FORM 10-K

IBERIABANK CORP - IBKC

Filed: March 17, 2008 (period: December 31, 2007)

Annual report which provides a comprehensive overview of the company for the past year

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

FORM 10-K

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

For the fiscal year ended December 31, 2007

Commission File Number 0-25756

IBERIABANK Corporation

(Exact name of Registrant as specified in its charter)

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

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

Securities registered pursuant to Section 12(g) of the Act: Not Applicable

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

Common Stock (par value $1.00 per share)
(Title of Class)

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

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 ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer (as defined in Securities Exchange Act Rule 12b-2).

Large Accelerated Filer ☐ Accelerated Filer ☒ Non-accelerated Filer ☐

Indicate by check mark whether the Registrant is a shell company, as defined in Rule 12b-2 of the Securities Exchange Act of 1934. Yes ☐ No ☒

As of January 31, 2008, the aggregate market value of the voting shares of common stock held by non-affiliates of the Registrant was approximately $657.3 million. This figure is based on the closing sale price of $51.41 per share of the Registrant's common stock on January 31, 2008. For purposes of this calculation, the term "affiliate" refers to all executive officers and directors of the Registrant and all shareholders beneficially owning more than 10% of the Registrant's common stock.

Number of shares of common stock outstanding as of February 29, 2008: 12,872,790

DOCUMENTS INCORPORATED BY REFERENCE

(1) Portions of the Annual Report to Shareholders for the fiscal year ended December 31, 2007 are incorporated into Part II, Items 5 through 9B of this Form 10-K; (2) portions of the definitive proxy statement for the 2008 Annual Meeting of Shareholders to be filed within 120 days of Registrant's fiscal year end (the "Proxy Statement") are incorporated into Part III, Items 10 through 14 of this Form 10-K.

PART 1.

Item 1. Business.

General

IBERIABANK Corporation (the "Company"), a Louisiana corporation, is a multi-bank financial holding company with 150 combined offices, including 81 bank branch offices in Louisiana, Arkansas and Tennessee, 30 title insurance offices in Arkansas and Louisiana, and mortgage representatives in 39 locations in eight states. As of December 31, 2007, the Company had consolidated assets of $4.9 billion, total deposits of $3.5 billion and shareholders' equity of $498.1 million.

The Company's principal executive office is located at 200 West Congress Street, Lafayette, Louisiana, and its telephone number at that office is (337) 521-4003. The Company's website is located atwww.iberiabank.com.

The Company is the holding company for IBERIABANK, a Louisiana banking corporation headquartered in Lafayette, Louisiana; Pulaski Bank and Trust Company, a federal savings bank headquartered in Little Rock, Arkansas ("Pulaski Bank"); and Lenders Title Company, an Arkansas-chartered title insurance and closing services agency headquartered in Little Rock, Arkansas ("Lenders Title").

Subsidiaries

IBERIABANK has four active, wholly-owned non-bank subsidiaries, Iberia Financial Services, LLC; IBERIABANK Insurance Services; IBERIABANK Asset Management, Inc.; and Acadiana Holdings, LLC. Iberia Financial Services manages the brokerage services offered by IBERIABANK. At December 31, 2007, IBERIABANK's equity investment in Iberia Financial Services was $1.0 million, and Iberia Financial Services had total assets of $1.7 million. IBERIABANK Insurance Services is a licensed insurance agency and facilitates the receipt of insurance commissions from the sale of variable annuities, life, health, dental and accident insurance products. At December 31, 2007, IBERIABANK's equity investment in IBERIABANK Insurance Services was $0.1 million, and IBERIABANK Insurance Services had total assets of $0.2 million. Acadiana Holdings owns and operates a commercial office building that also serves as the Company's headquarters and IBERIABANK's main office. At December 31, 2007, IBERIABANK's equity investment in Acadiana Holdings was $9.8 million, and Acadiana Holdings had total assets of $10.8 million. IBERIABANK Asset Management, which was acquired by IBERIABANK in January 2008, provides wealth management services to high net worth individuals, pension funds, corporations and trusts.

Pulaski Bank has two active, wholly-owned non-bank subsidiaries, Pulaski Mortgage Company ("PMC") and P.F. Services, Inc. PMC offers one-to-four family residential mortgage loans in Louisiana, Arkansas, Tennessee, Mississippi, Oklahoma, and Texas, and as Bankers Home Lending (a division of Pulaski Mortgage) in Missouri and Illinois. At December 31, 2007, Pulaski Bank's equity investment in PMC was $23.0 million, and PMC had total assets of $67.7 million. P.F. Services, Inc. owns an office building which the Company plans to divest. Pulaski Bank's equity investment in P.F. Services, Inc. was less than $0.1 million, and P.F. Services, Inc. had total assets of $0.3 million at December 31, 2007.

Lenders Title provides a full line of title insurance and loan closing services for both residential and commercial customers in locations throughout Arkansas. Lenders Title has two active, wholly-owned subsidiaries, Asset Exchange, Inc. and United Title of Louisiana, Inc. ("United Title"). Asset Exchange, Inc. provides qualified intermediary services to facilitate Internal Revenue Code Section 1031 tax deferred exchanges. At December 31, 2007, Lenders Title's equity investment in Asset Exchange, Inc. was $0.2 million, and Asset Exchange, Inc. had total assets of $0.2 million. United Title provides a full line of title insurance and loan closing services for both residential and commercial customers in locations throughout Louisiana. At December 31, 2007, Lenders Title's equity investment in United Title was $0.6 million, and United Title had total assets of $6.7 million.

Competition

The Company faces strong competition in attracting deposits, originating loans, and providing title services. Its most direct competition for deposits has historically come from other commercial banks, savings institutions and credit unions located in its market areas, including many large financial institutions that have greater financial and marketing resources available to them. In addition, during times of high interest rates, the Company has faced significant competition for investors' funds from short-term money market securities, mutual funds and other corporate and government securities. The ability of the Company to attract and retain customer deposits depends on its ability to generally provide a rate of return, liquidity and risk comparable to that offered by competing investment opportunities.

The Company experiences strong competition for loan originations principally from other commercial banks, savings institutions and mortgage banking companies. The Company competes for loans principally through the interest rates and loan fees it charges, the efficiency and quality of services it provides borrowers and the convenient locations of its branch office network.

Employees

The Company had 1,319 full-time employees and 67 part-time employees as of December 31, 2007. None of these employees is represented by a collective bargaining agreement. The Company believes that it enjoys an excellent relationship with its personnel.

Business Combinations

The Company continually evaluates business combination opportunities and sometimes conducts due diligence activities in connection with them. As a result, business combination discussions and, in some cases, negotiations take place, and transactions involving cash, debt or equity securities can be expected. Any future business combinations or series of business combinations that the Company might undertake may be material in terms of assets acquired or liabilities assumed.

Available Information

The Company's filings with the Securities and Exchange Commission ("SEC"), including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments thereto, are available on the Company's website as soon as reasonably practicable after the reports are filed with or furnished to the SEC. Copies can be obtained free of charge in the "Investor Relations" section of the Company's website atwww.iberiabank.com. The Company's SEC filings are also available through the SEC's website atwww.sec.gov. Copies of these filings are also available by writing the Company at the following address:

IBERIABANK Corporation
P.O. Box 52747
Lafayette, Louisiana 70505-2747

Supervision and Regulation

The banking industry is extensively regulated under both federal and applicable state laws. The following discussion is a summary of certain statues and regulations applicable to bank and financial holding companies and their subsidiaries and provides specific information relevant to the Company and its subsidiaries. Regulation of financial institutions is intended primarily for the protection of depositors, deposit insurance funds and the banking system, and generally is not intended for the protection of shareholders.

Proposals are frequently introduced to change federal and state laws and regulations applicable to the Company and its subsidiaries. The likelihood and timing of any such changes and the impact such changes might have on the Company and its subsidiaries are impossible to determine with any certainty.

General. As a bank holding company and a financial holding company under federal law, the Company is subject to regulation under the Bank Holding Company Act of 1956, as amended (the "BHCA"), and the examination and reporting requirements of the Board of Governors of the Federal Reserve System (the "FRB"). As a

Louisiana-chartered commercial bank and a member of the Federal Reserve System, IBERIABANK is subject to regulation, supervision and examination by the Office of Financial Institutions of the State of Louisiana, IBERIABANK's chartering authority, and the FRB, IBERIABANK's primary regulator. As a federal savings association, Pulaski Bank is subject to regulation, supervision and examination by the Office of Thrift Supervision (the "OTS"). IBERIABANK and Pulaski Bank are collectively referred to herein as the "Banks." Each of the Banks is also subject to regulation, supervision and examination by the Federal Deposit Insurance Corporation (the "FDIC"). The FDIC insures the deposits of the Banks to the maximum extent permitted by law.

State and federal law govern the activities in which the Banks may engage, the investments they may make and the aggregate amount of loans that may be granted to one borrower. Various consumer and compliance laws and regulations also affect the Banks' operations.

The banking industry is affected by the monetary and fiscal policies of the FRB. An important function of the FRB is to regulate the national supply of bank credit to moderate recessions and to curb inflation. Among the instruments of monetary policy used by the FRB to implement its objectives are: open-market operations in U.S. Government securities, changes in the discount rate and the federal funds rate (which is the rate banks charge each other for overnight borrowings) and changes in reserve requirements on bank deposits.

In addition to federal and state banking laws and regulations, the Company and certain of its subsidiaries and affiliates, including those that engage in securities brokerage and insurance activities, are subject to other federal and state laws and regulations, and supervision and examination by other state and federal regulatory agencies, including the SEC, the National Association of Securities Dealers, Inc. (the "NASD"), the U.S. Department of Housing and Urban Development ("HUD"), and various state insurance and securities regulators.

Financial Holding Company Regulation. Under current federal law, as amended by the Gramm-Leach-Bliley Act of 1999 (the "GLB Act"), a bank holding company, such as the Company, may elect to become a financial holding company. Such an election allows a holding company to offer customers virtually any type of service that is financial in nature or incidental thereto, including banking and activities closely related thereto, securities underwriting, insurance (both underwriting and agency) and merchant banking. In order to become and maintain its status, a financial holding company and all of its affiliated depository institutions must be well-capitalized, well-managed, and have at least a satisfactory Community Reinvestment Act of 1977 ("CRA") rating. If the FRB determines that a financial holding company is not well-capitalized or well-managed, the company has a period of time to come into compliance. During the period of noncompliance, the FRB can place any limitation on the financial holding company that it believes to be appropriate. Furthermore, if the FRB determines that a financial holding company has not maintained a satisfactory CRA rating, the company will not be able to commence any new financial activities or acquire a company that engages in such activities, although the company will still be allowed to engage in activities closely related to banking and make investments in the ordinary course of conducting merchant banking activities. The Company became a financial holding company in 2007 and currently satisfies the requirements to maintain its status as a financial holding company.

Most of the financial activities that are permissible for the Company as a financial holding company are also permissible for a "financial subsidiary" of one or more of the Banks, except for insurance underwriting, insurance company portfolio investments, real estate investments and development, and merchant banking, which must be conducted in a financial holding company. Subsidiary banks of a financial holding company with financial subsidiaries must continue to be well-capitalized and well-managed in order to continue to engage in activities that are financial in nature without regulatory actions or restrictions, which could include divestiture of the financial subsidiary or subsidiaries.

Current federal law also establishes a system of functional regulation under which the FRB is the umbrella regulator for bank holding companies, but bank holding company affiliates are to be principally regulated by functional regulators, such as the SEC for securities affiliates and state insurance regulators for insurance affiliates. Certain specific activities, including traditional bank trust and fiduciary activities, may be conducted in the bank without the bank being deemed a "broker" or a "dealer" in securities for purposes of functional regulation. Although the states generally must regulate bank insurance activities in a nondiscriminatory manner, the states may continue to adopt and enforce rules that specifically regulate bank insurance activities in certain identifiable areas.

Acquisitions. The Company complies with numerous laws relating to its acquisition activity. Under the BHCA, a bank holding company may not directly or indirectly acquire ownership or control of more than 5% of the voting shares or substantially all of the assets of any bank holding company or bank or merge or consolidate with another bank holding company without the prior approval of the FRB. Current Federal law authorizes interstate acquisitions of banks and bank holding companies without geographic limitation. Furthermore, a bank headquartered in one state is authorized to merge with a bank headquartered in another state, as long as neither of the states have opted out of such interstate merger authority prior to such date, and subject to any state requirement that the target bank shall have been in existence and operating for a minimum period of time, not to exceed five years; and subject to certain deposit market-share limitations. After a bank has established branches in a state through an interstate merger transaction, the bank may establish and acquire additional branches at any location in the state where a bank headquartered in that state could have established or acquired branches under applicable federal or state law.

Other Safety and Soundness Regulations. The FRB has enforcement powers over bank holding companies and their non-banking subsidiaries. The FRB has authority to prohibit activities that represent unsafe or unsound practices or constitute violations of law, rule, regulation, administrative order or written agreement with a federal regulator. These powers may be exercised through the issuance of cease and desist orders, civil money penalties or other actions.

There also are a number of obligations and restrictions imposed on bank holding companies and their depository institution subsidiaries by federal law and regulatory policy that are designed to reduce potential loss exposure to the depositors of such depository institutions and to the FDIC insurance funds in the event the depository institution is insolvent or is in danger of becoming insolvent. For example, under requirements of the FRB with respect to bank holding company operations, a bank holding company is required to serve as a source of financial strength to its subsidiary depository institutions and to commit financial resources to support such institutions in circumstances where it might not do so otherwise. In addition, the "cross-guarantee" provisions of federal law require insured depository institutions under common control to reimburse the FDIC for any loss suffered or reasonably anticipated by the Deposit Insurance Fund ("DIF") as a result of the insolvency of commonly controlled insured depository institutions or for any assistance provided by the FDIC to commonly controlled insured depository institutions in danger of failure. The FDIC may decline to enforce the cross-guarantee provision if it determines that a waiver is in the best interests of the DIF. The FDIC's claim for reimbursement under the cross guarantee provisions is superior to claims of shareholders of the insured depository institution or its holding company, but is subordinate to claims of depositors, secured creditors and nonaffiliated holders of subordinated debt of the commonly controlled insured depository institution.

Banking regulators also have broad enforcement powers over the Banks, including the power to impose fines and other civil and criminal penalties, and to appoint a conservator in order to conserve the assets of any such institution for the benefit of depositors and other creditors.

Dividends. The Company is a legal entity separate and distinct from its subsidiaries. The majority of the Company's revenue is from dividends paid to the Company by the Banks. The Banks are subject to laws and regulations that limit the amount of dividends they can pay. In addition, the Company and the Banks are subject to various regulatory restrictions relating to the payment of dividends, including requirements to maintain capital at or above regulatory minimums, and to remain "well-capitalized" under the prompt corrective action rules. The FRB has indicated generally that it may be an unsafe or unsound practice for a bank holding company to pay dividends unless the bank holding company's net income over the preceding year is sufficient to fund the dividends and the expected rate of earnings retention is consistent with the organization's capital needs, asset quality and overall financial condition.

In addition to the limitations placed on the payment of dividends at the holding company level, there are various legal and regulatory limits on the extent to which the Banks may pay dividends or otherwise supply funds to the Company. The Banks are subject to laws and regulations of Louisiana and the OTS, as applicable, which place certain restrictions on the payment of dividends. Additionally, as a member of the Federal Reserve System, IBERIABANK is subject to regulations of the FRB.

The Company does not expect that these laws, regulations or policies will materially affect the ability of the Banks to pay dividends. Additional information is provided in Note 20 to the Consolidated Financial Statements incorporated herein by reference.

Regulatory Capital Requirements. The Company is required to comply with the capital adequacy standards established by the FRB, and the Banks must comply with similar capital adequacy standards established by the FRB, OFI, OTS and FDIC, as applicable. Failure to meet capital adequacy standards could subject the Company or the Banks to a variety of enforcement remedies, including the issuance of a capital directive, the termination of deposit insurance by the FDIC and certain other restrictions on their business. The federal banking agencies have broad powers under current federal law to take prompt corrective action to resolve problems of insured depository institutions. The extent of these powers depends upon whether the institutions in question are "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" or "critically undercapitalized," as such terms are defined under regulations issued by each of the federal banking agencies. In general, the agencies measure capital adequacy within a framework that makes capital requirements sensitive to the risk profiles of individual banking companies. The guidelines define capital as either Tier 1 (primarily common shareholders' equity) or Tier 2 (certain debt instruments and a portion of the allowance for loan losses). The Company and the Banks are subject to a minimum Tier 1 capital ratio (Tier 1 capital to risk-weighted assets) of 4%, a total capital ratio (Tier 1 plus Tier 2 to risk-weighted assets) of 8% and a Tier 1 leverage ratio (Tier 1 to average quarterly assets) of 4%. To be considered a "well capitalized" institution, the Tier 1 capital ratio, the total capital ratio and the Tier 1 leverage ratio must equal or exceed 6%, 10% and 5%, respectively.

The FRB has adopted rules to incorporate market and interest rate risk components into its risk-based capital standards. Under these market risk requirements, capital is allocated to support the amount of market risk related to a financial institution's ongoing activities.

Additional information is provided in Note 14 to the Consolidated Financial Statements and in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Capital Resources" in Exhibit 13 to this Form 10-K incorporated herein by reference.

Affiliate Transactions. The Banks are subject to Regulation W, which comprehensively implemented statutory restrictions on transactions between a bank and its affiliates. Regulation W combines the FRB's interpretations and exemptions relating to Sections 23A and 23B of the Federal Reserve Act. Regulation W and Section 23A place limits on the amount of loans or extensions of credit to, investments in, or certain other transactions with affiliates, and on the amount of advances to third parties collateralized by the securities or obligations of affiliates. In general, the Banks' "affiliates" are the Company and the Company's non-bank subsidiaries.

Regulation W and Section 23B prohibit, among other things, a bank from engaging in certain transactions with affiliates unless the transactions are on terms substantially the same, or at least as favorable to the bank, as those prevailing at the time for comparable transactions with non-affiliated companies.

The Banks are also subject to certain restrictions on extensions of credit to executive officers, directors, certain principal shareholders and their related interests. Such extensions of credit must be made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with third parties and must not involve more than the normal risk of repayment or present other unfavorable features.

Deposit Insurance. The Banks' deposits are insured to applicable limits by DIF of the FDIC. The DIF is the successor to the Bank Insurance Fund and the Savings Association Insurance Fund, which were merged in 2006 by the Federal Deposit Insurance Reform Act of 2005 (the "Reform Act"). In addition to merging the insurance funds, the Reform Act made the following major changes to the federal deposit insurance system:

- the current $100,000 deposit insurance coverage will be indexed for inflation (with adjustments every five years, commencing January 1, 2011);
- deposit insurance coverage for retirement accounts was increased to $250,000 per participant subject to adjustment for inflation; and
- the FDIC was given the authority to adjust the DIF's reserve ratio annually at between 1.15% and 1.5% of insured deposits, in contrast to the prior statutory ratio of 1.25%.

The FDIC has set the DIF's reserve ratio for 2008 at 1.25%.

The FDIC maintains a risk-based deposit insurance assessment system, under which the amount of each bank's insurance assessment is based on the balance of insured deposits and the degree of risk the institution poses to the DIF. Under the revised assessment system adopted by the FDIC following enactment of the Reform Act, insured institutions are assigned to one of four risk categories based on supervisory evaluations, capital levels and certain other factors. Deposit insurance assessment rates, which are set semiannually by the FDIC, currently range from 0.05% to 0.07% of insured deposits for Risk Category I institutions (i.e., well-capitalized and with one of the two highest safety and soundness examination ratings) to 0.43% for Risk Category IV institutions (i.e., undercapitalized and with substantial supervisory concerns).

The Reform Act also provides for a one-time credit for eligible institutions based on their level of insured deposits as of December 31, 1996. Subject to certain limitations applicable to institutions that are exhibiting weakness, such credit can be used to offset insurance assessments until exhausted. IBERIABANK's one-time credit is approximately $1.4 million. Pulaski Bank had no credit outstanding as of December 31, 2007.

In addition, all insured institutions are required to pay assessments to the FDIC to fund interest payments on bonds issued by the Financing Corporation, an agency of the federal government established to recapitalize the predecessor to the Savings Association Insurance Fund. This payment is established quarterly, and during the calendar year ending December 31, 2007, averaged 1.17 basis points of assessable deposits for IBERIABANK. Pulaski Bank's payment averaged 1.16 basis points for the same period.

Sarbanes-Oxley Act of 2002. The Sarbanes-Oxley Act of 2002 (the "SOX Act") implements a broad range of corporate governance, accounting and disclosure requirements for public companies, and also for their directors and officers. SEC rules adopted to implement SOX Act requirements require a reporting company's chief executive and chief financial officers to certify certain financial and other information included in the Company's quarterly and annual reports. The rules also require these officers to certify that they are responsible for establishing, maintaining and regularly evaluating the effectiveness of the Company's financial reporting and disclosure controls and procedures; that they have made certain disclosures to the auditors and to the Audit Committee of the board of directors about the Company's controls and procedures; and that they have included information in their quarterly and annual filings about their evaluation and whether there have been significant changes to the controls and procedures or other factors which would significantly impact these controls subsequent to their evaluation. Section 404 of the SOX Act requires management to undertake an assessment of the adequacy and effectiveness of the Company's internal controls over financial reporting and requires the Company's auditors to attest to and report on the effectiveness of these controls. See Item 9A. - "Controls and Procedures" hereof for the Company's evaluation of disclosure controls and procedures. The certifications required by Sections 302 and 906 of the SOX Act also accompany this Form 10-K.

Consumer Protection Laws. In connection with their lending and leasing activities, each of the Banks is subject to a number of federal and state laws designed to protect borrowers and promote lending to various sectors of the economy and population. These laws include the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Truth in Lending Act, the Home Mortgage Disclosure Act, the Real Estate Settlement Procedures Act, and their respective state law counterparts.

Federal law currently contains extensive customer privacy protection provisions. Under these provisions, a financial institution must provide to its customers, at the inception of the customer relationship and annually thereafter, the institution's policies and procedures regarding the handling of customers' nonpublic personal financial information. These provisions also provide that, except for certain limited exceptions, an institution may not provide such personal information to unaffiliated third parties unless the institution discloses to the customer that such information may be so provided and the customer is given the opportunity to opt out of such disclosure. Federal law makes it a criminal offense, except in limited circumstances, to obtain or attempt to obtain customer information of a financial nature by fraudulent or deceptive means.

The CRA requires the Banks' primary federal bank regulatory agencies to assess the Banks' records in meeting the credit needs of the communities they serve, including low- and moderate-income neighborhoods and persons. Institutions are assigned one of four ratings: "Outstanding," "Satisfactory," "Needs to Improve" or "Substantial Noncompliance." This assessment is reviewed for any bank that applies to merge or consolidate with or acquire the assets or assume the liabilities of an insured depository institution, or to open or relocate a branch office. The CRA record of each subsidiary bank of a financial holding company, such as the Company, also is assessed by the FRB in connection with any acquisition or merger application.

USA Patriot Act. The USA Patriot Act of 2001 (the "Patriot Act") contains anti-money laundering measures affecting insured depository institutions, broker-dealers and certain other financial institutions. The Patriot Act requires such financial institutions to implement policies and procedures to combat money laundering and the financing of terrorism, and grants the Secretary of the Treasury broad authority to establish regulations and to impose requirements and restrictions on financial institutions' operations. In addition, the Patriot Act requires the federal bank regulatory agencies to consider the effectiveness of a financial institution's anti-money laundering activities when reviewing bank mergers and bank holding company acquisitions.

<u>Other Regulatory Matters</u>. The Company and its subsidiaries and affiliates are subject to numerous examinations by federal and state banking regulators, as well as the SEC, the NASD, and various state insurance and securities regulators.

<u>Corporate Governance</u>. Information with respect to the Company's corporate governance is available on the Company's web site,www.iberiabank.com, and includes:

- Corporate Governance Guidelines

- Nominating and Corporate Governance Committee Charter

- Codes of Ethics

- Chief Executive Officer and Chief Financial Officer Certifications

The Company intends to disclose any waiver or substantial amendment of the Codes of Ethics applicable to directors and executive officers on its web site atwww.iberiabank.com.

Federal Taxation

The Company and its subsidiaries are subject to the generally applicable corporate tax provisions of the Internal Revenue Code (the "Code"), and the Banks are subject to certain additional provisions of the Code which apply to financial institutions. The Company and its subsidiaries file a consolidated federal income tax return on the basis of a fiscal year ending on December 31.

Retained earnings at December 31, 2007 and 2006 included approximately $21.9 million accumulated prior to January 1, 1987 for which no provision for federal income taxes has been made. If this portion of retained earnings is used in the future for any purpose other than to absorb bad debts, it will be added to future taxable income.

The net deferred tax asset at December 31, 2007 includes $58.3 million of future deductible temporary differences. Included is $38.4 million related to book deductions for the bad debt reserve that have not been deducted for tax purposes.

State Taxation

Louisiana does not permit the filing of consolidated income tax returns. The Company is subject to the Louisiana Corporation Income Tax based on its separate Louisiana taxable income, as well as a corporate franchise tax. IBERIABANK is not subject to the Louisiana income or franchise taxes. However, IBERIABANK is subject to the Louisiana Shares Tax which is imposed on the assessed value of its stock. The formula for deriving the assessed value is to calculate 15% of the sum of (a) 20% of the Company's capitalized earnings, plus (b) 80% of the Company's taxable shareholders' equity, and to subtract from that figure 50% of the Company's real and personal property assessment. Various items may also be subtracted in calculating a company's capitalized earnings. The Louisiana shares tax expense is included in noninterest expense.

Arkansas generally imposes income tax on financial institutions computed at a rate of 6.5% of net earnings. For the purpose of the 6.5% income tax, net earnings are defined as the net income of the financial institution computed in the manner prescribed for computing the net taxable income for federal corporate income tax purposes, less (i) interest income from obligations of the United States, of any county, municipal or public corporation authority, special district or political subdivision, plus (ii) any deduction for state income taxes.

Item 1A. Risk Factors.

(references to "our," "we" or similar terms under this subheading refer to IBERIABANK Corporation)

There are risks, many beyond the Company's control, which could cause the Company's results to differ significantly from management's expectations. Some of these risk factors are described below. Any factor described in this report could, by itself or together with one or more other factors, adversely affect the Company's business, results of operations and/or financial condition.

Our recent growth and financial performance will be negatively impacted if we are unable to execute our growth strategy.

Our stated growth strategy is to grow organically and supplement that growth with select acquisitions. Over the last few years, we have continued to fill out our Louisiana franchise by adding de novo branches in attractive markets where we believe we have a competitive advantage and will continue to do so. In the wake of Hurricanes Katrina and Rita, we implemented a branch expansion initiative whereby we opened banking offices in various southern Louisiana communities. Our success depends primarily on generating loans and deposits of acceptable risk and expense. There can be no assurances that we will be successful in continuing our organic, or internal, growth strategy. Since it depends upon economic conditions, our ability to identify appropriate markets for expansion, our ability to recruit and retain qualified personnel, our ability to fund growth at reasonable cost, sufficient capital, competitive factors, banking laws, and other factors.

Supplementing our internal growth through acquisitions is an important part of our strategic focus. Since 1995, approximately half of our asset growth has been through acquisitions, or external growth. Our acquisition efforts focus on select markets and targeted entities in Louisiana and most recently in selected markets we consider to be contiguous, or natural extensions, to our current markets including Arkansas where we completed acquisitions of Pulaski Investment Corporation and Pocahontas Bancorp, Inc. in 2007. As consolidation of the banking industry continues, the competition for suitable acquisition candidates may increase. We compete with other banking companies for acquisition opportunities, and many of these competitors have greater financial resources than we do and may be able to pay more for an acquisition than we are able or willing to pay. We also may need additional debt or equity financing in the future to fund acquisitions. We may not be able to obtain additional financing or, if available, it may not be in amounts and on terms acceptable to us. Our issuance of additional securities will dilute existing shareholders' equity interest in us and may have a dilutive effect on our earnings per share. If we are unable to locate suitable acquisition candidates willing to sell on terms acceptable to us, or we are otherwise unable to obtain additional debt or equity financing necessary for us to continue making acquisitions, we would be required to find other methods to grow our business and we may not grow at the same rate we have in the past, or at all.

We cannot be certain as to our ability to manage increased levels of assets and liabilities without increased expenses and higher levels of nonperforming assets. We may be required to make additional investments in equipment and personnel to manage higher asset levels and loan balances, which may adversely affect earnings, shareholder returns, and our efficiency ratio. Increases in operating expenses or nonperforming assets may decrease our earnings and the value of our common stock.

Like most banking organizations, our business is highly susceptible to credit risk.

As a lender, we are exposed to the risk that our customers will be unable to repay their loans according to their terms and that the collateral securing the payment of their loans (if any) may not be sufficient to assure repayment. Credit losses could have a material adverse effect on our operating results.

As of December 31, 2007, our total loan portfolio was approximately $3.4 billion, or 70% of total assets. The major components of our loan portfolio include 58% of commercial loans, both real estate and business, 17% of mortgage loans comprised primarily of residential 1-4 family mortgage loans, and 25% consumer loans. Our credit risk with respect to our consumer installment loan portfolio and commercial loan portfolio relates principally to the general creditworthiness of individuals and businesses within our local market areas. Our credit risk with respect to our residential and commercial real estate mortgage and construction loan portfolios relates principally to the general creditworthiness of individuals and businesses and the value of real estate serving as security for the repayment of the loans. A related risk in connection with loans secured by commercial real estate is the effect of unknown or unexpected environmental contamination, which could make the real estate effectively unmarketable or otherwise significantly reduce its value as security.

Our commercial real estate loan portfolio has and will continue to be affected by the on-going correction in residential real estate prices and reduced levels of home sales.

At December 31, 2007, we had $1.4 billion of commercial real estate loans, which include loans to builders of single family homes. There has been a general slowdown in housing in some of our market areas, reflecting declining prices and excess inventories of houses to be sold, particularly impacting borrowers in our Northwest Arkansas and Memphis markets. As a result, home builders have shown signs of financial deterioration. A soft residential housing market, increased delinquency rates, and a weakened secondary credit market have affected the overall mortgage industry. We expect the home builder market to continue to be volatile and anticipate continuing pressure on the home builder segment in the coming months. We make credit and reserve decisions based on the current conditions of borrowers or projects combined with our expectations for the future. If the slowdown in the housing market continues, we could experience higher charge-offs and delinquencies beyond that which is provided in the allowance for loan losses. As such, the Company's earnings could be adversely affected through a higher than anticipated provision for loan losses.

At December 31, 2007, we had:

- $96.4 million of home equity loans and lines, representing 2.8% of total loans and leases.

- $576.5 million in residential real estate loans, representing 16.8% of total loans and leases. Adjustable-rate mortgages, primarily mortgages that have a fixed rate for the first 3 to 5 years and then adjust annually, comprised 17.4% of this portfolio.

- $14.4 million of loans to single family home builders, including loans made to both middle market and small business home builders. These loans represented 0.4% of total loans and leases.

Our allowance for loan losses may not be sufficient to cover actual loan losses, which could adversely affect our earnings.

We maintain an allowance for loan losses in an attempt to cover loan losses inherent in our loan portfolio. Additional loan losses will likely occur in the future and may occur at a rate greater than we have experienced to date.

The determination of the allowance for loan losses, which represents management's estimate of probable losses inherent in our credit portfolio, involves a high degree of judgment and complexity. Our policy is to establish reserves for estimated losses on delinquent and other problem loans when it is determined that losses are expected to be incurred on such loans. Management's determination of the adequacy of the allowance is based on various factors, including an evaluation of the portfolio, past loss experience, current economic conditions, the volume and type of lending conducted by us, composition of the portfolio, the amount of our classified assets, seasoning of the loan portfolio, the status of past due principal and interest payments and other relevant factors. Changes in such estimates may have a significant impact on our financial statements. If our assumptions and judgments prove to be incorrect, our current allowance may not be sufficient and adjustments may be necessary to allow for different economic conditions or adverse developments in our loan portfolio. Federal and state regulators also periodically review our allowance for loan losses and may require us to increase our provision for loan losses or recognize further loan charge-offs, based on judgments different than those of our management. Any increase in our allowance for loan losses would have an adverse effect on our operating results and financial condition.

