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Bank of Idaho Holding Company Reports Results for the First Quarter of 2020

IDAHO FALLS, ID - (04/22/2020) – Bank of Idaho Holding Company (OTCQX: BOID), the holding company for Bank of Idaho, today announced results (unaudited) for the first quarter ended March 31, 2020.

The Company's net income for the first quarter was \$371,000 or \$0.15 per diluted share compared to \$344,000 or \$0.16 per diluted share in the previous quarter. For the three months, ended March 31, 2019, net income was \$1.7 million or \$0.92 per diluted share. The first quarter of 2019 included a one-time, \$1.2 million tax credit resulting from the Company's conversion from an S-Corporation to a C-Corporation.

"The Company's earnings are being impacted by both the Bank's recent market expansion and historically low interest rates. Partially offsetting the expansion costs and low rates have been strong balance sheet growth and mortgage refinance activity," said Jeff Newgard, President and CEO of Bank of Idaho.

Financial Highlights:

- Loans grew 4.8% or \$13.7 million in the first quarter and were 37.6% higher than the prior year. Half of the yearly loan growth was attributable to the Bank's expansion to Idaho's Treasure Valley market. Loan growth was concentrated in loans to business, primarily secured by real estate. Commercial construction lending and loans to consumers also contributed to the Bank's growth. Agriculture loans were down slightly from both the last quarter and last year.
- Deposits grew by \$4.3 million and were 14.7% over the same period last year. Forty-six percent (46%) of the Bank's total deposit growth was from the Bank's Treasure Valley branches. The bank acquired \$6.0 million in brokered deposits, helping to fund our loan growth. The advantage to brokered deposits in this low interest environment is that they are callable, meaning that if interest rates drop, the CDs can be replaced with even lower rate deposits.
- The Company's period-end book value per share increased to \$20.58 from \$20.07 last quarter. At March 31, 2019, the book value was \$19.52 per share.
- Asset quality as measured by the percentage of nonaccrual loans to loans improved to 1.64%, down from last quarter's 2.09% and 2.33% one year ago. Just over eighty percent of the Bank's nonaccrual loans are agriculture production and agriculture real estate credits. The Bank's Allowance for Loan and Lease Losses as a percent of Loans ended the quarter at 1.52%, about flat with last quarter and down from the first quarter 2019 level of 1.91%.

"As you have experienced with your lives and businesses, the onset of COVID-19 has kept us busy on many fronts. We have worked hard to keep our staff safe while meeting the needs and expectations of our customers. We were among the first banks to take advantage of the SBA's Paycheck Protection Program to help our small business customers. I could not be prouder of the speed with which the Bank's staff activated this program in order to respond to customers' needs. While we do not yet know the extent of the impact on the economy of COVID-19, we are certainly encouraged by the government's response to help individuals and businesses. We remain confident about our ability to serve the needs of customers in the Treasure Valley while maintaining our commitment to customers in eastern Idaho. In addition to our seven branches in eastern Idaho, we have a mortgage office in Twin Falls and two Treasure Valley branches opened with a loan production office in Nampa that will become a full-service branch in the second quarter.," said Jeff Newgard.

BANK OF IDAHO HOLDING COMPANY
CONSOLIDATED BALANCE SHEETS (unaudited)

	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019
ASSETS			
Cash	\$ 7,771,812	\$ 7,718,283	\$ 8,922,723
Interest bearing deposits in bank	672,259	33,692	15,724,225
Certificates of deposit	288,600	288,600	288,600
Securities available for sale	88,816,180	84,960,004	77,944,310
Federal Home Loan Bank stock, at cost	1,314,500	842,800	401,200
Mortgage loans held for sale	13,555,445	15,017,358	6,157,297
Loans	297,137,736	283,402,390	215,919,085
Allowance for loan losses	(4,518,484)	(4,336,622)	(4,116,485)
Loans net of allowance	292,619,252	279,065,768	211,802,600
Accrued interest receivable	1,576,203	1,447,588	1,550,310
Premises and equipment, net	12,143,636	11,638,006	5,832,874
Other real estate owned	847,092	2,926,992	3,124,413
Other assets	1,319,671	1,312,824	1,392,475
TOTAL ASSETS	\$ 420,924,650	\$ 405,251,915	\$ 333,141,027
LIABILITIES			
Noninterest-bearing demand	\$ 131,981,600	\$ 140,929,422	\$ 110,468,698
Interest-bearing demand	187,433,686	180,525,575	171,600,383
Time certificates of deposits	20,215,355	13,913,734	14,086,001
Total deposits	339,630,641	335,368,731	296,155,082
Accrued interest payable	20,608	17,536	\$12,317
Accounts payable and accrued liabilities	2,586,207	2,472,486	2,092,052
Operating lease liabilities	2,244,481	2,354,551	-
Stock appreciation rights	212,292	221,457	212,106
FHLB advances and other borrowings	20,702,500	11,040,000	-
Finance lease borrowings	3,543,230	3,078,354	-
Total liabilities	368,939,959	354,553,115	298,471,557
STOCKHOLDERS' EQUITY			
Common stock, no par value, 4,000,000 shares authorized, 2,526,085 issued and outstanding at March 31, 2020 and December 31, 2019; 3,000,000 authorized and 1,776,085 issued and outstanding at March 31, 2019.	26,720,509	26,688,868	12,505,209
Retained earnings	23,814,277	23,443,058	22,259,791
Accumulated other comprehensive income (loss)	1,449,905	566,874	(95,530)
Total stockholders' equity	51,984,691	50,698,800	34,669,470
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 420,924,650	\$ 405,251,915	\$ 333,141,027
Book value per share	\$20.58	\$20.07	\$19.52

