LOUISIANA-DOMICILED BANKS AND THRIFTS FINANCIAL REPORT

For the Quarter Ended
December 31, 2013

STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS

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FINANCIAL CONDITION OF LOUISIANA-DOMICILED BANKS & THRIFTS AT DECEMBER 31, 2013

During the fourth quarter of 2013, total assets for all Louisiana-domiciled banks and thrifts increased from $70.79 billion to $72.08 billion, an increase of $1.28 billion or by 1.81 percent. Total loans and leases increased from $45.19 billion to $46.79 billion or by 3.54 percent. Total securities increased from $15.46 billion to $15.55 billion or by 0.58 percent. Federal funds sold increased from $1.19 billion to $1.31 billion or by 9.94 percent. Cash decreased from $4.33 billion to $3.81 billion or by 12.13 percent. Regarding liabilities, total deposits increased from $58.91 billion to $59.91 billion or by 1.69 percent, while borrowed money increased from $3.02 billion to $3.26 billion or by 7.90 percent.

For Louisiana state-chartered banks and thrifts, total assets increased by 1.82 percent during the fourth quarter of 2013. Total loans, securities, and Federal funds sold increased, while cash decreased. Regarding liabilities, total deposits and borrowed money both increased. For Louisiana-domiciled federally-chartered banks and thrifts, total assets increased by 1.73 percent during the fourth quarter of 2013. Total loans, Federal funds sold, securities, and cash all increased. Regarding liabilities, total deposits increased, while borrowed money decreased.

The following chart provides selected performance ratios for all banks and thrifts in the U. S. for the year ended December 31, 2013; and for all Louisiana-domiciled banks and thrifts for the years ended December 31, 2010, 2011, 2012, and 2013. **Louisiana-domiciled banks and thrifts continue to compare favorably in most categories when compared to all banks and thrifts in the U.S.**

	U. S. Banks & Thrifts	**All Louisiana-Domiciled Banks & Thrifts**			
TRENDS	Year Ended 12/31/2013	Year Ended 12/31/2013	Year Ended 12/31/2012	Year Ended 12/31/2011	Year Ended 12/31/2010
Earnings					
Yield on Earning Assets	3.68%	4.35%↓	4.63%↓	4.88%↓	5.25%
Cost of Funds	0.42%	0.50%↓	0.64%↓	0.86%↓	1.12%
Net Interest Margin	3.26%	3.85%↓	3.99%↓	4.02%↓	4.12%
Loan Loss Provisions to Average Assets	0.22%	0.15%↓	0.22%↓	0.29%↓	0.86%
Operating Expenses to Average Assets	2.88%	3.17%↓	3.18%↓	3.30%↑	3.27%
Return on Average Assets	1.07%	0.93%↓*	0.94%↑*	0.79%↑*	0.44%
Asset Quality					
Noncurrent Loans to Total Loans	2.62%	1.40%↓#*	2.32%↓#*	3.18%↓#*	4.57%
Nonperforming Assets to Total Assets	1.63%	1.27%↓#*	1.93%↓#*	2.49%↓#*	3.46%
Net Charge-offs to Total Loans	0.69%	0.21%↓	0.31%↓	0.34%↓	1.24%
Capital and Liquidity					
Tier 1 Leverage Capital Ratio	9.41%	10.20%↑	10.11%↑	9.82%↑	9.58%
Earning Assets to Total Assets	90.06%	91.14%↑	90.50%↑	89.43%↓	89.89%
Loans to Deposits	69.31%	77.17%↑	72.74%↓	72.90%↓	73.32%

At December 31, 2013 (for all Louisiana-domiciled banks and thrifts), the **year-to-date** return on average assets (ROAA), shown in the chart above, declined by 1 basis point from both the same time period in 2012 and from the end of the third quarter of 2013 (ratio not shown in chart above). This ratio is 14 basis points below the national average **year-to-date** ROAA shown in the chart above with the gap between the two increasing by 2 basis points during the fourth quarter. Although the state average is below the national average, a great majority of Louisiana-domiciled banks and thrifts continue to show strong or satisfactory earnings performance as a result of increased net interest and noninterest income and reduced provisions for loan losses (2013 compared to 2012). Capital levels remain sound, with ratios increasing slightly during the second quarter of 2013 and comparing favorably to the same time period in 2012. 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 2012. Although net charge-offs increased during the fourth quarter of 2013, they declined over the year. As a result, the year-to-date net charge-off ratio, shown above, is lower when compared to the same time period in 2012.

The higher level of nonperforming assets and noncurrent loans in 2010 was attributable to the acquisition of failed out-of-state institutions by Louisiana-domiciled institutions during that time period and the prior year. 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.**

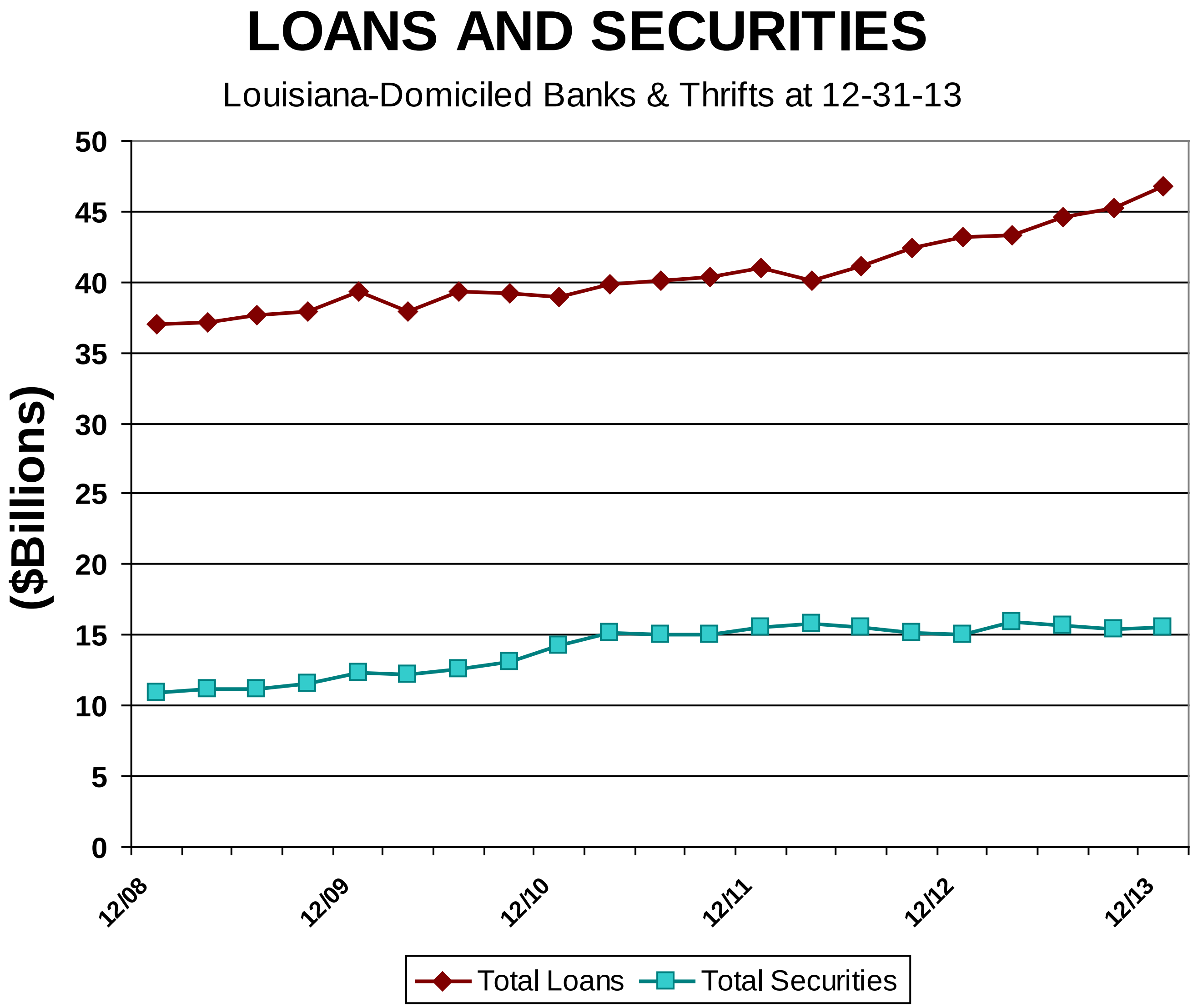

Figure 1

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 3.54 percent during the fourth quarter of 2013, from $45.19 billion to $46.79 billion, or by approximately $1.60 billion. Total loans and leases have increased in 16 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.** During the fourth quarter of 2013, commercial loans increased from $10.39 billion to $11.29 billion or by approximately $901 million, real estate loans increased from $29.98 billion to $30.68 billion or by approximately $722 million, other loans increased from $1.08 billion to $1.15 billion or by approximately $63 million, consumer loans increased from $3.24 billion to $3.28 billion or by approximately $44 million, and farm loans decreased from $508 million to $376 million or by approximately $132 million.

During the fourth quarter of 2013, Louisiana state-chartered banks and thrifts experienced growth in total loans and four of the five major reporting categories. From highest to lowest by dollar volume, commercial loans, real estate loans, other loans, and consumer loans all grew during the fourth quarter, while farm loans declined. Louisiana-domiciled federally-chartered banks and thrifts also experienced growth in total loans and in only two of the five major reporting categories. From highest to lowest by dollar volume, real estate loans and consumer loans grew during the fourth quarter, while other loans, farm loans, and commercial loans declined. All banks and thrifts in the U.S. experienced growth in total loans and in all five categories during the fourth quarter of 2013. From highest to lowest in dollar volume for growth were commercial loans, other loans, consumer loans, real estate loans, and farm loans.

