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## NEWS RELEASE

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### Despite Market Turmoil, Idaho Banks and Credit Unions Are Safe and Sound

(Boise) - Gavin Gee, director of the Idaho Department of Finance, said today that Idaho's state-chartered financial institutions are safe havens for your money amid the nation's current financial turmoil. Contrary to the increasing number of large money center investment banks and other institutions experiencing significant losses connected to mortgage defaults, Idaho's financial institutions showed continued strength and outpaced nationwide numbers. Below are key performance indicators of Idaho state-chartered financial institutions as of June 30, 2008:

- Idaho headquartered banks and thrifts on average out-performed banks and thrifts nationwide with higher levels of capital, better earnings performance, and significantly lower percentages of non-current loans and net charge-offs.
- Idaho based banks and thrifts reported an average core capital ratio of 12.25 percent, well above the nationwide average of 7.89 percent.
- Idaho based institutions reported average non-current loans to total loans and leases of 0.95 percent compared with the nationwide average of 2.04 percent.
- Idaho institutions reported net charge-offs to total loans and leases of 0.31 percent compared to the nationwide average of 1.16 percent.
- Idaho institutions reported average loan growth rates of 9.32 percent compared to the nationwide average of 7.09 percent.
- Idaho credit unions also reported better than nationwide averages in several important measures of financial condition including capital, non-current loans, net charge-offs and loan growth.

Moreover, Idaho based financial institutions have largely avoided making subprime and non-traditional mortgage loans, nor do they have significant investments in or exposure to Fannie Mae or Freddie Mac common or preferred stock, Lehman Brothers or AIG. And, based on the most recent Mortgage Bankers Association data, Idaho ranks 44<sup>th</sup> in the nation for seriously delinquent mortgage loans (mortgage loans 90 days or more past due and in foreclosure) at 2.22 percent of all mortgages compared to 4.5 percent for the nation.

"In short," said Gee, "Idaho based financial institutions are safe and sound, well-capitalized, well-reserved, safe places to deposit your money and willing and able to make good loans to credit worthy Idahoans."

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