UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2019

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from

__________ to __________

Commission File Number 001-37532

IBERIABANK Corporation
(Exact name of registrant as specified in its charter)

Louisiana	**72-1280718**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
200 West Congress Street **Lafayette, Louisiana**	**70501**
(Address of principal executive office)	**(Zip Code)**

(337) 521-4003
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes x No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	x	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No x

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes x No

Securities registered pursuant to Section 12(b) of the Act.

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock (par value $1.00 per share)	IBKC	The NASDAQ Stock Market, LLC
Depositary Shares, Each Representing a 1/400th Interest in a Share of 6.625% Fixed-to-Floating Non-Cumulative Perpetual Preferred Stock, Series B	IBKCP	The NASDAQ Stock Market, LLC
Depositary Shares, Each Representing a 1/400th Interest in a Share of 6.60% Fixed-to-Floating Non-Cumulative Perpetual Preferred Stock, Series C	IBKCO	The NASDAQ Stock Market, LLC
Depositary Shares, Each Representing a 1/400th Interest in a Share of 6.100% Fixed-to-Floating Non-Cumulative Perpetual Preferred Stock, Series D	IBKCN	The NASDAQ Stock Market, LLC

At April 30, 2019, the Registrant had 54,416,906 shares of common stock, $1.00 par value, which were issued and outstanding.

IBERIABANK CORPORATION AND SUBSIDIARIES

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Part I. FINANCIAL INFORMATION
Item 1. Financial Statements

IBERIABANK CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets

(in thousands, except share data)	(unaudited) March 31, 2019	December 31, 2018
Assets		
Cash and due from banks	$ 280,680	$ 294,186
Interest-bearing deposits in other banks	391,217	396,267
Total cash and cash equivalents	671,897	690,453
Securities available for sale, at fair value	4,873,778	4,783,579
Securities held to maturity (fair values of $200,568 and $204,277, respectively)	198,958	207,446
Mortgage loans held for sale, at fair value	128,451	107,734
Loans and leases, net of unearned income	22,968,295	22,519,815
Allowance for loan and lease losses	(142,966)	(140,571)
Loans and leases, net	22,825,329	22,379,244
Premises and equipment, net	297,342	300,507
Goodwill	1,235,533	1,235,533
Other intangible assets	84,459	88,736
Other assets	944,442	1,039,783
Total Assets	**$ 31,260,189**	**$ 30,833,015**
Liabilities		
Deposits:		
Non-interest-bearing	$ 6,448,613	$ 6,542,490
Interest-bearing	17,643,449	17,220,941
Total deposits	24,092,062	23,763,431
Short-term borrowings	1,106,131	1,482,882
Long-term debt	1,475,455	1,166,151
Other liabilities	444,710	364,274
Total Liabilities	**27,118,358**	**26,776,738**
Shareholders' Equity		
Preferred stock, $1 par value - 5,000,000 shares authorized		
Non-cumulative perpetual, liquidation preference $10,000 per share; 13,750 shares issued and outstanding, including related surplus	132,097	132,097
Common stock, $1 par value - 100,000,000 shares authorized; 54,551,264 and 54,796,231 shares issued and outstanding, respectively	54,551	54,796
Additional paid-in capital	2,840,842	2,869,416
Retained earnings	1,117,641	1,042,718
Accumulated other comprehensive income (loss)	(3,300)	(42,750)
Total Shareholders' Equity	**4,141,831**	**4,056,277**
Total Liabilities and Shareholders' Equity	**$ 31,260,189**	**$ 30,833,015**

The accompanying Notes are an integral part of these Consolidated Financial Statements.

IBERIABANK CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
(unaudited)

(in thousands, except per share data)	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Interest and dividend income		
Loans and leases, including fees	$ 284,879	$ 238,069
Mortgage loans held for sale, including fees	1,054	1,154
Taxable securities	33,916	25,328
Tax-exempt securities	2,209	2,766
Other	4,026	3,226
Total interest and dividend income	**326,084**	**270,543**
Interest Expense		
Deposits	60,235	28,244
Short-term borrowings	5,716	2,524
Long-term debt	9,649	6,886
Total interest expense	**75,600**	**37,654**
Net interest income	**250,484**	**232,889**
Provision for credit losses	13,763	8,211
Net interest income after provision for credit losses	**236,721**	**224,678**
Non-interest income		
Mortgage income	11,849	9,595
Service charges on deposit accounts	12,810	12,908
Title income	5,225	5,027
Broker commissions	1,953	2,221
ATM and debit card fee income	2,582	2,633
Credit card and merchant-related income	3,411	2,907
Trust department income	4,167	3,426
Income from bank owned life insurance	1,797	1,282
Securities gains (losses), net	—	(59)
Commission income	4,664	1,537
Other non-interest income	4,051	3,089
Total non-interest income	**52,509**	**44,566**
Non-interest expense		
Salaries and employee benefits	98,296	104,586
Net occupancy and equipment	18,564	20,047
Communication and delivery	3,700	3,902
Marketing and business development	4,118	4,752
Computer services expense	9,157	12,393
Professional services	4,450	7,391
Credit and other loan related expense	2,859	4,393
Insurance	4,186	7,105
Travel and entertainment	2,430	3,237
Amortization of acquisition intangibles	5,009	5,102
Impairment of long-lived assets and other losses	1,064	8,757
Other non-interest expense	4,920	6,406
Total non-interest expense	**158,753**	**188,071**
Income before income tax expense	**130,477**	**81,173**
Income tax expense	30,346	17,552
Net income	**100,131**	**63,621**
Less: Preferred stock dividends	3,598	3,598
Net income available to common shareholders	**$ 96,533**	**$ 60,023**

Income available to common shareholders - basic	$	96,533	$	60,023
Less: Earnings allocated to unvested restricted stock		933		639
Earnings allocated to common shareholders	$	95,600	$	59,384
Earnings per common share - basic	**$**	**1.76**	**$**	**1.11**
Earnings per common share - diluted		**1.75**		**1.10**
Cash dividends declared per common share		**0.43**		**0.38**
Comprehensive income				
Net income	$	100,131	$	63,621
Other comprehensive income (loss), net of tax:				
Unrealized gains (losses) on securities:				
Unrealized holding gains (losses) arising during the period (net of tax effects of $10,675 and $14,223, respectively)		41,408		(53,506)
Less: Reclassification adjustment for gains (losses) included in net income (net of tax effects of $0 and $13, respectively)		—		(46)
Unrealized gains (losses) on securities, net of tax		41,408		(53,460)
Fair value of derivative instruments designated as cash flow hedges:				
Change in fair value of derivative instruments designated as cash flow hedges during the period (net of tax effects of $471 and $678, respectively)		(2,185)		2,549
Less: Reclassification adjustment for gains (losses) included in net income (net of tax effects of $75 and $31, respectively)		(227)		(116)
Fair value of derivative instruments designated as cash flow hedges, net of tax		(1,958)		2,665
Other comprehensive income (loss), net of tax		39,450		(50,795)
Comprehensive income	**$**	**139,581**	**$**	**12,826**

The accompanying Notes are an integral part of these Consolidated Financial Statements.

IBERIABANK CORPORATION AND SUBSIDIARIES
Consolidated Statements of Shareholders' Equity
(unaudited)

(in thousands, except share and per share data)	Preferred Stock Shares	Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2017	13,750	$ 132,097	53,872,272	$ 53,872	$ 2,787,484	$ 769,226	$ (45,888)	$ 3,696,791
Cumulative-effect adjustment due to the adoption of ASU 2016-01 [(1)]	—	—	—	—	—	(345)	—	(345)
Net income	—	—	—	—	—	63,621	—	63,621
Other comprehensive income (loss)	—	—	—	—	—	—	(50,795)	(50,795)
Cash dividends declared, $0.38 per share	—	—	—	—	—	(21,579)	—	(21,579)
Preferred stock dividends	—	—	—	—	—	(3,598)	—	(3,598)
Common stock issued under incentive plans, net of shares surrendered in payment	—	—	118,796	119	(2,700)	—	—	(2,581)
Common stock issued for acquisitions	—	—	2,787,773	2,788	211,871	—	—	214,659
Share-based compensation expense	—	—	—	—	4,734	—	—	4,734
Balance, March 31, 2018	13,750	$ 132,097	56,778,841	$ 56,779	$ 3,001,389	$ 807,325	$ (96,683)	$ 3,900,907
Balance, December 31, 2018	13,750	$ 132,097	54,796,231	$ 54,796	$ 2,869,416	$ 1,042,718	$ (42,750)	$ 4,056,277
Cumulative-effect adjustment due to the adoption of ASU 2016-02 [(2)]	—	—	—	—	—	1,847	—	1,847
Net income	—	—	—	—	—	100,131	—	100,131
Other comprehensive income (loss)	—	—	—	—	—	—	39,450	39,450
Cash dividends declared, $0.43 per share	—	—	—	—	—	(23,457)	—	(23,457)
Preferred stock dividends	—	—	—	—	—	(3,598)	—	(3,598)
Common stock issued under incentive plans, net of shares surrendered in payment	—	—	142,954	143	(4,588)	—	—	(4,445)
Common stock repurchases	—	—	(387,921)	(388)	(29,558)	—	—	(29,946)
Share-based compensation expense	—	—	—	—	5,572	—	—	5,572
Balance, March 31, 2019	13,750	$ 132,097	54,551,264	$ 54,551	$ 2,840,842	$ 1,117,641	$ (3,300)	$ 4,141,831

[(1)] Cumulative-effect adjustment to beginning retained earnings for fair value adjustments related to the reclassification of certain equity investments in accordance with ASU 2016-01, adopted as of January 1, 2018.

[(2)] Cumulative-effect adjustment to beginning retained earnings related to the recognition of pre-existing lease liabilities and previously deferred gains on sale-leaseback transactions in accordance with ASU 2016-02, adopted as of January 1, 2019.

The accompanying Notes are an integral part of these Consolidated Financial Statements.

IBERIABANK CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(unaudited)

(in thousands)	For the Three Months Ended March 31, 2019	2018
Cash Flows from Operating Activities		
Net income	$ 100,131	$ 63,621
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization, and accretion, including amortization of purchase accounting adjustments and market value adjustments	4,018	(309)
Provision for credit losses	13,763	8,211
Share-based compensation expense - equity awards	5,572	4,734
Loss on sale of OREO and long-lived assets, net of impairment	278	670
Securities loss, net	—	59
Deferred income tax expense	17,861	10,992
Originations of mortgage loans held for sale	(326,244)	(336,400)
Proceeds from sales of mortgage loans held for sale	320,853	367,487
Realized and unrealized (gain) on mortgage loans held for sale, net	(11,593)	(9,320)
Other operating activities, net	152,430	(13,338)
Net Cash Provided by Operating Activities	**277,069**	**96,407**
Cash Flows from Investing Activities		
Proceeds from maturities, prepayments and calls of available for sale securities	136,627	149,987
Purchases of available for sale securities, net of available for sale securities acquired	(179,565)	(194,543)
Proceeds from maturities, prepayments and calls of held to maturity securities	7,787	2,288
Purchases of equity securities, net of equity securities acquired	(14,753)	(2,452)
Proceeds from sales of equity securities	3,637	61,038
Increase in loans, net of loans acquired	(446,284)	(145,201)
Proceeds from sales of premises and equipment	91	1,408
Purchases of premises and equipment, net of premises and equipment acquired	(3,182)	(5,798)
Proceeds from dispositions of OREO	1,980	5,318
Cash paid for additional investment in tax credit entities	(2,828)	(750)
Cash received for acquisition of a business, net of cash paid	—	99,312
Other investing activities, net	—	(745)
Net Cash Used in Investing Activities	**(496,490)**	**(30,138)**
Cash Flows from Financing Activities		
Increase in deposits, net of deposits acquired	328,631	440,470
Net change in short-term borrowings, net of borrowings acquired	(376,751)	(90,802)
Proceeds from long-term debt, net of long-term debt acquired	400,000	200,227
Repayments of long-term debt	(90,560)	(651,684)
Cash dividends paid on common stock	(22,466)	(19,933)
Cash dividends paid on preferred stock	(3,598)	(3,598)
Net share-based compensation stock transactions	(4,445)	(2,581)
Payments to repurchase common stock	(29,946)	—
Net Cash Provided by (Used in) Financing Activities	**200,865**	**(127,901)**
Net (Decrease) In Cash and Cash Equivalents	**(18,556)**	**(61,632)**
Cash and Cash Equivalents at Beginning of Period	**690,453**	**625,724**
Cash and Cash Equivalents at End of Period	**$ 671,897**	**$ 564,092**

Supplemental Schedule of Non-cash Activities				
Acquisition of real estate in settlement of loans	$	2,727	$	1,757
Common stock issued in acquisitions	$	—	$	214,659
Supplemental Disclosures				
Cash paid for:				
Interest on deposits and borrowings, net of acquired	$	71,010	$	37,035
Income taxes, net	$	—	$	101

The accompanying Notes are an integral part of these Consolidated Financial Statements.

NOTE 1 - BASIS OF PRESENTATION

IBERIABANK Corporation is a financial holding company based in Lafayette, Louisiana. The accompanying unaudited consolidated financial statements include the accounts of IBERIABANK Corporation and its consolidated subsidiaries (the "Company"). Through its subsidiaries, the Company provides a full range of commercial and consumer banking services, including private banking, small business, wealth and trust management, retail brokerage, mortgage, commercial leasing and equipment financing, and title insurance services through locations in Louisiana, Arkansas, Tennessee, Alabama, Texas, Florida, Georgia, South Carolina, North Carolina, Mississippi, Missouri, and New York.

The accompanying unaudited consolidated financial statements have been prepared in accordance with GAAP for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and notes necessary for complete financial statements in accordance with GAAP. In the opinion of management, the accompanying unaudited consolidated financial statements contain all the significant adjustments, consisting of normal and recurring items, considered necessary for fair presentation. These interim financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes in the Annual Report on Form 10-K for the year ended December 31, 2018. Operating results for the interim period are not necessarily indicative of the results that may be expected for the full year.

All significant intercompany balances and transactions have been eliminated in consolidation. Certain amounts reported in prior periods have been reclassified to conform to the current period presentation. See the Glossary of Defined Terms included in this Report for terms used herein.

NOTE 2 - RECENT ACCOUNTING PRONOUNCEMENTS

Pronouncements adopted during the three months ended March 31, 2019:

ASU No. 2016-02, ASU No. 2018-11, ASU No. 2018-20, and ASU 2019-01

In February 2016, the FASB issued ASU No. 2016-02, *Leases (ASC 842)* which requires lessees to recognize ROU assets and lease liabilities on the balance sheet for most leases, including operating leases. The lessor accounting model was relatively unchanged by this ASU. Additional quantitative and qualitative disclosures are also required. During 2018 and early 2019, the FASB issued ASU No. 2018-11, *Targeted Improvements*, ASU No. 2018-20, *Narrow-Scope Improvements for Lessors*, and ASU No. 2019-01, *Codification Improvements*, which clarified certain implementation issues, provided an additional optional transition method and clarified the disclosure requirements during the period of adopting ASC 842, among others.

The Company adopted ASU No. 2016-02 and the related ASUs discussed above effective January 1, 2019 using the optional transition method. The Company elected the package of practical expedients that does not require the reassessment of whether expired or existing contracts contain leases, the reassessment of the lease classification for any expired or existing leases, or the reassessment of initial direct costs for existing leases. Additionally, the Company did not elect the hindsight practical expedient.

The Company conducted a review of all existing lease contracts and service contracts which might contain embedded leases. Some of the Company's leases contain variable lease payments, the majority of which depend on an index or rate, such as the Consumer Price Index. At transition, the present value of variable payments was based on the index or rate as of January 1, 2019. To determine the present value of lease payments at transition, the Company applied a portfolio approach utilizing an FHLB Advance rate based on the weighted average remaining term of the Company's existing leases as of January 1, 2019. As a result of adopting ASC 842, the Company established an ROU asset and a lease liability as of January 1, 2019 of $94.2 million and $118.9 million, respectively. Additionally, as part of the adoption of ASC 842, $24.7 million in pre-existing liabilities were reclassified to the ROU asset on January 1, 2019. This resulted in a gross-up of the balance sheet of $94.2 million as a result of recognizing lease liabilities and corresponding right-of-use assets for operating leases. The adoption of ASC 842 also required the recognition of previously deferred gains on sale-leaseback transactions which resulted in an insignificant increase to retained earnings on January 1, 2019. The related impact on the Company's regulatory capital ratios was not significant. The Company does not expect material changes to the recognition of lease expense in future periods as a result of the adoption of ASC 842. See Note 8, Leases, for additional disclosures required by ASC 842.

ASU No. 2018-16

In October 2018, the FASB released ASU No. 2018-16, *Derivatives and Hedging (ASC 815): Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes*, which permits the use of the OIS rate based on SOFR as a U.S. benchmark interest rate for hedge accounting purposes under ASC 815 in addition to the interest rates on direct Treasury obligations of the UST, the LIBOR swap rate, the OIS Rate based on the Fed Funds Effective Rate, and the SIFMA Municipal Swap Rate.

The required effective date of this ASU was dependent upon when an entity adopted the provisions of ASU No. 2017-12. The Company adopted ASU No. 2018-16 effective January 1, 2019 on a prospective basis for qualifying new or redesignated hedging relations as ASU No. 2017-12 had previously been adopted on January 1, 2018. The implementation of this ASU did not have a significant impact on the Company's consolidated financial statements.

ASU No. 2017-08

In March 2017, the FASB issued ASU No. 2017-08, *Receivables-Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities*, which will shorten the amortization period for callable debt securities held at a premium to the earliest call date instead of the maturity date. The amendments do not require an accounting change for securities held at a discount, which will continue to be amortized to the maturity date.

The Company adopted ASU No. 2017-08 effective January 1, 2019. The adoption of the ASU did not have a material impact to the Company's consolidated financial statements.

Pronouncements issued but not yet adopted:

ASU No. 2016-13

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (ASC 326): Measurement of Credit Losses on Financial Instruments*. The guidance introduces an impairment model that is based on expected credit losses (ECL), rather than incurred losses, to estimate credit losses on certain types of financial instruments such as loans and held-to-maturity securities, including certain off-balance sheet financial instruments such as loan commitments. The measurement of ECL should consider historical information, current information, and reasonable and supportable forecasts, including estimates of prepayments, over the contractual term. Financial instruments with similar risk characteristics must be grouped together when estimating ECL.

The ASU also amends the current AFS security impairment model for debt securities. The new model will require an estimate of ECL when the fair value is below the amortized cost of the asset through the use of an allowance to record estimated credit losses (and subsequent recoveries). Non-credit related losses will continue to be recognized through OCI.

In addition, the guidance provides for a simplified accounting model for purchased financial assets with a more-than-insignificant amount of credit deterioration since their origination. The initial estimate of expected credit losses would be recognized through an ALLL with an offset (i.e., increase) to the cost basis of the related financial asset at acquisition.

ASU No. 2016-13 will be effective for fiscal years beginning after December 15, 2019, including interim periods. The ASU will be applied through a modified-retrospective approach, resulting in a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. A prospective transition approach is required for debt securities for which OTTI had been recognized before the effective date. Amounts previously recognized in AOCI as of the date of adoption that relate to improvements in cash flows expected to be collected should continue to be accreted into income over the remaining life of the asset. Recoveries of amounts previously written off relating to improvements in cash flows after the date of adoption should be recorded in earnings when received.

The Company has established a cross-function implementation team and engaged third-party consultants who have jointly developed a project plan to provide implementation oversight. The Company is in the process of developing and implementing current expected credit loss models that satisfy the requirements of the ASU and continues to identify key interpretive issues. The Company expects that this ASU will result in an increase to ALLL given the change to estimate losses over the full remaining estimated life of the loan portfolio as well as the adoption of an allowance for debt securities. The extent of the increase in the ALLL is not yet known and will depend on the composition of our loan and securities portfolios, finalization of credit loss models, macroeconomic conditions and forecasts at the adoption date.

ASU No. 2018-13

In August 2018, the FASB released ASU No. 2018-13, *Fair Value Measurement (ASC 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*, which eliminates, adds and modifies certain disclosure requirements for fair value measurements. The ASU will be effective for fiscal years beginning after December 15, 2019, including interim periods, with early adoption permitted.

The Company is currently evaluating the impact of the ASU. While adoption of this ASU will result in changes to existing disclosures, it will not have any impact on our financial position or results of operation.

ASU No. 2018-17

In October 2018, the FASB released ASU No. 2018-17, *Consolidation (ASC 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities*, which improves the consistency of the application of the variable interest entity (VIE) related party guidance for common control arrangements. This ASU requires reporting entities to consider indirect interests held through related parties under common control on a proportional basis rather than as the equivalent of a direct interest in its entirety (as currently required in GAAP) when determining whether a decision-making fee is a variable interest. ASU No. 2018-17 will be effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, and early adoption is permitted. The guidance should be applied retrospectively with a cumulative-effect adjustment to retained earnings at the beginning of the earliest period presented.

The Company is currently evaluating the impact of the ASU on the Company’s consolidated financial statements.

ASU No. 2019-04

In April 2019, the FASB released ASU No. 2019-04, *Codification Improvements to Financial Instruments-Credit Losses (ASC 326), Derivatives and Hedging (ASC 815), and Financial Instruments (ASC 825).* The amendments in the ASU improve the Codification by eliminating inconsistencies and providing clarifications.

ASU No. 2019-04 clarifies the scope of the credit losses standard and addresses various issues including, accrued interest receivable balances, recoveries, variable interest rates and prepayments. With respect to hedge accounting, the ASU addresses partial-term fair value hedges, fair value hedge basis adjustments, and certain transition requirements, among other things. For recognizing and measuring financial instruments, the ASU addresses the scope of the guidance, the requirement for remeasurement under ASC 820 when using the measurement alternative, certain disclosure requirements and which equity securities have to be remeasured at historical exchange rates.

The amended guidance in this ASU related to the credit losses and the recognition and measurement of financial instruments will be effective for fiscal years and interim periods beginning after December 15, 2019 with early adoption in any interim period permitted. Since the Company early adopted the guidance in ASU No. 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities* in 2018, the amended hedge accounting guidance in ASU No. 2019-04 will be effective as of the beginning of the first annual reporting period beginning after April 25, 2019 with early adoption permitted on any date after the issuance of this ASU.

The Company is currently evaluating the impact of the ASU on the Company’s consolidated financial statements.

NOTE 3 – INVESTMENT SECURITIES

The amortized cost and fair values of investment securities, with gross unrealized gains and losses, consist of the following:

(in thousands)	March 31, 2019 Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Securities available for sale:				
U.S. Government-sponsored enterprise obligations	$ 40,822	$ 130	$ —	$ 40,952
Obligations of state and political subdivisions	175,271	4,740	(32)	179,979
Mortgage-backed securities:				
Residential agency	3,757,469	16,972	(29,763)	3,744,678
Commercial agency	779,487	6,656	(7,716)	778,427
Other securities	128,380	1,876	(514)	129,742
Total securities available for sale	**$ 4,881,429**	**$ 30,374**	**$ (38,025)**	**$ 4,873,778**
Securities held to maturity:				
Obligations of state and political subdivisions	$ 180,472	$ 2,365	$ (42)	$ 182,795
Mortgage-backed securities:				
Residential agency	18,486	29	(742)	17,773
Total securities held to maturity	**$ 198,958**	**$ 2,394**	**$ (784)**	**$ 200,568**

(in thousands)	December 31, 2018 Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Securities available for sale:				
U.S. Government-sponsored enterprise obligations	$ 995	$ 3	$ —	$ 998
Obligations of state and political subdivisions	177,566	2,045	(723)	178,888
Mortgage-backed securities:				
Residential agency	3,837,584	8,886	(57,073)	3,789,397
Commercial agency	730,148	2,363	(14,799)	717,712
Other securities	97,020	351	(787)	96,584
Total securities available for sale	**$ 4,843,313**	**$ 13,648**	**$ (73,382)**	**$ 4,783,579**
Securities held to maturity:				
Obligations of state and political subdivisions	$ 188,684	$ 309	$ (2,497)	$ 186,496
Mortgage-backed securities:				
Residential agency	18,762	30	(1,011)	17,781
Total securities held to maturity	**$ 207,446**	**$ 339**	**$ (3,508)**	**$ 204,277**

Securities with carrying values of $2.3 billion and $2.4 billion were pledged to support repurchase transactions, public funds deposits, and certain long-term borrowings at March 31, 2019 and December 31, 2018, respectively.

Information pertaining to securities with gross unrealized losses, aggregated by investment category and length of time that individual securities have been in a continuous loss position, is as follows:

	March 31, 2019					
	Less Than Twelve Months		Twelve Months or More		Total	
(in thousands)	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value
Securities available for sale:						
Obligations of state and political subdivisions	$ —	$ —	$ (32)	$ 11,925	$ (32)	$ 11,925
Mortgage-backed securities:						
Residential agency	(71)	40,608	(29,692)	2,081,552	(29,763)	2,122,160
Commercial agency	(5)	7,001	(7,711)	434,500	(7,716)	441,501
Other securities	(4)	4,382	(510)	33,543	(514)	37,925
Total securities available for sale	**$ (80)**	**$ 51,991**	**$ (37,945)**	**$ 2,561,520**	**$ (38,025)**	**$ 2,613,511**
Securities held to maturity:						
Obligations of state and political subdivisions	$ —	$ —	$ (42)	$ 13,160	$ (42)	$ 13,160
Mortgage-backed securities:						
Residential agency	—	—	(742)	17,480	(742)	17,480
Total securities held to maturity	**$ —**	**$ —**	**$ (784)**	**$ 30,640**	**$ (784)**	**$ 30,640**

	December 31, 2018					
	Less Than Twelve Months		Twelve Months or More		Total	
(in thousands)	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value
Securities available for sale:						
Obligations of state and political subdivisions	$ (9)	$ 4,112	$ (714)	$ 30,268	$ (723)	$ 34,380
Mortgage-backed securities:						
Residential agency	(816)	197,057	(56,257)	2,193,862	(57,073)	2,390,919
Commercial agency	(43)	18,190	(14,756)	483,565	(14,799)	501,755
Other securities	(94)	18,025	(693)	32,577	(787)	50,602
Total securities available for sale	**$ (962)**	**$ 237,384**	**$ (72,420)**	**$ 2,740,272**	**$ (73,382)**	**$ 2,977,656**
Securities held to maturity:						
Obligations of state and political subdivisions	$ (3)	$ 2,059	$ (2,494)	$ 151,699	$ (2,497)	$ 153,758
Mortgage-backed securities:						
Residential agency	—	—	(1,011)	17,478	(1,011)	17,478
Total securities held to maturity	**$ (3)**	**$ 2,059**	**$ (3,505)**	**$ 169,177**	**$ (3,508)**	**$ 171,236**

The Company held certain investment securities where amortized cost exceeded fair value, resulting in unrealized loss positions, as shown in the tables above. Management evaluates securities for other-than-temporary impairment on at least a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Impairment is considered to be other-than-temporary if the Company (1) intends to sell the security, (2) more likely than not will be required to sell the security before recovering its cost, or (3) does not expect to recover the security's entire amortized cost basis. As of March 31, 2019, the Company does not intend to sell any of these securities, does not expect to be required to sell these securities, and expects to recover the entire amortized cost of all these securities.

At March 31, 2019, 389 debt securities had unrealized losses of 1.45% of the securities' amortized cost basis. At December 31, 2018, 488 debt securities had unrealized losses of 2.38% of the securities' amortized cost basis. The unrealized losses for each of the securities related to market interest rate changes and not credit concerns of the issuers. Additional information on securities that have been in a continuous loss position for over twelve months at March 31, 2019 and December 31, 2018 is presented in the following table.

(in thousands)	March 31, 2019	December 31, 2018
Number of securities		
Mortgage-backed securities:		
Residential agency	289	302
Commercial agency	65	72
Obligations of state and political subdivisions	17	60
Other securities	8	7
	379	**441**
Amortized Cost Basis		
Mortgage-backed securities:		
Residential agency	$ 2,129,466	$ 2,268,608
Commercial agency	442,211	498,321
Obligations of state and political subdivisions	25,159	185,175
Other securities	34,053	33,270
	$ 2,630,889	**$ 2,985,374**
Unrealized Loss		
Mortgage-backed securities:		
Residential agency	$ 30,434	$ 57,268
Commercial agency	7,711	14,756
Obligations of state and political subdivisions	74	3,208
Other securities	510	693
	$ 38,729	**$ 75,925**

The amortized cost and estimated fair value of investment securities by maturity at March 31, 2019 are presented in the following table. Securities are classified according to their contractual maturities without consideration of principal amortization, potential prepayments or call options. Accordingly, actual maturities may differ from contractual maturities. Weighted average yields are calculated on the basis of the yield to maturity based on the amortized cost of each security.

	Securities Available for Sale			Securities Held to Maturity		
(in thousands)	Weighted Average Yield	Amortized Cost	Estimated Fair Value	Weighted Average Yield	Amortized Cost	Estimated Fair Value
Within one year or less	3.86%	$ 2,536	$ 2,542	2.33%	$ 955	$ 959
One through five years	2.66	113,924	114,533	2.42	6,100	6,114
After five through ten years	2.71	863,166	867,609	2.58	42,885	43,419
Over ten years	2.97	3,901,803	3,889,094	2.63	149,018	150,076
	2.92%	**$ 4,881,429**	**$ 4,873,778**	**2.61%**	**$ 198,958**	**$ 200,568**

The following is a summary of realized gains and losses from the sale of securities classified as available for sale. Gains or losses on securities sold are recorded on the trade date, using the specific identification method.

	Three Months Ended March 31,	
(in thousands)	**2019**	**2018**
Realized gains	$ —	$ 9
Realized losses	—	(68)
	$ —	**$ (59)**

In addition to the gains above, the Company realized certain gains on calls of securities held to maturity that were not significant to the consolidated financial statements.

Other Equity Securities

The Company accounts for the following securities at cost less impairment plus or minus any observable price changes, which approximates fair value, with the exception of CRA and Community Development Investment Funds, which are recorded at fair value. Other equity securities, which are presented in other assets on the consolidated balance sheets, are as follows:

(in thousands)	**March 31, 2019**	**December 31, 2018**
Federal Home Loan Bank stock	$ 107,122	$ 95,213
Federal Reserve Bank stock	85,630	85,630
CRA and Community Development Investment Funds	1,914	1,884
Other investments	13,864	9,709
	$ 208,530	**$ 192,436**

NOTE 4 – LOANS AND LEASES

Loans and leases by portfolio segment and class consist of the following for the periods indicated:

(in thousands)	March 31, 2019	December 31, 2018
Commercial loans and leases:		
Real estate - construction	$ 1,219,647	$ 1,196,366
Real estate - owner-occupied	2,408,079	2,395,822
Real estate - non-owner-occupied	6,147,864	5,796,117
Commercial and industrial [(1)]	5,852,568	5,737,017
Total commercial loans and leases	15,628,158	15,125,322
Residential mortgage loans	4,415,267	4,359,156
Consumer and other loans:		
Home equity	2,220,648	2,304,694
Other	704,222	730,643
Total consumer and other loans	2,924,870	3,035,337
Total loans and leases	**$ 22,968,295**	**$ 22,519,815**

(1) Includes equipment financing leases

Net deferred loan origination fees were $30.8 million and $30.2 million at March 31, 2019 and December 31, 2018, respectively. Total net discount on the Company's loans was $130.1 million and $136.8 million at March 31, 2019 and December 31, 2018, respectively, of which $79.0 million and $81.6 million was related to non-impaired loans.

In addition to loans issued in the normal course of business, the Company considers overdrafts on customer deposit accounts to be loans and reclassifies these overdrafts as loans in its consolidated balance sheets. At March 31, 2019 and December 31, 2018, overdrafts of $6.4 million and $9.2 million, respectively, have been reclassified to loans.

Loans with carrying values of $7.8 billion and $7.6 billion were pledged as collateral for borrowings at March 31, 2019 and December 31, 2018, respectively.

Aging Analysis

The following tables provide an analysis of the aging of loans and leases as of March 31, 2019 and December 31, 2018. Past due and non-accrual loan amounts exclude acquired impaired loans, even if contractually past due or if the Company does not expect to receive payment in full, as the Company is currently accreting interest income over the expected life of the loans. For additional information on the determination of past due status and the Company's policies for recording payments received, placing loans and leases on non-accrual status, and the resumption of interest accrual on non-accruing loans and leases, see Note 1, Summary of Significant Accounting Policies, in the 2018 10-K.

	March 31, 2019							
	Accruing							
(in thousands)	Current or Less Than 30 days Past Due	30-59 days	60-89 days	> 90 days	Total Past Due	Non-accrual [(1)]	Acquired Impaired	Total
Real estate- construction	$ 1,197,063	$ 305	$ —	$ —	$ 305	$ 1,072	$ 21,207	$ 1,219,647
Real estate- owner-occupied	2,324,441	2,510	67	3,139	5,716	8,630	69,292	2,408,079
Real estate- non-owner-occupied	6,054,340	2,213	91	863	3,167	19,984	70,373	6,147,864
Commercial and industrial	5,766,811	8,881	725	109	9,715	51,447	24,595	5,852,568
Residential mortgage	4,269,617	10,884	4,756	—	15,640	45,473	84,537	4,415,267
Consumer - home equity	2,134,340	9,511	2,178	—	11,689	18,719	55,900	2,220,648
Consumer - other	695,940	2,303	910	—	3,213	2,731	2,338	704,222
Total	**$ 22,442,552**	**$ 36,607**	**$ 8,727**	**$ 4,111**	**$ 49,445**	**$ 148,056**	**$ 328,242**	**$ 22,968,295**

(1) Of the total non-accrual loans at March 31, 2019, $9.0 million were past due 30-59 days, $4.6 million were past due 60-89 days, and $53.7 million were past due more than 90 days.

	December 31, 2018							
	Accruing							
(in thousands)	Current or Less Than 30 days Past Due	30-59 days	60-89 days	> 90 days	Total Past Due	Non-accrual [(1)]	Acquired Impaired	Total
Real estate- construction	$ 1,167,795	$ 1,054	$ —	$ —	$ 1,054	$ 1,094	$ 26,423	$ 1,196,366
Real estate- owner-occupied	2,305,743	7,167	—	—	7,167	10,260	72,652	2,395,822
Real estate- non-owner-occupied	5,703,131	7,473	360	—	7,833	15,898	69,255	5,796,117
Commercial and industrial	5,645,304	5,139	1,320	553	7,012	57,860	26,841	5,737,017
Residential mortgage	4,218,146	2,768	13,063	1,575	17,406	30,396	93,208	4,359,156
Consumer - home equity	2,200,517	10,283	2,409	—	12,692	18,830	72,655	2,304,694
Consumer - other	719,122	4,695	1,601	—	6,296	2,846	2,379	730,643
Total	**$ 21,959,758**	**$ 38,579**	**$ 18,753**	**$ 2,128**	**$ 59,460**	**$ 137,184**	**$ 363,413**	**$ 22,519,815**

(1) Of the total non-accrual loans at December 31, 2018, $7.0 million were past due 30-59 days, $3.7 million were past due 60-89 days, and $66.9 million were past due more than 90 days.

Acquired Loans

The Company acquired certain loans from Sabadell United to customers with addresses outside of the United States. Foreign loans, denominated in U.S. dollars, totaled $205.2 million and $202.6 million at March 31, 2019 and December 31, 2018, respectively.

The following is a summary of changes in the accretable difference for all loans accounted for under ASC 310-30 during the three months ended March 31:

(in thousands)	2019	2018
Balance at beginning of period	$ 133,342	$ 152,623
Additions	—	2,371
Transfers from non-accretable difference to accretable yield	(3,640)	(279)
Accretion	(10,086)	(13,154)
Changes in expected cash flows not affecting non-accretable differences [1]	(272)	9,687
Balance at end of period	**$ 119,344**	**$ 151,248**

(1) Includes changes in cash flows expected to be collected due to the impact of changes in actual or expected timing of liquidation events, modifications, changes in interest rates and changes in prepayment assumptions.

