



Economic Outlook & Revenue Assessment

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Region President, Western Idaho Region
January 2015

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Statistics At A Glance

As of September 30, 2014

Dollar Amounts in Billions	All Insured Institutions	Commercial Banks	Savings Institutions	Asset Concentration Group									
				Credit Card Lenders	International Banks	Agricultural Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <\$1 Billion	All Other <\$1 Billion	All Other >\$1 Billion	
Third Quarter 2014													
Number of FDIC-Insured	6,589	5,705	884	16	3	1,501	3,285	570	50	371	728	65	
Number of FDIC-Supervised	4,177	3,755	422	8	0	1,065	2,124	268	33	212	442	25	
Total Assets \$	15,349	14,290	1,059	605	3,691	254	5,187	435	168	60	129	4,820	
Total Loans \$	8,160	7,500	660	477	1,275	163	3,532	271	119	17	70	2,236	
Domestic Deposits \$	10,173	9,365	808	323	1,633	209	3,975	321	140	49	108	3,414	
Bank Net Income (QTR) \$	38,700	35,618	3,082	4,674	7,273	0,811	12,217	0,921	0,494	0,321	0,295	11,695	
Percent Profitable (QTR) %	93.6	94.4	88.0	100.0	100.0	97.4	92.9	90.5	100.0	87.3	93.3	95.4	
Average Return on Assets (QTR) %	1.02	1.00	1.17	3.10	0.79	1.28	0.95	0.83	1.18	2.13	0.92	0.98	
Average Return on Equity (QTR) %	9.04	8.97	9.88	21.01	8.29	11.32	7.91	6.92	11.98	14.98	7.77	8.78	
Net Interest Margin (QTR) %	3.14	3.12	3.49	9.58	2.42	3.72	3.42	2.72	3.59	2.74	3.52	2.54	
Equity to Assets %	11.20	11.15	11.85	14.89	9.52	11.40	11.97	12.02	9.96	14.31	11.92	11.09	
Noncurrent Loan Rate - Total Loans * %	2.11	2.11	2.12	1.04	2.44	1.02	1.50	3.12	1.44	1.64	1.84	3.11	
Real Estate Loans %	3.57	3.69	2.65	0.55	5.65	1.24	2.07	3.44	3.78	1.91	2.07	6.01	
C&I Loans %	0.55	0.54	0.83	0.74	0.52	1.34	0.63	1.11	0.60	1.50	1.70	0.36	
Loans to Individuals %	0.93	0.92	1.04	1.07	1.07	0.55	0.80	0.57	0.77	0.63	0.98	0.78	
Coverage Ratio ** %	72.86	73.35	67.25	318.98	80.17	141.44	90.22	38.49	79.31	114.00	79.51	40.88	
Net Charge-Off Rate - All Loans (QTR) %	0.45	0.45	0.49	2.62	0.68	0.09	0.25	0.15	0.57	0.30	0.24	0.26	
Real Estate Loans (QTR) %	0.18	0.18	0.12	0.05	0.38	0.04	0.18	0.13	0.29	0.16	0.19	0.10	
C&I Loans (QTR) %	0.22	0.20	0.70	2.26	0.11	0.30	0.22	0.01	0.06	0.58	0.36	0.12	
Loans to Individuals (QTR) %	1.83	1.81	2.03	2.67	2.52	0.42	0.92	0.93	0.71	0.47	0.58	1.28	
Third Quarter 2013													
Number of FDIC-Insured	6,891	5,937	954	17	4	1,536	3,433	597	47	400	791	66	
Number of FDIC-Supervised	4,346	3,907	439	9	0	1,071	2,231	275	29	236	469	26	
Total Assets \$	14,604	13,545	1,059	596	3,729	244	4,774	554	149	64	138	4,355	
Total Loans \$	7,802	7,162	640	466	1,287	152	3,217	336	103	18	75	2,149	
Domestic Deposits \$	9,600	8,791	809	313	1,577	202	3,701	412	127	51	116	3,100	
Bank Net Income (QTR) \$	36,074	33,221	2,853	5,022	4,791	0,755	11,714	1,283	0,393	0,318	0,293	11,505	
Percent Profitable (QTR) %	91.3	92.3	85.1	100.0	100.0	96.7	89.9	85.6	97.9	88.5	91.7	98.5	
Average Return on Assets (QTR) %	1.00	0.99	1.08	3.38	0.52	1.24	0.99	0.92	1.04	1.98	0.85	1.07	
Average Return on Equity (QTR) %	8.94	8.92	9.16	22.57	5.88	11.33	8.34	8.17	11.04	14.51	7.50	9.02	
Net Interest Margin (QTR) %	3.26	3.25	3.38	9.53	2.37	3.69	3.56	3.09	3.30	2.64	3.53	2.77	
Equity to Assets %	11.11	11.06	11.80	14.89	8.80	11.01	11.81	11.40	9.64	13.71	11.34	11.77	
Noncurrent Loan Rate - Total Loans * %	2.84	2.85	2.66	1.15	2.97	1.13	2.08	3.08	0.91	2.12	1.96	4.45	
Real Estate Loans %	4.77	4.97	3.28	0.85	6.79	1.42	2.90	3.33	2.01	2.59	2.21	8.14	
C&I Loans %	0.73	0.72	1.14	0.91	0.71	1.46	0.81	1.72	0.13	1.35	1.89	0.54	
Loans to Individuals %	1.04	1.04	1.01	1.17	1.20	0.60	0.94	1.13	0.66	0.64	0.94	0.91	
Coverage Ratio ** %	64.46	65.14	56.33	325.22	82.09	132.49	77.00	43.55	132.73	88.67	79.30	34.12	
Net Charge-Off Rate - All Loans (QTR) %	0.60	0.61	0.57	2.91	0.86	0.09	0.35	0.30	0.68	0.46	0.31	0.42	
Real Estate Loans (QTR) %	0.36	0.37	0.25	-0.13	0.57	0.06	0.32	0.27	0.65	0.33	0.25	0.39	
C&I Loans (QTR) %	0.29	0.27	0.86	2.69	0.26	0.19	0.27	0.84	0.06	0.67	0.70	0.14	
Loans to Individuals (QTR) %	2.03	2.03	2.00	2.95	2.84	0.35	0.99	0.89	0.75	0.52	0.53	1.36	

