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NEWS RELEASE

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Idaho Banks Successfully Raise Capital, Bolster Financial Strength

Idaho Banks Show Other Improvement in Sluggish Economy Business Filings and Securities Licensing Continue Record Increases

(Boise) - Gavin Gee, director of the Idaho Department of Finance, said today that on average Idaho's financial institutions are beginning to show signs the worst may finally be behind us. This corresponds to recent reports of improving trends in banking nationally.

Strong indications of an improving climate for Idaho's banks are the recent announcements of successful capital raises by financial institutions doing business in Idaho. Over the last fifteen months, more than \$1.4 billion in investments were made in banks with Idaho offices (see attached list). This year, several banks headquartered in Idaho have announced successful capital-raising efforts.

In January, Idaho First Bank announced the successful completion of \$2.7 million in investment in its common stock. The capital, 81 percent of which was purchased by Senior Officers and Members of its Board of Directors, was placed into the capital accounts of the Bank as of December 31, 2010.

Syringa Bancorp, the holding company of Syringa Bank, announced in April that \$10.7 million had been placed into escrow for investment in Syringa Bancorp common stock and the purchase of certain classified assets of the bank. On March 31, 2011, the Board of Directors of Syringa Bancorp and Syringa Bank entered into a Term Sheet Agreement with an existing large shareholder to substantially increase his investment, subject to certain conditions and approval by applicable state and federal regulators.

Intermountain Community Bancorp, the holding company of Panhandle State Bank, also announced in April that it had entered into securities purchase agreements with Castle Creek Capital Fund IV, affiliates of Stadium Capital Management, LLC, and certain other accredited investors, subject to bank regulatory approvals, which is expected to raise \$70 million in new capital.

"The commitment made by these investors demonstrates a strong vote of confidence in these banks, their boards of directors, and management teams," Gee said. "It also reflects the confidence these investors have in the future of our local communities and the critical role community banks will serve in assisting with the economic recovery."

Additional optimism can be taken from the first-quarter 2011 financial reports. Based on the most current information available, Idaho-based banks and thrifts, on average, outperformed banks and thrifts nationwide with higher levels of core capital (10.91 percent vs. 9.14 percent), a stronger net interest margin (3.80 percent vs.

3.66 percent), and lower net charge-offs (1.65 percent vs. 1.82 percent) as a percentage of loans. While improvements in nonperforming loans (5.71percent vs. 4.71percent) as a percentage of total loans, Other Real Estate Owned (1.57percent vs. 0.39 percent) as a percentage of assets, and return on assets (0.02 percent vs. 0.87 percent) continue to lag behind banks and thrifts nationally, the first-quarter 2011 results are an encouraging sign that progress is being made.

“Idaho banks are slowly emerging from economic and financial doldrums that have challenged financial institutions across the nation for the past three years,” Gee said. “Even with high unemployment, numerous foreclosures, and a continued decline in real estate values, Idaho’s banks have been remarkably resilient and are now starting to reflect positive financial trends.”

In another sign of an improving economic climate, the total number of business filings under the 22 financial services laws administered by the department increased to 143,166 in the first-quarter from 136,482 reported in the fourth-quarter of 2010. The Securities Bureau reported a 10.3percent and 11.6 percent growth in licensing/registration numbers on a quarter-to-quarter basis and year-over-year quarterly comparison. Registered securities agents licensed with the Securities Bureau continue to reach all-time highs with over 87,000 securities agents now licensed with the department. As many as 85,000 of these agents reside outside the state of Idaho.

The department presently estimates that more than \$30 million has been or will be ordered repaid to Idaho residents as a result of the department’s varied enforcement actions by the end of this fiscal year. While much of these funds are uncollectible, the department makes considerable efforts to collect amounts ordered for restitution to Idaho victims of financial fraud or other violations of Idaho laws.

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**CAPITAL RAISED BY STATE CHARTERED BANKS OPERATING IN
IDAHO OVER THE LAST 15 MONTHS**

BANK	CAPITAL AMOUNT	ANNOUNCEMENT DATE	COMMENTS
Glacier/Mountain West/ Citizens Community	\$ 145.6 million	3/22/2010	Public Offering
Banner Corporation	\$ 161.6 million	6/30/2010	Public Offering
Sterling Savings Bank	\$ 730 million	8/26/2010	Private equity investors
AmericanWest Bank	\$ 185 million	12/20/2010	Sale and acquisition by SKBHC Holdings LLC after bankruptcy filing by holding company
Bank of the Cascades	\$ 177 million	1/28/2011	Private Placement
Idaho First Bank	\$ 2.7 million	2/07/2011	Private Placement
Intermountain Community/Panhandle	\$ 70 million	4/06/2011	Securities Purchase Agreements
Syringa Bancorp/Syringa	\$ 10.7 million	4/25/2011	Amount held in escrow
TOTAL TO DATE	\$ 1.483 billion		