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Idaho Bancorp Reports First Quarter Results

BOISE, ID--(Marketwire - April 15, 2009) - Today Idaho Bancorp (the "Bank") (OTCBB: [IDBC](#)) reported a net loss for the first quarter of 2009 of (\$149,000) compared to a net income of \$129,000 for the same quarter a year ago. The current results are primarily attributed to additions to loan loss provision. The quarterly losses were (\$0.08) per share compared to net income of \$0.07 per share reported in the first quarter of last year. The book value per share was \$8.22 and \$9.84 as of March 31, 2009 and 2008, respectively. The Bank's total risk based capital ratios were 14.25% and 12.05% as of March 31, 2009 and 2008, respectively.

The Bank reported \$2,120,000 in net interest income for the first quarter 2009 versus \$2,114,000 for the first quarter 2008. Average loans outstanding increased by 8%, when comparing the first quarter 2009 to the same quarter in 2008. Offsetting this increase in average loans outstanding was a 12 basis point decrease in the net interest margin and a 14% decrease in other average earning assets. Average checking and savings accounts increased by 2% comparing first quarter 2009 to first quarter 2008.

Due in part to the local and national economic conditions, the Bank recognized \$700,000 in provision for credit losses during the first quarter 2009, compared to \$145,000 during the same quarter in 2008. Idaho Bancorp also recognized \$1,135,000 of net charge-offs in the first quarter 2009. The net charge-offs were primarily attributed to a small number of customer relationships. The Bank's allowance for loan losses at March 31, 2009 was 2.13%, down slightly from the 2.17% recognized at December 31, 2008. Management continues to work with the Bank's customers facing credit issues due to the challenging economics times we are going through.

Noninterest income of \$477,000 for the first quarter 2009 is up \$130,000, or 37%, from the same quarter in 2008. This is largely attributable to the Bank's mortgage operations, which showed an increase in revenues of \$128,000, or 60%, when comparing the first quarters of 2009 to 2008. A decrease in mortgage interest rates has caused an increase in refinancing activity as well as home purchases. The Bank tends to sell nearly all mortgage loans originated, thereby mitigating its exposure to changing interest rates.

Noninterest expense for the first quarter 2009 increased only \$38,000, or 2%, from that recognized during the same time period in 2008. When comparing the same time periods mentioned earlier, FDIC insurance increased by \$49,000. Management has focused on reducing noninterest expenses where possible and will continue to focus on reducing these expenses.

The receipt of \$6,900,000 in TARP capital on January 16, 2009 is the primary reason the Bank's total risk based capital ratio increased to 14.25% at March 31, 2009 compared to 12.05% at March 31, 2008. A bank is considered to be well capitalized by regulatory agencies if its total risk based capital ratio exceeds 10%.

Idaho Bancorp President and CEO James C. Latta commented, "The initiatives management implemented in 2008 and thus far in 2009 will benefit the Bank's shareholders, customers, and its employees. We are excited to be offering the types of products and services our customer's expect. The products and services we offer will only get better as we convert to a nationally recognized core application service provider in mid 2009."

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

This release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). Such forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those projected, including but not limited to the following: the concentration of loans of the company's banking subsidiary, particularly with respect to commercial and

residential real estate lending; a continued decline in the housing and real estate market, changes in the regulatory environment and increases in associated costs, particularly ongoing compliance expenses and resource allocation needs in response to regulatory rules and guidelines; vendor quality and efficiency; employee recruitment and retention; the company's ability to control risks associated with rapidly changing technology both from an internal perspective as well as for external providers; increased competition among financial institutions; fluctuating interest rate environments; a tightening of available credit, and similar matters. Readers are cautioned not to place undue reliance on the forward-looking statements. Idaho Bancorp undertakes no obligation to publicly revise or update the forward-looking statements to reflect events or circumstances that arise after the date of this release. This statement is included for the express purpose of invoking PSLRA's safe harbor provisions.

