



FOR IMMEDIATE RELEASE

CONTACT: Matt Borud, Bank of Idaho
Phone: 208.412.2322
Email: mattborud@bankofidaho.net

Bank of Idaho Holding Company Reports First Quarter 2024 Financial Results

IDAHO FALLS, ID (April 23, 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 March 31, 2024. The Company reported consolidated net income of \$3,067,000, or \$0.69 per diluted share, for the first quarter of 2024. This compares to \$2,076,000, or \$0.47 per diluted share, for the fourth quarter of 2023, and \$1,589,000 or \$0.36 per diluted share, for the first quarter of 2023.

"We are pleased to announce an excellent first quarter with the Bank of Idaho generating \$4.8 million in pre-tax, pre-provision income and \$0.69 earnings per share. Our commitment to prioritizing credit and pricing discipline continues to set the foundation for ongoing growth," said Jeff Newgard, Chairman, President, and CEO of Bank of Idaho. "As a result, portfolio loan production for the first quarter was \$72.8 million. We are positioned in dynamic geographic markets, which produce strong loan growth. We remain confident for the remainder of 2024 and beyond."

Quarterly Summary

- Loans held for investment grew \$33.9 million, or 3.8%, in Q1 2024 and increased \$173.6 million, or 23.4%, from Q1 2023.
- Total core deposits increased \$30.9 million, or 3.3%, in Q1 2024 and were up \$101.6 million, or 12.0%, from Q1 2023.
- Pre-tax, pre-provision (“PTPP”) net income was \$4.76 million in Q1 2024, compared to \$4.39 million in Q4 2023 and \$3.17 million in Q1 2023.
- Tangible book value (“TBV”) per share increased to \$25.16, or 2.5%, from \$24.55 at Q4 2023, and increased 7.8% from \$23.33 at Q1 2023. The increase in TBV is attributable to earnings offset by an increase in unrealized losses within our securities portfolio.

Operating Results

Net income for the first quarter of 2024 was \$3,067,000, or \$0.69 per diluted share, compared to net income of \$2,076,000, or \$0.47 per diluted share, for Q4 2023, and \$1,589,000, or \$0.36 per diluted share, for the same quarter last year. The increase from the prior quarter was the result of a decrease in provision expense of \$955,000, an increase of \$163,000 in non-interest income, a decrease in non-interest expense of \$276,000 offset by an increase of \$334,000 in tax expense.

Net interest income for Q1 2024 was \$12.3 million, a marginal decrease of \$70,000, or 0.6%, from the prior quarter as interest income kept pace with the increases in interest expense due to new loan production being backloaded in the quarter.

Net interest margin for the first quarter of 2024 was 4.43% compared to 4.65% in the previous quarter and 4.84% for the same quarter last year. While there continues to be margin pressure from the Fed's restrictive rate policy and liquidity tightening mandate, we continue to see healthy loan demand at attractive spreads that allows us to defend our operating margins. While the cost of funding continues to increase, the growth in earning assets at current market yields is expected to outpace the funding cost pressures. Relative to the first quarter of 2023, the consolidated net interest margin decreased due to rising deposit costs.

Noninterest income, including net gains and losses, for Q1 2024 was \$1,197,000, an increase of \$163,000, or 15.8%, from \$1,034,000 in Q4 2023. The increase was attributable to generating more income from gain on loan sales in the current quarter and a one-time gain on sale of securities. Relative to the first quarter of 2023, noninterest income increased \$43,000, or 3.7%.

Noninterest expense of \$8.77 million in Q1 2024 was a decrease of \$276,000, or 3.0%, from \$9.05 million in Q4 2023 and a \$788,000, or 8.2%, decrease from \$9.56 million in Q1 2023. The decrease from Q4 2023 was due to lower compensation expenses and other noninterest expenses. Compensation expense in the first quarter of 2023 included a one-time catch-up in incentive expense. The Company's efficiency ratio was 64.9% for Q1 2024, compared to 67.3% for Q4 2023, and 75.1% for Q1 2023.

Total assets were \$1.19 billion as of March 31, 2024, an increase of \$47.6 million, or 4.2%, from \$1.14 billion at December 31, 2023. First quarter 2024 balance sheet activity was characterized by \$33.9 million, or 3.8%, growth in portfolio loans. Loans were funded by the growth in deposits of \$43.8 million, or 4.6%. Cash and cash equivalents increased \$18.4 million along with an increase of \$1.0 million in total borrowings. Prior to the change in Federal Reserve's Bank Term Funding Program ("BTFP") rate structure, we borrowed \$24.6 million from the BTFP at a rate of 4.87% and paid down FHLB overnight borrowings.