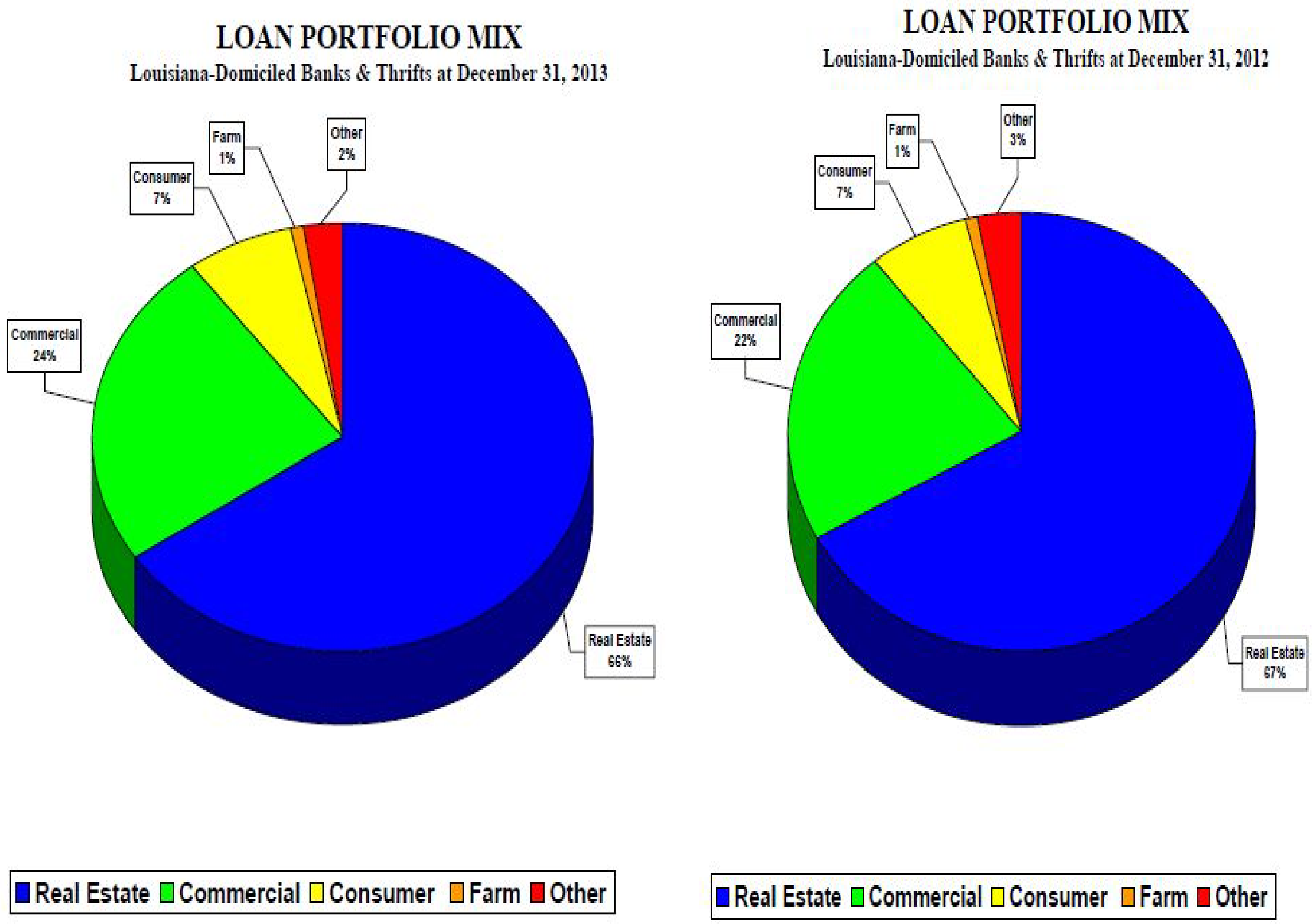

Figure 2

Figure 2 above shows a comparison of loan portfolio mix for all Louisiana-domiciled banks and thrifts at December 31, 2013, and December 31, 2012. At December 31, 2013, Louisiana state-chartered banks and thrifts showed a loan portfolio mix as follows: real estate loans – 64 percent; commercial loans – 26 percent; consumer loans – 7 percent; other loans – 2 percent; and farm loans – 1 percent. As of this same date, for Louisiana-domiciled federally-chartered banks and thrifts, the loan portfolio mix is as follows: real estate loans – 80 percent; commercial loans – 13 percent; consumer loans – 4 percent; other loans – 2 percent; and farm loans – 1 percent.

At December 31, 2013, for all banks and thrifts in the U.S., the loan portfolio mix is as follows: real estate loans – 52 percent; commercial loans – 20 percent; consumer loans – 17 percent; other loans – 10 percent; and farm loans – 1 percent.

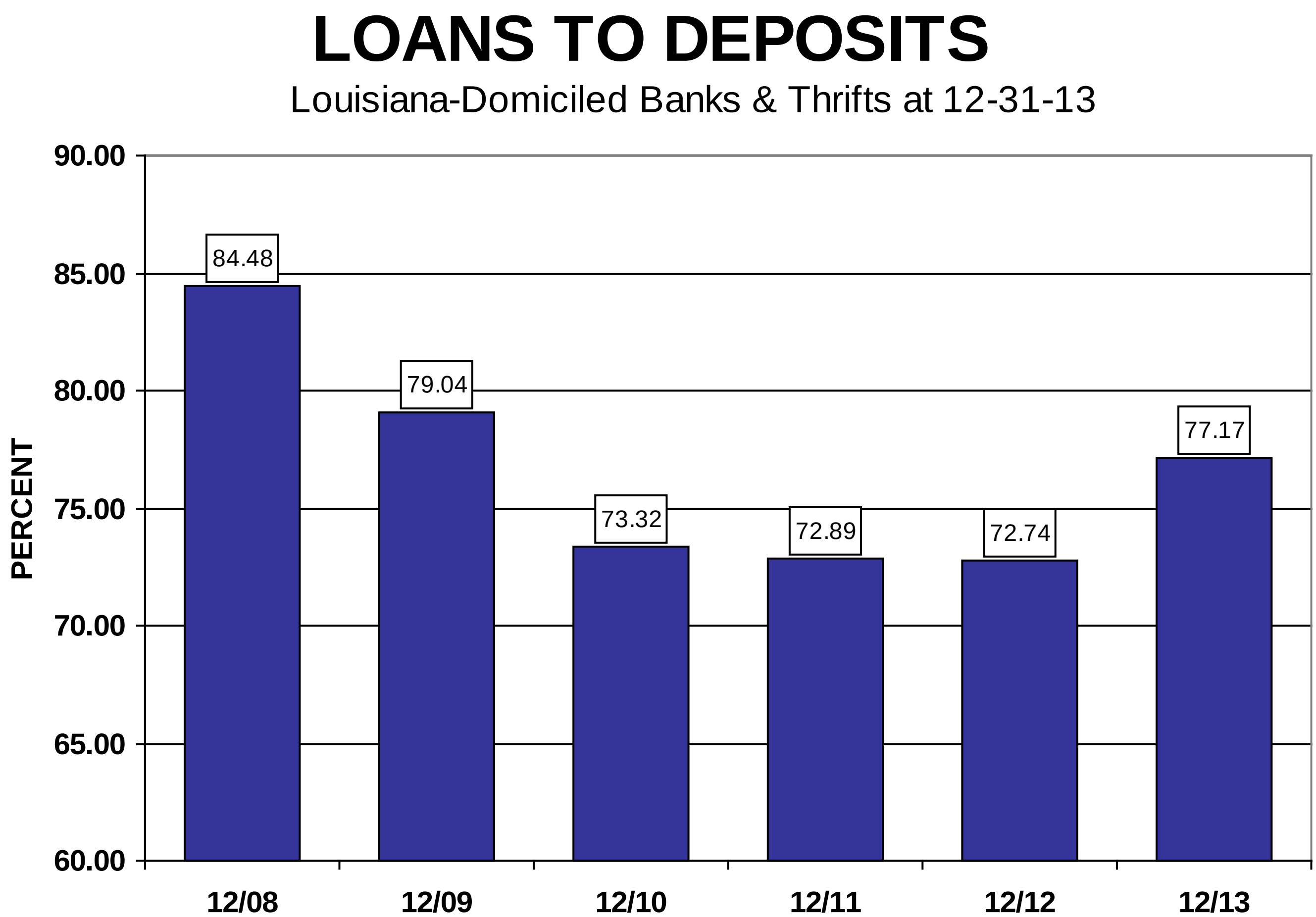

Figure 3

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 fourth quarter of 2013, from 75.74 percent as of September 30, 2013, to 77.17 percent as of December 31, 2013, 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 74.80 percent as of September 30, 2013, to 76.56 percent as of December 31, 2013, as net loans increased faster than deposits. For Louisiana-domiciled federally-chartered banks and thrifts, the ratio of net loans to deposits decreased from 83.24 percent as of September 30, 2013, to 81.96 percent as of December 31, 2013, as deposits increased faster than net loans.

For all banks and thrifts in the U.S., the ratio of net loans to deposits decreased from 69.45 percent as of September 30, 2013, to 69.31 percent as of December 31, 2013, as deposits increased faster than net loans.

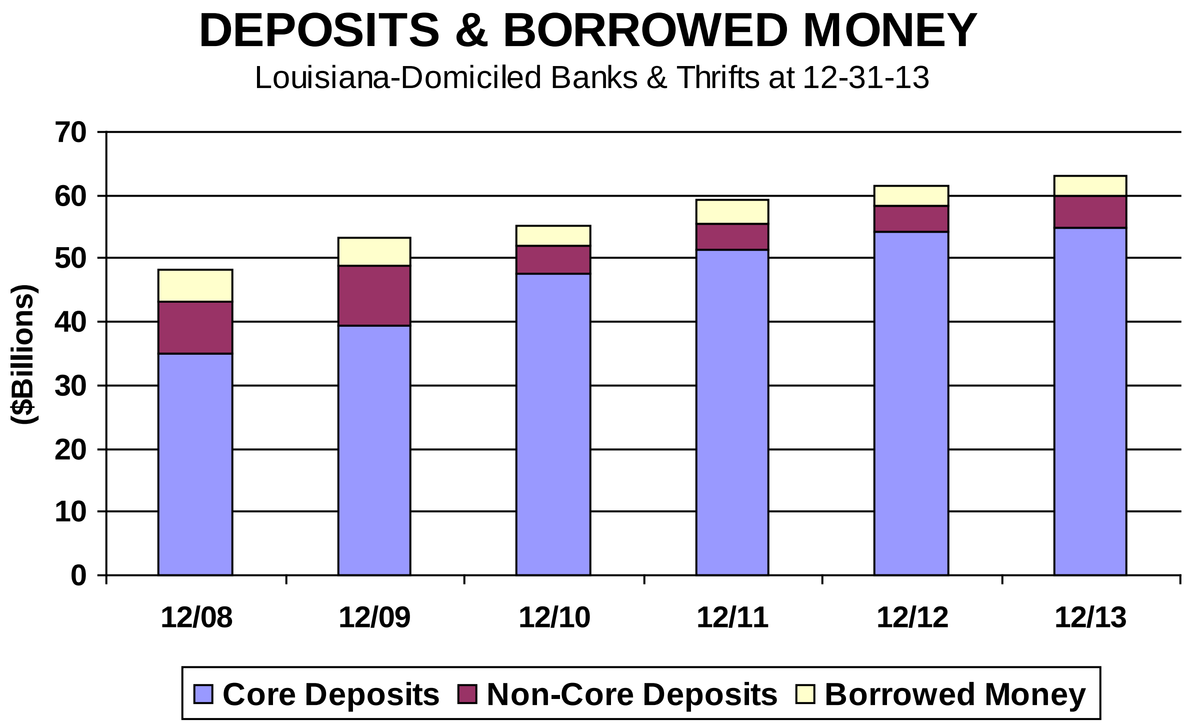

Figure 4

Figure 4 shows the mix of deposits and borrowed money since year-end 2008. Regarding liabilities, total deposits increased from $58.91 billion as of September 30, 2013, to $59.90 billion as of December 31, 2013, or by 1.69 percent, while borrowed money increased from $3.02 billion as of September 30, 2013, to $3.26 billion as of December 31, 2013, or by 7.90 percent. During the fourth quarter of 2013, 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 fourth quarter, from $53.89 billion as of September 30, 2013, to $54.92 billion as of December 31, 2013, or by 1.92 percent. Louisiana state-chartered banks and thrifts and Louisiana-domiciled federally chartered banks and thrifts also both experienced an increase in core deposits during the fourth quarter of 2013.