Idaho Bancorp and Subsidiary
Consolidated Financial Highlights (unaudited)
(Dollars in thousands, except per share)

For the quarter ended March 31:	2009	2008	\$ Change	% Change
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Net interest income	\$ 2,120	\$ 2,114	\$ 6	0%
Provision for loan losses	700	145	555	383%
Mortgage banking income	342	214	128	60%
Other noninterest income	135	133	2	2%
Noninterest expense	2,172	2,134	38	2%
Net income/(loss) before taxes	(275)	182	(457)	-251%
Income taxes	(126)	53	(179)	-338%
Net income/(loss)	(149)	129	(278)	-216%
 Earnings/(loss) per share				
Basic	(0.08)	0.07	(0.15)	-214%
Diluted	(0.08)	0.07	(0.15)	-214%
 At March 31:	2009	2008	\$ Change	% Change
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Loans	\$ 193,404	\$ 189,284	\$ 4,120	2%
Allowance for loan losses	4,118	2,662	1,456	55%
Assets	233,402	240,701	(7,299)	-3%
Deposits	182,234	190,240	(8,006)	-4%
Shareholders' equity	22,022	17,849	4,173	23%
Nonperforming loans	7,637	316	7,321	N/A
Other real estate owned *	1,155	0	1,155	N/A
 Book value per share	8.22	9.84	(1.62)	-16%
Shares of common stock outstanding	1,839,860	1,814,022	25,838	1%
 Allowance to loan ratio	2.13%	1.41%		
Allowance to nonperforming loans	54%	842%		
Nonperforming loans to total loans	3.95%	0.17%		
 Averages for the year ended March 31:	2009	2008	\$ Change	% Change
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Loans	\$ 204,018	\$ 189,698	\$ 14,320	8%
Earning assets	232,901	223,253	9,648	4%
Assets	242,591	233,908	8,683	4%
Deposits	183,895	184,627	(732)	0%
Shareholders' equity	22,081	17,541	4,540	26%
 For the quarter ended March 31:				
Return on average assets	-0.25%	0.22%		
Return on average equity	-2.74%	2.96%		
Average loans to deposits	110.94%	102.75%		
Net interest margin - tax equivalent	3.75%	3.87%		
Net loan charge-offs (recoveries)	\$ 1,135	\$ 106		
Net charge-offs (recoveries) to loans (annualized)	2.26%	0.22%		

* Includes only retaken property.

Idaho Bancorp and Subsidiary
Quarterly Consolidated Financial Highlights (unaudited)
(Dollars in thousands, except per share)

	2009 Q1	2008 Q4	2008 Q3	2008 Q2	2008 Q1
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Net interest income	\$ 2,120	\$ 2,084	\$ 2,250	\$ 2,122	\$ 2,114
Provision for loan losses	700	4,104	260	200	145
Mortgage banking income	342	100	168	161	214
Other noninterest income	135	118	135	123	133
Noninterest expense	2,172	1,718	2,044	2,443	2,134
Net income/(loss) before taxes	(275)	(3,520)	249	(237)	182
Income taxes	(126)	(237)	80	(98)	53
Net income/(loss)	(149)	(3,283)	169	(139)	129
Earnings/(loss) per share					
Basic	(0.08)	(1.16)	0.09	(0.08)	0.07
Diluted	(0.08)	(1.16)	0.09	(0.08)	0.07
Average loans	204,018	202,910	197,948	193,323	189,698
Average earning assets	232,901	231,809	227,730	228,614	223,253
Average assets	242,591	242,032	238,021	238,248	233,908
Average deposits	183,895	180,689	176,924	185,846	184,627
Average shareholders' equity	22,081	17,703	17,763	17,985	17,541
Return on average assets	-0.25%	-5.40%	0.28%	-0.23%	0.22%
Return on average equity	-2.74%	-73.78%	3.78%	-3.11%	2.96%
Average loans to deposits	110.94%	112.30%	111.88%	104.02%	102.75%
Net interest margin - tax equivalent	3.75%	3.63%	3.99%	3.79%	3.87%
Nonperforming loans - period end	\$ 7,637	\$ 10,907	\$ 2,158	\$ 60	\$ 316
Other real estate owned - period end *	1,155	380	336	206	-
Loans - period end	193,404	209,648	199,788	196,894	189,284
Allowance for loan losses - period end	4,118	4,553	3,024	2,868	2,662
Net charge-offs (recoveries) - quarterly	1,135	2,575	104	(6)	106
Allowance to loans	2.13%	2.17%	1.51%	1.46%	1.41%
Allowance to nonperforming loans	54%	42%	140%	4780%	842%
Nonperforming loans to total loans	3.95%	5.20%	1.08%	0.03%	0.17%
Net charge-offs to loans - annualized	2.26%	5.05%	0.21%	-0.01%	0.22%

* Includes only retaken property.

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