* Nonaccruing loans and loans past due 90+ days

** Loss reserve as a percentage of noncurrent loans

FDIC - Statistics on Depository Institutions Report

	All Institutions - National 9/30/2014 \$ in 000's Total (Sum)	All Institutions - National 9/30/2013 \$ in 000's Total (Sum)	All Institutions - National 12/31/2013 \$ in 000's Total (Sum)	All Institutions - National 12/31/2012 \$ in 000's Total (Sum)
1	6589	6891	6812	7083
	<i>(Year-to-date)</i>	<i>(Year-to-date)</i>	<i>(Year-to-date)</i>	<i>(Year-to-date)</i>
Income and Expense				
2	351,532,450	352,201,583	470,429,655	486,730,494
3	35,661,228	40,854,679	53,284,601	65,901,807
4	315,871,222	311,346,904	417,145,054	420,828,687
5	21,539,614	25,149,545	32,452,420	57,803,510
6	187,267,847	192,559,410	252,224,691	248,723,801
7	24,281,531	22,970,400	30,991,222	28,765,576
8	25,548,369	25,247,945	33,740,230	33,787,988
9	18,296,555	19,209,049	22,140,823	18,409,505
10	119,141,392	125,132,016	165,352,416	167,760,732
11	314,949,770	314,635,381	416,752,378	421,222,114
12	142,978,785	142,105,999	187,695,531	185,407,890
13	33,456,054	32,755,071	43,870,542	44,219,272
14	138,514,931	139,774,311	185,186,304	191,594,952
15	166,649,685	164,121,388	220,164,947	190,526,864
16	2,347,133	3,980,047	4,473,268	9,680,010
17	52,443,945	53,028,790	69,703,854	58,338,229
18	116,552,873	115,072,645	154,934,362	141,868,646
19	-116,399	166,627	240,146	-145,658
20	115,954,531	114,674,085	154,389,968	141,112,770
21	481,943	565,187	784,540	610,218
22	116,436,474	115,239,272	155,174,508	141,722,988
23	29,657,967	41,565,298	53,571,463	82,222,295
24	67,149,721	58,149,870	93,157,645	96,411,264
25	2,244,232	1,078,970	2,432,341	1,671,522
26	114,874,533	112,230,278	151,805,996	134,547,272
	<i>(Year-to-date)</i>	<i>(Year-to-date)</i>	<i>(Year-to-date)</i>	<i>(Year-to-date)</i>
Memo:				
Interest income and expense in foreign offices				
Gross fiduciary and related services income				

“The U.S. economy remains almost comatose. The current slump already ranks as the longest period of sustained weakness since the Great Depression ... will take years to work out. Among the dislocations: the job drought, the debt hangover, the [banking] collapse, the real estate depression, the health-care cost explosion, and the runaway federal deficit.”

— *TIME Magazine's description of the dismal state of the U.S. economy, September, 1992*

Banking industry facing challenging environment

- Revenue growth remains challenging / focus on expenses
- Continued slow loan growth
- On balance, credit quality relatively stable



Additional Challenges Facing the Banking Industry

- Pressure on margins
- Regulatory environment
- Aggressive loan structures
- Low levels of line usage

