LOUISIANA-DOMICILED BANKS AND THRIFTS FINANCIAL REPORT

For the Quarter Ended
December 31, 2015

STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS

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FINANCIAL CONDITION OF LOUISIANA-DOMICILED BANKS & THRIFTS AT DECEMBER 31, 2015

During the fourth quarter of 2015, total assets for all Louisiana-domiciled banks and thrifts increased from $69.40 billion to $69.95 billion, an increase of $548 million or by 0.79 percent. Total loans and leases increased from $48.32 billion to $48.86 billion or by 1.13 percent. Federal funds sold increased from $456 million to $564 million or by 23.75 percent. Total securities decreased from $12.96 billion to $12.92 billion or by 0.30 percent. Cash decreased from $3.69 billion to $3.61 billion or by 2.26 percent. Regarding liabilities, total deposits increased from $58.08 billion to $58.68 billion or by 1.03 percent, while borrowed money decreased from $2.69 billion to $2.68 billion or by 0.62 percent.

For Louisiana state-chartered banks and thrifts, total assets increased by 1.54 percent during the fourth quarter of 2015. During this period, total loans, securities, Federal funds, and cash all increased. Regarding liabilities, total deposits and borrowed money also increased. For Louisiana-domiciled federally-chartered banks and thrifts, total assets decreased by 3.88 percent during the fourth quarter of 2015. Federal funds sold increased, while cash, securities, and total loans decreased. Regarding liabilities, total deposits and 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, 2015; and for all Louisiana-domiciled banks and thrifts for the years ended December 31, 2015, 2014, 2013, and 2012. **The overall financial performance of Louisiana-domiciled banks and thrifts continues to compare very favorably with all banks and thrifts in the U.S.**

	U. S. Banks & Thrifts	**All Louisiana-Domiciled Banks & Thrifts**			
TRENDS	Year Ended 12/31/2015	Year Ended 12/31/2015	Year Ended 12/31/2014	Year Ended 12/31/2013	Year Ended 12/31/2012
Earnings					
Yield on Earning Assets	3.40%	4.43%↓	4.46%↑	4.35%↓	4.62%
Cost of Funds	0.33%	0.47%↓	0.49%↓	0.50%↓	0.64%
Net Interest Margin	3.07%	3.96%↓	3.97%↑	3.85%↓	3.99%
Loan Loss Provisions to Average Assets	0.24%	0.26%↑	0.21%↑	0.15%↓	0.22%
Operating Expenses to Average Assets	2.66%	3.12%↓	3.15%↓	3.17% –	3.17%
Return on Average Assets	1.04%	1.02%↑*	1.00%↑*	0.93%↓*	0.94%*
Asset Quality					
Noncurrent Loans to Total Loans	1.56%	1.21%#↑	1.13%↓#*	1.40%↓#*	2.32%#*
Nonperforming Assets to Total Assets	0.96%	1.04%↑#*	1.03%↓#*	1.27%↓#*	1.93%#*
Net Charge-offs to Total Loans	0.44%	0.22%↑	0.20%↓	0.21%↓	0.31%
Capital and Liquidity					
Tier 1 Leverage Capital Ratio	9.59%	10.41%↑	10.32%↑	10.20%↑	10.11%
Earning Assets to Total Assets	91.14%	91.93%↓	91.96%↑	91.45%↑	90.50%
Loans to Deposits	71.54%	82.26%↑	81.36%↑	77.17%↑	72.77%

At December 31, 2015 (for all Louisiana-domiciled banks and thrifts), the **year-to-date** return on average assets (ROAA) at 1.02 percent, shown in the chart above, increased by 2 basis points from the same time period in 2014 and declined by 1 basis point from the ratio at the end of the third quarter of 2015 (not shown in chart above). This ratio is 2 basis points below the national average **year-to-date** ROAA shown in the chart above with the gap between the two remaining the same 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, with more than half of them increasing their net income over the prior year. Capital levels remain sound, with ratios increasing during the fourth quarter of 2015 and comparing favorably to year-end 2014. Although asset quality remains stable, the dollar volume of nonperforming assets increased in the fourth quarter due to an increase in noncurrent loans. As a result, the ratios of noncurrent loans and nonperforming assets were above the levels from the same time period in 2014. Net charge-offs increased both in the fourth quarter of 2015 and for the year. As a result, the year-to-date net charge-off ratio, shown in the chart above, was 2 basis points higher than the same time period in 2014. However, the ratio was still well below the nationwide ratio.

Although some nonperforming assets are still covered by loss-sharing agreements with the FDIC that mitigate some of the exposure in these assets, due to acquisitions of failed out-of-state institutions in 2009 and 2010, the coverage under these agreements continues to decline. **Ratios denoted with # were impacted by the acquisition of failed out-of-state institutions, and for ratios denoted with *, please refer to page 20 for more details.**

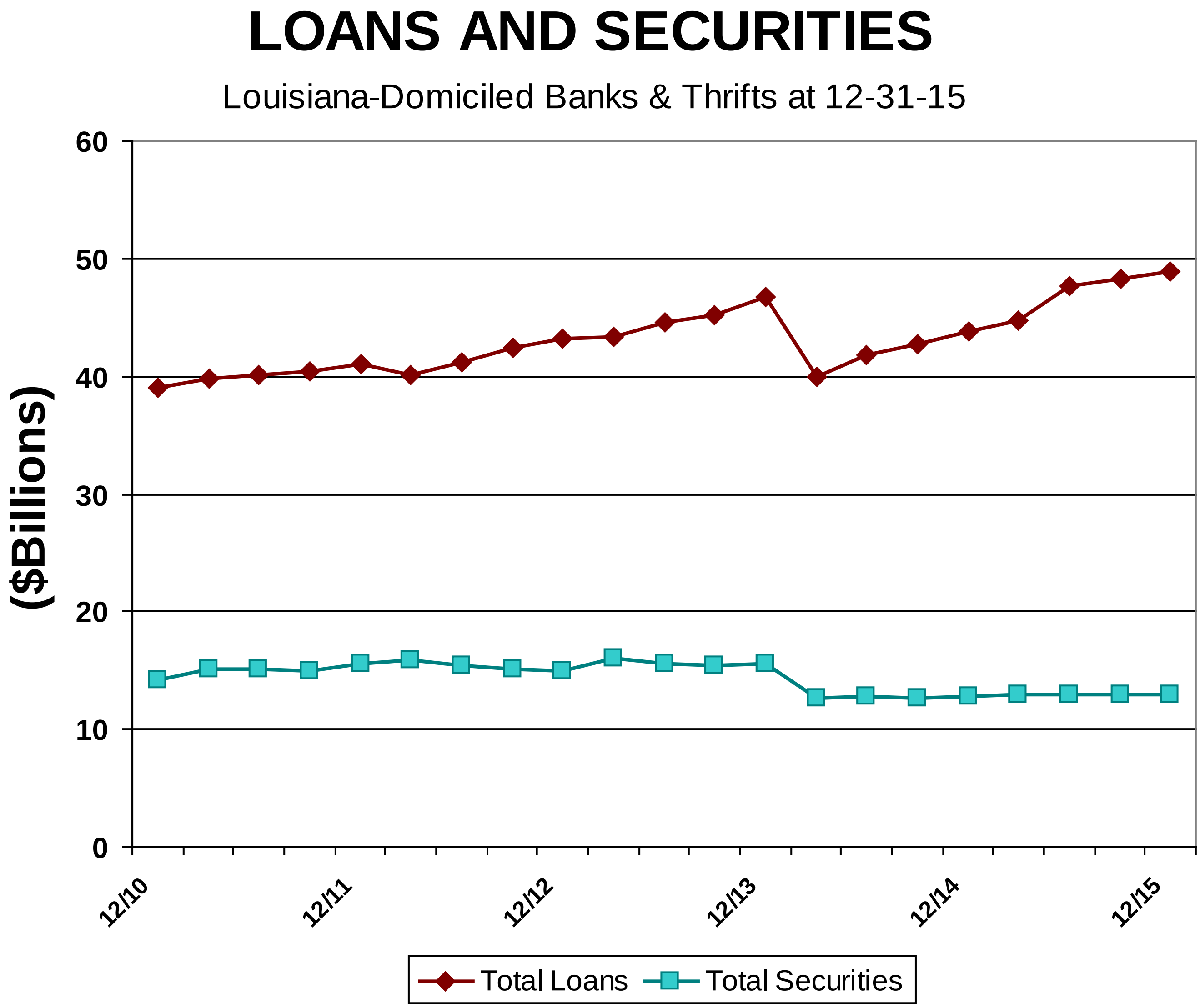

Figure 1

Figure 1 above shows the trend in total loans and leases and securities since year-end 2010. Total loans and leases have increased in 18 of the past 20 quarters (first quarters of 2012 and 2014), with the decrease 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. As previously mentioned, total loans and leases increased by 1.13 percent during the fourth quarter of 2015, from $48.32 billion to $48.86 billion, or by approximately $547 million. During the fourth quarter of 2015, real estate loans increased from $33.25 billion to $33.92 billion or by approximately $677 million, commercial loans increased from $10.18 billion to $10.27 billion or by approximately $94 million, consumer loans decreased from $3.07 billion to $3.03 billion or by approximately $34 million, other loans decreased from $1.20 billion to $1.14 billion or by approximately $61 million, and farm loans decreased from $632 million to $502 million or by approximately $129 million.

During the fourth quarter of 2015, Louisiana state-chartered banks and thrifts experienced growth in total loans and two of the five major reporting categories. During the fourth quarter, real estate loans and commercial grew in that order, while farm loans experienced the largest decline, followed by other loans and consumer loans. Louisiana-domiciled federally-chartered banks and thrifts experienced a decline in total loans and in all five major reporting categories. During the fourth quarter, from highest to lowest by dollar volume, real estate loans, farm loans, other loans, commercial loans, and consumer 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 2015. From highest to lowest in dollar volume for growth were real estate loans, consumer loans, other loans, commercial loans, and farm loans.

