

## Branch Locations & Hours

<b>COLMA</b> 1300 El Camino Real Colma, CA 94014 -ATM Only-	<b>MILLBRAE/SAN BRUNO</b> 1551 El Camino Real Millbrae, CA 94030 650 871.4400 Monday-Thursday 9AM-5PM Friday 9AM-6PM Saturday 9AM-1PM	<b>PESCADERO</b> 239 Stage Road Pescadero, CA 94060 650 879.0785 Monday-Thursday 9AM-4PM Friday 9AM-6PM	<b>SAN FRANCISCO</b> 65 Post Street San Francisco, CA 94014 415 781.0600 Monday-Friday 9AM-5PM
<b>DALY CITY</b> 6600 Mission Street Daly City, CA 94014 650 992.8800 Monday-Friday 9AM-6PM Saturday 9AM-1PM	<b>PACIFICA</b> 164 Eureka Square Shopping Center Pacifica, CA -ATM Only-	<b>REDWOOD CITY</b> 700 El Camino Real Redwood City, CA 94063 650 299.0700 Monday-Friday 9AM-6PM	<b>SAN FRANCISCO</b> 2197 Chestnut Street San Francisco, CA 94123-2708 415 287.8800 Monday-Thursday 9AM-5PM Friday 9AM-6PM Saturday 9AM-1PM
<b>HALF MOON BAY</b> 756 Main Street Half Moon Bay, CA 94019 650 726.6373 Monday-Thursday 9AM-5PM Friday 9AM-6PM Saturday 9AM-1PM	<b>PACIFICA</b> 1450 Linda Mar Shopping Center Pacifica, CA 94044 650 359.5811 Monday-Thursday 9AM-5PM Friday 9AM-6PM Saturday 9AM-1PM	<b>SAN FRANCISCO</b> 699 Portola Drive San Francisco, CA 94127 415 661.4800 Monday-Thursday 9AM-5PM Friday 9AM-6PM	<b>SAN MATEO</b> 150 E. Third Avenue San Mateo, CA 94401 650 340.1033 Monday-Thursday 9AM-5PM Friday 9AM-6PM Saturday 9AM-1PM



## Message from the CEO

Many people have seen the Huffington Post's message, "Move your money to local banks." Why? That's an interesting question. As we continue to stagger, crawl and stumble out of the worst economic recession since the Great Depression, going from Retox to Detox, there is a palpable need to understand how this economic tsunami happened and who was responsible. Well, the obvious malefactors include the usual suspects; large nationwide banks, Wall Street, mortgage bankers, subprime lending and investment banks selling esoteric investment products that are so highly complicated that one gets a headache simply trying to understand their constitution. So as we learn more

*Winner Winner iPad Winner*  
Tom McGraw (CEO), Hank Minkey (Winner) and Reina Ceja (Branch Manager)

about the egregious actions of these banks who let greed and avarice replace common sense and ethics, there is a tendency to invoke the now famous words of Peter Finch's character, Howard Beale

## IN THIS QUARTER

- Lookout Marina District, Here We Come!
- FNB's Home Loan Department is Open for Business
- A Walk Through the History of Daly City
- Your Neighborhood is Your Community
- Privacy Statement

in the 1976 film, Network, "I'm as mad as hell, and I am not going to take it anymore!" Enter the Huffington Post. Their message; tell the big banks you are mad as Hell with their self serving malfeasance and the devastating effects upon our economy, our communities and our people! The best way to demonstrate your frustration is to move your money into community banks. Community banks revolve around the customer. They are generally owned by people in their local communities, employ local people and provide capital to local creditworthy borrowers, who frequently don't fit within the inflexible "lending boxes" created by larger banks. The deposits and loans that are made in local communities generate interest and revenue that stay within these communities. Profits aren't sent to Minneapolis, Chicago, Boston or New York. Community bankers are also involved in their communities in various charitable, civic and social activities. Why? Quality of life issues can be improved for all residents with a healthy level of local commerce, education, social services and leisure activities to name a few. With federal and state governments stretched thin, it has become more incumbent upon local communities to fill the many voids. Jobs and capital are the foundation upon which we build our communities. First National Bank of Northern California has been supporting our local communities since 1963. Give us a try; chances are you will get better service and you'll see us doing more to support our communities than the big banks and, oh yes, we not only have a Code of Ethics, but we practice what we preach!■

## Lookout Marina District, Here We Come!

On April 4th, FNB opened a new branch at Chestnut and Pierce Streets, a corner surrounded by the “big,” including Chase, Citigroup, and Bank of America. This bold David versus Goliath approach seemed a good fit for the neighborhood’s many small businesses and friendly folks, who might be looking for the type of personal banking that we offer.

Our community bank model focuses on the neighborhood: taking local deposits and lending them to creditworthy borrowers for commercial, small business, and home loans. This is relationship banking, where you and your banker know each other—and you get approval without layers of east coast bureaucracy.

