

Idaho Bancorp Reports First Quarter Results

Boise, Idaho -- (Market Wire) – April 15, 2008 -- Today Idaho Bancorp (OTC Bulletin Board: IDBC) reported net income for the first quarter of 2008 of \$129,000 compared to \$393,000 for the same quarter a year ago. The decrease in net income was attributed to margin compression, additions to loan loss provision and one-time non-interest expense charges. Quarterly diluted earnings were \$.07 per share compared to \$.21 per share reported in the first quarter of last year. Book value per share increased to \$9.84.

The Bank reported \$2,114,000 in net interest income for the first quarter of 2008 versus \$2,198,000 for the first quarter of 2007. The decrease was driven by considerable net interest margin compression experienced in the first quarter of 2008. An elevated level of non-interest expense further hampered earnings with a combination of one-time charges for staffing and outside professional fees. Average loans for the quarter were \$189,698,000 which represented an increase of 10% over the first quarter of last year. Average deposits for the quarter were \$184,627,000 versus \$176,722,000 for the same quarter a year ago. The Bank remains well capitalized with a Tier One Leverage ratio well above 10% and total assets of \$233,908,000.

Due in part to softening local and national economic conditions, the Bank increased its allowance for loan losses to 1.41% of loans outstanding compared to 1.38% fourth quarter 2007. Net charge-offs for the quarter totaled \$106,000 or 0.06%, primarily related to one real estate loan that was considered nonperforming at December 31, 2007. Nonperforming loans as of March 31, 2008 represented 0.17% of loans outstanding. Credit standards remain high and the allowance, as a percent of outstanding loans, is projected to stabilize and potentially decrease as economic conditions improve.

Idaho Banking Company's Interim President and CEO Gary Quast commented, "I am pleased to report that in light of the current economic challenges facing our industry our Bank managed to finish with a good first quarter in 2008. The unprecedented 200 basis point cut in the Fed Funds Rate since January of 2008 has been hurting our net interest margin as it has for other community banks." He continued, "I remain cautiously optimistic in regards to the continued strong performance of our loan portfolio. However, I see new pressure placed on the Bank which will likely continue to weigh on the Bank's performance over the next several quarters. As we resume the road to growth, I am hopeful that this situation will be short lived. We are now more determined than ever to fine-tune our approaches, perfect our strategies, and better focus our efforts and investments for the purpose of enhancing profitability for our shareholders."

Idaho Bancorp is the holding company of Idaho Banking Company. Idaho Banking Company, a state-chartered commercial bank and member of the Federal Reserve, was organized in 1996 and operates four branch offices, and a construction & mortgage home loan center. The Bank serves clients throughout southwestern Idaho.

Source: Idaho Bancorp

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Idaho Bancorp and Subsidiary
Consolidated Financial Highlights (unaudited)

(Dollars in thousands, except per share)

| For the quarter ended March 31: | <u>2008</u> | <u>2007</u> | <u>\$ Change</u> | <u>% Change</u> |
|--|-------------|-------------|------------------|-----------------|
| Net interest income | \$ 2,114 | \$ 2,198 | \$ (84) | -4% |
| Provision for loan losses | 145 | 10 | 135 | 1350% |
| Mortgage banking income | 214 | 197 | 17 | 9% |
| Other noninterest income | 133 | 133 | 0 | 0% |
| Noninterest expense | 2,134 | 1,925 | 209 | 11% |
| Net income before taxes | 182 | 593 | (411) | -69% |
| Income taxes | 53 | 200 | (147) | -74% |
| Net income | 129 | 393 | (264) | -67% |
| Earnings per share | | | | |
| Basic | 0.07 | 0.22 | (0.15) | -68% |
| Diluted | 0.07 | 0.21 | (0.14) | -67% |
| | | | | |
| At March 31: | <u>2008</u> | <u>2007</u> | <u>\$ Change</u> | <u>% Change</u> |
| Loans | \$ 189,284 | \$ 175,100 | \$ 14,184 | 8% |
| Allowance for loan losses | 2,662 | 2,435 | 227 | 9% |
| Assets | 240,701 | 227,957 | 12,744 | 6% |
| Deposits | 190,240 | 188,487 | 1,753 | 1% |
| Shareholders' equity | 17,849 | 16,280 | 1,569 | 10% |
| Nonperforming loans | 316 | 0 | 316 | N/A |
| Other real estate owned | 0 | 0 | 0 | N/A |
| | | | | |
| Book value per share | 9.84 | 8.96 | 0.88 | 10% |
| Shares of common stock outstanding | 1,814,022 | 1,816,922 | (2,900) | 0% |
| | | | | |
| Allowance to loan ratio | 1.41% | 1.39% | | |
| Allowance to nonperforming loans | 842% | N/A | | |
| Nonperforming loans to total loans | 0.17% | 0.00% | | |
| | | | | |
| Averages for the year ended March 31: | <u>2008</u> | <u>2007</u> | <u>\$ Change</u> | <u>% Change</u> |
| Loans | 189,698 | \$ 171,723 | \$ 17,975 | 10% |
| Earning assets | 223,253 | 206,152 | 17,101 | 8% |
| Assets | 233,908 | 218,140 | 15,768 | 7% |
| Deposits | 184,627 | 176,722 | 7,905 | 4% |
| Shareholders' equity | 17,541 | 16,197 | 1,344 | 8% |
| | | | | |
| For the quarter ended March 31: | | | | |
| Return on average assets | 0.22% | 0.73% | | |
| Return on average equity | 2.96% | 9.84% | | |
| Average loans to deposits | 102.75% | 97.17% | | |
| Net interest margin - tax equivalent | 3.87% | 4.39% | | |
| Net loan charge-offs (recoveries) | 106 | (6) | | |
| Net charge-offs (recoveries) to loans (annualized) | 0.22% | -0.01% | | |