LOAN PORTFOLIO MIX

Louisiana-Domiciled Banks & Thrifts at December 31, 2015

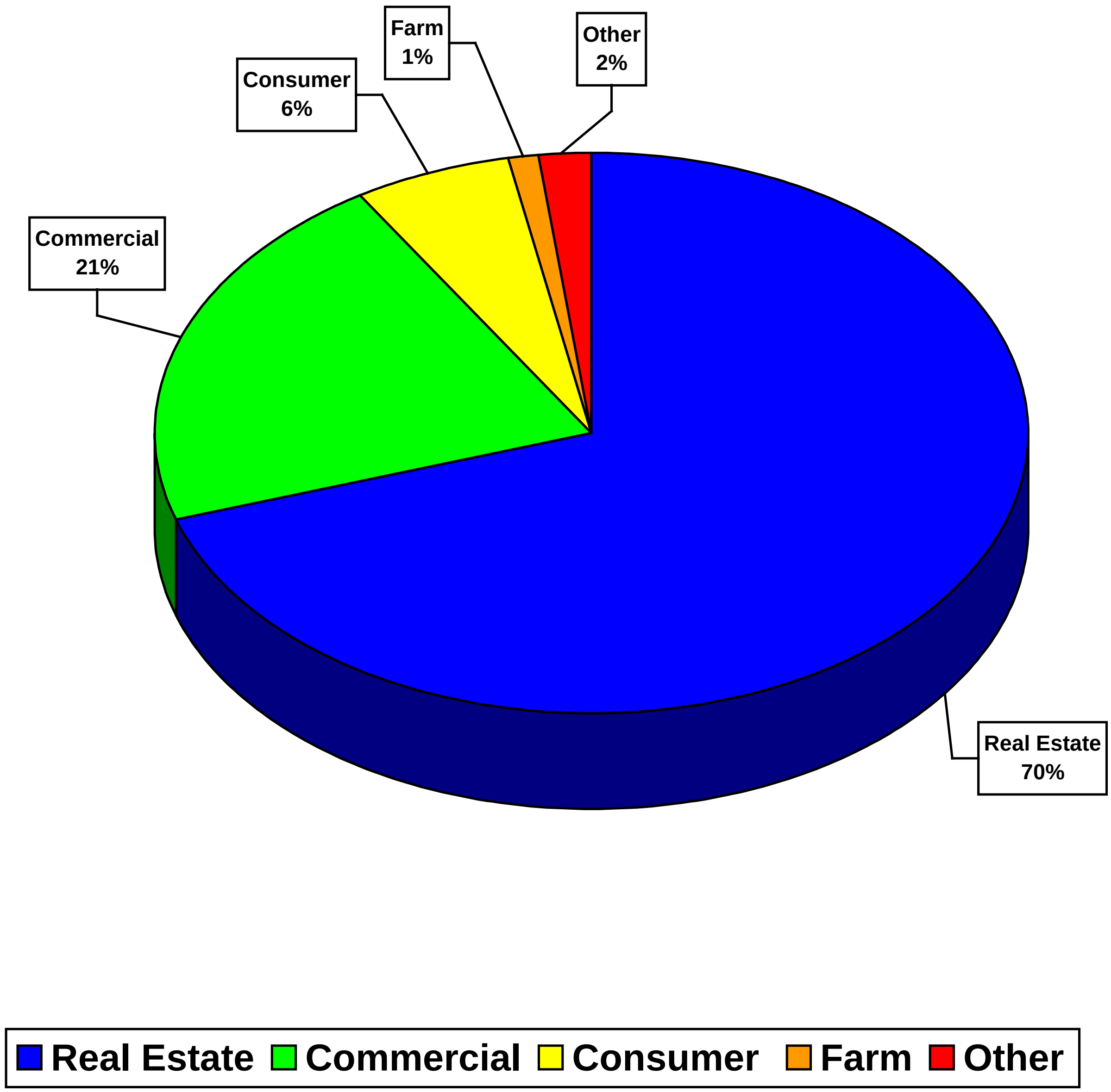

Figure 2

Figure 2 shows the December 31, 2015, loan portfolio mix for all Louisiana-domiciled banks and thrifts. At December 31, 2015, Louisiana state-chartered banks and thrifts showed a loan portfolio mix as follows: real estate loans – 68 percent; commercial loans – 22 percent; consumer loans – 7 percent; other loans – 2 percent; and farm loans – 1 percent. 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 – 15 percent; consumer loans – 4 percent; other loans – 2 percent; and farm loans – 0 percent.

At December 31, 2015, for all banks and thrifts in the U.S., the loan portfolio mix is as follows: real estate loans – 49 percent; commercial loans – 21 percent; consumer loans – 17 percent; other loans – 12 percent; and farm loans – 1 percent.

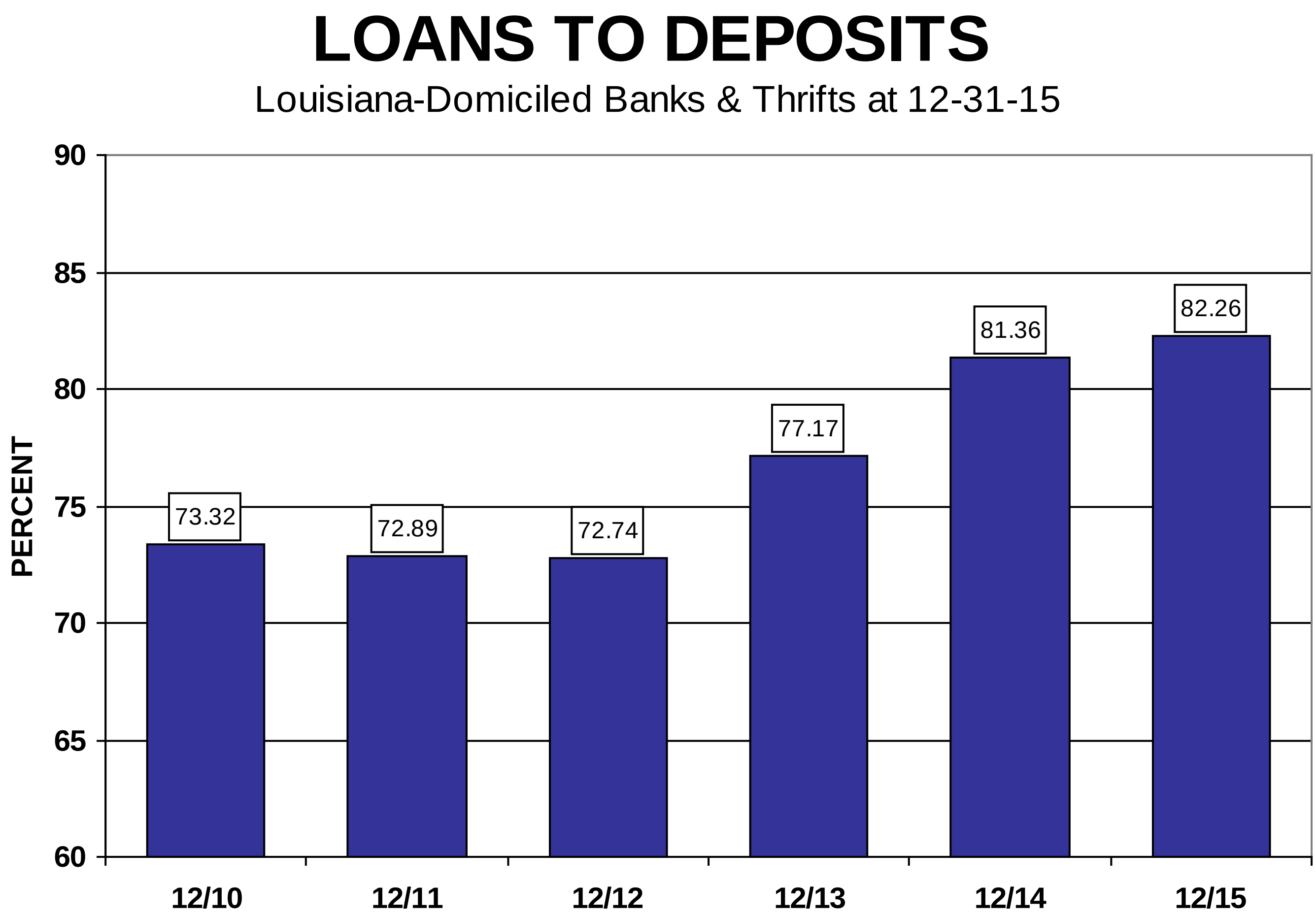

Figure 3

Figure 3 above illustrates the aggregate year-end loan-to-deposit ratio trend since year-end 2010. The ratio of net loans to deposits increased during the fourth quarter of 2015, from 82.20 percent as of September 30, 2015, to 82.26 percent as of December 31, 2015, 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 81.26 percent as of September 30, 2015, to 81.48 percent as of December 31, 2015, as net loans increased faster than deposits. For Louisiana-domiciled federally-chartered banks and thrifts, the ratio of net loans to deposits decreased from 88.70 percent as of September 30, 2015, to 87.82 percent as of December 31, 2015, as net loans increased and deposits declined.

For all banks and thrifts in the U.S., the ratio of net loans to deposits increased from 71.09 percent as of September 30, 2015, to 71.54 percent as of December 31, 2015, as net loans increased and deposits declined.

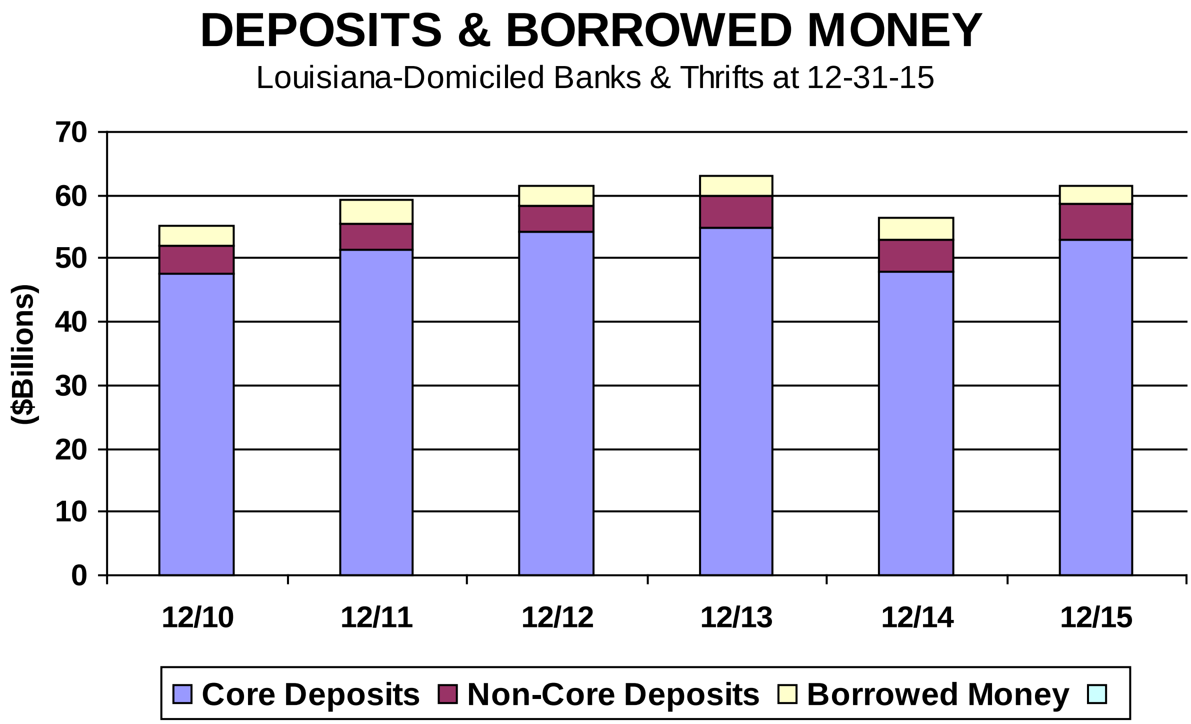

Figure 4

Figure 4 shows the mix of deposits and borrowed money since year-end 2010. Regarding liabilities, total deposits increased from $58.08 billion as of September 30, 2015, to $58.68 billion as of December 31, 2015, or by 1.03 percent, while borrowed money decreased from $2.69 billion as of September 30, 2015, to $2.68 billion as of December 31, 2015, or by 0.62 percent. During the fourth quarter of 2015, total deposits increased at Louisiana state-chartered banks and thrifts and decreased at Louisiana-domiciled federally-chartered banks and thrifts. Core deposits also increased during the fourth quarter, from $52.29 billion as of September 30, 2015, to $52.92 billion as of December 31, 2015, or by 1.19 percent. During the fourth quarter of 2015, core deposits increased at Louisiana state-chartered banks and thrifts and decreased at Louisiana-domiciled federally-chartered banks and thrifts.

