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CONTACT:

Jeff Newgard
President and CEO – Bank of Idaho
208.528.3035, j.newgard@bankofidaho.net

Bank of Idaho Holding Company Reports First Quarter 2022 Financial Results

IDAHO FALLS, ID - (04/25/2022) – 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, 2022.

Jeff Newgard, President and CEO of Bank of Idaho commented “The Bank of Idaho had a terrific start to 2022 with continued core loan and deposit growth. While we saw a decline in PPP fees and mortgage banking income from the elevated levels of 2021, the overall growth in earning assets helped maintain profitability. We are in our fourth year in the growing Boise metropolitan area and are seeing great returns as our relationship banking model and best-in-state SBA lending team are well received by the market.”

The Company’s net income for the first quarter was \$1,666,000 or \$0.64 per diluted share, compared to \$701,000 or \$0.27 per diluted share in the previous quarter. For the three months ended March 2021, net income was \$2,097,000 or \$0.82 per diluted share. Assets ended the quarter at \$767.2 million, up from \$737.6 million on December 31, 2021, and \$625.5 million on March 31, 2021.

Financial Highlights:

- Total loans held for investment were \$496.8 million as of March 31, 2022, an increase of 8.7% for the first quarter and 21.9% year-over-year. Excluding PPP loans, total loans held for investment increased 10.4% from the previous quarter and were 38.7% above the same period last year. \$49.0 million of the Bank’s \$89.3 million of net loan growth over the twelve months ended March 31, 2022 was generated from the Bank’s Boise area offices, with another \$29.8 million of net growth from the SBA department. PPP loans were \$4.6 million at quarter-end, down \$48.1 million year-over-year.
- Total deposits increased 5.1% in the quarter and were up 23.4% from a year ago to end the first quarter at \$677.6 million. Noninterest-bearing deposits represented 40.1% of total deposits on March 31, 2022 and were up \$54.0 million from a year ago. The \$128.4 million of total deposit growth in the last twelve months was attributable to both higher average customer balances and the Bank’s growing customer base in the Boise metropolitan area.
- First quarter net interest income of \$6.8 million was \$569,000 higher than the fourth quarter and \$409,000 higher than Q1 2021. The increase was driven by increased loan and securities balances and stable funding costs. Excluding the effects of PPP loan income and the recovery of interest on legacy non-accrual loans, the “core” net interest income for the quarter was \$6.3 million, compared to \$5.2 million for the same period of 2021.
- Non-interest income for the first quarter decreased \$463,000 from the prior quarter to \$1.7 million due to a decline in mortgage banking revenue and a decline in trust revenue. Mortgage banking activity has slowed due to sharply increasing interest rates, while trust revenue declined as the Bank exited a marginally profitable non-core business line with out-of-market customers. Year-to-date non-interest income through March 31, 2022 was down \$1.3 million or 42.6% from Q1 2021, which was a particularly strong quarter that included OREO gains, securities gains, and elevated mortgage banking income.
- The Bank’s Tier 1 Leverage Ratio was 10.25% as compared with the December 31, 2021 level of 9.52%. The Bank’s Total Capital Ratio decreased to 14.90% from the prior quarter ratio of 15.11% due to a shift in assets from cash to loans and investments. The holding company contributed \$5 million of capital to the Bank in the first quarter 2022, with approximately \$8 million of proceeds from the 2021 subordinated debenture issue still available for injection to the Bank to support growth.
- Nonaccrual loans declined \$673,000 during the first quarter to \$1.9 million, down from \$4.3 million at March 31, 2021. The Bank had no other real estate owned at quarter-end. The Bank’s allowance for loan and lease losses as a percent of loans held for investment was 1.50% compared to 1.67% at the end of the Q1 2021. No provision for loan loss was taken in Q1 2022, as the Bank had net loan recoveries of \$153,000 and credit quality indicators remained strong.
- The Company’s period-end book value per share was \$22.18. Book value per share was down from the prior quarter-end value of \$23.77 and the prior year value of \$22.20 due to changes in the unrealized gains and losses on securities, net of tax, offsetting accreted earnings. The unrealized losses on securities, net of tax, increased to \$5.1 million at March 31, 2022 due to the significant increase in market rates since year-end.

