



FOR IMMEDIATE RELEASE

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Updated to reflect an incorrect date in the table on page 6.

Bank of Idaho Holding Company Reports Fourth Quarter 2023 Financial Results

IDAHO FALLS, ID (January 24, 2024) – Bank of Idaho Holding Company (the “Company”) (OTCQX: BOID), the holding company for Bank of Idaho (the “Bank”), today announced its unaudited financial results for the quarter ended December 31, 2023. The Company reported consolidated net income of \$2,076,000, or \$0.47 per diluted share, for the fourth quarter of 2023. This compares to \$2,572,000, or \$0.58 per diluted share, for the third quarter of 2023, and \$2,594,000 or \$0.58 per diluted share, for the fourth quarter of 2022.

"Bank of Idaho delivered another quarter of strong financial performance. We generated \$4.4 million in pre-tax, pre-provision income, while continuing to operate with a sensible approach, prioritizing prudent risk management, and maintaining high levels of liquidity, capital and reserves," said Jeff Newgard, Chairman, President, and CEO of Bank of Idaho. "We are committed to a disciplined approach to underwriting and pricing which resulted in portfolio loan production of \$98.9 million at a blended rate of 8.15%. Our balance sheet remains well positioned to manage through these uncertain economic times while continuing to grow market share and create value for our shareholders. "

Quarterly Summary

- Loans held for investment grew \$50.5 million, or 6.1%, in Q4 2023 and increased \$183.5 million, or 26.2%, from Q4 2022.
- Total deposits increased \$43.7 million, or 4.8%, in Q4 2023 and were up \$109.3 million, or 13.0%, from Q4 2022.
- Pre-tax, pre-provision (“PTPP”) net income was \$4.39 million in Q4 2023, compared to \$4.28 million in Q3 2023 and \$3.58 million in Q4 2022.
- Tangible book value (“TBV”) per share increased to \$24.54 in Q4 2023, or 6.0%, from \$23.16 at Q3 2023, and increased 9.5% from \$22.42 at Q4 2022. The increase in TBV is attributable to earnings and a decrease in unrealized losses within our securities portfolio.

Operating Results

Net income for the fourth quarter of 2023 was \$2,076,000, or \$0.47 per diluted share, compared to net income of \$2,572,000, or \$0.58 per diluted share, for Q3 2023, and \$2,594,000, or \$0.58 per

diluted share, for the same quarter last year. The decrease from the prior quarter was the result of an increase in provision expense of \$884,000 offset by an increase of \$258,000 in net-interest income and a decrease of \$130,000 in non-interest expense.

Net interest income for Q4 2023 was \$12.4 million, an increase of \$258,000, or 2.1%, over the prior quarter as interest income from new loan production outpaced the increases in interest expense.

Net interest margin for the fourth quarter of 2023 was 4.65% compared to 4.73% in the previous quarter and 4.94% for the same quarter last year. While there continues to be pressure on the margin from the Fed's current tightening and constrictive rate policies, we continue to see healthy loan demand at attractive spreads that allows us to defend the margin and realize accretive growth. While the cost of funding continues to increase, the growth in earning assets at current market yields is outpacing the funding cost pressures. Relative to the fourth quarter of 2022, the consolidated net interest margin decreased primarily due to rising deposit costs.

Noninterest income including net gains and losses for Q4 2023 was \$1,034,000, a decrease of \$273,000, or 20.9%, from \$1,306,000 in Q3 2023. The decrease was attributable to generating less income from gain on loan sales in the current quarter. Relative to the fourth quarter of 2022, noninterest income increased \$250,000, or 31.9%, primarily due to a loss on sales of securities in Q4 2022.

Noninterest expense of \$9.05 million in Q4 2023 was a decrease of \$130,000, or 1.4%, from \$9.17 million in Q3 2023 and a \$50,000, or 0.6%, decrease from \$9.10 million in Q4 2022. The decrease from Q3 2023 was primarily attributable to a decrease in compensation expenses. The \$50,000 decrease from Q4 2022 is due to a decrease in marketing and occupancy expenses offset by an increase in compensation expenses. The Company's efficiency ratio was 67.3% for Q4 2023, compared to 68.2% for Q3 2023, and 71.7% for Q4 2022.