As noted previously, borrowed money decreased during the fourth quarter of 2015. At September 30, 2015, borrowed money totaled $2.69 billion and consisted of Federal funds purchased totaling $1.02 billion, Federal Home Loan Bank (FHLB) advances totaling $1.58 billion, and other borrowings totaling $92 million. At December 31, 2015, borrowed money totaled $2.68 billion and consisted of Federal funds purchased totaling $859 million, FHLB advances totaling $1.73 billion, and other borrowings totaling $91 million. Total borrowed money for Louisiana state-chartered banks and thrifts increased by $241 million during the fourth quarter with an increase in FHLB advances and declines in Federal funds purchased and other borrowings. Total borrowed money for Louisiana-domiciled federally-chartered banks and thrifts decreased by $257 million during the fourth quarter with decreases in Federal funds purchased, FHLB advances, and other borrowings.

Non-core deposits decreased during the fourth quarter of 2015. At September 30, 2015, non-core deposits totaled $5.79 billion and consisted of time deposits of $250,000 or more totaling $3.54 billion and brokered deposits under $250,000 totaling $2.24 billion. At December 31, 2015, non-core deposits totaled $5.76 billion and consisted of time deposits of $250,000 or more totaling $3.46 billion and brokered deposits under $250,000 totaling $2.30 billion. During the fourth quarter, non-core deposits in Louisiana state-chartered banks and thrifts increased by $5 million, with an increase of $32 million in brokered deposits under $250,000 and a decrease of $27 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 $31 million, with a decrease of $52 million in time deposits of $250,000 or more and an increase of $21 million in brokered deposits under $250,000.

During the fourth quarter of 2015, all banks and thrifts in the U.S. experienced an increase in total deposits, with core deposits also increasing. However, non-core deposits decreased as decline in deposits in foreign offices declined, while time deposits over $250,000 and brokered deposits of $250,000 or less both increased. Borrowed money increased during the fourth quarter, as the increase in FHLB advances offset declines in Federal funds purchased and other borrowings.

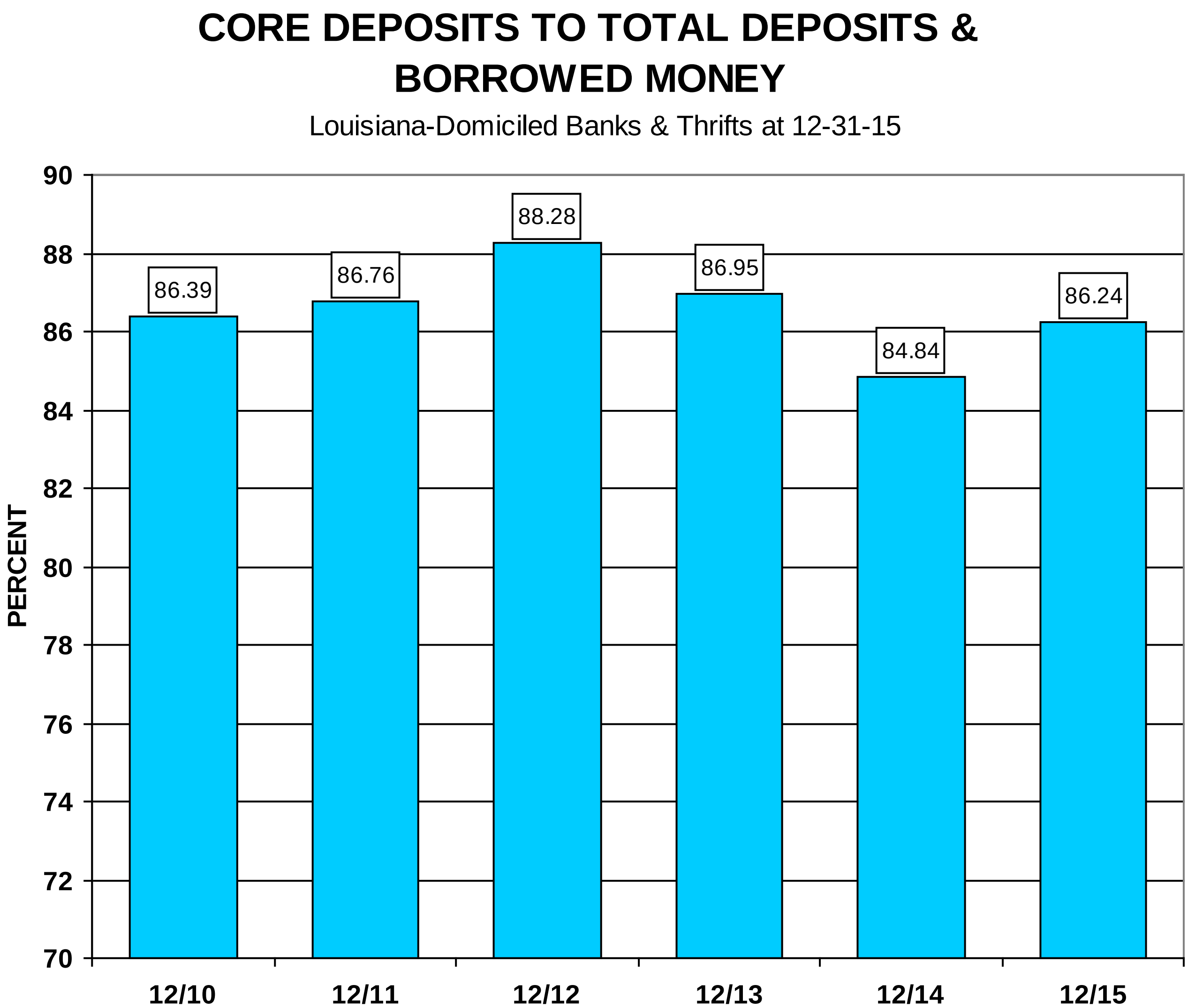

Figure 5

Figure 5 illustrates the trend in the core deposits to total deposits and borrowed money ratio since year-end 2010 and reflect the change in the definition of core deposits based on the increase in the FDIC insurance limit to $250,000 (see note on page 20). The ratio of core deposits to total deposits and borrowed money increased during the fourth quarter of 2015, going from 86.04 percent at September 30, 2015, to 86.24 percent at December 31, 2015.

For Louisiana state-chartered banks and thrifts, the ratio of core deposits to total deposits and borrowed money decreased from 86.75 percent as of September 30, 2015, to 86.51 percent as of December 31, 2015. For Louisiana-domiciled federally-chartered banks and thrifts, this ratio increased from 81.65 percent as of September 30, 2015, to 84.48 percent as of December 31, 2015.

For all banks and thrifts in the U.S., the ratio of core deposits to total deposits and borrowed money increased from 70.80 percent at September 30, 2015, to 71.24 percent at December 31, 2015.

