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

IDAHO FALLS, ID - (4/30/2021) – 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, 2021.

The Company’s net income for the first quarter was \$2,097,000 or \$0.82 per diluted share compared to \$679,000 or \$0.27 per diluted share in the previous quarter. For the three months, ended March 2020, net income was \$371,000 or \$0.15 per diluted share. Assets ended the quarter at \$625 million, up from year-end’s \$576 million, and were \$204 million higher than March 31, 2020.

“The Bank’s performance continues to be driven by mortgage revenue and asset growth. Our commitment to small and mid-sized businesses continued with round two of the Payroll Protection Program. Our process makes it easy for customers to apply for PPP loans and approval decisions are timely. We assisted borrowers of round one PPP loans with loan forgiveness requests. The decline in those loans as a result of payoff or forgiveness has been partially offset with round two PPP loans. Round two volume is below the level in round one as the rebound in the economy was stronger than anticipated and borrowers found they did not need further assistance. On net, PPP interest and fee revenue remain significant contributors to our first quarter results,” said Jeff Newgard, President and CEO of Bank of Idaho.

Financial Highlights:

- Loan totals dropped 3.0% from year-end but were 37.2% higher than one year ago. Excluding PPP, loans increased 1.9% from the previous quarter and were 19.4% above the same period last year. Term-outs of commercial and residential construction loans reduced levels in those categories, but those reductions were more than offset by increases in Owner and Nonowner Occupied Commercial Real Estate credits.
- Deposit growth was particularly strong in the first quarter spurred by stimulus funds, PPP loan-related deposits, and new account growth. Total deposits increased 14.0% in the first quarter and were up 61.7% or \$210 million from one year ago.
- The Bank’s Tier 1 Leverage Ratio was 10.11% as compared with 2020 year-end of 10.22%. The drop in the ratio was attributable to the significant inflow of deposits during the quarter. The Bank’s Total Capital Ratio at quarter end was 15.65%, up from the 2020 year-end ratio of 14.82%.
- The Company’s period-end book value per share was \$22.20, slightly below the year-end value of \$22.38 but up from \$20.58 one year ago. The drop in the first quarter was a function of a reduction in the Bank’s Accumulated Other Comprehensive Income (AOCI). AOCI represents the after-tax, unrealized gain on held-for-sale investment securities. As interest rates increased, the unrealized gain on our securities declined.
- Nonaccrual loans were \$4.3 million, a noticeable improvement from year-end’s \$8.0 million as two Agriculture-related credits paid off. The Bank had no balances in Other Real Estate at quarter-end. Agriculture production and agriculture real estate credits continue to make up the majority of the Bank’s nonaccrual loans. The Bank’s Allowance for Loan and Lease Losses (ALLL) as a percent of Loans was 1.67% compared to 1.60% at year-end. The ALLL as a percent of Loans excluding PPP loans was 1.92% compared to 1.94% at year-end and 1.52% one year ago. PPP loans are 100% guaranteed and present no loss potential to the Bank.

“Net income for the first quarter of 2021 was a record for the Company. Our enthusiastic participation in the PPP program enabled us to both help our existing borrowers and add new customers. Low interest rates supercharged our mortgage operations. However, recent upticks in mortgage rates suggest lower revenue from that business line as borrower refinance opportunities diminish. Our recently added SBA Department is off to a great start with a very experienced staff and we’re optimistic about our prospects in that market”, said Jeff Newgard.