Loans held for investment were \$916.7 million as of March 31, 2024, an increase of \$33.9 million, or 3.8%, from \$882.8 million as of December 31, 2023, and an increase of \$173.6 million, or 23.4%, from \$743.1 million as of March 31, 2023. The increase in total loans held for investment from the previous quarter came from growth in all loan categories, with the largest increase in the Bank's commercial and commercial real estate loans. We continue to see significant lending opportunities across our markets.

Deposits were \$991.8 million as of March 31, 2024, up \$43.8 million, or 4.6%, from the previous quarter, and up \$144.4 million, or 17.0%, from the same quarter last year. Our deposit portfolio continues to undergo a remixing as customers move deposits from noninterest-bearing accounts into yield seeking accounts; however, this 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 competition from both bank and non-bank organizations. Noninterest bearing deposits represented 30% of total deposits and 31% of core deposits as of March 31, 2024, compared to 33% as of December 31, 2023, and 38% as of March 31, 2023.

Borrowings were \$63.2 million as of March 31, 2024, which consisted of \$24.6 million of Company subordinated debt, \$24.6 million of BTFP advances, and \$14.0 million of overnight borrowings compared to \$24.6 million of subordinated debt and \$37.6 million in overnight borrowings in the previous quarter.

Asset quality remained strong in Q1 2024. Nonaccrual loans, excluding government guaranteed balances, totaled \$2,194,000, or 0.19% of loans, as of March 31, 2024, compared to \$1,770,000, or 0.20% of loans, as of December 31, 2023, and \$621,000, or 0.06% of loans, as of March 31, 2023. The Company had no OREO for Q1 2024, Q4 2023, or Q1 2023.

The Allowance for Credit Losses (“ACL”) totaled \$11.2 million, or 1.22% of loans held for investment, as of March 31, 2024. The Company recorded \$645,000 in provision for loan loss expense in the first quarter of 2024 compared to \$1,600,000 in provision expense in the previous quarter, and \$890,000 provision in the first quarter of 2023. The Company recorded net charge-offs of \$77,000 in the first quarter of 2024.

Capital ratios of the Company and Bank continue to exceed the “well-capitalized” capital levels set by their respective regulators. As of March 31, 2024, the Bank’s Tier 1 leverage ratio was 12.27% and the total risk -based capital ratio was 14.97%. As of March 31, 2024, the Company had tangible common equity (total stockholders’ equity less intangible assets) of \$111.4 million and tangible book value per share of \$25.16. Tangible common equity increased \$2.673 million in Q1 2024 due to quarterly earnings of \$3.076 million offset by a \$755,000 increase to accumulated other comprehensive loss (“AOCL”) related to increased unrealized losses on our securities portfolio. The Company’s tangible common equity to tangible assets ratio was 9.45% as of March 31, 2024, down from 9.62% in the previous quarter. There were no paid dividends during Q1 2024 or in any quarter presented.

