

Edgar Filing: POCAHONTAS BANCORP INC - Form 425

POCAHONTAS BANCORP INC

Form 425

August 09, 2006

Filed by IBERIABANK Corporation Pursuant to Rule 425 under the Securities Act of 1933, as amended and deemed filed pursuant to Rule 14a-12 under the Securities Exchange Act of 1934, as amended

Subject Companies: Pulaski Investment Corporation
Pocahontas Bancorp, Inc.

Commission File No: 000-25756
000-23969

IBERIABANK Corporation
Acquisition of
Pulaski Investment Corporation
August 9, 2006

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Forward Looking Statements
Forward Looking Statements
Safe Harbor and 425 Language
Safe Harbor and 425 Language
Statements
contained

in
this
presentation
which
are
not
historical
facts
and
which
pertain
to
future
operating
results
of
IBERIABANK
Corporation
and
its
subsidiaries
constitute
forward-looking
statements
within
the
meaning
of
the
Private
Securities
Litigation
Reform
Act
of
1995.
These
forward-looking
statements
involve
significant
risks
and
uncertainties.
Actual
results
may
differ
materially
from

the
results
discussed
in
these
forward-looking
statements.

Factors
that
might
cause
such
a
difference
include,
but
are
not
limited

to,
those
discussed
in
the
Company's
periodic
filings
with
the
SEC.

In
connection
with
the
proposed
merger,
IBERIABANK
Corporation
will
file
a
Registration
Statement
on
Form
S-4
that
will
contain
a

proxy
statement/prospectus.
INVESTORS
AND
SECURITY
HOLDERS
ARE
URGED
TO
CAREFULLY
READ
THE
PROXY
STATEMENT/PROSPECTUS
REGARDING
THE
PROPOSED
TRANSACTION
WHEN
IT
BECOMES
AVAILABLE,
BECAUSE
IT
WILL
CONTAIN
IMPORTANT
INFORMATION.

Investors
and
security
holders
may
obtain
a
free
copy
of
the
proxy
statement/prospectus
(when
it
is
available)
and
other
documents
containing
information

about
IBERIABANK
Corporation
and
Pulaski,
without
charge,
at
the
SEC's
web
site
at
[HTTP://www.sec.gov](http://www.sec.gov).
Copies
of
the
proxy
statement/prospectus
and
the
SEC
filings
that
will
be
incorporated
by
reference
in
the
proxy
statement/prospectus
may
also
be
obtained
for
free
by
directing
a
request
to:
Investor
Relations-12
th-
Floor,
IBERIABANK
Corporation,

200
West
Congress
Street,
Lafayette,
LA,
70501,
Phone:
(337)
521-4788,
Fax:
(337)
521-4021.

This
communication
is
not
an
offer
to
purchase
shares
of
Pulaski
common
stock,
nor
is
it
an
offer
to
sell
shares
of
IBERIABANK
Corporation
common
stock
which
may
be
issued
in
any
proposed
merger
with
Pulaski.
Any

issuance
of
IBERIABANK
Corporation
common
stock
in
any
proposed
merger
with
Pulaski
would
have
to
be
registered
under
the
Securities
Act
of
1933,
as
amended,
and
such
IBERIABANK
Corporation
common
stock
would
be
offered
only
by
means
of
a
prospectus
complying
with
the
Act.

3
Presentation Outline
Presentation Outline
Our Stated Strategic Focus
Our Stated Strategic Focus
Pulaski Background
Pulaski Background

Arkansas

Arkansas

Pulaski Offices & Markets Served

Pulaski Offices & Markets Served

Summary Of Pulaski Businesses

Summary Of Pulaski Businesses

Merger Proposal

Merger Proposal

Strategic & Financial Implications

Strategic & Financial Implications

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IBERIABANK Corporation

IBERIABANK Corporation

Our Stated Strategic Focus

Our Stated Strategic Focus

Organic Growth, Supplemented With Acquisitions

Organic Growth, Supplemented With Acquisitions

Focus On Markets With Competitive Advantage;
Focus On Markets With Competitive Advantage;
Primarily Louisiana, But Consider AR And MS
Primarily Louisiana, But Consider AR And MS
Basic Blocking & Tackling
Basic Blocking & Tackling
Banking
Banking
Balanced And Conservative Approach
Balanced And Conservative Approach
Operate Close To Our Clients & Hire Great People
Operate Close To Our Clients & Hire Great People
Relationships & People / Not Facilities & Products
Relationships & People / Not Facilities & Products
Partner When Fits --
Partner When Fits --
Strategic, Cultural & Financial
Strategic, Cultural & Financial
Shareholder-Focused And Opportunistic
Shareholder-Focused And Opportunistic

5
Pulaski Investment Corp.
Pulaski Investment Corp.
Background
Background

6

Pulaski

Pulaski

Background

Background

Pulaski Investment Corp. (AR Holding Company); Primary

Pulaski Investment Corp. (AR Holding Company); Primary

Sub Is Pulaski Bank & Trust (AR Bank) And 6 Bank Subs:
Sub Is Pulaski Bank & Trust (AR Bank) And 6 Bank Subs:

Pulaski Mortgage Company
Pulaski Mortgage Company

Lenders Title Company
Lenders Title Company

Pulaski Insurance Agency, Inc.
Pulaski Insurance Agency, Inc.

Three Other Small Subsidiaries
Three Other Small Subsidiaries
Commenced Operations In 1956 In Little Rock, AR
Commenced Operations In 1956 In Little Rock, AR
Started Title Business In 1987; Acquisition Expansion
Started Title Business In 1987; Acquisition Expansion
Acquired Trust Powers In 1974; New HQ Building In 1978
Acquired Trust Powers In 1974; New HQ Building In 1978
11 AR Offices: Little Rock (8), North Little Rock (2), and
11 AR Offices: Little Rock (8), North Little Rock (2), and
Bryant (Suburb of LR); 2 Offices Near Memphis (Cordova
Bryant (Suburb of LR); 2 Offices Near Memphis (Cordova
And Germantown-Opening In Late 2006).
And Germantown-Opening In Late 2006).
LPOs In Fayetteville, AR And Southaven, MS
LPOs In Fayetteville, AR And Southaven, MS

7

Pulaski

Pulaski

Background (Continued)

Background (Continued)

Jim East Acquired Controlling Interest In 1973

Jim East Acquired Controlling Interest In 1973

East Family Controls 92% Of Outstanding Shares \$491
East Family Controls 92% Of Outstanding Shares \$491
Million In Assets And \$393 Million In Deposits
Million In Assets And \$393 Million In Deposits
2005 Net Income Of \$6.3 Million; \$2.0 Million YTD 2006
2005 Net Income Of \$6.3 Million; \$2.0 Million YTD 2006
523 Employees
523 Employees
\$6 Million Trust Preferred At Average Cost Of 10.875%
\$6 Million Trust Preferred At Average Cost Of 10.875%
Exceptional Asset Quality
Exceptional Asset Quality
Generally Balanced Interest Rate Risk Position
Generally Balanced Interest Rate Risk Position

8
Pulaski Background
Pulaski Background
Financials
Financials
Balance Sheet
Balance Sheet

At December 31,

Assets

2001

2002

2003

2004

2005

6/30/06

Cash and deposits

14,970

\$

23,095

\$

15,610

\$

18,115

\$

28,118

\$

19,108

\$

Investment Securities

27,888

62,052

68,663

44,106

76,476

60,399

Cash and investments

42,858

85,147

84,273

62,221

104,594

79,507

Construction and land loans

36,788

31,854

31,726

48,892

77,293

n.a.

