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Bank of Idaho Holding Company Reports Results for the Second Quarter of 2021

IDAHO FALLS, ID - (7/29/2021) – Bank of Idaho Holding Company (OTCQX: BOID), the holding company for Bank of Idaho, today announced results (unaudited) for the second quarter ended June 30, 2021.

The Company’s net income for the second quarter was \$1,954,000 or \$0.76 per diluted share, compared to \$2,097,000 or \$0.82 per diluted share in the previous quarter. For the three months ended June 2020, net income was \$1,087,000 or \$0.43 per diluted share. Assets ended the quarter at \$661 million, up from \$625 million on March 31, 2021, and were \$110 million higher than June 30, 2020.

“Interest income, strong mortgage revenue, and fees collected from the Payroll Protection Program loans contributed to the solid income performance of the company in the first half of 2021” said Jeff Newgard, President and CEO of Bank of Idaho. He also noted the robust growth of the balance sheet resulting from strong demand for commercial and commercial real estate financing in the Bank’s market footprint and the substantial increase in total deposits.

Financial Highlights:

- Loans, other than PPP loans, increased 7.5% from the previous quarter and were 23.2% above the same period last year. Growth for the quarter was led by the Owner Occupied Commercial Real Estate sector, with additional increases in the 1-4 Family Construction, Farmland and Commercial portfolios. Including PPP loans, loan growth was 2.0% for the quarter and 3.4% from a year ago. PPP loan balances during the quarter declined due to pay downs or were forgiven by the SBA under the terms of the plan.
- Deposit growth maintained its momentum throughout the quarter with contributions from both new accounts and increased balances held by existing customers. Total deposits increased 6.2% in the quarter and were up 29.5% or \$133 million from a year ago. Noninterest-Bearing Deposits represented 41.5% of total deposits on June 30, 2021, an increase of 11.1% in the quarter and 20.3% year-over-year.
- The Bank’s Tier 1 Leverage Ratio was 9.55% as compared with the March 31, 2021 level of 10.11%. As in the prior quarter, the drop in the ratio was attributable to the significant inflow of deposits resulting in an increase in the size of the balance sheet. The Bank’s Total Capital Ratio at quarter end was 15.54%, down slightly from the prior quarter ratio of 15.65%.
- The Company’s period-end book value per share rose to \$23.30 from the prior quarter-end value of \$22.20 and is up \$1.75 from the prior year value of \$21.55 due to accreted earnings offsetting a reduction in the unrealized gains on available for sale securities.
- Nonaccrual loans continued to decline, ending the quarter at \$4.1 million. The balance is down from \$4.3 million and \$9.1 million as of March 31, 2021 and June 30, 2020, respectively. The Bank had no Other Real Estate at quarter-end. Agriculture production and agriculture real estate credits remain the majority of the Bank’s nonaccrual loans. The Bank’s Allowance for Loan and Lease Losses (ALLL) as a percent of Loans was 1.64% compared to 1.67% at the end of the first quarter 2021. The ALLL as a percent of Loans excluding PPP loans was 1.79% compared to 1.92% at the end of the first quarter and 1.74% one year ago. PPP loans are 100% guaranteed and present no loss potential to the Bank.

“The second quarter of 2021 was another strong quarter for the Bank of Idaho. The recent PPP and mortgage-driven revenue continued to boost earnings throughout the period; however, increasing market penetration in the Boise metropolitan area, contributions from our SBA team, and a healthy loan pipeline provide a solid core revenue base for the coming quarters.” said Jeff Newgard.

BANK OF IDAHO HOLDING COMPANY
CONSOLIDATED BALANCE SHEETS *(unaudited)*

	Jun 30, 2021	Mar 31, 2021	Jun 30, 2020
ASSETS			
Cash	\$ 13,682,831	\$ 10,254,091	\$ 9,865,939
Interest bearing deposits in bank	88,625,329	70,717,380	9,461,715
Certificates of deposit	288,600	288,600	288,600
Securities available for sale	122,061,270	112,642,679	94,598,386
Federal Home Loan Bank stock, at cost	689,900	689,900	1,686,400
Mortgage loans held for sale	12,038,183	14,564,066	22,578,510
Loans	415,639,618	407,547,351	402,158,353
Allowance for loan losses	(6,830,292)	(6,808,132)	(5,373,244)
Loans net of allowance	408,809,326	400,739,219	396,785,109
Accrued interest receivable	2,168,250	2,095,367	2,530,191
Premises and equipment, net	9,623,333	11,232,025	12,072,457
Other real estate owned	-	-	831,900
Other assets	3,108,235	2,267,097	624,492
TOTAL ASSETS	\$ 661,095,257	\$ 625,490,424	\$ 551,323,699
LIABILITIES			
Noninterest-bearing demand	\$ 242,169,765	\$ 217,893,596	\$ 201,254,593
Interest-bearing demand	325,397,321	315,665,969	234,126,854
Time certificates of deposits	15,475,909	15,636,012	14,897,339
Total deposits	583,042,995	549,195,577	450,278,786
Accrued interest payable	183,232	16,917	16,782
Accounts payable and accrued liabilities	4,179,664	3,378,876	5,886,365
Operating lease liabilities	3,228,983	1,768,313	2,114,761
Stock appreciation rights	117,942	109,171	214,517
FHLB advances	-	-	30,000,000
Other borrowings	9,850,825	10,435,456	4,224,100
Finance lease borrowings	441,135	3,370,972	3,501,021
Total liabilities	601,044,776	568,275,282	496,236,332
STOCKHOLDERS' EQUITY			
Common stock, no par value, 4,000,000 shares authorized, with issued and outstanding shares of 2,577,373 at June 30, 2021 and March 31, 2021; and 2,556,085 at June 30, 2020.	27,585,870	27,545,254	27,067,149
Retained earnings	30,754,545	28,800,585	24,901,508
Accumulated other comprehensive income (loss)	1,710,066	869,303	3,118,710
Total stockholders' equity	60,050,481	57,215,142	55,087,367
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 661,095,257	\$ 625,490,424	\$ 551,323,699

