

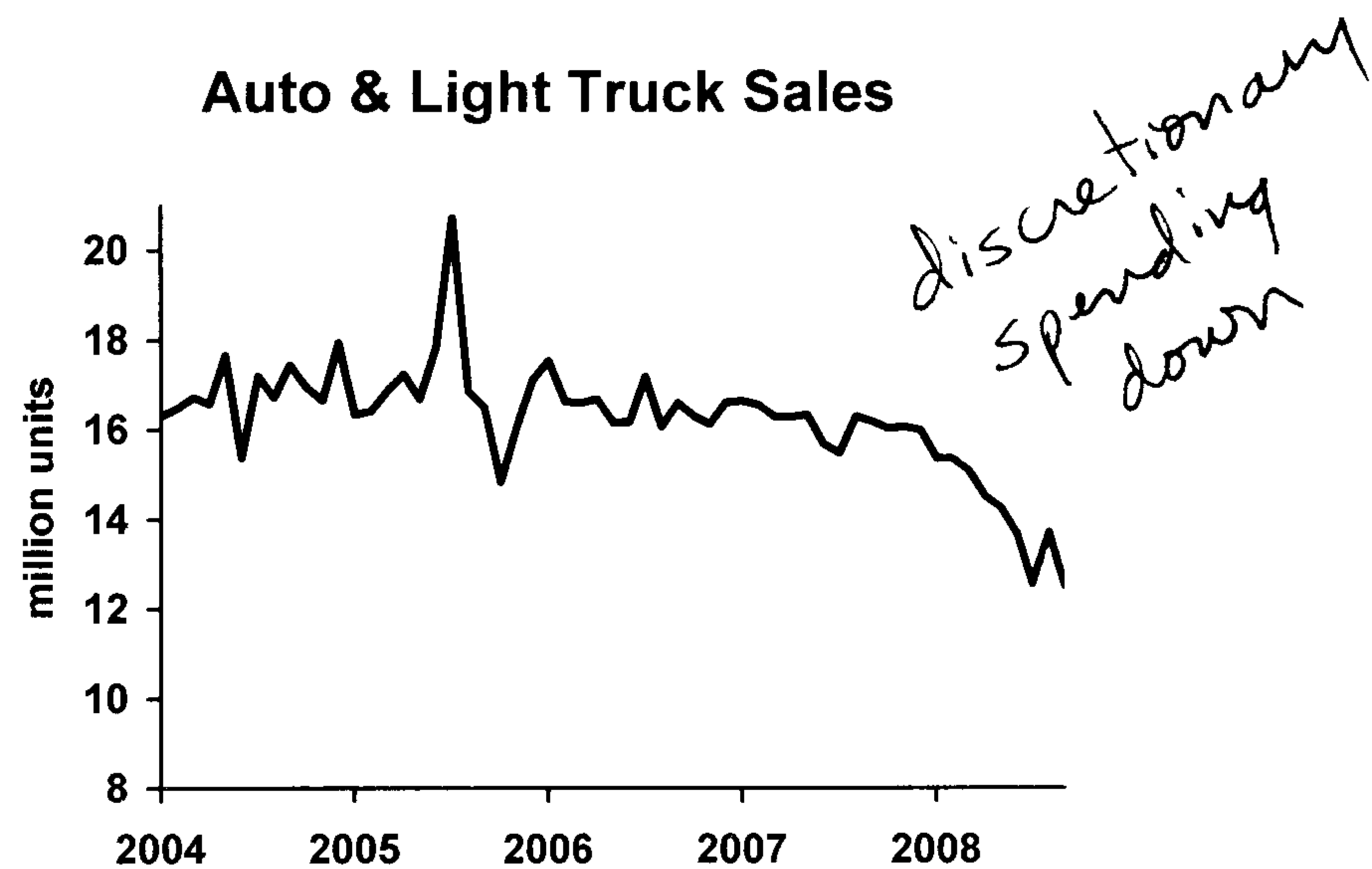
Strengths

- Exports, esp to Asia
- Non-res construction takes a while to slow down
- Fed aggressively stimulative
- Regulators will cut banks slack on capital requirements

