



## INTERMOUNTAIN COMMUNITY BANCORP

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March 5, 2009

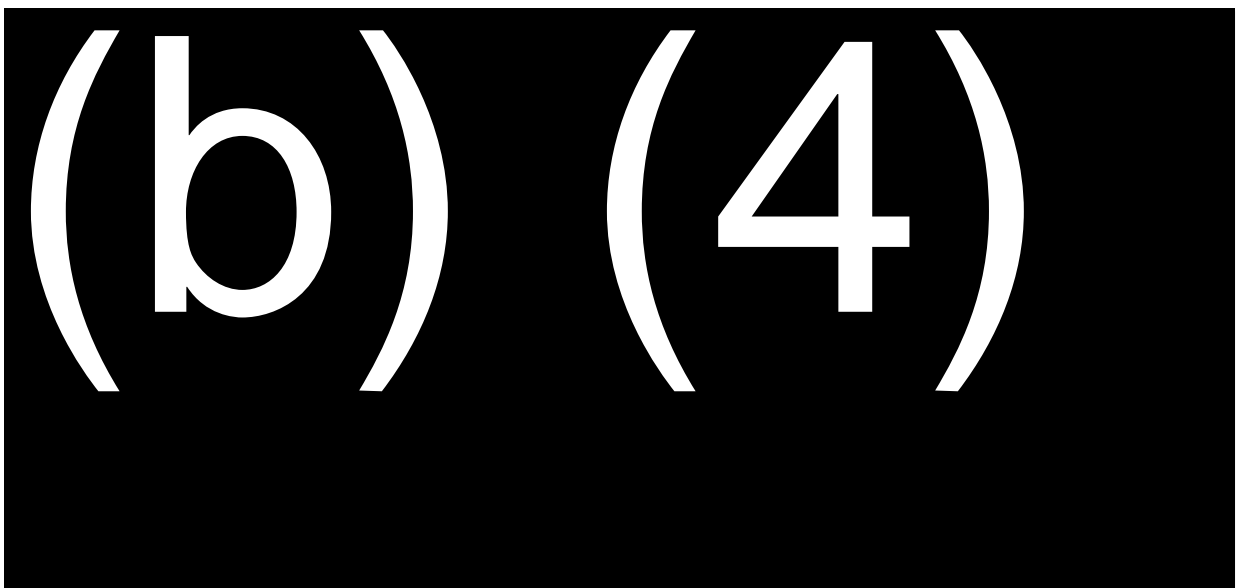
Mr. Neil M. Barofsky  
Office of the Special Inspector General  
Troubled Asset Relief Program  
1500 Pennsylvania Ave., N.W., Suite 1064  
Washington, D.C. 20220

Dear Mr. Barofsky:

We are pleased to address your letter dated February 6, 2009 directed to Mr. Doug Wright, Chief Financial Officer of Intermountain Community Bancorp/Panhandle State Bank.

### **Response to Information Request:**

1(a) Intermountain Community Bancorp (“IMCB” or “Company”) has carefully considered the potential usage of TARP capital purchase program funds and has determined that multiple uses best serve the needs of the Company and its shareholders, and Panhandle State Bank (the “Bank”) and the customers and communities it serves. Given the rapidly deteriorating economic environment and the uncertain impact on the Company’s financial position, IMCB may use some of the funds to absorb losses or fund reasonable and necessary operating expenses. Use of some of the funds for these purposes will protect the Company’s “well-capitalized status” and strong bank rating, which provides the Company more options and less expensive access to various funding sources. Access to these funding sources is critical in ensuring that the Bank has liquidity available to support additional lending activities.



(b) (4)

The Bank has used various public forums, including speeches, newspaper quotes, discussions with local economic development agencies, and one-on-one meetings to communicate lending availability in its communities.

In terms of direct investment of TARP funds into communities, IMCB has recently announced *Powered by Community* (PBC) as a state-wide grassroots stimulus plan to attract over 1,000 community volunteer leaders, improve over 100 community education, economic and social initiatives (approximately five per community), and engage 100% of IMCB employees. Through twelve state-wide “Town Hall” meetings scheduled for March 2009, IMCB management will request communities identify projects in business development, education and training, job-creation, low-income housing and healthcare. The goal and vision of the PBC program is to use direct bank investment, IMCB loans, and coordination with other potential advisory and funding sources to encourage local economic development. We have attached various materials related to this initiative. The link to the bank-sponsored community website is [www.poweredbycommunity.com](http://www.poweredbycommunity.com).

The *Powered by Community* initiative, along with our legacy support for our Community Star, Community Match and other bank-sponsored activities (see attached materials), will enhance our goal of initiating and funding community-targeted projects. To support these initiatives, we have developed a bank-wide organizational structure engaging 30 direct employees dedicated to these PBC initiatives. We have not hired additional staff to administer this new initiative, but have re-prioritized these employees’ duties to emphasize these activities, as part of our core mission of serving our communities.

1(b) Because of the multiple potential uses for TARP dollars discussed above, the dollars have not been and will not be specifically segregated from other institutional funds. The capital will support both new and existing lending programs, which makes it difficult to segregate the capital utilized.

1(c) & (d) Upon receipt of the TARP funds, the Company transferred \$23 million of the \$27 million to the Bank. The \$4 million remaining at the holding company level has not been utilized to date, but may be deployed to fund necessary operating expenses of the holding company. In the absence of these funds, the Bank would dividend cash to the holding company to cover these expenses, which would have the same net effect on Bank and overall Company capital levels. The \$23 million transferred to the Bank was commingled with other Bank funds, a portion of which has been used to fund both direct lending activities and investments in agency-guaranteed mortgage-backed securities. Some Bank funds also remain in liquid Fed Funds investments, in anticipation of funding further potential lending activity.

Given IMCB's core mission, our *Powered By Community* initiative might still have been a priority for 2009 without TARP funding. However, the additional capital will enhance our ability to engage in both new lending production and direct investment in our communities. Without this funding, our regulatory capital levels would still exceed well-capitalized levels. However, given the challenges of the current economy, the Bank would likely seek to maintain capital levels at or near the levels it maintained prior to the TARP funding, thus restricting additional credit availability.

(2) Executive compensation requirements associated with the funding of the Capital Purchase Program have been reviewed and discussed by IMCB's Board of Directors ("Board") and Compensation Committee since October 2008, prior to application for participation in the program. IMCB's Board and management are committed to complying with all existing and potential future requirements of TARP participants.

We are aware that Section 111 of the Emergency Economic Stabilization Act (EESA) was recently amended by the American Recovery and Reinvestment Act of 2009, which was passed on February 17, 2009 (ARRA). As with most other participants in the capital purchase program, we are awaiting guidance from the Treasury Department explaining how it will implement the amended Act and have been closely following all developments.