Our loan portfolio is representative of a commercial bank. Commercial and commercial real estate loans generally are viewed as having more risk of default than residential real estate loans or other loans or investments. These types of loans also typically are larger than residential real estate loans and other consumer loans. Because the loan portfolio contains a significant number of commercial and commercial real estate loans with relatively large balances, the deterioration of a material amount of these loans may cause a significant increase in nonperforming assets. An increase in nonperforming loans could result in: a loss of earnings from these loans, an increase in the provision for loan losses or an increase in loan charge-offs, which would have an adverse impact on our results of operations and financial condition.

Changes in interest rates and other factors beyond our control may adversely affect our earnings and financial condition.

Our net income depends to a great extent upon the level of our net interest income. Changes in interest rates can increase or decrease net interest income and net income. Net interest income is the difference between the interest income we earn on loans, investments and other interest-earning assets, and the interest we pay on interest-bearing liabilities, such as deposits and borrowings. Net interest income is affected by changes in market interest rates, because different types of assets and liabilities may react differently, and at different times, to market interest rate changes. When interest-bearing liabilities mature or reprice more quickly than interest-earning assets in a period, an increase in market rates of interest could reduce net interest income. Similarly, when interest-earning assets mature or reprice more quickly than interest-bearing liabilities, falling interest rates could reduce net interest income.

Changes in market interest rates are affected by many factors beyond our control, including inflation, unemployment, the money supply, international events, and events in world financial markets. We attempt to manage our risk from changes in market interest rates by adjusting the rates, maturity, repricing, and balances of the different types of interest-earning assets and interest-bearing liabilities, but interest rate risk management techniques are not exact. As a result, a rapid increase or decrease in interest rates could have an adverse effect on our net interest margin and results of operations. Changes in the market interest rates for types of products and services in our markets also may vary significantly from location to location and over time based upon competition and local or regional economic factors.

If our banks or holding company were unable to borrow funds through access to capital markets, we may not be able to meet the cash flow requirements of our depositors and borrowers, or the operating cash needs to fund corporate expansion and other corporate activities.

Liquidity is the ability to meet cash flow needs on a timely basis at a reasonable cost. The liquidity of our banks is used to make loans and leases to repay deposit liabilities as they become due or are demanded by customers. Liquidity policies and limits are established by the board of directors. Management and the Investment Committee regularly monitor the overall liquidity position of the banks and the holding company to ensure that various alternative strategies exist to cover unanticipated events that could affect liquidity. Management and the Investment Committee also establish policies and monitor guidelines to diversify the banks' funding sources to avoid concentrations in any one market source. Funding sources include Federal funds purchased, securities sold under repurchase agreements, non-core deposits, and short- and long-term debt. The Banks are also members of the Federal Home Loan Bank ("FHLB") System, which provides funding through advances to members that are collateralized with mortgage-related assets.

We maintain a portfolio of securities that can be used as a secondary source of liquidity. There are other sources of liquidity available to us should they be needed. These sources include sales or securitizations of loans, our ability to acquire additional national market, non-core deposits, additional collateralized borrowings such as FHLB advances, the issuance and sale of debt securities, and the issuance and sale of preferred or common securities in public or private transactions. The Banks also can borrow from the Federal Reserve's discount window.

If we were unable to access any of these funding sources when needed, we might be unable to meet customers' needs, which could adversely impact our financial condition, results of operations, cash flows, and level of regulatory-qualifying capital. For further discussion, see note 14 to the Consolidated Financial Statements.

We face risk related to our operational, technological and organizational infrastructure.

Our ability to grow and compete is dependent on our ability to build or acquire the necessary operational and technological infrastructure and to manage the cost of that infrastructure while we expand. Similar to other large corporations, in our case, operational risk can manifest itself in many ways, such as errors related to failed or inadequate processes, faulty or disabled computer systems, fraud by employees or persons outside of the company and exposure to external events. We are dependent on our operational infrastructure to help manage these risks. In addition, we are heavily dependent on the strength and capability of our technology systems which we use both to interface with our customers and to manage our internal financial and other systems. Our ability to develop and deliver new products that meet the needs of our existing customers and attract new ones depends on the functionality of our technology systems. Additionally, our ability to run our business in compliance with applicable laws and regulations is dependent on these infrastructures.

We continuously monitor our operational and technological capabilities and make modifications and improvements when we believe it will be cost effective to do so. In some instances, we may build and maintain these capabilities ourselves. We also outsource some of these functions to third parties. These third parties may experience errors or disruptions that could adversely impact us and over which we may have limited control. We also face risk from the integration of new infrastructure platforms and/or new third party providers of such platforms into our existing businesses.

Acquisitions or mergers entail risks which could negatively affect our operations.

Acquisitions and mergers, particularly the integration of companies that have previously been operated separately, involves a number of risks, including, but not limited to:

- the time and costs associated with identifying and evaluating potential acquisition or merger partners;
- difficulties in assimilating operations of the acquired institution and implementing uniform standards, controls, procedures and policies;
- exposure to asset quality problems of the acquired institution;
- our ability to finance an acquisition and maintain adequate regulatory capital;
- diversion of management's attention from the management of daily operations;
- risks and expenses of entering new geographic markets;
- potential significant loss of depositors or loan customers from the acquired institution;
- loss of key employees of the acquired institution; and
- exposure to undisclosed or unknown liabilities of an acquired institution.

Any of these acquisition risks could result in unexpected losses or expenses and thereby reduce the expected benefits of the acquisition. Also, we may issue equity securities, including common stock and securities convertible into common stock in connection with future acquisitions, which could cause ownership and economic dilution to our current shareholders. Our failure to successfully integrate current and future acquisitions and manage our growth could adversely affect our business, results of operations, financial condition and future prospects.

We rely heavily on our management and other key personnel, and the loss of key members may adversely affect our operations.

We are and will continue to be dependent upon the services of our executive management team. The unexpected loss of key senior managers, or the inability to recruit and retain qualified personnel in the future, could have an adverse effect on our business, financial condition, or operating results.

Competition may decrease our growth or profits.

We compete for loans, deposits, title business and investment dollars with other banks and other financial institutions and enterprises, such as securities firms, insurance companies, savings associations, credit unions, mortgage brokers, private lenders and title companies, many of which have substantially greater resources than ours. Credit unions have federal tax exemptions, which may allow them to offer lower rates on loans and higher rates on deposits than taxpaying financial institutions such as commercial banks. In addition, non-depository institution competitors are generally not subject to the extensive regulation applicable to institutions that offer federally insured deposits. Other institutions may have other competitive advantages in particular markets or may be willing to accept lower profit margins on certain products. These differences in resources, regulation, competitive advantages, and business strategy may decrease our net interest margin, may increase our operating costs, and may make it harder for us to compete profitably.

Reputational risk and social factors may impact our results.

Our ability to originate and maintain accounts is highly dependent upon consumer and other external perceptions of our business practices and/or our financial health. Adverse perceptions regarding our business practices and/or our financial health could damage our reputation in both the customer and funding markets, leading to difficulties in generating and maintaining accounts as well as in financing them. Adverse developments with respect to the consumer or other external perceptions regarding the practices of our competitors, or our industry as a whole, may also adversely impact our reputation. In addition, adverse reputational impacts on third parties with whom we have important relationships may also adversely impact our reputation. Adverse impacts on our reputation, or the reputation of our industry, may also result in greater regulatory and/or legislative scrutiny, which may lead to laws or regulations that may change or constrain the manner in which we engage with our customers and the products we offer. Adverse reputational impacts or events may also increase our litigation risk. We carefully monitor internal and external developments for areas of potential reputational risk and have established governance structures to assist in evaluating such risks in our business practices and decisions.

Changes in government regulations and legislation could limit our future performance and growth.

The banking industry is heavily regulated. We are subject to examinations, supervision and comprehensive regulation by various federal and state agencies. Our compliance with these regulations is costly and restricts certain of our activities. Banking regulations are primarily intended to protect the federal deposit insurance fund and depositors, not shareholders. The burden imposed by federal and state regulations puts banks at a competitive disadvantage compared to less regulated competitors such as finance companies, mortgage banking companies and leasing companies. Changes in the laws, regulations and regulatory practices affecting the banking industry may increase our costs of doing business or otherwise adversely affect us and create competitive advantages for others. Regulations affecting banks and financial services companies undergo continuous change, and we cannot predict the ultimate effect of these changes, which could have a material adverse effect on our profitability or financial condition. Federal economic and monetary policies may also affect our ability to attract deposits and other funding sources, make loans and investments, and achieve satisfactory interest spreads.

The geographic concentration of our markets makes our business highly susceptible to local economic conditions.

Unlike larger organizations that are more geographically diversified, the Company's offices are primarily concentrated in selected markets in Louisiana and Arkansas. As a result of this geographic concentration, our financial results depend largely upon economic conditions in these market areas. Deterioration in economic conditions in the markets we serve could result in one or more of the following:

- an increase in loan delinquencies;
- an increase in problem assets and foreclosures;
- a decrease in the demand for our products and services; and
- a decrease in the value of collateral for loans, especially real estate, in turn reducing customers' borrowing power, the value of assets associated with problem loans and collateral coverage.

If we do not adjust to rapid changes in the financial services industry, our financial performance may suffer.

We face substantial competition for deposit, credit, title and trust relationships, as well as other sources of funding in the communities we serve. Competing providers include other banks, thrifts and trust companies, insurance companies, mortgage banking operations, credit unions, finance companies, title companies, money market funds and other financial and nonfinancial companies which may offer products functionally equivalent to those offered by us. Competing providers may have greater financial resources than we do and offer services within and outside the market areas we serve. In addition to this challenge of attracting and retaining customers for traditional banking services, our competitors include securities dealers, brokers, mortgage bankers, investment advisors and finance and insurance companies who seek to offer one-stop financial services to their customers that may include services that financial institutions have not been able or allowed to offer to their customers in the past. The increasingly competitive environment is primarily a result of changes in regulation, changes in technology and product delivery systems and the accelerating pace of consolidation among financial service providers. If we are unable to adjust both to increased competition for traditional banking services and changing customer needs and preferences, our financial performance and your investment in our common stock could be adversely affected.

Hurricanes or other adverse weather events could negatively affect our local economies or disrupt our operations, which would have an adverse effect on our business or results of operations.

Like other coastal areas, some of our markets in Louisiana are susceptible to hurricanes and tropical storms. Such weather events can disrupt our operations, result in damage to our properties and negatively affect the local economies in which we operate. We cannot predict whether or to what extent damage that may be caused by future hurricanes or other weather events will affect our operations or the economies in our market areas, but such weather events could result in a decline in loan originations, a decline in the value or destruction of properties securing our loans and an increase in the delinquencies, foreclosures and loan losses. Our business or results of operations may be adversely affected by these and other negative effects of hurricanes or other significant weather events.

We cannot guarantee that we will pay dividends to shareholders in the future.

Cash available to pay dividends to our shareholders is derived primarily, if not entirely, from dividends paid to us from the Banks. The ability of our subsidiary banks to pay dividends to us as well as our ability to pay dividends to our shareholders is limited by regulatory and legal restrictions and the need to maintain sufficient consolidated capital. We may also decide to limit the payment of dividends even when we have the legal ability to pay them in order to retain earnings for use in our business. Further, any lenders making loans to us may impose financial covenants that may be more restrictive than regulatory requirements with respect to the payment of dividends. For instance, we are prohibited from paying dividends on our common stock if the required payments on our subordinated debentures have not been made. There can be no assurance of whether or when we may pay dividends in the future.

The trading history of our common stock is characterized by low trading volume. The value of your investment may be subject to sudden decreases due to the volatility of the price of our common stock.

Our common stock trades on Nasdaq Global Market. During 2007, the average daily trading volume of our common stock was approximately 50,000 shares. We cannot predict the extent to which investor interest in us will lead to a more active trading market in our common stock or how much more liquid that market might become. A public trading market having the desired characteristics of depth, liquidity and orderliness depends upon the presence in the marketplace of willing buyers and sellers of our common stock at any given time, which presence is dependent upon the individual decisions of investors, over which we have no control.

The market price of our common stock may be highly volatile and subject to wide fluctuations in response to numerous factors, including, but not limited to, the factors discussed in other risk factors and the following:

- actual or anticipated fluctuations in our operating results;
- changes in interest rates;
- changes in the legal or regulatory environment in which we operate;
- press releases, announcements or publicity relating to us or our competitors or relating to trends in our industry;
- changes in expectations as to our future financial performance, including financial estimates or recommendations by securities analysts and investors;
- future sales of our common stock;
- changes in economic conditions in our marketplace, general conditions in the U.S. economy, financial markets or the banking industry; and
- other developments affecting our competitors or us.

These factors may adversely affect the trading price of our common stock, regardless of our actual operating performance, and could prevent our shareholders from selling common stock at or above the public offering price. In addition, the stock markets, from time to time, experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of companies. These broad fluctuations may adversely affect the market price of our common stock, regardless of our trading performance.

In the past, shareholders often have brought securities class action litigation against a company following periods of volatility in the market price of their securities. We may be the target of similar litigation in the future, which could result in substantial costs and divert management's attention and resources.

We may issue additional securities, which could dilute your ownership percentage.

In many situations, our board of directors has the authority, without any vote of our shareholders, to issue shares of our authorized but unissued stock, including shares authorized and unissued under our stock option plans. In the future, we may issue additional securities, through public or private offerings, to raise additional capital or finance acquisitions. Moreover, to the extent that we issue restricted stock units, stock appreciation rights, options or warrants to purchase our common stock in the future and those stock appreciation rights, options or warrants are exercised or as the restricted stock units vest, our shareholders may experience further dilution. Any such issuance would dilute the ownership of current holders of our common stock.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

As of December 31, 2007, the Company operated 150 combined offices, including 81 bank branch offices in Louisiana, Arkansas and Tennessee, 30 title insurance offices in Arkansas and Louisiana, and had mortgage representatives in 39 locations in eight states. Office locations are either owned or leased. For offices in premises leased by the Company or its subsidiaries, rent expense totaled $2.2 million in 2007. During 2007, the Company and its subsidiaries received $1.2 million in rental income for space leased to others. At December 31, 2007, there were no significant encumbrances on the offices, equipment and other operational facilities owned by the Company and its subsidiaries.

Additional information on the Company's premises is provided in Note 6 to the Consolidated Financial Statements incorporated herein by reference.

Item 3. Legal Proceedings.

The Company is subject to certain claims and litigation arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, the ultimate disposition of these matters is not expected to have a material effect on the consolidated financial position of the Company.

Item 4. Submission of Matters to a Vote of Security Holders.

Not applicable.

Executive Officers of the Registrant

Set forth below is information with respect to the executive officers of the Company and principal occupations and positions held for periods including the last five years.

DARYL G. BYRD, age 53, has served as President of the Company since 1999 and as Chief Executive Officer since 2000. He also serves as President and Chief Executive Officer of each of the Banks.

ANTHONY J. RESTEL, age 38, has served as Senior Executive Vice President and Chief Financial Officer of the Company since February 2005 and as Chief Credit Officer since December 2006. He also serves as Senior Executive Vice President, Chief Financial Officer and Chief Credit Officer of each of the Banks. Mr. Restel was hired as Vice President and Treasurer of the Company and IBERIABANK in 2001.

MICHAEL J. BROWN, age 44, has served as Senior Executive Vice President of the Company since 2001. Mr. Brown is responsible for management of all of the Company's banking markets, including Louisiana, Arkansas and Tennessee. He is also responsible for wealth management, including trust activities.

JOHN R. DAVIS, age 47, has served as Senior Executive Vice President – Mergers and Acquisitions/Finance and Investor Relations of the Company since 2001. He also serves as Senior Executive Vice President of each of the Banks and is responsible for the mortgage lending and title insurance businesses.

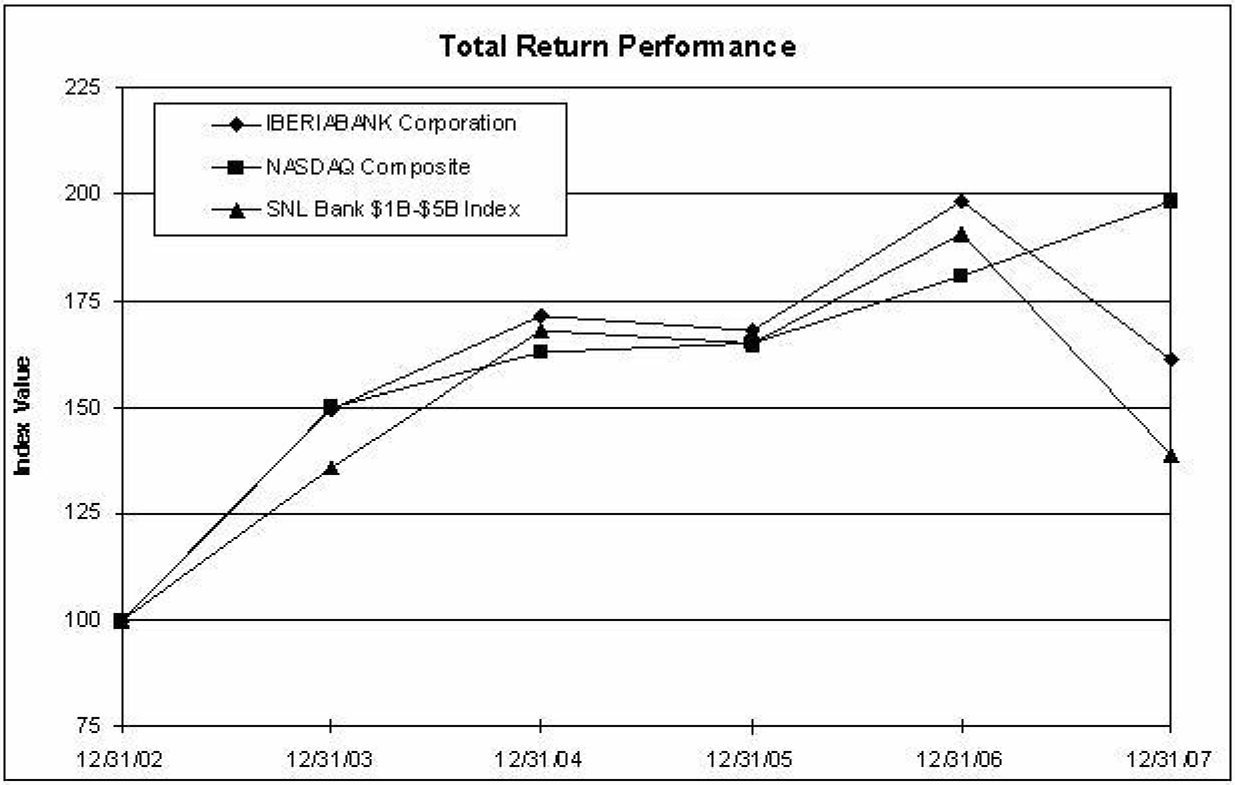
MICHAEL A. NAQUIN, age 47, has served as Senior Executive Vice President of the Company since March 2004. He also serves as Senior Executive Vice President of each of the Banks. Mr. Naquin is responsible for the retail banking segment, consumer lending, loan operations and corporate facilities. Prior to joining the Company, he served in several senior roles with Bank One, including Commercial Banking Manager for Arizona and California from 2002 to 2004.

GEORGE J. BECKER III, age 67, has served as Executive Vice President, Director of Organizational Development of the Company since February 2005. In 2007, he began his second tenure as Director of Corporate Operations. Mr. Becker, a Certified Public Accountant, also serves as Secretary of the Company and each of the Banks.

Item 5. Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities.

Stock Performance Graph

The following graph and table, which were prepared by SNL Financial LC ("SNL"), compares the cumulative total return on the Company's Common Stock over a measurement period beginning December 31, 2002 with (i) the cumulative total return on the stocks included in the National Association of Securities Dealers, Inc. Automated Quotation ("NASDAQ") Composite Index and (ii) the cumulative total return on the stocks included in the SNL $1 Billion-$5 Billion Bank Index. All of these cumulative returns are computed assuming the quarterly reinvestment of dividends paid during the applicable period. The Company's stock value has been adjusted for a 5 for 4 stock split in August 2005.



Index	Period Ending 12/31/02	12/31/03	12/31/04	12/30/05	12/31/06	12/31/07
IBERIABANK Corporation	100.00	149.62	171.29	167.91	198.42	161.27
NASDAQ Composite	100.00	150.01	162.89	165.13	180.85	198.60
SNL $1B-$5B Bank Index	100.00	135.99	167.83	164.97	190.90	139.06

The stock performance graph assumes $100.00 was invested December 31, 2002. The stock price performance included in this graph is not necessarily indicative of future stock price performance.

Additional information required herein is incorporated by reference to "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Corporate Information Data" in Exhibit 13 hereto.

Item 6. Selected Financial Data.

The information required herein is incorporated by reference to "Selected Consolidated Financial and Other Data" in Exhibit 13 hereto.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The information required herein is incorporated by reference to "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Exhibit 13 hereto.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

The information required herein is incorporated by reference to "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Exhibit 13 hereto.

Item 8. Financial Statements and Supplementary Data.

The information required herein is incorporated by reference to "IBERIABANK Corporation and Subsidiaries Consolidated Financial Statements" in Exhibit 13 hereto.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

On March 13, 2007, Castaing, Hussey, & Lolan, LLC ("CHL"), the Company's Independent Registered Accounting Firm, informed the Audit Committee of the Board of Directors that it would decline to stand for re-election as Independent Registered Accounting Firm upon the filing of the Annual Report on Form 10-K for the fiscal year ended December 31, 2006.

On March 13, 2007, the Audit Committee appointed Ernst & Young LLP ("E&Y") to serve as the Company's Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2007. This determination followed the Audit Committee's decision to seek proposals from independent accountants to audit the Company's financial statements for the fiscal year ended December 31, 2007.

The Report of Independent Registered Public Accounting Firm for the fiscal years ended December 31, 2007 and 2006, did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles.

During the Company's fiscal years ended December 31, 2007 and 2006, and through the date hereof, there were no disagreements between the Company and E&Y or CHL on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to their satisfaction, would have caused them to make a reference to the matter in its reports on the Company's financial statements for such years.

During the Company's fiscal years ended December 31, 2007 and 2006, and through the date hereof, there were no "reportable events" (as defined by Item 304(a)(1)(v) of Regulation S-K).

The Company requested that CHL furnish it with a letter addressed to the Securities and Exchange Commission stating whether or not CHL agreed with the above statements. A copy of such letter, dated March 16, 2007, was filed as an exhibit to the Company's Current Report on Form 8-K dated March 13, 2007.

During the Company's fiscal years ended December 31, 2006 and 2005, and the subsequent interim period through March 13, 2007, the Company did not consult with E&Y regarding any of the matters or events set forth in Item 304(a)(2)(i) and (ii) of Regulation S-K.

Item 9A. Controls and Procedures.

As required by Rule 13a-15 under the Securities Exchange Act of 1934 (the "Exchange Act'), the Company performed an evaluation of the effectiveness of the Company's disclosure controls and procedures as of December 31, 2007. The evaluation 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 Exchange Act.

The audited consolidated financial statements of the Company include the results of the Pulaski Bank and Trust Company and Lenders Title Company. The inclusion of these companies resulted from the acquisitions of Pulaski Investment Corporation and Pocahontas Bancorp, Inc. on January 31, 2007 and February 1, 2007, respectively. Management's assessment does not include a complete assessment of the internal control over financial reporting of these entities. This approach is consistent with published SEC guidance on the permissible scope of management's internal control report. Although management performed significant testing of the internal controls over financial reporting of these entities, management's assessment was not fully completed by December 31, 2007. As of December 31, 2007, Pulaski Bank and Trust Company and Lenders Title Company accounted for $1,339,457,000 and $247,542,000 of total and net assets, respectively, of the Company. For the year ended December 31, 2007, Pulaski Bank and Trust Company and Lenders Title Company accounted for $112,371,000 and $5,794,000 of revenues and net income, respectively, of the Company.

In addition, the Company reviewed its financial reporting internal controls. 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 reasonable likely to materially affect, the Company's internal control over financial reporting. Management's Annual Report on Internal Control over Financial Reporting, and the attestation report of the independent registered public accounting firm are included in Exhibit 13 and is incorporated by reference herein.

Item 9B. Other Information.

None.

PART III.

Item 10. Directors and Executive Officers of the Registrant.

Information concerning the Registrant's executive officers is contained in Part I of this Form 10-K. Other information required herein, including information on directors, the audit committee, and the audit committee financial expert is incorporated by reference to the Proxy Statement.

Item 11. Executive Compensation.

The information required herein is incorporated by reference to the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters.

The information required herein is incorporated by reference to the Proxy Statement.

Item 13. Certain Relationships and Related Transactions.

The information required herein is incorporated by reference to the Proxy Statement.

Item 14. Principal Accountant Fees and Services.

The information required herein is incorporated by reference to the Proxy Statement.

PART IV.

Item 15. Exhibits and Financial Statement Schedules.

(a) Documents Filed as Part of this Report.

(1) The following financial statements are incorporated by reference from Item 8 hereof (see Exhibit No. 13):

Consolidated Balance Sheets as of December 31, 2007 and 2006.

Consolidated Statements of Income for the Years Ended December 31, 2007, 2006 and 2005

Consolidated Statements of Shareholders' Equity for the Years Ended December 31, 2007, 2006 and 2005

Consolidated Statements of Cash Flows for the Years Ended December 31, 2007, 2006 and 2005

Notes to Consolidated Financial Statements

(2) All schedules for which provision is made in the applicable accounting regulation of the SEC are omitted because of the absence of conditions under which they are required or because the required information is included in the consolidated financial statements and related notes thereto.

(3) The following exhibits are filed as part of this Form 10-K, and this list includes the Exhibit Index.

Exhibit Index

Exhibit No. 2.1	Agreement and Plan of Merger, dated September 22, 2002, between the Registrant and Acadiana Bancshares, Inc. – incorporated herein by reference to Exhibit 2.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2002.
Exhibit No. 2.2	Agreement and Plan of Merger, dated November 17, 2003, by and among Alliance Bank of Baton Rouge, the Registrant, and IBERIABANK – incorporated herein by reference to Exhibit 2.1 to the Registrant's Registration Statement on Form S-4 (File No. 333-111308).
Exhibit No. 2.3	Agreement and Plan of Merger, dated September 29, 2004, between the Registrant and American Horizons Bancorp, Inc. – incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated September 29, 2004.
Exhibit No. 2.4	Agreement and Plan of Merger, dated July 26, 2006, between the Registrant and Pocahontas Bancorp, Inc. – incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated July 26, 2006, as amended.
Exhibit No. 2.5	Agreement and Plan of Merger, dated August 9, 2006, between the Registrant and Pulaski Investment Corporation – incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated August 9, 2006.
Exhibit No. 3.1	Articles of Incorporation, as amended – incorporated herein by reference to Exhibit 3.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2001.
Exhibit No. 3.2	Bylaws of the Company, as amended – incorporated herein by reference to Exhibit 3.1 to Registrant's Current Report of Form 8-K dated January 21, 2008.
Exhibit No. 4.1	Stock Certificate – incorporated herein by reference to Registration Statement on Form S-8 (File No. 33-93210).
Exhibit No. 4.2	Junior Subordinated Indenture between the Registrant and Wilmington Trust Company, dated September 20, 2004 – incorporated herein by reference to Exhibit 4 to Registrant's Current Report on Form 8-K dated September 20, 2004.
Exhibit No. 4.3	Junior Subordinated Indenture between the Registrant and Wilmington Trust Company, dated October 31, 2006 – incorporated herein by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated October 31, 2006.
Exhibit No. 4.4	Junior Subordinated Indenture between the Registrant and Wilmington Trust Company, dated June 21, 2007 – incorporated herein by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated June 21, 2007.
Exhibit No. 4.5	Junior Subordinated Indenture between the Registrant and U.S. Bank National Association, dated November 9, 2007 – incorporated herein by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated November 9, 2007.
Exhibit No. 4.6	Junior Subordinated Indenture between the Registrant and U.S. Bank National Association, dated November 9, 2007 – incorporated herein by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K dated November 9, 2007.

Exhibit No. 10.1	Retirement Savings Plan - incorporated herein by reference to Exhibit 10.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2005.
Exhibit No. 10.2	Employment Agreement with Daryl G. Byrd, as amended and restated – incorporated herein by reference to Exhibit 10.4 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2001.
Exhibit No. 10.3	Indemnification Agreements with Daryl G. Byrd and Michael J. Brown – incorporated herein by reference to Exhibit 10.5 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1999.
Exhibit No. 10.4	Severance Agreements with Michael J. Brown and John R. Davis – incorporated herein by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.
Exhibit No. 10.5	Severance Agreement with George J. Becker III – incorporated herein by reference to Exhibit 10.7 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.
Exhibit No. 10.6	Severance Agreement with Anthony J. Restel – incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 13, 2005.
Exhibit No. 10.7	1996 Stock Option Plan – incorporated herein by reference to Exhibit 10.1 to Registration Statement on Form S-8 (File No. 333-28859).
Exhibit No. 10.8	1999 Stock Option Plan – incorporated herein by reference to the Registrant's definitive proxy statement dated March 19, 1999.
Exhibit No. 10.9	Recognition and Retention Plan – incorporated herein by reference to the Registrant's definitive proxy statement dated April 16, 1996.
Exhibit No. 10.10	Supplemental Stock Option Plan – incorporated herein by reference to Exhibit 10.10 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1999.
Exhibit No. 10.11	2001 Incentive Compensation Plan, as amended – incorporated herein by reference to the Registrant's definitive proxy statement dated April 2, 2003.
Exhibit No. 10.12	2005 Stock Incentive Plan – incorporated herein by reference to the Registrant's definitive proxy statement dated April 11, 2005.
Exhibit No. 10.13	Purchase Agreement, dated as of June 17, 2003, among IBERIABANK Corporation, IBERIABANK Statutory Trust II and Trapeza CDO III, LLC - incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2003.
Exhibit No. 10.14	Placement Agreement among the Registrant, IBERIABANK Statutory Trust III and SunTrust Capital Markets, Inc., dated as of September 20, 2004 – incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report of Form 8-K dated September 20, 2004.
Exhibit No. 10.15	Guarantee Agreement between the Registrant and Wilmington Trust Company, dated as of September 20, 2004 – incorporated herein by reference to Exhibit 10.7 to the Registrant's Current Report of Form 8-K dated September 20, 2004.
Exhibit No. 10.16	Change in Control Severance Agreement with Michael A. Naquin, dated August 25, 2004 - incorporated herein by reference to Exhibit 10.15 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2004.
Exhibit No. 10.17	Indemnification Agreement with Michael A. Naquin, dated March 3, 2004 - incorporated herein by reference to Exhibit 10.15 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2004.
Exhibit No. 10.18	Form of Restricted Stock Award Agreement under the ISB Supplemental Stock Option Plan – incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated August 15, 2005.
Exhibit No. 10.19	Form of Acknowledgement regarding acceleration of unvested stock options granted by the Registrant – incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated December 30, 2005.
Exhibit No. 10.20	Form of Restricted Stock Agreement under the IBERIABANK Corporation 2001 Incentive Compensation Plan - incorporated herein by reference to Exhibit 10.18 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2005.
Exhibit No. 10.21	Form of Incentive Stock Option Agreement under the IBERIABANK Corporation 2001 Incentive Compensation Plan - incorporated herein by reference to Exhibit 10.19 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2005.
Exhibit No. 10.22	Form of Restricted Stock Agreement under the IBERIABANK Corporation 2005 Stock Incentive Plan – incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated May 17, 2006.
Exhibit No. 10.23	Form of Stock Option Agreement under the IBERIABANK Corporation 2005 Stock Incentive Plan – incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated May 17, 2006.

