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Bank of Idaho Holding Company Reports Fourth Quarter 2021 Financial Results

IDAHO FALLS, ID - (02/05/2022) – Bank of Idaho Holding Company (OTCQX: BOID), the holding company for Bank of Idaho, today announced results (unaudited) for the fourth quarter ended December 31, 2021.

Jeff Newgard, President and CEO of Bank of Idaho commented “The Bank of Idaho saw robust loan growth in the final quarter of the year, with terrific momentum in both Eastern Idaho and the Boise metropolitan area. Throughout 2021 we saw PPP fee and mortgage banking income combine with significant increases in core loans and deposits to achieve a record-breaking year for profitability and growth. We are very pleased with the performance of our team, particularly the recently expanded SBA department, and believe we are well positioned to deliver another strong year of growth in 2022.”

The Company’s net income for the fourth quarter was \$701,000 or \$0.27 per diluted share, compared to \$1,254,000 or \$0.49 per diluted share in the previous quarter. For the three months ended December 2020, net income was \$679,000 or \$0.27 per diluted share. Earnings per diluted share for the full year 2021 were \$2.33 compared to \$1.29 in 2020. Assets ended the quarter at \$737.6 million, up from \$717.9 million on September 30, 2021, and \$575.8 million on December 31, 2020.

Financial Highlights:

- Total loans held for investment were \$457.1 million as of December 31, 2021, an increase of 8.5% for the fourth quarter and 8.8% for the year. Excluding PPP loans, total loans held for investment increased 11.7% from the previous quarter and were 28.0% above the same period last year. Over \$55.5 million of the \$97.6 million of net loan growth, ex-PPP, was generated from the Bank’s Boise area offices with another \$17.7 million of net growth from the SBA department. PPP loans were \$11.3 million at year-end, down \$60.8 million in 2021.
- Total deposits increased 3.1% in the quarter and were up 33.9% from a year ago to end 2021 at \$644.9 million. Noninterest-bearing deposits represented 40.7% of total deposits on December 31, 2021 and were up \$64.1 million from a year ago. The \$163.2 million of total deposit growth in 2021 was attributable to both higher average customer balances and increased balances from the Bank’s expansion into the Boise metropolitan area.
- Fourth quarter net interest income of \$6.24 million was \$36,000 higher than the third quarter, with the increase in interest income from loan and securities growth offset by the decrease in fees from PPP loans and the effect of a full quarter of interest expense on the subordinated debentures issued by the Company in September 2021. Net interest income for the year ended December 31, 2021, was \$24.5 million, an increase of \$3.3 million over 2020.
- Non-interest income for the fourth quarter decreased \$183,000 from the prior quarter to \$2.1 million due to a decline in mortgage banking revenue. Year-to-date non-interest income through December 31, 2021, of \$10.7 million was up \$1.2 million or 12.9% from 2020, with increases in trust and mortgage banking revenue offsetting lower net gains on sales of securities.
- The Bank’s Tier 1 Leverage Ratio was 9.52% as compared with the September 30, 2021, level of 9.93%. The Bank’s Total Capital Ratio decreased to 15.10% from the prior quarter ratio of 16.39%. Both measures decreased due to the growth in assets, as well as the shift in asset mix from cash to loans. At year-end the holding company held over \$15 million of proceeds from the September 2021 subordinated debenture issue that are available for injection to the Bank to support growth in 2022.
- Nonaccrual loans declined \$448,000 during the fourth quarter to \$2.6 million, down from \$8.2 million at year-end 2020. The Bank had no other real estate owned at quarter-end. The Bank’s allowance for loan and lease losses (ALLL) as a percent of loans held for investment was 1.60% compared to 1.71% at the end of the third quarter 2021. For the full year 2021 the Bank realized net loan loss recoveries of \$109,000 and the provision for loan loss was \$470,000, compared to provision of \$2.6 million in 2020.
- The Company’s period-end book value per share rose to \$23.77 from the prior quarter-end value of \$23.69 and is up \$1.39 from the prior year value of \$22.38 due to accreted earnings offsetting a \$2.6 million reduction in the unrealized gains on available for sale securities, net of tax.

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

	Dec 31, 2021	Sep 30, 2021	Dec 31, 2020
ASSETS			
Cash	\$ 6,070,882	\$ 11,168,258	\$ 8,655,795
Interest bearing deposits in bank	103,237,270	129,407,529	13,705
Certificates of deposit	782,600	1,032,600	288,600
Securities available for sale	146,394,656	135,028,353	105,111,832
Federal Home Loan Bank stock, at cost	689,900	689,900	1,098,700
Mortgage loans held for sale	15,767,549	12,570,093	31,451,887
Loans	457,057,081	421,147,432	420,279,732
Allowance for loan losses	(7,318,198)	(7,187,022)	(6,739,362)
Loans net of allowance	449,738,883	413,960,410	413,540,370
Accrued interest receivable	2,517,564	2,302,168	2,456,638
Premises and equipment, net	9,175,401	9,392,499	11,532,742
Other real estate owned	-	-	-
Other assets	3,247,915	2,355,671	1,629,082
TOTAL ASSETS	\$ 737,622,620	\$ 717,907,481	\$ 575,779,351
LIABILITIES			
Noninterest-bearing demand	\$ 262,587,920	\$ 269,292,790	\$ 198,493,911
Interest-bearing demand	365,049,724	340,104,546	268,005,777
Time certificates of deposits	17,274,438	16,094,700	15,251,484
Total deposits	644,912,082	625,492,036	481,751,172
Accrued interest payable	183,834	61,567	16,651
Accounts payable and accrued liabilities	3,126,128	3,121,820	4,688,194
Operating lease liabilities	2,873,770	3,051,493	1,855,061
Stock appreciation rights	326,305	128,742	113,433
FHLB advances	-	-	15,307,500
Other borrowings	24,489,202	24,532,612	11,417,907
Finance lease borrowings	443,112	455,336	3,415,273
Total liabilities	676,354,433	656,843,606	518,565,191
STOCKHOLDERS' EQUITY			
Common stock, no par value, 4,000,000 shares authorized, 2,577,373 outstanding at December 31, 2021 and September 30, 2021; 2,556,085 outstanding at December 31, 2020.	27,735,150	27,653,548	27,130,430
Retained earnings	32,709,633	32,008,519	26,703,554
Accumulated other comprehensive income (loss)	823,404	1,401,808	3,380,176
Total stockholders' equity	61,268,187	61,063,875	57,214,160
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 737,622,620	\$ 717,907,481	\$ 575,779,351