1-4 family mortgage loans

86,790

100,123

71,247

99,935

101,924

n.a.

Multi-family mortgage loans

3,000

2,737

5,871

4,968

9,408

n.a.

Non-residential RE loans

31,039

47,138

64,252

76,241

72,500

n.a.

Commercial business loans

35,934

33,421

31,667

29,555

25,465

n.a.

Consumer loans

74,826

45,487

51,952

61,937

39,724

n.a.

Other adjustments

1,214

1,560

1,194

2,021

6,361

n.a.

Loan loss reserves

(3,009)

(2,890)

(3,041)

(3,359)

(4,345)

n.a.

Loans receivable, net

266,582

259,430

254,868

320,190

328,330

373,930

Premises and equipment

8,887

10,227

12,634

21,918

23,841

23,319

Real estate owned

793

1,059

979

24

323

71

Investment in subsidiaries

-

-

-

-

-

186

Mortgage servicing rights

5

3

5

71

46

46

Goodwill and intangibles

1,191

967

1,132

1,074

1,135

1,129

Other assets

12,497

11,681

13,496

13,602

13,362

14,523

Total assets

332,813

\$

368,514

\$

367,387

\$

419,100

\$

471,631

\$

492,711

\$

Liabilities and Equity

Deposits

281,309

\$
310,521
\$
308,213
\$
318,305
\$
395,771
\$
393,041
\$
Other borrowed money
19,015

17,500

12,191

44,289

20,494

53,029

Other liabilities
5,187

6,256

8,830

21,124

15,345

6,007

Total liabilities
305,511

334,277

329,234

383,718

431,610

452,077

Preferred stock

-

-

-

-

-

-

Common stock

1,009

1,009

1,009

1,309

1,309

1,309

Retained earnings

20,048

26,424

31,076

34,308

39,132

40,372

Unrealized G/(L) on securities

245

804

68

(235)

(420)

(1,047)

Total equity
21,302

28,237

32,153

35,382

40,021

40,634

Total liabilities and equity

332,813

\$

368,514

\$

367,387

\$

419,100

\$

471,631

\$

492,711

\$

Memo Items

Tangible equity

20,111

27,270

31,021

34,308

38,886

39,505

Loans serviced for others

0

1,397

2,648

19,176

19,355

n.a.

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Pulaski Background
Pulaski Background
Financials
Financials
Income Statement
Income Statement

Calendar Year Ended December 31,

Quarter Ended

2001

2002

2003

2004

2005

6/30/05

9/30/05

12/31/05

3/31/06

6/30/06

Interest income

25,662

\$23,371

\$23,542

\$21,846

\$27,619

\$6,771

\$7,384

\$7,493

\$7,346

\$8,207

Interest expense

9,183

5,971

4,433

4,229

7,820

1,912

2,197

2,323

2,577

3,128

Net interest income

16,479

17,400

19,109

17,617

19,799

4,859

5,187

5,170

4,769

5,079

Loan loss provision

1,310

400

720

838

1,783
291
372
880
0
0
Net int income after prov
15,169
17,000
18,389
16,779
18,016
4,568
4,815
4,290
4,769
5,079
Total non-interest income
24,470
34,391
37,437
30,941
39,165
8,394
9,100
14,444
7,189
8,767
Operating expenses:
 Compensation & benefits
20,693
24,208
30,031
26,461
29,055
6,977
7,443
8,048
7,022
7,289
 Occupancy expense
4,490
4,253
4,483
4,806
5,954
1,445
1,647
1,457
1,621

1,556
Goodwill amortization
122
166
6
3
3
1
0
1
1
1
Other expenses
6,625
8,501
9,054
8,613
11,973
2,795
3,199
3,417
2,265
2,798
Total operating expenses
31,930
37,128
43,574
39,883
46,985
11,218
12,289
12,923
10,909
11,644
Income before taxes
7,709
14,263
12,636
7,837
10,196
1,744
1,626
5,811
1,049
2,202
Taxes
2,758
5,217
4,515
3,101

3,867

703

628

2,122

414

846

Reported net income

\$4,951

\$9,046

\$8,121

\$4,736

\$6,329

\$1,041

\$998

\$3,689

\$635

\$1,356

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Pulaski Background
Pulaski Background
Financials -
Financials -
Ratios
Ratios

Calendar Year

Quarter Ended

2001

2002

2003

2004

2005

12/31/04

3/31/05

6/30/05

9/30/05

12/31/05

Average assets

308,785

\$

345,358

\$

381,027

\$

385,116

\$

450,129

\$

419,842

\$

424,883

\$

441,349

\$

465,558

\$

468,724

\$

Average equity

20,161

26,141

31,698

33,511

36,191

35,335

35,448

34,416

36,513

38,387

Return on assets (ROA)

1.60%

2.62%

2.13%

1.23%

1.41%

0.85%

0.57%

0.94%

0.86%

3.15%

Return on equity (ROE)

24.56%

34.60%

25.62%

14.13%

17.49%

10.06%

6.78%

12.10%

10.93%

38.44%

Interest-rate spread

5.27%

5.15%

5.11%

4.80%

4.74%

4.74%

4.68%

5.00%

4.51%

4.67%

Net interest margin

6.01%

5.63%

5.45%

5.12%

5.01%

5.06%

5.00%

4.94%

4.99%

5.11%

Efficiency ratio

77.7%

71.4%

77.6%

82.1%

79.7%

85.5%

89.4%

84.6%

86.0%

65.9%

Effective tax rate

35.8%

36.6%

35.7%

39.6%

37.9%

39.9%

40.8%

40.3%

38.6%

36.5%

Net charge-offs/avg. loans

0.30%

0.23%

0.22%

0.18%

0.23%

0.24%

0.17%

0.22%

0.17%

0.36%

Loans 90+ days/gross loans

0.03%

0.02%

0.03%

0.03%

0.04%

0.03%

0.03%

0.02%

0.03%

0.04%

Non-performing assets/assets

0.87%

0.39%

0.35%

0.12%

0.39%

0.12%

0.13%

0.12%

0.21%

0.39%

Loan loss reserves/loans

1.12%

1.10%

1.18%

1.04%

1.31%

1.04%

1.03%

0.99%

1.02%

1.31%

GAAP capital/total assets

6.40%

7.66%

8.75%

8.44%

8.49%

8.44%

8.29%

7.93%

7.89%

8.49%

GAAP tangible capital/assets

6.04%

7.40%

8.44%

8.19%

8.25%

8.19%

8.05%

7.70%

7.66%

8.25%

Leverage ratio

8.10%

8.72%

9.98%

9.68%

9.69%

9.68%

9.62%

9.40%

9.05%

9.69%

Total risk-based capital ratio

11.60%

14.59%

15.25%
13.91%
14.84%
13.91%
13.70%
12.96%
13.05%
14.84%

11
Pulaski Background
Pulaski Background
Financials
Financials
Balance Sheet Trends
Balance Sheet Trends

12
Pulaski Background
Pulaski Background
Financials
Financials
Income Trends
Income Trends

13
Pulaski Background
Pulaski Background
Financials
Financials
Yield/Margin Trends
Yield/Margin Trends

14
Pulaski Background
Pulaski Background
Financials
Financials
Asset Quality Trends
Asset Quality Trends

15
Pulaski Background
Pulaski Background
Financials
Financials
Loan Composition
Loan Composition

16
Pulaski Background
Pulaski Background
Financials
Financials
Funding Composition
Funding Composition

17
Pulaski Background
Pulaski Background
Leadership And Ownership
Leadership And Ownership
Ownership
Class A

Class B

Total

%Total

%Total

(Voting)

