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

IDAHO FALLS, ID - (11/5/2021) – 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, 2021.

The Company’s net income for the third quarter was \$1,254,000 or \$0.49 per diluted share, compared to \$1,954,000 or \$0.76 per diluted share in the previous quarter. For the three months ended June 2020, net income was \$1,123,000 or \$0.44 per diluted share. Assets ended the quarter at \$718 million, up from \$661 million on June 30, 2021, and were \$138 million higher than September 30, 2020.

“The Company had another strong quarter. Elevated mortgage revenue and fees from the Payroll Protection Program loans continue to boost earnings; however, we are seeing solid underlying growth in core loans replacing the PPP income as it begins to taper” said Jeff Newgard, President and CEO of Bank of Idaho. He also noted the growth of the balance sheet resulting from the substantial increase in deposits and the ability of the Bank to utilize those deposits to meet demand for SBA, commercial, and commercial real estate credit in the Bank’s markets.

Financial Highlights:

- Loans, excluding PPP loans, increased 4.8% from the previous quarter and were 22.9% above the same period last year. Including PPP loans, loan growth was 1.4% for the quarter and 0.4% from a year ago. PPP loan balances continued to decline during the quarter due to pay downs or forgiveness by the SBA under the terms of the plan. Recent non-PPP loan growth has been driven by increased lending in the Boise, Idaho metropolitan area and strong production from the Bank’s SBA department.
- Deposits increased 7.3% in the quarter and were up 33.4% or \$156.5 million from a year ago. Noninterest-bearing deposits represented 43.1% of total deposits on September 30, 2021 and were up \$69.6 million from a year ago.
- Third quarter net interest income of \$6.3 million represented an increase of \$488,000 or 8.4% from the second quarter despite a decrease in quarterly fees and interest from PPP loans of approximately \$398,000. The increase in net interest income is due to the continuing growth in non-PPP loans and growth in the Bank’s investment portfolio.
- Non-interest income for the third quarter decreased \$1.1 million to \$2.0 million due to a decline in mortgage banking income, offset by increases in both trust and service charge income. Year-to-date non-interest income through September 30, 2021 of \$7.7 million is up \$1.6 million or 26.6% from the same period of the prior year.
- The Bank’s Tier 1 Leverage Ratio was 9.93% as compared with the June 30, 2021 level of 9.55%, and the Bank’s Total Capital Ratio increased to 16.39% from the prior quarter ratio of 15.54%. A \$5.0 million capital contribution from the holding company in September and the accretion of quarterly earnings both helped to offset the effect of continuing growth in Bank assets.
- Nonaccrual loans declined \$1.1 million during the third quarter to \$3.0 million. The balance is down from \$8.2 million a year ago. The Bank had no other real estate owned at quarter-end. The Bank’s allowance for loan and lease losses (ALLL) as a percent of loans held for investment was 1.71% compared to 1.64% at the end of the second quarter 2021. The ALLL as a percent of loans excluding PPP loans was 1.80% compared to 1.79% at the end of the second quarter and 1.85% one year ago. PPP loans are 100% guaranteed and present no loss potential to the Bank.
- The Company’s period-end book value per share rose to \$23.69 from the prior quarter-end value of \$23.30 and is up \$1.63 from the prior year value of \$22.06 due to accreted earnings offsetting a reduction in the unrealized gains on available for sale securities.
- In September 2021 the Company successfully issued \$15 million of subordinated debentures at the holding company level. The debentures mature in ten years, are callable at the Company’s option after five years, bear interest at the rate of 3.375% per annum for five years and then pay a floating rate of Three-Month Term SOFR plus 273 basis points, calculated quarterly.

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

	Sep 30, 2021	Jun 30, 2021	Sep 30, 2020
ASSETS			
Cash	\$ 11,168,258	\$ 13,682,831	\$ 14,329,991
Interest bearing deposits in bank	129,407,529	88,625,329	1,403,755
Certificates of deposit	1,032,600	288,600	288,600
Securities available for sale	135,028,353	122,061,270	108,413,774
Federal Home Loan Bank stock, at cost	689,900	689,900	1,686,400
Mortgage loans held for sale	12,570,093	12,038,183	24,232,556
Loans	421,147,432	415,639,618	419,439,050
Allowance for loan losses	(7,187,022)	(6,830,292)	(6,000,640)
Loans net of allowance	413,960,410	408,809,326	413,438,410
Accrued interest receivable	2,302,168	2,168,250	2,615,359
Premises and equipment, net	9,392,499	9,623,333	11,878,912
Other real estate owned	-	-	-
Other assets	2,355,671	3,108,235	1,134,100
TOTAL ASSETS	\$ 717,907,481	\$ 661,095,257	\$ 579,421,857
LIABILITIES			
Noninterest-bearing demand	\$ 269,292,790	\$ 242,169,765	\$ 199,701,275
Interest-bearing demand	340,104,546	325,397,321	253,904,521
Time certificates of deposits	16,094,700	15,475,909	15,354,403
Total deposits	625,492,036	583,042,995	468,960,199
Accrued interest payable	61,567	183,232	16,620
Accounts payable and accrued liabilities	3,121,820	4,179,664	4,299,323
Operating lease liabilities	3,051,493	3,228,983	1,984,659
Stock appreciation rights	128,742	117,942	221,717
FHLB advances	-	-	30,000,000
Other borrowings	24,532,612	9,850,825	14,103,713
Finance lease borrowings	455,336	441,135	3,458,316
Total liabilities	656,843,606	601,044,776	523,044,547
STOCKHOLDERS' EQUITY			
Common stock, no par value, 4,000,000 shares authorized, with issued and outstanding shares of 2,577,373 at September 30, 2021 and June 30, 2021; and 2,556,085 at September 30, 2020.	27,653,548	27,585,870	27,098,789
Retained earnings	32,008,519	30,754,545	26,024,642
Accumulated other comprehensive income (loss)	1,401,808	1,710,066	3,253,879
Total stockholders' equity	61,063,875	60,050,481	56,377,310
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 717,907,481	\$ 661,095,257	\$ 579,421,857