As noted previously, borrowed money increased during the fourth quarter of 2013. At September 30, 2013, borrowed money totaled $3.02 billion and consisted of Federal funds purchased totaling $1.55 billion, Federal Home Loan Bank (FHLB) advances totaling $1.24 billion, and other borrowings totaling $237 million. At December 31, 2013, borrowed money totaled $3.26 billion and consisted of Federal funds purchased totaling $1.41 billion, FHLB advances totaling $1.62 billion, and other borrowings totaling $239 million. Total borrowed money for Louisiana state-chartered banks and thrifts increased by $245 million during the fourth quarter with increases in FHLB advances and in other borrowings and declines in Federal funds purchased. Total borrowed money for Louisiana-domiciled federally-chartered banks and thrifts decreased by $6 million during the fourth quarter with an increase in FHLB advances and declines in Federal funds purchased and other borrowings.

Non-core deposits decreased during the fourth quarter of 2013. At September 30, 2013, non-core deposits totaled $5.02 billion and consisted of time deposits of $250,000 or more totaling $3.04 billion, brokered deposits under $250,000 totaling $1.41 billion, and deposits held in foreign offices totaling $559 million. At December 31, 2013, non-core deposits totaled $4.98 billion and consisted of time deposits of $250,000 or more totaling $3.09 billion, brokered deposits under $250,000 totaling $1.53 billion, and deposits in foreign offices totaling $363 million. During the fourth quarter, non-core deposits in Louisiana state-chartered banks and thrifts decreased by $122 million, with an increase of $114 million in brokered deposits under $250,000, and decreases of $197 million in deposits held in foreign offices and $40 million in time deposits of $250,000 or more. During this same period, non-core deposits in Louisiana-domiciled federally-chartered banks and thrifts increased by $82 million, with increases of $80 million in time deposits of $250,000 or more and $2 thousand in brokered deposits under $250,000, and no deposits held in foreign offices reported.

During the fourth quarter of 2013, all banks and thrifts in the U.S. experienced an increase in total deposits, with core deposits also increasing. While non-core deposits declined, time deposits over $250,000 and brokered deposits of $250,000 or less increased, and deposits in foreign offices declined. Borrowed money declined during the fourth quarter, with declines in Federal funds purchased and increases in FHLB advances and other borrowings.

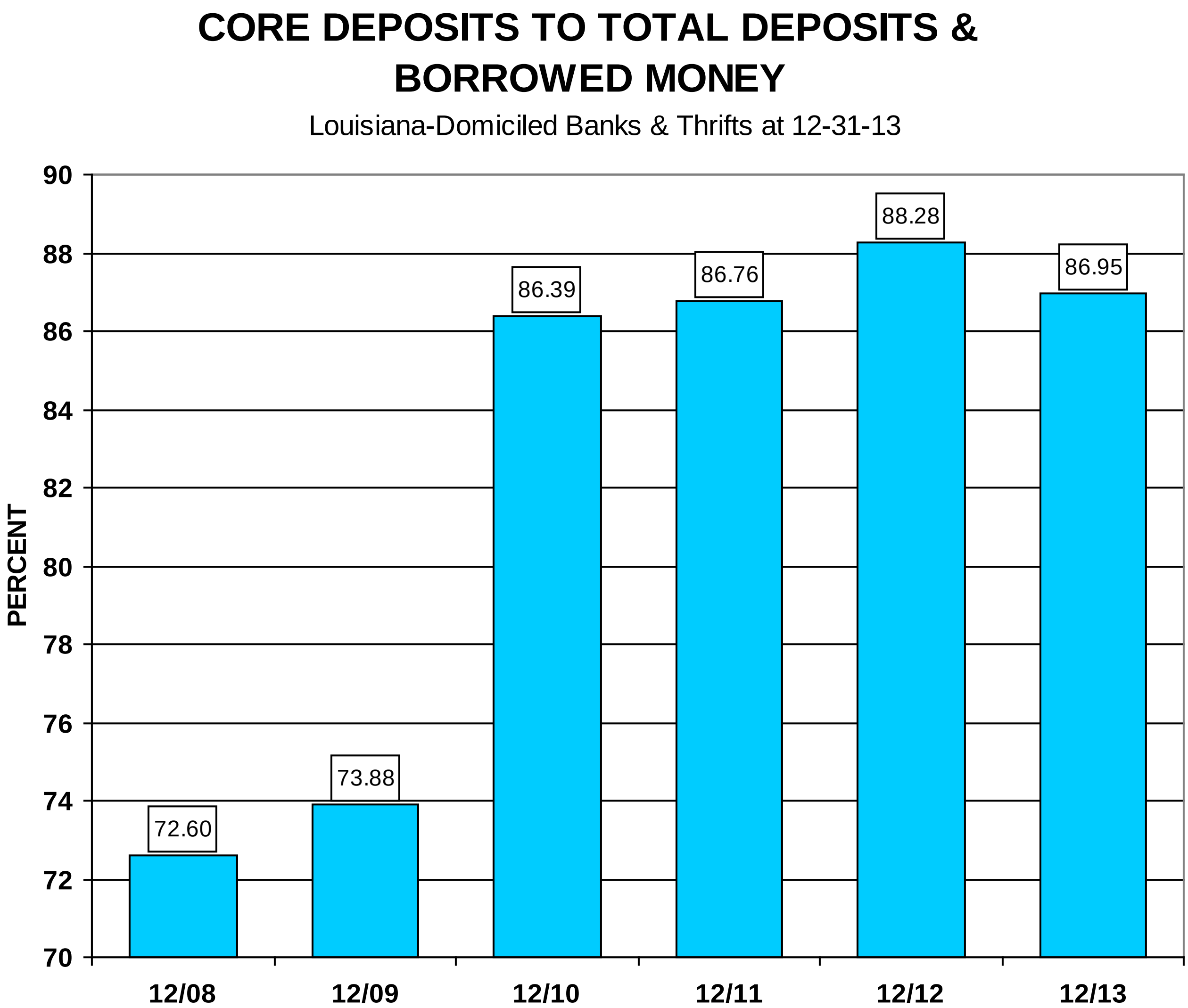

Figure 5

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 fourth quarter of 2013, going from 87.01 percent at September 30, 2013, to 86.95 percent at December 31, 2013.

For Louisiana state-chartered banks and thrifts, the ratio of core deposits to total deposits and borrowed money increased slightly from 87.49 percent as of September 30, 2013, to 87.51 percent as of December 31, 2013. For Louisiana-domiciled federally-chartered banks and thrifts, this ratio decreased from 83.55 percent as of September 30, 2013, to 82.88 percent as of December 31, 2013.

For all banks and thrifts in the U.S., the ratio of core deposits to total deposits and borrowed money increased from 70.08 percent at September 30, 2013, to 70.60 percent at December 31, 2013.

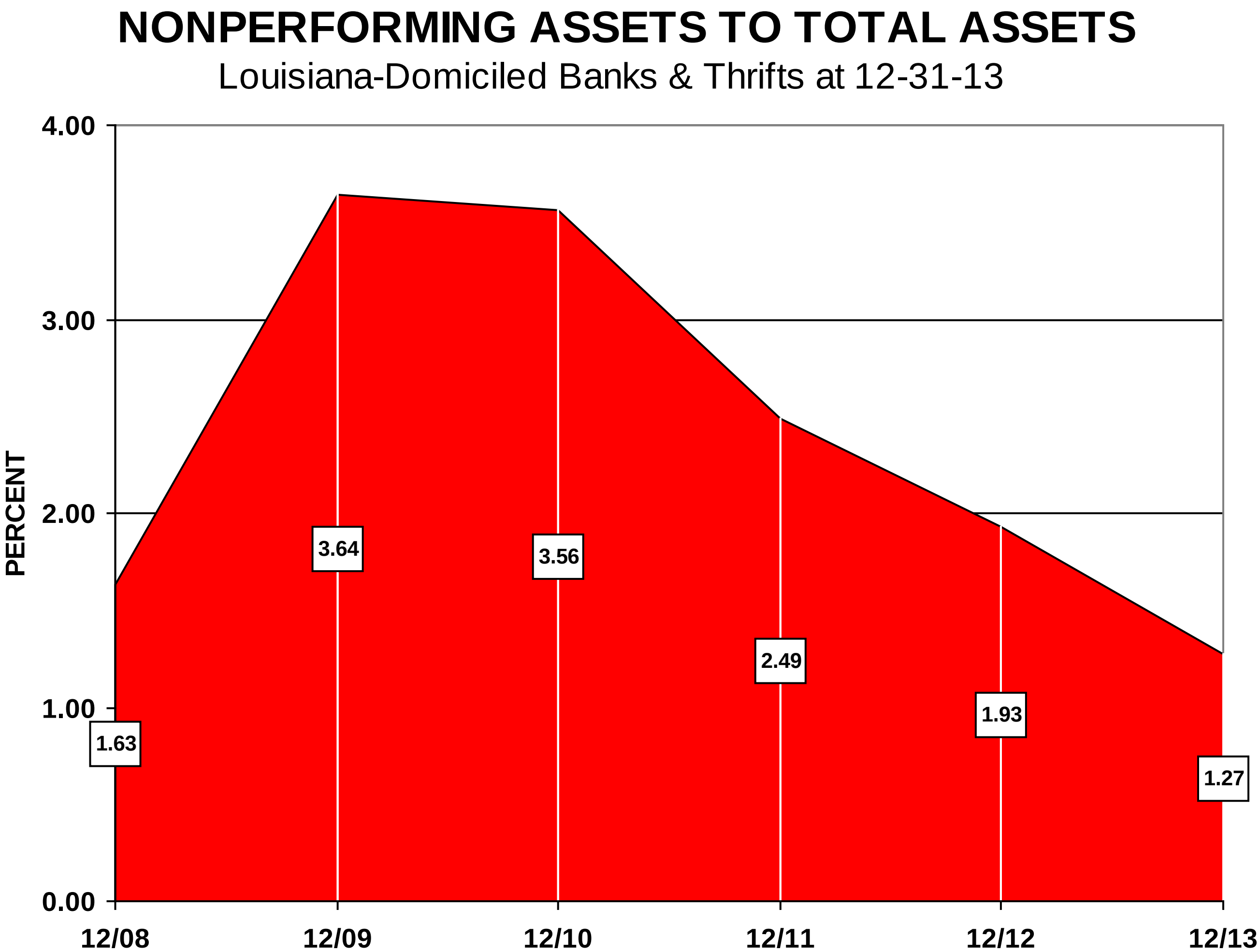

Figure 6

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 has continued to decline steadily. While the dollar volume of nonperforming assets associated with all the acquisitions of out-of-state failed institutions was available, the dollar volume of total assets was not available. Therefore, the estimated change in the ratio of nonperforming assets to total assets from September 30, 2010, forward, adjusted for these specific assets, was not available.