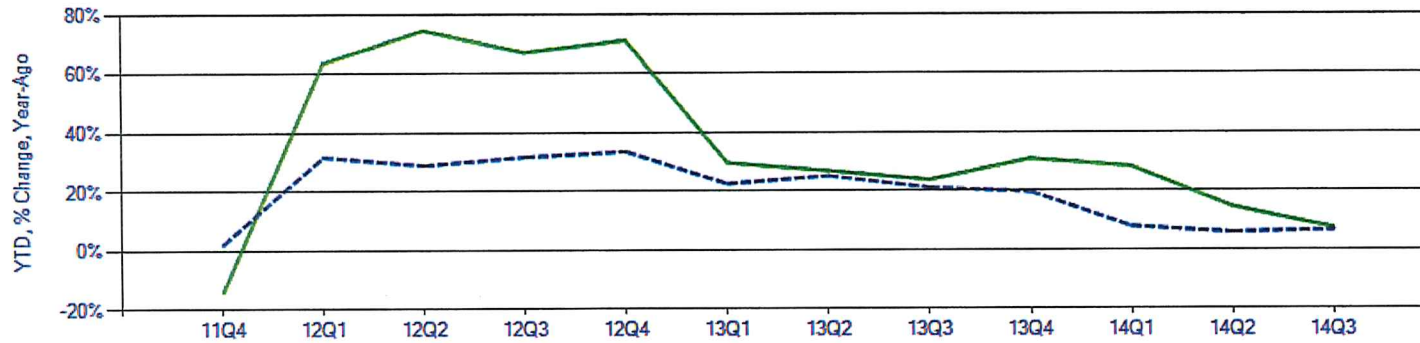
Industries we are seeing stronger loan growth

- Construction
- Commercial Real Estate
- Medical
- Business Transition
- Small Business
- Home Purchase

FDIC: Regional Economic Conditions (RECON)

Total Housing Permits

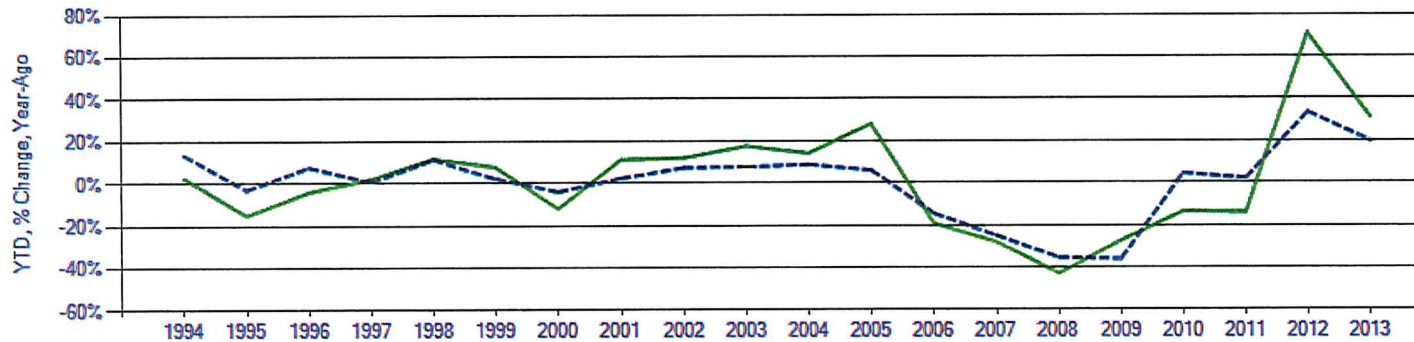
Total Housing Permit Growth, New Privately Owned Units, Idaho



	11Q4	12Q1	12Q2	12Q3	12Q4	13Q1	13Q2	13Q3	13Q4	14Q1	14Q2	14Q3
United States (NSA)	2.1%	31.7%	28.9%	31.7%	33.5%	22.5%	25.2%	21.1%	19.7%	7.9%	5.9%	6.7%
Idaho (NSA)	-13.9%	63.5%	74.5%	67.0%	71.1%	29.7%	26.9%	23.8%	31.0%	28.4%	14.6%	7.4%

NSA = Not Seasonally Adjusted
 Source: Bureau of Census (Haver Analytics) Data Updated 10/27/2014

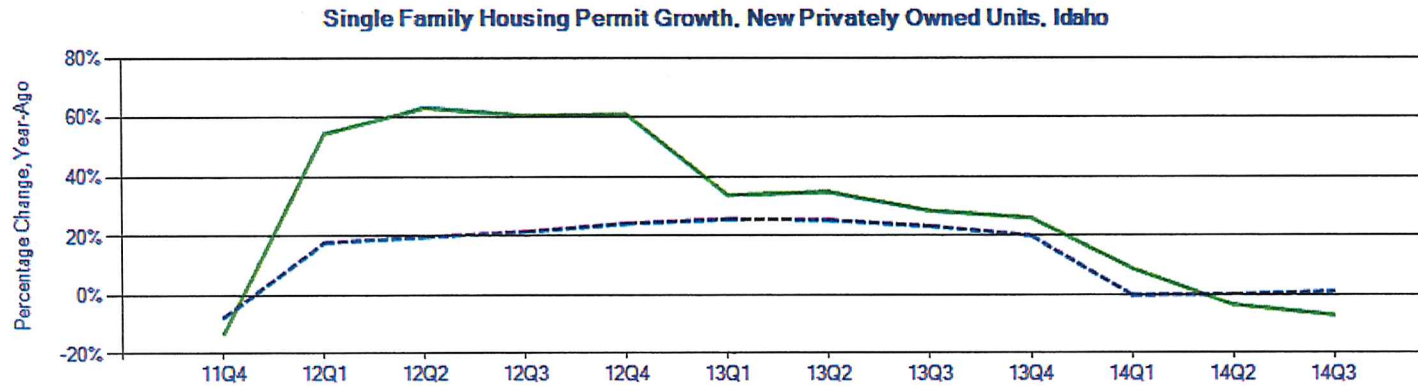
Total Housing Permit Growth, New Privately Owned Units, Idaho