To comply with the applicable requirements, the Company has already taken the following actions:

- As part of the application and closing process for funding, IMCB's legal counsel reviewed the executive officer employment and severance contracts to determine any conflicts with TARP guidelines. Counsel advised management and the Board of certain instances where golden parachute payments could be triggered, and recommended that the executives sign agreements removing IMCB's legal obligation to pay any compensation prohibited by TARP during the term of its participation in TARP. These agreements were signed as part of the closing agreements on December 19, 2008.
- Specific plans to address executive, and company-wide compensation overall, were formulated in the 4<sup>th</sup> quarter of 2008 and implemented in January 2009. The measures taken were based on the continued downturn in the economic environment as well as TARP requirements.

(b) (4) (b) (4)

- In evaluating new executive incentive plans for 2009, the Compensation Committee determined in December 2008 that any plan developed would include provisions to prevent excessive risk-taking by executive management. The provisions would rely on risk measures developed and reviewed by management and the Audit and Risk Management Committees on a quarterly basis or more frequently if merited. In February 2009, the Board formally appointed a Senior Risk Officer and backup, to assist it in meeting the “excessive risk” monitoring requirements.
- In addition, the Compensation Committee determined that any new executive incentive plan would comply with all other regulatory requirements, some of which are still subject to final rule-making by the Treasury Department and the SEC. At the time of this letter, the Compensation Committee has not developed new executive incentive plans for 2009, pending further regulatory guidance. In the absence of these plans, the Committee believes that the current compensation structure meets regulatory requirements.
- The Compensation Committee continues to work with its legal counsel to review updated guidance and incorporate additional requirements into its executive compensation plans.
- Pursuant to the requirements under ARRA we have included a separate proposal for a non-binding shareholder vote to approve the Company’s compensation of executives as disclosed pursuant to the Compensation Discussion and Analysis section in our 2009 annual meeting proxy statement.

Intermountain Community Bancorp is committed to implementing programs to utilize the funds acquired through the TARP capital purchase program in the best interests of IMCB, our local communities, shareholders and the nation. Please do not hesitate to contact me at the number listed below for any additional information.

Sincerely,



Curt Hecker  
Chief Executive Officer  
Intermountain Community Bancorp

**(b) (6)**

**Certification:**

I, Curt Hecker, Chief Executive Officer of Intermountain Community Bancorp, do hereby certify that the statements, representations and supporting information provided herein are accurate.



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Curt Hecker, CEO

**Enclosures:**

- Powered by Community
  - Press Releases
  - Internal Employee Presentation and introductory DVD
  - Board of Directors Presentation
  - Community Match and Star Information
- Executive Compensation
  - 2009 Preliminary Shareholders Proxy Report



**FOR IMMEDIATE RELEASE**

**February 9, 2009**

CONTACT: Rick Youngblood  
President of Community Development  
(208) 412-5107  
[ricky@intermountainbank.com](mailto:ricky@intermountainbank.com)

Curt Hecker  
Chief Executive Officer  
(208) 263-0505  
[curth@intermountainbank.com](mailto:curth@intermountainbank.com)

**(Sandpoint, ID) – Intermountain Community Bancorp Announces Capital Purchase Program Funds and Community Partnership Plan**

Intermountain Community Bancorp (OTCBB – IMCB.OB). When Intermountain Community Bancorp CEO Curt Hecker hears the word “TARP,” he’s not looking for cover. “There are so many questions about what TARP is, who is paying for it, how it is being regulated and what it is supposed to be used for,” he says, “and there aren’t a lot of straight answers. I want to be clear about what TARP means to IMCB, and how we propose to enrich our communities through immediate investment.”

TARP stands for Troubled Assets Relief Program, and it is part of the economic rescue and stimulus package designed – and still being refined – by the Federal Government. Mr. Hecker says that TARP has been incorrectly defined as a bailout of failing institutions. While some of the money from TARP is being used in this manner, there are other parts of the program that have very different objectives.

IMCB has elected to receive qualified funds under the Capital Purchase Program, which is a voluntary program designed for healthy banks. The American Bankers Association points out that the money allocated to the Capital Purchase Program must be repaid, with interest, at a profit to the government.

Intermountain Community Bancorp has reviewed opportunities to use funds for the best long-term impact, and has determined that direct investment into its communities is the most ethical and beneficial course of action. Significant funds will be made immediately available for lending in the community, to help stimulate economic activity and rebuild a platform of prosperity.

In addition, IMCB executives have been diligently at work on a strategy to infuse capital directly into selected community initiatives. This will involve encouraging matching funds from several

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**IMCB Announces Capital Purchase Program Funds and Community Partnership Plan**  
**Page 2**

sources, including other financial institutions that recognize the benefit to expanded community investment in tough economic times. Mr. Hecker says that he hopes the grassroots stimulus plan will engage over 1,000 new community volunteer leaders, improve over 100 community education and economic initiatives and engage 100% of IMCB employees.

Mr. Hecker looks forward to addressing questions from shareholders, customers and the media in a series of Town Hall meetings to begin in February. These events are part of a wider community development strategy to engage local policy makers, investors and volunteers in establishing priorities, setting funding goals, and putting funds directly into selected initiatives.

**About Intermountain Community Bancorp:** Intermountain is headquartered in Sandpoint, Idaho, and operates as four separate divisions with twenty banking locations in three states. Its banking subsidiary, Panhandle State Bank, offers financial services through northern Idaho offices in Sandpoint, Ponderay, Bonners Ferry, Priest River, Coeur d'Alene, Post Falls, Rathdrum and Kellogg. Intermountain Community Bank, a division of Panhandle State Bank, operates branches in southwest Idaho in Weiser, Payette, Nampa, Caldwell and Fruitland, as well as in Ontario, Oregon. Intermountain Community Bank Washington, a division of Panhandle State Bank, operates branches in downtown Spokane and Spokane Valley, Washington. Magic Valley Bank, a division of Panhandle State Bank, operates branches in Twin Falls and Gooding, Idaho.

All data contained in this report have been prepared on a consolidated basis for Intermountain Community Bancorp. IMCB's shares are listed on the OTC Bulletin Board, ticker symbol IMCB.OB.