(Nonvoting)

(Combined)

(Voting)

(Combined)

Jim East & FLP

107,388

1,724,794

1,832,182

88.4%

75.1%

Hunter East

-

315,577

315,577

0.0%

12.9%

Mark Williamson & FL

6,530

124,070

130,600

5.4%

5.4%

East Family Trust

4,556

86,565

91,121

3.8%

3.7%

All Others

2,940

66,936

69,876

2.4%

2.9%

Total Shares

121,414

2,317,942

2,439,356

100.0%

100.0%

Officers

Current

Officer

Age

Title

Started

Role

Jim East

67

Chairman

1962

1973

Hunter East

42

CEO

1986

2000

Bob Magee

55

President & CFO

1976

2000

Charles Quick

55

Mtg President

1971

1996

Michael Pryor

52

Title Pres. & CEO

1995

1999

18
Arkansas

19
A
Little Rock
B
NW Arkansas
C
Jonesboro

D
Ft. Smith
E
Texarkana
F
Pine Bluff
G
Hot Springs
F
E
D
C
B
A
G
Searcy
W. Memphis
Batesville
Mountain Home
Arkadelphia
El Dorado
Conway
Russellville
Helena

20
AR Metropolitan Markets

21
AR & LA Markets -
Deposits
\$17.4
\$10.9
\$9.3
\$6.3

\$4.4
\$4.0
\$3.8
\$3.7
\$2.5
\$2.1
\$2.1
\$2.0
\$1.6
\$-
\$2.0
\$4.0
\$6.0
\$8.0
\$10.0
\$12.0
\$14.0
\$16.0
\$18.0
\$ Billion Deposits
New Orleans
Little Rock, AR
Baton Rouge
NW Arkansas
Lafayette
Shreveport
Northshore
Ft. Smith, AR
Houma-Thibodaux
Lake Charles
Monroe
Jonesboro, AR
Alexandria

22
AR MSA Population
MSA Population
1.3%
-0.2%
0.9%
0.6%

0.6%
3.1%
1.1%
0
50,000
100,000
150,000
200,000
250,000
300,000
350,000
400,000
450,000
500,000
550,000
600,000
650,000
700,000
Little Rock
NW Ark
Ft. Smith
Texarkana
Jonesboro
Pine Bluff
Hot Springs
2002
2003

23
AR Metro Market Comparison
Summary Demographic Data
MSAs With Populations Greater
Than 100,000
State
Total

Population

2005

Pop.

Change

2000-05 (%)

Proj.

Change

2005-10 (%)

Median

HH Income

2005

HH Inc.

Chg 2000-05

(%)

Proj. HH

Inc. Change

2005-10 (%)

1

New Orleans, LA

LA

1,346,180

2.3

2.7

\$ 40,716

15.3

15.4

2

Memphis, TN-MS-AR

MS

1,285,063

6.6

7.0

45,866

15.8

15.8

3

Oklahoma City, OK

OK

1,156,464

5.6

5.4

43,940

19.4

18.1

4

Tulsa, OK

OK

901,400

4.9

4.3

45,008

19.7

18.2

5

Baton Rouge, LA

LA

745,951

5.7

6.1

42,812

14.4

15.1

6

Little Rock-North Little Rock, AR

AR

653,153

7.0

7.5

47,104

21.0

22.6

7

Jackson, MS

MS

521,356

4.9

5.3

42,500

13.8

14.7

8

Fayetteville-Springdale-Rogers, AR

AR

402,550

16.0

15.7

43,503

20.0

20.8

9

Shreveport-Bossier City, LA

LA

385,145

2.4

2.5

37,838

14.0

13.7

10

Fort Smith, AR-OK

AR
 282,362
 3.4
 2.4
 37,557
 19.1
 19.0

11
 Gulfport-Biloxi, MS
 MS
 259,348
 5.3
 5.0
 39,168
 10.8
 11.3

12
 Lafayette, LA
 LA
 250,607
 4.8
 5.0
 40,338
 13.7
 13.5

13
 Lake Charles, LA
 LA
 200,064
 3.4
 3.4
 40,132
 13.7
 12.9

14
 Houma-Thibodaux, LA
 LA
 199,943
 2.8
 2.1
 39,588
 12.8
 11.5

15
 Monroe, LA
 LA
 172,452
 1.4
 1.7
 36,036

13.6
14.0

16
Pascagoula, MS
MS
158,977

5.6
5.0
42,790
11.3
11.2

17
Alexandria, LA
LA
147,988

2.0
0.5
33,511
12.4
13.0

18
Texarkana, TX-Texarkana, AR
AR
133,498

2.9
1.7
38,691
19.8
19.2

19
Hattiesburg, MS
MS
129,129

4.3
4.3
34,416
12.1
12.6

20
Tupelo, MS
MS
128,479

2.6
1.8
38,292
11.4
11.2

21
Lawton, OK
OK

113,783
 (1.1)
 (0.9)
 39,464

16.2
16.6
22
Jonesboro, AR
AR
113,249

 5.1
 5.4
 37,884
 21.8
 22.3

23
Pine Bluff, AR
AR
106,804

 (0.5)
 (1.1)
 38,099
 21.7
 22.2

24
Meridian, MS
MS
105,940

 (0.6)
 (0.5)
 32,713
 10.8
 12.4

25
Hammond, LA
LA
105,107

 4.5
 3.5
 32,939
 12.3
 12.9

Source: ESRI

24
Arkansas
Arkansas
Large Construction Projects
Large Construction Projects
20 Largest Commercial Projects In Arkansas
Source: Arkansas Business, February 13, 2006

Rank

Project

Location

Region

Valuation

1.

St. Mary's Health of NW Arkansas

Rogers

NW

89.0

\$

2.

Tyson Food Discovery Center

Springdale

NW

50.0

3.

Richard Sheppard Arnold US Courthouse

Little Rock

Central

49.1

4.

Pinnacle Hills Promenade

Rogers

NW

42.0

5.

Mount Magazine Lodge

Logan County

West

32.0

6.

Turtle Creek Mall

Jonesboro

NE

30.5

7.

Aviation Support Facility, AR Nat Guard

N. Little Rock

Central

30.0

8.