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

	QUARTERLY			YEAR-TO-DATE	
	Sep 30, 2021	Jun 30, 2021	Sep 30, 2020	Sep 30, 2021	Sep 30, 2020
Interest and Dividend Income					
Loans, including fees	\$ 5,813,556	\$ 5,379,327	\$ 5,369,331	\$ 17,293,694	\$ 14,465,145
Securities, available for sale	680,167	631,177	593,777	1,969,805	1,727,821
Interest on interest bearing deposits and certificates of deposit	46,991	31,435	24,034	96,369	48,888
Total interest and dividend income	6,540,714	6,041,939	5,987,142	19,359,868	16,241,854
Interest Expense					
NOW demand and savings	53,879	52,020	44,333	152,658	139,123
Money market	10,932	10,594	11,352	32,207	26,680
Time certificates of deposit	17,700	18,457	22,266	55,844	134,297
FHLB advances and other borrowings	175,920	166,320	144,828	524,541	268,420
Total interest expense	258,431	247,391	222,779	765,250	568,520
Net interest income before provision for loan losses	6,282,283	5,794,548	5,764,363	18,594,618	15,673,334
Provision for loan losses	149,997	-	568,000	370,000	1,733,000
Net interest income after provision for loan losses	6,132,286	5,794,548	5,196,363	18,224,618	13,940,334
Noninterest Income					
Service charges on deposit accounts	160,624	125,929	124,479	404,648	370,642
Gain on sale of mortgage loans held for sale	1,277,465	2,359,976	1,605,226	5,537,294	3,854,520
Merchant card income	10,754	17,172	13,993	39,350	26,728
Trust fee income	548,482	495,564	406,423	1,475,940	1,212,774
Gain on sale of securities	-	-	(93,045)	69,411	299,970
Gain on sale of loans	2,477	2,504	197,717	7,512	197,717
Gain on sale of other real estate owned	-	13,547	41,163	52,539	42,922
Other noninterest income	14,939	59,762	26,654	99,220	64,201
Total noninterest income	2,014,741	3,074,454	2,322,610	7,685,914	6,069,474
Noninterest Expense					
Salaries, wages & benefits	4,164,592	4,324,916	4,009,965	12,865,418	10,828,746
Net occupancy expense	545,311	403,902	645,279	1,581,200	1,804,427
Advertising and business development	365,090	342,175	202,848	914,291	649,439
Accounting and consulting	108,164	80,116	133,802	302,965	332,419
Bankcard and merchant services	(522)	89	(349)	(2,189)	(1,251)
Data processing	480,171	492,501	443,839	1,406,195	1,187,740
Legal	26,193	21,019	23,252	87,464	130,424
Telephone, postage and courier	55,550	61,922	72,466	193,188	218,169
Other real estate owned expense	(2,383)	(1,920)	(3,377)	(7,707)	(10,361)
Loss on sale of other real estate owned	-	-	-	-	-
Office supplies	14,230	19,111	54,838	64,420	134,521
FDIC assessment	73,537	82,251	100,754	260,611	167,516
General and administrative	570,195	368,943	318,936	979,715	990,416
Total noninterest expense	6,400,128	6,195,025	6,002,253	18,645,571	16,432,205
Income before income taxes	1,746,899	2,673,977	1,516,720	7,264,961	3,577,603
Income tax expense (benefit)	492,925	720,017	393,586	1,959,996	996,018
Net Income	\$ 1,253,974	\$ 1,953,960	\$ 1,123,134	\$ 5,304,965	\$ 2,581,585
Basic earnings per share	\$0.49	\$0.76	\$0.44	\$2.06	\$1.02
Diluted earnings per share	\$0.49	\$0.76	\$0.44	\$2.06	\$1.02

	QUARTERLY			YEAR-TO-DATE	
	Sep 30, 2021	Jun 30, 2021	Sep 30, 2020	Sep 30, 2021	Sep 30, 2020
PERFORMANCE RATIOS					
Return on average assets	0.71%	1.19%	0.78%	2.41%	1.53%
Return on average equity	8.16%	13.23%	8.02%	26.82%	13.60%
LEVERAGE (Bank of Idaho)					
Tier 1 Leverage ratio	9.93%	9.55%	10.22%		
Total Capital ratio	16.39%	15.54%	14.82%		
ASSET QUALITY					
Nonaccrual loans/loans	0.71%	1.00%	1.95%		
Allowance for loan losses/loans	1.71%	1.64%	1.43%		