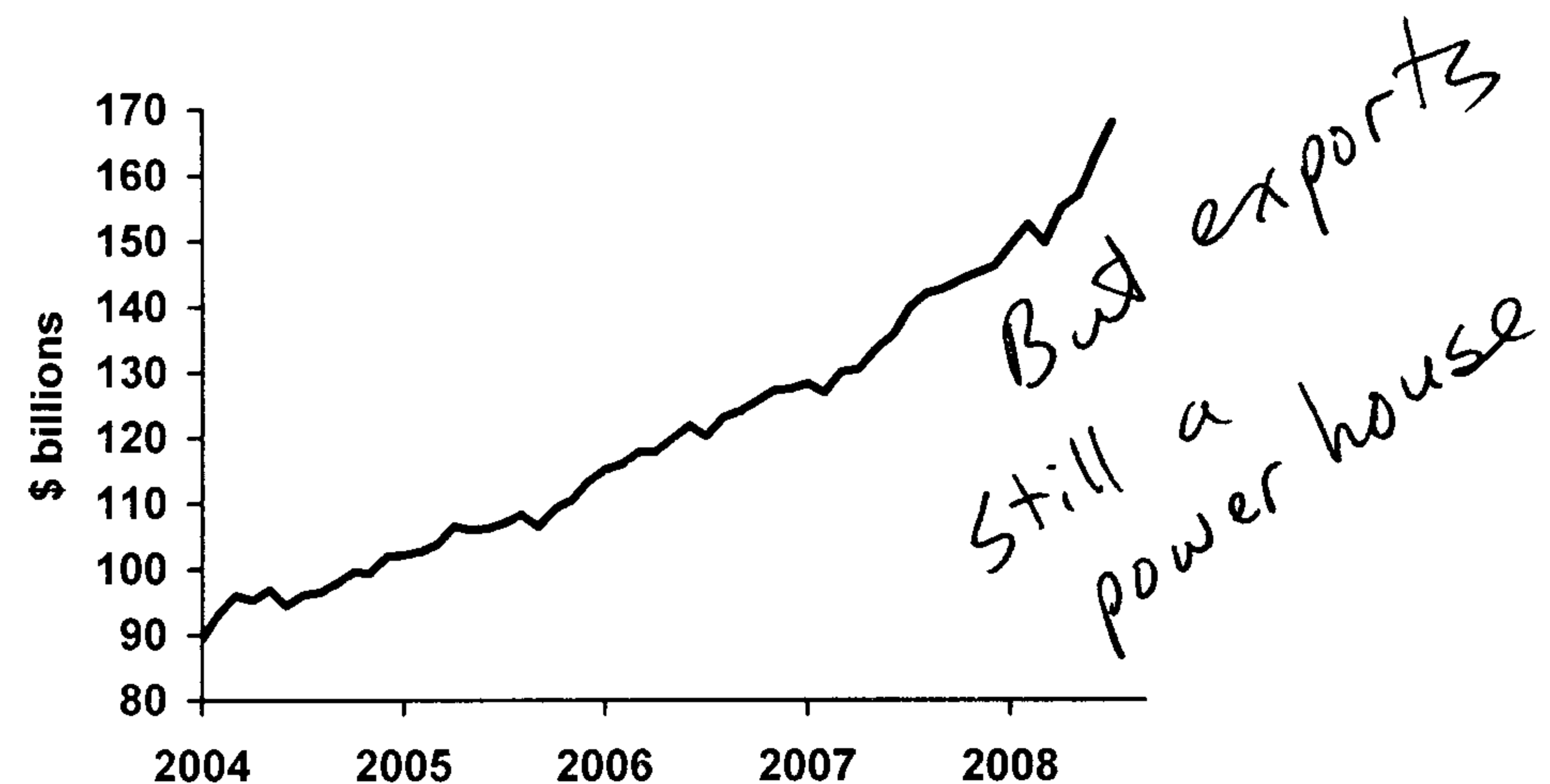
Weaknesses

- Attitudes **very** grim
- Credit crunch hitting Main Street
- Too many houses through 2009
- Lost home equity hurts spending
- Europe weakening

