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NEWS RELEASE

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"COMMUNITY BANKING IN THE 21ST CENTURY" REPORT RELEASED

Research in Idaho Demonstrates Vital Role Community Banks Play in Their Communities

(Boise) –A first-of-its-kind report on the challenges and opportunities facing today's community banks has been released by the Conference of State Bank Supervisors (CSBS) and the Federal Reserve Bank of St. Louis in conjunction with a national community banking research and policy conference held in St. Louis, Missouri on October 2-3, 2013. Panhandle State Bank President and CEO Curt Hecker was a speaker and Department of Finance Director Gavin Gee participated in the conference.

The report can be found at:

<http://www.csbs.org/news/csbswhitepapers/Documents/FINALPUBLICATION.pdf>

To solicit the views of the community banking industry state bank regulators, including the Department of Finance, hosted a number of town-hall meetings with community bankers this summer. Nearly 1,700 community bankers from 28 states participated in such meetings where community bankers shared their views on the state of the community banking industry, including the opportunities and challenges facing the industry.

The report presents current and historical community banking data to show how the industry has changed over the past two decades. The report also analyzes the community banker comments, including a state-by-state summary of the responses. After the Idaho town hall meetings, the Department of Finance conducted research on the benefits to communities by community banks and their employees to help grasp the magnitude of the contributions made by community banks. It collected and aggregated certain information related to the banks' community outreach activities. The department looked at direct charitable contributions – both in time donated and financial contributions – and loans made for community development purposes. The department also directed special attention to those communities that would have no access to banking services if not for community banks. The results were impressive. For an approximate one-year period, the 16 Idaho-based community banks surveyed:

- Accounted for more than \$15 million in charitable contributions,
- Donated more than 41,000 hours, almost 20 work years of their personal time for various local charities,
- Granted more than 1,500 community type loans and mortgages; and,

- Very significantly, there are 14 towns in Idaho that are served only by community banks. These local community banks provide the financial lifeblood to the residents and small businesses that these communities rely on on a daily basis.

“In summary,” Gee said, “despite the many challenges highlighted in this national report and local town hall meetings, community banks have a long history of providing critical support to their communities by financing small business, individuals and families, and offering financial and leadership resources which support many worthwhile civic and charitable causes. I hope this conference report will give the public, state and federal policymakers a better understanding of the significant role community banks play in our communities and economy and what measures need to be undertaken to preserve and strengthen them now and in the future.”

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