Total assets were \$1.14 billion as of December 31, 2023, an increase of \$80.5 million, or 7.6%, from \$1.06 billion at September 30, 2023. Fourth quarter 2023 balance sheet activity was characterized by \$50.5 million, or 6.1%, growth in portfolio loans funded by \$43.7 million, or 4.8%, increase in deposits. Cash and cash equivalents increased \$22.0 million along with an increase of \$29.6 million in overnight borrowings.

Loans held for investment were \$882.8 million as of December 31, 2023, an increase of \$50.5 million, or 6.1%, from \$832.4 million as of September 30, 2023, and an increase of \$183.5 million, or 26.2%, from \$699.3 million as of December 31, 2022. The increase in total loans held for investment from the previous quarter was attributable to loan growth distributed amongst all loan categories, with the largest increase in the Bank's commercial real estate portfolio. The increase in total loans held for investment from December 30, 2022 was attributable to loan growth in both commercial loans and commercial real estate. We continue to see significant lending opportunities across our markets.

Deposits were \$948.0 million as of December 31, 2023, up \$43.7 million, or 4.8%, from the previous quarter, and up \$109.3 million, or 13.0%, from the same quarter last year. Our deposit portfolio continues to see remix occurring as people move excess deposits out of their noninterest-bearing accounts into yield seeking accounts; however, the rate of remix has slowed since the start of the year. We continue to see organic deposit growth opportunities within our markets but at an elevated cost due to sustained higher rates and competition from non-bank organizations. Noninterest bearing deposits represented 33% of total deposits and 34% of core deposits as of December 31, 2023, compared to 35% at September 30, 2023 and 42% at December 31, 2022.

Borrowings were \$62.2 million as of December 31, 2023, which consisted of \$24.6 million of Company subordinated debt and \$37.6 million of overnight borrowings compared to \$24.6 million of subordinated debt and \$8 million in overnight borrowings in the previous quarter.

Asset quality measures remained strong in Q4 2023. Nonaccrual loans, excluding government guaranteed balances, totaled \$1,770,000, or 0.20% of loans, as of December 31, 2023, compared to \$3,267,000, or 0.39% of loans, at September 30, 2023 and \$669,000, or 0.10% of loans, at December 31, 2022. The Company had no OREO for Q4 2023, Q3 2023, or Q4 2022.

The Allowance for Credit Losses (“ACL”) totaled \$10.5 million, or 1.19% of loans held for investment, as of December 31, 2023. The Company recorded \$1.6 million in provision for loan loss expense in the fourth quarter of 2023 compared to \$716,000 in provision expense in the previous quarter, and \$150,000 provision in the fourth quarter of 2022. The Company recorded net charge-offs of \$708,000 in the fourth quarter of 2023 as final resolution primarily tied to a troubled commercial credit from Q3 2023.

Capital ratios of the Company and Bank continue to exceed the “well-capitalized” capital levels set by their respective regulators. At December 31, 2023 the Bank’s Tier 1 leverage ratio was 12.32% and the total risk -based capital ratio was 14.49%. At December 31, 2023 the Company had tangible common equity (total stockholders’ equity less intangible assets) of \$108.7 million and tangible book value per share of \$24.54. Tangible common equity increased \$5,911,000 in Q4 2023 due to quarterly earnings of \$2,076,000 coupled with a \$4.4 million improvement to accumulated other comprehensive income (“AOCI”) related to lower unrealized losses on our securities portfolio. These were offset by \$678,000 as a result of finalizing the Day 1 CECL entry for unfunded commitments. The Company’s tangible common equity to tangible assets ratio was 9.62% as of December 31, 2023, down from 9.78% in the previous quarter. There were no paid dividends during Q4 2023.

About Bank of Idaho Holding Company

Bank of Idaho Holding Company is a bank holding company headquartered in Idaho Falls, Idaho. The Company’s subsidiary, Bank of Idaho, is an independent commercial bank providing a range of business, personal, and mortgage banking products and services, as well as trust and wealth management services, to customers in Idaho and eastern Washington. The Company’s common stock is traded on the OTCQX exchange under the symbol “BOID.”

