest income and decreased interest expense, with more than half maintaining or increasing their ROAA over the past 12 months. Capital levels remain sound, with ratios increasing slightly during the second quarter of 2014 and comparing favorably to the same time period in 2013. 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 2013. Net charge-offs decreased during the second quarter of 2014 and over the year (on both a quarter and year-to-date basis). As a result, the year-to-date net charge-off ratio, not shown above, is lower when compared to the same time period in 2013.

In 2009 and 2010, the higher level of nonperforming assets and noncurrent loans was attributable to the acquisition of failed out-of-state institutions by Louisiana-domiciled institutions during that time period. However, a significant portion is still 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.**

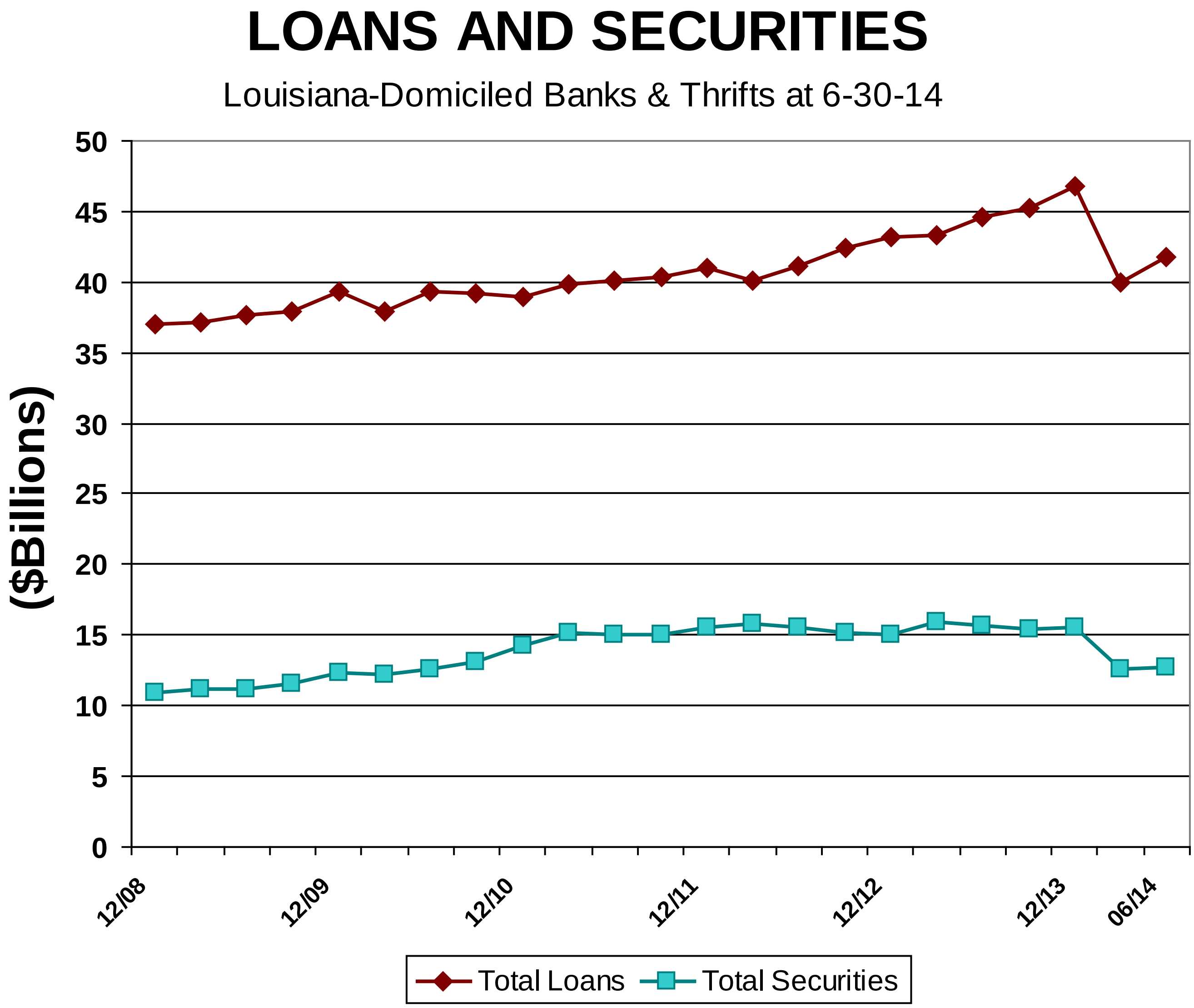

Figure 1

Figure 1 above shows the trend in total loans and leases and securities since year-end 2008. As previously mentioned, total loans and leases increased by 4.50 percent during the second quarter of 2014, from $40.01 billion to $41.81 billion, or by approximately $1.80 billion. Total loans and leases have increased in 15 of the past 20 quarters. **However, total loans and leases would have 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.** Total loans decreased in the first quarter of 2014 primarily due to the merger of a state-chartered bank with and into its sister bank located in another state. During the second quarter of 2014, real estate loans increased from $27.50 billion to $28.51 billion or by approximately $1.01 billion, commercial loans increased from $8.27 billion to $8.65 billion or by approximately $380 million, farm loans increased from $386 million to $586 million or by approximately $200 million, consumer loans increased from $2.85 billion to $3.01 billion or by approximately $165 million, and other loans increased from $1.01 billion to $1.05 billion or by approximately $46 million.

During the second quarter of 2014, Louisiana state-chartered banks and thrifts experienced growth in total loans and all five major reporting categories. From highest to lowest by dollar volume, commercial loans, real estate loans, farm loans, consumer loans, and other loans all grew during the second quarter. Louisiana-domiciled federally-chartered banks and thrifts also experienced growth in total loans and all five major reporting categories. From highest to lowest by dollar volume, real estate loans, commercial loans, other loans, farm loans, and consumer loans all grew during the second quarter. All banks and thrifts in the U.S. experienced growth in total loans and all five categories during the second quarter of 2014. From highest to lowest in dollar volume for growth were commercial loans, real estate loans, consumer loans, other loans, and farm loans.

LOAN PORTFOLIO MIX

Louisiana-Domiciled Banks & Thrifts at June 30, 2014

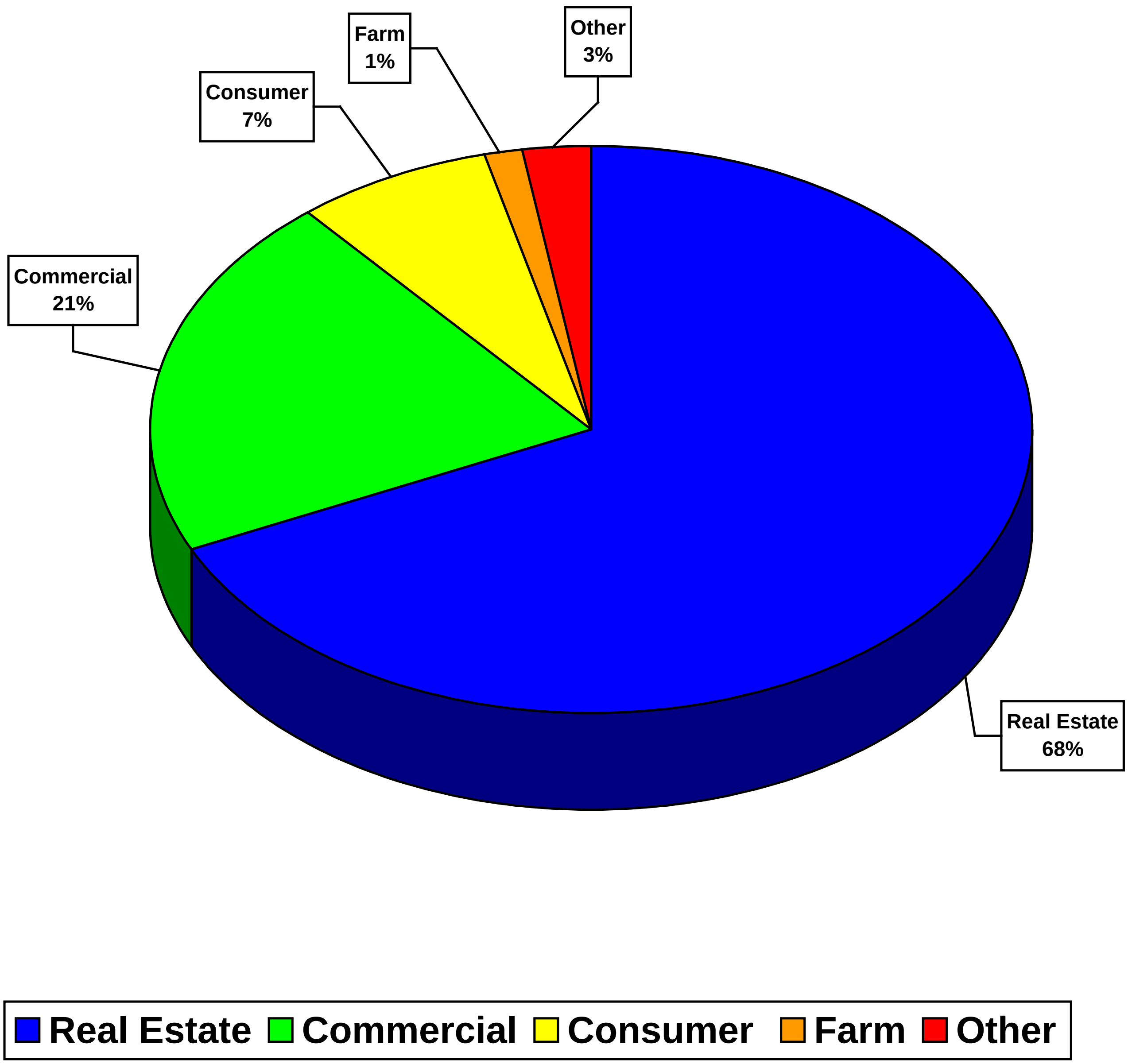

Figure 2

Figure 2 shows the June 30, 2014, loan portfolio mix for all Louisiana-domiciled banks and thrifts. At June 30, 2014, 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 – 2 percent; and farm loans – 2 percent. As of this same date, for Louisiana-domiciled federally-chartered banks and thrifts, the loan portfolio mix is as follows: real estate loans – 79 percent; commercial loans – 14 percent; consumer loans – 4 percent; other loans – 2 percent; and farm loans – 1 percent.

At June 30, 2014, for all banks and thrifts in the U.S., the loan portfolio mix is as follows: real estate loans – 51 percent; commercial loans – 20 percent; consumer loans – 17 percent; other loans – 11 percent; and farm loans – 1 percent.