ASU Student Union Building

Jonesboro

NE
29.0

9.
300 Third Condominium
Little Rock
Central
29.0

10.
Church at Pinnacle Hills
Rogers
NW
26.0

11.
Medium Security Prison Phase 3
Malvern
Central
26.0

12.
North AR Regional Medical Center Patient Tower
Harrison
NW
25.0

13.
U of A Center For Academic Excellence
Fayetteville
NW
25.0

14.
Van Buren School Addition
Van Buren
West
24.3

15.
Dickey-Stephens Field
N. Little Rock
Central
23.0

16.
Alcoa Exchange Shopping Center
Bryant
Central
22.0

17.
ASU Residential Housing
Jonesboro
NE
20.5

18.
Bentonville High School Phase 2
Bentonville
NW
20.0

19.
NW AR Community College Student Center
Rogers
NW
20.0

20.
Pleasant Grove Apartments
Rogers
NW
20.0

Pulaski Investment Corp.
Pulaski Investment Corp.
Markets & Office Locations
Markets & Office Locations

26
DALLAS
FAYETTEVILLE
ST LOUIS
JONESBORO
LITTLE ROCK
SHREVEPORT
ACADIANA

NEW ORLEANS
BATON ROUGE
MEMPHIS
MONROE
PULASKI
MARKETS
AND OFFICES

Legend

Pulaski Branches

PMC Branches

Lenders Title Branches

First Community Branches

IBERIABANK Branches Under Construction

IBERIABANK Branches

IBERIABANK LPO

27
Saint Louis Metro Area
Kansas City
Memphis
Memphis
Tulsa
Tulsa

Little Rock

Little Rock

Fort Smith

Fort Smith

Springfield

Springfield

Legend

Pulaski Branches

PMC Branches

Lenders Title Branches

First Community Branches

Pocahontas

PULASKI AND POCAHONTAS MARKETS

Little Rock, AR

29

Little Rock, Arkansas

Little Rock, Arkansas

Population: 650,000

Median HH Income: \$47,000

MSA Population Grew 7% From
2000 To 2005 And Expected To
Grow 7.5% Through 2010

2
nd
Most Diverse Economy In U.S.
(Moody's)

22
nd
Of 200 Best Places in
America for Business and Careers
(Forbes)

One Of
50 Hottest Cities Of 2005
For Business Expansion
(Expansion Magazine)

MSA Counties:

Pulaski

Faulkner

Grant

Lonoke

Perry

Saline

HQs: Alltel, Acxiom,
Dillard's, Stephens, Nuvel
Financial Services

University Of Arkansas
Medical School And
Affiliates Have Annual
Economic Impact Of \$4.1
Billion

Little Rock National Airport
(LIT) -
Arkansas' Largest
Airport, Serving 2.1 million
Passengers Annually.

30
Little Rock Largest Employers
Employer
Product
Employees
1.
State of Arkansas

Government
28,100
2.
Federal Government
Government
9,400
3.
University of Arkansas for Medical Sciences
Education/Medical Services
8,500
4.
Pulaski County Public School Districts
Education
7,868
5.
Baptist Health
Medical Services
7,571
6.
Little Rock Air Force Base
Government
4,500
7.
Acxiom
Data Processing
4,388
8.
St. Vincent Infirmiry Medical Center
Medical Services
3,500
9.
Entergy Arkansas
Utility (Electric)
2,881
10.
Central Arkansas Veterans Healthcare System
Medical Services
2,785
11.
Alltel Corp.
Telecommunications
2,734
12.
Arkansas Children's Hospital
Medical Services
2,503
13.
Dillard's
Department Store
2,400

- 14.
Arkansas Blue Cross Blue Shield
Insurance
2,163
- 15.
University of Arkansas at Little Rock
Education
2,150
- 16.
AT&T
Utility (Telephone)
1,600
- 17.
Union Pacific Railroad
Transportation
1,227
- 18.
Fidelity Information Services
Data Processing
1,000

31
Conway
Conway
Russellville
Russellville
Ward
Ward

Beebe
Beebe
Maumelle
Maumelle
Morrilton
Morrilton
Hot Springs Village
Hot Springs Village
Lonoke
Lonoke
England
England
Hot Springs
Little Rock
Legend
Pulaski Branches
PMC Branches
Lenders Title Branches
LITTLE ROCK: PULASKI OFFICES

32
LITTLE ROCK (2004 MEDIAN HOUSEHOLD INCOME)

33
Little Rock
Little Rock
Area
Area
Deposit
Deposit

Market Share

Market Share

Source: FDIC Data at June 30, 2005

Source: FDIC Data at June 30, 2005

Rank

Institution

Type

Offices

2005 Deps

(\$000)

2005 Mkt

Share

2004 Deps

(\$000)

2004 Mkt

Share

Pulaski, AR

1

Bank of America Corp. (NC)

Bank

17

1,358,812

19.7

1,300,958

20.0

2

Regions Financial Corp. (AL)

Bank

21

1,225,131

17.8

1,185,752

18.3

3

Rogers Bancshares Inc. (AR)

Bank

28

828,628

12.0

733,181

11.3

4

Bank of the Ozarks Inc. (AR)

Bank

14

562,598

8.2

508,677

7.8

5

Home Bancshares Inc. (AR)

Bank

19

534,525

7.8

403,411

6.2

6

U.S. Bancorp (MN)

Bank

18

412,019

6.0

464,427

7.2

7

Arvest Bank Group Inc. (AR)

Bank

17

376,963

5.5

408,976

6.3

8

Pulaski Investment Corp. (AR)

Bank

10

328,404

4.8

305,939

4.7

9

OneFinancial Corporation (AR)

Bank

9

251,606

3.7

221,985

3.4

10

First Arkansas Bancshares Inc. (AR)

Bank

8

149,941

2.2

145,567

2.2

11

Arkansas Bankers' Bancorp (AR)

Bank

1

123,507

1.8

177,845

2.7

12

Little Rock Bankshares Inc. (AR)

Bank

4

114,948

1.7

88,846

1.4

13

National Banking Corp. (AR)

Bank

6

106,217

1.5

106,401

1.6

14

Capital Bancshares Inc. (AR)

Bank

2

98,147

1.4

90,192

1.4

15

BancorpSouth Inc. (MS)

Bank

3

96,879

1.4

105,713

1.6

16

Delta Trust and Banking Corp (AR)

Bank

3
81,586

1.2
80,899

1.3
17
State Holding Company (AR)
Bank
7
80,853

1.2
71,594

1.1
18
Simmons First National Corp. (AR)
Bank
7
76,289

1.1
77,024

1.2
19
Centennial Bancshares Inc (AR)
Bank
2
46,576

0.7
-

-

20
First Security Bancorp (AR)
Bank
4
25,280

0.4

NA

NA

21

Acme Holding Company Inc. (AR)

Bank

2

12,646

0.2

13,958

0.2

22

MHBC Investments Lmtd (AR)

Bank

1

7,179

0.1

3,251

0.1

23

Summit Bancorp Inc. (AR)

Bank

2

2,669

0.0

-

-

24

Peoples Home Holding Inc (AR)

Bank

1

-

-

NA

NA

Total For Institutions In Market

206

6,901,403

100.0

6,496,114

100.0

Saline, AR

1

Regions Financial Corp. (AL)

Bank

4

214,175

29.9

232,089

32.6

2

Union Bcschs of Benton Inc. (AR)

Bank

6

171,508

24.0

179,068

25.2

3

Rogers Bancshares Inc. (AR)

Bank

3

73,424

10.3

63,340

8.9

4

Arvest Bank Group Inc. (AR)

Bank
2
69,808

9.8
71,310

10.0

5
MNB Bancshares Inc. (AR)

Bank
3
64,350

9.0
69,223

9.7

6
Bank of the Ozarks Inc. (AR)

Bank
3
46,592

6.5
30,584

4.3

7
Summit Bancorp Inc. (AR)

Bank
2
41,927

5.9
38,456

5.4

8
Rock Bancshares Inc. (AR)

Thrift
1

11,562

1.6

12,465

1.8

9

U.S. Bancorp (MN)

Bank

1

10,201

1.4

8,309

1.2

10

Pulaski Investment Corp. (AR)

Bank

1

9,124

1.3

6,189

0.9

11

Southern State Bancshares Inc (AR)

Bank

1

3,075

0.4

-

-

12

OneFinancial Corporation (AR)

Bank

1

310

0.0

580

0.1

Total For Institutions In Market

28

716,056

100.0

711,613

100.0

34
Northwest, AR
(Fayetteville-Springdale-Rogers)

35

Northwest Arkansas

Population: Over 350,000

The 6th Fastest Growing
Region In U.S.