Troubled Debt Restructurings

Information about the Company's TDRs at March 31, 2019 and 2018 is presented in the following tables. Modifications of loans that are accounted for within a pool under ASC Topic 310-30 are excluded as TDRs. Accordingly, such modifications do not result in the removal of those loans from the pool, even if the modification of those loans would otherwise be considered a TDR. As a result, all such acquired loans that would otherwise meet the criteria for classification as a TDR are excluded from the tables below.

TDRs totaling $31.4 million and $27.2 million occurred during the three months ended March 31, 2019 and 2018, respectively, through modification of the original loan terms.

The following table provides information on how the TDRs were modified during the periods indicated:

	Three Months Ended March 31,	
(in thousands)	2019	2018
Extended maturities	$ 9,014	$ 5,619
Maturity and interest rate adjustment	468	108
Movement to or extension of interest-rate only payments	12	48
Interest rate adjustment	—	105
Forbearance	6,510	12,886
Other concession(s) [1]	15,425	8,434
Total	**$ 31,429**	**$ 27,200**

(1) Other concessions may include covenant waivers, forgiveness of principal or interest associated with a customer bankruptcy, or a combination of any of the above concessions.

Of the $31.4 million of TDRs occurring during the three months ended March 31, 2019, $16.5 million were on accrual status and $14.9 million were on non-accrual status. Of the $27.2 million of TDRs occurring during the three months ended March 31, 2018, $12.9 million were on accrual status and $14.3 million were on non-accrual status. The following table presents the end of period balance for loans modified in a TDR during the periods indicated:

	Three Months Ended March 31,					
	2019			2018		
(in thousands, except number of loans)	Number of Loans	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment	Number of Loans	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Real estate- construction	1	$ 39	$ 39	1	$ 1,950	$ 1,049
Real estate- owner-occupied	4	6,904	4,661	2	10,691	9,324
Real estate- non-owner-occupied	7	2,990	2,968	9	1,089	1,091
Commercial and industrial	23	17,382	17,040	18	14,429	13,314
Residential mortgage	10	1,741	1,738	—	—	—
Consumer - home equity	33	4,277	4,233	14	1,809	1,795
Consumer - other	38	787	750	21	648	627
Total	**116**	**$ 34,120**	**$ 31,429**	**65**	**$ 30,616**	**$ 27,200**

Information detailing TDRs that defaulted during the three-month periods ended March 31, 2019 and 2018, and were modified in the previous twelve months (i.e., the twelve months prior to the default) is presented in the following tables. The Company has defined a default as any loan with a payment that is currently past due greater than 30 days, or was past due greater than 30 days at any point during the respective periods, or since the date of modification, whichever is shorter.

	Three Months Ended March 31,			
	2019		2018	
(in thousands, except number of loans)	Number of Loans	Recorded Investment	Number of Loans	Recorded Investment
Real estate- construction	1	$ 939	—	$ —
Real estate- owner-occupied	3	640	3	10,187
Real estate- non-owner-occupied	7	825	9	492
Commercial and industrial	10	3,933	29	9,708
Residential mortgage	13	1,108	6	598
Consumer - home equity	16	2,891	24	2,331
Consumer - other	20	261	51	1,357
Total	**70**	**$ 10,597**	**122**	**$ 24,673**

NOTE 5 – ALLOWANCE FOR CREDIT LOSSES AND CREDIT QUALITY

Allowance for Credit Losses Activity

A summary of changes in the allowance for credit losses for the three months ended March 31 is as follows:

(in thousands)	2019	2018
Allowance for loan and lease losses at beginning of period	$ 140,571	$ 140,891
Provision for loan and lease losses	12,612	7,987
Transfer of balance to OREO and other	(2,885)	(48)
Charge-offs	(8,918)	(9,116)
Recoveries	1,586	4,813
Allowance for loan and lease losses at end of period	**$ 142,966**	**$ 144,527**
Reserve for unfunded commitments at beginning of period	$ 14,830	$ 13,208
Provision for unfunded lending commitments	1,151	224
Reserve for unfunded commitments at end of period	**$ 15,981**	**$ 13,432**
Allowance for credit losses at end of period	**$ 158,947**	**$ 157,959**

A summary of changes in the allowance for credit losses, by loan portfolio type, for the three months ended March 31 is as follows:

	2019				
(in thousands)	Commercial Real Estate	Commercial and Industrial	Residential Mortgage	Consumer and Other	Total
Allowance for loan and lease losses at beginning of period	$ 51,806	$ 54,096	$ 12,998	$ 21,671	$ 140,571
Provision for loan and lease losses	6,887	2,876	1,749	1,100	12,612
Transfer of balance to OREO and other	—	—	(2,881)	(4)	(2,885)
Charge-offs	(72)	(4,931)	(28)	(3,887)	(8,918)
Recoveries	103	446	32	1,005	1,586
Allowance for loan and lease losses at end of period	**$ 58,724**	**$ 52,487**	**$ 11,870**	**$ 19,885**	**$ 142,966**
Reserve for unfunded commitments at beginning of period	$ 4,869	$ 6,198	$ 866	$ 2,897	$ 14,830
Provision for unfunded commitments	794	128	22	207	1,151
Reserve for unfunded commitments at end of period	**$ 5,663**	**$ 6,326**	**$ 888**	**$ 3,104**	**$ 15,981**
Allowance on loans individually evaluated for impairment	$ 3,078	$ 10,988	$ 258	$ 2,624	$ 16,948
Allowance on loans collectively evaluated for impairment	50,210	39,997	7,404	17,087	114,698
Allowance on loans acquired with deteriorated credit quality	5,436	1,502	4,208	174	11,320
Loans and leases, net of unearned income:					
Balance at end of period	$ 9,775,590	$ 5,852,568	$ 4,415,267	$ 2,924,870	$ 22,968,295
Balance at end of period individually evaluated for impairment	67,909	63,889	7,679	35,835	175,312
Balance at end of period collectively evaluated for impairment	9,546,809	5,764,084	4,323,051	2,830,797	22,464,741
Balance at end of period acquired with deteriorated credit quality	160,872	24,595	84,537	58,238	328,242

	2018				
(in thousands)	Commercial Real Estate	Commercial and Industrial	Residential Mortgage	Consumer and Other	Total
Allowance for loan losses at beginning of period	$ 54,201	$ 53,916	$ 9,117	$ 23,657	$ 140,891
Provision for (Reversal of) loan and lease losses	6,378	294	(686)	2,001	7,987
Transfer of balance to OREO and other	(48)	—	—	—	(48)
Charge-offs	(114)	(5,378)	(105)	(3,519)	(9,116)
Recoveries	191	3,698	22	902	4,813
Allowance for loan losses at end of period	**$ 60,608**	**$ 52,530**	**$ 8,348**	**$ 23,041**	**$ 144,527**
Reserve for unfunded commitments at beginning of period	$ 4,531	$ 5,309	$ 555	$ 2,813	$ 13,208
Provision for (Reversal of) unfunded commitments	1,476	(1,004)	(15)	(233)	224
Reserve for unfunded commitments at end of period	**$ 6,007**	**$ 4,305**	**$ 540**	**$ 2,580**	**$ 13,432**
Allowance on loans individually evaluated for impairment	$ 2,506	$ 14,040	$ 178	$ 2,974	$ 19,698
Allowance on loans collectively evaluated for impairment	35,871	36,208	2,073	16,544	90,696
Allowance on loans acquired with deteriorated credit quality	22,231	2,282	6,097	3,523	34,133
Loans, net of unearned income:					
Balance at end of period	$ 9,248,951	$ 5,325,682	$ 3,971,067	$ 3,160,390	$ 21,706,090
Balance at end of period individually evaluated for impairment	78,489	78,725	6,041	33,277	196,532
Balance at end of period collectively evaluated for impairment	8,946,138	5,211,736	3,826,721	3,043,085	21,027,680
Balance at end of period acquired with deteriorated credit quality	224,324	35,221	138,305	84,028	481,878

Portfolio Segment Risk Factors

Commercial real estate loans include loans to commercial customers for long-term financing of land and buildings or for land development or construction of a building. These loans are repaid through revenues from operations of the businesses, rents of properties, sales of properties and refinances. Commercial and industrial loans and leases represent loans to commercial customers to finance general working capital needs, equipment purchases and leases and other projects where repayment is derived from cash flows resulting from business operations. The Company originates commercial business loans on a secured and, to a lesser extent, unsecured basis.

Residential mortgage loans consist of loans to consumers to finance a primary residence. The vast majority of the residential mortgage loan portfolio is comprised of non-conforming 1-4 family mortgage loans secured by properties located in the Company's market areas and originated under terms and documentation that permit their sale in a secondary market.

Consumer loans are offered by the Company in order to provide a full range of retail financial services to its customers and include home equity, credit card and other direct consumer installment loans. The Company originates substantially all of its consumer loans in its primary market areas. Loans in the consumer segment are sensitive to unemployment and other key consumer economic measures.

Credit Quality Indicators

For commercial loans and leases, the Company utilizes regulatory classification ratings to monitor credit quality. Loans with a "pass" rating are those that the Company believes will be fully repaid in accordance with the contractual loan terms. Commercial loans and leases that are "criticized" are those that have some weakness or potential weakness that indicate an increased probability of future loss. "Criticized" loans are grouped into three categories: "special mention", "substandard", and "doubtful". Special mention loans have potential weaknesses that, if left uncorrected, may result in deterioration of the Company's credit position at some future date.

Substandard loans have well-defined weaknesses and are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected. Doubtful loans have the same weaknesses as substandard loans with the added characteristics that the probability of loss is high and collection of the full amount is improbable. Substandard and doubtful loans are collectively referred to as "classified" loans. For residential mortgage loans and consumer loans, the Company primarily uses the loan's payment and delinquency status to monitor credit quality. These credit quality indicators are continually updated and monitored.

The recorded investment in loans and leases by credit quality indicator is presented in the following tables. Asset risk classifications for commercial loans and leases reflect the classification as of March 31, 2019 and December 31, 2018. Credit quality information in the tables below includes total loans acquired (including acquired impaired loans) at the net loan balance, after the application of premiums and discounts. Loan premiums and discounts represent the adjustment of acquired loans to fair value at the acquisition date, as adjusted for income accretion and changes in cash flow estimates in subsequent periods.

	March 31, 2019					December 31, 2018				
(in thousands)	**Pass**	**Special Mention**	**Sub-standard**	**Doubtful**	**Total**	**Pass**	**Special Mention**	**Sub-standard**	**Doubtful**	**Total**
Real estate - construction	$ 1,213,202	$ 147	$ 6,289	$ 9	$ 1,219,647	$ 1,182,554	$ 1,062	$ 12,740	$ 10	$ 1,196,366
Real estate - owner-occupied	2,332,819	33,359	41,087	814	2,408,079	2,328,999	25,526	41,297	—	2,395,822
Real estate - non-owner-occupied	6,028,301	82,839	34,015	2,709	6,147,864	5,687,963	78,009	26,512	3,633	5,796,117
Commercial and industrial	5,696,564	46,384	87,385	22,235	5,852,568	5,586,482	52,632	73,853	24,050	5,737,017
Total	**$ 15,270,886**	**$ 162,729**	**$ 168,776**	**$ 25,767**	**$ 15,628,158**	**$ 14,785,998**	**$ 157,229**	**$ 154,402**	**$ 27,693**	**$ 15,125,322**

	March 31, 2019			December 31, 2018		
(in thousands)	**Current**	**30+ Days Past Due**	**Total**	**Current**	**30+ Days Past Due**	**Total**
Residential mortgage	$ 4,335,779	$ 79,488	$ 4,415,267	$ 4,290,152	$ 69,004	$ 4,359,156
Consumer - home equity	2,184,204	36,444	2,220,648	2,258,659	46,035	2,304,694
Consumer - other	698,074	6,148	704,222	721,231	9,412	730,643
Total	**$ 7,218,057**	**$ 122,080**	**$ 7,340,137**	**$ 7,270,042**	**$ 124,451**	**$ 7,394,493**

Impaired Loans

Information on the Company's investment in impaired loans, which include all TDRs and all other non-accrual loans evaluated or measured individually for impairment for purposes of determining the ALLL, is presented in the following tables as of and for the periods indicated.

	March 31, 2019			December 31, 2018		
(in thousands)	Unpaid Principal Balance	Recorded Investment	Related Allowance	Unpaid Principal Balance	Recorded Investment	Related Allowance
With no related allowance recorded:						
Real estate - construction	$ 12,138	$ 11,139	$ —	$ 10,261	$ 9,262	$ —
Real estate - owner-occupied	33,670	27,732	—	25,037	19,044	—
Real estate - non-owner-occupied	12,352	11,515	—	15,265	14,288	—
Commercial and industrial	52,821	32,380	—	55,554	43,886	—
Residential mortgage	1,456	1,456	—	1,244	1,221	—
Consumer - home equity	1,783	1,783	—	4,183	4,176	—
Consumer - other	—	—	—	—	—	—
With an allowance recorded:						
Real estate - construction	224	134	(11)	228	140	(11)
Real estate - owner-occupied	5,553	5,393	(613)	5,032	4,773	(520)
Real estate - non-owner-occupied	12,113	11,996	(2,454)	6,445	6,398	(105)
Commercial and industrial	36,243	31,509	(10,988)	46,387	27,915	(12,646)
Residential mortgage	6,745	6,223	(258)	5,870	5,358	(145)
Consumer - home equity	30,847	29,861	(2,132)	29,284	28,818	(2,427)
Consumer - other	4,574	4,191	(492)	4,956	4,446	(488)
Total	$ 210,519	$ 175,312	$ (16,948)	$ 209,746	$ 169,725	$ (16,342)
Total commercial loans and leases	$ 165,114	$ 131,798	$ (14,066)	$ 164,209	$ 125,706	$ (13,282)
Total residential mortgage loans	8,201	7,679	(258)	7,114	6,579	(145)
Total consumer and other loans	37,204	35,835	(2,624)	38,423	37,440	(2,915)

	Three Months Ended March 31, 2019		Three Months Ended March 31, 2018	
(in thousands)	**Average Recorded Investment**	**Interest Income Recognized**	**Average Recorded Investment**	**Interest Income Recognized**
With no related allowance recorded:				
Real estate - construction	$ 11,142	$ 169	$ 10,470	$ 144
Real estate - owner-occupied	27,865	301	36,277	334
Real estate - non-owner-occupied	11,566	69	10,557	98
Commercial and industrial	37,185	461	27,832	385
Residential mortgage	1,463	17	1,090	12
Consumer - home equity	1,204	10	32	—
With an allowance recorded:				
Real estate - construction	136	—	153	1
Real estate - owner-occupied	5,433	8	17,608	112
Real estate - non-owner-occupied	12,042	79	3,302	10
Commercial and industrial	28,624	202	44,056	196
Residential mortgage	6,274	59	4,974	44
Consumer - home equity	30,345	292	28,203	292
Consumer - other	4,314	58	5,200	67
Total	$ 177,593	$ 1,725	$ 189,754	$ 1,695
Total commercial loans and leases	$ 133,993	$ 1,289	$ 150,255	$ 1,280
Total residential mortgage loans	7,737	76	6,064	56
Total consumer and other loans	35,863	360	33,435	359

As of March 31, 2019 and December 31, 2018, the Company was not committed to lend a material amount of additional funds to any customer whose loan was classified as impaired or as a TDR.

NOTE 6 – GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

Changes to the carrying amount of goodwill by reporting unit for the three months ended March 31, 2019, and the year ended December 31, 2018 are provided in the following table:

(in thousands)	IBERIABANK	Mortgage	LTC	Total
Balance, December 31, 2017	$ 1,160,559	$ 23,178	$ 5,165	$ 1,188,902
Goodwill acquired and adjustments during the year	43,251	—	3,380	46,631
Balance, December 31, 2018	$ 1,203,810	$ 23,178	$ 8,545	$ 1,235,533
Goodwill acquired and adjustments during the year	—	—	—	—
Balance, March 31, 2019	**$ 1,203,810**	**$ 23,178**	**$ 8,545**	**$ 1,235,533**

The goodwill acquired and adjustments made during 2018 were the result of the Sabadell United, Gibraltar, and SolomonParks acquisitions. There were no changes to goodwill during the three months ended March 31, 2019.

The Company performed the required annual goodwill impairment test as of October 1, 2018. The Company’s annual impairment test did not indicate impairment in any of the Company’s reporting units as of the testing date. Following the testing date, management evaluated the events and changes that could indicate that goodwill might be impaired and concluded that a subsequent interim test was not necessary.

Mortgage Servicing Rights

Mortgage servicing rights are recorded at the lower of cost or market value in other intangible assets on the Company's consolidated balance sheets and amortized over the remaining servicing life of the loans, with consideration given to prepayment assumptions. Mortgage servicing rights had the following carrying values as of the periods indicated:

	March 31, 2019			December 31, 2018		
(in thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Mortgage servicing rights	$ 14,636	$ (5,102)	$ 9,534	$ 13,612	$ (4,806)	$ 8,806

Title Plant

The Company held title plant assets recorded in other intangible assets on the Company's consolidated balance sheets totaling $6.8 million at both March 31, 2019 and December 31, 2018. No events or changes in circumstances occurred during the three months ended March 31, 2019 to suggest the carrying value of the title plant was not recoverable.

Intangible assets subject to amortization

Definite-lived intangible assets had the following carrying values included in other intangible assets on the Company’s consolidated balance sheets as of the periods indicated:

	March 31, 2019			December 31, 2018		
(in thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Core deposit intangible assets	$ 136,183	$ (68,189)	$ 67,994	$ 136,183	$ (63,213)	$ 72,970
Customer relationship intangible asset	1,385	(1,340)	45	1,385	(1,323)	62
Non-compete agreement	206	(84)	122	206	(72)	134
Total	**$ 137,774**	**$ (69,613)**	**$ 68,161**	**$ 137,774**	**$ (64,608)**	**$ 73,166**

NOTE 7 – DERIVATIVE INSTRUMENTS AND OTHER HEDGING ACTIVITIES

The Company enters into derivative financial instruments to manage interest rate risk, exposures related to liquidity and credit risk, and to facilitate customer transactions. The primary types of derivatives utilized by the Company for its risk management strategies include interest rate swap agreements, interest rate collars, interest rate floors, foreign exchange contracts, interest rate lock commitments, forward sales commitments, written and purchased options, and credit derivatives. All derivative instruments are recognized on the consolidated balance sheets as other assets or other liabilities at fair value, regardless of whether a right of offset exists.

Cash flow hedge relationships mitigate exposure to the variability of future cash flows or other forecasted transactions. The Company enters into interest rate swap agreements in a cash flow hedge to convert forecasted variable interest payments to a fixed rate on its junior subordinated debt. In addition, the Company has entered into interest rate collars and interest rate floors and designated the instruments as cash flow hedges of the risk of fluctuations in interest rates, thereby reducing the Company's exposure to variability in cash flows from variable-rate loans.

For cash flow hedges, the effective and ineffective portions of the gain or loss related to the derivative instrument is initially reported as a component of other comprehensive income and subsequently reclassified into earnings when the forecasted transaction affects earnings or when the hedge is terminated. In applying hedge accounting for derivatives, the Company establishes and documents a method for assessing the effectiveness of the hedging derivative and a measurement approach for determining the ineffective aspect of the hedge upon the inception of the hedge.

For derivative instruments that are not designated as hedging instruments, changes in the fair value of the derivatives are recognized in earnings immediately.

Information pertaining to outstanding derivative instruments is as follows:

	Derivative Assets - Fair Value		Derivative Liabilities - Fair Value	
(in thousands)	**March 31, 2019**	**December 31, 2018**	**March 31, 2019**	**December 31, 2018**
Derivatives designated as hedging instruments:				
Interest rate contracts	$ 6,920	$ 3,469	$ —	$ —
Total derivatives designated as hedging instruments	$ 6,920	$ 3,469	$ —	$ —
Derivatives not designated as hedging instruments:				
Interest rate contracts:				
Customer swaps - upstream	237	474	1,040	191
Customer swaps - downstream	35,265	16,946	9,766	17,812
Foreign exchange contracts	7	18	7	18
Forward sales contracts	143	630	1,440	750
Written and purchased options	8,488	5,490	4,446	3,310
Other contracts	26	21	57	43
Total derivatives not designated as hedging instruments	$ 44,166	$ 23,579	$ 16,756	$ 22,124
Total	**$ 51,086**	**$ 27,048**	**$ 16,756**	**$ 22,124**

(in thousands)	Derivative Assets - Notional Amount March 31, 2019	Derivative Assets - Notional Amount December 31, 2018	Derivative Liabilities - Notional Amount March 31, 2019	Derivative Liabilities - Notional Amount December 31, 2018
Derivatives designated as hedging instruments:				
Interest rate contracts	$ 500,000	$ 408,500	$ 108,500	$ —
Total derivatives designated as hedging instruments	$ 500,000	$ 408,500	$ 108,500	$ —
Derivatives not designated as hedging instruments:				
Interest rate contracts:				
Customer swaps - upstream	634,998	919,653	1,290,051	701,257
Customer swaps - downstream	1,290,051	701,257	634,998	919,653
Foreign exchange contracts	903	1,202	903	1,202
Forward sales contracts	43,567	1,140	205,278	143,179
Written and purchased options	324,345	229,333	141,430	140,645
Other contracts	50,050	50,527	98,858	85,623
Total derivatives not designated as hedging instruments	$ 2,343,914	$ 1,903,112	$ 2,371,518	$ 1,991,559
Total	**$ 2,843,914**	**$ 2,311,612**	**$ 2,480,018**	**$ 1,991,559**

The Company has entered into risk participation agreements with counterparties to transfer or assume credit exposures related to interest rate derivatives. The notional amounts of risk participation agreements sold were $98.9 million and $85.6 million at March 31, 2019 and December 31, 2018, respectively. Assuming all underlying third party customers referenced in the swap contracts defaulted at March 31, 2019 and December 31, 2018, the exposure from these agreements would not be material based on the fair value of the underlying swaps.

The Company is party to collateral agreements with certain derivative counterparties. Such agreements require that the Company maintain collateral based on the fair values of individual derivative transactions. In the event of default by the Company, the counterparty would be entitled to the collateral.

At March 31, 2019 and December 31, 2018, the Company was not required to post collateral due to the Company's derivative position at the balance sheet date. At March 31, 2019 and December 31, 2018, the Company was required to post $44.7 million and $35.8 million, respectively, in variation margin payments for its derivative transactions, which is required to be netted against the fair value of the derivatives in other assets or other liabilities on the consolidated balance sheets. The Company does not anticipate additional assets will be required to be posted as collateral, nor does it believe additional assets would be required to settle its derivative instruments immediately if contingent features were triggered at March 31, 2019. The Company’s master netting agreements represent written, legally enforceable bilateral agreements that (1) create a single legal obligation for all individual transactions covered by the master agreement and (2) in the event of default, provide the non-defaulting counterparty the right to accelerate, terminate, and close-out on a net basis all transactions under the agreement and to promptly liquidate or set-off collateral posted by the defaulting counterparty. As permitted by U.S. GAAP, the Company does not offset fair value amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral against recognized fair value amounts of derivatives executed with the same counterparty under a master netting agreement.

The following table reconciles the gross amounts presented in the consolidated balance sheets to the net amounts that would result in the event of offset.

	March 31, 2019			
		Gross Amounts Not Offset in the Balance Sheet		
(in thousands)	Gross Amounts Presented in the Balance Sheet	Derivatives	Collateral	Net
Derivatives subject to master netting arrangements				
Derivative assets				
Interest rate contracts designated as hedging instruments	$ 6,920	$ —	$ —	$ 6,920
Interest rate contracts not designated as hedging instruments	35,502	(824)	—	34,678
Written and purchased options	4,406	—	—	4,406
Total derivative assets subject to master netting arrangements	**$ 46,828**	**$ (824)**	**$ —**	**$ 46,004**
Derivative liabilities				
Interest rate contracts not designated as hedging instruments	$ 10,806	$ (824)	$ —	$ 9,982
Written and purchased options	4,406	—	—	4,406
Total derivative liabilities subject to master netting arrangements	**$ 15,212**	**$ (824)**	**$ —**	**$ 14,388**

	December 31, 2018			
		Gross Amounts Not Offset in the Balance Sheet		
(in thousands)	Gross Amounts Presented in the Balance Sheet	Derivatives	Collateral	Net
Derivatives subject to master netting arrangements				
Derivative assets				
Interest rate contracts designated as hedging instruments	$ 3,469	$ —	$ —	$ 3,469
Interest rate contracts not designated as hedging instruments	17,420	(619)	—	16,801
Written and purchased options	3,285	—	—	3,285
Total derivative assets subject to master netting arrangements	**$ 24,174**	**$ (619)**	**$ —**	**$ 23,555**
Derivative liabilities				
Interest rate contracts not designated as hedging instruments	$ 18,003	$ (619)	$ —	$ 17,384
Written and purchased options	3,285	—	—	3,285
Total derivative liabilities subject to master netting arrangements	**$ 21,288**	**$ (619)**	**$ —**	**$ 20,669**

During the three months ended March 31, 2019 and 2018, the Company has not reclassified into earnings any gain or loss as a result of the discontinuance of cash flow hedges because it was probable the original forecasted transaction would not occur by the end of the originally specified term.

At March 31, 2019, the Company does not expect to reclassify a material amount from accumulated other comprehensive income into interest income over the next twelve months for derivatives that will be settled.

At March 31, 2019 and 2018, and for the three months then ended, information pertaining to the effect of the hedging instruments on the consolidated financial statements is as follows:

	Amount of Gain (Loss) Recognized in OCI, net of taxes			Location of Gain (Loss) Reclassified from AOCI into Income	Amount of Gain (Loss) Reclassified from AOCI into Income, net of taxes			Location of Gain (Loss) Recognized in Income on Derivatives (Amount Excluded from Effectiveness Testing)	Amount of Gain (Loss) Recognized in Income on Derivatives (Amount Excluded from Effectiveness Testing)		
	Total	Including Component	Excluding Component		Total	Including Component	Excluding Component		Total	Including Component	Excluding Component
(in thousands)	For the Three Months Ended March 31,										
Derivatives in Cash Flow Hedging Relationships	2019				2019				2019		
Total Interest rate contracts	$ (2,185)	$ (3,098)	$ 913	Interest expense	$ (227)	$ (69)	$ (158)	Interest expense	$ —	$ —	$ —

	Amount of Gain (Loss) Recognized in OCI, net of taxes			Location of Gain (Loss) Reclassified from AOCI into Income	Amount of Gain (Loss) Reclassified from AOCI into Income, net of taxes			Location of Gain (Loss) Recognized in Income on Derivatives (Amount Excluded from Effectiveness Testing)	Amount of Gain (Loss) Recognized in Income on Derivatives (Amount Excluded from Effectiveness Testing)		
	Total	Including Component	Excluding Component		Total	Including Component	Excluding Component		Total	Including Component	Excluding Component
(in thousands)	For the Three Months Ended March 31,										
Derivatives in Cash Flow Hedging Relationships	2018				2018				2018		
Total Interest rate contracts	$ 2,549	$ 2,549	$ —	Interest expense	$ (116)	$ (116)	$ —	Interest expense	$ —	$ —	$ —

Information pertaining to the effect of derivatives not designated as hedging instruments on the consolidated financial statements as of March 31, is as follows:

		Amount of Gain (Loss) Recognized in Income on Derivatives	
		For the Three Months Ended March 31,	
(in thousands)	Location of Gain (Loss) Recognized in Income on Derivatives	2019	2018
Interest rate contracts (1)	Other income	$ 4,181	$ 1,049
Foreign exchange contracts	Other income	5	5
Forward sales contracts	Mortgage income	(3,209)	3,387
Written and purchased options	Mortgage income	1,863	648
Other contracts	Other income	(9)	(3)
Total		**$ 2,831**	**$ 5,086**

(1) Includes fees associated with customer interest rate contracts.

NOTE 8 – LEASES

IBERIABANK as Lessee

The Company leases certain branch and corporate offices, land and ATM facilities through operating leases with terms ranging from less than one year to 45 years. The Company has no financing leases (formerly capital leases). As discussed in Note 2, Recent Accounting Pronouncements, the Company adopted new guidance for leases on January 1, 2019 which requires that leases, whether classified as operating leases or financing leases, are to be accounted for as the acquisition of a right-of-use asset (ROU asset) and a related lease liability recorded at the present value of the lease payments less any lease incentives. The ROU asset represents the Company’s right to use an underlying asset for the lease term and is included in other assets on the Company’s consolidated balance sheets. The lease liability represents the Company’s obligation to make lease payments and is included in other liabilities in the Company’s consolidated balance sheets. The cost of the lease is recognized on a straight-line basis over the lease term as lease expense. Prior to January 1, 2019, operating leases were not recorded on the balance sheet. See Note 2, Recent Accounting Pronouncements, for further discussion of the adoption of this new guidance.

Subsequent to the adoption of ASC 842 on January 1, 2019, the Company reviews new lease and service contracts to determine if the contracts contain an embedded lease. For leases that do not provide an implicit rate, the Company uses the corresponding FHLB Advance rate based on the lease term at commencement in determining the present value of lease payments. For leases with variable lease payments, the present value will be determined using the index at the lease commencement date. Changes in variable rent payments due to subsequent changes in the index or rate do not result in a re-measurement of the ROU asset or lease liability, but are recognized as expense in the period in which they occur. Certain of the Company’s leases contain options to either renew, extend or terminate the lease. As of March 31, 2019, no material extensions or terminations were considered reasonably certain, and as such, were not included in the measurement of the lease liability and ROU asset. The Company also has lease agreements with lease and non-lease components, which are generally accounted for separately. Non-lease components, which primarily consist of common area maintenance (“CAM”), utilities, and janitorial services, are based on the stand-alone price of the services and expensed as incurred.

Operating lease expense for the three months ended March 31, 2019 totaled $6.8 million. During the three months ended March 31, 2019, the Company paid $6.7 million for amounts included in the measurement of lease liabilities and $5.2 million to obtain ROU assets.

The following summarizes the ROU asset and lease liabilities as of March 31, 2019:

(in thousands)		**March 31, 2019**
Right-of-use assets	$	95,581
Total lease liabilities		118,430
Weighted Average Remaining Lease Term		7.4 years
Weighted Average Discount Rate		3.4%

Maturities of operating lease liabilities as of March 31, 2019 is as follows:

(in thousands)		
2019	$	20,059
2020		25,441
2021		22,038
2022		18,730
2023		12,394
2024 and thereafter		36,015
Total operating lease payments	$	134,677
Less: Imputed interest		16,247
Total lease liabilities	**$**	**118,430**

As of March 31, 2019, the Company has not entered into any material leases that have not yet commenced.

IBERIABANK as Lessor

As a lessor, the Company engages in the leasing of equipment to commercial customers primarily through direct financing and sales-type leases. Direct financing and sales-type leases are similar to other forms of installment lending in that lessors generally do not retain benefits and risks incidental to ownership of the property subject to leases. Such arrangements are essentially financing transactions that permit lessees to acquire and use property. The new guidance on leases discussed above did not have a significant impact on the lessor model of accounting. As lessor, the sum of all minimum lease payments over the lease term and the estimated residual value, less unearned interest income, is recorded as the net investment in the lease on the commencement date and is included in loans and leases, net of unearned income in the consolidated balance sheet. Interest income is accrued as earned over the term of the lease based on the net investment in leases. Fees incurred to originate the lease are deferred on the commencement date and recognized as an adjustment of the yield on the lease.

The Company's portfolio of direct financing and sales-type leases contain remaining terms from 4 to 20 years. Some of these leases contain options to extend the leases for up to 12 months and/or to terminate the lease within one year. These direct financing and sales-type leases typically include a payment structure set at lease inception and do not provide any additional services. Expenses associated with the leased equipment, such as maintenance and insurance, are paid by the lessee directly to third parties. The lease agreement typically contains an option for the purchase of the leased property by the lessee at the end of the lease term at either the property's residual value or a specified price. In all cases, the Company expects to sell or re-lease the equipment at the end of the lease term. Due to the nature and structure of the Company's direct financing and sales-type leases, there is no selling profit or loss on these transactions.

At a lease's inception, the Company determines the expected residual value of the leased property at end of the lease term based on the type of equipment leased, location and usage, as well as the contractual return provisions in the lease agreement. Additionally, the Company utilizes multiple market sources of data to establish equipment values and in many cases engages certified appraisers to provide valuation analyses. In order to manage the risk associated with the residual value of its leased assets, lease agreements typically include various provisions designed to protect the value of the leased property, such as contractual equipment maintenance, use and return provisions; remarketing agreements; and lessee guarantees. In a few cases, the Company also obtains third-party guarantees to further manage residual risk in the portfolio. On an annual basis, leased properties with material residual values are reviewed for impairment.

The components of the Company's net investment in leases is as follows:

(in thousands)		**March 31, 2019**
Lease payment receivable	$	199,760
Unguaranteed residual assets		22,243
Total net investment in leases	**$**	**222,003**

For the three months ended March 31, 2019, interest income for direct financing or sales-type leases totaled $2.0 million. During the three months ended March 31, 2019, there was no profit or loss recognized at the commencement date for direct financing or sales-type leases.

Maturities of the Company's lease receivables as of March 31, 2019 is as follows:

(in thousands)		
2019	$	23,873
2020		31,495
2021		31,431
2022		28,869
2023		22,414
2024 and thereafter		75,940
Total future minimum lease payments	$	214,022
Less: Imputed interest		14,262
Lease receivables	**$**	**199,760**

NOTE 9 – SHAREHOLDERS' EQUITY, CAPITAL RATIOS AND OTHER REGULATORY MATTERS

Preferred Stock

The following table presents a summary of the Company's non-cumulative perpetual preferred stock:

					March 31, 2019	December 31, 2018
(in thousands)	Issuance Date	Earliest Redemption Date	Annual Dividend Rate	Liquidation Amount	Carrying Amount	Carrying Amount
Series B Preferred Stock	8/5/2015	8/1/2025	6.625%	$ 80,000	$ 76,812	$ 76,812
Series C Preferred Stock	5/9/2016	5/1/2026	6.600%	57,500	55,285	55,285
				$ 137,500	$ 132,097	$ 132,097

Common Stock

In 2018, the Company's Board of Directors authorized the repurchase of up to 2,765,000 shares of IBERIABANK Corporation's outstanding common stock. Stock repurchases under this program will be made from time to time, on the open market or in privately negotiated transactions. The timing of these repurchases will depend on market conditions and other requirements. The share repurchase program does not obligate the Company to repurchase any dollar amount or number of shares, and expires during the fourth quarter of 2020. The program may be extended, modified, suspended, or discontinued at any time.

During the first three months of 2019, the Company repurchased 387,921 common shares for approximately $29.9 million at a weighted average cost of $77.19 per share. At March 31, 2019, the remaining common shares that could be repurchased under the current Board-approved plan was 1,877,079 shares. Subsequent to quarter-end and through May 7, 2019, the Company repurchased 353,200 common shares for approximately $28.2 million. The Company did not repurchase any shares during the quarter ended March 31, 2018.

Regulatory Capital

The Company and IBERIABANK are subject to various regulatory capital requirements administered by the federal and state banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company’s consolidated financial statements. Under capital adequacy regulations and the regulatory framework for prompt corrective action, the Company and IBERIABANK, as applicable, must meet specific capital guidelines that involve quantitative measures of their assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

As of March 31, 2019, the Company and IBERIABANK met all capital adequacy requirements to which they are subject.

As of March 31, 2019, the most recent notification from the FRB categorized IBERIABANK as well-capitalized under the regulatory framework for prompt corrective action (the prompt corrective action requirements are not applicable to the Company). To be categorized as well-capitalized, an institution must maintain minimum total risk-based, Tier 1 risk-based and Tier 1 leverage ratios as set forth in the following table. There are no conditions or events since the notification that management believes have changed that categorization.

