

Home Federal Bancorp, Inc.

Form 425

November 27, 2007

Filed by Home Federal Bancorp, Inc.

Pursuant to Rule 425 under the  
Securities Act of 1933 and deemed

filed pursuant to Rule 14a-12 of  
the Securities Exchange Act of 1934

Subject Company: Home Federal Bancorp, Inc.

Commission File No. 001-33795

**Syndicated Stock Offering**

**NASDAQ: HOME**

**November 2007**

**Home Federal Bancorp, Inc.**

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## Edgar Filing: Home Federal Bancorp, Inc. - Form 425

Home Federal Bancorp, Inc. has filed a registration statement (including a prospectus) with the Securities and Exchange Commission (the SEC) for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents Home Federal Bancorp, Inc. has filed with the SEC for more complete information about Home Federal Bancorp, Inc. and this offering. You may get these documents for free by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, Home Federal Bancorp, Inc., or any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling (208) 468-5151.

Home Federal Bancorp, Inc. has filed a proxy statement/ prospectus concerning the conversion with the SEC. Shareholders of Home Federal Bancorp, Inc. are urged to read the proxy statement/ prospectus because it contains important information. Investors are able to obtain all documents filed with the SEC by Home Federal Bancorp, Inc. free of charge by visiting EDGAR on the SEC's website at [www.sec.gov](http://www.sec.gov). In addition, documents filed with the SEC by Home Federal Bancorp, Inc. are available free of charge from the Corporate Secretary of Home Federal Bancorp, Inc. at 500 12<sup>th</sup> Avenue South, Nampa, Idaho 83651, telephone (208) 466-4634. The directors, executive officers, and certain other members of management and employees of Home Federal Bancorp, Inc. are participants in the solicitation of proxies in favor of the conversion from the shareholders of Home Federal Bancorp, Inc. Information about the directors and executive officers of Home Federal Bancorp, Inc. is included in the proxy statement/ prospectus filed with the SEC.

The shares of common stock of Home Federal Bancorp, Inc. are not savings accounts or savings deposits, may lose value and are not insured by the Federal Deposit Insurance Corporation or any other government agency.

This presentation is for informational purposes only and does not constitute an offer to sell shares of common stock of Home Federal Bancorp, Inc. (HOME). Please refer to the prospectus dated November 9, 2007.

Certain comments made in the course of this presentation by HOME are forward-looking in nature. These include all statements about HOME's operating results or financial position for periods ending or on dates occurring after June 30, 2007 and usually use words such as expect, anticipate, believe, and similar expressions. These comments represent management's current beliefs, based upon information available to it at the time the statements are made with regard to the matters addressed.

All forward-looking statements are subject to risks and uncertainties that could cause HOME's actual results or financial condition to differ materially from those expressed in or implied by such statements. Factors of particular importance to HOME include, but are not limited to: (1) changes in general economic conditions, including interest rates; (2) competition among providers of financial services; (3) potential improvements or deterioration in asset quality; (4) failure to effectively utilize the net proceeds of the offering; and (5) price levels and conditions in the public securities market generally. Please refer to the prospectus for additional factors. HOME does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

**Transaction Overview**

Shares sold in subscription and community offering:

8%

Percent shares sold to ESOP:

TBD

Anticipated shares to be sold in Syndicated Offering:

TBD

Anticipated shares to be sold in Syndicated Offering:

Price per share:

\$10.00

5% of stock sold in offering

Individual purchase limitation:

5% of stock sold in offering

In-concert purchase limitation:

TBD

Offering Range expectation:

Exchange ratio at:      Min:1.1360    Mid:1.3364    Max:1.5369    Supermax:1.7674

\$0.041

Expected quarterly dividend at midpoint:

2.42%

Insider ownership at midpoint:

NASDAQ / HOME <sup>(1)</sup>

Listing / Ticker:

Keefe, Bruyette & Woods

Syndicated Offering lead manager:

Expected Pricing:

TBD

Expected Trading:

TBD

<sup>(1)</sup> For a period of 20 trading days after the completion of the offering, Home Federal Bancorp Inc. s common stock will trade under the symbol HOMED. Thereafter, Home Federal Bancorp, Inc. s trading symbol will revert to HOME.

