LOUISIANA-DOMICILED BANKS AND THRIFTS FINANCIAL REPORT

For the Quarter Ended
December 31, 2010

STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS

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FINANCIAL CONDITION OF LOUISIANA-DOMICILED BANKS & THRIFTS AS OF DECEMBER 31, 2010

During the fourth quarter of 2010, total assets for all Louisiana-domiciled banks and thrifts increased slightly from $62.20 billion to $62.74 billion, an increase of $0.54 billion or by 0.87 percent. During the fourth quarter, two of the four major asset categories increased. Total securities increased from $13.08 billion to $14.21 billion or by 8.66 percent. Federal funds sold increased from $708 million to $818 million or by 15.57 percent. Total loans and leases decreased from $39.25 billion to $38.94 billion or by 0.80 percent. Cash decreased from $4.44 billion to $4.20 billion or by 5.28 percent. On the liabilities side, total deposits increased from $50.91 billion to $52.13 billion or by 2.39 percent, while borrowed money decreased from $3.63 billion to $3.17 billion or by 12.66 percent.

For Louisiana state-chartered banks and thrifts, total assets increased slightly by 0.77 percent during the fourth quarter of 2010, with increases in total loans, securities, and Federal funds sold and a decrease in cash. On the liabilities side, total deposits increased while borrowed money decreased. For Louisiana-domiciled federally-chartered banks and thrifts, total assets decreased by 1.11 percent during the fourth quarter of 2010, with increases in cash, securities, and Federal funds sold, and a decrease in total loans and leases. On the liabilities side, total deposits increased, and borrowed money decreased.

The following chart provides selected performance indicators for all banks and thrifts in the U. S. for the year ended December 31, 2010; and for all Louisiana-domiciled banks and thrifts for the calendar years ended 2007 through 2010 with changes noted for the most recent three years:

	U. S. Banks & Thrifts	**All Louisiana-Domiciled Banks & Thrifts**			
TRENDS	Year Ended 12/31/2010	Year Ended 12/31/2010	Year Ended 12/31/2009	Year Ended 12/31/2008	Year Ended 12/31/2007
Earnings					
Yield on Earning Assets	4.70%	5.25%↓	5.57%↓	6.37%↓	7.15%
Cost of Funds	0.93%	1.12%↓	1.41%↓	2.04%↓	2.68%
Net Interest Margin	3.76%	4.12%↓	4.15%↓	4.33%↓	4.47%
Loan Loss Provisions to Average Assets	1.19%	1.01%↑	0.87%↑	0.58%↑	0.15%
Operating Expenses to Average Assets	2.97%	3.27%↓	3.30%↑	3.25%↓	3.39%
Return on Average Assets	0.66%*	0.46%↓*	0.74%↓*	0.88%↓	1.23%
Asset Quality					
Noncurrent Loans to Total Loans	4.87%	4.58%↓#	4.82%↑#	2.08%↑	1.14%
Nonperforming Assets to Total Assets	3.11%	3.47%↓#	3.64%↑#	1.63%↑	0.87%
Net Charge-offs to Total Loans	2.54%	1.23%↑	1.00%↑	0.54%↑	0.19%
Capital and Liquidity					
Tier 1 Leverage Capital Ratio	8.90%	9.61%↓	9.68%↑	9.60%↑	9.36%
Earning Assets to Total Assets	88.51%	89.85%↑	89.16%↓	91.00%↓	91.36%
Loans to Deposits	75.82%	73.32%↓	79.04%↓	84.48%↑	82.30%

For all Louisiana-domiciled banks and thrifts, the **year-end** 2010 return on average assets (ROAA) decreased by 13 basis points during the fourth quarter (third quarter year-to-date ratio is not reflected in the chart above) and by 28 basis points from the same time period in 2009. The ratio, at 0.46 percent, is now below the national average **year-end** ROAA of 0.66 percent. While the ROAA is declining, a majority of Louisiana-domiciled banks and thrifts continue to show satisfactory earnings performance as a result of favorable net interest margins, stable and controlled operating expenses, and steady or declining provisions for loan losses (2010 compared to 2009). Capital levels remain sound, with ratios growing slightly during the fourth quarter of 2010 but declining from year-end 2009. Asset quality appears to have stabilized as both the dollar volume and ratio of nonperforming assets declined during the fourth quarter of 2010, with both also below the same time period in 2009. Net charge-offs increased significantly during the fourth quarter, and the year-end 2010 ratio is above that reported for 2009. Louisiana-domiciled banks and thrifts continue to compare favorably in a number of categories when compared to all banks and thrifts in the U.S.

A majority of the increase in nonperforming assets and noncurrent loans is primarily attributable to the acquisition of failed out-of-state institutions by Louisiana-domiciled institutions in 2009 and 2010. However, a significant portion of these acquired assets are subject to loss-sharing agreements with the FDIC. **The ratios denoted with a # were impacted by these acquisitions.** The level of assets covered by loss-sharing agreements with the FDIC also increased during the third quarter with the acquisition of a failed bank by a Louisiana-domiciled bank. T**he ratios denoted with an * are further explained on page 20.**

LOANS AND SECURITIES

Louisiana-Domiciled Banks & Thrifts

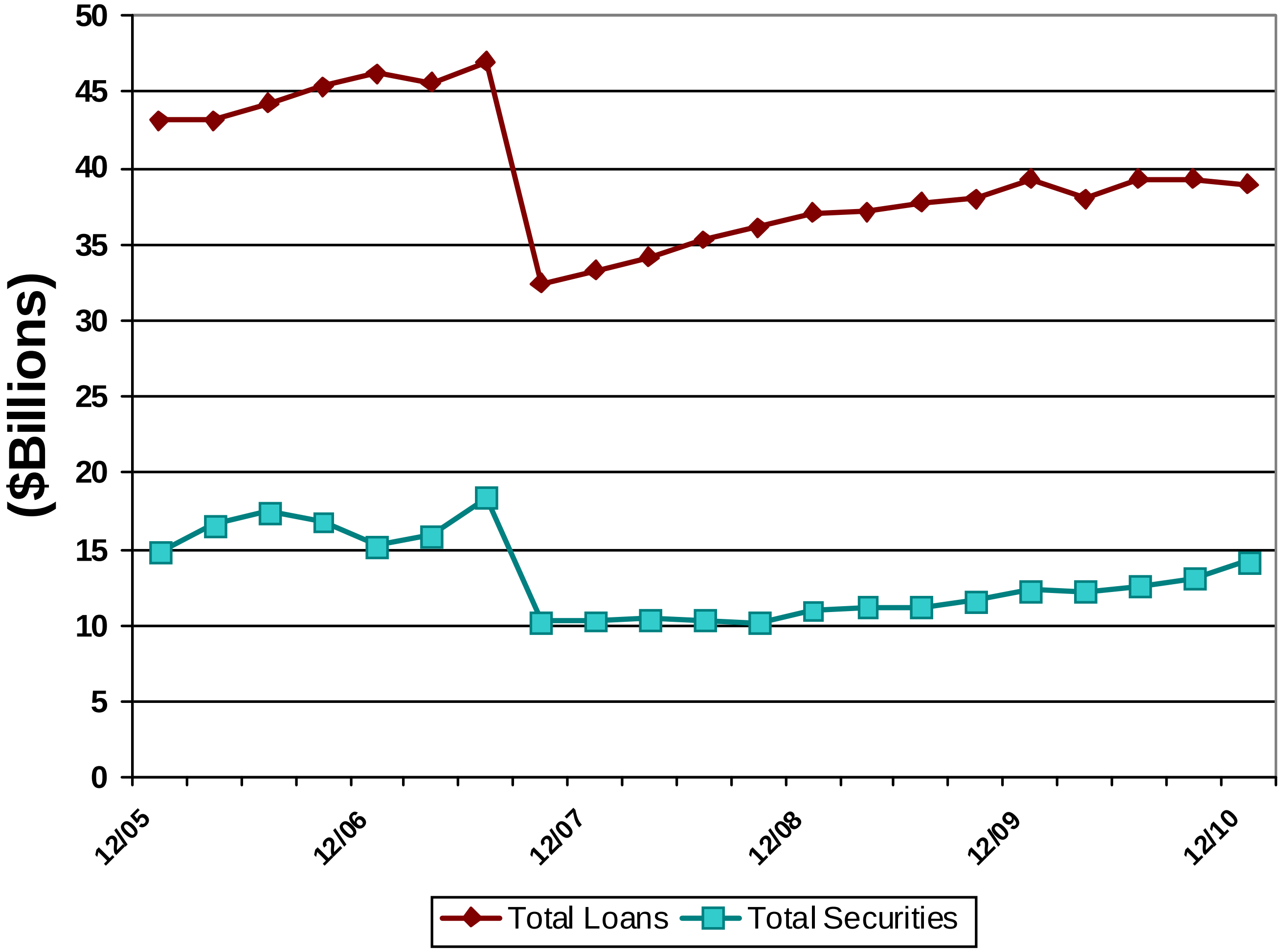

Figure 1

Figure 1 above shows the trend in total loans and leases and securities for each quarter since year-end 2005 with the significant decline in mid-2007 caused by the relocation of a large national bank's headquarters from Louisiana to Virginia in July 2007. As previously mentioned, total loans and leases increased by 0.96 percent during the fourth quarter of 2010, from $38.92 billion to $39.29 billion or by approximately $372 million. Total loans and leases have increased in 14 of the past 20 quarters with one of the decreases occurring because of the relocation noted previously. **In addition, total loans and leases would have likely decreased for the third and fourth quarters of 2009 without the acquisition of failed out-of-state institutions by Louisiana-domiciled institutions during that time period.** During the fourth quarter, other loans and commercial loans increased, while real estate loans, farm loans, and consumer loans decreased, from highest to lowest. Other loans increased from $764 million to $889 million or by approximately $125 million. Commercial loans increased from $7.06 billion to $7.14 billion or by approximately $86 million. Real estate loans decreased from $28.17 billion to $27.87 billion or by approximately $297 million. Farm loans decreased from $462 million to $321 million or by approximately $141 million. Consumer loans decreased from $2.81 billion to $2.72 billion or by approximately $88 million.

During the fourth quarter of 2010, Louisiana state-chartered banks and thrifts experienced growth in total loans and, from highest to lowest, growth in commercial loans, other loans, and real estate loans, with farm loans and consumer loans declining**.** Louisiana-domiciled federally-chartered banks and thrifts experienced a decline in total loans, real estate loans, farm loans, commercial loans, and consumer loans, from highest to lowest, while other loans grew. All banks and thrifts in the U.S. experienced a decline in total loans, with real estate loans and consumer loans both declining, while, from highest to lowest, other loans, commercial loans, and farm loans increased.

