

Idaho Bancorp Reports Third-Quarter Results

Boise, Idaho -- (Market Wire) – October 15, 2007 -- Today Idaho Bancorp (OTCBB: IDBC) reported net income for the first nine months of 2007 of \$1,060,000, an 8% increase over the \$978,000 reported in the same period of 2006. Diluted earnings per share of \$.57 compared favorably to the \$.53 per share reported in the first nine months of last year.

The most significant factor driving the year-to-year earnings improvement was a 6% increase in net interest income, a result of a 14% growth in the average loan portfolio, and an increase of 13% in other non-interest income. Net interest margin decreased slightly from 4.45% in the first nine months of 2006 to 4.28% in the first nine months of 2007 as a result of increasing cost of funds and continued pressure on loan rates due to intense market competition.

Net income for the third quarter of 2007 was \$322,000, an 11% decrease from the \$362,000 reported in the third quarter of 2006. Slower than expected loan growth, net interest margin compression and significant softening of residential real estate sales in the Treasure Valley adversely impacted the rate of earnings growth relative to the same period last year. Diluted earnings per share were \$.17 per share, compared to \$.20 per share in the same quarter last year.

Credit quality continues to be excellent. There were no nonperforming assets at September 30, 2007. The allowance for loan losses was 1.38% of total loans on September 30, 2007. Book value per share at September 30, 2007 was \$9.37, an increase of 11% from the September 30, 2006 level.

“The intensely competitive banking market in the Treasure Valley has made it very difficult for our bank to achieve desired growth in the loan and deposit portfolios while maintaining reasonable pricing and spreads,” said Mike Johnston, President and CEO. “We anticipate the 4th quarter to be equally challenging.”

In May 2007 the Board of Directors approved a stock repurchase of up to 30,000 shares and the Company expects to begin repurchasing some or all of these shares over the next few months.

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 nine months ended September 30:	<u>2007</u>	<u>2006</u>	<u>\$ Change</u>	<u>% Change</u>
Net interest income	\$ 6,755	\$ 6,390	\$ 365	6%
Provision for loan losses	185	360	(175)	-49%
Mortgage banking income	518	732	(214)	-29%
Other noninterest income	409	362	47	13%
Noninterest expense	5,906	5,702	204	4%
Net income before taxes	1,591	1,422	169	12%
Income taxes	531	444	87	20%
Net income	1,060	978	82	8%

Earnings per share

Basic	0.58	0.55	0.03	5%
Diluted	0.57	0.53	0.03	6%

At September 30:	<u>2007</u>	<u>2006</u>	<u>\$ Change</u>	<u>% Change</u>
Loans	\$ 187,828	\$ 172,623	\$ 15,205	9%
Allowance for loan losses	2,589	2,413	176	7%
Assets	232,867	223,638	9,229	4%
Deposits	190,488	185,719	4,769	3%
Shareholders' equity	17,051	15,246	1,805	12%
Nonperforming loans	0	0	0	N/A
Other real estate owned	524	0	524	N/A
Book value per share	9.37	8.47	0.90	11%
Shares of common stock outstanding	1,820,172	1,800,572	19,600	1%
Allowance to loan ratio	1.38%	1.40%		
Allowance to nonperforming loans	N/A	N/A		
Nonperforming loans to total loans	0.00%	0.00%		

Averages for the nine months ended September 30:	<u>2007</u>	<u>2006</u>	<u>\$ Change</u>	<u>% Change</u>
Loans	\$ 177,451	\$ 155,396	\$ 22,055	14%
Earning assets	214,281	195,030	19,251	10%
Assets	226,259	206,690	19,569	9%
Deposits	185,028	165,118	19,910	12%
Shareholders' equity	16,609	14,784	1,825	12%

For the nine months ended September 30:

Return on average assets	0.63%	0.63%		
Return on average equity	8.53%	8.84%		
Average loans to deposits	95.90%	94.11%		
Net interest margin - tax equivalent	4.28%	4.45%		
Net loan charge-offs (recoveries)	15	(38)		
Net charge-offs (recoveries) to loans	0.01%	-0.03%		

Idaho Bancorp and Subsidiary
Quarterly Consolidated Financial Highlights (unaudited)

(Dollars in thousands, except per share)

	<u>2007 Q3</u>	<u>2007 Q2</u>	<u>2007 Q1</u>	<u>2006 Q4</u>	<u>2006 Q3</u>
Net interest income	\$ 2,280	\$ 2,277	\$ 2,198	\$ 2,297	\$ 2,288
Provision for loan losses	145	30	10	0	140
Mortgage banking income	185	136	197	233	231
Other noninterest income	145	131	133	130	138
Noninterest expense	1,986	1,995	1,925	2,077	1,978
Net income before taxes	479	519	593	583	539
Income taxes	157	174	200	191	177
Net income	322	345	393	392	362
Earnings per share					
Basic	0.18	0.19	0.22	0.22	0.20
Diluted	0.17	0.19	0.21	0.21	0.20
Average loans					
Average earning assets	182,808	177,699	171,723	168,428	165,755
Average assets	220,128	216,409	206,152	210,018	204,802
Average deposits	232,011	228,472	218,140	221,942	216,575
Average shareholders' equity	189,402	188,822	176,722	182,953	176,920
Return on average assets					
Return on average equity	16,989	16,632	16,197	15,714	15,282
Return on average assets	0.55%	0.61%	0.73%	0.70%	0.66%
Return on average equity	7.52%	8.32%	9.84%	9.90%	9.40%
Average loans to deposits	96.52%	94.11%	97.17%	92.06%	93.69%
Net interest margin - tax equivalent	4.18%	4.28%	4.39%	4.40%	4.50%
Nonperforming loans - period end					
Nonperforming loans - period end	\$ -	\$ -	\$ -	\$ -	\$ -
Other real estate owned - period end	524	-	-	-	-
Loans - period end	187,828	177,890	175,100	171,188	172,623
Allowance for loan losses - period end	2,589	2,456	2,435	2,419	2,413
Net charge-offs (recoveries) - quarterly	12	9	(6)	(6)	(15)
Allowance to loans					
Allowance to loans	1.38%	1.38%	1.39%	1.41%	1.40%
Allowance to nonperforming loans	N/A	N/A	N/A	N/A	N/A
Nonperforming loans to total loans	0.00%	0.00%	0.00%	0.00%	0.00%
Net charge-offs to loans - annualized	0.03%	0.02%	-0.01%	-0.01%	-0.04%