

Idaho Bancorp and Subsidiary

Consolidated Statements of Operations

Audited
(\$ in Thousands)

For the year ended December 31,

	<u>2008</u>	<u>2007</u>	<u>\$ Change</u>	<u>% Change</u>
Interest income:				
Loans receivable	\$ 13,918	\$ 15,819	\$ (1,901)	-12%
Investment securities	1,325	1,291	34	3%
Federal funds sold	67	102	(35)	-34%
Interest bearing deposits with banks	6	82	(76)	-93%
Total interest income	<u>15,316</u>	<u>17,294</u>	<u>(1,978)</u>	-11%
Interest expense:				
Deposits	5,376	6,951	(1,575)	-23%
Other	1,370	1,263	107	8%
Total interest expense	<u>6,746</u>	<u>8,214</u>	<u>(1,468)</u>	-18%
Net interest income	8,570	9,080	(510)	-6%
Provision for loan losses	<u>4,709</u>	<u>310</u>	<u>4,399</u>	1419%
Net interest income after provision for loan losses	<u>3,861</u>	<u>8,770</u>	<u>(4,909)</u>	-56%
Noninterest income:				
Mortgage banking income	643	715	(72)	-10%
Service charges on deposit accounts	247	373	(126)	-34%
Other	262	253	9	4%
Total noninterest income	<u>1,152</u>	<u>1,341</u>	<u>(189)</u>	-14%
Noninterest expense:				
Compensation and benefits	5,317	4,963	354	7%
Occupancy and equipment	1,007	964	43	4%
Other	2,015	1,934	81	4%
Total noninterest expense	<u>8,339</u>	<u>7,861</u>	<u>478</u>	6%
Income before income taxes	(3,326)	2,250	(5,576)	-248%
Income taxes	<u>(1,345)</u>	<u>809</u>	<u>(2,154)</u>	-266%
Net income	<u>\$ (1,981)</u>	<u>\$ 1,441</u>	<u>\$ (3,422)</u>	-237%
Diluted earnings per share	\$ (1.08)	\$ 0.78	\$ (1.86)	-239%