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IDAHO INDEPENDENT BANK ANNOUNCES
2016 FIRST QUARTER RESULTS

Coeur d'Alene, Idaho – Jack W. Gustavel, Chairman and Chief Executive Officer of Idaho Independent Bank (“IIB” or the “Bank”) (OTC BB: IIBK), announced IIB’s unaudited, consolidated financial results for the first quarter ended March 31, 2016.

“Loan and deposit growth combined with an increase in the net interest margin contributed to IIB's improved earnings for the first quarter of 2016 when compared to the same period in 2015,” Mr. Gustavel said. Net income for the quarter was \$772,000, or \$0.09 per diluted share, compared to \$358,000, or \$0.04 per diluted share, for the first quarter a year ago. Income tax expense for each period included reversals of the Bank’s deferred tax valuation allowance (“tax valuation allowance”) sufficient to offset much or all of the income tax expense. As of March 31, 2016, IIB was still carrying a tax valuation allowance of approximately \$900,000 that may be used to reduce future tax expense.

At March 31, 2016, the Bank's total assets were \$563.3 million, an increase of \$29.8 million, or 5.6%, when compared to March 31, 2015. Deposits and repurchase agreements increased \$33.5 million, or 7.4%, to \$485.8 million; while total loans, including loans held-for-sale, increased \$27.6 million, or 10.1%, to \$300.1 million over the same timeframe. At March 31, 2016, the allowance for loan and lease losses totaled \$6.3 million, or 2.1% of total loans, excluding loans held-for-sale. Nonperforming assets were 0.2% of total assets at March 31, 2016.

As of March 31, 2016, the Bank’s Stockholders' Equity to Average Total Assets Ratio was 11.5%, and its capital ratios exceeded the regulatory thresholds required to be considered “Well-Capitalized.” During the quarter, the Bank purchased 59,329 shares of its common stock at a total cost of \$491,414. As of March 31, 2016, IIB could purchase up to \$903,000 worth of additional shares under its previously announced stock buyback plan.

IIB will file its Consolidated Report of Condition and Income for the quarter ended March 31, 2016, (“Call Report”) with the Federal Deposit Insurance Corporation by April 30, 2016. It will be available on the Federal Financial Institutions Examinations Council website at <http://cdr.ffiec.gov/Public/>.

About IIB

IIB was established in 1993 as an Idaho state-chartered, commercial bank and currently operates three branches in Boise, as well as branches in Meridian, Coeur d'Alene, Nampa, Mountain Home, Hayden, Caldwell, Star, and Sun Valley/Ketchum, Idaho. IIB has approximately 200 employees throughout the State of Idaho. To learn more about IIB, visit us online at www.theidahobank.com.

Statements contained herein concerning future performance, developments or events, expectations for earnings, growth and market forecasts, and similar statements that are not historical facts are intended to be "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995, and as such, are subject to a number of risks and uncertainties that may cause actual results to differ materially from expectations or our stated objectives. Factors that could cause actual results to differ materially, include, but are not limited to, declines in regional and general economic conditions; changes in interest rates, deposit flows, demand for loans, real estate values, competition, and/or loan delinquency rates; changes in accounting principles, practices, policies, or guidelines; changes in legislation or regulations; changes in the regulatory environment; changes in monetary policy of the Federal Reserve Bank; changes in fiscal policy of the Federal government and the State of Idaho; changes in other economic, competitive, governmental, regulatory, and technological factors affecting operations, pricing, products, and services; material unforeseen changes in the liquidity, results of operations, or financial condition of the Bank's customers. Accordingly, these factors should be considered in evaluating forward-looking statements, and there should not be undue reliance placed on such statements. The Bank undertakes no responsibility to update or revise any forward-looking statements.

Idaho Independent Bank
Financial Highlights (unaudited)
(dollars in thousands, except share data)

CONDENSED STATEMENT OF OPERATIONS	Three Months Ended	
	March 31,	
	2016	2015
Net interest income	\$ 4,310	\$ 3,772
Provision for loan losses	-	-
Net interest income after provision for loan losses	4,310	3,772
Noninterest income	1,147	1,404
Noninterest expense	4,622	4,818
Net income before taxes	835	358
Income tax expense	63	-
Net income	<u>\$ 772</u>	<u>\$ 358</u>

Earnings per share:

Basic	\$ 0.10	\$ 0.04
Diluted	\$ 0.09	\$ 0.04

SELECTED BALANCE SHEET ACCOUNTS

	March 31, 2016	March 31, 2015
Loans held for sale	\$ 6,418	\$ 7,885
Loans receivable	293,635	264,592
Gross loans	300,053	272,477
Allowance for loan losses	6,280	6,492
Total assets	563,254	533,471
Deposits	464,365	430,936
Customer repurchase agreements	21,422	21,339
Total deposits and repurchase agreements	485,787	452,275
Stockholders' equity	64,338	60,022

PER SHARE DATA

Common shares outstanding	8,062,627	8,205,838
Book value per share	\$ 7.98	\$ 7.31

PERFORMANCE RATIOS (annualized)	Three Months Ended	
	March 31,	
	2016	2015
Return on average assets	0.56%	0.27%
Return on average equity	4.82%	2.43%
Efficiency ratio	84.70%	93.08%
Net interest margin	3.38%	3.06%