LOAN PORTFOLIO MIX

Louisiana-Domiciled Banks & Thrifts as of December 31, 2010

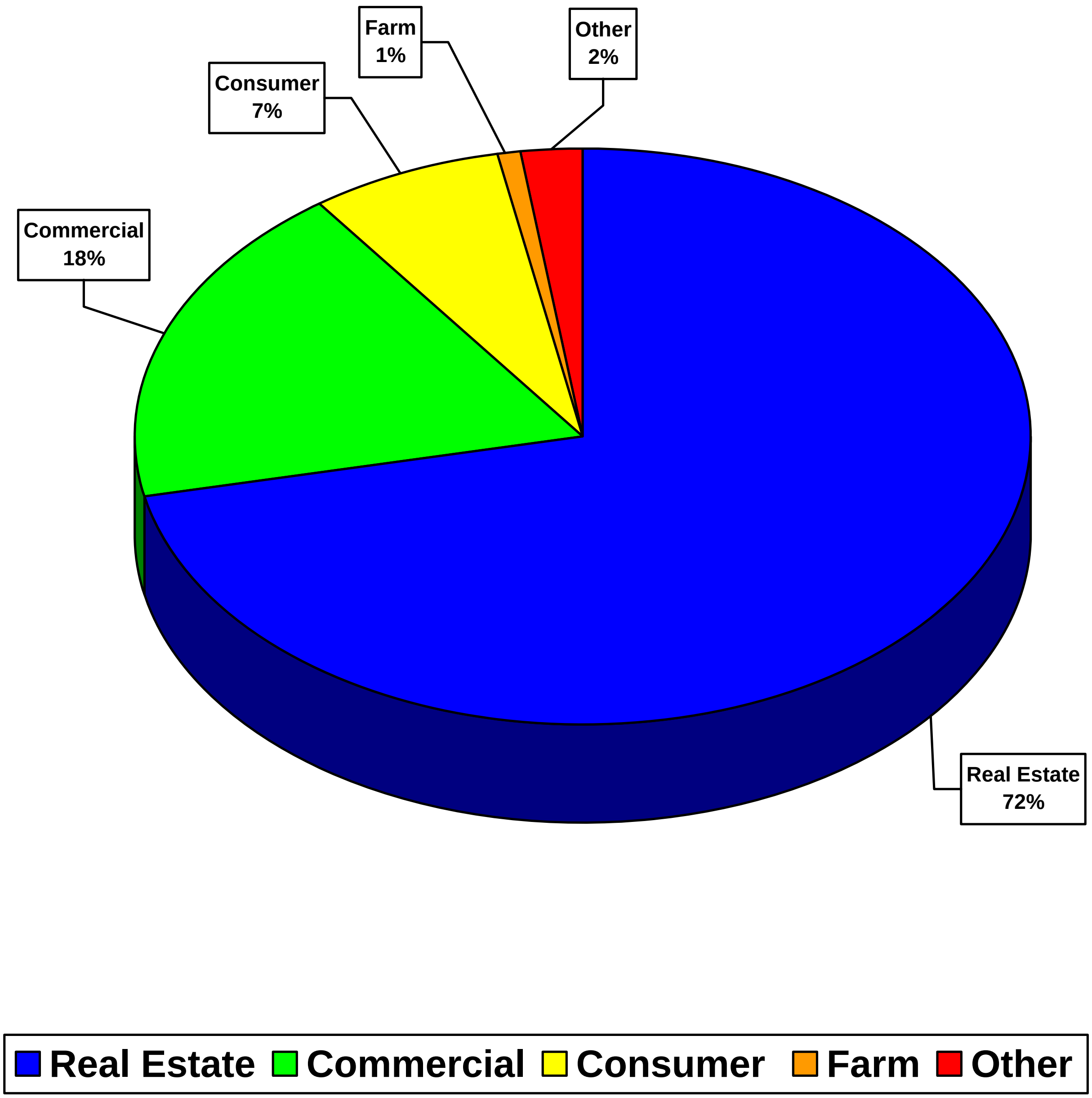

Figure 2

Figure 2 shows the December 31, 2010, loan portfolio mix for all Louisiana-domiciled banks and thrifts. As of December 31, 2010, Louisiana state-chartered banks and thrifts showed a loan portfolio mix as follows: real estate loans - 73 percent; commercial loans - 16 percent; consumer loans - 8 percent; other loans - 3 percent; and farm loans - 1 percent. As of this same date, for Louisiana-domiciled federally-chartered banks and thrifts, the loan portfolio mix is as follows: real estate loans - 69 percent; commercial loans - 25 percent; consumer loans - 4 percent; other loans - 2 percent; and farm loans - 0 percent.

As of December 31, 2010, for all banks and thrifts in the U.S., the loan portfolio mix is as follows: real estate loans - 58 percent; consumer loans - 18 percent; commercial loans - 16 percent; other loans - 7 percent; and farm loans - 1 percent.

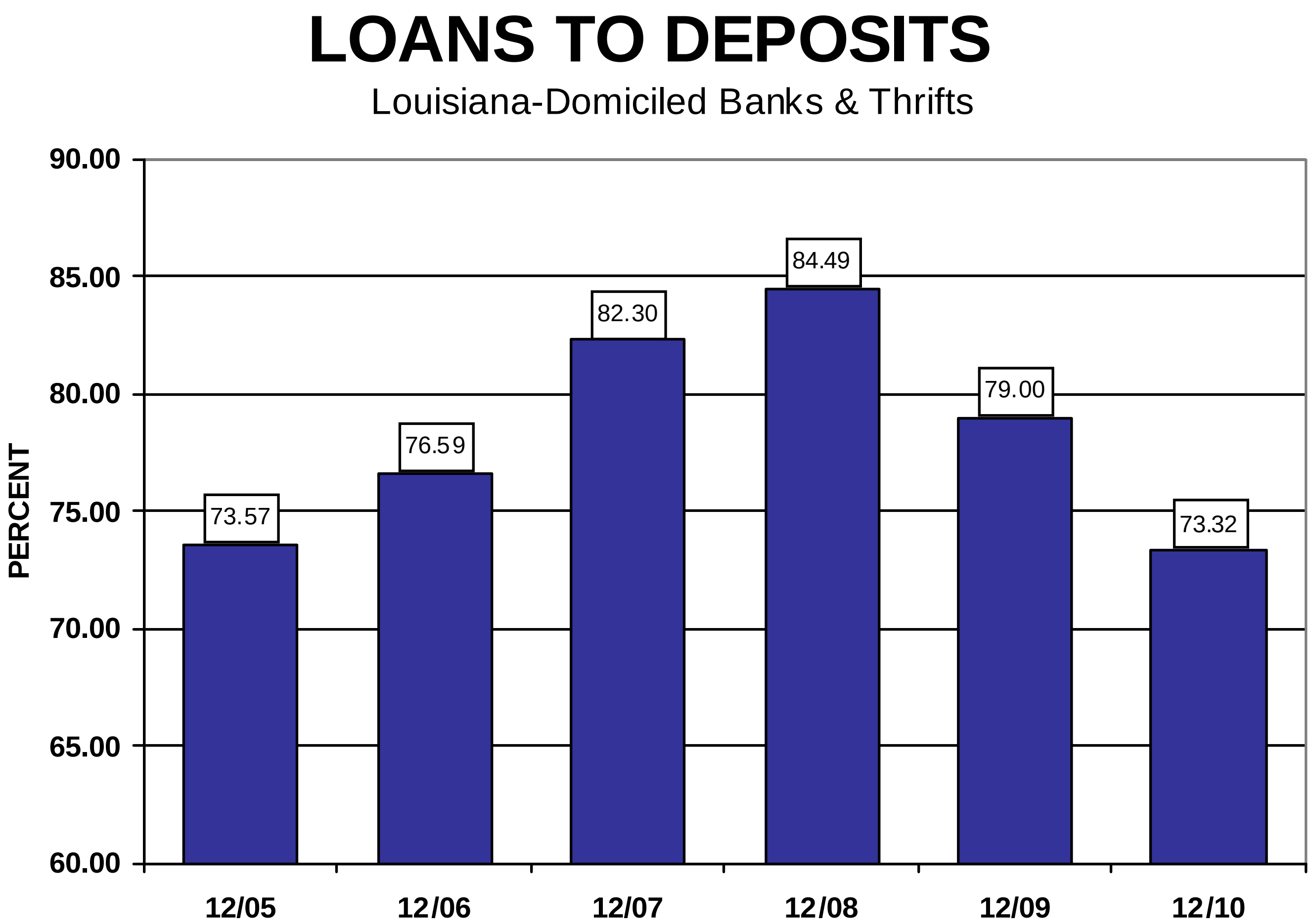

Figure 3

Figure 3 above illustrates the aggregate loan-to-deposit ratio trend for each year-end since 2005. The ratio of net loans to deposits decreased during the fourth quarter of 2010, going from 75.70 percent as of September 30, 2010, to 73.32 percent as of December 31, 2010, with growth in deposits and a decline in net loans.

For Louisiana state-chartered banks and thrifts, the ratio of net loans to deposits decreased from 71.90 percent as of September 30, 2010, to 70.90 percent as of December 31, 2010, as deposits increased at a faster rate than net loans. For Louisiana-domiciled federally-chartered banks and thrifts, the ratio of net loans to deposits decreased from 85.05 percent as of September 30, 2010, to 79.19 percent as of December 31, 2010, as deposits increased and net loans decreased.

For all banks and thrifts in the U.S., the ratio of net loans to deposits decreased from 77.07 percent as of September 30, 2010, to 75.82 percent as of December 31, 2010, as deposits increased and net loans declined.

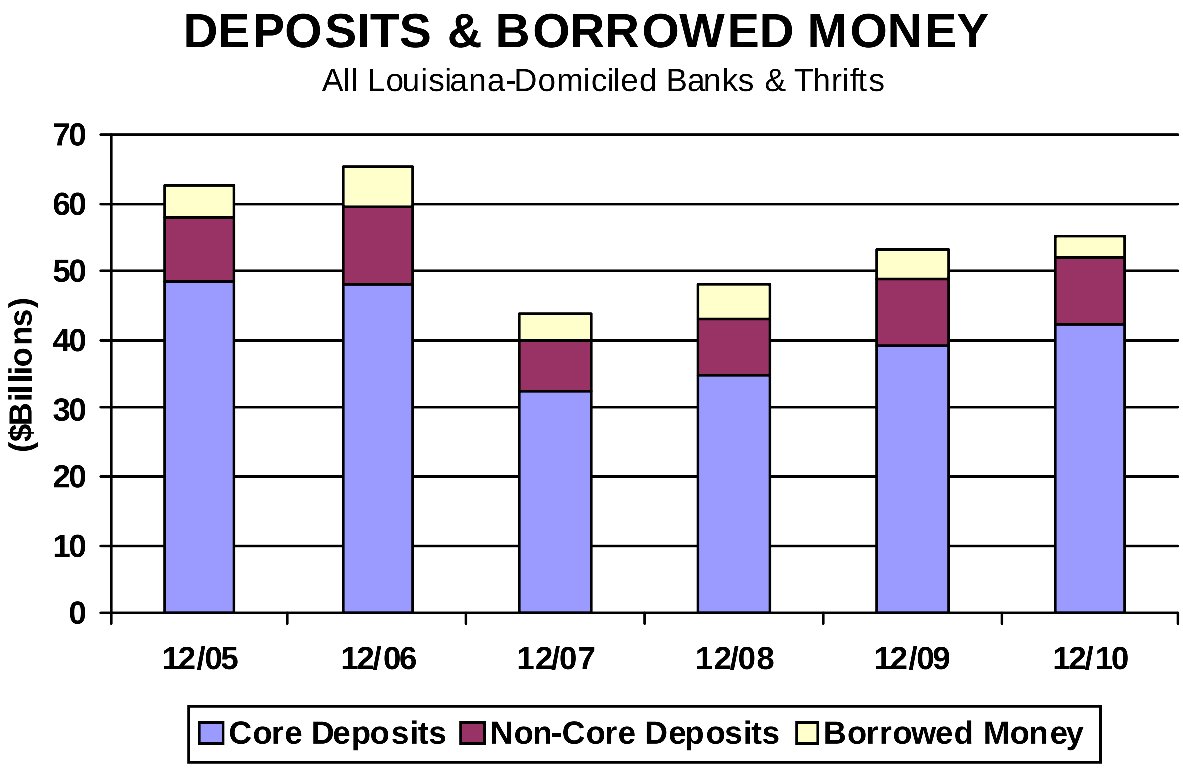

Figure 4

Figure 4 shows the mix of deposits and borrowed money for each year-end since 2005. The decreases in all three categories at December 31, 2007, shown in the chart above compared to prior years, resulted from a large national bank moving its headquarters out of Louisiana in July 2007. On the liabilities side, total deposits increased from $50.91 billion as of September 30, 2010, to $52.13 billion as of December 31, 2010, or by 2.39 percent, while borrowed money decreased from $3.63 billion as of September 30, 2010, to $3.17 billion as of December 31, 2010, or by 12.66 percent. Total deposits at Louisiana state-chartered banks and thrifts and Louisiana-domiciled federally-chartered banks and thrifts increased during the fourth quarter of 2010. Core deposits increased from $40.81 billion as of September 30, 2010, to $42.27 billion as of December 31, 2010, or by 3.58 percent. Louisiana state-chartered banks and thrifts and Louisiana-domiciled federally-chartered banks and thrifts both experienced an increase in core deposits during the fourth quarter of 2010.