The Company's and IBERIABANK's actual capital amounts and ratios as of March 31, 2019 and December 31, 2018 are presented in the following tables:

	March 31, 2019					
	Minimum		Well-Capitalized		Actual	
(in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio
Tier 1 Leverage						
Consolidated	$ 1,184,075	4.00%	N/A	N/A	$ 2,863,388	9.67%
IBERIABANK	1,181,108	4.00	1,476,386	5.00	2,795,498	9.47
Common Equity Tier 1 (CET1)						
Consolidated	$ 1,145,643	4.50%	N/A	N/A	$ 2,731,291	10.73%
IBERIABANK	1,143,315	4.50	1,651,455	6.50	2,795,498	11.00
Tier 1 Risk-Based Capital						
Consolidated	$ 1,527,524	6.00%	N/A	N/A	$ 2,863,388	11.25%
IBERIABANK	1,524,420	6.00	2,032,560	8.00	2,795,498	11.00
Total Risk-Based Capital						
Consolidated	$ 2,036,699	8.00%	N/A	N/A	$ 3,138,835	12.33%
IBERIABANK	2,032,560	8.00	2,540,700	10.00	2,954,445	11.63

	December 31, 2018					
	Minimum		Well-Capitalized		Actual	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Tier 1 Leverage						
Consolidated	$ 1,168,343	4.00%	N/A	N/A	$ 2,812,863	9.63%
IBERIABANK	1,165,537	4.00	1,456,921	5.00	2,733,099	9.38
Common Equity Tier 1 (CET1)						
Consolidated	$ 1,125,405	4.50%	N/A	N/A	$ 2,680,766	10.72%
IBERIABANK	1,122,712	4.50	1,621,695	6.50	2,733,099	10.95
Tier 1 Risk-Based Capital						
Consolidated	$ 1,500,540	6.00%	N/A	N/A	$ 2,812,863	11.25%
IBERIABANK	1,496,949	6.00	1,995,932	8.00	2,733,099	10.95
Total Risk-Based Capital						
Consolidated	$ 2,000,720	8.00%	N/A	N/A	$ 3,084,764	12.33%
IBERIABANK	1,995,932	8.00	2,494,915	10.00	2,888,500	11.58

Minimum capital ratios are subject to a capital conservation buffer. In order to avoid limitations on distributions, including dividend payments, and certain discretionary bonus payments to executive officers, an institution must hold a capital conservation buffer above its minimum risk-based capital requirements. This capital conservation buffer is calculated as the lowest of the differences between the actual CET1 ratio, Tier 1 Risk-Based Capital Ratio, and Total Risk-Based Capital ratio and the corresponding minimum ratios. At March 31, 2019, the required minimum capital conservation buffer was 2.50%. At March 31, 2019, the capital conservation buffers of the Company and IBERIABANK were 4.33% and 3.63%, respectively.

NOTE 10 – EARNINGS PER SHARE

The computations of basic and diluted earnings per share were as follows:

	Three Months Ended March 31,	
(in thousands, except per share data)	2019	2018
Earnings Per Common Share - Basic:		
Net income	$ 100,131	$ 63,621
Less: Preferred stock dividends	3,598	3,598
Less: Dividends and undistributed earnings allocated to unvested restricted shares	933	639
Net income allocated to common shareholders - basic	$ 95,600	$ 59,384
Weighted average common shares outstanding	54,177	53,616
Earnings per common share - basic	1.76	1.11
Earnings Per Common Share - Diluted:		
Earnings allocated to common shareholders - basic	$ 95,600	$ 59,384
Adjustment for undistributed earnings allocated to unvested restricted shares	(42)	(18)
Earnings allocated to common shareholders - diluted	$ 95,558	$ 59,366
Weighted average common shares outstanding	54,177	53,616
Dilutive potential common shares	362	351
Weighted average common shares outstanding - diluted	54,539	53,967
Earnings per common share - diluted	$ 1.75	$ 1.10

For the three months ended March 31, 2019, and 2018, the calculations for basic shares outstanding excluded weighted average shares owned by the RRP of 564,188 and 606,442, respectively.

The effects from the assumed exercises of 155,757 and 156,737 stock options were not included in the computation of diluted earnings per share for the three months ended March 31, 2019 and 2018, respectively, because they were antidilutive.

NOTE 11 – SHARE-BASED COMPENSATION

The Company has various types of share-based compensation plans that permit the granting of awards in the form of stock options, restricted stock, restricted share units and phantom stock. These plans are administered by the Compensation Committee of the Board of Directors, which selects persons eligible to receive awards and determines the terms, conditions and other provisions of the awards. At March 31, 2019, awards of 675,556 shares could be made under approved incentive compensation plans. The Company issues shares to fulfill stock option exercises and restricted share units and restricted stock awards vesting from available authorized common shares. At March 31, 2019, the Company believes there are adequate authorized shares to satisfy anticipated stock option exercises and restricted share unit and restricted stock award vesting.

Stock option awards

The Company issues stock options under various plans to directors, officers and other key employees. The option exercise price cannot be less than the fair value of the underlying common stock as of the date of the option grant and the maximum option term cannot exceed ten years.

The following table represents the activity related to stock options during the periods indicated:

	Number of Shares	Weighted Average Exercise Price
Outstanding options, December 31, 2017	686,366	$ 58.24
Granted	92,162	82.20
Exercised	(21,212)	52.10
Forfeited or expired	(14,513)	65.27
Outstanding options, March 31, 2018	742,803	$ 61.25
Exercisable options, March 31, 2018	519,496	$ 56.53
Outstanding options, December 31, 2018	714,420	$ 61.41
Granted	126,405	70.32
Exercised	(19,620)	54.44
Forfeited or expired	(5,564)	69.58
Outstanding options, March 31, 2019	815,641	$ 62.90
Exercisable options, March 31, 2019	563,084	$ 58.22

The Company uses the Black-Scholes option pricing model to estimate the fair value of stock option awards. The following weighted-average assumptions were used for option awards issued during the following periods:

	For the Three Months Ended March 31,	
	2019	2018
Expected dividends	2.3%	1.8%
Expected volatility	24.5%	24.3%
Risk-free interest rate	2.5%	2.7%
Expected term (in years)	5.7	5.7
Weighted-average grant-date fair value	$ 14.44	$ 18.36

The assumptions above are based on multiple factors, including historical stock option exercise patterns and post-vesting employment termination behaviors, expected future exercise patterns and the expected volatility of the Company's stock price.

The following table represents the compensation expense that is included in non-interest expense and related income tax benefits in the accompanying consolidated statements of comprehensive income related to stock options for the following periods:

	For the Three Months Ended March 31,	
(in thousands)	**2019**	**2018**
Compensation expense related to stock options	$ 349	$ 312
Income tax benefit related to stock options	26	23

At March 31, 2019, there was $3.0 million of unrecognized compensation expense related to stock options that is expected to be recognized over a weighted-average period of 3.1 years.

Restricted stock awards

The Company issues restricted stock under various plans for certain officers and directors. The restricted stock awards may not be sold or otherwise transferred until certain restrictions have lapsed. The holders of the restricted stock receive dividends and have the right to vote the shares. The compensation expense for these awards is determined based on the market price of the Company's common stock at the date of grant applied to the total number of shares granted and is recognized over the vesting period (generally three to five years). As of March 31, 2019 and 2018, unrecognized share-based compensation expense associated with these awards totaled $31.1 million and $39.0 million, respectively. The unrecognized compensation expense related to restricted stock awards at March 31, 2019 is expected to be recognized over a weighted-average period of 1.5 years.

Restricted share units

The Company issues restricted share units to certain of its executive officers. Restricted share units vest after the end of a three year performance period, based on satisfaction of the market and performance conditions set forth in the restricted share unit agreements. Recipients do not possess voting or investment power over the common stock underlying such units until vesting. The grant date fair value of these restricted share units is the same as the value of the corresponding number of shares of common stock, adjusted for assumptions surrounding the market-based conditions contained in the respective agreements. See Note 1, Summary of Significant Accounting Policies, in the 2018 Annual Report on Form 10-K for the year ended December 31, 2018, for further discussion of restricted share units with market or performance conditions.

The following table represents the compensation expense that was included in non-interest expense and related income tax benefits in the accompanying consolidated statements of comprehensive income related to restricted stock awards and restricted share units for the periods indicated:

	For the Three Months Ended March 31,	
(in thousands)	**2019**	**2018**
Compensation expense related to restricted stock awards and restricted share units	$ 5,223	$ 4,422
Income tax benefit related to restricted stock awards and restricted share units	1,097	929

The following table represents unvested restricted stock award and restricted share unit activity for the following periods:

	For the Three Months Ended March 31,	
	2019	**2018**
Number of shares at beginning of period	700,628	738,187
Granted	190,726	199,958
Forfeited	(8,337)	(43,405)
Vested	(182,947)	(115,877)
Number of shares at end of period	700,070	778,863

Phantom stock awards

The Company issues phantom stock awards to certain key officers and employees. The awards are subject to a vesting period of five years and are paid out in cash upon vesting. The amount paid per vesting period is calculated as the number of vested “share equivalents” multiplied by the closing market price of a share of the Company’s common stock on the vesting date. Share equivalents are calculated on the date of grant as the total award’s dollar value divided by the closing market price of a share of the Company’s common stock on the grant date.

The following table represents compensation expense recorded for phantom stock based on the number of share equivalents vested at March 31 of the periods indicated and the current market price of the Company’s stock at that time:

	For the Three Months Ended March 31,	
(in thousands)	2019	2018
Compensation expense related to phantom stock	$ 3,194	$ 2,996

The following table represents phantom stock award activity during the periods indicated:

(in thousands)	Number of share equivalents [1]	Value of share equivalents [2]
Balance, December 31, 2017	393,844	$ 30,523
Granted	129,234	10,080
Forfeited share equivalents	(24,460)	1,908
Vested share equivalents	(121,758)	10,187
Balance, March 31, 2018	376,860	$ 29,395
Balance, December 31, 2018	353,407	$ 22,717
Granted	161,273	11,565
Forfeited share equivalents	(13,680)	981
Vested share equivalents	(96,995)	7,316
Balance, March 31, 2019	404,005	$ 28,971

(1) Number of share equivalents includes all reinvested dividend equivalents for the periods indicated.

(2) Except for share equivalents at the beginning of each period, which are based on the value at that time, and vested share payments, which are based on the cash paid at the time of vesting, the value of share equivalents is calculated based on the market price of the Company’s stock at the end of the respective periods. The market price of the Company’s stock was $71.71 and $78.00 on March 31, 2019, and 2018, respectively.

NOTE 12 – FAIR VALUE MEASUREMENTS

Recurring fair value measurements

The following table presents information about the Company's assets and liabilities that are measured at fair value on a recurring basis as of March 31, 2019 and December 31, 2018 and their classification within the fair value hierarchy. See Note 1, Summary of Significant Accounting Policies, in the Annual Report on Form 10-K for the year ended December 31, 2018, for a description of how fair value measurements are determined.

	March 31, 2019			
(in thousands)	Level 1	Level 2	Level 3	Total
Assets				
Securities available for sale	$ —	$ 4,873,778	$ —	$ 4,873,778
Mortgage loans held for sale	—	128,451	—	128,451
Mortgage loans held for investment, at fair value option	—	—	550	550
Derivative instruments	—	51,086	—	51,086
Total	**$ —**	**$ 5,053,315**	**$ 550**	**$ 5,053,865**
Liabilities				
Derivative instruments	$ —	$ 16,756	$ —	$ 16,756
Total	**$ —**	**$ 16,756**	**$ —**	**$ 16,756**

	December 31, 2018			
	Level 1	Level 2	Level 3	Total
Assets				
Securities available for sale	$ —	$ 4,783,579	$ —	$ 4,783,579
Mortgage loans held for sale	—	107,734	—	107,734
Mortgage loans held for investment, at fair value option	—	—	3,143	3,143
Derivative instruments	—	27,048	—	27,048
Total	**$ —**	**$ 4,918,361**	**$ 3,143**	**$ 4,921,504**
Liabilities				
Derivative instruments	$ —	$ 22,124	$ —	$ 22,124
Total	**$ —**	**$ 22,124**	**$ —**	**$ 22,124**

During the three months ended March 31, 2019, there were no transfers between the Level 1 and Level 2 fair value categories.

Non-recurring fair value measurements

The Company holds certain assets that are measured at fair value, but only in certain circumstances, such as impairment. The following table presents information about the Company's assets that are measured at fair value and still held as of March 31, 2019 and December 31, 2018 for which a non-recurring fair value adjustment was recorded during the periods then ended. See Note 1, Summary of Significant Accounting Policies, in the Annual Report on Form 10-K for the year ended December 31, 2018, for a description of how fair value measurements are determined.

	March 31, 2019			
(in thousands)	Level 1	Level 2	Level 3	Total
Assets				
Impaired loans	$ —	$ —	$ 63,145	$ 63,145
OREO, net	—	—	8,875	8,875
Total	$ —	$ —	$ 72,020	$ 72,020

	December 31, 2018			
(in thousands)	Level 1	Level 2	Level 3	Total
Assets				
Impaired loans	$ —	$ —	$ 65,914	$ 65,914
OREO, net	—	—	6,433	6,433
Total	$ —	$ —	$ 72,347	$ 72,347

The tables above exclude the initial measurement of assets and liabilities that were acquired as part of business combinations. These assets and liabilities were recorded at their fair value upon acquisition in accordance with U.S. GAAP and were not re-measured during the periods presented unless specifically required by U.S. GAAP. Acquisition date fair values represent either Level 2 fair value measurements (investment securities, deposits, property, and equipment) or Level 3 fair value measurements (loans, core deposit intangible assets, and debt). Refer to Note 3, Acquisition Activity, in the Annual Report on Form 10-K for the year ended December 31, 2018, for further detail.

The Company did not record any liabilities at fair value for which measurement of the fair value was made on a non-recurring basis as of March 31, 2019 and December 31, 2018.

Fair value option

The Company has elected the fair value option for originated residential mortgage loans held for sale, which allows for a more effective offset of the changes in fair values of the loans and the derivative instruments used to hedge them without the burden of complying with the requirements for hedge accounting. The Company also has a portion of mortgage loans held for investment for which the fair value option was elected upon origination and continue to be accounted for at fair value at March 31, 2019 and December 31, 2018, respectively.

The following table summarizes the difference between the aggregate fair value and the aggregate unpaid principal balance for mortgage loans held for sale and mortgage loans held for investment measured at fair value:

	March 31, 2019			December 31, 2018		
(in thousands)	Aggregate Fair Value	Aggregate Unpaid Principal	Aggregate Fair Value Less Unpaid Principal	Aggregate Fair Value	Aggregate Unpaid Principal	Aggregate Fair Value Less Unpaid Principal
Mortgage loans held for sale, at fair value	$ 128,451	$ 124,410	$ 4,041	$ 107,734	$ 104,345	$ 3,389
Mortgage loans held for investment, at fair value	550	599	(49)	3,143	3,595	(452)

Interest income on mortgage loans held for sale and mortgage loans held for investment at fair value option is recognized based on contractual rates and is reflected in interest income on loans held for sale in the consolidated statements of comprehensive income. The following table details net gains (losses) resulting from the change in fair value of loans that were recorded in mortgage income in the consolidated statements of comprehensive income for the three months ended March 31, 2019 and 2018. The changes in fair value are mostly offset by economic hedging activities, with an insignificant portion of these changes attributable to changes in instrument-specific credit risk.

	Net Gains (Losses) Resulting From Changes in Fair Value	
	For the Three Months Ended March 31,	
(in thousands)	2019	2018
Fair value option		
Mortgage loans held for sale, at fair value	$ 652	$ (749)
Mortgage loans held for investment, at fair value	191	(1,142)

NOTE 13 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair value of a financial instrument is the current amount that would be exchanged between willing parties, other than in a forced liquidation. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Company’s various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. ASC Topic 825, *Financial Instruments*, excludes certain financial instruments and all non-financial instruments from its disclosure requirements. Consequently, the aggregate fair value amounts presented may not necessarily represent the underlying fair value of the Company.

The carrying amount and estimated fair values of the Company’s financial instruments, as well as the level within the fair value hierarchy, are included in the tables below. See Note 1, Summary of Significant Accounting Policies, and Note 2, Recent Accounting Pronouncements, in the Annual Report on Form 10-K for the year ended December 31, 2018, for a description of how fair value measurements are determined.

		March 31, 2019				
(in thousands)		**Carrying Amount**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Measurement Category						
Fair Value						
	Financial Assets					
	Securities available for sale	$ 4,873,778	$ 4,873,778	$ —	$ 4,873,778	$ —
	Mortgage loans held for sale	128,451	128,451	—	128,451	—
	Mortgage loans held for investment, at fair value option	550	550	—	—	550
	Derivative instruments	51,086	51,086	—	51,086	—
	Financial Liabilities					
	Derivative instruments	16,756	16,756	—	16,756	—
Amortized Cost						
	Financial Assets					
	Cash and cash equivalents	$ 671,897	$ 671,897	$ 671,897	$ —	$ —
	Securities held to maturity	198,958	200,568	—	200,568	—
	Loans and leases, carried at amortized cost, net of unearned income and allowance for loan and lease losses	22,824,780	22,547,830	—	—	22,547,830
	Financial Liabilities					
	Deposits	24,092,062	24,086,321	—	24,086,321	—
	Short-term borrowings	1,106,131	1,106,131	261,131	845,000	—
	Long-term debt	1,475,455	1,471,292	—	—	1,471,292

(in thousands)	December 31, 2018 Carrying Amount	Fair Value	Level 1	Level 2	Level 3
Measurement Category					
Fair Value					
Financial Assets					
Securities available for sale	$ 4,783,579	$ 4,783,579	$ —	$ 4,783,579	$ —
Mortgage loans held for sale	107,734	107,734	—	107,734	—
Mortgage loans held for investment, at fair value option	3,143	3,143	—	—	3,143
Derivative instruments	27,048	27,048	—	27,048	—
Financial Liabilities					
Derivative instruments	22,124	22,124	—	22,124	—
Amortized Cost					
Financial Assets					
Cash and cash equivalents	$ 690,453	$ 690,453	$ 690,453	$ —	$ —
Securities held to maturity	207,446	204,277	—	204,277	—
Loans and leases, carried at amortized cost, net of unearned income and allowance for loan and lease losses	22,376,101	22,088,236	—	—	22,088,236
Financial Liabilities					
Deposits	23,763,431	23,752,139	—	23,752,139	—
Short-term borrowings	1,482,882	1,482,882	315,882	1,167,000	—
Long-term debt	1,166,151	1,154,062	—	—	1,154,062

The fair value estimates presented herein are based upon pertinent information available to management as of March 31, 2019 and December 31, 2018. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since these dates and, therefore, current estimates of fair value may differ significantly from the amounts presented herein.

NOTE 14 – BUSINESS SEGMENTS

Each of the Company’s reportable operating segments serves the specific needs of the Company’s customers based on the products and services it offers. The reportable segments are based upon those revenue-producing components for which separate financial information is produced internally and primarily reflect the manner in which resources are allocated and performance is assessed. Further, the reportable operating segments are also determined based on the quantitative thresholds prescribed within ASC Topic 280, *Segment Reporting*, and consideration of the usefulness of the information to the users of the consolidated financial statements.

The Company reports the results of its operations through three reportable segments: IBERIABANK, Mortgage, and LTC. The IBERIABANK segment represents the Company’s commercial and retail banking functions, including its lending, investment, and deposit activities. IBERIABANK also includes the Company’s wealth management, capital markets, and other corporate functions. The Mortgage segment represents the Company’s origination, funding, and subsequent sale of one-to-four family residential mortgage loans. The LTC segment represents the Company’s title insurance and loan closing services.

Certain expenses not directly attributable to a specific reportable segment are allocated to segments based on pre-determined methods that reflect utilization. Also within IBERIABANK are certain reconciling items that translate reportable segment results into consolidated results. The following tables present certain information regarding operations by reportable segment, including a reconciliation of segment results to reported consolidated results for the periods presented. Reconciling items between segment results and reported results include:

- Elimination of interest income and interest expense representing interest earned by IBERIABANK on interest-bearing checking accounts held by related companies, as well as the elimination of the related deposit balances at the IBERIABANK segment;
- Elimination of investment in subsidiary balances on certain operating segments included in total and average segment assets; and
- Elimination of intercompany due to and due from balances on certain operating segments that are included in total and average segment assets.

	Three Months Ended March 31, 2019			
(in thousands)	**IBERIABANK**	**Mortgage**	**LTC**	**Consolidated**
Interest and dividend income	$ 324,644	$ 1,439	$ 1	$ 326,084
Interest expense	75,600	—	—	75,600
Net interest income	249,044	1,439	1	250,484
Provision for (reversal of) credit losses	13,823	(60)	—	13,763
Mortgage income	—	11,849	—	11,849
Title income	—	—	5,225	5,225
Other non-interest income (expense)	35,463	(12)	(16)	35,435
Allocated expenses (income)	(2,033)	1,500	533	—
Non-interest expense	143,755	10,541	4,457	158,753
Income (loss) before income tax expense	128,962	1,295	220	130,477
Income tax expense (benefit)	29,975	307	64	30,346
Net income	$ 98,987	$ 988	$ 156	$ 100,131
Total loans, leases, and loans held for sale, net of unearned income	$ 22,944,800	$ 151,946	$ —	$ 23,096,746
Total assets	31,044,209	191,254	24,726	31,260,189
Total deposits	24,078,698	13,364	—	24,092,062
Average assets	30,660,806	148,174	24,520	30,833,500

(in thousands)	Three Months Ended March 31, 2018			
	IBERIABANK	Mortgage	LTC	Consolidated
Interest and dividend income	$ 268,775	$ 1,767	$ 1	$ 270,543
Interest expense	37,654	—	—	37,654
Net interest income	231,121	1,767	1	232,889
Provision for (reversal of) credit losses	8,216	(5)	—	8,211
Mortgage income	—	9,595	—	9,595
Title income	—	—	5,027	5,027
Other non-interest income (expense)	29,906	38	—	29,944
Allocated expenses (income)	(1,479)	1,166	313	—
Non-interest expense	171,591	11,916	4,564	188,071
Income (loss) before income tax expense	82,699	(1,677)	151	81,173
Income tax expense (benefit)	18,540	(410)	(578)	17,552
Net income (loss)	$ 64,159	$ (1,267)	$ 729	$ 63,621
Total loans, leases, and loans held for sale, net of unearned income	$ 21,652,223	$ 164,215	$ —	$ 21,816,438
Total assets	29,243,983	205,497	23,157	29,472,637
Total deposits	22,959,061	12,131	—	22,971,192
Average assets	27,924,587	185,742	21,890	28,132,219

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Off-balance sheet commitments

In the normal course of business, to meet the financing needs of its customers, the Company is a party to credit-related financial instruments, with risk not reflected in the consolidated financial statements. These financial instruments include commitments to extend credit, standby letters of credit, and commercial letters of credit. Such commitments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheets. The credit policies used for these commitments are consistent with those used for on-balance sheet instruments. The Company's exposure to credit loss in the event of non-performance by its customers under such commitments or letters of credit represents the contractual amount of the financial instruments as indicated in the table below. At March 31, 2019 and December 31, 2018, the fair value of guarantees under commercial and standby letters of credit was $2.4 million. This fair value will decrease as the existing commercial and standby letters of credit approach their expiration dates.

At March 31, 2019 and December 31, 2018, respectively, the Company had the following financial instruments outstanding and related reserves, whose contract amounts represent credit risk:

(in thousands)	March 31, 2019	December 31, 2018
Commitments to extend credit	$ 760,056	$ 642,162
Unfunded commitments under lines of credit	7,003,670	6,883,963
Commercial and standby letters of credit	241,516	240,436
Reserve for unfunded lending commitments	15,981	14,830

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee by the borrower. Since many of the commitments are expected to be drawn upon, the total commitment amounts generally represent future cash requirements. The Company evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral, if any, is based on management's credit evaluation of the customer.

Unfunded commitments under commercial lines of credit, revolving credit lines, and overdraft protection agreements are commitments for possible future extensions of credit to existing customers. Many of these types of commitments do not contain a specified maturity date and may not be drawn upon to the total extent to which the Company is committed. See Note 5, Allowance for Credit Losses and Credit Quality, for additional information related to the Company's reserve for unfunded lending commitments.

Commercial and standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. These guarantees are primarily issued to support public and private borrowing arrangements, including commercial paper issuance, bond financing, and similar transactions. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. When necessary they are collateralized, generally in the form of marketable securities and cash equivalents.

Legal proceedings

The nature of the business of the Company's banking and other subsidiaries ordinarily results in a certain amount of claims, litigation, investigations, and legal and administrative cases and proceedings, which are considered incidental to the normal conduct of business. Some of these claims are against entities or assets of which the Company is a successor or acquired in business acquisitions. The Company has asserted defenses to these claims and, with respect to such legal proceedings, intends to continue to defend itself vigorously, litigating or settling cases according to management's judgment as to what is in the best interest of the Company and its shareholders.

In July of 2016, the Company received a subpoena from the Office of Inspector General of the U.S. Department of Housing and Urban Development ("HUD") requesting information on certain previously originated loans insured by the Federal Housing Administration ("FHA") as well as other documents regarding the Company's FHA-related policies and practices. After the Company complied with the subpoena, attorneys from the Department of Justice ("DOJ") informed the Company in late March of 2017 that a civil *qui tam* suit had been filed against the Company in federal court involving the subject matter of the HUD subpoena. The HUD lawsuit was settled on December 11, 2017 in the amount of $11.7 million. On February 2, 2018, IBERIABANK filed a lawsuit in the United States District Court for the Eastern District of Louisiana (New Orleans) against Illinois Union Insurance Company and Travelers Casualty and Surety Company of America in an effort to recover the $11.7 million it paid to settle the HUD matter. IBERIABANK filed that lawsuit to recover the insurance proceeds to which it claims to be entitled under certain Bankers' Professional Liability insurance policies issued by defendants Illinois Union and Travelers. More specifically, IBERIABANK alleges that the insurers have failed to honor their obligations under the policies to pay IBERIABANK's losses in connection with the $11.7 million settlement of disputed allegations relating to IBERIABANK's professional services in connection with certain mortgage loans insured by the FHA. The judge in the federal lawsuit granted motion for summary judgment thereby dismissing the case. The Company has appealed that decision to the United States Court of Appeals for the Fifth Circuit. The appeal seeks reversal of the summary judgment such that the case can be remanded to the district court in an effort to recover the $11.7 million we are suing to recover.

The Company assesses its liabilities and contingencies in connection with outstanding legal proceedings utilizing the latest information available. Where it is probable that the Company will incur a loss and the amount of the loss can be reasonably estimated, the Company records a liability in its consolidated financial statements. These legal reserves may be increased or decreased to reflect any relevant developments on a quarterly basis. Where a loss is not probable or the amount of loss is not estimable, the Company does not accrue legal reserves. While the outcome of legal proceedings is inherently uncertain, based on information currently available and available insurance coverage, the Company's management believes that it has established appropriate legal reserves. Any incremental liabilities arising from pending legal proceedings are not expected to have a material adverse effect on the Company's consolidated financial position, consolidated results of operations, or consolidated cash flows. However, it is possible that the ultimate resolution of these matters, if unfavorable, may be material to the Company's consolidated financial position, consolidated results of operations, or consolidated cash flows.

As of the date of this filing, the Company believes the amount of losses associated with legal proceedings that it is reasonably possible to incur above amounts already accrued and reported as of March 31, 2019 is not material.

NOTE 16 – RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Company may execute transactions with various related parties. Examples of such transactions may include lending or deposit arrangements, transfers of financial assets, services for administrative support, and other miscellaneous items.

The Company has granted loans to executive officers and directors and their affiliates. These loans, including the related principal additions, principal payments, and unfunded commitments are not material to the consolidated financial statements at March 31, 2019 and December 31, 2018. There were no outstanding loans to such related parties classified as non-accrual, past due, or troubled debt restructurings at March 31, 2019.

Deposits from related parties held by the Company were not material at March 31, 2019 and December 31, 2018.

NOTE 17 - SUBSEQUENT EVENTS

On April 4, 2019, the Company issued and sold an aggregate of 4,000,000 depositary shares (the “Series D Depositary Shares”), each representing a 1/400th ownership interest in a share of the Company’s 6.100% Fixed-to-Floating Non-Cumulative Perpetual Preferred Stock, Series D, par value $1.00 per share, (“Series D Preferred Stock”), with a liquidation preference of $10,000 per share of Series D Preferred Stock (equivalent to $25 per depositary share), which represents $100 million in aggregate liquidation preference.

Dividends will accrue and be payable on the Series D Preferred Stock, if declared by the Company's Board of Directors, and will be paid semi-annually on May 1 and November 1, in arrears, at an annual rate equal to (i) 6.100% for each period from the issuance date to May 1, 2024 and (ii) three-month LIBOR plus 3.859% for each period on or after August 1, 2024. The Company may redeem the Series D Preferred Stock at its option, subject to regulatory approval, as described in the Company’s Registration Statement on Form 8-A, filed with the Securities and Exchange Commission on April 4, 2019.

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is intended to assist readers in understanding the consolidated financial condition and results of operations of IBERIABANK Corporation and its wholly-owned subsidiaries (collectively, the “Company”) as of and for the period ended March 31, 2019, and updates the Annual Report on Form 10-K for the year ended December 31, 2018. This discussion should be read in conjunction with the unaudited consolidated financial statements, accompanying footnotes and supplemental financial data included herein. The emphasis of this discussion will be amounts as of March 31, 2019 compared to December 31, 2018 for the balance sheets and the three months ended March 31, 2019 compared to March 31, 2018 for the statements of comprehensive income. Certain amounts in prior year presentations have been reclassified to conform to the current year presentation.

When we refer to the “Company,” “we,” “our” or “us” in this Report, we mean IBERIABANK Corporation and subsidiaries (consolidated). When we refer to the “Parent,” we mean IBERIABANK Corporation. See the Glossary of Defined Terms at the end of this Report for terms used throughout this Report.

CAUTION ABOUT FORWARD-LOOKING STATEMENTS

To the extent that statements in this Report relate to future plans, objectives, financial results or performance of the Company, these statements are deemed to be “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements, which are based on management’s current information, estimates and assumptions and the current economic environment, are generally identified by use of the words “may,” “plan,” “believe,” “expect,” “intend,” “will,” “should,” “continue,” “potential,” “anticipate,” “estimate,” “predict,” “project” or similar expressions, or the negative of these terms or other comparable terminology. The Company’s actual strategies and results in future periods may differ materially from those currently expected due to various risks and uncertainties.

Forward-looking statements represent management’s beliefs, based upon information available at the time the statements are made, with regard to the matters addressed; they are not guarantees of future performance. Forward-looking statements are subject to numerous assumptions, risks and uncertainties that change over time and could cause actual results or financial condition to differ materially from those expressed in or implied by such statements. Factors that could cause or contribute to such differences include, but are not limited to: the level of market volatility, our ability to execute our growth strategy, including the availability of future bank acquisition opportunities, our ability to execute on our revenue and efficiency improvement initiatives, unanticipated delays, losses, business disruptions and diversion of management time related to the completion and integration of mergers and acquisitions, refinements to purchase accounting adjustments for acquired businesses and assets and assumed liabilities in these transactions, adjustments of fair values of acquired assets and assumed liabilities and of deferred taxes in acquisitions, actual results deviating from the Company’s current estimates and assumptions of timing and amounts of cash flows, credit risk of our customers, effects of low energy and commodity prices, effects of residential real estate prices and levels of home sales, our ability to satisfy capital and liquidity standards, sufficiency of our allowance for credit losses, changes in interest rates, access to funding sources, reliance on the services of executive management, competition for loans, deposits and investment dollars, competition from competitors with greater financial resources than the Company, threats of fintech innovation, reputational risks and social factors, changes in government regulations and legislation, increases in FDIC insurance assessments, geographic concentration of our markets, economic or business conditions in our markets or nationally, rapid changes in the financial services industry, significant litigation, cyber-security risks including dependence on our operational, technological, and organizational systems and infrastructure and those of third party providers of those services, hurricanes and other adverse weather events, and valuation of intangible assets.

Factors that may cause actual results to differ materially from these forward-looking statements are discussed in the Company’s Annual Report on Form 10-K and other filings with the Securities and Exchange Commission (the “SEC”), available at the SEC’s website, www.sec.gov, and the Company’s website, www.iberiabank.com, under the heading “Investor Relations” and then “Financial Information.” All information is as of the date of this Report unless otherwise noted. Except to the extent required by applicable law or regulation, the Company undertakes no obligation to revise or update publicly any forward-looking statement for any reason.

EXECUTIVE SUMMARY

Corporate Profile

IBERIABANK Corporation is a financial holding company based in Lafayette, Louisiana. Through its subsidiaries, the Company provides a full range of commercial and consumer banking services, including private banking, small business, wealth and trust management, retail brokerage, mortgage, commercial leasing and equipment financing, and title insurance services through locations in Louisiana, Arkansas, Tennessee, Alabama, Texas, Florida, Georgia, South Carolina, North Carolina, Mississippi, Missouri, and New York.

Financial Performance Summary:

- Net income available to common shareholders for the quarter ended March 31, 2019 totaled $96.5 million, or $1.75 diluted EPS, compared to $60.0 million, or $1.10 diluted EPS, for the same period of 2018. Non-GAAP core EPS, which excludes merger-related costs and other items disclosed in Table 16 - Non-GAAP measures, was $1.72 in the first quarter of 2019 compared to $1.37 for the same period of 2018.
- Net interest income was $250.5 million for the first quarter of 2019, a $17.6 million, or 8%, increase compared to the same quarter of 2018. Net interest income was favorably impacted by higher average earning asset balances and higher yields, but was unfavorably impacted by higher funding costs and an increase in average interest-bearing liabilities when comparing the periods. Net interest margin on a tax-equivalent basis decreased 8 basis points to 3.59% from 3.67%.
- Non-interest income increased $7.9 million, or 18%, to $52.5 million during the quarter ended March 31, 2019, primarily due to higher customer swap commissions income, mortgage income, and trust department income.
- Non-interest expense for the first quarter of 2019 decreased $29.3 million, or 16%, to $158.8 million compared to the same period of 2018, largely due to merger-related expenses that occurred during the first quarter of 2018.
- The Company recorded a provision for credit losses of $13.8 million for the quarter ended March 31, 2019, a $5.6 million, or 68%, increase from the provision recorded for the same period of 2018, primarily driven by loan growth when comparing the periods.
- The Company recorded income tax expense of $30.3 million and $17.6 million, respectively, for the quarters ended March 31, 2019 and 2018, which resulted in an effective income tax rate of 23.3% and 21.6%, respectively.

Financial Condition Summary:

- Total assets at March 31, 2019 were $31.3 billion, up $427.2 million, or 1%, from December 31, 2018.
- Loans increased $448.5 million, or 2%, in 2019, driven by strong originations and slowing loan prepayments.
- Total deposits increased $328.6 million, or 1%, from December 31, 2018.
- Credit quality remained strong and stable. Non-performing assets to total assets were 0.58% at March 31, 2019 compared to 0.55% at December 31, 2018. Net charge-offs to average loans and leases, on an annualized basis, were 0.13%, down one basis point compared to the prior quarter.
- Shareholders’ equity increased $85.6 million, or 2%, from year-end 2018.
- During the first quarter of 2019, the Company repurchased 387,921 common shares for $29.9 million at a weighted average price of $77.19 per common share.

FINANCIAL OVERVIEW

The following table sets forth selected financial ratios and other relevant data used by management to analyze the Company's performance.

TABLE 1—SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

	As of and For the Three Months Ended March 31,	
	2019	2018
Key Ratios [(1)]		
Return on average assets	1.32%	0.92%
Core return on average assets (Non-GAAP) [(2)]	1.29	1.13
Return on average common equity	9.85	6.79
Core return on average tangible common equity (Non-GAAP) [(2)] [(3)]	15.03	13.83
Equity to assets at end of period	13.25	13.24
Earning assets to interest-bearing liabilities at end of period	142.25	145.28
Interest rate spread [(4)]	3.15	3.40
Net interest margin (TE) [(4)] [(5)]	3.59	3.67
Non-interest expense to average assets (annualized)	2.09	2.71
Efficiency ratio [(6)]	52.4	67.8
Core tangible efficiency ratio (TE) (Non-GAAP) [(2)] [(3)] [(5)] [(6)]	51.3	58.8
Common stock dividend payout ratio	24.3	36.0
Asset Quality Data		
Non-performing assets to total assets at end of period [(7)]	0.58%	0.64%
Allowance for credit losses to non-performing loans at end of period [(7)]	104.46	97.35
Allowance for credit losses to total loans at end of period	0.69	0.73
Consolidated Capital Ratios		
Tier 1 leverage ratio	9.67%	9.97%
Common equity tier 1 (CET1)	10.73	10.77
Tier 1 risk-based capital ratio	11.25	11.32
Total risk-based capital ratio	12.33	12.48

(1) With the exception of end-of-period ratios, all ratios are based on average daily balances during the respective periods.