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

	QUARTERLY			YEAR-TO-DATE	
	Dec 31, 2021	Sep 30, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Interest and Dividend Income					
Loans, including fees	\$ 5,795,970	\$ 5,734,806	\$ 5,489,021	\$ 22,802,303	\$ 19,649,068
Securities, available for sale	751,558	680,167	622,477	2,721,363	2,350,298
Interest on interest bearing deposits and certificates of deposit	61,363	46,991	24,618	157,732	73,506
Total interest and dividend income	6,608,891	6,461,964	6,136,116	25,681,398	22,072,872
Interest Expense					
NOW demand and savings	54,642	53,879	45,439	207,300	184,562
Money market	10,996	10,932	11,732	43,203	38,412
Time certificates of deposit	16,436	17,700	21,391	72,280	155,688
FHLB advances and other borrowings	286,783	175,920	184,248	811,324	452,668
Total interest expense	368,857	258,431	262,810	1,134,107	831,330
Net interest income before provision for loan losses	6,240,034	6,203,533	5,873,306	24,547,291	21,241,542
Provision for loan losses	100,000	149,997	865,000	470,000	2,598,000
Net interest income after provision for loan losses	6,140,034	6,053,536	5,008,306	24,077,291	18,643,542
Noninterest Income					
Service charges on deposit accounts	145,389	160,624	126,667	550,037	497,309
Gain on sale of mortgage loans held for sale	1,144,447	1,356,215	1,884,799	6,969,102	6,044,419
Merchant card income	18,120	10,754	12,770	57,470	39,498
Trust fee income	581,084	548,482	427,642	2,057,024	1,640,416
Gain on sale of securities	-	-	(92,596)	69,411	207,374
Gain on sale of loans	2,447	2,477	2,556	9,959	200,273
Gain on sale of other real estate owned	-	-	16,072	52,539	58,994
Other noninterest income	227,919	224,184	195,962	920,213	776,482
Total noninterest income	2,119,406	2,302,736	2,573,872	10,685,755	9,464,765
Noninterest Expense					
Salaries, wages & benefits	4,768,969	4,164,592	4,296,232	17,634,387	15,124,978
Net occupancy expense	628,000	545,311	589,695	2,209,200	2,394,122
Advertising and business development	321,090	365,090	267,874	1,235,381	917,313
Accounting and consulting	136,777	108,164	152,475	439,742	484,894
Bankcard and merchant services	2,072	(522)	2,154	(117)	903
Data processing	557,144	480,171	534,947	1,963,339	1,722,687
Legal	45,663	26,193	41,026	133,127	171,450
Telephone, postage and courier	81,724	55,550	60,060	274,912	278,229
Other real estate owned expense	-	(2,383)	(2,918)	(7,707)	(13,279)
Loss on sale of other real estate owned	-	-	-	-	-
Office supplies	18,917	14,230	19,192	83,337	153,713
FDIC assessment	62,358	73,537	67,500	322,969	235,016
General and administrative	739,684	779,440	629,743	2,312,473	2,136,480
Total noninterest expense	7,362,398	6,609,373	6,657,980	26,601,043	23,606,506
Income before income taxes	897,042	1,746,899	924,198	8,162,003	4,501,801
Income tax expense (benefit)	195,928	492,925	245,287	2,155,924	1,241,305
Net Income	\$ 701,114	\$ 1,253,974	\$ 678,911	\$ 6,006,079	\$ 3,260,496
Basic earnings per share	\$0.27	\$0.49	\$0.27	\$2.33	\$1.29
Diluted earnings per share	\$0.27	\$0.49	\$0.27	\$2.33	\$1.29

	QUARTERLY			YEAR-TO-DATE	
	Dec 31, 2021	Sep 30, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
PERFORMANCE RATIOS					
Return on average assets	0.38%	0.71%	0.48%	3.54%	2.49%
Return on average equity	4.63%	8.16%	4.77%	40.27%	22.70%

LEVERAGE (Bank of Idaho)			
Tier 1 Leverage ratio	9.52%	9.93%	10.22%
Total Capital ratio	15.11%	16.39%	14.82%

ASSET QUALITY			
Nonaccrual loans/loans	0.56%	0.71%	1.94%
Allowance for loan losses/loans	1.60%	1.71%	1.60%