As noted previously, borrowed money decreased during the fourth quarter of 2010. As of September 30, 2010, borrowed money totaled $3.63 billion and consisted of Federal funds purchased totaling $1.62 billion, Federal Home Loan Bank (FHLB) advances totaling $1.68 billion, and other borrowings totaling $325 million. As of December 31, 2010, borrowed money totaled $3.17 billion and consisted of Federal funds purchased totaling $1.38 billion, FHLB advances totaling $1.58 billion, and other borrowings totaling $208 million. Total borrowed money for Louisiana state-chartered banks and thrifts decreased by $168 million during the fourth quarter with decreases in Federal funds purchased and FHLB advances, and an increase in other borrowings. Total borrowed money for Louisiana-domiciled federally-chartered banks and thrifts decreased by $291 million during the fourth quarter with decreases in Federal funds purchased, FHLB advances, and other borrowings.

Non-core deposits decreased during the fourth quarter of 2010. As of September 30, 2010, non-core deposits totaled $10.10 billion and consisted of time deposits of $100,000 or more totaling $9.90 billion and deposits held in foreign offices totaling $202 million. As of December 31, 2010, non-core deposits totaled $9.86 billion and consisted of time deposits of $100,000 or more totaling $9.67 billion and deposits in foreign offices totaling $188 million. During the fourth quarter, non-core deposits in Louisiana state-chartered banks and thrifts, consisting entirely of time deposits of $100,000 or more, decreased by $147 million. During this same time, non-core deposits in Louisiana-domiciled federally-chartered banks and thrifts decreased by $94 million with decreases of $79 million and $14 million in time deposits of $100,000 or more and deposits held in foreign offices, respectively.

During the fourth quarter of 2010, all banks and thrifts in the U.S. experienced an increase in total deposits, with increases in core deposits and deposits in foreign offices, and a decline in borrowed money in all three categories reported above.

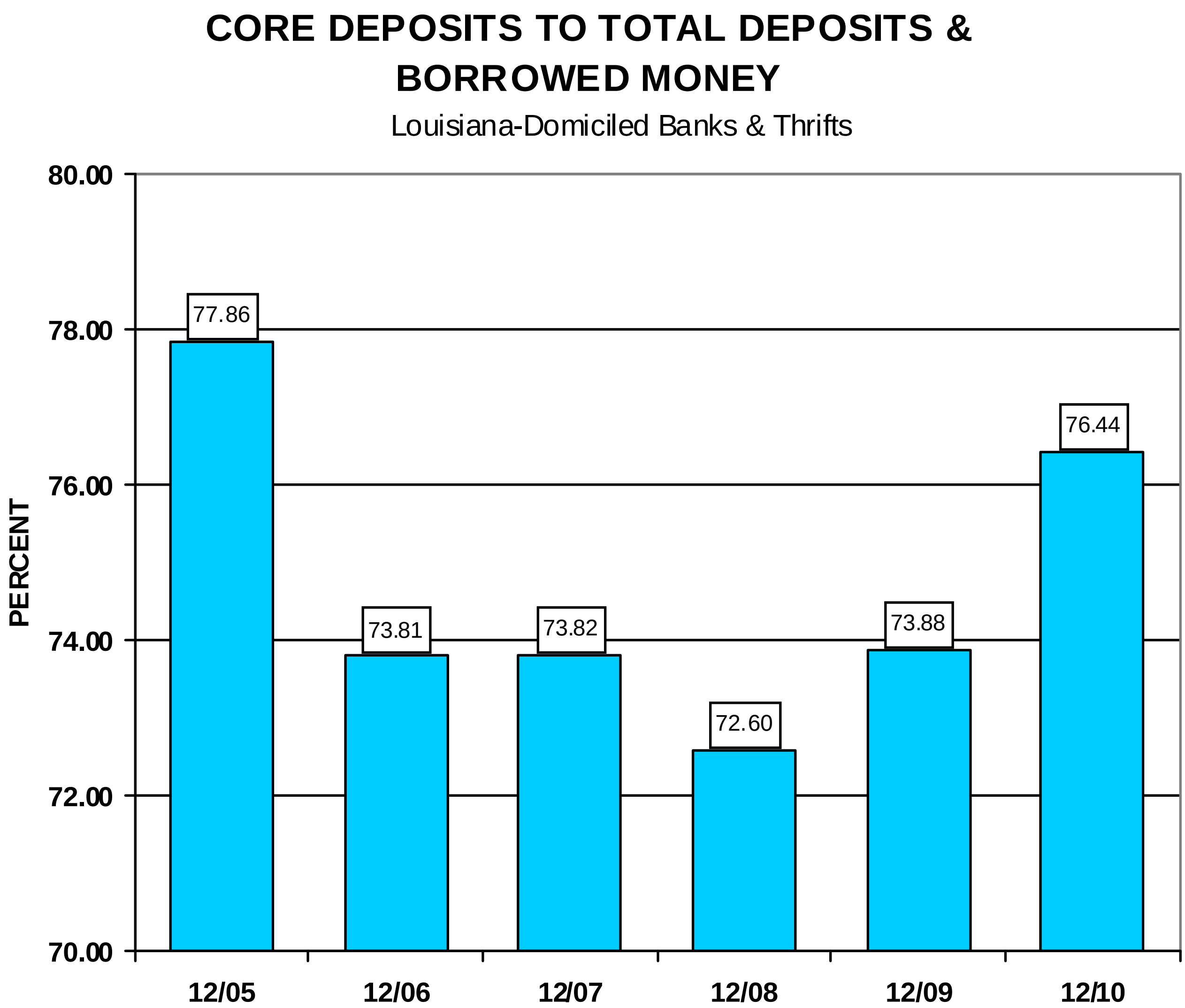

Figure 5

Figure 5 illustrates the trend in the core deposits to total deposits and borrowed money ratio for each year-end since 2005. The ratio of core deposits to total deposits and borrowed money increased during the fourth quarter of 2010, going from 74.83 percent as of September 30, 2010, to 76.44 percent as of December 31, 2010. This ratio has generally fluctuated between 71 and 78 percent in the last 20 quarters.

For Louisiana state-chartered banks and thrifts, the ratio of core deposits to total deposits and borrowed money increased from 74.29 percent as of September 30, 2010, to 75.46 percent as of December 31, 2010. For Louisiana-domiciled federally-chartered banks and thrifts, this ratio increased from 76.10 percent as of September 30, 2010, to 78.74 percent as of December 31, 2010.

For all banks and thrifts in the U.S., the ratio of core deposits to total deposits and borrowed money increased from 61.64 percent as of September 30, 2010, to 63.37 percent as of December 31, 2010.

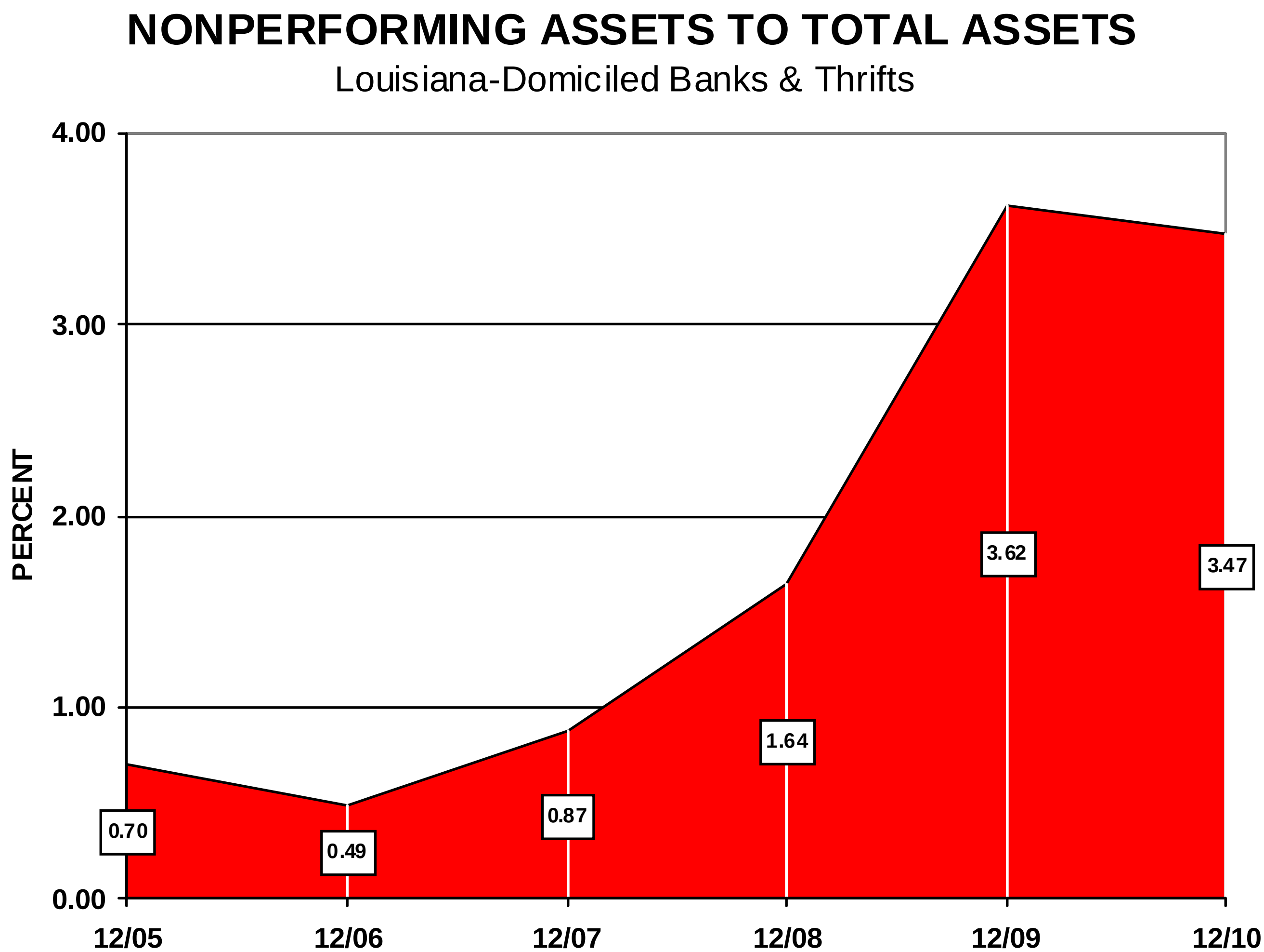

Figure 6

Figure 6 above illustrates that the ratio of nonperforming assets to total assets for each year-end since 2005. This ratio has steadily increased between 10 and 30 basis points from the second quarter of 2007 through the third quarter of 2009 with a more significant increase of 139 basis points in the fourth quarter of 2009. However, a substantial portion of the increase in nonperforming assets, beginning in the third quarter of 2009, resulted from the acquisition of out-of-state failed institutions by a Louisiana state-chartered bank in the third and fourth quarters of 2009. Excluding these acquired assets, the ratio of nonperforming assets to total assets would show only a modest increase in the third and fourth quarters of 2009, respectively, and a less severe upturn of only 54 basis points from year-end 2008 to year-end 2009. **In 2010, with the exception of the third quarter, the ratio declined on a quarterly basis.** The ratio increased in the third quarter primarily because a Louisiana state-chartered bank acquired another out-of-state failed institution. The level of nonperforming assets, excluding those from the failed out-of-state institutions, increased during the third quarter but declined in the fourth quarter of 2010 (discussed in more detail below). 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 for September 30, 2010, and December 31, 2010, adjusted for these specific assets, was not available.