don't ignore our strengths

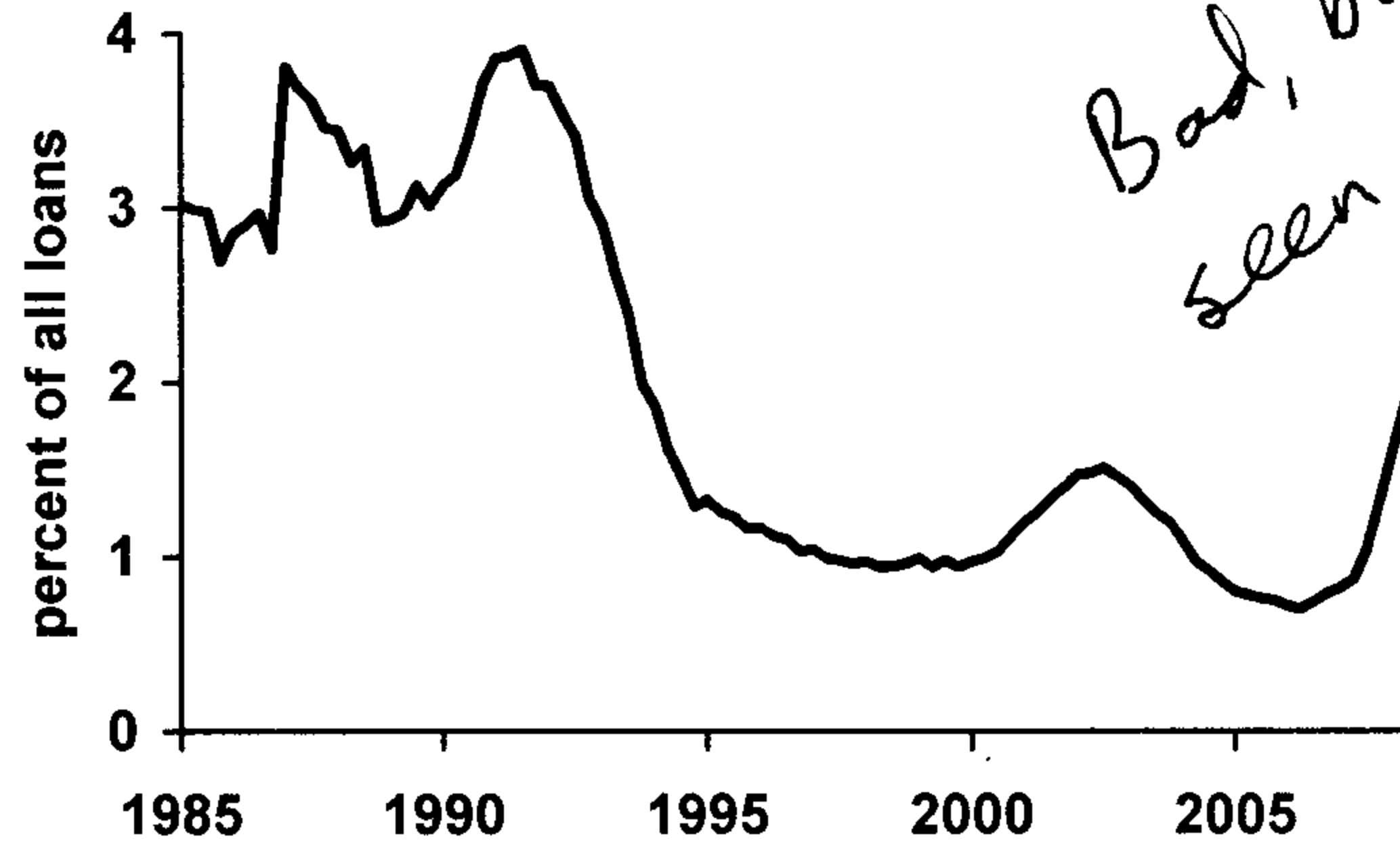


Exports



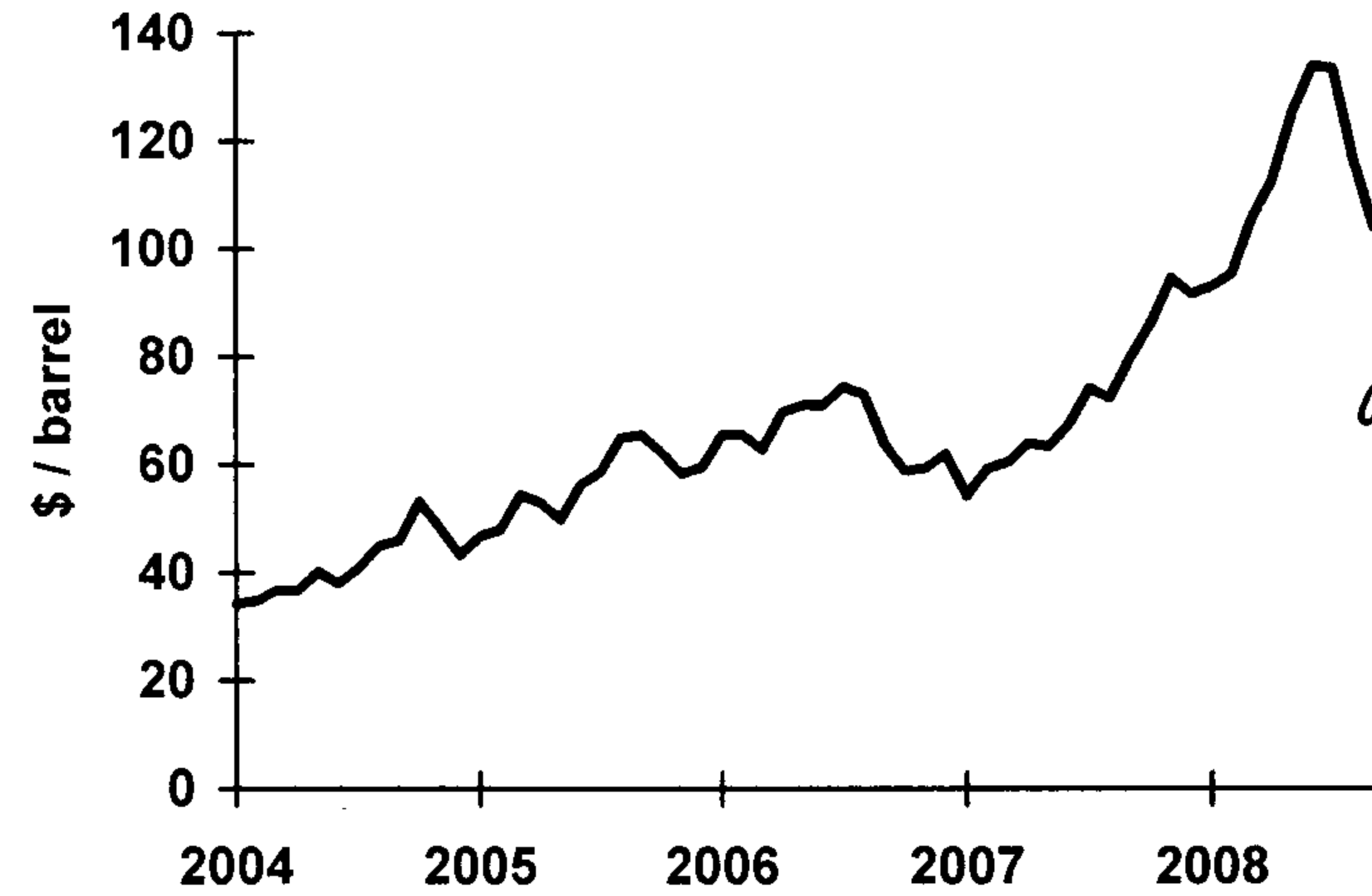