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

	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021
ASSETS			
Cash	\$ 14,392,656	\$ 6,070,882	\$ 10,254,091
Interest bearing deposits in bank	78,451,626	103,237,270	70,717,380
Certificates of deposit	782,600	782,600	288,600
Securities	155,318,169	146,394,656	112,642,679
Federal Home Loan Bank stock, at cost	885,100	689,900	689,900
Mortgage loans held for sale	9,753,343	15,767,549	14,564,066
Loans	496,855,184	457,057,081	407,547,351
Allowance for loan losses	(7,471,000)	(7,318,198)	(6,808,132)
Loans net of allowance	489,384,184	449,738,883	400,739,219
Accrued interest receivable	2,361,411	2,517,564	2,095,367
Premises and equipment, net	10,375,116	9,175,401	11,232,025
Other real estate owned	-	-	-
Other assets	5,512,724	3,247,915	2,267,097
TOTAL ASSETS	\$ 767,216,929	\$ 737,622,620	\$ 625,490,424
LIABILITIES			
Noninterest-bearing demand	\$ 271,861,678	\$ 262,587,920	\$ 217,893,596
Interest-bearing demand	387,954,100	365,049,724	315,665,969
Time certificates of deposits	17,780,067	17,274,438	15,636,012
Total deposits	677,595,845	644,912,082	549,195,577
Accrued interest payable	39,557	183,834	16,917
Accounts payable and accrued liabilities	2,754,891	3,126,128	3,378,876
Operating lease liabilities	4,084,215	2,873,770	1,768,313
Stock appreciation rights	282,924	326,305	109,171
FHLB advances	-	-	-
Other borrowings	24,502,821	24,489,202	10,435,456
Finance lease borrowings	429,905	443,112	3,370,972
Total liabilities	709,690,158	676,354,433	568,275,282
STOCKHOLDERS' EQUITY			
Common stock, no par value, 4,000,000 shares authorized, 2,593,186 outstanding at March 31, 2022; 2,577,373 outstanding at December 31, 2021; 2,526,085 outstanding at March 31, 2021.	28,242,121	27,735,150	27,545,254
Retained earnings	34,375,485	32,709,633	28,800,585
Accumulated other comprehensive income (loss)	(5,090,835)	823,404	869,303
Total stockholders' equity	57,526,771	61,268,187	57,215,142
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 767,216,929	\$ 737,622,620	\$ 625,490,424

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

	QUARTERLY			YEAR-TO-DATE	
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021	Mar 31, 2022	Mar 31, 2021
Interest and Dividend Income					
Loans, including fees	\$ 6,310,177	\$ 5,795,970	\$ 5,982,711	\$ 6,310,177	\$ 5,982,711
Securities	816,126	751,558	658,461	816,126	658,461
Interest bearing deposits	46,732	61,363	17,943	46,732	17,943
Total interest and dividend income	7,173,035	6,608,891	6,659,115	7,173,035	6,659,115
Interest Expense					
NOW demand and savings	51,268	54,642	46,759	51,268	46,759
Money market	10,864	10,996	10,681	10,864	10,681
Time certificates of deposit	15,461	16,436	19,687	15,461	19,687
FHLB advances and other borrowings	286,647	286,783	182,301	286,647	182,301
Total interest expense	364,240	368,857	259,428	364,240	259,428
Net interest income before provision for loan losses	6,808,795	6,240,034	6,399,687	6,808,795	6,399,687
Provision for loan losses	-	100,000	220,003	-	220,003
Net interest income after provision for loan losses	6,808,795	6,140,034	6,179,684	6,808,795	6,179,684
Noninterest Income					
Service charges on deposit accounts	141,693	145,389	118,095	141,693	118,095
Gain on sale of mortgage loans held for sale	817,623	1,144,447	2,017,953	817,623	2,017,953
Merchant card income	14,154	18,120	11,424	14,154	11,424
Trust fee income	498,723	581,084	431,894	498,723	431,894
Gain on sale of securities	-	-	69,411	-	69,411
Gain on sale of loans	2,417	2,447	2,531	2,417	2,531
Gain on sale of other real estate owned	-	-	38,992	-	38,992
Other noninterest income	181,705	227,919	195,675	181,705	195,675
Total noninterest income	1,656,315	2,119,406	2,885,975	1,656,315	2,885,975
Noninterest Expense					
Salaries, wages & benefits	3,879,811	4,768,969	4,375,910	3,879,811	4,375,910
Net occupancy expense	656,860	628,000	631,987	656,860	631,987
Advertising and business development	270,439	321,090	207,026	270,439	207,026
Accounting and consulting	135,292	136,777	114,685	135,292	114,685
Bankcard and merchant services	(1,486)	2,072	(1,756)	(1,486)	(1,756)
Data processing	209,027	557,144	433,523	209,027	433,523
Legal	17,691	45,663	40,252	17,691	40,252
Telephone, postage and courier	65,093	81,724	75,716	65,093	75,716
Other real estate owned expense	-	-	(3,404)	-	(3,404)
Loss on sale of other real estate owned	-	-	-	-	-
Office supplies	16,689	18,917	31,079	16,689	31,079
FDIC assessment	93,537	62,358	104,823	93,537	104,823
General and administrative	790,770	739,684	211,733	790,770	211,733
Total noninterest expense	6,133,723	7,362,398	6,221,574	6,133,723	6,221,574
Income before income taxes	2,331,387	897,042	2,844,085	2,331,387	2,844,085
Income tax expense (benefit)	665,535	195,928	747,054	665,535	747,054
Net Income	\$ 1,665,852	\$ 701,114	\$ 2,097,031	\$ 1,665,852	\$ 2,097,031
Basic earnings per share	\$0.65	\$0.27	\$0.82	\$0.65	\$0.82
Diluted earnings per share	\$0.64	\$0.27	\$0.82	\$0.64	\$0.82

	QUARTERLY			YEAR-TO-DATE	
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021	Mar 31, 2022	Mar 31, 2021
PERFORMANCE RATIOS					
Return on average assets	0.88%	0.38%	1.37%	0.88%	1.37%
Return on average equity	11.42%	4.63%	14.60%	11.42%	14.60%

LEVERAGE (Bank of Idaho)			
Tier 1 Leverage ratio	10.25%	9.52%	10.11%
Total Capital ratio	14.90%	15.11%	15.65%

ASSET QUALITY			
Nonaccrual loans/loans	0.38%	0.56%	1.07%
Allowance for loan losses/loans	1.50%	1.60%	1.67%