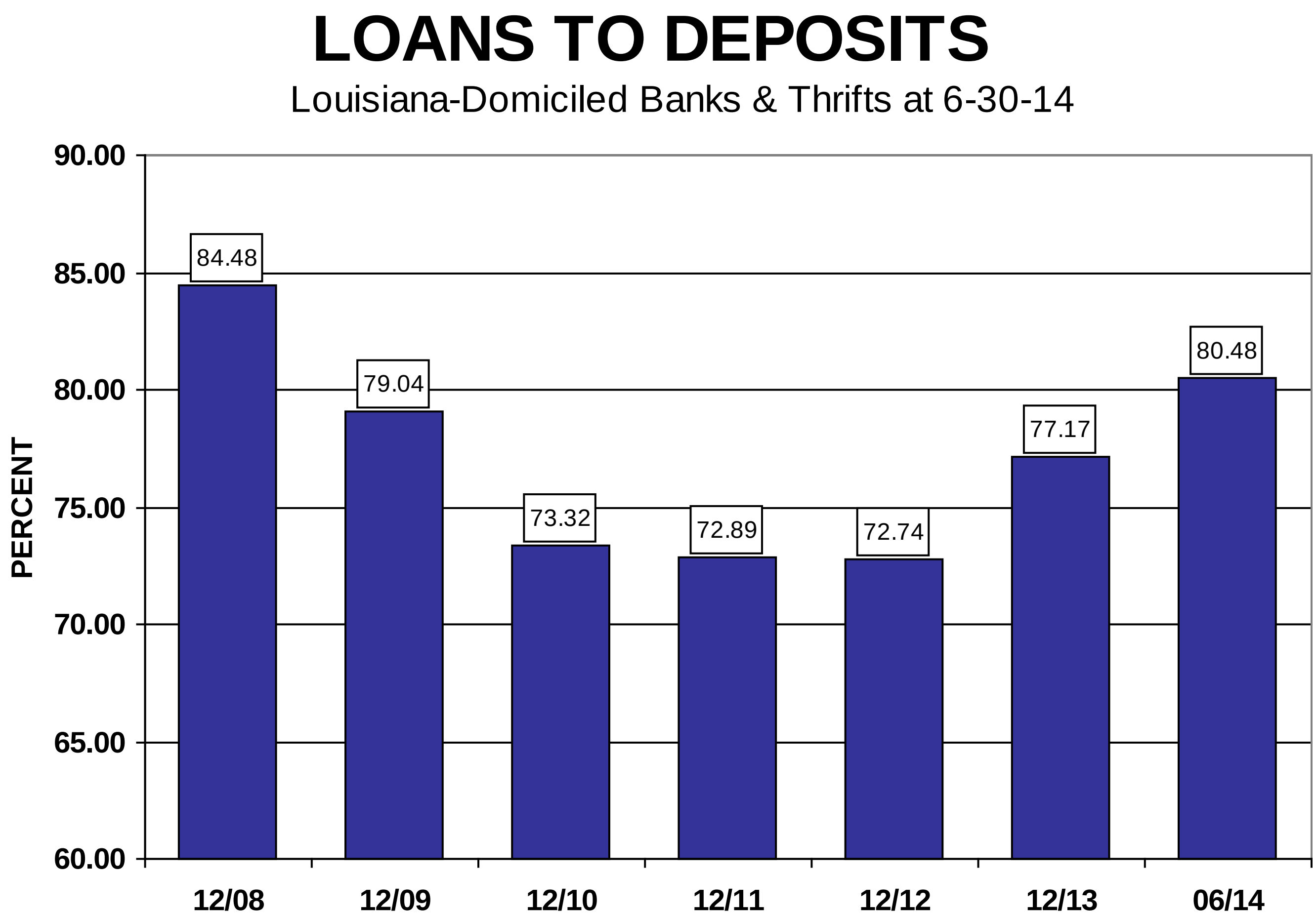

Figure 3

Figure 3 above illustrates the aggregate year-end loan-to-deposit ratio trend since year-end 2008. The ratio of net loans to deposits increased during the second quarter of 2014, from 77.90 percent as of March 31, 2014, to 80.48 percent as of June 30, 2014, as net loans grew at a faster rate than deposits.

For Louisiana state-chartered banks and thrifts, the ratio of net loans to deposits increased from 77.22 percent as of March 31, 2014, to 79.78 percent as of June 30, 2014, as net loans increased faster than deposits. For Louisiana-domiciled federally-chartered banks and thrifts, the ratio of net loans to deposits increased from 82.11 percent as of March 31, 2014, to 84.86 percent as of June 30, 2014, as net loans increased faster than deposits.

For all banks and thrifts in the U.S., the ratio of net loans to deposits increased from 68.90 percent as of March 31, 2014, to 69.46 percent as of June 30, 2014, as net loans increased faster than deposits.

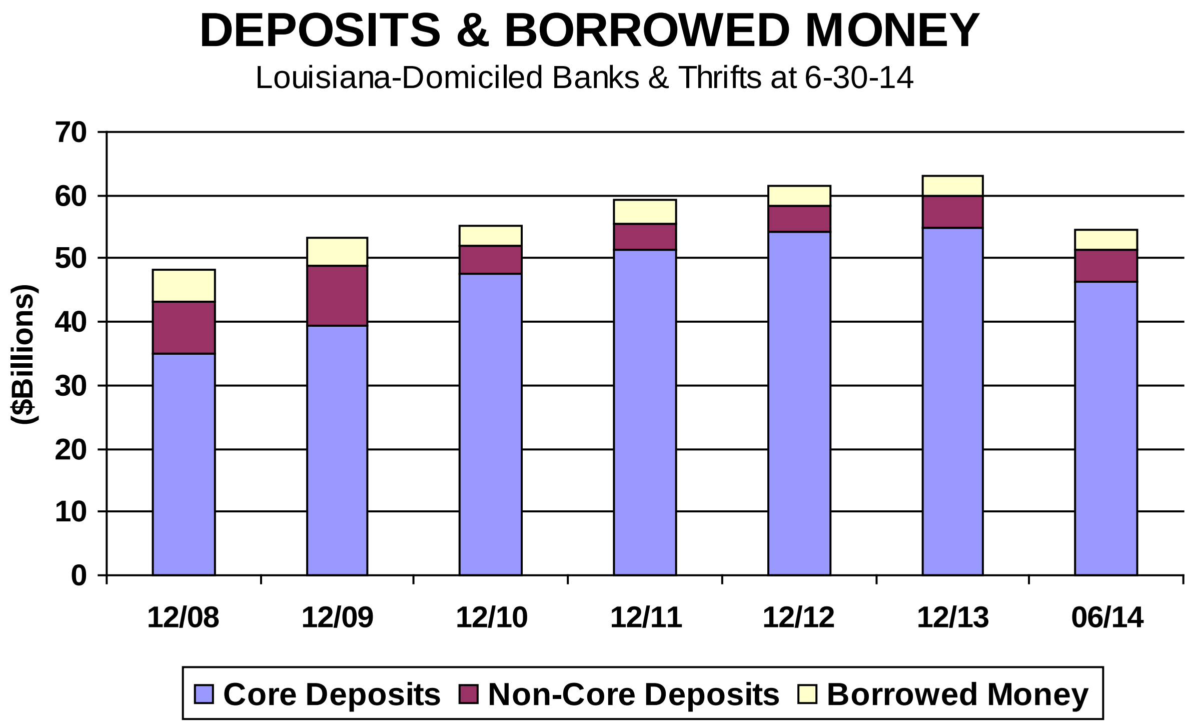

Figure 4

Figure 4 shows the mix of deposits and borrowed money since year-end 2008. Regarding liabilities, total deposits increased from $50.69 billion as of March 31, 2014, to $51.30 billion as of June 30, 2014, or by 1.20 percent, while borrowed money increased from $2.59 billion as of March 31, 2014, to $3.23 billion as of June 30, 2014, or by 24.86 percent. During the second quarter of 2014, total deposits increased at both Louisiana state-chartered banks and thrifts and Louisiana-domiciled federally-chartered banks and thrifts. Core deposits also increased during the second quarter, from $46.12 billion as of March 31, 2014, to $46.28 billion as of June 30, 2014, or by 0.33 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 second quarter of 2014.

As noted previously, borrowed money increased during the second quarter of 2014. At March 31, 2014, borrowed money totaled $2.59 billion and consisted of Federal funds purchased totaling $922 million, Federal Home Loan Bank (FHLB) advances totaling $1.56 billion, and other borrowings totaling $99 million. At June 30, 2014, borrowed money totaled $3.23 billion and consisted of Federal funds purchased totaling $981 million, FHLB advances totaling $2.15 billion, and other borrowings totaling $103 million. Total borrowed money for Louisiana state-chartered banks and thrifts increased by $530 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 $113 million during the second quarter with an increase in Federal funds purchased, FHLB advances, and other borrowings.

Non-core deposits increased during the second quarter of 2014. At March 31, 2014, non-core deposits totaled $4.57 billion and consisted of time deposits of $250,000 or more totaling $2.88 billion and brokered deposits under $250,000 totaling $1.69 billion. At June 30, 2014, non-core deposits totaled $5.02 billion and consisted of time deposits of $250,000 or more totaling $3.04 billion and brokered deposits under $250,000 totaling $1.98 billion. During the second quarter, non-core deposits in Louisiana state-chartered banks and thrifts increased by $469 million, with increases of $288 million in brokered deposits under $250,000 and $181 million in time deposits of $250,000 or more. During this same period, non-core deposits in Louisiana-domiciled federally-chartered banks and thrifts decreased by $14 million, with an increase of $4 million in brokered deposits under $250,000 and decrease of $18 million in time deposits of $250,000 or more.

During the second quarter of 2014, all banks and thrifts in the U.S. experienced an increase in total deposits, with core deposits also increasing. Non-core deposits also increased, with time deposits over $250,000, brokered deposits of $250,000 or less, and deposits in foreign offices all increasing. Borrowed money increased during the second quarter, with increases in FHLB advances and other borrowings and a decline in Federal funds purchased.