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
United States (NSA)	13.4%	-3.1%	7.6%	0.6%	11.2%	2.2%	-4.0%	2.3%	7.3%	7.7%	8.7%	6.1%	-14.4%	-24.9%	-35.3%	-35.9%	4.5%	2.1%	33.5%	19.7%
Idaho (NSA)	2.6%	-15.0%	-4.0%	2.1%	11.6%	7.7%	-11.8%	11.1%	11.9%	17.6%	14.1%	28.1%	-19.1%	-27.8%	-42.7%	-27.3%	-13.4%	-13.9%	71.1%	31.0%

NSA = Not Seasonally Adjusted
 Source: Bureau of Census (Haver Analytics) Data Updated 10/27/2014 Recessions: 3/01 - 11/01 and 12/07 - 6/09.

Single Family Housing Permits



	11Q4	12Q1	12Q2	12Q3	12Q4	13Q1	13Q2	13Q3	13Q4	14Q1	14Q2	14Q3
United States (NSA)	-7.4%	17.9%	19.8%	21.5%	24.3%	25.7%	25.4%	23.3%	20.1%	0.0%	0.3%	1.2%
Idaho (NSA)	-13.0%	54.5%	63.3%	60.8%	61.2%	33.9%	34.9%	28.5%	26.1%	9.1%	-3.3%	-6.8%

NSA = Not Seasonally Adjusted
 Source: Bureau of Census (Haver Analytics) Data Updated 10/27/2014

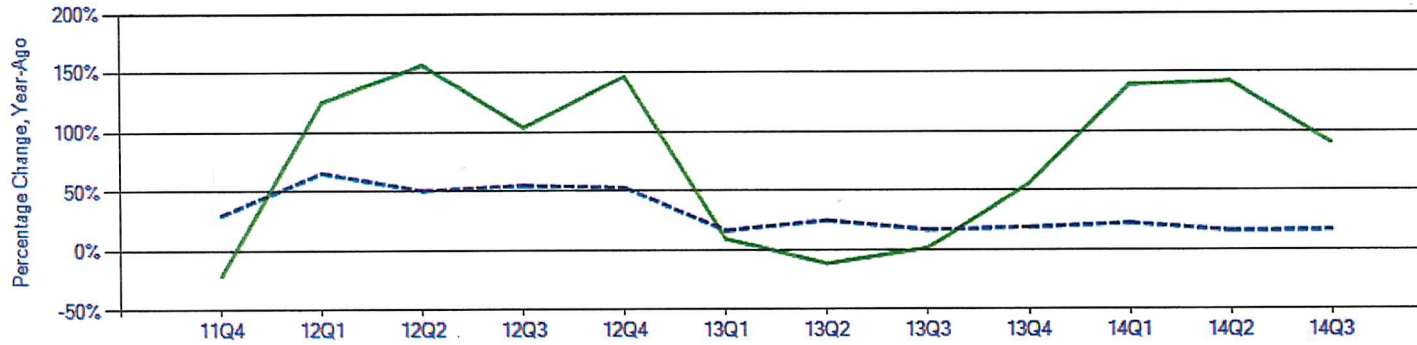


	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
United States (NSA)	6.3%	-6.5%	7.4%	-1.6%	12.1%	4.1%	-3.9%	3.2%	8.2%	9.3%	8.9%	6.9%	-17.9%	-29.5%	-41.4%	-23.7%	2.7%	-7.4%	24.3%	20.1%
Idaho (NSA)	-2.7%	-6.9%	6.7%	-0.4%	16.8%	3.1%	-7.5%	3.3%	7.7%	21.7%	17.8%	32.9%	-19.7%	-33.5%	-37.0%	-29.8%	-12.8%	-13.0%	61.2%	26.1%

NSA = Not Seasonally Adjusted
 Source: Bureau of Census (Haver Analytics) Data Updated 10/27/2014 Recessions: 3/01 - 11/01 and 12/07 - 6/09.