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**Pro Forma Offering Range**

**Pro Forma Data\* - At or for the 9 months ended June 30, 2007**

**MINIMUM**

**MIDPOINT**

**MAXIMUM**

**ADJUSTED**

**MAXIMUM**

Shares sold in Offering

10,200,000

12,000,000

13,800,000

15,870,000

Pro Forma Shares Outstanding

17,303,110

20,356,600

23,410,090

26,921,604

Offering Price Per Share

\$10.00

\$10.00

\$10.00

\$10.00

Gross Proceeds (\$000s)

\$102,000

\$120,000

\$138,000

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\$158,700

Pro Forma Tangible Stockholders Equity (\$000s)

\$195,882

\$211,247

\$226,612

\$244,283

Pro Forma Tangible Stockholders Equity per Share

\$11.33

\$10.38

\$9.69

\$9.08

Price / Tangible Book

88.26%

96.34%

103.20%

110.13%

Price / Earnings

23.44 x

26.79 x

30.00 x

32.61 x

Exchange Ratio

1.1360

1.3364

1.5369

1.7674

Pro Forma Stockholders Equity / Assets

24.06%

25.46%

26.82%

28.32%

\*Information based upon assumptions in the Prospectus under "Pro Forma Data". Final valuation dependent on results of subscription and syndicate

offerings.

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**Investment Highlights**

Impressive Market Place

Experienced Management Team

Strong Asset Quality

Consistent Brand and Product Marketing

Franchise Expansion

Continue Planned Expansion of the Commercial Banking Line

Increased and Diversified Sources of Non Interest Income

Application of Effective Capital Management Strategies

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**Our Market: Location**

**Home to the Blue Turf and the**

**Fiesta Bowl Champion Boise State University Broncos**

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**Market Demographics Summary**

600,000 of Idaho's 1.4 million residents live in the Boise Valley

Boise is rated as one of the best places to live and work by Forbes, the Wall Street Journal and Inc. Magazine

Farmers Insurance rates Boise as the **most secure** place to live among regions with populations over 500,000

Affordable: Cost of Living only 96% of the National Average

Pro Business Regulatory Environment

*HOME's values are deposit-weighted in the counties in which it operates*

*Source: SNL Financial*

**Projected Change in Population**

**2007-2012 (%)**

**8.9**

**6.3**

**12.0**

**17.5**

**-**

**5.0**

**10.0**

**15.0**

**20.0**

**HOME**

**ID**

**West**

**US**

**Projected Change in Median Household Income**

**2007 - 2012 (%)**

**19.7**

**17.3**

**20.8**

**17.6**

**-**

**4.0**

**8.0**

**12.0**

**16.0**

**20.0**

**24.0**

**HOME**

**ID**

**West**

**US**

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**Experienced Management Team**

24

< 1

EVP Consumer Banking

Steven K. Eyre

15

1

EVP Commercial Banking

Steven D. Emerson

27

27

SVP, Treasurer, Secretary and CFO

Robert A. Schoelkoph,  
CPA

30

1

President of Home Federal Bank; Director

Len E. Williams

35

12

President, CEO and Chairman of Home Federal  
Bancorp

Daniel L. Stevens

**Years of**

**Banking  
Experience**

**Years at  
Home**

**Federal**

**Title**

**Name**

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**Established Branch Network**

**15 Full-service banking offices**

**2 Loan centers**

**16 ATMs**

**Currently one branch under construction and 2 planned  
for 2008 in the Boise Valley**

**Franchise Expansion in commercial and consumer dense  
areas**

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**Total Loans & Assets**

**200,000**

**300,000**

**400,000**

**500,000**

**600,000**

**700,000**

**800,000**

**Sep-02**

**Sep-03**

**Sep-04**

**Sep-05**

**Sep-06**

**Sep-07**

**Total Assets**

**Total Loans**

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**Loan Portfolio**

**Loan Portfolio as of 6/30/2007**

**1-4 Family**

**R.E.**

**52.4%**

**Multifamily &**

**Commercial**

**R.E.**

**28.6%**

**Commercial**

**0.8%**

**Construction**

**9.3%**

**Consumer &**

**H.E.**

**8.9%**

**Loan Portfolio Composition**

**(\$000s)**

\$0

\$50,000

\$100,000

\$150,000

\$200,000

\$250,000

\$300,000

1-4 Family



R.E.

Multi-Family

& Comm.

R.E.

Construction

Commercial

Consumer &

H.E.

Sep-02

Jun-07

**Quality, Sustainable, Profitable, Growth**

**No sub-prime loans**

**9/30 Quarterly Yield of 6.70%**

**Focused on Expansion of Commercial Banking**

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**Asset Quality**

-

**0.25**

**0.50**

**0.75**

**1.00**

**1.25**

**1.50**

**Sep-05**

**Sep-06**

**Dec-06**

**Mar-07**

**Jun-07**

**Sep-07**

**NPA's / Loans & REO (%)**

-

**0.05**

**0.10**

**0.15**

**0.20**

**0.25**

**2005 FY**

**2006 FY**

**2007Q1**

**2007Q2**

**2007Q3**

**2007Q4**

**0.40**

**0.45**

**0.50**

**0.55**

**0.60**

**0.65**

**0.70**

**0.75**

**NCOs/Avg. Loans**

**Reserves / Loans**

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**Deposit Mix**

**Deposit Composition as of 9/30/2007**

**Certificates**

**of Deposit**

**53.2%**

**Interest**

**Bearing**

**Demand**

**Deposits**

**31.6%**

**Noninterest**

**Bearing**

**Demand**

**Deposits**

**9.6%**

**Savings**

**Deposits**

**5.7%**

**Deposit Composition**

**(\$000s)**

\$0

\$25,000

\$50,000

\$75,000

\$100,000

\$125,000

\$150,000

\$175,000

\$200,000

\$225,000

\$250,000

Savings

Demand

CDs

Sep-02

Sep-07

**Focus on small business,  
convenience and our stellar  
service reputation to grow  
core deposits**

**Compensation plans have  
been aligned to drive growth  
in low cost deposits**

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**Demographic Market Share by County**