Additional information on Intermountain Community Bancorp, and its Internet banking services, can be found at

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**IMCB Announces Capital Purchase Program Funds and Community Partnership Plan**  
**Page 3**

*economic developments that may, among other things, increase default and delinquency risks in the Company's loan portfolio; shifts in interest rates that may result in lower interest rate margins; shifts in the demand for the Company's loan and other products; lower-than-expected revenue or cost savings in connection with acquisitions; changes in accounting policies; changes in the monetary and fiscal policies of the federal government; and changes in laws, regulations and the competitive environment.*





**FOR IMMEDIATE RELEASE**

**February 12, 2009**

CONTACT: Rick Youngblood  
President of Community Development  
(208) 412-5107

Curt Hecker  
CEO  
(208) 263-0505

**(Sandpoint, ID) – Intermountain Community Bancorp Announces Community Partnership Plan: *Powered By Community***

Intermountain Community Bancorp (OTCBB - IMCB.OB). In a dramatic departure from the financial industry's prevalent corporate culture, IMCB announces plans to initiate funding, leadership and coordination for economic development programs within its banking communities. These activities will all fall under a bank-wide initiative called "Powered By Community."

"When the economy is on a negative trend, it's tempting to step back, restrict investment, wait and see," says Curt Hecker, Intermountain Community Bancorp CEO. "We're not going to do that."

"IMCB is in the business of investing in people and communities. We are committed to a proactive approach that helps build the economy from the ground up."

"IMCB is well-capitalized, liquid and has money to lend. We want to use our safe, secure base to help our communities directly, right now."

Mr. Hecker says that the bank plans to make significant funds available for new and renewed small business, consumer, mortgage, agriculture, commercial real estate and municipal loans; and to establish seed funding for community-building.

"It's the right thing to do as a community bank."

Mr. Hecker also hopes to engage community leaders and attract matching funds to make a serious impact. "We will identify projects in education and training, job creation, low-income housing, and healthcare that could help propel communities into new prosperity."

Bank executives will work with community leaders to identify the greatest needs and best opportunities for economic stimulus. Mr. Hecker says that IMCB is committed to a grassroots stimulus plan that he hopes will attract over 1,000 new community volunteer leaders, improve over 100 community education and economic initiatives and engage 100% of IMCB employees.

Discussion will begin at Town Hall meetings to be held in each of the Bank's markets, beginning in late February.

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## IMCB Announces Community Partnership Plan

### Page 2

“Investing in people is how IMCB has always operated. It’s our culture, and it’s our mission.” says Mr. Hecker. “At this pivotal time in history, taking community-centered risks may be one of the smartest things we can do. We urge our colleagues in finance and business to join us.”

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**FOR IMMEDIATE RELEASE**

**February 20, 2009**

CONTACT: Rick Youngblood  
President of Community Development  
(208) 412-5107

Curt Hecker  
Chief Executive Officer  
(208) 263-0505

## **Town Hall Meetings Called to Create Community-Based Economic Stimulus Plans**

**(Sandpoint, ID)** Intermountain Community Bancorp (OTCBB:IMCB) invites the input of community and business leaders in the development of an exciting new initiative: ***Powered by Community***. A team of the Bank's top executives will travel throughout its banking regions to present the overall plan, to take direction and suggestions, and to recruit volunteer partners.

***Powered By Community*** is designed to bring together resources from within communities to create grassroots-based economic stimulus through education, job development and training, affordable and workforce housing projects, and other priorities. The bank plans to provide the start-up funding and leadership to leverage broad support from local stakeholders.

Each community will determine its needs and its plan of action through the involvement of volunteer leadership and bank liaisons. Ultimately, IMCB hopes that multiple local businesses will join the effort.

Town Hall Meetings will begin on March 2 in Post Falls, Idaho, and will conclude in Nampa, Idaho on March 19 after stops in Rathdrum, Coeur d'Alene, Bonners Ferry, Priest River, Sandpoint, Spokane, Kellogg, Twin Falls, Gooding and Payette. IMCB CEO Curt Hecker and IMCB Community Development President Rick Youngblood will lead the discussions. "We're hoping for lively forums, and encourage ideas and participation from the community," Hecker says. "We can only be successful together."

Venue size limits the number of individuals who can be accommodated, and as the bank anticipates great interest in the plan, invitations to these first meetings will be extended to leaders in the business and social services community. The general public will also be invited to provide input and to participate in specific projects as those are developed.

Hecker states that IMCB is committed to developing 100 new programs with the help of 1000 volunteers. 100% of the bank's staff will be engaged in this effort.

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## **IMCB Announces Town Hall Meetings**

### **Page 2**

This is not a new direction for IMCB, Hecker says. "Our bank has always been very engaged in community programs. **Powered by Community** represents a new level in bank commitment in both time and financial resources. It's also a fresh approach to channeling communities' insights and energy to make the most reliable and dramatic impact on our economy."

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# How should your bank spend TARP money?

On downtown improvement projects? On a growing biofuels business? Intermountain Community Bancorp will be asking Idaho communities that question next month.

BY BILL ROBERTS

[broberts@idahostatesman.com](mailto:broberts@idahostatesman.com)

An Idaho bank with millions in federal dollars to lend is coming to cities where it does business to ask community leaders what the bank can do to help them.

Curt Hecker, president and CEO of North Idaho-based Intermountain Community Bancorp, is planning to travel to communities next month in regions such as the Treasure and Magic valleys to hear from government, economic development and nonprofit leaders about how the bank can use its new investment from the U.S. Treasury to target the most urgent community needs.

It is not the usual strategy for a bank looking to lend money — which ordinarily might involve writing more mortgages or making additional car loans. But then, these aren't usual times.

"It's time from my standpoint to go out and design new products and services, and who better to do it with than our customers and communities based upon what the real needs are," Hecker said.

Intermountain Community Bancorp received \$27 million under the U.S. Treasury's Troubled Asset Relief Program, spawned



Curt Hecker

## BANK

CONTINUED FROM MAIN 1

as banks across the country tightened credit in response to last year's free-falling economy. Much of that money will go into traditional lending, but other dollars may be used for communitywide initiatives.

TARP got a bad name initially as it was viewed as money being thrown at struggling banks looking for a bailout.

But Intermountain Community Bancorp — and about 10 other banks that do business in Idaho that got TARP dollars — say the money isn't a freebie. Banks must be considered healthy to get the dollars under the Capital Purchase Program, and they must pay it back with interest.

Intermountain Community Bancorp, headquartered in Sandpoint, is a holding company for about 20 bank branches in three states, including Panhandle State Bank in Sandpoint and Intermountain Community Bank in Southwest Idaho.

Bank officials want to be a catalyst for community improvement projects that might include help from more than its own coffers. Projects could include assistance from other financial institutions or grant programs. Hecker isn't ruling out projects that could require

a team effort.

Even before Hecker arrives in the Treasure Valley, some leaders are praising his approach of talking with local communities.

"It sounds like pretty innovative thinking," said Doug Henderson, mayor of Payette, where Intermountain Community Bank has a branch. "Who knows better what the needs are?"

Nampa Mayor Tom Dale already has an idea in mind for where the bank might provide assistance — help to improve the city's downtown district by lending money for new building construction or renovation of older buildings.

"That is going to take some banks to believe in the people who are investing," Dale said.

