

Idaho First Bank Announces Mid-year 2018 Results

McCall, Idaho – August 2, 2018 – Today Idaho First Bank (the “Bank”) (OTC: IDFB) announced unaudited financial results for the first half of 2018.

Net income for the first half of 2018 was \$111,000, an improvement of \$243,000, from the net loss of \$132,000 in the first six months of 2017. The major factor driving this improvement was the \$722,000 growth in net interest income. This 28% year-to-year improvement was primarily due to a 24% increase in average loan balances. Net interest income also benefited from net interest margin improving from 3.79% to 3.86%.

Mark Miller, Chairman of the Board, commented, “The Board is pleased with the positive trends in Bank earnings during the past year. The Board continues to be active in their oversight responsibilities and in referring business to the Bank. I believe that everyone in the organization is focused on growing safely and profitably.”

Greg Lovell, President and CEO commented, “The branches in Eagle and New Meadows, which opened in late 2016, are growing and are helping the Bank improve earnings. They are providing additional lower cost core deposits which was one of the strategic goals in adding these offices.”

At June 30, 2018, the Bank’s total assets were \$188 million, an increase of \$29 million, or 18% over June 30, 2017. Total loans increased 21%, or \$27 million. Deposits increased 19% during the same 12 months. The Bank’s local core deposit growth was strong which allowed for a significant reduction in wholesale deposits. President Lovell commented “the growth in assets shows the strength of our core markets and that our team is doing a great job of providing remarkable experiences to our clients. Our Associates drive the growth of this Bank and we appreciate their efforts.”

The allowance for loan losses stood at \$1,847,000, or 1.20% of loans at June 30, 2018. Total nonperforming assets were \$1.3 million at June 30, 2018. The Bank believes the majority of these loans will be positively resolved by the end of 2018. The Bank has no other real estate owned.

Shareholders’ equity at June 30, 2018, was \$17.0 million, and book value per share was \$5.64. “The Bank’s capital ratios remain strong and exceed the regulatory thresholds required for well-capitalized banks”, stated Don Madsen, EVP and Chief Financial Officer.

Idaho First Bank is a state-chartered commercial bank that opened for business in October 2005. Its headquarters are located in McCall, Idaho, with branches in Boise, Eagle and New Meadows.

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)

For the six months ended June 30:	2018	2017	Change	
Net interest income	\$ 3,324	\$ 2,602	\$ 722	28%
Provision for loan losses	140	50	90	180%
Mortgage banking income	927	892	35	4%
Other noninterest income	252	238	14	6%
Noninterest expenses	4,161	3,897	264	7%
Net income (loss) before taxes	202	(215)	417	194%
Tax provision (benefit)	91	(83)	174	210%
Net income (loss)	\$ 111	\$ (132)	\$ 243	184%
At June 30:	2018	2017	Change	
Loans	\$ 153,687	\$ 127,155	\$ 26,532	21%
Allowance for loan losses	1,847	1,502	345	23%
Assets	188,088	158,933	29,155	18%
Deposits	165,597	138,895	26,702	19%
Stockholders' equity	16,951	16,584	367	2%
Nonaccrual loans	1,255	1,274	(19)	-1%
Accruing loans more than 90 days past due	-	-	-	
Other real estate owned	-	-		
Total nonperforming assets	1,255	1,274	(19)	-1%
Book value per share	5.64	6.19	(0.55)	-9%
Shares outstanding	3,004,634	2,680,883	323,751	12%
Allowance to loans	1.20%	1.18%		
Allowance to nonperforming loans	147%	118%		
Nonperforming loans to total loans	0.82%	1.00%		
Averages for the six months ended June 30:	2018	2017	Change	
Loans	\$ 148,785	\$ 120,031	\$ 28,754	24%
Earning assets	173,636	138,590	35,046	25%
Assets	183,214	150,826	32,388	21%
Deposits	162,191	130,799	31,392	24%
Stockholders' equity	17,143	16,593	550	3%
Loans to deposits	92%	92%		
Net interest margin	3.86%	3.79%		

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

Income Statement	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Net interest income	\$ 1,687	\$ 1,637	\$ 1,555	\$ 1,406	\$ 1,318
Provision for loan losses	70	70	85	70	50
Mortgage banking income	334	593	503	606	540
Other noninterest income	126	126	144	135	123
Noninterest expenses	1,960	2,201	1,966	2,011	1,919
Net income before taxes	117	85	151	66	12
Tax provision	32	59	1,098	25	4
Net income (loss)	\$ 85	\$ 26	\$ (947)	\$ 41	\$ 8
Period End Information	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Loans	\$ 153,687	\$ 149,157	\$ 144,114	\$ 135,177	\$ 127,155
Allowance for loan losses	1,847	1,762	1,659	1,574	1,502
Nonperforming loans	1,255	1,257	1,264	1,264	1,274
Other real estate owned	-	-	-	-	-
Quarterly net charge-offs (recoveries)	(15)	(33)	(1)	(1)	(5)
Allowance to loans	1.20%	1.18%	1.15%	1.16%	1.18%
Allowance to nonperforming loans	147%	140%	131%	125%	118%
Nonperforming loans to loans	0.82%	0.84%	0.88%	0.94%	1.00%
Average Balance Information	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Loans	\$ 150,791	\$ 146,756	\$ 139,476	\$ 127,345	\$ 122,050
Earning assets	174,190	173,075	161,956	148,785	138,177
Assets	183,518	182,907	172,735	161,352	150,754
Deposits	162,091	162,292	152,250	141,176	130,735
Stockholders' equity	17,159	17,127	16,953	16,677	16,564
Loans to deposits	93%	90%	92%	90%	93%
Net interest margin	3.88%	3.84%	3.81%	3.75%	3.83%