

1 AN ACT

2 To amend and reenact R.S. 47:1967(D), relative to listing and assessment of bank stock; to
3 provide for determining the fair market value of bank stock; and to provide for
4 related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:1967(D) is hereby amended and reenacted to read as follows:

7 §1967. Listing and assessment of bank stock; procedure

8 * * *

9 D. For the purposes in determining the fair market value of bank stock, the
10 following criteria shall be used: stockholder equity as defined in Subsection C ~~above~~
11 **of this Section** shall serve as a four times factor, eighty percent; annual net earnings
12 of the individual banking institution shall serve as a one time factor, twenty percent.
13 Annual net earnings shall be adjusted to remove that portion of earnings based on
14 United States obligations by deducting a percentage of annual net earnings based on
15 the ratio of interest on United States obligations to total operating income. Negative
16 earnings shall ~~not be considered~~ **be included** in this formula, ~~and~~ **but** there shall be
17 no earnings loss carried forward or backward. For the purpose of computing the one
18 time, twenty percent earnings factor, the earnings shall be capitalized by multiplying
19 the annual net earnings **or net loss** of the banking institution by the average price
20 earnings ratio for all banks in the United States as published by a nationwide

1 recognized bond and securities rating firm.

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PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____