

Responses to Office Of Inspector General For Troubled Asset Relief Program
IBERIABANK Corporation
Lafayette, Louisiana

(1) A narrative response specifically outlining:

(a) your anticipated use of TARP funds;

IBERIABANK Corporation anticipated using the funds received from the Capital Purchase Program (“CPP”) under the Troubled Asset Relief Program (“TARP”) for two primary purposes.

First, the Company anticipated it would provide credit to qualified clients in the Company’s market area in accordance the Company’s credit underwriting standards. The Company has exhibited strong loan growth over the last decade, including loan growth of approximately \$314 million between year-ends 2007 and 2008. In addition, the Company originated approximately \$934 million in mortgage loans during 2008, many of which were ultimately sold to outside investors. While many other financial institutions have struggled to grow their loan portfolios in this challenging economic environment, our Company has exhibited consistent strength in lending opportunities.



(b) whether the TARP funds were segregated from other institutional funds;

The CPP TARP funds were segregated for financial reporting purposes. The Company maintained the \$90,000,000 in CPP TARP funds at the holding company level, earning interest in a money market account at IBERIABANK.

Eleven days after the CPP TARP funds were received, the Company completed a \$115 million publicly underwritten common stock offering (considered a “Qualified Equity Offering” under section 4.4 of the Securities Purchase Agreement), with net proceeds to the Company totaling approximately \$109 million. Approximately \$25 million of the net proceeds received from the Qualified Equity Offering were contributed as capital into Pulaski Bank and Trust Company (a subsidiary of the Company), with the remainder of the proceeds held at the holding company level.

(c) your actual use of TARP funds to date;

While the CPP TARP funds were segregated and maintained at the Company, the money market deposit at IBERIABANK allowed that subsidiary to continue to extend and expand credit to qualified clients. The Company estimates that from the approximate time of the receipt of CPP TARP funds

through February 25, 2009, the Company increased total loan originations by approximately \$68 million.

(d) your expected use of unspent TARP funds.

On February 26, 2009, the Company filed notice to the U.S. Department of the Treasury that the Company will redeem all of the outstanding shares of the CPP TARP perpetual preferred stock, subject to approval of the Federal Reserve Board. The Company anticipates closing the transaction on March 31, 2009.

(2) Your specific plans, and the status of implementation of those plans, for addressing executive compensation requirements associated with the funding. Information provided regarding executive compensation should also include any assessments made of loan risks and their relationship to executive compensation; how limitations on executive compensation will be implemented in line with Department of Treasury guidelines; and whether any such limitations may be offset by other changes to other, longer-term or deferred forms of executive compensation.

The Securities Purchase Agreement (“Agreement”) with the Department of the Treasury subjects the Company to certain of the executive compensation limitations included in the Emergency Economic Stabilization Act of 2008 (“EESA”). As a condition to the closing of the transaction, each of Messrs. Daryl G. Byrd, Anthony J. Restel, Michael J. Brown, John R. Davis and Michael A. Naquin, the Company’s Senior Executive Officers (as defined in the Agreement), (i) executed a waiver voluntarily waiving any claim against the Treasury Department or the Company for any changes to such Senior Executive Officer’s compensation or benefits that are required to comply with the regulations issued by the Treasury under the CPP, as published in the Federal Register on October 20, 2008, and acknowledging that the regulations may require modification of the compensation, bonus, incentive and other benefit plans, arrangements and policies and agreements (including so-called “golden parachute” agreements) as they relate to the period the Treasury holds any equity or debt securities of the Company acquired through the CPP; and (ii) entered into a letter agreement with the Company amending the Company’s benefit plans with respect to such Senior Executive Officers during the period that the Treasury owns any debt or equity securities of the Company acquired pursuant to the Agreement or the warrant, as is necessary to comply with Section 111(b) of the EESA. A copy of the form of letter agreement is attached hereto.

On March 2, 2009, the Compensation Committee reviewed the incentive compensation arrangements of the Company’s five Senior Executive Officers with the Company’s senior risk officers to ensure that the arrangements do not encourage the Senior Executive Officers to take unnecessary or excessive risks which threaten the value of the Company. Also present at the meeting was a representative from the Company’s compensation advisor and legal counsel.

Elements of executive compensation that may relate to risk-taking and were considered by the Compensation Committee include:

- The balance between fixed compensation and performance based compensation. (b) (4)

(b) (4)
It was determined that elements of the Company’s executive compensation arrangements do not encourage or otherwise affect risks assumed in the loan portfolio.