Multi Family Housing Permits

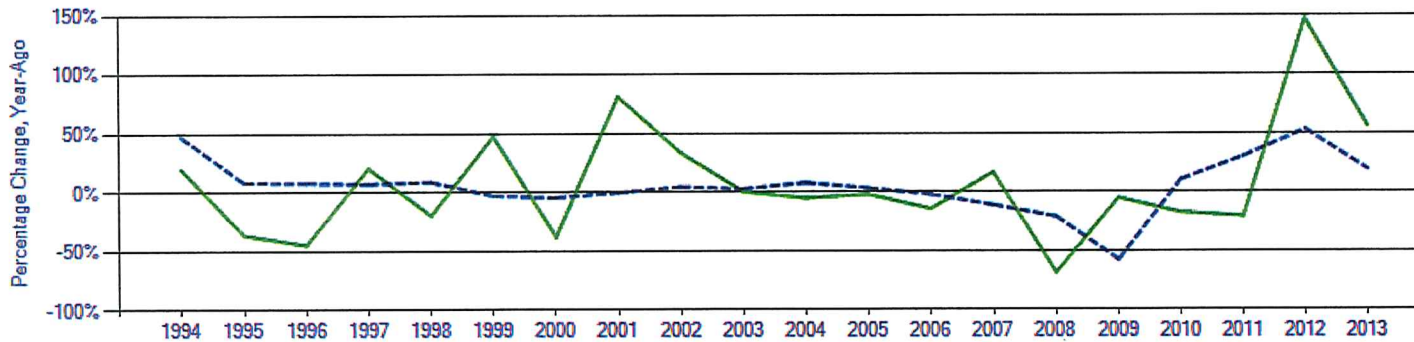
Multi Family Housing Permit Growth, New Privately Owned Units, Idaho



	11Q4	12Q1	12Q2	12Q3	12Q4	13Q1	13Q2	13Q3	13Q4	14Q1	14Q2	14Q3
United States (NSA)	30.2%	65.5%	50.6%	55.0%	52.9%	16.7%	25.0%	17.2%	19.1%	22.6%	16.4%	17.1%
Idaho (NSA)	-20.4%	125.3%	156.6%	103.9%	146.8%	9.8%	-11.0%	1.9%	55.6%	139.1%	142.0%	90.3%

NSA = Not Seasonally Adjusted
 Source: Bureau of Census (Haver Analytics) Data Updated 10/27/2014

Multi Family Housing Permit Growth, New Privately Owned Units, Idaho

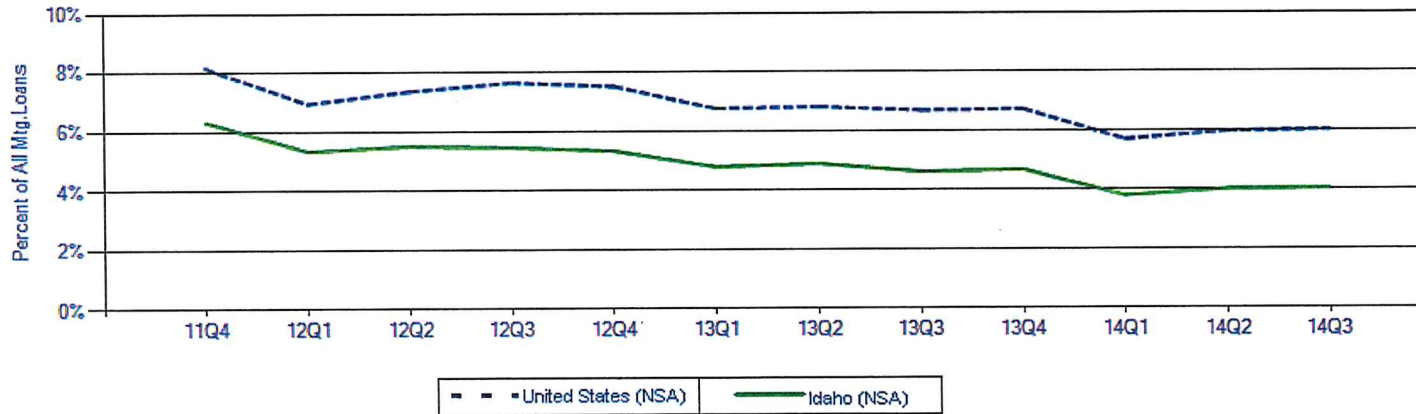


	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
United States (NSA)	47.1%	8.3%	7.9%	7.3%	8.8%	-2.9%	-4.3%	-0.3%	4.6%	2.8%	7.9%	3.3%	-2.0%	-11.0%	-20.7%	-57.5%	10.4%	30.2%	52.9%	19.1%
Idaho (NSA)	19.6%	-36.0%	-44.4%	20.5%	-19.5%	47.6%	-37.7%	81.2%	33.7%	0.4%	-5.0%	-1.9%	-14.2%	16.8%	-68.3%	-5.1%	-17.3%	-20.4%	146.8%	55.6%

NSA = Not Seasonally Adjusted
 Source: Bureau of Census (Haver Analytics) Data Updated 10/27/2014 Recessions: 3/01 - 11/01 and 12/07 - 6/09.