Hecker's vision isn't fully formed yet. But he sees lots of possibilities. One idea could be lending money to help grow a biofuels business that could then hire workers and stimulate the economy.

People who know Hecker said his plan for talking with leaders in town-hall-style meetings and becoming a catalyst for identifying community needs isn't surprising.

Hecker, 48, grew up in a small town near Lake Tahoe. He came to Boise State University and played football, including a memorable game in 1980

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LOCAL NEWS / FROM

## 'I have to do things that matter

when the university beat Eastern Kentucky University for the national championship.

After school, he worked for then-Idaho First National Bank which took him to northern Idaho. He joined Panhandle State Bank in 1995 and, in 1998, was named president and CEO of Intermountain Community Bancorp.

Hecker considers himself an entrepreneur, not simply a banker.

"I have to do things that matter," he said. "I think that every business you need is relevant. What is relevant today is something we are redefining."

Hecker doesn't know yet where his community meeting will lead him. He'll start looking for opportunities to help communities with the TARP money right away. But it could take several months before all the projects take shape.

"I am going to start the idea generation," he said.

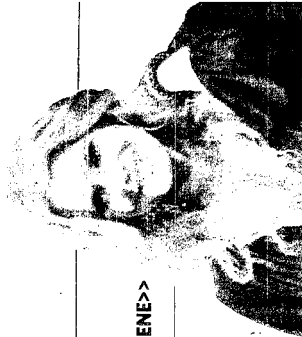
He's counting on community leaders to find those initiatives. "If I can support it, that means I can (put) dollars into it."

Bill Roberts: 377-640

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# BONNER COUNTY DAILY

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VOL. 43 N

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## IMCB unveils localized stimulus p

By CONOR CHRISTOFFERSON  
Staff writer

**SANDPOINT** — Panhandle State Bank is taking the idea of an economic stimulus package and localizing it with the introduction of its Powered by Community program.

Operating statewide in communities with a PSB, Intermountain Community Bank or Magic Valley Bank branch, the program will initiate funding, leadership and coordination for economic development

programs within each area.

As part of the program, the bank will make funds available for new and renewed small businesses, consumer mortgage, agriculture, commercial real estate and municipal loans. The bank will also contribute seed funding or matching funds for programs in the fields of education, job creation, low-income housing and health care, said Rick Youngblood, the bank's president of community development.

"We really just want to continue

to reach out to our community which our bank has always done," Youngblood said. "(IMCB) Curt Hecker likes to say, 'I don't want things we've always done, I want things we've always done, I want steroids.'"

Beginning with town hall meetings, the bank will seek out needs in each community and the help of local volunteers and community leaders, find the best opportunities to stimulate the economic

See IMCE

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## MARKETING PROGRAM



Parhandle State Bank  
Intermountain Community Bank  
Magic Valley Bank

TO: WORLD  
FROM: (b) (6)  
SUBJECT: 2009 COMMUNITY MATCH PROGRAM  
DATE: 3/5/2009  
CC: MARKETING DEPARTMENT

### OBJECTIVE

It is the goal of IMCB to be recognized as the community leader in each branch market and throughout the states of Idaho, Washington, and Oregon. For 27 years, the bank has been re-investing in the local economy through financial and human resource support with a defined focus on education, economic and cultural building activities. To further emphasize the bank's commitment to education, our senior population and our communities, the Bank has revised our Community Match donation program to be effective in all markets January 2009.

### COMMUNITY MATCH PROGRAM

The goal of the revised program is to extend our reach into our local communities and strengthen our commitment to education and the senior community by encouraging and supporting our employees' involvement in community related education and senior programs. This program will also challenge us to increase our total contributions and those of our vendors, thereby strengthening our total commitment to our community.

#### Employee Contributions:

- **Individual Contributions** – Employees will be encouraged to make ongoing donations to qualified educational organizations or approved senior programs of their choice. Qualified educational organizations may include but are not limited to local education foundations, local school districts, and higher education institutions within the state of Idaho, Washington, or Oregon. Approved senior programs may include non-profit senior or assisted living centers, senior outreach programs, or other community activities targeting those aged 55 or older. The bank will match any qualifying individual donation up to the limits established below.
- **Branch/Dept. Fundraisers**- Employees are also encouraged to develop and participate in branch/department fundraisers. Funds raised and actually donated to qualifying organizations will be eligible for the bank match. The fundraisers must actively involve at least a majority of the branch or department staff, must build teamwork and should promote the bank's image within the community. The bank will match any qualifying branch/department fundraising donation up to the limits established below.

## MARKETING PROGRAM

### Bank Contributions:

- **Bank Match** – The bank will match qualifying education or senior focused employee contributions or branch fundraising efforts up to \$100,000 in total funds for 2009. The maximum amount that will be matched for an individual employee contribution will be \$2,500 per year. The maximum amount that will be matched for branch/department fundraising efforts will be \$5,000 per branch/department per year. Matches requested after \$5000 will be subject for review by Community Bank President and Marketing department.

Each branch is guaranteed \$5000 for 2009

1. The Marketing Department must have a **Qualification Form** in by **April 1<sup>st</sup> 2009** on your branches chosen Community Match Program for 2009
2. If a branch doesn't have a Community Match Program or haven't decided on one by April 1<sup>st</sup> that money will be divided for other purposes on a case by case basis.
3. If a branch does not plan on using all \$5000 the remaining funds will be divided out on a case by case basis

Each region will determine the local distribution of the bank funds; however the Bank encourages each region to look for opportunities to support one or two major initiatives per year. Initiatives may include but are not limited to the purchase of school supplies, contributions to computer labs, support of educational or youth-oriented building programs, and senior outreach programs. All funds must be contributed to approved, qualified educational organizations or senior programs. Initiatives should be identified on a quarterly basis.

### Vendor, Supplier and Customer Contributions:

- **Vendor Match** – The bank will work with existing and prospective vendors, suppliers and customers to encourage participation in the Community Match Program. Partners will be encouraged and challenged to match bank and employee contributions. (b) (4)

## ADMINISTRATION

- **Contacts:** (b) (6)
- **Criteria** – Qualified donations include 501C3 tax deductible, education focused organizations and/or approved senior outreach programs within the states of Idaho, Oregon, and/or Washington. Individuals can earn tax credits in Idaho for all qualified donations. As discussed above, **employees may also raise qualifying donations through fundraisers they initiate and manage.**
- **Donation Approvals** – Unless you already know that the program is an approved program, you must first complete a **Community Match Qualification Form** prior to branch fundraising or individual contributions and receive approval to proceed from the Marketing Dept. Upon completion of the fundraising event or individual contribution, a **Community Match Submission Form** must be sent to CDA



## MARKETING PROGRAM

Admin-Marketing along with a donation receipt for processing. Individual employee contributions will remain confidential.