(2) See Table 16 for GAAP to Non-GAAP reconciliations.

(3) Tangible calculations eliminate the effect of goodwill and acquisition-related intangible assets and the corresponding amortization expense on a tax-effected basis where applicable.

(4) Interest rate spread represents the difference between the weighted average yield on earning assets and the weighted average cost of interest-bearing liabilities. Net interest margin represents net interest income as a percentage of average earning assets.

(5) Fully taxable equivalent ("TE") calculations include the tax benefit associated with related income sources that are tax-exempt using a rate of 21%.

(6) The efficiency ratio represents non-interest expense as a percentage of total revenues. Total revenues are the sum of net interest income and non-interest income.

(7) Non-performing loans consist of non-accruing loans and loans 90 days or more past due. Non-performing assets consist of non-performing loans and other real estate owned, including repossessed assets.

ANALYSIS OF RESULTS OF OPERATIONS

Net Interest Income/Net Interest margin

Net interest income is the difference between interest realized on earning assets and interest accrued on interest-bearing liabilities and is also the largest driver of earnings. As such, it is subject to constant scrutiny by management. The rate of return and relative risk associated with earning assets are weighed to determine the appropriateness and mix of earning assets. Additionally, the need for lower cost funding sources is weighed against relationships with clients and future growth opportunities. The Company's net interest spread, which is the difference between the yields earned on average earning assets and the rates paid on average interest-bearing liabilities, was 3.15% and 3.40%, during the three months ended March 31, 2019 and 2018. The Company's net interest margin on a taxable equivalent basis, which is net interest income as a percentage of average earning assets, was 3.59% and 3.67%, respectively, for the same periods.

The following table sets forth information regarding (i) the total dollar amount of interest income from earning assets and the resultant average yields; (ii) the total dollar amount of interest expense on interest-bearing liabilities and the resultant average rates; (iii) net interest income; (iv) net interest spread; and (v) net interest margin. Information is based on average daily balances during the indicated periods. Investment security market value adjustments and trade-date accounting adjustments are not considered to be earning assets and, as such, the net effect of these adjustments is included in non-earning assets.

TABLE 2—QUARTERLY AVERAGE BALANCES, NET INTEREST INCOME AND INTEREST YIELDS / RATES

	Three Months Ended March 31,					
	2019			2018		
(in thousands)	Average Balance	Interest Income/Expense (1)	Yield/ Rate (TE)(2)	Average Balance	Interest Income/Expense (1)	Yield/ Rate (TE)(2)
Earning Assets:						
Loans and leases:						
Commercial loans and leases	$ 15,253,655	$ 194,510	5.19%	$ 14,087,635	$ 164,660	4.76%
Residential mortgage loans	4,385,634	47,829	4.36%	3,151,775	34,494	4.38%
Consumer and other loans	2,960,397	42,540	5.83%	2,941,980	38,915	5.36%
Total loans and leases	22,599,686	284,879	5.11%	20,181,390	238,069	4.79%
Mortgage loans held for sale	95,588	1,054	4.41%	109,027	1,154	4.23%
Investment securities(3)	5,052,922	36,125	2.90%	4,843,448	28,094	2.38%
Other earning assets	533,745	4,026	3.06%	679,902	3,226	1.92%
Total earning assets	28,281,941	326,084	4.68%	25,813,767	270,543	4.26%
Allowance for loan and lease losses	(140,915)			(144,295)		
Non-earning assets	2,692,474			2,462,747		
Total assets	$ 30,833,500			$ 28,132,219		
Interest-bearing liabilities						
Deposits:						
NOW accounts	$ 4,458,634	$ 11,396	1.04%	$ 4,363,557	$ 7,081	0.66%
Savings and money market accounts	9,089,099	28,762	1.28%	8,664,085	14,579	0.68%
Time deposits	3,859,354	20,077	2.11%	2,471,485	6,584	1.08%
Total interest-bearing deposits (4)	17,407,087	60,235	1.40%	15,499,127	28,244	0.74%
Short-term borrowings	1,151,219	5,716	2.01%	983,918	2,524	1.04%
Long-term debt	1,463,862	9,649	2.67%	1,377,323	6,886	2.03%
Total interest-bearing liabilities	20,022,168	75,600	1.53%	17,860,368	37,654	0.86%
Non-interest-bearing deposits	6,271,313			6,278,507		
Non-interest-bearing liabilities	434,516			275,869		
Total liabilities	26,727,997			24,414,744		
Shareholders' equity	4,105,503			3,717,475		
Total liabilities and shareholders' equity	$ 30,833,500			$ 28,132,219		
Net earning assets	$ 8,259,773			$ 7,953,399		
Net interest income/ Net interest spread		$ 250,484	3.15%		$ 232,889	3.40%
Net interest income (TE) / Net interest margin (TE) (1)		$ 251,833	3.59%		$ 234,353	3.67%

(1) Interest income includes loan fees of $1.0 million and $0.8 million for the three-month periods ended March 31, 2019 and 2018, respectively.
(2) Fully taxable equivalent ("TE") calculations include the tax benefit associated with related income sources that are tax-exempt using a rate of 21%.
(3) Balances exclude unrealized gains or losses on securities available for sale and the impact of trade date accounting.
(4) Total deposit costs for the three months ended March 31, 2019 and 2018 were 1.03% and 0.53%, respectively.

Net interest income increased $17.6 million, or 8%, to $250.5 million in the first quarter of 2019 when compared to the same quarter of 2018. Net interest margin on a tax-equivalent basis decreased 8 basis points to 3.59% from 3.67% when comparing the periods. Earning asset yields and funding costs were impacted by four FOMC interest rate increases of 25 basis points each from March 2018 through December 2018.

Total interest income increased $55.5 million in the first quarter of 2019 when compared to the same quarter of 2018. Rate changes contributed to 51% of this increase, as the yield on average earning assets rose 42 basis points to 4.68% from 4.26% when comparing the periods. Earning asset yields improved from the repricing of variable rate legacy loans, origination coupons above existing portfolio rates, and higher purchase yields within the investment securities portfolio. The remaining 49% of the increase was volume-driven from a $2.5 billion, or 10%, increase in average earning assets.

Total average loans and leases were 80% of average earning assets during the first quarter of 2019 and 78% during the comparable 2018 period. Loan interest income increased $46.8 million, as average loans and leases increased $2.4 billion, or 12%, when compared to the same quarter of 2018, due to both organic and acquired loan growth. Average loan yields increased 32 basis points.

Investment securities were 18% and 19% of average earning assets during the three months ended March 31, 2019 and 2018, respectively. Interest income from investments increased $8.0 million between the two periods, driven by both a 52 basis point improvement in yield, primarily from the investment portfolio restructuring in 2018, and a $209.5 million increase in average balance.

Total interest expense increased $37.9 million when comparing the periods, primarily due to a $32.0 million increase in interest expense on average interest-bearing deposits. Driving the increase was a 66 basis point increase in the rate paid on these deposits, as deposits costs were driven upward by the repricing of deposits and higher rates paid on promotional deposit offerings. Deposit costs also increased in the first quarter of 2019 from the full quarter impact of acquired Gibraltar deposits, which tended to be higher relative to the Company's legacy business. Growth of $1.9 billion in the average balance of interest-bearing deposits, primarily due to brokered deposit issuances, market growth, and recent acquisitions, also contributed to the increase.

Interest expense on the Company's borrowings increased $6.0 million in the first three months of 2019 when compared to the same period of 2018. The increase was a result of both a $253.8 million increase in average borrowings and a 76 basis point increase in the cost of average interest-bearing borrowings to 2.38% from 1.62% when comparing the periods.

The following table displays the dollar amount of changes in interest income and interest expense for major components of earning assets and interest-bearing liabilities. The table distinguishes between (i) changes attributable to volume (changes in average volume between periods times the average yield/rate for the two periods), (ii) changes attributable to rate (changes in average rate between periods times the average volume for the two periods), and (iii) total increase (decrease). Changes attributable to both volume and rate are allocated ratably between the volume and rate categories.

TABLE 3 - SUMMARY OF CHANGES IN NET INTEREST INCOME

	Three months ended March 31, 2019 compared to March 31, 2018		
	Change Attributable To		
(in thousands)	Volume	Rate	Net Increase (Decrease)
Earning assets:			
Loans and leases:			
Commercial loans and leases	$ 12,909	$ 16,941	$ 29,850
Residential mortgage loans	13,457	(122)	13,335
Consumer and other loans	287	3,338	3,625
Mortgage loans held for sale	(147)	47	(100)
Investment securities	1,271	6,760	8,031
Other earning assets	(736)	1,536	800
Net change in income on earning assets	**27,041**	**28,500**	**55,541**
Interest-bearing liabilities:			
Deposits:			
NOW accounts	158	4,157	4,315
Savings and money market accounts	777	13,406	14,183
Time deposits	5,003	8,490	13,493
Borrowings	2,071	3,884	5,955
Net change in expense on interest-bearing liabilities	**8,009**	**29,937**	**37,946**
Change in net interest income	**$ 19,032**	**$ (1,437)**	**$ 17,595**

Provision for Credit Losses

The provision for credit losses represents the expense necessary to maintain the ACL at a level that in management's judgment is appropriate to absorb probable losses inherent in the portfolio at the balance sheet date.

The provision for credit losses totaled $13.8 million for the first quarter of 2019, a $5.6 million, or 68%, increase compared to the same period in 2018. The increase in the provision for credit losses was largely due to loan growth when comparing the periods. In addition, net charge-offs were $3.0 million higher than in the comparable 2018 period. The Company's provision for credit losses covered 188% of net charge-offs in the first three months of 2019 compared to 191% coverage for the same period of 2018.

Refer to the "Asset Quality" section for further discussion on past due loans, non-performing assets, troubled debt restructurings and the allowance for credit losses.

Non-interest Income

For the three months ended March 31, 2019, non-interest income totaled $52.5 million compared to $44.6 million for the same period of 2018, a $7.9 million, or 18%, increase.

The increase was driven by a $3.1 million increase in commission income, the result of an increase in client derivative activity, which drove customer swap commission income higher. Mortgage income increased $2.3 million, driven by both higher margins on the sale of mortgage loans and fair value adjustments during the first quarter of 2019. Trust department income increased $0.7 million from the full quarter impact of Gibraltar bank customers, and income from bank owned life insurance increased $0.5 million, the result of additional policies purchased in the third quarter of 2018. Credit card and merchant-related fee income was also favorably impacted by a full quarter of income related to the Gibraltar acquisition.

Non-interest Expense

For the first quarter of 2019, non-interest expense totaled $158.8 million, a decrease of $29.3 million compared to the same quarter of 2018, largely due to merger-related expenses that occurred in the first quarter of 2018. For the quarter, the Company’s efficiency ratio was 52.4%, compared to 67.8% in the first quarter of 2018.

Impairment of long-lived assets and other losses decreased $7.7 million, primarily due to branch consolidations and closures in the first quarter of 2018.

Salaries and employee benefits decreased $6.3 million in the first quarter of 2019 when compared to the same period of 2018 as full-time equivalent employees decreased by 342 from efficiency initiatives. Severance, retention, and other merger-related compensation expenses decreased $4.7 million, driven by the Gibraltar acquisition in the first quarter of 2018 and efficiency initiatives. Additionally, in the first quarter of 2018, the company awarded certain associates a one-time cash bonus of $2.3 million following the enactment of tax reform legislation. These decreases were offset by merit raises and off-cycle pay increases, higher annual bonus accruals, and higher share-based compensation expense from additional grants.

Other significant decreases in non-interest expense when comparing the first quarter of 2019 to the same period of 2018 included:

- $3.2 million in computer services, primarily driven by conversion and other merger-related expenses;
- $2.9 million in insurance, driven by a large bank surcharge assessment in 2018 and a decrease in the assessment rate in 2019;
- $2.9 million in professional services, primarily from lower merger-related and legal expenses; and
- $1.5 million in occupancy and equipment, primarily from merger-related expenses.

Income Taxes

For the three months ended March 31, 2019 and 2018, the Company recorded income tax expense of $30.3 million and $17.6 million, respectively, which resulted in an effective income tax rate of 23.3% and 21.6%, respectively. The increase in the effective income tax rate is primarily related to an increase in state income tax expense from lower tax credit recognition.

The difference between the Company's effective tax rate for the three months ended March 31, 2019 and 2018 and the U.S. statutory tax rates of 21% primarily relates to tax-exempt income, non-deductible expenses, state income taxes (net of federal income tax benefit), and the recognition of tax credits. The effective tax rate may vary significantly due to fluctuations in the amount and source of pretax income, changes in amounts of non-deductible expenses, and timing of the recognition of tax credits.

ANALYSIS OF FINANCIAL CONDITION

Loans and Leases

The Company had total loans and leases of $23.0 billion at March 31, 2019, an increase of $448.5 million from December 31, 2018. The increase was a result of legacy loan growth of $733.2 million, or 4%, offset by pay-downs and pay-offs on loans, primarily from prior period acquisitions.

Loans and leases outstanding at March 31, 2019 and December 31, 2018 are presented in the following table.

TABLE 4—SUMMARY OF LOANS

	March 31, 2019		December 31, 2018		$ Change	% Change
(in thousands)	**Balance**	**Mix**	**Balance**	**Mix**		
Commercial loans and leases:						
Real estate- construction	$ 1,219,647	5%	$ 1,196,366	5%	23,281	2
Real estate- owner-occupied	2,408,079	10	2,395,822	11	12,257	1
Real estate- non-owner occupied	6,147,864	27	5,796,117	26	351,747	6
Commercial and industrial (1)	5,852,568	26	5,737,017	25	115,551	2
Total commercial loans and leases	15,628,158	68	15,125,322	67	502,836	3
Residential mortgage loans	4,415,267	19	4,359,156	19	56,111	1
Consumer and other loans:						
Home equity	2,220,648	10	2,304,694	10	(84,046)	(4)
Other	704,222	3	730,643	4	(26,421)	(4)
Total consumer and other loans	2,924,870	13	3,035,337	14	(110,467)	(4)
Total loans and leases	$ 22,968,295	100%	$ 22,519,815	100%	448,480	2

(1) Includes equipment financing leases

Loan Portfolio Segments

The Company believes its loan portfolio is diversified by product and geography throughout its footprint. Loan growth thus far in 2019 was strongest in the the Energy Group (primarily reserve-based lending), Corporate Asset Finance Group (equipment financing business), and the Atlanta market. Loans in the Energy Group increased $179.8 million, or 20% since December 31, 2018. The Corporate Asset Finance division grew loans and leases $77.4 million, or 15%, thus far in 2019. The Atlanta market had growth of $72.5 million, or 5%, in the first three months of 2019.

The Company's loan to deposit ratio was 95% at both March 31, 2019 and December 31, 2018. The percentage of fixed-rate loans to total loans was 38% at March 31, 2019 compared to 39% at the end of 2018.

In order to assess the risk characteristics of the loan portfolio, the Company considers the current U.S. economic environment and that of its primary market areas. See Note 5, Allowance for Credit Losses, to the unaudited consolidated financial statements for credit quality factors by loan portfolio segment.

Commercial Loans

Total commercial loans and leases increased $502.8 million, or 3%, from December 31, 2018. Commercial loans and leases increased to 68% of the total portfolio at March 31, 2019 compared to 67% at December 31, 2018. Unfunded commitments on commercial loans including approved loan commitments not yet funded were $6.2 billion at March 31, 2019, an increase of $209.6 million, or 3%, when compared to the end of the prior year.

Commercial real estate loans include loans to commercial customers for medium-term financing of land and buildings or for land development or construction of a building. These loans are repaid from revenues through operations of the businesses, rents of properties, sales of properties and refinances. The Company's underwriting standards generally provide for loan terms of three to seven years, with amortization schedules of generally no more than twenty-five years. Low loan-to-value ratios are generally maintained and usually limited to no more than 80% at the time of origination. The commercial real estate portfolio is comprised of approximately 12% construction loans, 25% owner-occupied loans, and 63% non-owner-occupied loans as of March 31, 2019, relatively consistent with 13%, 25%, and 62%, respectively, at December 31, 2018. Commercial real estate loans increased $387.3 million, or 4%, during the first three months of 2019, from loan growth across multiple markets, primarily in the Atlanta, South Florida, and Naples markets.

Commercial and industrial ("C&I") loans and leases represent loans to commercial customers to finance general working capital needs, equipment purchases and leases and other projects where repayment is derived from cash flows resulting from business operations. The Company originates C&I loans on a secured and, to a lesser extent, unsecured basis. C&I loans may be term loans or revolving lines of credit. Term loans are generally structured with terms of no more than three to seven years, with amortization schedules of generally no more than fifteen years. C&I term loans are generally secured by equipment, machinery, or other corporate assets. Revolving lines of credit are generally structured as advances upon perfected security interests in accounts receivable and inventory and generally have annual maturities. As of March 31, 2019, commercial and industrial loans and leases totaled $5.9 billion, a $115.6 million, or 2%, increase from December 31, 2018, driven by growth in the Company's Energy and Corporate Assets Finance groups. Commercial and industrial loans and leases comprised 26% of the total portfolio at March 31, 2019 and 25% at December 31, 2018.

The following table details the Company's commercial loans and leases by state.

TABLE 5—COMMERCIAL LOANS AND LEASES BY STATE OF ORIGINATION

(in thousands)	March 31, 2019	December 31, 2018	$ Change	% Change
Louisiana	$ 3,552,417	$ 3,521,596	30,821	1
Florida	4,827,978	4,756,957	71,021	1
Alabama	1,314,238	1,289,146	25,092	2
Texas	2,554,452	2,310,642	243,810	11
Georgia	1,135,072	1,078,983	56,089	5
Arkansas	709,560	711,484	(1,924)	—
Tennessee	554,940	584,119	(29,179)	(5)
New York	47,107	44,026	3,081	7
South Carolina and North Carolina	110,345	92,800	17,545	19
Other (1)	822,049	735,569	86,480	12
Total	**$ 15,628,158**	**$ 15,125,322**	**502,836**	**3**

(1) Other loans include primarily equipment financing and corporate asset financing leases, which the Company does not classify by state.

Residential Mortgage Loans

Residential mortgage loans consist of loans to consumers to finance a primary residence. The residential mortgage loan portfolio is comprised of non-conforming 1-4 family mortgage loans secured by properties located in the Company's market areas. The residential mortgage loan portfolio is originated under terms and documentation that permit their sale in a secondary market. The larger mortgage loans of current and prospective private banking clients are generally retained to enhance relationships, but also tend to be more profitable due to the expected shorter durations and relatively lower servicing costs associated with loans of this size. The Company does not originate or hold negative amortization, option ARM, or other exotic mortgage loans in its portfolio. The Company makes insignificant investments in loans that would be considered sub-prime (e.g., loans with a credit score of less than 620) in order to facilitate compliance with relevant Community Reinvestment Act regulations.

Total residential mortgage loans increased $56.1 million, or 1%, compared to December 31, 2018, primarily the result of growth in the New Orleans, Atlanta, Tampa, and Houston markets.

Consumer and Other Loans

The Company offers consumer loans in order to provide a full range of retail financial services to customers in the communities in which it operates. The Company originates substantially all of its consumer loans in its primary market areas. At March 31, 2019, $2.9 billion, or 13%, of the total loan and lease portfolio was comprised of consumer loans, compared to $3.0 billion, or 14%, at the end of 2018.

The majority of the consumer loan portfolio is comprised of home equity loans, which allow customers to borrow against the equity in their home and are secured by a first or second mortgage on the borrower's residence. Home equity loans were $2.2 billion at March 31, 2019, a decrease of $84.0 million from December 31, 2018. Unfunded commitments related to home equity loans and lines were $1.0 billion at March 31, 2019, an increase of $17.2 million, or 2%, from the end of 2018.

All other consumer loans, which consist of credit card loans, automobile loans and other personal loans, decreased $26.4 million, or 4%, from December 31, 2018, primarily from decreases in other personal loans and indirect automobile loans, a product that is no longer offered.

Additional information on the Company's consumer loan portfolio is presented in the following tables. For the purposes of Table 7, unscoreable consumer loans have been included with loans with credit scores below 660. Credit scores reflect the most recent information available as of the dates indicated.

TABLE 6—CONSUMER LOANS BY STATE OF ORIGINATION

(in thousands)	March 31, 2019	December 31, 2018	$ Change	% Change
Louisiana	$ 1,058,131	$ 1,072,628	(14,497)	(1)
Florida	898,859	956,159	(57,300)	(6)
Alabama	260,377	268,998	(8,621)	(3)
Texas	119,876	126,562	(6,686)	(5)
Georgia	139,967	142,067	(2,100)	(1)
Arkansas	208,001	216,817	(8,816)	(4)
Tennessee	72,948	78,013	(5,065)	(6)
New York	48,933	46,146	2,787	6
South Carolina and North Carolina	667	214	453	212
Other [1]	117,111	127,733	(10,622)	(8)
Total	**$ 2,924,870**	**$ 3,035,337**	**(110,467)**	**(4)**

(1) Other loans include primarily credit card and indirect consumer loans, which the Company does not classify by state.

TABLE 7—CONSUMER LOANS BY CREDIT SCORE

(in thousands)	March 31, 2019	December 31, 2018
Above 720	$ 1,717,108	$ 1,708,417
660-720	656,740	666,132
Below 660	551,022	660,788
Total consumer loans	**$ 2,924,870**	**$ 3,035,337**

Mortgage Loans Held for Sale

Mortgage loans held for sale totaled $128.5 million at March 31, 2019, a increase of $20.7 million, or 19%, from $107.7 million at year-end 2018, as originations have outpaced sales activity during the first quarter of 2019. The Company continues to sell the majority of conforming mortgage loan originations in the secondary market rather than assume the interest rate risk associated with these longer term assets. Upon the sale, the Company retains servicing on a limited portion of these loans. Loans held for sale have primarily been fixed-rate single-family residential mortgage loans under contracts to be sold in the secondary market. In most cases, loans in this category are sold within thirty days of closing. Buyers generally have recourse to return a purchased loan to the Company under limited circumstances.

See Note 1, Summary of Significant Accounting Policies, in the Annual Report on Form 10-K for the year ended December 31, 2018, for further discussion.

Investment Securities

Investment securities increased $81.7 million, or 2%, since December 31, 2018 to $5.1 billion at March 31, 2019, primarily due to purchases of available for sale securities and favorable fair value adjustments. Approximately 96% of the Company's investment portfolio is in available for sale securities, which experience unrealized losses as interest rates rise. Investment securities approximated 16% of total assets at both March 31, 2019 and December 31, 2018.

All of the Company's mortgage-backed securities were issued by government-sponsored enterprises at March 31, 2019 and December 31, 2018. The Company does not hold any Fannie Mae or Freddie Mac preferred stock, corporate equity, collateralized debt obligations, collateralized loan obligations, or structured investment vehicles, nor does it hold any private label collateralized mortgage obligations, subprime, Alt-A, sovereign debt, or second lien elements in its investment portfolio. At March 31, 2019 and December 31, 2018, the Company's investment portfolio did not contain any securities that are directly backed by subprime or Alt-A mortgages.

Funds generated as a result of sales and prepayments of investment securities are used to fund loan growth and purchase other securities. The Company continues to monitor market conditions and take advantage of market opportunities with appropriate risk and return elements.

Asset Quality

The lending activities of the Company are governed by underwriting policies established by management and approved by the Board Risk Committee of the Board of Directors. For additional information on loan underwriting, loan origination, monitoring of loan payment performance, loan review, and the determination of past due and non-accrual status, as well as the Company's policies for recording payments received, placing loans and leases on non-accrual status, and the resumption of interest accrual on non-accruing loans and leases, see Note 1, Summary of Significant Accounting Policies, and the "Asset Quality" section of MD&A in the Annual Report on Form 10-K for the year ended December 31, 2018.

For commercial loans and leases, the Company utilizes regulatory classification ratings to monitor credit quality. For further discussion of regulatory classification ratings, see Note 5, Allowance for Credit Losses, to the unaudited consolidated financial statements. For residential mortgage loans and consumer loans, the Company primarily uses the loan's payment and delinquency status to monitor credit quality. These credit quality indicators are continually updated and monitored.

Real estate acquired by the Company through foreclosure or by deed-in-lieu of foreclosure is classified as OREO, and is recorded at the lesser of the related loan balance (the pro-rata carrying value for acquired loans) or estimated fair value less costs to sell. Closed bank branches are also classified as OREO and recorded at the lower of cost or market value.

Under GAAP, certain loan modifications or restructurings are designated as TDRs. In general, the modification or restructuring of a debt constitutes a TDR if the Company, for economic or legal reasons related to the borrower’s financial difficulties, grants a concession to the borrower that the Company would not otherwise consider under current market conditions. See Note 1, Summary of Significant Accounting Policies, in the 2018 10-K for further details.

Non-performing Assets

The Company defines non-performing assets as non-accrual loans, accruing loans more than 90 days past due, OREO, and foreclosed property. Management continuously monitors and transfers loans to non-accrual status when warranted.

The Company accounts for loans currently or formerly covered by loss sharing agreements with the FDIC, other loans acquired with deteriorated credit quality, as well as all loans acquired with significant discounts that did not exhibit deteriorated credit quality at acquisition, in accordance with ASC Topic 310-30. Collectively, all loans accounted for under ASC 310-30 are referred to as "acquired impaired loans." Application of ASC Topic 310-30 results in significant accounting differences, compared to loans originated or acquired by the Company that are not accounted for under ASC 310-30. See Note 1, Summary of Significant Accounting Policies, in the 2018 10-K for further details.

Due to the significant difference in accounting for acquired impaired loans, the Company believes inclusion of these loans in certain asset quality ratios that reflect non-performing assets in the numerator or denominator (or both) results in significant distortion to these ratios, as the inclusion of these loans could result in a lack of comparability across quarters or years, and could impact comparability with other portfolios that were not impacted by acquired impaired loan accounting. The Company believes that the presentation of certain asset quality measures excluding acquired impaired loans, as indicated below, and related amounts from both the numerator and denominator provides better perspective into underlying trends related to the quality of its loan portfolio. Accordingly, the asset quality measures in the tables below present asset quality information excluding acquired impaired loans, as indicated within each table, and related amounts.

The following table sets forth the composition of the Company's non-performing assets and TDRs for the periods indicated.

TABLE 8—NON-PERFORMING ASSETS AND TROUBLED DEBT RESTRUCTURINGS

(in thousands)	March 31, 2019	December 31, 2018	$ Change	% Change
Non-accrual loans and leases:				
Commercial	$ 81,133	$ 85,112	(3,979)	(5)
Mortgage	45,473	30,396	15,077	50
Consumer and other	21,450	21,676	(226)	(1)
Total non-accrual loans and leases	148,056	137,184	10,872	8
Accruing loans and leases 90 days or more past due	4,111	2,128	1,983	93
Total non-performing loans and leases [2] [3]	152,167	139,312	12,855	9
OREO and foreclosed property [1]	30,606	30,394	212	1
Total non-performing assets	182,773	169,706	13,067	8
Performing troubled debt restructurings	86,019	80,807	5,212	6
Total non-performing assets and performing troubled debt restructurings	**$ 268,792**	**$ 250,513**	**18,279**	**7**
Non-performing loans and leases to total loans and leases [3]	0.66%	0.62%		
Non-performing assets to total assets	0.58%	0.55%		
Non-performing assets and performing troubled debt restructurings to total assets [1]	0.86%	0.81%		
Allowance for credit losses to non-performing loans and leases	104.46%	111.55%		
Allowance for credit losses to total loans and leases	0.69%	0.69%		

(1) OREO and foreclosed property at March 31, 2019 and December 31, 2018 include $6.0 million and $9.0 million, respectively, of former bank properties held for development or resale.

(2) Total non-performing loans and leases for March 31, 2019 and December 31, 2018 include $57.8 million and $61.5 million, respectively, of non-performing troubled debt restructurings.

(3) Non-performing loans exclude acquired impaired loans, even if contractually past due or if the Company does not expect to receive payment in full, as the Company is currently accreting interest income over the expected life of the loans.

Total non-performing assets increased $13.1 million, or 8%, compared to December 31, 2018, as non-performing loans and leases increased $12.9 million and OREO and foreclosed property increased $0.2 million. Non-performing loans and leases increased 9% primarily driven by an increase in non-accrual mortgage loans.

Non-performing loans and leases were 0.66% of the total portfolio at March 31, 2019, 4 basis points higher than at December 31, 2018. Total non-performing assets were 0.58% of total assets at March 31, 2019, 3 basis points higher than at December 31, 2018. Including TDRs that are in compliance with their modified terms, total non-performing assets and TDRs increased $18.3 million from year-end 2018.

The Company's classified commercial assets totaled $194.5 million, or 0.62% of assets and 1.24% of total commercial loans. At December 31, 2018, classified commercial assets totaled $182.1 million, or 0.59% of assets and 1.20% of total commercial loans. The $12.4 million increase in commercial classified assets was primarily due to a small number of commercial relationships moving to substandard.

In addition to the problem loans described above, there were $162.7 million of commercial loans classified as special mention at March 31, 2019, which in management’s opinion were subject to potential future rating downgrades. Special mention loans have potential weaknesses that, if left uncorrected, may result in deterioration of the Company's credit position at some future date. Special mention loans were 1.04% of total commercial loans at both March 31, 2019 and December 31, 2018.

Past Due and Non-accrual Loans

Past due status is based on the contractual terms of loans. Total past due and non-accrual loans were 0.86% of total loans and leases at March 31, 2019 compared to 0.87% at December 31, 2018. Additional information on past due loans and leases is presented in the following table.

TABLE 9—PAST DUE AND NON-ACCRUAL LOAN SEGREGATION [(1)]

	March 31, 2019		December 31, 2018			
(in thousands)	Amount	% of Outstanding Balance	Amount	% of Outstanding Balance	$ Change	% Change
Accruing loans and leases						
30-59 days past due	$ 36,607	0.16	$ 38,579	0.17	(1,972)	(5)
60-89 days past due	8,727	0.04	18,753	0.08	(10,026)	(53)
90-119 days past due	4,111	0.02	2,128	0.01	1,983	93
120 days past due or more	—	—	—	—	—	—
	49,445	0.22	59,460	0.26	(10,015)	(17)
Non-accrual loans and leases	148,056	0.64	137,184	0.61	10,872	8
Total past due and non-accrual loans	**$ 197,501**	**0.86**	**$ 196,644**	**0.87**	**857**	**—**

(1) Past due and non-accrual loan amounts exclude acquired impaired loans, even if contractually past due or if the Company does not expect to receive payment in full, as the Company is currently accreting interest income over the expected life of the loans.

Total past due and non-accrual loans increased $0.9 million from December 31, 2018 to $197.5 million at March 31, 2019. The change was due to a $10.0 million decrease in accruing past due loans, largely offset by an increase of $10.9 million in non-accrual loans. The decrease in accruing past due loans was primarily a result of payments on loans 60-89 days past due. Of the total accruing past due loans, 74% were past due less than 60 days compared to 65% at December 31, 2018, and 92% were past due less than 90 days compared to 96% at year-end 2018.

Allowance for Credit Losses

The allowance for credit losses represents management’s best estimate of probable credit losses inherent at the balance sheet date. Determination of the allowance for credit losses involves a high degree of complexity and requires significant judgment. Several factors are taken into consideration in the determination of the overall allowance for credit losses. Based on facts and circumstances available, management of the Company believes that the allowance for credit losses was appropriate at March 31, 2019 to cover probable losses in the Company’s loan portfolio. However, future adjustments to the allowance may be necessary, and the results of operations could be adversely affected, if circumstances differ substantially from the assumptions used by management in determining the allowance for credit losses. See “Application of Critical Accounting Policies and Estimates” included in MD&A and Note 1, Summary of Significant Accounting Policies, in the Annual Report on Form 10-K for the year ended December 31, 2018 for more information.

The following table sets forth the activity in the Company's allowance for credit losses for the three-month periods ended March 31, 2019 and 2018.

TABLE 10—SUMMARY OF ACTIVITY IN THE ALLOWANCE FOR CREDIT LOSSES

(in thousands)	March 31, 2019	March 31, 2018
Allowance for loan and lease losses at beginning of period	$ 140,571	$ 140,891
Provision for loan and lease losses	12,612	7,987
Transfer of balance to OREO and other	(2,885)	(48)
Charge-offs	(8,918)	(9,116)
Recoveries	1,586	4,813
Allowance for loan and lease losses at end of period	142,966	144,527
Reserve for unfunded commitments at beginning of period	14,830	13,208
Provision for unfunded lending commitments	1,151	224
Reserve for unfunded lending commitments at end of period	15,981	13,432
Allowance for credit losses at end of period	**$ 158,947**	**$ 157,959**

The allowance for credit losses totaled $158.9 million at March 31, 2019, or 0.69% of total loans and leases, compared to $155.4 million, or 0.69% of total loans and leases, at December 31, 2018. The increase in the allowance for credit losses as a percentage of loans and leases was primarily the result of organic loan growth during the current period.

Net charge-offs during the first quarter of 2019 were $7.3 million, an increase of $3.0 million from the comparable 2018 period. Net charge-offs were 0.13% of average loans and leases on an annualized basis for the first quarter of 2019 compared to 0.09% for the comparable 2018 period. The increase in net charge-off percentage is due to lower recoveries in the current period, as gross charge-offs have decreased $0.2 million. The provision for loan and lease losses covered 172% and 186% of net charge-offs for the first three months of 2019 and 2018, respectively.

At March 31, 2019 and December 31, 2018, the ALLL covered 94% and 101% of total non-performing loans and leases, respectively.

FUNDING SOURCES

Deposits, both those obtained from clients in its primary market areas and those acquired, are the Company's principal source of funds for use in lending and other business purposes. The Company attracts local deposit accounts by offering a wide variety of products, competitive interest rates and convenient branch office locations and service hours, as well as on-line banking services at www.iberiabank.com and www.virtualbank.com. Increasing core deposits is a continuing focus of the Company and has been accomplished through the development of client relationships and acquisitions. Short-term and long-term borrowings are also important funding sources for the Company. Other funding sources include subordinated debt and shareholders' equity. Refer to the "Liquidity and Other Off-Balance Sheet Activities" section below for further discussion of the Company's sources and uses of funding. The following discussion highlights the major changes in the mix of deposits and other funding sources during the first three months of 2019.

Deposits

The Company's ability to attract and retain customer deposits is critical to the Company's continued success. Total deposits increased $328.6 million, or 1%, to $24.1 billion at March 31, 2019, from $23.8 billion at December 31, 2018. First quarter deposit growth included a $270 million increase in brokered and reciprocal deposits. Deposit growth during the first quarter of 2019 was strongest in the Miami-Dade, Southwest Louisiana, and Palm Beach/Broward markets.

The following table sets forth the composition of the Company's deposits as of the dates indicated.

TABLE 11—DEPOSIT COMPOSITION BY PRODUCT

	March 31, 2019		December 31, 2018			
(in thousands)	**Ending Balance**	**Mix**	**Ending Balance**	**Mix**	**$ Change**	**% Change**
Non-interest-bearing deposits	$ 6,448,613	27%	$ 6,542,490	28%	(93,877)	(1)
NOW accounts	4,452,966	18	4,514,113	19	(61,147)	(1)
Money market accounts	8,348,509	35	8,237,291	35	111,218	1
Savings accounts	770,754	3	828,914	3	(58,160)	(7)
Time deposits	4,071,220	17	3,640,623	15	430,597	12
Total deposits	**$ 24,092,062**	**100%**	**$ 23,763,431**	**100%**	**328,631**	**1**

Short-term Borrowings

The Company may obtain advances from the FHLB of Dallas based upon its ownership of FHLB stock and certain pledges of its real estate loans and investment securities, provided certain standards related to the Company's creditworthiness have been met. These advances are made pursuant to several credit programs, each of which has its own interest rate and range of maturities. The level of short-term borrowings can fluctuate significantly on a daily basis depending on funding needs and the source of funds chosen to satisfy those needs.