Exhibit No. 10.24	Amended and Restated Trust Agreement, dated as of October 31, 2006, among the Registrant, as depositor, Wilmington Trust Company, as Delaware trustee, Wilmington Trust Company, as property trustee, and the administrators named therein – incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated October 31, 2006.
Exhibit No. 10.25	Guarantee Agreement, dated as of October 31, 2006, between the Registrant and Wilmington Trust Company – incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated October 31, 2006.
Exhibit No. 10.26	Purchase Agreement, dated November 10, 2006, by and among the Registrant and the Purchasers thereto – incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated November 10. 2006.
Exhibit No. 10.27	Lock-Up Agreement between officers and directors of the Registrant and Stifel, Nicolaus & Company, Incorporated – incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated November 16, 2006.
Exhibit No. 10.28	Amended and Restated Trust Agreement, dated as of June 21, 2007, among the Registrant, as sponsor, Wilmington Trust Company, as Delaware trustee, Wilmington Trust Company, as institutional trustee, and the administrators named therein – incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated June 21, 2007.
Exhibit No. 10.29	Guarantee Agreement, dated as of June 21, 2007, between the Registrant and Wilmington Trust Company – incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated June 21, 2007.
Exhibit No. 10.30	Amended and Restated Trust Agreement, dated as of November 9, 2007, among the Registrant, as sponsor, U.S. Bank National Association, as institutional trustee and the administrators named therein – incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated November 9, 2007.
Exhibit No. 10.31	Guarantee Agreement, dated as of November 9, 2007, between the Registrant and U.S. Bank National Association – incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated November 9, 2007.
Exhibit No. 10.32	Amended and Restated Trust Agreement, dated as of November 9, 2007, among the Registrant, as sponsor, U.S. Bank National Association, as institutional trustee and the administrators named therein – incorporated herein by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K dated November 9, 2007.
Exhibit No. 10.33	Guarantee Agreement, dated as of November 9, 2007, between the Registrant and U.S. Bank National Association – incorporated herein by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K dated November 9, 2007.
Exhibit No. 10.34	IBERIABANK Corporation Deferred Compensation Plan – incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated December 17, 2007.
Exhibit No. 12	Statements: Computations of Ratios.
Exhibit No. 13	Annual Report to Shareholders – Portions of Annual Report to Shareholders for the year ended December 31, 2007, which are expressly incorporated herein by reference.
Exhibit No. 21	Subsidiaries of the Registrant.
Exhibit No. 23.1	Consent of Castaing, Hussey & Lolan, LLC.
Exhibit No. 23.2	Consent of Ernst & Young LLP.
Exhibit No. 31.1	Certification of principal executive officer pursuant to Exchange Act Rule 13a-14(a) or 15d-14(a).
Exhibit No. 31.2	Certification of principal financial officer pursuant to Exchange Act Rule 13a-14(a) or 15d-14(a).
Exhibit No. 32.1	Certification of principal executive officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit No. 32.2	Certification of principal financial officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit No. 99	Audit Committee Charter, as amended – incorporated herein by reference to Exhibit 99 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2006.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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: March 17, 2008

By: /s/ Daryl G. Byrd
President/CEO and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Name	Title	Date
/s/ Daryl G. Byrd Daryl G. Byrd	President, Chief Executive Officer and Director	March 17, 2008
/s/ John R. Davis John R. Davis	Senior Executive Vice President of Finance and Investor Relations	March 17, 2008
/s/ Anthony J. Restel Anthony J. Restel	Senior Executive Vice President and Chief Financial Officer	March 17, 2008
/s/ Joseph B. Zanco Joseph B. Zanco	Executive Vice President, Corporate Controller and Principal Accounting Officer	March 17, 2008
/s/ Elaine D. Abell Elaine D. Abell	Director	March 17, 2008
/s/ Harry V. Barton, Jr. Harry V. Barton, Jr.	Director and Audit Committee Chairman	March 17, 2008
/s/ Ernest P. Breaux, Jr. Ernest P. Breaux, Jr.	Director	March 17, 2008
/s/ John N. Casbon John N. Casbon	Director	March 17, 2008
/s/ William H. Fenstermaker William H. Fenstermaker	Director	March 17, 2008
/s/ Larrey G. Mouton Larrey G. Mouton	Director	March 17, 2008
/s/ Jefferson G. Parker Jefferson G. Parker	Director and Audit Committee Member	March 17, 2008
/s/ O. Miles Pollard, Jr. O. Miles Pollard, Jr.	Director and Audit Committee Member	March 17, 2008
/s/ E. Stewart Shea III E. Stewart Shea III	Director	March 17, 2008
/s/ David H. Welch David H. Welch	Director and Audit Committee Member	March 17, 2008

STATEMENTS: COMPUTATION OF RATIOS

The following is a computation of Non-GAAP financial ratios:

(dollars in thousands)	2007	2006	2005	2004	2003
	Years Ended December 31,				
Net Interest Income	$ 123,519	$ 91,522	$ 84,798	$ 74,628	$ 67,633
Effect of Tax Benefit on Interest Income	4,746	3,544	3,283	2,861	2,603
Net Interest Income (TE) (1)	128,265	95,066	88,081	77,489	70,236
Noninterest Income	76,594	23,450	26,141	23,217	23,064
Effect of Tax Benefit on Noninterest Income	1,901	1,123	1,066	897	820
Noninterest Income (TE) (1)	78,495	24,573	27,207	24,114	23,884
Total Revenues (TE) (1)	$ 206,760	$ 119,639	$ 115,288	$ 101,603	$ 94,120
Total Noninterest Expense	$ 141,028	$ 73,127	$ 64,438	$ 54,897	$ 50,629
Less Intangible Amortization Expense	(2,198)	(1,118)	(1,207)	(885)	(781)
Tangible Operating Expense (2)	$ 138,830	$ 72,009	$ 63,231	$ 54,012	$ 49,848
Net Income	$ 41,310	$ 35,695	$ 22,000	$ 27,339	$ 23,548
Effect of Intangible Amortization, net of tax	1,429	727	784	575	508
Cash earnings	$ 42,739	$ 36,422	$ 22,785	$ 27,914	$ 24,056
Net Income per Share- Diluted	$ 3.27	$ 3.57	$ 2.24	$ 3.01	$ 2.74
Diluted Shares	12,642	9,993	9,813	9,093	8,607
Effect of Intangible Amortizaton per diluted share, net of tax	$ 0.11	$ 0.07	$ 0.08	$ 0.06	$ 0.06
Cash Earnings per Share- Diluted	$ 3.38	$ 3.64	$ 2.32	$ 3.07	$ 2.79
Return on Average Equity	8.87%	12.86%	8.41%	12.98%	13.05 %
Effect of Intangibles (2)	9.99	7.66	5.55	6.54	6.52
Return on Average Tangible Equity (2)	18.86%	20.52%	13.96%	19.52%	19.57 %
Efficiency Ratio	70.5%	63.6%	58.1%	56.1%	55.8%
Effect of Tax Benefit Related to Tax Exempt Income	(2.3)	(2.5)	(2.2)	(2.1)	(2.0)
Efficiency Ratio (TE) (1)	68.2%	61.1%	55.9%	54.0%	53.8%
Effect of Amortization of Intangibles (1) (2)	(1.1)	(1.1)	(1.1)	(0.8)	(0.8)
Tangible Efficiency Ratio (TE)	67.1%	60.2%	54.8%	53.2%	53.0%

(1) Fully taxable equivalent (TE) calculations include the tax benefit associated with related income sources that are tax-exempt using a marginal tax rate of 35%.

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

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 (the "Company") and its wholly owned subsidiaries, IBERIABANK, Pulaski Bank and Trust Company ("Pulaski Bank"), and Lenders Title Company ("LTC") as of December 31, 2006 and 2007 and for the years ended December 31, 2005 through 2007. This discussion should be read in conjunction with the audited consolidated financial statements, accompanying footnotes and supplemental financial data included herein.

The Company offers commercial and retail banking products and services to customers in locations in three states through IBERIABANK and Pulaski Bank. The Company also operates mortgage production offices in eight states through Pulaski Bank's subsidiary, Pulaski Mortgage Company ("PMC"), and offers a full line of title insurance and closing services throughout Arkansas and Louisiana through LTC and its subsidiaries.

EXECUTIVE OVERVIEW

The Company completed the two largest acquisitions in its history during 2007 with the purchases of Pulaski Investment Corporation ("PIC") and Pocahontas Bancorp, Inc. ("Pocahontas") on January 31 and February 1, 2007, respectively. These acquisitions expanded the Company's presence into Arkansas and surrounding states through PMC. At the time of the acquisitions, the combined assets of PIC and Pocahontas increased the Company's overall asset base by 40%. The PIC acquisition also expanded the Company's breadth of services into the trust and title businesses.

The Company's net income for 2007 totaled $41.3 million, or $3.27 per share on a diluted basis. This is a 15.7% increase compared to the $35.7 million earned for 2006. On a per share basis, this represents an 8.5% decrease from the $3.57 per diluted share earned in 2006. The decrease in per share earnings is a result of the effect of the issuance of 2.4 million additional shares in the PIC and Pocahontas acquisitions. Key components of the Company's 2007 performance are summarized below.

- Total assets at December 31, 2007 were $4.9 billion, up $1.7 billion, or 53.5%, from $3.2 billion at December 31, 2006. The increase is primarily the result of the $1.3 billion combined asset base obtained through the PIC and Pocahontas acquisitions. Strong commercial loan growth accounted for the majority of the organic asset growth during 2007.

- Total loans at December 31, 2007 were $3.4 billion, an increase of $1.2 billion, or 53.5%, from $2.2 billion at December 31, 2006. The increase was driven by the addition of $753.6 million in loans from the acquisitions, as well as organic growth of $442.4 million. The Company continues to focus on growing the commercial loan portfolio.

- Total customer deposits increased $1.1 billion, or 43.8%, from $2.4 billion at December 31, 2006 to $3.5 billion at December 31, 2007. The increase was primarily the result of the $1.0 billion in deposits obtained through the acquisitions. Deposit competition remained intense through much of 2007, making it challenging to grow deposits as quickly as loans. As a result, loan growth was funded through additional short- and long-term advances from the Federal Home Loan Bank ("FHLB") and other funding sources, including correspondent bank advances and the issuance of additional trust preferred securities.

- Shareholders' equity increased $178.5 million, or 55.9%, from $319.6 million at December 31, 2006 to $498.1 million at December 31, 2007. The increase is the result of the additional common shares issued in connection with the PIC and Pocahontas acquisitions, as well as comprehensive income earned during the year.

- Net interest income for the year increased $32.0 million, or 35.0%, in 2007 versus 2006. This increase is largely attributable to a $1.3 billion increase in average net earning assets. The corresponding net interest margin ratio on a tax-equivalent basis declined 29 basis points to 3.13% from 3.42% for the years ended December 31, 2007 and 2006, respectively, due to changes in the volume and mix of the Company's assets and liabilities and rate competition across markets.

- Noninterest income increased $53.1 million, or 226.6%, for 2007 as compared to 2006. The increase was primarily driven by the addition of the title and mortgage businesses related to the PIC acquisition. This growth was further enhanced by higher service charges on deposit accounts and gains on the sales of investment securities.

- Noninterest expense increased by $67.9 million, or 92.9%, for 2007 as compared to 2006. The increase resulted primarily from higher salaries and employee benefits resulting from the acquisitions. Noninterest expense for 2007 also included $3.5 million of pre-tax merger-related expenses.

- The Company recorded a provision for loan losses of $1.5 million during 2007, compared to a provision reversal of $7.8 million in 2006. Net charge-offs for 2007 were $1.9 million, or 0.12%, of average loans on an annualized basis, compared to $0.4 million, or 0.02%, a year earlier. As of December 31, 2007, the allowance for loan losses as a percent of total loans was 1.12%, compared to 1.34% at December 31, 2006. The coverage of nonperforming assets by the allowance for loan losses was 0.8 times at the end of 2007, as compared to 5.96 times at December 31, 2006. While the vast majority of the Company's loan portfolio continues to perform well, the $62 million builder construction loan portfolio in Northwest Arkansas and Memphis exhibited credit deterioration during 2007 as a result of slow housing conditions. At December 31, 2007, Pulaski Bank's builder construction portfolio accounted for less than 2% of the total loan portfolio of the Company.

- In September 2005, the Company announced a significant branch expansion initiative in response to client needs and opportunities presented by Hurricanes Katrina and Rita. The Company has opened 14 new branches related to the initiative, including two in 2007. While the new branches continued to grow loans and deposits in 2007, the estimated net after-tax cost of the branch expansion on diluted EPS was $0.21 for 2007.

- During 2007, the Company paid cash dividends totaling $1.34 per common share, a 14% increase compared to 2006.

The Company's focus is that of a high performing institution. Management believes that improvement in core earnings drives shareholder value and has adopted a mission statement that is designed to provide guidance for management, our associates and Board of Directors regarding the sense of purpose and direction of the Company. We are very shareholder and client focused, expect high performance from our associates, believe in a strong sense of community and strive to make the Company a great place to work.

APPLICATION OF CRITICAL ACCOUNTING POLICIES

In preparing financial reports, management is required to apply significant judgment to various accounting, reporting and disclosure matters. Management must use assumptions and estimates to apply these principles where actual measurement is not possible or practical. The accounting principles and methods used by the Company conform with accounting principles generally accepted in the United States and general banking practices. Estimates and assumptions most significant to the Company relate primarily to the allowance for loan losses, valuation of goodwill, intangible assets and other purchase accounting adjustments and share-based compensation. These significant estimates and assumptions are summarized in the following discussion and are further analyzed in the footnotes to the consolidated financial statements.

Allowance for Loan Losses

The determination of the allowance for loan losses, which represents management's estimate of probable losses inherent in the Company's loan portfolio, involves a high degree of judgment and complexity. The Company's policy is to establish reserves for estimated losses on delinquent and other problem loans when it is determined that losses are expected to be incurred on such loans. Management's determination of the adequacy of the allowance is based on various factors, including an evaluation of the portfolio, past loss experience, current economic conditions, the volume and type of lending conducted by the Company, composition of the portfolio, the amount of the Company's classified assets, seasoning of the loan portfolio, the status of past due principal and interest payments, and other relevant factors. Changes in such estimates may have a significant impact on the financial statements. For further discussion of the allowance for loan losses, see the Asset Quality and Allowance for Loan Losses sections of this analysis and Note 1 to the Consolidated Financial Statements.

Valuation of Goodwill, Intangible Assets and Other Purchase Accounting Adjustments

The Company accounts for acquisitions in accordance with Statement of Financial Accounting Standards ("SFAS") No. 141, "Business Combinations," which requires the use of the purchase method of accounting. For purchase acquisitions, the Company is required to record the assets acquired, including identified intangible assets, and liabilities assumed, at their fair value, which in many instances involves estimates based on third party valuations, such as appraisals, or internal valuations based on discounted cash flow analyses or other valuation techniques. The determination of the useful lives of intangible assets is subjective as is the appropriate amortization period for such intangible assets. In addition, purchase acquisitions typically result in recording goodwill. The Company performs a goodwill valuation at least annually. Impairment testing of goodwill is a two step process that first compares the fair value of goodwill with its carrying amount, and second measures impairment loss by comparing the implied fair value of goodwill with the carrying amount of that goodwill. Based on management's goodwill impairment tests, there was no impairment of goodwill at October 1, 2007 or 2006, the date of the Company's annual impairment tests. For additional information on goodwill and intangible assets, see Note 7 to the Consolidated Financial Statements.

Share-based Compensation

Prior to January 1, 2006, the Company accounted for its stock option plans under the intrinsic value method of Accounting Principles Board (APB) Opinion No. 25, *Accounting for Stock Issued to Employees*. In accordance with APB Opinion No. 25, compensation expense relating to stock options had not been reflected in net income as the exercise price of the stock options granted equaled or exceeded the market value of the underlying common stock at the date of grant.

In December 2004, the Financial Accounting Standards Board (FASB) issued SFAS No. 123(R), *Share-Based Payment.* SFAS No. 123(R) revises SFAS No. 123 and requires companies to expense the fair value of employee stock options and other forms of share-based compensation. The Company adopted SFAS No. 123(R) as of January 1, 2006.

Management utilizes the Black-Scholes option valuation model to estimate the fair value of stock options. The option valuation model requires the input of highly subjective assumptions, including expected stock price volatility and option life. These subjective input assumptions materially affect the fair value estimate.

For additional discussion of the Company's stock options plans, sees Notes 1 and 15 to the Consolidated Financial Statements.

ACQUISITION ACTIVITIES

The Company has been an active acquirer over the past five years. From 2003 through 2007, the Company completed the following acquisitions:

Acadiana Bancshares, Inc. - February 28, 2003

The Company completed its acquisition of Acadiana Bancshares, Inc., in exchange for 1,227,276 shares of the Company's common stock valued at $38.6 million and $9.8 million in cash. The transaction resulted in $24.1 million of goodwill, $4.0 million of core deposit intangibles and $0.3 million of other intangibles. At acquisition, Acadiana Bancshares had total assets of $303 million, including loans of $189 million, and deposits were $207 million.

Alliance Bank of Baton Rouge - February 29, 2004

The Company completed its acquisition of Alliance Bank of Baton Rouge in exchange for 359,106 shares of the Company's common stock valued at $15.5 million. The transaction resulted in $5.2 million of goodwill and $1.2 million of core deposit intangibles. At acquisition, Alliance had total assets of $72 million, including loans of $54 million, and deposits were $62 million.

American Horizons Bancorp, Inc. - January 31, 2005

The Company completed its acquisition of American Horizons Bancorp, Inc. in exchange for 990,435 shares of the Company's common stock valued at $47.7 million and $0.7 million in cash. The transaction resulted in $28.5 million of goodwill and $5.0 million of core deposit intangibles. At acquisition, American Horizons had total assets of $252 million, including loans of $202 million, and deposits were $193 million.

Pulaski Investment Corporation – January 31, 2007

On January 31, 2007, the Company completed the acquisition of Pulaski Investment Corporation ("PIC"), the holding company for Pulaski Bank and Trust of Little Rock, Arkansas, extending the Company's presence into central Arkansas and other states through its mortgage subsidiary, Pulaski Mortgage Company ("PMC"). Pulaski shareholders received 1,133,064 shares of the Company's common stock and cash of $65.0 million as a result of the transaction. The transaction resulted in $92.4 million of goodwill, $5.6 million of core deposit intangibles and $5.3 of title plant intangibles. At acquisition, total assets of PIC were $488.1 million, including loans of $367.6 million, and deposits were $422.6 million.

Pocahontas Bancorp, Inc. – February 1, 2007

On February 1, 2007, the Company completed the acquisition of Pocahontas Bancorp, Inc. ("Pocahontas"), the holding company for First Community Bank of Jonesboro, Arkansas. The acquisition extended the Company's presence into Northeast Arkansas. Pocahontas shareholders received 1,287,793 shares of the Company's common stock as a result of the transaction. The transaction resulted in $42.0 million of goodwill and $7.0 million of core deposit intangibles. At acquisition, total assets of Pocahontas were $707.3 million, including loans of $409.9 million, and deposits were $582.4 million.

Pulaski Bank and FCB were merged on April 22, 2007. The combined financial institution is a federally chartered savings bank headquartered in Little Rock, Arkansas and operates under the corporate title of "Pulaski Bank and Trust Company".

United Title of Louisiana, Inc. – April 2, 2007

United Title of Louisiana, Inc. "(United") was acquired on April 2, 2007. United operates 7 offices in Louisiana. United shareholders received $5.8 million of cash as a result of the transaction. United operates as a subsidiary of LTC. The transaction resulted in $4.0 million of goodwill and $1.5 million in title plant intangibles.

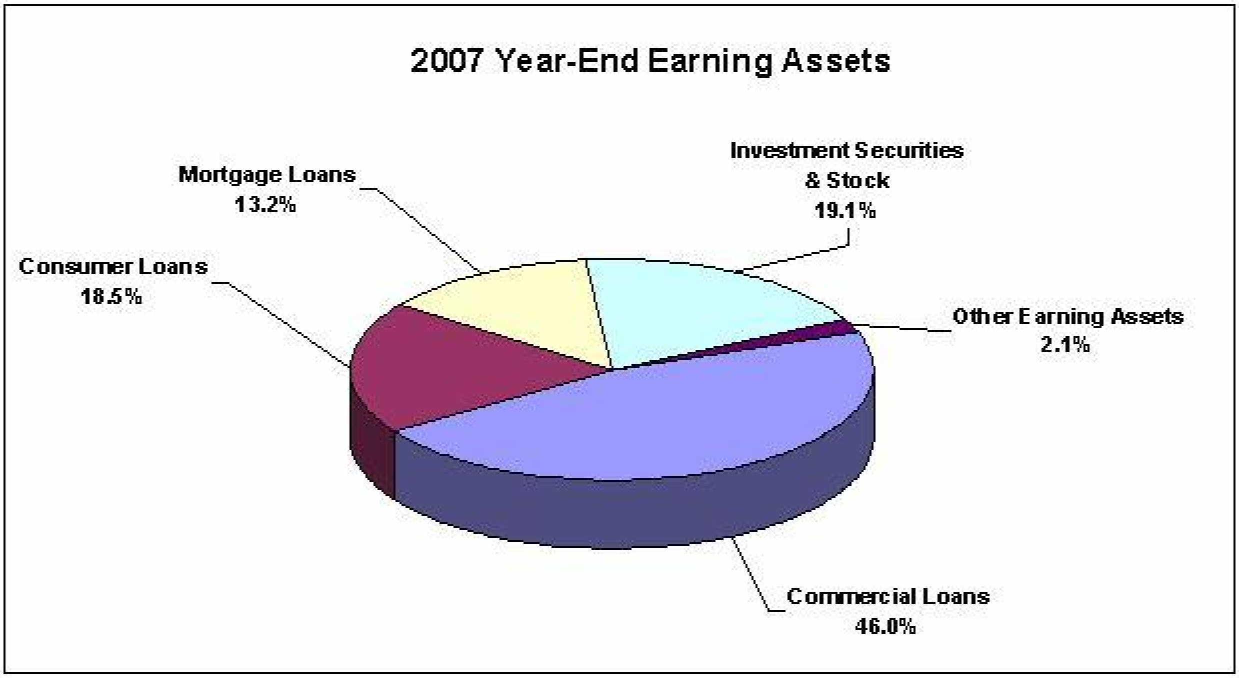
For more information on the Company's acquisitions, see Note 2 to the Consolidated Financial Statements.

FINANCIAL CONDITION

Earning Assets

Interest income associated with earning assets is the Company's primary source of income. Earning assets are composed of interest or dividend-earning assets, including loans, securities, short-term investments and loans held for sale. Earning assets averaged $4.1 billion during 2007, a $1.3 billion, or 32.1%, increase compared to $2.8 billion during 2006. The increase is the result of the PIC and Pocahontas acquisitions and organic commercial loan growth.

The year-end mix of earning assets shown in the following chart reflects the mix between investment securities and the major loan groups.



Loans and Leases – The loan portfolio increased $1.2 billion, or 53.5%, to $3.4 billion at December 31, 2007, compared to $2.2 billion at December 31, 2006. While the PIC and Pocahontas acquisitions accounted for most of the loan growth ($753.6 million), the Company experienced strong organic growth of $442.4 million during 2007. The Company experienced growth in both the IBERIABANK ($387.9 million, or 17.4% growth) and Pulaski Bank ($54.5 million, or 7.2% growth) portfolios.

The Company's loan to deposit ratio at December 31, 2007 and December 31, 2006 was 98.4% and 92.2%, respectively. The percentage of fixed rate loans to total loans decreased from 72% at the end of 2006 to 70% as of December 31, 2007. The following table sets forth the composition of the Company's loan portfolio as of December 31 for the years indicated.

TABLE 1 – LOAN PORTFOLIO COMPOSITION

(dollars in thousands)	December 31, 2007		2006		2005		2004		2003	
Commercial loans:										
Real estate	$1,369,882	40%	$ 750,051	34%	$ 545,868	29%	$ 419,427	25%	$ 352,031	25%
Business	634,495	18	461,048	21	376,966	19	307,614	19	201,020	14
Total commercial loans	2,004,377	58	1,211,099	55	922,834	48	727,041	44	553,051	39
Mortgage loans:										
Residential 1-4 family	515,912	15	431,585	19	430,111	22	387,079	23	338,965	24
Construction/Owner Occupied	60,558	2	45,285	2	30,611	2	33,031	2	50,295	4
Total mortgage loans	576,470	17	476,870	21	460,722	24	420,110	25	389,260	28
Loans to individuals:										
Indirect automobile	240,860	7	228,301	10	229,646	12	222,480	14	229,636	16
Home equity	424,716	12	233,885	10	230,363	12	213,533	13	174,740	12
Other	183,616	6	83,847	4	74,951	4	67,462	4	65,662	5
Total consumer loans	849,192	25	546,033	24	534,960	28	503,475	31	470,038	33
Total loans receivable	$3,430,039	100%	$2,234,002	100%	$1,918,516	100%	$1,650,626	100%	$1,412,349	100%

Commercial Loans. Commercial real estate and commercial business loans generally have shorter repayment periods and more frequent repricing opportunities than residential 1-4 family loans. Commercial loans increased $793.3 million, or 65.5% during 2007. The Company's focus on growing its commercial loan portfolio continued in 2007 as commercial loans as a percentage of total loans increased from 55% at December 31, 2006 to 58% at December 31, 2007.

The Company has increased its investment in commercial real estate loans from $750.1 million, or 33.6% of the total loan portfolio as of December 31, 2006, to $1.4 billion, or 40.0% of the total loan portfolio as of December 31, 2007. The vast majority of properties securing the Company's commercial real estate loans are located in the Company's market areas, and include owner-occupied, multi-family, strip shopping centers, professional office buildings, small retail establishments and warehouses. The Company's underwriting standards generally provide for loan terms of three to five years, with amortization schedules of no more than twenty years. Low loan-to-value ratios are maintained and usually limited to no more than 80%. In addition, the Company obtains personal guarantees of the principals as additional security for most commercial real estate loans.

As of December 31, 2007, the Company's commercial business loans amounted to $634.5 million, or 18.5% of the Company's total loan portfolio. This represents a $173.4 million, or 37.6% increase from December 31, 2006. The Company originates commercial business loans on a secured and, to a lesser extent, unsecured basis. The Company's commercial business loans may be structured as term loans or revolving lines of credit. Term loans are generally structured with terms of no more than three to five years, with amortization schedules of no more than seven years. The Company's commercial business term loans are generally secured by equipment, machinery or other corporate assets. The Company also provides for revolving lines of credit generally structured as advances upon perfected security interests in accounts receivable and inventory. Revolving lines of credit generally have an annual maturity. The Company obtains personal guarantees of the principals as additional security for most commercial business loans.

Mortgage Loans. Residential 1-4 family loans comprise most of the Company's mortgage loans. The vast majority of the Company's residential 1-4 family mortgage loan portfolio is secured by properties located in its market areas and originated under terms and documentation which permit their sale in the secondary market. Larger mortgage loans of private banking clients and prospects are generally retained to enhance relationships, and also due to the expected shorter durations and relatively lower servicing costs associated with loans of this size. The Company does not originate or hold high loan to value, negative amortization, option ARM, or other exotic mortgage loans in its portfolio.

The Company continues to sell the majority of conforming mortgage loan originations in the secondary market and recognize the associated fee income rather than assume the rate risk associated with these longer term assets. The Company also releases the servicing of these loans upon sale. Total residential mortgage loans increased $99.6 million compared to December 31, 2006. This growth is primarily related to the acquisitions of PIC and Pocahontas. At December 31, 2007, $462.6 million, or 80.2%, of the Company's residential 1-4 family mortgage and construction loans were fixed rate loans and $113.9 million, or 19.8%, were adjustable rate loans.

Mortgage Loans Held for Sale – Loans held for sale increased $3.4 million, or 6.3%, to $57.7 million at December 31, 2007 compared to $54.3 million at December 31, 2006. Loans held for sale have primarily been fixed rate single-family residential mortgage loans under contract to be sold in the secondary market. In most cases, loans in this category are sold within thirty days. Buyers generally have recourse to return a purchased loan to the Company under limited circumstances. Recourse conditions may include early payment default, breach of representations or warranties, and documentation deficiencies. During 2007, The Company sold the majority of total single-family mortgage originations in the secondary market.

Consumer Loans. The Company offers consumer loans in order to provide a full range of retail financial services to its customers. The Company originates substantially all of such loans in its primary market area. At December 31, 2007, $849.2 million, or 24.8% of the Company's total loan portfolio was comprised of consumer loans, compared to $546.0 million, or 24.4% at the end of 2006. Total consumer loans increased $303.2 million compared to December 31, 2006, with $239.7 million of the growth due to the PIC and Pocahontas acquisitions.

Home equity loans comprised the largest component of the Company's consumer loan portfolio at December 31, 2007. The balance of home equity loans increased $190.8 million, or 81.6% from $233.9 million at December 31, 2006 to $424.7 million at December 31, 2007.

Indirect automobile loans comprised the second largest component of the Company's consumer loan portfolio. Independent automobile dealerships originate these loans and forward applications to Company personnel for approval or denial. The Company relies on the dealerships, in part, for loan qualifying information. To that extent, there is risk inherent in indirect automobile loans associated with fraud or negligence by the automobile dealership. To limit this risk, an emphasis is placed on established dealerships that have demonstrated reputable behavior, both within the communities we serve and through long-term relationships with the Company. The balance of indirect automobile loans increased slightly, from $228.3 million, or 10.2% of the Company's total loan portfolio to $240.9 million, or 7.0% at December 31, 2006 and 2007, respectively, as the Company retained its focus on prime, or low risk, paper.

The remainder of the consumer loan portfolio at December 31, 2007 was composed of direct automobile loans, credit card loans and other consumer loans. The Company's direct automobile loans amounted to $32.1 million, or 0.9% of the Company's total loan portfolio. The Company's credit card loans totaled $58.8 million, or 1.7% of the Company's total loan portfolio at such date. The Company's other personal consumer loans amounted to $92.7 million, or 2.7% of the Company's total loan portfolio at December 31, 2007.

In January 2008, the Company sold $30.4 million in credit card loans, and recorded a gain of $6.9 million on the sale. The sale did not include credit card holders in the Company's current banking markets. The Company does not anticipate a significant change in its current national credit card market origination operations.

Loan Maturities. The following table sets forth the scheduled contractual maturities of the Company's loan portfolio at December 31, 2007, unadjusted for scheduled principal reductions, prepayments or repricing opportunities. Demand loans, loans having no stated schedule of repayments and no stated maturity and overdraft loans are reported as due in one year or less. The average life of a loan may be substantially less than the contractual terms because of prepayments. As a result, scheduled contractual amortization of loans is not reflective of the expected term of the Company's loan portfolio. Of the loans with maturities greater than one year, approximately 82% of the value of these loans bears a fixed rate of interest.

TABLE 2 – LOAN MATURITIES BY TYPE

(dollars in thousands)	One Year Or Less	One Through Five Years	After Five Years	Total
Commercial real estate	$ 490,012	$ 717,090	$ 162,780	$ 1,369,882
Commercial business	296,017	225,000	113,478	634,495
Mortgage residential 1-4 family	20,538	33,838	522,094	576,470
Consumer	215,050	318,176	315,966	849,192
Total	$ 1,021,617	$ 1,294,104	$ 1,114,318	$ 3,430,039

Asset Quality. Over time, the loan portfolio has transitioned to be more representative of a commercial bank. Accordingly, there is the potential for a higher level of return for investors, but also the potential for higher charge-off and nonperforming levels. In recognition of this, management has tightened underwriting guidelines and procedures, adopted more conservative loan charge-off and nonaccrual guidelines, rewritten the loan policy and developed an internal loan review function. As a result of management's enhancements to underwriting risk/return dynamics within the loan portfolio over time, the credit quality of the Company's assets has remained strong. Management believes that historically it has recognized and disclosed significant problem loans quickly and taken prompt action in addressing material weaknesses in those credits.

Written underwriting standards established by the Board of Directors and management govern the lending activities of the Company. The commercial credit department, in conjunction with senior lending personnel, underwrites all commercial business and commercial real estate loans. The Company provides centralized underwriting of all residential mortgage, construction and consumer loans. Established loan origination procedures require appropriate documentation including financial data and credit reports. For loans secured by real property, the Company generally requires property appraisals, title insurance or a title opinion, hazard insurance and flood insurance, where appropriate.

Loan payment performance is monitored and late charges are assessed on past due accounts. A centralized department collects delinquent loans. Every effort is made to minimize any potential loss, including instituting legal proceedings, as necessary. Commercial loans of the Company are periodically reviewed through a loan review process. All other loans are also subject to loan review through a periodic sampling process.

The Company utilizes an asset risk classification system in compliance with guidelines established by the Federal Reserve Board as part of its efforts to improve commercial asset quality. In connection with examinations of insured institutions, both federal and state examiners also have the authority to identify problem assets and, if appropriate, classify them. There are three classifications for problem assets: "substandard," "doubtful" and "loss." Substandard assets have one or more defined weaknesses and are characterized by the distinct possibility that the insured institution will sustain some loss if the deficiencies are not corrected. Doubtful assets have the weaknesses of substandard assets with the additional characteristic that the weaknesses make collection or liquidation in full questionable and there is a high probability of loss based on currently existing facts, conditions and values. An asset classified as loss is not considered collectable and of such little value that continuance as an asset of the Company is not warranted. Commercial loans with adverse classifications are reviewed by the Loan Committee of the Board of Directors at least monthly. Loans are placed on nonaccrual status when, in the judgment of management, the probability of collection of interest is deemed to be insufficient to warrant further accrual. When a loan is placed on nonaccrual status, previously accrued but unpaid interest for the current year is deducted from interest income. Prior year interest is charged-off to the allowance for loan losses.