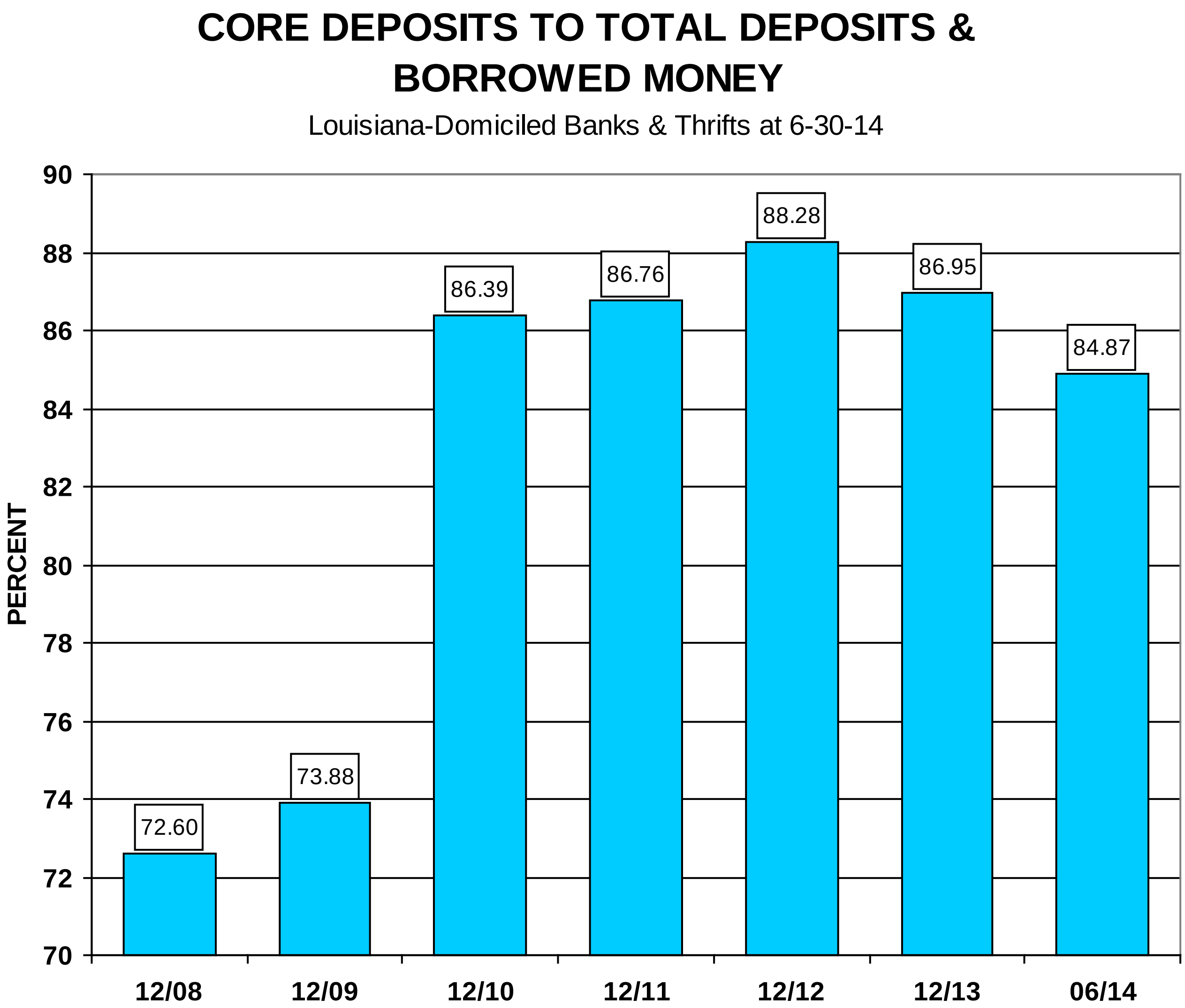

Figure 5

Figure 5 illustrates the trend in the core deposits to total deposits and borrowed money ratio since year-end 2008. 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 2014, going from 86.57 percent at March 31, 2014, to 84.87 percent at June 30, 2014.

For Louisiana state-chartered banks and thrifts, the ratio of core deposits to total deposits and borrowed money decreased from 87.03 percent as of March 31, 2014, to 85.19 percent as of June 30, 2014. For Louisiana-domiciled federally-chartered banks and thrifts, this ratio decreased from 83.91 percent as of March 31, 2014, to 82.98 percent as of June 30, 2014.

For all banks and thrifts in the U.S., the ratio of core deposits to total deposits and borrowed money decreased slightly from 70.75 percent at March 31, 2014, to 70.33 percent at June 30, 2014.

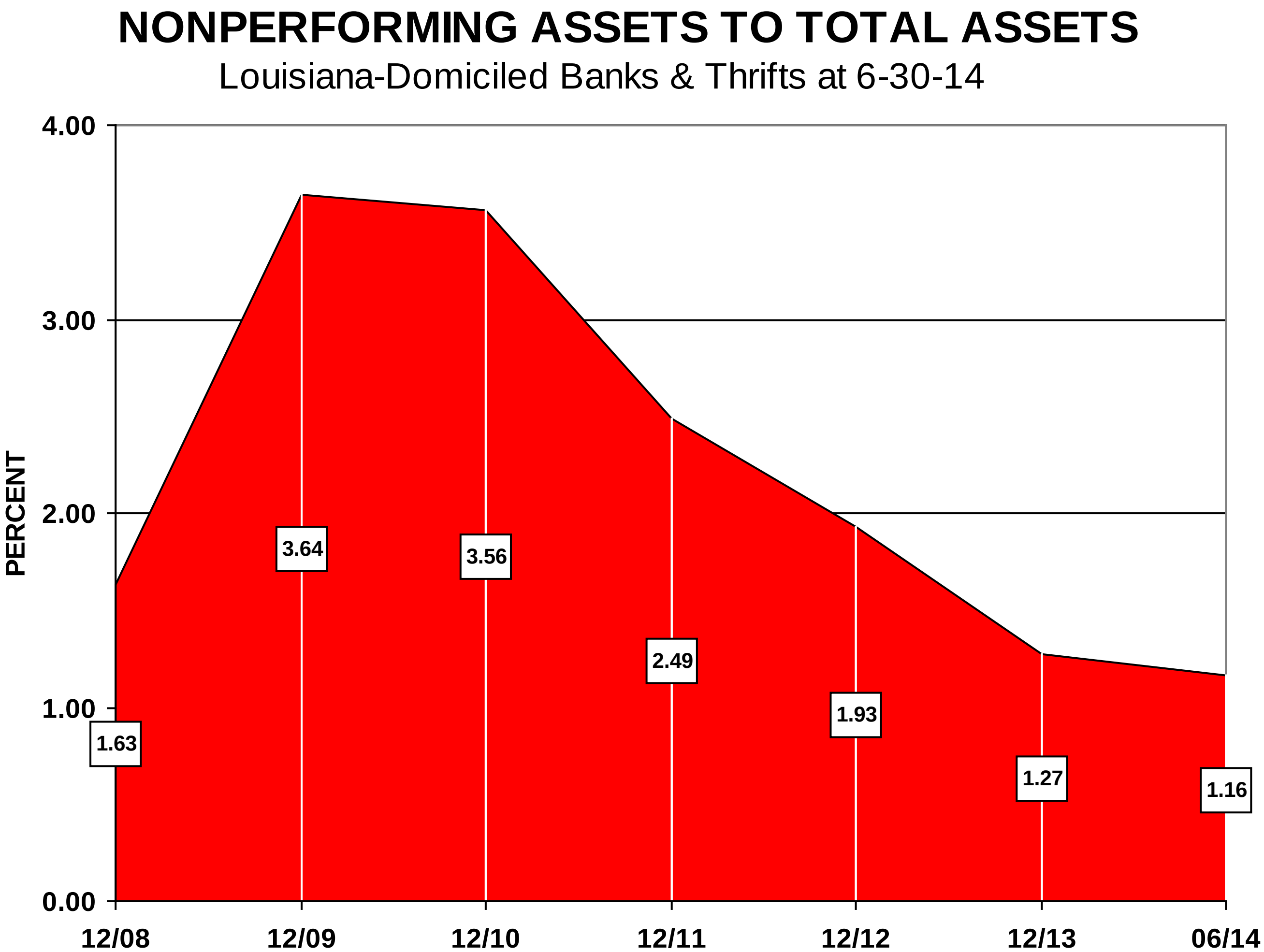

Figure 6

Figure 6 above illustrates the ratio of nonperforming assets to total assets since year-end 2008. This ratio steadily increased by approximately 20 basis points per quarter from the fourth quarter of 2008 through the third quarter of 2009, and then increased by 139 basis points in the fourth quarter of 2009. However, a substantial portion of the increase in nonperforming assets resulted from the acquisition of out-of-state failed institutions by a Louisiana state-chartered bank during 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, continued through all four quarters of 2011, increased in the first quarter of 2012, declined in the second quarter of 2012 below the level at year-end 2011, and continued to decline steadily through the first quarter of 2014. However, adjusted nonperforming assets increased during the second quarter of 2014. 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 2014, going from $748 million at March 31, 2014, to $715 million at June 30, 2014, a decrease of

$33 million or 4.42 percent. Nonperforming assets associated with the acquisition of failed out-of-state institutions totaled $200 million and $154 million at of March 31, 2014, and June 30, 2014, respectively. Excluding these assets, the volume of nonperforming assets would increase from $548 million at March 31, 2014, to $561 million at June 30, 2014, an increase of $13 million or by 2.43 percent. The ratio of nonperforming assets to total assets decreased from 1.25 percent at March 31, 2014, to 1.16 percent at June 30, 2014.

Aggregate noncurrent loans (loans past due 90 days or more and accruing interest plus nonaccrual loans) decreased from $531 million at March 31, 2014, to $510 million at June 30, 2014, a decline of $21 million or by 3.86 percent. With this decline and loan growth in the second quarter, the ratio of noncurrent loans to gross loans decreased from 1.33 percent at March 31, 2014, to 1.22 percent at June 30, 2014. Excluding the loans acquired from the out-of-state failed institutions, aggregate noncurrent loans increased from $388 million at March 31, 2014, to $396 million at June 30, 2014, an increase of $8 million or by 2.15 percent. 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, 2014, and June 30, 2014, was not available. OREO decreased from $217 million as of March 31, 2014, to $204 million as of June 30, 2014, a decline of $13 million or by 5.77 percent. Excluding the OREO that was acquired from the out-of-state failed institutions, OREO increased from $160 million at March 31, 2014, to $165 million at June 30, 2014, an increase of $5 million or by 3.12 percent.

