July 24, 2019

Shareholders:

I am excited to announce the completion of our capital raise efforts. After meeting with several interested investors earlier this year, we received an offer from Castle Creek Capital, LLC and have been working with them to complete a deal. We were able to complete this transaction with Castle Creek Capital, LLC on Wednesday, July 17 for $20.00 per share and received $15mm in new capital. Castle Creek is a well-established, sophisticated institutional investor that specializes in the community banking sector. Proceeds will be used to facilitate strategic initiatives and support the company’s organic growth and market expansion activities throughout the state of Idaho.

A representative from Castle Creek, David Volk, will serve on our Board of Directors for both the Bank and the Holding Co. and will bring us valuable expertise in community banking and resources to help us achieve our goals for growth and expansion.

It seemed like a long road to get here, which included several shareholder’s meetings, extra board meetings and a lot of hours and work from our staff, but I believe the effort will provide strong shareholder return in the future. We thank you for your support in returning proxies, attending shareholder’s meetings and general encouragement of our strategic initiatives to grow and prosper.

Bank of Idaho has been well received in the Boise market and the new Boise branch is doing well. As of today, loans are $10,845,568 and deposits are $5,235,816 which is strong activity since January.

We received approval from the Idaho Department of Finance to open a Loan Production Office (LPO) in Nampa. We are looking for temporary office space for this LPO which will allow us to enter the market while we determine the best location for a permanent branch in the Nampa area. We have a lending team in place to operate the LPO and they are anxious to get started.

We will continue to keep you apprised of new developments. Please feel free to contact me if you have any questions.

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Jeff Newgard

President