

Idaho First Bank Announces 2017 Third Quarter Results

McCall, Idaho – October 24, 2017 – Today Idaho First Bank (the “Bank”) (OTC: IDFB) announced unaudited financial results for the third quarter of 2017.

Pre-tax income for the third quarter was \$66,000, an increase of \$54,000, or 450%, over the \$12,000 pre-tax earnings in the second quarter of 2017. Pre-tax earnings represent an improvement of \$232,000 over the third quarter of 2016. Mark Miller, Chairman of the Board, commented, “The Board is pleased with the trends in Bank earnings, showing profitable growth from investments made this past year.”

Greg Lovell, President and CEO commented, “While modest, the positive income for the second and third quarters is an indication that the Bank is benefiting from strong growth in deposits and loans from our new Eagle and New Meadows branches.” For the nine months ending on September 30, 2017, the Bank reported a pre-tax loss of \$149,000 which is \$194,000, or 57% lower, than the \$343,000 loss for the same period in 2016. “While year-to-date results are still negative, each quarter since the fourth quarter of 2016 has shown improvement. The positive results for the second and third quarter of this year provide evidence of our improving fundamentals,” stated President Lovell.

At September 30, 2017, the Bank’s total assets were \$163.2 million, an increase of \$22.2 million or 16% over September 30, 2016. Total loans, including held-for-sale loans, increased 17% or \$19.7 million. Deposits increased \$21.2 million or 17% over 2016. The Bank’s core local deposit growth was strong allowing a significant reduction in wholesale deposits. Reflecting the growth in loans, there was a 16% growth in net interest income in the first nine months of 2017, compared to the same period in 2016.

The allowance for loan losses stood at \$1,574,000, or 1.16% of loans at September 30, 2017. Total nonperforming assets were \$1.3 million, an improvement from the \$1.5 million balance a year ago. The Bank believes the majority of these loans will be positively resolved during the fourth quarter. The Bank had no other real estate owned at quarter-end.

Shareholders’ equity at September 30, 2017, was \$16.6 million, an increase of over \$1 million from the prior year. “The Bank’s capital ratios remain strong and exceed the regulatory thresholds required to be considered “Well-Capitalized”, stated Don Madsen, EVP and Chief Financial Officer. Book value per share was \$6.19 at September 30, 2017.

“The loan growth and strong economic conditions in our primary market area continue to support improvement in our operations. While marketplace uncertainties and extensive competition will continue to challenge us, we are focused on improving our performance as we move forward this year,” stated Greg Lovell, President and CEO.

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.

Contacts: Greg Lovell - 208.630.2001; Don Madsen - 208.947.0430

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

For the nine months ended September 30:	2017	2016	Change	
Net interest income	\$ 4,008	\$ 3,463	\$ 545	16%
Provision for loan losses	120	355	(235)	-66%
Mortgage banking income	1,498	1,594	(96)	-6%
Other noninterest income	373	301	72	24%
Noninterest expenses	5,908	5,346	562	11%
Net income (loss) before taxes	(149)	(343)	194	57%
Tax provision (benefit)	(58)	(134)	76	57%
Net income (loss)	\$ (91)	\$ (209)	\$ 118	56%
At September 30:	2017	2016	Change	
Loans	\$ 135,177	\$ 115,472	\$ 19,705	17%
Allowance for loan losses	1,574	1,454	120	8%
Assets	163,193	140,995	22,198	16%
Deposits	143,083	121,873	21,210	17%
Stockholders' equity	16,616	15,551	1,065	7%
Nonaccrual loans	1,264	1,531	(267)	-17%
Accruing loans more than 90 days past due	-	-		
Other real estate owned	-	-		
Total nonperforming assets	1,264	1,531	(267)	-17%
Book value per share	6.19	6.58	(0.39)	-6%
Shares outstanding	2,682,449	2,361,733	320,716	14%
Allowance to loans	1.16%	1.26%		
Allowance to nonperforming loans	125%	95%		
Nonperforming loans to total loans	0.94%	1.33%		
Averages for the nine months ended Sep 30:	2017	2016	Change	
Loans	\$ 122,496	\$ 103,468	\$ 19,028	18%
Earning assets	142,026	118,050	23,976	20%
Assets	154,373	129,349	25,024	19%
Deposits	134,296	110,592	23,704	21%
Stockholders' equity	16,621	15,632	989	6%
Loans to deposits	91%	94%		
Net interest margin	3.77%	3.92%		

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

Income Statement	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net interest income	\$ 1,406	\$ 1,318	\$ 1,284	\$ 1,268	\$ 1,206
Provision for loan losses	70	50	-	140	130
Mortgage banking income	606	540	352	627	649
Other noninterest income	135	123	115	109	114
Noninterest expenses	2,011	1,919	1,978	2,142	2,006
Net income (loss) before taxes	66	12	(227)	(278)	(167)
Tax provision (benefit)	25	4	(87)	(113)	(65)
Net income (loss)	\$ 41	\$ 8	\$ (140)	\$ (165)	\$ (102)
Period End Information	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Loans	\$ 135,177	\$127,155	\$ 115,322	\$ 120,630	\$115,472
Allowance for loan losses	1,574	1,502	1,447	1,602	1,454
Nonperforming loans	1,264	1,274	1,297	1,531	1,531
Other real estate owned	-	-	-	-	-
Quarterly net charge-offs	(1)	(5)	154	(8)	192
Allowance to loans	1.16%	1.18%	1.25%	1.33%	1.26%
Allowance to nonperforming loans	125%	118%	112%	105%	95%
Nonperforming loans to loans	0.94%	1.00%	1.12%	1.27%	1.33%
Average Balance Information	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Loans	\$ 127,345	\$122,050	\$ 117,990	\$ 116,517	\$112,166
Earning assets	148,785	138,177	139,007	134,662	126,494
Assets	161,352	150,754	150,899	146,399	137,902
Deposits	141,176	130,735	130,864	127,152	118,768
Stockholders' equity	16,677	16,564	16,622	15,665	15,620
Loans to deposits	90%	93%	90%	92%	94%
Net interest margin	3.75%	3.83%	3.75%	3.75%	3.79%