

## **Idaho First Bank Announces Year-end Results**

McCall, Idaho – February 6, 2019 – Today Idaho First Bank (the “Bank”) (OTC: IDFB) announced financial results for the year ended December 31, 2018. Net income in 2018 was \$569,000, compared to a loss of \$1,038,000 in 2017. On a pre-tax basis, the Bank reported a record \$826,000 of net income before taxes for the year ended December 31, 2018.

The major factor driving this improvement was an increase of \$1,520,000 in net interest income. This 27% year-to-year improvement was primarily due to a 23% increase in average loan balances. Net interest income also benefited from net interest margin improving 13 basis points from 3.78% to 3.91%.

Mark Miller, Chairman of the Board, commented, “The Board is pleased with the record pre-tax results for the year, and the improving trends from quarter to quarter. I believe that everyone in the organization is focused on moving the Bank forward in accomplishing its strategic plans.”

At December 31, 2018, the Bank’s total assets were \$204 million, an increase of \$26 million, or 15% over December 31, 2017. At the same time, total loans increased 16%, or \$23 million. Deposits increased 14% 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. Our team is doing a great job of providing remarkable experiences to our clients. Our associates drive the growth of this Bank and foster a culture of excellence. We appreciate their efforts.”

The allowance for loan losses stood at \$2,114,000, or 1.27% of loans at December 31, 2018. This was a substantial improvement from 1.15% at the end of 2017. Net charge-offs in 2018 were zero. Total nonperforming assets declined to \$449,000 at December 31, 2018. The Bank has no other real estate owned. President Lovell commented, “The reduction in nonperforming assets was significant in 2018 and the allowance for loan losses has strengthened. The Bank’s asset quality is very strong.”

Shareholders’ equity at December 31, 2018, was \$18.1 million. Book value per share improved from \$5.65 at the end of 2017 to \$5.83 at the end of 2018, as a result of the improvement in profitability and accretive stock issuances. “The Bank’s capital ratios remain strong and exceed the regulatory requirements 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)

<b>For the year ended December 31:</b>	<b>2018</b>	<b>2017</b>	<b>Change</b>	
Net interest income	\$ 7,083	\$ 5,563	\$ 1,520	27%
Provision for loan losses	455	205	250	122%
Mortgage banking income	1,583	2,001	(418)	-21%
Other noninterest income	552	517	35	7%
Noninterest expenses	7,937	7,874	63	1%
Net income before taxes	826	2	824	
Tax provision	257	1,040	(783)	-75%
Net income (loss)	\$ 569	\$ (1,038)	\$ 1,607	155%
<b>At December 31:</b>	<b>2018</b>	<b>2017</b>	<b>Change</b>	
Loans	\$ 166,830	\$ 144,114	\$ 22,716	16%
Allowance for loan losses	2,114	1,659	455	27%
Assets	203,849	177,891	25,958	15%
Deposits	180,246	157,572	22,674	14%
Stockholders' equity	18,075	16,894	1,181	7%
Nonaccrual loans	449	1,264	(815)	-64%
Accruing loans more than 90 days past due	-	-	-	
Other real estate owned	-	-		
Total nonperforming assets	449	1,264	(815)	-64%
Book value per share	5.83	5.65	0.18	3%
Shares outstanding	3,099,452	2,987,698	111,754	4%
Allowance to loans	1.27%	1.15%		
Allowance to nonperforming loans	471%	131%		
Nonperforming loans to total loans	0.27%	0.88%		
<b>Averages for the year ended December 31:</b>	<b>2018</b>	<b>2017</b>	<b>Change</b>	
Loans	\$ 155,403	\$ 126,776	\$ 28,627	23%
Earning assets	181,270	147,049	34,221	23%
Assets	190,644	159,002	31,642	20%
Deposits	168,539	138,822	29,717	21%
Stockholders' equity	17,338	16,705	633	4%
Loans to deposits	92%	91%		
Net interest margin	3.91%	3.78%		

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

<b>Income Statement</b>	<b>Q4 2018</b>	<b>Q3 2018</b>	<b>Q2 2018</b>	<b>Q1 2018</b>	<b>Q4 2017</b>
Net interest income	\$ 1,927	\$ 1,832	\$ 1,687	\$ 1,637	\$ 1,555
Provision for loan losses	175	140	70	70	85
Mortgage banking income	314	342	334	593	503
Other noninterest income	162	138	126	126	144
Noninterest expenses	1,891	1,885	1,960	2,201	1,966
Net income before taxes	337	287	117	85	151
Tax provision	91	75	32	59	1,098
Net income (loss)	\$ 246	\$ 212	\$ 85	\$ 26	\$ (947)
<b>Period End Information</b>	<b>Q4 2018</b>	<b>Q3 2018</b>	<b>Q2 2018</b>	<b>Q1 2018</b>	<b>Q4 2017</b>
Loans	\$ 166,830	\$ 161,904	\$ 153,687	\$ 149,157	\$ 144,114
Allowance for loan losses	2,114	1,988	1,847	1,762	1,659
Nonperforming loans	449	1,255	1,255	1,257	1,264
Other real estate owned	-	-	-	-	-
Quarterly net charge-offs (recoveries)	49	(1)	(15)	(33)	(1)
Allowance to loans	1.27%	1.23%	1.20%	1.18%	1.15%
Allowance to nonperforming loans	471%	158%	147%	140%	131%
Nonperforming loans to loans	0.27%	0.78%	0.82%	0.84%	0.88%
<b>Average Balance Information</b>	<b>Q4 2018</b>	<b>Q3 2018</b>	<b>Q2 2018</b>	<b>Q1 2018</b>	<b>Q4 2017</b>
Loans	\$ 164,836	\$ 158,991	\$ 150,791	\$ 146,756	\$ 139,476
Earning assets	191,291	186,270	174,190	173,075	161,956
Assets	200,387	195,520	183,518	182,907	172,735
Deposits	177,021	172,548	162,091	162,292	152,250
Stockholders' equity	17,651	17,407	17,159	17,127	16,953
Loans to deposits	93%	92%	93%	90%	92%
Net interest margin	4.00%	3.90%	3.88%	3.84%	3.81%