The Company also enters into repurchase agreements to facilitate customer transactions that are accounted for as secured borrowings. These transactions typically involve the receipt of deposits from customers that the Company collateralizes with its investment portfolio and have an average rate of 41.6 basis points.

Total short-term borrowings decreased $376.8 million, or 25%, from December 31, 2018, to $1.1 billion at March 31, 2019. This included a decrease of $322.0 million in outstanding short-term FHLB advances and a $54.8 million decrease in repurchase transactions. The decrease in short-term FHLB advances was primarily due to net advance repayments in the first quarter of 2019.

On a quarter-to-date average basis, short-term borrowings increased $167.3 million, or 17%, from the first quarter of 2018, primarily due to additional advances held in the current quarter.

Total short-term borrowings were 4% of total liabilities and 43% of total borrowings at March 31, 2019 compared to 6% and 56%, respectively, at December 31, 2018. On a quarter-to-date average basis, short-term borrowings were 4% of total liabilities and 44% of total borrowings in the first quarter of 2019, compared to 4% and 42%, respectively, during the same period of 2018.

Long-term Debt

Long-term debt increased $309.3 million, or 27%, from December 31, 2018, to $1.5 billion at March 31, 2019, primarily due to additional long-term FHLB advances made in the current quarter. The Company made $90.6 million in repayments, partially offset by $400.0 million in new long-term FHLB advances in the first three months of 2019. On a period-end basis, long-term debt was 5% and 4% of total liabilities at March 31, 2019 and December 31, 2018, respectively.

On a quarter-to-date average basis, long-term debt increased to $1.5 billion in the first quarter of 2019, $86.5 million, or 6%, higher than the first quarter of 2018, mainly due to higher levels of long-term FHLB advances held by the Company in the first quarter of 2019. Average long-term debt was 5% of average total liabilities during the first quarter of 2019 compared to 6% during the same period of 2018.

Long-term debt at March 31, 2019 included $1.3 billion in fixed-rate advances from the FHLB of Dallas that cannot be prepaid without incurring substantial penalties. The remaining debt consisted of $120.1 million of the Company's junior subordinated debt and $60.0 million in notes payable on investments in new market tax credit entities.

CAPITAL RESOURCES

Shareholders' Equity

Shareholders' equity increased $85.6 million, or 2%, during the first quarter of 2019, primarily from undistributed income to common shareholders of $73.1 million and a $39.5 million increase in accumulated other comprehensive income, primarily resulting from a higher valuation of the Company's available for sale investment securities due to rising short-term interest rates.

In 2018, the Company's Board of Directors authorized a share repurchase program of up to 2,765,000 shares of IBERIABANK Corporation common stock. During the first three months of 2019, the Company repurchased 387,921 common shares for $29.9 million at a weighted average cost of $77.19 per share. At March 31, 2019, the remaining common shares that could be repurchased under the current Board-approved plan was 1,877,079 shares. Subsequent to March 31, 2019 and through May 7, 2019, the Company repurchased 353,200 shares of common stock for approximately $28.2 million.

The Company's quarterly dividend to common shareholders was $0.43 per common share in the first quarter of 2019 compared to $0.38 in the first quarter of 2018. The dividend payout ratio was 24.3% for the current year, down from 36.0% in the comparable period of 2018.

On April 4, 2019, the Company issued and sold an aggregate of 4,000,000 depositary shares, each representing a 1/400th ownership interest in a share of the Company’s 6.100% Fixed-to-Floating Non-Cumulative Perpetual Preferred Stock, Series D, par value $1.00 per share. See Note 17, Subsequent Events, to the unaudited consolidated financial statements for more information.

Regulatory Capital

Federal regulations impose minimum regulatory capital requirements on all institutions with deposits insured by the FDIC. The FRB imposes similar capital regulations on bank holding companies. Compliance with bank and bank holding company regulatory capital requirements, which include leverage and risk-based capital guidelines, are monitored by the Company on an ongoing basis. Under the risk-based capital method, a risk weight is assigned to balance sheet and off-balance sheet items based on regulatory guidelines.

At March 31, 2019 and December 31, 2018, the Company exceeded all required regulatory capital ratios, and the regulatory capital ratios of IBERIABANK were in excess of the levels established for “well-capitalized” institutions, as shown in the following table.

TABLE 12—REGULATORY CAPITAL RATIOS

Ratio	Entity	Well- Capitalized Minimums	March 31, 2019 Actual	December 31, 2018 Actual
Tier 1 Leverage	IBERIABANK Corporation	N/A	9.67%	9.63%
	IBERIABANK	5.00%	9.47	9.38
Common Equity Tier 1 (CET1)	IBERIABANK Corporation	N/A	10.73	10.72
	IBERIABANK	6.50%	11.00	10.95
Tier 1 Risk-Based Capital	IBERIABANK Corporation	N/A	11.25	11.25
	IBERIABANK	8.00%	11.00	10.95
Total Risk-Based Capital	IBERIABANK Corporation	N/A	12.33	12.33
	IBERIABANK	10.00%	11.63	11.58

Minimum capital ratios are subject to a capital conservation buffer. In order to avoid limitations on distributions, including dividend payments, and certain discretionary bonus payments to executive officers, an institution must hold a capital conservation buffer above its minimum risk-based capital requirements. This capital conservation buffer is calculated as the lowest of the differences between the actual CET1 ratio, Tier 1 Risk-Based Capital Ratio, and Total Risk-Based Capital ratio and the corresponding minimum ratios. At March 31, 2019, the required minimum capital conservation buffer was 2.50%. At March 31, 2019, the capital conservation buffers of the Company and IBERIABANK were 4.33% and 3.63%, respectively.

LIQUIDITY AND OTHER OFF-BALANCE SHEET ACTIVITIES

Liquidity refers to the Company's ability to generate sufficient cash flows to support its operations and to meet its obligations, including the withdrawal of deposits by customers, commitments to originate loans, and its ability to repay its borrowings and other liabilities. Liquidity risk is the risk to earnings or capital resulting from the Company's inability to fulfill its obligations as they become due. Liquidity risk also develops from the Company's failure to timely recognize or address changes in market conditions that affect the ability to liquidate assets in a timely manner or to obtain adequate funding to continue to operate on a profitable basis.

The primary sources of funds for the Company are deposits and borrowings. Other sources of funds include repayments and maturities of loans and investment securities, securities sold under agreements to repurchase, and, to a lesser extent, off-balance sheet borrowing availability. Time deposits scheduled to mature in one year or less at March 31, 2019 totaled $3.0 billion. Based on past experience, management believes that a significant portion of maturing deposits will remain with the Company. Additionally, the majority of the investment securities portfolio is classified as available for sale, which provides the ability to liquidate unencumbered securities as needed. Of the $5.1 billion in the investment securities portfolio, $2.8 billion is unencumbered and $2.3 billion has been pledged to support repurchase transactions, public funds deposits and certain long-term borrowings. Due to the relatively short implied duration of the investment securities portfolio, the Company has historically experienced consistent cash inflows on a regular basis**.** Securities cash flows are highly dependent on prepayment speeds and could change materially as economic or market conditions change.

Scheduled cash flows from the amortization and maturities of loans and securities are relatively predictable sources of funds. Conversely, deposit flows, prepayments of loan and investment securities, and draws on customer letters and lines of credit are greatly influenced by general interest rates, economic conditions, competition, and customer demand. The FHLB of Dallas provides an additional source of liquidity to make funds available for general requirements and also to assist with the variability of less predictable funding sources. At March 31, 2019, the Company had $2.1 billion of outstanding FHLB advances, $845.0 million of which was short-term and $1.3 billion that was long-term. Additional FHLB borrowing capacity available at March 31, 2019 amounted to $7.3 billion. At March 31, 2019, the Company also had various funding arrangements with the Federal Reserve discount window and commercial banks providing up to $333.4 million in the form of federal funds and other lines of credit. At March 31, 2019, there were no balances outstanding on these lines and all of the funding was available to the Company.

Liquidity management is both a daily and long-term function of business management. The Company manages its liquidity with the objective of maintaining sufficient funds to respond to the predicted needs of depositors and borrowers and to take advantage of investments in earning assets and other earnings enhancement opportunities. Excess liquidity is generally invested in short-term investments such as overnight deposits. On a longer-term basis, the Company maintains a strategy of investing in various lending and investment security products. The Company uses its sources of funds primarily to fund loan commitments and meet its ongoing commitments associated with its operations. Based on its available cash at March 31, 2019 and current deposit modeling, the Company believes it has adequate liquidity to fund ongoing operations. The Company has adequate availability of funds from deposits, borrowings, repayments and maturities of loans and investment securities to provide the Company additional working capital if needed.

In the normal course of business, the Company is a party to a number of activities that contain credit, market and operational risk that are not reflected in whole or in part in the Company's consolidated financial statements. Such activities include traditional off-balance sheet credit-related financial instruments and commitments under operating leases. The Company provides customers with off-balance sheet credit support through loan commitments, lines of credit, and standby letters of credit. Many of the commitments are expected to expire unused or be only partially used; therefore, the total amount of commitments does not necessarily represent future cash requirements. Based on its available liquidity and available borrowing capacity, the Company anticipates it will continue to have sufficient funds to meet its current commitments.

ASSET/LIABILITY MANAGEMENT, MARKET RISK AND COUNTERPARTY CREDIT RISK

The principal objective of the Company's asset and liability management function is to evaluate the Company's interest rate risk included in certain balance sheet accounts, determine the appropriate level of risk given the Company's business focus, operating environment, capital and liquidity requirements, and performance objectives, establish prudent asset concentration guidelines and manage the risk consistent with Board approved guidelines. Through such management, the Company seeks to reduce the vulnerability of its operations to changes in interest rates. The Company's actions in this regard are taken under the guidance of the Asset and Liability Committee. The Asset and Liability Committee generally meets monthly to review, among other things, the sensitivity of the Company's assets and liabilities to interest rate changes, local and national market conditions, and interest rates. In connection therewith, the Asset and Liability Committee generally reviews the Company's liquidity, cash flow needs, composition of investments, deposits, borrowings, and capital position.

The objective of interest rate risk management is to control the effects that interest rate fluctuations have on net interest income and on the net present value of the Company's earning assets and interest-bearing liabilities. Management and the Board are responsible for managing interest rate risk and employing risk management policies that monitor and limit this exposure. Interest rate risk is measured using net interest income simulation and asset/liability net present value sensitivity analyses. The Company uses financial modeling to measure the impact of changes in interest rates on the net interest margin and to predict market risk. Estimates are based upon numerous assumptions including the nature and timing of interest rate levels including yield curve shape, prepayments on loans and securities, deposit decay rates, pricing decisions on loans and deposits, reinvestment/replacement of asset and liability cash flows, and others. These analyses provide a range of potential impacts on net interest income and portfolio equity caused by interest rate movements.

Included in the modeling are instantaneous parallel rate shift scenarios, which are utilized to establish exposure limits. These scenarios are known as "rate shocks" because all rates are modeled to change instantaneously by the indicated shock amount, rather than a gradual rate shift over a period of time.

The Company's interest rate risk model indicates that the Company is asset sensitive in terms of interest rate sensitivity. Based on the Company's interest rate risk model at March 31, 2019, the table below illustrates the impact of an immediate and sustained 100 and 200 basis points increase or decrease in interest rates on net interest income over the next twelve months.

TABLE 13—INTEREST RATE SENSITIVITY

Shift in Interest Rates (in bps)	% Change in Projected Net Interest Income
+200	+2.1%
+100	+1.5%
-100	-5.1%
-200	-12.5%

The influence of using the forward curve as of March 31, 2019 as a basis for projecting the interest rate environment would approximate a 0.3% increase in net interest income over the next 12 months. The computations of interest rate risk shown above are performed on a static balance sheet and do not necessarily include certain actions that management may undertake to manage this risk in response to unanticipated changes in interest rates and other factors to include shifts in deposit behavior.

The short-term interest rate environment is primarily a function of the monetary policy of the FRB. The principal tools of the FRB for implementing monetary policy are open market operations, or the purchases and sales of U.S. Treasury and Federal agency securities, as well as the establishment of a short-term target rate. The FRB's objective for open market operations has varied over the years, but the focus has gradually shifted toward attaining a specified level of the Federal funds rate to achieve the long-run goals of price stability and sustainable economic growth. The Federal funds rate is the basis for overnight funding and drives the short end of the yield curve. Longer maturities are influenced by the market's expectations for economic growth and inflation, but can also be influenced by FRB purchases and sales and expectations of monetary policy going forward.

The FOMC of the FRB, in an attempt to stimulate the overall economy, has, among other things, kept interest rates low through its targeted federal funds rate. In December 2016, the FOMC voted to raise the target federal funds rate for only the second time since 2006. The FOMC voted to raise the target federal funds rate multiple times in both 2017 and 2018. The FOMC has now raised rates by two-and-a-quarter percentage points since the financial crisis in 2008, a sign of its increased confidence in the health of the economy. While the FOMC continues to observe sustained economic activity, strong labor market conditions, and stable inflation, it has signaled a pause in its recent efforts to increase the federal funds rate. As a result, the potential for additional gradual increases in the federal funds rate in 2019 is uncertain. Additional increases in the federal funds rate and the unwinding of its balance sheet could cause overall interest rates to rise, which may negatively impact the U.S. real estate markets and affect deposit growth and pricing. In addition, deflationary pressures, while possibly lowering our operating costs, could have a significant negative effect on our borrowers, especially our business borrowers, and the values of collateral securing loans, which could negatively affect our financial performance.

The Company’s commercial loan portfolio is also impacted by fluctuations in the level of one-month LIBOR, as a large portion of this portfolio reprices based on this index, and to a lesser extent Prime. Net interest income may be reduced if more interest-bearing liabilities than interest-earning assets reprice or mature during a period when interest rates are rising, or if more interest-earning assets than interest-bearing liabilities reprice or mature during a period when interest rates are declining.

In July 2017, the Financial Conduct Authority (the authority that regulates LIBOR) announced it intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021. The Alternative Reference Rates Committee ("ARRC") has proposed that the Secured Overnight Financing Rate ("SOFR") is the rate that represents best practice as the alternative to LIBOR for use in derivatives and other financial contracts that are currently indexed to LIBOR. ARRC has proposed a paced market transition plan to SOFR from LIBOR and organizations are currently working on industry wide and company specific transition plans as it relates to derivatives and cash markets exposed to LIBOR. The Company has material contracts that are indexed to LIBOR and is monitoring this activity and evaluating the related risks.

The table below presents the Company’s anticipated repricing of loans and investment securities over the next four quarters.

TABLE 14—REPRICING OF CERTAIN EARNING ASSETS [(1)]

(in thousands)	2Q 2019	3Q 2019	4Q 2019	1Q 2020	Total less than one year
Investment securities	$ 284,924	$ 240,300	$ 223,072	$ 202,073	$ 950,369
Fixed rate loans	878,587	675,463	625,612	601,693	2,781,355
Variable rate loans	10,900,662	424,706	342,789	303,722	11,971,879
Total fixed and variable rate loans	11,779,249	1,100,169	968,401	905,415	14,753,234
	$ 12,064,173	**$ 1,340,469**	**$ 1,191,473**	**$ 1,107,488**	**$ 15,703,603**

[(1)] Amounts include expected maturities, scheduled paydowns, expected prepayments, and loans subject to caps and floors and exclude the repricing of assets from prior periods, as well as non-accrual loans and market value adjustments.

As part of its asset/liability management strategy, the Company has seen greater levels of loan originations with adjustable or variable rates of interest in commercial and consumer loan products, which typically have shorter terms than residential mortgage loans. The majority of fixed-rate, long-term, agency-conforming residential loans are sold in the secondary market to avoid bearing the interest rate risk associated with longer duration assets in the current rate environment. However, the Sabadell and Gibraltar acquisitions brought a considerable amount of jumbo, non-agency-conforming residential mortgage loan exposure onto the balance sheet, both fixed rate and variable rate in nature, which has increased the overall duration of the portfolio. Considering all of this, as of March 31, 2019, $13.9 billion, or 61%, of the Company’s total loan portfolio had variable interest rates, of which $2.5 billion, or 11%, had an expected repricing date beyond the next four quarters. The Company had no significant concentration to any single borrower or industry segment at March 31, 2019.

The Company’s strategy with respect to liabilities in recent periods has been to emphasize transaction accounts, particularly non-interest or low interest-bearing transaction accounts, which are significantly less sensitive to changes in interest rates. At March 31, 2019, 83% of the Company’s deposits were in transaction and limited-transaction accounts, compared to 85% at December 31, 2018. Non-interest-bearing transaction accounts were 27% of total deposits at March 31, 2019 compared to 28% at December 31, 2018.

The behavior of non-interest-bearing deposits and other types of demand deposits is one of the most important assumptions used in determining the interest rate and liquidity risk positions. A loss of these deposits in the future would reduce the asset sensitivity of the Company’s balance sheet as interest-bearing funds would most likely be increased to offset the loss of this favorable funding source.

The table below presents the Company’s anticipated repricing of liabilities over the next four quarters.

TABLE 15—REPRICING OF LIABILITIES [(1)]

(in thousands)	2Q 2019	3Q 2019	4Q 2019	1Q 2020	Total less than one year
Time deposits	$ 896,409	$ 660,953	$ 750,414	$ 731,794	$ 3,039,570
Short-term borrowings	1,106,131	—	—	—	1,106,131
Long-term debt	234,186	317,264	50,596	55,602	657,648
	$ 2,236,726	**$ 978,217**	**$ 801,010**	**$ 787,396**	**$ 4,803,349**

[(1)] Amounts exclude the repricing of liabilities from prior periods.

As part of an overall interest rate risk management strategy, derivative instruments may also be used as an efficient way to modify the repricing or maturity characteristics of on-balance sheet assets and liabilities. Management may from time to time engage in such derivative instruments to effectively manage interest rate risk. These derivative instruments of the Company would modify net interest sensitivity to levels deemed appropriate.

IMPACT OF INFLATION OR DEFLATION AND CHANGING PRICES

The unaudited consolidated financial statements and related financial data presented herein have been prepared in accordance with GAAP, which generally require the measurement of financial position and operating results in terms of historical dollars, without considering changes in relative purchasing power over time due to inflation. Unlike most industrial companies, the majority of the Company’s assets and liabilities are monetary in nature. As a result, interest rates generally have a more significant impact on the Company’s performance than does the effect of inflation. Although fluctuations in interest rates are neither completely predictable nor controllable, the Company regularly monitors its interest rate position and oversees its financial risk management by establishing policies and operating limits. Interest rates do not necessarily move in the same direction or in the same magnitude as the prices of goods and services, since such prices are affected by inflation to a larger extent than interest rates. Although not as critical to the banking industry as to other industries, inflationary factors may have some impact on the Company’s growth, earnings, total assets and capital levels. Management does not expect inflation to be a significant factor in 2019.

Conversely, a period of deflation could affect our business, as well as all financial institutions and other industries. Deflation could lead to lower profits, higher unemployment, lower production and deterioration in overall economic conditions. In addition, deflation could depress economic activity, including loan demand and the ability of borrowers to repay loans, and consequently impair earnings through increasing the value of debt while decreasing the value of collateral for loans.

Management believes the most significant potential impact of deflation on financial results relates to the Company's ability to maintain a sufficient amount of capital to cushion against future losses. However, the Company could employ certain risk management tools to maintain its balance sheet strength in the event a deflationary scenario were to develop.

Non-GAAP Measures

This discussion and analysis included herein contains financial information determined by methods other than in accordance with GAAP. The Company's management uses these non-GAAP financial measures in their analysis of the Company's performance. Non-GAAP measures include, but are not limited to, descriptions such as core, tangible, and pre-tax pre-provision. These measures typically adjust GAAP performance measures to exclude the effects of the amortization of intangibles and include the tax benefit associated with revenue items that are tax-exempt, as well as adjust income available to common shareholders for certain significant activities or transactions that, in management's opinion, can distort period-to-period comparisons of the Company's performance. Transactions that are typically excluded from non-GAAP performance measures include realized and unrealized gains/losses on former bank owned real estate, realized gains/losses on securities, income tax gains/losses, merger related charges and recoveries, litigation charges and recoveries, and debt repayment penalties. Management believes presentations of these non-GAAP financial measures provide useful supplemental information that is essential to a proper understanding of the operating results of the Company's core businesses. These non-GAAP disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. Reconciliations of GAAP to non-GAAP disclosures are presented in Table 16, with the exception of forward-looking information. The Company is unable to estimate GAAP EPS guidance without unreasonable efforts due to the nature of one-time or unusual items that cannot be predicted, and therefore has not provided this information under Regulation S-K Item 10(e)(1)(i)(B).

TABLE 16—RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES

	Three Months Ended					
	March 31, 2019			**March 31, 2018**		
(in thousands, except per share amounts)	**Pre-tax**	**After-tax**	**Per share [2]**	**Pre-tax**	**After-tax**	**Per share [2]**
Net income	$ 130,477	$ 100,131	$ 1.82	$ 81,173	$ 63,621	$ 1.17
Less: Preferred stock dividends	—	3,598	0.07	—	3,598	0.07
Income available to common shareholders (GAAP)	$ 130,477	$ 96,533	$ 1.75	$ 81,173	$ 60,023	$ 1.10
Non-interest income adjustments [1]:						
Loss (gain) on sale of investments	—	—	—	59	44	—
Non-interest expense adjustments [1]:						
Merger-related expense	(334)	(254)	—	16,227	12,517	0.23
Compensation-related expense	(9)	(7)	—	1,221	928	0.02
Impairment of long-lived assets, net of (gain) loss on sale	986	749	0.01	2,074	1,576	0.03
Other non-core non-interest expense	(3,129)	(2,378)	(0.04)	(683)	(520)	(0.01)
Total non-interest expense adjustments	(2,486)	(1,890)	(0.03)	18,839	14,501	0.27
Income tax expense	—	—	—	—	173	—
Core earnings (Non-GAAP)	**127,991**	**94,643**	**1.72**	**100,071**	**74,741**	**1.37**
Provision for credit losses [1]	13,763	10,460		8,211	6,240	
Pre-provision earnings, as adjusted (Non-GAAP)	**$ 141,754**	**$ 105,103**		**$ 108,282**	**$ 80,981**	

(1) Excluding preferred stock dividends and merger-related expense, after-tax amounts are calculated using a tax rate of 24%, which approximates the marginal tax rate.

(2) Diluted per share amounts may not appear to foot due to rounding.

(in thousands)	As of and For the Three Months Ended March 31, 2019	2018
Net interest income (GAAP)	$ 250,484	$ 232,889
Taxable equivalent benefit	1,349	1,464
Net interest income (TE) (Non-GAAP) (1)	$ 251,833	$ 234,353
Non-interest income (GAAP)	$ 52,509	$ 44,566
Taxable equivalent benefit	478	341
Non-interest income (TE) (Non-GAAP) (1)	52,987	44,907
Taxable equivalent revenues (Non-GAAP) (1)	304,820	279,260
Securities (gains) losses and other non-interest income	—	59
Core taxable equivalent revenues (Non-GAAP) (1)	$ 304,820	$ 279,319
Total non-interest expense (GAAP)	$ 158,753	$ 188,071
Less: Intangible amortization expense	5,009	5,102
Tangible non-interest expense (Non-GAAP) (2)	153,744	182,969
Less: Merger-related expense	(334)	16,227
Compensation-related expense	(9)	1,221
Impairment of long-lived assets, net of (gain) loss on sale	986	2,074
Other non-core non-interest expense	(3,129)	(683)
Core tangible non-interest expense (Non-GAAP)(2)	$ 156,230	$ 164,130
Average assets (GAAP)	$ 30,833,500	$ 28,132,219
Less: Average intangible assets, net	1,313,368	1,275,889
Total average tangible assets (Non-GAAP) (2)	$ 29,520,132	$ 26,856,330
Total shareholders' equity (GAAP)	$ 4,141,831	$ 3,900,907
Less: Goodwill and other intangibles	1,310,458	1,332,672
Preferred stock	132,097	132,097
Tangible common equity (Non-GAAP) (2)	$ 2,699,276	$ 2,436,138
Average shareholders' equity (GAAP)	$ 4,105,503	$ 3,717,475
Less: Average preferred equity	132,097	132,097
Average common equity	3,973,406	3,585,378
Less: Average intangible assets, net	1,313,368	1,275,889
Average tangible common shareholders' equity (Non-GAAP) (2)	$ 2,660,038	$ 2,309,489
Return on average assets (GAAP)	1.32 %	0.92 %
Effect of non-core revenues and expenses	(0.03)	0.21
Core return on average assets (Non-GAAP)	1.29 %	1.13 %
Return on average common equity (GAAP)	9.85 %	6.79 %
Effect of non-core revenues and expenses	(0.19)	1.66
Core return on average common equity (Non-GAAP)	9.66 %	8.45 %
Effect of intangibles (2)	5.37	5.38
Core return on average tangible common equity (Non-GAAP) (2)	15.03 %	13.83 %
Efficiency ratio (GAAP)	52.4 %	67.8 %
Effect of tax benefit related to tax-exempt income	(0.3)	(0.4)
Efficiency ratio (TE) (Non-GAAP) (1)	52.1 %	67.4 %
Effect of amortization of intangibles	(1.6)	(1.8)
Effect of non-core items	0.8	(6.8)

Core tangible efficiency ratio (TE) (Non-GAAP) [1] [2]	51.3 %	58.8 %
Total assets (GAAP)	$ 31,260,189	$ 29,472,637
Less: Goodwill and other intangibles	1,310,458	1,332,672
Tangible assets (Non-GAAP) [2]	$ 29,949,731	$ 28,139,965
Tangible common equity ratio (Non-GAAP) [2]	9.01 %	8.66 %
Cash Yield:		
Earning assets average balance (GAAP)	$ 28,281,941	$ 25,813,767
Add: Adjustments	136,415	141,734
Earning assets average balance, as adjusted (Non-GAAP)	$ 28,418,356	$ 25,955,501
Net interest income (GAAP)	$ 250,484	$ 232,889
Add: Adjustments	(10,881)	(14,804)
Net interest income, as adjusted (Non-GAAP)	$ 239,603	$ 218,085
Yield, as reported	3.59 %	3.67 %
Add: Adjustments	(0.17)	(0.25)
Yield, as adjusted (Non-GAAP)	3.42 %	3.42 %

[1] Fully taxable-equivalent (TE) calculations include the tax benefit associated with related income sources that are tax-exempt using a rate of 21%.

[2] Tangible calculations eliminate the effect of goodwill and acquisition-related intangibles and the corresponding amortization expense on a tax-effected basis where applicable.

Glossary of Defined Terms

Term	**Definition**
2018 10-K	Annual Report on Form 10-K for the year ended December 31, 2018
ACL	Allowance for credit losses
Acquired loans	Loans acquired in a business combination
AFS	Securities available for sale
ALLL	Allowance for loan and lease losses
AOCI	Accumulated other comprehensive income (loss)
ARRC	Alternative Reference Rates Committee
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
Banco Sabadell	Banco de Sabadell, S.A.
C&I	Commercial and Industrial loans
CDI	Core deposit intangible assets
CEO	Chief Executive Officer
CET1	Common Equity Tier 1 Capital defined by Basel III capital rules
CFO	Chief Financial Officer
CRA	Community Reinvestment Act
CRE	Commercial Real Estate Loans
Company	IBERIABANK Corporation and Subsidiaries
Covered Loans	Acquired loans with loss protection provided by the FDIC
DOJ	Department of Justice
ECL	Expected credit losses
EPS	Earnings per common share
Exchange Act	Securities Exchange Act of 1934
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
FHA	Federal Housing Administration
FHLB	Federal Home Loan Bank
FOMC	Federal Open Market Committee
FRB	Board of Governors of the Federal Reserve System
GAAP	Accounting principles generally accepted in the United States of America
Gibraltar	Gibraltar Private Bank & Trust Co.
HUD	U.S. Department of Housing and Urban Development
IBERIABANK	Banking subsidiary of IBERIABANK Corporation
Legacy loans	Loans that were originated directly or otherwise underwritten by the Company
LIBOR	London Interbank Borrowing Offered Rate
LTC	Lenders Title Company
Non-GAAP	Financial measures determined by methods other than in accordance with GAAP
OCC	Office of the Comptroller of the Currency
OCI	Other comprehensive income
OREO	Other real estate owned
OTTI	Other than temporary impairment
Parent	IBERIABANK Corporation
ROU	Right-of-Use
RRP	Recognition and Retention Plan
Sabadell United	Sabadell United Bank, N.A.
SEC	Securities and Exchange Commission
SIFMA	Securities Industry and Financial Markets Association
SOFR	Secured Overnight Financing Rate

SolomonParks	SolomonParks Title & Escrow, LLC
TE	Fully taxable equivalent
Tax Act	Tax Cuts and Jobs Act
TDR	Troubled debt restructuring
U.S.	United States of America
UST	United States Treasury

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Quantitative and qualitative disclosures about market risk are presented at December 31, 2018 in Part II, Item 7A of the 2018 10-K, filed with the Securities and Exchange Commission on February 22, 2019. Additional information at March 31, 2019 is included herein under Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Item 4. Controls and Procedures

An evaluation of the effectiveness of the Company's disclosure controls and procedures as of March 31, 2019 was carried out under the supervision, and with the participation of, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). Based on that evaluation, the CEO and CFO have concluded that the Company's disclosure controls and procedures are effective in alerting them in a timely manner to material information required to be disclosed by the Company in reports that it files or submits under the Securities Exchange Act of 1934 (the "Exchange Act").

Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed by the Company under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls are also designed with the objective of ensuring that such information is accumulated and communicated to the Company's management, including the CEO and the CFO, as appropriate, to allow timely decisions regarding required disclosures. Disclosure controls include review of internal controls that are designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use and transactions are properly recorded and reported. There was no significant change in the Company's internal controls over financial reporting during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the internal control over financial reporting.

Any control system, no matter how well conceived and operated, can provide only reasonable assurance that its objectives are achieved. The design of a control system inherently has limitations, including the controls' cost relative to their benefits. Additionally, controls can be circumvented. No cost-effective control system can provide absolute assurance that all control issues and instances of fraud, if any, will be detected.

Part II. Other Information

Item 1. Legal Proceedings

See the "Legal Proceedings" section of "Note 15 – Commitments and Contingencies" of the Notes to the Unaudited Consolidated Financial Statements, incorporated herein by reference.

Item 1A. Risk Factors

For information regarding risk factors that could affect the Company's results of operations, financial condition and liquidity, see the risk factors disclosed in the "Risk Factors" section of the Company's 2018 10-K, filed with the Securities and Exchange Commission on February 22, 2019.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Information concerning IBERIABANK Corporation's repurchases of its outstanding common stock during the three-month period ended March 31, 2019, is included in the following table:

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased[1]	Average Price Paid per Share[1]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
January 1-31, 2019	5,042	66.02	—	2,265,000
February 1-28, 2019	328,874	77.59	296,921	1,968,079
March 1-31, 2019	91,237	75.91	91,000	1,877,079
Total	425,153	77.09	387,921	1,877,079

(1) Includes shares of the Company's common stock acquired by the Company in connection with satisfaction of tax withholding obligations on vested restricted stock.

On November 5, 2018, IBERIABANK Corporation's Board of Directors authorized the repurchase program of up to 2,765,000 shares of the Company's outstanding common stock. This repurchase authorization equated to approximately 5% of total common shares outstanding. Stock repurchases under this program will be made from time to time, on the open market or in privately negotiated transactions, at the discretion of the management of the Company and in accordance with the limitations set forth in Rule 10b-18 of the Securities and Exchange Commission, approval by all applicable regulatory agencies, and other applicable legal requirements. The timing of these repurchases will depend on market conditions and other requirements. The Company currently anticipates the share repurchase program will extend over a two-year time frame, or earlier if the shares have been repurchased. During the first quarter of 2019, the Company repurchased 387,921 common shares, at a weighted average price of $77.19 per common share. Subsequent to quarter-end and through May 7, 2019, the Company repurchased 353,200 common shares for approximately $28.2 million.

Restrictions on Dividends and Repurchase of Stock

Holders of the Company's common stock are only entitled to receive dividends if, as, and when the Company's Board of Directors may declare out of funds legally available for such payments.

IBERIABANK Corporation understands the importance of returning capital to shareholders. Management will continue to execute the capital planning process, including evaluation of the amount of the common stock dividend, with the Board of Directors and in conjunction with the regulators, subject to the Company's results of operations. Also, IBERIABANK Corporation is a bank holding company, and its ability to declare and pay dividends is dependent on certain federal regulatory considerations, including the guidelines of the Federal Reserve regarding capital adequacy and dividends.

Holders of the common stock are subject to the prior dividend rights of any holders of the Company's preferred stock then outstanding. There were 13,750 shares of preferred stock outstanding at March 31, 2019. In addition, the terms of the Company’s outstanding junior subordinated debt securities prohibit it from declaring or paying any dividends or distributions on outstanding capital stock, or purchasing, acquiring, or making a liquidation payment on such stock, if the Company has elected to defer interest payments on such debt.

For additional information, see Note 9, Shareholders' Equity, Capital Ratios and Other Regulatory Matters.

Item 3. Defaults Upon Senior Securities

Not Applicable.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No. 3.1	Articles of Incorporation
Exhibit No. 31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit No. 31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit No. 32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit No. 32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit No. 101.INS	XBRL Instance Document.
Exhibit No. 101.SCH	XBRL Taxonomy Extension Schema.
Exhibit No. 101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
Exhibit No. 101.DEF	XBRL Taxonomy Extension Definition Linkbase.
Exhibit No. 101.LAB	XBRL Taxonomy Extension Label Linkbase.
Exhibit No. 101.PRE	XBRL Taxonomy Extension Presentation Linkbase.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	IBERIABANK Corporation
Date: May 8, 2019	By: /s/ Daryl G. Byrd
	Daryl G. Byrd
	President and Chief Executive Officer
Date: May 8, 2019	By: /s/ Anthony J. Restel
	Anthony J. Restel
	Vice Chairman and Chief Financial Officer

EXHIBIT 3.1

ARTICLES OF INCORPORATION
OF
IBERIABANK CORPORATION

Article 1. Name. The name of the corporation is IBERIABANK Corporation (hereinafter referred to as the "Corporation").

Article 2. Nature of Business. The purpose of the Corporation is to: (a) act as a savings bank holding company; (b) engage in any lawful act or activity for which a corporation may be formed under the Louisiana Business Corporation Law, as amended (the "BCL"); (c) purchase, sell, lease and deal in services, personal and real property; and (d) do each and everything necessary, suitable or proper for the accomplishment of any of the purposes or for the attainment of any one or more of the objects herein enumerated or which at any time appear conducive to or expedient for the protection or benefit of the Corporation.

The foregoing shall be construed as powers as well as objects and purposes and the matter expressed in each clause shall, unless herein otherwise expressly provided, be in no wise limited by reference to or inference from the terms of any other clause, but shall be regarded as independent objects, purposes and powers and shall not be construed to limit or restrict in any manner the meaning of the general terms or the general powers of the Corporation.

Article 3. Duration. The term of the existence of the Corporation shall be perpetual.

Article 4. Capital Stock.

A. Authorized Amount. The total number of shares of capital stock which the Corporation has authority to issue is 105,000,000, of which 5,000,000 shall be serial preferred stock, par value $1.00 per share (hereinafter the "Preferred Stock"), and 100,000,000 shall be common stock, par value $1.00 per share (hereinafter the "Common Stock"). Except to the extent required by governing law, rule or regulation, the shares of capital stock may be issued from time to time by the Board of Directors without further approval of stockholders. The Corporation shall have the authority to purchase its capital stock out of funds lawfully available therefore.