At December 31, 2007, the Company had $47.9 million of commercial assets classified as substandard, $0.5 million of assets classified as doubtful, and no assets classified as loss. At such date, the aggregate of the Company's classified assets amounted to 0.98% of total assets. At December 31, 2006, the aggregate of the Company's classified assets amounted to 0.36% of total assets. The increase in the Company's classified assets is attributable to the addition of the acquired banks' portfolios, as well as an increase in credit risk in Pulaski Bank's construction-related portfolio in the Northwest Arkansas and Memphis markets. Pulaski Bank's classified assets accounted for $41.6 million, or 85.9% of the total classified assets at December 31, 2007. Of the $41.6 million, 38.9%, or $16.2 million, is related to the construction builder portfolio.

Real estate acquired by the Company as a result of foreclosure or by deed-in-lieu of foreclosure is classified as other real estate owned ("OREO") until sold, and is carried at the balance of the loan at the time of acquisition or at estimated fair value less estimated costs to sell, whichever is less.

Under Generally Accepted Accounting Principles, the Company is required to account for certain loan modifications or restructurings as "troubled debt restructurings." In general, the modification or restructuring of a debt constitutes a troubled debt restructuring 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. Debt restructurings or loan modifications for a borrower do not necessarily constitute troubled debt restructurings, however, and troubled debt restructurings do not necessarily result in nonaccrual loans. The Company had no troubled debt restructurings as of December 31, 2007.

The following tables set forth the composition of the Company's nonperforming assets, including accruing loans past due 90 or more days, as of the dates indicated.

TABLE 3 – NONPERFORMING ASSETS AND TROUBLED DEBT RESTRUCTURINGS

(dollars in thousands)	December 31, 2007	2006	2005	2004	2003
Nonaccrual loans:					
Commercial, financial and agricultural	$ 30,740	$ 745	$ 2,377	$ 1,936	$ 1,838
Mortgage	2,098	353	384	735	552
Loans to individuals	3,268	1,603	2,012	1,784	1,512
Total nonaccrual loans	36,107	2,701	4,773	4,455	3,902
Accruing loans 90 days or more past due	2,655	310	1,003	1,209	1,220
Total nonperforming loans [(1)]	38,762	3,011	5,776	5,664	5,122
Foreclosed property	9,413	2,008	257	492	2,134
Total nonperforming assets [(1)]	48,175	5,019	6,033	6,156	7,256
Troubled debt restructurings	—	—	—	—	—
Total nonperforming assets and troubled debt restructurings [(1)]	$ 48,175	$ 5,019	$ 6,033	$ 6,156	$ 7,256
Nonperforming loans to total loans [(1)]	1.13%	0.13%	0.30%	0.34%	0.36%
Nonperforming assets to total assets [(1)]	0.98%	0.16%	0.21%	0.25%	0.34%
Nonperforming assets and troubled debt restructurings to total assets [(1)]	0.98%	0.16%	0.21%	0.25%	0.34%

(1) Nonperforming loans and assets include accruing loans 90 days or more past due

Nonperforming loans, defined for these purposes as nonaccrual loans plus accruing loans past due 90 days or more, totaled $38.8 million and $3.0 million at December 31, 2007 and 2006, respectively. The increase is a result of the PIC and Pocahontas acquisitions, as 86% of total nonperforming assets were from the acquired portfolios. OREO, which includes foreclosed property, amounted to $9.4 million and $2.0 million at December 31, 2007 and 2006, respectively. OREO increased $7.4 million as a result of the foreclosure of collateral securing loans at the acquired institutions. The increase is also a result of the transfer of idle Company property previously included in bank premises into OREO. Nonperforming assets, which consist of nonperforming loans plus foreclosed property, were $48.2 million, or 0.98% of total assets at December 31, 2007, compared to $5.0 million, or 0.16% of total assets at December 31, 2006.

The $33.4 million increase in nonaccrual loans is a result of market-driven deterioration in the acquired builder construction portfolio at Pulaski Bank. Total Pulaski Bank nonaccrual loans were $32.6 million at year-end, including $29.8 million in the commercial portfolio. To address the increased credit uncertainty in the builder construction portfolio, the Company performed a detailed review of the $62 million portfolio and placed 32% on nonaccrual status before year-end. As a result of the review, the Company believes it has addressed the additional risk in the portfolio, as the remaining portfolio continues to perform according to contractual terms. At the IBERIABANK franchise, total nonaccrual loans increased $0.8 million.

In addition to the problem loans described above, there were $34.0 million of loans classified special mention at December 31, 2007, which in management's opinion were subject to potential future rating downgrades.

Allowance for Loan Losses. Given the significant commercial loan growth experienced by the Company over the past five years, the Company refined its loan loss methodology during 2006 to further reflect the transition in the loan portfolio from a savings bank (i.e., mortgage/consumer loan focus) to a commercial bank (i.e., commercial loan focus). This refinement resulted in more reserves being assigned to the commercial segment of the loan portfolio and previously unallocated reserves being assigned to the portfolio segments.

The foundation of the allowance for the Company's commercial segment is the credit risk rating of each relationship within the portfolio. The credit risk of each borrower is assessed, and a risk grade is assigned. The portfolios are further segmented by facility or collateral ratings. The dual risk grade for each loan is determined by the relationship manager and other approving officers and changed from time to time to reflect an ongoing assessment of the risk. Grades are reviewed on specific loans by senior management and as part of the Company's internal loan review process. The commercial loan loss allowance is determined for all pass-rated borrowers based upon the borrower risk rating, the expected default probabilities of each rating category, and the outstanding loan balances by risk grade. For borrowers rated special mention or below, the higher of the migration analysis and Company established minimum reserve percentages apply. In addition, consideration is given to historical loss experience by internal risk rating, current economic conditions, industry performance trends, geographic or borrower concentrations within each portfolio segment, the current business strategy and credit process, loan underwriting criteria, loan workout procedures, and other pertinent information.

Reserves are determined for impaired commercial loans individually based on management's evaluation of the borrower's overall financial condition, resources, and payment record; the prospects for support from any financially responsible guarantors; and the realizable value of any collateral. Reserves are established for these loans based upon an estimate of probable losses for the individual loans deemed to be impaired. This estimate considers all available evidence including the present value of the expected future cash flows or the fair value of collateral less disposal costs. Loans for which impaired reserves are provided are excluded from the general reserve calculations described above to prevent duplicate reserves.

The allowance also consists of reserves for unimpaired loans that encompass qualitative economic factors and specific market risk components. The foundation for the general consumer allowance is a review of the loan portfolios and the performance of those portfolios. This review is accomplished by first segmenting the portfolio into homogenous pools. Residential mortgage loans, direct consumer loans, consumer home equity, indirect consumer loans, credit card, and the business banking portfolio are each considered separately. The historical performance of each of these pools is analyzed by examining the level of charge-offs over a specific period of time. The historical average charge-off level for each pool is updated at least quarterly.

In addition to this base analysis, the consumer portfolios are also analyzed for specific risks within each segment. The risk analysis considers the Company's current strategy for each segment, the maturity of each segment, expansion into new markets, the deployment of newly developed products and any other significant factors impacting that segment. Current regional and national economic factors are an important dimension of the assessment and impact each portfolio segment. The general economic factors are evaluated and adjusted quarterly.

Loan portfolios tied to acquisitions made during the year are incorporated into the Company's allowance process. If the acquisition has an impact on the level of exposure to a particular segment, industry or geographic market, this increase in exposure is factored into the allowance determination process. Generally, acquisitions have higher levels of risk of loss based on differences in credit culture and portfolio management practices. During 2007, the Company acquired $8.7 million in reserves and added an additional $5.9 million during 2007 to the Pulaski Bank allowance for loan losses as a result of declining asset quality and loan portfolio growth.

Acquired loans follow the reserve standard set in AICPA Statement of Position (SOP) 03-3, *Accounting for Certain Loans or Debt Securities Acquired in a Transfer*. At acquisition, the Company reviews each loan to determine whether there is evidence of deterioration of credit quality since origination and if it is probable that the Company will be unable to collect all amounts due according to the loan's contractual terms. The Company considers expected prepayments and estimates the amount and timing of undiscounted expected principal, interest and other cash flows for each loan meeting the criteria above and determines the excess of the loan's scheduled contractual principal and contractual interest payments over all cash flows expected at acquisition as an amount that should not be accreted (nonaccretable difference). The remaining amount, representing the excess of the loan's or pool's cash flows expected to be collected over the amount paid, is accreted into interest income over the remaining life of the loan or pool (accretable yield). The Company records a discount on these loans at acquisition to record the loans at their realizable cash flow. As a result, acquired loans subject to SOP 03-3 are excluded from the calculation of loan loss reserves at the acquisition date.

Based on facts and circumstances available, management of the Company believes that the allowance for loan losses was adequate at December 31, 2007 to cover any probable losses in the Company's loan portfolio. However, future adjustments to the allowance may be necessary, and the Company's results of operations could be adversely affected if circumstances differ substantially from the assumptions used by management in determining the allowance for loan losses.

The following table presents the allocation of the allowance for loan losses and the percentage of the total amount of loans in each loan category listed as of the dates indicated.

TABLE 4 – ALLOCATION OF THE ALLOWANCE FOR LOAN LOSSES

	December 31,									
	2007		2006		2005		2004		2003	
	Reserve %	% of Loans	Reserve %	% of Loans	Reserve %	% of Loans	Reserve %	% of Loans	Reserve %	% of Loans
Commercial, financial and agricultural	68%	58%	71%	55%	50%	48%	55%	44%	51%	39%
Real estate – mortgage	4	17	4	19	14	22	5	23	5	24
Real estate – construction	7	1	—	2	1	2	—	2	1	4
Loans to individuals	21	24	25	24	28	28	30	31	31	33
Unallocated	—	—	—	—	7	—	10	—	12	—
Total allowance for loan losses	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The allowance for loan losses amounted to $38.3 million, or 1.12% and 98.8% of total loans and total nonperforming loans, respectively, at December 31, 2007 compared to 1.34% and 993.7%, respectively, at December 31, 2006. The 22 basis point decrease in allowance coverage of total loans is attributable to the continued strong quality of the IBERIABANK loan portfolio, specifically improvements in credits in the New Orleans area. The decrease in the coverage of nonperforming loans is a result of the movement of a large portion of the Pulaski Bank residential builder portfolio to nonaccrual prior to year-end. Although the deterioration in the credit quality of the Pulaski Bank residential builder portfolio had a negative impact on the allowance for loan losses, the impact was offset by the reversal of the remaining New Orleans reserves during 2007 and continued strong performance of the IBERIABANK loan portfolio.

Additional information on the allowance process is provided in Note 1 to the Consolidated Financial Statements.

Net charge-offs for 2007 were $1.9 million, or 0.06% of total average loans, up from $0.4 million, or 0.02% in 2006. The increase in net charge-offs is a result of the increase in the size of the loan portfolio through acquisitions and credit quality. The following table sets forth the activity in the Company's allowance for loan losses during the periods indicated.

TABLE 5 – SUMMARY OF ACTIVITY IN THE ALLOWANCE FOR LOAN LOSSES

	Year Ended December 31,				
(dollars in thousands)	2007	2006	2005	2004	2003
Allowance at beginning of period	$ 29,922	$ 38,082	$ 20,116	$ 18,230	$ 13,101
Addition due to purchase transaction	8,746	—	4,893	587	2,439
Adjustment for loans transferred to held for sale	—	—	(350)	—	—
Provision charged (reversed) to operations	1,525	(7,803)	17,069	4,041	6,300
Charge-offs:					
Commercial, financial and agricultural	956	336	1,432	986	1,617
Mortgage	56	97	471	91	37
Loans to individuals	3,694	2,188	3,638	3,035	3,128
Total charge-offs	4,706	2,621	5,541	4,112	4,782
Recoveries:					
Commercial, financial and agricultural	1,118	539	539	272	504
Mortgage	84	36	3	1	21
Loans to individuals	1,597	1,689	1,353	1,097	647
Total recoveries	2,799	2,264	1,895	1,370	1,172
Net charge-offs	1,907	357	3,646	2,742	3,610
Allowance at end of period	$ 38,285	$ 29,922	$ 38,082	$ 20,116	$ 18,230
Allowance for loan losses to nonperforming assets [(1)]	79.5%	596.2%	631.2%	326.8%	251.2%
Allowance for loan losses to total loans at end of period	1.12%	1.34%	1.98%	1.22%	1.29%
Net charge-offs to average loans	0.06%	0.02%	0.20%	0.18%	0.28%

(1) Nonperforming assets include accruing loans 90 days or more past due

Investment Securities – The following table shows the carrying values of securities by category as of the dates indicated.

TABLE 6 – CARRYING VALUE OF SECURITIES

	December 31,									
(dollars in thousands)	2007		2006		2005		2004		2003	
Securities available for sale:										
U.S. Government- sponsored enterprise obligations	$ 65,174	8%	$169,805	29%	$ 97,443	17%	$ 53,236	9%	$ 26,952	6%
Obligations of state and political subdivisions	44,769	6	40,654	7	39,731	7	48,379	9	48,250	10
Mortgage backed securities	634,466	79	348,373	60	406,321	71	425,318	75	350,871	73
Other securities	974	—	—	—	—	—	—	—	57	—
Total securities available for sale	745,383	93	558,832	96	543,495	95	526,933	93	426,130	89
Securities held to maturity:										
U.S. Government- sponsored enterprise obligations	8,050	1	8,063	1	8,075	2	13,088	2	13,101	3
Obligations of state and political subdivisions	47,648	6	9,038	2	13,285	2	14,053	3	17,134	3
Mortgage backed securities	3,796	—	5,419	1	7,727	1	12,881	2	23,257	5
Total securities held to maturity	59,494	7	22,520	4	29,087	5	40,022	7	53,492	11
Total securities	$804,877	100%	$581,352	100%	572,582	100%	$566,955	100%	$479,622	100%

Investment securities increased by an aggregate of $223.5 million, or 38.4%, from $581.4 million at December 31, 2006, to $804.9 million at December 31, 2007. The increase was due to the acquisition of $253.4 million in securities from PIC and Pocahontas, as well as purchases of investment securities of $300.6 million, which was offset by $302.8 million from maturities, prepayments and calls, $44.7 million from sales of investment securities, $0.9 million from the amortization of premiums and $3.8 million from the accretion of discounts. Carrying value was also positively impacted by an increase of $14.4 million in the market value of available for sale investment securities.

During 2007, the carrying value was also affected by a $0.3 million write-down of a security management deemed to be other than temporarily impaired. The write-down was associated with the loss of the credit enhancement provided by a monoline insurer of a municipal revenue bond held by the Company. No other declines in fair value were deemed other-than-temporary. At December 31, 2007, 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 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 rate and risk return elements. Note 3 of the Consolidated Financial Statements provides further information on the Company's investment securities.

Short-term Investments – Short-term investments result from excess funds that fluctuate daily depending on the funding needs of the Company and are currently invested overnight in an interest-bearing deposit account at the FHLB of Dallas, the total balance of which earns interest at the current FHLB discount rate. The balance in interest-bearing deposits at other institutions decreased $4.0 million, or 11.8%, from $33.8 million at December 31, 2006 to $29.8 million at December 31, 2007. The average rate on these funds during 2007 was 6.45%, compared to 4.59% during 2006.

Other Assets – The following table details the changes in other asset balances at the dates indicated.

TABLE 7 – OTHER ASSETS COMPOSITION

	December 31,				
(dollars in thousands)	2007	2006	2005	2004	2003
Cash and cash equivalents [1]	$ 123,105	$ 84,905	$ 126,800	$ 53,265	$ 69,521
Premises and equipment	122,452	71,007	55,010	39,557	31,992
Bank-owned life insurance	64,955	46,705	44,620	37,640	29,623
Goodwill	231,177	92,779	93,167	64,732	59,523
Core deposit intangibles	16,736	6,291	7,409	3,577	3,262
Title plant intangibles	6,714	—	—	—	—
Accrued interest receivable	22,842	15,514	14,145	10,072	9,050
FHLB and FRB stock	37,998	22,378	20,272	23,855	19,655
Other	36,653	23,752	27,639	10,329	13,662
Total	$ 662,632	$ 363,331	$ 389,062	$ 243,027	$ 236,288

(1) Cash and cash equivalents include short-term investments noted previously.

The $38.2 million increase in cash is the result of the cash balances acquired from PIC and Pocahontas.

The $51.4 million increase in premises and equipment is primarily the result of the addition of land, building and equipment associated with the acquisitions, as well as completion of the Company's branch expansion initiative. The Company acquired $48.9 million in premises and equipment from the entities acquired in 2007.

The $18.3 million increase in bank-owned life insurance is a result of $8.5 million acquired from PIC as well as additional policy purchases during 2007.

The $138.4 million increase in goodwill is due to the acquisitions closed during the first half of 2007. Core deposit intangible assets increased $12.4 million as a result of the PIC and Pocahontas acquisitions. The Company also recorded a title plant asset of $6.7 million related to LTC and United Title.

The increases in accrued interest receivable and FHLB and FRB stock of $7.3 million and $15.6 million, respectively, are primarily attributable to the PIC and Pocahontas acquisitions. Accrued interest receivable was also affected by organic loan growth during the year.

The $12.9 million increase in other assets is primarily a result of additional assets acquired from PIC and Pocahontas.

Funding Sources

Deposits obtained from clients in its primary market areas 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 accounts, competitive interest rates and convenient branch office locations and service hours. Increasing core deposits through the development of client relationships is a continuing focus of the Company. Borrowings have become an increasingly important funding source as the Company has grown. Other funding sources include short-term and long-term borrowings, subordinated debt and shareholders' equity. The following discussion highlights the major changes in the mix of deposits and other funding sources during 2007.

Deposits – The Company's ability to attract and retain customer deposits is critical to the Company's continued success. The Company faced significant competition in raising deposits at rates management deemed appropriate in 2007. As a result, excluding the PIC and Pocahontas acquisitions, deposit growth was muted during the year. Of the $1.1 billion, or 43.8%, of deposit growth in 2007, the acquisitions accounted for $1.0 billion of the growth.

During 2007, noninterest-bearing checking accounts increased $113.0 million, or 31.8%, interest-bearing checking accounts increased $199.6 million, or 31.7%, savings and money market accounts increased $178.2 million, or 30.3%, and certificate of deposit accounts increased $571.4 million, or 67.2%. At December 31, 2007, $468.0 million, or 13.4%, of the Company's total deposits were noninterest-bearing, compared to $355.0 million, or 14.7%, at December 31, 2006.

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

TABLE 8 – DEPOSIT COMPOSITION

(dollars in thousands)	December 31, 2007		2006		2005		2004		2003	
Noninterest-bearing DDA	$ 468,001	13%	$ 354,961	15%	$ 350,065	15%	$ 218,859	12%	$ 189,786	12%
NOW accounts	828.099	24	628,541	26	575,379	26	532,584	30	449,938	28
Savings and money market	766,429	22	588,202	24	554,731	25	393,772	22	350,295	22
Certificates of deposit	1,422,299	41	850,878	35	762,781	34	628,274	36	599,087	38
Total deposits	$3,484,828	100%	$2,422,582	100%	$2,242,956	100%	$1,773,489	100%	$1,589,106	100%

The increase in noninterest bearing deposits is a result of the acquisition of $96.1 million from PIC and Pocahontas and organic growth of $16.9 million. The Company acquired interest-bearing deposits of $909.0 million during 2007 and had organic growth of $40.2 million.

Certificates of deposit $100,000 and over increased $265.2 million, or 70.8%, from $374.8 million at December 31, 2006 to $639.9 million at December 31, 2007. The following table details large-denomination certificates of deposit by remaining maturities.

TABLE 9 – REMAINING MATURITY OF CDS $100,000 AND OVER

(dollars in thousands)	December 31, 2007	2006	2005
3 months or less	$ 186,548	$ 103,205	$ 87,411
Over 3 - 12 months	348,161	204,131	120,966
Over 12 - 36 months	87,618	56,069	90,681
More than 36 months	17,607	11,370	12,412
Total	$ 639,934	$ 374,775	$ 311,470

Additional information regarding deposits is provided in Note 8 of the Consolidated Financial Statements.

Borrowings and Debt - Advances from the FHLB of Dallas may be obtained by the Company upon the security of the common stock it owns in the applicable bank and certain of its real estate loans and investment securities, provided certain standards related to creditworthiness have been met. Such 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. Total short-term borrowings increased $233.5 million, or 115.3%, to $436.1 million at December 31, 2007 compared to $202.6 million at December 31, 2006. The additional borrowings were needed to help fund loan growth. The Company's short-term borrowings at December 31, 2007 were comprised of $300.5 million of advances from the FHLB of Dallas and $135.7 million of securities sold under agreements to repurchase.

The average amount of short-term borrowings in 2007 was $357.7 million, compared to $116.2 million in 2006. The weighted average rate on short-term borrowings was 4.39% at December 31, 2007, compared to 3.32% at December 31, 2006. For additional information regarding short-term borrowings, see Note 9 of the Consolidated Financial Statements.

The Company's long-term borrowings increased $220.6 million, or 93.1%, to $457.6 million at December 31, 2007, compared to $237.0 million at December 31, 2006. The increase is a result of the issuance of $36.0 million in additional trust preferred securities during 2007, as well as the assumption of $13.5 million in trust preferred securities from PIC and Pocahontas. The remaining increase was a result of additional advances borrowed to fund loan growth.

The majority of the Company's long-term borrowings, $292.5 million, were comprised of fixed-rate advances from the FHLB of Dallas which cannot be paid off without incurring substantial prepayment penalties. Remaining FHLB advances of $45.0 million consist of variable rate advances based on three-month LIBOR.

The Company's remaining debt of $120.1 million consists of $105.1 million of junior subordinated deferrable interest debentures of the Company issued to statutory trusts that were funded by the issuance of floating rate capital securities of the trusts and $15.0 million in correspondent bank advances. The debentures qualify as Tier 1 Capital for regulatory purposes. Interest is payable quarterly and may be deferred at any time at the election of the Company for up to 20 consecutive quarterly periods. During any deferral period, the Company is subject to certain restrictions, including being prohibited from declaring dividends to its common shareholders. During 2007, the Company issued an additional $36.0 million in trust preferred securities. The securities are redeemable by the Company in whole or in part after five years, or earlier under certain circumstances.

At December 31, 2007, the Company was not in compliance with one of the financial covenants on a $15,000,000 correspondent bank note. The Company's Nonperforming Assets Ratio, calculated at 12.30% and defined for purposes of the agreement as the Company's total nonperforming assets as a percentage of the sum of its Tier 1 risk based capital and allowance for loan losses, exceeded the maximum ratio of 10.00% specified in the agreement. Non-compliance with the financial covenants could terminate the agreement, thereby making the note, plus accrued interest and fees, payable immediately. Subsequent to December 31, 2007, the Company obtained a written waiver of this default for the fiscal quarter ended December 31, 2007. The Company is currently in the process of re-negotiating this note and expects the violation to be cured through revisions to the Nonperforming Assets Ratio covenant in the new agreement.

The following table summarizes each outstanding issue of junior subordinated debt. For additional information, see Note 10 of the Consolidated Financial Statements.

TABLE 10 – JUNIOR SUBORDINATED DEBT COMPOSITION

(dollars in thousands)

Date Issued	Term	Callable After[4]	Interest Rate[5]	Amount
March 2000[1]	30 years	—	10.875%	$ 7,989
March 2001[2]	30 years	—	10.180%	8,424
November 2002	30 years	5 years	LIBOR plus 3.250%	10,310
June 2003	30 years	5 years	LIBOR plus 3.150%	10,310
March 2003[3]	30 years	5 years	LIBOR plus 3.150%	6,204
September 2004	30 years	5 years	LIBOR plus 2.000%	10,310
October 2006	30 years	5 years	LIBOR plus 1.600%	15,464
June 2007	30 years	5 years	LIBOR plus 1.435%	10,310
November 2007	30 years	5 years	LIBOR plus 2.640%	25,775
Balance, December 31, 2007				$ 105,096

(1) Obtained via the PIC acquisition.

(2) Obtained via the Pocahontas acquisition.

(3) Obtained via the American Horizons acquisition.

(4) Subject to regulatory requirements.

(5) The interest rate on the Company's junior subordinated debt, excluding the debt acquired in the PIC and Pocahontas acquisitions, is indexed to LIBOR and is based on the 3-month LIBOR rate. At December 31, 2007, the 3-month LIBOR rate was 4.99%.

Shareholders' Equity – Shareholders' equity provides a source of permanent funding, allows for future growth and provides the Company with a cushion to withstand unforeseen adverse developments. At December 31, 2007, shareholders' equity totaled $498.1 million, an increase of $178.5 million, or 55.9%, compared to $319.6 million at December 31, 2006. The following table details the changes in shareholders' equity during 2007.

TABLE 11 – CHANGES IN SHAREHOLDERS' EQUITY

(dollars in thousands)	Amount
Balance, December 31, 2006	$ 319,551
Common stock issued in acquisitions	146,410
Net income	41,310
Consolidation of joint venture	56
Sale of treasury stock for stock options exercised	3,947
Cash dividends declared	(17,169)
Repurchases of common stock placed into treasury	(9,607)
Increase in other comprehensive income	9,031
Share based compensation cost	4,530
Balance, December 31, 2007	$ 498,059

On April 25, 2007, the Board of Directors of the Company authorized a new share repurchase program upon completion of the prior program, which had 17,050 shares remaining authorized to be repurchased. The program authorizes the repurchase of up to 300,000 shares of the Company's outstanding common stock, or approximately 2.3% of total shares outstanding. During the year ended December 31, 2007, the Company repurchased a total of 168,021 shares of its Common Stock under publicly announced stock repurchase programs, leaving 149,029 shares remaining for purchase under the plan announced in April 2007. The following table details these purchases during 2007.

TABLE 12 – STOCK REPURCHASES

Period	Number of Shares Purchased	Average Price Paid per Share	Number of Shares Purchased as Part of Publicly Announced Repurchase Plans	Maximum Number of Shares that May Yet Be Purchased Under Repurchase Plans
May	27,000(1)	$ 52.27	27,000	290,050
July	38,500	$ 42.87	38,500	251,550
August	97,421	$ 45.81	97,421	154,129
September	5,100	$ 49.96	5,100	149,029
Total	168,021	$ 46.30	168,021	

(1) Includes 17,050 shares purchased under previous share repurchase plan approved in 2005.

No shares were repurchased during the months not presented in the table. All shares repurchased during the year ended December 31, 2007 were repurchased through publicly announced plans.

RESULTS OF OPERATIONS

The Company reported net income of $41.3 million, $35.7 million and $22.0 million for the years ended December 31, 2007, 2006 and 2005, respectively. Earnings per share ("EPS") on a diluted basis were $3.27 for 2007, $3.57 for 2006 and $2.24 for 2005. During 2007, interest income increased $97.0 million, interest expense increased $65.0 million, the provision for loan losses increased $9.3 million, noninterest income increased $53.1 million, noninterest expense increased $67.9 million and income tax expense increased $2.3 million. Cash earnings, defined as net income before the net of tax amortization of acquisition intangibles, amounted to $42.7 million, $36.4 million and $22.8 million for the years ended December 31, 2007, 2006 and 2005, respectively. Included in operating results are the results of operations of American Horizons from the acquisition date of January 31, 2005, PIC from the acquisition date of January 31, 2007, and Pocahontas from the acquisition date of February 1, 2007.

Net Interest Income – Net interest income is the difference between interest realized on earning assets and interest paid on interest-bearing liabilities and is also the driver of core 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 requirements. The Company's average interest rate spread, which is the difference between the yields earned on earning assets and the rates paid on interest-bearing liabilities, was 2.73%, 2.99% and 3.23% during the years ended December 31, 2007, 2006 and 2005, respectively. The Company's net interest margin on a taxable equivalent (TE) basis, which is net interest income (TE) as a percentage of average earning assets, was 3.13%, 3.42% and 3.54% during the years ended December 31, 2007, 2006 and 2005, respectively.

Net interest income increased $32.0 million, or 35.0%, in 2007 to $123.5 million compared to $91.5 million in 2006. This increase was due to a $97.0 million, or 58.7%, increase in interest income, which was partially offset by a $65.0 million, or 88.1%, increase in interest expense. The improvement in net interest income was the result of increased volumes and an improved mix of earning assets and deposits. Although earnings improved through increased net interest income, the related net interest spread and margin ratios compressed, driven in part by the rise in short-term interest rates during the year, the associated repricing of the Company's assets and liabilities, and the effect of the PIC and Pocahontas acquisitions.

In 2006, net interest income increased $6.7 million, or 7.9%, to $91.5 million, compared to $84.8 million in 2005. This increase was due to a $30.0 million, or 22.2%, increase in interest income, which was partially offset by a $23.3

million, or 46.2%, increase in interest expense. In addition, interest income was affected in the third quarter of 2006 when the Company recorded a pre-tax $1.4 million increase in commercial loan interest income associated with the accelerated loan discount accretion of a formerly impaired credit originated by American Horizons.

The Company has engaged in interest rate swap transactions, which are a form of derivative financial instruments, to modify the net interest sensitivity to levels deemed to be appropriate. Through this instrument, interest rate risk is managed by hedging with an interest rate swap contract designed to pay fixed and receive floating interest. The interest rate swaps of the Company were executed to modify net interest sensitivity to levels deemed appropriate.

Average loans made up 76.6% of average earning assets as of December 31, 2007 as compared to 74.5% at December 31, 2006. Overall, average loans increased $1.1 billion, or 51.5% in 2007. The PIC and Pocahontas acquisitions accounted for the majority of the growth. Average loan growth at the IBERIABANK franchise was $332.2 million, or 16.2% during 2007. The increase in average loans was funded by increased customer deposits and other borrowings. Average investment securities made up 19.9% of average earning assets at December 31, 2007 compared to 23.0% at December 31, 2006. Average interest-bearing deposits made up 80.5% of average interest-bearing liabilities at December 31, 2007 compared to 84.9% at December 31, 2006. Average borrowings made up 19.5% of average interest-bearing liabilities at December 31, 2007 compared to 15.1% at December 31, 2006. Tables 13 and 14 further display the changes in net interest income.

The following table sets forth, for the periods indicated, information regarding (i) the total dollar amount of interest income of the Company from earning assets and the resultant average yields; (ii) the total dollar amount of interest expense on interest-bearing liabilities and the resultant average rate; (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 is included in nonearning assets. Tax equivalent (TE) yields are calculated using a marginal tax rate of 35%.

TABLE 13 – AVERAGE BALANCES, NET INTEREST INCOME AND INTEREST YIELDS / RATES

	Years Ended December 31,								
	2007			2006			2005		
(dollars in thousands)	Average Balance	Interest	Average Yield/ Rate	Average Balance	Interest	Average Yield/ Rate	Average Balance	Interest	Average Yield/ Rate
Earning assets:									
Loans receivable:									
Mortgage loans	$ 565,232	$ 33,164	5.87%	$ 485,642	$ 27,011	5.56%	$ 438,515	$ 23,536	5.37%
Commercial loans (TE)	1,760,012	119,993	6.88	1,034,492	67,347	6.65	862,799	48,287	5.74
Consumer and other loans	787,748	60,081	7.63	534,475	38,413	7.19	538,761	36,669	6.81
Total loans	3,112,992	213,238	6.88	2,054,609	132,771	6.53	1,840,075	108,492	5.96
Loans held for sale	71,180	4,441	6.24	15,246	992	6.51	12,866	709	5.51
Investment securities (TE)	809,884	40,537	5.25	633,270	28,954	4.75	574,832	24,192	4.44
Other earning assets	68,357	4,030	5.89	53,268	2,575	4.83	49,773	1,855	3.73
Total earning assets	4,062,413	262,246	6.53	2,756,393	165,292	6.09	2,477,546	135,248	5.56
Allowance for loan losses	(36,752)			(36,570)			(27,908)		
Nonearning assets	547,828			288,651			267,425		
Total assets	$ 4,573,489			$ 3,008,474			$ 2,717,063		
Interest-bearing liabilities:									
Deposits:									
NOW accounts	$ 816,376	$ 20,785	2.55%	$ 623,211	$ 15,427	2.48%	$ 558,705	$ 9,239	1.65%
Savings and money market accounts	764,275	20,837	2.73	589,137	12,075	2.05	480,836	6,171	1.28
Certificates of deposit	1,344,446	62,674	4.66	803,154	30,614	3.81	727,666	21,187	2.91
Total interest-bearing deposits	2,925,097	104,296	3.57	2,015,502	58,116	2.88	1,767,207	36,597	2.07
Short-term borrowings	357,743	15,939	4.39	116,165	3,911	3.32	143,100	3,395	2.34
Long-term debt	349,898	18,492	5.21	243,058	11,743	4.77	245,561	10,458	4.20
Total interest-bearing liabilities	3,632,738	138,727	3.81	2,374,725	73,770	3.10	2,155,868	50,450	2.33
Noninterest-bearing demand deposits	439,296			336,190			283,396		
Noninterest-bearing liabilities	35,666			20,049			16,170		
Total liabilities	4,107,700			2,730,964			2,455,434		
Shareholders' equity	465,789			277,510			261,629		
Total liabilities and shareholders' equity	$ 4,573,489			$ 3,008,474			$ 2,717,063		
Net earning assets	$ 429,675			$ 381,668			$ 321,678		
Net interest spread		$ 123,519	2.73%		$ 91,522	2.99%		$ 84,798	3.23%
Net interest income (TE) / Net interest margin (TE)		$ 128,265	3.13%		$ 95,066	3.42%		$ 88,082	3.54%

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).

