



PRESS RELEASE

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FOR IMMEDIATE RELEASE

July 16, 2018

**IDAHO INDEPENDENT BANK ANNOUNCES
2018 SECOND QUARTER AND YEAR-TO-DATE RESULTS**

Coeur d'Alene, Idaho – Jack W. Gustavel, Executive Chairman of Idaho Independent Bank (“IIB” or the “Bank”) (OTC Pink: IIBK), announced IIB’s unaudited, consolidated financial results for the second quarter and six months ending June 30, 2018.

Mr. Gustavel reported that IIB’s net income for the second quarter of 2018 was \$1.9 million, or \$0.24 per diluted share, an increase of 58.6% when compared to the \$1.2 million, or \$0.15 per diluted share, earned in the same period a year ago. “The increase was largely due to improved yields on earning assets, deposit growth, and a lower corporate income tax rate,” Chairman Gustavel stated. Net income for the six months ended June 30, 2018, was \$3.3 million, or \$0.43 per diluted share, compared to \$2.0 million, or \$0.25 per diluted share, for the first six months of 2017.

At June 30, 2018, the Bank's total assets were \$725.0 million, an increase of \$63.6 million, or 9.6%, when compared to June 30, 2017. Total loans, including loans held-for-sale, increased \$8.0 million, or 2.3%, to \$362.0 million; while total deposits and repurchase agreements increased \$60.4 million, or 10.4%, to \$638.6 million over the same timeframe. As of June 30, 2018, the allowance for loan and lease losses was \$6.3 million, or 1.8% of total loans, excluding loans held-for-sale, and nonperforming assets continued to be less than 0.3% of total assets.

As of quarter end, the Bank’s stockholders' equity to average total assets was 9.7%, and IIB’s capital ratios exceeded the regulatory thresholds required to be considered “Well-Capitalized.” During the quarter, the Bank purchased 28,926 shares of its common stock at a cost of \$373,000. IIB may still purchase shares worth up to \$400,800 under its current buyback approval.

IIB will file its Consolidated Report of Condition and Income for the quarter ended June 30, 2018, (“Call Report”) with the Federal Deposit Insurance Corporation by July 30, 2018, and 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 that currently operates branches in Boise (3), Caldwell, Coeur d'Alene, Hayden, Meridian, Mountain Home, Nampa, Star, and Sun Valley/Ketchum, Idaho. IIB was named in a 2018 survey conducted by Populus as one of the Top Ten Best Places to Work in Idaho, is one of the 2018 Top Ranked Community Banks in the Idaho Business Review Reader Rankings, and was named among the top 1% most extraordinary banks in the U.S. by The Institute for Extraordinary Banking™ in 2016. The Bank 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 from expectations or our stated objectives. Factors that could cause actual results to materially differ; include, but are not limited to, declines in local 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		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
Net interest income	\$ 6,351	\$ 5,515	\$ 12,640	\$ 10,486
Provision for loan losses	-	-	200	-
Net interest income after provision for loan losses	6,351	5,515	12,440	10,486
Noninterest income	1,764	1,792	3,338	3,567
Noninterest expense	5,537	5,433	11,249	10,946
Income before provision for income tax expense	2,578	1,874	4,529	3,107
Provision for income tax expense	691	684	1,214	1,134
Net income	\$ 1,887	\$ 1,190	\$ 3,315	\$ 1,973

Earnings per share:

Basic	\$ 0.25	\$ 0.16	\$ 0.44	\$ 0.26
Diluted	\$ 0.24	\$ 0.15	\$ 0.43	\$ 0.25

SELECTED BALANCE SHEET ACCOUNTS

	June 30, 2018	June 30, 2017
Loans held for sale	\$ 4,192	\$ 4,903
Loans receivable	357,857	349,058
Gross loans	362,049	353,961
Allowance for loan losses	6,321	6,290
Total assets	725,016	661,431
Deposits	609,920	553,527
Customer repurchase agreements	28,686	24,691
Total deposits and repurchase agreements	638,606	578,218
Stockholders' equity	68,708	65,594

PER SHARE DATA

Common shares outstanding	7,511,869	7,564,886
Book value per share	\$ 9.15	\$ 8.67

PERFORMANCE RATIOS (annualized)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
Return on average assets	1.08%	0.73%	0.97%	0.61%
Return on average equity	11.22%	7.26%	9.91%	6.11%
Efficiency ratio	68.23%	74.35%	70.40%	77.89%
Net interest margin	3.90%	3.63%	3.95%	3.52%