- **Matching Funds Distribution** - At the end of each quarter, the Marketing department will calculate and distribute the bank's and vendors' matching funds to the branch recipients. Recipients will be determined on a quarterly basis by each region. The Retail Banking President will guide the distribution of funds within each region by community, seeking input from branch staff.
- **Budget** - A special fund has been established within the Administrative Donation budget to support this program separate from the overall Marketing budget.
- **Timing** - Donations made between January 1, 2009 and December 31, 2009 will qualify. Each region will determine the timing of the announcement of the program to local communities.

## MARKETING OF PROGRAM

Internal Marketing will be the key to the success of the Community Match program. The program will also be promoted externally through the local media, partners, and community organizations.

- **Branch Staff** - Branches are encouraged to promote this program in their local markets through special challenges with competitor banks and others in the community. Branches may also utilize community fund-raisers such as car washes and golf tournaments. The Regional Marketing Reps are responsible for supporting branch marketing efforts and providing internal communication updates through Bank Notes.
- **Admin Staff** - Administrative employees are encouraged to work together with branch staff within their local markets to support the program. Management is also encouraged to work with vendors on matching contributions.
- **Admin Marketing** - The administrative marketing department provides support and promotes the community match program through press releases and community advertisements. Community ads may highlight employees & donation recipients. A Community Match scrapbook will be created at year end to show executive management success of the 2009 program. Get creative...make your submission of photo's exciting...we want this to be something fun to show executive management and Board of Directors.
- **Human Resource Department** - HR is responsible for employee communication during new employee orientation and as needed.
- **Council of Excellence** - The Council will continue working together with branch staff to support employee involvement and communicate the program's success throughout the bank.

## SAMPLE FUNDRAISING IDEAS & QUALIFIED DONATIONS

Community Car Wash: Bank matches dollars raised from car wash donations.

Community Silent Auctions: Bank matches dollars raised from auctions

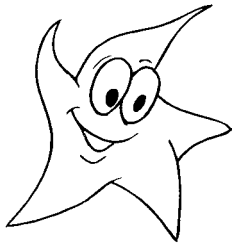
## **MARKETING PROGRAM**

Jeans for Dollars Days:

Employees may wear jeans in branch on a selected day, and donate \$1 or more to their match program. Bank matches employee dollars.

Ice Cream Scoop Off:

Challenge competitor bank to a community scoop off & raise donations for your Community Match program. Bank matches donations raised by our employees.



# Community Star

The PSB/ICB/MVB Community Star program was created to recognize a member of the local community, which each branch serves, who demonstrates excellence in community leadership, activism and support. The Community Star can be an individual or group and is nominated by community peers. The Bank collects the nomination forms, creates a committee to review the nominees and organizes a social forum to honor the winner. The Bank also makes a donation on behalf of the winner to the charity or organization of their choice and recognizes the winner and nominator.

## **Program Details:**

**Community Star Dates** – Held annually in each market. Program dates need to be coordinated through Admin Marketing.

**Timeline** – Allow nominations for approximately three weeks from the kick off date. The deadline is included in the marketing materials. After the nomination deadline create a committee to review and choose the winning entry within the following week. Contact the winner and coordinate a date and time for the presentation ceremony. To maintain momentum and generate enthusiasm the entire program from start to finish should be completed in 60 days.

**Marketing** – The program is kicked off with a combination of major marketing pieces. Those pieces can include a full-page ad in the local press, fliers in the Chamber of Commerce Newsletters and announcements at local civic and business groups. The best form of advertising is the employee taking nomination forms to various organizations and promoting the program internally.

**Presentation Ceremony** – A ceremony to celebrate and recognize the Community Star should be scheduled for a week or two after the selection process. Available resources in the branch's market area determine party time, location and setup. Popular locations have included local restaurants, banquet rooms and outdoor facilities. The bank can add a personal touch by decorating with star shaped balloons or paraphernalia, include handouts or giveaways, create a display with pictures and testimonials honoring the winner etc. Refreshments should be made available and are based on budget, time of day and formality of the event.

A guest list should be compiled from the winner's family and friends as well as other community members and leaders and the bank's upper management and Board of Directors. Bank employees are greatly encouraged to attend and participate. Individual invitations should be mailed to those on the guest list. An open invitation and announcement can also be run in the newspaper. The local press needs to be contacted so a reporter can be present during the presentation.

At the ceremony the Branch Manager or designee will explain the Community Star program and include information about this year's program; number of entries, excellent nominations etc. They will announce the winner and acknowledge the person who made the nomination. Excerpts from the nomination form can be read; the manager or designee can add their personal comments and then open the floor for others to speak about the winner's service to the community. The Community Star is then given an opportunity to speak. The manager or designee should present the winner with the Crystal Star Award and flowers if appropriate and the gift certificates for the 5-star dinners.

Crystal Star Award – Generated by your Marketing Rep. Marketing Rep will order award through Bonner Awards.

Community Star Gift – \$100.00 certificate for a 5-star dinner

Star Nominator Gift - \$100.00 certificate for a 5-star dinner

The Branch Manager or designee will then announce that the bank will be making a donation on behalf of the Community Star to the charity or organization of their choice. The recipient is announced and a representative should be present to accept the check on the organizations behalf. It is a good idea to have the large check on hand for a photo opportunity of the bank and Community Star presenting the donation to the representative.

Donation Amount - \$1,000.00

Donation Criteria – To any 501c3 Non-Profit Group or Organization. The donation can be split between more than one entity.

Follow Up Press – Our goal is to have a reporter on hand to cover the event, interview the winner and a bank representative and run a full story including a photo in the newspaper within the week. This will prevent the bank from buying additional ad space to promote the ceremony and the winner. If newspaper coverage does give our campaign or the winner due coverage the bank will purchase ad space and run our own piece.

Important Items to Remember:

Admin Marketing needs time to create fliers, nomination forms and ads for each campaign. Admin Marketing must be notified a month in advance of running a Community Star promotion in your market area.

Other deadlines, such as those to get a flier or mention in the Chamber of Commerce publication may require additional lead-time. Please contact your local Chamber office for material deadlines.

The branch is responsible for follow through on the program in their market and notifying Admin Marketing and the Marketing Representative of times, dates, names, donation recipients and other specifics.

If available the local Marketing Representative will be able to help coordinate and take pictures to document the event for the bank's public relations file.

Charge the following GL Accounts for Community Star Expenses

\$1,000 Donation – Marketing Donations 8077400020

\$100 5 Star Dinner Gift Certificates – Branch Public Relations (---7400030)

One Ad and the cost of fliers and nomination forms will be paid by Admin Marketing.  
All other expenses to be absorbed by the branch.

