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NEWS RELEASE

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Idaho Financial Institutions Continue to Outperform Institutions Nationwide in Several Key Areas

Boise, Idaho …. Based on recently released national fourth-quarter financial performance statistics, Idaho-based financial institutions continued to outperform institutions nationwide. Gavin Gee, director of the Idaho Department of Finance, said the numbers reflect that Idaho-headquartered financial institutions remain well positioned to withstand the current financial turbulence. Idaho-based banks and thrifts on average outperformed banks and thrifts nationwide with higher levels of core capital (11.91 percent vs. 7.49 percent), lower percentages of non-current loans (2.70 percent vs. 2.93 percent) and net charge-offs (0.83 percent vs. 1.28 percent), and stronger loan growth (5.45 percent vs. -0.39 percent). Likewise, Idaho credit unions outperformed their counterparts in similar categories. "This should reassure Idahoans that there is no safer place to put their money than in an insured account at a bank, thrift or credit union," said Gee. "Moreover, contrary to the national statistics, Idaho financial institutions are continuing to make good loans to creditworthy borrowers."

Regulators consider all banks and thrifts based in Idaho "well capitalized," the highest possible capital designation. Capital serves several very important functions, including absorbing losses during periods of economic stress, promoting public confidence in financial institutions, and providing protection to depositors and the FDIC insurance fund.

Idaho Financial Institutions not Immune from Effects of Recession. Idaho financial institutions have not been immune to the national recession and downturn in Idaho's economy. Idaho-based institutions realized a greater increase in foreclosed real properties than at the national level from year-end 2007 to year-end 2008. The value of these properties increased dramatically from $3.3 million to $36.7 million, representing 0.45 percent of total assets, which was greater than the national level of 0.20 percent. Non-current loans climbed from $31.1 million to $166.8 million during the year, jumping as a percentage of total loans from 0.53 percent to 2.70 percent. Furthermore, net charge-offs as a percentage of total loans increased from 0.10 percent to 0.83 percent over the same period.

Idaho-based banks and thrifts charged off nearly $50 million of troubled loans in 2008, a significant increase from the $5.7 million charged off in 2007. Despite higher levels of charge-offs, about two-thirds of Idaho-based banks and thrifts reported a profitable year. Idaho-based institutions reported increased levels of deposits of $5.9 billion, total assets of $8.1 billion including $6.2 billion in loans, and capital and reserves of $1.1 billion.

Seriously Delinquent Mortgage Numbers Climb but Remain below National Rate. Idaho continues to outperform the nation in mortgage delinquencies and foreclosures, according to the Mortgage Bankers Association's fourth-quarter 2008 National Delinquency Survey. The percentage of mortgage loans in Idaho that were 90 days or more delinquent or in the foreclosure process was 3.80 percent (representing 10,106 mortgages) at the end of 2008, compared to 6.30 percent for the nation. Idaho's fourth-quarter 2007 delinquency rate was 1.60 percent (representing 4,288 homes). Nonetheless, Idaho ranked 38th in the nation, with only 13 states reporting a lower percentage of seriously delinquent mortgage loans.

Idaho Banks Strengthened by TARP Funds. To date, four Idaho-based banks have received additional capital from the Troubled Asset Relief Program's Capital Purchase Program (TARP CPP). Idaho-based institutions have received a total of $61.8 million, including $34.8 million in the first quarter of 2009. In total, 15 financial institutions conducting business in Idaho have received TARP capital, which will enable these institutions to increase lending to Idahoans and strengthen Idaho communities with enhanced economic development and growth opportunities. Only healthy financial institutions were eligible to receive Federal TARP CPP funding, which requires institutions to repay the capital, pay significant dividends to the U.S. Treasury, and comply with a number of conditions and limitations associated with the funds.

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