



First Notes October 2010

Issue 2

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Idaho First Bank
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Letter from the CEO Greg Lovell

I am certain that many of you have read the newspaper articles about the Bank and the regulatory environment. You may have had questions and concerns about our Bank. Let's lay those fears to rest. Your accounts are FDIC insured up to \$250,000 under basic coverage and in some instances you can have unlimited insurance coverage. You can rest insured. If you have questions on how to maximize your FDIC coverage, please give us a call.

So if you are insured and can rest secure in your account coverage, what are the issues? What does all this mean to our bank and community?

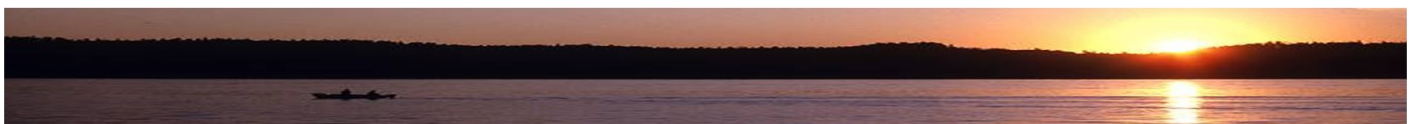
The FDIC in conjunction with the State of Idaho provides the regulatory oversight for Idaho First Bank. Other banks in our town are overseen by the Office of the Comptroller of the Currency (OCC) or the Office of Thrift Supervision (OTS). While all the banks operate under the same rules and regulations, there are differences in how the regulatory agencies operate in reviewing the banks they supervise. It can make for a confusing alphabet soup when trying to understand bank regulations.

Idaho First Bank works closely with the FDIC and the Idaho Department of Finance as we work through the issues brought on by the economic downturn of our area. As our customers are you, the business people and residents of Valley County, our Bank will reflect this local area. As we have said before "It's Our Home Too!" So as you feel the affects of this economic climate, we feel your pain too. Our regulatory bodies have been working with us to navigate through the narrows and get through them safely. The agreements and orders are a part of that process.

What does this mean to you in plain English? Well, back to the "Rest Insured" phrase. None of these agreements or orders changes the FDIC insurance coverage of your accounts. They remain covered exactly the same as if they were held by one the big Wall Street Banks (or any of the local deposit branches of other banks). However, with us, your deposits help our community to turn around, to cushion the blow as we help our local businesses to bridge until better times. Because we are here in Valley County and make decisions here in our McCall headquarters, you can feel you have a friend in banking.

Our results show that people have confidence in us. Despite the recent news, we have seen loans and deposits grow. As we hit our fifth birthday (feel free to break out in song) we have become the largest bank in Valley County. Thanks to your support and the hard work of our employees, directors, and our shareholders, we have accomplished this goal in just five short years!

Thank you again for all of your support. You make a difference to our community by helping us grow and we look forward to continuing our service to you.



Community Corner

Idaho First Bank recently sponsored our annual street dance in Legacy Park. The event paid tribute to all of those lost during the 9/11 attack at the world trade center since the event was held on that anniversary. The American Legion completed the Presentation of Flags

and Jessica Kime, An Idaho First Bank employee sang The National



Anthem. The community enjoyed dancing to the music from DJ Dennis Ackerman "The one hit man" and eating excellent foods from NW Passages, Woody's and Heartland Deli. Look for an expanded Fall Street Dance next year!

Idaho First Bank also participated this fall in the wood gathering event for needy families. The Bank contributed with labor and financially to this outstanding community event and look forward to future community

minded projects.

The annual pumpkin lighting will take place at the Pancake House on October 23rd. Join in the games and hayrides from 4:00-7:00 or bring a carved pumpkin to light. The pumpkins will be lit at 7:00pm.

The annual Festival of Trees is coming Nov.24-27 at the McCall Golf Course. This is a fund raiser for Friends of the Library so we hope to see you there.

Housing News

Idaho First Bank was recently recognized by the Idaho Business Review as the 8th largest producer of Real Estate loans in the State of Idaho for 2009. We congratulate our Mortgage team for this great accomplishment! Mortgage loans are available through our lending offices in McCall and Boise. Our goal is to help our customers achieve their dream of homeownership. Our Mortgage professionals offer a wide range of Mortgage products through the banks use of in house lending and Brokerage lending. We are committed to finding the right Mortgage Solutions for our customers to help meet their needs of low cost

financing and strong customer commitment. While the mortgage markets have changed over the last few years, we continue to focus on mortgage programs that help people realize their dreams without placing them into financial difficulty. In the past we have not participated in the toxic loan programs that others contributed to. Those programs do not match our values as a bank, nor do they benefit our clients in meeting their financial needs.

A member of our Mortgage team was also awarded the "Accomplished under 40" by the Idaho Business Review.

Sheila Moore who works out of our Boise Mortgage Lending Center is a motivated lending professional that works with her buying clients to find the right loan for their financial need. Sheila values the relationships she builds with her clients. She is actively involved in the community through involvement with National Association of Mortgage Women, Boise Leaders Networking group, Professional Association of Commerce and Trade and a member of Id Assoc of Mtg Brokers and numerous other community projects.

SECURITY AND WHAT YOU NEED TO KNOW

The Banking industry has been hit recently with numerous attempts by scammers to acquire sensitive customer information. Idaho First Bank had an incident where a fraudulent company purchased a block of telephone numbers for our area and randomly started dialing to see what information they could solicit from individuals. This kind of event is called a Phishing attack and is happening all over the United States. Please be aware that Idaho First Bank or any

bank will never call you, email or text message you and request your account numbers and personal identification codes for any account. That is information that the bank already has. Our credit card fraud department may call you to identify certain transactions as valid or invalid but they also will have your card number and will

not request PIN information. If you feel you are being solicited for information please contact our credit card fraud department at 1-866-634-2760. Our Customer Awareness Program is available on our website www.idahofirstbank.com and explains in detail how to keep your confidential information safe while enjoying all of the benefits of electronic banking. There is also information on Preventing, Detecting and Recovering from Identity Theft.

Safe, Secure and here
to stay