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AmericanWest Bank to Acquire Viking Bank

(SPOKANE and SEATTLE) AmericanWest Bank and Viking Bank today announced that Viking Bank will merge with and become a part of AmericanWest Bank creating a larger presence in the Puget Sound region of Washington. Pursuant to the definitive agreement for the transaction, Viking Financial Services Corporation, the holding company of Viking Bank, will merge with an affiliate of AmericanWest Bank and Viking Bank will merge with AmericanWest Bank.

“The experienced team at Viking Bank has done an outstanding job serving their customers and communities and it’s our pleasure to assist them in continuing that tradition now as part of AmericanWest Bank,” said Scott A. Kisting, Chairman and CEO, AmericanWest Bank. “Our bank is in a strong capital position with money to lend so we are particularly enthusiastic about the positive impact we can make by meeting the lending and enhanced product needs of Viking customers.”

“Combining with AmericanWest Bank will provide Viking Bank with important resources that will help our customers and communities prosper and afford our employees greater opportunities for career development,” said Landon Brazier, Chairman of Viking Financial. “Going forward our customers will benefit from AmericanWest’s considerable capital resources and infrastructure, and our communities will continue to enjoy the long-standing stewardship they’ve come to expect from us. The last three years have been extremely challenging for Viking Bank and other local banks in the area. This transaction also delivers our shareholders liquidity in a time of considerable market turmoil.”

Earlier this year, AmericanWest Bank expanded into Western Washington by acquiring Bank of the Northwest. The seven Viking Bank locations complement AmericanWest's footprint and will provide customers greater access to services throughout the Puget Sound and the West.

"It's easy to see that Viking Bank employees take pride in being a Washington-based community bank and place a premium on delivering exceptional customer service—with these among the many character traits we have in common, I'm confident customers will experience a smooth transition as our two banks come together," said Kisting.

Under the terms of the definitive merger agreement, Viking Financial shareholders will receive aggregate cash consideration of \$7.2 million, or \$2.65 per share. Approximately 41.7% of the shareholders of Viking Financial have entered into voting agreements pursuant to which they have agreed to vote all of the shares of Viking Financial owned by them in favor of the transaction. The transaction is subject to the receipt of all necessary regulatory and shareholder approvals, as well as other closing conditions. The deal is targeted to close around year-end.

Currently, AmericanWest Bank has total assets of approximately \$2.0 billion and deposits of approximately \$1.6 billion. Viking Financial had total assets of \$406 million and total deposits of \$379 million at June 30, 2011.

Seattle-based Viking Bank has branches in Puyallup, Poulsbo, Bellevue, Ballard, Bainbridge Island and two in Seattle.

Based in Spokane, Washington, AmericanWest Bank is a business-focused community bank offering commercial and small business banking, mortgage lending, treasury management products and a full line of consumer products and services. The bank currently operates 63 branches in Washington, Idaho, California and Utah. Find out more about AmericanWest Bank at www.awbank.net.

Viking Financial was advised in this transaction by Sandler O'Neill + Partners, LP and the law firm of Graham & Dunn PC. AmericanWest Bank was advised by Skadden, Arps, Slate, Meagher & Flom LLP and Davis Wright Tremaine LLP.

Important Additional Information

This communication may be deemed to be solicitation material in respect of the proposed merger of Viking Financial with an affiliate of AmericanWest Bank. Viking Financial intends to prepare a proxy statement and other relevant materials in connection with the merger. The proxy statement will be sent or given to Viking Financial shareholders. INVESTORS AND SHAREHOLDERS OF VIKING FINANCIAL ARE ADVISED TO READ THE PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS WHEN THEY BECOME AVAILABLE, BECAUSE THESE DOCUMENTS WILL CONTAIN IMPORTANT INFORMATION ABOUT THE MERGER AND THE PARTIES THERETO.

Viking Financial, AmericanWest Bank (or its affiliates) and their respective directors, executive officers and other members of management and employees, may be deemed to be participants in the solicitation of proxies or consents from Viking Financial's shareholders in connection with the merger. Information concerning the interests of these persons will be set forth in the proxy statement relating to the merger when it becomes available. Landon Brazier, Chairman of Viking Financial, is the point of contact for Viking Financial Shareholders and can be reached at (206) 298-2073.

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Note to assignment editors and newsroom staff: K. McPhee is acting media point of contact for AmericanWest Bank and Viking Bank for today's announcement.