Nonperforming Loan Ratio

based on \$ volume, all banks



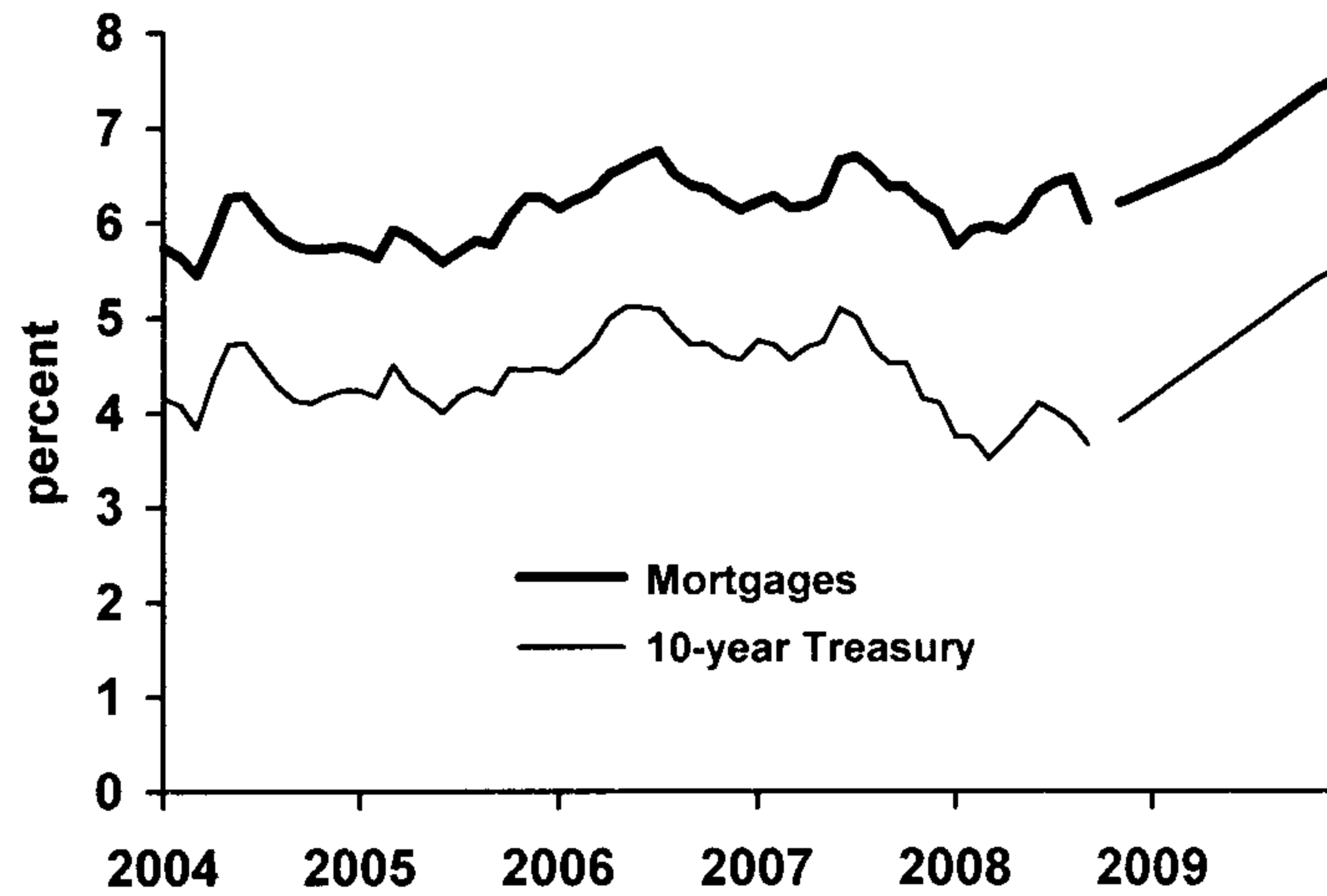
Bad, but we've seen it worse.

