

LOUISIANA-DOMICILED BANKS AND THRIFTS FINANCIAL REPORT

For the Quarter Ended
December 31, 2014



STATE OF LOUISIANA OFFICE OF FINANCIAL INSTITUTIONS

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FINANCIAL CONDITION OF LOUISIANA-DOMICILED BANKS & THRIFTS AT DECEMBER 31, 2014

During the fourth quarter of 2014, total assets for all Louisiana-domiciled banks and thrifts increased from \$62.73 billion to \$64.03 billion, an increase of \$1.30 billion or by 2.08 percent. Total loans and leases increased from \$42.75 billion to \$43.73 billion or by 2.30 percent. Total securities decreased from \$12.62 billion to \$12.61 billion or by 0.02 percent. Federal funds sold increased from \$496 million to \$514 million or by 3.59 percent. Cash increased from \$3.37 billion to \$3.69 billion or by 9.47 percent. Regarding liabilities, total deposits increased from \$51.95 billion to \$53.09 billion or by 2.20 percent, while borrowed money increased from \$3.12 billion to \$3.23 billion or by 3.60 percent.

For Louisiana state-chartered banks and thrifts, total assets increased by 2.21 percent during the fourth quarter of 2014. All four major categories of assets, Federal funds sold, cash, total loans, and securities, increased. Regarding liabilities, total deposits and borrowed money both increased. For Louisiana-domiciled federally-chartered banks and thrifts, total assets increased by 1.30 percent during the fourth quarter of 2014. Total loans and cash increased, while Federal funds sold and securities decreased. Regarding liabilities, total deposits increase, 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, 2014; and for all Louisiana-domiciled banks and thrifts for the years ended December 31, 2014, 2013, 2012, and 2011. **The overall financial performance of Louisiana-domiciled banks and thrifts continues to compare very favorably with all banks and thrifts in the U.S.**

TRENDS	U. S. Banks & Thrifts	All Louisiana-Domiciled Banks & Thrifts			
	Year Ended 12/31/2014	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2012	Year Ended 12/31/2011
Earnings					
Yield on Earning Assets	3.49%	4.46% ↑	4.35% ↓	4.62% ↓	4.88%
Cost of Funds	0.35%	0.49% ↓	0.50% ↓	0.64% ↓	0.86%
Net Interest Margin	3.14%	3.97% ↑	3.85% ↓	3.99% ↓	4.02%
Loan Loss Provisions to Average Assets	0.20%	0.21% ↑	0.15% ↓	0.22% ↓	0.29%
Operating Expenses to Average Assets	2.79%	3.15% ↓	3.17% –	3.17% ↓	3.30%
Return on Average Assets	1.01%	1.00% ↑*	0.93% ↓*	0.94% ↑*	0.79% *
Asset Quality					
Noncurrent Loans to Total Loans	1.96%	1.13% ↓#*	1.40% ↓#*	2.32% ↓#*	3.18%#*
Nonperforming Assets to Total Assets	1.20%	1.03% ↓#*	1.27% ↓#*	1.93% ↓#*	2.49%#*
Net Charge-offs to Total Loans	0.49%	0.20% ↓	0.21% ↓	0.31% ↓	0.34%
Capital and Liquidity					
Tier 1 Leverage Capital Ratio	9.46%	10.32% ↑	10.20% ↑	10.11% ↑	9.82%
Earning Assets to Total Assets	90.78%	91.96% ↑	91.45% ↑	90.50% ↑	89.43%
Loans to Deposits	69.59%	81.36% ↑	77.17% ↑	72.77% ↓	72.89%

At December 31, 2014 (for all Louisiana-domiciled banks and thrifts), the **year-to-date** return on average assets (ROAA), shown in the chart above, increased by 7 basis points from the same time period in 2013 but remained the same from the end of the third quarter of 2014 (this ratio not shown in chart above). This ratio is only 1 basis point below the national average **year-to-date** ROAA (also shown in the chart above) with the gap between the two decreasing by 2 basis points during the fourth quarter. Although the state average is slightly below the national average, a vast majority of Louisiana-domiciled banks and thrifts continue to show strong or satisfactory earnings performance as a result of increased net interest income, due to both increased interest income and decreased interest expense, with more than half increasing their net income over the prior year. Capital levels remain sound, with ratios decreasing slightly during the fourth quarter of 2014 but comparing favorably to year-end 2013. Asset quality continues to improve as the dollar volumes and ratios of nonperforming assets and noncurrent loans declined and are well below the same time period in 2013. Net charge-offs increased in the fourth quarter of 2014, on a quarterly basis, but the annual level declined from the prior year. As shown in the chart above, the year-to-date net charge-off ratio is only slightly lower when compared to the same time period in 2013.

In 2009 and 2010, the higher level of nonperforming assets and noncurrent loans was attributable to the acquisition of failed out-of-state institutions by Louisiana-domiciled institutions during that time period. However, a significant portion is still covered by loss-sharing agreements with the FDIC, mitigating any significant exposure.

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

LOANS AND SECURITIES

Louisiana-Domiciled Banks & Thrifts at 12-31-14

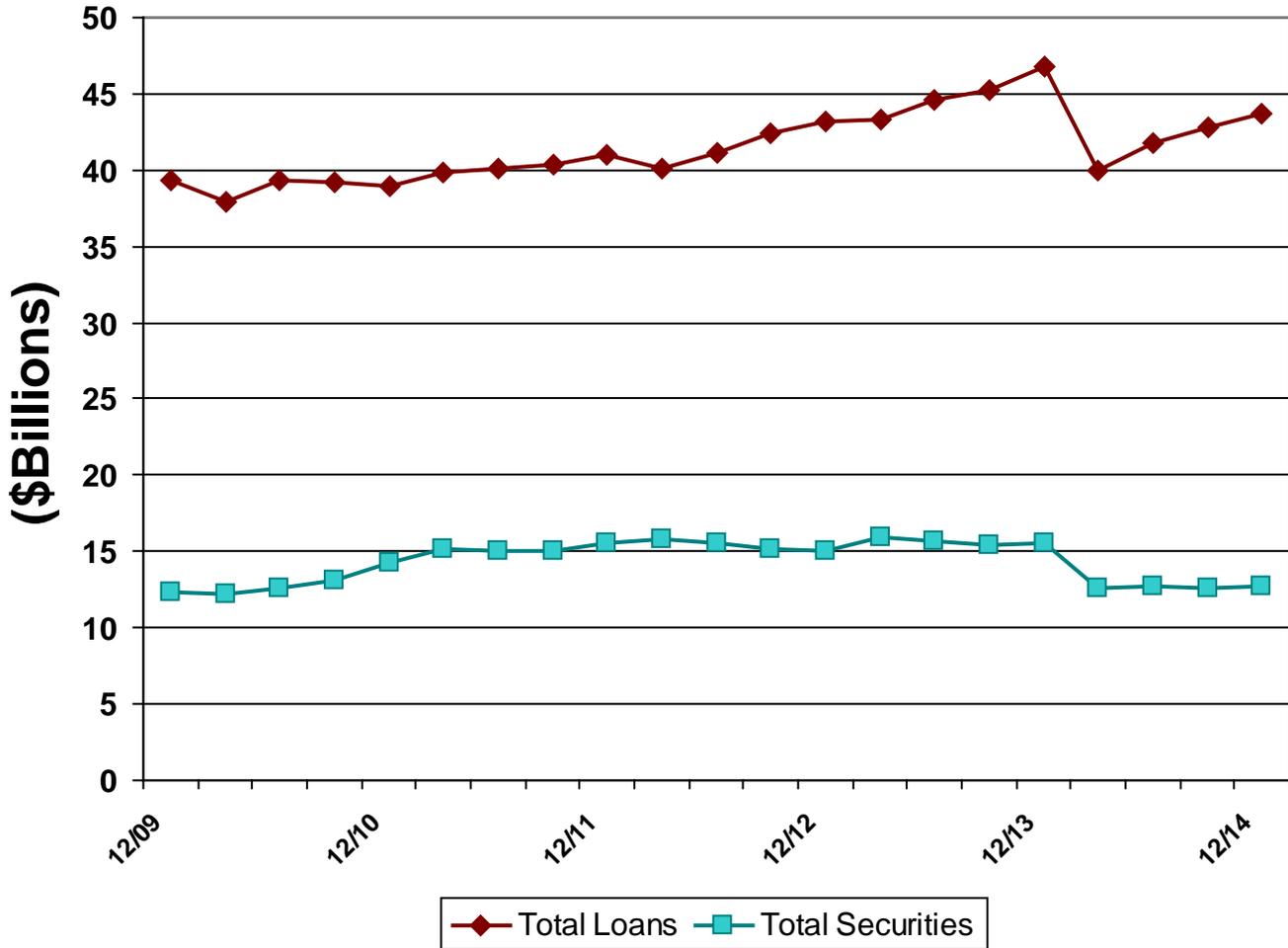


Figure 1

Figure 1 above shows the trend in total loans and leases and securities since year-end 2009. As previously mentioned, total loans and leases increased by 2.30 percent during the fourth quarter of 2014, from \$42.75 billion to \$43.73 billion, or by approximately \$984 million. Total loans and leases have increased in 15 of the past 20 quarters and decreased in the first quarter of 2014 primarily due to the merger of a state-chartered bank with and into its sister bank located in another state. During the fourth quarter of 2014, real estate loans increased from \$29.03 billion to \$29.73 billion or by approximately \$694 million, commercial loans increased from \$8.94 billion to \$9.26 billion or by approximately \$320 million, consumer loans increased from \$3.05 billion to \$3.13 billion or by approximately \$77 million, other loans increased from \$1.14 billion to \$1.19 billion or by approximately \$49 million, and farm loans decreased from \$585 million to \$428 million or by approximately \$156 million.

During the fourth quarter of 2014, Louisiana state-chartered banks and thrifts experienced growth in total loans and four of the five major reporting categories. During the fourth quarter, from highest to lowest by dollar volume, real estate loans, commercial loans, consumer loans, and other loans grew, while farm loans declined. Louisiana-domiciled federally-chartered banks and thrifts also experienced growth in total loans and three of the five major reporting categories. During the fourth quarter, from highest to lowest by dollar volume, real estate loans, commercial loans, and consumer loans grew, while other loans and farm 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 2014. From highest to lowest in dollar volume for growth were commercial loans, consumer loans, real estate loans, other loans, and farm loans.

