

INTERMOUNTAIN COMMUNITY BANCORP
Form 10-Q
November 13, 2012
Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2012

OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____
COMMISSION FILE NUMBER 000-50667
INTERMOUNTAIN COMMUNITY BANCORP
(Exact name of registrant as specified in its charter)

Idaho 82-0499463
(State or other jurisdiction of (IRS Employer
incorporation or organization) Identification No.)

414 Church Street, Sandpoint, ID 83864
(Address of principal executive offices) (Zip code)
Registrant's telephone number, including area code:
(208) 263-0505

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No
The number of shares outstanding of the registrant's Voting Common Stock, no par value per share, as of November 6, 2012 was 2,603,676 and the number of shares of Non-Voting Common Stock, no par value per share, was 3,839,688.

Table of Contents

Intermountain Community Bancorp
FORM 10-Q
For the Quarter Ended September 30, 2012
TABLE OF CONTENTS

PART I — Financial Information

Item 1 — Financial Statements (Unaudited)

<u>Consolidated Balance Sheets for September 30, 2012 and December 31, 2011</u>	<u>3</u>
<u>Consolidated Statements of Operations for the three and nine months ended September 30, 2012 and 2011</u>	<u>4</u>
<u>Consolidated Statements of Cash Flows for the three and nine months ended September 30, 2012 and 2011</u>	<u>6</u>
<u>Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended September 30, 2012 and 2011</u>	<u>5</u>

Notes to Consolidated Financial Statements

7

<u>Item 2 — Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>34</u>
---	-----------

<u>Item 3 — Quantitative and Qualitative Disclosures About Market Risk</u>	<u>57</u>
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<u>Item 4 — Controls and Procedures</u>	<u>57</u>
---	-----------

PART II — Other Information

<u>Item 1 — Legal Proceedings</u>	<u>57</u>
-----------------------------------	-----------

<u>Item 1A — Risk Factors</u>	<u>57</u>
-------------------------------	-----------

<u>Item 2 — Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>57</u>
---	-----------

<u>Item 3 — Defaults Upon Senior Securities</u>	<u>57</u>
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<u>Item 4 — Mine Safety Disclosure</u>	<u>57</u>
--	-----------

<u>Item 5 — Other Information</u>	<u>58</u>
-----------------------------------	-----------

<u>Item 6 — Exhibits</u>	<u>58</u>
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<u>Signatures</u>	<u>58</u>
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EX-3.1 Amended and Restated Articles of Incorporation

EX-31.1

EX-31.2

EX-32

EX-101

Table of Contents

PART I — Financial Information

Item - 1 Financial Statements

Intermountain Community Bancorp

Consolidated Balance Sheets

(Unaudited)

	September 30, 2012	December 31, 2011
	(Dollars in thousands)	
ASSETS		
Cash and cash equivalents:		
Interest-bearing	\$45,015	\$82,242
Non-interest bearing and vault	15,516	24,958
Restricted cash	12,710	2,668
Available-for-sale securities, at fair value	290,311	219,039
Held-to-maturity securities, at amortized cost	14,843	16,143
Federal Home Loan Bank ("FHLB") of Seattle stock, at cost	2,290	2,310
Loans held for sale	5,070	5,561
Loans receivable, net	502,852	502,252
Accrued interest receivable	4,542	4,100
Office properties and equipment, net	36,031	37,687
Bank-owned life insurance ("BOLI")	9,387	9,127
Other intangibles	101	189
Other real estate owned ("OREO")	5,636	6,650
Prepaid expenses and other assets	18,488	21,292
Total assets	\$962,792	\$934,218
LIABILITIES		
Deposits	\$731,584	\$729,373
Securities sold subject to repurchase agreements	56,989	85,104
Advances from Federal Home Loan Bank	29,000	29,000
Unexercised stock warrant liability	899	—
Cashier checks issued and payable	266	481
Accrued interest payable	2,124	1,676
Other borrowings	16,527	16,527
Accrued expenses and other liabilities	11,819	10,441
Total liabilities	849,208	872,602
STOCKHOLDERS' EQUITY		
Common stock 30,000,000 shares authorized; 2,602,820 and 842,721 shares issued and 2,602,303 and 840,984 shares outstanding as of September 30, 2012 and December 31, 2011, respectively (1)	96,330	78,916
Common stock - non-voting 10,000,000 shares authorized; 3,839,684 and 0 shares issued and outstanding as of September 30, 2012 and December 31, 2011, respectively (1)	31,941	—
Preferred stock, Series A, 27,000 shares issued and outstanding as of September 30, 2012 and December 31, 2011, respectively; liquidation preference of \$1,000 per share	26,430	26,149
Accumulated other comprehensive income, net of tax	3,724	2,370
Accumulated deficit	(44,841) (45,819
Total stockholders' equity	113,584	61,616
Total liabilities and stockholders' equity	\$962,792	\$934,218

(1) All share numbers have been adjusted to reflect the impact of a 1-for-10 reverse stock split, effective, October 5, 2012. See footnote 12, "Subsequent Events" for additional information.
The accompanying notes are an integral part of the consolidated financial statements.

3

Table of ContentsIntermountain Community Bancorp
Consolidated Statements of Operations
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
	(Dollars in thousands, except per share data)			
Interest income:				
Loans	\$7,031	\$8,224	\$21,157	\$24,990
Investments	1,896	2,385	6,016	6,897
Total interest income	8,927	10,609	27,173	31,887
Interest expense:				
Deposits	736	1,158	2,302	3,540
Other borrowings	522	643	1,769	1,843
Total interest expense	1,258	1,801	4,071	5,383
Net interest income	7,669	8,808	23,102	26,504
Provision for losses on loans	(1,154)) (2,239)) (3,688)) (6,584)
Net interest income after provision for losses on loans	6,515	6,569	19,414	19,920
Other income:				
Fees and service charges	1,702	1,692	4,946	5,226
Loan related fee income	686	524	1,927	1,644
Net gain on sale of securities	—	12		