47% Population Increase
In The 1990s

60% Employment Growth
In The Last Decade

Unemployment Rate
Among Lowest In U.S.

Cities Include:

Bentonville

Fayetteville

Rogers-Lowell

Siloam Springs

Springdale
www.nwark.org

Medium HH Inc: \$41,037

Unemployment Rate 2.6%

Home of University of Arkansas

The Presence Of Major
Corporate Leaders Like Wal-
Mart, Tyson Foods, And J.B.
Hunt Attracts Satellite Offices
For Other Large Corporations,
Including IBM And Proctor &
Gamble

36

Best Places For Business &
Careers #9 (*Forbes*, 2006)

#8 Hottest Places For Job
Creation (Milken's, 2005)

Featured In "Lifestyle Magazine", "Southern Living" and "The Best Towns in America" - A Where-To-Go Guide For A Better Life

The Presence Of Major Corporate Leaders Like Wal-Mart, Tyson Foods, And J.B. Hunt Attracts Satellite Offices For Other Large Corporations, Including IBM And Proctor & Gamble

Best Places 2005 (Ranked 7th)

Top MSA In Income Growth

4th
Fastest Job Growth
(Forbes)

CNN/Money Magazine
Ranked Best Places To Live
in 2006

#3 Best Cities for Doing
Business (*Inc. Magazine*,
2006)

#9 Best Places for Business
(Forbes Magazine, 2006)
Northwest Arkansas
(Continued)

37
Rogers
Harrison
Yellville
Springdale
Greenbrier
Prairie Grove

Mountain Home

Conway

Bentonville

Russellville

Fayetteville

Legend

PMC Branches

Lenders Title Branches

NW ARKANSAS: PULASKI OFFICES

38
§
:
:
540
§
:

|
540
§
..

|
540

Fayetteville

Rogers

Springdale

Bentonville

Bella Vista

NW ARKANSAS (2004 MEDIAN HOUSEHOLD INCOME)

Legend

Pulaski Branches

PMC Branches

Lenders Title Branches

2004 Median Household Income

\$80,001 - \$250,000

\$60,001 - \$80,000

\$40,001 - \$60,000

\$25,001 - \$40,000

\$0 - \$25,000

39
Memphis, TN
(Memphis-Germantown-Cordova, TN;
Southaven-Olive Branch-Hernando, MS;
W. Memphis, AR)

40

Memphis, Tennessee

County Seat Of Shelby County

Population: 680,000

Largest City In The State

17th

Largest City In The Nation

2nd

Largest City In The Southeast

\$2.3 Billion Tourism Industry

3rd

Largest Casino Cluster In U.S.

HQs: FedEx, AutoZone, Fred's Stores

153 Major Projects Announced In

2005 Adding 9,500 New Jobs

Ranked 16th

Of 50 Hottest Cities

In

2005 For Relocating Or Expanding

Companies

Memphis MSA Population 1,230,000

2nd

Largest MSA In Tenn. (41st

In US)

Median HH Income: \$32,385

Tennessee Counties:

Shelby

Tipton

Fayette

Mississippi Counties:

DeSoto

Marshall

Tate

Tunica

Arkansas County:

Crittendon

41
Hernando
Hernando
Memphis
Cordova
Germantown
Memphis

Cordova
Hernando
Southaven
Olive Branch
West Memphis
Legend
Pulaski Branches
PMC Branches
Lenders Title Branches
MEMPHIS; PULASKI OFFICES

42
Memphis
Olive Branch
Southaven
Bartlett
Germantown
Horn Lake

Collierville

§

..

|

40

§

..

|

55

§

..

|

240

§

..

|

55

§

..

|

40

Legend

Pulaski Branches

PMC Branches

Lenders Title Branches

2004 Median Household Income

\$80,001 - \$250,000

\$60,001 - \$80,000

\$40,001 - \$60,000

\$25,001 - \$40,000

\$0 - \$25,000

MEMPHIS (2004 MEDIAN HOUSEHOLD INCOME)

43
Memphis
Memphis
Area
Area
Deposit
Deposit

Market

Market

Share

Share

Source: FDIC Data at June 30, 2005

Source: FDIC Data at June 30, 2005

Rank

Institution

Type

Offices

2005 Deps

(\$000)

2005 Mkt

Share

2004 Deps

(\$000)

2004 Mkt

Share

Shelby, TN

1

First Horizon National Corp. (TN)

Bank

50

14,826,455

63.8

9,650,893

42.2

2

Regions Financial Corp. (AL)

Bank

62

3,103,742

13.4

4,622,745

20.2

3

SunTrust Banks Inc. (GA)

Bank

37

1,035,162

4.5

4,611,223

20.2

4

Bank of America Corp. (NC)

Bank

17

762,375

3.3

603,007

2.6

5

Independent Holdings Inc (TN)

Bank

5

400,044

1.7

374,188

1.6

6

West Tennessee Bancshares (TN)

Bank

8

367,595

1.6

339,836

1.5

7

Synovus Financial Corp. (GA)

Bank

7

351,081

1.5

334,533

1.5

8

Trustmark Corp. (MS)

Bank

12

270,316

1.2

267,450

1.2

9

BancorpSouth Inc. (MS)

Bank

8

268,923

1.2

283,743

1.2

10

Cadence Financial Corp. (MS)

Bank

4

220,877

1.0

238,840

1.0

11

Renasant Corp. (MS)

Bank

4

213,732

0.9

185,493

0.8

12

Financial Fedcorp Inc. (TN)

Thrift

1

204,982

0.9

213,669

0.9

13

First Trust Bk for Svgs FSB (TN)

Thrift

2

159,985

0.7

128,259

0.6

14

CIVITAS BankGroup (TN)

Bank

4

136,634

0.6

136,843

0.6

15

Wachovia Corp. (NC)

Bank

6

112,265

0.5

239,346

1.1

16

Tri State Bank of Memphis (TN)

Bank

5

105,083

0.5

118,216

0.5

17

Commercial Holding Co. (TN)

Bank

3

100,833

0.4

109,909

0.5

18

Independent Southern (TN)

Bank

3

98,768

0.4

110,898

0.5

19

First Citizens Bancshares Inc. (TN)

