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NEWS RELEASE

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IDAHO FINANCIAL INSTITUTIONS REMAIN ON TRACK FOR Y2K READINESS

Boise, Idaho . . . The Idaho Department of Finance announced today that the Idaho financial institutions it supervises continue to make satisfactory progress in addressing "Year 2000" computer concerns. Examiners with the Idaho Department of Finance in conjunction with examiners from the Federal Reserve, Federal Deposit Insurance Corporation and National Credit Union Administration have been working with Idaho state-chartered financial institutions to make sure they are prepared for the century date change. Year 2000 computer readiness is frequently referred to as "Y2K Compliance".

The first phase of the Y2K examination program was completed in June 1998. At that time, all Idaho state-chartered financial institutions were rated as "satisfactory" on Y2K preparedness. At that same time, the FDIC announced that 88% of the nation's state banks were rated "satisfactory"; 11% were rated "needs improvement"; less than 1% were rated "unsatisfactory". The financial institutions which were rated "unsatisfactory" have since been subject to increased regulatory oversight, including quarterly on-site reviews and supervisory enforcement actions. As a result, the percentage of banks rated "satisfactory" has increased to approximately 95%, while only about 5% "need improvement", and 0.4% are rated "unsatisfactory". Similar numbers apply to other types of financial institutions. "All Idaho state-chartered financial institutions continue to be rated 'satisfactory'," said Gavin Gee, Director of the Department of Finance. All financial institutions were required to have commenced testing of their Y2K-compliant systems by September 30, 1998. Financial institutions with internally-developed systems should be substantially tested by December 31, 1998, while financial institutions that contract with outside computer service providers are expected to have completed testing their systems by March 31, 1999. Testing plans for financial institutions will be reviewed and monitored regularly by state or federal regulators.

Examiners with the Idaho Department of Finance and their federal counterparts recently started the second phase of on-site examinations. The examiners will evaluate the financial institutions' testing programs and contingency plans to ensure continued service to their customers even if problems develop with systems believed to be Y2K-compliant. The second phase of examinations will be completed by March 31, 1999. "We remain pleased that Idaho financial institutions have devoted significant attention and resources to Y2K compliance," Gee said. "Our

ongoing monitoring and examinations indicate that they are either on or ahead of schedule with national standards of Y2K readiness."

The Department advises all individuals to invest only with licensed investment professionals. Investors can check on the registration status of individuals, firms and investment offerings by calling the Department of Finance at (208) 332-8004 or toll-free within Idaho at 1-888-346-3378.