Non-GAAP Financial Measures

Some of the financial measures included in this press release are not measures of financial performance recognized in accordance with generally accepted accounting principles in the United States (“GAAP”). These non-GAAP financial measures include “efficiency ratio,” “tangible common equity,” “tangible common equity to tangible assets,” “tangible book value per share,” and “pre-tax pre-provision net income.” Efficiency ratio is computed by dividing total noninterest expense, including intangible expense, by the sum of net interest income and noninterest income, including gains and losses. Tangible common equity is computed by subtracting goodwill and core deposit intangibles from total stockholders’ equity. Tangible common equity to tangible assets is computed by dividing total assets, less goodwill and core deposit intangibles, by tangible common equity. Tangible book value per share is computed by dividing tangible common equity by common shares outstanding. Pre-tax, pre-provision net income is computed by adding provision for loan loss expense and income tax expense to net income. The Company believes these non-GAAP financial measures provide both management and investors with a more complete understanding of the Company’s financial position and performance. These non-GAAP financial measures are supplemental and are not a substitute for any analysis based on GAAP financial measures. Not all companies use the

same calculation of these measures; therefore, this presentation may not be comparable to other similarly titled measures as presented by other companies.

Forward-Looking Statements

This press release contains, among other things, certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, statements preceded by, followed by, or that include the words “may,” “could,” “should,” “would,” “believe,” “anticipate,” “estimate,” “expect,” “intend,” “plan,” “projects,” “outlook” or similar expressions. These statements are based upon the current belief and expectations of the Company’s management team and are subject to significant risks and uncertainties that are subject to change based on various factors (many of which are beyond the Company’s control). Although the Company believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. Therefore, the Company can give no assurance that the results contemplated in the forward-looking statements will be realized. The inclusion of this forward-looking information should not be construed as a representation by the Company or any other person that the future events, plans, or expectations contemplated by the Company will be achieved.

All subsequent written and oral forward-looking statements attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. The Company does not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statements are made, except as required by law.

BANK OF IDAHO HOLDING COMPANY
CONSOLIDATED BALANCE SHEET (unaudited)

(\$000's)	12/31/2023	9/30/2023	12/31/2022
ASSETS			
Cash and due from banks	\$ 15,519	\$ 14,344	\$ 13,573
Interest bearing deposits with Federal Reserve and other banks	26,598	4,964	34,245
Federal funds sold and securities purchased under agreements to resell	-	-	-
Cash and cash equivalents	42,116	19,308	47,818
Time deposits at other banks	744	744	744
Held-to-maturity securities, at cost	32,926	33,080	30,034
Available-for-sale securities, at fair value	146,926	137,060	171,598
Equity securities, at fair value	58	58	39
Federal Home Loan Bank stock	2,280	1,496	885
Mortgage loans held for sale, at fair value	3,038	3,876	2,120
Loans held for investment	882,842	832,358	699,315
Allowance for loan losses	(10,501)	(9,808)	(7,878)
Loans, net of allowance	872,341	822,550	691,437
Accrued interest and dividends receivable	5,605	5,710	4,271
Premises and equipment, net	16,410	16,616	16,515
Other real estate owned	-	-	-
Intangible assets	6,990	7,133	7,561
Deferred tax asset, net	6,479	7,718	6,062
Other assets	1,603	1,688	1,148
TOTAL ASSETS	\$ 1,137,516	\$ 1,057,035	\$ 980,232
LIABILITIES			
Noninterest bearing deposits	\$ 313,345	\$ 318,981	\$ 353,071
Interest bearing deposits	634,639	585,341	485,637
Total deposits	947,984	904,322	838,708
Federal funds purchased and securities sold under agreements to repurchase	37,600	8,000	-
Accrued expenses and other liabilities	6,304	4,777	4,003
Operating lease liabilities	4,996	5,214	5,862
Finance lease borrowings	338	352	393
FHLB advances and other borrowings	-	-	-
Subordinated notes & debentures	24,598	24,585	24,544
Total Liabilities	1,021,820	947,250	873,510
SHAREHOLDERS' EQUITY			
Common stock and additional paid-in capital; no par; authorized - 6,000,000 shares; issued and outstanding - 4,423,862; 4,432,058; and 4,423,436 shares	81,324	81,183	80,479
Retained earnings	46,753	45,355	38,754
Accumulated other comprehensive income (loss)	(12,381)	(16,753)	(12,511)
Total Shareholders' Equity	115,696	109,785	106,722
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1,137,516	\$ 1,057,035	\$ 980,232
Book Value per Share	\$ 26.12	\$ 24.77	\$ 24.13
Tangible Book Value per Share	\$ 24.54	\$ 23.16	\$ 22.42
Nonaccrual loans* / loans held for investment	0.20%	0.39%	0.10%
Allowance for loan losses / loans held for investment	1.19%	1.18%	1.13%
Tangible Equity to Tangible Assets	9.62%	9.78%	10.19%
Tier 1 Leverage ratio - Bank of Idaho	12.32%	12.59%	12.52%
Tier 1 Capital ratio - Bank of Idaho	13.32%	13.91%	15.43%
Total Capital ratio - Bank of Idaho	14.49%	14.96%	16.51%