Figure 7 below illustrates the level of noncurrent loans and OREO for all Louisiana-domiciled banks and thrifts at each year-end since 2008 plus the current period. A**djusted noncurrent loans and adjusted OREO in Figure 7 below are net of the assets acquired from the failed out-of-state institutions acquired in 2009 and 2010.**

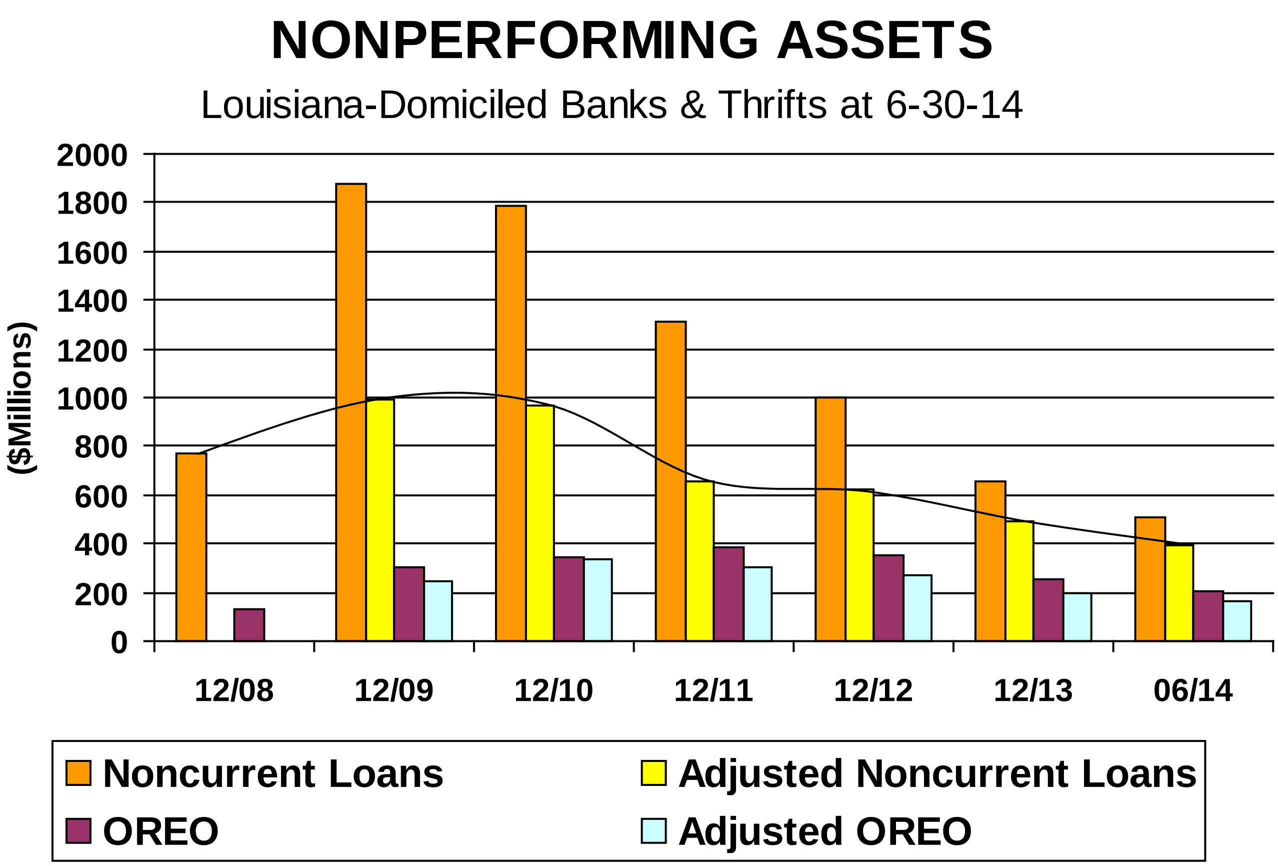

Figure 7

In the second quarter of 2014, for Louisiana state-chartered banks and thrifts, noncurrent loans decreased from $459 million to $441 million, and OREO decreased from $189 million to $175 million. From March 31, 2014, to June 30, 2014, the ratios of nonperforming assets to total assets and noncurrent loans to gross loans for Louisiana state-chartered banks and thrifts decreased from 1.27 percent to 1.18 percent and from 1.34 percent to 1.24 percent, respectively. Excluding the assets acquired from the out-of-state failed institutions, noncurrent loans would increase from $317 million to $327 million, while OREO would increase from $132 million to $136 million. As noted previously, assets and gross loans acquired from the out-of-state failed institutions were unavailable. Therefore, it is unknown whether the adjusted ratios would have increased or declined in both quarters, since gross loans and total assets associated with the out-of-state failed institutions were not available.

In the second quarter, for Louisiana-domiciled federally-chartered banks and thrifts, noncurrent loans decreased from $72 million to $69 million, and OREO increased from $28 million to $29 million. From March 31, 2014, to June 30, 2014, the ratios of nonperforming assets to total assets and noncurrent loans to gross loans for Louisiana-domiciled federally-chartered banks and thrifts decreased from 1.10 percent to 1.06 percent and from 1.22 percent to 1.14 percent, respectively. For all commercial banks and thrifts in the U.S., nonperforming assets decreased from March 31, 2014, to June 30, 2014, as noncurrent loans and OREO both decreased. As a result, the ratio of nonperforming assets to total assets decreased from 1.52 percent to 1.40 percent, and the ratio of noncurrent loans to total loans decreased from 2.46 percent to 2.24 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. At June 30, 2014, Louisiana-domiciled banks and thrifts reported the carrying amount of loans and OREO covered by FDIC loss-sharing agreements at $605 million and $42 million, or a total of $647 million. The total carrying amount of these assets represented 1.53 percent and 1.04 percent of gross loans plus OREO and total assets, respectively. At March 31, 2014, Louisiana-domiciled banks and thrifts reported the carrying amount of loans, OREO, and other assets covered by FDIC loss-sharing agreements at $683 million, $62 million, and $16 thousand, respectively, or a total of $745 million. The total carrying amount of these assets represented 1.85 percent and 1.23 percent of gross loans plus OREO and total assets, respectively, reported as of this date.

At June 30, 2014, noncurrent loans covered by the FDIC loss-share agreements totaled $118 million, or 23.02 percent of the total noncurrent loans, compared to $147 million, or 27.72 percent of total noncurrent loans, at March 31, 2014. At June 30, 2014, OREO covered by these loss-sharing agreements totaled $42 million, or 20.70 percent of total OREO, compared to $62 million, or 28.55 percent of total OREO, at March 31, 2014.

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, 2014, the portion of noncurrent loans protected by these loss-sharing agreements totaled $107 million, or 20.87 percent of total noncurrent loans, compared to $134 million, or 25.17 percent of total noncurrent loans, at March 31, 2014. At June 30, 2014, the portion of OREO protected by these loss-sharing agreements totaled $38 million, or 18.74 percent of total OREO, compared to $55 million, or 25.17 percent of total OREO, at March 31, 2014.

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 0.57 percent and 0.63 percent of gross loans and OREO, respectively, at June 30, 2014, and March 31, 2014. With 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 0.31 percent at June 30, 2014, from 0.35 percent at March 31, 2014.

For all commercial banks and thrifts in the U.S., at June 30, 2014, covered noncurrent loans represented 3.32 percent of total noncurrent loans, compared to 3.51 percent at March 31, 2014. At June 30, 2014, covered OREO represented 6.95 percent of total OREO, compared to 7.80 percent at March 31, 2014. At June 30, 2014, protected noncurrent loans represented 2.69 percent of total noncurrent loans, compared to 2.85 percent at March 31, 2014. At June 30, 2014, protected OREO represented 5.46 percent of total OREO, compared to 6.05 percent at March 31, 2014.

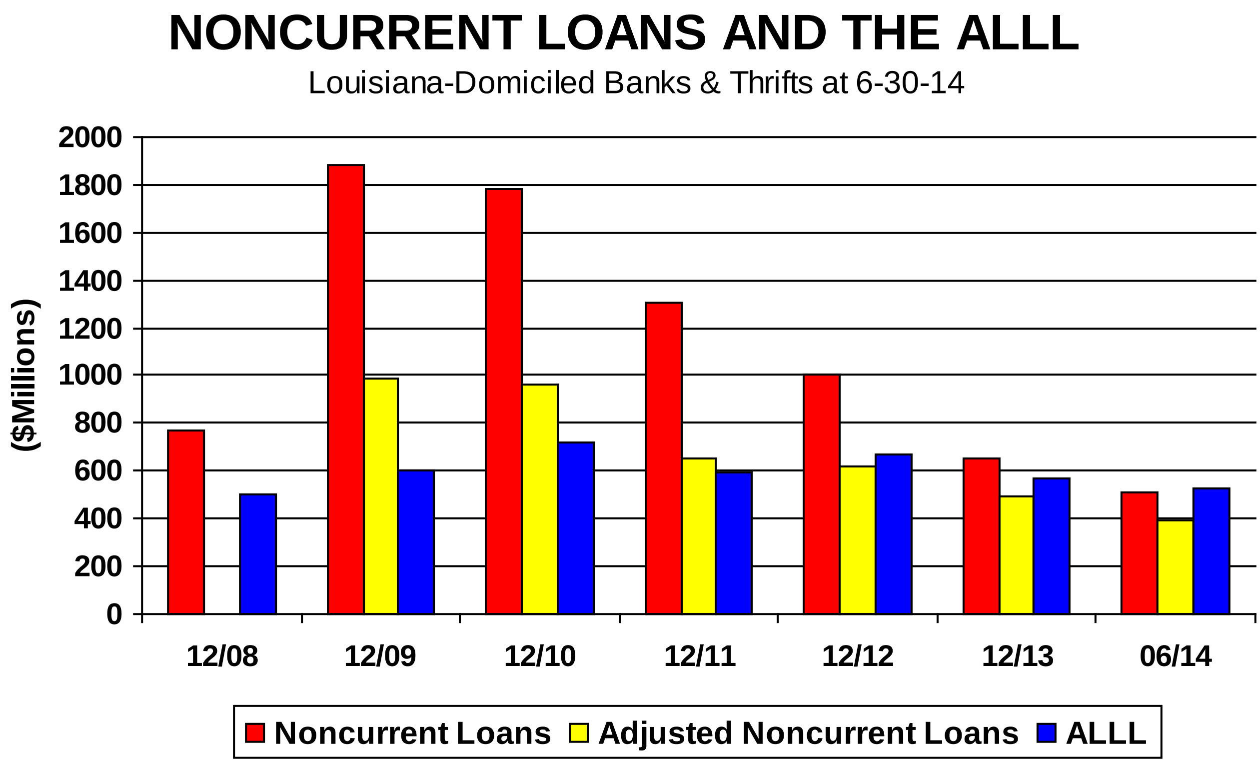

Figure 8

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 2008. **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 2008 through the first quarter of 2014, the level of noncurrent loans has exceeded the level of the ALLL. At the quarter ending June 30, 2014, the level of the ALLL exceeded the level of noncurrent loans.

