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IDAHO INDEPENDENT BANK ANNOUNCES
2015 FOURTH QUARTER AND YEAR-END 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 fourth quarter and year ended December 31, 2015.

“I am pleased to report good growth and stronger earnings for 2015,” Mr. Gustavel said. “Loan and deposit growth combined with increased noninterest income, emphasis on controlling noninterest expense, and better asset quality contributed to the improvement.”

Net income for the fourth quarter of 2015 was \$2.7 million, or \$0.33 per diluted share, compared to \$3.8 million, or \$0.46 per diluted share, for the same period a year ago. Net income for the fourth quarter of 2014 included a one-time gain of \$1.3 million on the sale of other real estate owned. Pre-tax net income for the full year ended December 31, 2015, was \$3.5 million compared to \$2.8 million for 2014, an increase of \$0.7 million, or 25.0%. Net income after tax through December 31, 2015, was \$5.2 million, or \$0.63 per diluted share, compared to \$5.0 million, or \$0.61 per diluted share, for 2014. The income tax expense during each year included reversal of the Bank’s deferred tax valuation allowance (“tax valuation allowance”) sufficient to offset income tax expense plus a credit of \$2.2 million in 2014 and \$1.8 million in 2015. As of December 31, 2015, IIB was carrying a tax valuation allowance of approximately \$1.1 million that may be used to reduce future tax expense.

At December 31, 2015, the Bank's total assets were \$556.0 million, an increase of \$25.6 million, or 4.8%, when compared to December 31, 2014. Deposits and repurchase agreements increased \$25.7 million, or 5.7%, to \$477.9 million; while total loans, including loans held-for-sale, increased \$26.2 million, or 9.8%, to \$292.2 million over the same timeframe. At December 31, 2015, the allowance for loan and lease losses totaled \$6.1 million, or 2.1% of total loans, excluding loans held-for-sale. Nonperforming assets were less than 0.2% of total assets at December 31, 2015.

As of December 31, 2015, the Bank’s Stockholders' Equity to Average Total Assets Ratio was 11.4%, and its capital ratios exceeded the regulatory thresholds required to be considered “Well-Capitalized.” During 2015, the Bank purchased 93,778 shares of its common stock at a total cost of \$770,000. As of December 31, 2015, IIB could repurchase up to \$1.4 million worth of additional shares under its previously announced stock buyback plan.

IIB filed its Consolidated Report of Condition and Income for the quarter ended December 31, 2015, (“Call Report”) with the Federal Deposit Insurance Corporation on January 29, 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 might 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, 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 undue reliance should not be 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		Year Ended	
	December 31,		December 31,	
	2015	2014	2015	2014
Net interest income	\$ 4,427	\$ 3,851	\$ 17,203	\$ 15,245
Provision for loan losses	-	-	-	4
Net interest income after provision for loan losses	4,427	3,851	17,203	15,241
Noninterest income	1,627	1,445	6,184	5,611
Noninterest expense	5,100	3,659	19,899	18,045
Net income before taxes	954	1,637	3,488	2,807
Income tax expense (benefit)	(1,750)	(2,200)	(1,750)	(2,200)
Net income	\$ 2,704	\$ 3,837	\$ 5,238	\$ 5,007

Earnings per share:				
Basic	\$ 0.33	\$ 0.47	\$ 0.64	\$ 0.61
Diluted	\$ 0.33	\$ 0.46	\$ 0.63	\$ 0.61

SELECTED BALANCE SHEET ACCOUNTS	December 31, 2015	December 31, 2014
Loans held for sale	\$ 5,477	\$ 3,904
Loans receivable	286,695	262,138
Gross loans	292,172	266,042
Allowance for loan losses	6,114	6,447
Total assets	556,016	530,358
Deposits	459,971	437,628
Customer repurchase agreements	17,922	14,593
Total deposits and repurchase agreements	477,893	452,221
Stockholders' equity	63,927	59,493

PER SHARE DATA

Common shares outstanding	8,114,758	8,189,108
Book value per share	\$ 7.88	\$ 7.26

CAPITAL RATIOS

Tier 1 capital (to average assets)	10.90%	10.78%
Common Equity Tier 1 capital (to risk-weighted assets)	16.04%	N.A.
Tier 1 capital (to risk-weighted assets)	16.04%	14.92%
Total risk-based capital (to risk-weighted assets)	17.30%	16.18%

PERFORMANCE RATIOS (annualized)	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2015	2014	2015	2014
Return on average assets	1.90%	2.96%	0.95%	1.03%
Return on average equity	17.27%	27.05%	8.58%	9.04%
Efficiency ratio	84.24%	69.09%	85.09%	86.52%
Net interest margin	3.37%	3.23%	3.37%	3.43%