BANK OF IDAHO HOLDING COMPANY
CONSOLIDATED STATEMENTS OF INCOME (unaudited)

	QUARTERLY			YEAR-TO-DATE	
	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
Interest and Dividend Income					
Loans, including fees	\$ 4,197,661	\$ 4,075,734	\$ 3,383,476	\$ 4,197,661	\$ 3,383,476
Securities, available for sale	544,426	560,084	600,502	544,426	600,502
Interest on interest bearing deposits and certificates of deposit	15,369	75,565	105,320	15,369	105,320
Total interest and dividend income	4,757,456	4,711,383	4,089,298	4,757,456	4,089,298
Interest Expense					
NOW demand and savings	44,308	45,625	42,817	44,308	42,817
Money market	7,095	6,441	3,381	7,095	3,381
Time certificates of deposit	34,855	20,745	13,657	34,855	13,657
FHLB advances and other borrowings	61,755	75,158	-	61,755	-
Total interest expense	148,013	147,969	59,855	148,013	59,855
Net interest income before provision for loan losses	4,609,443	4,563,414	4,029,443	4,609,443	4,029,443
Provision for loan losses	275,000	402,000	60,000	275,000	60,000
Net interest income after provision for loan losses	4,334,443	4,161,414	3,969,443	4,334,443	3,969,443
Noninterest Income					
Service charges on deposit accounts	144,366	148,037	143,603	144,366	143,603
Gain on sale of mortgage loans held for sale	907,320	1,088,222	387,354	907,320	387,354
Merchant card income	5,909	7,580	1,917	5,909	1,917
Trust fee income	389,088	389,300	317,887	389,088	317,887
Gain on sale of securities	113,032	-	59,819	113,032	59,819
Gain on sale of other real estate owned	880	879	880	880	880
Other noninterest income	18,347	21,185	20,996	18,347	20,996
Total noninterest income	1,578,942	1,655,203	932,456	1,578,942	932,456
Noninterest Expense					
Salaries, wages & benefits	3,513,250	3,347,668	2,643,923	3,513,250	2,643,923
Net occupancy expense	595,071	584,358	462,980	595,071	462,980
Advertising and business development	233,627	277,990	203,129	233,627	203,129
Accounting and consulting	99,769	85,514	86,457	99,769	86,457
Bankcard and merchant services	(936)	1,593	(1,152)	(936)	(1,152)
Data processing	377,639	436,323	253,538	377,639	253,538
Legal	53,517	51,602	52,988	53,517	52,988
Telephone, postage and courier	65,539	59,062	64,100	65,539	64,100
Other real estate owned expense	(2,761)	77,458	(19,061)	(2,761)	(19,061)
Loss on sale of other real estate owned	-	-	-	-	-
Office supplies	34,037	46,754	34,842	34,037	34,842
FDIC assessment	33,381	(40,189)	29,433	33,381	29,433
General and administrative	366,858	359,772	433,763	366,858	433,763
Total noninterest expense	5,368,991	5,287,905	4,244,940	5,368,991	4,244,940
Income before income taxes	544,394	528,712	656,959	544,394	656,959
Income tax expense (benefit)	173,175	184,386	(996,258)	173,175	(996,258)
Net Income	\$ 371,219	\$ 344,326	\$ 1,653,217	\$ 371,219	\$ 1,653,217
Basic earnings per share	\$0.15	\$0.16	\$0.93	\$0.15	\$0.93
Diluted earnings per share	\$0.15	\$0.16	\$0.92	\$0.15	\$0.92

PERFORMANCE RATIOS	QUARTERLY			YEAR-TO-DATE	
	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
Return on average assets	0.36%	0.35%	2.00%	0.36%	2.00%
Return on average equity	2.92%	2.74%	19.45%	2.92%	19.45%

LEVERAGE (Bank of Idaho)	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019
Tier 1 Leverage ratio	12.32%	12.53%	10.47%
Total Capital ratio	15.38%	15.86%	14.65%

ASSET QUALITY	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019
Nonaccrual loans/loans	1.64%	2.09%	2.33%
Allowance for loan losses/loans	1.52%	1.53%	1.91%