



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Idaho Bancorp

Person to be contacted regarding this report:	Bruce W. Barfuss	RSSD: (For Bank Holding Companies)	3301883
UST Sequence Number:	396	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Received:	6,900,000	FDIC Certificate Number: (For Depository Institutions)	34317
CPP Funds Repaid to Date:	0	City:	Boise
Date Funded (first funding):	Jan 16, 2009	State:	Idaho
Date Repaid ¹ :	N/A		

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	Loans outstanding at December 31, 2009 decreased 12.1% from loans outstanding at December 31, 2008. the receipt of CPP capital allowed the Bank to reduce lending less than otherwise would have occurred, particularly as the Bank wanted to stay above 10% total risk-based capital.
<input type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	The Bank increased its reserves for non-performing loans from \$4,553,183 at December 31, 2008 to \$8,525,554 at December 31, 2009. This is an increase in the allowance of \$3,972,371.
<input type="checkbox"/>	Reduce borrowings	
<input checked="" type="checkbox"/>	Increase charge-offs	The Bank recognized an increase in net charge-offs during 2009 of \$4,506,875. The net charge-offs for 2009 were \$7,285,629 compared to the net charge-offs of \$2,778,754 fro 2008.
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/>	Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP funds?

The Bank was able to avoid funding source restrictions during 2009 as a result of the capital infusion of CPP funds. As of December 31, 2009 the Bank was considered to be well-capitalized. This designation allows access to more funding sources to meet the needs of the Bank.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

The Bank was able to keep more of its assets on the books during 2009 because of the capital infusion of CPP funds, rather than de-leveraging the Bank to meet the needs of the allowance and charge-offs required under regulatory guidelines.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

N/A