B. Common Stock. Except as provided in this Article 4 (or in any resolution or resolutions adopted by the Board of Directors pursuant hereto), the exclusive voting power shall be vested in the Common Stock, with each holder thereof being entitled to one vote for each share of such Common Stock standing in the holder's name on the books of the Corporation. Subject to any rights and preferences of any class of stock having preference over the Common Stock, holders of Common Stock shall be entitled to such dividends as may be declared by the Board of Directors out of funds lawfully available therefore. Upon any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Common Stock shall be entitled to receive pro rata the remaining assets of the Corporation after the holders of any class of stock having preference over the Common Stock have been paid in full any sums to which they may be entitled.

C. Authority of Board to Fix Terms of Preferred Stock. The Board of Directors shall have the full authority permitted by law to divide the authorized and unissued shares of Preferred Stock into series and to fix by resolution full, limited, multiple or factional, or no voting rights, and such designations, preferences, qualifications, privileges, limitations, restrictions, options, conversion rights, and other special or relative rights of the Preferred Stock or any series thereof that may be desired.

[On July 29, 2015 a duly authorized committee of the Board of Directors of the Corporation, pursuant to the authority duly delegated to the committee by the Board of Directors and pursuant to the authority conferred upon the Board of Directors by the Articles of Incorporation of the Corporation, duly adopted by resolutions, acting without shareholder approval in accordance with R.S. 12:1-1005(8), approving an amendment to the Company's Articles of Incorporation to add the following as Section D to Article 4 of the Corporation's Articles of Incorporation:]

D. 6.625% Fixed-to-Floating Non-Cumulative Perpetual Preferred Stock, Series B. Pursuant to the provisions of the Articles of Incorporation of the Corporation and applicable law, a series of preferred stock, par value $1.00 per share, of the Corporation be and hereby is created and the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

(a) Designation.

The designation of the series of preferred stock shall be "6.625% Fixed-to-Floating Non-Cumulative Perpetual Preferred Stock, Series B" (the "*Series B Preferred Stock*"). With respect to payment of dividends and distributions upon the Corporation's liquidation, dissolution or winding up, the Series B Preferred Stock shall rank (i) senior to the Corporation's common stock and any other class or series of preferred stock that by its terms ranks junior to the Series B Preferred Stock, (ii) equally with all future series of preferred stock that the Corporation may issue that does not by its terms rank junior to the Series B Preferred Stock and (iii) junior to all existing and future indebtedness and other liabilities of the Corporation any class or series of preferred stock that expressly provides in the articles of amendment creating such preferred stock that it ranks senior to the Series B Preferred Stock (subject to any requisite consents required for the creation of such preferred stock ranking senior to the Series B Preferred Stock).

(b) Number of Shares.

The number of authorized shares of Series B Preferred Stock shall be 8,625. That number from time to time may be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series B Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation (or a duly authorized committee thereof) and by the filing of a certificate pursuant to the provisions of R.S. 12:1-1006 of the LBCA stating that such increase or decrease, as the case may be, has been so authorized. The Corporation may from time to time, without notice to or the consent of holders of the Series B Preferred Stock, issue additional shares of Series B Preferred Stock, provided that if the additional shares are not fungible for U.S. federal income tax purposes with the initial shares of such series, the additional shares shall be issued under a separate CUSIP number. The additional shares would form a single series together with all previously issued shares of Series B Preferred Stock.

(c) Definitions.

As used herein with respect to Series B Preferred Stock:

(i) "*Business Day*" shall mean (i) with respect to the Fixed Rate Period, any weekday in New York, New York that is not a day on which banking institutions in such city are authorized or required by law, regulation, or executive order to be closed and (ii) with respect to the Floating Rate Period, any weekday in New York, New York that is not a day on which banking institutions in such city are authorized or required by law, regulation, or executive order to be closed, and additionally, is a London Banking Day.

(ii) "*Dividend Determination Date*" shall have the meaning set forth in Section (d)(vii) hereof.

(iii) "*Dividend Payment Dates*" shall have the meaning set forth in Section (d)(ii) hereof.

(iv) "*Dividend Period*" shall mean the period from, and including, each Dividend Payment Date to, but excluding, the next succeeding Dividend Payment Date, except for the initial Dividend Period, which shall be the period from, and including, August 5, 2015 to, but excluding, the next succeeding Dividend Payment Date.

(v) "*Fixed Period Dividend Payment Date*" shall have the meaning set forth in Section (d)(ii) hereof.

(vi) "*Floating Period Dividend Payment Date*" shall have the meaning set forth in Section (d)(ii) hereof.

(vii) "*Fixed Rate Period*" shall have the meaning set forth in Section (d)(i) hereof.

(viii) "*Floating Rate Period*" shall have the meaning set forth in Section (d)(i) hereof.

(ix) "*Junior Stock*" shall mean the Corporation's common stock and any other class or series of the Corporation's capital stock over which the Series B Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on the liquidation, dissolution or winding up of the Corporation.

(x) "*Liquidation Preference*" shall mean $10,000 per share of Series B Preferred Stock.

(xi) "*London Banking Day*" shall mean any day on which commercial banks are open dealings in deposits in U.S. dollars in the London interbank market.

(xii) "*Nonpayment*" shall have the meaning set forth in Section (g)(ii) hereof.

(xiii) "*Optional Redemption*" shall have the meaning set forth in Section (f)(i) hereof.

(xiv) "*Parity Stock*" shall mean any class or series of the Corporation's capital stock that ranks on a par with the Series B Preferred Stock in the payment of dividends and in the distribution of assets on the liquidation, dissolution or winding up of the Corporation, which shall include any class or series of the Corporation's stock hereafter authorized that ranks on a par with the Series B Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(xv) "*Preferred Stock Directors*" shall have the meaning set forth in Section (g)(ii) hereof.

(xvi) "*Regulatory Capital Treatment Event*" shall mean a good faith determination by the Corporation that, as a result of any (i) amendment to, clarification of, or change (including any announced prospective change) in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of the Series B Preferred Stock; (ii) proposed change in those laws or regulations that is announced or becomes effective after the initial issuance of the Series B Preferred Stock; or (iii) official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced or becomes effective after the initial issuance of the Series B Preferred Stock, there is more than an insubstantial risk that the Corporation shall not be entitled to treat the full liquidation value of the Series B Preferred Stock then outstanding as "Tier 1 Capital" (or its equivalent) for purposes of the capital adequacy laws or regulations of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy laws or regulations of any successor appropriate federal banking agency), as then in effect and applicable, for as long as any share of Series B Preferred Stock is outstanding.

(xvii) "*Regulatory Event Redemption*" shall have the meaning set forth in Section f(ii) hereof.

(xviii) "*Series B Preferred Stock*" shall have the meaning set forth in Section (a) hereof.

(xix) "*Spread*" shall have the meaning set forth in Section (d)(i) hereof.

(xx) "*Three-month LIBOR*" shall mean the London interbank offered rate for deposits in U.S. dollars for a three month period, as that rate appears on Reuters screen page "LIBOR01" (or any successor or replacement page) at approximately 11:00 a.m., London time, on the relevant Dividend Determination Date. If no offered rate appears on Reuters screen page "LIBOR01" (or any successor or replacement page) on the relevant Dividend Determination Date at approximately 11:00 a.m., London time, then the calculation agent, in consultation with the Corporation, shall select four major banks in the London interbank market and shall request each of their principal London offices to provide a quotation of the rate at which three-month deposits in U.S. dollars in amounts of at least $1,000,000 are offered by it to prime banks in the London interbank market, on that date and at that time. If at least two quotations are provided, Three-month LIBOR shall be the arithmetic average (rounded upward if necessary to the nearest .00001 of 1%) of the quotations provided. Otherwise, the Calculation Agent in consultation with the Corporation shall select three major banks in New York City and shall request each of them to provide a quotation of the rate offered by it at approximately 11:00 a.m., New York City time, on the Dividend Determination Date for loans in U.S. dollars to leading European banks for a three month period for the applicable Dividend Period in an amount of at least $1,000,000. If three quotations are provided, Three-month LIBOR shall be the arithmetic average of the quotations provided. Otherwise, Three-month LIBOR for the next Dividend Period shall be equal to Three-month LIBOR in effect for the then-current Dividend Period or, in the case of the first Dividend Period in the Floating Rate Period, the most recent rate on which Three-month LIBOR could have been determined in accordance with the first sentence of this Section had the dividend rate been a floating rate during the Fixed Rate Period.

(xxi) "*Voting Parity Stock*" shall have the meaning set forth in Section (g)(ii) hereof.

(d) Dividends.

(i) Holders of the Series B Preferred Stock shall be entitled to receive, only when, as, and if declared by the Corporation's Board of Directors (or a duly authorized committee thereof), out of assets legally available under applicable law for payment, non-cumulative cash dividends based on the Liquidation Preference, and no more, at a rate equal to (1) 6.625% per annum, for each semi-annual Dividend Period occurring from, and including, the original issue date of the Series B Preferred Stock to, but excluding, August 1, 2025 (the "*Fixed Rate Period*"), and (2) thereafter, Three-month LIBOR plus a spread of 426.2 basis points per annum (the "*Spread*"), for each quarterly Dividend Period beginning August 1, 2025 (the "*Floating Rate Period*").

(ii) When, as, and if declared by the Corporation's Board of Directors (or a duly authorized committee thereof) (1) during the Fixed Rate Period, the Corporation shall pay cash dividends on the Series B Preferred Stock semi-annually, in arrears, on February 1 and August 1 of each year (each such date, a "*Fixed Period Dividend Payment Date*"), beginning on February 1, 2016, and, when, as and if declared by the Corporation's Board of Directors (or a duly authorized committee thereof) and (2) during the Floating Rate Period, the Corporation shall pay cash dividends on the Series B Preferred Stock quarterly, in arrears, on February 1, May 1, August 1, and November 1 of each year, beginning on November 1, 2025 (each such date, a "*Floating Period Dividend Payment Date*," and together with the Fixed Period Dividend Payment Dates, the "*Dividend Payment Dates*"). The Corporation shall pay cash dividends to the holders of record of shares of the Series B Preferred Stock as such holders appear on the Corporation's stock register on the applicable record date, which shall be the fifteenth calendar day before that Dividend Payment Date or such other record date fixed by our Board of Directors (or a duly authorized committee thereof) that is not more than 60 nor less than 10 days prior to such Dividend Payment Date.

(iii) If any Dividend Payment Date on or prior to August 1, 2025 is a day that is not a Business Day, then the dividend with respect to that Dividend Payment Date shall instead be paid on the immediately succeeding Business Day, without interest or other payment in respect of such delayed payment. If any Dividend Payment Date after August 1, 2025 is a day that is not a Business Day, then the Dividend Payment Date shall be the immediately succeeding Business Day unless such day falls in the next calendar month, in which case the Dividend Payment Date shall instead be the immediately preceding day that is a Business Day, and dividends will accumulate to the Dividend Payment Date as so adjusted.

(iv) The Corporation shall calculate dividends on the Series B Preferred Stock for the Fixed Rate Period on the basis of a 360-day year of twelve 30-day months. The Corporation shall calculate dividends on the Series B Preferred Stock for the Floating Rate Period on the basis of the actual number of days in a Dividend Period and a 360-day year. Dollar amounts resulting from such calculation shall be rounded to the nearest cent, with one-half cent being rounded upward.

(v) Dividends on the Series B Preferred Stock shall not be cumulative or mandatory. If the Corporation's Board of Directors (or a duly authorized committee thereof) does not declare a dividend on the Series B Preferred Stock for any Dividend Period prior to the related Dividend Payment Date, that dividend shall not accumulate, and the Corporation shall have no obligation to pay a dividend for that Dividend Period at any time, whether or not dividends on the Series B Preferred Stock or any other series of our preferred stock or common stock are declared for any future Dividend Period.

(vi) Dividends on the Series B Preferred Stock shall accumulate from the original issue date of the Series B Preferred Stock at the then-applicable dividend rate on the liquidation preference amount of $10,000 per share. If the Corporation issues additional shares of the Series B Preferred Stock, dividends on those additional shares shall accumulate from the original issue date of those additional shares at the then-applicable dividend rate.

(vii) The dividend rate for each Dividend Period in the Floating Rate Period shall be determined by the Calculation Agent using Three-month LIBOR as in effect on the second London Banking Day prior to the beginning of the Dividend Period, which date shall be the "*Dividend Determination Date*" for the relevant Dividend Period. The Calculation Agent then shall add Three-month LIBOR as determined on the Dividend Determination Date and the applicable Spread. Once the dividend rate for the Series B Preferred Stock is determined, the Calculation Agent shall deliver that information to the Corporation and the Transfer Agent. Absent manifest error, the Calculation Agent's determination of the dividend rate for a Dividend Period for the Series B Preferred Stock shall be final.

(viii) So long as any share of Series B Preferred Stock remains outstanding:

(1) no dividend shall be declared and paid or set aside for payment and no distribution shall be declared and made or set aside for payment on any Junior Stock (other than a dividend payable solely in shares of Junior Stock or any dividend in connection with the implementation of a stockholder rights plan or the redemption or repurchase of any rights under such a plan);

(2) no shares of Junior Stock shall be repurchased, redeemed, or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange for or conversion into Junior Stock, through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock or pursuant to a contractually binding requirement to buy Junior Stock pursuant to a binding stock repurchase plan existing prior to the most recently completed Dividend Period), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation; and

(3) no shares of Parity Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation (other than pursuant to pro rata offers to purchase all, or a pro rata portion, of the Series B Preferred Stock and such Parity Stock, through the use of the proceeds of a substantially contemporaneous sale of other shares of Parity Stock or Junior Stock, as a result of a reclassification of Parity Stock for or into other Parity Stock, or by conversion into or exchange for Junior Stock),

during a Dividend Period, unless, in each case, the full dividends for the most recently completed Dividend Period on all outstanding shares of the Series B Preferred Stock have been declared and paid in full or declared and a sum sufficient for the payment of those dividends has been set aside. The foregoing limitations shall not apply to purchases or acquisitions of the Corporation’s Junior Stock pursuant to any employee or director incentive or benefit plan or arrangement (including any of the Corporation’s employment, severance, or consulting agreements) of the Corporation or of any of the Corporation’s subsidiaries heretofore or hereafter adopted.

(ix) Except as provided below, for so long as any share of Series B Preferred Stock remains outstanding, the Corporation shall not declare, pay, or set aside for payment full dividends on any Parity Stock unless the Corporation has paid in full, or set aside payment in full, in respect of all accumulated dividends for all Dividend Periods for outstanding shares of Series B Preferred Stock. To the extent that the Corporation declares dividends on the Series B Preferred Stock and on any Parity Stock but cannot make full payment of such declared dividends, the Corporation shall allocate the dividend payments on a pro rata basis among the holders of the shares of Series B Preferred Stock and the holders of any Parity Stock then outstanding. For purposes of calculating the pro rata allocation of partial dividend payments, the Corporation shall allocate dividend payments based on the ratio between the then current and accumulated dividend payments due on the shares of Series B Preferred Stock and (1) in the case of cumulative Parity Stock the aggregate of the accumulated and unpaid dividends due on any such Parity Stock and (2) in the case of non-cumulative Parity Stock the aggregate of the declared but unpaid dividends due on any such Parity Stock. No interest shall be payable in respect of any dividend payment on Series B Preferred Stock that may be in arrears.

(x) Subject to the foregoing conditions, and not otherwise, dividends (payable in cash, stock, or otherwise), as may be determined by the Corporation’s Board of Directors (or a duly authorized committee thereof), may be declared and paid on the Corporation’s common stock and any Junior Stock from time to time out of any funds legally available for such payment, and the holders of the Series B Preferred Stock shall not be entitled to participate in such dividends.

(e) Liquidation Rights.

(i) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of the shares of Series B Preferred Stock then outstanding shall be entitled to be paid out of the Corporation's assets legally available for distribution to the Corporation's stockholders, before any distribution of assets is made to holders of common stock or any other Junior Stock, a liquidating distribution in the amount equal to the sum of (1) the Liquidation Preference, plus (2) the sum of any declared and unpaid dividends for prior Dividend Periods prior to the Dividend Period in which the liquidation distribution is made and any declared and unpaid dividends for the then current Dividend Period in which the liquidation distribution is made to the date of such liquidation distribution. After payment of the full amount of the liquidating distributions to which they are entitled pursuant to the foregoing, the holders of Series B Preferred Stock shall have no right or claim to any remaining assets of the Corporation.

(ii) In the event that, upon any such voluntary or involuntary liquidation, dissolution or winding up, the available assets of the Corporation are insufficient to pay the amount of the liquidating distributions on all outstanding shares of Series B Preferred Stock and the corresponding amounts payable on all shares of Parity Stock in the distribution of assets upon any liquidation, dissolution or winding up of the Corporation, then the holders of the Series B Preferred Stock and such Parity Stock shall share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they respectively would be entitled.

(iii) For the purposes of this Section (e), the merger or consolidation of the Corporation with or into any other entity or by another entity with or into the Corporation or the sale, lease, exchange or other transfer of all or substantially all of the assets of the Corporation (for cash, securities or other consideration) shall not be deemed to constitute the liquidation, dissolution or winding up of the Corporation. If the Corporation enters into any merger or consolidation transaction with or into any other entity and the Corporation is not the surviving entity in such transaction, the Series B Preferred Stock may be converted into shares of the surviving or successor corporation or the direct or indirect parent of the surviving or successor corporation having terms identical to the terms of the Series B Preferred Stock set forth herein.

(f) Redemption Rights.

(i) Subject to the further terms and conditions provided herein, the Corporation may redeem the Series B Preferred Stock, in whole or in part, at its option, for cash, on any Dividend Payment Date on or after August 1, 2025, with not less than 30 days' and not more than 60 days' notice ("*Optional Redemption*"), subject to the approval of the appropriate federal banking agency, at the redemption price provided in Section (f)(iii) below. Dividends shall not accumulate on those shares of Series B Preferred Stock so redeemed on and after the applicable redemption date.

(ii) In addition, the Corporation may, redeem the Series B Preferred Stock, in whole but not in part, at its option, for cash, at any time within 90 days following a Regulatory

Capital Treatment Event, subject to the approval of the appropriate federal banking agency, at the redemption price provided in Section (f)(iii) below (a "*Regulatory Event Redemption*").

(iii) The redemption price for any redemption of Series B Preferred Stock, whether an Optional Redemption or Regulatory Event Redemption, shall be equal to (i) $10,000 per share of Series B Preferred Stock, plus any declared and unpaid dividends (without regard to any undeclared dividends) to, but excluding, the date of redemption.

(iv) Any notice given as provided in this Section (f) shall be conclusively presumed to have been duly given, whether or not the holder receives the notice, and any defect in the notice or in the provision of the notice, to any holder of shares of Series B Preferred Stock designated for redemption will not affect the redemption of any other shares of Series B Preferred Stock. Any notice provided to a holder of Series B Preferred Stock shall be deemed given on the date provided, whether or not the holder actually receives the notice. A notice of redemption shall be given not less than 30 days and not more than 60 days prior to the date of redemption specified in the notice, and shall specify (i) the redemption date, (ii) the redemption price, (iii) if fewer than all shares of Series B Preferred Stock are to be redeemed, the number of shares of Series B Preferred Stock to be redeemed and (iv) the manner in which holders of Series B Preferred Stock called for redemption may obtain payment of the redemption price in respect of those shares. Notwithstanding anything to the contrary in this paragraph, if the Series B Preferred Stock is issued in book-entry form through The Depositary Trust Company or any other similar facility, notice of redemption may be given to the holders of Series B Preferred Stock at such time and in any manner permitted by such facility.

(v) If notice of redemption of any shares of Series B Preferred Stock has been given by the Corporation and if the funds necessary for such redemption have been set aside by the Corporation in trust for the benefit of the holders of any shares of Series B Preferred Stock, then from and after the Redemption Date such shares of Series B Preferred Stock shall no longer be outstanding for any purpose, all dividends with respect to such shares of Series B Preferred Stock shall cease to accumulate from the Redemption Date and all rights of the holders of such shares shall terminate, except the right to receive the Redemption Price, without interest. Series B Preferred Stock redeemed pursuant to this Section (f) or purchased or otherwise acquired for value by the Corporation shall, after such acquisition, have the status of authorized and unissued shares of preferred stock and may be reissued by the Corporation at any time as shares of any series of preferred stock other than as Series B Preferred Stock.

(vi) In the event that fewer than all the outstanding shares of Series B Preferred Stock are to be redeemed, the shares of Series B Preferred Stock to be redeemed shall be selected either pro rata or by lot or in such other manner as the Board of Directors of the Corporation (or a duly authorized committee thereof), determines to be fair and equitable, subject to the provisions hereof. The Board of Directors of the Corporation (or a duly authorized committee thereof) shall have the full power and authority to prescribe the terms and conditions upon which such shares of Series B Preferred Stock may be redeemed from time to time.

(vii) No holder of Series B Preferred Stock shall have the right to require the redemption of the Series B Preferred Stock.

(g) Voting Rights.

(i) Holders of Series B Preferred Stock shall not have any voting rights, except as set forth below or as otherwise required by the Louisiana Business Corporation Act.

(ii) Whenever dividends payable on the Series B Preferred Stock or any other class or series of preferred stock ranking equally with the Series B Preferred Stock as to payment of dividends, and upon which voting rights equivalent to those described in this paragraph have been conferred and are exercisable, have not been declared and paid in an aggregate amount equal to, as to any class or series, the equivalent of at least three or more semi-annual or six or more quarterly Dividend Periods, as applicable, whether or not for consecutive Dividend Periods (a "*Nonpayment*"), the holders of outstanding shares of the Series B Preferred Stock voting as a class with holders of shares of any other series of our preferred stock ranking equally with the Series B Preferred Stock as to payment of dividends, and upon which like voting rights have been conferred and are exercisable ("*Voting Parity Stock*"), shall be entitled to vote for the election of two additional directors of the Board of Directors of the Corporation on the terms set forth in this Section (g) (and to fill any vacancies in the terms of such directorships) (the "*Preferred Stock Directors*"). Holders of all series of our Voting Parity Stock shall vote as a single class. In the event that the holders of the shares of the Series B Preferred Stock are entitled to vote as described in this Section (g), the number of members of the Corporation's Board of Directors at that time shall be increased by two directors, and the holders of the Series B Preferred Stock shall have the right, as members of that class, to elect two directors at a special meeting called at the request of the holders of record of at least 20% of the aggregate voting power of the Series B Preferred Stock or any other series of Voting Parity Stock (unless such request is received less than 90 days before the date fixed for the Corporation's next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of the stockholders), provided that the election of any Preferred Stock Directors shall not cause the Corporation to violate the corporate governance requirements of the NASDAQ Global Select Market (or any other exchange on which the securities of the Corporation may at such time be listed) that listed companies must have a majority of independent directors, and provided further that at no time shall the Board of Directors of the Corporation include more than two Preferred Stock Directors.

(iii) The Preferred Stock Directors elected at any such special meeting shall hold office until the next annual meeting of the Corporation's stockholders unless they have been previously terminated or removed pursuant to Section (g)(iv). In case any vacancy in the office of a Preferred Stock Director occurs (other than prior to the initial election of the Preferred Stock Directors), the vacancy may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by the vote of the holders of the Series B Preferred Stock (together with holders of any Voting Parity Stock) to serve until the next annual meeting of the stockholders.

(iv) When the Corporation has paid full dividends on the Series B Preferred Stock for the equivalent of at least two semi-annual or four quarterly Dividend Periods, as applicable, following a Nonpayment, then the right of the holders of Series B Preferred Stock to elect the Preferred Stock Directors set forth in this Section (g) shall cease (except as provided by law and subject always to the same provisions for the vesting of the special voting rights in the case of any future Nonpayment). Upon termination of the right of the holders of the Series B Preferred Stock and Voting Parity Stock to vote for Preferred Stock Directors as set forth in this Section (g), the term of office of all Preferred Stock Directors then in office elected by only those holders shall terminate immediately. Whenever the term of office of the Preferred Stock Directors ends and the related voting rights have expired, the number of directors automatically will be decreased to the number of directors as otherwise would prevail. Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of the Series B Preferred Stock (together with holders of any Voting Parity Stock) when they have the voting rights described in Section (g)(ii).

(v) So long as any shares of Preferred Stock remain outstanding, the Corporation shall not, without the affirmative vote or consent of holders of at least 66⅔% in voting power of the Series B Preferred Stock and any Voting Parity Stock, voting together as a single class, given in person or by proxy, either in writing without a meeting or at any meeting called for the purpose, authorize, create or issue any capital stock ranking senior to the Series B Preferred Stock as to dividends or the distribution of assets upon liquidation, dissolution or winding up, or reclassify any authorized capital stock into any such shares of such capital stock or issue any obligation or security convertible into or evidencing the right to purchase any such shares of capital stock. Further, so long as any shares of the Series B Preferred Stock remain outstanding, the Corporation shall not, without the affirmative vote of the holders of at least 66⅔% in voting power of the Series B Preferred Stock, amend, alter or repeal any provision of these Articles of Amendment or the Articles of Incorporation of the Corporation, including by merger, consolidation or otherwise, so as to adversely affect the powers, preferences or special rights of the Series B Preferred Stock.

Notwithstanding the foregoing, (i) any increase in the amount of authorized common stock or authorized preferred stock, or any increase or decrease in the number of shares of any series of preferred stock, or the authorization, creation and issuance of other classes or series of capital stock, in each case ranking on parity with or junior to the shares of the Series B Preferred Stock as to dividends and distribution of assets upon liquidation, dissolution or winding up, shall not be deemed to adversely affect such powers, preferences or special rights and (ii) a merger or consolidation of the Corporation with or into another entity in which the shares of the Series B Preferred Stock (A) remain outstanding or (B) are converted into or exchanged for preference securities of the surviving entity or any entity, directly or indirectly, controlling such surviving entity and such new preference securities have powers, preferences and special rights that are not materially less favorable than the Series B Preferred Stock shall not be deemed to adversely affect the powers, preferences or special rights of the Series B Preferred Stock.

(vi) Notice for a special meeting to elect the Preferred Stock Directors shall be given in a similar manner to that provided in the Corporation’s By-laws for a special meeting of the stockholders. If the secretary of the Corporation does not call a special meeting within 20 days after receipt of any such request, then any holder of Series B Preferred Stock may (at the Corporation’s expense) call such meeting, upon notice as provided in this Section (g)(vi), and for that purpose shall have access to the stock register of the Corporation.

(vii) Except as otherwise set forth in Section (g)(vi) hereof, the rules and procedures for calling and conducting any meeting of the holders of Series B Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules that the Board of Directors of the Corporation (or a duly authorized committee thereof), in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Articles of Incorporation of the Corporation, the By-laws of the Corporation, and applicable laws and the rules of any national securities exchange or other trading facility on which Series B Preferred Stock is listed or traded at the time.

(h) Conversion Rights.

The holders of Series B Preferred Stock shall not have any rights to convert such shares into shares of any other class or series of stock or into any other securities of, or any interest or property in, the Corporation.

(i) No Sinking Fund.

No sinking fund shall be established for the retirement or redemption of Series B Preferred Stock.

(j) No Preemptive or Subscription Rights.

No holder of Series B Preferred Stock of the Corporation shall, as such holder, have any preemptive right to purchase or subscribe for any additional shares of stock of the Corporation or any other security of the Corporation that it may issue or sell.

(k) No Other Rights.

The Series B Preferred Stock shall not have any designations, preferences or relative, participating, optional or other special rights except as set forth herein or in the Company’s Articles of Incorporation or as otherwise required by applicable law.

[On May 3, 2016, a duly authorized committee of the Board of Directors of the Corporation, pursuant to the authority duly delegated to the committee by the Board of Directors and pursuant to the authority conferred upon the Board of Directors by the Articles of Incorporation of the Corporation, duly adopted by resolutions, acting without shareholder approval in accordance with R.S. 12:1-1005(8), approving an amendment to the Corporation's Articles of Incorporation to add the following as Section E to Article 4 of the Corporation's Articles of Incorporation:]

E. <u>6.60% Fixed-to-Floating Non-Cumulative Perpetual Preferred Stock, Series C</u>. Pursuant to the provisions of the Articles of Incorporation of the Corporation and applicable law, a series of preferred stock, par value $1.00 per share, of the Corporation be and hereby is created and the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

(a) <u>Designation</u>.

The designation of the series of preferred stock shall be "6.60% Fixed-to-Floating Non-Cumulative Perpetual Preferred Stock, Series C" (the "*Series C Preferred Stock*"). With respect to payment of dividends and distributions upon the Corporation's liquidation, dissolution or winding up, the Series C Preferred Stock shall rank (i) senior to the Corporation's common stock and any other class or series of preferred stock that by its terms ranks junior to the Series C Preferred Stock, (ii) equally with all existing and future series of preferred stock that does not by its terms so provide, including the Series B Preferred Stock and (iii) junior to all existing and future indebtedness and other liabilities of the Corporation any class or series of preferred stock that expressly provides in the articles of amendment creating such preferred stock that it ranks senior to the Series C Preferred Stock (subject to any requisite consents prior to issuance).

(b) <u>Number of Shares</u>.

The number of authorized shares of Series C Preferred Stock shall be 5,750. That number from time to time may be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series C Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation (or a duly authorized committee thereof) and by the filing of a certificate pursuant to the provisions of R.S. 12:1-1006 of the LBCA stating that such increase or decrease, as the case may be, has been so authorized. The Corporation may from time to time, without notice to or the consent of holders of the Series C Preferred Stock, issue additional shares of Series C Preferred Stock, provided that if the additional shares are not fungible for U.S. federal income tax purposes with the initial shares of such series, the additional shares shall be issued under a separate CUSIP number. The additional shares would form a single series together with all previously issued shares of Series C Preferred Stock.

(c) <u>Definitions</u>.

As used herein with respect to Series C Preferred Stock:

(i) "*Business Day*" shall mean (i) with respect to the Fixed Rate Period, any weekday in New York, New York that is not a day on which banking institutions in such city are authorized or required by law, regulation, or executive order to be closed and (ii) with respect to the Floating Rate Period, any weekday in New York, New York that is not a day on which banking institutions in such city are authorized or required by law, regulation, or executive order to be closed, and additionally, is a London Banking Day.

(ii) "*Dividend Determination Date*" shall have the meaning set forth in Section (d)(vii) hereof.

(iii) "*Dividend Payment Dates*" shall have the meaning set forth in Section (d)(ii) hereof.

(iv) "*Dividend Period*" shall mean the period from, and including, each Dividend Payment Date to, but excluding, the next succeeding Dividend Payment Date, except for the initial Dividend Period, which shall be the period from, and including, May 9, 2016 to, but excluding, the next succeeding Dividend Payment Date.

(v) "*Fixed Rate Period*" shall have the meaning set forth in Section (d)(i) hereof.

(vi) "*Floating Rate Period*" shall have the meaning set forth in Section (d)(i) hereof.

(vii) "*Junior Stock*" shall mean the Corporation's common stock and any other class or series of the Corporation's capital stock over which the Series C Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on the liquidation, dissolution or winding up of the Corporation.

(viii) *"Liquidation Preference"* shall mean $10,000 per share of Series C Preferred Stock.

(ix) "*London Banking Day*" shall mean any day on which commercial banks are open dealings in deposits in U.S. dollars in the London interbank market.

(x) "*Nonpayment*" shall have the meaning set forth in Section (g)(ii) hereof.

(xi) "*Optional Redemption*" shall have the meaning set forth in Section (f)(i) hereof.

(xii) "*Parity Stock*" shall mean any class or series of the Corporation's capital stock that ranks on a par with the Series C Preferred Stock in the payment of dividends and in the distribution of assets on the liquidation, dissolution or winding up of the Corporation, which shall include the Series B Preferred Stock and any other class or series of the Corporation's stock hereafter authorized that ranks on a par with the Series C Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(xiii) "*Preferred Stock Directors*" shall have the meaning set forth in Section (g)(ii) hereof.

(xiv) "*Regulatory Capital Treatment Event*" shall mean a good faith determination by the Corporation that, as a result of any (i) amendment to, clarification of, or change (including any announced prospective change) in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of the Series C Preferred Stock; (ii) proposed change in those laws or regulations that is announced or becomes effective after the initial issuance of the Series C Preferred Stock; or (iii) official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced or becomes effective after the initial issuance of the Series C Preferred Stock, there is more than an insubstantial risk that the Corporation shall not be entitled to treat the full liquidation value of the Series C Preferred Stock then outstanding as "Tier 1 Capital" (or its equivalent) for purposes of the capital adequacy laws or regulations of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy laws or regulations of any successor appropriate federal banking agency), as then in effect and applicable, for as long as any share of Series C Preferred Stock is outstanding.

(xv) "*Regulatory Event Redemption*" shall have the meaning set forth in Section f(ii) hereof.

(xvi) "*Series C Preferred Stock*" shall have the meaning set forth in Section (a) hereof.

(xvii) *"Spread"* shall have the meaning set forth in Section (d)(i) hereof.

(xviii) "*Three-month LIBOR*" shall mean the London interbank offered rate for deposits in U.S. dollars for a three month period, as that rate appears on Reuters screen page "LIBOR01" (or any successor or replacement page) at approximately 11:00 a.m., London time, on the relevant Dividend Determination Date. If no offered rate appears on Reuters screen page "LIBOR01" (or any successor or replacement page) on the relevant Dividend Determination Date at approximately 11:00 a.m., London time, then the calculation agent, in consultation with the Corporation, shall select four major banks in the London interbank market and shall request each of their principal London offices to provide a quotation of the rate at which three-month deposits in U.S. dollars in amounts of at least $1,000,000 are offered by it to prime banks in the London interbank market, on that date and at that time. If at least two quotations are provided, Three-month LIBOR shall be the arithmetic average (rounded upward if necessary to the nearest .00001 of 1%) of the quotations provided. Otherwise, the Calculation Agent in consultation with the Corporation shall select three major banks in New York City and shall request each of them to provide a quotation of the rate offered by it at approximately 11:00 a.m., New York City time, on the Dividend Determination Date for loans in U.S. dollars to leading European banks for a three month period for the applicable Dividend Period in an amount of at least $1,000,000. If three quotations are provided, Three-month LIBOR shall be the arithmetic average of the quotations provided. Otherwise, Three-month LIBOR for the next Dividend Period shall be equal to Three-month LIBOR in effect for the then-current Dividend Period or, in the case of the first Dividend Period in the Floating Rate Period, the most recent rate on which Three-month LIBOR could have been determined in accordance with the first sentence of this Section had the dividend rate been a floating rate during the Fixed Rate Period.

(xix) "*Voting Parity Stock*" shall have the meaning set forth in Section (g)(ii) hereof.

(d) Dividends.

(i) Holders of the Series C Preferred Stock shall be entitled to receive, only when, as, and if declared by the Corporation's Board of Directors (or a duly authorized committee thereof), out of assets legally available under applicable law for payment, non-cumulative cash dividends based on the Liquidation Preference, and no more, at a rate equal to (1) 6.60% per annum, for each quarterly Dividend Period occurring from, and including, the original issue date of the Series C Preferred Stock to, but excluding, May 1, 2026 (the "*Fixed Rate Period*"), and (2) thereafter, Three-month LIBOR plus a spread of 492 basis points per annum (the "*Spread*"), for each quarterly Dividend Period beginning May 1, 2026 (the "*Floating Rate Period*").

(ii) When, as, and if declared by the Corporation's Board of Directors (or a duly authorized committee thereof), the Corporation shall pay cash dividends on the Series C Preferred Stock quarterly, in arrears, on February 1, May 1, August 1, and November 1 of each year (each such date, a "*Dividend Payment Date*"), beginning on August 1, 2016, and, when, as and if declared by the Corporation's Board of Directors (or a duly authorized committee thereof). The Corporation shall pay cash dividends to the holders of record of shares of the Series C Preferred Stock as such holders appear on the Corporation's stock register on the applicable record date, which shall be the fifteenth calendar day before that Dividend Payment Date or such other record date fixed by our Board of Directors (or a duly authorized committee thereof) that is not more than 60 nor less than 10 days prior to such Dividend Payment Date.

