

Idaho First Bank Announces 2017 Year-end Results

McCall, Idaho – January 23, 2018 – Today Idaho First Bank (the “Bank”) (OTC: IDFB) announced unaudited financial results for the year ended December 31, 2017.

Pre-tax net income for the fourth quarter of 2017 was \$151,000, an increase of \$85,000, or 129%, over the \$66,000 pre-tax earnings in the third quarter of 2017. Pre-tax earnings for the fourth quarter represent an improvement of \$429,000 over the fourth quarter of 2016. Pre-tax earnings for the full year of 2017 were \$2,000 compared to a pre-tax loss of \$621,000 in 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 year validates the growth strategy of opening our new branches in Eagle and New Meadows.” Because of the recent lowering of the Federal corporate income tax rate, the Bank’s deferred taxes had to be revalued at the new tax rate, causing a one-time income tax provision of \$1,040,000. This tax provision caused the Bank to report a net loss of \$1,038,000 for 2017. However, the lower income tax rate will benefit net income in future years.

At December 31, 2017, the Bank’s total assets were \$178 million, an increase of \$28 million, or 19% over December 31, 2016. Total loans, including held-for-sale loans, increased 19%, or \$23 million. Deposits increased 22% over 2016. The Bank’s core local deposit growth was strong which resulted in a significant reduction in wholesale deposits. Reflecting the growth in loans, there was an 18% growth in net interest income for the year.

The allowance for loan losses stood at \$1,659,000, or 1.15% of loans at December 31, 2017. Total nonperforming assets were \$1.3 million at year-end, an improvement from the \$1.5 million balance a year ago. The Bank believes the majority of these loans will be positively resolved in the first half of 2018. The Bank had no other real estate owned at year-end.

Shareholders’ equity at December, 2017, was \$16.9 million. While equity was reduced by the net loss of \$1,038,000, the Bank received \$1.3 million of new capital from the exercise of stock warrants at a price of \$4.20 per share. Book value per share was \$5.65 at December 31, 2017. “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.

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 year ended December 31:	2017	2016	Change	
Net interest income	\$ 5,563	\$ 4,731	\$ 832	18%
Provision for loan losses	205	495	(290)	-59%
Mortgage banking income	2,001	2,221	(220)	-10%
Other noninterest income	517	410	107	26%
Noninterest expenses	7,874	7,488	386	5%
Net income (loss) before taxes	2	(621)	623	100%
Tax provision (benefit)	1,040	(247)	1,287	521%
Net loss	\$ (1,038)	\$ (374)	\$ (664)	-178%
At December 31:	2017	2016	Change	
Loans	\$ 144,114	\$ 120,630	\$ 23,484	19%
Allowance for loan losses	1,659	1,602	57	4%
Assets	177,891	149,490	28,401	19%
Deposits	157,572	129,460	28,112	22%
Stockholders' equity	16,894	16,600	294	2%
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	5.65	6.22	(0.57)	-9%
Shares outstanding	2,987,698	2,666,727	320,971	12%
Allowance to loans	1.15%	1.33%		
Allowance to nonperforming loans	131%	105%		
Nonperforming loans to total loans	0.88%	1.27%		
Averages for the year ended December 31:	2017	2016	Change	
Loans	\$ 126,776	\$ 106,748	\$ 20,028	19%
Earning assets	147,049	122,226	24,823	20%
Assets	159,002	133,635	25,367	19%
Deposits	138,822	114,755	24,067	21%
Stockholders' equity	16,705	15,640	1,065	7%
Loans to deposits	91%	93%		
Net interest margin	3.78%	3.87%		

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Quarterly Financial Highlights (unaudited)
(Dollars in thousands)

Income Statement	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Net interest income	\$ 1,555	\$ 1,406	\$ 1,318	\$ 1,284	\$ 1,268
Provision for loan losses	85	70	50	-	140
Mortgage banking income	503	606	540	352	627
Other noninterest income	144	135	123	115	109
Noninterest expenses	1,966	2,011	1,919	1,978	2,142
Net income (loss) before taxes	151	66	12	(227)	(278)
Tax provision (benefit)	1,098	25	4	(87)	(113)
Net income (loss)	\$ (947)	\$ 41	\$ 8	\$ (140)	\$ (165)
Period End Information	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Loans	\$ 144,114	\$135,177	\$ 127,155	\$ 115,322	\$120,630
Allowance for loan losses	1,659	1,574	1,502	1,447	1,602
Nonperforming loans	1,264	1,264	1,274	1,297	1,531
Other real estate owned	-	-	-	-	-
Quarterly net charge-offs	(1)	(1)	(5)	154	(8)
Allowance to loans	1.15%	1.16%	1.18%	1.25%	1.33%
Allowance to nonperforming loans	131%	125%	118%	112%	105%
Nonperforming loans to loans	0.88%	0.94%	1.00%	1.12%	1.27%
Average Balance Information	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Loans	\$ 139,476	\$127,345	\$ 122,050	\$ 117,990	\$116,517
Earning assets	161,956	148,785	138,177	139,007	134,662
Assets	172,735	161,352	150,754	150,899	146,399
Deposits	152,250	141,176	130,735	130,864	127,152
Stockholders' equity	16,953	16,677	16,564	16,622	15,665
Loans to deposits	92%	90%	93%	90%	92%
Net interest margin	3.81%	3.75%	3.83%	3.75%	3.75%