



# FIRST NORTHERN BANK

January 3, 2011

Dear Valued Customers:

Hi, I'm Louise Walker, and I'm excited to be the new President and Chief Executive Officer of First Northern Bank. As earlier announced, John Onsum retired at the end of 2010 after 39 years of dedicated service with First Northern. John will continue to have a leadership role in our Company as he will remain an active member of the Board of Directors. I have had the opportunity to work closely with John for 21 of my past 31 years at First Northern Bank, and I feel very fortunate to have had such a visionary mentor for all those years. My banking experience is vast and includes positions at the front line in the branch and management of the information technology teams and all operational areas of the Bank. For the past 14 years, as Chief Financial Officer my responsibilities were expanded to include management oversight of the human resources, accounting, finance, risk management and compliance departments. I am excited about the future of First Northern Bank, and am very much looking forward to leading one of the region's premier financial institutions into its second century of serving the communities of Solano, Yolo, Sacramento, Placer and El Dorado Counties.

This past year was clearly an extraordinary time for businesses and consumers alike; it was a year of incredible challenge and change. Virtually every company and industry was affected, and some have been altered forever. While First Northern Bank was not immune to the effects of the economic downturn, our disciplined management of our business, coupled with 100 years of experience navigating through every type of economic climate have certainly allowed the Bank to remain well capitalized and strong. Our 3<sup>rd</sup> quarter ratings with the nation's prominent bank rating companies are testimony of our continued strong financial performance. In fact, in October 2010, First Northern Bank was listed as one the Top 200 Banks in the United States by FinStrata, LLC which used the last six consecutive quarters of financial data to generate their list of the strongest banks.

In 2010, we took steps to position First Northern Bank in important ways for the future by enhancing our core business through investments in technology and realigning our organizational structure to provide more emphasis on key lines of business such as Commercial Lending and Wealth Management. We also were diligent in streamlining operations for maximized efficiency while not compromising our service standards, and we invested in our strongest assets, our people, by providing a year-long leadership development program for approximately 40 employees throughout the Bank.

As we move into 2011, the economy is expected to show additional signs of recovery in certain industries and markets, and we will remain intently focused on our customers to ensure we are helping them to succeed in every way possible. I'd like to wish our entire First Northern Bank family of friends and associates a very satisfying and hopefully **prosperous** New Year! It is always our privilege to serve you.

Sincerely,

Louise A. Walker  
President & CEO