LOAN PORTFOLIO MIX

Louisiana-Domiciled Banks & Thrifts at December 31, 2014

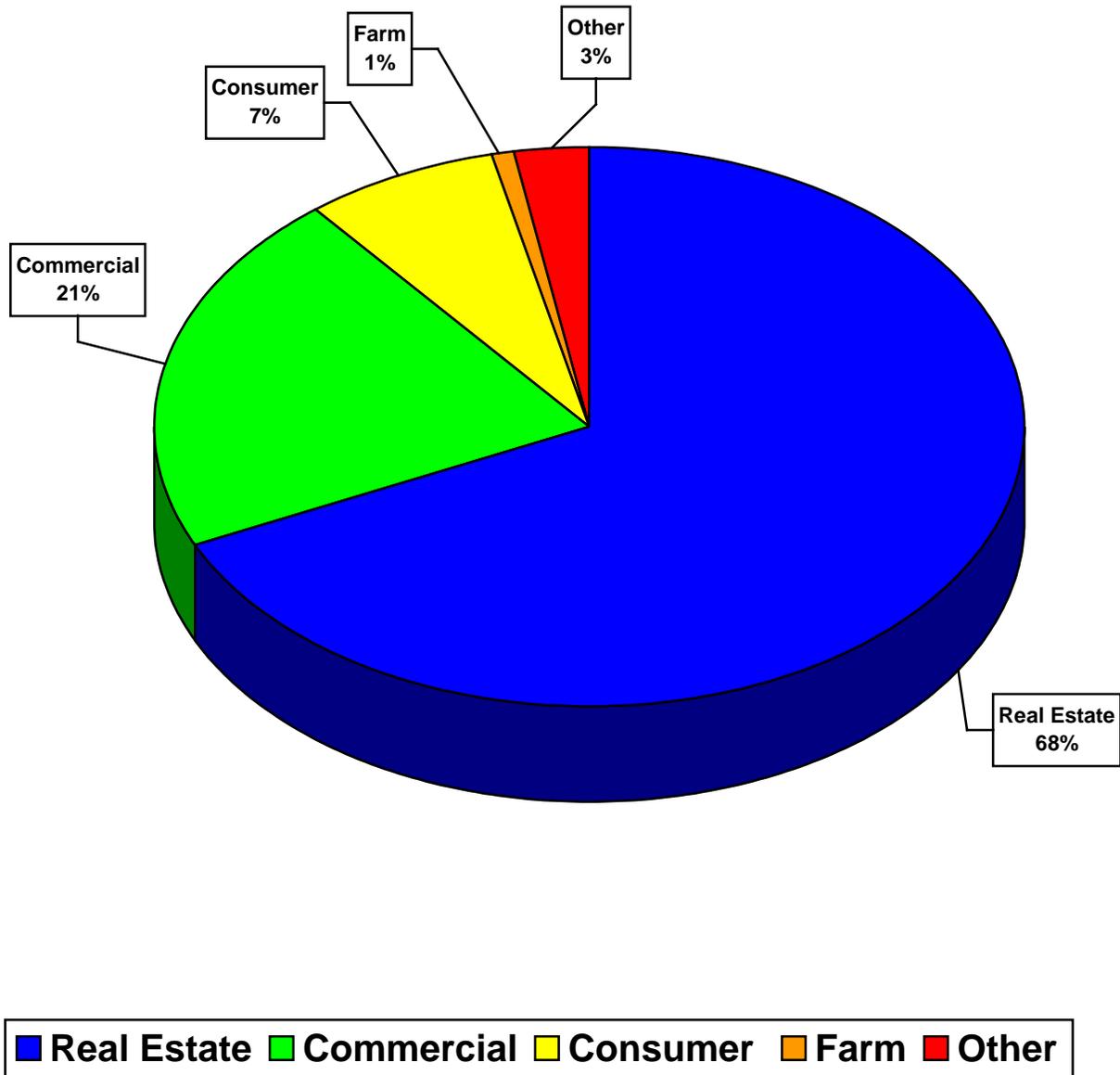


Figure 2

Figure 2 shows the December 31, 2014, loan portfolio mix for all Louisiana-domiciled banks and thrifts. At December 31, 2014, Louisiana state-chartered banks and thrifts showed a loan portfolio mix as follows: real estate loans – 66 percent; commercial loans – 22 percent; consumer loans – 8 percent; other loans – 2 percent; and farm loans – 2 percent. As of this same date, for Louisiana-domiciled federally-chartered banks and thrifts, the loan portfolio mix is as follows: real estate loans – 79 percent; commercial loans – 14 percent; consumer loans – 4 percent; other loans – 2 percent; and farm loans – 1 percent.

At December 31, 2014, for all banks and thrifts in the U.S., the loan portfolio mix is as follows: real estate loans – 51 percent; commercial loans – 20 percent; consumer loans – 17 percent; other loans – 11 percent; and farm loans – 1 percent.

LOANS TO DEPOSITS

Louisiana-Domiciled Banks & Thrifts at 12-31-14

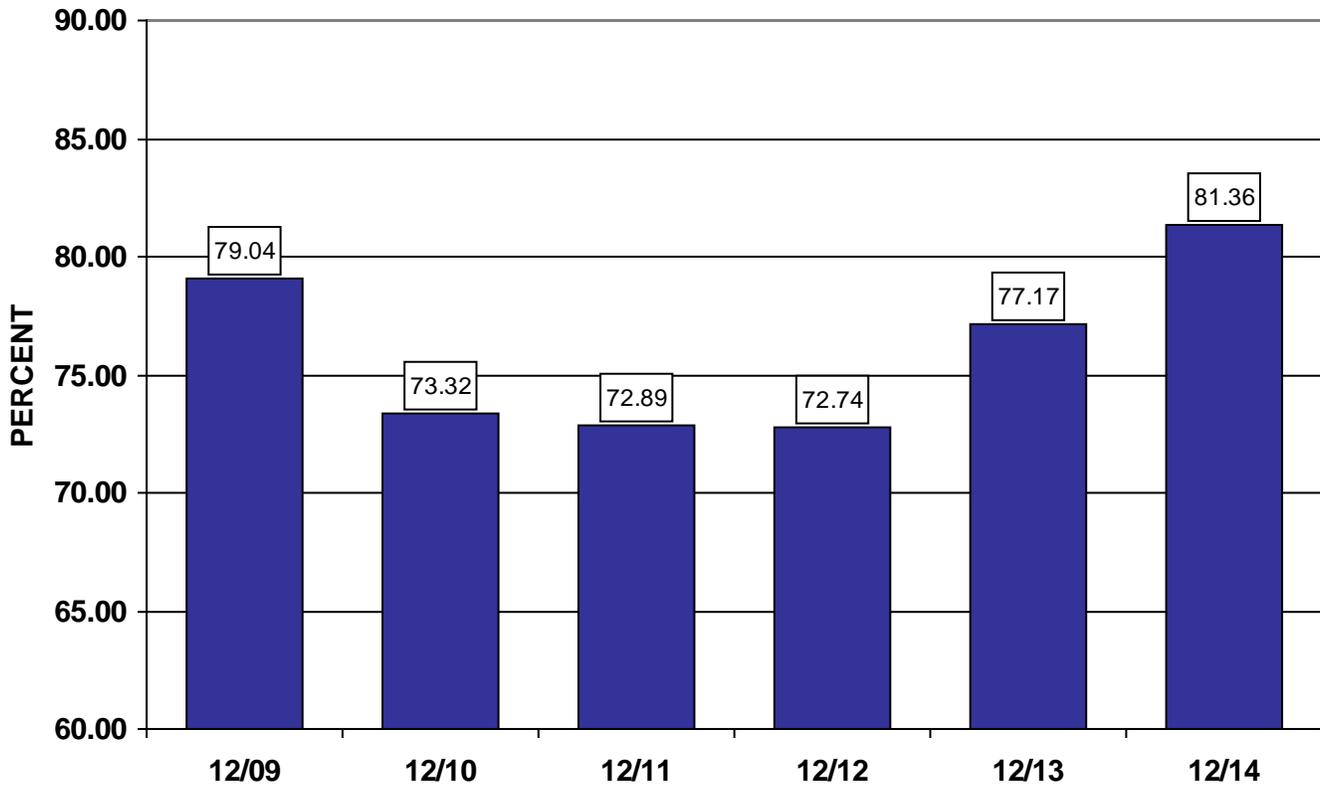


Figure 3

Figure 3 above illustrates the aggregate year-end loan-to-deposit ratio trend since year-end 2009. The ratio of net loans to deposits increased during the fourth quarter of 2014, from 81.25 percent as of September 30, 2014, to 81.36 percent as of December 31, 2014, as net loans grew at a slightly faster rate than deposits.

For Louisiana state-chartered banks and thrifts, the ratio of net loans to deposits increased from 80.32 percent as of September 30, 2014, to 80.62 percent as of December 31, 2014, as net loans increased faster than deposits. For Louisiana-domiciled federally-chartered banks and thrifts, the ratio of net loans to deposits decreased from 87.15 percent as of September 30, 2014, to 86.00 percent as of December 31, 2014, as deposits increased faster than net loans.

For all banks and thrifts in the U.S., the ratio of net loans to deposits increased from 69.29 percent as of September 30, 2014, to 69.59 percent as of December 31, 2014, as net loans increased faster than deposits.

DEPOSITS & BORROWED MONEY

Louisiana-Domiciled Banks & Thrifts at 12-31-14

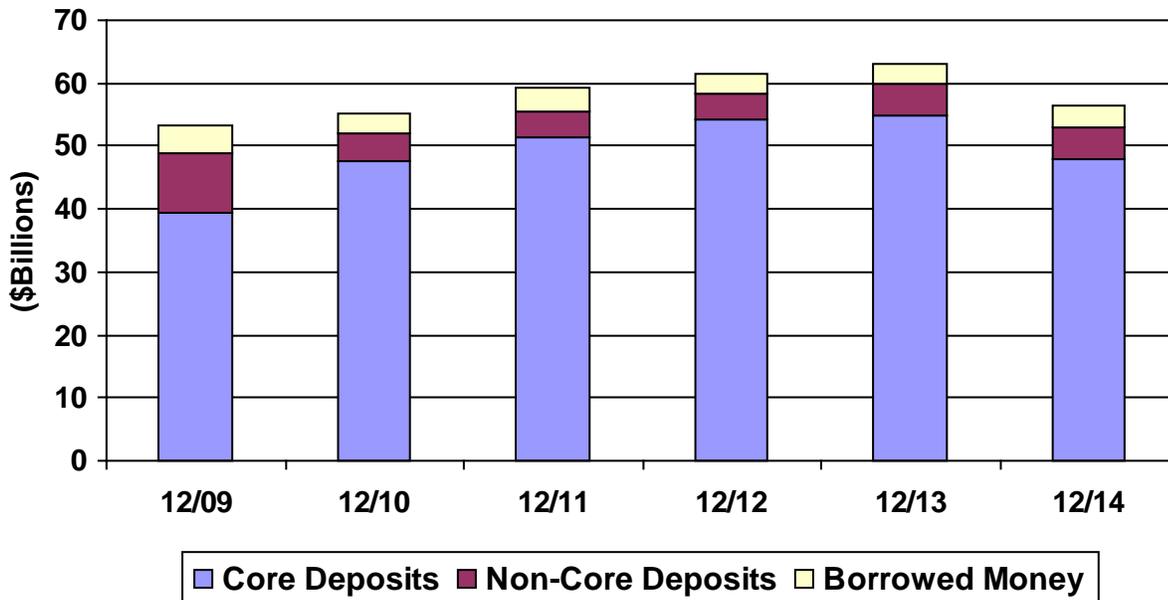


Figure 4

Figure 4 shows the mix of deposits and borrowed money since year-end 2009. Regarding liabilities, total deposits increased from \$51.95 billion as of September 30, 2014, to \$53.09 billion as of December 31, 2014, or by 2.20 percent, while borrowed money increased from \$3.12 billion as of September 30, 2014, to \$3.23 billion as of December 31, 2014, or by 3.60 percent. During the fourth quarter of 2014, total deposits increased at both Louisiana state-chartered banks and thrifts and Louisiana-domiciled federally-chartered banks and thrifts. Core deposits also increased during the fourth quarter, from \$46.76 billion as of September 30, 2014, to \$47.79 billion as of December 31, 2014, or by 2.20 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 2014.