The volume of nonperforming assets (noncurrent loans as defined below plus other real estate owned (OREO)) decreased during the fourth quarter of 2013, going from $1.08 billion at September 30, 2013, to $910 million at December 31, 2013, a decrease of $168 million or 15.57 percent. Nonperforming assets associated with the acquisition of failed out-of-state institutions totaled $313 million and $226 million at of September 30, 2013, and December 31, 2013, respectively. Excluding these assets, the volume of nonperforming assets would decline from $765 million at September 30, 2013, to $684 million at December 31, 2013, a decrease of $81 million or by 10.56 percent. The ratio of nonperforming assets to total assets decreased from 1.53 percent at September 30, 2013, to 1.27 percent at December 31, 2013. This ratio, excluding the assets acquired from the out-of-state failed institutions, would have also likely similarly declined in the fourth quarter of 2013; however, because the assets associated with these acquisitions were not available, the estimated change in the ratio was not available.

Aggregate noncurrent loans (loans past due 90 days or more and accruing interest plus nonaccrual loans) decreased from $774 million at September 30, 2013, to $656 million at December 31, 2103, a decline of $118 million or by 15.22 percent. Excluding the loans acquired from the out-of-state failed institutions, aggregate noncurrent loans decreased from $547 million at September 30, 2013, to $491 million at December 31, 2013, a decrease of $56 million or by 10.24 percent. With this decline and loan growth in the fourth quarter, the ratio of noncurrent loans to gross loans decreased from 1.71 percent at September 30, 2013, to 1.40 percent at December 31, 2013. 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, 2013, and December 31, 2013, was not available. OREO decreased from $304 million as of September 30, 2013, to $254 million as of December 31, 2013, a decline of $50 million or by 16.45 percent. Excluding the OREO that was acquired from the out-of-state failed institutions, OREO decreased from $218 million at September 30, 2013, to $193 million at December 31, 2013, a decline of $25 million or by 11.37 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. A**djusted noncurrent loans and adjusted OREO in Figure 7 below are net of the assets acquired from the failed out-of-state institutions acquired in 2009 and 2010.**

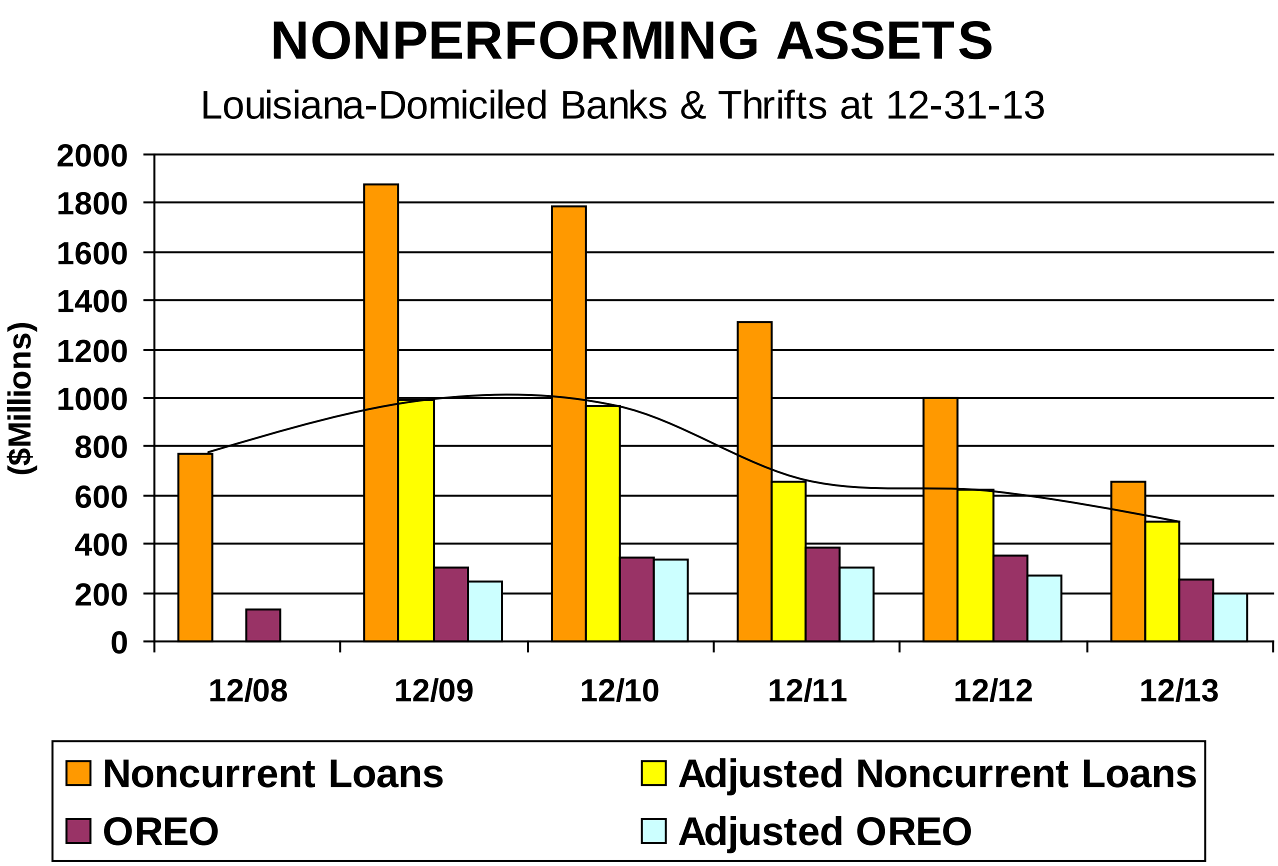

Figure 7

In the fourth quarter of 2013, for Louisiana state-chartered banks and thrifts, noncurrent loans decreased from $690 million to $582 million, and OREO decreased from $274 million to $226 million. From September 30, 2013, to December 31, 2013, the ratios of nonperforming assets to total assets and noncurrent loans to gross loans for Louisiana state-chartered banks and thrifts decreased from 1.56 percent to 1.28 percent and from 1.74 percent to 1.41 percent, respectively. Excluding the assets acquired from the out-of-state failed institutions, noncurrent loans would decrease from $463 million to $416 million, while OREO would decrease from $189 million to $166 million. As noted previously, assets and gross loans acquired from the out-of-state failed institutions were unavailable. Adjusted noncurrent loans and nonperforming assets decreased in the third and fourth quarters of 2013, while the unadjusted gross loans increased and unadjusted total assets increased in both quarters. Therefore, it is likely that the adjusted ratios would have declined in both quarters, if gross loans and total assets associated with the out-of-state failed institutions were still available.

In the fourth quarter, noncurrent loans decreased from $84 million to $74 million and OREO decreased from $29 million to $27 million in Louisiana-domiciled federally-chartered banks and thrifts. From September 30, 2013, to December 31, 2013, the ratios of nonperforming assets to total assets and noncurrent loans to gross loans for Louisiana-domiciled federally-chartered banks and thrifts decreased from 1.31 percent to 1.16 percent and from 1.51 percent to 1.33 percent, respectively. For all commercial banks and thrifts in the U.S., nonperforming assets decreased from September 30, 2013, to December 31, 2013, as noncurrent loans and OREO both decreased. As a result, the ratio of nonperforming assets to total assets decreased from 1.75 percent to 1.63 percent, and the ratio of noncurrent loans to total loans decreased from 2.83 percent to 2.62 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 December 31, 2013, Louisiana-domiciled banks and thrifts reported the carrying amount of loans, OREO, and other assets covered by FDIC loss-sharing agreements at $741 million, $63 million, and $69 thousand, respectively, or a total of $805 million. The total carrying amount of these assets represented 1.71 percent and 1.12 percent of gross loans plus OREO and total assets, respectively. At September 30, 2013, Louisiana-domiciled banks and thrifts reported the carrying amount of loans, OREO, and other assets covered by FDIC loss-sharing agreements at $831 million, $93 million, and $45 thousand, respectively, or a total of $923 million. The total carrying amount of these assets represented 2.02 percent and 1.30 percent of gross loans plus OREO and total assets, respectively, reported as of this date.

At December 31, 2013, noncurrent loans covered by the FDIC loss-share agreements totaled $170 million, or 25.94 percent of the total noncurrent loans, compared to $233 million, or 30.07 percent of total noncurrent loans, at March 31, 2013. At December 31, 2013, OREO covered by these loss-sharing agreements totaled $63 million, or 25.05 percent of total OREO, compared to $93 million, or 30.54 percent of total OREO, at September 30, 2013.

Beginning with the March 31, 2011, Call and Thrift Financial Reports, banks and thrifts also began reporting the portion of loans and OREO protected by these loss-sharing agreements, which is the amount recoverable from the FDIC on the assets covered by the loss-sharing agreements. At December 31, 2013, the portion of noncurrent loans protected by these loss-sharing agreements totaled $155 million, or 23.63 percent of total noncurrent loans, compared to $211 million, or 27.34 percent of total noncurrent loans, at September 30, 2013. At December, 2013, the portion of OREO protected by these loss-sharing agreements totaled $58 million, or 22.78 percent of total OREO, compared to $82 million, or 26.97 percent of total OREO, at September 30, 2013.

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 0.67 percent and 0.074 percent of gross loans and OREO, respectively, at December 31, 2013, and September 30, 2013. With declines in the carrying of amounts of debt securities and a slight increase in other assets covered by loss-sharing agreements, the ratio of covered assets to total assets declined to 0.37 percent at December 31, 2013, from 0.41 percent at September 30, 2013.

For all commercial banks and thrifts in the U.S., at December 31, 2013, covered noncurrent loans represented 3.67 percent of total noncurrent loans, compared to 3.93 percent at September 30, 2013. At December 31, 2013, covered OREO represented 8.14 percent of total OREO, compared to 8.77 percent at September 30, 2013. At December 31, 2013, protected noncurrent loans represented 2.99 percent of total noncurrent loans, compared to 3.20 percent at September 30, 2013. At December 31, 2013, protected OREO represented 6.24 percent of total OREO, compared to 6.83 percent at September 30, 2013.

