



Idaho First Bank Reports 1st Quarter Results and Capital Agreement

McCall, Idaho – (Market Wire) – April 29, 2009 – Today Idaho First Bank (OTCBB:IDFB) reported financial results for the first quarter of 2009. The Bank continues to report significant growth. Loans grew to \$55.4 million at March 31, a 51% increase from one year ago. Deposits grew by 53% during the same period.

The net loss reported for the first quarter of 2009 was \$395,000 compared with a loss of \$728,000 in the first quarter of 2008 and \$603,000 in the fourth quarter of 2008. The first quarter 2009 loss is less than those earlier quarters because of a reduced provision for credit losses. Net interest margin continued to contract as a result of extremely low interest rates but now appears to be stabilizing.

The allowance for loan losses was 1.54% of total loans at the end of the quarter and was 49% of nonperforming loans at March 31, 2009. The Bank continues to be impacted by worsening economic conditions both nationally and locally. As of March 31, 2009, nonperforming loans increased to \$1,731,000, or 3.12% of loans. In addition, the Bank had \$519,000 of other real estate owned bringing total nonperforming assets to \$2,250,000. "The Bank's lending staff is working diligently with our clients to identify potential problems early and to begin mitigation actions as soon as possible," stated President and CEO Greg Lovell. He further noted that "despite these diligent efforts the economic climate will continue to be a negative impact on growth and credit this year."

On April 28, 2009, the Bank signed a Preferred Stock Purchase Agreement with Alcar, LLC wherein Alcar agrees to purchase \$7.1 million of newly issued preferred stock of the Bank. The preferred stock will be convertible to common stock at a price of \$5.00 per share, at their option, but not later than December 31, 2012. The preferred stock will have voting rights and will not pay dividends. The finalization of this investment is subject to approval by the bank regulatory agencies. The regulatory approvals are expected to be gained during the third quarter of 2009. When the investment is complete Mr. Robert Hirt and Mr. Gary Lieberman will represent this major investment by joining the Board of Directors.

Mr. Lieberman is the founder and Managing Director of Westside Advisors, LLC, an investment management firm located in New York City. Mr. Hirt is the founder and CEO of RPM Mortgage, Inc. of Walnut Creek, California. His company will originate approximately \$3 billion in new residential mortgages this year in the twelve states in which they operate.

This investment will be subject to shareholder approval which should be completed before the end of the second quarter. Idaho First Bank is one of the few banks in the nation to have raised private capital this year. "We believe this investment significantly strengthens the balance sheet of the bank and provides a very solid base to reach profitability," said Mr. Lovell. "We are pleased to affiliate with a Bank that has established an impressive market share in a short time," stated Mr. Lieberman. Mr. Hirt added, "We believe that the combination of banking, investment, and mortgage lending will allow us to build a powerful and stable financial services company."

This capital infusion is extremely good news for all shareholders as it will allow the Bank to attain profitability shortly following the close of the transaction. Shareholders will receive additional information in the near future regarding this transaction.

Idaho First Bank is a state-chartered commercial bank that opened for business in October 2005. Its headquarters are located in McCall, Idaho, with a loan production office in downtown Boise. The stock is traded over-the-counter under symbol IDFB.OB.

This release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). Such forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those projected. These risks and uncertainties include, but are not limited to, economic conditions, the regulatory environment, loan concentrations, vendors, employees, technology, competition, and interest rates. Readers are cautioned not to place undue reliance on the forward-looking statements. Idaho First Bank has no obligation to publicly update the forward-looking statements after the date of this release. This statement is included for the express purpose of invoking PSLRA's safe harbor provisions.

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Idaho First Bank
Financial Highlights (unaudited)
(Dollars in thousands, except per share)

For the three months ended March 31:	2009	2008	Change	
Net interest income	\$ 556	\$ 420	\$ 136	32%
Provision for loan losses	225	410	(185)	-45%
Mortgage banking income	65	33	32	97%
Other noninterest income	49	43	6	14%
Noninterest expenses	840	814	26	3%
Net loss	(395)	(728)	333	46%
At March 31:	2009	2008	Change	
Loans	\$ 55,394	\$ 36,689	\$ 18,705	51%
Allowance for loan losses	854	462	392	85%
Assets	67,558	46,193	21,365	46%
Deposits	56,786	36,998	19,788	53%
Stockholders' equity	6,124	5,361	763	14%
Nonaccrual loans	1,133	147	986	
Accruing loan more than 90 days past due	598		598	
Other real estate owned	519		519	
Total nonperforming assets	2,250	147	2,103	
Book value per share	4.45	5.88	(1.43)	-24%
Shares outstanding	1,376,584	910,964	465,620	51%
Allowance to loans	1.54%	1.26%		
Allowance to nonperforming loans	49%	314%		
Nonperforming loans to total loans	3.12%	0.40%		
Averages for the three months ended March 31:	2009	2008	Change	
Loans	\$ 53,814	\$ 31,195	\$ 22,619	73%
Earning assets	65,418	40,563	24,855	61%
Assets	68,547	42,984	25,563	59%
Deposits	58,083	34,255	23,828	70%
Stockholders' equity	6,057	5,717	340	6%
Loans to deposits	93%	91%		
Net interest margin	3.45%	4.16%		

Idaho First Bank
Quarterly Financial Highlights (unaudited)
(Dollars in thousands)

	<u>Q1 2009</u>	<u>Q4 2008</u>	<u>Q3 2008</u>	<u>Q2 2008</u>	<u>Q1 2008</u>
Net interest income	\$ 556	\$ 537	\$ 543	\$ 477	\$ 420
Provision for loan losses	225	400	175	65	410
Mortgage banking income	65	21	58	49	33
Other noninterest income	49	50	65	48	43
Noninterest expenses	840	811	840	836	814
Net loss	(395)	(603)	(349)	(327)	(728)
Period End Information	<u>Q1 2009</u>	<u>Q4 2008</u>	<u>Q3 2008</u>	<u>Q2 2008</u>	<u>Q1 2008</u>
Loans	\$ 55,394	\$ 51,665	\$ 45,833	\$ 42,123	\$ 36,689
Allowance for loan losses	854	741	697	527	462
Nonperforming loans	1,731	1,150	428	147	147
Other real estate owned	519	459			
Quarterly net charge-offs	112	356	5	-	348
Allowance to loans	1.54%	1.43%	1.52%	1.25%	1.26%
Allowance to nonperforming loans	49%	64%	163%	359%	314%
Nonperforming loans to loans	3.12%	2.23%	0.93%	0.35%	0.40%
Average Balance Information	<u>Q1 2009</u>	<u>Q4 2008</u>	<u>Q3 2008</u>	<u>Q2 2008</u>	<u>Q1 2008</u>
Loans	\$ 53,814	\$ 47,504	\$ 43,025	\$ 39,929	\$ 31,195
Earning assets	65,418	60,269	56,757	48,764	40,563
Assets	68,547	62,853	59,588	51,281	42,984
Deposits	58,083	53,441	50,236	42,810	34,255
Stockholders' equity	6,057	5,991	5,615	5,039	5,717
Loans to deposits	93%	89%	86%	93%	91%
Net interest margin	3.45%	3.54%	3.81%	3.93%	4.16%