As noted previously, borrowed money increased during the fourth quarter of 2014. At September 30, 2014, borrowed money totaled \$3.12 billion and consisted of Federal funds purchased totaling \$959 million, Federal Home Loan Bank (FHLB) advances totaling \$2.04 billion, and other borrowings totaling \$116 million. At December 31, 2014, borrowed money totaled \$3.23 billion and consisted of Federal funds purchased totaling \$903 million, FHLB advances totaling \$2.22 billion, and other borrowings totaling \$104 million. Total borrowed money for Louisiana state-chartered banks and thrifts increased by \$200 million during the fourth quarter with increases in FHLB advances and a decline in Federal funds purchased and other borrowings. Total borrowed money for Louisiana-domiciled federally-chartered banks and thrifts decreased by \$88 million during the fourth quarter with a decrease in Federal funds purchased, FHLB advances, and other borrowings.

Non-core deposits increased during the fourth quarter of 2014. At September 30, 2014, non-core deposits totaled \$5.19 billion and consisted of time deposits of \$250,000 or more totaling \$3.04 billion and brokered deposits under \$250,000 totaling \$2.16 billion. At December 31, 2014, non-core deposits totaled \$5.31 billion and consisted of time deposits of \$250,000 or more totaling \$3.09 billion and brokered deposits under \$250,000 totaling \$2.22 billion. During the fourth quarter, non-core deposits in Louisiana state-chartered banks and thrifts increased by \$84 million, with increases of \$66 million in brokered deposits under \$250,000 and \$18 million in time deposits of \$250,000 or more. During this same period, non-core deposits in Louisiana-domiciled federally-chartered banks and thrifts decreased by \$30 million, with an increase of \$31 million in time deposits of \$250,000 or more and a decrease of \$1 million in brokered deposits under \$250,000.

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

CORE DEPOSITS TO TOTAL DEPOSITS & BORROWED MONEY

Louisiana-Domiciled Banks & Thrifts at 12-31-14

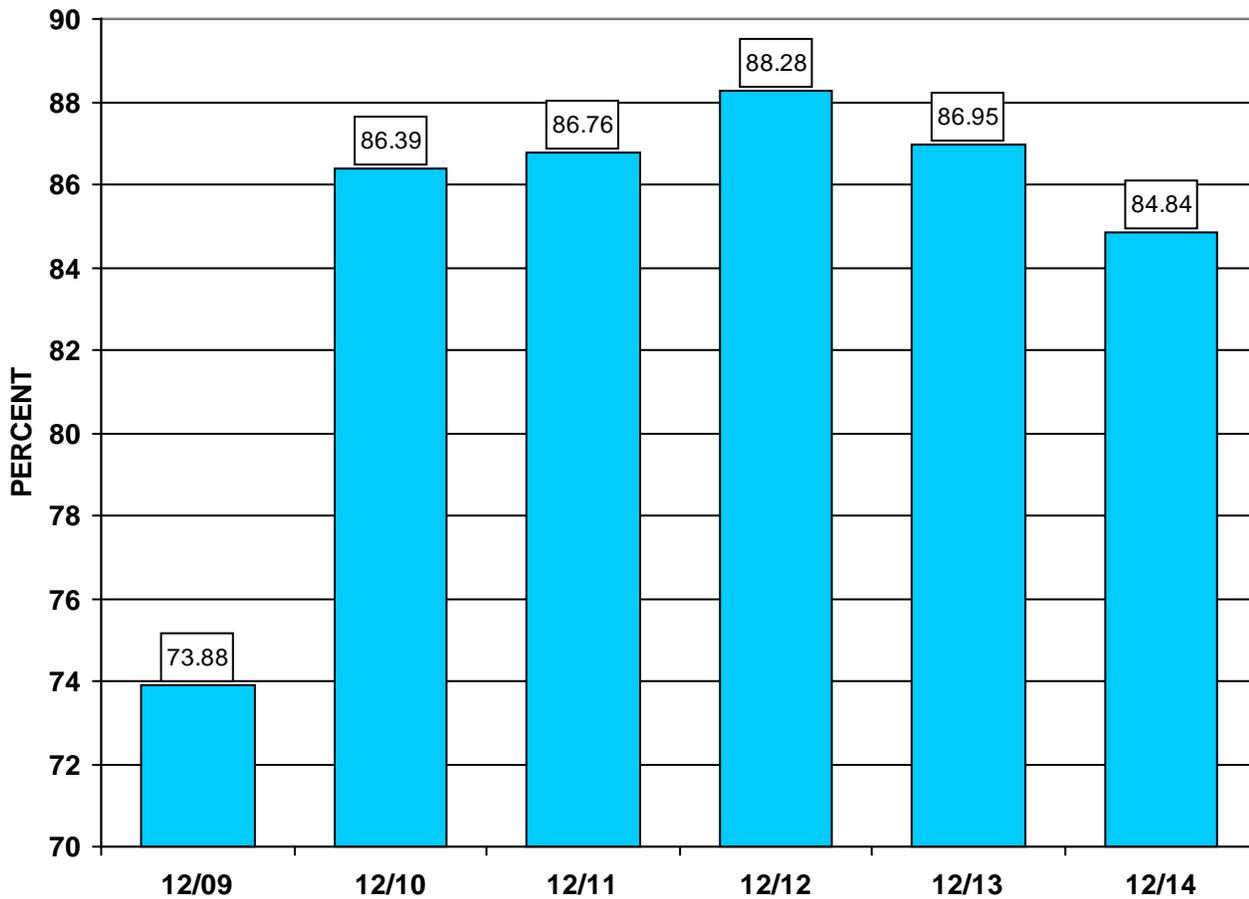


Figure 5

Figure 5 illustrates the trend in the core deposits to total deposits and borrowed money ratio since year-end 2009. 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 2014, going from 84.91 percent at September 30, 2014, to 84.84 percent at December 31, 2014.

For Louisiana state-chartered banks and thrifts, the ratio of core deposits to total deposits and borrowed money decreased from 85.35 percent as of September 30, 2014, to 85.11 percent as of December 31, 2014. For Louisiana-domiciled federally-chartered banks and thrifts, this ratio increased from 82.31 percent as of September 30, 2014, to 83.29 percent as of December 31, 2014.

For all banks and thrifts in the U.S., the ratio of core deposits to total deposits and borrowed money decreased from 70.62 percent at September 30, 2014, to 70.16 percent at December 31, 2014.

NONPERFORMING ASSETS TO TOTAL ASSETS

Louisiana-Domiciled Banks & Thrifts at 12-31-14

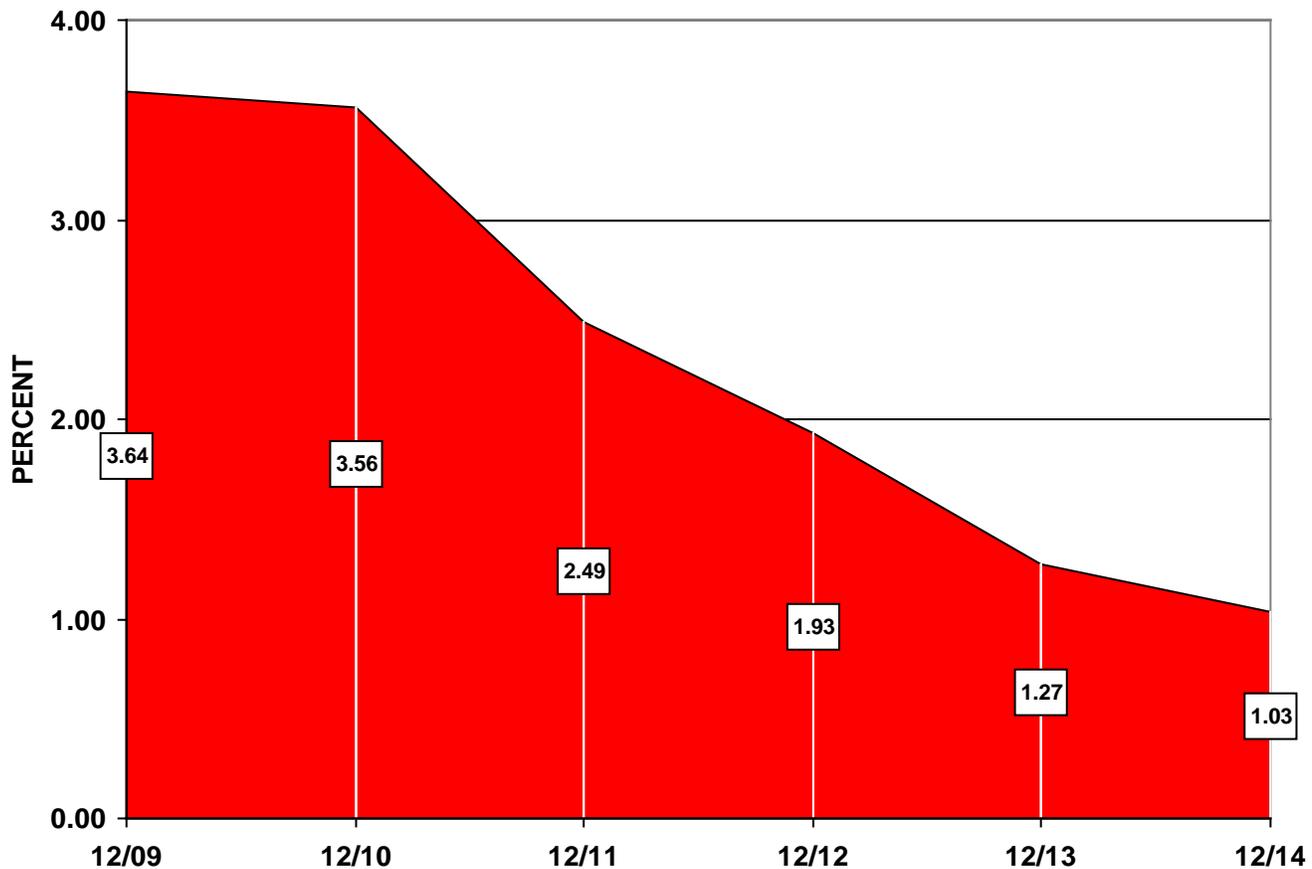


Figure 6

Figure 6 above illustrates the ratio of nonperforming assets to total assets since year-end 2009. The ratio at year-end 2009 was high due to nonperforming assets resulting from the acquisition of out-of-state failed institutions by a Louisiana state-chartered bank during the third and fourth quarters of 2009. In 2010, with the exception of the third quarter, the ratio declined on a quarterly basis, with the increase in the third quarter of 2010 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. Although the dollar volume of unadjusted nonperforming assets has actually declined each quarter starting with the fourth quarter of 2010, 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, started to decline in the fourth quarter of 2010 and continued through all four quarters of 2011, increased in the first quarter of 2012, declined again in the second quarter of 2012 below the level at year-end 2011 and steadily declined through the first quarter of 2014. However, during the remainder of 2014, the level of nonperforming assets has remained above the level at the end of the first quarter of 2014, although nonperforming assets experienced a decline in the third quarter. 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 2014, going from \$684 million at September 30, 2014, to \$658 million at December 31, 2014, a decrease of \$26 million or 3.77 percent. The ratio of nonperforming assets to total assets decreased from 1.10 percent at September 30, 2014, to 1.03 percent at December 31, 2014. Nonperforming assets associated with the acquisition of failed