You can use the attached checklist while preparing your Community Star Event.

# Community Star Program



# Checklist

## In Branch Fliers and Nomination Forms

Notified Marketing through Csupport \_\_\_\_\_

Needed By \_\_\_\_\_

Received \_\_\_\_\_

**COST:** \_\_\_\_\_

## Newspaper Ad

Notified Marketing through Csupport \_\_\_\_\_

Needed By \_\_\_\_\_

Date to Run \_\_\_\_\_

Received \_\_\_\_\_

**COST:** \_\_\_\_\_

## Promotion Opportunities

Chamber Newsletter \_\_\_\_\_

Deadline \_\_\_\_\_

Needed Materials \_\_\_\_\_

\_\_\_\_\_

**COST:** \_\_\_\_\_

Rotary \_\_\_\_\_

Date \_\_\_\_\_

Needed Materials \_\_\_\_\_

\_\_\_\_\_

**COST:** \_\_\_\_\_

Lions Club \_\_\_\_\_

Date \_\_\_\_\_

Needed Materials \_\_\_\_\_

\_\_\_\_\_

**COST:** \_\_\_\_\_

Kiwanis \_\_\_\_\_

Date \_\_\_\_\_

Needed Materials \_\_\_\_\_

\_\_\_\_\_

**COST:** \_\_\_\_\_

Realtors Association \_\_\_\_\_

Date \_\_\_\_\_

Needed Materials \_\_\_\_\_

\_\_\_\_\_

**COST:** \_\_\_\_\_

## Selection Committee

Members \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Meeting Date \_\_\_\_\_  
Meeting Time \_\_\_\_\_  
Location \_\_\_\_\_

Date copies of nominations are mailed to Committee Members  
or dropped off \_\_\_\_\_

**COST:** \_\_\_\_\_

**Community Star Winner**

Name \_\_\_\_\_  
Number \_\_\_\_\_  
Date Notified \_\_\_\_\_  
Notify Marketing Rep for Crystal Star Award to be ordered \_\_\_\_\_  
(need one to one and half weeks to order)

Donation Recipient \_\_\_\_\_  
Representatives Name \_\_\_\_\_

5 Star Dinner Restaurant \_\_\_\_\_

Best Dates/Times for Celebration  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Notified Marketing through Csupport \_\_\_\_\_  
Notified Marketing Rep \_\_\_\_\_  
Notified Newspaper \_\_\_\_\_

Notified Nominator \_\_\_\_\_  
5 Star Dinner Restaurant \_\_\_\_\_

**COST:** \_\_\_\_\_

**Invitations**

Obtain Star's Guest List \_\_\_\_\_  
Compiles Bank's List \_\_\_\_\_

Format \_\_\_\_\_  
Print \_\_\_\_\_  
Mail Out \_\_\_\_\_

**COST:** \_\_\_\_\_

**Community Star Celebration**

Date \_\_\_\_\_  
Time \_\_\_\_\_  
Location \_\_\_\_\_  
Contact Person \_\_\_\_\_  
Contact Number \_\_\_\_\_

**COST:** \_\_\_\_\_

Refreshments On Sight Catering \_\_\_\_\_  
Refreshments Off Sight Catering \_\_\_\_\_  
Refreshments Transport and set up if Off Sight \_\_\_\_\_