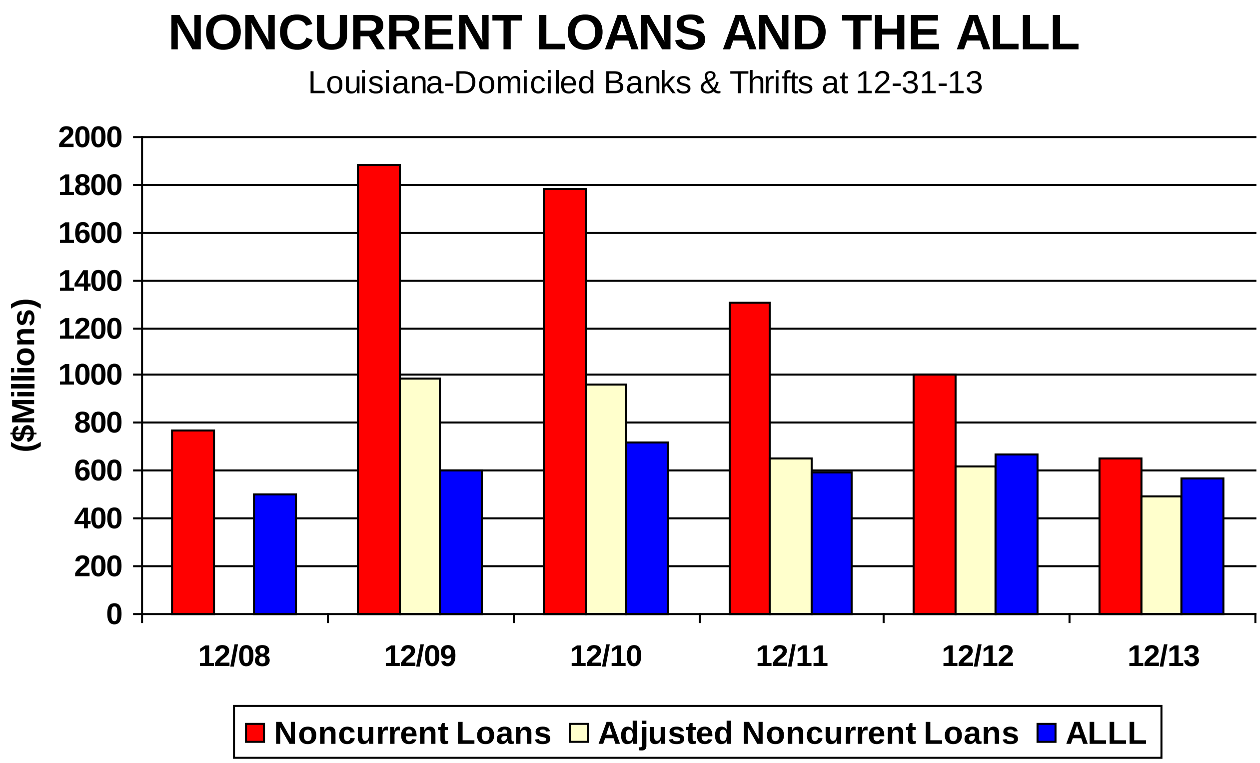

Figure 8

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 and the 20 quarters since then, the level of noncurrent loans has exceeded the level of the ALLL.

For both Louisiana state-chartered banks and thrifts and Louisiana-domiciled federally-chartered banks and thrifts, the level of noncurrent loans exceeded the level of the ALLL at year-end 2008 and the 20 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.

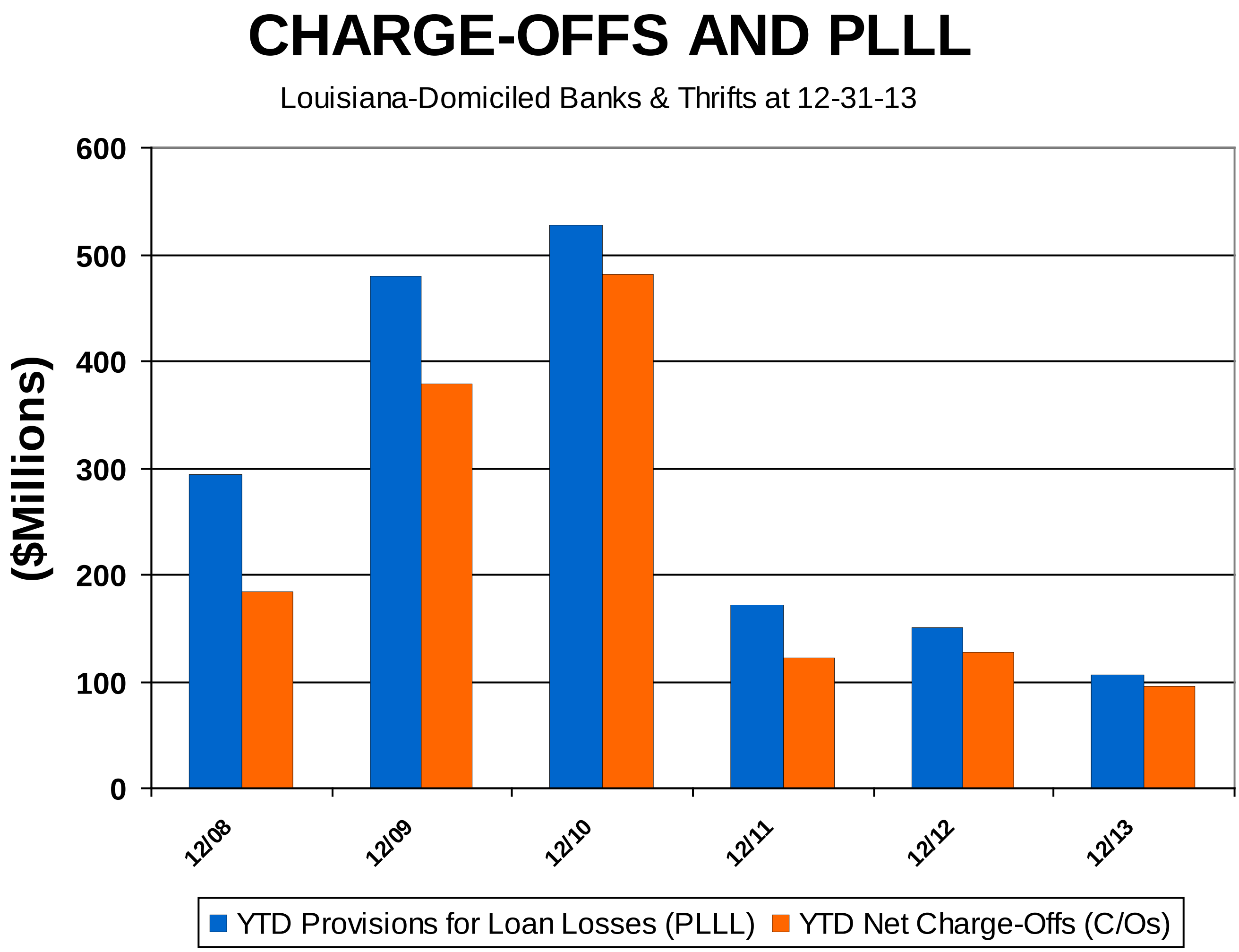

Figure 9

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 shown for Louisiana-domiciled banks and thrifts.

For Louisiana-domiciled banks and thrifts, net charge-offs recognized in the fourth quarter of 2013 totaled $34 million, an increase from the $21 million in the third quarter of 2013. The annualized net charge-off ratio for the quarter ending December 31, 2013, increased to 0.29 percent, from 0.19 percent for the quarter ending September 30, 2013. Based on year-to-date (YTD) net charge-offs reported at $95 million, the ratio of net charge-offs to total loans for the 2013 year increased slightly to 0.21 percent at December 31, 2013, from 0.19 percent at September 30, 2013. For the calendar years 2012, 2011, and 2010, net charge-offs totaled $128 million, $126 million, and $485 million, respectively, with the net charge-off ratios of 0.31 percent, 0.34 percent, and 1.24 percent, respectively.

From September 30, 2013, to December 31, 2013, quarterly net charge-offs increased substantially from $20 million to $30 million for Louisiana state-chartered banks and thrifts. For these institutions, the annualized net charge-off ratio, based on quarterly charge-offs, increased from 0.20 percent to 0.29 percent. The net charge-off ratio for 2013, based on net charge-offs of $84 million for the year, increased from 0.19 percent at September 30, 2013, to 0.22 percent at December 31, 2013. In comparison, net charge-offs totaled $115 million, $109 million, and $142 million, for the calendar years 2012, 2011, and 2010, respectively, with the net charge-off ratios of 0.32 percent, 0.34 percent, and 0.54 percent, respectively.

From September 30, 2013, to December 31, 2013, quarterly net charge-offs increased from $1 million to $4 million for Louisiana-domiciled federally-chartered banks and thrifts. These institutions saw the annualized net charge-off ratio, based on quarterly net charge-offs, increase from 0.08 percent to 0.28 percent. The net charge-off ratio for 2013, based on net charge-offs of $11 million for the year, increased from 0.18 percent at September 30, 2013, to 0.21 percent at December 31, 2013. In comparison, net charge-offs totaled $13 million, $17 million, and $343 million, for the calendar years 2012, 2011, and 2010, respectively, with the YTD net charge-off ratios at 0.26 percent, 0.38 percent, and 2.67 percent, respectively. The merger of a large national bank into a state-chartered bank in the second quarter of 2011 significantly reduced the dollar volume of net charge-offs for Louisiana-domiciled federally-chartered banks and thrifts in 2011 from prior years.

For Louisiana-domiciled banks and thrifts, loan loss reserves decreased to $566 million at December 31, 2013, from $576 million at September 30, 2013, and the ratio of loan loss reserves to total loans decreased to 1.21 percent at December 31, 2013, from 1.27 percent at September 30, 2013. 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; and 1.55 as of December 31, 2012.

For Louisiana-domiciled banks and thrifts, loan loss provisions totaled $23 million during the third quarter of 2013, or 0.13 percent of average assets, as compared to $33 million during the fourth quarter of 2013, or 0.18 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 $504 million at December 31, 2013, a decrease from $512 million at September 30, 2013. During the fourth quarter, the ratio of loan loss reserves to total loans decreased to 1.22 percent at December 31, 2013, from 1.29 percent at September 30, 2013. Loan loss provisions in the fourth quarter totaled $30 million, an increase from $20 million in the third 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 decreased to $63 million at December 31, 2013, from $64 million at September 30, 2013. As a result, the ratio of loan loss reserves to total loans decreased nominally to 1.12 percent at December 31, 2013, from 1.15 percent at September 30, 2013. Loan loss provisions for the fourth quarter totaled $3 million, the same level as the third quarter. For the calendar years 2013, 2012, and 2011, loan loss provisions totaled $13 million, $15 million, and $18 million, respectively. The merger of a large national bank into a state-chartered bank in the second quarter of 2011 significantly reduced the dollar volume of loan loss provisions for Louisiana-domiciled federally-chartered banks and thrifts in 2011 from the prior year.