### TOM MCGRAW AND THE \$2 BILL

We pride ourselves in the accessibility of top management—to



Chestnut Branch Management: Reina Ceja, Branch Manager, and Nelly Lee, Operations Supervisor

bank CEO, or any bank CEO, visited and gave away cash?) “It’s important that we market through shoe leather,” said Tom. “And that means putting a name and a face with the organization.”

### THE NEIGHBORHOOD EMBRACES FNB

“People have been so nice to us. Our neighbors are amazing – bringing us goodies and welcoming us,” explained Branch Manager Reina Ceja. The Sandwich Spot and the Marina Deli delivered sandwiches, while SusieCakes dropped off a variety of pastry. “The area is a dream to work in,” continued Reina. “The weather is great. There are good

shops and restaurants. Whatever you want to eat is here. The problem is we’ll all be gaining weight.”

Reina has been with the bank for 20 years. Prior to becoming branch manager, she was a VP Commercial Loan Officer and Supervisor, working behind the scenes most of the time. Now she is right out front. “I’m face to face with the public everyday, meeting all types of clients. Sometimes I talk with them in the waiting area, which is set up like a comfortable living room,” Reina explained. “I also have a wonderful staff—they’re amazing.”

Reina’s experience as a loan officer is very helpful to customers looking for any type of loan. She knows exactly what questions to ask so that when the applicant’s information goes to an underwriter, it is streamlined and focused.

### A COUPLE OF NEIGHBORHOOD STORIES

The Marina Branch has a few stories to tell. The first involves a familiar baseball



player and the second, a good deed by local middle school students.

One Saturday, a short time after we opened, local baseball legend Brian “fear

the beard” Wilson, relief pitcher for the San Francisco Giants and Marina resident, was walking down Chestnut Street when some FNB staff members recognized him. They invited him in for photos and a chat; it’s reported that he was fun—and very patient. Will Brian Wilson open an account at FNB? Maybe, if the Giants win another World Series.

Also very patient—and very honest—were four kids from Marina Middle School. On a sunny May afternoon, they walked into the Marina branch with a heavy computer bag they found on the curb at Steiner and Chestnut Streets. The four thought it a good idea to turn the bag into a nearby bank.

The bag contained a laptop computer, day planner, and other business papers, along with the owner’s name and phone number. The branch contacted the owner who was extremely grateful to have his bag returned—and left a \$20 “thank you” to be divided among the four young Good Samaritans. In addition, he promised to open an account at the Marina Branch. You could call this a “win-win-win” situation—for the laptop owner, the students, and the bank.

### YOU’RE ALWAYS WELCOME

The coffee is ready, and our sofa is comfortable, so drop by and meet Reina Ceja and her staff. If you’ve never experienced our community-style banking before, you’re in for a pleasant surprise. ■

## Daly City Historical Walk



## A Walk through the History of Daly City

### The First Location of First National Bank of Northern California

Join Daly City historian Bunny Gillespie on Saturday, September 10, 2011, for a history “walk & talk” commemorating the centennial anniversary of the city’s incorporation. The event focuses on the historical Top of the Hill, where the area’s business and entertainment hub was located 100 years ago.

Free and open to all, the walk starts at 2 PM., in the Bepler Street and San Jose Avenue

“...you’ll visit approximately **14** vintage locations...”

public parking lot, the location of John Daly’s 250-acre dairy ranch from 1868-1907. As you continue back in time, you’ll visit approximately 14 vintage locations, including gambler John Marchbank’s residence; the saloon where the area’s volunteer fire department was organized; the building that housed Daly City’s first supermarket; and the “Where Daly City Started” plaque, erected in 1989 on the Crocker Masonic Temple building, at Hillcrest Drive near Mission Street. Dating from about 1905, this structure was also shared by McGraw’s Drug Store for 50 years. (Owner Elton McGraw’s son is bank CEO Tom McGraw.) The brief tour concludes at the Daly City History Museum located in the city’s first public library building.

This history walk, under the aegis of the Daly City Centennial Celebration Committee, is a “first” for the community. ■

## FNB's Home Loan Department is Open for Business

If you're looking for a home mortgage, and like doing business with "the little guy," then we should talk. Our flexible, customer-focused approach is a pleasant alternative to the rigid, impersonal big banks.

### THE ADVANTAGE OF PORTFOLIO LENDING

At FNB, we actually loan our own money—which means we not only originate the home loan, but we keep it on the books, in our investment portfolios. This is unlike the large institutions, which sell 99% of their mortgages on the secondary market to Fannie Mae (the Federal National Mortgage Association) and Freddie Mac (the Federal Home Loan Mortgage Corporation). In turn, these two institutions repackage the loans and sell them as mortgage backed securities, which are then traded like stocks and bonds.

Lenders that sell mortgages to Fannie and Freddie have to make loans that meet strict underwriting guidelines, and as a result, try to stuff all home buyers into the same small box. Of course, many don't fit. On the other hand, because FNB is a portfolio lender, we can be more customer-centered and flexible. Our goal is to deal with each borrower on an individual basis.

### SELF-EMPLOYED BORROWER & INVESTOR

We want to make residential loans to creditworthy home buyers: folks who meet our conservative and rigorous loan criteria.