The volume of nonperforming assets (noncurrent loans as defined below plus other real estate owned (OREO)) decreased during the fourth quarter of 2010, going from $2.38 billion as of September 30, 2010, to $2.17 billion as of December 31, 2010, or a decrease of 8.90 percent. Nonperforming assets associated with the acquisition of failed out-of-state institutions total $907 million and $869 million as of September 30, 2010, and December 31, 2010, respectively. Excluding these assets, the volume of nonperforming assets would decline from $1.48 billion as of September 30, 2010, to $1.30 billion as of December 31, 2010, or by 11.77 percent. The ratio of nonperforming assets to total assets decreased from 3.84 percent at September 30, 2010, to 3.47 percent at December 31, 2010. This ratio, excluding the assets acquired from the out-of-state failed institutions, would have likely declined from September 30, 2010, to December 31, 2010; however, because total assets specifically associated with all of these acquisitions were not available, the estimated change in the ratio was not available.

Aggregate noncurrent loans (loans past due 90 days or more and accruing interest plus nonaccrual loans) decreased from $2.01 billion as of September 30, 2010, to $1.78 billion as of December 31, 2010, or by 11.35 percent. Excluding the loans acquired from the out-of-state failed institutions, aggregate noncurrent loans decreased from $1.15 billion as of September 30, 2010, to $966 million as of December 31, 2010, or by 15.69 percent. The ratio of noncurrent loans to gross loans decreased from 5.13 percent as of September 30, 2010, to 4.58 percent as of December 31, 2010. Although the dollar volume of noncurrent loans acquired from the out-of-state failed institutions was available, the dollar volume of gross loans was not available. Therefore, an adjusted ratio of noncurrent loans to gross loans for September 30, 2010, and December 31, 2010, was not available. OREO increased from $372 million as of September 30, 2010, to $388 million as of December 31, 2010, or by 4.34 percent. Excluding the OREO that was acquired from the out-of-state failed institutions, OREO increased from $331 million as of September 30, 2010, to $337 million as of December 31, 2010, or by 1.79 percent.

Figure 7 below illustrates the level of noncurrent loans and OREO for all Louisiana-domiciled banks for each year-end since 2005. A**djusted noncurrent loans and adjusted OREO in Figure 7 below are net of the assets acquired from the failed out-of-state institutions acquired in 2009 and 2010.** In the fourth quarter of 2010, for Louisiana state-chartered banks and thrifts, noncurrent loans decreased from $1.44 billion to $1.36 billion, and OREO increased from $248 million to $266 million, respectively. Excluding the assets acquired from the out-of-state failed institutions, noncurrent loans would decrease from $573 million to $545 million, while OREO would increase from $208 million to $215 million.

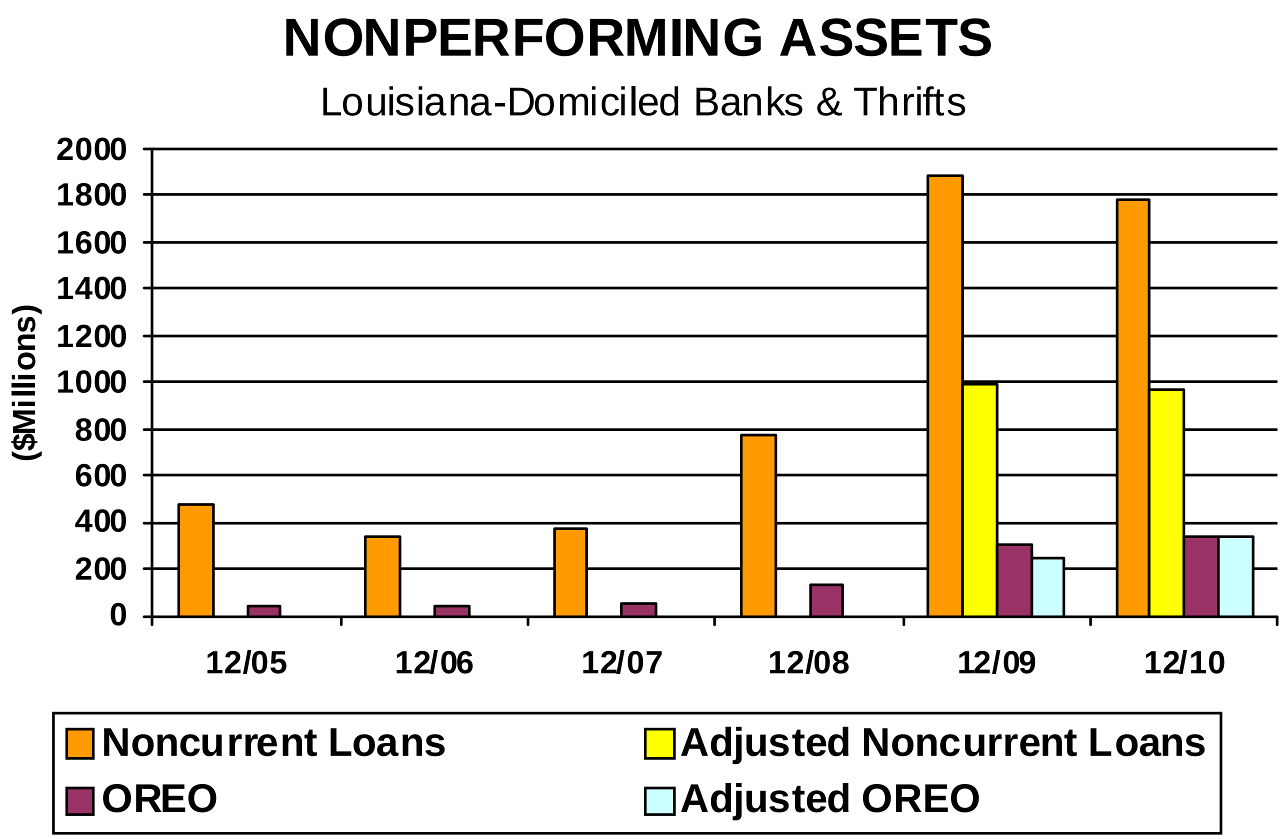

Figure 7

From September 30, 2010, to December 31, 2010, the ratios of nonperforming assets to total assets and noncurrent loans to gross loans for Louisiana state-chartered banks and thrifts decreased from 3.92 percent to 3.76 percent and from 5.44 percent to 5.12 percent, respectively. As noted previously, assets and gross loans acquired from the out-of-state failed institutions were unavailable. Although the ratios of nonperforming assets to total assets and noncurrent loans to gross loans were also not available, it is highly likely that both ratios would increase in the third quarter then decline in the fourth quarter since the adjusted dollar volumes for nonperforming assets and noncurrent loans increased in the third quarter then declined in the fourth quarter.

In the fourth quarter, noncurrent loans and OREO decreased from $573 million to $421 million and from $124 million to $122 million, respectively, in Louisiana-domiciled federally-chartered banks and thrifts. From September 30, 2010, to December 31, 2010, the ratios of nonperforming assets to total assets and noncurrent loans to gross loans for Louisiana-domiciled federally-chartered banks and thrifts decreased from 3.65 percent to 2.82 percent and from 4.47 percent to 3.41 percent, respectively.

For all commercial banks and thrifts in the U.S., nonperforming assets decreased from September 30, 2010, to December 31, 2010, as noncurrent loans and OREO both decreased. As a result, the ratio of nonperforming assets to total assets decreased from 3.24 percent to 3.11 percent, and the ratio of noncurrent loans to total loans decreased from 5.11 percent to 4.87 percent.

Beginning with the March 31, 2010, Call and Thrift Financial Reports, banks and thrifts began reporting the carrying amount of assets covered by FDIC loss-share agreements. Both reports contain information for the following category of assets: covered loans, other real estate owned, debt securities, and other assets. As of September 30, 2010, Louisiana-domiciled banks and thrifts reported the amount of loans and OREO covered by FDIC loss-share agreements at $1.60 billion and $42 million, respectively, or a total of $1.65 billion. The total carrying amount of these assets represented 4.15 percent and 2.65 percent of total loans plus OREO and total assets, respectively, reported as of this date. As of December 31, 2010, Louisiana-domiciled banks and thrifts reported the amount of loans and OREO covered by FDIC loss-share agreements at $1.66 billion and $56 million, respectively, or a total of $1.72 billion. The total carrying amount of these assets represented 4.37 percent and 2.74 percent of total loans plus OREO and total assets, respectively, reported as of this date.