Oil Price



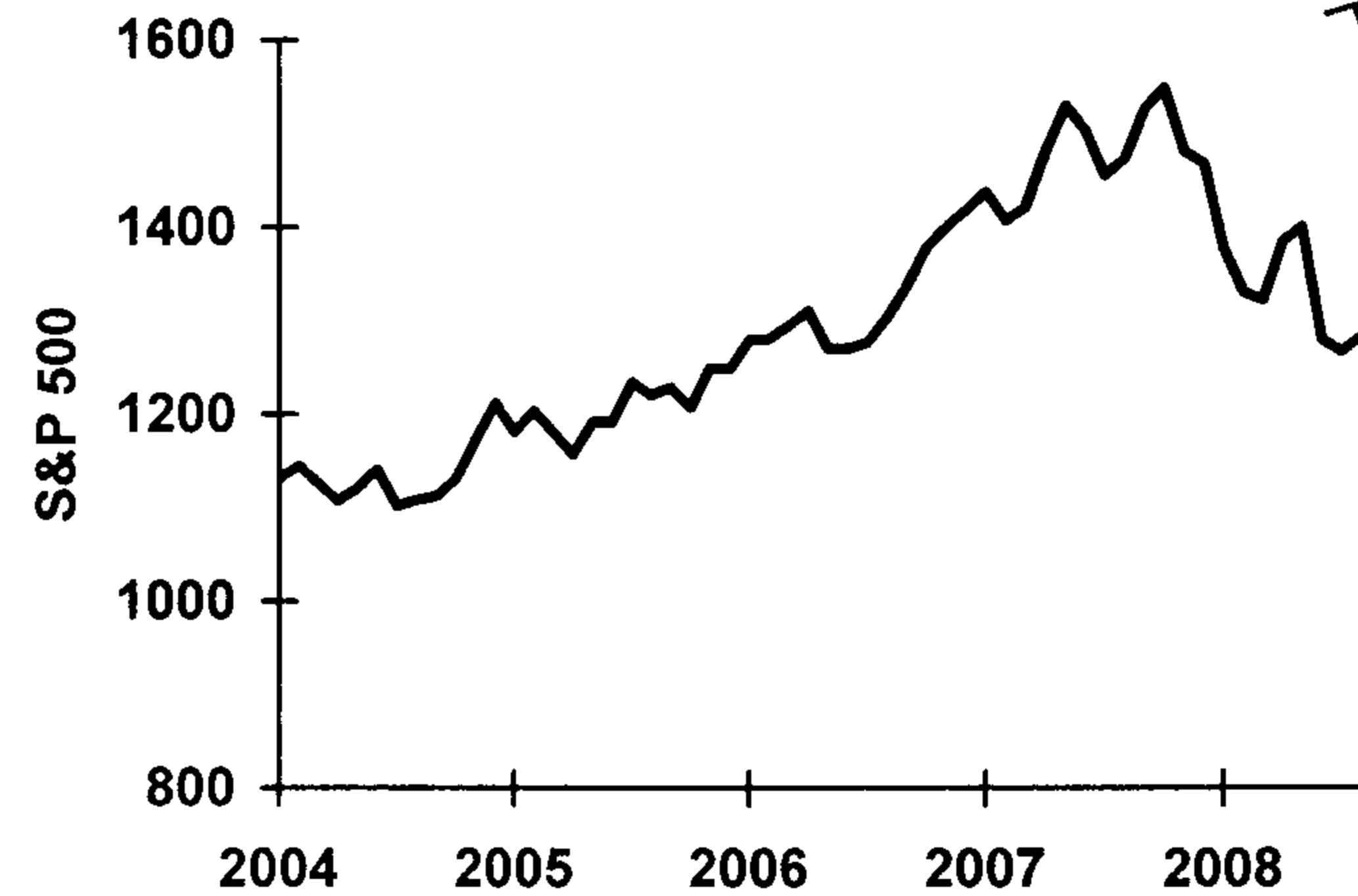
Here's some good news

Interest Rates



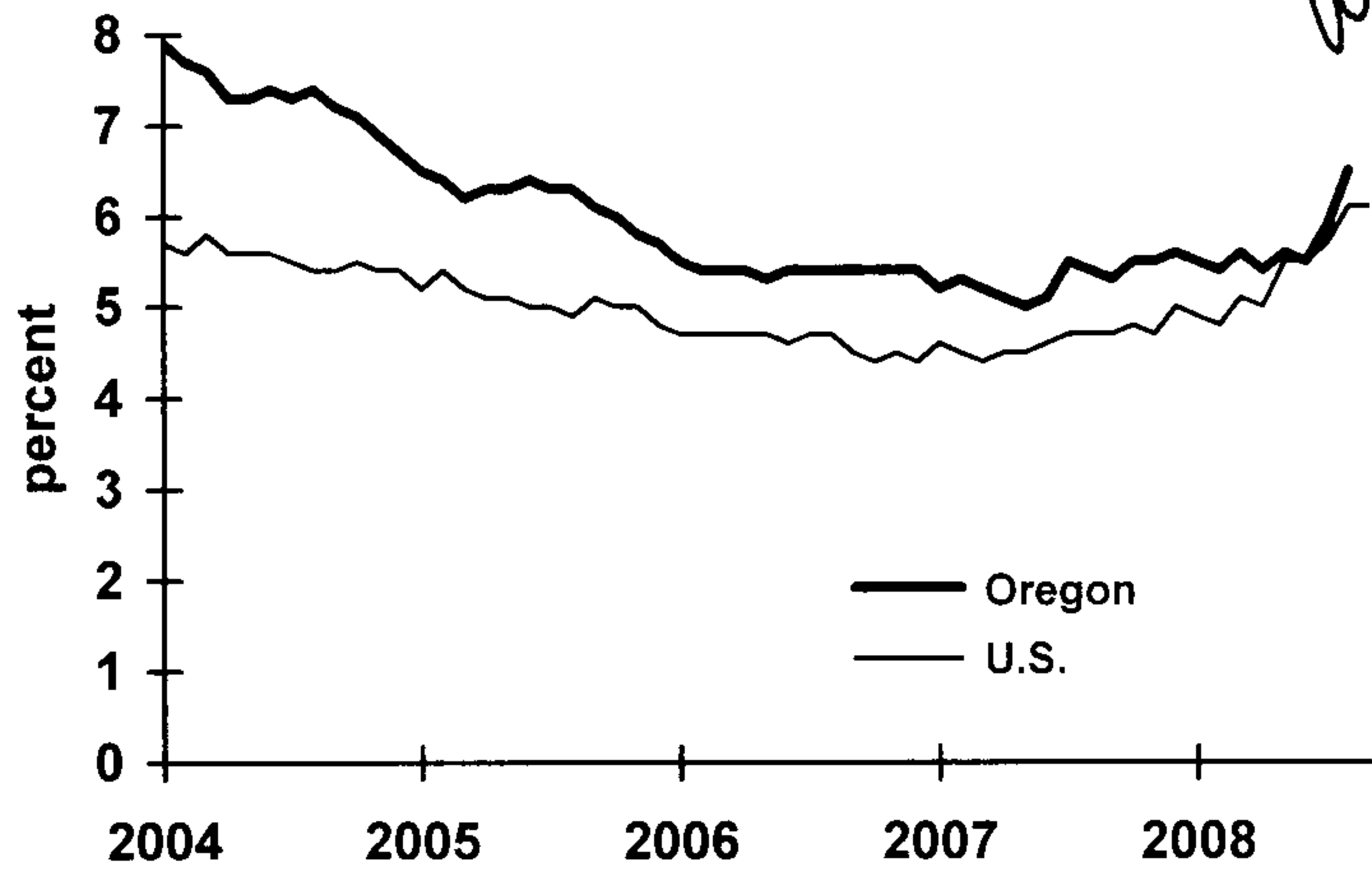