For all banks and thrifts in the U.S., net charge-offs recognized in the fourth quarter of 2013 totaled $11.70 billion, a slight increase from the $11.68 billion in the second quarter of 2013. However, the annualized net charge-off ratio for the quarter ending December 31, 2013, remained at the 0.60 percent ratio from the quarter ending September 30, 2013. Net charge-offs for 2013 totaled $53.22 billion, with the net charge-off ratio for the year decreasing to 0.69 percent as of December 31, 2013, from 0.72 percent as of September 30, 2013. For the calendar years 2012, 2011, and 2010, net charge-offs totaled $82.22 billion, $113.23 billion, and $187.62 billion, respectively, with YTD net charge-off ratios of 1.10 percent, 1.55 percent, and 2.55 percent, respectively.

For all banks and thrifts in the U.S., loan loss reserves totaled $135.89 billion at December 31, 2013, a decrease from $142.57 billion at September 30, 2013. As a result, the ratio of loan loss reserves to total loans declined to 1.72 percent at December 31, 2013, from 1.83 percent at September 30, 2013. Loan loss provisions for the fourth quarter totaled $7.00 billion, an increase from $5.80 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.

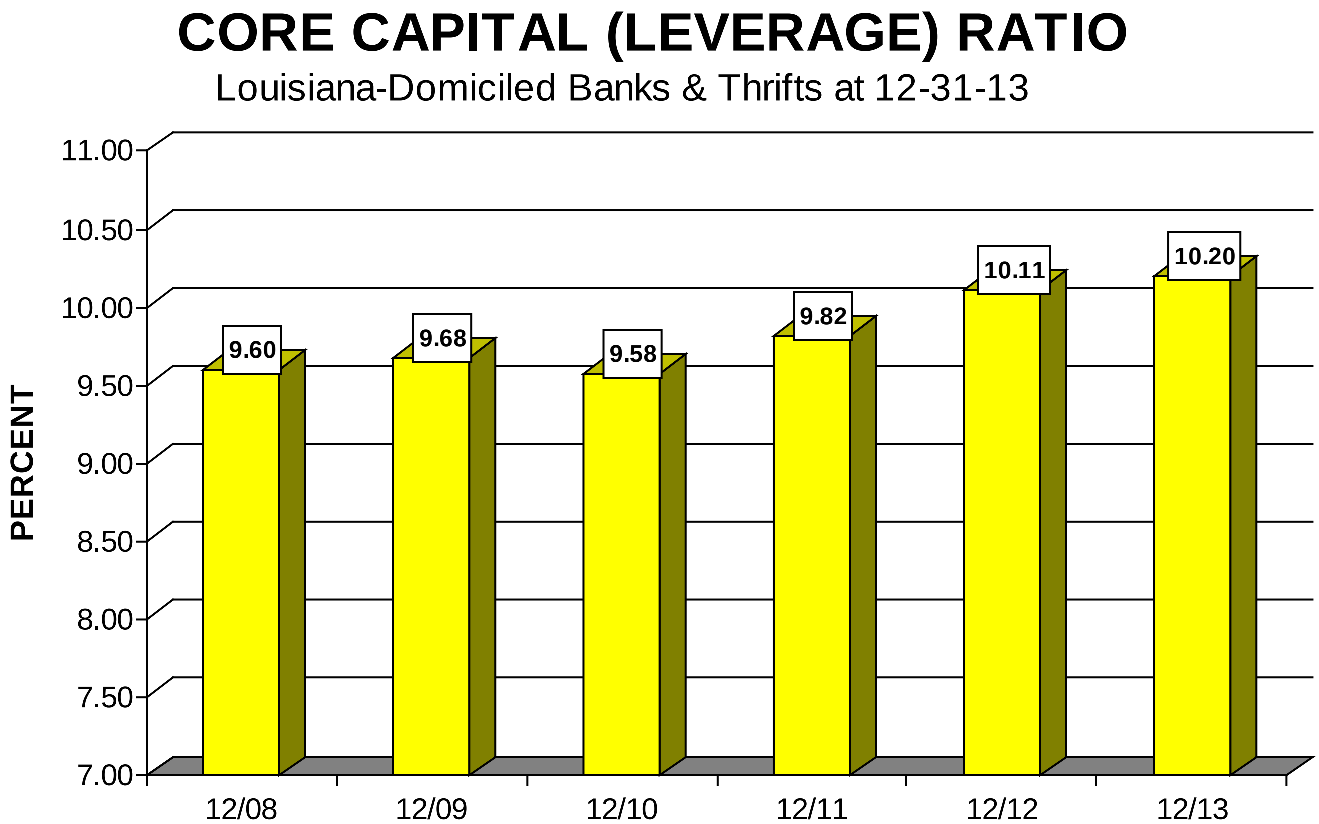

Figure 10

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 December 31, 2013, increased by 9 basis points from the ratio reported at December 31, 2012. However, during the fourth quarter, the Core capital (leverage) ratio decreased minimally, going from 10.21 percent at September 30, 2013, to 10.20 percent at December 31, 2013. Although Tier 1 (core) capital increased from $7.04 billion at September 30, 2013, to $7.15 billion at December 31, 2013, quarterly average assets also increased but at a slightly higher rate. Louisiana-domiciled banks and thrifts paid dividends of $81 million in the fourth quarter of 2013, compared to dividends of $67 million in the third quarter.

During the fourth quarter of 2013, Tier 1 (core) capital increased by $95 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 9.90 percent to 9.92 percent. In addition, dividends paid by Louisiana state-chartered banks and thrifts during the fourth quarter increased by $11 million from the level paid in the third quarter. During the fourth quarter of 2013, Tier 1 (core) capital increased by $9 million in Louisiana-domiciled federally-chartered banks and thrifts, and their Core capital (leverage) ratio decreased from 12.37 percent to 12.13 percent due to a higher increase in quarterly average assets. Dividends paid by Louisiana-domiciled federally-chartered banks and thrifts during the fourth quarter increased by $3 million over the level paid in the third quarter.

For all banks and thrifts in the U.S., Tier 1 (core) capital increased during the fourth quarter of 2013. With this increase and a an increase in quarterly average assets, the Core capital (leverage) ratio increased slightly from 9.40 percent at September 30, 2013, to 9.41 percent at December 31, 2013. Cash dividends paid by these banks and thrifts in the fourth quarter of 2013 increased by $6.16 billion over the level paid during the third quarter of 2013.

At December 31, 2013, there were 57 state-chartered banks and thrifts and 7 national banks and federally-chartered thrifts, or approximately 45 percent, of the 142 Louisiana-domiciled banks and thrifts, that had elected tax treatment as a Subchapter S corporation, as compared to approximately 32 percent of all banks and thrifts in the U.S.

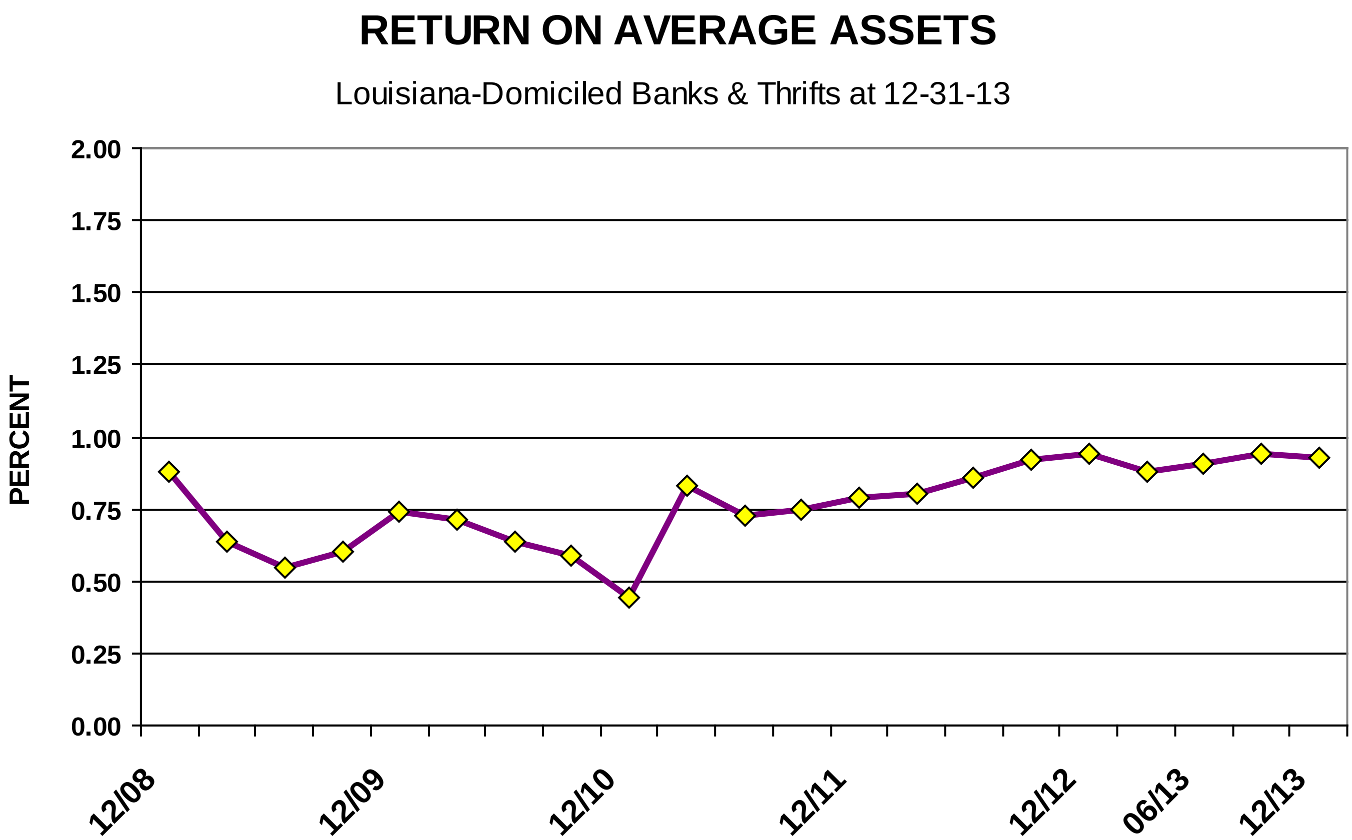

Figure 11

Figure 11 above reflects the annualized year-to-date ROAA for all Louisiana banks and thrifts since year-end 2008. Earnings for the fourth quarter of 2013 decreased from the previous quarter. Net income for the fourth quarter of 2013 totaled $165.44 million, for a return on average assets (ROAA) of 0.93 percent annualized, as compared to net income for the third quarter of 2013, which totaled $172.78 million, or an ROAA of 0.98 percent annualized. An increase in provisions for loan losses and noninterest expenses offset increases in net interest and noninterest income. As shown in the chart above, the YTD ROAA decreased slightly to 0.93 percent at December 31, 2013, from 0.94 percent at September 30, 2013. At December 31, 2013, two Louisiana banks and thrifts reported YTD net operating losses, which stayed the same from September 30, 2013. At December 31, 2013, the percentage of unprofitable Louisiana-domiciled bank and thrifts was 1.41 percent, while the nationwide percentage was 7.84 percent.