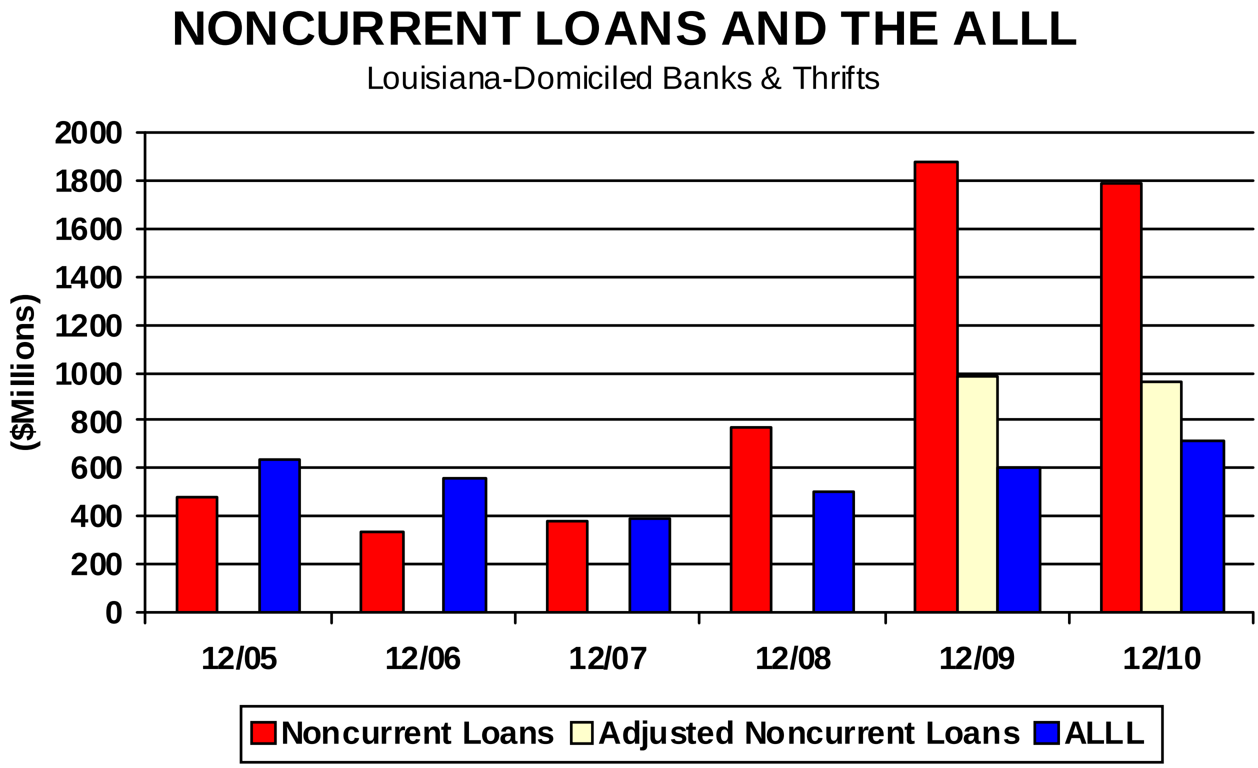

Figure 8

Figure 8 above illustrates the level of the ALLL for Louisiana-domiciled banks as compared to the level of noncurrent loans (those loans 90 days or more past due and still accruing interest or on nonaccrual status) for each year-end since 2005. **Adjusted noncurrent loans are net of those loans acquired from the out-of-state failed institutions in 2009 and 2010.** Banks and thrifts are expected to continually review the level of the ALLL to noncurrent loans to ensure that the more severely delinquent loans do not cause the ALLL to fall below the level needed to cover risks in the remainder of the loan portfolio. For each quarter-end from year-end 2005 through year-end 2007, the level maintained in the ALLL exceeded the level of noncurrent loans; however, in the twelve quarters since, the level of noncurrent loans exceeded the level of the ALLL.

For Louisiana state-chartered banks and thrifts, the level maintained in the ALLL has exceeded the level of noncurrent loans for each quarter from year-end 2005 through the first quarter of 2008, while the level of noncurrent loans exceeded the level of noncurrent loans for the eleven quarters since then. For Louisiana-domiciled federally-chartered banks and thrifts, the level maintained in the ALLL has exceeded the level of noncurrent loans for each quarter from year-end 2005 through the third quarter of 2007, while the level of noncurrent loans exceeded the level of noncurrent loans for the last thirteen quarters, beginning with the fourth quarter of 2007.

For commercial banks and thrifts throughout the U. S., the level maintained in the ALLL has exceeded the level of noncurrent loans for each quarter from year-end 2005 through the third quarter of 2007, while the level of noncurrent loans exceeded the level of noncurrent loans for the last thirteen quarters, beginning with the fourth quarter of 2007.

Net charge-offs recognized in the fourth quarter of 2010 totaled $203 million, an increase from the $124 million in the third quarter of 2010. The annualized net charge-off ratio for the quarter ending December 31, 2010, increased to 2.07 percent, from 1.26 percent for the quarter ending September 30, 2010. Net charge-offs for year-to-date (YTD) 2010 totaled $481 million, with the YTD ratio of net charge-offs to total loans increasing to 1.23 percent as of December 31, 2010, from 0.94 percent as of September 30, 2010. For the calendar years 2009, 2008 and 2007, net charge-offs totaled $379 million, $189 million and $60 million, respectively, with the net charge-off ratios of 1.00 percent, 0.54 percent and 0.19 percent, respectively.

From September 30, 2010, to December 31, 2010, quarterly net charge-offs decreased from $42 million to $40 million for Louisiana state-chartered banks and thrifts. For these banks, the annualized net charge-off ratio, based on quarterly charge-offs, decreased from 0.63 percent to 0.61 percent. Through December 31, 2010, however, the YTD net charge-off ratio increased from 0.49 percent to 0.52 percent, with YTD net charge-offs totaling $138 million. In comparison, net charge-offs totaled $166 million, $111 million and $47 million for the calendar years 2009, 2008 and 2007, respectively, with the net charge-off ratios of 0.69 percent, 0.50 percent and 0.24 percent, respectively.

From September 30, 2010, to December 31, 2010, quarterly net charge-offs increased from $82 million to $162 million for Louisiana-domiciled federally-chartered banks and thrifts. These banks and thrifts saw the annualized net charge-off ratio increase from 2.53 percent to 5.17 percent. Through December 31, 2010, the YTD ratio increased from 1.85 percent to 2.67 percent, with YTD net charge-offs totaling $343 million. In comparison, net charge-offs totaled $213 million and $78 million for the calendar years 2009 and 2008, respectively, with the YTD net charge-off ratios at 1.57 percent and 0.61 percent, respectively.

For Louisiana-domiciled banks and thrifts, loan loss reserves increased to $721 million as of December 31, 2010, from $716 million as of September 30, 2010, and the ratio of loan loss reserves to total loans increased to 1.85 percent as of December 31, 2010, from 1.82 percent as of September 30, 2010. This ratio (loan loss reserves to total loans), for each year-end since 2005, is as follows: 1.49 percent as of December 31, 2005; 1.22 percent as of December 31, 2006; 1.22 percent as of December 31, 2007; 1.36 percent as of December 31, 2008; and 1.55 percent as of December 31, 2009.

For Louisiana-domiciled banks and thrifts, loan loss provisions totaled $121 million during the third quarter of 2010, or 0.79 percent of average assets, as compared to $204 million during the fourth quarter of 2010, or 1.31 percent of average assets. For the calendar years 2010, 2009, and 2008, loan loss provisions totaled $527 million, $486 million, and $297 million, respectively.

For Louisiana state-chartered banks and thrifts, loan loss reserves totaled $443 million as of December 31, 2010, an increase from $433 million as of September 30, 2010. Although loans grew during the second quarter, the ratio of loan loss reserves to total loans increased to 1.67 percent as of December 31, 2010, from 1.64 percent as of September 30, 2010. Loan loss provisions in the fourth quarter totaled $46 million, an increase from $44 million in the third quarter. For the calendar years 2010, 2009, and 2008, loan loss provisions totaled $183 million, $210 million, and $143 million, respectively.

For Louisiana-domiciled federally-chartered banks and thrifts, loan loss reserves totaled $277 million as of December 31, 2010, a decrease from $283 million as of September 30, 2010. However, the ratio of loan loss reserves to total loans increased to 2.25 percent as of December 31, 2010, from 2.21 percent as of September 30, 2010. Loan loss provisions for the fourth quarter totaled $158 million, an increase from $77 million for the third quarter of 2010. For the calendar years 2010, 2009, and 2008, loan loss provisions totaled $344 million, $283 million, and $154 million, respectively.

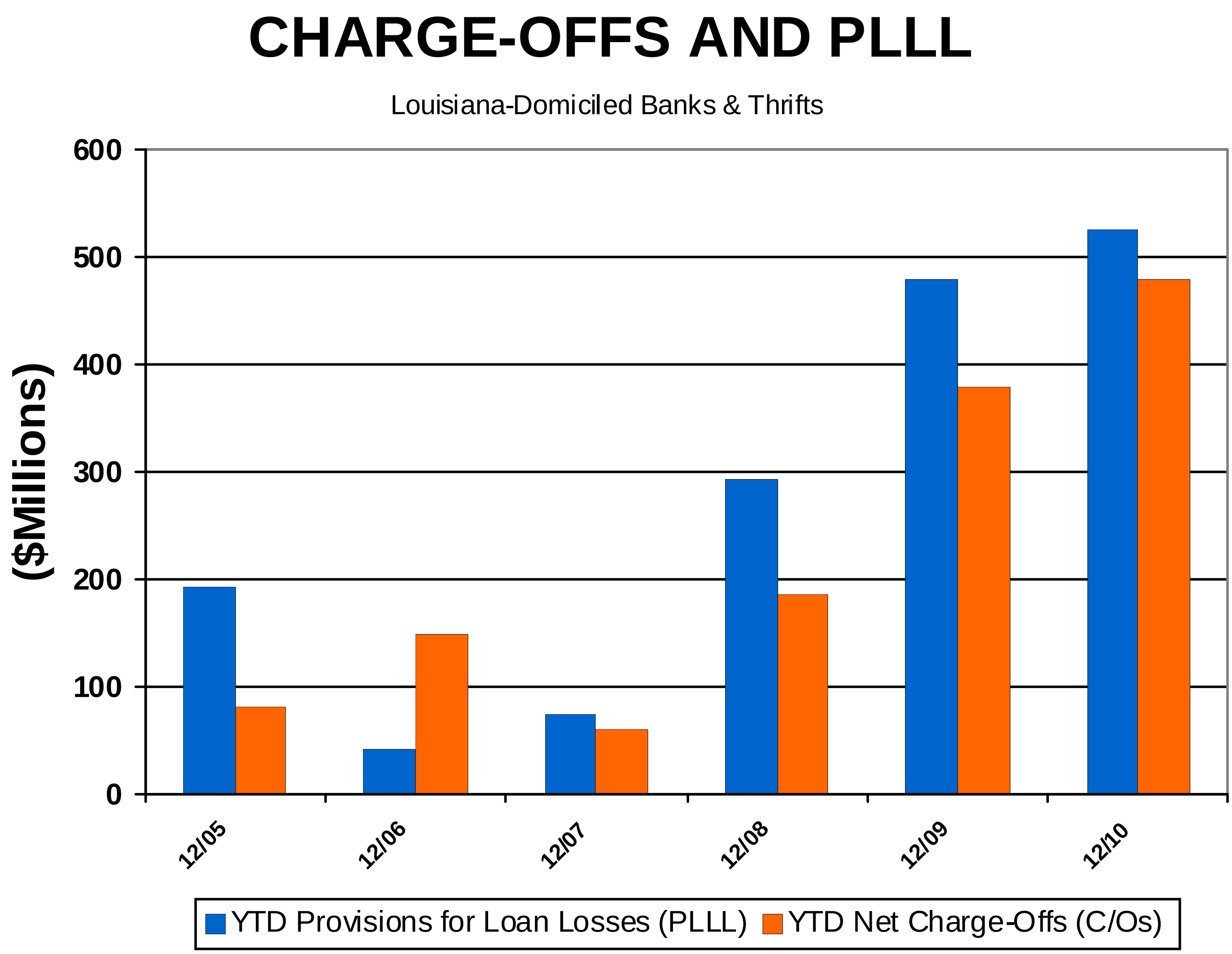

Figure 9

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

For all banks and thrifts in the U.S., net charge-offs recognized in the fourth quarter of 2010 totaled $41.92 billion, a decrease from the $43.96 billion in the third quarter of 2010. As a result, the annualized net charge-off ratio for the quarter ending December 31, 2010, declined to 2.27 percent, from 2.38 percent for the quarter ending September 30, 2010. Net charge-offs for YTD 2010 totaled $187.15 billion, with the YTD net charge-off ratio decreasing to 2.54 percent as of December 31, 2010, from 2.63 percent as of September 30, 2010. For the calendar years 2009 and 2008, net charge-offs totaled $188.82 billion and $100.38 billion, respectively, with YTD net charge-off ratios of 2.52 percent and 1.29 percent, respectively.