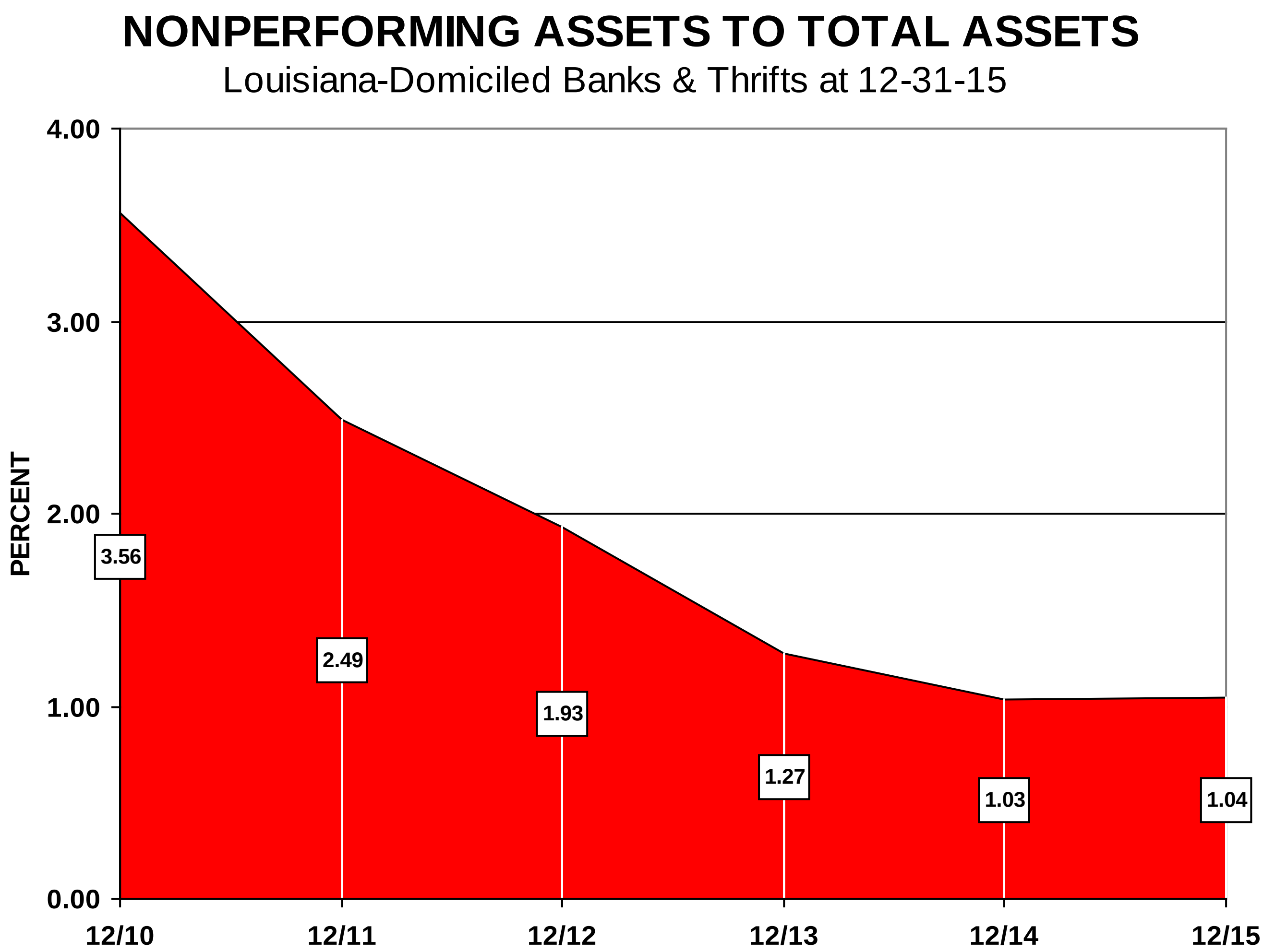

Figure 6

Figure 6 above illustrates the ratio of nonperforming assets to total assets since year-end 2010. From year-end 2010, the ratio, which included assets acquired from out-of-state failed banks, has generally trended downward, with the exception of three quarters, consisting of the first quarter of 2012, the first quarter of 2015, and the third quarter of 2015 and with the largest increase at only 3 basis points. The increase in the ratio during the first quarter of 2012 was due to a decline in total assets, and the increases in the first and third quarter of 2015 resulted from nonperforming assets increasing at a slightly higher rate than total assets. The level of nonperforming assets, excluding those from the failed out-of-state institutions, declined in all four quarters of 2011, increased in the first quarter of 2012. In the second quarter of 2012, the level declined below the level at year-end 2011 and continued to steadily decline through the first quarter of 2014. Starting with the second quarter of 2014 through year-end 2015, the level of these assets increased, with the only exception occurring in the third quarter of 2014. While the dollar volume of nonperforming assets associated with all the acquisitions of out-of-state failed institutions was available, the dollar volume of total assets was not available. Therefore, the estimated change in the ratio of nonperforming assets to total assets from December 31, 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)) increased during the fourth quarter of 2014, going from $720 million at September 30, 2015, to $723 million at December 31, 2015, an increase of $2.6 million or 1.03 percent. However, the ratio of nonperforming assets to total assets remained at 1.04 percent at September 30, 2015, and December 31, 2015. Nonperforming assets associated with the acquisition of failed out-of-state institutions totaled $54 million and $44 million at September 30, 2015, and December 31, 2015, respectively. Excluding these assets, the volume of nonperforming assets would increase from $665 million at September 30, 2015, to $679 million at December 31, 2015, an increase of $13 million or by 2.03 percent.

Aggregate noncurrent loans (loans past due 90 days or more and accruing interest plus nonaccrual loans) increased from $576 million at September 30, 2015, to $593 million at December 31, 2015, an increase of $17 million or by 2.86 percent. With this increase, the ratio of noncurrent loans to gross loans increased slightly from 1.19 percent at September 30, 2015, to 1.21 percent at December 31, 2015. Excluding the loans acquired from the out-of-state failed institutions, aggregate noncurrent loans increased from $538 million at September 30, 2015, to $561 million at December 31, 2015, an increase of $23 million or by 4.34 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, 2015, and December 31, 2015, was not available. OREO decreased from $144 million as of September 30, 2015, to $130 million as of December 31, 2015, a decline of $14 million or by 9.65 percent. Excluding the OREO that was acquired from the out-of-state failed institutions, OREO also decreased, going from $128 million at September 30, 2015, to $118 million at December 31, 2015, a decrease of $10 million or by 7.70 percent.

Figure 7 below illustrates the level of noncurrent loans and OREO for all Louisiana-domiciled banks and thrifts at each year-end since the 2010 period. A**djusted 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.**

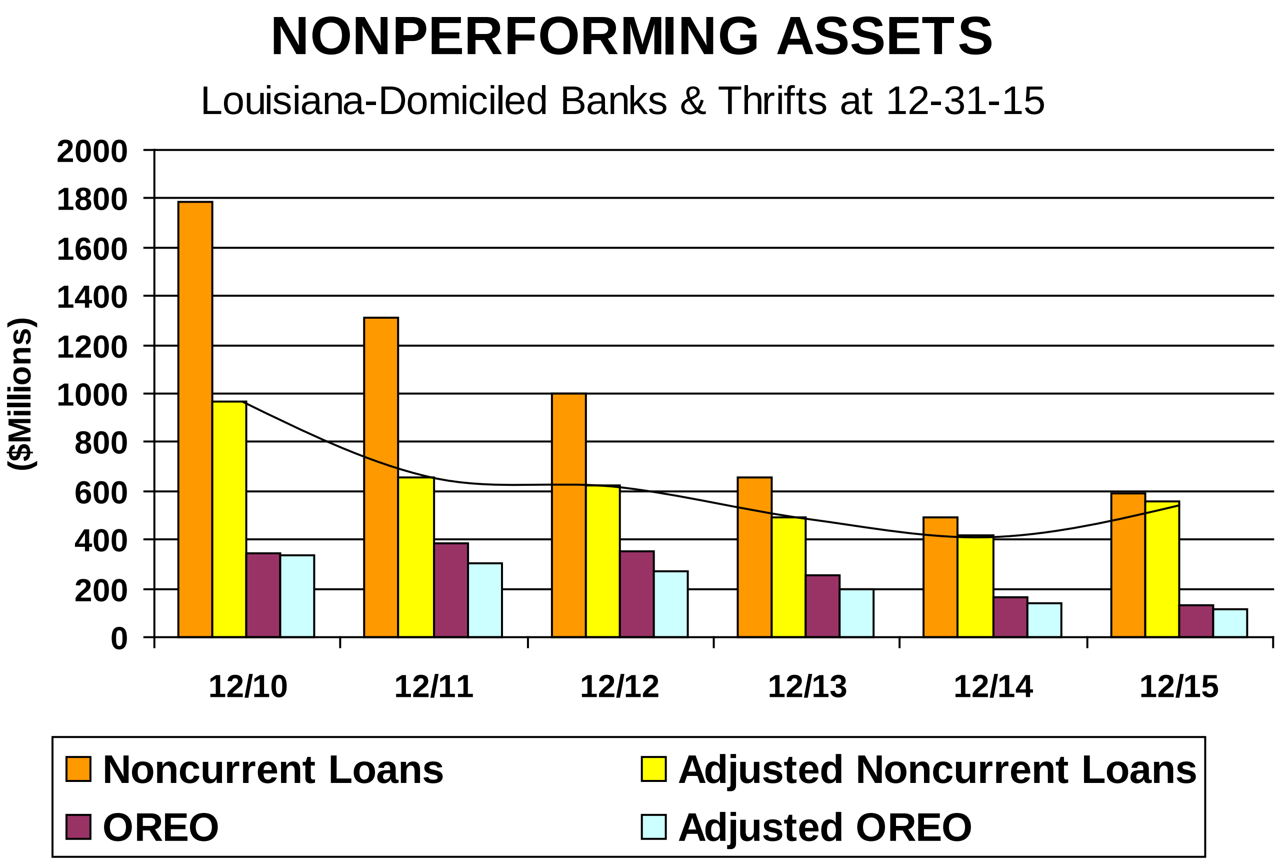

Figure 7

In the fourth quarter of 2015, for Louisiana state-chartered banks and thrifts, noncurrent loans increased from $473 million to $483 million, and OREO decreased from $119 million to $109 million. For Louisiana state-chartered banks and thrifts from September 30, 2015, to December 31, 2015, the ratio of nonperforming assets to total assets decreased from 0.99 percent to 0.98 percent, while the ratio of noncurrent loans to gross loans increased from 1.13 percent to 1.14 percent. Excluding the assets acquired from the out-of-state failed institutions, noncurrent loans would still increase from $435 million to $452 million, and OREO would still decrease from $102 million to $97 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, declined, or stayed the same 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 $103 million to $109 million, and OREO decreased from $25 million to $21 million. From September 30, 2015, to December 31, 2015, the ratios of nonperforming assets to total assets and noncurrent loans to gross loans for Louisiana-domiciled federally-chartered banks and thrifts increased from 1.33 percent to 1.41 percent and from 1.57 percent to 1.70 percent, respectively. For all commercial banks and thrifts in the U.S., nonperforming assets decreased from September 30, 2015, to December 31, 2015, as both noncurrent loans and OREO decreased. As a result, the ratio of nonperforming assets to total assets decreased from 0.99 percent to 0.96 percent, and the ratio of noncurrent loans to total loans decreased from 1.61 percent to 1.56 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, 2015, Louisiana-domiciled banks and thrifts reported the carrying amount of loans and OREO covered by FDIC loss-sharing agreements at $233 million and $12 million, respectively, for a total of $245 million. The total carrying amount of these assets represented 0.50 percent of gross loans plus OREO and 0.35 percent of total assets. At September 30, 2015, Louisiana-domiciled banks and thrifts reported the carrying amount of loans and OREO covered by FDIC loss-sharing agreements at $257 million and $16 million, respectively, for a total of $273 million. The total carrying amount of these assets represented 0.56 percent of gross loans plus OREO and 0.39 percent of total assets reported as of this date.

At December 31, 2015, noncurrent loans covered by the FDIC loss-share agreements totaled $33 million, or 5.64 percent of the total noncurrent loans, compared to $40 million, or 7.00 percent of total noncurrent loans, at September 30, 2015. At December 31, 2015, OREO covered by these loss-sharing agreements totaled $12 million, or 9.35 percent of total OREO, compared to $16 million, or 111.15 percent of total OREO, at September 30, 2015.

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, 2015, the portion of noncurrent loans protected by these loss-sharing agreements totaled $31 million, or 5.15 percent of total noncurrent loans, compared to $36 million, or 6.31 percent of total noncurrent loans, at September 30, 2015. At December 31, 2015, the portion of OREO protected by these loss-sharing agreements totaled $11 million, or 8.47 percent of total OREO, compared to $15 million, or 10.09 percent of total OREO, at September 30, 2015.

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 0.23 percent and 0.27 percent of gross loans and OREO, respectively, at December 31, 2015, and September 30, 2015. 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 0.13 percent at December 31, 2015, from 0.15 percent at September 30, 2015.

For all commercial banks and thrifts in the U.S., at December 31, 2015, covered noncurrent loans represented 1.31 percent of total noncurrent loans, compared to 1.51 percent at September 30, 2015. At December 31, 2015, covered OREO represented 4.18 percent of total OREO, compared to 4.42 percent at September 30, 2015. At December 31, 2015, protected noncurrent loans represented 1.08 percent of total noncurrent loans, compared to 1.25 percent at September 30, 2015. At December 31, 2015, protected OREO represented 3.25 percent of total OREO, compared to 3.49 percent at September 30, 2015.

