

INTERMOUNTAIN COMMUNITY BANCORP

Form 424B3

May 14, 2012

Table of Contents

PROSPECTUS SUPPLEMENT NO. 3  
(TO PROSPECTUS DATED April 23, 2012)

FILED PURSUANT TO RULE 424(B)(3)  
REGISTRATION NO. 333-180071

INTERMOUNTAIN COMMUNITY BANCORP

8,700,000 SHARES OF COMMON STOCK

This prospectus supplement No. 3 supplements information contained in that certain prospectus dated April 23, 2012, (as subsequently amended or supplemented, the "Prospectus") relating to the offer to shareholders of record on January 20, 2012 subscription rights to purchase up to 8,700,000 shares of common stock of Intermountain Community Bancorp.

This prospectus supplement includes our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, which was filed with the Securities and Exchange Commission on May 14, 2012.

The information contained in the Rights Offering Presentation included in this prospectus supplement is dated as of the date of the report. This prospectus supplement should be read in conjunction with the Prospectus that was previously delivered, except to the extent that the information in this prospectus supplement updates and supersedes the information contained in the Prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus Supplement is May 14, 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 March 31, 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

(State or other jurisdiction of  
incorporation or organization)

82-0499463

(IRS Employer  
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 Common Stock, no par value per share, as of May 7, 2012 was 20,775,493.

---

Table of Contents

Intermountain Community Bancorp  
FORM 10-Q  
For the Quarter Ended March 31, 2012  
TABLE OF CONTENTS

PART I — Financial Information

Item 1 — Financial Statements (Unaudited)

Consolidated Balance Sheets for March 31, 2012 and December 31, 2011 3

Consolidated Statements of Operations for the three months ended March 31, 2012 and 2011 4

Consolidated Statements of Cash Flows for the three months ended March 31, 2012 and 2011 7

Consolidated Statements of Comprehensive Income (Loss) for the three ended March 31, 2012 and 2011 6

Notes to Consolidated Financial Statements 8

Item 2 — Management’s Discussion and Analysis of Financial Condition and Results of Operations 35

Item 3 — Quantitative and Qualitative Disclosures About Market Risk 58

Item 4 — Controls and Procedures 58

PART II — Other Information

Item 1 — Legal Proceedings 58

Item 1A — Risk Factors 59

Item 2 — Unregistered Sales of Equity Securities and Use of Proceeds 67

Item 3 — Defaults Upon Senior Securities 67

Item 4 — Mine Safety Disclosure 67

Item 5 — Other Information 67

Item 6 — Exhibits 67

Signatures 67

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)

	March 31, 2012	December 31, 2011
	(Dollars in thousands)	
<b>ASSETS</b>		
Cash and cash equivalents:		
Interest-bearing	\$76,316	\$82,242
Non-interest bearing and vault	13,908	24,958
Restricted cash	12,561	2,668
Available-for-sale securities, at fair value	264,313	219,039
Held-to-maturity securities, at amortized cost	15,024	16,143
Federal Home Loan Bank ("FHLB") of Seattle stock, at cost	2,310	2,310
Loans held for sale	4,172	5,561
Loans receivable, net	492,983	502,252
Accrued interest receivable	4,108	4,100
Office properties and equipment, net	37,155	37,687
Bank-owned life insurance ("BOLI")	9,214	9,127
Other intangibles	159	189
Other real estate owned ("OREO")	6,852	6,650
Prepaid expenses and other assets	19,556	21,292
Total assets	\$958,631	\$934,218
<b>LIABILITIES</b>		
Deposits	\$731,458	\$729,373
Securities sold subject to repurchase agreements	63,635	85,104
Advances from Federal Home Loan Bank	29,000	29,000
Cashier checks issued and payable	355	481
Unexercised stock warrant liability	1,007	—
Accrued interest payable	1,821	1,676
Other borrowings	16,527	16,527
Accrued expenses and other liabilities	11,879	10,441
Total liabilities	855,682	872,602
<b>STOCKHOLDERS' EQUITY</b>		
Common stock 300,000,000 shares authorized; 20,776,220 and 8,427,212 shares issued and 20,770,214 and 8,409,840 shares outstanding as of March 31, 2012 and December 31, 2011, respectively	91,511	78,916
Preferred stock, Series A, 27,000 shares issued and outstanding as of March 31, 2012 and December 31, 2011; liquidation preference of \$1,000 per share	26,241	26,149
Mandatorily Convertible Cumulative Participating Preferred Stock, Series B, 698,993 and 0 shares issued and outstanding as of March 31, 2012 and December 31, 2011, respectively; liquidation preference of \$0.01 per share	28,735	—
Accumulated other comprehensive income, net of tax	2,064	2,370
Accumulated deficit	(45,602)	(45,819)
Total stockholders' equity	102,949	61,616
Total liabilities and stockholders' equity	\$958,631	\$934,218