For the fourth quarter of 2013, all banks and thrifts in the U.S. reported net income of $40.26 billion, for an annualized ROAA of 1.10 percent, as compared to net income of $36.01 billion, for an annualized ROAA of 0.99 percent for the third quarter of 2013. Decreased noninterest expenses were the primary factor contributing to the increase in net income for the fourth quarter. With the increase in net income in the fourth quarter, the YTD ROAA also increased slightly from 1.06 percent at September 30, 2013, to 1.07 percent at December 31, 2013.

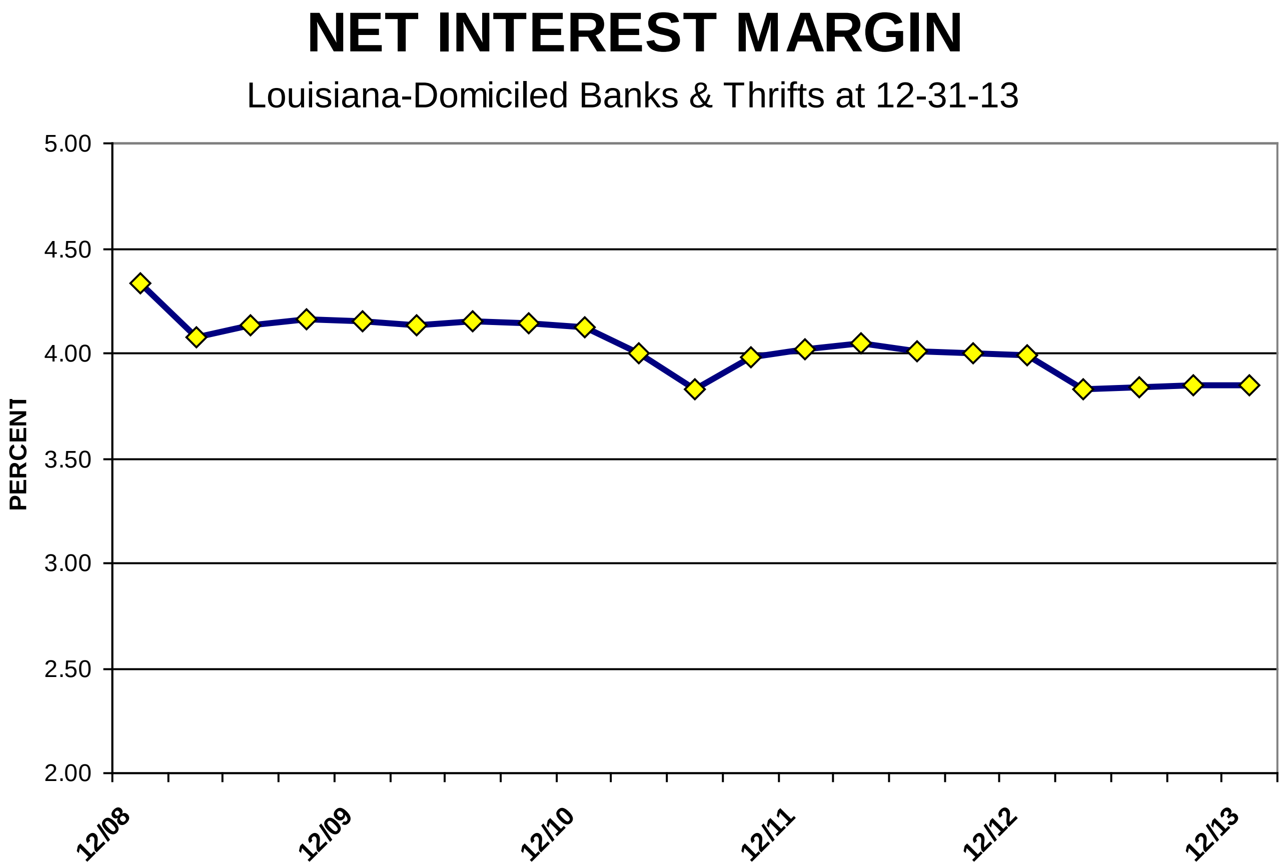

Figure 12

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 remained at from 3.85 percent from September 30, 2013, to December 31, 2013. The aggregate yield on earning assets declined from 4.37 percent to 4.35 percent, while the cost of funds decreased from 0.51 percent to 0.50 percent.

During the fourth quarter of 2013, the net interest margin for Louisiana state-chartered banks and thrifts declined from 3.85 percent to 3.83 percent, while the net interest margin for Louisiana-domiciled federally-chartered banks and thrifts increased from 3.91 percent to 3.92 percent. The yield on earning assets decreased from 4.36 percent to 4.33 percent for Louisiana state-chartered banks and thrifts and from 4.44 percent to 4.43 percent for Louisiana-domiciled federally-chartered banks and thrifts. The cost of funds decreased nominally from 0.51 percent to 0.50 percent for Louisiana state-chartered banks and thrifts and from 0.53 percent to 0.52 percent for Louisiana-domiciled federally-chartered banks and thrifts.

For all banks and thrifts in the U.S., the net interest margin remained at 3.26 percent from September 30, 2013, to December 31, 2013. During the same time frame, the yield on earning assets decreased nominally from 3.69 percent to 3.68 percent, while the cost of funds also decreased nominally from 0.43 percent to 0.42 percent.

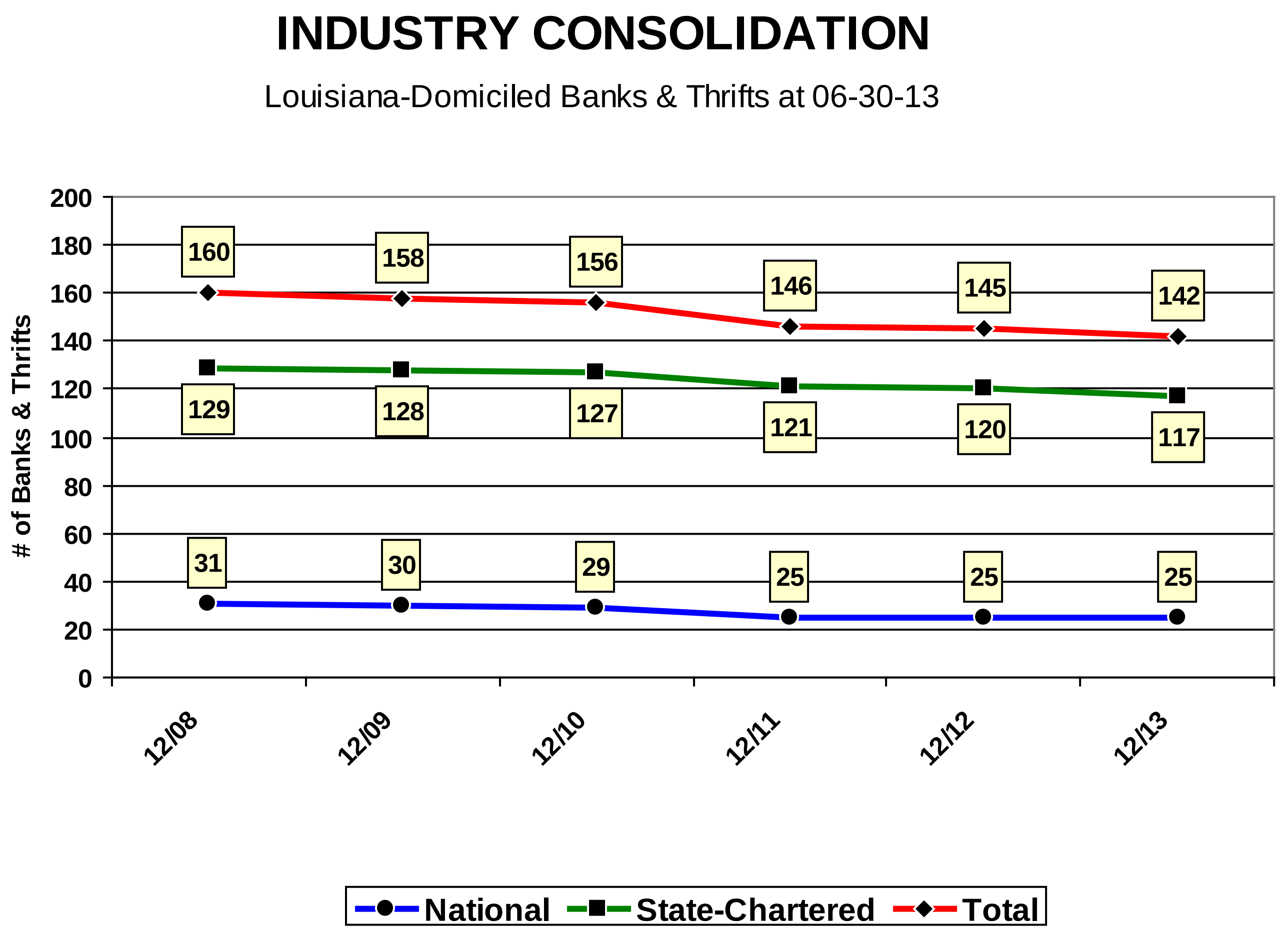

Figure 13

MERGERS AND ACQUISITIONS

Figure 13 above reflects the number of Louisiana-domiciled bank and thrifts since year-end 2008. While no mergers took place during the third and fourth quarters, several pending mergers were announced. One Louisiana state-chartered bank will merge with and into its out-of-state sister bank, a state-chartered bank will acquire another state-chartered bank, and an out-of-state bank will acquire another state-chartered bank. The first transaction is expected to close in the first quarter of 2014, while the other transactions are expected to close in the second quarter of 2014.

As of December 31, 2013, there were 142 banks and thrifts domiciled in Louisiana. This included 117 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 11.25 percent.

Nationwide, the number of banks and thrifts declined from 6,891 as of September 30, 2013, to 6,812 as of December 31, 2013, or by 79 institutions during the fourth quarter. During the fourth quarter of 2013, only 2 banks and thrifts failed, compared to 6 failures in the third quarter of 2013. For 2013, there were 24 failures, compared to 2012, 2011, and 2010, when there were 51, 92, and 157 failures, respectively.