*Nonaccrual loans less government guaranteed loans

BANK OF IDAHO HOLDING COMPANY
CONSOLIDATED INCOME STATEMENT (unaudited)

	Three Months Ended			Year-to-Date		
	(\$000's)	12/31/2023	9/30/2023	12/31/2022	12/31/2023	12/31/2022
Interest and dividend income						
Interest and fees on loans	\$	14,789	\$ 13,688	\$ 10,358	\$ 52,383	\$ 31,882
Interest on securities		1,383	1,312	1,587	5,608	4,560
FHLB and other stock dividends		10	9	7	34	25
Other interest income		102	269	749	956	1,681
Total interest and dividend income		16,284	15,279	12,701	58,980	38,148
Interest expense						
Interest expense on deposits		3,293	2,835	520	9,587	815
FHLB advances and other borrowings		-	-	-	-	-
Subordinated notes & debentures		284	284	284	1,136	1,136
Other interest expense		307	17	3	336	11
Total interest expense		3,884	3,136	807	11,058	1,962
Net interest income		12,400	12,143	11,894	47,922	36,186
Provision for loan loss		1,600	716	150	3,726	150
Net interest income after provision for loan loss		10,800	11,426	11,744	44,196	36,036
Noninterest income						
Service charges on deposit accounts		142	145	144	589	519
Trust department revenue		445	474	394	1,877	1,807
Net gains (losses) on sales of loans & leases		191	403	199	917	1,796
Net gains (losses) on sales of other real estate owned		-	-	-	-	-
Net gains (losses) on sale of securities		-	1	(270)	118	(270)
Other noninterest income		256	284	317	1,084	910
Total noninterest income		1,034	1,306	784	4,584	4,762
Noninterest expense						
Compensation and benefits		5,377	5,512	5,104	22,555	17,901
Occupancy and equipment		810	844	945	3,480	3,330
Marketing and business development		465	410	790	1,655	2,164
Data processing, IT and telephone		1,025	991	1,000	4,151	3,602
Audit, FDIC, and supervisory		229	270	216	845	720
Legal, accounting and consulting		191	132	114	645	1,265
Intangible expense		143	143	143	571	238
Other noninterest expense		805	873	783	3,110	2,999
Total noninterest expense		9,045	9,174	9,095	37,012	32,219
Income before income taxes		2,790	3,559	3,433	11,768	8,579
Provision for income taxes		714	986	839	3,256	2,535
Net income	\$	2,076	\$ 2,572	\$ 2,594	\$ 8,512	\$ 6,044
Pre-Tax, Pre-Provision Income	\$	4,390	\$ 4,275	\$ 3,583	\$ 15,494	\$ 8,729
Basic earnings per share	\$	0.47	\$ 0.58	\$ 0.59	\$ 1.92	\$ 1.60
Diluted earnings per share	\$	0.47	\$ 0.58	\$ 0.58	\$ 1.91	\$ 1.59
Return on average assets		0.75%	0.97%	1.05%	0.81%	0.69%
Return on average equity		7.38%	9.35%	9.89%	7.57%	6.72%
NIM		4.65%	4.73%	4.94%	4.74%	4.25%
Efficiency Ratio		67.3%	68.2%	71.7%	70.5%	78.7%