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)	3/31/2024	12/31/2023	3/31/2023
ASSETS				
Cash and due from banks		\$ 18,958	\$ 15,519	\$ 13,325
Interest bearing deposits with Federal Reserve and other banks		41,575	26,598	21,009
Federal funds sold and securities purchased under agreements to resell		-	-	-
Cash and cash equivalents		60,533	42,116	34,334
Time deposits at other banks		744	744	744
Held-to-maturity securities, at cost		32,805	33,555	29,836
Available-for-sale securities, at fair value		143,689	146,296	155,341
Equity securities, at fair value		66	58	47
Federal Home Loan Bank stock		1,313	2,280	1,176
Mortgage loans held for sale, at fair value		2,587	3,038	1,509
Loans held for investment		916,729	882,842	743,142
Allowance for loan losses		(11,248)	(10,501)	(9,222)
Loans, net of allowance		905,481	872,341	733,920
Accrued interest and dividends receivable		5,950	5,605	4,567
Premises and equipment, net		16,322	16,410	16,489
Other real estate owned		-	-	-
Intangible assets		6,847	6,990	7,418
Deferred tax asset, net		6,668	6,479	5,158
Other assets		2,107	1,603	1,557
TOTAL ASSETS		\$ 1,185,114	\$ 1,137,516	\$ 992,096
LIABILITIES				
Noninterest bearing deposits		\$ 295,343	\$ 313,345	\$ 321,712
Interest bearing deposits		696,423	634,639	525,633
Total deposits		991,766	947,984	847,345
Overnight borrowings		14,000	37,600	-
Accrued expenses and other liabilities		6,844	6,304	3,438
Operating lease liabilities		4,774	4,996	5,647
Finance lease borrowings		324	338	379
FHLB advances and other borrowings		24,568	-	-
Subordinated notes & debentures		24,612	24,598	24,557
Total Liabilities		1,066,888	1,021,820	881,366
SHAREHOLDERS' EQUITY				
Common stock and additional paid-in capital; no par; authorized - 6,000,000 shares; issued and outstanding - 4,427,256; 4,427,822; and 4,427,436 shares		81,543	81,324	80,735
Retained earnings		49,819	46,753	40,510
Accumulated other comprehensive income (loss)		(13,136)	(12,381)	(10,515)
Total Shareholders' Equity		118,226	115,696	110,730
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 1,185,114	\$ 1,137,516	\$ 992,096
Book Value per Share		\$ 26.70	\$ 26.13	\$ 25.01
Tangible Book Value per Share		\$ 25.16	\$ 24.55	\$ 23.33
Nonaccrual loans* / average loans held for investment		0.19%	0.20%	0.06%
Allowance for loan losses / loans held for investment		1.23%	1.19%	1.24%
Tangible Equity to Tangible Assets		9.45%	9.62%	10.49%
Tier 1 Leverage ratio - Bank of Idaho		12.27%	12.32%	12.86%
Tier 1 Capital ratio - Bank of Idaho		13.74%	13.78%	15.07%
Total Capital ratio - Bank of Idaho		14.97%	14.97%	16.20%

*Nonaccrual loans less government guaranteed loans

BANK OF IDAHO HOLDING COMPANY
CONSOLIDATED INCOME STATEMENT (unaudited)

	Three Months Ended			
	(\$000's)	3/31/2024	12/31/2023	3/31/2023
Interest and dividend income				
Interest and fees on loans	\$	15,555	\$ 14,789	\$ 11,509
Interest on securities		1,437	1,383	1,468
FHLB and other stock dividends		31	10	7
Other interest income		143	102	229
Total interest and dividend income		17,167	16,284	13,213
Interest expense				
Interest expense on deposits		4,034	3,293	1,345
FHLB advances and other borrowings		516	305	-
Subordinated notes & debentures		284	284	284
Other interest expense		2	2	10
Total interest expense		4,836	3,884	1,639
Net interest income		12,331	12,400	11,574
Provision for loan loss		645	1,600	890
Net interest income after provision for loan loss		11,686	10,800	10,684
Noninterest income				
Service charges on deposit accounts		155	142	148
Trust department revenue		464	445	471
Net gains (losses) on sales of loans & leases		315	191	130
Net gains (losses) on sales of other real estate owned		-	-	-
Net gains (losses) on sale of securities		42	-	125
Other noninterest income		221	256	280
Total noninterest income		1,197	1,034	1,154
Noninterest expense				
Compensation and benefits		5,242	5,377	6,031
Occupancy and equipment		861	810	1,013
Marketing and business development		428	465	322
Data processing, IT and telephone		1,024	1,025	1,042
Audit, FDIC, and supervisory		258	229	172
Legal, accounting and consulting		181	191	150
Intangible expense		143	143	143
Other noninterest expense		631	805	684
Total noninterest expense		8,769	9,045	9,556
Income before income taxes		4,114	2,790	2,281
Provision for income taxes		1,048	714	692
Net income	\$	3,067	\$ 2,076	\$ 1,589
Pre-Tax, Pre-Provision Income	\$	4,759	\$ 4,390	\$ 3,171
Basic earnings per share	\$	0.69	\$ 0.47	\$ 0.36
Diluted earnings per share	\$	0.69	\$ 0.47	\$ 0.36
Return on average assets		1.03%	0.75%	0.65%
Return on average equity		9.98%	7.38%	5.78%
NIM		4.43%	4.65%	4.84%
Efficiency Ratio		64.9%	67.3%	75.1%