TABLE 14 – SUMMARY OF CHANGES IN NET INTEREST INCOME

	2007 / 2006 Change Attributable To			2006 / 2005 Change Attributable To		
(dollars in thousands)	Volume	Rate	Total Increase (Decrease)	Volume	Rate	Total Increase (Decrease)
Earning assets:						
Loans receivable:						
Mortgage loans	$ 4,549	$ 1,604	$ 6,153	$ 2,575	$ 901	$ 3,476
Commercial loans (TE)	48,143	4,503	52,646	10,360	8,700	19,060
Consumer and other loans	21,193	475	21,668	(386)	2,130	1,744
Loans held for sale	3,566	(117)	3,449	143	140	283
Investment securities (TE)	8,286	3,297	11,583	2,614	2,148	4,762
Other earning assets	788	667	1,455	106	614	720
Total net change in income on earning assets	86,525	10,429	96,954	15,412	14,633	30,045
Interest-bearing liabilities:						
Deposits:						
NOW accounts	4,850	508	5,358	1,332	4,856	6,188
Savings and money market accounts	3,321	5,441	8,762	2,791	3,113	5,904
Certificates of deposit	22,933	9,127	32,060	2,538	6,889	9,427
Borrowings	17,116	1,661	18,777	(1,916)	3,718	1,802
Total net change in expense on interest-bearing liabilities	48,220	16,737	64,957	4,745	18,576	23,321
Change in net interest spread	$ 38,305	$ (6,308)	$ 31,997	$ 10,667	$ (3,943)	$ 6,724

Interest income includes interest income earned on earning assets as well as applicable loan fees earned. Interest income that would have been earned on nonaccrual loans had they been on accrual status is not included in the data reported above.

Provision for Loan Losses - Management of the Company assesses the allowance for loan losses quarterly and will make provisions for loan losses as deemed appropriate in order to maintain the adequacy of the allowance for loan losses. Increases to the allowance for loan losses are achieved through provisions for loan losses that are charged against income. Adjustments to the allowance may also result from purchase accounting associated with loans acquired in mergers.

While the vast majority of the Company's loan portfolio performed well in 2007, the builder construction loan portfolio in the Northwest Arkansas and Memphis areas exhibited credit deterioration during the year as a result of slow housing conditions. On a consolidated basis, the Company recorded a provision for loan losses of $1.5 million in 2007. As a result of loan growth and noted deterioration in their builder construction portfolio, the Pulaski Bank franchise recorded a provision of $5.9 million in 2007. Due to improvements in the New Orleans portfolio, the Company recorded a negative loan loss provision on the IBERIABANK portfolio of $4.4 million for the year ended December 31, 2007. As a result of strong asset quality in the loan portfolio and improvements in outstanding credits in the hurricane-affected areas, the Company recorded a negative loan loss provision of $7.8 million for the year ended December 31, 2006.

Net chargeoffs were $1.9 million for 2007 compared to $0.4 million for 2006. The allowance for loan losses as a percentage of outstanding loans, net of unearned income, was 1.12% at December 31, 2007, compared to 1.34% at year-end 2006. A discussion of credit quality can be found in the section on "Asset Quality and Allowance for Loan Losses" in this analysis.

Noninterest Income – The Company reported noninterest income of $76.6 million in 2007 compared to $23.5 million for 2006. The following table illustrates the primary components of noninterest income for the years indicated.

TABLE 15 – NONINTEREST INCOME

(dollars in thousands)	2007	2006	Percent Increase (Decrease)	2005	Percent Increase (Decrease)
Service charges on deposit accounts	$ 19,964	$ 13,167	51.6%	$ 13,427	(1.9)%
ATM/debit card fee income	4,934	3,429	43.9	2,709	26.6
Income from bank owned life insurance	3,530	2,085	69.3	1,979	5.3
Gain on sale of loans, net	16,744	745	2,146.2	2,497	(70.2)
Gain on sale of assets	132	99	33.3	826	(88.0)
Gain (loss) on sale of investments, net	1,415	(4,083)	134.7	(39)	(10,369.2)
Impairment of investment securities	(302)	—	—	—	—
Title revenue	17,293	—	—	—	—
Broker commission income	5,487	4,054	35.3	2,410	68.2
Other income	7,397	3,954	87.1	2,332	69.6
Total noninterest income	$ 76,594	$ 23,450	226.6%	$ 26,141	(10.3)%

Service charges on deposit accounts increased $6.8 million in 2007 primarily due to the addition of accounts related to the PIC and Pocahontas acquisitions.

ATM/debit card fee income increased $1.5 million in 2007 due to the expanded cardholder base attributable to the PIC and Pocahontas acquisitions and increased usage by customers.

Income from bank owned life insurance increased $1.4 million in 2007 as the Company received the proceeds from a death benefit of $0.9 million on an insured former employee, acquired life insurance policies from PIC and Pocahontas and purchased new policies during the year.

Gain on sale of loans increased $16.0 million in 2007 as a result of the additional mortgage loan sales volume produced by PMC. Gains on the sale of loans in 2006 were reduced as the Company recorded a loss of $1.1 million on the transfer of a pool of lower-yielding mortgage loans into loans held for sale. These loans were sold in January 2007.

Gain on the sale of investments increased $5.5 million from 2006. The current year gain includes a gain of $0.8 million from the sale of the Company's Mastercard stock and gains of $0.6 million from the sales of treasuries and agency callable and bullet securities. The loss on the sale of investments during 2006 was a result of the Company selling $109.3 million in investments during the year to reinvest the proceeds in higher yielding investments. During the fourth quarter of 2007, the Company recorded a $0.3 million impairment charge associated with the loss of the credit enhancement provided by a monoline insurer of a municipal bond held by the Company.

Due to LTC and its subsidiaries, noninterest income now includes title income of $17.3 million.

Broker commission income increased $1.4 million in 2007 as the Company continues to benefit from the addition of high-producing representatives and increased production from existing employees. 2007 results were also positively impacted by the expansion of broker services into Arkansas through Pulaski Financial Services, a subsidiary of Iberia Financial Services.

Other noninterest income increased $3.4 million in 2007 primarily due to credit card fees and trust income resulting from the PIC acquisition. These increases were partially offset by a decrease in derivative gains on swaps and net cash settlements during 2007. During the third quarter of 2006, the Company revised its method of accounting for interest rate swaps associated with its junior subordinated debt. The Company had previously accounted for these swaps using hedge accounting as prescribed by SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*. Under hedge accounting, changes in the fair value of the swaps were recorded in Shareholders' Equity.

These fair value changes are now recorded in noninterest income. For additional information, see Notes 1 and 11 of the Consolidated Financial Statements.

Noninterest income decreased $2.7 million from 2005 to 2006 primarily due to a $4.1 million loss on the sale of investments in 2006. The loss was the result of the sale of $109.3 million in investments during the year to reinvest the proceeds in higher yielding securities. The decrease was offset by increases of $0.7 million in ATM/debit card fee income and $1.6 million in broker commission income. Noninterest income was adversely impacted by a $0.7 million decrease in gains on sales of assets and a $0.3 million increase in service charges on deposit accounts, as customers migrated to deposit products with lower fees.

Noninterest Expense – The Company reported noninterest expense of $141.0 million in 2007 compared to $73.1 million for 2006. Ongoing attention to expense control is part of the Company's corporate culture. However, the Company embarked on a growth initiative that included new branches, acquisitions and product expansion. These initiatives have caused increases in several components of noninterest expense. The following table illustrates the primary components of noninterest expense for the years indicated.

TABLE 16 – NONINTEREST EXPENSE

(dollars in thousands)	2007	2006	Percent Increase (Decrease)	2005	Percent Increase
Salaries and employee benefits	$ 79,672	$ 40,023	99.1%	$ 33,973	17.8%
Occupancy and equipment	20,035	9,445	112.1	8,319	13.5
Franchise and shares tax	3,380	2,991	13.0	3,161	(5.4)
Communication and delivery	6,142	3,118	97.0	3,107	0.4
Marketing and business development	3,039	2,124	43.1	1,766	20.3
Data processing	5,819	2,678	117.3	1,837	45.8
Printing, stationery and supplies	2,152	1,007	113.7	992	1.5
Amortization of acquisition intangibles	2,198	1,118	96.6	1,207	(7.4)
Professional services	3,973	2,103	88.9	2,339	(10.1)
Other expenses	14,618	8,520	71.6	7,737	10.1
Total noninterest expense	$ 141,028	$ 73,127	92.9%	$ 64,438	13.5%

Salaries and employee benefits increased $39.6 million in 2007 primarily due to increased staffing associated with the PIC and Pocahontas acquisitions. Since these acquisitions, the Company has reduced staffing levels by approximately 140 associates, or 10% of its workforce. Most of these reductions were made during the second and third quarters of 2007.

Occupancy and equipment expense increased $10.6 million in 2007 due primarily to the facilities costs associated with the acquisitions.

Franchise and shares tax expense increased $0.4 million in 2007 due to higher assessments as a result of IBERIABANK's growth. Both capital and income levels are key components of the Louisiana shares tax calculation.

Communication and delivery charges, data processing and printing and supplies expenses increased $3.0 million, $3.1 million, and $1.1 million, respectively, in 2007. These increases are primarily due to the acquisitions.

Marketing and business development expense increased $0.9 million in 2007 as a result of additional customer notifications, advertisements, and direct mail expenses incurred as a result of the acquisitions.

Amortization of acquisitions intangibles increased $1.1 million as a result of the additional core deposit intangibles recorded on the PIC and Pocahontas acquisitions.

Professional services expense increased $1.9 million in 2007 primarily due to higher consulting expenses and independent auditor fees. The increase in fees is attributable to the increased size and complexity of the Company due to the addition of lines of business acquired from PIC and Pocahontas.

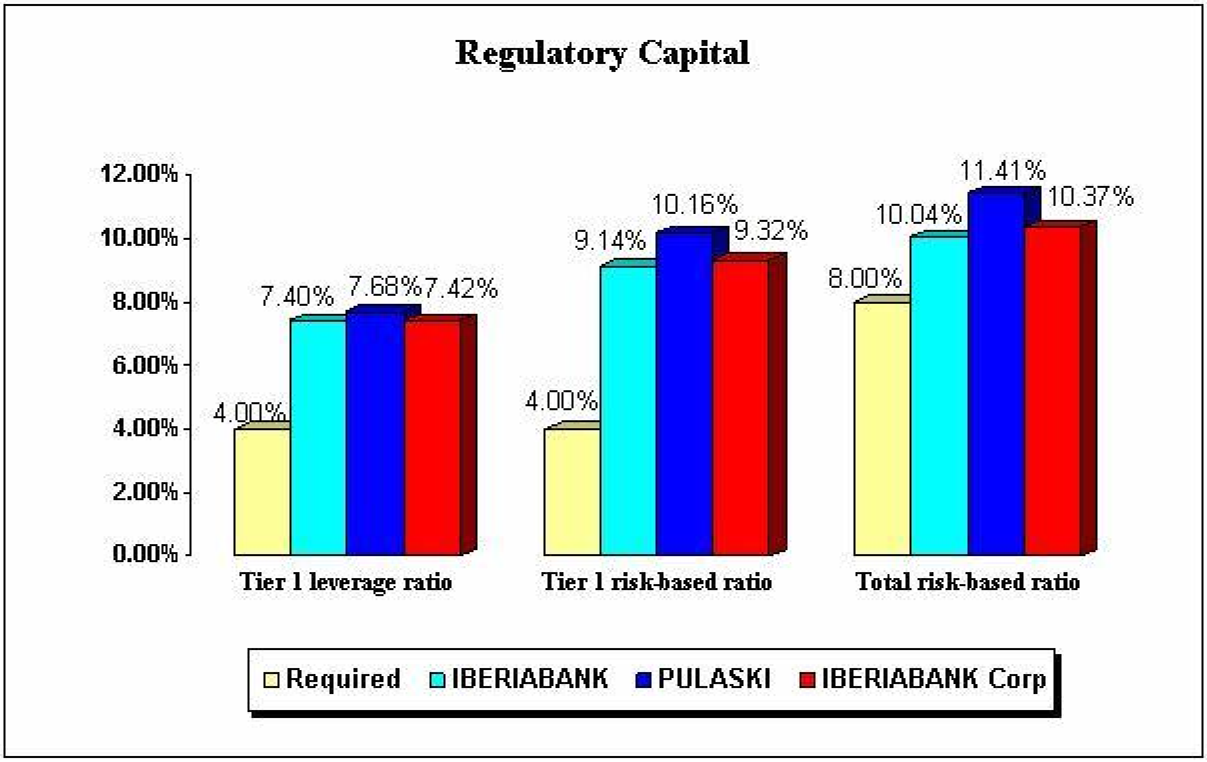
Other noninterest expenses increased $6.1 million in 2007 primarily as a result of the acquisitions. Loan related expenses increased $1.9 million as a result of the acquired loan portfolios as well as additional loan collection efforts. Credit card expenses increased $1.5 million as a result of PIC's cardholder base. Travel expenses increased $0.6 million, primarily resulting from integration and conversion activities in Arkansas. The Company also recorded modest increases in bank service charges and ATM/debit card expenses, reflecting the additional locations and volume of business resulting from the acquisitions. Other noninterest expenses in 2006 included a $1.0 million prepayment penalty incurred to pay off $11.4 million in FHLB advances.

Noninterest expense increased $8.7 million from 2005 to 2006 primarily do to the $1.0 million prepayment penalty incurred, salaries and benefits expense ($6.1 million increase) and occupancy and equipment expense ($1.1 million increase) as a result of the Company's branch expansion initiative.

Income Taxes - For the years ended December 31, 2007, 2006 and 2005, the Company incurred income tax expense of $16.3 million, $14.0 million and $7.4 million, respectively. The Company's effective tax rate amounted to 28.2%, 28.1% and 25.3% during 2007, 2006 and 2005, respectively. The difference between the effective tax rate and the statutory tax rate primarily relates to variances in items that are non-taxable or non-deductible, primarily the effect of tax-exempt income, the non-deductibility of part of the amortization of acquisition intangibles, and various tax credits taken. The slight increase in the Company's effective tax rates for 2007 is attributable to increased net income before taxes. The Company's tax rate in 2005 included the effect of the third quarter net loss and the decrease in ESOP compensation expense, a large portion of which was not deductible for tax purposes. For more information, see Note 12 of the Consolidated Financial Statements.

CAPITAL RESOURCES

Federal regulations impose minimum regulatory capital requirements on all institutions with deposits insured by the Federal Deposit Insurance Corporation. The Federal Reserve Board ("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 December 31, 2007, the Company exceeded all regulatory capital ratio requirements with a Tier 1 leverage capital ratio of 7.42%, a Tier 1 risk-based capital ratio of 9.32% and a total risk-based capital ratio of 10.37%. At December 31, 2007, both IBERIABANK and Pulaski Bank also exceeded all regulatory capital ratio requirements with Tier 1 leverage capital ratios of 7.40% and 7.68%, Tier 1 risk-based capital ratios of 9.14% and 10.16% and total risk-based capital ratios of 10.04% and 11.41%, respectively.



In addition, the Company has junior subordinated debt totaling $102.0 million, which may be included in Tier 1 capital up to 25% of the total of the Company's core capital elements, including the junior subordinated debt. For additional information, see Note 10 of the Consolidated Financial Statements.

LIQUIDITY

The Company's liquidity, represented by cash and cash equivalents, is a product of its operating, investing and financing activities. The Company manages its liquidity with the objective of maintaining sufficient funds to respond to the needs of depositors and borrowers and to take advantage of earnings enhancement opportunities. The primary sources of funds for the Company are deposits, borrowings, repayments and maturities of loans and investment securities, securities sold under agreements to repurchase, as well as funds provided from operations. Certificates of deposit scheduled to mature in one year or less at December 31, 2007 totaled $1.2 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 security portfolio is classified by the Company as available-for-sale which provides the ability to liquidate securities as needed. Due to the relatively short planned duration of the investment security portfolio, the Company continues to experience significant cash flows on a normal basis.

The following table summarizes the Company's cash flows for the years ended December 31, 2007 and 2006:

(dollars in thousands)	2007	2006
Cash flow provided by operations	$ 73,570	$ 23,756
Cash flow used in investing	(420,619)	(382,735)
Cash flow provided by financing	385,249	317,084
Net increase (decrease) in cash and cash equivalents	$ 38,200	$ (41,895)

Cash flows provided by operations during 2007 were $49.8 million higher compared to the same period in 2006. The increase was primarily due to higher income for the year and a decrease in net fundings of loans held for sale.

Cash used in investing activities increased $37.9 million in 2007 compared to the same period in 2006 primarily due to the growth in the Company's loan portfolio. Funding of loan growth of $442.4 million and cash paid for acquisitions was partially offset by decreases in net investment cash outflows and purchases of property and equipment.

Net financing cash flows increased $68.2 million from 2006 to 2007, primarily due to an increase in the Company's long and short-term borrowings, and more specifically, advances from the FHLB, offset partially by an increase in cash paid for shareholder dividends.

While scheduled cash flows from the amortization and maturities of loans and securities are relatively predictable sources of funds, deposit flows and prepayments of loan and investment securities are greatly influenced by general interest rates, economic conditions and competition. 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 December 31, 2007, the Company had $636.2 million of outstanding advances from the FHLB of Dallas. Additional advances available at December 31, 2007 from the FHLB of Dallas amounted to $410.0 million. The Company and IBERIABANK also have various funding arrangements with commercial banks providing up to $70 million in the form of federal funds and other lines of credit. At December 31, 2007, there was no balance 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. 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 meet its ongoing commitments and fund loan commitments. The Company has been able to generate sufficient cash through its deposits, as well as borrowings, and anticipates it will continue to have sufficient funds to meet its liquidity requirements.

ASSET/ LIABILITY MANAGEMENT AND MARKET RISK

The principal objective of the Company's asset and liability management function is to evaluate the 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 Senior Management Planning Committee. The Senior Management Planning Committee normally 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 Senior Management Planning Committee generally reviews the Company's liquidity, cash flow needs, maturities 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 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 shifts 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 that has traditionally been more realistic.

The Company's interest rate risk model indicated that the Company was slightly liability sensitive in terms of interest rate sensitivity. Based on the Company's interest rate risk model, the table below illustrates the impact of an immediate and sustained 100 and 200 basis point increase or decrease in interest rates on net interest income:

Shift in Interest Rates (in bps)	% Change in Projected Net Interest Income
+200	(2.6)%
+100	(0.8)
-100	2.0
-200	1.8

The influence of using the forward curve as of December 31, 2007 as a basis for projecting the interest rate environment would approximate a 3.0% increase in net interest income. The computations of interest rate risk shown above do not necessarily include certain actions that management may undertake to manage this risk in response to anticipated changes in interest rates.

The rate environment is 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. 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 FRB purchases and sales and also expectations of monetary policy going forward. The FRB began to increase the targeted level for the federal funds rate in June 2004 after reaching an all-time low of 1.00% in mid-2003. The targeted fed funds rate decreased three times in 2007 by 100 total basis points and ended the year at 4.25%. The decrease in the fed funds rate has resulted in a more favorable net interest margin. Although management believes that the Company is not significantly affected by changes in interest rates over an extended period of time, any flattening of the yield curve will exert downward pressure on the net interest margin and net interest income.

As part of its asset/liability management strategy, the Company has emphasized the origination of commercial and consumer loans, which typically have shorter terms than residential mortgage loans and/or adjustable or variable rates of interest. The majority of fixed-rate, long-term residential loans are sold in the secondary market to avoid assumption of the rate risk associated with longer duration assets in the current low rate environment. As of December 31, 2007, $1.0 billion, or 30.6%, of the Company's total loan portfolio had adjustable interest rates. IBERIABANK and Pulaski Bank have no significant concentration to any single loan component or industry segment.

The Company's strategy with respect to liabilities in recent periods has been to emphasize transaction accounts, particularly noninterest or low interest-bearing transaction accounts, which are not sensitive to changes in interest rates. At December 31, 2007, 59.2% of the Company's deposits were in transaction and limited-transaction accounts, compared to 64.9% at December 31, 2006. Noninterest bearing transaction accounts totaled 13.4% of total deposits at December 31, 2007, compared to 14.7% of total deposits at December 31, 2006.

As part of an overall interest rate risk management strategy, off-balance sheet derivatives 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 interest rate swaps to effectively manage interest rate risk. The interest rate swaps of the Company were executed to modify net interest sensitivity to levels deemed appropriate.

OTHER OFF-BALANCE SHEET ACTIVITIES

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, commitments under operating leases and long-term debt. The Company provides customers with off-balance sheet credit support through loan commitments, lines of credit and standby letters of credit. Many of the unused commitments are expected to expire unused or be only partially used; therefore, the total amount of unused commitments does not necessarily represent future cash requirements. The Company anticipates it will continue to have sufficient funds together with available borrowings to meet its current commitments. At December 31, 2007, the total approved loan commitments outstanding amounted to $88.0 million. At the same date, commitments under unused lines of credit, including credit card lines, amounted to $748.6 million. Included in these totals are commercial commitments amounting to $592.2 million as shown in the following table.

TABLE 17 - COMMERCIAL COMMITMENT EXPIRATION PER PERIOD

(dollars in thousands)	Less Than 1 Year	1 – 3 Years	4 – 5 Years	Over 5 Years	Total
Unused commercial lines of credit	$ 319,044	$ 94,461	$ 73,295	$ 5,273	$ 492,073
Unused loan commitments	73,811	—	—	—	73,811
Standby letters of credit	24,733	1,483	140	—	26,356
Total	$ 417,588	$ 95,944	$ 73,435	$ 5,273	$ 592,240

The Company has entered into a number of long-term leasing arrangements to support the ongoing activities of the Company. The required payments under such commitments and other debt commitments at December 31, 2007 are shown in the following table.

TABLE 18 – CONTRACTUAL OBLIGATIONS AND OTHER DEBT COMMITMENTS

(dollars in thousands)	2008	2009	2010	2011	2012	2013 and After	Total
Operating leases	$ 3,522	$ 2,840	$ 2,178	$ 1,428	$ 764	$ 8,808	$ 19,540
Certificates of deposit	1,168,802	160,669	50,643	15,122	26,528	535	1,422,299
Short-term borrowings	436,146	—	—	—	—	—	436,146
Long-term debt	64,748	133,097	88,515	59,278	46,022	65,964	457,624
Total	$ 1,673,218	$ 296,606	$ 141,336	$ 75,828	$ 73,314	$ 75,307	$ 2,335,609

IMPACT OF INFLATION AND CHANGING PRICES

The consolidated financial statements and related financial data presented herein have been prepared in accordance with generally accepted accounting principles, 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 2008.

CHANGE IN ACCOUNTANTS

On March 13, 2007, Castaing, Hussey, & Lolan, LLC ("CHL"), the Company's Independent Registered Accounting Firm, informed the Audit Committee of the Board of Directors that it would decline to stand for re-election as Independent Registered Accounting Firm upon the filing of the Annual Report on Form 10-K for the fiscal year ended December 31, 2006.

On March 13, 2007, the Audit Committee appointed Ernst & Young LLP ("E&Y") to serve as the Company's Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2007. This determination followed the Audit Committee's decision to seek proposals from independent accountants to audit the Company's financial statements for the fiscal year ended December 31, 2007.

The Report of Independent Registered Public Accounting Firm for the fiscal years ended December 31, 2007 and 2006, did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles.

During the Company's fiscal years ended December 31, 2007 and 2006, and through the date hereof, there were no disagreements between the Company and E&Y or CHL on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to their satisfaction, would have caused them to make a reference to the matter in its reports on the Company's financial statements for such years.

During the Company's fiscal years ended December 31, 2007 and 2006, and through the date hereof, there were no "reportable events" (as defined by Item 304(a)(1)(v) of Regulation S-K).

The Company requested that CHL furnish it with a letter addressed to the Securities and Exchange Commission stating whether or not CHL agreed with the above statements. A copy of such letter, dated March 16, 2007, was filed as an exhibit to the Company's Current Report on Form 8-K dated March 13, 2007.

During the Company's fiscal years ended December 31, 2006 and 2005, and the subsequent interim period through March 13, 2007, the Company did not consult with E&Y regarding any of the matters or events set forth in Item 304(a)(2)(i) and (ii) of Regulation S-K.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA [1]

(dollars in thousands, except per share data)	Years Ended December 31, 2007	2006	2005	2004	2003
Balance Sheet Data					
Total assets	$ 4,916,958	$ 3,203,046	$ 2,852,592	$ 2,448,602	$ 2,115,811
Cash and cash equivalents	123,105	84,905	126,800	53,265	69,521
Loans receivable	3,430,039	2,234,002	1,918,516	1,650,626	1,412,349
Investment securities	804,877	581,352	572,582	566,955	479,622
Goodwill and other intangibles	254,627	99,070	100,576	68,310	62,786
Deposit accounts	3,484,828	2,422,582	2,242,956	1,773,489	1,589,114
Borrowings	893,770	439,602	319,061	442,542	318,881
Shareholders' equity [2]	498,059	319,551	263,569	220,162	195,169
Book value per share [2] [4]	$ 38.99	$ 31.07	$ 27.60	$ 25.62	$ 23.43
Tangible book value per share	19.06	21.43	17.07	17.67	15.89

(dollars in thousands, except per share data)	Years Ended December 31, 2007	2006	2005	2004	2003
Income Statement Data					
Interest income	$ 262,246	$ 165,292	$ 135,248	$ 108,610	$ 96,509
Interest expense	138,727	73,770	50,450	33,982	28,876
Net interest income	123,519	91,522	84,798	74,628	67,633
Provision for (reversal of) loan losses	1,525	(7,803)	17,069	4,041	6,300
Net interest income after provision for (reversal of) loan losses	121,994	99,325	67,729	70,587	61,333
Noninterest income	76,594	23,450	26,141	23,217	23,064
Noninterest expense	141,028	73,127	64,438	54,897	50,629
Income before income taxes	57,560	49,648	29,432	38,907	33,768
Income taxes	16,250	13,953	7,432	11,568	10,216
Net income	$ 41,310	$ 35,695	$ 22,000	$ 27,339	$ 23,552
Earnings per share – basic	$ 3.39	$ 3.80	$ 2.40	$ 3.26	$ 2.97
Earnings per share – diluted	3.27	3.57	2.24	3.01	2.74
Cash earnings per share – diluted	3.38	3.64	2.32	3.07	2.79
Cash dividends per share	1.34	1.22	1.00	0.85	0.72

	At or For the Years Ended December 31,				
	2007	2006	2005	2004	2003
Key Ratios [3]					
Return on average assets	0.90%	1.19%	0.81%	1.17%	1.20%
Return on average equity	8.87	12.86	8.41	12.98	13.05
Return on average tangible equity [4]	18.86	20.52	13.96	19.52	19.57
Equity to assets at end of period	10.18	9.98	9.24	8.99	9.22
Earning assets to interest-bearing liabilities	111.83	116.07	114.92	112.82	113.87
Interest rate spread [5]	2.73	2.99	3.23	3.40	3.67
Net interest margin (TE) [5] [6]	3.13	3.42	3.54	3.60	3.89
Noninterest expense to average assets	3.08	2.43	2.37	2.35	2.58
Efficiency ratio [7]	70.47	63.60	58.08	56.11	55.82
Tangible efficiency ratio (TE) [4] [5]	67.15	60.19	54.85	53.16	52.96
Dividend payout ratio	41.61	33.64	43.56	26.55	25.37
Asset Quality Data					
Nonperforming assets to total assets at end of period [8]	0.98%	0.16%	0.21%	0.25%	0.34%
Allowance for loan losses to nonperforming loans at end of period [8]	98.77	993.76	659.29	355.17	355.92
Allowance for loan losses to total loans at end of period	1.12	1.34	1.98	1.22	1.29
Consolidated Capital Ratios					
Tier 1 leverage capital ratio	7.42%	9.01%	7.65%	7.63%	7.50%
Tier 1 risk-based capital ratio	9.32	11.81	10.70	11.13	10.94
Total risk-based capital ratio	10.37	13.06	11.96	12.36	12.20

(1) 2007 Balance Sheet, Income Statement, and Asset Quality Data, as well as Key Ratios and Capital Ratios, are impacted by the Company's acquisition of PIC on January 31, 2007 and Pocahontas on February 1, 2007.

(2) Shares used for book value purposes exclude shares held in treasury and unreleased shares held by the Employee Stock Ownership Plan at the end of the period.

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

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

(5) 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.

(6) Fully taxable equivalent (TE) calculations include the tax benefit associated with related income sources that are tax-exempt using a marginal tax rate of 35%.

(7) The efficiency ratio represents noninterest expense as a percentage of total revenues. Total revenues is the sum of net interest income and noninterest income.

(8) Nonperforming loans consist of nonaccruing loans and loans 90 days or more past due. Nonperforming assets consist of nonperforming loans and repossessed assets.

MANAGEMENT REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Board of Directors of
IBERIABANK Corporation

The management of IBERIABANK Corporation (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control system was designed to provide reasonable assurance to the Company's management and board of directors regarding the preparation and fair presentation of published financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2007. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework*. Based on our assessment, management believes that, as of December 31, 2007, the Company's internal control over financial reporting is effective based on those criteria.

The audited consolidated financial statements of the Company include the results of the Pulaski Bank and Trust Company and Lenders Title Company. The inclusion of these companies resulted from the acquisitions of Pulaski Investment Corporation and Pocahontas Bancorp, Inc. on January 31, 2007 and February 1, 2007, respectively. Management did not perform a complete assessment of internal controls over financial reporting of these entities and therefore, as a result, these entities are not included in management's assessment of internal control over financial reporting as of December 31,2007. This approach is consistent with published SEC guidance on the permissible scope of management's internal control report. As of December 31, 2007, Pulaski Bank and Trust Company and Lenders Title Company accounted for $1,339,457,000 and $247,542,000 of total and net assets, respectively, of the Company. For the year ended December 31, 2007, Pulaski Bank and Trust Company and Lenders Title Company accounted for $112,371,000 and $5,794,000 of interest, dividend and noninterest income and net income, respectively, of the Company.

The Company's independent registered public accounting firm has also issued an attestation report on the effectiveness of the Company's internal control over financial reporting as of December 31, 2007.

/s/ Daryl G. Byrd	/s/ Anthony J. Restel
Daryl G. Byrd	Anthony J. Restel
President and Chief Executive Officer	Senior Executive Vice President and Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
IBERIABANK Corporation

We have audited IBERIABANK Corporation's internal control over financial reporting as of December 31, 2007, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). IBERIABANK Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As indicated in the accompanying Management Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Pulaski Bank and Trust Company and Lenders Title Company which is included in the 2007 consolidated financial statements of IBERIABANK Corporation and constituted $1,339,457,000 and $247,542,000 of total and net assets, respectively, as of December 31, 2007, and $112,371,000 and $5,794,000 of interest, dividend and noninterest income and net income, respectively, for the year then ended. Our audit of internal control over financial reporting of IBERIABANK Corporation also did not include an evaluation of the internal control over financial reporting of Pulaski Bank and Trust Company and Lenders Title Company.