in a year's time, the risk spread will narrow.

Stock Market



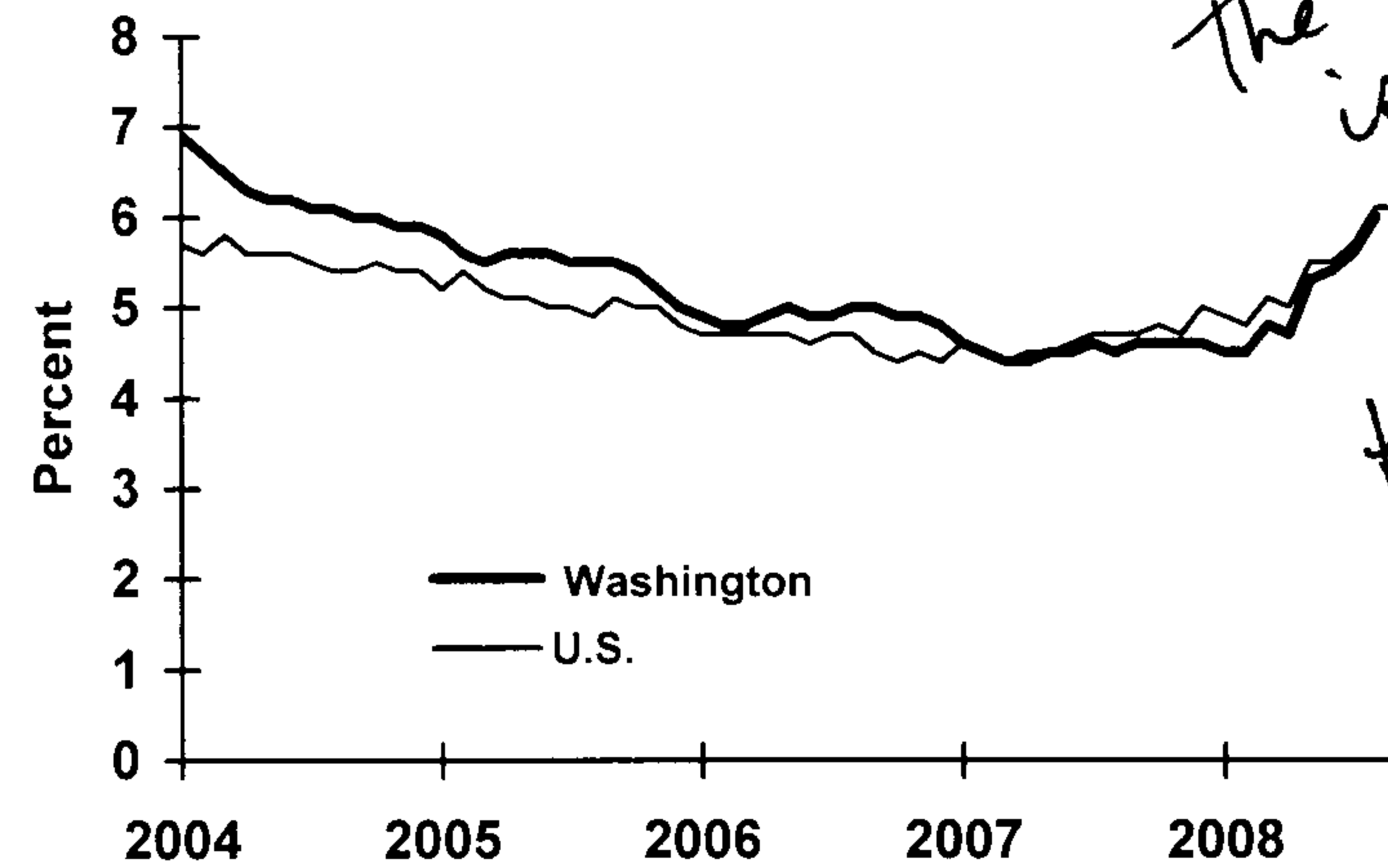
Don't panic.

