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

IDAHO FALLS, ID - (10/24/2020) – Bank of Idaho Holding Company (OTCQX: BOID), the holding company for Bank of Idaho, today announced results (unaudited) for the third quarter ended September 30, 2020.

The Company's net income for the third quarter was $1,123,000 or $0.44 per diluted share compared to $1,087,000 or $0.43 per diluted share in the previous quarter. For the three months, ended September 2019, net income was $562,000 or $0.23 per diluted share. The Company's year-to-date net income was $2.6 million or $1.02 per diluted share compared to $2.4 million or $1.19 per diluted share for the same period last year. 2019 year-to-date net income included a tax credit of $1.2 million arising from the Company's conversion from an S-Corporation to a C-Corporation. Year-to-date, pre-tax income through September 30, 2020 was $3.6 million compared to $1.7 million for the same period last year. Assets ended the quarter at $579 million, up from last quarter's $551 million, and were $113 million higher than September 30, 2019.

"Record levels of mortgage originations and sales revenue combined with strong balance sheet growth continue to drive our earnings. Interest and fees from the Bank's $94 million in Paycheck Protection Program (PPP) loans have been a significant contributor to our performance in the second and third quarters of this year," said Jeff Newgard, President and CEO of Bank of Idaho.

Financial Highlights:

- Loan growth was 4.3% or $17 million for the third quarter and loans were 69% higher than the prior year. Excluding PPP loans, the increase from the prior year, was $76 million or 30.5%. Over the past year most of the growth was centered in Owner and Nonowner Commercial Real Estate loans. Commercial Construction loans and Consumer loans have also demonstrated solid growth over the past twelve months.

- Deposits increased a respectable 4.1% ($19 million) for the quarter and are up 13.4% over the last year. Deposits at the end of September 2019 were abnormally high from a single day deposit of $91 million. Adjusting for this one-day deposit, the deposit growth rate for the last twelve months was 45.5% ($147 million). The increase in deposits has been a function of surge deposits from stimulus payments, strong economic conditions, PPP-loan related deposits and $10 million in subordinated debt proceeds.

- The Bank's Tier 1 Leverage Ratio declined to 9.44% from last quarter-end's 10.16%. The Bank's leverage ratio is expected to improve as the $94 million in PPP loans are forgiven and the related deposits are used in the customers' businesses. The Bank's Total Capital Ratio was 14.48% compared to the prior quarter of 14.71%. In anticipation of continued strong balance sheet growth, the Company completed a private placement of $10.0 million in aggregate principal amount of fixed-to-floating rate subordinated notes on August 25, 2020. Most of these proceeds can be downstreamed to the Bank as Tier 1 capital providing an important source of capital to the Bank.

- The Company's period-end book value per share improved from $21.55 last quarter to $22.06. Book value per share one year ago was $19.33.

- Nonaccrual loans dropped to $8.1 million from last quarter's $9.1 million. Over that same time, the Bank's Other Real Estate Owned totals fell to $0 from $0.8 million. Agriculture production and agriculture real estate credits continue to make up the majority of the Bank's nonaccrual loans. The Bank's Allowance for Loan and Lease Losses (ALLL) as a percent of Loans increased to 1.43% from 1.34%. PPP loans are 100% guaranteed and present no loss potential to the Bank. The ALLL as a percent of Loans excluding PPP loans was 1.85%.

"Uncertainty may continue to define our environment, but flexibility and responsiveness define our operations. I could not be prouder of our managers and staff. Thoughtful, creative, quick solutions to challenges help us continue to meet the needs of our customers. We believe we are ready for the PPP forgiveness process. We have numerous initiatives underway to improve our efficiency and to help us take advantage of operational insights gained during these troubling times. We continue to assess the health of our borrowers and in the fourth quarter of this year, we will complete the first, comprehensive external stress test of our credits. So far, Covid-19 related loan problems have been minor, but expectations are for credit issues to increase until a vaccine has been found and widely adopted.", said Jeff Newgard.