out-of-state institutions totaled \$132 million and \$100 million at of September 30, 2014, and December 31, 2014, respectively. Excluding these assets, the volume of nonperforming assets would increase from \$552 million at September 30, 2014, to \$558 million at December 31, 2014, an increase of \$6 million or by 1.07 percent.

Aggregate noncurrent loans (loans past due 90 days or more and accruing interest plus nonaccrual loans) decreased from \$504 million at September 30, 2014, to \$496 million at December 31, 2014, a decline of \$8 million or by 1.65 percent. With this decline and loan growth in the second quarter, the ratio of noncurrent loans to gross loans decreased from 1.18 percent at September 30, 2014, to 1.13 percent at June 30, 2014. Excluding the loans acquired from the out-of-state failed institutions, aggregate noncurrent loans increased from \$404 million at September 30, 2014, to \$421 million at December 31, 2014, an increase of \$18 million or by 4.43 percent. Although the dollar volume of noncurrent loans acquired from the out-of-state failed institutions was available, the dollar volume of gross loans was not available. Therefore, an adjusted ratio of noncurrent loans to gross loans for September 30, 2014, and December 31, 2014, was not available. OREO decreased from \$179 million as of September 30, 2014, to \$162 million as of December 31, 2014, a decline of \$17 million or by 9.74 percent. Excluding the OREO that was acquired from the out-of-state failed institutions, OREO still decreased, going from \$148 million at September 30, 2014, to \$136 million at December 31, 2014, a decrease of \$12 million or by 8.05 percent.

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

NONPERFORMING ASSETS

Louisiana-Domiciled Banks & Thrifts at 12-31-14

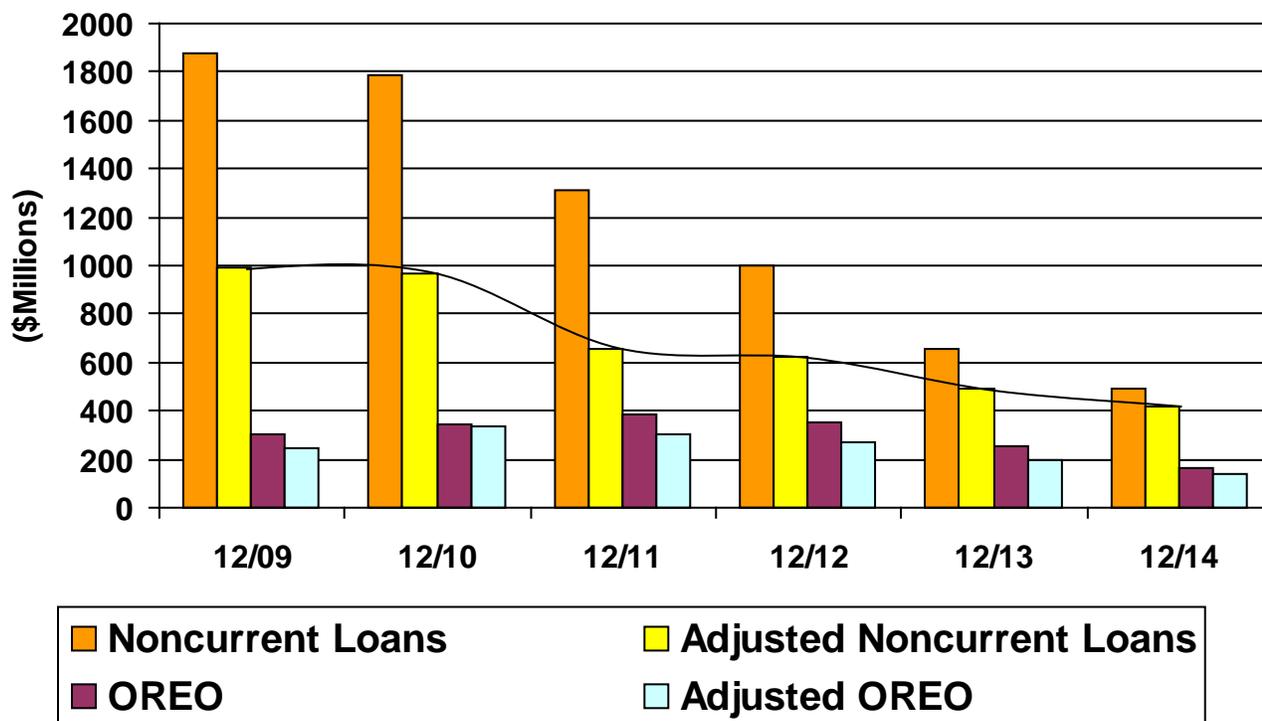


Figure 7

In the fourth quarter of 2014, for Louisiana state-chartered banks and thrifts, noncurrent loans decreased from \$439 million to \$420 million, and OREO decreased from \$154 million to \$139 million. From September 30, 2014, to December 31, 2014, the ratios of nonperforming assets to total assets and noncurrent loans to gross loans for Louisiana state-chartered banks and thrifts decreased from 1.12 percent to 1.03 percent and from 1.20 percent to 1.12 percent, respectively. Excluding the assets acquired from the out-of-state failed institutions, noncurrent loans would increase from \$339 million to \$345 million, while OREO would decrease from \$123 million to \$114 million. As noted previously, assets and gross loans acquired from the out-of-state failed institutions were unavailable. Therefore, it is unknown whether the adjusted ratios would have increased or declined in both quarters, since gross loans and total assets associated with the out-of-state failed institutions were not available.

In the fourth quarter, for Louisiana-domiciled federally-chartered banks and thrifts, noncurrent loans increased from \$65 million to \$76 million, and OREO decreased from \$26 million to \$23 million. From September 30, 2014, to December 31, 2014, the ratios of nonperforming assets to total assets and noncurrent loans to gross loans for Louisiana-domiciled federally-chartered banks and thrifts increased from 0.98 percent to 1.05 percent and from 1.04 percent to 1.20 percent, respectively. For all commercial banks and thrifts in the U.S., nonperforming assets decreased from September 30, 2014, to December 31, 2014, as noncurrent loans and OREO both decreased. As a result, the ratio of nonperforming assets to total assets decreased from 1.29 percent to 1.20 percent, and the ratio of noncurrent loans to total loans decreased from 2.11 percent to 1.96 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, 2014, Louisiana-domiciled banks and thrifts reported the carrying amount of loans, OREO, and other assets covered by FDIC loss-sharing agreements at \$463 million, \$28 million, and \$73 thousand, respectively, for a total of \$491 million. The total carrying amount of these assets represented 1.12 percent and 0.77 percent of gross loans plus OREO and total assets, respectively. At September 30, 2014, Louisiana-domiciled banks and thrifts reported the carrying amount of loans and OREO covered by FDIC loss-sharing agreements at \$543 million and \$33 million, respectively, for a total of \$576 million. The total carrying amount of these assets represented 1.34 percent and 0.92 percent of gross loans plus OREO and total assets, respectively, reported as of this date.

At December 31, 2014, noncurrent loans covered by the FDIC loss-share agreements totaled \$78 million, or 15.66 percent of the total noncurrent loans, compared to \$104 million, or 20.64 percent of total noncurrent loans, at September 30, 2014. At December 31, 2014, OREO covered by these loss-sharing agreements totaled \$28 million, or 17.08 percent of total OREO, compared to \$33 million, or 18.50 percent of total OREO, at September 30, 2014.

Beginning with the March 31, 2011, Call and Thrift Financial Reports, banks and thrifts also began reporting the portion of loans and OREO protected by these loss-sharing agreements, which is the amount recoverable from the FDIC on the assets covered by the loss-sharing agreements. At December 31, 2014, the portion of noncurrent loans protected by these loss-sharing agreements totaled \$72 million, or 14.54 percent of total noncurrent loans, compared to \$94 million, or 18.70 percent of total noncurrent loans, at September, 2014. At December 31, 2014, the portion of OREO protected by these loss-sharing agreements totaled \$24 million, or 15.02 percent of total OREO, compared to \$30 million, or 16.70 percent of total OREO, at September 30, 2014.

For all commercial banks and thrifts in the U.S., the carrying amounts of loans and OREO covered by loss-sharing agreements both declined, representing 0.44 percent and 0.51 percent of gross loans and OREO, respectively, at December 31, 2014, and September 30, 2014. With declines in the carrying of amounts of debt securities and other assets covered by loss-sharing agreements, the ratio of covered assets to total assets declined to 0.23 percent at December 31, 2014, from 0.28 percent at September 30, 2014.

For all commercial banks and thrifts in the U.S., at December 31, 2014, covered noncurrent loans represented 2.70 percent of total noncurrent loans, compared to 3.10 percent at September 30, 2014. At December 31, 2014, covered OREO represented 6.41 percent of total OREO, compared to 6.88 percent at September 30, 2014. At December 31, 2014, protected noncurrent loans represented 2.19 percent of total noncurrent loans, compared to 2.51 percent at September 30, 2014. At December 31, 2014, protected OREO represented 5.05 percent of total OREO, compared to 5.42 percent at September 30, 2014.

