

## **Idaho Bancorp Reports Record Results for 2007**

Boise, Idaho -- (Market Wire) – January 15, 2008 -- Today Idaho Bancorp (OTCBB: IDBC) reported record net income for 2007 of \$1,441,000, a 5% increase over the \$1,370,000 reported in the same period of 2006. Diluted earnings per share of \$.78 compared favorably to the \$.75 per share reported in the prior year.

The most significant factor driving the year-to-year earnings improvement was a 5% increase in net interest income, a result of a 15% growth in the average loan portfolio and an increase of 27% in other non-interest income. This earnings improvement was achieved despite the fact that the bank incurred its first annual net loan loss in four years. Net loan charge-offs for the year were \$106,000 and nonperforming loans represent .48% of loans at December 31, 2007.

Net interest margin decreased from 4.44% in 2006 to 4.24% in 2007 due to increasing cost of funds and continued pressure on loan rates due to intense market competition.

Net income for the fourth quarter of 2007 was \$381,000, a 3% decrease from the \$392,000 reported in the fourth quarter of 2006. Net interest margin compression and significant softening of the residential real estate sector in the Treasure Valley adversely impacted the rate of earnings growth relative to the same period last year. Earnings were also impacted by tax expense incurred for early surrender of certain bank owned life insurance policies. Quarterly diluted earnings per share were \$.21 compared to \$.21 per share in the same quarter last year.

The allowance for loan losses was 1.38% of total loans on December 31, 2007. Book value per share at December 31, 2007 was \$9.61, an increase of 10% from the December 31, 2006 level.

“Overall I am pleased with our Bank’s 2007 financial results” said Mike Johnston, President and CEO. “In an intensely competitive marketplace marked by very soft residential real estate development and sales we still generated double digit growth in our average loan and deposit totals over 2006. We did see compression in our net interest margin driven primarily by interest expense on the funding side and we expect further compression in 2008 due to past and expected future rate cuts by the Federal Open Market Committee. Looking forward, 2008 will be another challenging year for the entire banking industry, but I believe our Company is well positioned to continue delivering solid results 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)

<b>For the year ended December 31:</b>	<u>2007</u>	<u>2006</u>	<u>\$ Change</u>	<u>% Change</u>
Net interest income	\$ 9,080	\$ 8,687	\$ 393	5%
Provision for loan losses	310	360	(50)	-14%
Mortgage banking income	715	965	(250)	-26%
Other noninterest income	625	492	133	27%
Noninterest expense	7,860	7,779	81	1%
Net income before taxes	2,250	2,005	245	12%
Income taxes	809 (1)	635	174	27%
Net income	1,441	1,370	71	5%
Earnings per share				
Basic	0.79	0.77	0.02	3%
Diluted	0.78	0.75	0.03	4%
<b>At December 31:</b>	<u>2007</u>	<u>2006</u>	<u>\$ Change</u>	<u>% Change</u>
Loans	\$ 190,366	\$ 171,188	\$ 19,178	11%
Allowance for loan losses	2,623	2,419	204	8%
Assets	234,502	219,941	14,561	7%
Deposits	189,226	181,589	7,637	4%
Shareholders' equity	17,438	15,769	1,669	11%
Nonperforming loans	911	0	911	100%
Other real estate owned	0	0	0	N/A
Book value per share	9.61	8.73	0.88	10%
Shares of common stock outstanding	1,814,222	1,805,772	8,450	0%
Allowance to loan ratio	1.38%	1.41%		
Allowance to nonperforming loans	288%	N/A		
Nonperforming loans to total loans	0.48%	0.00%		
<b>Averages for year ended December 31:</b>	<u>2007</u>	<u>2006</u>	<u>\$ Change</u>	<u>% Change</u>
Loans	\$ 181,719	\$ 158,680	\$ 23,039	15%
Earning assets	217,553	198,808	18,745	9%
Assets	229,412	210,535	18,877	9%
Deposits	186,789	169,613	17,176	10%
Shareholders' equity	16,779	15,019	1,760	12%
<b>For the year ended December 31:</b>				
Return on average assets	0.63%	0.65%		
Return on average equity	8.59%	9.12%		
Average loans to deposits	97.29%	93.55%		
Net interest margin - tax equivalent	4.24%	4.44%		
Net loan charge-offs (recoveries)	106	(44)		
Net charge-offs (recoveries) to loans	0.06%	-0.03%		

(1) Additional tax expense incurred for early surrender of certain bank owned life insurance policies.

**Idaho Bancorp and Subsidiary**  
**Quarterly Consolidated Financial Highlights (unaudited)**

(Dollars in thousands, except per share)

	<u>2007 Q4</u>	<u>2007 Q3</u>	<u>2007 Q2</u>	<u>2007 Q1</u>	<u>2006 Q4</u>
Net interest income	\$ 2,325	\$ 2,280	\$ 2,277	\$ 2,198	\$ 2,297
Provision for loan losses	125	145	30	10	0
Mortgage banking income	197	185	136	197	233
Other noninterest income	217	145	131	133	130
Noninterest expense	1,955	1,986	1,995	1,925	2,077
Net income before taxes	659	479	519	593	583
		(1			
Income taxes	278	) 157	174	200	191
Net income	381	322	345	393	392
Earnings per share					
Basic	0.21	0.18	0.19	0.22	0.22
Diluted	0.21	0.17	0.19	0.21	0.21
Average loans					
	194,381	182,808	177,699	171,723	168,428
Average earning assets					
	227,257	220,128	216,409	206,152	210,018
Average assets					
	238,798	232,011	228,472	218,140	221,942
Average deposits					
	191,565	189,402	188,822	176,722	182,953
Average shareholders' equity					
	17,439	16,989	16,632	16,197	15,714
Return on average assets					
	0.63%	0.55%	0.61%	0.73%	0.70%
Return on average equity					
	8.67%	7.52%	8.32%	9.84%	9.90%
Average loans to deposits					
	101.47%	96.52%	94.11%	97.17%	92.06%
Net interest margin - tax equivalent					
	4.13%	4.18%	4.28%	4.39%	4.40%
Nonperforming loans - period end					
	\$ 911	\$ -	\$ -	\$ -	\$ -
		(2			
Other real estate owned - period end	-	- )	-	-	-
Loans - period end					
	190,366	187,828	177,890	175,100	171,188
Allowance for loan losses - period end					
	2,623	2,589	2,456	2,435	2,419
Net charge-offs (recoveries) - quarterly					
	91	12	9	(6)	(6)
Allowance to loans					
	1.38%	1.38%	1.38%	1.39%	1.41%
Allowance to nonperforming loans					
	288%	N/A	N/A	N/A	N/A
Nonperforming loans to total loans					
	0.48%	0.00%	0.00%	0.00%	0.00%
Net charge-offs to loans - annualized					
	0.19%	0.03%	0.02%	-0.01%	-0.01%

(1) Additional tax expense incurred for early surrender of certain bank owned life insurance policies.

(2) Represents correction to third quarter press release. Previous amount reported of \$524,000, which represented property originally purchased and owned by the bank, was classified as fixed assets for call report purposes.