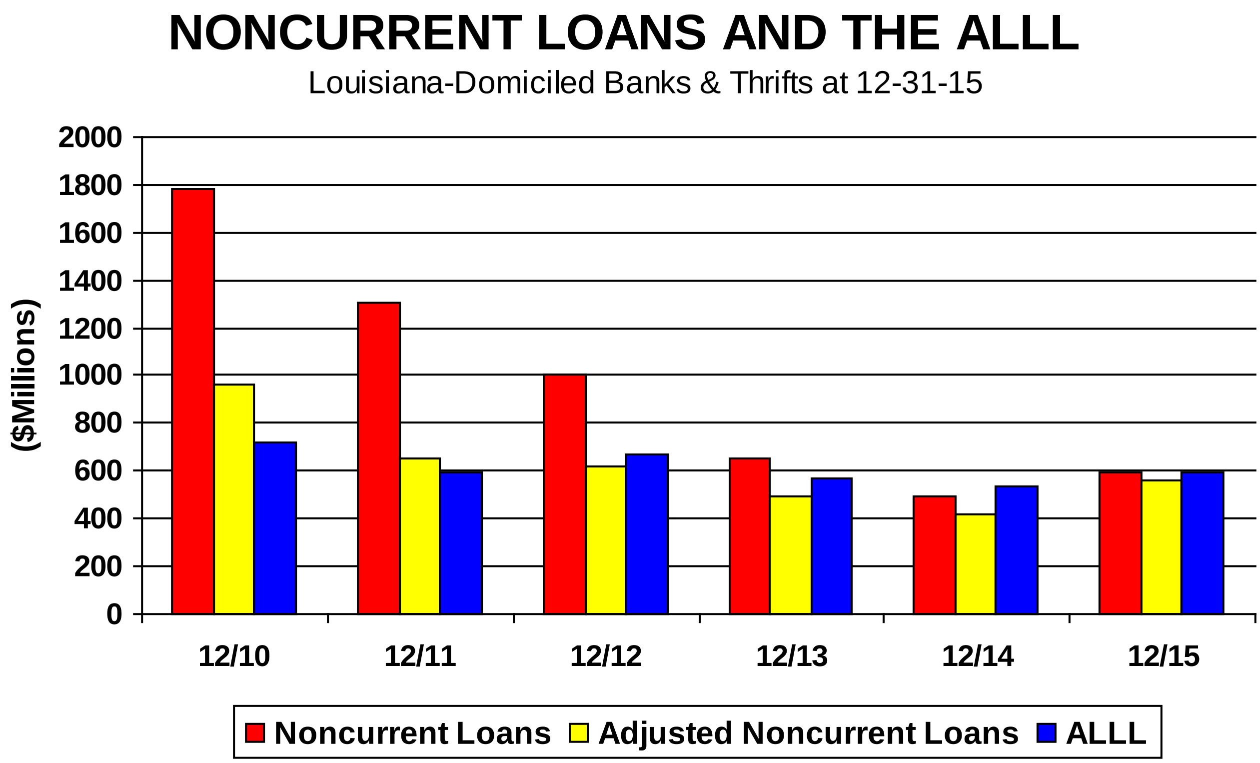

Figure 8

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 2010. **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 2010 through the first quarter of 2014, the level of noncurrent loans exceeded the level of the ALLL. From the quarter ending June 30, 2014, through June 30, 2015, the level of the ALLL has exceeded the level of noncurrent loans. At the quarter ending September 30, 2015, the level of noncurrent loans exceeded the level of the ALLL. As of the quarter ending December 31, 2015, the level of noncurrent loans and the ALLL were essentially the same.

For Louisiana state-chartered banks and thrifts, the level of noncurrent loans exceeded the level of the ALLL at year-end 2010 and the 12 quarters through year-end 2013. However, for the last 8 quarters starting with the quarter ending March 31, 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 2010 and remained that way for 18 of the 20 quarters since that time. The only exceptions occurred for the quarters ending September 30, 2014, and March 31, 2015, when the level of the ALLL 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 2010 and has remained that way for the 20 subsequent quarters.

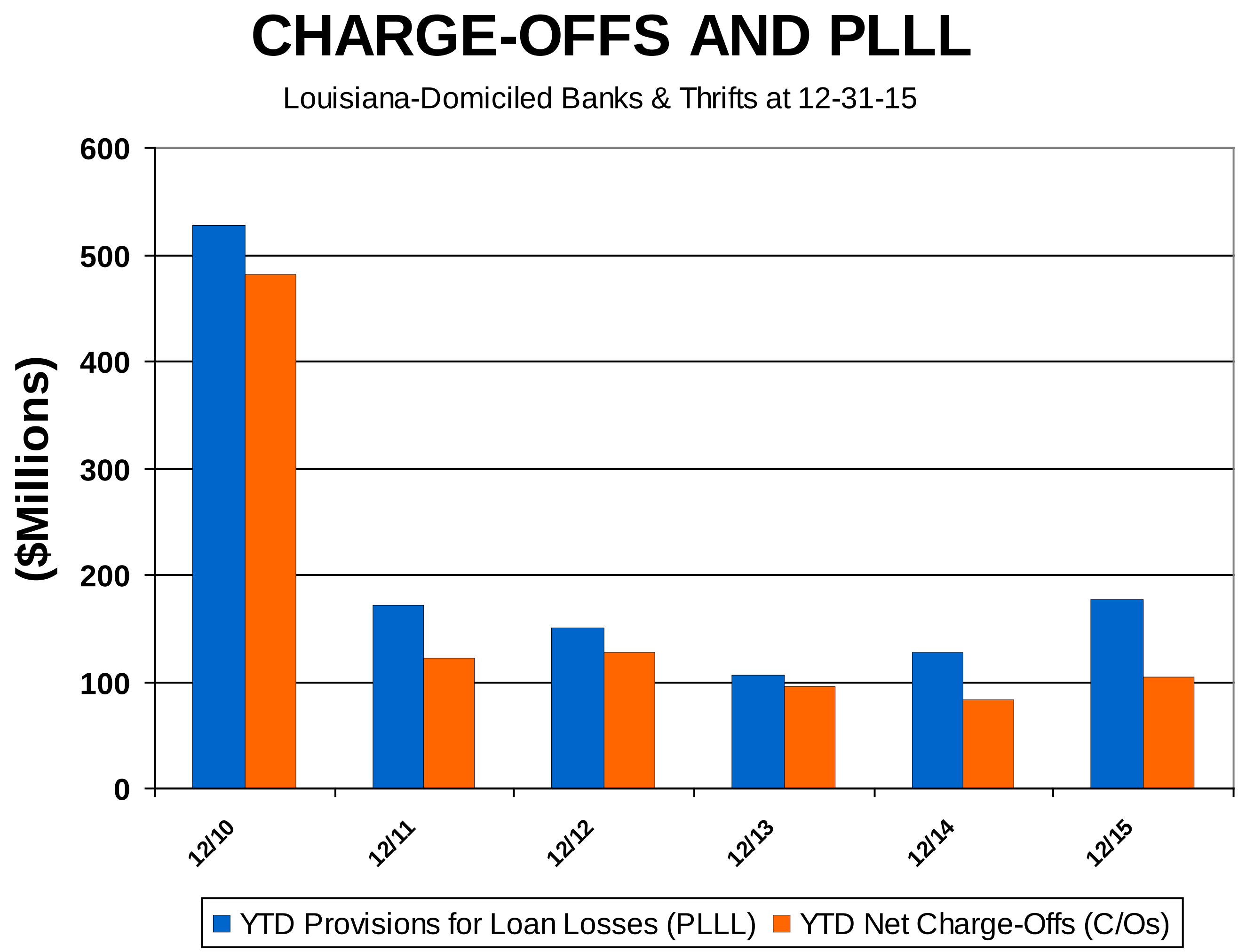

Figure 9

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 2010. The 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 2015 totaled $32 million, an increase from the $27 million in the third quarter of 2015. As a result, the annualized net charge-off ratio for the quarter ending December 31, 2015, based on quarterly charge-offs, increased to 0.27 percent, from 0.23 percent for the quarter ending September 30, 2015. Based on net charge-offs for the 2015 reported at $104 million, the year-to-date ratio of net charge-offs to total loans increased to 0.22 percent at December 31, 2015, from 0.21 percent at September 30, 2015. For the calendar years 2014, 2013, and 2012, net charge-offs totaled $83 million, $95 million, and $128 million, respectively, with the YTD net charge-off ratios of 0.20 percent, 0.21 percent, and 0.31 percent, respectively.

From September 30, 2015, to December 31, 2015, quarterly net charge-offs increased from $26 million to $29 million for Louisiana state-chartered banks and thrifts. For these institutions, the annualized net charge-off ratio, based on quarterly charge-offs, increased slightly from 0.25 percent to 0.27 percent. Based on net charge-offs of $95 million for the 2015 year, the year-to-date net charge-off ratio also increased slightly from 0.22 percent at September 30, 2015, to 0.24 percent at December 31, 2015. In comparison, net charge-offs totaled $75 million, $84 million, and $115 million for the calendar years 2014, 2013, and 2012, respectively, with the YTD net charge-off ratios of 0.21 percent, 0.22 percent, and 0.32 percent, respectively.

From September 30, 2015, to December 31, 2015, quarterly net charge-offs increased from $1 million to $4 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, increase from 0.08 percent to 0.23 percent. Based on net charge-offs of $9 million for the 2015 year, the year-to-date net charge-off ratio increased from 0.11 percent at September 30, 2015, to 0.15 percent at December 31, 2015. In comparison, net charge-offs totaled $8 million, $13 million, and $17 million for the calendar years 2014, 2013, and 2012, respectively, with the YTD net charge-off ratios at 0.14 percent, 0.21 percent, and 0.26 percent, respectively.

For Louisiana-domiciled banks and thrifts, loan loss reserves increased to $593 million at December 31, 2015, from $575 million at September 30, 2015, and the ratio of loan loss reserves to total loans increased to 1.21 percent at December 31, 2015, from 1.19 percent at September 30, 2015. This ratio (loan loss reserves to total loans), for each year-end since 2010, 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; 1.21 percent as of December 31, 2013; and 1.23 percent as of December 31, 2014.

For Louisiana-domiciled banks and thrifts, loan loss provisions totaled $42 million during the third quarter of 2015, or 0.24 percent of average assets, as compared to $53 million during the fourth quarter of 2015, or 0.30 percent of average assets. For the calendar years 2015, 2014, 2013, and 2012, loan loss provisions totaled $176 million, $128 million, $105 million, and $151 million, respectively.

For Louisiana state-chartered banks and thrifts, loan loss reserves totaled $512 million at December 31, 2015, an increase from $495 million at September 30, 2015. The ratio of loan loss reserves to total loans increased to 1.21 percent at December 31, 2015, from 1.19 percent at September 30, 2015. Loan loss provisions in the fourth quarter totaled $29 million, an increase from $26 million in the third quarter. For the calendar years 2015, 2014, 2013, and 2012, loan loss provisions totaled $95 million, $114 million, $93 million, and $136 million, respectively.

For Louisiana-domiciled federally-chartered banks and thrifts, loan loss reserves increased to $81 million at December 31, 2015, from $80 million at September 30, 2015. As a result, the ratio of loan loss reserves to total loans increased to 1.25 percent at December 31, 2015, from 1.21 percent at September 30, 2015. Loan loss provisions for the fourth quarter totaled $6 million, a decrease from $84 million in the third quarter. For the calendar years 2015, 2014, 2013, and 2012, loan loss provisions totaled $25 million, $14 million, $13 million, and $15 million, respectively.