In our opinion, IBERIABANK Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2007, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of IBERIABANK Corporation as of December 31, 2007, and the related consolidated statements of income, shareholders' equity, and cash flows for the year ended December 31, 2007 and our report dated March 14, 2008 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

New Orleans, Louisiana
March 14, 2008

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
IBERIABANK Corporation

We have audited the accompanying consolidated balance sheet of IBERIABANK Corporation as of December 31, 2007, and the related consolidated statements of income, shareholders' equity, and cash flows for the year ended December 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of IBERIABANK Corporation at December 31, 2007, and the consolidated results of its operations and its cash flows for the year ended December 31, 2007, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), IBERIABANK Corporation's internal control over financial reporting as of December 31, 2007, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 14, 2008 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

New Orleans, Louisiana
March 14, 2008

REPORT OF CASTAING, HUSSEY & LOLAN, LLC
INDEPENDENT REGISTERED ACCOUNTING FIRM

To the Board of Directors and Shareholders of
IBERIABANK Corporation

We have audited the accompanying consolidated balance sheet of IBERIABANK Corporation and Subsidiary as of December 31, 2006, and the related consolidated statements of income, shareholders' equity, and cash flows for the years ended December 31, 2006 and December 31, 2005. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of IBERIABANK Corporation and Subsidiary as of December 31, 2006, and the results of its operations and its cash flows for the years ended December 31, 2006 and 2005, in conformity with accounting principles generally accepted in the United States of America.

/s/ Castaing, Hussey & Lolan, LLC

New Iberia, Louisiana
February 16, 2007

IBERIABANK CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2007 and 2006

(dollars in thousands, except share data)	2007	2006
Assets		
Cash and due from banks	$ 93,263	$ 51,078
Interest-bearing deposits in banks	29,842	33,827
Total cash and cash equivalents	123,105	84,905
Securities available for sale, at fair value	745,383	558,832
Securities held to maturity, fair values of $60,125 and $22,677, respectively	59,494	22,520
Mortgage loans held for sale	57,695	54,273
Loans, net of unearned income	3,430,039	2,234,002
Allowance for loan losses	(38,285)	(29,922)
Loans, net	3,391,754	2,204,080
Premises and equipment, net	122,452	71,007
Goodwill	231,177	92,779
Other assets	185,898	114,640
Total Assets	$ 4,916,958	$ 3,203,036
Liabilities		
Deposits:		
Noninterest-bearing	$ 468,001	$ 354,961
Interest-bearing	3,016,827	2,067,621
Total deposits	3,484,828	2,422,582
Short-term borrowings	436,146	202,605
Long-term debt	457,624	236,997
Other liabilities	40,301	21,301
Total Liabilities	4,418,899	2,883,485
Shareholders' Equity		
Preferred stock, $1 par value - 5,000,000 shares authorized	—	—
Common stock, $1 par value - 25,000,000 shares authorized; 14,799,759 and 12,378,902 shares issued, respectively	14,800	12,379
Additional paid-in capital	361,746	214,483
Retained earnings	197,911	173,794
Accumulated other comprehensive income (loss)	5,725	(3,306)
Treasury stock at cost - 2,025,591 and 2,092,471 shares, respectively	(82,123)	(77,799)
Total Shareholders' Equity	498,059	319,551
Total Liabilities and Shareholders' Equity	$ 4,916,958	$ 3,203,036

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

IBERIABANK CORPORATION AND SUBSIDIARIES
Consolidated Statements of Income
Years Ended December 31, 2007, 2006 and 2005

(dollars in thousands, except per share data)	2007	2006	2005
Interest and Dividend Income			
Loans, including fees	$ 213,239	$ 132,771	$ 108,492
Mortgage loans held for sale, including fees	4,440	992	709
Investment securities:			
Taxable interest	36,869	26,920	21,698
Tax-exempt interest	3,668	2,034	2,494
Other	4,030	2,575	1,855
Total interest and dividend income	262,246	165,292	135,248
Interest Expense			
Deposits	104,297	58,116	36,597
Short-term borrowings	15,938	3,911	3,395
Long-term debt	18,492	11,743	10,458
Total interest expense	138,727	73,770	50,450
Net interest income	123,519	91,522	84,798
Provision for (Reversal of) loan losses	1,525	(7,803)	17,069
Net interest income after provision for (reversal of) loan losses	121,994	99,325	67,729
Noninterest Income			
Service charges on deposit accounts	19,964	13,167	13,427
ATM/debit card fee income	4,934	3,429	2,709
Income from bank owned life insurance	3,530	2,085	1,979
Gain on sale of loans, net	16,744	745	2,497
Gain on sale of assets	132	99	826
Gain (loss) on sale of investments, net	1,113	(4,083)	(39)
Trading gains (losses) on swaps	(726)	803	—
Net cash settlements on swaps	590	527	—
Title revenue	17,293	—	—
Broker commissions	5,487	4,054	2,410
Other income	7,533	2,624	2,332
Total noninterest income	76,594	23,450	26,141
Noninterest Expense			
Salaries and employee benefits	79,672	40,023	33,973
Occupancy and equipment	20,035	9,445	8,319
Franchise and shares tax	3,380	2,991	3,161
Communication and delivery	6,142	3,118	3,107
Marketing and business development	3,039	2,124	1,766
Data processing	5,819	2,678	1,837
Printing, stationery and supplies	2,152	1,007	992
Amortization of acquisition intangibles	2,198	1,118	1,207
Professional services	3,973	2,103	2,339
Other expenses	14,618	8,520	7,737
Total noninterest expense	141,028	73,127	64,438
Income before income tax expense	57,560	49,648	29,432
Income tax expense	16,250	13,953	7,432
Net Income	$ 41,310	$ 35,695	$ 22,000
Earnings per share - basic	$ 3.39	$ 3.80	$ 2.40
Earnings per share - diluted	$ 3.27	$ 3.57	$ 2.24
Cash dividends declared per share	$ 1.34	$ 1.22	$ 1.00

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

IBERIABANK CORPORATION AND SUBSIDIARIES
Consolidated Statements of Shareholders' Equity
Years Ended December 31, 2007, 2006 and 2005

(dollars in thousands, except share and per share data)	Common Stock	Additional Paid-In Capital	Retained Earnings	Unearned Compensation	Accumulated Other Comprehensive Income	Treasury Stock	Total
Balance, December 31, 2004 (1)	10,812	136,841	137,887	(5,581)	390	(60,187)	220,162
Comprehensive income:							
Net income			22,000				22,000
Change in unrealized gain on securities available for sale, net of deferred taxes					(7,030)		(7,030)
Change in fair value of derivatives used for cash flow hedges, net of tax effect					1,011		1,011
Total comprehensive income							15,981
Cash dividends declared, $1.00 per share			(9,582)				(9,582)
Reissuance of treasury stock under stock option plan, net of shares surrendered in payment, including tax benefit, 203,813 shares		1,539				2,026	3,565
Common stock released by ESOP trust		519		103			622
Common stock earned by participants of recognition and retention plan trust, including tax benefit		564		1,554			2,118
Common stock issued for recognition and retention plan		3,777		(5,670)		1,893	—
Common stock issued for acquisition	990	46,945	(198)				47,737
Share-based compensation cost		470					470
Treasury stock acquired at cost, 365,488 shares						(17,504)	(17,504)
Balance, December 31, 2005	11,802	190,655	150,107	(9,594)	(5,629)	(73,772)	263,569
Comprehensive income:							
Net income			35,695				35,695
Change in unrealized gain on securities available for sale, net of deferred taxes					2,858		2,858
Change in fair value of derivatives used for cash flow hedges, net of tax effect					(535)		(535)
Total comprehensive income							38,018
Cash dividends declared, $1.22 per share		856	(12,008)				(11,152)
Reissuance of treasury stock under stock option plan, net of shares surrendered in payment, including tax benefit, 188,394 shares		3,090				2,448	5,538
Reclassification of unearned compensation due to adoption of SFAS 123(R)		(9,594)		9,594			
Common stock released by ESOP trust		—					—
Common stock earned by participants of recognition and retention plan trust, including tax benefit		2,913					2,913
Common stock issued for recognition and retention plan		(1,557)				1,557	—
Common stock issued	577	27,883					28,460
Share-based compensation cost		237					237
Treasury stock acquired at cost, 138,253 shares						(8,032)	(8,032)
Balance, December 31, 2006	12,379	214,483	173,794	—	(3,306)	(77,799)	319,551
Comprehensive income:							
Net income			41,310				41,310
Change in unrealized gain on securities available for sale, net of deferred taxes					9,352		9,352
Change in fair value of derivatives used for cash flow hedges, net of tax effect					(321)		(321)
Total comprehensive income							50,341
Cash dividends declared, $1.34 per share		20	(17,189)				(17,169)
Consolidation of joint venture.		60	(4)			56	
Reissuance of treasury stock under stock option plan, net of shares surrendered in payment, including tax benefit, 130,913 shares		1,375				2,572	3,947
Common stock issued for recognition and retention plan		(2,711)				2,711	—
Common stock issued for acquisition	2,421	143,989					146,410
Share-based compensation cost		4,530					4,530
Treasury stock acquired at cost, 168,021 shares						(9,607)	(9,607)
Balance, December 31, 2007	$ 14,800	$ 361,746	$ 197,911	$ —	$ 5,725	$ (82,123)	$ 498,059

(1) All share amounts have been restated to reflect the five-for-four stock split, paid August 15, 2005 to shareholders of record as of August 1, 2005.

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

IBERIABANK CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years Ended December 31, 2007, 2006 and 2005

(dollars in thousands)	2007	2006	2005
Cash Flows from Operating Activities			
Net income	$ 41,310	$ 35,695	$ 22,000
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	10,317	5,478	5,245
Provision for (reversal of) loan losses	1,525	(7,803)	17,069
Noncash compensation expense	4,530	3,150	2,824
Gain on sale of assets	(132)	(64)	(1,081)
Loss on impaired securities	302	—	—
Loss on sale of investments	(1,113)	4,083	39
Loss on abandonment of fixed assets	—	187	129
Amortization of premium/discount on investments	(2,845)	272	1,909
Trading gains (losses) on swaps	726	(803)	—
Current (benefit) provision for deferred income taxes	2,004	4,381	(3,236)
Mortgage loans held for sale			
Originations	(779,145)	(224,381)	(186,152)
Proceeds from sales	799,311	181,368	191,055
Gain on sale of loans, net	(16,744)	(745)	(2,497)
Cash retained from tax benefit associated with share-based payment arrangements	(796)	(3,112)	—
Other operating activities, net	(6,074)	26,050	(5,439)
Net Cash Provided by Operating Activities	73,570	23,756	41,865
Cash Flows from Investing Activities			
Proceeds from sales of securities available for sale	45,029	112,003	23,737
Proceeds from maturities, prepayments and calls of securities available for sale	289,694	232,873	96,071
Purchases of securities available for sale	(300,783)	(363,225)	(137,529)
Proceeds from maturities, prepayments and calls of securities held to maturity	13,066	6,515	10,836
Proceeds from sale of loans	—	—	3,172
Increase in loans receivable, net	(445,723)	(348,506)	(78,414)
Proceeds from sale of premises and equipment	2,864	810	3,296
Purchases of premises and equipment	(14,121)	(21,930)	(14,686)
Proceeds from disposition of real estate owned	4,654	1,010	2,038
Purchases of other real estate owned	—	(794)	#—
Cash received (paid) in excess of cash paid (received) for acquisition	(5,836)	—	20,736
Other investing activities, net	(9,463)	(1,491)	6,277
Net Cash Used in Investing Activities	(420,619)	(382,735)	(64,466)
Cash Flows from Financing Activities			
Increase in deposits	57,631	180,303	277,461
Net change in short-term borrowings	194,541	133,756	(167,604)
Proceeds from long-term debt	200,000	25,000	34,255
Repayments of long-term debt	(45,145)	(37,407)	(23,037)
Dividends paid to shareholders	(16,138)	(11,390)	(8,836)
Proceeds from sale of treasury stock for stock options exercised	3,171	3,282	1,407
Costs of issuance of common stock in acquisition	—	(1,540)	(6)
Payments to repurchase common stock	(9,607)	(8,032)	(17,504)
Common stock issued	—	30,000	—
Cash retained from tax benefit associated with share-based payment arrangements	796	3,112	—
Net Cash Provided by Financing Activities	385,249	317,084	96,136
Net Increase (Decrease) In Cash and Cash Equivalents	38,200	(41,895)	73,535
Cash and Cash Equivalents at Beginning of Period	84,905	126,800	53,265
Cash and Cash Equivalents at End of Period	$ 123,105	$ 84,905	$ 126,800
Supplemental Schedule of Noncash Activities			
Acquisition of real estate in settlement of loans	$ 10,776	$ 1,121	$ 1,553
Common stock issued in acquisition	$ 146,410	$ —	$ 47,744
Transfers of property into Other Real Estate	$ 347	$ 760	$ —
Exercise of stock options with payment in company stock	$ 529	$ 384	$ 2,075
2,359,854 shares issued in stock split, par value of shares issued	$ —	$ —	$ 2,360
Supplemental Disclosures			
Cash paid for:			
Interest on deposits and borrowings	$ 134,552	$ 71,690	$ 49,687
Income taxes, net	$ 4,420	$ 11,400	$ 5,029

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION: The consolidated financial statements include the accounts of IBERIABANK Corporation and its wholly owned subsidiaries, IBERIABANK, Pulaski Bank and Trust Company (“Pulaski Bank”) and Lenders Title Company (“LTC”). All significant intercompany balances and transactions have been eliminated in consolidation. All normal, recurring adjustments, which, in the opinion of management, are necessary for a fair presentation of the financial statements, have been included.

NATURE OF OPERATIONS: The Company offers commercial and retail banking products and services to customers throughout locations in three states through IBERIABANK and Pulaski Bank. The Company also operates mortgage production offices in eight states through Pulaski Bank’s subsidiary, Pulaski Mortgage Company (“PMC”) and offers a full line of title insurance and closing services throughout Arkansas and Louisiana through LTC and its subsidiaries. Operations are managed and financial performance is evaluated on a company-wide basis. Accordingly, all of the Company’s banking operations are considered by management to be aggregated in one reportable operating segment. Because the overall banking operations comprise the vast majority of the consolidated operations, no separate segment disclosures are presented.

USE OF ESTIMATES: The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Material estimates that are susceptible to significant change in the near term are the allowance for loan losses, valuation of goodwill, intangible assets and other purchase accounting adjustments and share-based compensation.

CONCENTRATION OF CREDIT RISKS: Most of the Company’s business activity is with customers located within the States of Louisiana, Arkansas, and Tennessee. The Company’s lending activity is concentrated in its primary market areas in Louisiana, Arkansas and Tennessee. The Company has emphasized originations of commercial loans and private banking loans. Repayment of loans is expected to come from cash flows of the borrower. Losses are limited by the value of the collateral upon default of the borrowers. The Company does not have any significant concentrations to any one industry or customer.

CASH AND CASH EQUIVALENTS: For purposes of presentation in the consolidated statements of cash flows, cash and cash equivalents are defined as cash, interest-bearing deposits and noninterest-bearing demand deposits at other financial institutions with maturities less than three months. IBERIABANK and Pulaski Bank may be required to maintain average balances on hand or with the Federal Reserve Bank. At December 31, 2007 and 2006, neither IBERIABANK nor Pulaski Bank had a required reserve balance.

INVESTMENT SECURITIES: Debt securities that management has the ability and intent to hold to maturity are classified as held to maturity and carried at cost, adjusted for amortization of premiums and accretion of discounts using methods approximating the interest method. Securities not classified as held to maturity or trading, including equity securities with readily determinable fair values, are classified as available for sale and recorded at fair value, with unrealized gains and losses excluded from earnings and reported in other comprehensive income. Declines in the value of individual held to maturity and available for sale securities below their cost that are other than temporary are included in earnings as realized losses. In estimating other than temporary impairment losses, management considers 1) the length of time and the extent to which the fair value has been less than cost, 2) the financial condition and near-term prospects of the issuer, and 3) the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. Gains/losses on securities sold are recorded on the trade date, using the specific identification method.

MORTGAGE LOANS HELD FOR SALE: Mortgage loans originated and intended for sale in the secondary market are carried at the lower of cost or estimated fair value in the aggregate. Net unrealized losses, if any, are recognized through a valuation allowance by charges to income. Loans held for sale have primarily been fixed rate single-family residential mortgage loans under contract to be sold in the secondary market. In most cases, loans in this category are sold within thirty days. These loans are generally sold with the mortgage servicing rights released. Buyers generally have recourse to return a purchased loan to the Company under limited circumstances. Recourse conditions may include early payment default, breach of representations or warranties, and documentation deficiencies.

LOANS: The Company grants mortgage, commercial and consumer loans to customers. Loans receivable that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are stated at the unpaid principal balances, less the allowance for loan losses and net deferred loan origination fees and unearned discounts. Deferred loan origination fees were $3,377,000 and $2,612,000 and deferred loan expenses were $4,783,000 and $4,090,000 at December 31, 2007 and 2006, respectively. 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 December 31, 2007 and 2006, overdrafts of $2,932,000 and $1,111,000, respectively, have been reclassified to loans receivable.

Interest income on loans is accrued over the term of the loans based on the principal balance outstanding. Loan origination fees, net of certain direct origination costs, are deferred and recognized as an adjustment of the related loan yield, using the interest method.

The accrual of interest on commercial loans is discontinued at the time the loan is 90 days delinquent unless the credit is well-secured and in process of collection. Mortgage, credit card and other personal loans are typically charged off to net collateral value, less cost to sell, no later than 180 days past due. Past due status is based on the contractual terms of loans. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

A loan is considered impaired when, based on current information and events, it is probable that the Company will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. The impairment loss is measured on a loan by loan basis for commercial and construction loans by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent.

In general, all interest accrued but not collected for loans that are placed on nonaccrual or charged off is reversed against interest income. The interest on these loans is accounted for on the cash-basis method or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all principal and interest amounts contractually due are brought current and future payments are reasonably assured.

ALLOWANCE FOR LOAN LOSSES: The allowance for loan losses is established as losses are estimated to have occurred through a provision charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. Allowances for impaired loans are generally determined based on collateral values or the present value of estimated cash flows. Changes in the allowance related to impaired loans are charged or credited to the provision for loan losses.

The allowance for loan losses is maintained at a level which, in management's opinion, is adequate to absorb credit losses inherent in the portfolio. The Company utilizes both peer group analysis, as well as an historical analysis of the Company's portfolio to validate the overall adequacy of the allowance for loan losses. In addition to these objective criteria, the Company subjectively assesses the adequacy of the allowance for loan losses with consideration given to current economic conditions, changes to loan policies, the volume and type of lending, composition of the portfolio, the level of classified and criticized credits, seasoning of the loan portfolio, payment status and other factors.

In connection with acquisitions, the Company acquires certain loans considered impaired and accounted for these loans under the provisions of the AICPA's Statement of Position 03-3 ("SOP 03-3"), *Accounting for Certain Loans or Debt Securities Acquired in a Transfer*. SOP 03-3 requires the initial recognition of these loans at the present value of amounts expected to be received. The allowance for loan losses previously associated with these loans does not carry over. Any deterioration in the credit quality of these loans subsequent to acquisition would be considered in the allowance for loan losses.

OFF-BALANCE SHEET CREDIT RELATED FINANCIAL INSTRUMENTS: The Company accounts for its guarantees in accordance with the provisions of Financial Accounting Standards Board ("FASB") Interpretation No. 45 *Guarantor's Accounting and Disclosure Requirements for Guarantees*, ("FIN 45"). In the ordinary course of business, the Company has entered into commitments to extend credit, including commitments under credit card arrangements, commercial letters of credit and standby letters of credit. Such financial instruments are recorded when they are funded.

DERIVATIVE FINANCIAL INSTRUMENTS: Statement of Financial Accounting Standards ("SFAS") No. 133, *Accounting for Derivative Instruments and Hedging Activities*, requires that all derivatives be recognized as assets or liabilities in the balance sheet at fair value.

The Company may enter into derivative contracts to manage exposure to interest rate risk or to meet the financing needs of its customers.

Interest Rate Swap Agreements

The Company utilizes interest rate swap agreements to convert a portion of its variable-rate debt to a fixed rate (cash flow hedge). Interest rate swaps are contracts in which a series of interest rate flows are exchanged over a prescribed period. The notional amount on which the interest payments are based is not exchanged.

For derivatives designated as hedging the exposure to changes in the fair value of an asset or liability (fair value hedge), the gain or loss is recognized in earnings in the period of change together with the offsetting gain or loss to the hedged item attributable to the risk being hedged. Earnings will be affected to the extent to which the hedge is not effective in achieving offsetting changes in fair value. For derivatives designated as hedging exposure to variable cash flows of a forecasted transaction (cash flow hedge), the effective portion of the derivative's gain or loss 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. The ineffective portion of the gain or loss is reported in earnings immediately. For derivatives that are not designated as hedging instruments, changes in the fair value of the derivatives are recognized in earnings immediately.

In applying hedge accounting for derivatives, the Company establishes 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. These methods are consistent with the Company's approach to managing risk.

During the third quarter of 2006, the Company revised its method of accounting for interest rate swaps associated with junior subordinated debt. At the time the Company entered into the interest rate swaps, it conducted a detailed analysis of the appropriate accounting method. The Company determined that based upon SFAS No. 133 guidance available at the time, the "short-cut" method was an appropriate accounting method because the terms of the interest rate swaps and the corresponding debt matched and, as a result, the Company assumed no ineffectiveness in the hedging relationships. In light of recent technical interpretations of SFAS No. 133, the Company has determined that the swaps do not qualify for hedge accounting under the short-cut method. Accordingly, the Company revised its method of accounting for the swaps, and changes in the fair value of these swaps are now recorded as noninterest income. The Company evaluated the impact of applying the change in fair value of these swaps compared to the short-cut method used under hedge accounting and concluded that the impact was not material to prior annual or quarterly periods. Accordingly, the Company recorded a cumulative adjustment for derivative gains on swaps totaling $1,292,000 during the third quarter of 2006, which is included in Trading gains (losses) on swaps in the Consolidated Statements of Income. Of this cumulative adjustment, $271,000 ($176,000 after tax), relates to the first and second quarters of 2006 and $1,021,000 ($663,000 after tax) relates to periods prior to 2006. In addition, $374,000 in net cash swap settlements since the beginning of 2006, which were previously reported in interest expense, were reported in noninterest income in the third quarter of 2006, which is included in Trading gains (losses) on swaps in the Consolidated Statements of Income. Earnings include the increase or decrease in fair value of these derivative instruments.

Rate Lock Commitments

The Company enters into commitments to originate loans whereby the interest rate on the prospective loan is determined prior to funding ("rate lock commitments"). Rate lock commitments on mortgage loans that are intended to be sold are considered to be derivatives. Accordingly, such commitments, along with any related fees received from potential borrowers, are recorded at fair value as derivative assets or liabilities, with changes in fair value recorded in net gain or loss on sale of mortgage loans. The fair value of rate lock commitments was immaterial in 2007 and 2006.

PREMISES AND EQUIPMENT: Land is carried at cost. Buildings and equipment are carried at cost, less accumulated depreciation computed on a straight line basis over the estimated useful lives of 10 to 40 years for buildings and 5 to 15 years for furniture, fixtures and equipment.

OTHER REAL ESTATE: Other real estate includes all real estate, other than bank premises used in bank operations, owned or controlled by the bank, including real estate acquired in settlement of loans. Properties are recorded at the balance of the loan or at estimated fair value less estimated selling costs, whichever is less, at the date acquired. Subsequent to foreclosure, management periodically performs valuations and the assets are carried at the lower of cost or fair value less estimated selling costs. Revenue and expenses from operations, gain or loss on sale and changes in the valuation allowance are included in net expenses from foreclosed assets. Other real estate owned and foreclosed property totaled $9,413,000 and $2,008,000 at December 31, 2007 and 2006, respectively. There was no allowance for losses on foreclosed property at December 31, 2007 and 2006.

GOODWILL AND OTHER INTANGIBLE ASSETS: Goodwill is accounted for in accordance with SFAS No. 142, *Goodwill and Other Intangible Assets*, and accordingly is not amortized but is evaluated at least annually for impairment. Definite-lived intangible assets continue to be amortized over their useful lives.

TRANSFERS OF FINANCIAL ASSETS: Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when 1) the assets have been isolated from the Company, 2) the transferee obtains the right, free of conditions that constrain it from taking advantage of that right, to pledge or exchange the transferred assets, and 3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

INCOME TAXES: The Company and all subsidiaries file a consolidated federal income tax return on a calendar year basis. The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions through Pulaski Bank and its subsidiaries. In lieu of Louisiana state income tax, IBERIABANK is subject to the Louisiana bank shares tax, which is included in noninterest expense in the Company's consolidated financial statements. With few exceptions, the Company is no longer subject to U.S. federal, state or local income tax examinations for years before 2003.

Deferred income tax assets and liabilities are determined using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is determined based on the tax effects of the temporary differences between the book and tax bases of the various balance sheet assets and liabilities and gives current recognition to changes in tax rates and laws. The measurement of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized.

STOCK COMPENSATION PLANS: The Company issues stock options under various plans to directors, officers and other key employees. Effective January 1, 2006, the Company accounts for its options under SFAS No. 123(R), *Share-Based Payments* (see Note 15). Under the provisions of SFAS No. 123(R), the Company has adopted a fair value based method of accounting for employee stock compensation plans, whereby compensation cost is measured at the grant date based on the value of the award and is recognized over the service period, which is usually the vesting period. As a result, compensation expense relating to stock options is reflected in net income as part of "Salaries and employee benefits" on the Consolidated Statements of Income. The Company's practice has been to grant options at no less than the fair market value of the stock at the grant date.

Prior to January 1, 2006, the Company had accounted for stock options in accordance with Accounting Principles Board Opinion ("APB") No. 25, *Accounting for Stock Issued to Employees*, whereby no compensation cost is recognized for stock options with no intrinsic value, defined as the difference between the Company's market price of its stock at the option grant date and the amount an employee must pay to acquire the stock. In 2005, $470,000 in compensation expense was incurred as a result of accelerated vesting of outstanding unvested option awards.

The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123(R) for stock options for the year ended December 31, 2005.

(dollars in thousands, except per share data)	2005
Reported net income	$ 22,000
Deduct: Stock option compensation expense under the fair value method, net of related tax effect	4,968
Pro forma net income	$ 17,032
Reported net income per common share	$ 2.40
Pro forma net income per common share	$ 1.86
Reported net income per common share–assuming dilution	$ 2.24
Pro forma net income per common share–assuming dilution	$ 1.74

See Note 15 for additional information on the Company's stock compensation plans.

EARNINGS PER COMMON SHARE: Basic earnings per share represents income available to common shareholders divided by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects additional common shares that would have been outstanding if dilutive potential common shares had been issued, as well as any adjustment to income that would result from the assumed issuance. Potential common shares that may be issued by the Company relate to outstanding stock options, warrants and unvested restricted stock, and are determined using the treasury stock method.

COMPREHENSIVE INCOME: Accounting principles generally require that recognized revenue, expenses, gains and losses be included in net income. Although certain changes in assets and liabilities, such as unrealized gains and losses on available for sale securities, are reported as a separate component of the equity section of the balance sheet, such items, along with net income, are components of comprehensive income.

SEGMENT INFORMATION: SFAS No. 131, *Disclosures about Segments of an Enterprise and Related Information*, requires the reporting of information about a company's operating segments using a "management approach." The Statement requires that reportable segments be identified based upon those revenue-producing components for which separate financial information is produced internally and are subject to evaluation by the chief operating decision maker in deciding how to allocate resources to segments.

The Company has evaluated its potential operating segments against the criteria specified in the Statement and has determined that no operating segment disclosures are required in 2007, 2006 or 2005.

EFFECT OF NEW ACCOUNTING PRONOUNCEMENTS

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurement.* SFAS No. 157 provides enhanced guidance for using fair value to measure assets and liabilities. The standard also responds to investors' requests for expanded information about the extent to which companies measure assets and liabilities at fair value, the information used to measure fair value, and the effect of fair value measurements on earnings, and applies whenever other standards require or permit assets or liabilities to be measured at fair value. Under the standard, fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts its business. SFAS No. 157 clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability. In support of this principle, SFAS No. 157 establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. Under the standard, fair value measurements would be separately disclosed by level within the fair value hierarchy. The Statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company does not anticipate the guidance to have a material effect on the operating results, financial position, or liquidity of the Company.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. SFAS No. 159 provides the Company with an option to report selected financial assets and liabilities at fair value and establishes presentation and disclosure requirements to facilitate reporting between companies. The fair value option established by this Statement permits the Company to choose to measure eligible items at fair value at specified election dates. The Company shall then report unrealized gains and losses on items for which the fair value option has been elected in earnings at each reporting date subsequent to implementation. The Statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company does not anticipate the guidance to have a material effect on the operating results, financial position, or liquidity of the Company.

In March 2007, the FASB ratified the consensus reached by the Emerging Issues Task Force (“EITF”) on EITF Issue No. 06-4, *Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split-Dollar Life Insurance Arrangements*. EITF 06-4 requires the recognition of a liability and related compensation costs for endorsement split-dollar life insurance arrangements that provide a benefit to an officer or employee that extends to postretirement periods. An employer will be required to accrue, over the service period, a liability for the actuarial present value of the future death benefit as of the employee’s expected retirement date and record the accrual as a change in accounting principle through a cumulative-effect adjustment to retained earnings. The consensus is effective for fiscal years beginning after December 15, 2007, and interim periods within those fiscal years. The Company purchases split-dollar life insurance policies to insure the life of an officer or employee and pays policy premiums periodically, while retaining ownership, controlling rights, and the right of termination of the policy. In order to effect the split-dollar arrangement, the Company endorses a portion of the death benefits to the officer or employee and thus will be required to conform to the consensus reached during the 2008 fiscal year. The Company does not anticipate the guidance to have a material effect on the operating results, financial position, or liquidity of the Company.

In June 2007, the FASB ratified the consensus reached by EITF 06-11, *Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards*. EITF 06-11 applies to entities that have share-based payment arrangements that entitle employees to receive dividends on equity-classified nonvested shares. These entities will be required to increase capital surplus for any realized income tax benefit associated with dividends paid to employees for equity-classified nonvested equity awards. Any increase recorded to capital surplus is required to be included in an entity’s pool of excess tax benefits that are available to absorb potential future tax deficiencies on share-based payment awards. The Company adopted EITF 06-11 on January 1, 2008 for dividends declared on share-based payment awards subsequent to this date. The Company does not anticipate the guidance to have a material effect on the operating results, financial position, or liquidity of the Company.

In November 2007, the Securities and Exchange Commission (“SEC”) issued Staff Accounting Bulletin (“SAB”) No. 109, which addresses the valuation of written loan commitments accounted for at fair value through earnings. SAB 109 expresses the staff’s view that the measurement of fair value for a written loan commitment accounted for through earnings should incorporate the expected net future cash flows related to the associated servicing of the loan. Previously under SAB 105, *Application of Accounting Principles to Loan Commitments*, this component of value was not included in the determination of the fair value of the loan commitment. The Company adopted the provisions of SAB 109 for written loan commitments entered into or modified after December 31, 2007 related to loans held for sale that are accounted for as derivatives under SFAS 133. The Corporation does not account for any other written loan commitments at fair value through earnings. The Company does not anticipate the guidance to have a material effect on the operating results, financial position, or liquidity of the Company.

In December 2007, the FASB issued SFAS 141(R), *Business Combinations*. SFAS 141(R), which will impact how entities apply the acquisition method to business combinations. Significant changes to how the Company accounts for business combinations under this Statement include 1) the acquisition date will be date the acquirer obtains control, 2) all identifiable assets acquired, liabilities assumed, and noncontrolling interests in the acquiree will be stated at fair value on the acquisition date, 3) assets or liabilities arising from noncontractual contingencies will be measured at their acquisition date fair value only if it is more likely than not that they meet the definition of an asset or liability on the acquisition date, 4) adjustments subsequently made to the provisional amounts recorded on the acquisition date will be made retroactively during a measurement period not to exceed one year, 5) acquisition-related restructuring costs that do not meet the criteria in SFAS 146, *Accounting for Costs Associated with Exit or Disposal Activities*, will be expensed as incurred, 6) transaction costs will be expensed as incurred, 7) reversals of deferred income tax valuation allowances and income tax contingencies will be recognized in earnings subsequent to the measurement period, and 8) the allowance for loan losses of an acquiree will not be permitted to be recognized by the acquirer. Additionally, SFAS 141(R) will require additional disclosures regarding subsequent changes to acquisition-related contingencies, contingent consideration, noncontrolling interests, acquisition-related transaction costs, fair values and cash flows not expected to be collected for acquired loans, and goodwill valuation.