For Louisiana state-chartered banks and thrifts, the level of noncurrent loans exceeded the level of the ALLL at year-end 2008 and the 20 quarters through year-end 2013. However, at the end of the first two quarters of 2014, the level of the ALLL has exceeded the level of noncurrent loans for these institutions. For Louisiana-domiciled federally-chartered banks and thrifts, the level of noncurrent loans exceeded the level of the ALLL at year-end 2008 and the 22 quarters since then. For all banks and thrifts in the U. S., the level of noncurrent loans exceeded the level of the ALLL at year-end 2008 and has also remained that way for the 22 subsequent quarters.

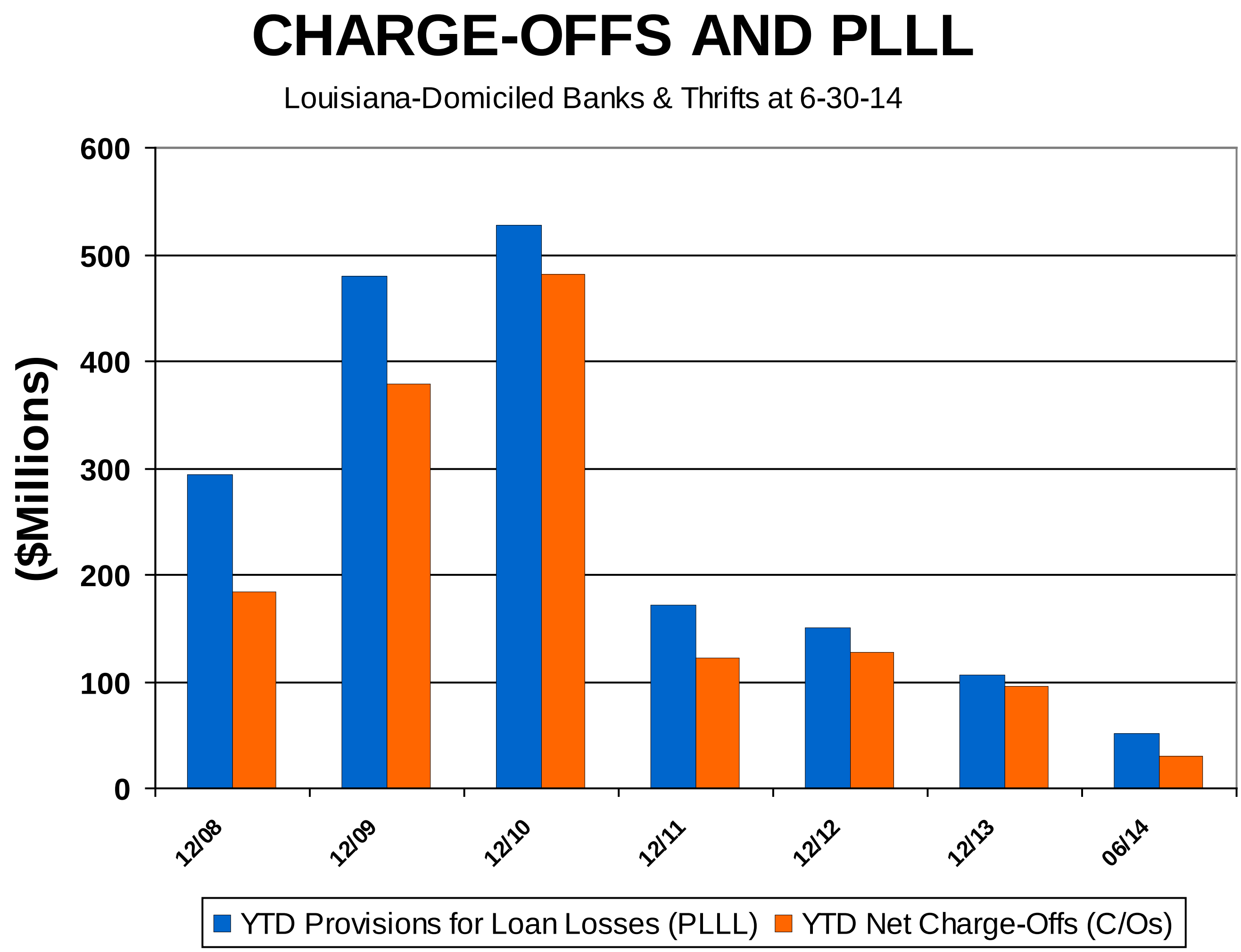

Figure 9

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 2008. This chart shows that PLLLs have exceeded net charge-offs for each year-end and the current quarter-end shown for Louisiana-domiciled banks and thrifts.

For Louisiana-domiciled banks and thrifts, net charge-offs recognized in the second quarter of 2014 totaled $13 million, a decrease from the $16 million in the first quarter of 2014. The annualized net charge-off ratio for the quarter ending June 30, 2014, decreased to 0.13 percent, from 0.16 percent for the quarter ending March 31, 2014. Based on year-to-date (YTD) net charge-offs reported at $29 million, the ratio of net charge-offs to total loans for year-to-date 2014 decreased slightly to 0.15 percent at June 30, 2014, from the 0.16 percent at March 31, 2014. For the calendar years 2013, 2012, and 2011, net charge-offs totaled $95 million, $128 million, and $126 million, respectively, with the net charge-off ratios of 0.21 percent, 0.31 percent, and 0.34 percent, respectively.

From March 31, 2014, to June 30, 2014, quarterly net charge-offs decreased from $14 million to $12 million for Louisiana state-chartered banks and thrifts. For these institutions, the annualized net charge-off ratio, based on quarterly charge-offs, decreased from 0.17 percent to 0.14 percent. The net charge-off ratio for year-to-date 2014, based on net charge-offs of $26 million, increased from 0.17 percent at March 31, 2014, to 0.15 percent at June 30, 2014. In comparison, net charge-offs totaled $84 million, $115 million, and $109 million, for the calendar years 2013, 2012, and 2011, respectively, with the net charge-off ratios of 0.22 percent, 0.32 percent, and 0.34 percent, respectively.

From March 31, 2014, to June 30, 2014, quarterly net charge-offs remained at approximately $2 million for Louisiana-domiciled federally-chartered banks and thrifts. These institutions, however, saw the annualized net charge-off ratio, based on quarterly net charge-offs, decrease from 0.14 percent to 0.11 percent. The net charge-off ratio for year-to-date 2014, based on net charge-offs of $4 million, decreased from 0.14 percent at March 31, 2014, to 0.12 percent at June 30, 2014. In comparison, net charge-offs totaled $11 million, $13 million, $17 million, and $343 million, for the calendar years 2013, 2012, and 2011, respectively, with the YTD net charge-off ratios at 0.21 percent, 0.26 percent, and 0.38 percent, respectively.

For Louisiana-domiciled banks and thrifts, loan loss reserves remained at $526 million at June 30, 2014, and at March 31, 2014, and the ratio of loan loss reserves to total loans decreased to 1.26 percent at June 30, 2014, from 1.31 percent at March 31, 2014. This ratio (loan loss reserves to total loans), for each year-end since 2008, is as follows: 1.36 percent as of December 31, 2008; 1.56 percent as of December 31, 2009; 1.85 percent as of December 31, 2010; 1.44 percent as of December 31, 2011; 1.55 as of December 31, 2012; and 1.21 percent as of December 31, 2013.

For Louisiana-domiciled banks and thrifts, loan loss provisions totaled $25 million during the first quarter of 2014, or 0.17 percent of average assets, as compared to $26 million during the second quarter of 2014, or 0.17 percent of average assets. For the calendar years 2013, 2012, and 2011, loan loss provisions totaled $105 million, $151 million, and $173 million, respectively.

For Louisiana state-chartered banks and thrifts, loan loss reserves totaled $461 million at June 30, 2014, a decrease from $463 million at March 31, 2014. The ratio of loan loss reserves to total loans decreased to 1.29 percent at June 30, 2014, from 1.36 percent at March 31, 2014. Loan loss provisions in the second quarter totaled $23 million, a decrease from $24 million in the first quarter. For the calendar years 2013, 2012, and 2011, loan loss provisions totaled $93 million, $136 million, and $155 million, respectively.

For Louisiana-domiciled federally-chartered banks and thrifts, loan loss reserves increased to $64 million at June 30, 2014, from $62 million at March 31, 2014. However, due to loan growth, the ratio of loan loss reserves to total loans decreased minimally to 1.06 percent at June 30, 2014, from 1.07 percent at March 31, 2014. Loan loss provisions for the second quarter totaled $3 million, an increase from $2 million in the first quarter. For the calendar years 2013, 2012, and 2011, loan loss provisions totaled $13 million, $15 million, and $18 million, respectively.

For all banks and thrifts in the U.S., net charge-offs recognized in the second quarter of 2014 totaled $9.92 billion, a decrease from the $10.38 billion in the first quarter of 2014. As a result, the annualized net charge-off ratio was 0.50 percent for the quarter ending June 30, 2014, a decrease from 0.52 percent for the quarter ending March 31, 2014. Net charge-offs for year-to-date 2014 totaled $20.29 billion, with the year-to-date net charge-off ratio decreasing to 0.51 percent as of June 30, 2014, from 0.52 percent as of March 31, 2014. For the calendar years 2013, 2012, and 2011, net charge-offs totaled $53.22 billion, $82.22 billion, and $113.23 billion, respectively, with YTD net charge-off ratios of 0.69 percent, 1.10 percent, and 1.55 percent, respectively.

For all banks and thrifts in the U.S., loan loss reserves totaled $128.20 billion at June 30, 2014, a decrease from $132.34 billion at March 31, 2014. As a result, the ratio of loan loss reserves to total loans declined to 1.58 percent at June 30, 2014, from 1.67 percent at March 31, 2014. Loan loss provisions for the second quarter totaled $6.59 billion, a decrease from $7.61 billion during the first quarter. For the calendar years 2013, 2012, and 2011, loan loss provisions totaled $32.12 billion, $58.24 billion, and $77.51 billion, respectively.