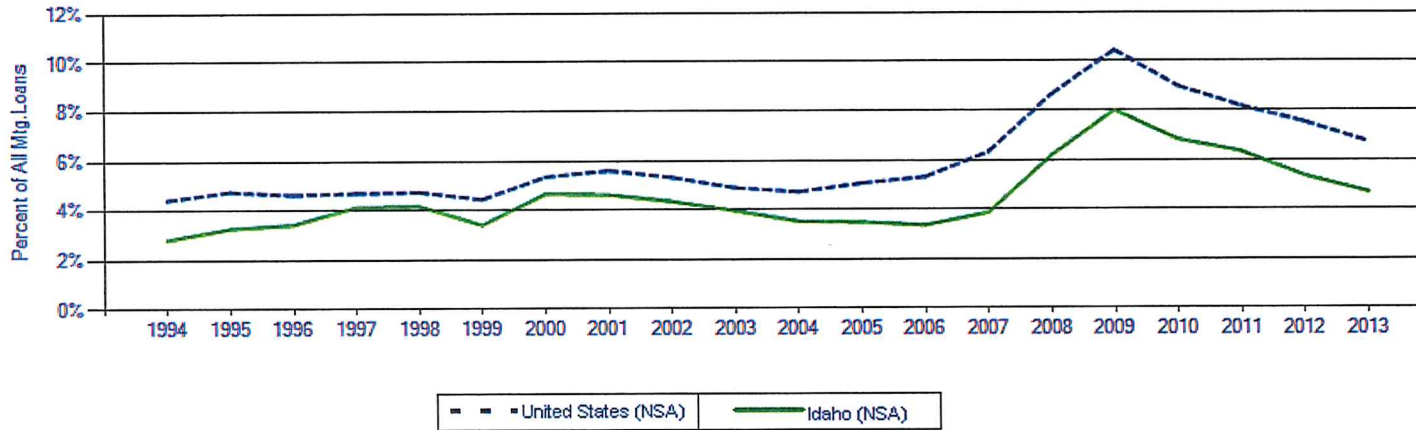
Mortgage Delinquencies

Total Mortgages Delinquencies, Idaho



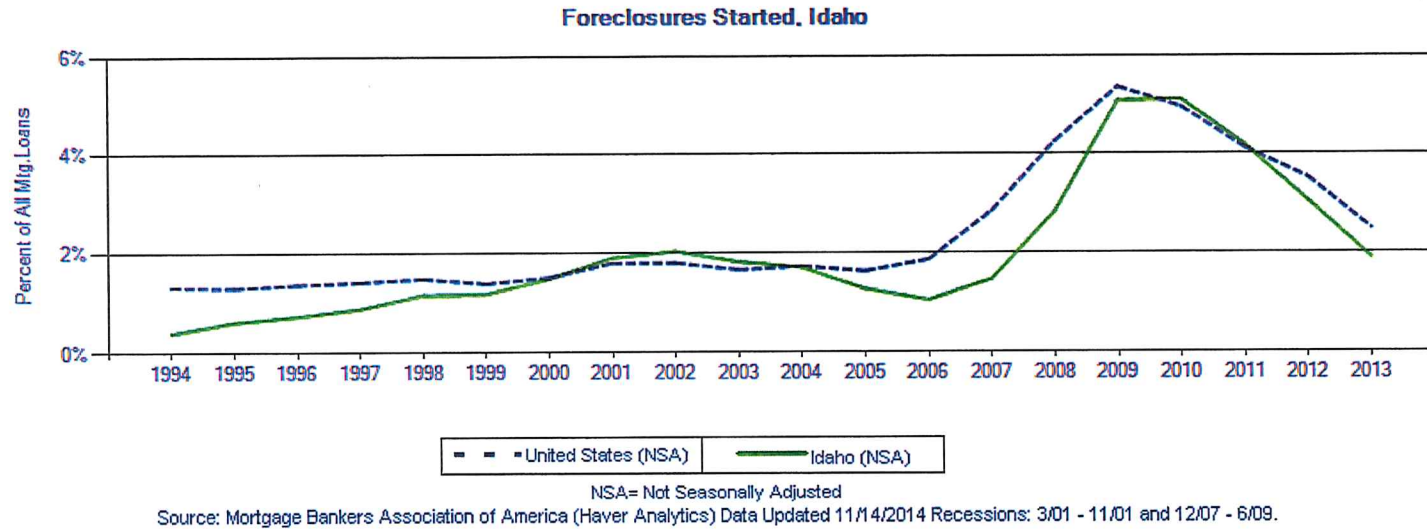
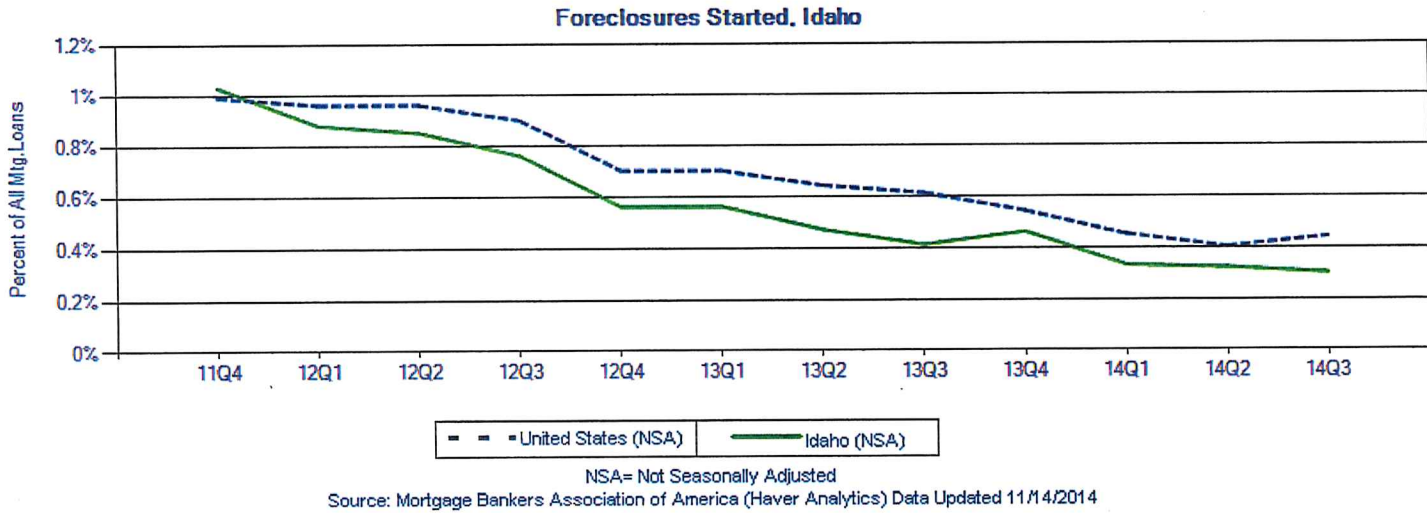
NSA = Not Seasonally Adjusted
 Source: Mortgage Bankers Association of America (Haver Analytics) Data Updated 11/14/2014