---

Refreshments Included on Menu

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**COST:** \_\_\_\_\_

Decoration Ideas

\_\_\_\_\_  
\_\_\_\_\_

Décor Purchased \_\_\_\_\_

**COST:** \_\_\_\_\_

Décor Setup \_\_\_\_\_

Décor Removal \_\_\_\_\_

Misc. Items

Giveaways \_\_\_\_\_

Frames \_\_\_\_\_

Large Check \_\_\_\_\_

Cashier's Check \_\_\_\_\_

**COST:** \_\_\_\_\_

**Follow Up**

Press Coverage \_\_\_\_\_

Date Run \_\_\_\_\_

Send Copy to Marketing \_\_\_\_\_

Send pictures to winner \_\_\_\_\_

**TOTAL COST:** \_\_\_\_\_

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**IMCB PRE+14A 4/29/2009**

**Section 1: PRE 14A (PRELIMINARY PROXY STATEMENT)**



# DOING THE RIGHT THINGS, ON PURPOSE

THEY'VE COME, FEB 6, 2009

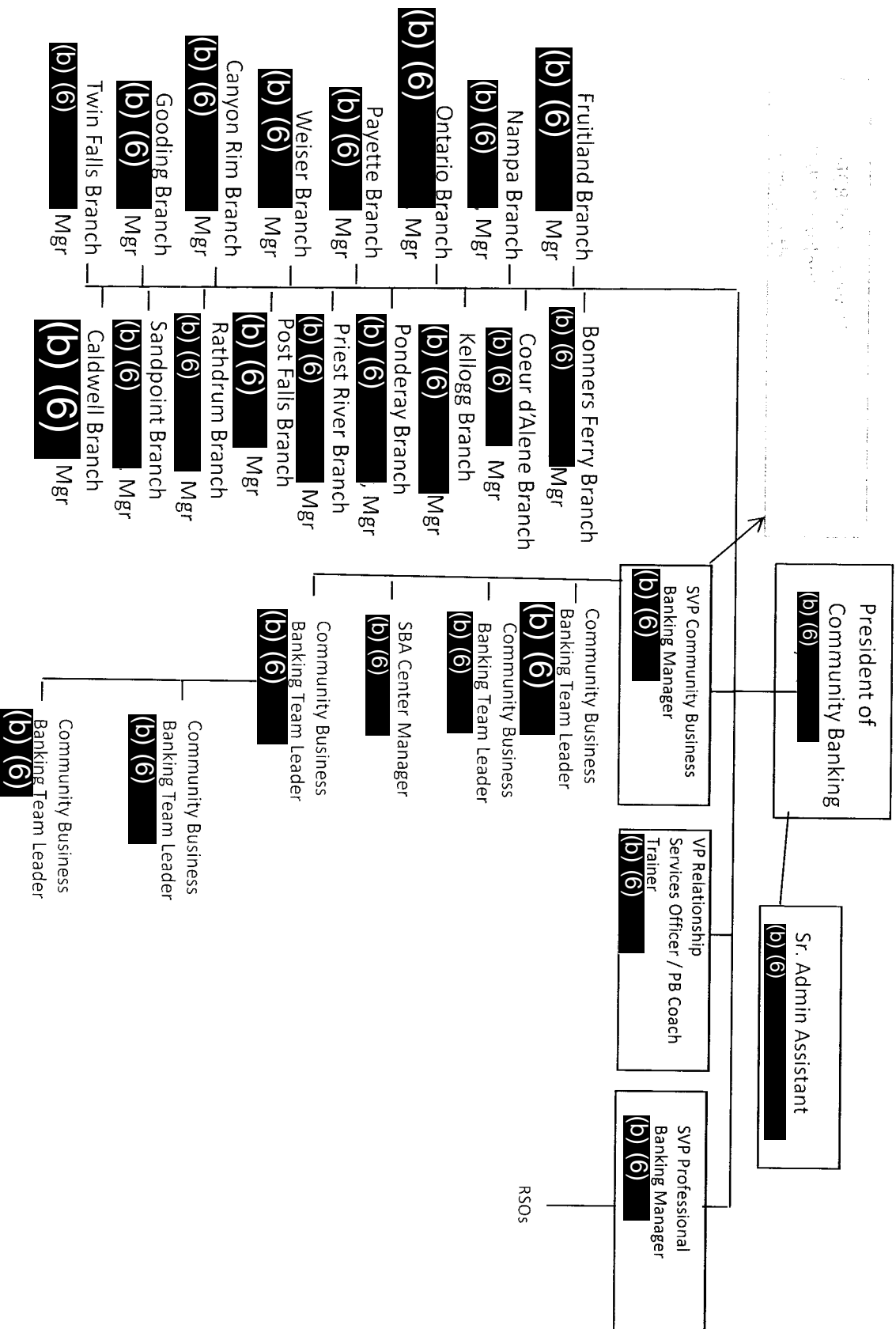
*(Internal Employee Presentation)*

# AGENDA

1. Welcome & Introduction
2. Production & Credit Organizational Structure Changes
3. Introducing “Powered by Community” – MCB’s Community Partnership Program
  - Goals & Objectives
  - Organizational Structure
  - Planning & Implementation
  - Town Hall Meetings
  - Internal & External Communication
  - How we all get involved
4. Wrap Up & Call to Action



# Community Banking Organization



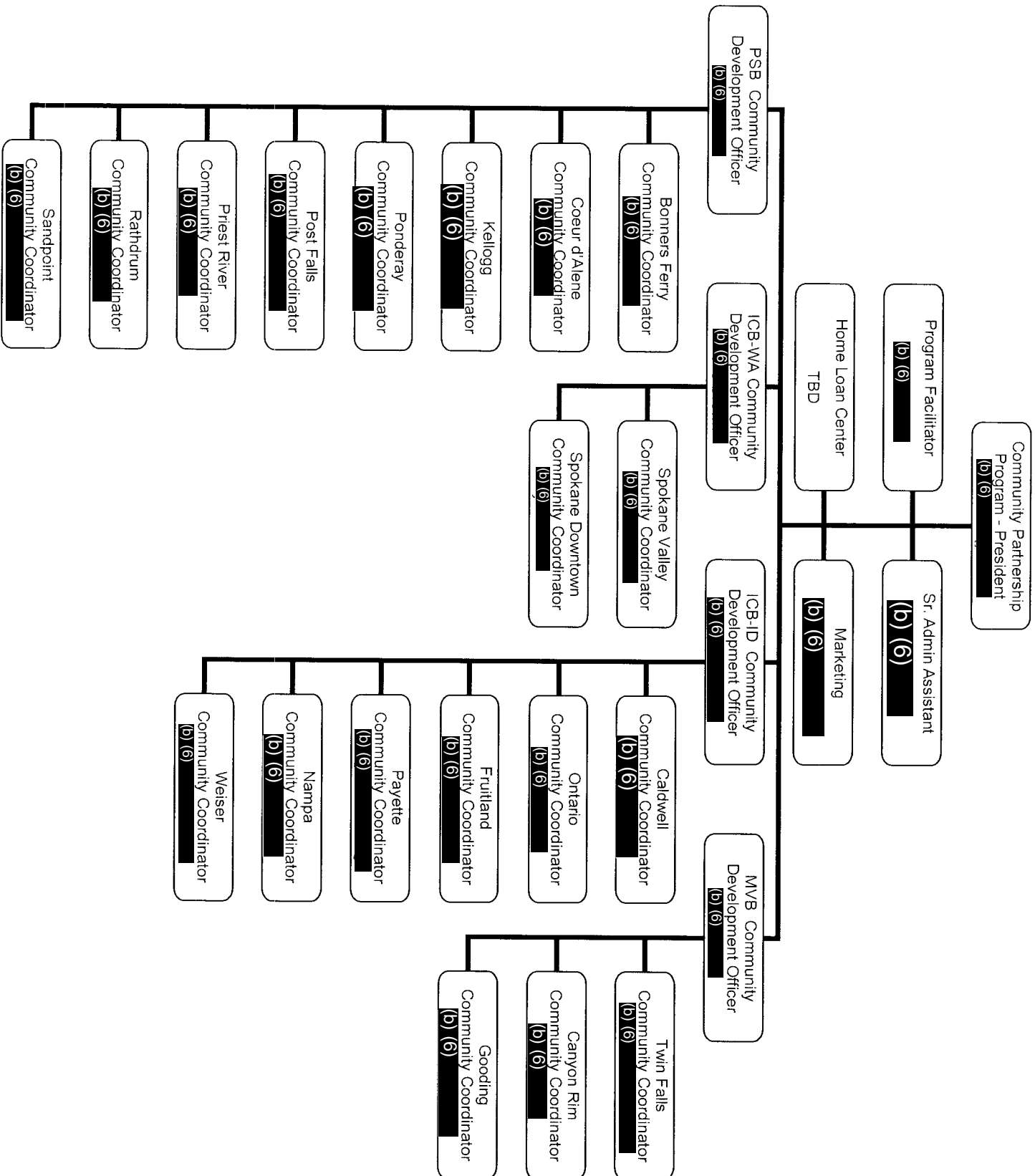
# *POWERED BY COMMUNITY*

**WGB'S Community Partnership Program**

# Goals & Objectives

"Success through Community Leadership, Involvement & Service"

- Community Goals
  - Job Creation
  - Housing Improvement
  - Education
  - Business & Consumer Financial Health
  - Positive News
- Bank Goals
  - 1,000 Community Leaders
  - 100 Programs & Projects
  - 100% MCB employee participation
  - \_\_\_\_\_ New Customers with \_\_\_\_\_ New Deposits & Loans



# PLANNING & IMPLEMENTATION

- Officers & Roles
  - (b) (6) — Community Development President
  - (b) (6) — Program Facilitator
  - Community Development Officers
    - Identify & prioritize needs
    - Coordinate internal & external resources
    - Develop bank, community partnerships
    - Coordinate with branch coordinators to implement, manage and monitor programs
  - Branch Coordinators
    - Identify & Communicate Needs
    - Work with Community Development Officers on developing managing partnerships
    - Implement local community programs
  - Everyone — Ideas & Involvement
- Planning & Implementation
  - Organizational meetings begin next week
  - Some efforts already underway
    - Existing Match, Star and Scholarship programs
    - Low & Moderate Income Housing Initiatives
    - Multi-media presentations — product and business-focused
  - More to follow