Bank

4

96,129

0.4

72,166

0.3

20

First Alliance Bank (TN)

Bank

2

82,142

0.4

66,458

0.3

21

Security Bncp of TN Inc. (TN)

Bank

2

78,711

0.3

67,477

0.3

22

First Capital Bank (TN)

Bank

1

62,847

0.3

35,123

0.2

23

Paragon National Bank (TN)

Bank

3

51,863

0.2

NA

NA

24

Pulaski Investment Corp. (AR)

Bank

1

44,395

0.2

109

-

25

MemphisFirst Corporation (TN)

Bank

1

23,572

0.1

23,292

0.1

26

Oakland Fincl Services Inc. (TN)

Bank

1

19,902

0.1

19,368

0.1

27

Community Bancshares of MS (MS)

Bank

1

16,619

0.1

NA

NA

28

First South Bancorp Inc. (TN)

Bank

2

14,231

0.1

14,560

0.1

29

Brighton Bancorp Inc. (TN)

Bank

1
12,376
0.1

10,649
0.1

30
Community First Bshrs Inc. (TN)
Bank
1
5,537
0.0

0
-

31
First M & F Corp. (MS)
Bank
3
0
-

NA
NA
Total For Institutions In Market
261
23,247,176
100.0

22,878,293
100.0

44
Dallas, TX

45
Dallas,
Texas

2004 Population: 1,210,390

9th

Largest City In U.S.

3rd

Largest City In Texas

Among Nation's 100 Most
Ethnically Diverse
Communities

10 Largest Municipalities In
The Nation

Least Densely Populated
Major Metropolitan Area In
The World.

Ranked Among the 7 Most
Livable Urban Complexes In
The World

Fastest Growing Of The Top
36 Most Livable

Named the Best City For
Business
By Fortune
Magazine In 1999

Pulaski Mortgage Offices In
Dallas Metro Area:

Dallas, Texas

Argyle, Texas

Median HH Income:
\$91,161

Bedford, Texas

Ardmore, Oklahoma
th
th
th

46
Dallas
Argyle
Bedford
Ardmore
DALLAS, TX
Legend

PMC Branches
OKLAHOMA

47
St. Louis, MO

48

St. Louis, Missouri

Total Population: More Than 2.7 Million In Greater St. Louis

St. Charles Population: 320,734, 2nd Largest County

Nation's 18th Largest Metropolitan Area With Annual Household Income Of \$47,370

Largest Employment Sector Is Manufacturing With Nearly 12% Of Population, Following Retail Trades

Forbes Magazine Ranked St. Louis 27th Out Of 200 Best Metropolitan Areas For Cost Of Doing Business In 2006

Eight St. Louis Companies Are Listed On The Fortune 500, 21 Are Listed On The Fortune 1000

Home To Many Of The Nation's Largest Privately Held Companies, Including Enterprise Rent

A
Car, Edward
Jones And UniGroup
Pulaski has locations in Swansea,
Illinois And St. Charles, Missouri

49
Alton
St. Louis
Swansea
Saint Charles
ST. LOUIS AREA
Legend

PMC Branches

50
Pulaski Businesses

51
Pulaski Businesses
Pulaski Businesses
Pulaski Bank
Pulaski Bank
Subsidiary Of Holding Company
Subsidiary Of Holding Company

11 Offices In Little Rock (8), North Little Rock (2),
11 Offices In Little Rock (8), North Little Rock (2),
And Bryant, AR. Additionally, Offices In Cordova,
And Bryant, AR. Additionally, Offices In Cordova,
TN And Germantown (Opening in Late 2006); 5
TN And Germantown (Opening in Late 2006); 5
Offices Leased
Offices Leased
LPOs In Fayetteville, AR And Southaven, MS
LPOs In Fayetteville, AR And Southaven, MS
\$85 Million In Construction Loans Outstanding (42%
\$85 Million In Construction Loans Outstanding (42%
NW AR, 26% Memphis, 23% Little Rock, And 8%
NW AR, 26% Memphis, 23% Little Rock, And 8%
MS); Total Commitments Of \$125 Million
MS); Total Commitments Of \$125 Million
Approximately 180 Employees
Approximately 180 Employees

52

Pulaski Businesses

Pulaski Businesses

Pulaski Mortgage Company

Pulaski Mortgage Company

Subsidiary Of Pulaski Bank & Trust

Subsidiary Of Pulaski Bank & Trust

PMC Has One Subsidiary Bankers Home Lending
PMC Has One Subsidiary Bankers Home Lending
Operates In The St. Louis Area (Name Conflict)
Operates In The St. Louis Area (Name Conflict)
22 Offices In Arkansas (12), Mississippi (3), Texas
22 Offices In Arkansas (12), Mississippi (3), Texas
(3), Tennessee (2), Missouri, Illinois, And Oklahoma
(3), Tennessee (2), Missouri, Illinois, And Oklahoma
Founded By Jim East s Father in 1944
Founded By Jim East s Father in 1944
Approximately 135 Employees
Approximately 135 Employees
Production Of \$685 Million And Revenues Of \$16
Production Of \$685 Million And Revenues Of \$16
Million In 2005
Million In 2005
Sell Nearly All Production Into Secondary Market
Sell Nearly All Production Into Secondary Market
2005 Efficiency Ratio Of 83%
2005 Efficiency Ratio Of 83%

53

Pulaski Businesses

Pulaski Businesses

Lenders Title Company

Lenders Title Company

Subsidiary Of Pulaski Bank & Trust

Subsidiary Of Pulaski Bank & Trust

Lenders Has One Subsidiary Asset Exchange, Inc.

Lenders Has One Subsidiary Asset Exchange, Inc.

20 Offices, Including 10 In Central Arkansas

20 Offices, Including 10 In Central Arkansas

Founded in 1987

Founded in 1987

Approximately 200 Employees

Approximately 200 Employees

In 2005, Closed 16,400 With Revenues Of \$16 Million

In 2005, Closed 16,400 With Revenues Of \$16 Million

2005 Efficiency Ratio Of 86%

2005 Efficiency Ratio Of 86%

54

Pulaski Businesses

Pulaski Businesses

Credit Card Business

Credit Card Business

Division Within Pulaski Bank & Trust

Division Within Pulaski Bank & Trust

Entered Credit Card Business In 1994
Entered Credit Card Business In 1994
High Quality National Credit Card Focus;
High Quality National Credit Card Focus;
Processing Nearly 40,000 Applications Annually
Processing Nearly 40,000 Applications Annually
Three Portfolio Sales in 1997 (\$19 Million At 20%
Three Portfolio Sales in 1997 (\$19 Million At 20%
Premium), 2002 (\$34 Million At 19% Premium), And
Premium), 2002 (\$34 Million At 19% Premium), And
4Q05 (\$34 Million At 17% Premium)
4Q05 (\$34 Million At 17% Premium)
2005 Net Charge-Offs/Avg. Receivables Of 1.39%
2005 Net Charge-Offs/Avg. Receivables Of 1.39%
At June 30, 2006, \$31 Million In Outstanding
At June 30, 2006, \$31 Million In Outstanding
Receivables And 0.39% Delinquencies
Receivables And 0.39% Delinquencies
Approximately 13 Employees
Approximately 13 Employees