(iii) If any Dividend Payment Date on or prior to May 1, 2026 is a day that is not a Business Day, then the dividend with respect to that Dividend Payment Date shall instead be paid on the immediately succeeding Business Day, without interest or other payment in respect of such delayed payment. If any Dividend Payment Date after May 1, 2026 is a day that is not a Business Day, then the Dividend Payment Date shall be the immediately succeeding Business Day unless such day falls in the next calendar month, in which case the Dividend Payment Date shall instead be the immediately preceding day that is a Business Day, and dividends will accumulate to the Dividend Payment Date as so adjusted.

(iv) The Corporation shall calculate dividends on the Series C Preferred Stock for the Fixed Rate Period on the basis of a 360-day year of twelve 30-day months. The Corporation shall calculate dividends on the Series C Preferred Stock for the Floating Rate Period on the basis of the actual number of days in a Dividend Period and a 360-day year. Dollar amounts resulting from such calculation shall be rounded to the nearest cent, with one-half cent being rounded upward.

(v) Dividends on the Series C Preferred Stock shall not be cumulative or mandatory. If the Corporation's Board of Directors (or a duly authorized committee thereof) does not declare a dividend on the Series C Preferred Stock for any Dividend Period prior to the related Dividend Payment Date, that dividend shall not accumulate, and the Corporation shall have no obligation to pay a dividend for that Dividend Period at any time, whether or not dividends on the Series C Preferred Stock or any other series of our preferred stock or common stock are declared for any future Dividend Period.

(vi) Dividends on the Series C Preferred Stock shall accumulate from the original issue date of the Series C Preferred Stock at the then-applicable dividend rate on the liquidation preference amount of $10,000 per share. If the Corporation issues additional shares of the Series C Preferred Stock, dividends on those additional shares shall accumulate from the original issue date of those additional shares at the then-applicable dividend rate.

(vii) The dividend rate for each Dividend Period in the Floating Rate Period shall be determined by the Calculation Agent using Three-month LIBOR as in effect on the second London Banking Day prior to the beginning of the Dividend Period, which date shall be the "*Dividend Determination Date*" for the relevant Dividend Period. The Calculation Agent then shall add Three-month LIBOR as determined on the Dividend Determination Date and the applicable Spread. Once the dividend rate for the Series C Preferred Stock is determined, the Calculation Agent shall deliver that information to the Corporation and the Transfer Agent. Absent manifest error, the Calculation Agent's determination of the dividend rate for a Dividend Period for the Series C Preferred Stock shall be final.

(viii) So long as any share of Series C Preferred Stock remains outstanding:

(1) no dividend shall be declared and paid or set aside for payment and no distribution shall be declared and made or set aside for payment on any Junior Stock (other than a dividend payable solely in shares of Junior Stock or any dividend in connection with the implementation of a stockholder rights plan or the redemption or repurchase of any rights under such a plan);

(2) no shares of Junior Stock shall be repurchased, redeemed, or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange for or conversion into Junior Stock, through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock or pursuant to a contractually binding requirement to buy Junior Stock pursuant to a binding stock repurchase plan existing prior to the most recently completed Dividend Period), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation; and

(3) no shares of Parity Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation (other than pursuant to pro rata offers to purchase all, or a pro rata portion, of the Series C Preferred Stock and such Parity Stock, through the use of the proceeds of a substantially contemporaneous sale of other shares of Parity Stock or Junior Stock, as a result of a reclassification of Parity Stock for or into other Parity Stock, or by conversion into or exchange for Junior Stock),

during a Dividend Period, unless, in each case, the full dividends for the most recently completed Dividend Period on all outstanding shares of the Series C Preferred Stock have been declared and paid in full or declared and a sum sufficient for the payment of those dividends has been set aside. The foregoing limitations shall not apply to purchases or acquisitions of the Corporation's Junior Stock pursuant to any employee or director incentive or benefit plan or arrangement (including any of the Corporation's employment, severance, or consulting agreements) of the

Corporation or of any of the Corporation's subsidiaries heretofore or hereafter adopted.

(ix) Except as provided below, for so long as any share of Series C Preferred Stock remains outstanding, the Corporation shall not declare, pay, or set aside for payment full dividends on any Parity Stock unless the Corporation has paid in full, or set aside payment in full, in respect of all accumulated dividends for all Dividend Periods for outstanding shares of Series C Preferred Stock. To the extent that the Corporation declares dividends on the Series C Preferred Stock and on any Parity Stock but cannot make full payment of such declared dividends, the Corporation shall allocate the dividend payments on a pro rata basis among the holders of the shares of Series C Preferred Stock and the holders of any Parity Stock then outstanding. For purposes of calculating the pro rata allocation of partial dividend payments, the Corporation shall allocate dividend payments based on the ratio between the then current and accumulated dividend payments due on the shares of Series C Preferred Stock and (1) in the case of cumulative Parity Stock the aggregate of the accumulated and unpaid dividends due on any such Parity Stock and (2) in the case of non-cumulative Parity Stock the aggregate of the declared but unpaid dividends due on any such Parity Stock. No interest shall be payable in respect of any dividend payment on Series C Preferred Stock that may be in arrears.

(x) Subject to the foregoing conditions, and not otherwise, dividends (payable in cash, stock, or otherwise), as may be determined by the Corporation's Board of Directors (or a duly authorized committee thereof), may be declared and paid on the Corporation's common stock and any Junior Stock from time to time out of any funds legally available for such payment, and the holders of the Series C Preferred Stock shall not be entitled to participate in such dividends.

(e) Liquidation Rights.

(i) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of the shares of Series C Preferred Stock then outstanding shall be entitled to be paid out of the Corporation's assets legally available for distribution to the Corporation's stockholders, before any distribution of assets is made to holders of common stock or any other Junior Stock, a liquidating distribution in the amount equal to the sum of (1) the Liquidation Preference, plus (2) the sum of any declared and unpaid dividends for prior Dividend Periods prior to the Dividend Period in which the liquidation distribution is made and any declared and unpaid dividends for the then current Dividend Period in which the liquidation distribution is made to the date of such liquidation distribution. After payment of the full amount of the liquidating distributions to which they are entitled pursuant to the foregoing, the holders of Series C Preferred Stock shall have no right or claim to any remaining assets of the Corporation.

(ii) In the event that, upon any such voluntary or involuntary liquidation, dissolution or winding up, the available assets of the Corporation are insufficient to pay the amount of the liquidating distributions on all outstanding shares of Series C Preferred Stock and the corresponding amounts payable on all shares of Parity Stock in the distribution of assets upon any liquidation, dissolution or winding up of the Corporation, then the holders of the Series C Preferred Stock and such Parity Stock shall share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they respectively would be entitled.

(iii) For the purposes of this Section (e), the merger or consolidation of the Corporation with or into any other entity or by another entity with or into the Corporation or the sale, lease, exchange or other transfer of all or substantially all of the assets of the Corporation (for cash, securities or other consideration) shall not be deemed to constitute the liquidation, dissolution or winding up of the Corporation. If the Corporation enters into any merger or consolidation transaction with or into any other entity and the Corporation is not the surviving entity in such transaction, the Series C Preferred Stock may be converted into shares of the surviving or successor corporation or the direct or indirect parent of the surviving or successor corporation having terms identical to the terms of the Series C Preferred Stock set forth herein.

(f) Redemption Rights.

(i) Subject to the further terms and conditions provided herein, the Corporation may redeem the Series C Preferred Stock, in whole or in part, at its option, for cash, on any Dividend Payment Date on or after May 1, 2026, with not less than 30 days' and not more than 60 days' notice ("*Optional Redemption*"), subject to the approval of the appropriate federal banking agency, at the redemption price provided in Section (f)(iii) below. Dividends shall not accumulate on those shares of Series C Preferred Stock so redeemed on and after the applicable redemption date.

(ii) In addition, the Corporation may, redeem the Series C Preferred Stock, in whole but not in part, at its option, for cash, at any time within 90 days following a Regulatory Capital Treatment Event, subject to the approval of the appropriate federal banking agency, at the redemption price provided in Section (f)(iii) below (a "*Regulatory Event Redemption*").

(iii) The redemption price for any redemption of Series C Preferred Stock, whether an Optional Redemption or Regulatory Event Redemption, shall be equal to (i) $10,000 per share of Series C Preferred Stock, plus any declared and unpaid dividends (without regard to any undeclared dividends) to, but excluding, the date of redemption.

(iv) Any notice given as provided in this Section (f) shall be conclusively presumed to have been duly given, whether or not the holder receives the notice, and any defect in the notice or in the provision of the notice, to any holder of shares of Series C Preferred Stock designated for redemption will not affect the redemption of any other shares of Series C Preferred Stock. Any notice provided to a holder of Series C Preferred Stock shall be deemed given on the date provided, whether or not the holder actually receives the notice. A notice of redemption shall be given not less than 30 days and not more than 60 days prior to the date of redemption specified in the notice, and shall specify (i) the redemption date, (ii) the redemption price, (iii) if fewer than all shares of Series C Preferred Stock are to be redeemed, the number of shares of Series C Preferred Stock to be redeemed and (iv) the manner in which holders of Series C Preferred Stock called for redemption may obtain payment of the redemption price in respect of those shares. Notwithstanding anything to the contrary in this paragraph, if the Series C Preferred Stock is issued in book-entry form through The Depositary Trust Company or any other similar facility, notice of redemption may be given to the holders of Series C Preferred Stock at such time and in any manner permitted by such facility.

(v) If notice of redemption of any shares of Series C Preferred Stock has been given by the Corporation and if the funds necessary for such redemption have been set aside by the Corporation in trust for the benefit of the holders of any shares of Series C Preferred Stock, then from and after the Redemption Date such shares of Series C Preferred Stock shall no longer be outstanding for any purpose, all dividends with respect to such shares of Series C Preferred Stock shall cease to accumulate from the Redemption Date and all rights of the holders of such shares shall terminate, except the right to receive the Redemption Price, without interest. Series C Preferred Stock redeemed pursuant to this Section (f) or purchased or otherwise acquired for value by the Corporation shall, after such acquisition, have the status of authorized and unissued shares of preferred stock and may be reissued by the Corporation at any time as shares of any series of preferred stock other than as Series C Preferred Stock.

(vi) In the event that fewer than all the outstanding shares of Series C Preferred Stock are to be redeemed, the shares of Series C Preferred Stock to be redeemed shall be selected either pro rata or by lot or in such other manner as the Board of Directors of the Corporation (or a duly authorized committee thereof), determines to be fair and equitable, subject to the provisions hereof. The Board of Directors of the Corporation (or a duly authorized committee thereof) shall have the full power and authority to prescribe the terms and conditions upon which such shares of Series C Preferred Stock may be redeemed from time to time.

(vii) No holder of Series C Preferred Stock shall have the right to require the redemption of the Series C Preferred Stock.

(g) Voting Rights.

(i) Holders of Series C Preferred Stock shall not have any voting rights, except as set forth below or as otherwise required by the Louisiana Business Corporation Act.

(ii) Whenever dividends payable on the Series C Preferred Stock or any other class or series of preferred stock ranking equally with the Series C Preferred Stock, including the Series B Preferred Stock, as to payment of dividends, and upon which voting rights equivalent to those described in this paragraph have been conferred and are exercisable, have not been declared and paid in an aggregate amount equal to, as to any class or series, the equivalent of at least six or more quarterly Dividend Periods, whether or not for consecutive Dividend Periods (a “*Nonpayment*”), the holders of outstanding shares of the Series C Preferred Stock voting as a class with holders of shares of any other series of our preferred stock ranking equally with the Series C Preferred Stock, including the Series B Preferred Stock, as to payment of dividends, and upon which like voting rights have been conferred and are exercisable (“*Voting Parity Stock*”), shall be entitled to vote for the election of two additional directors of the Board of Directors of the Corporation on the terms set forth in this Section (g) (and to fill any vacancies in the terms of such directorships) (the “*Preferred Stock Directors*”). Holders of all series of our Voting Parity Stock shall vote as a single class. In the event that the holders of the shares of the Series C Preferred Stock are entitled to vote as described in this Section (g), the number of members of the Corporation’s Board of Directors at that time shall be increased by two directors, and the holders of the Series C Preferred Stock shall have the right, as members of that class, to elect two directors at a special meeting called at the request of the holders of record of at least 20% of the aggregate voting power of the Series C Preferred Stock or any other series of Voting Parity Stock (unless such request is received less than 90 days before the date fixed for the Corporation's next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of the stockholders), provided that the election of any Preferred Stock Directors shall not cause the Corporation to violate the corporate governance requirements of the NASDAQ Global Select Market (or any other exchange on which the securities of the Corporation may at such time be listed) that listed companies must have a majority of independent directors, and provided further that at no time shall the Board of Directors of the Corporation include more than two Preferred Stock Directors.

(iii) The Preferred Stock Directors elected at any such special meeting shall hold office until the next annual meeting of the Corporation's stockholders unless they have been previously terminated or removed pursuant to Section (g)(iv). In case any vacancy in the office of a Preferred Stock Director occurs (other than prior to the initial election of the Preferred Stock Directors), the vacancy may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by the vote of the holders of the Series C Preferred Stock (together with holders of any Voting Parity Stock) to serve until the next annual meeting of the stockholders.

(iv) When the Corporation has paid full dividends on the Series C Preferred Stock for the equivalent of at least four quarterly Dividend Periods, following a Nonpayment, then the right of the holders of Series C Preferred Stock to elect the Preferred Stock Directors set forth in this Section (g) shall cease (except as provided by law and subject always to the same provisions for the vesting of the special voting rights in the case of any future Nonpayment). Upon termination of the right of the holders of the Series C Preferred Stock and Voting Parity Stock to vote for Preferred Stock Directors as set forth in this Section (g), the term of office of all Preferred Stock Directors then in office elected by only those holders shall terminate immediately. Whenever the term of office of the Preferred Stock Directors ends and the related voting rights have expired, the number of directors automatically will be decreased to the number of directors as otherwise would prevail. Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of the Series C Preferred Stock (together with holders of any Voting Parity Stock) when they have the voting rights described in Section (g)(ii).

(v) So long as any shares of Preferred Stock remain outstanding, the Corporation shall not, without the affirmative vote or consent of holders of at least 66 2/3% in voting power of the Series C Preferred Stock and any Voting Parity Stock, voting together as a single class, given in person or by proxy, either in writing without a meeting or at any meeting called for the purpose, authorize, create or issue any capital stock ranking senior to the Series C Preferred Stock as to dividends or the distribution of assets upon liquidation, dissolution or winding up, or reclassify any authorized capital stock into any such shares of such capital stock or issue any obligation or security convertible into or evidencing the right to purchase any such shares of capital stock. Further, so long as any shares of the Series C Preferred Stock remain outstanding, the Corporation shall not, without the affirmative vote of the holders of at least 66 2/3% in voting power of the Series C Preferred Stock, amend, alter or repeal any provision of these Articles of

Amendment or the Articles of Incorporation of the Corporation, including by merger, consolidation or otherwise, so as to affect the powers, preferences or special rights of the Series C Preferred Stock.

Notwithstanding the foregoing, (i) any increase in the amount of authorized common stock or authorized preferred stock, or any increase or decrease in the number of shares of any series of preferred stock, or the authorization, creation and issuance of other classes or series of capital stock, in each case ranking on parity with or junior to the shares of the Series C Preferred Stock as to dividends and distribution of assets upon liquidation, dissolution or winding up, shall not be deemed to affect such powers, preferences or special rights and (ii) a merger or consolidation of the Corporation with or into another entity in which the shares of the Series C Preferred Stock (A) remain outstanding or (B) are converted into or exchanged for preference securities of the surviving entity or any entity, directly or indirectly, controlling such surviving entity and such new preference securities have powers, preferences and special rights that are not materially less favorable than the Series C Preferred Stock shall not be deemed to affect the powers, preferences or special rights of the Series C Preferred Stock.

(vi) Notice for a special meeting to elect the Preferred Stock Directors shall be given in a similar manner to that provided in the Corporation's By-laws for a special meeting of the stockholders. If the secretary of the Corporation does not call a special meeting within 20 days after receipt of any such request, then any holder of Series C Preferred Stock may (at the Corporation's expense) call such meeting, upon notice as provided in this Section (g)(vi), and for that purpose shall have access to the stock register of the Corporation.

(vii) Except as otherwise set forth in Section (g)(vi) hereof, the rules and procedures for calling and conducting any meeting of the holders of Series C Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules that the Board of Directors of the Corporation (or a duly authorized committee thereof), in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Articles of Incorporation of the Corporation, the By-laws of the Corporation, and applicable laws and the rules of any national securities exchange or other trading facility on which Series C Preferred Stock is listed or traded at the time.

(h) Conversion Rights.

The holders of Series C Preferred Stock shall not have any rights to convert such shares into shares of any other class or series of stock or into any other securities of, or any interest or property in, the Corporation.

(i) No Sinking Fund.

No sinking fund shall be established for the retirement or redemption of Series C Preferred Stock.

(j) No Preemptive or Subscription Rights.

No holder of Series C Preferred Stock of the Corporation shall, as such holder, have any preemptive right to purchase or subscribe for any additional shares of stock of the Corporation or any other security of the Corporation that it may issue or sell.

(k) No Other Rights.

The Series C Preferred Stock shall not have any designations, preferences or relative, participating, optional or other special rights except as set forth herein or in the Company's Articles of Incorporation or as otherwise required by applicable law.

[On March 18, 2019, a duly authorized committee of the Board of Directors of the Corporation, pursuant to the authority duly delegated to the committee by the Board of Directors and pursuant to the authority conferred upon the Board of Directors by the Articles of Incorporation of the Corporation, duly adopted by resolutions, acting without shareholder approval in accordance with R.S. 12:1-1005(8), approving an amendment to the Corporation's Articles of Incorporation to add the following as Section F to Article 4 of the Corporation's Articles of Incorporation:]

F. 6.60% Fixed-to-Floating Non-Cumulative Perpetual Preferred Stock, Series D.Pursuant to the provisions of the Articles of Incorporation of the Corporation and applicable law, a series of preferred stock, par value $1.00 per share, of the Corporation be and hereby is created and the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

(a) Designation.

The designation of the series of preferred stock shall be "6.100% Fixed-to-Floating Non-Cumulative Perpetual Preferred Stock, Series D" (the "Series D Preferred Stock"). With respect to payment of dividends and distributions upon the Corporation's liquidation, dissolution or winding up, the Series D Preferred Stock shall rank (i) senior to the Corporation's common stock and any other class or series of capital stock that by its terms ranks junior to the Series D Preferred Stock, (ii) equally with all existing and future series of capital stock that does not by its terms so provide, including the Series B Preferred Stock and the Series C Preferred Stock and (iii) junior to all existing and future indebtedness and other liabilities of the Corporation any class or series of capital stock that expressly provides in the articles of amendment creating such preferred stock that it ranks senior to the Series D Preferred Stock (subject to any requisite consents prior to issuance).

(b) Number of Shares.

The number of authorized shares of Series D Preferred Stock shall be 10,000. That number from time to time may be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series D Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation (or a duly authorized committee thereof) and by the filing of a certificate pursuant to the provisions of R.S. 12:1-1006 of the LBCA stating that such increase or decrease, as the case may be, has been so authorized. The Corporation may from time to time, without notice to or the consent of holders of the Series D Preferred Stock, issue additional shares of Series D Preferred Stock, provided that if the additional shares are not fungible for U.S. federal income tax purposes with the initial shares of such series, the additional shares shall be issued under a separate CUSIP number. The additional shares would form a single series together with all previously issued shares of Series D Preferred Stock.

(c) Definitions.

As used herein with respect to Series D Preferred Stock:

(i) "*Adjustments*" shall have the meaning set forth in Section (c)(xxv)(2) hereof.

(ii) "*Alternative Rate*" shall have the meaning set forth in Section (c)(xxv)(2) hereof.

(iii) "*Business Day*" shall mean (i) with respect to the Fixed Rate Period, any weekday in New York, New York that is not a day on which banking institutions in such city are authorized or required by law, regulation, or executive order to be closed and (ii) with respect to the Floating Rate Period, any weekday in New York, New York that is not a day on which banking institutions in such city are authorized or required by law, regulation, or executive order to be closed, and additionally, is a London Banking Day.

(iv) "*Calculation Agent*" shall mean, at any time, the Corporation, an entity affiliated with the Corporation, or the person or entity appointed by the Corporation pursuant to a calculation agent agreement between the Corporation and a calculation agent and serving as such agent with respect to Series D Preferred Stock at such time (including any successor to such person or entity). The Corporation will be the calculation agent for Series D Preferred Stock as of the original issue date.

(v) "*Dividend Determination Date*" shall have the meaning set forth in Section (d)(vii) hereof.

(vi) "*Dividend Payment Dates*" shall have the meaning set forth in Section (d)(ii) hereof.

(vii) "*Dividend Period*" shall mean the period from, and including, each Dividend Payment Date to, but excluding, the next succeeding Dividend Payment Date, except for the initial Dividend Period, which shall be the period from, and including, the original issue date to, but excluding, the next succeeding Dividend Payment Date.

(viii) "*Fixed Rate Period*" shall have the meaning set forth in Section (d)(i) hereof.

(ix) "*Floating Rate Period*" shall have the meaning set forth in Section (d)(i) hereof.

(x) "*Junior Stock*" shall mean the Corporation's common stock and any other class or series of the Corporation's capital stock over which the Series D Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on the liquidation, dissolution or winding up of the Corporation.

(xi) "*IFA*" shall have the meaning set forth in Section (c)(xxv)(2) hereof.

(xii) "*LIBOR Event*" shall have the meaning set forth in Section (c)(xxv)(2) hereof.

(xiii) "*Liquidation Preference*" shall mean $10,000 per share of Series D Preferred Stock.

(xiv) "*London Banking Day*" shall mean any day on which commercial banks are open dealings in deposits in U.S. dollars in the London interbank market.

(xv) "*Nonpayment*" shall have the meaning set forth in Section (g)(ii) hereof.

(xvi) "*Optional Redemption*" shall have the meaning set forth in Section (f)(i) hereof.

(xvii) "*Parity Stock*" shall mean any class or series of the Corporation's capital stock that ranks on a par with the Series D Preferred Stock in the payment of dividends and in the distribution of assets on the liquidation, dissolution or winding up of the Corporation, which shall include the Series B Preferred Stock and the Series C Preferred Stock and any other class or series of the Corporation's capital stock hereafter authorized that ranks on a par with the Series D Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(xviii) "*Preferred Stock Directors*" shall have the meaning set forth in Section (g)(ii) hereof.

(xix) "*Regulatory Capital Treatment Event*" shall mean a good faith determination by the Corporation that, as a result of any (i) amendment to, clarification of, or change (including any announced prospective change) in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of the Series D Preferred Stock; (ii) proposed change in those laws or regulations that is announced or becomes effective after the initial issuance of the Series D Preferred Stock; or (iii) official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced or becomes effective after the initial issuance of the Series D Preferred Stock, there is more than an insubstantial risk that the Corporation *shall* not be entitled to treat the full liquidation value of the Series D Preferred Stock then outstanding as "Tier 1 Capital" (or its equivalent) for purposes of the capital adequacy laws or regulations of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy laws or regulations of any successor appropriate federal banking agency), as then in effect and applicable, for as long as any share of Series D Preferred Stock is outstanding.

(xx) "*Regulatory Event Redemption*" shall have the meaning set forth in Section f(ii) hereof.

(xxi) "*Series B Preferred Stock*" shall mean the 6.625% Fixed-to-Floating Non-Cumulative Perpetual Preferred Stock, Series B, of the Corporation.

(xxii) "*Series C Preferred Stock*" shall mean the 6.60% Fixed-to-Floating Non-Cumulative Perpetual Preferred Stock, Series C, of the Corporation.

(xxiii) "*Series D Preferred Stock*" shall have the meaning set forth in Section (a) hereof.

(xxiv) "*Spread*" shall have the meaning set forth in Section (d)(i) hereof.

(xxv) "*Three-month LIBOR*" shall mean, for each Dividend Determination Date related to the Floating-Rate Period, the rate determined by the Calculation Agent as follows:

(1) The London interbank offered rate for deposits in U.S. dollars for a three month period, as that rate appears on Reuters screen page "LIBOR01" (or any successor or replacement page) at approximately 11:00 a.m., London time, on the relevant Dividend Determination Date.

(2) If no offered rate appears on Reuters screen page "LIBOR01" (or any successor or replacement page) on the relevant Dividend Determination Date at approximately 11:00 a.m., London time, then the Calculation Agent, in consultation with the Corporation, shall select four major banks in the London interbank market and shall request each of their principal London offices to provide a quotation of the rate at which three-month deposits in U.S. dollars in amounts of at least $1,000,000 are offered by it to prime banks in the London interbank market, on that date and at that time. If at least two quotations are provided, Three-month LIBOR shall be the arithmetic average (rounded upward if necessary to the nearest .00001 of 1%) of the quotations provided. Otherwise, the Calculation Agent in consultation with the Corporation shall select three major banks in New York City and shall request each of them to provide a quotation of the rate offered by it at approximately 11:00 a.m., New York City time, on the Dividend Determination Date for loans in U.S. dollars to leading European banks for a three month period for the applicable Dividend Period in an amount of at least $1,000,000. If three quotations are provided, Three-month LIBOR shall be the arithmetic average of the quotations provided. Otherwise, if a LIBOR Event (as defined below) has not occurred, Three-month LIBOR for the next Dividend Period shall be equal to Three-month LIBOR in effect for the then-current Dividend Period or, in the case of the first Dividend Period in the Floating Rate Period, the most recent rate on which Three-month LIBOR could have been determined in accordance with the first sentence of this Section had the dividend rate been a floating rate during the Fixed Rate Period.

(3) Notwithstanding clauses (1) and (2) above, if the Corporation, in its sole discretion, determines on the relevant Dividend Determination Date that the Three-month LIBOR has been permanently discontinued or is no longer viewed as an acceptable benchmark for securities like the Series D Preferred Stock, and the Corporation has notified the Calculation Agent (if it is not the Corporation) of such determination (a " *LIBOR Event* "), then the Calculation Agent will use, as directed by the Corporation, as a substitute or successor base rate (the " *Alternative Rate* ") for each future Dividend Determination Date, the alternative reference rate selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) that is consistent with market practice regarding a substitute for the Three-month LIBOR. As part of such substitution, the Calculation Agent will, as directed by the Corporation, make such adjustment to the Alternative Rate or the spread thereon, as well as the business day convention, the Dividend Determination Date and related provisions and definitions (" *Adjustments* "), in each case that are consistent with marketpractice for the use of such Alternative Rate. Notwithstanding the

foregoing, if the Calculation Agent determines that there is no alternative reference rate selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) that is consistent with market practice regarding a substitute for Three-month LIBOR, the Corporation may, in its sole discretion, appoint an independent financial advisor (" *IFA* ") to determine an appropriate Alternative Rate and any Adjustments, and the decision of the IFA will be binding on the Corporation, the Calculation Agent and the holders of the Series D Preferred Stock. If on any Dividend Determination Date during the Floating-Rate Period (which may be the first Dividend Determination Date of the Floating-Rate Period) a LIBOR Event has occurred prior to such Dividend Determination Date and for any reason an Alternative Rate has not been determined or there is no such market practice for the use of such Alternative Rate (and, in each case, an IFA has not determined an appropriate Alternative Rate and Adjustments or an IFA has not been appointed) as of such Dividend Determination Date, then commencing on such Dividend Determination Date the dividend rate, Business Day convention and manner of calculating dividends applicable during the Fixed-Rate Period will be in effect for the applicable Dividend Period and will remain in effect during the remainder of the Floating-Rate Period. The establishment of Three-month LIBOR for each Dividend Period by the Calculation Agent (including, for the avoidance of doubt, at the direction of the Corporation in the case of clause (2)) or IFA, as applicable, shall (in the absence of manifest error) be final and binding. For the avoidance of doubt, any Adjustments made pursuant to clause (2) of the definition of "Three-month LIBOR" shall not be subject to the vote or consent of the holders of Series D Preferred Stock.

(xxvi) *"Voting Parity Stock"* shall have the meaning set forth in Section (g)(ii) hereof.

(d) <u>Dividends.</u>

(i) Holders of the Series D Preferred Stock shall be entitled to receive, only when, as, and if declared by the Corporation's Board of Directors (or a duly authorized committee thereof), out of assets legally available under applicable law for payment, non-cumulative cash dividends based on the Liquidation Preference, and no more, at a rate equal to (1) 6.100% per annum, for each semi-annual Dividend Period occurring from, and including, the original issue date of the Series D Preferred Stock to, but excluding, May 1, 2024 (the *"Fixed Rate Period"),* and (2) thereafter, Three-month LIBOR plus a spread of 385.9 basis points per annum (the *"Spread"),* for each quarterly Dividend Period beginning May 1, 2024 (the *"Floating Rate Period)* , subject to potential adjustment as provided in clause (3) of the definition of three-month LIBOR .

(ii) When, as, and if declared by the Corporation's Board of Directors (or a duly authorized committee thereof), the Corporation shall pay cash dividends on the Series D Preferred Stock (i) semi-annually, in arrears, on May 1 and November 1 of each year, beginning on November 1, 2019 and ending on May 1, 2024, and (ii) quarterly, in arrears, on February 1, May 1, August 1, and November 1, beginning on August 1, 2024, subject to potential adjustment as provided in clause (3) of the definition of three-month LIBOR (each such date, a *"Dividend Payment Date"*). The Corporation shall pay cash dividends to the holders of record of shares of the Series D Preferred Stock as such holders appear on the Corporation's stock register on the applicable record date, which shall be the fifteenth calendar day before that Dividend Payment Date or such other record date fixed by our Board of Directors (or a duly authorized committee thereof) that is not more than 60 nor less than 10 days prior to such Dividend Payment Date.

(iii) If any Dividend Payment Date on or prior to May 1, 2024 is a day that is not a Business Day, then the dividend with respect to that Dividend Payment Date shall instead be paid on the immediately succeeding Business Day, without interest or other payment in respect of such delayed payment. If any Dividend Payment Date after May 1, 2024 is a day that is not a Business Day, then the Dividend Payment Date shall be the immediately succeeding Business Day unless such day falls in the next calendar month, in which case the Dividend Payment Date shall instead be the immediately preceding day that is a Business Day, and dividends will accumulate to the Dividend Payment Date as so adjusted.

(iv) The Corporation shall calculate dividends on the Series D Preferred Stock for the Fixed Rate Period on the basis of a 360-day year of twelve 30-day months. The Corporation shall calculate dividends on the Series D Preferred Stock for the Floating Rate Period on the basis of the actual number of days in a Dividend Period and a 360-day year, subject to potential adjustment as provided in clause (3) of the definition of three-month LIBOR. Dollar amounts resulting from such calculation shall be rounded to the nearest cent, with one-half cent being rounded upward.

(v) Dividends on the Series D Preferred Stock shall not be cumulative or mandatory. If the Corporation's Board of Directors (or a duly authorized committee thereof) does not declare a dividend on the Series D Preferred Stock for any Dividend Period prior to the related Dividend Payment Date, that dividend shall not accumulate, and the Corporation shall have no obligation to pay a dividend for that Dividend Period at any time, whether or not dividends on the Series D Preferred Stock or any other series of our preferred stock or common stock are declared for any future Dividend Period,

(vi) Dividends on the Series D Preferred Stock shall accumulate from the original issue date of the Series D Preferred Stock at the then-applicable dividend rate on the liquidation preference amount of $10,000 per share (equivalent to $25 per depositary share). If the Corporation issues additional shares of the Series D Preferred Stock, dividends on those additional shares shall accumulate from the original issue date of those additional shares at the then-applicable dividend rate.

(vii) The dividend rate for each Dividend Period in the Floating Rate Period shall be determined by the Calculation Agent using Three-month LIBOR as in effect on the second London Banking Day prior to the beginning of the Dividend Period, which date shall be the *"Dividend Determination Date"* for the relevant Dividend Period. The Calculation Agent then shall add Three-month LIBOR as determined on the Dividend Determination Date and the applicable Spread. Once the dividend rate for the Series D Preferred Stock is determined, the Calculation Agent shall deliver that information to the Corporation and the Transfer Agent. Absent manifest error, the determination by the Calculation Agent (or, for the avoidance of doubt, by the IFA in the case of Section (c)(xxv)(2) above) of the dividend rate for a Dividend Period for the Series D Preferred Stock shall be final.

(viii) During any Dividend Period, so long as any share of Series D Preferred Stock remains outstanding unless (i) the full dividends for the immediately preceding Dividend Period on all outstanding shares of Series D preferred stock have been paid in full or declared, and funds sufficient for the payment of those dividends set aside; and (ii) we are not in default on our obligation to redeem any shares of Series D preferred stock that have been called for redemption,

(1) no dividend shall be declared and paid or set aside for payment and no distribution shall be declared and made or set aside for payment on any Junior Stock (other than a dividend payable solely in shares of Junior Stock or any dividend in connection with the implementation of a shareholder rights plan or the redemption or repurchase of any rights under such a plan);

(2) no shares of Junior Stock shall be repurchased, redeemed, or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange for or conversion into Junior Stock, through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock or pursuant to a contractually binding requirement to buy Junior Stock pursuant to a binding stock repurchase plan existing prior to the most recently completed Dividend Period), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation; and

(3) no shares of Parity Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation (other than pursuant to pro rata offers to purchase all, or a pro rata portion, of the Series D Preferred Stock and such Parity Stock, through the use of the proceeds of a substantially contemporaneous sale of other shares of Parity Stock or Junior Stock, as a result of a reclassification of Parity Stock for or into other Parity Stock, or by conversion into or exchange for Junior Stock), during a Dividend Period.

The foregoing limitations shall not apply to purchases or acquisitions of the Corporation’s Junior Stock pursuant to any employee or director incentive or benefit plan or arrangement (including any of the Corporation’s employment, severance, or consulting agreements) of the Corporation or of any of the Corporation’s subsidiaries heretofore or hereafter adopted.

(ix) Except as provided below, for so long as any share of Series D Preferred Stock remains outstanding, the Corporation shall not declare, pay, or set aside for payment full dividends on any Parity Stock unless the Corporation has paid in full, or set aside funds sufficient for payment in full, in respect of all accumulated dividends for all Dividend Periods for outstanding shares of Series D Preferred Stock. To the extent that the Corporation declares dividends on the Series D Preferred Stock and on any Parity Stock but cannot make full payment of such declared dividends, the Corporation shall allocate the dividend payments on a pro rata basis among the holders of the shares of Series D Preferred Stock and the holders of any Parity Stock then outstanding. For purposes of calculating the pro rata allocation of partial dividend payments, the Corporation shall allocate dividend payments based on the ratio between the then current and accumulated dividend payments due on the shares of Series D Preferred Stock and (1) in the case of cumulative Parity Stock the aggregate of the accumulated and unpaid dividends due on any such Parity Stock and (2) in the case of non-cumulative Parity Stock the aggregate of the declared but unpaid dividends due on any such Parity Stock. No interest shall be payable in respect of any dividend payment on Series D Preferred Stock that may be in arrears.

(x) Subject to the foregoing conditions, and not otherwise, dividends (payable in cash, stock, or otherwise), as may be determined by the Corporation's Board of Directors (or a duly authorized committee thereof), may be declared and paid on the Corporation's common stock and any Junior Stock from time to time out of any funds legally available for such payment, and the holders of the Series D Preferred Stock shall not be entitled to participate in such dividends.

(e) Liquidation Rights.

(i) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of the shares of Series D Preferred Stock then outstanding shall be entitled to be paid out of the Corporation's assets legally available for distribution to the Corporation's shareholders, before any distribution of assets is made to holders of common stock or any other Junior Stock, a liquidating distribution in the amount equal to the sum of (1) the Liquidation Preference, plus (2) the sum of any declared and unpaid dividends for prior Dividend Periods prior to the Dividend Period in which the liquidation distribution is made and any declared and unpaid dividends for the then current Dividend Period in which the liquidation distribution is made to the date of such liquidation distribution. After payment of the full amount of the liquidating distributions to which they are entitled pursuant to the foregoing, the holders of Series D Preferred Stock shall have no right or claim to any remaining assets of the Corporation.