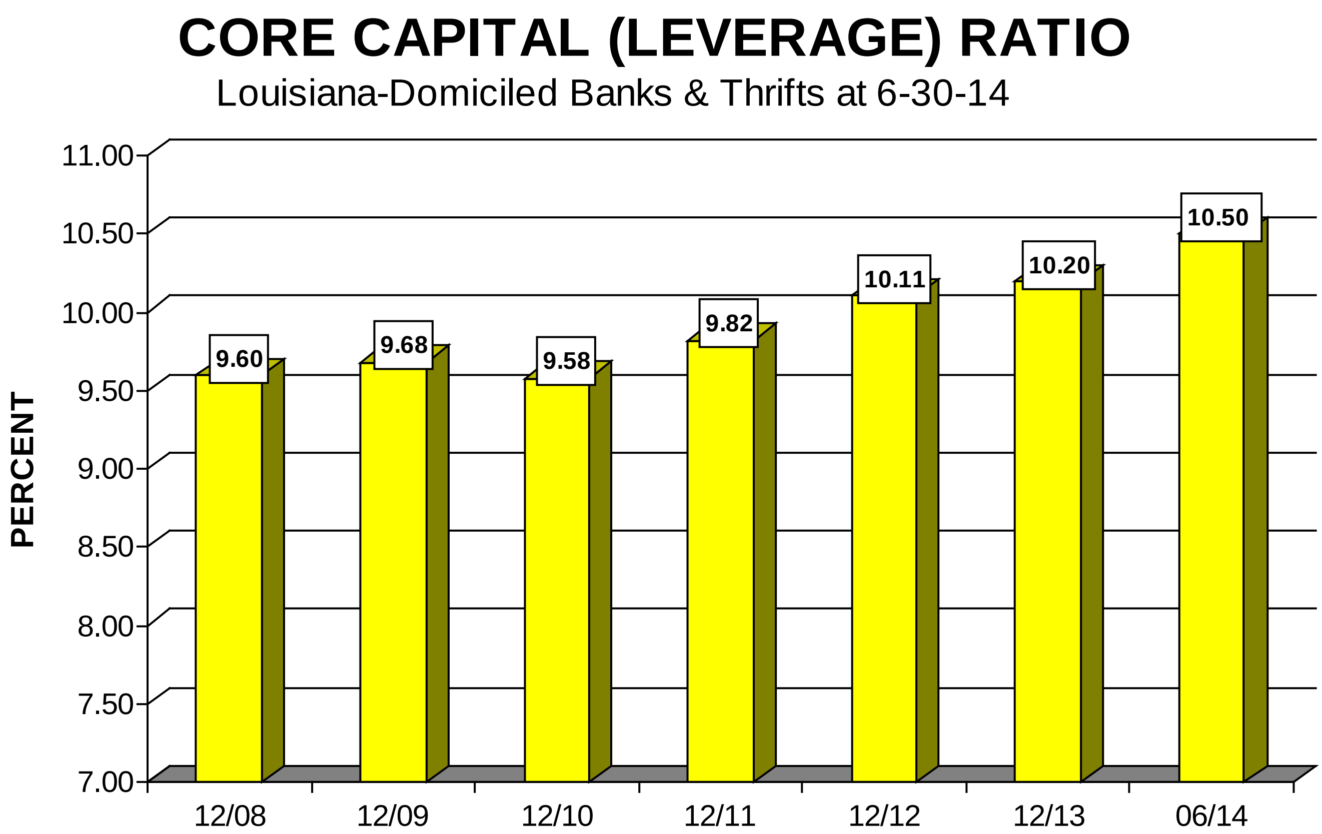

Figure 10

Figure 10 above illustrates the trend in the Tier 1 (core) capital ratio since year-end 2008. As Figure 10 above shows, the Core capital (leverage) ratio at June 30, 2014, increased by 30 basis points from the ratio reported at December 31, 2013. During the second quarter, the Core capital (leverage) ratio increased minimally, going from 10.37 percent at March 31, 2014, to 10.50 percent at June 30, 2014. During the second quarter of 2014, Tier 1 (core) capital, going from $6.14 billion at March 31, 2014, to $6.27 billion at June 30, 2014, increased at a faster pace than quarterly average assets during that same time period. Louisiana-domiciled banks and thrifts paid dividends of $48 million in the second quarter of 2014, compared to dividends of $38 million in the first quarter.

During the second quarter of 2014, Tier 1 (core) capital increased by $113 million in Louisiana state-chartered banks and thrifts. With this increase and an increase in quarterly average assets, the Core capital (leverage) ratio increased slightly from 10.10 percent to 10.24 percent. In addition, dividends paid by Louisiana state-chartered banks and thrifts during the second quarter increased by $6 million from the level paid in the first quarter. During the second quarter of 2014, Tier 1 (core) capital increased by $12 million in Louisiana-domiciled federally-chartered banks and thrifts, and their Core capital (leverage) ratio decreased from 12.57 percent to 12.52 percent due to a higher increase in quarterly average assets. Dividends paid by Louisiana-domiciled federally-chartered banks and thrifts during the second quarter increased by $3 million over the level paid in the first quarter.

For all banks and thrifts in the U.S., Tier 1 (core) capital increased during the second quarter of 2014. With this increase and a an increase in quarterly average assets, the Core capital (leverage) ratio increased slightly from 9.54 percent at March 31, 2014, to 9.57 percent at June 30, 2014. Cash dividends paid by these banks and thrifts in the second quarter of 2014 increased by $2.66 billion over the level paid during the first quarter of 2014.

At June 30, 2014, there were 57 state-chartered banks and thrifts and 7 national banks and federally-chartered thrifts, or approximately 46 percent, of the 140 Louisiana-domiciled banks and thrifts, that had elected tax treatment as a Subchapter S corporation, as compared to approximately 33 percent of all banks and thrifts in the U.S.

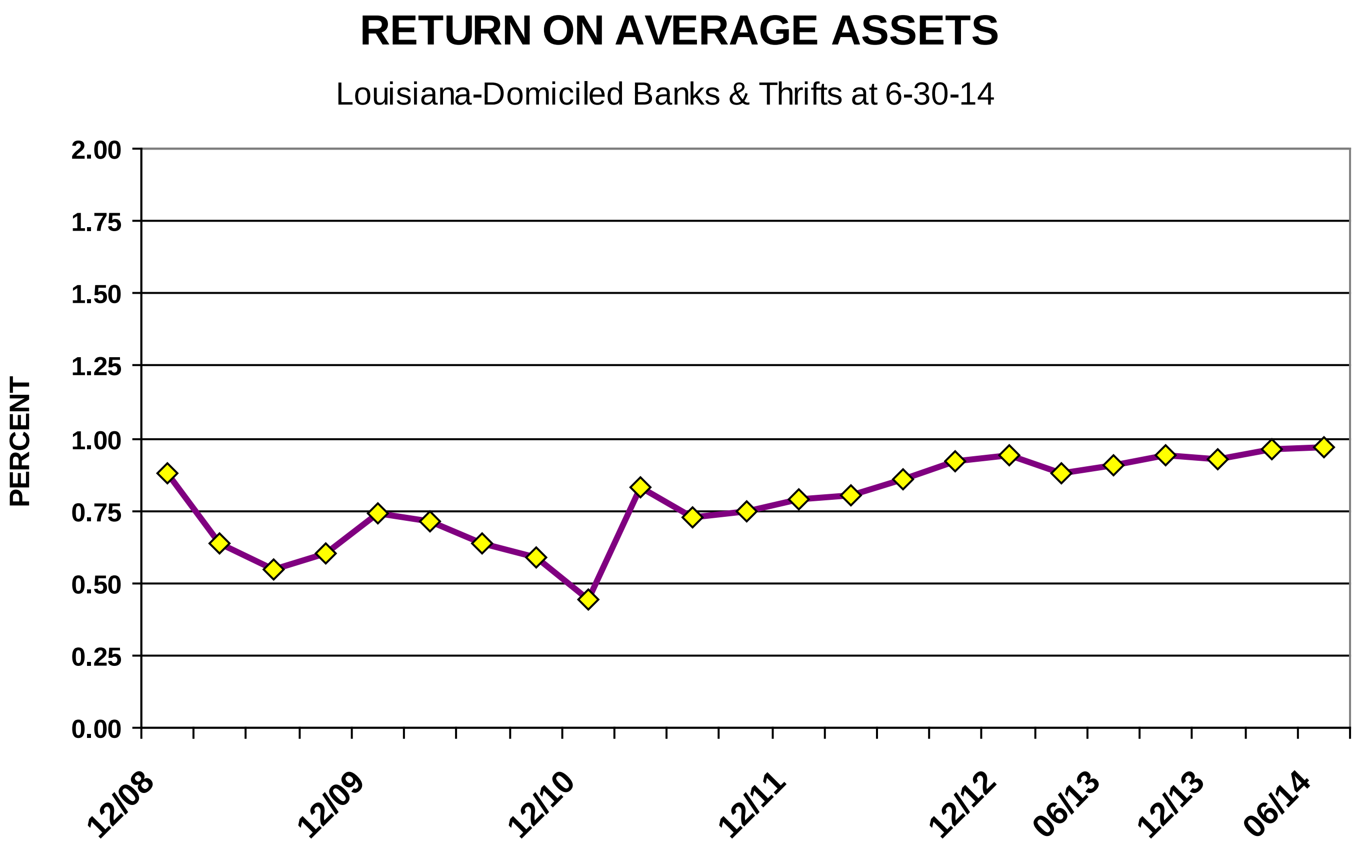

Figure 11

Figure 11 above reflects the annualized year-to-date ROAA for all Louisiana banks and thrifts since year-end 2008. Earnings for the second quarter of 2014 increased from the previous quarter. Net income for the second quarter of 2014 totaled $149.13 million, for a return on average assets (ROAA) of 0.0.98 percent annualized, as compared to net income for the first quarter of 2014, which totaled $142.68 million, or an ROAA of 0.96 percent annualized. Increases in interest and noninterest income and a slight decline in interest expense offset increases in provisions for loan losses and noninterest expenses. As shown in the chart above, the YTD ROAA increased slightly to 0.97 percent at June 30, 2014, from 0.96 percent at March 31, 2014. At June 30, 2014, two Louisiana banks and thrifts reported YTD net operating losses, down from three Louisiana banks and thrifts reporting losses at March 31, 2014. At June 30, 2014, the percentage of unprofitable Louisiana-domiciled banks and thrifts was 1.43 percent, while the nationwide percentage was 6.64 percent.

For the second quarter of 2014, all banks and thrifts in the U.S. reported net income of $40.24 billion, for an annualized ROAA of 1.07 percent, as compared to net income of $37.27 billion, for an annualized ROAA of 1.01 percent for the third quarter of 2014. Increased interest and noninterest income and decreased provisions for loan losses were the primary factors contributing to the increase in net income for the second quarter. With the increase in net income in the second quarter, the YTD ROAA also increased slightly from 1.01 percent at March 31, 2014, to 1.04 percent at June 30, 2014.