Idaho Bancorp and Subsidiary
Quarterly Consolidated Financial Highlights (unaudited)

(Dollars in thousands, except per share)

| | <u>2008 Q1</u> | <u>2007 Q4</u> | <u>2007 Q3</u> | <u>2007 Q2</u> | <u>2007 Q1</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| Net interest income | \$ 2,114 | \$ 2,325 | \$ 2,280 | \$ 2,277 | \$ 2,198 |
| Provision for loan losses | 145 | 125 | 145 | 30 | 10 |
| Mortgage banking income | 214 | 197 | 185 | 136 | 197 |
| Other noninterest income | 133 | 217 | 145 | 131 | 133 |
| Noninterest expense | 2,134 | 1,955 | 1,986 | 1,995 | 1,925 |
| Net income before taxes | 182 | 659 | 479 | 519 | 593 |
| Income taxes | 53 | 278 | 157 | 174 | 200 |
| Net income | 129 | 381 | 322 | 345 | 393 |
| Earnings per share | | | | | |
| Basic | 0.07 | 0.21 | 0.18 | 0.19 | 0.22 |
| Diluted | 0.07 | 0.21 | 0.17 | 0.19 | 0.21 |
| Average loans | | | | | |
| Average loans | 189,698 | 194,381 | 182,808 | 177,699 | 171,723 |
| Average earning assets | 223,253 | 227,257 | 220,128 | 216,409 | 206,152 |
| Average assets | 233,908 | 238,798 | 232,011 | 228,472 | 218,140 |
| Average deposits | 184,627 | 191,565 | 189,402 | 188,822 | 176,722 |
| Average shareholders' equity | 17,541 | 17,439 | 16,989 | 16,632 | 16,197 |
| Return on average assets | | | | | |
| Return on average assets | 0.22% | 0.63% | 0.55% | 0.61% | 0.73% |
| Return on average equity | | | | | |
| Return on average equity | 2.96% | 8.67% | 7.52% | 8.32% | 9.84% |
| Average loans to deposits | | | | | |
| Average loans to deposits | 102.75% | 101.47% | 96.52% | 94.11% | 97.17% |
| Net interest margin - tax equivalent | | | | | |
| Net interest margin - tax equivalent | 3.87% | 4.13% | 4.18% | 4.28% | 4.39% |
| Nonperforming loans - period end | | | | | |
| Nonperforming loans - period end | \$ 316 | \$ 911 | \$ - | \$ - | \$ - |
| Other real estate owned - period end | | | | | |
| Other real estate owned - period end | - | - | - | - | - |
| Loans - period end | | | | | |
| Loans - period end | 189,284 | 190,366 | 187,828 | 177,890 | 175,100 |
| Allowance for loan losses - period end | | | | | |
| Allowance for loan losses - period end | 2,662 | 2,623 | 2,589 | 2,456 | 2,435 |
| Net charge-offs (recoveries) - quarterly | | | | | |
| Net charge-offs (recoveries) - quarterly | 106 | 91 | 12 | 9 | (6) |
| Allowance to loans | | | | | |
| Allowance to loans | 1.41% | 1.38% | 1.38% | 1.38% | 1.39% |
| Allowance to nonperforming loans | | | | | |
| Allowance to nonperforming loans | 842% | 288% | N/A | N/A | N/A |
| Nonperforming loans to total loans | | | | | |
| Nonperforming loans to total loans | 0.17% | 0.48% | 0.00% | 0.00% | 0.00% |
| Net charge-offs to loans - annualized | | | | | |
| Net charge-offs to loans - annualized | 0.22% | 0.19% | 0.03% | 0.02% | -0.01% |