Unemployment Rate



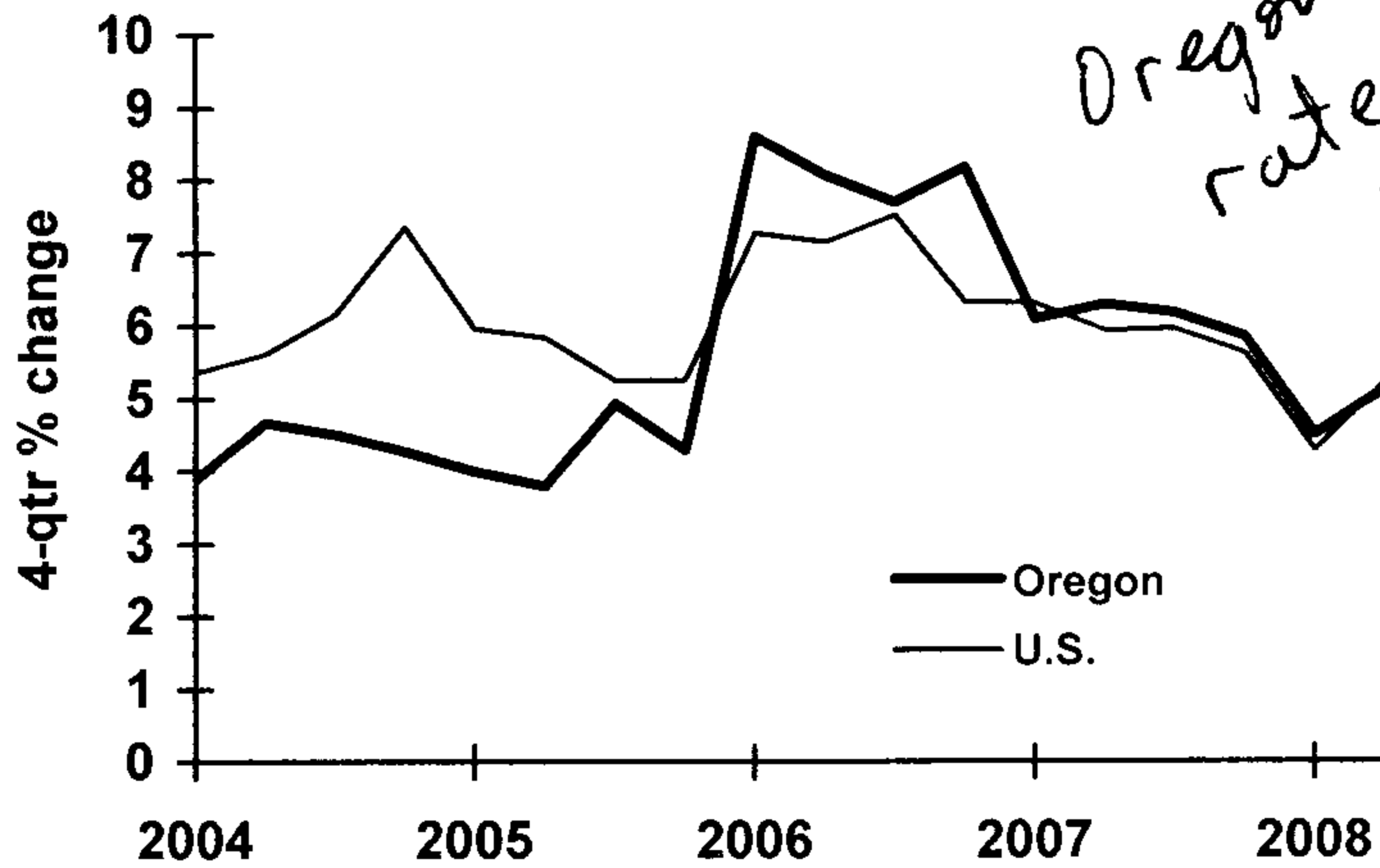
We've now been hit as hard as national average.