55

Pulaski Businesses

Pulaski Businesses

Trust/Investment/Insurance

Trust/Investment/Insurance

Division Within Pulaski Bank & Trust

Division Within Pulaski Bank & Trust

Granted Trust Powers In 1974

Granted Trust Powers In 1974

Affiliation With Raymond James

Affiliation With Raymond James

Offer Clients Annuities, Life Insurance, Mutual

Offer Clients Annuities, Life Insurance, Mutual

Funds, Brokerage, Retirement Planning, And Tax

Funds, Brokerage, Retirement Planning, And Tax

Management

Management

\$126 Million In Trust Assets Under Management

\$126 Million In Trust Assets Under Management

\$69 Million In Brokerage Accounts

\$69 Million In Brokerage Accounts

Approximately 8 Employees

Approximately 8 Employees

56
Merger Proposal
Merger Proposal
For
For
Pulaski Investment
Pulaski Investment

Corporation
Corporation

57

Merger Proposal

Merger Proposal

Deal Overview

Deal Overview

Estimated Value Of \$130 Million (Assuming \$58.60 IBKC Price)

Estimated Value Of \$130 Million (Assuming \$58.60 IBKC Price)

Consideration:

Consideration:

50% Stock And 50% Cash Paid To Shareholders

50% Stock And 50% Cash Paid To Shareholders

Stock Portion Is Half Fixed Exchange (0.2274 Shares), And Half
Stock Portion Is Half Fixed Exchange (0.2274 Shares), And Half
Floating (\$13.323 Value Per Share, The Shares Of Which Will Be
Floating (\$13.323 Value Per Share, The Shares Of Which Will Be
Based On Future Period 15-Day Trading Average)
Based On Future Period 15-Day Trading Average)

Anticipate Issuing Combination Of \$15 Million Trust Preferred And
Anticipate Issuing Combination Of \$15 Million Trust Preferred And

\$50-55 Million Equity Raise

\$50-55 Million Equity Raise

No Pricing Collars

No Pricing Collars

Customary Walk-Away Provisions (12-Month, Mutual, MAC, Etc.)

Customary Walk-Away Provisions (12-Month, Mutual, MAC, Etc.)

Insiders Sign Support And Affiliate Agreements

Insiders Sign Support And Affiliate Agreements

Five Management Employment Contracts

Five Management Employment Contracts

Board Members Form Little Rock Advisory Board

Board Members Form Little Rock Advisory Board

Lock-Up Fee Of \$6.4 Million

Lock-Up Fee Of \$6.4 Million

58

Merger Proposal

Merger Proposal

Arkansas Leadership Team

Arkansas Leadership Team

Jim East (Pulaski Chairman) And Hunter East (Pulaski

Jim East (Pulaski Chairman) And Hunter East (Pulaski

CEO)
CEO)
3-Year Employment/Consulting Agreements;
3-Year Employment/Consulting Agreements;
Serve In Active Advisory Capacity
Serve In Active Advisory Capacity
Robert Head (IBKC)
Robert Head (IBKC)
Arkansas CEO
Arkansas CEO
Bob Magee (Pulaski)
Bob Magee (Pulaski)
Arkansas Chief Admin. Officer
Arkansas Chief Admin. Officer
Mike Pryor (Pulaski)
Mike Pryor (Pulaski)
CEO-Lenders Title Co.; Teana
CEO-Lenders Title Co.; Teana
Bradford (Pulaski) As Chief Operating Officer-Lenders
Bradford (Pulaski) As Chief Operating Officer-Lenders
Title Company
Title Company
Chuck Quick (Pulaski)
Chuck Quick (Pulaski)
CEO-Pulaski Mortgage Co;
CEO-Pulaski Mortgage Co;
David Bryles
David Bryles
(Pulaski) As Chief Operating Officer-
(Pulaski) As Chief Operating Officer-
Pulaski Mortgage Company
Pulaski Mortgage Company
David Doherty (IBKC)
David Doherty (IBKC)
Northeast AR Regional President
Northeast AR Regional President

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Merger Proposal

Merger Proposal

Significant Assumptions

Significant Assumptions

We Estimate Pulaski Will Earn Base Net Income Of

We Estimate Pulaski Will Earn Base Net Income Of

Approximately \$5.0 Million In 2007

Approximately \$5.0 Million In 2007

Anticipate Minimal Loan And Deposit Run-Off To
Anticipate Minimal Loan And Deposit Run-Off To
Occur Within The First Year, Due To Similar Clients
Occur Within The First Year, Due To Similar Clients
And Underwriting Approach

And Underwriting Approach

Cost Savings Phased In Over 1 Year; Expect

Cost Savings Phased In Over 1 Year; Expect

Combined Cost Savings And Revenue Enhancements

Combined Cost Savings And Revenue Enhancements

Of \$7.8 Million (Pre-Tax) Equate To 20% Of Current

Of \$7.8 Million (Pre-Tax) Equate To 20% Of Current

Operating Expense

Operating Expense

One-Time Costs Of \$12 Million (Some Capitalized)

One-Time Costs Of \$12 Million (Some Capitalized)

CDI Assumed To Be \$14 Million; 10 Years, SL Basis

CDI Assumed To Be \$14 Million; 10 Years, SL Basis

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Merger Proposal

Merger Proposal

Pulaski Financial Impact

Pulaski Financial Impact

Excluding One-Time Merger-Related Charges, And

Excluding One-Time Merger-Related Charges, And

Assuming Capital Raise At 5% Discount, Project An
Assuming Capital Raise At 5% Discount, Project An
Immaterial Impact On GAAP EPS In 2006; Breakeven Or
Immaterial Impact On GAAP EPS In 2006; Breakeven Or
Slightly Dilutive To 2007 GAAP EPS And Slightly
Slightly Dilutive To 2007 GAAP EPS And Slightly
Accretive To 2007 Cash EPS
Accretive To 2007 Cash EPS
18% Accretive to BVS; 9% Dilutive To Tangible BVS
18% Accretive to BVS; 9% Dilutive To Tangible BVS
Approximately \$96 Million Of Net Goodwill Created,
Approximately \$96 Million Of Net Goodwill Created,
After Impact Of Estimated Marks
After Impact Of Estimated Marks
No Material Change In Tier 1 Leverage Ratio
No Material Change In Tier 1 Leverage Ratio
Internal Rate Of Return In Mid-Teens
Internal Rate Of Return In Mid-Teens
Pulaski Shareholders Will Own 8.5% Of Pro Forma
Pulaski Shareholders Will Own 8.5% Of Pro Forma
Combined Shares; Offering Equal To 6.5% Of Shares
Combined Shares; Offering Equal To 6.5% Of Shares

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Merger Proposal
Merger Proposal
Combined Financial Statements
Combined Financial Statements
IBKC Corp
Pocahontas
Pulaski
Adjustments
IBKC
6/30/2006
6/30/2006
6/30/2006
Pro Forma
Cash
63,295
\$
16,172
\$
19,108
\$
(13,259)
\$
85,316

\$
Securities
619,855

233,264

60,399

(2,250)

911,268

Fed Funds & Rev REPOS
15,550

-

-

-

15,550

Loans & Held for Sale
13,459

3,537

-

-

16,996

Net Loans
1,996,717

425,682

373,930

(5,139)

