



PRESS RELEASE

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FOR IMMEDIATE RELEASE

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**IDAHO INDEPENDENT BANK ANNOUNCES
2017 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, 2017.

For the quarter, before tax income was \$1,233,000, or 48% better than the \$835,000 earned in the first quarter of 2016. After tax income for 2017 was \$783,000, or \$0.10 per diluted share, compared to \$772,000, or \$0.09 per diluted share, in the first quarter of 2016. “Growth in loan and deposit relationships was the primary driver of the substantial increase in profitability,” Mr. Gustavel said. Income tax expense for the 2016 quarter included a tax benefit related to the reversal of the Bank’s deferred tax valuation allowance in the amount of \$220,000, while there was no reversal benefit in 2017.

At March 31, 2017, the Bank's total assets were \$666.6 million, an increase of \$103.3 million, or 18.3%, when compared to March 31, 2016. Total loans, including loans held-for-sale, increased \$29.5 million, or 9.8%, to \$329.6 million; while deposits and repurchase agreements increased \$98.7 million, or 20.3%, to \$584.5 million over the same timeframe. As of March 31, 2017, the allowance for loan and lease losses was \$6.3 million, or 1.9% of total loans, excluding loans held-for-sale, and nonperforming assets were only 0.2% of total assets.

Also, as of quarter end, the Bank’s Stockholders' Equity to Average Total Assets Ratio was 10.1%, and its capital ratios exceeded the regulatory thresholds required to be considered “Well-Capitalized.” During the quarter, the Bank purchased 5,178 shares of its common stock at a cost of \$49,000. The Bank may still purchase shares worth up to \$2.1 million under its current buyback approval.

IIB will file its Consolidated Report of Condition and Income for the quarter ended March 31, 2017, (“Call Report”) with the Federal Deposit Insurance Corporation by April 30, 2017. The Call Report will be posted 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 operates branches in Boise (3), Caldwell, Coeur d'Alene, Hayden, Meridian, Mountain Home, Nampa, Star, and Sun Valley/Ketchum, Idaho. IIB earned honorable mention as one of the Best Places to Work in Idaho through a survey conducted by Populus in 2016 & 2017, was named to DepositAccounts.com's Top 200 Healthiest Banks in America in 2015 & 2016, 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 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,	
	2017	2016
Net interest income	\$ 4,971	\$ 4,310
Provision for loan losses	-	-
Net interest income after provision for loan losses	4,971	4,310
Noninterest income	1,775	1,147
Noninterest expense	5,513	4,622
Income before income tax expense (benefit)	1,233	835
Income tax expense (benefit)	450	63
Net income	<u>\$ 783</u>	<u>\$ 772</u>

Earnings per share:		
Basic	\$ 0.10	\$ 0.10
Diluted	\$ 0.10	\$ 0.09

SELECTED BALANCE SHEET ACCOUNTS	March 31,	March 31,
	2017	2016
Loans held for sale	\$ 3,418	\$ 6,418
Loans receivable	326,150	293,635
Gross loans	329,568	300,053
Allowance for loan losses	6,259	6,280
Total assets	666,591	563,254
Deposits	556,990	464,365
Customer repurchase agreements	27,504	21,422
Total deposits and repurchase agreements	584,494	485,787
Stockholders' equity	64,889	64,338

PER SHARE DATA

Common shares outstanding	7,629,190	8,062,627
Book value per share	\$ 8.51	\$ 7.98

PERFORMANCE RATIOS (annualized)	Three Months Ended	
	March 31,	
	2017	2016
Return on average assets	0.50%	0.56%
Return on average equity	4.92%	4.82%
Efficiency ratio	81.72%	84.70%
Net interest margin	3.39%	3.38%