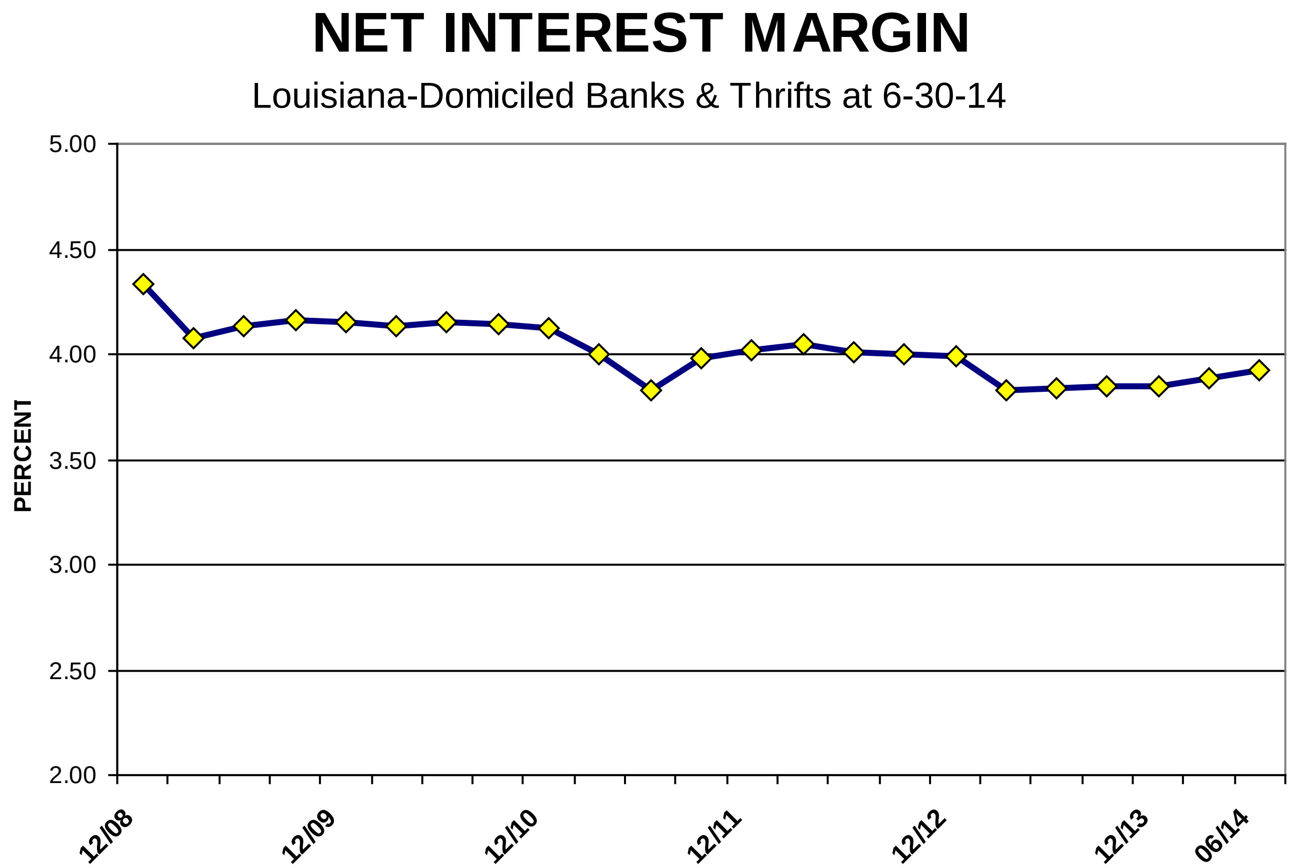

Figure 12

Figure 12 above reflects the annualized YTD net interest margin for all Louisiana banks and thrifts since year-end 2008. The net interest margin for all Louisiana-domiciled banks and thrifts increased from 3.89 percent at March 31, 2014, to 3.96 percent at June 30, 2014. The aggregate yield on earning assets increased from 4.39 percent to 4.44 percent, while the cost of funds decreased from 0.50 percent to 0.49 percent.

During the second quarter of 2014, the net interest margin for Louisiana state-chartered banks and thrifts increased from 3.88 percent to 3.91 percent, while the net interest margin for Louisiana-domiciled federally-chartered banks and thrifts increased from 3.91 percent to 3.94 percent. The yield on earning assets increased from 4.39 percent to 4.41 percent for Louisiana state-chartered banks and thrifts and from 4.36 percent to 4.38 percent for Louisiana-domiciled federally-chartered banks and thrifts. The cost of funds decreased minimally from 0.51 percent to 0.50 percent for Louisiana state-chartered banks and thrifts and from 0.45 percent to 0.44 percent for Louisiana-domiciled federally-chartered banks and thrifts.

For all banks and thrifts in the U.S., the net interest margin declined minimally from 3.17 percent at March 31, 2014, to 3.16 percent at June 30, 2014. During the same time frame, the yield on earning assets decreased nominally from 3.53 percent to 3.52 percent, while the cost of funds remained at 0.36 percent.

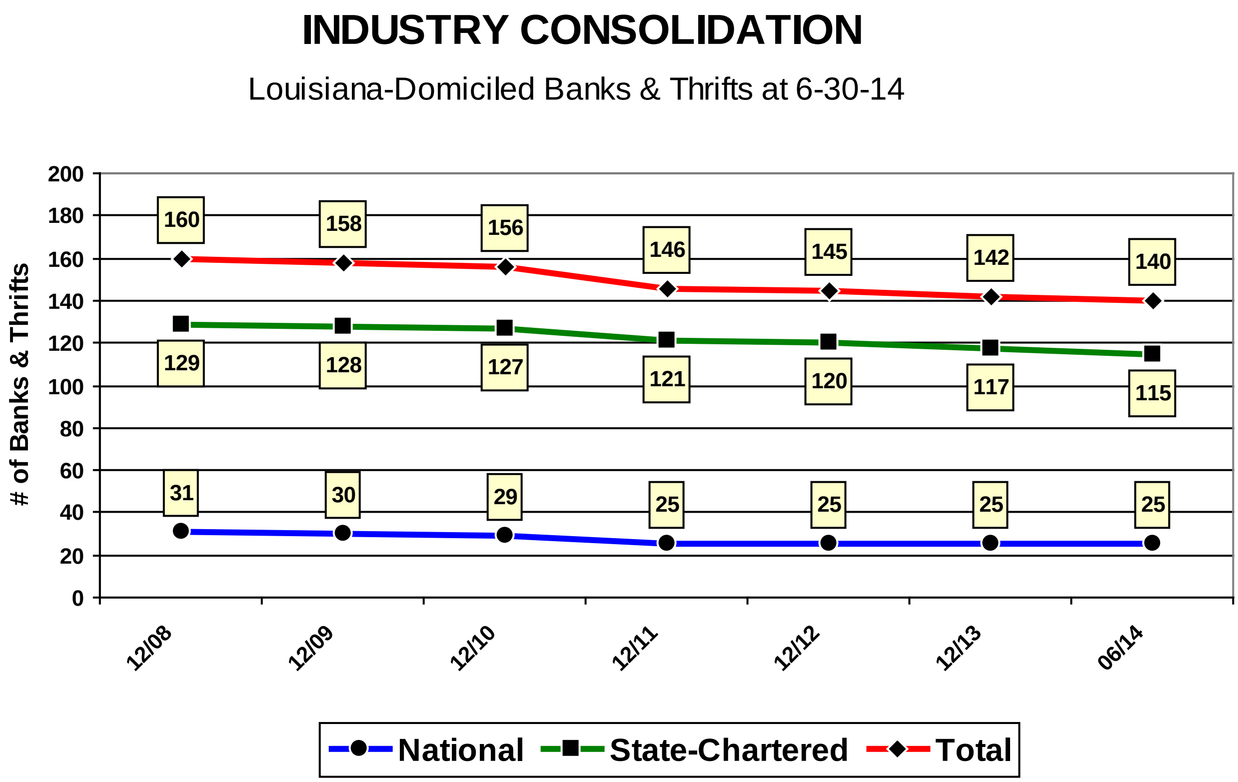

Figure 13

MERGERS AND ACQUISITIONS

Figure 13 above reflects the number of Louisiana-domiciled bank and thrifts since year-end 2008. In the first quarter of 2014, one Louisiana state-chartered bank merged with and into its out-of-state sister bank. In the second quarter of 2014, a state-chartered bank merged with and into another state-chartered bank. In addition, there were other announced mergers. Four Louisiana state-chartered banks plan to acquire three other Louisiana state-chartered banks, with the transactions expected to be completed in late 2014 or early 2015. Two Louisiana-domiciled bank holding companies, each owning one Louisiana state-chartered bank, announced plans to merge, with an expected completion date in the fourth quarter of 2014. In this transaction, the subsidiary banks will also merge, with an expected completion date in the second quarter of 2015. Two Louisiana-domiciled bank holding companies, one owing three Louisiana-domiciled banks including two state-chartered banks and the other owning one Louisiana state-chartered bank, have announced their intention to merge, with an expected completion date of early 2015 and the banks retaining separate charters at that time. Two other Louisiana-domiciled bank holding companies, each owning a Louisiana state-chartered bank, announced their intention to merge in late 2014, with the merger of the subsidiary banks to take place in mid 2015. A previously announced merger involving an out-of-state bank acquiring a Louisiana state-chartered bank was withdrawn.

As of June 30, 2014, there were 140 banks and thrifts domiciled in Louisiana. This included 115 state-chartered banks and thrifts, which represents 82 percent of the total number of Louisiana-domiciled banks and thrifts. As Figure 13 above illustrates, since December 31, 2008, the total number of Louisiana-domiciled banks and thrifts has decreased from 160 to 142, or by 12.50 percent. In Louisiana, we experienced one bank failure in both 2010 and 2011. There were no de novo institutions chartered during the first and second quarters of 2014, meaning only three true de novo charters since from 2010 (one in 2013 and two in 2010), including one Louisiana state-chartered institution that opened on July 26, 2010. Nationwide, the number of banks and thrifts declined from 6,730 as of March 31, 2014, to 6,656 as of June 30, 2014, or by 74 institutions during the second quarter. During the second quarter of 2014, only seven banks and thrifts failed, compared to five failures in the first quarter of 2014. In comparison, there were a total of 24, 51, and 92 failures, in 2013, 2012, and 2011, respectively.