Total Mortgages Delinquencies, Idaho



NSA = Not Seasonally Adjusted
 Source: Mortgage Bankers Association of America (Haver Analytics) Data Updated 11/14/2014 Recessions: 3/01 - 11/01 and 12/07 - 6/09.

Foreclosures



Industries we are seeing weaker loan growth

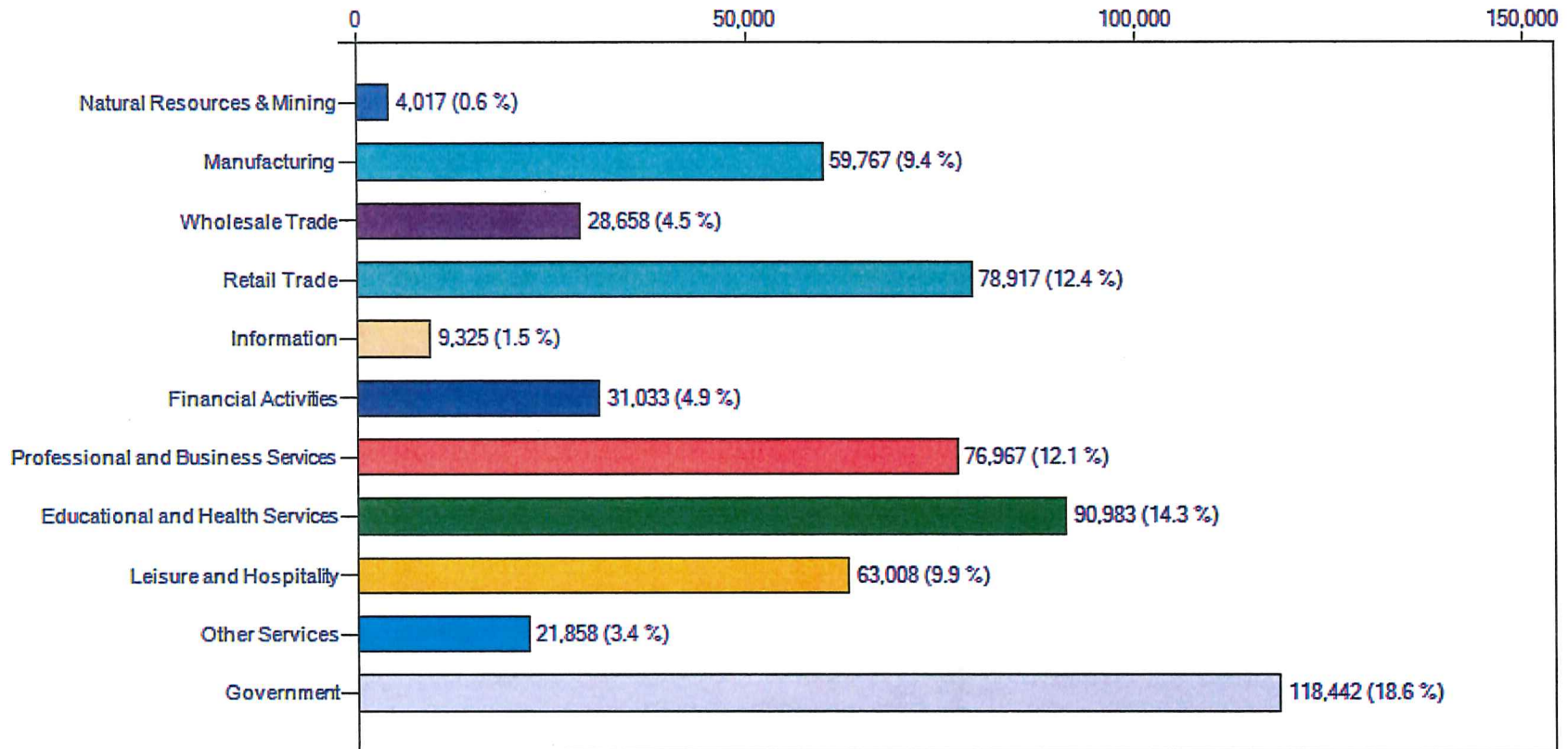
- Agriculture
- Home Equity
- Autos
- Home Mortgage Refinance