2,791,190

Premises and Equipment
64,511

16,138

23,319

6,930

110,898

Intangible Assets

100,068

13,441

1,129

134,272

248,910

BOLI

45,644

8,343

-

-

53,987

Other Assets

58,510

16,367

14,826

3,200

92,903

Total Assets

2,977,609

\$

732,944

\$

492,711

\$

123,754

\$

4,327,018

\$

-
\$
Total Deposits
2,368,893
\$
534,755
\$
393,041
\$
818
\$
3,297,507
\$
Fed Funds & REPOS
82,033
\$
-
\$
4,000
\$
-
\$
86,033
\$
Debt
206,597
\$
125,077
\$
42,843
\$
2,551
\$
377,068
\$
Trust preferred
37,281
\$
16,978
\$
6,186
\$
16,983
\$
77,428
\$
Other Liabilities
16,423
\$
4,667

\$
6,007
\$
11,486
\$
38,583
\$
Total Liabilities
2,711,227
\$
681,477
\$
452,077
\$
29,088
\$
3,873,869
\$
Total Equity
266,382
\$
51,467
\$
40,634
\$
94,666
\$
453,149
\$
Total Liab & Equity
2,977,609
\$
732,944
\$
492,711
\$
123,754
\$
4,327,018
\$
Leverage Ratio
7.48%
7.37%
9.87%
-0.60%
7.15%
Tier 1 Risk Weighted Ratio
10.23%
11.26%
13.85%

-0.84%

10.53%

Total Risk Weighted Ratio

11.48%

12.51%

13.85%

-0.56%

11.78%

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Merger Proposal

Merger Proposal

Strategic Impact W/ Pocahontas

Strategic Impact W/ Pocahontas

Enter Arkansas With \$1.3 Billion In Assets (Up 45%),

Enter Arkansas With \$1.3 Billion In Assets (Up 45%),

\$0.9 Billion In Deposits, And \$0.8 Billion In Loans

\$0.9 Billion In Deposits, And \$0.8 Billion In Loans

85 Bank Offices & LPOs In Louisiana (49), Arkansas (32),

85 Bank Offices & LPOs In Louisiana (49), Arkansas (32),

Tennessee (2), Oklahoma (1), And Miss. (1)

Tennessee (2), Oklahoma (1), And Miss. (1)

Up 73%

Up 73%

27 Mortgage Offices In Arkansas (11), Louisiana (4),

27 Mortgage Offices In Arkansas (11), Louisiana (4),

Mississippi (3), Texas (3), Tennessee (2), Oklahoma (2),

Mississippi (3), Texas (3), Tennessee (2), Oklahoma (2),

Missouri (1), Illinois (1)

Missouri (1), Illinois (1)

A 5-Fold Increase

A 5-Fold Increase

Total 132 Offices In 8 States; Over 1,400 Employees

Total 132 Offices In 8 States; Over 1,400 Employees

Significant Presence Added In Targeted Metropolitan

Significant Presence Added In Targeted Metropolitan

Markets Of Little Rock, Jonesboro, NW Arkansas, And

Markets Of Little Rock, Jonesboro, NW Arkansas, And

Memphis. Also Added In Growth Markets Of Dallas,

Memphis. Also Added In Growth Markets Of Dallas,

Tulsa, St. Louis.

Tulsa, St. Louis.

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Merger Proposal

Merger Proposal

Combined Strategic Impact (*Cont.*)

Combined Strategic Impact (*Cont.*)

Combined Mortgage Production of Nearly \$1 Billion

Combined Mortgage Production of Nearly \$1 Billion
20 Title Insurance Offices
20 Title Insurance Offices
AR s Largest Title Agency
AR s Largest Title Agency
National Credit Card Operations With \$38 Million O/S
National Credit Card Operations With \$38 Million O/S
Enter Trust Business With \$126 Million AUM; Also Add
Enter Trust Business With \$126 Million AUM; Also Add
\$69 Million In Brokerage Accounts
\$69 Million In Brokerage Accounts
No Change From Current Exceptional Asset Quality
No Change From Current Exceptional Asset Quality
Geographic Diversification Into Strong Markets
Geographic Diversification Into Strong Markets
Greater Sources Of Fee Income
Greater Sources Of Fee Income
Pro Forma Market Capitalization Of Nearly \$750 Million
Pro Forma Market Capitalization Of Nearly \$750 Million

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Merger Proposal

Merger Proposal

Financial Impact W/ Pocahontas

Financial Impact W/ Pocahontas

Immaterial Impact On GAAP EPS In 2006, Excluding

Immaterial Impact On GAAP EPS In 2006, Excluding

One-Time Merger-Related Costs

One-Time Merger-Related Costs

\$0.02 Accretive To 2007 GAAP EPS (+0%)

\$0.02 Accretive To 2007 GAAP EPS (+0%)

\$0.07 Accretive To 2007 Cash EPS (+2%)

\$0.07 Accretive To 2007 Cash EPS (+2%)

\$7.44 Accretive to BVS (+27%)

\$7.44 Accretive to BVS (+27%)

\$1.43 Dilutive To Tangible BVS (-8%)

\$1.43 Dilutive To Tangible BVS (-8%)

Tier 1 Leverage Ratio Declines Approximately 31 Bps

Tier 1 Leverage Ratio Declines Approximately 31 Bps

Internal Rate Of Return In Mid-Teens

Internal Rate Of Return In Mid-Teens

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Merger Proposal

Merger Proposal

Market Multiples

Market Multiples

Comparative

Comparative

Bank M&A

Bank M&A

Multiples

Multiples

Source: Stifel Nicolaus

Source: Stifel Nicolaus

Nicolaus

Through August 4, 2006

Through August 4, 2006

Market-To-Book = 3.20x

Market-To-Book = 3.20x

Market-To-Tang. Book = 3.29x

Market-To-Tang. Book = 3.29x

Price-To-Earnings = 19.5x

Price-To-Earnings = 19.5x

Core Dep. Premium = 25.8%

Core Dep. Premium = 25.8%

Pulaski

Pulaski

Only

Only

Pulaski &

Pulaski &

Pocahontas

Pocahontas

Market-To-Book = 2.26x

Market-To-Book = 2.26x

Market-To-Tang. Book = 2.68x

Market-To-Tang. Book = 2.68x

Price-To-Earnings = 21.5x

Price-To-Earnings = 21.5x

Core Dep. Premium = 17.0%

Core Dep. Premium = 17.0%

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Merger Proposal

Merger Proposal

Summary Of Merger

Summary Of Merger

Opportunistic; We Bring Something To The Table

Opportunistic; We Bring Something To The Table

Solid Strategic, Cultural, And Financial Fit
Solid Strategic, Cultural, And Financial Fit
Excellent Returns For Shareholders Of Both
Excellent Returns For Shareholders Of Both
Companies
Companies
Substantial Arkansas Presence
Substantial Arkansas Presence
Excellent Platform For Growth (Over 5 Years)
Excellent Platform For Growth (Over 5 Years)
Some Risk Associated With Mortgage Cycle
Some Risk Associated With Mortgage Cycle
Complementary To Pocahontas Acquisition
Complementary To Pocahontas Acquisition
Our View: Fills In Pieces Of the Puzzle
Our View: Fills In Pieces Of the Puzzle