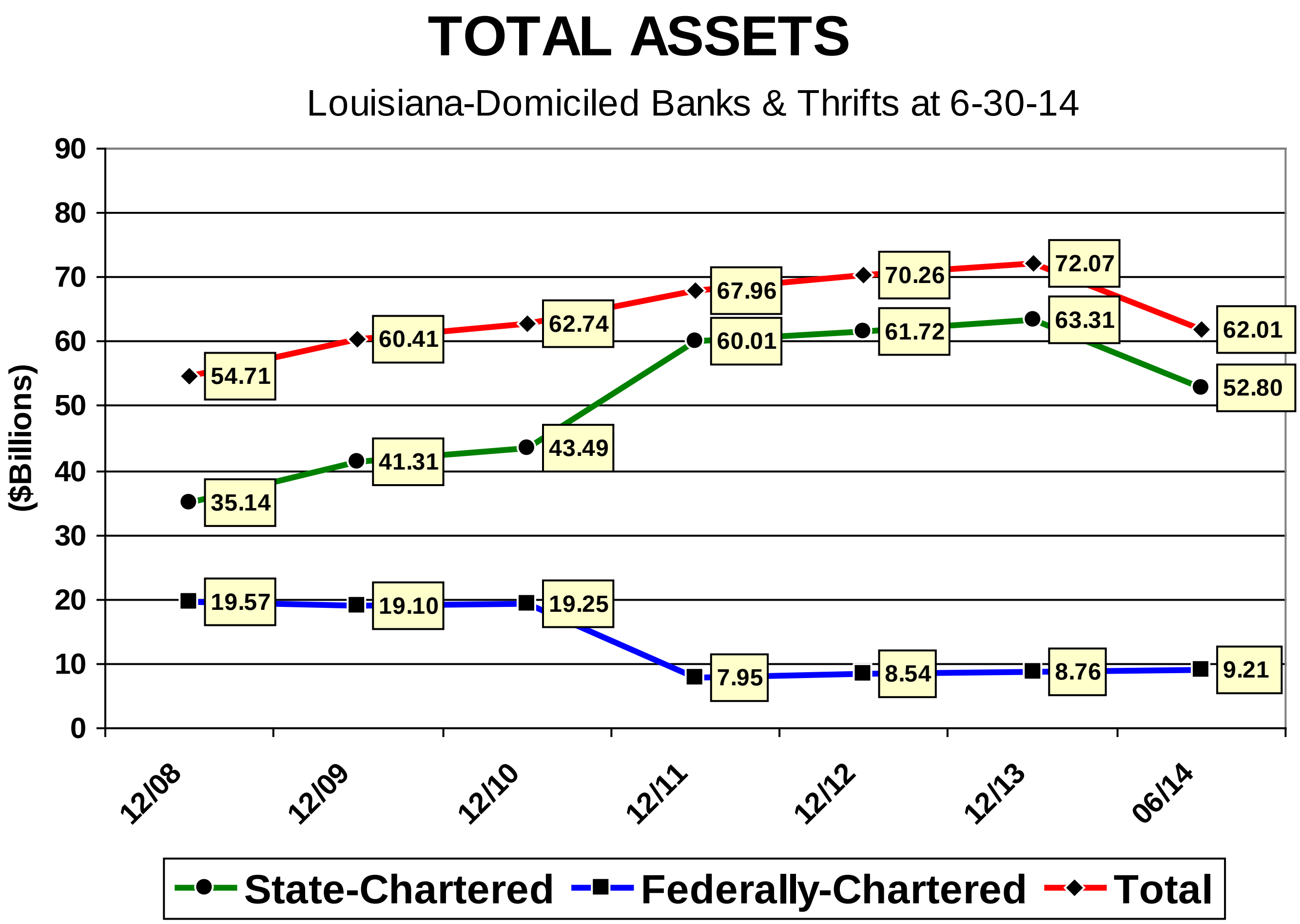

Figure 14

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 2008. Total assets for all Louisiana-domiciled banks and thrifts increased from $60.43 billion at March 31, 2014, to $62.01 billion at June 30, 2014, or by 1.81 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 15 of the past 20 quarters, despite some industry consolidation since year-end 2008. As noted above, total assets grew in the second quarter of 2014, after declining in the first quarter due the previously mentioned merger of a Louisiana state-chartered bank into its out-of-state sister bank.

At June 30, 2014, Louisiana state-chartered banks and thrifts held assets totaling $52.80 billion, or 85.16 percent of the Louisiana banking industry's $62.01 billion in total assets.

Total assets for all banks and thrifts in the U.S. increased from $14.90 trillion at March 31, 2014, to $15.16 trillion at June 30, 2014, and the number of banks and thrifts declined as noted previously.

BANK AND THRIFT SUMMARY AT JUNE 30, 2014

During the second quarter of 2014, the overall financial condition of Louisiana-domiciled banks and thrifts remained sound with continued improvement in asset quality and earnings. The second quarter of 2014 saw a modest increase in total assets, total deposits, and Tier 1 (core) capital. During the second quarter, core deposits as a percent of total deposits and borrowed money declined from the prior quarter, primarily due to borrowed money and non-core deposits increasing faster than core deposits. The increase in earnings during the second quarter was primarily due to increases in interest and noninterest income and a decline in interest expense offsetting increased noninterest expense and provisions for loan and lease losses. With Tier 1 (core) capital increasing slightly faster than quarterly average assets, the Core capital (leverage) ratio increased, and capital ratios remain well above minimum regulatory requirements. During the second quarter of 2014, asset quality continues to show improvement as the dollar volume and ratio of nonperforming assets declined; however, excluding assets associated with the acquisition of the out-of-state failed institutions, the dollar volume of nonperforming assets increased slightly. The net charge-off ratio decreased slightly during the second quarter and was below the level reported at the same time period 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, with emphasis on the latter with new rules that will become effective in 2015. Industry exposure to interest rate risk and cyber security will remain high priorities to state and federal regulators in the upcoming year.

BANK AND THRIFT LAGNIAPPE

- At June 30, 2014, the breakdown of **all** Louisiana-domiciled **banks & thrifts** by asset size is as follows:

Asset Size	Number	No. %	Total Assets *	TA %
Assets < $100 Million	32	23	$2,075,914	3
Assets $100 Million to $300 Million	62	44	10,980,554	18
Assets $300 Million to $500 Million	22	16	8,037,917	13
Assets $500 Million to $1 Billion	16	11	11,523,161	19
Assets $1 Billion to $10 Billion	7	5	14,145,739	23
Assets > $10 Billion	1	1	15,243,587	24
TOTAL ASSETS	140	100	$62,006,872	100

- At June 30, 2014, the breakdown of Louisiana **state-chartered banks & thrifts** by asset size is as follows:

Asset Size	Number	No. %	Total Assets *	TA %
Assets < $100 Million	26	23	$1,705,992	3
Assets $100 Million to $300 Million	52	45	9,067,591	17
Assets $300 Million to $500 Million	18	16	6,684,283	13
Assets $500 Million to $1 Billion	13	11	9,106,113	17
Assets $1 Billion to $10 Billion	5	4	10,994,529	21
Assets > $10 Billion	1	1	15,243,587	29
TOTAL ASSETS	115	23	$52,802,095	100

- At June 30, 2014, 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	$369,922	4
Assets $100 Million to $300 Million	10	40	1,912,963	21
Assets $300 Million to $500 Million	4	16	1,353,634	15
Assets $500 Million to $1 Billion	3	12	2,417,048	26
Assets $1 Billion to $10 Billion	2	8	3,151,210	34
TOTAL ASSETS	25	100	$9,204,777	100

* Thousands

CRA RATINGS FOR LOUISIANA-DOMICILED BANKS AND THRIFTS AT JUNE 30, 2014

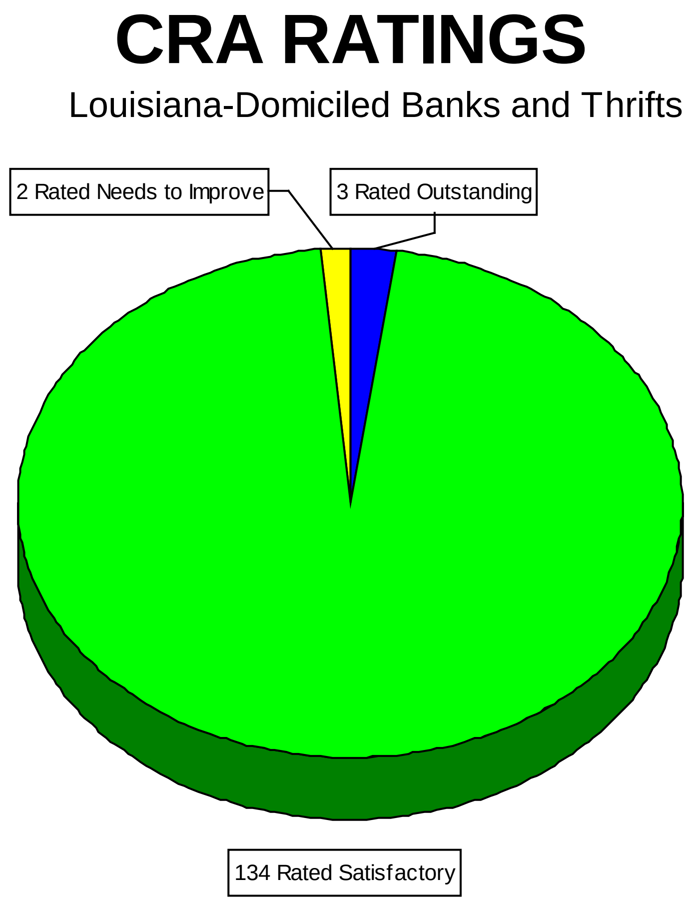

Figure 15

(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, 2014.)

As demonstrated, Louisiana-domiciled banks and thrifts continue to work aggressively to meet the requirements of the Community Reinvestment Act. All but two of the Louisiana-domiciled banks and thrifts that received a CRA rating were rated Satisfactory or better at their last CRA examination. However, the CRA rating for one bank/thrift changed to Needs to Improve from Satisfactory, one bank/thrift changed to Satisfactory from Needs to Improve, and three banks/thrifts changed from Outstanding to Satisfactory at their last examinations. A few ratings shown in the above chart still include those 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, 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 slightly.

Based on a non-weighted average, the ROAA for Louisiana-domiciled banks and thrifts for the quarter ending June 30, 2014, is 1.15 percent, while the ROAA for U. S. banks and thrifts for the quarter ending June 30, 2014, is 0.99 percent. In addition, the ratios of nonperforming assets to total assets and noncurrent loans to gross loans for Louisiana-domiciled banks and thrifts would slightly decrease and increase, respectively. Both ratios would still remain below the non-weighted ratios for U.S. banks and thrifts, but the noncurrent loan ratio would not compare as favorably to the ratios shown in the chart on page 1 because of the slight increase combined with a decline in this ratio for U.S. banks and thrifts.

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.*