The Company will be required to apply SFAS 141(R) prospectively to all business combinations completed on or after January 1, 2009. Early adoption is not permitted. For business combinations with an acquisition date before the effective date, the provisions of SFAS 141(R) will apply to the subsequent accounting for deferred income tax valuation allowances and income tax contingencies and will require any changes in those amounts to be recorded in earnings. Management is currently evaluating the effect adoption of SFAS 141(R) will have on the financial condition, results of operations and/or liquidity of the Company.

In December 2007, the FASB issued SFAS 160, *Noncontrolling Interests in Consolidated Financial Statements, an Amendment of ARB 51*. SFAS 160 establishes new accounting and reporting standards for noncontrolling interests in a subsidiary. SFAS 160 will require entities to classify noncontrolling interests as a component of stockholders' equity and will require subsequent changes in ownership interests in a subsidiary to be accounted for as an equity transaction. SFAS 160 will also require entities to recognize a gain or loss upon the loss of control of a subsidiary and to remeasure any ownership interest retained at fair value on that date. This statement also requires expanded disclosures that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS 160 is effective on a prospective basis for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008, except for the presentation and disclosure requirements, which are required to be applied retrospectively. The Company does not anticipate the guidance to have a material effect on the operating results, financial position, or liquidity of the Company.

NOTE 2 – ACQUISITION ACTIVITY

American Horizons Bancorp, Inc.

The Company completed the acquisition of 100% of the outstanding stock of American Horizons Bancorp, Inc. of Monroe ("American Horizons") on January 31, 2005 in exchange for 990,435 shares of the Company's common stock valued at $47,744,000 and $653,000 in cash. The shares were valued by using the average of the closing prices of the Company's stock for the ten trading days five days prior to the definitive agreement. The acquisition expanded the Company's presence in North Louisiana.

The American Horizons transaction resulted in $28,087,000 of goodwill and $5,039,000 of core deposit intangibles. The goodwill acquired is not tax deductible. The amount allocated to the core deposit intangible was determined by an independent valuation and is being amortized over the estimated useful life of ten years using the straight line method.

In the acquisition, shareholders of American Horizons received total consideration of $22.35 per outstanding share of American Horizons common stock in exchange for a combination of the Company's common stock and cash. The combination was accounted for as a purchase with the purchase price allocated as follows:

(dollars in thousands)	Amount
Cash and due from banks	$ 21,389
Investment securities	11,504
Loans, net	194,698
Premises and equipment, net	7,238
Goodwill	28,087
Core deposit and other intangibles	5,039
Other assets	8,988
Deposits	(192,653)
Borrowings	(34,207)
Other liabilities	(1,686)
Total purchase price	$ 48,397

The results of operations of the acquired company subsequent to the acquisition date are included in the Company's consolidated statements of income. The following unaudited pro forma information for the years ended December 31, 2005 reflects the Company's estimated consolidated results of operations as if the acquisition of American Horizons occurred at January 1 of the respective period, unadjusted for potential cost savings.

(dollars in thousands, except per share data)	2005
Interest and noninterest income	$ 163,054
Net Income	22,161
Earnings per share – basic	$ 2.40
Earnings per share – diluted	$ 2.24

Pulaski Investment Corporation

On January 31, 2007, the Company acquired all of the outstanding stock of Pulaski Investment Corporation ("PIC"), the holding company for Pulaski Bank of Little Rock, Arkansas, for 1,133,064 shares of the Company's common stock and cash of $65.0 million. The transaction was accounted for as a purchase and had a total value of $130,818,000. The acquisition extended the Company's presence into central Arkansas and other states through its mortgage subsidiary, PMC.

The PIC transaction resulted in $92,441,000 of goodwill, $5,617,000 of core deposit intangibles, and $5,233,000 of title plant intangible assets. The goodwill acquired is not tax deductible. The amount allocated to the core deposit intangible was determined by an independent valuation and is being amortized over the estimated useful life of ten years using the straight line method. The amount allocated to the title plant asset was determined by an independent valuation and is not subject to amortization, but is subject to annual impairment tests.

In the acquisition, shareholders of PIC received total consideration of $53.63 per outstanding share of PIC common stock in exchange for a combination of the Company's common stock and cash. The purchase price was allocated as follows:

(dollars in thousands)	Amount
Cash and due from banks	$ 16,885
Investment securities	47,457
Loans, net	367,612
Premises and equipment, net	32,578
Goodwill	92,441
Core deposit and other intangibles	10,850
Other assets	12,702
Deposits	(422,621)
Borrowings	(23,698)
Other liabilities	(3,388)
Total purchase price	$ 130,818

Pocahontas Bancorp, Inc.

On February 1, 2007, the Company acquired all of the outstanding stock of Pocahontas Bancorp, Inc. ("Pocahontas"), the holding company for First Community Bank ("FCB") of Jonesboro, Arkansas, for 1,287,793 shares of the Company's common stock. The transaction was accounted for as a purchase and had a total value of $75,424,000. The acquisition extended the Company's presence into Northeast Arkansas.

The Pocahontas transaction resulted in $41,956,000 of goodwill and $7,029,000 of core deposit intangibles. The goodwill acquired is not tax deductible. The amount allocated to the core deposit intangible was determined by an independent valuation and is being amortized over the estimated useful life of ten years using the straight line method.

In the acquisition, shareholders of Pocahontas received total consideration of $16.28 per outstanding share of Pocahontas common stock. The purchase price was allocated as follows:

(dollars in thousands)	Amount
Cash and due from banks	$ 42,301
Investment securities	206,517
Loans, net	413,452
Premises and equipment, net	16,257
Goodwill	41,956
Core deposit and other intangibles	7,029
Other assets	21,718
Deposits	(582,435)
Borrowings	(81,390)
Other liabilities	(9,981)
Total purchase price	$ 75,424

Pulaski Bank and FCB were merged on April 22, 2007. The combined financial institution is a federal stock savings bank headquartered in Little Rock, Arkansas and operates under the corporate title of "Pulaski Bank and Trust Company".

The Company paid a premium (i.e., Goodwill) over the fair value of the net tangible and identified intangible assets of PIC and Pocahontas for a number of reasons, including the following:

- The acquisitions enhanced the Company's geographic diversification. Combined, the PIC and Pocahontas acquisitions significantly increased our presence in Arkansas and facilitated our entry into the Dallas, St. Louis and Memphis markets.

- Both PIC and Pocahontas enjoy exceptional reputations in their respective communities. The Company believes that the Company can build upon those reputations.

- The PIC acquisition allowed the Company to expand its noninterest income earnings stream with the addition of PMC, LTC, trust and investment management services and a nationwide credit card business.

- The Company brings its products, services and operational practices to the acquired organizations. The Company's products, services and practices will enhance the profitability of the combined organizations.

In accordance with SOP 03-3, the Company completed a review of the acquired loan portfolios to identify loans deemed to be impaired. As a result of this review, the Company recorded a discount totaling $877,000 on acquired impaired loans. The impaired loans had a principal balance of $13,750,000 at acquisition. The discount reduces the Loans caption of the Consolidated Balance Sheet.

The results of operations of the acquired companies subsequent to the acquisition dates are included in the Company's consolidated statements of income. The following unaudited pro forma information for the years ended December 31, 2007 and 2006 reflects the Company's estimated consolidated results of operations as if the acquisitions occurred at January 1, 2006, unadjusted for potential cost savings.

(dollars in thousands, except per share data)	2007	2006
Interest and noninterest income	$ 268,823	$ 241,810
Net income	$ 40,931	$ 41,104
Earnings per share – basic	$ 3.30	$ 3.32
Earnings per share – diluted	$ 3.19	$ 3.16

United Title of Louisiana, Inc. ("United Title") was acquired on April 2, 2007. United Title operates seven offices in Louisiana. The transaction was accounted for as a purchase and had a total value of $5,800,000. United Title operates as a subsidiary of LTC.

NOTE 3 – INVESTMENT SECURITIES

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

(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2007				
Securities available for sale:				
U.S. Government-sponsored enterprise obligations	$ 64,729	$ 449	$ (4)	$ 65,174
Obligations of state and political Subdivisions	44,176	671	(78)	44,769
Mortgage backed securities	626,495	9,083	(1,112)	634,466
Other securities	952	22	—	974
Total securities available for sale	$ 736,352	$ 10,225	$ (1,194)	$ 745,383
Securities held to maturity:				
U.S. Government-sponsored enterprise obligations	$ 8,050	$ 88	$ (9)	$ 8,129
Obligations of state and political Subdivisions	47,648	493	(69)	48,072
Mortgage backed securities	3,796	129	(1)	3,924
Total securities held to maturity	$ 59,494	$ 710	$ (79)	$ 60,125
December 31, 2006				
Securities available for sale:				
U.S. Government-sponsored enterprise obligations	$ 169,684	$ 355	$ (234)	$ 169,805
Obligations of state and political Subdivisions	40,204	645	(195)	40,654
Mortgage backed securities	354,300	360	(6,287)	348,373
Total securities available for sale	$ 564,188	$ 1,360	$ (6,716)	$ 558,832
Securities held to maturity:				
U.S. Government-sponsored enterprise obligations	$ 8,063	$ —	$ (171)	$ 7,892
Obligations of state and political Subdivisions	9,038	259	—	9,297
Mortgage backed securities	5,419	80	(11)	5,488
Total securities held to maturity	$ 22,520	$ 339	$ (182)	$ 22,677

Securities with carrying values of $688,959,000 and $488,592,000 were pledged to secure public deposits and other borrowings at December 31, 2007 and 2006, respectively.

Management evaluates securities for other-than-temporary impairment at least quarterly, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to 1) the length of time and the extent to which the fair value has been less than amortized cost, 2) the financial condition and near-term prospects of the issuer, and 3) the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value above amortized cost. In analyzing an issuer's financial condition, management considers whether the securities are issued by the federal government or its agencies, whether downgrades by bond rating agencies have occurred, and industry analysts' reports. As of December 31, 2007, management's assessment concluded the decline in fair value of one investment was deemed to be other than temporary. During the fourth quarter of 2007, the Company recorded a $302,000 impairment charge associated with the loss of the credit enhancement provided by a monoline insurer of a municipal revenue bond held by the Company. No other declines in fair value were deemed other-than-temporary.

Information pertaining to securities with gross unrealized losses at December 31, 2007, aggregated by investment category and length of time that individual securities have been in a continuous loss position, follows:

	Less Than Twelve Months		Over Twelve Months		Total	
(dollars in thousands)	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
December 31, 2007						
Securities available for sale:						
U.S. Government-sponsored enterprise obligations	$ —	$ —	$ (4)	$ 1,005	$ (4)	$ 1,005
Obligations of state and political subdivisions	(58)	3,202	(20)	3,978	(78)	7,180
Mortgage backed securities	(8)	3,586	(1,104)	116,262	(1,112)	119,848
Total securities available for sale	$ (66)	$ 6,788	$ (1,128)	$ 121,245	$ (1,194)	$ 128,033
Securities held to maturity:						
U.S. Government-sponsored enterprise obligations	$ —	$ —	$ (9)	$ 2,991	$ (9)	$ 2,991
Obligations of state and political subdivisions	(69)	8,277	—	—	(69)	8,277
Mortgage backed securities	—	—	(1)	207	(1)	207
Total securities held to maturity	$ (69)	$ 8,277	$ (10)	$ 3,198	$ (79)	$ 11,475
December 31, 2006						
Securities available for sale:						
U.S. Government-sponsored enterprise obligations	$ (122)	$ 69,943	$ (112)	$ 20,735	$ (234)	$ 90,678
Obligations of state and political subdivisions	(17)	5,161	(178)	15,947	(195)	21,108
Mortgage backed securities	(318)	46,304	(5,969)	248,347	(6,287)	294,651
Total securities available for sale	$ (457)	$ 121,408	$ (6,259)	$ 285,029	$ (6,716)	$ 406,437
Securities held to maturity:						
U.S. Government-sponsored enterprise obligations	$ —	$ —	$ (171)	$ 7,892	$ (171)	$ 7,892
Obligations of state and political subdivisions	—	—	—	—	—	—
Mortgage backed securities	(2)	922	(8)	661	(11)	1,583
Total securities held to maturity	$ (2)	$ 922	$ (179)	$ 8,553	$ (182)	$ 9,475

At December 31, 2007, 131 debt securities have unrealized losses of 0.9% of the securities' amortized cost basis and 0.2% of the Company's total amortized cost basis. The unrealized losses for each of the 131 securities relate principally to market interest rate changes. 88 of the 131 securities have been in a continuous loss position for over twelve months. The securities have an aggregate amortized cost basis and unrealized loss of $125,581,000 and $1,138,000, respectively. The 88 securities were primarily issued by either Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac) or by state and political subdivisions (Municipals) and are rated AAA or Aaa by Standard and Poor's or Moody's, respectively. As management has the ability to hold debt securities until maturity, or until anticipated recovery if classified as available for sale, except as noted above, no declines are deemed to be other than temporary.

At December 31, 2006, 211 debt securities have unrealized losses of 1.6% of the securities' amortized cost basis and 1.2% of the Company's total amortized cost basis. The unrealized losses for each of the 211 securities relate principally to market interest rate changes. 168 of the 211 securities have been in a continuous loss position for over twelve months. The securities have an aggregate amortized cost basis and unrealized loss of $300,019,000 and $6,438,000, respectively. The 168 securities were primarily issued by either Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac) or by state and political subdivisions (Municipals) and are rated AAA or Aaa by Standard and Poor's or Moody's, respectively. As management has the ability to hold debt securities until maturity, or for the foreseeable future if classified as available for sale, no declines are deemed to be other than temporary.

The amortized cost and estimated fair value by maturity of investment securities at December 31, 2007 are shown 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.

	Securities Available for Sale			Securities Held to Maturity		
(dollars in thousands)	Weighted Average Yield	Amortized Cost	Fair Value	Weighted Average Yield	Amortized Cost	Fair Value
Within one year or less	5.25%	$ 24,189	$ 24,253	3.54	$ 4,688	$ 4,686
One through five years	4.59	77,499	77,700	4.12	13,762	13,927
After five through ten years	5.19	219,530	224,480	4.33	13,906	14,178
Over ten years	5.14	415,134	418,950	4.81	27,440	27,059
Totals	5.10%	$ 736,352	$ 745,383	4.44%	$ 59,796	$ 59,850

The following is a summary of realized gains and losses from the sale of securities classified as available for sale.

	Years Ended December 31,		
(dollars in thousands)	2007	2006	2005
Realized gains	$ 1,438	$ —	$ 386
Realized losses	(325)	(4,083)	(425)
Net realized gains (losses)	$ 1,113	$ (4,083)	$ (39)

Realized gains in 2007 include $819,000 from the sale of the Company's Master Card stock in June. Realized losses include a $302,000 loss recorded on the other-than-temporary impairment of a municipal revenue bond held by the Company in December 2007.

At December 31, 2007, the Company's exposure to two investment security issuers individually exceeded 10% of shareholders' equity:

(dollars in thousands)	Amortized Cost	Market Value
Federal National Mortgage Association (Fannie Mae)	$ 361,139	$ 366,000
Federal Home Loan Mortgage Corporation (Freddie Mac)	283,028	286,221
Balance, end of year	$ 644,267	$ 652,221

NOTE 4 – LOANS RECEIVABLE

Loans receivable at December 31, 2007 and 2006 consists of the following:

(dollars in thousands)	2007	2006
Residential mortgage loans:		
Residential 1-4 family	$ 515,912	$ 431,585
Construction/ Owner Occupied	60,558	45,285
Total residential mortgage loans	576,470	476,870
Commercial loans:		
Real estate	1,369,882	750,051
Business	634,495	461,048
Total commercial loans	2,004,377	1,211,099
Consumer loans:		
Indirect automobile	240,860	228,301
Home equity	424,716	233,885
Other	183,616	83,847
Total consumer loans	849,192	546,033
Total loans receivable	$ 3,430,039	$ 2,234,002

Loans receivable includes approximately $1,049,770,000 and $634,019,000 of adjustable rate loans and $2,380,269,000 and $1,599,983,000 of fixed rate loans at December 31, 2007 and 2006, respectively. The amount of loans for which the accrual of interest has been discontinued totaled approximately $36,107,000 and $2,701,000 at December 31, 2007 and 2006, respectively. The amount of interest income that would have been recorded in 2007, 2006 and 2005 if these loans had been current in accordance with their original terms was approximately $616,000, $227,000 and $289,000, respectively. Accruing loans past due 90 days or more total $2,655,000 and $310,000 as of December 31, 2007 and 2006, respectively.

A summary of changes in the allowance for loan losses for the years ended December 31, 2007, 2006 and 2005 is as follows:

(dollars in thousands)	2007	2006	2005
Balance, beginning of year	$ 29,922	$ 38,082	$ 20,116
Addition due to purchase transaction	8,746	—	4,893
Adjustment for loans transferred to held for sale	—	—	(350)
Provision charged (reversed) to operations	1,525	(7,803)	17,069
Loans charged-off	(4,706)	(2,621)	(5,541)
Recoveries	2,798	2,264	1,895
Balance, end of year	$ 38,285	$ 29,922	$ 38,082

The following is a summary of information pertaining to impaired loans as of December 31:

(dollars in thousands)	2007	2006
Impaired loans without a valuation allowance	$ 2,419	$ 46
Impaired loans with a valuation allowance	35,148	5,571
Total impaired loans	$ 37,567	$ 5,617
Valuation allowance related to impaired loans	$ 3,947	$ 1,333

(dollars in thousands)	2007	2006	2005
Average investment in impaired loans	$ 18,932	$ 5,182	$ 6,581
Interest income recognized on impaired loans	1,115	419	344
Interest income recognized on a cash basis on impaired loans	1,118	454	324
Non-accrual loans	36,107	2,701	4,773
Accruing loans more than 90 days past due	2,655	310	1,003

As of December 31, 2007, the Company was not committed to lend additional funds to any customer whose loan was classified as impaired.

The Company acquires loans individually and in groups or portfolios. Under AICPA Statement of Position (SOP) 03-3, *Accounting for Certain Loans or Debt Securities Acquired in a Transfer*, for certain acquired loans that have experienced deterioration of credit quality between origination and the Company's acquisition of the loans, the amount paid for a loan reflects the Company's determination that it is probable the Company will be unable to collect all amounts due according to the loan's contractual terms. At acquisition, the Company reviews each loan to determine whether there is evidence of deterioration of credit quality since origination and if it is probable that the Company will be unable to collect all amounts due according to the loan's contractual terms. If both conditions exist, the Company determines whether each such loan is to be accounted for individually or whether such loans will be assembled into pools of loans based on common risk characteristics. The Company considers expected prepayments and estimates the amount and timing of undiscounted expected principal, interest and other cash flows for each loan and subsequently aggregated pool of loans. The Company determines the excess of the loan's or pool's scheduled contractual principal and contractual interest payments over all cash flows expected at acquisition as an amount that should not be accreted (nonaccretable difference). The remaining amount, representing the excess of the loan's or pool's cash flows expected to be collected over the amount paid, is accreted into interest income over the remaining life of the loan or pool (accretable yield).

Over the life of the loan or pool, the Company continues to estimate cash flows expected to be collected. The Company evaluates at the balance sheet date whether the present value of its loans determined using the effective interest rates has decreased and if so, recognizes a loss. For any remaining increases in cash flows expected to be collected, the Company adjusts the amount of accretable yield recognized on a prospective basis over the loan's or pool's remaining life.

The Company acquired certain impaired loans through the PIC, Pocahontas and American Horizons acquisitions which are subject to SOP 03-3. The Company's allowance for loan losses for all acquired loans subject to SOP 03-3 would reflect only those losses incurred after acquisition. The carrying value of these loans, $1,525,000, is included in the balance sheet amounts of loans as of December 31, 2007.

The following is a summary of the impaired loans acquired in the American Horizons acquisition during 2005 as of the date of acquisition.

(dollars in thousands)	
Contractually required principal and interest at acquisition	$8,489
Nonaccretable difference (expected losses and foregone interest)	1,673
Cash flows expected to be collected at acquisition	6,816
Accretable yield	2,326
Basis in acquired loans at acquisition	$4,490

The following is a summary of the impaired loans acquired in the PIC and Pocahontas acquisitions during 2007 as of the dates of acquisition.

(dollars in thousands)	
Contractually required principal and interest at acquisition	$18,688
Nonaccretable difference (expected losses and foregone interest)	5,718
Cash flows expected to be collected at acquisition	12,970
Accretable yield	2,087
Basis in acquired loans at acquisition	$10,883

The following is a summary of changes in the accretable yields of acquired impaired loans during 2007.

	Accretable Yield	
(dollars in thousands)	2007	2006
Balance, beginning of year	$ 122	$ 1,529
Additions	2,087	—
Adjustments to accretable yield through goodwill	(1,998)	—
Accretion	(47)	(1,407)
Transfers from nonaccretable difference to accretable yield	—	—
Disposals	—	—
Balance, end of year	$ 164	$ 122

NOTE 5 – LOAN SERVICING

Loans serviced for others are not included in the accompanying consolidated balance sheets. The unpaid principal balances of loans serviced for others were $29,929,000 and $33,909,000 at December 31, 2007 and 2006, respectively. Custodial escrow balances maintained in connection with the foregoing portfolio of loans serviced for others, and included in demand deposits, were $25,000 and $26,000 at December 31, 2007 and 2006, respectively.

NOTE 6 – PREMISES AND EQUIPMENT

Premises and equipment at December 31, 2007 and 2006 consists of the following:

(dollars in thousands)	2007	2006
Land	$ 31,335	$ 19,579
Buildings	88,454	47,062
Furniture, fixtures and equipment	54,870	30,929
Total premises and equipment	174,659	97,570
Less accumulated depreciation	52,207	26,563
Total premises and equipment, net	$ 122,452	$ 71,007

Depreciation expense was $8,416,000, $4,201,000 and $3,833,000 for the years ended December 31, 2007, 2006 and 2005, respectively.

The Company actively engages in leasing office space available in buildings it owns. Leases have different terms ranging from monthly rental to five-year leases. At December 31, 2007, income from these leases averaged $100,000 per month. Total lease income for 2007, 2006 and 2005 was $1,208,000, $1,101,000, and $1,148,000, respectively. Income from leases is reported as a reduction in occupancy and equipment expense. The total allocated cost of the portion of the buildings held for lease at December 31, 2007 and 2006 was $10,877,000 and $7,066,000, respectively, with related accumulated depreciation of $2,254,000 and $1,813,000, respectively.

The Company leases certain branch offices, land and ATM facilities through non-cancelable operating leases with terms that range from one to twenty years, with renewal options thereafter. Certain of the leases have escalation clauses and renewal options ranging from one to ten years. Total rent expense for the years ended December 31, 2007, 2006 and 2005 amounted to $3,455,000, $1,093,000 and $1,017,000, respectively.

Minimum future annual rent commitments under these agreements for the indicated periods follow:

(dollars in thousands)	Amount
Year Ending December 31,	
2008	$ 3,522
2009	2,840
2010	2,178
2011	1,428
2012	764
2013 and thereafter	8,808
Total	$ 19,540

NOTE 7 – GOODWILL AND OTHER INTANGIBLE ASSETS

The Company performed the required annual impairment tests of goodwill as of October 1, 2007 and 2006. The results of these tests did not indicate impairment of the Company's recorded goodwill. Changes to the carrying amount of goodwill not subject to amortization for the years ended December 31, 2007 and 2006 are provided in the following table. Other goodwill adjustments represent tax-related adjustments to finalize goodwill for recently-completed acquisitions.

(dollars in thousands)	Amount
Balance, December 31, 2005	**$** 93,167
Other goodwill adjustments	(388)
Balance, December 31, 2006	**$** 92,779
Goodwill acquired during the year	138,398
Balance, December 31, 2007	231,177

The Company's purchase accounting intangible assets from prior acquisitions which are subject to amortization include core deposit intangibles, amortized on a straight line or accelerated basis over an 9.8 year average, and mortgage servicing rights, amortized over the remaining servicing life of the loans, with consideration given to prepayment assumptions. The definite-lived intangible assets had the following carrying values:

	December 31, 2007			December 31, 2006		
(dollars in thousands)	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**
Core deposit intangibles	$ 22,925	$ 6,189	$ 16,736	$ 10,282	$ 3,991	$ 6,291
Mortgage servicing rights	209	190	19	522	480	42
Total	$ 23,134	$ 6,379	$ 16,755	$ 10,804	$ 4,471	$ 6,333

The related amortization expense of purchase accounting intangible assets follows:

(dollars in thousands)	Amount
Aggregate amortization expense:	
For the year ended December 31, 2005	$ 1,265
For the year ended December 31, 2006	1,154
For the year ended December 31, 2007	2,198
Estimated amortization expense:	
For the year ended December 31, 2008	$ 2,319
For the year ended December 31, 2009	2,300
For the year ended December 31, 2010	2,300
For the year ended December 31, 2011	1,857
For the year ended December 31, 2012	
For the years ended December 31, 2013 and thereafter	1,768
	6,211

NOTE 8 – DEPOSITS

Certificates of deposit with a balance of $100,000 and over were $639,934,000 and $374,775,000 at December 31, 2007 and 2006, respectively. A schedule of maturities of all certificates of deposit as of December 31, 2007 is as follows:

(dollars in thousands)	Amount
Year Ending December 31,	
2008	$ 1,168,802
2009	160,669
2010	50,643
2011	15,122
2012	26,528
2013 and thereafter	535
Total	$ 1,422,299

NOTE 9 – SHORT-TERM BORROWINGS

Short-term borrowings at December 31, 2007 and 2006 are summarized as follows:

(dollars in thousands)	2007	2006
Federal Home Loan Bank advances	$ 300,450	$ 100,000
Securities sold under agreements to repurchase	135,696	102,605
Total short-term borrowings	$ 436,146	$ 202,605

Securities sold under agreements to repurchase, which are classified as secured borrowings, generally mature daily. Securities sold under agreements to repurchase are reflected at the amount of cash received in connection with the transaction. The Company may be required to provide additional collateral based on the fair value of the underlying securities.

The short-term borrowings at December 31, 2007 consist of FHLB advances with maturity terms of two, seven, fourteen and twenty-one days, at fixed interest rates ranging from 2.00% to 4.36%. The short-term borrowings at December 31, 2006 consist of FHLB advances with maturity terms of seven and ninety days, at fixed interest rates ranging from 5.19% to 5.35%.

(dollars in thousands)	2007	2006	2005
Outstanding at December 31	$ 436,146	$ 202,605	$ 68,849
Maximum month-end outstandings	467,123	203,274	199,574
Average daily outstandings	357,743	116,165	143,100
Average rate during the year	4.39%	3.32%	2.34%
Average rate at year end	4.12%	4.25%	1.83%

NOTE 10 – LONG-TERM DEBT

Long-term debt at December 31, 2007 and 2006 is summarized as follows:

(dollars in thousands)	2007	2006
Federal Home Loan Bank notes at:		
4.961 to 5.214% variable, 3 month LIBOR index	$ 45,000	$ 55,000
2.928 to 7.040% fixed	292,528	129,325
Correspondent Bank Note		
3 year term, variable, 3 month LIBOR index plus 1.00%	15,000	—
Junior subordinated debt:		
Statutory Trust I, 3 month LIBOR[(1)] plus 3.25%	10,310	10,310
Statutory Trust II, 3 month LIBOR plus 3.15%	10,310	10,310
Statutory Trust III, 3 month LIBOR plus 2.00%	10,310	10,310
Statutory Trust IV, 3 month LIBOR plus 1.60%	15,464	15,464
American Horizons Statutory Trust I, 3 month LIBOR plus 3.15%	6,204	6,278
Statutory Trust V, 3 month LIBOR plus 1.435%	10,310	—
Statutory Trust VI, 3 month LIBOR plus 2.75%	12,372	—
Statutory Trust VII, 3 month LIBOR plus 2.54%	13,403	—
Pocahontas Trust I, Fixed rate of 10.18%	7,989	—
Pulaski Trust I, Fixed rate of 10.875%	8,424	—
Total long-term debt	$ 457,624	$ 236,997

(1) The interest rate on the Company's long-term debt indexed to LIBOR is based on the 3-month LIBOR rate. At December 31, 2007, the 3-month LIBOR rate was 4.99%.

FHLB advance repayments are amortized over periods ranging from two to thirty years, and have a balloon feature at maturity. Advances are collateralized by a blanket pledge of mortgage loans and a secondary pledge of FHLB stock and FHLB demand deposits. Total additional advances available from the FHLB at December 31, 2007 were $367,741,000 under the blanket floating lien and $42,215,000 with a pledge of investment securities. The weighted average rate at December 31, 2007 was 4.86%.

The Company has various funding arrangements with commercial banks providing up to $70,000,000 in the form of federal funds and other lines of credit. At December 31, 2007, there was no balance outstanding on these lines and all of the funding was available to the Company.

At December 31, 2007, the Company was not in compliance with one of the financial covenants on a $15,000,000 correspondent bank note. The Company's Nonperforming Assets Ratio, calculated at 12.30% and defined for purposes of the agreement as the Company's total nonperforming assets as a percentage of the sum of its Tier 1 risk based capital and allowance for loan losses, exceeded the maximum ratio of 10.00% specified in the agreement. Non-compliance with the financial covenants could terminate the agreement, thereby making the note, plus accrued interest and fees, payable immediately. Subsequent to December 31, 2007, the Company obtained a written waiver of this default for the fiscal quarter ended December 31, 2007. The Company is currently in the process of re-negotiating this note and expects the violation to be cured through revisions to the Nonperforming Assets Ratio covenant in the new agreement.

Junior subordinated debt consists of a total of $105,096,000 in Junior Subordinated Deferrable Interest Debentures of the Company issued to statutory trusts that were funded by the issuance of floating rate capital securities of the trusts. Issues of $10,310,000 each were completed in November 2002, June 2003 and September 2004 and an issue of $15,464,000 was completed in October 2006. The issue of $6,204,000 completed in March 2003 was assumed in the American Horizons acquisition. Issuances of $7,989,000 and $8,424,000 were assumed in the Pocahontas and PIC acquisitions, respectively. The Company issued the remaining $36,085,000 in 2007 to provide funding for various business activities, primarily loan growth. The debentures qualify as Tier 1 Capital for regulatory purposes. The term of the securities is 30 years, and they are callable at par by the Company anytime after 5 years. Interest is payable quarterly and may be deferred at any time at the election of the Company for up to 20 consecutive quarterly periods. During a deferral period, the Company is subject to certain restrictions, including being prohibited from declaring dividends to its common shareholders.

Advances and long-term debt at December 31, 2007 have maturities or call dates in future years as follows:

(dollars in thousands)	Amount
Year Ending December 31,	
2008	$ 64,748
2009	133,097
2010	88,515
2011	59,278
2012	46,022
2013 and thereafter	65,964
Total	$ 457,624

NOTE 11 – ON-BALANCE SHEET DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company has stand alone derivative financial instruments in the form of interest rate swap agreements and rate lock agreements, which derive their value from underlying interest rates. Many of these standalone derivative financial instruments are with the Company's own customers. These transactions involve both credit and market risk. The notional amounts are amounts on which calculations, payments, and the value of the derivatives are based.

Notional amounts do not represent direct credit exposures. Direct credit exposure is limited to the net difference between the calculated amounts to be received and paid, if any. Such difference, which represents the fair value of the derivative instruments, is reflected on the Company's balance sheet in other assets and other liabilities.

The Company is exposed to credit-related losses in the event of nonperformance by the counterparties to these agreements. The Company controls the credit risk of its financial contracts through credit approvals, limits and monitoring procedures, and does not expect any counterparties to fail their obligations. The Company deals only with primary dealers.

Derivative instruments are generally either negotiated over-the-counter (OTC) contracts or standardized contracts executed on a recognized exchange. Negotiated OTC derivative contracts are generally entered into between two counterparties that negotiate specific agreement terms, including the underlying instrument, amount, exercise prices and maturity.

At December 31, 2007 and 2006, the information pertaining to outstanding interest rate swap agreements is as follows:

(dollars in thousands)	2007	2006
Notional amount	$ 173,036	$ 134,516
Weighted average pay rate	3.4%	4.8%
Weighted average receive rate	3.5%	5.2%
Weighted average maturity in years	5.8	5.8
Unrealized gain (loss) relating to interest rate swaps	$ (146)	$ 270

Only one interest rate swap agreement was terminated prior to maturity in 2007. The customer immediately entered into a new swap agreement with similar terms. Changes in the fair value of interest rate swaps designated as hedging the variability of cash flows associated with long-term debt are reported in other comprehensive income. These amounts subsequently are reclassified into interest income and interest expense as a yield adjustment in the same period in which the related interest on the long-term debt affects earnings. As a result of these interest rate swaps, interest expense was decreased by $144,000 and $87,000 for the years ended December 31, 2007 and 2006, respectively. Net cash settlements received on interest rate swaps not qualifying for hedge accounting in 2007 amounted to $590,000 and are reported in noninterest income.