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

	QUARTERLY			YEAR-TO-DATE	
	Jun 30, 2021	Mar 31, 2021	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020
Interest and Dividend Income					
Loans, including fees	\$ 5,379,327	\$ 6,100,811	\$ 4,898,153	\$ 11,480,138	\$ 9,095,814
Securities, available for sale	631,177	658,461	589,618	1,289,638	1,134,044
Interest on interest bearing deposits and certificates of deposit	31,435	17,943	9,485	49,378	24,854
Total interest and dividend income	6,041,939	6,777,215	5,497,256	12,819,154	10,254,712
Interest Expense					
NOW demand and savings	52,020	46,759	50,482	98,779	94,790
Money market	10,594	10,681	8,233	21,275	15,328
Time certificates of deposit	18,457	19,687	77,176	38,144	112,031
FHLB advances and other borrowings	166,320	182,301	61,837	348,621	123,592
Total interest expense	247,391	259,428	197,728	506,819	345,741
Net interest income before provision for loan losses	5,794,548	6,517,787	5,299,528	12,312,335	9,908,971
Provision for loan losses	-	220,003	890,000	220,003	1,165,000
Net interest income after provision for loan losses	5,794,548	6,297,784	4,409,528	12,092,332	8,743,971
Noninterest Income					
Service charges on deposit accounts	125,929	118,095	101,797	244,024	246,163
Gain on sale of mortgage loans held for sale	2,359,976	1,899,853	1,341,974	4,259,829	2,249,294
Merchant card income	17,172	11,424	6,826	28,596	12,735
Trust fee income	495,564	431,894	417,263	927,458	806,351
Gain on sale of securities	-	69,411	279,983	69,411	393,015
Gain on sale of loans	2,504	2,531	-	5,035	-
Gain on sale of other real estate owned	13,547	38,992	879	52,539	1,759
Other noninterest income	59,762	24,519	19,199	84,281	37,547
Total noninterest income	3,074,454	2,596,719	2,167,921	5,671,173	3,746,864
Noninterest Expense					
Salaries, wages & benefits	4,324,916	4,375,910	3,305,531	8,700,826	6,818,781
Net occupancy expense	403,902	631,987	564,077	1,035,889	1,159,148
Advertising and business development	342,175	207,026	212,964	549,201	446,591
Accounting and consulting	80,116	114,685	98,848	194,801	198,617
Bankcard and merchant services	89	(1,756)	34	(1,667)	(902)
Data processing	492,501	433,523	366,262	926,024	743,901
Legal	21,019	40,252	53,655	61,271	107,172
Telephone, postage and courier	61,922	75,716	80,164	137,638	145,703
Other real estate owned expense	(1,920)	(3,404)	(4,223)	(5,324)	(6,984)
Loss on sale of other real estate owned	-	-	-	-	-
Office supplies	19,111	31,079	45,646	50,190	79,683
FDIC assessment	82,251	104,823	33,381	187,074	66,762
General and administrative	368,943	40,577	304,621	409,520	671,480
Total noninterest expense	6,195,025	6,050,418	5,060,960	12,245,443	10,429,952
Income before income taxes	2,673,977	2,844,085	1,516,489	5,518,062	2,060,883
Income tax expense (benefit)	720,017	747,054	429,257	1,467,071	602,432
Net Income	\$ 1,953,960	\$ 2,097,031	\$ 1,087,232	\$ 4,050,991	\$ 1,458,451
Basic earnings per share	\$0.76	\$0.82	\$0.43	\$1.58	\$0.58
Diluted earnings per share	\$0.76	\$0.82	\$0.43	\$1.58	\$0.58
PERFORMANCE RATIOS					
Return on average assets	1.19%	1.37%	0.81%	1.28%	0.62%
Return on average equity	13.23%	14.60%	8.08%	13.91%	5.17%
LEVERAGE (Bank of Idaho)					
Tier 1 Leverage ratio	9.55%	10.11%	10.16%		
Total Capital ratio	15.54%	15.65%	14.71%		
ASSET QUALITY					
Nonaccrual loans/loans	1.00%	2.00%	2.26%		
Allowance for loan losses/loans	1.64%	1.67%	1.34%		