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NEWS RELEASE

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DEPARTMENT OF FINANCE ISSUES BANK CHARTER TO BANK OF LATAH

BANK EXPECTS TO OPEN IN ST. MARIES ON FEBRUARY 27

Boise, Idaho...Gavin M. Gee, Acting Director of the Idaho Department of Finance, today announced the approval of the application by Bank of Latah to relocate its head office to St. Maries, Idaho, and become an Idaho state chartered bank. The head office will be located at 1500 Main Street and a deposit office will be located at 109 College Avenue. The bank expects to open February 27. The bank's current head office is located in Latah, Washington. Latah is a small farming community located less than 30 miles from St. Maries. The Bank of Latah also operates offices in Oakesdale, Palouse, and Tekoa, Washington.

Legislation passed last year has allowed Bank of Latah the opportunity to expand into Idaho. Established in 1890, the bank reported \$39 million in assets at year end 1995. John Gilbert is the bank's President and a director of the bank. Gilbert, a well known and respected banker, started with the bank in 1974. Other members of the board are Dan Messinger, Gordon W. Lederer, A. Vernon McCormack, Helen E. Nelson, Walter Olson, Milton O. Wolf, and Board Chairman Jay Wernz. Overall, management and the Board have a good understanding of the Benewah County market area. The bank has received good performance ratings from bank regulators for providing services to the communities it serves.

While St. Maries and the surrounding area has been hard hit by the recent floods, Gilbert reported the bank is excited about expanding into this part of Idaho at this time. He expects that another bank will benefit Idaho residents at a time when many will need financial assistance. The bank is optimistic about the potential for growth in the St. Maries community and the surrounding area.

Gee stated, "We are very pleased to be able to approve another bank for St. Maries and the surrounding area, especially at this challenging time as the community recovers from flood related damage. This institution is profitable, well capitalized and has strong senior management and a capable board of directors. We believe they will provide excellent banking services to new customers and better service to their existing Idaho bank customers at a time when many area residents will have increased needs for financial services."

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