*Source: SNL Financial*

**Canyon, ID**

**Overall**

**Rank**

**Comu.**

**Bank**

**Rank**

**Institution (ST)**

**Type**

**2007**

**Number**

**of**

**Branches**

**2007**

**Total**

**Deposits in**

**Market**

**(\$000)**

**2007**

**Total**

**Market**

**Share**

**(%)**

**1**

**Wells Fargo & Co. (CA)**

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Bank

7

276,785

19.72

2

1

**Home Federal Bancorp (MHC) (ID)**

**Thrift**

5

**211,123**

**15.04**

3

U.S. Bancorp (MN)

Bank

5

163,749

11.67

4

2

**Cascade Bancorp (OR)**

**Bank**

3

**132,644**

**9.45**

5

Washington Federal Inc. (WA)

Thrift

2

105,466

7.51

**6**

**3**

**Idaho Independent Bank (ID)**

**Bank**

**2**

**101,234**

**7.21**

**7**

KeyCorp (OH)

Bank

3

82,771

5.90

8

Washington Mutual Inc. (WA)

Thrift

3

73,381

5.23

**9**

**4**

**Intermountain Community Bncp (ID)**



**Bank**

2

**68,507**

**4.88**

10

Zions Bancorp. (UT)

Bank

3

56,243

4.01

11

Bank of America Corp. (NC)

Bank

1

42,002

2.99

**12**

5

**D. L. Evans Bancorp (ID)**

**Bank**

2

**30,361**

**2.16**

**13**

6

**Glacier Bancorp Inc. (MT)**

**Bank**

2

29,293

2.09

14

7

**W.T.B. Financial Corp. (WA)**

**Bank**

1

19,104

1.36

15

8

**Syringa Bancorp (ID)**

**Bank**

1

5,807

0.41

16

**BNP Paribas Group**

**Bank**

1

5,275

0.38

**Total For Institutions In Market**

43

**1,403,745**

**Ada, ID**

**Overall**

**Rank**

**Comu.**

**Bank**

**Rank**

**Institution (ST)**

**Type**

**2007**

**Number**

**of**

**Branches**

**2007**

**Total**

**Deposits in**

**Market**

**(\$000)**

**2007**

**Total**

**Market**

**Share**

**(%)**

**1**

**U.S. Bancorp (MN)**

**Bank**

26

1,487,731

24.92

2

Wells Fargo & Co. (CA)

Bank

17

1,049,049

17.57

3

KeyCorp (OH)

Bank

10

525,174

8.80

4

1

**Cascade Bancorp (OR)**

**Bank**

**9**

**381,341**

**6.39**

5

Bank of America Corp. (NC)