Recent Bank Acquisitions/Mergers

- Bank of the Cascades/Home Federal Bank
- Sunwest Bank/Syringa Bank
- Umpqua Bank/Sterling Bank
- DL Evans Bank/Idaho Banking Company
- Washington Federal/Bank of America
- Columbia Bank/Intermountain Community Bank
- Banner Bank/American West Bank

Employment Composition

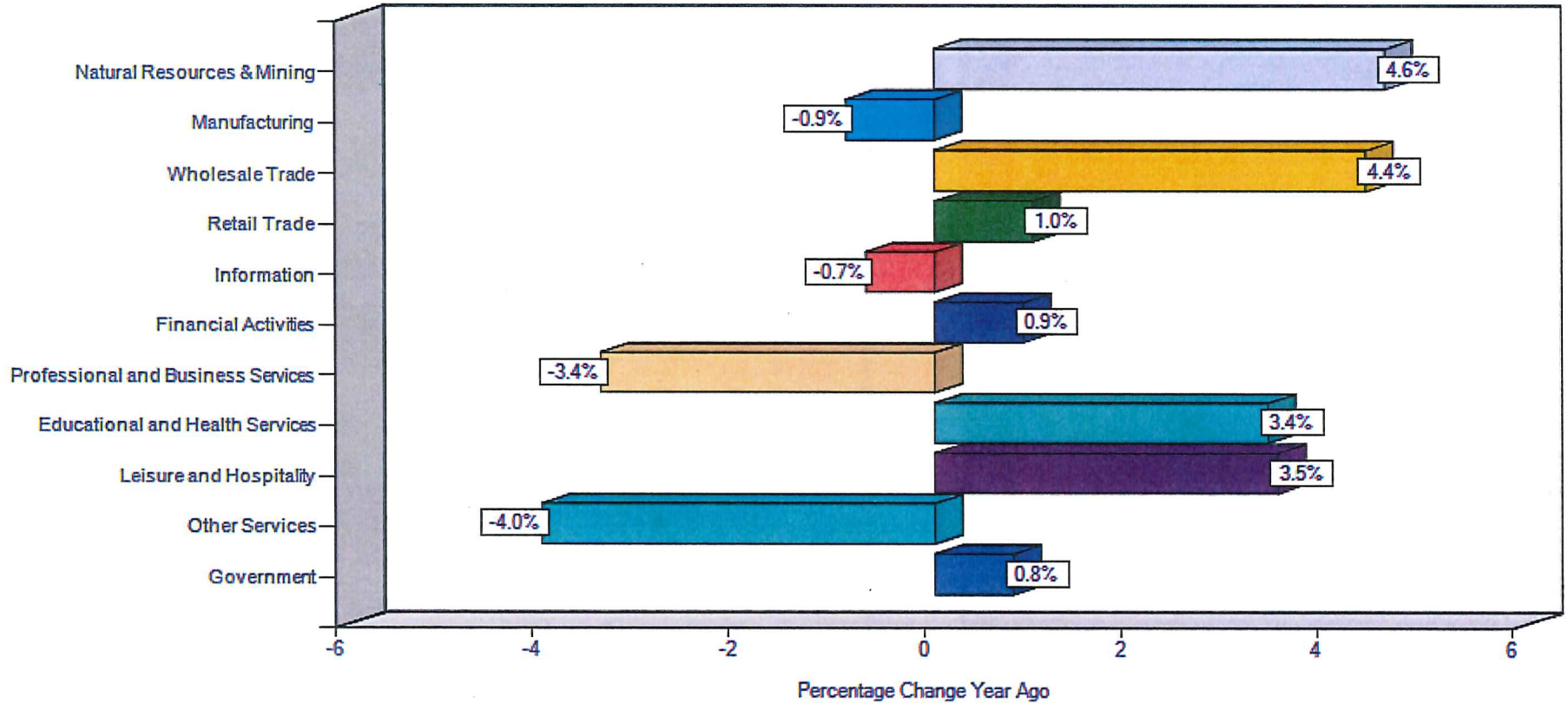
**Year End Employment By Industry
Idaho - 2013 (NSA)**



Number Employed and Percent of Total Employment
 NSA = Not Seasonally Adjusted
 Source: Bureau of Labor Statistics (Haver Analytics)
 Data Updated 5/16/2014 .

Employment By Industry

Quarterly Employment Growth By Industry
Idaho - 14Q3 (NSA)



NSA = Not Seasonally Adjusted
Source: Bureau of Labor Statistics (Haver Analytics)
Data Updated 10/21/2014

Interest Rates

- How much and when?