The accompanying notes are an integral part of the consolidated financial statements.



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

	Three Months Ended March 31,	
	2012	2011
	(Dollars in thousands, except per share data)	
Interest income:		
Loans	\$7,071	\$8,335
Investments	2,049	2,153
Total interest income	9,120	10,488
Interest expense:		
Deposits	822	1,248
Other borrowings	676	529
Total interest expense	1,498	1,777
Net interest income	7,622	8,711
Provision for losses on loans	(959	) (1,633
Net interest income after provision for losses on loans	6,663	7,078
Other income:		
Fees and service charges	1,625	1,670
Loan related fee income	582	575
Net gain on sale of securities	585	—
Other-than-temporary impairment (“OTTI”) losses on investments (1)	(271	) —
Bank-owned life insurance	87	89
Fair value adjustment on cash flow hedge	(384	) —
Other	212	329
Total other income	2,436	2,663
Operating expenses		
Salaries and employee benefits	4,136	4,947
Occupancy expense	1,684	1,787
Advertising	112	130
Fees an service charges	622	651
Printing, postage and supplies	300	337
Legal and accounting	350	235
FDIC assessment	313	445

(b) *Arms Length Negotiations.* The price of the Offered Securities set forth in this Agreement was established by the Company following discussions and arms-length negotiations with the Underwriters and the Company is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated by this Agreement;

(c) *Absence of Obligation to Disclose.* The Company has been advised that the Underwriters and their affiliates are engaged in a broad range of transactions which may involve interests that differ from those of the Company and that the Underwriters have no obligation to disclose such interests and transactions to the Company by virtue of any fiduciary, advisory or agency relationship; and

(d) *Waiver*. The Company waives, to the fullest extent permitted by law, any claims it may have against the Underwriters for breach of fiduciary duty or alleged breach of fiduciary duty and agrees that the Underwriters shall have no liability (whether direct or indirect) to the Company in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of the Company, including shareholders, employees or creditors of the Company.

16. *Applicable Law*. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

The Company hereby submits to the non-exclusive jurisdiction of the U.S. federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. The Company irrevocably and unconditionally waives any objection to the laying of venue of any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby in U.S. federal and state courts in the Borough of Manhattan in The City of New York and irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such suit or proceeding in any such court has been brought in an inconvenient forum. The Company irrevocably appoints CT Corporation System, 111 Eighth Avenue, New York, New York, as its authorized agent in the Borough of Manhattan in The City of New York upon which process may be served in any such suit or proceeding, and agrees that service of process upon such agent, and written notice of said service to the Company by the person serving the same to the address provided in Section 11 hereof, shall be deemed in every respect effective service of process upon the Company in any such suit or proceeding. The Company further agrees to take any and all action as may be necessary to maintain such designation and appointment of such agent in full force and effect for a period of seven years from the date of this Agreement.