Bank

5

365,931

6.13

6

**Washington Mutual Inc. (WA)**

Thrift

11

311,856

5.22

7

**Washington Federal Inc. (WA)**

Thrift

7

280,921

4.71

8

2

**W.T.B. Financial Corp. (WA)**

**Bank**

5

**266,684**

**4.47**

**9**

**3**

**Idaho Independent Bank (ID)**

**Bank**

**7**

215,874

3.62

10

4

**Syringa Bancorp (ID)**

**Bank**

4

207,415

3.47

11

5

**Idaho Bancorp (ID)**

**Bank**

4

189,187

3.17

12

6

**D. L. Evans Bancorp (ID)**

**Bank**

4

158,856

2.66

13

7

**Home Federal Bancorp (MHC) (ID)**

**Thrift**

**10**

**152,510**

**2.55**

**14**

**8**

**Banner Corp. (WA)**

**Bank**

**4**

**124,985**

**2.09**

**15**

**9**

**Glacier Bancorp Inc. (MT)**

**Bank**

**7**

**117,800**

**1.97**

**16**

**Zions Bancorp. (UT)**

**Bank**

**3**

**48,835**

**0.82**

**17**

**10**

**Sterling Financial Corp. (WA)**

**Bank**

**3**

**46,780**

**0.78**

**18**

**11**

**Idaho Trust Bancorp (ID)**

**Bank**

**1**

**27,356**

**0.46**

**19**

**BNP Paribas Group**

**Bank**

**2**

**12,198**

**0.20**

**Total For Institutions In Market**

**139**

**5,970,483**

**Gem, ID**

**Overall**

**Rank**

**Comu.**

**Bank**



<b>Rank</b>
<b>Institution (ST)</b>
<b>Type</b>
<b>2007</b>
<b>Number</b>
<b>of</b>
<b>Branches</b>
<b>2007</b>
<b>Total</b>
<b>Deposits in</b>
<b>Market</b>
<b>(\$000)</b>
<b>2007</b>
<b>Total</b>
<b>Market</b>
<b>Share</b>
<b>(%)</b>
1
Wells Fargo & Co. (CA)
Bank
1
66,994
44.51
2
1
<b>Home Federal Bancorp (MHC) (ID)</b>

**Thrift**

**1**

**32,742**

**21.75**

**3**

**U.S. Bancorp (MN)**

**Bank**

**1**

**30,884**

**20.52**

**4**

**KeyCorp (OH)**

**Bank**

**1**

**19,898**

**13.22**

**Total For Institutions In Market**

**4**

**150,518**

**Elmore, ID**

**Overall**

**Rank**

**Comu.**

**Bank**

**Rank**

**Institution (ST)**

**Type**

**2007**

**Number**

**of**

**Branches**

**2007**

**Total**

**Deposits in**

**Market**

**(\$000)**

**2007**

**Total**

**Market**

**Share**

**(%)**

1

Wells Fargo & Co. (CA)

Bank

2

51,767

32.84

2

Washington Mutual Inc. (WA)

Thrift

1

31,681

20.10

3

U.S. Bancorp (MN)

Bank

2

31,379

19.91

4

1

**Home Federal Bancorp (MHC) (ID)**

**Thrift**

**1**

**24,522**

**15.56**

**5**

**2**

**Idaho Independent Bank (ID)**

**Bank**

**1**

**18,266**

**11.59**

**Total For Institutions In Market**

**7**

**157,615**

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**Deposits**

-

**50,000**

**100,000**

**150,000**

**200,000**

**250,000**

**300,000**

**350,000**

**400,000**

**450,000**

**Sep-02**

**Sep-03**

**Sep-04**

**Sep-05**

**Sep-06**

**Sep-07**

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**Net Interest Margin**

**3.57**

**3.33**

**3.05**

**3.00**

**3.02**

**3.04**

**-**

**0.50**

**1.00**

**1.50**

**2.00**

**2.50**

**3.00**

**3.50**

**4.00**

**2005 FY**

**2006 FY**

**2007Q1**

**2007Q2**

**2007Q3**

**2007Q4**

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---

**Non Interest Income / Operating Revenue**

-

**5.00**

**10.00**

**15.00**

**20.00**

**25.00**

**30.00**

**35.00**

**40.00**

**2005 FY**

**2006 FY**

**2007Q1**

**2007Q2**

**2007Q3**

**2007Q4**

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**Efficiency Ratio**

**40.0**

**45.0**

**50.0**

**55.0**

**60.0**

**65.0**

**70.0**

**75.0**

**80.0**

**85.0**

**90.0**

**2005 FY**

**2006 FY**

**2007Q1**

**2007Q2**

**2007Q3**

**2007Q4**

**1.35**

**1.40**

**1.45**

**1.50**

**1.55**

**1.60**

**1.65**

**1.70**



**1.75**

**1.80**

**1.85**

**Efficiency Ratio**

**Net Op Expenses / Avg. Assets**

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**Historical Capital Management**

**\$-**

**\$0.01**

**\$0.02**

**\$0.03**

**\$0.04**

**\$0.05**

**\$0.06**

**\$0.07**

**Jun-**

**05**

**Sep-**

**05**

**Dec-**

**05**

**Mar-**

**06**

**Jun-**

**06**

**Sep-**

**06**

**Dec-**

**06**

**Mar-**

**07**

**Jun-**

**07**

**Sep-**

**07**

**Dec-**

**07**

**Cash Dividends per Share (\$)**

**Stock Buyback History**

**7/25/05:** The board approves the repurchase of up to 298,092 shares to fund the company's 2005 recognition and retention plan

**9/6/05:** Completes repurchase of 298,092 shares (1.96% of total shares) at an average price of \$13.09 per share

**Dividend Yield: 1.80%\***

\*Based on a current market value of \$12.25 as of  
November 19, 2007

**Recap of Strategic Objectives**

**Growth in Existing Markets**

**Continue with Disciplined Execution**

**Hire Experienced, Targeted Employees with Customer Service Focus**

**Expand Product Offerings**

**Increase Core Transaction Deposits**

**Commitment to Return Excess Capital**

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**THANK YOU!**

**Home Federal Bancorp, Inc.**

**Proposed Holding Company for**

Syndicated Stock Offering

NASDAQ: HOME

November 2007

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