Risk management results for the years ended December 31, 2007 and 2006 related to the balance sheet hedging of long-term debt indicate that the hedges were 100% effective and that there was no component of the derivative instruments' gain or loss which was excluded from the assessment of hedge effectiveness.

NOTE 12 – INCOME TAXES

The provision for income tax expense consists of the following:

	Years Ended December 31,		
(dollars in thousands)	2007	2006	2005
Current expense	$ 8,401	$ 7,518	$ 8,784
Deferred expense	2,004	4,381	(3,236)
Tax credits	(848)	(927)	(568)
Tax benefits attributable to items charged to equity and goodwill	6,693	2,981	2,452
Total income tax expense	$ 16,250	$ 13,953	$ 7,432

There was a balance receivable of federal and state income taxes of $864,000 and $2,216,000 at December 31, 2007 and 2006, respectively. The provision for federal income taxes differs from the amount computed by applying the federal income tax statutory rate of 35 percent on income from operations as indicated in the following analysis:

(dollars in thousands)	Years Ended December 31, 2007	2006	2005
Federal tax based on statutory rate	$ 20,146	$ 17,377	$ 10,301
State tax based on statutory rate	351	—	—
Increase (decrease) resulting from:			
Effect of tax-exempt income	(4,324)	(3,039)	(2,831)
Interest and other nondeductible expenses	881	555	372
Nondeductible ESOP expense	—	—	149
Tax credits	(848)	(927)	(568)
Other	44	(13)	9
Income tax expense	$ 16,250	$ 13,953	$ 7,432
Effective rate	28.2%	28.1%	25.3%

The net deferred tax asset at December 31, 2007 and 2006 is as follows:

(dollars in thousands)	2007	2006
Deferred tax asset:		
Allowance for loan losses	$ 13,428	$ 9,973
Discount on purchased loans	348	22
Deferred compensation	1,487	695
Time deposits	—	154
Investments acquired	2,282	—
Borrowings	620	1,048
Unrealized loss on investments classified as available for sale	—	1,874
Unrealized loss on cash flow hedges	78	—
Other	2,154	766
Subtotal	20,397	14,532
Deferred tax liability:		
FHLB stock	(1,359)	(1,022)
Premises and equipment	(3,752)	(3,534)
Acquisition intangibles	(9,810)	(5,838)
Time Deposits	(13)	—
Deferred loan costs	(1,643)	(1,297)
Unrealized gain on investments classified as available for sale	(3,161)	—
Unrealized gain on cash flow hedges	—	(95)
Swap gain	(27)	(281)
Other	(3,166)	(867)
Subtotal	(22,931)	(12,934)
Deferred tax asset (liability), net	$ (2,534)	$ 1,598

Retained earnings at December 31, 2007 and 2006 included approximately $21,864,000 accumulated prior to January 1, 1987 for which no provision for federal income taxes has been made. If this portion of retained earnings is used in the future for any purpose other than to absorb bad debts, it will be added to future taxable income.

On January 1, 2007, the Company adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (“FIN 48”). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in financial statements in accordance with Statement of Financial Accounting Standards (“SFAS”) No. 109, *Accounting for Income Taxes*. The Company does not believe it has any unrecognized tax benefits included in its consolidated financial statements. The Company has not had any settlements in the current period with taxing authorities, nor has it recognized tax benefits as a result of a lapse of the applicable statute of limitations.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits, if applicable, in noninterest expense. During the years ended December 31, 2007, 2006, and 2005, the Company did not recognize any interest or penalties in its consolidated financial statements, nor has it recorded an accrued liability for interest or penalty payments.

NOTE 13 – EARNINGS PER SHARE

Weighted average shares of common stock outstanding for basic EPS excludes the weighted average shares not released by the Employee Stock Ownership Plan (“ESOP”) of 1,593 shares at December 31, 2005, the weighted average unvested shares in the Recognition and Retention Plan (“RRP”) of 407,706, 333,753, and 265,873 shares at December 31, 2007, 2006 and 2005, respectively, and the weighted average shares purchased in Treasury Stock of 1,979,790, 2,131,786, and 2,295,400, at December 31, 2007, 2006, and 2005, respectively. There were no shares outstanding in the ESOP at December 31, 2007 or 2006. Shares not included in the calculation of diluted EPS because they are anti-dilutive were stock options of 326,501, 57,643 and 22,000 and RRP grants of 284,781, 35,477 and 27,171 at December 31, 2007, 2006 and 2005, respectively. The following sets forth the computation of basic net income per common share and diluted net income per common share.

	Years Ended December 31,		
	2007	2006	2005
Numerator:			
Income applicable to common shares	$ 41,310,000	$ 35,695,000	$ 22,000,000
Denominator:			
Weighted average common shares outstanding	12,203,127	9,401,245	9,154,994
Effect of dilutive securities:			
Stock options outstanding	360,697	516,079	591,301
Warrants	7,756	9,185	11,099
Restricted stock grants	69,687	66,843	55,108
Weighted average common shares outstanding - assuming dilution	12,641,267	9,993,352	9,812,502
Earnings per common share	$ 3.39	$ 3.80	$ 2.40
Earnings per common share – assuming dilution	$ 3.27	$ 3.57	$ 2.24

NOTE 14 – CAPITAL REQUIREMENTS AND OTHER REGULATORY MATTERS

The Company, IBERIABANK, and Pulaski Bank 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 financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company, IBERIABANK, and Pulaski Bank 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. Prompt corrective action provisions are not applicable to bank holding companies.

Quantitative measures established by regulation to ensure capital adequacy require the Company, IBERIABANK, and Pulaski Bank to maintain minimum amounts and ratios of total and Tier 1 capital to risk-weighted assets and of Tier 1 capital to average assets. Management believes, as of December 31, 2007 and 2006, that the Company, IBERIABANK, and Pulaski Bank met all capital adequacy requirements to which they are subject.

As of December 31, 2007, the most recent notification from the Federal Deposit Insurance Corporation categorized IBERIABANK and Pulaski Bank as well capitalized under the regulatory framework for prompt corrective action. 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 either entity's category. The Company's, IBERIABANK's, and Pulaski Bank's actual capital amounts and ratios as of December 31, 2007 and 2006 are presented in the following table.

	Actual		Minimum		Well Capitalized	
(dollars in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio
December 31, 2007						
Tier 1 leverage capital:						
IBERIABANK Corporation	$ 339,711	7.42%	$ 183,140	4.00%	$ N/A	N/A%
IBERIABANK	249,099	7.40	134,698	4.00	168,372	5.00
Pulaski Bank	90,434	7.68	47,093	4.00	58,867	5.00
Tier 1 risk-based capital:						
IBERIABANK Corporation	339,711	9.32	145,752	4.00	N/A	N/A
IBERIABANK	249,099	9.14	109,020	4.00	163,530	6.00
Pulaski Bank	90,434	10.16	35,605	4.00	53,408	6.00
Total risk-based capital:						
IBERIABANK Corporation	377,996	10.37	291,505	8.00	N/A	N/A
IBERIABANK	273,516	10.04	218,040	8.00	272,550	10.00
Pulaski Bank	101,561	11.41	71,210	8.00	89,013	10.00
December 31, 2006						
Tier 1 leverage capital:						
IBERIABANK Corporation	$ 274,875	9.01%	$ 121,971	4.00%	$ N/A	N/A%
IBERIABANK	213,276	7.02	121,523	4.00	151,904	5.00
Tier 1 risk-based capital:						
IBERIABANK Corporation	274,875	11.81	93,091	4.00	N/A	N/A
IBERIABANK	213,276	9.19	92,876	4.00	139,313	6.00
Total risk-based capital:						
IBERIABANK Corporation	303,976	13.06	186,183	8.00	N/A	N/A
IBERIABANK	242,311	10.44	185,751	8.00	232,189	10.00

NOTE 15 – SHARE-BASED COMPENSATION

The Company has various types of share-based compensation plans. These plans are administered by the Compensation Committee of the Board of Directors, which selects persons eligible to receive awards and determines the number of shares and/or options subject to each award, the terms, conditions and other provisions of the awards.

EMPLOYEE STOCK OWNERSHIP PLAN: In 1995, the Company established an Employee Stock Ownership Plan ("ESOP") for the benefit of all eligible employees of the Company. During 2005, the ESOP was fully funded and the plan was merged into the Company's 401(k) plan. The leveraged ESOP was accounted for in accordance with SOP 93-6, Employers' Accounting for Employee Stock Ownership Plans.

There was no cost related to the ESOP during 2007 or 2006. Compensation cost related to the ESOP for the year ended December 31, 2005 was $530,000. There were no unearned ESOP shares outstanding as of December 31, 2007, 2006 and 2005. A summary of the ESOP share allocation as of December 31 of the year indicated is as follows:

	2005
Shares allocated beginning of year	484,974
Shares allocated during the year	12,923
Shares distributed during the year	(497,897)
Allocated shares held by ESOP at year end	—
Unreleased shares	—
Total ESOP shares	—

STOCK OPTION PLANS: 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 stock options granted were issued with vesting periods ranging from one-and-a half to seven years. At December 31, 2007, future awards of 161,552 shares could be made under approved incentive compensation plans.

The stock option plans also permit the granting of Stock Appreciation Rights (“SARs”). SARs entitle the holder to receive, in the form of cash or stock, the increase in the fair value of Company stock from the date of grant to the date of exercise. No SARs have been issued under the plans.

Effective January 1, 2006, the Company adopted SFAS No. 123 (R) utilizing the modified prospective method. Prior to the adoption of SFAS No. 123(R), the Company accounted for stock option grants in accordance with APB Opinion No. 25, “Accounting for Stock Issued to Employees” (the intrinsic value method). On December 30, 2005, the Board of Directors approved the immediate vesting of all outstanding unvested stock options awarded to employees, officers and directors outstanding as of that date. As a result of the accelerated vesting, the Company recorded $470,000 of compensation expense in 2005. The Company recognized no other compensation expense resulting for stock option grants for the year ended December 31, 2005.

As a result of adopting SFAS No. 123(R), the Company’s net income for the year ended December 31, 2007 and 2006 included $649,000 and $237,000 of compensation costs and $227,000 and $83,000 of income tax benefits related to stock options granted under share-based compensation arrangements, respectively. The impact on basic and diluted earnings per share was $0.03 and $0.02 for the years ended December 31, 2007 and 2006, respectively. There would have been no effect on net income or earnings per share under APB Opinion No. 25.

The Company reported $796,000 and $3,112,000 of excess tax benefits as financing cash inflows during the years ended December 31, 2007 and 2006, respectively, related to the exercise and vesting of share-based compensation grants. Net cash proceeds from the exercise of stock options were $3,171,000 and $3,282,000 for the years ended December 31, 2007 and 2006.

The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based awards with the following weighted-average assumptions for the indicated periods:

	For the Year Ended December 31,		
	2007	2006	2005
Expected dividends	2.0%	2.0%	2.0%
Expected volatility	23.6%	24.7%	24.1%
Risk-free interest rate	4.7%	4.7%	4.3%
Expected term (in years)	7.0	7.0	7.0
Weighted-average grant-date fair value	$ 15.98	$ 16.56	$ 14.28

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.

At December 31, 2007, there was $4,078,000 of unrecognized compensation cost related to stock options which is expected to be recognized over a weighted-average period of 5.6 years.

The following table represents the activity related to stock options:

	Number of shares	Weighted average exercise price	Weighted average remaining contract life
Outstanding options, December 31, 2004	1,603,675	$ 24.90	
Granted	204,611	48.39	
Exercised	(242,275)	13.96	
Forfeited or expired	(15,050)	40.59	
Outstanding options, December 31, 2005	1,550,961	29.55	
Granted	135,726	58.25	
Exercised	(188,870)	18.56	
Forfeited or expired	(2,500)	43.46	
Outstanding options, December 31, 2006	1,495,317	$ 33.52	
Granted	182,419	57.58	
Exercised	(132,553)	24.26	
Forfeited or expired	(8,300)	48.67	
Outstanding options, December 31, 2007	1,536,883	$ 37.09	5.6 Years
Outstanding exercisable at December 31, 2005	1,550,961	$ 29.55	
Outstanding exercisable at December 31, 2006	1,359,591	$ 31.05	
Outstanding exercisable at December 31, 2007	1,243,827	$ 32.20	4.8 Years

The following table presents the weighted average remaining life as of December 31, 2007 for options outstanding within the stated exercise prices:

	Outstanding			Exercisable	
Exercise Price Range Per Share	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life	Number of Options	Weighted Average Exercise Price
$10.70 to $12.05	147,970	$ 11.00	2.1 years	147,970	$ 11.00
$12.71 to $15.80	26,250	$ 14.75	1.6 years	26,250	$ 14.75
$15.81 to $19.50	67,693	$ 17.90	2.0 years	67,693	$ 17.90
$19.51 to $29.90	289,772	$ 22.22	3.7 years	289,772	$ 22.22
$29.91 to $39.85	198,048	$ 31.86	5.2 years	198,048	$ 31.86
$39.86 to $49.79	463,902	$ 46.39	6.7 years	463,902	$ 46.39
$49.80 to $51.11	5,500	$ 50.93	8.9 years	2,000	$ 51.11
$51.12 to $54.91	13,750	$ 52.37	8.2 years	10,000	$ 51.64
$54.92 to $60.00	323,998	$ 58.00	8.7 years	38,192	$ 58.25
	1,536,883	$ 37.09	5.6 years	1,243,827	$ 32.20

Shares reserved for future stock option grants to employees and directors under existing plans were 161,552 at December 31, 2007. At December 31, 2007, the aggregate intrinsic value of shares underlying outstanding stock options and underlying exercisable stock options was $18,693,000. Total intrinsic value of options exercised was $3,069,000 for the year ended December 31, 2007.

RESTRICTED STOCK PLANS: The Company issues restricted stock under various plans for certain officers and directors. A supplemental stock benefit plan adopted in 1999 and the 2001 and 2005 Incentive Plans also allow grants of restricted stock. The cost of the shares of restricted stock awarded under these plans is recorded as unearned compensation, a contra equity account. The fair value of the shares on the date of award is recognized as compensation expense over the vesting period, which is generally seven years. The holders of the restricted stock receive dividends and have the right to vote the shares. For the years ended December 31, 2007, 2006, and 2005, the amount included in compensation expense that was included in noninterest expense in the accompanying consolidated statements of income was $3,490,000, $2,600,000, and $1,739,000, respectively. Additional restricted stock awards may be issued through the 2001 and 2005 Incentive Compensation Plans. The weighted average grant date fair value of the restricted stock granted during the years ended December 31, 2007, 2006, and 2005 was $57.21, $57.90, and $48.85, respectively.

The share-based compensation plans allow for the issuance of restricted stock awards that may not be sold or otherwise transferred until certain restrictions have lapsed. The unearned share-based compensation related to these awards is being amortized to compensation expense over the vesting period (generally three to seven years). The share-based compensation expense for these awards was 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 amortized over the vesting period. As of December 31, 2007, unearned share-based compensation associated with these awards totaled $17,564,000. Upon adoption of SFAS No. 123(R), the Company was required to change its policy from recognizing forfeitures as they occur to one where expense is recognized based on expectations of the awards that will vest over the requisite service period. This change had an immaterial cumulative effect on the Company's results of operations.

The following table represents unvested restricted stock award activity for the years ended December 31, 2007, 2006, and 2005, respectively:

	For the Year Ended December 31,		
	2007	2006	2005
Balance, beginning of year	337,830	287,773	214,013
Granted	151,604	116,502	120,207
Forfeited	(21,288)	(4,930)	(2,875)
Earned and issued	(66,229)	(61,515)	(43,572)
Balance, end of year	401,917	337,830	287,773

401 (K) PROFIT SHARING PLAN: The Company has a 401(k) Profit Sharing Plan covering substantially all of its employees. Annual employer contributions to the plan are set by the Board of Directors. The Company made $687,000 in contributions for the year ended December 31, 2007. There were no contributions made for the years ended December 31, 2006 and 2005. The Plan provides, among other things, that participants in the Plan be able to direct the investment of their account balances within the Profit Sharing Plan into alternative investment funds. Participant deferrals under the salary reduction election may be matched by the employer based on a percentage to be determined annually by the employer.

NOTE 16 – RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Company has granted loans to executive officers and directors and their affiliates amounting to $3,219,000 and $1,934,000 at December 31, 2007 and 2006, respectively. During the year ended December 31, 2007, total principal additions were $7,107,000 and total principal payments were $5,822,000. Unfunded commitments to executive officers and directors and their affiliates totaled $1,483,000 and $1,622,000 at December 31, 2007 and 2006, respectively. None of the related party loans were classified as nonaccrual, past due, restructured or potential problem loans at December 31, 2007 or 2006.

Deposits from related parties held by the Company through IBERIABANK and Pulaski Bank at December 31, 2007 and 2006 amounted to $1,299,000 and $995,000, respectively.

NOTE 17 – OFF-BALANCE SHEET ACTIVITIES

The Company is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby 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 same credit policies are used in these commitments as for on-balance sheet instruments. The Company's exposure to credit loss in the event of nonperformance by the other parties is represented by the contractual amount of the financial instruments. At December 31, 2007, the fair value of guarantees under commercial and standby letters of credit was $264,000. This amount represents the unamortized fee associated with these guarantees and is included in the consolidated balance sheet of the Company. This fair value will decrease over time as the existing commercial and standby letters of credit approach their expiration dates.

At December 31, 2007 and 2006, the Company had the following financial instruments outstanding, whose contract amounts represent credit risk:

	Contract Amount	
(dollars in thousands)	**2007**	**2006**
Commitments to grant loans	$ 88,025	$ 31,933
Unfunded commitments under lines of credit	748,557	539,212
Commercial and standby letters of credit	26,356	22,464

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. 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 deemed necessary by the Company upon extension of credit, is based on management's credit evaluation of the counterparty.

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. These lines-of-credit usually do not contain a specified maturity date and may not be drawn upon to the total extent to which the Company is committed.

The Company is subject to certain claims and litigation arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, the ultimate disposition of these matters is not expected to have a material effect on the consolidated financial position of the Company.

NOTE 18 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The 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. SFAS No. 107 excludes certain financial instruments and all non-financial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented may not necessarily represent the underlying fair value of the Company.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Cash Equivalents: The carrying amounts of cash and short-term instruments approximate their fair value.

Investment Securities: Fair value equals quoted market prices and dealer quotes.

Loans: The fair value of mortgage loans receivable was estimated based on present values using entry-value rates at December 31, 2007 and 2006, weighted for varying maturity dates. Other loans receivable were valued based on present values using entry-value interest rates at December 31, 2007 and 2006 applicable to each category of loans. Fair values of mortgage loans held for sale are based on commitments on hand from investors or prevailing market prices.

Deposits: The fair value of NOW accounts, money market deposits and savings accounts was the amount payable on demand at the reporting date. Certificates of deposit were valued using a weighted average rate calculated based upon rates at December 31, 2007 and 2006 for deposits of similar remaining maturities.

Short-term Borrowings: The carrying amounts of short-term borrowings maturing within ninety days approximate their fair values.

Long-term Debt: The fair values of long-term debt are estimated using discounted cash flow analyses based on the Company's current incremental borrowing rates for similar types of borrowing arrangements.

Derivative Instruments: Fair values for interest rate swap agreements are based upon the amounts required to settle the contracts.

Off-Balance Sheet Items: The Company has outstanding commitments to extend credit and standby letters of credit. These off-balance sheet financial instruments are generally exercisable at the market rate prevailing at the date the underlying transaction will be completed. At December 31, 2007 and 2006, the fair value of guarantees under commercial and standby letters of credit was immaterial.

The estimated fair values and carrying amounts of the Company's financial instruments are as follows:

	December 31, 2007		December 31, 2006	
(dollars in thousands)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	$ 123,105	$ 123,105	$ 84,905	$ 84,905
Investment securities	794,402	803,746	581,352	581,509
Loans and loans held for sale, net	3,439,775	3,480,059	2,258,353	2,230,509
Derivative instruments	90	90	338	338
Financial Liabilities				
Deposits	$ 3,484,828	$ 3,488,147	$ 2,422,582	$ 2,421,877
Short-term borrowings	436,146	436,146	202,605	202,591
Long-term debt	457,624	443,380	236,997	236,880
Derivative instruments	236	236	68	68

The fair value estimates presented herein are based upon pertinent information available to management as of December 31, 2007 and 2006. 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 that date and, therefore, current estimates of fair value may differ significantly from the amounts presented herein.

NOTE 19 – COMPREHENSIVE INCOME

The following is a summary of the changes in the components of other comprehensive income:

(dollars in thousands)	Years Ended December 31, 2007	2006	2005
Balance at beginning of year , net	$ (3,483)	$ (6,341)	$ 689
Unrealized gain (loss) on securities available for sale	13,791	310	(10,854)
Reclassification adjustment for net (gains) losses realized in net income	596	4,087	39
Net unrealized gain (loss)	14,387	4,397	(10,815)
Tax effect	5,035	(1,539)	3,785
Net of tax change	9,352	2,858	(7,030)
Balance at end of year, net	5,869	(3,483)	(6,341)
Balance at beginning of year, net	$ 177	$ 712	$ (299)
Unrealized gain (loss) on cash flow hedges	(493)	(823)	1,555
Tax effect	172	288	(544)
Net of tax change	(321)	(535)	1,011
Balance at end of year, net	(144)	177	712
Total change in other comprehensive income (loss), net of income taxes	$ 9,031	$ 2,323	$ (6,019)
Total balance in other comprehensive income (loss), net of income taxes	$ 5,725	$ (3,306)	$ (5,629)

NOTE 20 – RESTRICTIONS ON DIVIDENDS, LOANS AND ADVANCES

IBERIABANK is restricted under applicable laws in the payment of dividends to an amount equal to current year earnings plus undistributed earnings for the immediately preceding year, unless prior permission is received from the Commissioner of Financial Institutions for the State of Louisiana. Dividends payable by IBERIABANK in 2008 without permission will be limited to 2008 earnings plus an additional $34,792,000.

Pulaski Bank is restricted under applicable laws in the payment of dividends to an amount equal to current year earnings plus undistributed earnings for the immediately preceding two years, unless prior permission is received from the Office of Thrift Supervision. Dividends payable by Pulaski Bank in 2008 without permission will be limited to 2008 earnings plus an additional $2,400,000.

Funds available for loans or advances by IBERIABANK or Pulaski Bank to the Company amounted to $38,020,000. In addition, dividends paid by IBERIABANK or Pulaski Bank to the Company would be prohibited if the effect thereof would cause IBERIABANK's or Pulaski Bank's capital to be reduced below applicable minimum capital requirements.

NOTE 21 – CONDENSED PARENT COMPANY ONLY FINANCIAL STATEMENTS

Condensed financial statements of IBERIABANK Corporation (parent company only) are shown below. The parent company has no significant operating activities.

Condensed Balance Sheets
December 31, 2007 and 2006

(dollars in thousands)	2007	2006
Assets		
Cash in bank	$ 2,937	$ 48,440
Investment in subsidiaries	597,252	309,044
Other assets	14,877	16,751
Total assets	$ 615,066	$ 374,235
Liabilities and Shareholders' Equity		
Liabilities	$ 117,007	$ 54,684
Shareholders' equity	498,059	319,551
Total liabilities and shareholders' equity	$ 615,066	$ 374,235

Condensed Statements of Income
Years Ended December 31, 2007, 2006 and 2005

(dollars in thousands)	2007	2006	2005
Operating income			
Dividends from subsidiaries	$ 14,500	$ 15,500	$ 22,000
Other income	362	1,628	294
Total operating income	14,862	17,128	22,294
Operating expenses			
Interest expense	7,421	3,127	2,250
Other expenses	6,192	4,377	3,174
Total operating expenses	13,613	7,504	5,424
Income before income tax expense and increase in equity in undistributed earnings of subsidiaries	1,249	9,624	16,870
Income tax benefit	4,476	1,981	1,750
Income before increase in equity in undistributed earnings of subsidiaries	5,725	11,605	18,620
Increase in equity in undistributed earnings of subsidiaries	35,585	24,090	3,380
Net Income	$ 41,310	$ 35,695	$ 22,000

Condensed Statements of Cash Flows
Years Ended December 31, 2007, 2006 and 2005

(dollars in thousands)	2007	2006	2005
Cash Flows from Operating Activities			
Net income	$ 41,310	$ 35,695	$ 22,000
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	(407)	(23)	(16)
Increase in equity in net income of subsidiaries	(35,561)	(24,090)	(3,380)
Noncash compensation expense	4,530	3,150	2,294
Gain on sale of assets	—	—	(13)
Derivative gains on swaps	726	(803)	—
Increase in dividend receivable from subsidiaries	11,500	3,500	(5,000)
Cash retained from tax benefit associated with share-based payment arrangements	(796)	(3,112)	—
Other, net	(6,024)	892	81
Net Cash Provided by Operating Activities	15,278	15,209	15,966
Cash Flows from Investing Activities			
Cash received in excess of cash paid in acquisition	(5,836)	—	410
Proceeds from sale of premises and equipment	—	—	203
Capital contributed to subsidiary	—	—	(15)
Payments received from ESOP	—	—	151
Acquisition	(96,629)	—	—
Net Cash Provided by Investing Activities	(102,465)	—	749
Cash Flows from Financing Activities			
Dividends paid to shareholders	(16,138)	(11,390)	(8,836)
Proceeds from long-term debt	78,810	15,000	—
Common stock issued	—	30,000	—
Repayments of long-term debt	(15,310)	—	—
Costs of issuance of common stock	(38)	(1,540)	(6)
Payments to repurchase common stock	(9,607)	(8,032)	(17,504)
Proceeds from sale of treasury stock for stock options exercised	3,171	3,282	1,407
Cash retained from tax benefit associated with share-based payment arrangements	796	3,112	—
Net Cash Provided by (Used in) Financing Activities	41,684	30,432	(24,939)
Net Increase (Decrease) in Cash and Cash Equivalents	(45,503)	45,641	(8,224)
Cash and Cash Equivalents at Beginning of Period	48,440	2,799	11,023
Cash and Cash Equivalents at End of Period	$ 2,937	$ 48,440	$ 2,799

NOTE 22 – QUARTERLY RESULTS OF OPERATIONS

(dollars in thousands, except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Year Ended December 31, 2007				
Total interest income	$ 57,100	$ 65,816	$ 69,349	$ 69,981
Total interest expense	29,610	35,152	37,276	36,689
Net interest income	27,490	30,664	32,073	33,292
Provision for (reversal of) loan losses	211	(595)	(1,693)	3,602
Net interest income after provision for loan losses	27,279	31,259	33,766	29,690
Gain (loss) on sale of investments, net	11	824	(23)	603
Other noninterest income	14,154	20,987	20,350	19,688
Noninterest expense	29,316	38,911	36,526	36,275
Income before income taxes	12,128	14,159	17,567	13,706
Income tax expense	2,973	4,132	5,506	3,639
Net Income	$ 9,155	$ 10,027	$ 12,061	$ 10,067
Earnings per share – basic	$ 0.79	$ 0.80	$ 0.97	$ 0.81
Earnings per share – diluted	$ 0.76	$ 0.78	$ 0.94	$ 0.79
Year Ended December 31, 2006				
Total interest income	$ 37,488	$ 39,893	$ 43,645	$ 44,266
Total interest expense	15,068	17,138	19,719	21,845
Net interest income	22,420	22,755	23,926	22,421
Provision for loan losses	435	(1,902)	(2,389)	(3,947)
Net interest income after provision for loan losses	21,985	24,657	26,315	26,368
Gain (loss) on sale of investments, net	—	(1,393)	(870)	(1,824)
Noninterest income	6,266	6,651	8,145	6,475
Noninterest expense	17,114	17,462	19,591	18,960
Income (loss) before income taxes	11,137	12,453	13,999	12,059
Income tax expense (benefit)	3,091	3,598	4,120	3,144
Net Income (Loss)	$ 8,046	$ 8,855	$ 9,879	$ 8,915
Earnings (loss) per share – basic	$ 0.87	$ 0.95	$ 1.06	$ 0.93
Earnings (loss) per share – diluted	$ 0.81	$ 0.89	$ 0.99	$ 0.87

SUBSIDIARIES OF THE REGISTRANT

IBERIABANK Corporation, a Louisiana corporation, is a bank holding company that has elected to become a financial holding company. The table below sets forth all of IBERIABANK Corporation's subsidiaries as to state or jurisdiction of organization. All of the subsidiaries listed below are included in the consolidated financial statements, and no separate financial statements are submitted for any subsidiary.

Subsidiary	State or Jurisdiction of Organization
IBERIABANK	Louisiana
Acadiana Holdings, LLC	Louisiana
IBERIABANK Insurance Services, LLC	Louisiana
Pulaski Insurance Agency, Inc.	Arkansas
Sun Realty, Inc.	Arkansas
Jefferson Insurance Corporation	Louisiana
Iberia Financial Services, LLC	Louisiana
Finesco, LLC	Louisiana
Pulaski Financial Services, LLC	Louisiana
IBERIABANK Asset Management, Inc.	Louisiana
Pulaski Bank and Trust Company	United States
Pulaski Mortgage Company	Arkansas
P.F. Services, Inc.	Arkansas
Lenders Title Company	Arkansas
Asset Exchange, Inc.	Arkansas
United Title of Louisiana, Inc.	Louisiana

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED ACCOUNTING FIRM

We consent to the incorporation by reference in the registration statements of IBERIABANK Corporation on Form S-8 (333-28859, 333-79811, 333-81315, 333-41970, 333-64402, 333-117356, 333-130273 and 333-135359) of our report dated February 16, 2007, on our audits of the consolidated financial statements of IBERIABANK Corporation and Subsidiary as of December 31, 2006, and for the years ended December 31, 2006 and 2005, which reports are incorporated by reference in this Annual Report on Form 10-K.

/s/ Castaing, Hussey & Lolan, LLC

New Iberia, Louisiana
March 14, 2008

EXHIBIT 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

Registration Statement (Form S-8 No. 333-135359) pertaining to the IBERIABANK Corporation Retirement Savings Plan;

Registration Statement (Form S-8 No. 333-28859) pertaining to the IBERIABANK Corporation 1996 Stock Option Plan;

Registration Statement (Form S-8 No. 333-64402) pertaining to the IBERIABANK Corporation 2001 Incentive Compensation Plan;

Registration Statement (Form S-8 No. 333-117356) pertaining to the IBERIABANK Corporation Stock Purchase Warrants; and

Registration Statement (Form S-8 No. 333-130273) pertaining to the IBERIABANK Corporation 2005 Stock Incentive Plan

of our report dated March 14, 2008, with respect to the consolidated financial statements of IBERIABANK Corporation, and our report dated March 14, 2008, with respect to the effectiveness of internal control over financial reporting of IBERIABANK Corporation included in this Annual Report (Form 10-K) for the year ended December 31, 2007.

/s/ Ernst & Young LLP

New Orleans, Louisiana
March 14, 2008

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 annual report on Form 10-K 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 an 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 officers 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: March 17, 2008

/s/ Daryl G. Byrd
Daryl G. Byrd
President and Chief Executive Officer

SECTION 302 CERTIFICATION OF CHIEF FINANCIAL OFFICER

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

1. I have reviewed this annual report on Form 10-K 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 an 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 officers 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: March 17, 2008

/s/ Anthony J. Restel
Anthony J. Restel
Senior Executive Vice President 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 Annual Report of IBERIABANK Corporation (the "Company") on Form 10-K for the fiscal year ended December 31, 2007 (the "Report"), I, Daryl G. Byrd, President and Chief Executive Officer of the Company, certify that to the best of my knowledge:

(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.

/s/ Daryl G. Byrd
Daryl G. Byrd
President and Chief Executive Officer

March 17, 2008

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.

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

In connection with the Annual Report of IBERIABANK Corporation (the “Company”) on Form 10-K for the fiscal year ended December 31, 2007 (the “Report”), I, Anthony J. Restel, Senior Executive Vice President and Chief Financial Officer of the Company, certify that to the best of my knowledge:

(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.

/s/ Anthony J. Restel
Anthony J. Restel
Senior Executive Vice President and Chief Financial Officer

March 17, 2008

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.