For all banks and thrifts in the U.S., net charge-offs recognized in the fourth quarter of 2015 totaled $10.61 billion, an increase from the $8.68 billion in the third quarter of 2015. As a result, the annualized net charge-off ratio, based on quarterly charge-offs, was 0.49 percent for the quarter ending December 31, 2015, an increase from 0.40 percent for the quarter ending September 30, 2015. Net charge-offs for the 2015 year totaled $37.13 billion, and the year-to-date net charge-off ratio increased to 0.44 percent as of December 31, 2015, from 0.42 percent as of September 30, 2015. For the calendar years 2014, 2013, and 2012, net charge-offs totaled $39.49 billion, $53.22 billion, and $82.22 billion, respectively, with YTD net charge-off ratios of 0.49 percent, 0.69 percent, and 1.10 percent, respectively.

For all banks and thrifts in the U.S., loan loss reserves remained at $118.56 billion at December 31, 2015, and September 30, 2015. As a result of loan growth, the ratio of loan loss reserves to total loans declined to 1.34 percent at December 31, 2015, from 1.37 percent at September 30, 2015. Loan loss provisions for the fourth quarter totaled $12.04 billion, an increase from $8.50 billion during the third quarter. For the calendar years 2015, 2014, 2013, and 2012, loan loss provisions totaled $36.97 billion, $29.74 billion, $32.45 billion, and $58.24 billion, respectively.

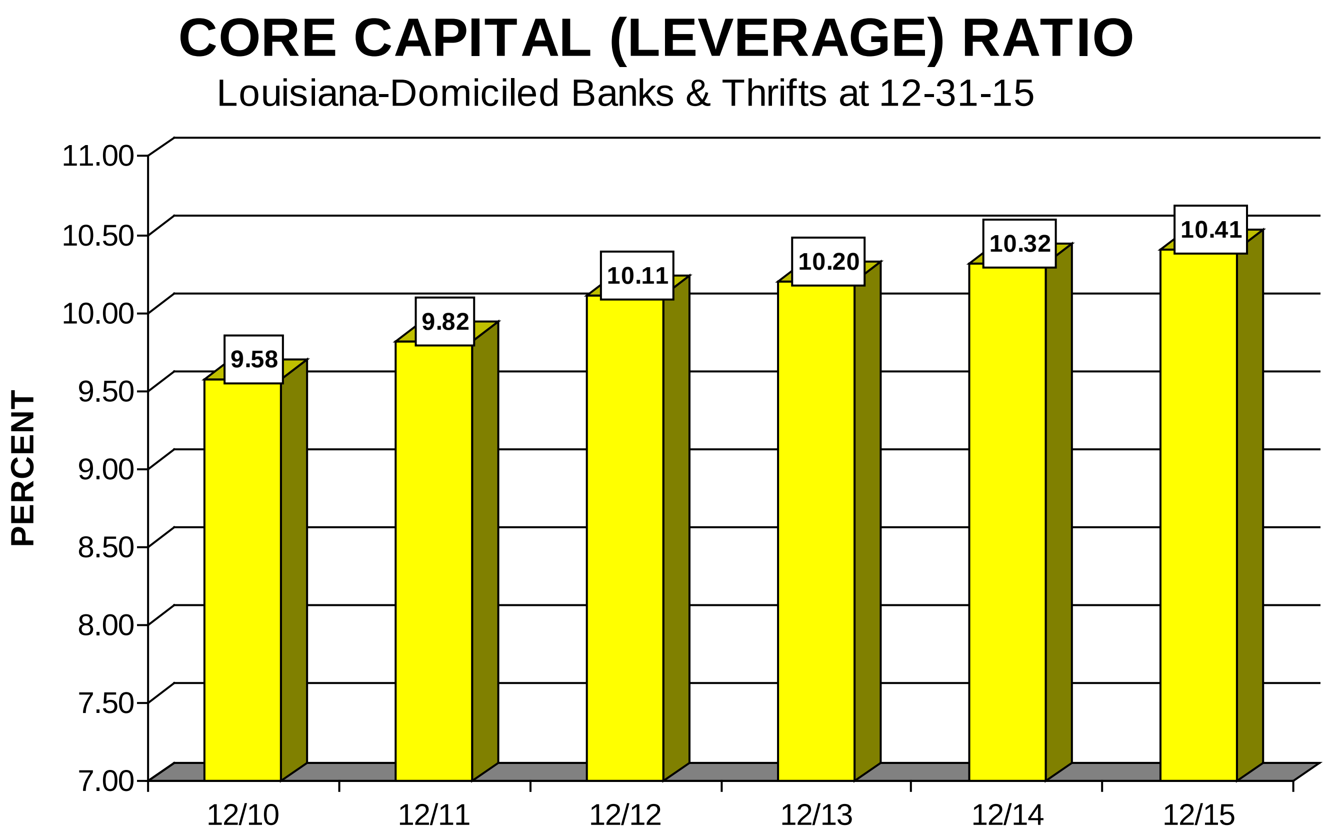

Figure 10

Figure 10 above illustrates the trend in the Tier 1 (core) capital ratio since year-end 2010. As Figure 10 above shows, the Core capital (leverage) ratio at December 31, 2015, increased by 9 basis points from the ratio reported at December 31, 2014. During the fourth quarter, the Core capital (leverage) ratio increased from 10.33 percent at September 30, 2015, to 10.41 percent at December 31, 2015. During the fourth quarter of 2015, Tier 1 (core) capital increased at a faster pace than quarterly average assets during that same time period, going from $7.03 billion at September 30, 2015, to $7.13 billion at December 31, 2015. Louisiana-domiciled banks and thrifts paid dividends of $89 million in the fourth quarter of 2015, compared to dividends of $131 million in the third quarter.

During the fourth quarter of 2015, Tier 1 (core) capital increased by $132 million in Louisiana state-chartered banks and thrifts. With this increase above the increase in quarterly average assets, the Core capital (leverage) ratio increased from 10.11 percent to 10.25 percent. In addition, dividends paid by Louisiana state-chartered banks and thrifts during the fourth quarter increased by $30 million from the level paid in the third quarter. During the fourth quarter of 2015, Tier 1 (core) capital decreased by $27 million in Louisiana-domiciled federally-chartered banks and thrifts, and as a result, their Core capital (leverage) ratio decreased from 11.75 percent to 11.43 percent due to a lesser decline in quarterly average assets. Dividends paid by Louisiana-domiciled federally-chartered banks and thrifts during the fourth quarter decreased by $73 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 2015. With a slightly higher increase in quarterly average assets, the Core capital (leverage) ratio decreased slightly from 9.61 percent at September 30, 2015, to 9.59 percent at December 31, 2015. Cash dividends paid by these banks and thrifts in the second quarter of 2015 increased by $1.54 billion over the level paid during the third quarter or 2015.

At December 31, 2015, there were 55 state-chartered banks and thrifts and 7 national banks and federally-chartered thrifts, or approximately 47 percent, of the 132 Louisiana-domiciled banks and thrifts, that had elected tax treatment as a Subchapter S corporation, as compared to approximately 33 percent of all banks and thrifts in the U.S.

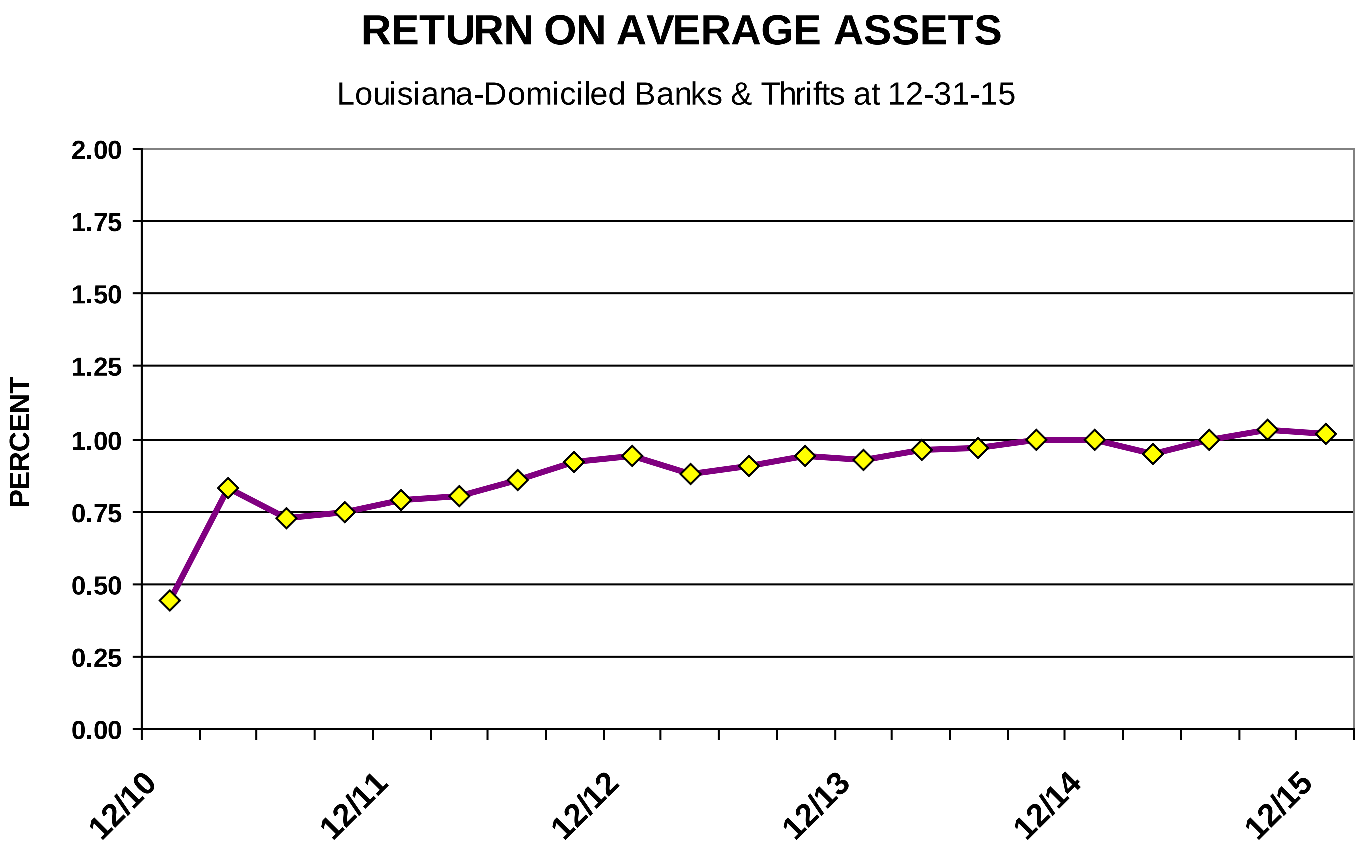

Figure 11

Figure 11 above reflects the annualized year-to-date ROAA for all Louisiana banks and thrifts since year-end 2010. Earnings for the fourth quarter of 2015 decreased from the previous quarter. Net income for the fourth quarter of 2015 totaled $167.93 million, for a return on average assets (ROAA) of 0.97 percent annualized, as compared to net income for third quarter of 2015, which totaled $189.84 million, or an ROAA of 1.10 percent annualized. In the fourth quarter, net interest income increased but was offset by an increase in provisions for loan losses and noninterest expenses and a decline in noninterest income. As shown in the chart above, the YTD ROAA declined slightly from 1.03 percent at September 30, 2015, to 1.02 percent at December 31, 2015. At September 30, 2015, and December 31, 2015, the same three Louisiana-domiciled banks and thrifts reported YTD net operating losses. At December 31, 2015, the percentage of unprofitable Louisiana-domiciled banks and thrifts was 2.27 percent, while the nationwide percentage was 4.61 percent. At December 31, 2015, approximately 56 percent of Louisiana-domiciled banks and thrifts saw earnings increase over the same time period in 2014, compared to approximately 63 percent nationwide.

