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## **Bank of Idaho Holding Company Reports Results for the Third Quarter of 2019**

IDAHO FALLS, ID - (10/31/2019) – 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, 2019.

The Company's net income for the third quarter was \$562,000 or \$0.23 per diluted share compared to \$154,000 or \$0.09 per diluted share in the previous quarter. For the nine months, ended September 30, 2019, net income was \$2.4 million or \$1.19 per diluted share compared to \$2.7 million or \$1.52 per diluted share for the first nine months of 2018.

"Increases in revenue from third quarter loan growth and mortgage lending activity more than offset higher levels of operating expenses resulting from our recent expansion to the Treasure Valley (Boise MSA) market," said Jeff Newgard, President and CEO of Bank of Idaho.

**Financial Highlights:**

- During the quarter, the Company successfully completed a capital raise to help fund the Bank's expansion to the Treasure Valley Market. Castle Creek Capital, LLC, purchased 168,000 voting and 582,000 non-voting shares at \$20.00 per share for gross proceeds of \$15 million to the Company and \$14 million of these funds were downstreamed to the Bank of Idaho. The Bank's total capital ratio at September 30, 2019 was 17.77% compared to 14.88% one year ago.
- For the third quarter, the Company's net income was \$562,000 compared to \$154,000 in the previous quarter. Net interest income was \$4.4 million compared to \$4.1 million in the second quarter. Net income per diluted share was \$0.23 compared to \$0.09 the previous quarter.
- Year to date net income per diluted share was \$1.19 compared to \$1.51 for the same period in 2018. Net interest income was \$12.5 million compared to \$10.9 million for the first three quarters of the previous year. Year-to-date 2019 net income includes a \$1.2 million tax expense credit resulting from the Company's conversion from an S-Corp to a C-Corp, effective January 1<sup>st</sup>, 2019.
- The Company's period-end book value per share increased to \$21.09 from \$20.06 last quarter and \$17.95, at September 30, 2018.
- Loans increased 9% (\$20.7 million) during the quarter and were up 16% from one year ago. Growth was concentrated in owner, and nonowner commercial real estate categories.
- Quarterly average deposits reflected a growth rate of 7%, with most of that growth coming in commercial noninterest-bearing demand deposits. Period end deposits reflected a single, one-day deposit of \$91 million on September 30<sup>th</sup>.
- Asset quality as measured by the percentage of nonaccrual loans to loans improved slightly to 1.95% from last quarter's 2.11% and 3.16% one year ago. Eighty-eight percent of the Bank's nonaccrual loans are agriculture production and agriculture real estate credits. The Bank's Allowance for Loan and Lease Losses as a percent of Loans ended the quarter at 1.65%, down from last quarter's 1.70%.

"We are very pleased with the execution of our market expansion and are optimistic about our continued growth prospects in the Treasure Valley. The Bank's first Boise office opened on January 7<sup>th</sup>, our second Boise branch opened on October 1<sup>st</sup> and we've just received regulatory approval for our Nampa branch. The Nampa office has been operating as a loan production office since August. We expect the full-service branch to open in the first quarter of next year," said Jeff Newgard.

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

	Sep 30, 2019	Jun 30, 2019	Sep 30, 2018
<b>ASSETS</b>			
Cash	\$ 10,244,889	\$ 6,724,854	\$ 5,886,622
Interest bearing deposits in bank	100,455,464	24,173,503	16,250,525
Certificates of deposit	288,600	288,600	288,600
Securities available for sale	80,805,836	82,622,983	85,436,776
Federal Home Loan Bank stock, at cost	401,200	401,200	385,900
Mortgage loans held for sale	17,852,031	10,380,683	4,686,527
Loans	248,801,833	228,074,942	213,861,645
Allowance for loan losses	(4,097,074)	(3,876,558)	(3,831,995)
Loans net of allowance	244,704,759	224,198,384	210,029,650
Accrued interest receivable	1,431,304	1,574,632	1,668,444
Premises and equipment, net	5,936,973	6,031,500	5,400,490
Other real estate owned	3,056,029	3,086,021	121,497
Other assets	1,216,375	1,106,664	173,870
<b>TOTAL ASSETS</b>	<b>\$ 466,393,460</b>	<b>\$ 360,589,024</b>	<b>\$ 330,328,901</b>
<b>LIABILITIES</b>			
Noninterest-bearing demand	\$ 221,552,574	\$ 128,494,009	\$ 115,406,506
Interest-bearing demand	177,988,611	180,301,081	165,262,753
Time certificates of deposit	13,861,999	13,939,313	15,479,987
Total deposits	413,403,184	322,734,403	296,149,246
Accrued interest payable	14,606	13,726	\$11,085
Accounts payable and accrued liabilities	2,376,400	1,970,178	2,063,860
Stock appreciation rights	254,907	234,988	228,185
Total liabilities	416,049,097	324,953,295	298,452,376
<b>STOCKHOLDERS' EQUITY</b>			
Common stock, no par value, 4,000,000 shares authorized, 2,526,085 issued and outstanding at September 30, 2019; 3,000,000 authorized and 1,776,085 issued and outstanding at June 30, 2019 and September 30, 2018.	26,681,435	12,505,209	12,505,209
Retained earnings	22,976,305	22,413,881	21,202,216
Accumulated other comprehensive income (loss)	686,623	716,639	(1,830,900)
Total stockholders' equity	50,344,363	35,635,729	31,876,525
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 466,393,460</b>	<b>\$ 360,589,024</b>	<b>\$ 330,328,901</b>
Book value per share	\$21.09	\$20.06	\$17.95