In Louisiana, we experienced one bank failure in both 2010 and 2011. During the fourth quarter of 2013, there was 1de novo institution chartered, the first de novo charter since 2010 when two de novo institutions (not chartered to acquired failed banks) were chartered, including one Louisiana state-chartered institution that opened on July 26, 2010.

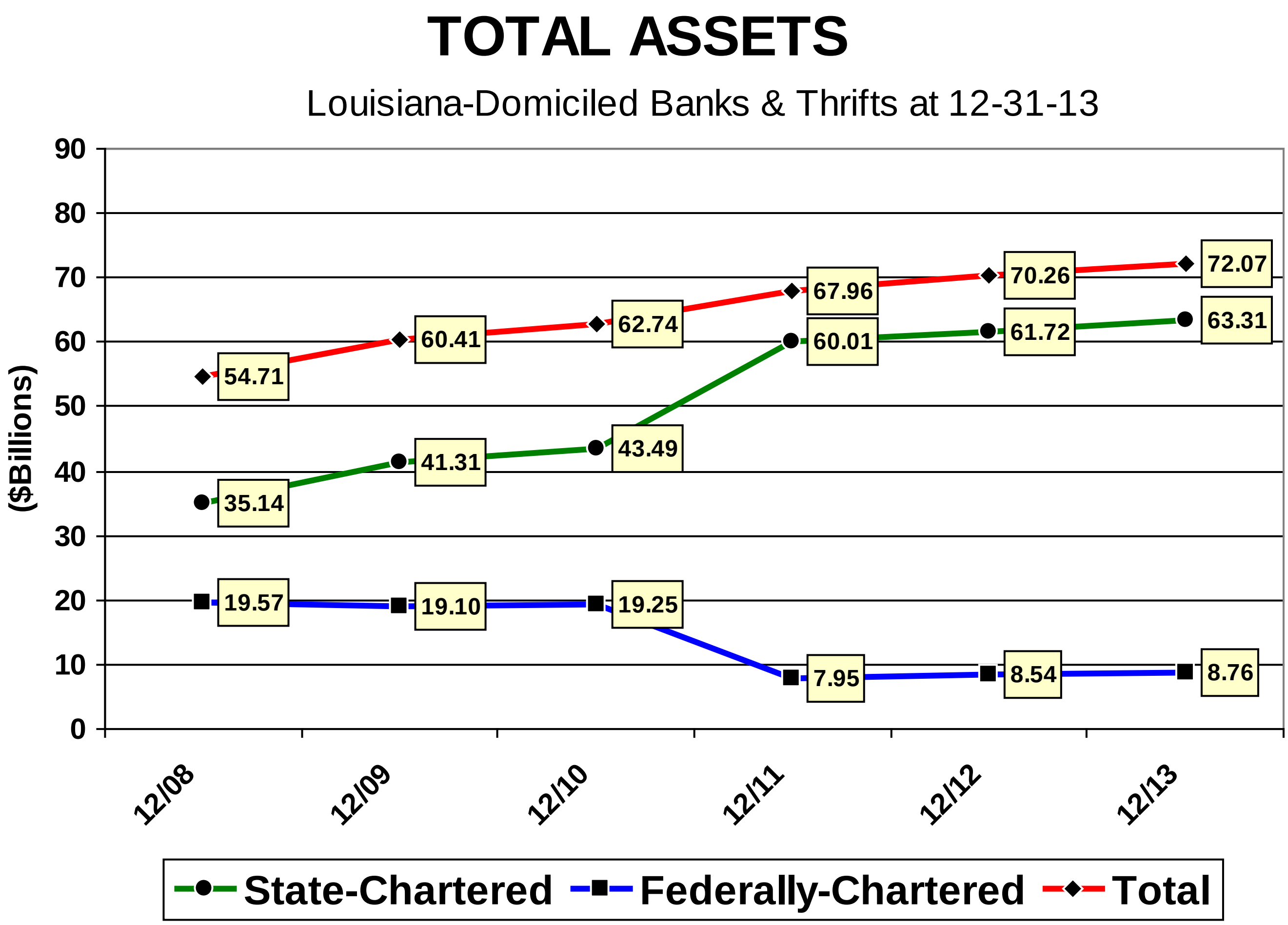

Figure 14

Figure 14 above reflects the trend in total assets for state-chartered banks and thrifts, Louisiana-domiciled federally-chartered banks and thrifts, and all Louisiana-domiciled banks and thrifts since year-end 2008. Total assets for all Louisiana-domiciled banks and thrifts increased from $70.79 billion at September 30, 2013, to $72.08 billion at December 31, 2013, 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 16 of the past 20 quarters, despite some industry consolidation since year-end 2008, with increases in the most recent two quarters.

At December 31, 2013, Louisiana state-chartered banks and thrifts held assets totaling $63.31 billion, or 87.84 percent of the Louisiana banking industry's $72.08 billion in total assets. One out-of-state bank holding company located in Mississippi owns a Louisiana-domiciled bank subsidiary, which is a state-chartered bank, with total assets of $13.02 billion, or 18.06 percent of the total assets for all Louisiana-domiciled banks and thrifts. As mentioned previously, this bank will merge with and into its out-of-state sister bank in the first quarter of 2014.

Total assets for all banks and thrifts in the U.S. increased from $14.60 trillion at September 30, 2013, to $14.72 trillion at December 31, 2013, and the number of banks and thrifts declined as noted previously.

BANK AND THRIFT SUMMARY AT DECEMBER 31, 2013

During the fourth quarter of 2013, the overall financial condition of Louisiana-domiciled banks and thrifts remained sound with further improvement in asset quality but a decline in quarterly earnings. The fourth quarter of 2013 saw a modest increase in total assets, total deposits, and Tier 1 (core) capital. During the fourth quarter, core deposits as a percent of total deposits and borrowed money declined slightly from the prior quarter, primarily due to borrowed money increasing faster than core deposits. Although earnings for the fourth quarter decreased modestly, due primarily to an increase in provisions for loan and lease losses during that period, earnings for the 2013 year exceeded that reported for 2012. With quarterly average assets increasing slightly faster than Tier 1 (core) capital increasing, the Core capital (leverage) ratio decreased; however, all capital ratios remain well above minimum regulatory requirements. During the fourth quarter of 2013, asset quality continues to show improvement as the dollar volume and ratio of nonperforming assets declined, both with and excluding assets associated with the acquisition of the out-of-state failed institutions. The net charge-off ratio increase slightly during the fourth quarter and but 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. Cyber security and hurricane preparedness will remain high priorities to state and federal regulators in the upcoming year.

BANK AND THRIFT LAGNIAPPE

- At December 31, 2013, the breakdown of **all** Louisiana-domiciled **banks & thrifts** by asset size is as follows:

Asset Size	Number	No. %	Total Assets *	TA %
Assets < $100 Million	33	23	$2,153,065	3
Assets $100 Million to $300 Million	64	45	11,540,879	16
Assets $300 Million to $500 Million	19	13	6,957,999	10
Assets $500 Million to $1 Billion	19	13	14,048,040	19
Assets $1 Billion to $10 Billion	5	4	11,064,599	15
Assets > $10 Billion	2	2	26,311,250	37
TOTAL ASSETS	142	100	$72,075,832	100

- At December 31, 2013, the breakdown of Louisiana **state-chartered banks & thrifts** by asset size is as follows:

Asset Size	Number	No. %	Total Assets *	TA %
Assets < $100 Million	27	23	$1,788,607	3
Assets $100 Million to $300 Million	53	45	9,412,073	15
Assets $300 Million to $500 Million	16	14	5,961,287	9
Assets $500 Million to $1 Billion	15	13	10,622,249	17
Assets $1 Billion to $10 Billion	4	3	9,216,082	15
Assets > $10 Billion	2	2	26,311,250	41
TOTAL ASSETS	117	100	$63,311,548	100

- At December 31, 2013, 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	$364,458	4
Assets $100 Million to $300 Million	11	44	2,128,806	24
Assets $300 Million to $500 Million	3	12	996,712	12
Assets $500 Million to $1 Billion	4	16	3,425,791	39
Assets $1 Billion to $10 Billion	1	4	1,848,517	21
TOTAL ASSETS	25	100	$8,764,284	100

* Thousands

CRA RATINGS FOR LOUISIANA-DOMICILED BANKS AND THRIFTS AT DECEMBER 31, 2013

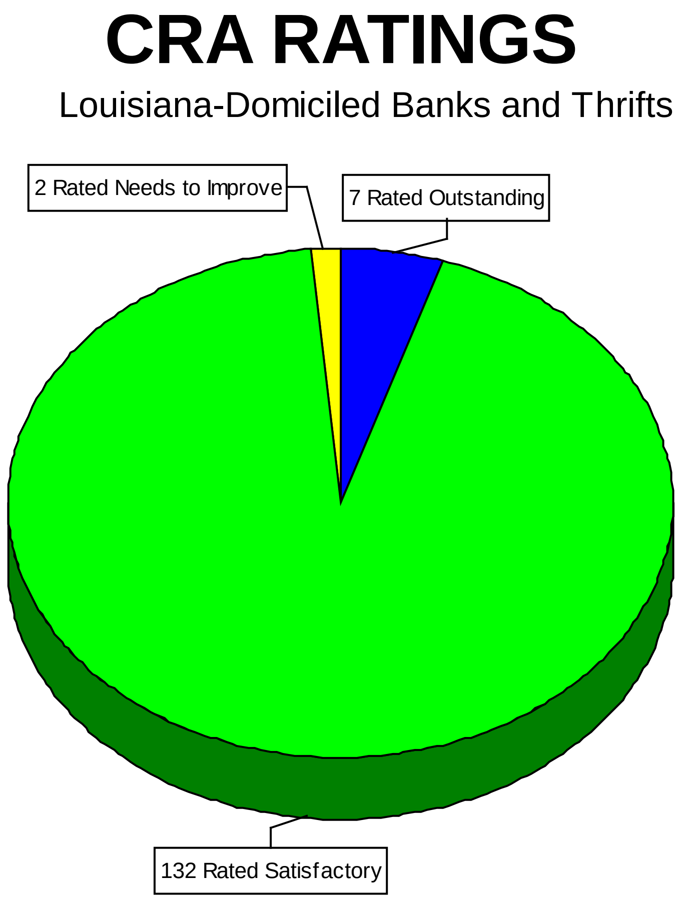

Figure 15

(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, 2013.)

As demonstrated, Louisiana-domiciled banks and thrifts continue to work aggressively to meet the requirements of the Community Reinvestment Act. All but one 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 at their last examination. Some 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 year ending December 31, 2013, is 1.06 percent, while the ROAA for U. S. banks and thrifts for the year ending December 31, 2013, is 0.88 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 also but 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.*