- *The balance between restricted stock awards or other full value equity awards and the grant of stock options.*
- *Multi-year performance periods for incentive compensation awards.*
- *The balance between current compensation and deferred compensation.*

(b) (4)

(b) (4)

The Compensation Committee reviewed the manner in which current and future limitations on executive compensation will be implemented in line with Treasury Department guidelines. It was determined that such implementation will depend on whether the Company's preferred stock is redeemed on March 31, 2009, as currently anticipated. It was also noted that additional Treasury Department guidelines are expected to be issued shortly.

It was noted that the Company has instituted procedures to limit a compensation deduction under IRC Section 162(m)(5) to \$500,000 (including any performance-based compensation).

Finally, it was noted that none of the current limitations on executive compensation may be offset by changes to other, longer-term or deferred forms of executive compensation.

I, Anthony J. Restel, Senior Executive Vice President and Chief Financial Officer of IBERIABANK Corporation, hereby certify that: I have reviewed this response and supporting documents, and, based on my knowledge, this response and supporting documents do 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.

Anthony J. Restel
Senior Executive Vice President and CFO
IBERIABANK Corporation

FORM OF LETTER AGREEMENT

December 5, 2008

IBERIABANK Corporation (the “Company”) anticipates entering into a Securities Purchase Agreement (the “Agreement”), with the United States Department of Treasury (“Treasury”) that provides for the Company’s participation in the Treasury’s TARP Capital Purchase Program (the “CPP”). If the Company does not participate or ceases at any time to participate in the CPP, this letter (“Letter Agreement”) shall be of no further force and effect.

For the Company to participate in the CPP and as a condition to the closing of the investment contemplated by the Agreement, the Company is required to establish specified standards for incentive compensation to its senior executive officers and to make changes to its compensation arrangements. To comply with these requirements, and in consideration of the benefits that you will receive as a result of the Company’s participation in the CPP, you agree as follows:

- (1) **No Golden Parachute Payments.** The Company is prohibiting any golden parachute payment to you during any “CPP Covered Period”. A “CPP Covered Period” is any period during which (a) you are a senior executive officer and (b) Treasury holds an equity or debt position acquired from the Company in the CPP.
- (2) **Recovery of Bonus and Incentive Compensation.** Any bonus and incentive compensation paid to you during a CPP Covered Period is subject to recovery or “clawback” by the Company if the payments were based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria.
- (3) **Compensation Program Amendments.** Each of the Company’s compensation, bonus, incentive and other benefit plans, arrangements and agreements (including golden parachute, severance and employment agreements) (collectively, “Benefit Plans”) with respect to you is hereby amended to the extent necessary to give effect to provisions (1) and (2). For reference, certain affected Benefit Plans are set forth in Appendix A to this letter. In addition, the Company is required to review its Benefit Plans to ensure that they do not encourage senior executive officers to take unnecessary and excessive risks that threaten the value of the Company. To the extent any such review requires revisions to any Benefit Plan with respect to you, you and the Company agree to negotiate such changes promptly and in good faith.
- (4) **Definitions and Interpretation.** This letter shall be interpreted as follows:
 - “Senior executive officer” means the Company’s “senior executive officers” as defined in subsection 111(b)(3) of EESA.

Form of Letter Agreement

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- “Golden parachute payment” is used with same meaning as in Section 111(b)(2)(C) of EESA.
 - “EESA” means the Emergency Economic Stabilization Act of 2008 as implemented by guidance or regulation issued by the Department of the Treasury and as published in the Federal Register on October 20, 2008.
 - The term “Company” includes any entities treated as a single employer with the Company under 31 C.F.R. § 30.1(b) (as in effect on the Closing Date). You are also delivering a waiver pursuant to the Agreement, and, as between the Company and you, the term “employer” in that waiver will be deemed to mean the Company as used in this letter.
 - The term “CPP Covered Period” shall be limited by, and interpreted in a manner consistent with, 31 C.F.R. § 30.11 (as in effect on the Closing Date).
 - Provisions (1) and (2) of this letter are intended to, and will be interpreted, administered and construed to, comply with Section 111 of EESA (and, to the maximum extent consistent with the preceding, to permit operation of the Benefit Plans in accordance with their terms before giving effect to this letter).
- (5) **Miscellaneous.** To the extent not subject to federal law, this letter will be governed by and construed in accordance with the laws of the State of Louisiana. This letter may be executed in two or more counterparts, each of which will be deemed to be an original. A signature transmitted by facsimile will be deemed an original signature.

The Company’s Board of Directors appreciates the concessions you are making and looks forward to your continued leadership during these financially turbulent times.

Yours sincerely,

IBERIABANK CORPORATION

By: _____

Name: E. Stewart Shea III

Title: Compensation Committee Chairman

Intending to be legally bound, I agree with and accept the foregoing terms on the date set forth below.

[Insert Name]

Date: _____