For all banks and thrifts in the U.S., loan loss reserves totaled $230.76 billion as of December 31, 2010, a decrease from $241.90 billion as of September 30, 2010. As a result, the ratio of loan loss reserves to total loans declined to 3.13 percent as of December 31, 2010, from 3.27 percent as of September 30, 2010. Loan loss provisions for the fourth quarter totaled $31.62 billion, a decrease from $35.02 billion during the third quarter. For the calendar years 2010, 2009, and 2008, loan loss provisions totaled $156.90 billion, $249.50 billion, and $176.22 billion, respectively.

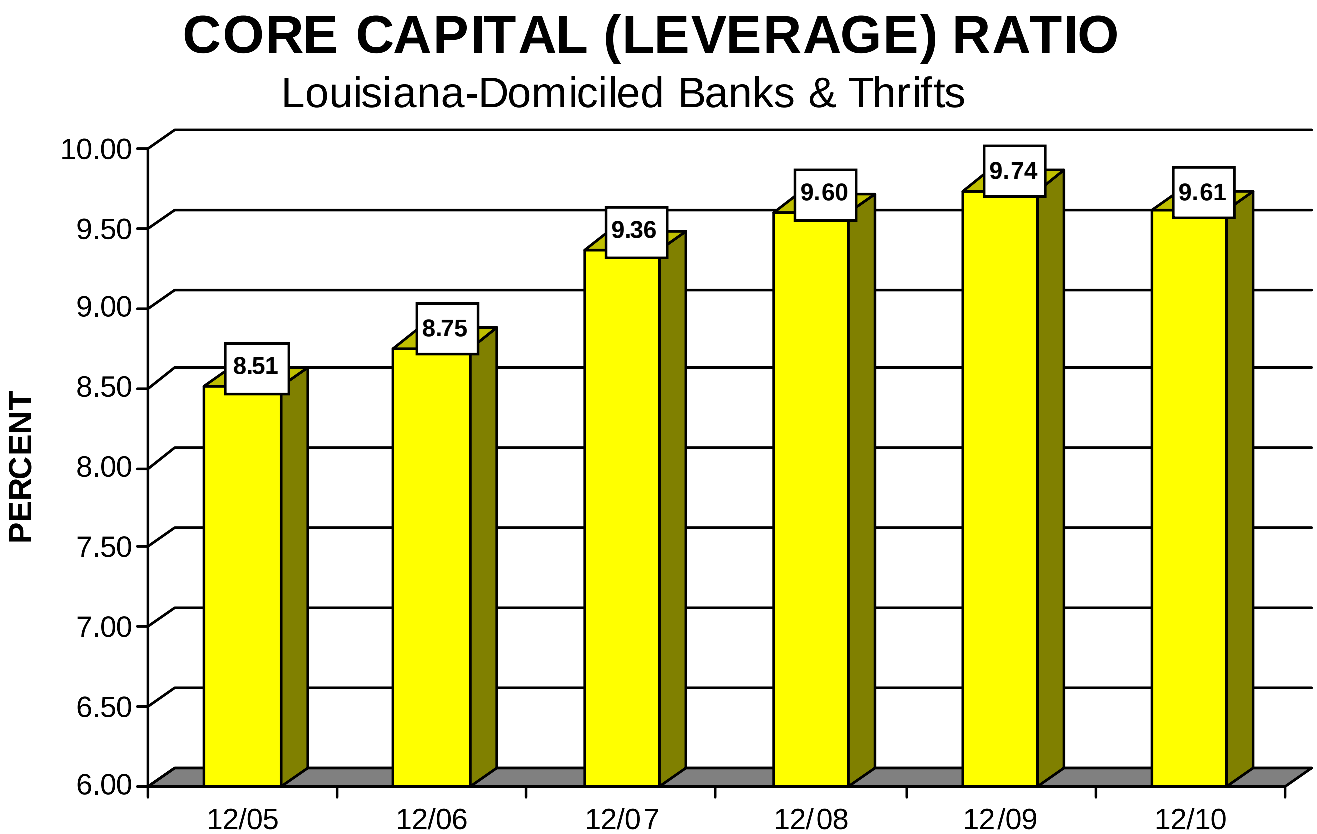

Figure 10

Figure 10 above illustrates the trend in the Tier 1 (core) capital ratio for each year-end since 2005 for all Louisiana-domiciled banks and thrifts. As Figure 10 above shows, the Core capital (leverage) ratio at December 31, 2010 was below the ratio reported at year-end 2009. While the dollar amount of Tier 1 (core) increased during all four quarters of 2010, quarterly average assets grew at a faster rate, causing the decline in the ratio. Tier 1 (core) capital increased from $5.86 billion as of September 30, 2010, to $5.93 billion as of December 31, 2010. As a result of this growth and smaller growth in quarterly average assets, the Core capital (leverage) ratio increased from 9.57 percent at September 30, 2010, to 9.61 percent as of December 31, 2010.

During the fourth quarter of 2010, Tier 1 (core) capital increased by $49 million in Louisiana state-chartered banks and thrifts. With the capital growth exceeding growth in quarter-end average assets, the Core capital (leverage) ratio increased from 9.52 percent to 9.53 percent. However, dividends paid by Louisiana state-chartered banks and thrifts during the fourth quarter increased by $37 million from the level paid in the third quarter. During the fourth quarter of 2010, Tier 1 (core) capital increased by $23 million in Louisiana-domiciled federally-chartered banks and thrifts. With the increase in Tier 1 (core) capital exceeding the increase in quarterly average assets, the Core capital (leverage) ratio increased from 9.67 percent to 9.72 percent. Dividends paid by Louisiana-domiciled federally-chartered banks and thrifts during the fourth quarter decreased by $7 million from the level paid in the first quarter.

For all banks and thrifts in the U.S., Tier 1 (core) capital increased during the fourth quarter of 2010. With the increase in quarterly average assets exceeding growth in Tier 1 (core) capital, the Core capital (leverage) ratio decreased from 9.00 percent as of September 30, 2010, to 8.90 percent as of December 31, 2010. Cash dividends paid by these banks and thrifts in the fourth quarter of 2010 increased by $9.98 billion over the level paid during the third quarter of 2010.

As of December 31, 2010, there are 55 Louisiana state-chartered and 7 Louisiana-domiciled federally-chartered banks and thrifts, or approximately 40 percent, of the 156 Louisiana-domiciled banks and thrifts, as compared to approximately 31 percent of all banks and thrifts in the U.S, that have elected tax treatment as a Subchapter S corporation.

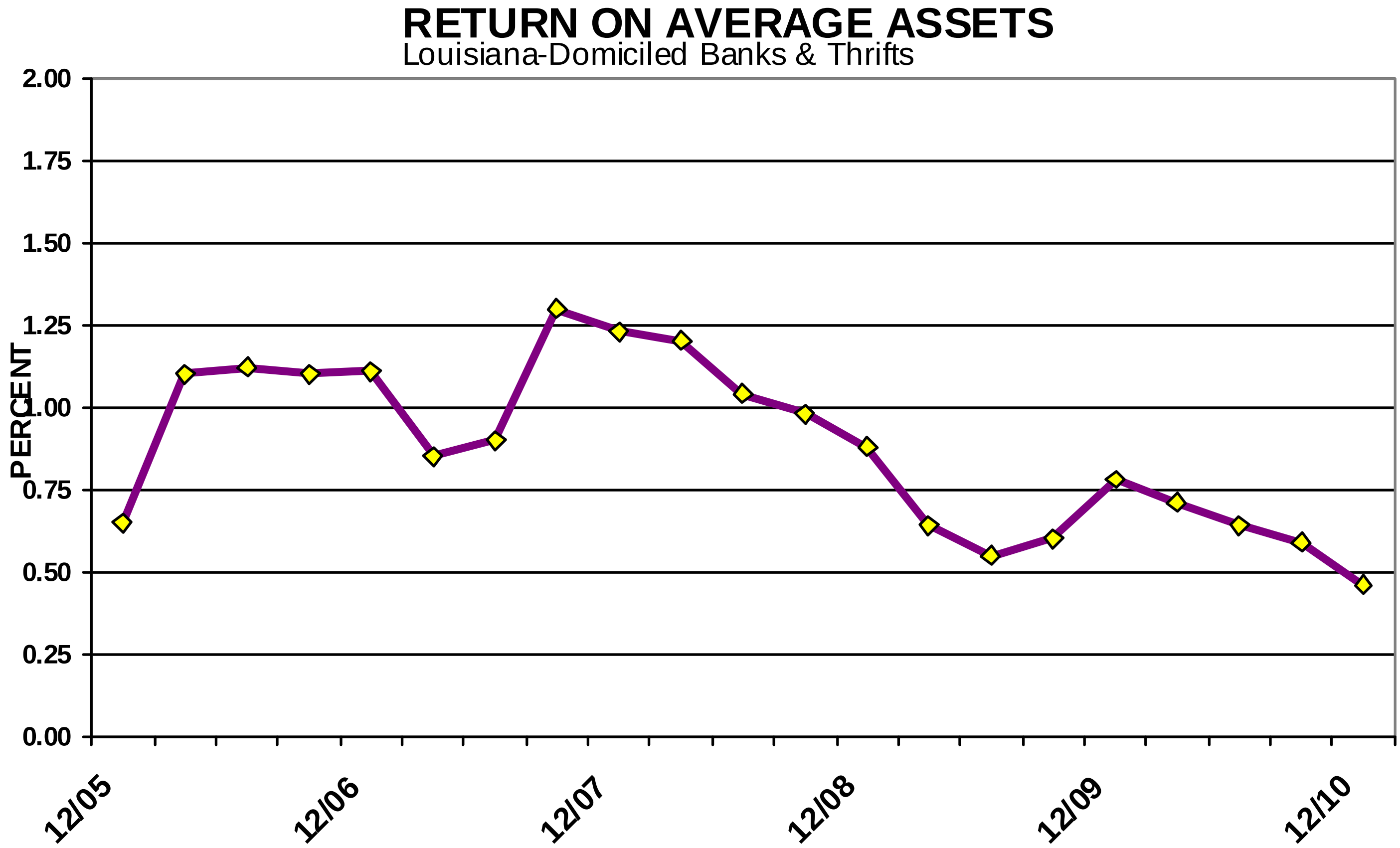

Figure 11

Figure 11 above reflects the annual year-to-date ROAA for all Louisiana banks and thrifts for every quarter since year-end 2005. Earnings for the fourth quarter of 2010 decreased from the previous quarter. Net income for the fourth quarter of 2010 totaled $16.76 million, for a return on average assets (ROAA) of 0.11 percent annualized, as compared to net income for the third quarter of 2010, which totaled $75.78 million, or an ROAA of 0.49 percent annualized. Increased loan loss provisions were the primary factor contributing to the decline in net income for the fourth quarter of 2010. The YTD ROAA decreased to 0.46 percent as of December 31, 2010, from 0.59 percent as of September 30, 2010.

As of December 31, 2010, 12 Louisiana banks and thrifts reported YTD net operating losses, down from the 13 banks and thrifts reporting YTD net operating losses as of September 30, 2010. The primary reason for the operating losses was an increase in provisions for loan losses. As of December 31, 2010, the percentage of unprofitable Louisiana-domiciled bank and thrifts was 7.69 percent while the percentage of unprofitable bank and thrifts in the U.S. was 21.01 percent.

