



Comptroller of the Currency
Administrator of National Banks

Western District Office
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**Conditional Approval #745
July 2006**

June 1, 2006

Daniel Prohaska
Chief Executive Officer
Idaho Trust National Bank
300 Main Street, Suite 250
Boise, Idaho 83702

Subject: Application to merge Idaho Trust National Bank, Coeur d'Alene, Idaho, with and into Idaho Trust National Bank – Interim Bank, Boise, Idaho, under the charter of the latter and title of the former
OCC Control Number 2006-WE-02-0004

Dear Mr. Prohaska:

On May 31, 2006, the Comptroller of the Currency (OCC) conditionally approved your proposal to merge Idaho Trust National Bank, Coeur d'Alene, Idaho, with and into Idaho Trust National Bank – Interim Bank, Boise, Idaho.

This conditional approval is granted based on a thorough review of all information available, including commitments and representations made in the application, merger agreement, and those of your representatives.

The OCC reviewed the proposed merger transaction under the criteria of the Bank Merger Act, 12 USC §1828(c), and applicable OCC regulations and policies. Among other matters, we found that the proposed transaction would not have significant anticompetitive effects. The OCC considered the financial and managerial resources of the banks, their future prospects, the convenience and needs of the communities to be served, and their effectiveness in combating money laundering activities. We considered these factors and found them consistent with approval.

The approval is subject to the following conditions:

1. The Bank: (i) shall give the Salt Lake City Field Office at least sixty (60) days prior written notice of the Bank's intent to significantly deviate or change from its business plan or operations¹ as submitted in your prior request for expansion to commercial banking powers, and as may be amended prior to commencement of commercial banking activities, and (ii) shall obtain the OCC's written determination of no objection before the Bank engages in any significant deviation or change from its business plan or operations. The OCC may impose additional conditions it deems appropriate in a written determination of no objection to a bank's notice. For the first three years of operation, the Bank must also provide a copy of such notice to the FDIC's San Francisco Regional Office.
2. The Bank's chief commercial banking officer must serve as a member of the board of directors of the Bank.
3. For a period of two years following commencement of commercial banking activities, the Bank must file an Interagency Biographical and Financial Report with the OCC, and obtain the OCC's written determination of no objection prior to any new executive officer or director assuming such position.
4. The OCC requires that, prior to commencement of commercial banking activities, the Bank engage an independent, external auditor to perform an audit according to generally acceptable auditing standards of sufficient scope to enable the auditor to render an opinion on the financial statements of the Bank as a whole. Such audits shall be performed annually for at least three years following commencement of commercial banking activities.

These conditions are conditions "imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

Our approval is also subject to the Bank's and its parent company's receipt of any other required regulatory approvals, including the Bank becoming insured by the FDIC immediately prior to consummation of this merger.

The Western District Office must be advised at least 10 days in advance of the desired effective date for the merger so it may issue the necessary certification letter.

The OCC will not issue a letter certifying consummation of the transaction until we receive an executed merger agreement with Articles of Association for the resulting bank attached.

¹ If such deviation is the subject of an application filed with the OCC, no separate notice to the supervisory office is required.

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If the merger is not consummated within one year from this date, the approval shall automatically terminate, unless the OCC grants an extension of the time period.

This approval and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the U.S., any agency or entity of the U.S., or any officer or employee of the U.S., and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the U.S.

This letter should read at and included in the minutes of the next meeting of the Bank's board of directors.

All correspondence and documents concerning this transaction should reference the OCC Control Number. If you have any questions, contact Senior Licensing Analyst Jim Bundy at (720) 475-7650 or via e-mail at jim.bundy@occ.treas.gov.

A separate letter is enclosed requesting your feedback on how we handled your application. We would appreciate your response so we may improve our service.

Sincerely,

signed

Louis T. Gittleman
Acting Director for District Licensing

Enclosure