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

	QUARTERLY			YEAR-TO-DATE	
	Sep 30, 2019	Jun 30, 2019	Sep 30, 2018	Sep 30, 2019	Sep 30, 2018
<b>Interest and Dividend Income</b>					
Loans, including fees	\$ 3,780,669	\$ 3,444,358	\$ 3,251,619	\$ 10,608,503	\$ 9,324,877
Securities, available for sale	556,412	565,429	501,968	1,722,343	1,506,153
Interest on interest bearing deposits and certificates of deposit	164,730	118,765	99,120	388,815	223,979
Total interest and dividend income	4,501,811	4,128,552	3,852,707	12,719,661	11,055,009
<b>Interest Expense</b>					
NOW demand and savings	45,289	43,834	44,272	131,940	129,090
Money market	5,569	4,642	3,396	13,592	10,205
Time certificates of deposit	18,625	16,451	12,895	48,733	38,190
FHLB advances and other borrowings	-	-	2	-	2
Total interest expense	69,483	64,927	60,565	194,265	177,487
Net interest income before provision for loan losses	4,432,328	4,063,625	3,792,142	12,525,396	10,877,522
Provision for loan losses	192,300	120,000	390,000	372,300	600,000
Net interest income after provision for loan losses	4,240,028	3,943,625	3,402,142	12,153,096	10,277,522
<b>Noninterest Income</b>					
Service charges on deposit accounts	142,025	138,797	147,625	424,425	427,621
Gain on sale of mortgage loans held for sale	1,009,008	657,480	654,960	2,053,842	1,739,870
Merchant card income	2,059	14,390	11,332	18,366	30,346
Trust fee income	337,322	344,826	311,882	1,000,035	1,001,677
Gain on sale of securities	99,747	-	25,224	159,566	25,224
Gain on sale of other real estate owned	880	5,879	-	7,639	-
Other	17,148	9,052	25,951	48,075	53,463
Total noninterest income	1,608,189	1,170,424	1,176,974	3,711,948	3,278,201
<b>Noninterest Expense</b>					
Salaries, wages & benefits	3,288,151	2,959,326	2,440,737	8,891,400	7,198,646
Net occupancy expense	541,387	511,825	392,422	1,516,192	1,206,312
Advertising and business development	283,444	266,928	126,644	753,501	445,767
Accounting and consulting	85,013	96,993	90,964	268,463	272,312
Bankcard and merchant services	69	(125)	(125)	(1,208)	(1,234)
Data processing	379,715	344,679	201,084	977,932	649,151
Legal	62,645	84,941	36,048	200,574	93,052
Telephone, postage and courier	62,299	58,723	49,283	185,122	154,907
Other real estate owned expense	1,539	(1,524)	(26)	(19,046)	(1,619)
Loss on sale of other real estate owned	-	-	(880)	-	27,803
Office supplies	34,689	34,083	20,221	103,614	69,150
FDIC assessment	29,433	29,433	35,850	88,299	107,550
General and administrative	245,964	503,685	177,849	1,184,291	632,936
Total noninterest expense	5,014,348	4,888,967	3,570,071	14,149,134	10,854,733
Income before income taxes	833,869	225,082	1,009,045	1,715,910	2,700,990
Income tax expense (benefit)	271,445	70,992	-	(653,821)	20
Net Income	\$ 562,424	\$ 154,090	\$ 1,009,045	\$ 2,369,731	\$ 2,700,970
Basic earnings per share	\$0.24	\$0.09	\$0.57	\$1.20	\$1.52
Diluted earnings per share	\$0.23	\$0.09	\$0.56	\$1.19	\$1.51

	QUARTERLY			YEAR-TO-DATE	
	Sep 30, 2019	Jun 30, 2019	Sep 30, 2018	Sep 30, 2019	Sep 30, 2018
<b>PERFORMANCE RATIOS</b>					
Return on average assets	0.60%	0.18%	1.23%	0.90%	1.12%
Return on average equity	4.71%	1.78%	12.70%	8.14%	11.47%
<b>LEVERAGE (Bank of Idaho)</b>					
Tier 1 Leverage ratio	13.09%	10.13%	10.19%		
Total Capital ratio	17.77%	13.95%	14.88%		
<b>ASSET QUALITY</b>					
Nonaccrual loans/loans	1.95%	2.11%	3.16%		
Allowance for loan losses/loans	1.65%	1.70%	1.92%		