For the fourth quarter of 2010, all banks and thrifts in the U.S. reported net income of $21.66 billion, for an annualized ROAA of 0.65 percent, as compared to net income of $24.72 billion, for an annualized ROAA of 0.74 percent, for the third quarter of 2010. An increase in noninterest expense was the primary factor contributing to the decrease in net income for the fourth quarter. Although net income declined in the fourth quarter, the YTD ROAA remained at 0.66 percent as of both September 30, 2010, and December 31, 2010.

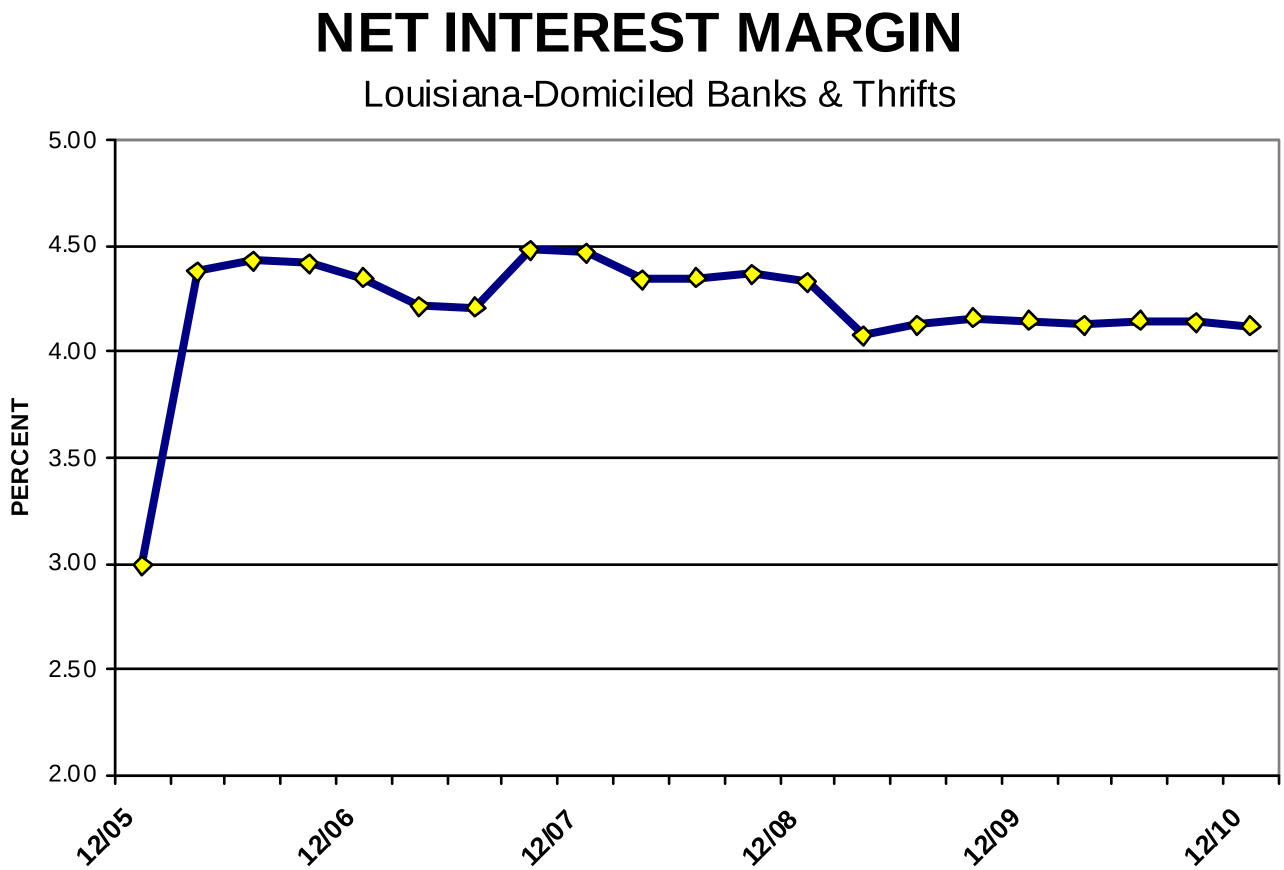

Figure 12

Figure 12 above reflects the annualized YTD net interest margin for all Louisiana banks and thrifts for every quarter since year-end 2005. The net interest margin for all Louisiana-domiciled banks and thrifts decreased from 4.13 percent for the third quarter of 2010 to 4.09 percent for the fourth quarter of 2010. The aggregate yield on earning assets decreased from 5.25 percent to 5.12 percent, while the cost of funds decreased from 1.12 percent to 1.03 percent.

During the fourth quarter of 2010, the net interest margin for Louisiana state-chartered banks and thrifts decreased from 4.10 percent to 4.07 percent, while the net interest margin for Louisiana-domiciled federally-chartered banks and thrifts decreased from 4.19 percent to 4.12 percent. The yield on earning assets decreased from 5.35 percent to 5.23 percent for Louisiana state-chartered banks and thrifts, while it decreased from 5.01 percent to 4.89 percent for Louisiana-domiciled federally-chartered banks and thrifts. The cost of funds for Louisiana state-chartered banks and thrifts and for Louisiana-domiciled federally-chartered banks and thrifts both decreased from 1.25 percent to 1.15 percent and from 0.82 percent to 0.76 percent, respectively.

For all banks and thrifts in the U.S., the net interest margin decreased from 3.75 percent to 3.71 percent from the third quarter to the fourth quarter of 2010. During the same time frame, the yield on earning assets decreased from 4.66 percent to 4.57 percent, while the cost of funds also decreased from 0.91 percent to 0.86 percent.

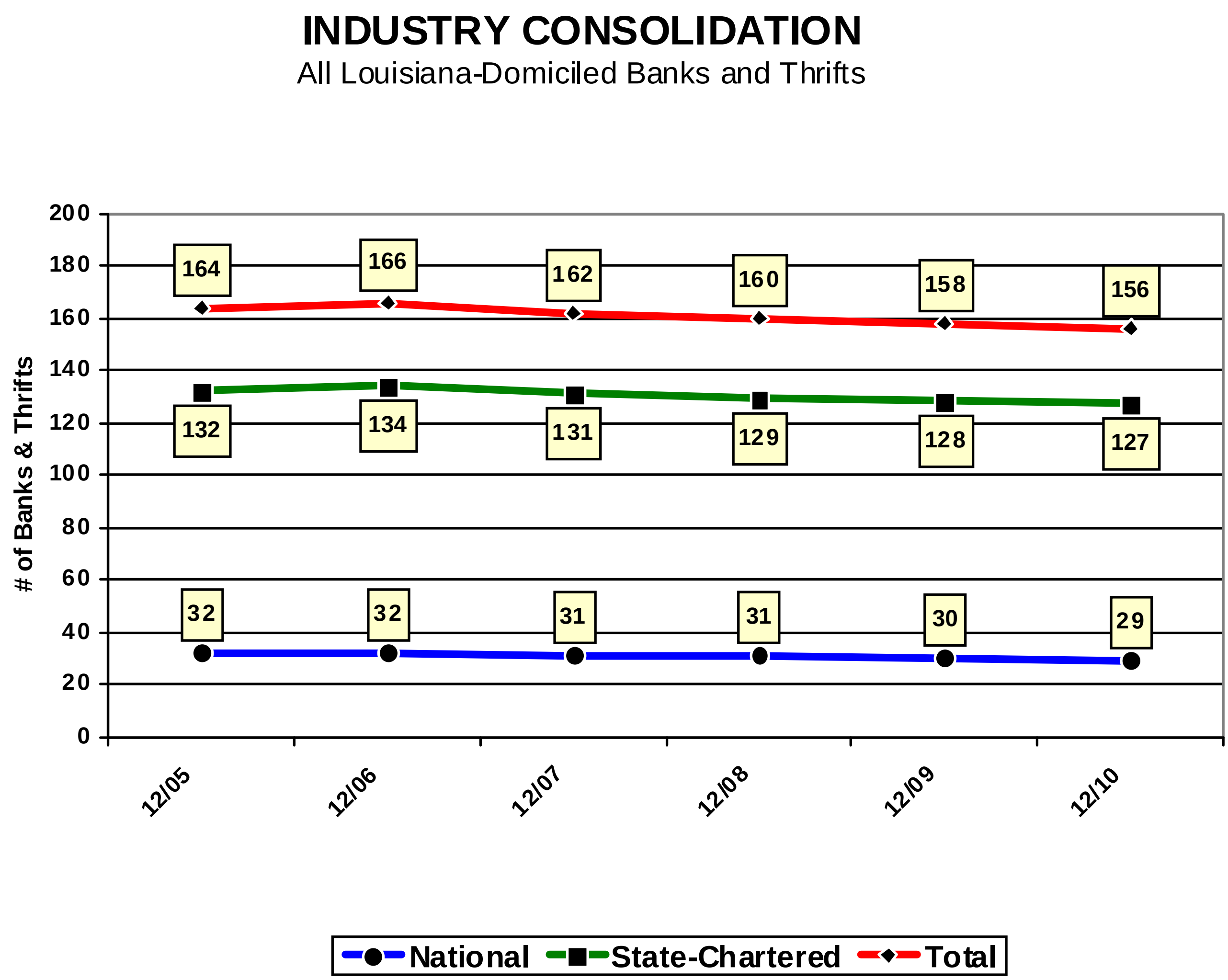

Figure 13

MERGERS AND ACQUISITIONS

Figure 13 above reflects the number of Louisiana-domiciled bank and thrifts for each year-end since 2005. During the third quarter of 2010, Louisiana chartered the first de novo bank (not formed to acquire failed banks) in the U.S. for 2010. The bank is located in Lake Charles, Louisiana. During the fourth quarter of 2010, a Louisiana-domiciled federal thrift merged into a Louisiana state-chartered bank, although both institutions were owned by the same holding company. Merger activity has increased with several recent announcements. These announcements will result in the merger of a state-chartered bank into a national bank, the merger of a national bank into a state-chartered bank, and two other mergers involving four state-chartered banks. In addition, a Louisiana-domiciled federally-chartered thrift applied to convert to a state-chartered bank.

As of December 31, 2010, there were 156 banks and thrifts domiciled in Louisiana. This included 127 state-chartered banks and thrifts, which represents 81 percent of the total Louisiana-domiciled banks and thrifts. As Figure 13 above illustrates, since December 31, 2005, the total number of Louisiana-domiciled banks and thrifts has decreased from 164 to 156, or by 4.88 percent.

The number of banks and thrifts in the U.S. declined from 7,761 as of September 30, 2010, to 7,657 as of December 31, 2010, or by 104 institutions during the fourth quarter. During the fourth quarter of 2010, 30 banks and thrifts failed with the FDIC named as receiver, compared to 41 failures in the third quarter of 2010. For the year 2010, there were 157 bank and thrift failures, compared to 140 failures in 2009. During the fourth quarter of 2010, there were three de novo institutions chartered, with only one not specifically formed to acquire failed banks, compared to the third quarter when there were five de novo institutions chartered, with only one not specifically formed to acquire failed banks, which was the Louisiana state-chartered bank noted above.