The obligation of the Company pursuant to this Agreement in respect of any sum due to any Underwriter shall, notwithstanding any judgment in a currency other than United States dollars, not be discharged until the first business day, following receipt by such Underwriter of any sum adjudged to be so due in such other currency, on which (and only to the extent that) such Underwriter may in accordance with normal banking procedures purchase United States dollars with such other currency; if the United States dollars so purchased are less than the sum originally due to such Underwriter hereunder, the Company agrees, as a separate obligation and notwithstanding any such judgment, to indemnify such Underwriter against such loss. If the United States dollars so purchased are greater than the sum originally due to such Underwriter hereunder, such Underwriter agrees to pay to the Company an amount equal to the excess of the dollars so purchased over the sum originally due to such Underwriter hereunder.

17. *Waiver of Immunities*. To the extent that the Company or any of its properties, assets or revenues may have or may hereafter become entitled to, or have attributed to the Company, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from setoff or counterclaim, from the jurisdiction of any Cayman Islands, New York or U.S. federal court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution of judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any such court in which proceedings may at any time be commenced, with respect to the obligations and liabilities of the Company, or any other matter under or arising out of or in connection with, the Principal Agreements or any of them, the Company hereby irrevocably and unconditionally waives or will waive such right to the extent permitted by law, and agrees not to plead or claim, any such immunity and consents to such relief and enforcement.

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to the Company one of the counterparts hereof, whereupon it will become a binding agreement among the Company and you in accordance with its terms.

Very truly yours,

Trina Solar Limited

By: /s/ Jifan Gao

Name: Jifan Gao

Title: Chairman and Chief Executive  
Officer



The foregoing Underwriting Agreement is hereby confirmed and accepted as of the date first above written.

GOLDMAN SACHS (ASIA) L.L.C.

By: /s/ Stephen Wong

Name: Stephen Wong  
Title: Managing Director

CREDIT SUISSE SECURITIES (USA) LLC

By: /s/ Bryce Lee

Name: Bryce Lee  
Title: Managing Director

SCHEDULE A

Underwriter	Number of Firm Securities
Goldman Sachs (Asia) L.L.C.	2,092,500
Credit Suisse Securities (USA) LLC	1,822,500
Piper Jaffray & Co.	585,000
Total	4,500,000

---

SCHEDULE B

The following information is also included in the General Disclosure Package:

1. The initial price to the public of the Offered Securities: US\$28.75 per ADS
-

SCHEDULE C

List of Persons and Entities Subject to Lock-up

Jifan Gao  
Sean Hsiyuan Tzou  
Liping Qiu  
Jerome Corcoran  
Junfeng Li  
Peter Mak  
Qian Zhao  
Terry Wang  
Suping Chen  
Arturo Herrero  
Qiang Huang  
Chunyan Wu  
Chen Chung Yu  
Yu Zhu  
Diming Qiu  
Wonder World Limited  
Jewel Springs Limited

---

EXHIBIT A  
FORM OF OPINION OF COMPANY S CAYMAN ISLANDS COUNSEL

---

EXHIBIT B  
FORM OF OPINION OF COMPANY S U.S. COUNSEL

---

EXHIBIT C  
FORM OF OPINION OF COMPANY'S PRC COUNSEL

---

EXHIBIT D  
FORM OF OPINION OF DEPOSITARY BANK S U.S. COUNSEL

---



EXHIBIT E  
Form of Lock-Up Letter

[ ], 2009

Trina Solar Limited  
No. 2 Xin Yuan Yi Road  
Electronics Park, New District  
Changzhou, Jiangsu 213031  
People's Republic of China  
Goldman Sachs (Asia) L.L.C.  
Credit Suisse Securities (USA) LLC  
As Representatives of the Several Underwriters  
c/o Goldman Sachs (Asia) L.L.C.  
68<sup>th</sup> Floor, Cheung Kong Center  
2 Queen's Road, Hong Kong

Dear Sirs:

As an inducement to Goldman Sachs (Asia) L.L.C. and Credit Suisse Securities (USA) LLC, as Representatives (the **Representatives**) of the several underwriters, to execute an Underwriting Agreement (the **Underwriting Agreement**) pursuant to which a public offering of up to 4,500,000 American Depositary Shares (the **ADSs** and each an **ADS**), each representing one hundred ordinary shares, par value \$0.00001 per share (the **Shares**), of Trina Solar Limited, and any successor (by merger or otherwise) thereto (the **Company**), the undersigned hereby agrees that during the period specified in the following paragraph (the **Lock-Up Period**), the undersigned will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any Securities (as defined below) or securities convertible into or exchangeable or exercisable for any Securities, enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of the Securities, whether any such aforementioned transaction is to be settled by delivery of the Securities or such other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of the Representatives (as defined in the Underwriting Agreement). In addition, the undersigned agrees that, without the prior written consent of the Representatives, it will not, during the Lock-Up Period, make any demand for or exercise any right with respect to, the registration of any Securities or any security convertible into or exercisable or exchangeable for the Securities. The ADSs and the Shares are collectively referred to as the **Securities**. The initial Lock-Up Period will commence on the date of this Lock-Up Agreement and continue and include the date 90 days after the public offering date set forth on the final prospectus supplements used to sell the ADSs (the **Public Offering Date**) pursuant to the Underwriting Agreement; provided, however, that if (1) during the last 17 days of the initial Lock-Up Period, the Company releases earnings results or material news or a material event relating to the Company occurs or (2) prior to the expiration of the initial Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the initial Lock-Up Period, then in each case the Lock-Up Period will be extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the occurrence of the material news or material event, as applicable, unless the Representatives waive, in writing, such extension.

The undersigned hereby acknowledges and agrees that written notice of any extension of the Lock-Up Period pursuant to the previous paragraph will be delivered by the Representatives to the Company (in accordance with Section 11 of the Underwriting Agreement) and that any such notice properly delivered will be deemed to have been given to, and received by, the undersigned. The undersigned further agrees that, prior to engaging in any transaction or taking any other action that is subject to the terms of this Lock-Up Agreement during the period from the date of this Lock-Up Agreement to an including the 34<sup>th</sup> day following the expiration of the initial Lock-Up Period, it will give notice thereof to the Company and will not consummate such transaction or take any such action unless it has received written confirmation from the Company that the Lock-Up Period (as may have been extended pursuant to the previous paragraph) has expired.



Any Securities received upon exercise of options granted to the undersigned will also be subject to this Agreement. Any Securities acquired by the undersigned in the open market will not be subject to this Agreement. A transfer of Securities to a family member of the undersigned, or a trust or an entity beneficially owned by the undersigned or a family member of the undersigned, may be made prior to the expiration of the Lock-Up Period without prior consent from the Representatives, provided the transferee agrees to be bound in writing by the terms of this Agreement prior to such transfer. For purposes of this paragraph, family member shall mean spouse, any lineal descendent, father, mother, brother or sister of the undersigned.

In furtherance of the foregoing, the Company and its transfer agent and registrar are hereby authorized to decline to make any transfer of Securities if such transfer would constitute a violation or breach of this Agreement.

This Agreement shall be binding on the undersigned and the successors, heirs, personal representatives and assigns of the undersigned. This Agreement shall lapse and become null and void if the Public Offering Date shall not have occurred on or before August 4, 2009. **This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.**

Very truly yours,

[Name of shareholder]

[ACKNOWLEDGEMENT AND AGREEMENT OF BENEFICIAL OWNER<sup>1</sup>

The undersigned beneficial owner of securities of [shareholder] hereby acknowledges and agrees that the restrictions set forth in this letter shall apply *mutatis mutandis* to it with respect to such securities.

Very truly yours,

Signature:

Print:

Name:

<sup>1</sup> *To be completed by any person who beneficially owns more than 50% of the interests in the shareholder of the Company signing this letter.*