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NEWS RELEASE

For Immediate Release

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STATE ISSUES NEW BANK CHARTER TO PEND OREILLE BANK

Boise, Idaho... Gavin M. Gee, Acting Director of the Idaho Department of Finance, today announced the approval of the application by Pend Oreille Bank to relocate its head office to Ponderay, Idaho, and become an Idaho state chartered bank. The head office will be located near the junction of Highway 95 and Triangle Drive. The bank plans to open by September, 1996. The bank's current head office is located in Newport, Washington.

Recent legislation has allowed Pend Oreille Bank the opportunity to expand into one of Idaho's fastest growing areas. Established in 1981, the bank reported nearly \$29 Million in assets in 1995. The bank is owned by Pend Oreille Bancorp, a bank holding company formed in 1993. Evelyn A. Meany is the bank's President, Chief Executive Officer, and Chairman of the Board. Ms. Meany began her banking career in Montana, progressing to her current position over an 18-year period.

In addition to Ms. Meany, other members of the Board include Glenn F. Bergau, John L. Delay, Frank Eichelberger, Jr., G. Wain Geaudreau, Jr., James E. Krizensky, John Krogh, Ronnie L. McDonald, William G. Meany, Franklin J. Monk, and Patrick S. Simpson. Four members of the Board are residents of Idaho, while the remaining members are residents of Washington.

Overall, management and the Board have a good understanding of the region. The bank enjoys an outstanding rating from regulators in serving the credit needs of their customers.

Gee stated, "We are very pleased to be able to approve a new bank for this growing part of Idaho. This institution is a profitable, rapidly growing, well managed bank which has a capable Board of Directors. We believe the bank will provide excellent banking services in our state to new customers and better service to their existing Idaho bank customers."

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