NONCURRENT LOANS AND THE ALLL

Louisiana-Domiciled Banks & Thrifts at 12-31-14

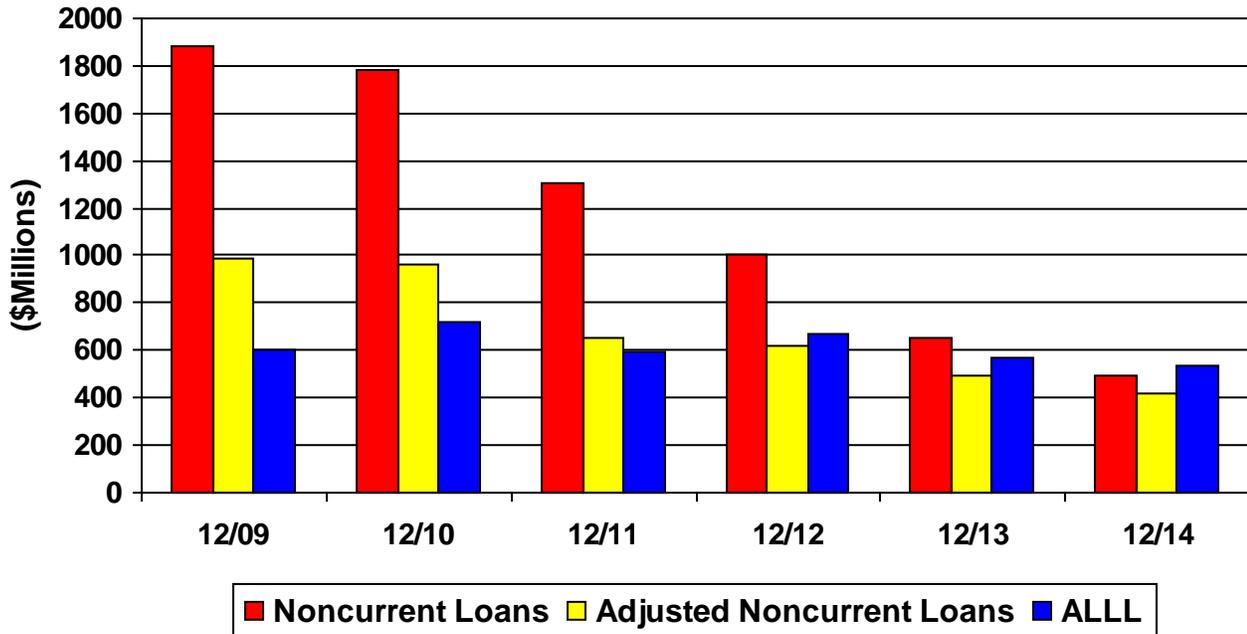


Figure 8

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 2009. **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 2009 through the first quarter of 2014, the level of noncurrent loans exceeded the level of the ALLL. Since the quarter ending June 30, 2014, the level of the ALLL has exceeded the level of noncurrent loans.

For Louisiana state-chartered banks and thrifts, the level of noncurrent loans exceeded the level of the ALLL at year-end 2009 and the 16 quarters through year-end 2013. However, since the first quarter of 2014, the level of the ALLL has exceeded the level of noncurrent loans for these institutions. For Louisiana-domiciled federally-chartered banks and thrifts, the level of noncurrent loans exceeded the level of the ALLL at year-end 2009 and remained that way for 19 of the 20 quarters since that time. The only exception occurred in the third quarter of 2014, when the level of the ALLL has exceeded the level of noncurrent loans for these institutions.

For all banks and thrifts in the U. S., the level of noncurrent loans exceeded the level of the ALLL at year-end 2009 and has remained that way for the 20 subsequent quarters.

CHARGE-OFFS AND PLLL

Louisiana-Domiciled Banks & Thrifts at 12-31-14

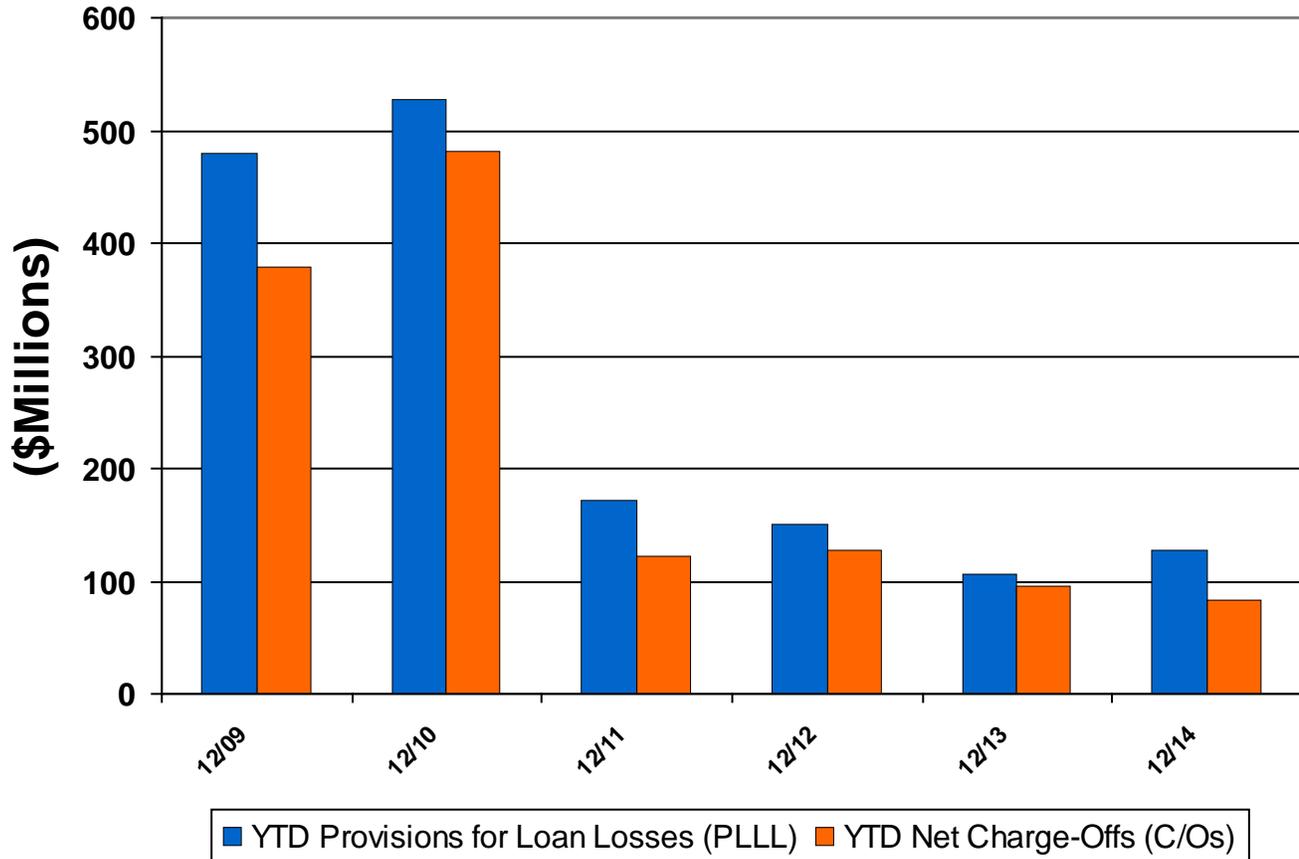


Figure 9

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 2009. 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 2014 totaled \$34 million, an increase from the \$19 million in the third quarter of 2014. As a result, the annualized net charge-off ratio for the quarter ending December 31, 2014, based on quarterly charge-offs, increased to 0.32 percent, from 0.18 percent for the quarter ending September 30, 2014. Based on the calendar year 2014 net charge-offs reported at \$83 million, the year-to-date ratio of net charge-offs to total loans increased slightly to 0.20 percent at December 31, 2014, from the 0.16 percent at September 30, 2014. For the calendar years 2013, 2012, and 2011, net charge-offs totaled \$95 million, \$128 million, and \$126 million, respectively, with the net charge-off ratios of 0.21 percent, 0.31 percent, and 0.34 percent, respectively.

From September 30, 2014, to December 31, 2014, quarterly net charge-offs increased from \$16 million to \$32 million for Louisiana state-chartered banks and thrifts. For these institutions, the annualized net charge-off ratio, based on quarterly charge-offs, increased from 0.18 percent to 0.35 percent. Based on net charge-offs of \$75 million for the 2014 year, the year-to-date net charge-off ratio increased from 0.16 percent at September 30, 2014, to 0.21 percent at December 31, 2014. In comparison, net charge-offs totaled \$84 million, \$115 million, and \$109 million, for the calendar years 2013, 2012, and 2011, respectively, with the net charge-off ratios of 0.22 percent, 0.32 percent, and 0.34 percent, respectively.

From September 30, 2014, to December 31, 2014, quarterly net charge-offs decreased from \$3 million to \$2 million for Louisiana-domiciled federally-chartered banks and thrifts. As a result, these institutions saw the annualized net charge-off ratio, based on quarterly net charge-offs, decrease from 0.19 percent to 0.12 percent. Based on net charge-offs of \$8 million for the 2014 year, the net charge-off ratio decreased nominally from 0.15 percent at September 30, 2014, to 0.14 percent at December 31, 2014. In comparison, net charge-offs totaled \$13 million, \$17 million, and \$343 million, for the calendar years 2013, 2012, and 2011, respectively, with the YTD net charge-off ratios at 0.21 percent, 0.26 percent, and 0.38 percent, respectively.

For Louisiana-domiciled banks and thrifts, loan loss reserves increased to \$536 million at December 31, 2014, from \$535 million at September 30, 2014, but the ratio of loan loss reserves to total loans decreased to 1.23 percent at December 31, 2014, from 1.25 percent at September 30, 2014. This ratio (loan loss reserves to total loans), for each year-end since 2009, is as follows: 1.56 percent as of December 31, 2009; 1.85 percent as of December 31, 2010; 1.44 percent as of December 31, 2011; 1.55 as of December 31, 2012; and 1.21 percent as of December 31, 2013.

For Louisiana-domiciled banks and thrifts, loan loss provisions totaled \$32 million during the third quarter of 2014, or 0.20 percent of average assets, as compared to \$45 million during the fourth quarter of 2014, or 0.28 percent of average assets. For the calendar years 2014, 2013, 2012, and 2011, loan loss provisions totaled \$128 million, \$105 million, \$151 million, and \$173 million, respectively.

For Louisiana state-chartered banks and thrifts, loan loss reserves totaled \$468 million at December 31, 2014, a decrease from \$470 million at September 30, 2014. The ratio of loan loss reserves to total loans decreased to 1.25 percent at December 31, 2014, from 1.29 percent at September 30, 2014. Loan loss provisions in the fourth quarter totaled \$40 million, an increase from \$28 million in the third quarter. For the calendar years 2014, 2013, 2012, and 2011, loan loss provisions totaled \$114 million, \$93 million, \$136 million, and \$155 million, respectively.