Washington Unemployment



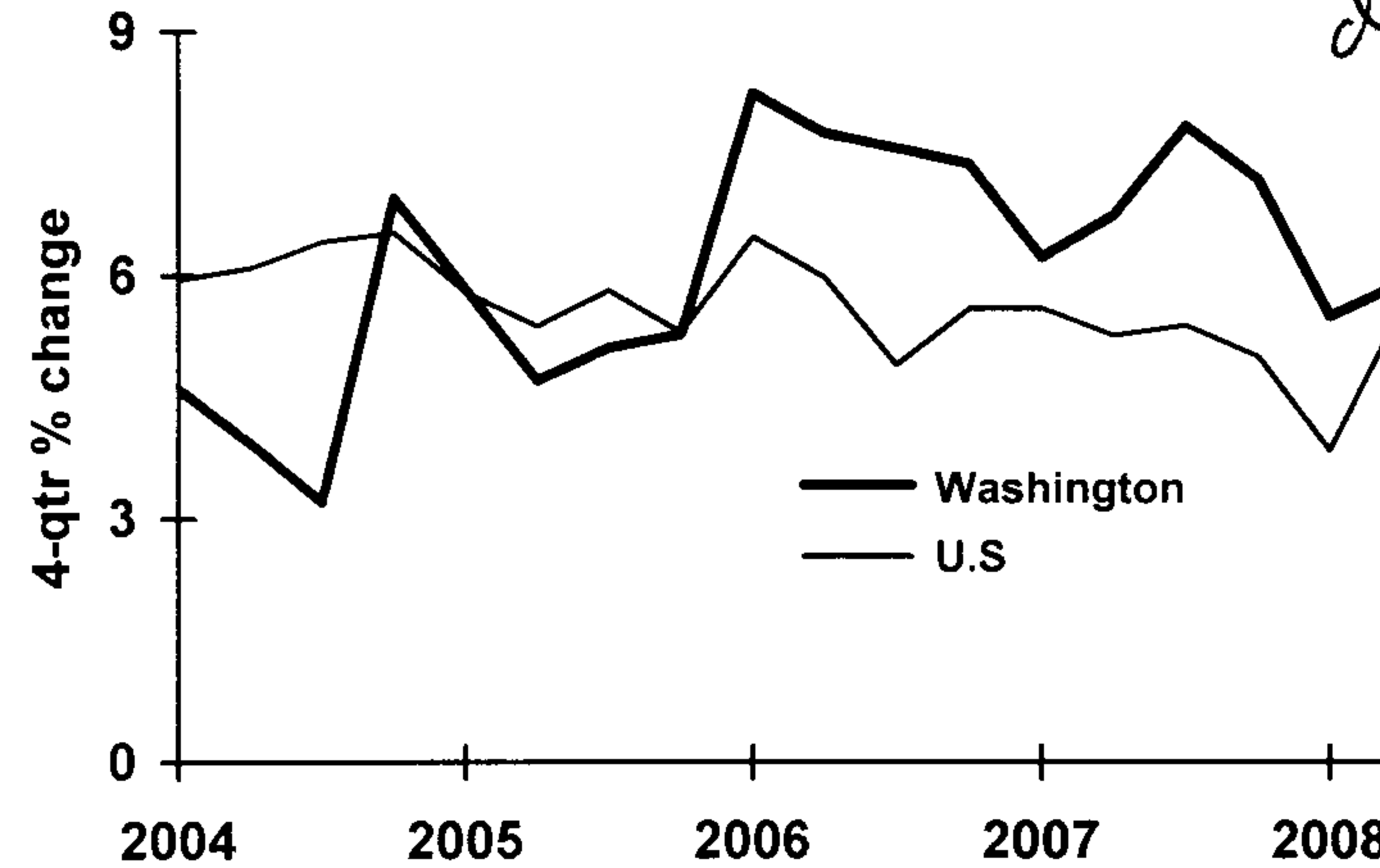
The state is not avoiding the slump.

Oregon Personal Income



Oregon's growth rate should be higher with more population growth.

Washington Personal Income



excluding dividends, interest & rent

we exclude dividends because of big Microsoft payout in 2004