(ii) In the event that, upon any such voluntary or involuntary liquidation, dissolution or winding up, the available assets of the Corporation are insufficient to pay the amount of the liquidating distributions on all outstanding shares of Series D Preferred Stock and the corresponding amounts payable on all shares of Parity Stock in the distribution of assets upon any liquidation, dissolution or winding up of the Corporation, then the holders of the Series D Preferred Stock and such Parity Stock shall share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they respectively would be entitled.

(iii) For the purposes of this Section (e), the merger or consolidation of the Corporation with or into any other entity or by another entity with or into the Corporation or the sale, lease, exchange or other transfer of all or substantially all of the assets of the Corporation (for cash, securities or other consideration) shall not be deemed to constitute the liquidation, dissolution or winding up of the Corporation. If the Corporation enters into any merger or consolidation transaction with or into any other entity and the Corporation is not the surviving entity in such transaction, the Series D Preferred Stock may be converted into or exchanged for preference securities of the surviving entity or any entity, directly or indirectly, controlling such surviving entity, so long as such new preference securities have powers, preferences and special rights that are identical to the powers, preferences and special rights of the Series D Preferred Stock set forth herein.

(f) Redemption Rights.

(i) Subject to the further terms and conditions provided herein, the Corporation may redeem the Series D Preferred Stock, in whole or in part, at its option, for cash, on any Dividend Payment Date on or after May 1, 2024, with not less than 30 days' and not more than 60 days' notice *("Optional Redemption"),* subject to the approval of the appropriate federal banking agency, at the redemption price provided in Section (f)(iii) below. Dividends shall not accumulate on those shares of Series D Preferred Stock so redeemed on and after the applicable redemption date.

(ii) In addition, the Corporation may, redeem the Series D Preferred Stock, in whole but not in part, at its option, for cash, at any time within 90 days following a Regulatory Capital Treatment Event, subject to the approval of the appropriate federal banking agency, at the redemption price provided in Section (f)(iii) below (a *"Regulatory Event Redemption").*

(iii) The redemption price for any redemption of Series D Preferred Stock, whether an Optional Redemption or Regulatory Event Redemption, shall be equal to (1) $10,000 per share of Series D Preferred Stock, plus any declared and unpaid dividends (without regard to any undeclared dividends) to, but excluding, the date of redemption.

(iv) Any notice given as provided in this Section (f) shall be conclusively presumed to have been duly given, whether or not the holder receives the notice, and any defect in the notice or in the provision of the notice, to any holder of shares of Series D Preferred Stock designated for redemption will not affect the redemption of any other shares of Series D Preferred Stock. Any notice provided to a holder of Series D Preferred Stock shall be deemed given on the date provided, whether or not the holder actually receives the notice. A notice of redemption shall be given not less than 30 days and not more than 60 days prior to the date of redemption specified in the notice, and shall specify (i) the redemption date, (ii) the redemption price, (iii) if fewer than all shares of Series D Preferred Stock are to be redeemed, the number of shares of Series D Preferred Stock to be redeemed and (iv) the manner in which holders of Series D Preferred Stock called for redemption may obtain payment of the redemption price in respect of those shares. Notwithstanding anything to the *contrary* in this paragraph, if the Series D Preferred Stock is issued in book-entry form through The Depositary Trust Company or any other similar facility, notice of redemption may be given to the holders of Series D Preferred Stock at such time and in any manner permitted by such facility.

(v) if notice of redemption of any shares of Series D Preferred Stock has been given by the Corporation and if the funds necessary for such redemption have been set aside by the Corporation in trust for the benefit of the holders of any shares of Series D Preferred Stock, then from and after the Redemption Date such shares of Series D Preferred Stock shall no longer be outstanding for any purpose, all dividends with respect to such shares of Series D Preferred Stock shall cease to accumulate from the Redemption Date and all rights of the holders of such shares shall terminate, except the right to receive the Redemption Price, without interest. Series D Preferred Stock redeemed pursuant to this Section (f) or purchased or otherwise acquired for value by the Corporation shall, after such acquisition, have the status of authorized and unissued shares of preferred stock and may be reissued by the Corporation at any time as shares of any series of preferred stock other than as Series D Preferred Stock.

(vi) In the event that fewer than all the outstanding shares of Series D Preferred Stock are to be redeemed, the shares of Series D Preferred Stock to be redeemed shall be selected either pro rata or by lot or in such other manner as the Board of Directors of the Corporation (or a duly authorized committee thereof), determines to be fair and equitable, subject to the provisions hereof. The Board of Directors of the Corporation (or a duly authorized committee thereof) shall have the full power and authority to prescribe the terms and conditions upon which such shares of Series D Preferred Stock may be redeemed from time to time.

(vii) No holder of Series D Preferred Stock shall have the right to require the redemption of the Series D Preferred Stock.

(g) Voting Rights.

(i) Holders of Series D Preferred Stock shall not have any voting rights, except as set forth below or as otherwise required by the Louisiana Business Corporation Act.

(ii) Whenever dividends payable on the Series D Preferred Stock or any other class or series of preferred stock ranking equally with the Series D Preferred Stock, including the Series B Preferred Stock and Series C Preferred Stock, as to payment of dividends, and upon which voting rights equivalent to those described in this paragraph have been conferred and are exercisable, have not been declared and paid in an aggregate amount equal to, as to any class or series, the equivalent of at least three Fixed Rate Periods or at least six Floating Rate Periods, as applicable, whether or not for consecutive Dividend Periods (a *"Nonpayment"),* the holders of outstanding shares of the Series D Preferred Stock voting as a class with holders of shares of any other series of our preferred stock ranking equally with the Series D Preferred Stock, including the Series B Preferred Stock and the Series C Preferred Stock, as to payment of dividends, and upon which like voting rights have been conferred and are exercisable *("Voting Parity Stock"),* shall be entitled to vote for the election of two additional directors of the Board of Directors of the Corporation on the terms set forth in this Section (g) (and to fill any vacancies in the terms of such directorships) (the *"Preferred Stock Directors").* Holders of all series of our Voting Parity Stock shall vote as a single class. In the event that the holders of the shares of the Series D Preferred Stock are entitled to vote as described in this Section (g), the number of members of the Corporation's Board of Directors at that time shall be increased by two directors, and the holders of the Series D Preferred Stock shall have the right, as members of that class, to elect two directors at a special meeting called at the request of the holders of record of at least 20% of the aggregate voting power of the Series D Preferred Stock or any other series of Voting Parity Stock (unless such request is received less than 90 days before the date fixed for the Corporation's next annual or special meeting of the shareholders, in which event such election shall be held at such next annual or special meeting of the shareholders), provided that the election of any Preferred Stock Directors shall not cause the Corporation to violate the corporate governance requirements of the Nasdaq Global Select Market (or any other exchange on which the securities of the Corporation may at such time be listed) that listed companies must have a majority of independent directors, and provided further that at no time shall the Board of Directors of the Corporation include more than two Preferred Stock Directors.

(iii) The Preferred Stock Directors elected at any such special meeting shall hold office until the next annual meeting of the Corporation's shareholders unless they have been previously terminated or removed pursuant to Section (g)(iv). In case any vacancy in the office of a Preferred Stock Director occurs (other than prior to the initial election of the Preferred Stock Directors), the vacancy may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by the vote of the holders of the Series D Preferred Stock (together with holders of any Voting Parity Stock) to serve until the next annual meeting of the shareholders.

(iv) When the Corporation has paid full dividends on the Series D Preferred Stock for the equivalent of at least two Fixed Rate Periods or at least four Floating Rate Periods, as applicable, following a Nonpayment, then the right of the holders of Series D Preferred Stock to elect the Preferred Stock Directors set forth in this Section (g) shall cease (except as provided by law and subject always to the same provisions for the vesting of the special voting rights in the case of any future Nonpayment). Upon termination of the right of the holders of the Series D Preferred Stock and Voting Parity Stock to vote for Preferred Stock Directors as set forth in this Section (g), the term of office of all Preferred Stock Directors then in office elected by only those holders shall terminate immediately. Whenever the term of office of the Preferred Stock Directors ends and the related voting rights have expired, the number of directors automatically will be decreased to the number of directors as otherwise would prevail. Any Preferred Stock Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of the Series D Preferred Stock (together with holders of any Voting Parity Stock) when they have the voting rights described in Section (g)(ii).

(v) So long as any shares of Preferred Stock remain outstanding, the Corporation shall not, without the affirmative vote or consent of holders of at least 66 2/3% in voting power of the Series D Preferred Stock and any Voting Parity Stock, voting together as a single class, given in person or by proxy, either in writing without a meeting or at any meeting called for the purpose, authorize, create or issue any capital stock ranking senior to the Series D Preferred Stock as to dividends or the distribution of assets upon liquidation, dissolution or winding up, or reclassify any authorized capital stock into any such shares of such capital stock or issue any obligation or security convertible into or evidencing the right to purchase any such shares of capital stock. Further, so long as any shares of the Series D Preferred Stock remain outstanding, the Corporation shall not, without the affirmative vote of the holders of at least 66 2/3% in voting power of the Series D Preferred Stock, amend, alter or repeal any provision of these Articles of Amendment or the Articles of Incorporation of the Corporation, including by merger, consolidation or otherwise, so as to affect the powers, preferences or special rights of the Series D Preferred Stock. Notwithstanding the foregoing, (i) any increase in the amount of authorized common stock or authorized preferred stock, or any increase or decrease in the number of shares of any series of preferred stock, or the authorization, creation and issuance of other classes or series of capital stock, in each case ranking on parity with or junior to the shares of the Series D Preferred Stock as to dividends and distribution of assets upon liquidation, dissolution or winding up, shall not be deemed to affect such powers, preferences or special rights and (ii) a merger or consolidation of the Corporation with or into another entity in which the shares of the Series D Preferred Stock (A) remain outstanding or (B) are converted into or exchanged for preference securities of the surviving entity or any entity, directly or indirectly, controlling such surviving entity, so long as such new preference securities have powers, preferences and special rights that are identical to the powers, preferences and special rights of the Series D Preferred Stock set forth herein shall not be deemed to affect the powers, preferences or special rights of the Series D Preferred Stock.

(vi) Notice for a special meeting to elect the Preferred Stock Directors shall be given in a similar manner to that provided in the Corporation’s By-laws for a special meeting of the shareholders. If the secretary of the Corporation does not call a special meeting within 20 days after receipt of any such request, then any holder of Series D Preferred Stock may (at the Corporation’s expense) call such meeting, upon notice as provided in this Section (g)(vi), and for that purpose shall have access to the stock register of the Corporation.

(vii) Except as otherwise set forth in Section (g)(vi) hereof, the rules and procedures for calling and conducting any meeting of the holders of Series D Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules that the Board of Directors of the Corporation (or a duly authorized committee thereof), in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Articles of Incorporation of the Corporation, the By-laws of the Corporation, and applicable laws and the rules of any national securities exchange or other trading facility on which Series D Preferred Stock is listed or traded at the time.

(h) Conversion Rights.

The holders of Series D Preferred Stock shall not have any rights to convert such shares into shares of any other class or series of stock or into any other securities of, or any interest or property in, the Corporation.

(i) No Sinking Fund.

No sinking fund shall be established for the retirement or redemption of Series D Preferred Stock.

(j) No Preemptive or Subscription Rights.

No holder of Series D Preferred Stock of the Corporation shall, as such holder, have any preemptive right to purchase or subscribe for any additional shares of stock of the Corporation or any other security of the Corporation that it may issue or sell.

(k) Information Rights.

During any period in which we are not subject to Section 13 or 15(d) of the Exchange Act and any shares of Series D preferred stock are outstanding, we will use commercially reasonable efforts to provide any requesting beneficial owner a copy of our most recently filed “Consolidated Financial Statements for Holding Companies-FR Y-9C” and “Consolidated Reports of Condition and Income for a Bank With Domestic Offices Only-FFIEC 041,” in each case or any applicable successor form.

(l) No Other Rights.

The Series D Preferred Stock shall not have any designations, preferences or relative, participating, optional or other special rights except as set forth herein or in the Corporation’s Articles of Incorporation or as otherwise required by applicable law.

Article 5. Incorporator. The name and mailing address of the sole incorporator is as follows.

Name	**Address**
Iberia Savings Bank	1101 East Admiral Doyle Drive, New Iberia, Louisiana 70560

Article 6. Directors. The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors.

A. Number. The number of directors of the Corporation shall be as specified in the Corporation's Bylaws, as may be amended from time to time.

B. Classification and Term. The Board of Directors shall be divided into three classes as nearly equal in number as possible, with one class to be elected annually. At each annual meeting of stockholders, the directors elected to succeed those in the class whose terms are expiring shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders and when their respective successors are elected and qualified.

C. No Cumulative Voting. Stockholders of the Corporation shall not be permitted to cumulate their votes for the election of directors.

D. Vacancies. Any vacancy occurring in the Board of Directors, including any vacancy created by reason of any increase in the number of directors, shall be filled by a majority vote of the directors then in office, whether or not a quorum is present, or by a sole remaining director, and any director so chosen shall serve until the term of the class to which he was appointed shall expire and until his successor is elected and qualified. When the number of directors is changed, the Board of Directors shall determine the class or classes to which the increased or decreased number of directors shall be apportioned, provided that no decrease in the number of directors shall shorten the term of any incumbent director.

E. Removal. Any director (including persons elected by directors to fill vacancies in the Board of Directors) may be removed from office without cause by an affirmative vote of not less than 75% of the total votes eligible to be cast by stockholders at a duly constituted meeting of stockholders called expressly for such purpose and may be removed from office with cause by an affirmative vote of not less than a majority of the total votes eligible to be cast by stockholders. Cause for removal shall exist only if the director whose removal is proposed has been either declared incompetent by an order of a court, convicted of a felony or of an offense punishable by imprisonment for a term of more than one year by a court of competent jurisdiction, or deemed liable by a court of competent jurisdiction for gross negligence or misconduct in the performance of such director's duties to the Corporation. At least 30 days prior to such meeting of stockholders, written notice shall be sent to the director whose removal will be considered at the meeting.

F. Nominations of Directors. Nominations of candidates for election as directors at any annual meeting of stockholders may be made (a) by, or at the direction of, a majority of the Board of Directors or (b) by any stockholder entitled to vote at such annual meeting. Only persons nominated in accordance with the procedures set forth in this Article 6.F shall be eligible for election as directors at an annual meeting. Ballots bearing the names of all the persons who have been nominated for election as directors at an annual meeting in accordance with the procedures set forth in this Article 6.F shall be provided for use at the annual meeting.

Nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the Corporation as set forth in this Article 6.F. To be timely, a stockholder's notice shall be delivered to, or mailed and received at, the principal executive offices of the Corporation not later than 60 days prior to the anniversary date of the immediately preceding annual meeting of stockholders of the Corporation; provided, however, that with respect to the first scheduled annual meeting following the completion of the mutual-to-stock conversion of Iberia Savings Bank, New Iberia, Louisiana (the "Savings Bank"), and the reorganization of the Savings Bank into the holding company structure, notice by the stockholder must be so delivered or received no later than the close of business on the tenth day following the day on which notice of the date of the scheduled annual meeting was mailed, provided further that the notice by the stockholder must be delivered or received no later than the close of business on the fifth day preceding the date of the meeting. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director and as to the stockholder giving the notice (i) the name, age, business address and residence address of such person, (ii) the principal occupation or employment of such person, (iii) the class and number of shares of Corporation stock which are Beneficially Owned (as defined in Article 9.A(e)) by such person on the date of such stockholder notice, and (iv) any other information relating to such person that is required to be disclosed in solicitations of proxies with respect to nominees for election as directors, pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including, but not limited to, information required to be disclosed by Items 4, 5, 6 and 7 of Schedule 14A and information which would be required to be filed on Schedule 14B with the Securities and Exchange Commission (or any successors of such items or schedules); and (b) as to the stockholder giving the notice (i) the name and address, as they appear on the Corporation's books, of such stockholder and any other stockholders known by such stockholder to be supporting such nominees and (ii) the class and number of shares of Corporation stock which are Beneficially Owned by such stockholder on the date of such stockholder notice and, to the extent known, by any other stockholders known by such stockholder to be supporting such nominees on the date of such stockholder notice. At the request of the Board of Directors, any person nominated by, or at the direction of, the Board for election as a director at any annual meeting shall furnish to the Secretary of the Corporation that information required to be set forth in a stockholder's notice of nomination which pertains to the nominee.

The Board of Directors may reject any nomination by a stockholder not timely made in accordance with the requirements of this Article 6F if the Board of Directors, or a designated committee thereof, determines that the information provided in a stockholder's notice does not satisfy the informational requirements of this Article 6.F in any material respect, the Secretary of the Corporation shall promptly notify such stockholder of the deficiency in the notice. The stockholder shall have an opportunity to cure the deficiency by providing additional information to the Secretary within such period of time, not to exceed five days from the date such deficiency notice is given to the stockholder, as the Board of Directors or such committee shall reasonably determine. If the deficiency is not cured within such period, or if the Board of Directors or such committee reasonably determines that the additional information provided by the stockholder, together with information previously provided, does not satisfy the requirements of this Article 6.F. in any material respect, then the Board of Directors may reject such stockholder's nomination. The Secretary of the Corporation shall notify a stockholder in writing whether his nomination has been made in accordance with the time and informational requirements of this Article 6.F. Notwithstanding the procedures set forth in this paragraph, if neither the Board of Directors nor such committee makes a determination as to the validity of any nominations by a stockholder, the presiding officer of the annual meeting shall determine and declare at the annual meeting whether the nomination was made in accordance with the terms of this Article 6.F. If the presiding officer determines that a nomination was made in accordance with the terms of this Article 6.F, he shall so declare at the annual meeting and ballots shall be provided for use at the meeting with respect to such nominee. If the presiding officer determines that a nomination was not made in accordance with the terms of this Article 6.F, he shall so declare at the annual meeting and the defective nomination shall be disregarded.

G. Discharge of Duties. In discharging the duties of their respective positions, the Board of Directors, committees of the Board of Directors and individual directors shall, in considering the best interests of the Corporation, consider the effects of any action upon the employees of the Corporation and its subsidiaries, the depositors and borrowers of any insured institution subsidiary, the communities in which offices or other establishments of the Corporation or any subsidiary are located and all other pertinent factors.

H. Any director may resign at any time by sending a written notice of such resignation to the registered office of the Corporation addressed to the Chairman of the Board or the President. Unless otherwise specified, such resignation shall take effect upon receipt by the Chairman of the Board or the President.

I. Rights of Holders of Preferred Stock. Notwithstanding the foregoing, and except as otherwise required by law, whenever the holders of any one or more series of Preferred Stock shall have the right, voting separately as a class, to elect one or more directors of the Corporation, the provisions of this Article 6 with respect to the director or directors elected by such holders of Preferred Stock shall be subject to the terms of any resolution adopted by the Board of Directors pursuant to Article 4 hereof creating such class or series of Preferred Stock.

Article 7. Preemptive Rights. No holder of the capital stock of the Corporation shall be entitled as such, as a matter of right, to subscribe for or purchase any part of any new or additional issue of stock of any class whatsoever of the Corporation, or of securities convertible into stock of any class whatsoever, whether now or hereafter authorized, or whether issued for cash or other consideration or by way of a dividend.

Article 8. Personal Liability, Indemnification, Advancement of Expenses and Other Rights of Officers, Directors, Employees and Agents.

A. Personal Liability of Directors and Officers. A director or, officer of the Corporation shall not be personally liable for monetary damages for any action taken, or any failure to take any action, as a director or officer except to the extent that by law a director's or officer's liability for monetary damages may not be limited.

B. Indemnification. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, including actions by or in the right of the Corporation, whether civil, criminal administrative or investigative, by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding to the full extent permissible under Louisiana law.

C. Advancement of Expenses. Reasonable expenses incurred by an officer, director, employee or agent of the Corporation in defending an action, suit or proceeding described in Section B of this Article 8 may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding if authorized by the board of directors (without regard to whether participating members thereof are parties to such action suit or proceeding), upon receipt of a commitment by or on behalf of such person to repay such amount if it shall ultimately be determined that the person is not entitled to be indemnified by the Corporation.

D. Other Rights. The indemnification and advancement of expenses provided by or pursuant to this Article 8 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, insurance or other agreement, vote of stockholders or directors (regardless of whether directors authorizing such indemnification are beneficiaries thereof) or otherwise, both as to actions in their official capacity and as to actions in another capacity while holding an office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

E. Insurance. The Corporation shall have the power to purchase and maintain insurance or other similar arrangement on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture or other enterprise, against any liability asserted against or incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article 8.

F. Security Fund; Indemnity Agreements. By action of the Board of Directors (notwithstanding its interest in the transaction), the Corporation may create and fund a trust fund or other fund or form of self-insurance arrangement of any nature, and may enter into agreements with its officers, directors, employees and agents for the purpose of securing or insuring in any manner its obligation to indemnify or advance expenses provided for in this Article 8.

G. Modification. The duties of the Corporation to indemnify and to advance expenses to any person as provided in this Article 8 shall be in the nature of a contract between the Corporation and each such person, and no amendment or repeal of any provision of this Article 8, and no amendment or termination of any trust or other fund or form of self-insurance arrangement created pursuant to Section F of this Article 8, shall alter to the detriment of such person the right of such person to the advance of expenses or indemnification related to a claim based on an act or failure to act which took place prior to such amendment, repeal or termination.

H. Proceedings Initiated by Indemnified Persons. Notwithstanding any other provision of this Article 8, the Corporation shall not indemnify a director, officer, employee or agent for any liability incurred in an action, suit or proceeding initiated (which shall not be deemed to include counter-claims or affirmative defenses) or participated in as an intervener or amicus curiae by the person seeking indemnification unless such initiation of or participation in the action, suit or proceeding is authorized, either before or after its commencement, by the affirmative vote of a majority of the directors in office.

Article 9. Meetings of Stockholders and Stockholder Proposals.

A. Definitions.

(a) Acquire. The term "Acquire" includes every type of acquisition, whether effected by purchase, exchange, operation of law or otherwise.

(b) Acting in Concert. The term "Acting in Concert" means (a) knowing participation in joint activity or conscious parallel action towards a common goal whether or not pursuant to an express agreement, or (b) a combination or pooling of voting or other interests in the securities of an issuer for a common purpose pursuant to an contract, understanding, relationship, agreement or other arrangement, whether written or otherwise.

(c) Affiliate. An "Affiliate" of, or a Person "affiliated with," a specified Person, means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified.

(d) Associate. The term "Associate" used to indicate a relationship with any Person means:

(i) Any corporation or organization (other than the Corporation or a Subsidiary of the Corporation), or any subsidiary or parent thereof, of which such Person is a director, officer or partner or is, directly or indirectly, the Beneficial Owner of 10% or more of any class of equity securities;

(ii) Any trust or other estate in which such Person has a 10% or greater beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity, provided, however, such term shall not include any employee stock benefit plan of the Corporation or a Subsidiary of the Corporation in which such Person has a 10% or greater beneficial interest or serves as a trustee or in a similar fiduciary capacity;

(iii) Any relative or spouse of such Person (or any relative of such spouse) who has the same home as such Person or who is a director or officer of the Corporation or a Subsidiary of the Corporation (or any subsidiary or parent thereof); or

(iv) Any investment company registered under the Investment Company Act of 1940 for which such Person or an Affiliate or Associate of such Person serves as investment advisor.

(e) Beneficial Owner (including Beneficially Owned). A Person shall be considered the “Beneficial Owner” of any shares of stock (whether or not owned of record):

(i) With respect to which such Person or any Affiliate or Associate of such Person directly or indirectly has or shares (A) voting power, including the power to vote or to direct the voting of such shares of stock, and/or (B) investment power, including the power to dispose of or to direct the disposition of such shares of stock;

(ii) Which such Person or any Affiliate or Associate of such Person has (A) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, and/or (B) the right to vote pursuant to any agreement, arrangement or understanding (whether such right is exercisable immediately or only after the passage of time); or

(iii) Which are Beneficially Owned within the meaning of (i) or (ii) of this Article 9.A(e) by any other Person with which such first-mentioned Person or any of its Affiliates or Associates either (A) has any agreement, arrangement or understanding, written or oral, with respect to acquiring, holding, voting or disposing of any shares of stock of the Corporation or any Subsidiary of the Corporation or acquiring, holding or disposing of all or substantially all, or any Substantial Part, of the assets or business of the Corporation or a Subsidiary of the Corporation, or (B) is Acting in Concert. For the purpose only of determining whether a Person is a Beneficial Owner of a percentage specified in this Article 9 of the outstanding Voting Shares, such shares shall be deemed to include any Voting Shares which may be issuable pursuant to any agreement, arrangement or understanding or upon the exercise of conversion right, exchange rights, warrants, options or otherwise and which are deemed to be Beneficially Owned by such Person pursuant to the foregoing provisions of this Article 9.A(e), but shall not include any other Voting Shares which may be issuable in such matter.

(f) Offer. The term “Offer” shall mean every offer to buy or acquire, solicitation of an offer to sell, tender offer or request or invitation for tender of, a security or interest in a security for value; provided that the term “Offer” shall not include (i) inquiries directed solely to the management of the Corporation and not intended to be communicated to stockholders which are designed to elicit an indication of management’s receptivity to the basic structure of a potential acquisition with respect to the amount of cash and or securities, manner of acquisition and formula for determining price, or (ii) nonbinding expressions of understanding or letters of intent with the management of the Corporation regarding the basic structure of a potential acquisition with respect to the amount of cash and or securities, manner of acquisition and formula for determining price.

(g) Person. The term “Person” shall mean any individual, partnership, corporation, association, trust, group or other entity. When two or more Persons act as a partnership, limited partnership, syndicate, association or other group for the purpose of acquiring, holding or disposing of shares of stock, such partnership, syndicate, associate or group shall be deemed a “Person.”

(h) Substantial Part. The term “Substantial Part” as used with reference to the assets of the Corporation or of any Subsidiary means assets having a value of more than 10% of the total consolidated assets of the Corporation and its Subsidiaries as of the end of the Corporation’s most recent fiscal year ending prior to the time the determination is being made.

(i) Subsidiary. “Subsidiary” means any corporation of which a majority of any class of equity security is owned, directly or indirectly, by the Person in question.

(j) Voting Shares. “Voting Shares” shall mean shares of the Corporation entitled to vote generally in an election of directors.

(k) Certain Determinations With Respect to Article 9. A majority of the directors shall have the power to determine for the purposes of this Article 9, on the basis of information known to them and acting in good faith: (A) the number of Voting Shares of which any Person is the Beneficial Owner, (B) whether a Person is an Affiliate or Associate of another, (C) whether a Person has an agreement, arrangement or understanding with another as to the matters referred to in the definition of “Beneficial Owner” as herein above defined, and (D) such other matters with respect to which a determination is required under this Article 9.

(l) Directors, Officers or Employees. Directors, officers or employees of the Corporation or any Subsidiary thereof shall not be deemed to be a group with respect to their individual acquisitions of any class of equity securities of the Corporation solely as a result of their capacities as such.

B. Special Meetings of Stockholders. Except as otherwise required by law and subject to the rights of the holders of any class or series of Preferred Stock, special meetings of the stockholders of the Corporation may be called only by (i) the Board of Directors pursuant to a resolution approved by the affirmative vote of a majority of the directors then in office, (ii) the Chairman of the Board or the President, or (iii) by Persons who Beneficially Own an aggregate of at least 50% of the outstanding Voting Shares.

C. Action Without a Meeting. Any action permitted to be taken by the stockholders at a meeting may be taken without a meeting if consent in writing setting forth the action so taken shall be signed by all of the stockholders who would be entitled to vote at a meeting for such purpose and filed with the Secretary of the Corporation as part of the corporate records.

D. Stockholder Proposals. At an annual meeting of stockholders, only such new business shall be conducted, and only such proposals shall be acted upon, as shall have been brought before the annual meeting by, or at the direction of, (a) the Board of Directors or (b) any stockholder of the Corporation who complies with all the requirements set forth in this Article 9.D.

Proposals, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the Corporation as set forth in this Article 9.D. For stockholder proposals to be included in the Corporation's proxy materials, the stockholder must comply with all the timing and informational requirements of Rule 14a-8 of the Exchange Act (or any successor regulation). With respect to stockholder proposals to be considered at the annual meeting of stockholders but not included in the Corporation's proxy materials, the stockholder notice shall be delivered to, or mailed and received at, the principal executive offices of the Corporation. not later than 60 days prior to the anniversary date of the immediately preceding annual meeting of stockholders of the Corporation; provided, however, that with respect to the first scheduled annual meeting following the completion of the mutual-to-stock conversion of the Savings Bank and the reorganization of the Savings Bank into the holding company structure, notice by the stockholder must be so delivered or received no later than the close of business on the tenth day following the day on which notice of the date of the scheduled annual meeting was mailed, provided further that the notice by the stockholder must be delivered or received no later than the close of business on the fifth day preceding the date of the meeting. Such stockholder's notice shall set forth as to each matter the stockholder proposes to bring before the annual meeting (a) a brief description of the proposal desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (b) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, and, to the extent known, any other stockholders known by such stockholder to be supporting such proposal, (c) the class and number of shares of the Corporation's capital stock which are Beneficially Owned by the stockholder on the date of such stockholder notice and, to the extent known, by any other stockholders known by such stockholder to be supporting such proposal on the date of such stockholder notice, and (d) any financial interest of the stockholder in such proposal (other than interests which all stockholders would have).

The Board of Directors may reject any stockholder proposal not timely made in accordance with the terms of this Article 9.D. If the Board of Directors, or a designated committee thereof, determines that the information provided in a stockholder's notice does not satisfy the information requirements of this Article 9.D, the Secretary of the Corporation shall promptly notify such stockholder of the deficiency in the notice. The stockholder shall have an opportunity to cure the deficiency by providing additional information to the Secretary within such period of time not to exceed five days from the date such deficiency notice is given to the stockholder as the Board of Directors or such committee shall reasonably determine. If the deficiency is not cured within such period, or if the Board of Directors or such committee determines that the additional information provided by the stockholder, together with information previously provided does not satisfy the requirements of this Article 9.D in any material respect, then the Board of Directors may reject such stockholder's proposal. The Secretary of the Corporation shall notify a stockholder in writing whether his proposal has been made in accordance with the time and informational requirements of this Article 9.D. Notwithstanding the procedures set forth in this paragraph, if neither the Board of Directors nor such committee makes a determination as to the validity of any stockholder proposal, the presiding officer of the annual meeting shall determine and declare at the annual meeting whether the stockholder proposal was made in accordance with the terms of this Article 9.D. If the presiding officer determines that a stockholder proposal was made in accordance with the terms of this Article 9.D, he shall so declare at the annual meeting and ballots shall be provided for use at the meeting with respect to any such proposal. If the presiding officer determines that a stockholder proposal was not made in accordance with the terms of this Article 9.D, he shall so declare at the annual meeting and any such proposal shall not be acted upon at the annual meeting.

This provision shall not prevent the consideration and approval or disapproval at the annual meeting of reports of officers, directors and committees of the Board of Directors, but in connection with such reports, no new business shall be acted upon at such annual meeting unless stated, filed and received as herein provided.

Article 10. Restrictions on Offers and Acquisitions of the Corporation's Equity Securities.

A. Restrictions. The definitions and other provisions set forth in Article 9.A are also applicable to this Article 10. Except as set forth in Article 10.B, for a period of five years from the completion of the mutual-to-stock conversion of the Savings Bank and the reorganization of the Savings Bank into the holding company structure, no Person shall directly or indirectly Offer to acquire or acquire the Beneficial Ownership of (i) more than 10% of the issued and outstanding shares of any class of an equity security of the Corporation, or (ii) any securities convertible into, or exercisable for, any equity securities of the Corporation if, assuming conversion or exercise by such Person of all securities of which such Person is the Beneficial Owner which are convertible into, or exercisable for, such equity securities (but of no securities convertible into, or exercisable for, such equity securities of which such Person is not the Beneficial Owner), such Person would be the Beneficial Owner of more than 1100 of any class of an equity security of the Corporation.

B. Exclusions. The foregoing restrictions shall not apply to (i) any Offer with a view toward public resale made exclusively to the Corporation by underwriters or a selling group acting on its behalf, (ii) any employee benefit plan or arrangement established by the Corporation or the Savings Bank and any trustee of such a plan or arrangement, and (iii) any other Offer or acquisition approved in advance by the affirmative vote of two-thirds of the Corporation's Board of Directors.

C. Remedies. In the event that shares are acquired in violation of this Article 10, all shares Beneficially Owned by any Person in excess of !0% shall be considered "Excess Shares" and shall not be counted as shares entitled to vote and shall not be voted by any Person or counted as Voting Shares in connection with any matters submitted to stockholders for a vote, and the Board of Directors may cause such Excess Shares to be transferred to an independent trustee for sale on the open market or otherwise, with the expenses of such trustee to be paid out of the proceeds of the sale.

D. Expirations. Article 10 of these Articles of Incorporation shall expire and, along with all references thereto, no longer be a part hereof on the fifth anniversary of the completion of the mutual-to-stock conversion of the Savings Bank and the reorganization of the Savings Bank into the holding company structure.

Article 11. Amendment of Articles and Bylaws.

A. Articles. The Corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation, in the manner now or hereafter prescribed by law, and all rights conferred upon stockholders herein are granted subject to this reservation. No amendment, addition, alteration, change or repeal of these Articles of Incorporation shall be made unless it is first approved by the Board of Directors of the Corporation pursuant to a resolution adopted by the affirmative vote of a majority of the directors then in office, and thereafter is approved by the holders of a majority (except as provided below) of the shares of the Corporation entitled to vote generally in an election of directors, voting together as a single class, as well as such additional vote of the Preferred Stock as may be required by the provisions of any series thereof. Notwithstanding anything contained in these Articles of Incorporation to the contrary, the affirmative vote of the holders of at least 75% of the shares of the Corporation entitled to vote generally in an election of directors, voting together as a single class, as well as such additional vote of the Preferred Stock as may be required by the provisions of any series thereof, shall be required to amend, adopt, alter, change or repeal any provisions inconsistent with Article 6, 7, 8, 9, 10 and 11.

B. Bylaws. The Board of Directors, to the extent permitted by law, or stockholders may adopt, alter, amend or repeal the Bylaws of the Corporation. Such action by the Board of Directors shall require the affirmative vote of a majority of the directors then in office at any regular or special meeting of the Board of Directors. Such action by the stockholders shall require the affirmative vote of the holders of a majority of the shares of the Corporation entitled to vote generally in an election of directors, voting together as a single class, as well as such additional vote of the Preferred Stock as may be required by the provisions of any series thereof, provided that the affirmative vote of the holders of at least 75% of the shares of the Corporation entitled to vote generally in an election of directors, voting together as a single class, as well as such additional vote of the Preferred Stock as may be required by the provisions of any series thereof, shall be required to amend, adopt, alter, change or repeal any provision inconsistent with Section 4.1, 4.2, 4.3 and 4.4 of the Bylaws and Articles VIII and XII of the Bylaws.

EXHIBIT 31.1

CERTIFICATIONS

SECTION 302 CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

I, Daryl G. Byrd, President and Chief Executive Officer of IBERIABANK Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of IBERIABANK Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2019

/s/ Daryl G. Byrd

Daryl G. Byrd

President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

SECTION 302 CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

I, Anthony J. Restel, Vice Chairman and Chief Financial Officer of IBERIABANK Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of IBERIABANK Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2019

/s/ Anthony J. Restel

Anthony J. Restel
Vice Chairman and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of IBERIABANK Corporation (the “Company”) on Form 10-Q for the period ended March 31, 2019 (the “Report”), I, Daryl G. Byrd, President and Chief Executive Officer of the Company, certify that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the periods covered in the Report.

Date:	May 8, 2019	/s/ Daryl G. Byrd
		Daryl G. Byrd
		President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. The information furnished herein shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of IBERIABANK Corporation (the “Company”) on Form 10-Q for the period ended March 31, 2019 (the “Report”), I, Anthony J. Restel, Vice Chairman and Chief Financial Officer of the Company, certify that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the periods covered in the Report.

Date:	May 8, 2019	/s/ Anthony J. Restel
		Anthony J. Restel
		Vice Chairman and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. The information furnished herein shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.