For Louisiana-domiciled federally-chartered banks and thrifts, loan loss reserves increased to \$68 million at December 31, 2014, from \$65 million at September 30, 2014. As a result, the ratio of loan loss reserves to total loans increased minimally to 1.08 percent at December 31, 2014, from 1.05 percent at September 30, 2014. Loan loss provisions for the fourth quarter totaled \$5 million, an increase from \$4 million in the third quarter. For the calendar years 2014, 2013, 2012, and 2011, loan loss provisions totaled \$14 million, \$13 million, \$15 million, and \$18 million, respectively.

For all banks and thrifts in the U.S., net charge-offs recognized in the fourth quarter of 2014 totaled \$9.85 billion, an increase from the \$9.24 billion in the third quarter of 2014. As a result, the annualized net charge-off ratio, based on quarterly charge-offs, was 0.48 percent for the quarter ending December 31, 2014, an increase from 0.45 percent for the quarter ending September 30, 2014. Net charge-offs for the 2014 year totaled \$39.49 billion, with the year-to-date net charge-off ratio remaining at 0.49 percent as of December 31, 2014, and as of September 30, 2014. For the calendar years 2013, 2012, and 2011, net charge-offs totaled \$53.22 billion, \$82.22 billion, and \$113.23 billion, respectively, with YTD net charge-off ratios of 0.69 percent, 1.10 percent, and 1.55 percent, respectively.

For all banks and thrifts in the U.S., loan loss reserves totaled \$125.63 billion at December 31, 2014, an increase from \$125.27 billion at September 30, 2014. As a result of loan growth, the ratio of loan loss reserves to total loans declined to 1.48 percent at December 31, 2014, from 1.54 percent at September 30, 2014. Loan loss provisions for the fourth quarter totaled \$8.21 billion, an increase from \$7.21 billion during the third quarter. For the calendar years 2014, 2013, 2012, and 2011, loan loss provisions totaled \$29.74 billion, \$32.45 billion, \$58.24 billion, and \$77.51 billion, respectively.

CORE CAPITAL (LEVERAGE) RATIO

Louisiana-Domiciled Banks & Thrifts at 12-31-14

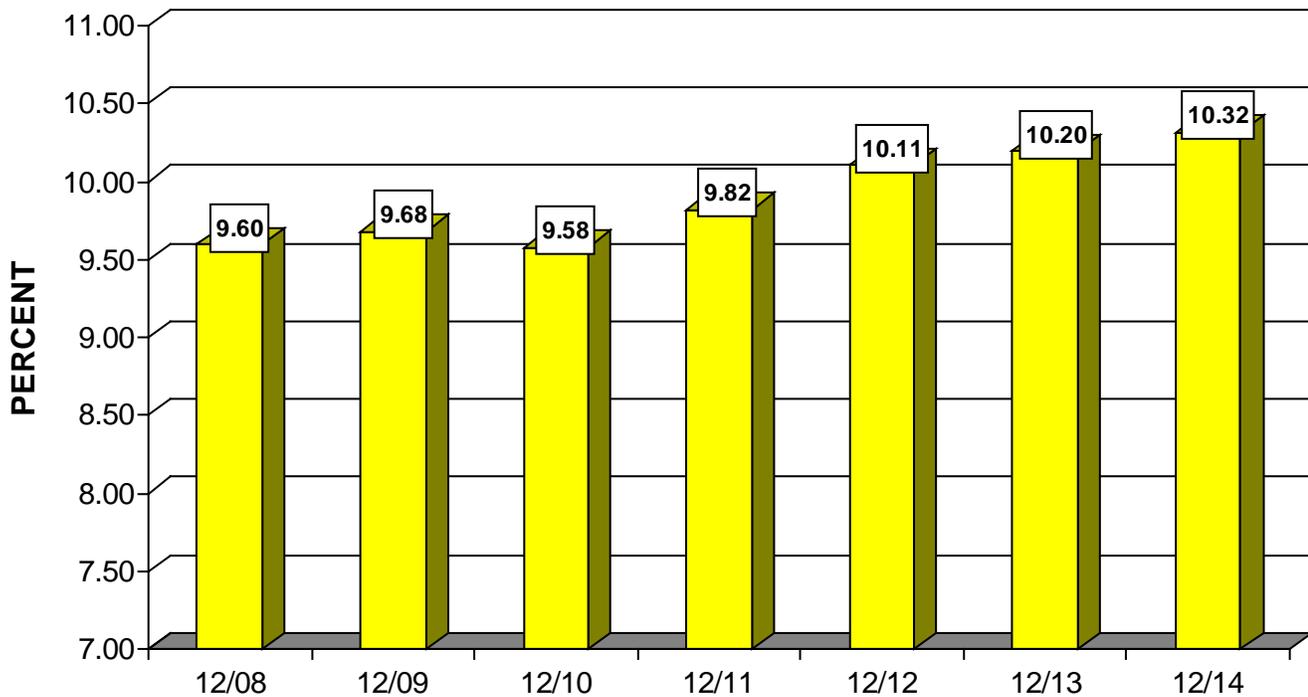


Figure 10

Figure 10 above illustrates the trend in the Tier 1 (core) capital ratio since year-end 2009. As Figure 10 above shows, the Core capital (leverage) ratio at December 31, 2014, increased by 12 basis points from the ratio reported at December 31, 2013. During the fourth quarter, the Core capital (leverage) ratio decreased minimally, going from 10.35 percent at September 30, 2014, to 10.32 percent at December 31, 2014. During the fourth quarter of 2014, Tier 1 (core) capital, going from \$6.38 billion at September 30, 2014, to \$6.44 billion at December 31, 2014, increased at a slower pace than quarterly average assets during that same time period. Louisiana-domiciled banks and thrifts paid dividends of \$79 million in the fourth quarter of 2014, compared to dividends of \$50 million in the third quarter.

During the fourth quarter of 2014, Tier 1 (core) capital increased by \$49 million in Louisiana state-chartered banks and thrifts. With this increase slightly below the increase in quarterly average assets, the Core capital (leverage) ratio decreased slightly from 10.08 percent to 10.03 percent. In addition, dividends paid by Louisiana state-chartered banks and thrifts during the fourth quarter increased by \$34 million from the level paid in the third quarter. During the fourth quarter of 2014, Tier 1 (core) capital increased by \$13 million in Louisiana-domiciled federally-chartered banks and thrifts, and their Core capital (leverage) ratio increased from 11.89 percent to 11.95 percent due to a lesser increase in quarterly average assets. Dividends paid by Louisiana-domiciled federally-chartered banks and thrifts during the fourth quarter decreased by \$5 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 2014. However, due to a higher increase in quarterly average assets, the Core capital (leverage) ratio decreased slightly from 9.51 percent at September 30, 2014, to 9.46 percent at December 31, 2014. Cash dividends paid by these banks and thrifts in the fourth quarter of 2014 decreased by \$2.58 billion over the level paid during the third quarter of 2014.

At December 31, 2014, there were 54 state-chartered banks and thrifts and 7 national banks and federally-chartered thrifts, or approximately 44 percent, of the 138 Louisiana-domiciled banks and thrifts, that had elected tax treatment as a Subchapter S corporation, as compared to approximately 33 percent of all banks and thrifts in the U.S.

RETURN ON AVERAGE ASSETS

Louisiana-Domiciled Banks & Thrifts at 12-31-14

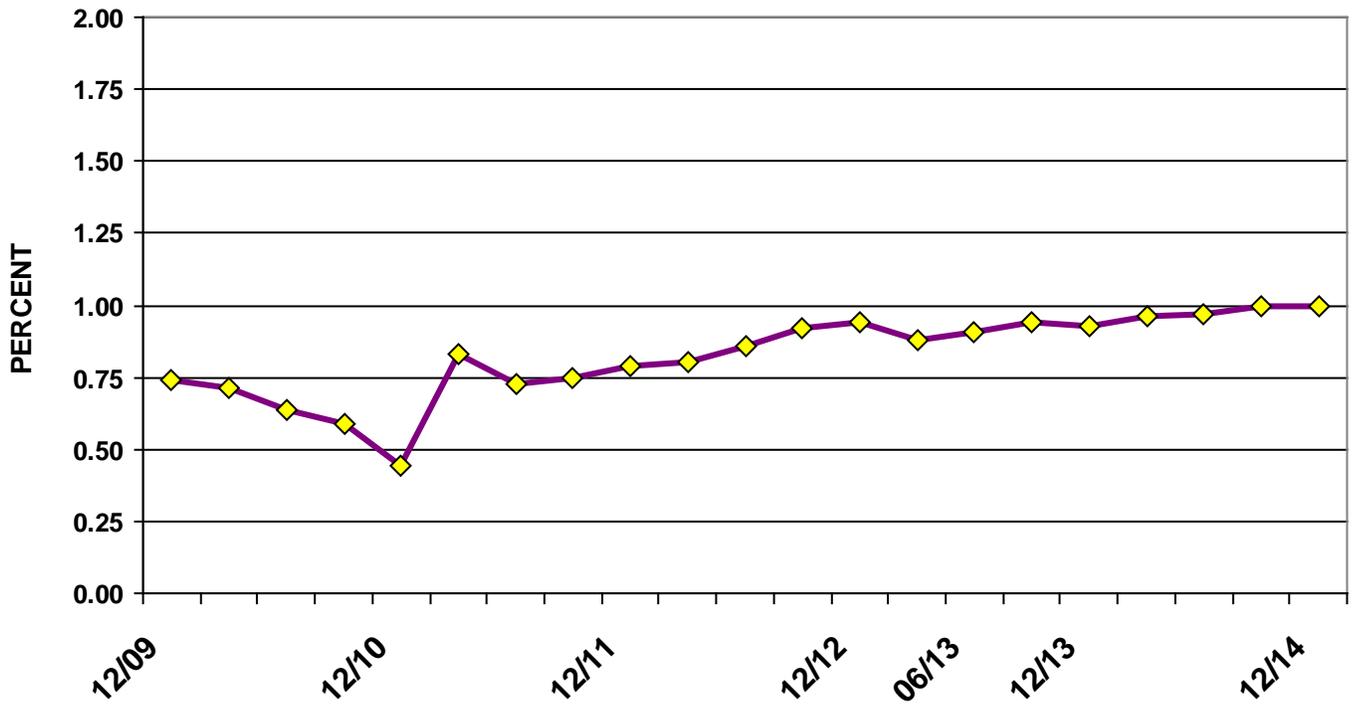


Figure 11

Figure 11 above reflects the annualized year-to-date ROAA for all Louisiana banks and thrifts since year-end 2009. Earnings for the fourth quarter of 2014 decreased from the previous quarter. Net income for the fourth quarter of 2014 totaled \$154.98 million, for a return on average assets (ROAA) of 0.98 percent annualized, as compared to net income for the third quarter of 2014, which totaled \$165.32 million, or an ROAA of 1.06 percent annualized. Declines in noninterest income and increases in provisions for loan losses and noninterest expenses contributed to the decline in net income during the fourth quarter. However, as shown in the chart above, the YTD ROAA remained at 1.00 percent at September 30, 2014, and December 31, 2014. At December 31, 2014, two Louisiana banks and thrifts reported YTD net operating losses, down from four Louisiana banks and thrifts reporting losses at September 30, 2014. At December 31, 2014, the percentage of unprofitable Louisiana-domiciled banks and thrifts was 1.45 percent, while the nationwide percentage was 6.13 percent. In addition, during 2014, approximately 70 percent of Louisiana-domiciled banks and thrifts saw earnings increase over the year, compared to approximately 64 percent nationwide.