For the fourth quarter of 2015, all banks and thrifts in the U.S. reported net income of $40.85 billion, for an annualized ROAA of 1.03 percent, as compared to net income of $40.38 billion, for an annualized ROAA of 1.03 percent for the third quarter of 2015. An increase in net interest income offset a decline in noninterest income and an increase in provisions for loan losses, which caused the slight increase in net income for the fourth quarter. With the slight increase in net income in the fourth quarter, the YTD annualized ROAA, based on quarterly net income, increased from 1.01 percent at September 30, 2015, to 1.02 percent at December 31, 2015. The ROAA for the 2015 year at December 31, 2016, was 1.04 percent, down from 1.05 percent as of September 30, 2015.

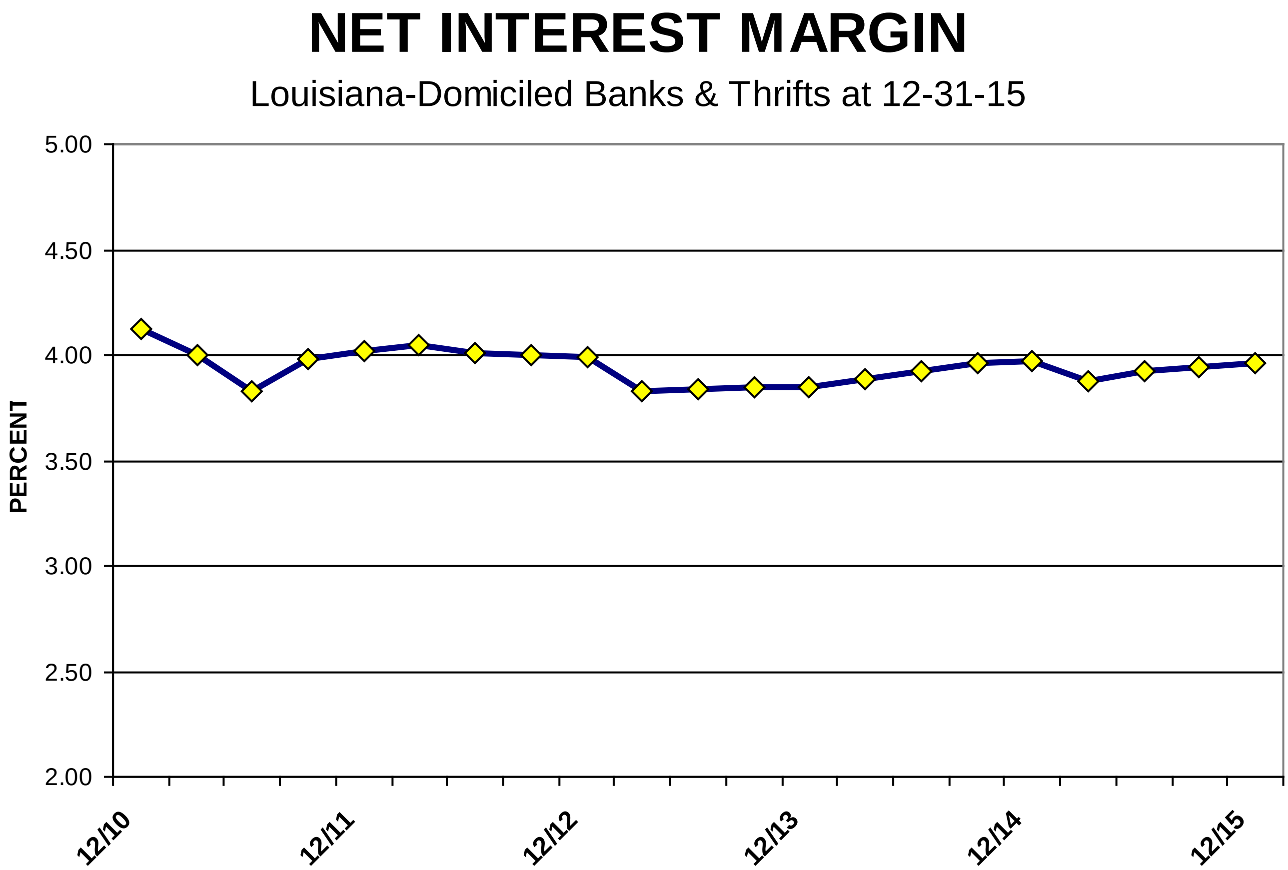

Figure 12

Figure 12 above reflects the annualized YTD net interest margin for all Louisiana banks and thrifts since year-end 2010. The net interest margin for all Louisiana-domiciled banks and thrifts increased nominally from 3.94 percent at September 30, 2015, to 3.96 percent at December 31, 2015. The aggregate yield on earning assets increased from 4.41 percent to 4.43 percent, while the cost of funds remained the same at 0.47 percent.

During the fourth quarter of 2015, the net interest margin for Louisiana state-chartered banks and thrifts increased from 3.95 percent to 3.96 percent, while the net interest margin for Louisiana-domiciled federally-chartered banks and thrifts increased from 3.90 percent to 3.93 percent. The yield on earning assets increased from 4.43 percent to 4.45 percent for Louisiana state-chartered banks and thrifts and from 4.30 percent to 4.31 percent for Louisiana-domiciled federally-chartered banks and thrifts. The cost of funds for Louisiana state-chartered banks and thrifts remained the same at 0.48 percent, while the cost of funds for and Louisiana-domiciled federally-chartered banks and thrifts decreased from 0.40 percent to 0.38 percent.

For all banks and thrifts in the U.S., the net interest margin increased slightly from 3.05 percent at September 30, 2015, to 3.07 percent at December 31, 2015. During the same time frame, the yield on earning assets increased nominally from 3.38 percent to 3.40 percent, while the cost of funds remained at 0.33 percent.

INDUSTRY CONSOLIDATION

Louisiana-Domiciled Banks & Thrifts at 12-31-15

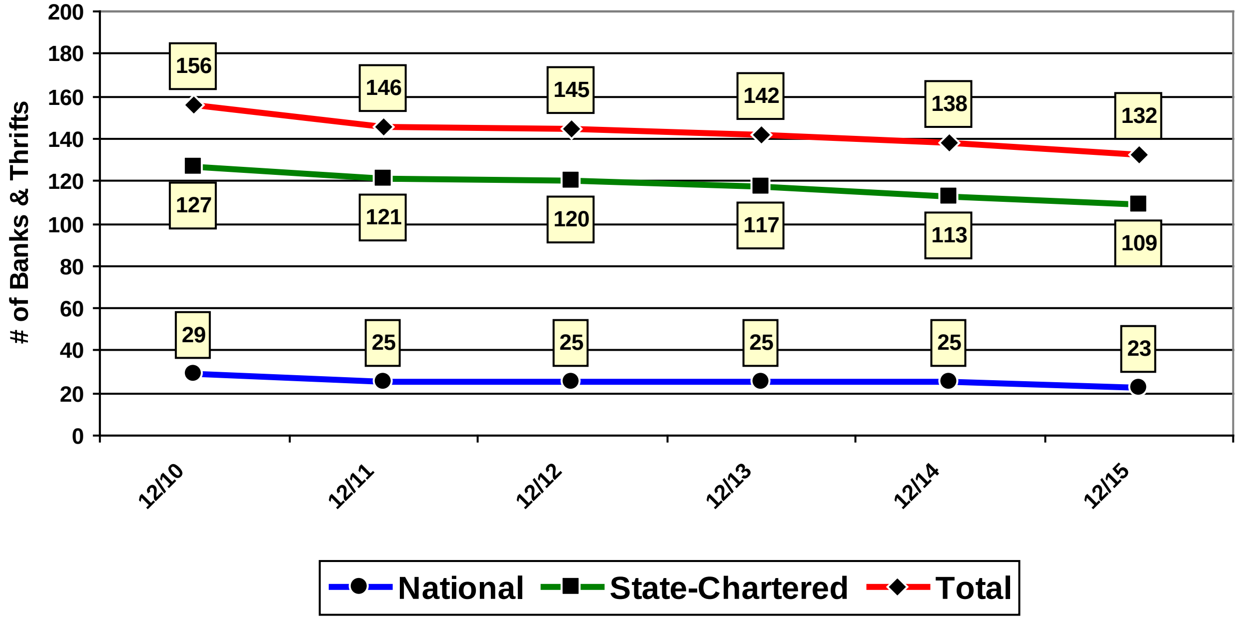

Figure 13

MERGERS AND ACQUISITIONS

Figure 13 above reflects the number of Louisiana-domiciled bank and thrifts since year-end 2010. Mergers of one state-chartered bank with and into another and a Louisiana-domiciled federally-chartered thrift with and into a Louisiana-domiciled national bank occurred during the third quarter of 2015. The merger of a Louisiana-domiciled federally-chartered thrift with and into a Louisiana state-chartered bank took place during the fourth quarter of 2015. The merger of two state-chartered banks was also announced in the third quarter of 2015, with the merger taking placing in the first quarter of 2016. A previously announced merger transaction of a Louisiana state-chartered bank with and into an out-of-state bank has been further delayed.

As of December 31, 2015, there were 132 banks and thrifts domiciled in Louisiana. This included 109 state-chartered banks and thrifts, which represents 83 percent of the total number of Louisiana-domiciled banks and thrifts. As Figure 13 above illustrates, since December 31, 2010, the total number of Louisiana-domiciled banks and thrifts has decreased from 156 to 132, or by 15.38 percent. In Louisiana, we experienced one bank failure in both 2010 and 2011. During the third quarter of 2015, there was one de novo institution chartered nationwide, marking only the fourth true de novo charter (not chartered to acquire failed banks) 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 6,270 as of September 30, 2015, to 6,182 as of December 31, 2015, or by 88 institutions during the fourth quarter. During the fourth quarter of 2015, there were two bank/thrift failures, compared to one failure in the third quarter of 2015. During 2015, there were a total of 8 failures, compared to totals of 18, 24, and 51 failures, in 2014, 2013, and 2012, respectively.