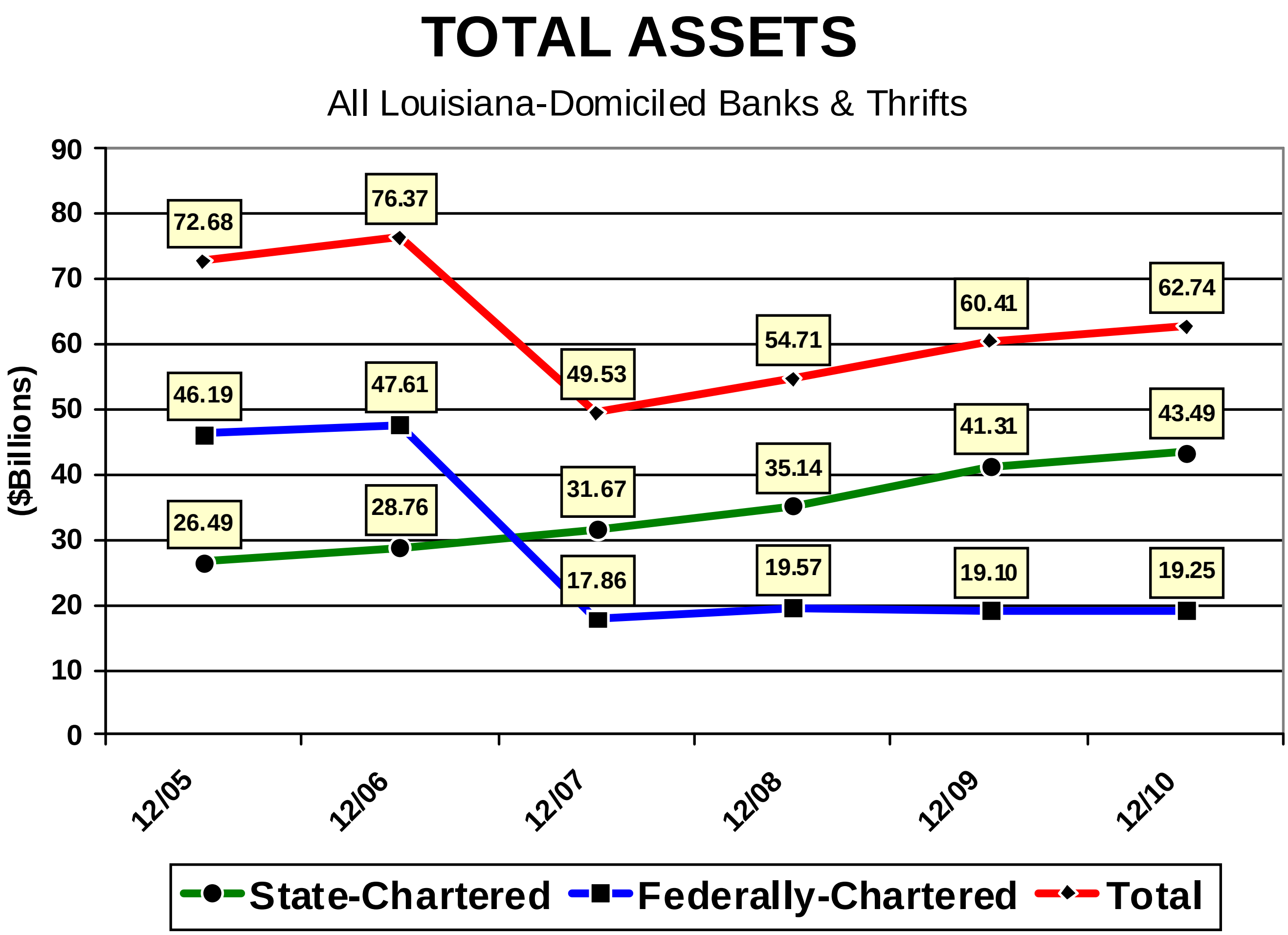

Figure 14

Figure 14 above reflects the trend in total assets for state-chartered banks and thrifts, Louisiana-domiciled federally-chartered banks and thrifts, and all Louisiana-domiciled banks and thrifts for each year-end since 2005. Total assets for all Louisiana-domiciled banks and thrifts increased slightly from $62.20 billion as of September 30, 2010, to $62.74 billion as of December 31, 2010, or by 0.87 percent. **Total assets for all Louisiana-domiciled banks and thrifts grew at a faster rate in the third and fourth quarter of 2009 and the third quarter of 2010 because of the acquisitions of the out-of-state failed institutions. However, total assets specifically associated with these institutions are not available.** Total assets in Louisiana-domiciled banks and thrifts have grown for 17 of the past 20 quarters, despite some industry consolidation since year-end 2005. The biggest drop occurred when a large national bank moved its headquarters out of Louisiana in July 2007, which caused total assets for all banks and thrifts and federally-chartered banks and thrifts to drop from the second quarter to the third quarter of 2007.

As of December 31, 2010, Louisiana state-chartered banks and thrifts held assets totaling $43.49 billion, or 69.31 percent of the Louisiana banking industry's $62.74 billion in total assets. One out-of-state bank holding company from Mississippi owns a Louisiana-domiciled bank subsidiary, which is a Louisiana state-chartered bank, with total assets of $2.92 billion, or 4.65 percent of the total assets for all Louisiana-domiciled banks and thrifts. As of December 31, 2010, two Louisiana-domiciled bank holding companies, which own Louisiana state-chartered banks, own a federal thrift and a state-chartered bank, both in Arkansas, with total assets of $1.65 billion and $30.86 million, respectively. However, effective January 1, 2011, the federal thrift in Arkansas merged into its sister bank, and its locations became branches of that bank on the same date. One Louisiana-domiciled bank holding company, which owns a Louisiana-domiciled national bank, also owns national banks in Alabama, Arkansas, and Mississippi, with total assets of $521.01 million as of December 31, 2010.

Total assets for all banks and thrifts in the U.S. decreased from $13.37 trillion as of September 20, 2010, to $13.32 trillion as of December 31, 2010, and the number of banks and thrifts declined as noted previously.

BANK AND THRIFT SUMMARY AS OF DECEMBER 31, 2010

While some slippage continued in the fourth quarter primarily regarding asset quality and earnings, the overall financial condition of Louisiana-domiciled banks and thrifts remains sound. The fourth quarter of 2010 saw a minimal increase in total assets and a modest increase in total deposits and Tier 1 (core) capital. During the fourth quarter, core deposits as a percent of total deposits and borrowed money increased from the prior quarter. Earnings for the fourth quarter decreased, down from the previous quarter primarily because of increased loan loss provisions with a modest increase in noninterest expenses. With Tier 1 (core) capital increasing slightly faster than quarterly average assets, the Core capital (leverage) ratio increased slightly, and all capital ratios remain well above minimum regulatory requirements. During the fourth quarter of 2010, asset quality showed mixed signals as the dollar volume and ratio of nonperforming assets declined, while the dollar volume and ratio of net charge-offs increased. As noted previously, the dollar volume of nonperforming assets, excluding those associated with the acquisition of the out-of-state failed institutions, increased in the third quarter but declined in the fourth quarter. However, the change in the ratio as a percentage of total assets is unknown since total assets for the out-of-state failed institutions are no longer available. State and federal regulatory agencies will continue to closely monitor asset quality to ensure that banks and thrifts continue to adhere to sound underwriting guidelines and properly evaluate the adequacy of their ALLL, earnings performance, and capital levels, especially with the ongoing concerns with local, state, and national economies.

BANK LAGNIAPPE

- As of December 31, 2010, the breakdown of **all** Louisiana-domiciled **banks & thrifts** by asset size is as follows:

Asset Size	# of B & T's	%	Total Assets *	%
Assets < $100 Million	45	29	$2,853,191	5
Assets $100 Million to $300 Million	67	43	11,992,771	19
Assets $300 Million to $500 Million	22	14	8,453,303	13
Assets $500 Million to $1 Billion	15	9	10,953,417	17
Assets $1 Billion to $10 Billion	6	4	16,710,606	27
Assets > $10 Billion	1	1	11,780,660	19
TOTAL ASSETS	156	100	$62,743,948	100

- As of December 31, 2010, the breakdown of Louisiana **state-chartered banks & thrifts** by asset size is as follows:

Asset Size	# of B & T's	%	Total Assets *	%
Assets < $100 Million	38	30	$2,402,070	6
Assets $100 Million to $300 Million	54	43	9,558,736	22
Assets $300 Million to $500 Million	18	14	7,019,349	16
Assets $500 Million to $1 Billion	12	9	8,800,964	20
Assets $1 Billion to $10 Billion	5	4	15,709,182	36
TOTAL ASSETS	127	100	$43,490,301	100

- As of December 31, 2010, the breakdown of Louisiana-domiciled **federally-chartered banks & thrifts** by asset size is as follows:

Asset Size	# of B & T's	%	Total Assets *	%
Assets < $100 Million	7	24	$451,121	2
Assets $100 Million to $300 Million	13	45	2,434,035	13
Assets $300 Million to $500 Million	4	13	1,433,954	8
Assets $500 Million to $1 Billion	3	10	2,152,453	11
Assets $1 Billion to $10 Billion	1	4	1,001,424	5
Assets > $10 Billion	1	4	11,780,660	61
TOTAL ASSETS	29	100	$19,253,647	100

* Thousands

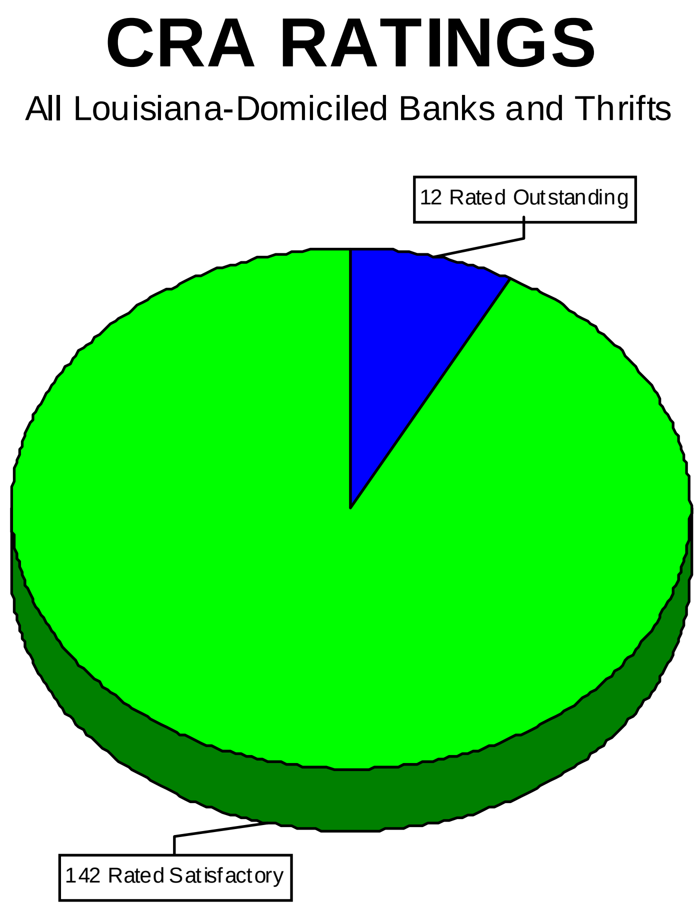

Figure 15

(Note: This chart does not include a bankers' bank since CRA ratings are not applicable, and one de novo bank that is not yet rated, and reflects all ratings issued through December 31, 2010.)

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

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

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

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

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

Based on a non-weighted average, the ROAA for Louisiana-domiciled banks and thrifts for the years ending December 31, 2010, and December 31, 2009, are 0.90 percent and 0.86 percent, respectively, with the ROAA for U. S. banks and thrifts for the year ending December 31, 2010, at 0.53 percent. In addition, the ratios of nonperforming assets to total assets and loan loss provisions to average assets for Louisiana-domiciled banks and thrifts would fall below the ratio for U. S. banks and thrifts, rather than exceed them as shown in the chart on page 1.