For the fourth quarter of 2014, all banks and thrifts in the U.S. reported net income of \$36.92 billion, for an annualized ROAA of 0.96 percent, as compared to net income of \$38.46 billion, for an annualized ROAA of 1.01 percent for the third quarter of 2014. Reduced noninterest income and higher provisions for loan losses were the primary factors contributing to the decrease in net income for the second quarter. With the increase in net income in the fourth quarter, the YTD ROAA also decreased slightly from 1.03 percent at September 30, 2014, to 1.01 percent at December 31, 2014.

NET INTEREST MARGIN

Louisiana-Domiciled Banks & Thrifts at 12-31-14

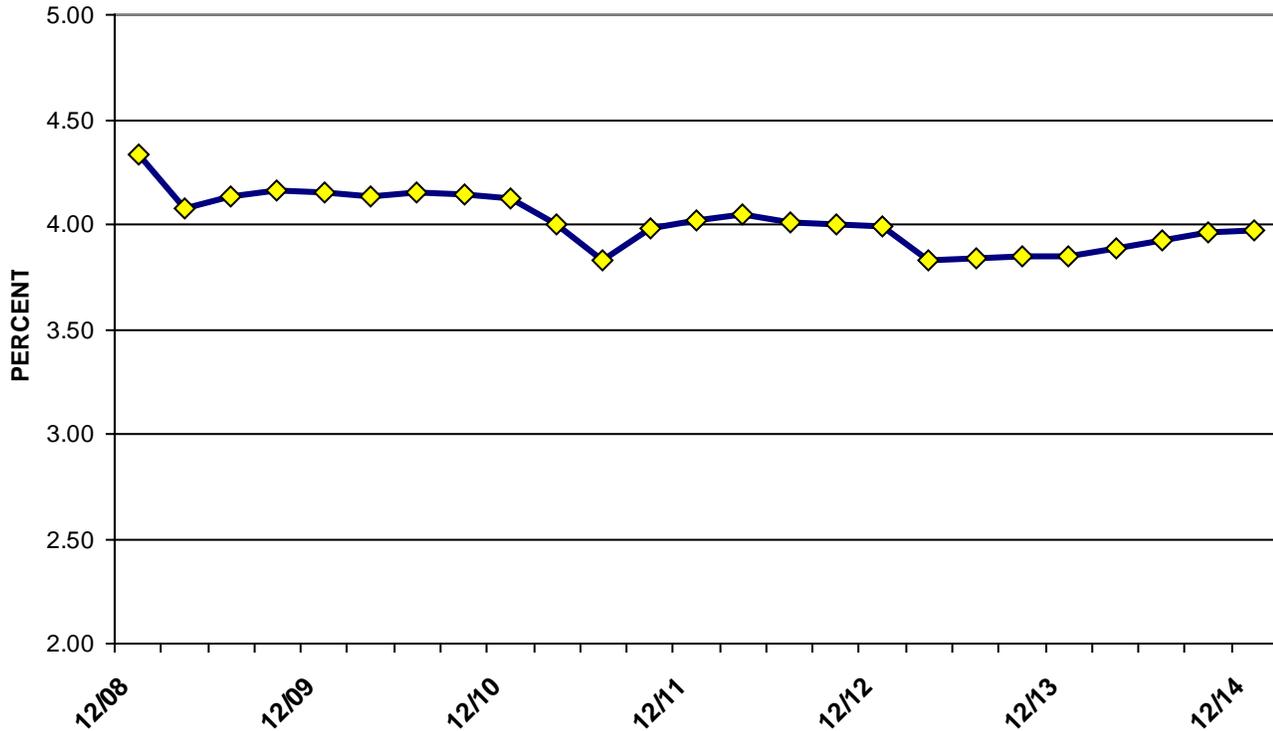


Figure 12

Figure 12 above reflects the annualized YTD net interest margin for all Louisiana banks and thrifts since year-end 2009. The net interest margin for all Louisiana-domiciled banks and thrifts increased nominally from 3.96 percent at September 30, 2014, to 3.97 percent at December 31, 2014. The aggregate yield on earning assets increased from 4.45 percent to 4.46 percent, while the cost of funds remained the same at 0.49 percent.

During the fourth quarter of 2014, the net interest margin for Louisiana state-chartered banks and thrifts increased from 3.96 percent to 3.97 percent, while the net interest margin for Louisiana-domiciled federally-chartered banks and thrifts increased from 3.97 percent to 3.98 percent. The yield on earning assets increased from 4.46 percent to 4.47 percent for Louisiana state-chartered banks and thrifts and from 4.41 percent to 4.42 percent for Louisiana-domiciled federally-chartered banks and thrifts. The cost of funds remained the same at 0.50 percent for Louisiana state-chartered banks and thrifts and decreased from 0.45 percent to 0.44 percent for Louisiana-domiciled federally-chartered banks and thrifts.

For all banks and thrifts in the U.S., the net interest margin declined minimally from 3.15 percent at September 30, 2014, to 3.14 percent at December 31, 2014. During the same time frame, the yield on earning assets decreased nominally from 3.51 percent to 3.49 percent, while the cost of funds declined from 0.36 percent to 0.35 percent.

INDUSTRY CONSOLIDATION

Louisiana-Domiciled Banks & Thrifts at 12-31-14

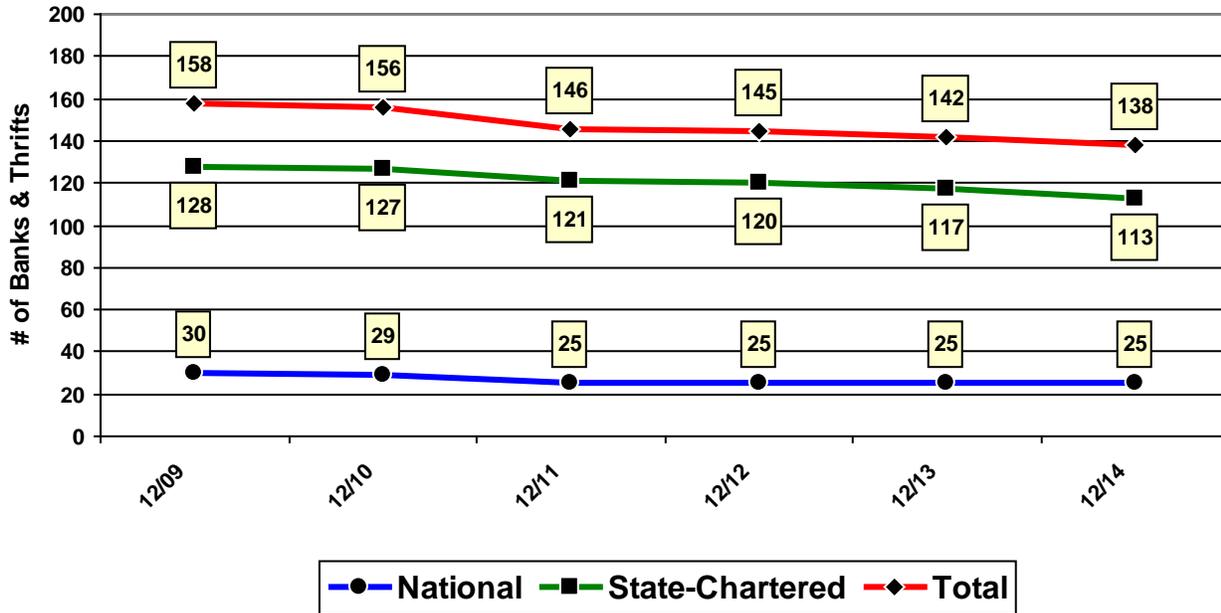


Figure 13

MERGERS AND ACQUISITIONS

Figure 13 above reflects the number of Louisiana-domiciled bank and thrifts since year-end 2009. Two bank mergers occurred during the fourth quarter of 2014 and resulted in two Louisiana state-chartered banks each acquiring another Louisiana state-chartered bank. Two Louisiana-domiciled bank holding companies, each owning one Louisiana state-chartered bank, merged in the fourth quarter of 2014, with the subsidiary banks expected to merge in the first or second quarter of 2015. Two Louisiana-domiciled bank holding companies, one owning three state-chartered banks and the other owning one Louisiana state-chartered bank, merged in January 2015; however, the four banks retained separate charters. Two other Louisiana-domiciled bank holding companies, each owning a Louisiana state-chartered bank, also merged in January 2015, with the merger of the subsidiary banks expected to take place in mid 2015. A previously announced merger of a Louisiana state-chartered bank into another Louisiana state-chartered bank is also now expected to take place in early 2015.

As of December 31, 2014, there were 138 banks and thrifts domiciled in Louisiana. This included 113 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, 2009, the total number of Louisiana-domiciled banks and thrifts has decreased from 158 to 138, or by 12.66 percent. In Louisiana, we experienced one bank failure in both 2010 and 2011. Nationwide in 2014, there were no de novo institutions chartered, with only three true de novo charters since 2010 (one in 2013 and two in 2010), including one Louisiana state-chartered institution that opened on July 26, 2010. Nationwide, the number of banks and thrifts declined from 6,589 as of September 30, 2014, to 6,509 as of December 31, 2014, or by 80 institutions during the fourth quarter. During the fourth quarter of 2014, four banks and thrifts failed, compared to two failures in the third quarter of 2014. During 2014, there were a total of 18 failures, compared to totals of 24, 51, and 92 failures, in 2013, 2012, and 2011, respectively.