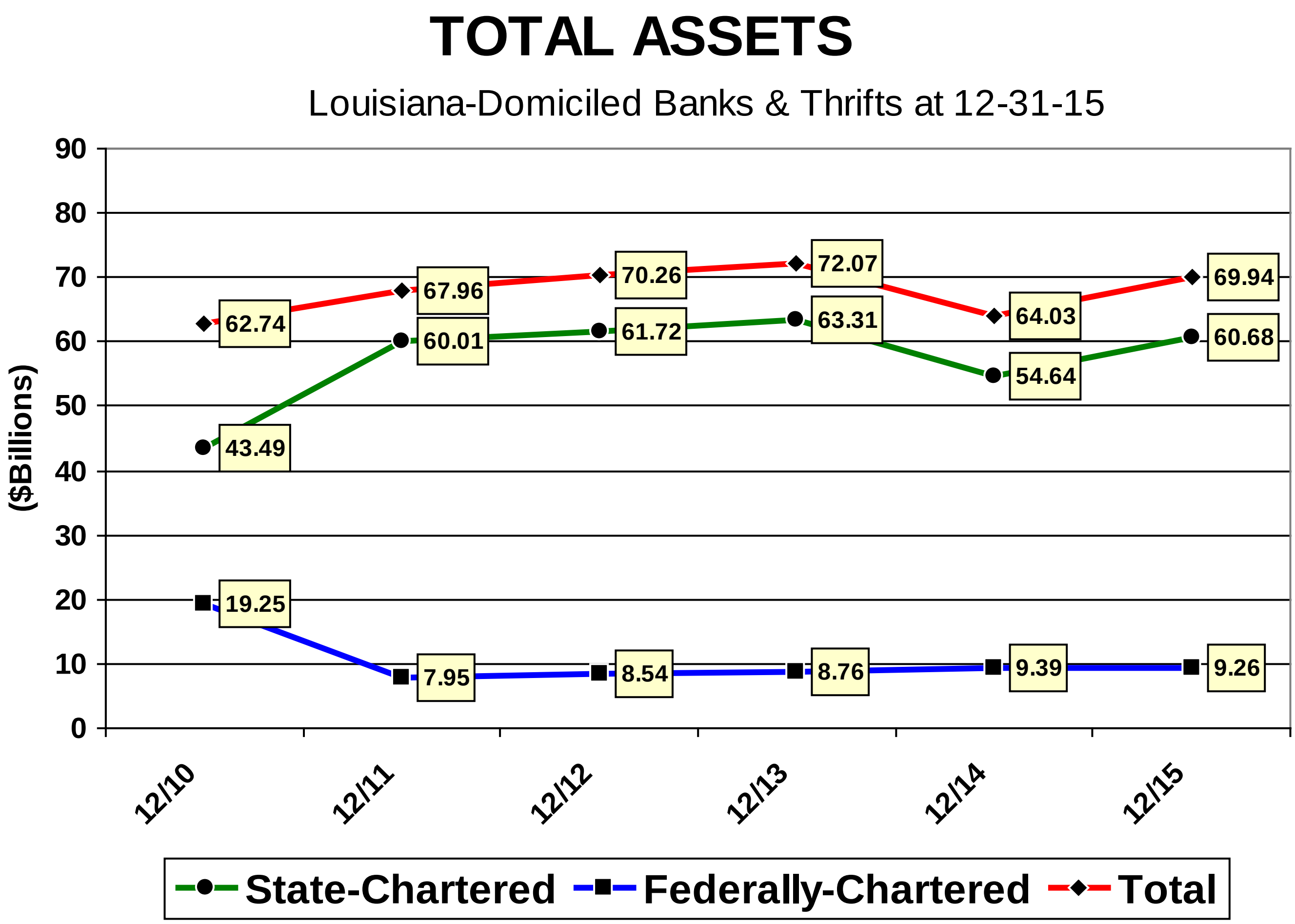

Figure 14

Figure 14 above reflects the trend in total assets for state-chartered banks and thrifts, Louisiana-domiciled federally-chartered banks and thrifts, and all Louisiana-domiciled banks and thrifts for each year-end since 2010. Total assets for all Louisiana-domiciled banks and thrifts increased from $69.40 billion at September 30, 2015, to $69.95 billion at December 31, 2015, or by 0.79 percent. Total assets in Louisiana-domiciled banks and thrifts have grown for 16 of the past 20 quarters, despite some industry consolidation since year-end 2010. As noted above, total assets grew in the fourth quarter of 2015.

At December 31, 2015, Louisiana state-chartered banks and thrifts held assets totaling $60.68 billion, or 86.75 percent of the Louisiana banking industry's $69.95 billion in total assets.

Total assets for all banks and thrifts in the U.S. increased from $15.80 trillion at September 30, 2015, to $15.97 trillion at December 31, 2015, and the number of banks and thrifts declined as noted previously.

BANK AND THRIFT SUMMARY AT DECEMBER 31, 2015

During the fourth quarter of 2015, the overall financial condition of Louisiana-domiciled banks and thrifts remained sound, with stable asset quality, solid capital levels, positive earnings, and sufficient liquidity to fund loan demand and cover deposit withdrawals. The fourth quarter of 2015 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 increased slightly from the prior quarter, primarily due to an increase in core deposits and a decline in borrowed money and non-core deposits. Earnings decreased during the fourth quarter, as an increase in net interest income was not enough to offset an increase in provisions for loan and lease losses and noninterest expenses and a decline in noninterest income. With the Tier 1 (core) capital increasing at a higher rate than quarterly average assets, the Core capital (leverage) ratio increased during the fourth quarter, and capital ratios remain well above minimum regulatory requirements. During the fourth quarter of 2015, asset quality remained stable as the nonperforming assets ratio remained the same; however, the dollar volume of nonperforming assets increased, even when assets associated with the acquisition of the out-of-state failed institutions were excluded. The net charge-off ratio increased during the fourth quarter but was only two basis points above the level reported at the same time period in the prior year. State and federal regulatory agencies will continue to closely monitor the impact of volatile energy prices on asset quality, earnings performance, and capital adequacy. Exposure to interest rate risk, cyber security threats, and asset/liability concentrations will also remain high priorities to state and federal regulators.

BANK AND THRIFT LAGNIAPPE

- At December 31, 2015, the breakdown of **all** Louisiana-domiciled **banks & thrifts** by asset size is as follows:

Asset Size	Number	No. %	Total Assets *	TA %
Assets < $100 Million	27	20	$1,828,980	3
Assets $100 Million to $300 Million	59	45	10,834,615	15
Assets $300 Million to $500 Million	19	14	7,107,552	10
Assets $500 Million to $1 Billion	16	12	11,044,123	16
Assets $1 Billion to $10 Billion	10	8	19,704,821	28
Assets > $10 Billion	1	1	19,425,339	28
TOTAL ASSETS	132	100	$69,945,430	100

- At December 31, 2015, the breakdown of Louisiana **state-chartered banks & thrifts** by asset size is as follows:

Asset Size	Number	No. %	Total Assets *	TA %
Assets < $100 Million	21	20	$1,437,158	2
Assets $100 Million to $300 Million	50	45	9,003,214	15
Assets $300 Million to $500 Million	16	15	6,006,104	10
Assets $500 Million to $1 Billion	13	13	8,581,517	14
Assets $1 Billion to $10 Billion	8	6	16,227,112	27
Assets > $10 Billion	1	1	19,425,339	32
TOTAL ASSETS	109	100	$60,680,444	100

- At December 31, 2015, 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	$391,822	4
Assets $100 Million to $300 Million	9	40	1,831,401	20
Assets $300 Million to $500 Million	3	16	1,101,448	12
Assets $500 Million to $1 Billion	3	12	2,462,606	27
Assets $1 Billion to $10 Billion	2	8	3,477,709	37
TOTAL ASSETS	23	100	$9,264,986	100

* Thousands

CRA RATINGS FOR LOUISIANA-DOMICILED BANKS AND THRIFTS AT DECEMBER 31, 2015

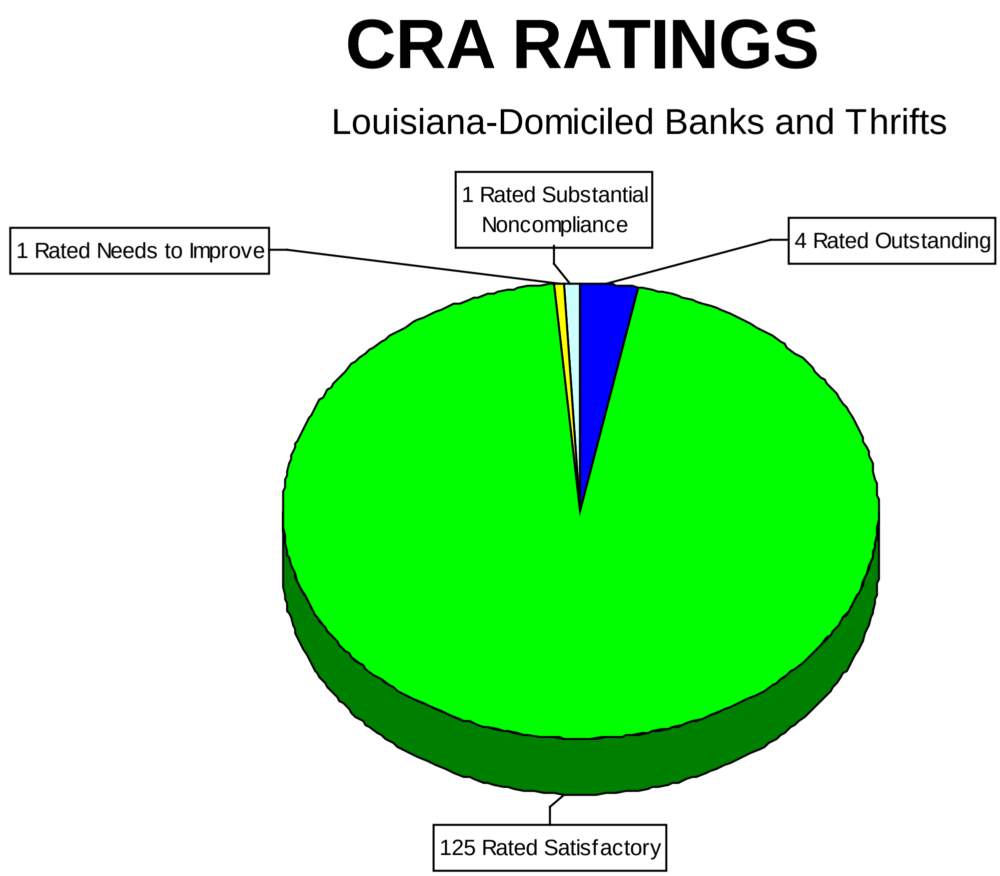

Figure 15

(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, 2015.)

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. During the second half of 2015, the only changes in the above chart relate to the previously mentioned mergers of three institutions, all of which had Satisfactory CRA ratings.

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 year ending December 31, 2015, is 1.04 percent, while the ROAA for U. S. banks and thrifts for the year ending December 31, 2015, is 1.02 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 12 basis point and 23 basis points, respectively. While the non-weighted nonperforming asset ratio remains above the same ratio for U.S. banks and thrifts, the gap between the two is only 1 basis point, which is less than the gap between the ratios shown on the chart on page 1 of this Report. However, the non-weighted noncurrent loan ratio for Louisiana-domiciled banks and thrifts would exceed the ratio for U. S. banks and thrifts by 23 basis points, compared to 35 basis points below the ratios shown on the chart on page 1 of this Report.

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 information based on the new definition of core deposits.*