



IDAHO FIRST BANK

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Idaho First Bank Announces Year-end Results

McCall, Idaho – February 11, 2020 – Today Idaho First Bank (the “Bank”) (OTC: IDFB) announced financial results for the year ended December 31, 2019. Net income in 2019 increased 76% over net income in 2018. Net income was \$1,003,000, compared to 569,000, in 2018. On a pre-tax basis, the Bank reported a record \$1,385,000 net income before taxes for the year ended December 31, 2019. Major factors driving this improvement were an increase in net interest income of \$791,000, combined with a reduction of \$387,000 in noninterest expense. Performance was impacted by the Bank’s decision to reposition and reorganize its residential mortgage process in 2019, to allow for greater flexibility in this core area. This process caused mortgage-banking income to drop by 52% in 2019. The Bank expects to reintroduce an improved and more responsive residential real estate process during the second quarter of 2020.

Mark Miller, Chairman of the Board, commented, “The Board is pleased with our 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, 2019, the Bank’s total assets were \$220 million, an increase of \$16 million, or 8% over December 31, 2018. Average loans for the year increased 3% from 2018, while average deposits increase 10% as average non-interest bearing deposits increased 28%. The Bank’s local core deposit growth allowed for a significant reduction in wholesale deposits. President Lovell commented, “The growth in assets shows the strength of our core markets especially in the last half of the year. The additional capital, combined with the addition of seasoned and well positioned new officers, and the addition of the Ketchum office, will drive robust loan and deposit growth for the coming year. 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 \$2,096,000, or 1.20% of loans at December 31, 2019. This was a slight decline from 1.27% at the end of 2018. Total nonperforming assets declined to \$153,000 at December 31, 2019. The Bank has no other real estate owned. EVP and Chief Credit Officer, Kathleen Lewis, commented, “The continued reduction in nonperforming assets is a reflection of both the strong local economies we serve and good credit resolution management. The Bank’s asset quality is very strong and the allowance for loan losses remains fully funded. While past due loans show a spike at the end of 2019, the primarily reflect delayed renewals which resolved shortly after year end.”

Shareholders’ equity at December 31, 2019, was \$27.8 million. Book value per share improved from \$5.83 at the end of 2018 to \$6.15 at the end of 2019, as a result of the improvement in profitability and the accretive stock issue that raised \$9.5 million. “The Bank’s capital ratios are strong, especially after

our successful capital raise. They are well in excess of the regulatory requirements for well-capitalized banks”, stated Stephen Speidel, SVP 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, New Meadows, and Ketchum.

About Idaho First Bank

Idaho First Bank is a full service state-chartered community bank established in October 2005 and headquartered in McCall, Idaho. The Bank serves the greater southwest Idaho communities with four additional branches located in New Meadows, Eagle, Ketchum, and Boise. Idaho First Bank is a member of the FDIC and an Equal Housing Lender. For more information, visit us at www.idahofirstbank.com

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 forward-looking statements after the date of this release. This statement is included for the express purpose of invoking PSLRA’s safe harbor provisions.

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

For the year ended December 31:	2019	2018	Change	
Net interest income	\$ 7,874	\$ 7,083	\$ 791	11%
Provision for loan losses	290	455	(165)	-36%
Mortgage banking income	763	1,583	(820)	-52%
Other noninterest income	588	552	36	6%
Noninterest expenses	7,550	7,937	(387)	-5%
Net income before taxes	1,385	826	559	68%
Tax provision	382	257	125	49%
Net income	\$ 1,003	\$ 569	\$ 434	76%

At December 31:	2019	2018	Change	
Loans	\$ 174,246	\$ 166,830	\$ 7,416	4%
Allowance for loan losses	2,096	2,114	(18)	-1%
Assets	220,077	203,849	16,228	8%
Deposits	186,189	180,246	5,943	3%
Stockholders' equity	27,828	18,075	9,753	54%
Nonaccrual loans	153	449	(296)	-66%
Accruing loans more than 90 days past due	-	-	-	
Other real estate owned	-	-	-	
Total nonperforming assets	153	449	(296)	-66%
Book value per share	6.15	5.83	0.32	5%
Shares outstanding	4,526,109	3,099,452	1,426,657	46%
Allowance to loans	1.20%	1.27%		
Allowance to nonperforming loans	1370%	471%		
Nonperforming loans to total loans	0.09%	0.27%		

Averages for the year ended December 31:	2019	2018	Change	
Loans	\$ 160,002	\$ 155,403	\$ 4,599	3%
Earning assets	202,676	181,270	21,406	12%
Assets	212,383	190,644	21,739	11%
Deposits	186,071	168,539	17,532	10%
Stockholders' equity	20,129	17,338	2,791	16%
Loans to deposits	86%	92%		
Net interest margin	3.89%	3.91%		

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

Income Statement	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Net interest income	\$ 1,962	\$ 1,936	\$ 1,964	\$ 2,013	\$ 1,927
Provision for loan losses	105	-	-	185	175
Mortgage banking income	107	101	322	233	314
Other noninterest income	150	160	145	133	162
Noninterest expenses	1,784	1,761	2,031	1,974	1,891
Net income before taxes	330	435	400	220	337
Tax provision	88	119	107	68	91
Net income	\$ 242	\$ 316	\$ 293	\$ 152	\$ 246
Period End Information	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Loans	\$ 174,246	\$ 157,134	\$ 153,673	\$ 161,243	\$ 166,830
Allowance for loan losses	2,096	1,990	2,004	2,003	2,114
Nonperforming loans	153	158	149	149	449
Other real estate owned	-	-	-	-	-
Quarterly net charge-offs (recoveries)	(1)	13	(1)	297	49
Allowance to loans	1.20%	1.27%	1.30%	1.24%	1.27%
Allowance to nonperforming loans	1370%	1260%	1342%	1344%	471%
Nonperforming loans to loans	0.09%	0.10%	0.10%	0.09%	0.27%
Average Balance Information	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Loans	\$ 161,850	\$ 153,738	\$ 159,624	\$ 164,898	\$ 164,836
Earning assets	207,979	204,516	198,127	199,974	191,291
Assets	218,964	213,835	207,273	209,341	200,387
Deposits	188,089	188,512	182,588	185,035	177,021
Stockholders' equity	23,213	20,032	18,769	18,452	17,651
Loans to deposits	86%	82%	87%	89%	93%
Net interest margin	3.74%	3.76%	3.98%	4.08%	4.00%