# TOWN HALL MEETINGS

## COMING TO A LOCATION NEAR YOU

### 2009 Town Halls - Powered by Community

Date	Time	Location	Branch/Department
2/17/2009		Spokane Downtown/Valley	
2/19/2009		Bonners Ferry	
2/20/2009		Priest River	
2/24/2009		Sandpoint/Ponderay	
3/2/2009		Post Falls	
3/3/2009		Rathdrum	
3/4/2009		Kellogg	
3/5/2009		Coeur d'Alene	
3/9/2009		Twin Falls/Canyon Rim	
3/10/2009		Gooding	
3/11/2009		Payette/Weiser	
3/12/2009		Nampa/Caldwell	

# COMMUNICATION

- Internal
  - Community Development Team communications
  - Vault site & blog
  - Highlight new happenings on Vault Home Site
- External
  - Press releases
  - Town Hall meetings
  - Powered by Community Website — March deployment
  - All of us, every day

# GET INVOLVED!

- Ideas for Projects, Programs, Seminars, Etc
  - Branch coordinator or Community Development Officer
  - Blog
- \$50 Pay It Forward Certificate
- Volunteer (and track)
- Reach Out to Family, Friends, Others in Need
- Emphasize the Positive
- Support local businesses
- Use, understand & promote bank solutions

February 26, 2009  
Board of Directors Presentation

**POWERED BY  
COMMUNITY**

DOING THE RIGHT THING,  
EXACTLY LIKE NO OTHER,  
ON PURPOSE

# Powered By Community

- **Goals**
  - Establish IMCB as community leader
  - Foster positive IMCB image
  - Stimulate economic development
  - Develop lending opportunities
  - Build customer networks from engaging community leaders
  - Enhance employee morale and commitment
  - Enhance CRA and regulatory standing
- **Primary target markets**
  - Non profits, community development organizations, local government, public-private partnerships
  - Community leaders and key influencers
- **Philosophies**
  - Unique, local solutions
  - Develop key partnerships
  - Bank as leader, facilitator
  - Bank donation, capital and lending as a catalyst
  - Education & resource locator – Training someone to grow is a much better long-term solution than just feeding the immediate need
  - Hope and enthusiasm

# Powered by Community

- Initiatives
  - Initial Marketing
    - Employee engagement
    - Press engagement
    - Community engagement
  - Org structure development
    - President
    - Project Manager
    - Community Development Officers
    - Community Branch Coordinators
    - Communication – vault & website



Community Partnership  
Program - President  
(b) (6)

Program Facilitator  
(b) (6)

Sr. Admin Assistant  
(b) (6)

Home Loan Center  
TBD

Marketing  
(b) (6)

PSB Community  
Development Officer  
(b) (6)

ICB-WA Community  
Development Officer  
(b) (6)

ICB-ID Community  
Development Officer  
(b) (6)

MVB Community  
Development Officer  
(b) (6)

Bonners Ferry  
Community Coordinator  
(b) (6)

Spokane Valley  
Community Coordinator  
(b) (6)

Caldwell  
Community Coordinator  
(b) (6)

Twin Falls  
Community Coordinator  
(b) (6)

Coeur d'Alene  
Community Coordinator  
(b) (6)

Spokane Downtown  
Community Coordinator  
(b) (6)

Ontario  
Community Coordinator  
(b) (6)

Canyon Rim  
Community Coordinator  
(b) (6)

Kellogg  
Community Coordinator  
(b) (6)

Fruitland  
Community Coordinator  
(b) (6)

Gooding  
Community Coordinator  
(b) (6)

Ponderay  
Community Coordinator  
(b) (6)

Payette  
Community Coordinator  
(b) (6)

Post Falls  
Community Coordinator  
(b) (6)

Nampa  
Community Coordinator  
(b) (6)

Priest River  
Community Coordinator  
(b) (6)

Weiser  
Community Coordinator  
(b) (6)

Rathdrum  
Community Coordinator  
(b) (6)

Sandpoint  
Community Coordinator  
(b) (6)



# PLAYERS & ROLES

- **(b) (6)**
  - **Community Development**
- **President**
  - **(b) (6)**
    - **Program Facilitator**
  - **Community Development Officers**
    - **Identify & prioritize needs**
    - **Coordinate internal & external resources**
    - **Develop bank, community partnerships**
    - **Coordinate with branch coordinators to implement, manage and monitor programs**
- **Branch Coordinators**
  - **Identify & Communicate Needs**
  - **Work with Community Development Officers on developing managing partnerships**
  - **Implement local community programs**
- **Everyone – Ideas & Involvement**

# Powered by Community

## ○ Initiatives

- Needs and idea generation
  - Town Hall meetings
  - Organization & prioritization of projects
- Development of support mechanisms
  - Direct investment
  - Lending programs
  - Advisor resources
  - Partnership development
  - Seminars & educational efforts
  - Website
- Tie Into Business Development
  - Contact management
  - Lending programs
  - Staff "Leads into Sales" training
- Metrics tracking & reporting
  - Internal/external marketing feedback loop
  - Conversion of prospects
  - CRA Reporting

# Town Hall Meetings Coming to A Location Near You

## 2009 Town Halls - Powered By Community

### Variable Information

Date	Time	Location
3/12/2009	7am-8:30am	Post Falls American Legion - 1138 E. Poutine - Post Falls
3/12/2009	5:30pm to 7:00pm	Shepherd Of The Hills Lutheran Church - 13541 W Hwy 53 - Rathdrum
3/12/2009	7:30am-9:00am	Best Western Coeur d' Alene Inn - 506 W Appleway Ave. - Coeur d' Alene
3/9/2009	5pm to 6:30pm	Kootenai River Inn - 7169 Plaza St. - Bonners Ferry
3/10/2009	3:00pm-4:30pm	Priest River Inn - 114 Main Street - Priest River
3/11/2009	2pm to 4pm	Sandpoint Community Room - 414 Church St. - Sandpoint
3/12/2009	7:30am-9:00am	Center Place - 2426 N Discovery Place - Spokane Valley
3/17/2009	7:30 am to 9:00 am 7:00pm to 8:30 pm	Red Lion Canyon Springs Inn - 1357 Blue Lakes Blvd N. - Twin Falls Gooding County Extension Buildings - 201 Lucy Lane - Gooding
3/18/2009	7:30 AM	Holiday Inn - 1249 Tapadera Avenue - Ontario
3/19/2009	7:00 am breakfast 7:30 - 9:30am Meeting	Hampton Inn - 5750 East Franklin Road - Nampa