TOTAL ASSETS

Louisiana-Domiciled Banks & Thrifts at 12-31-14

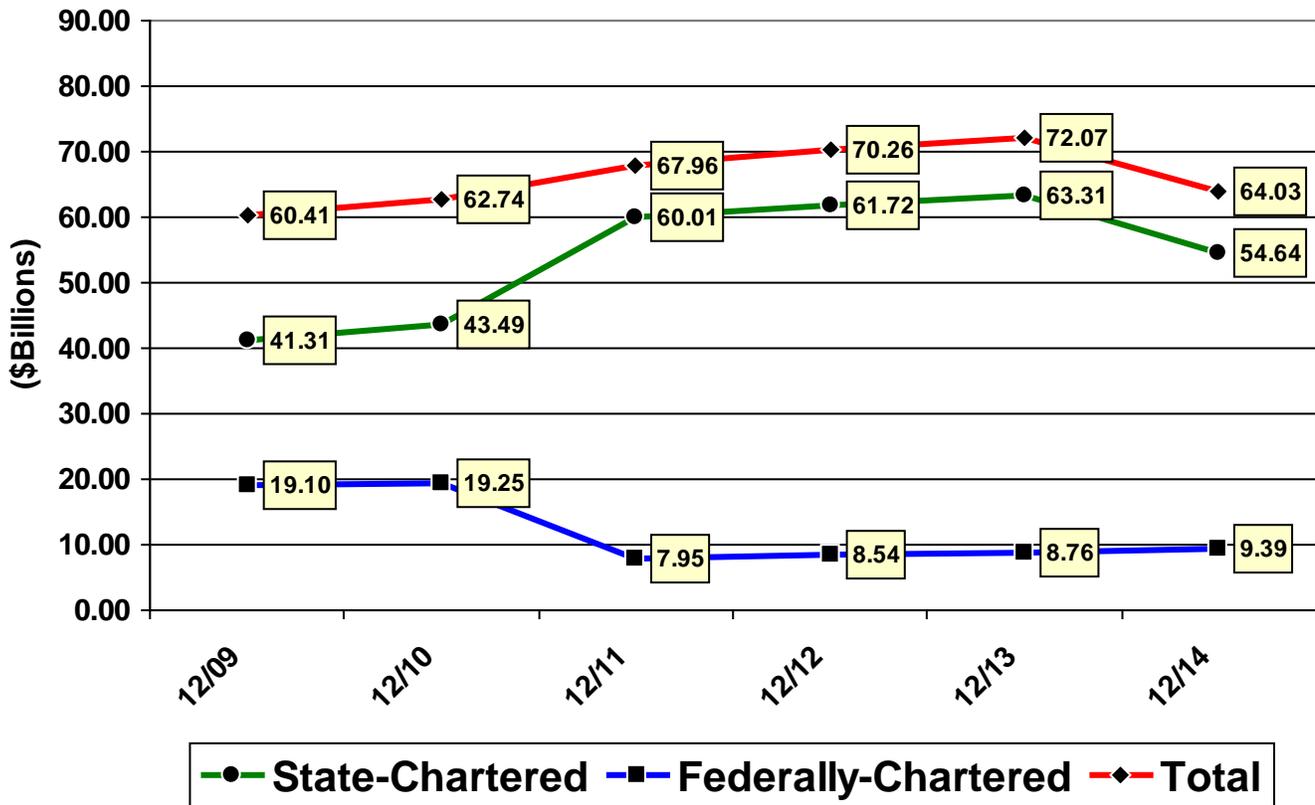


Figure 14

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 2009. Total assets for all Louisiana-domiciled banks and thrifts increased from \$62.73 billion at September 30, 2014, to \$64.03 billion at December 31, 2014, or by 2.08 percent. **Total assets for all Louisiana-domiciled banks and thrifts grew at a faster rate in the third and fourth quarter of 2009 and the third quarter of 2010 because of the acquisitions of the out-of-state failed institutions. However, total assets specifically associated with these institutions are not available.** Total assets in Louisiana-domiciled banks and thrifts have grown for 15 of the past 20 quarters, despite some industry consolidation since year-end 2009. As noted above, total assets grew in the fourth quarter of 2014.

At December 31, 2014, Louisiana state-chartered banks and thrifts held assets totaling \$54.64 billion, or 85.34 percent of the Louisiana banking industry's \$64.03 billion in total assets.

Total assets for all banks and thrifts in the U.S. increased from \$15.35 trillion at September 30, 2014, to \$15.55 trillion at December 31, 2014, and the number of banks and thrifts declined as noted previously.

BANK AND THRIFT SUMMARY AT DECEMBER 31, 2014

During the fourth quarter of 2014, the overall financial condition of Louisiana-domiciled banks and thrifts remained sound as asset quality continued to improve. The fourth quarter of 2014 saw a modest increase in total assets and total deposits, and a minimal increase in Tier 1 (core) capital. During the fourth quarter, core deposits as a percent of total deposits and borrowed money declined slightly from the prior quarter, primarily due to borrowed money increasing faster than core deposits and non-core deposits increasing at a similar pace. Earnings decreased during the fourth quarter primarily due to a decline in noninterest income and increased provisions for loan and lease losses. With the Tier 1 (core) capital increasing slightly slower than quarterly average assets, the Core capital (leverage) ratio decreased during the fourth quarter. However, capital ratios remain well above minimum regulatory requirements. During the fourth quarter of 2014, asset quality continued to improve as the dollar volume and ratio of nonperforming assets declined; however, excluding assets associated with the acquisition of the out-of-state failed institutions, the dollar volume of nonperforming assets increased slightly. The net charge-off ratio increased during the fourth quarter but was still below the level reported at the same time period in the prior year. State and federal regulatory agencies will closely monitor the impact of falling oil prices on asset quality, earnings performance, and capital levels, and to ensure that banks and thrifts continue to adhere to sound underwriting guidelines and properly evaluate the adequacy of their ALLL. Greater emphasis will be placed on capital with the new rules that will become effective in 2015. Industry exposure to interest rate risk and cyber security will also remain high priorities to state and federal regulators in the upcoming year.

BANK AND THRIFT LAGNIAPPE

- At December 31, 2014, the breakdown of **all** Louisiana-domiciled **banks & thrifts** by asset size is as follows:

Asset Size	Number	No. %	Total Assets *	TA %
Assets < \$100 Million	30	22	\$2,027,342	3
Assets \$100 Million to \$300 Million	60	43	10,813,211	17
Assets \$300 Million to \$500 Million	23	17	8,434,541	13
Assets \$500 Million to \$1 Billion	17	12	12,330,867	19
Assets \$1 Billion to \$10 Billion	7	5	14,748,056	23
Assets > \$10 Billion	1	1	15,675,477	25
TOTAL ASSETS	138	100	\$64,029,494	100

- At December 31, 2014, the breakdown of Louisiana **state-chartered banks & thrifts** by asset size is as follows:

Asset Size	Number	No. %	Total Assets *	TA %
Assets < \$100 Million	24	21	\$1,650,673	3
Assets \$100 Million to \$300 Million	50	44	8,813,059	16
Assets \$300 Million to \$500 Million	19	17	7,032,255	13
Assets \$500 Million to \$1 Billion	14	12	9,880,853	18
Assets \$1 Billion to \$10 Billion	5	5	11,591,255	21
Assets > \$10 Billion	1	1	15,675,477	29
TOTAL ASSETS	113	100	\$54,643,572	100

- At December 31, 2014, the breakdown of Louisiana-domiciled **federally-chartered banks & thrifts** by asset size is as follows:

Asset Size	Number	No. %	Total Assets *	TA %
Assets < \$100 Million	6	24	\$376,669	4
Assets \$100 Million to \$300 Million	10	40	2,000,152	21
Assets \$300 Million to \$500 Million	4	16	1,402,286	15
Assets \$500 Million to \$1 Billion	3	12	2,450,014	26
Assets \$1 Billion to \$10 Billion	2	8	3,156,801	34
TOTAL ASSETS	25	100	\$9,385,922	100

* Thousands

CRA RATINGS

Louisiana-Domiciled Banks and Thrifts

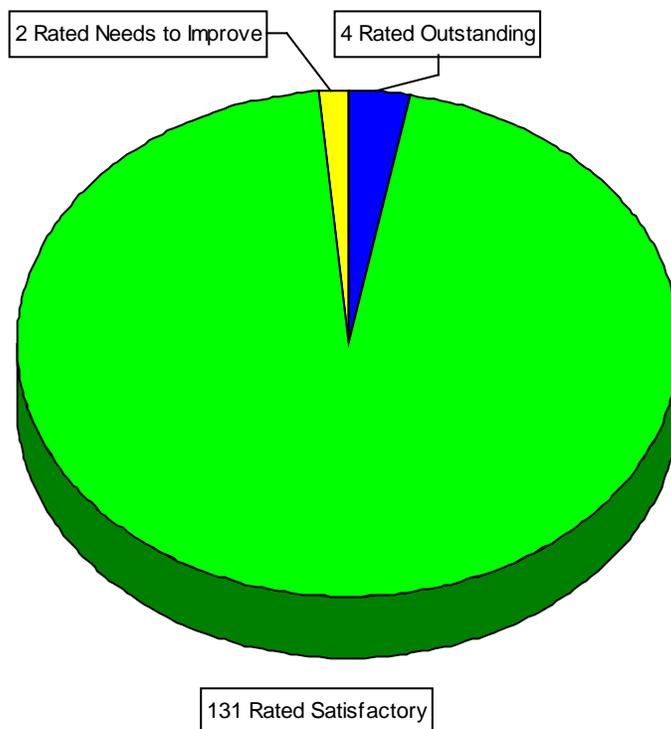


Figure 15

(Note: The above chart does not include a Louisiana-domiciled bankers' bank, since CRA ratings are not applicable. The above chart reflects all ratings issued through December 31, 2014.)

As demonstrated, Louisiana-domiciled banks and thrifts continue to work aggressively to meet the requirements of the Community Reinvestment Act. All but two of the Louisiana-domiciled banks and thrifts that received a CRA rating were rated Satisfactory or better at their last CRA examination. The CRA rating for one bank/thrift changed from Satisfactory to Outstanding in the past six months, while the total number of banks/thrifts shown in the chart above was reduced by two due to mergers. In addition, two ratings shown in the above chart were the ratings assigned by the OTS, as the federal supervisory authority (FDIC or OCC) that took over supervision from the OTS on July 21, 2011, has yet conducted its own 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. 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 positive changes including: Yield on Earning Assets, Cost of Funds, Net Interest Margin, Return on Average Assets, Net Charge-Offs, and Tier 1 Leverage Capital. For banks and thrifts in the U.S., most of these same ratios would also show a positive change.

Based on a non-weighted average, the ROAA for Louisiana-domiciled banks and thrifts for the quarter ending December 31, 2014, is 1.06 percent, while the ROAA for U. S. banks and thrifts for the quarter ending December 31, 2014, is 0.96 percent. In addition, the ratios of nonperforming assets to total assets and noncurrent loans to gross loans for Louisiana-domiciled banks and thrifts would increase by one basis point and twelve basis points, respectively. However, both ratios would still remain below the non-weighted ratios for U.S. banks and thrifts, but the noncurrent loan ratio would not compare as favorably to the ratios shown in the chart on page 1 because of the slight increase combined with a decline in this ratio for U.S. banks and thrifts.

Pages 5 and 6 (Figures 4 and 5) Note: The signature of the Dodd-Frank Act in July 2010 impacted the information contained in the narrative and charts related to discussion of core deposits. While the insurance limit was increased upon signature of the act, the definition of core deposits was not changed until a later date. As a result, the December 31, 2010, report contained the same charts that used the old definition since it was not changed at the time the report was issued. However, the charts on these two pages in the current report reflect the December 31, 2010, December 31, 2011, and June 30, 2012, information based on the new definition of core deposits.