"The industry in general is going back to how it was done 20-25 years ago, when I first started, and how First National has always done business," said Sue Kemp, who heads up our residential loan department. "You verify

**"At FNB, we actually loan our own money—which means we not only originate the home loan, but we keep it on the books, in our investment portfolios."**

everything—income, assets, and credit—the customer earns the loan, with a good credit history and savings in the bank." Sue joined FNB on February 18th, after many years with one of the large banks.

Our residential loan department focuses on two groups that are difficult to fit in the big bank's mortgage box.

*Self-employed Borrower*—With this group, we look at cash flow and tax

returns differently than the monster banks. When necessary, we do cash-flow analyses for a picture of actual cash flow (minus write-offs and deductions that skew the numbers).

*Investor*—The big banks will not touch investors in residential real estate who have more than four loans on any of their properties. Not so with FNB—if an investor with more than four loans qualifies, we want to do business. Also, we'll consider jumbo loans (anything over

\$750,000), which is another area that the "big" shy away from because they have to carry these loans on their books.

### COMMUNITY-BASED LENDING

As a portfolio lender, we look on a residential mortgage as an investment in our customers and the community. This approach fits nicely with our mission: *To support the local community by taking deposits and loaning them to credit worthy borrowers who then recycle these dollars in the local community, making a better quality of life and a healthier economy.*■

## Your Neighborhood is Your Community

### A Win-Win Idea for Local Businesses and Local High School

From time to time, we hear the complaint from business people that graduates from school enter the workforce without the skills necessary for the realities of the work environment. A unique work-study program at Immaculate Conception Academy in San Francisco addresses this issue in a creative way that creates a win/win for the business, the student employee and the school. All of ICA's students come from low income families and the work-study program helps defray the cost of their tuition while providing the business with reliable talented full-time administrative support.

A team of four students shares one job. Students rotate their schedules, each working five full days every four weeks. Academic schedules are structured so that students never miss class. All ICA students receive corporate work study business

training. The training encompasses the use of office equipment as well as commonly used software programs such as Microsoft Word and Excel. In addition, the program covers all aspects of business etiquette, including how to shake hands, converse with adults and take initiative.

At job sites, students work standard business hours, ranging from 8:00 A.M. – 4:00 P.M. to 9:00 A.M. – 5:00 P.M. and are transported to and from the job site. Students are employees of the ICA Corporate Work Study Program. The program handles all matters regarding each student's employment, including training, payroll and employment documents.

The sponsors pay a set fee of \$29,000 per year or \$2,900 per month directly to the ICA Corporate Work Study Program for each full-time

position. For companies who do not justify a full team, partial teams are available. This money earned goes to offset a significant portion of the student's cost of education, enabling the school to significantly lower its tuition charged to families. In addition to corporate work experience, students receive a traditional and rigorous college prep education. This year, 100% of ICA's graduates are going off to college and 70% will be the first in their family to take this step.

If you have a business that could benefit from this wonderful program, please contact Sister Lilly Fitzpatrick at ICA, 415-824-2052 ext. 28.■



<b>FACTS</b>	<b>WHAT DOES FIRST NATIONAL BANK OF NORTHERN CALIFORNIA DO WITH YOUR PERSONAL INFORMATION?</b>	
<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.	
<b>What?</b>	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>■ Social Security number and income</li> <li>■ Account balances and payment history</li> <li>■ credit history and credit scores</li> </ul> When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.	
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons First National Bank of Northern California chooses to share; and whether you can limit this sharing.	
<b>Reasons we can share your personal information</b>	<b>Does First National Bank of Northern California share?</b>	<b>Can you limit this sharing?</b>
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes—</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes—</b> information about your transactions and experiences	No	We don't share
<b>For our affiliates' everyday business purposes—</b> information about your creditworthiness	No	We don't share
<b>For our affiliates to market to you</b>	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share
<b>Questions?</b>	Call (650)588-6800 or go to <a href="http://www.fnbncal.com">www.fnbncal.com</a>	

Rev. 05/11

Page 2	
<b>What we do</b>	
<b>How does First National Bank of Northern California protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
<b>How does First National Bank of Northern California collect my personal information?</b>	We collect your personal information, for example, when you <ul style="list-style-type: none"> <li>■ open an account or deposit money</li> <li>■ pay your bills or apply for a loan</li> <li>■ use your credit or debit card</li> </ul> We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
<b>Why can't I limit all sharing?</b>	Federal law gives you the right to limit only <ul style="list-style-type: none"> <li>■ sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>■ affiliates from using your information to market to you</li> <li>■ sharing for nonaffiliates to market to you</li> </ul>
<b>Definitions</b>	
<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <i>First National Bank of Northern California has no affiliates</i>
<b>Nonaffiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>■ <i>First National Bank of Northern California does not share with nonaffiliates so they can market to you"</i></li> </ul>
<b>Joint marketing</b>	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>■ <i>First National Bank of Northern California doesn't jointly market</i></li> </ul>
<b>For California Residents:</b> We will not share information we collect about you with nonaffiliated third parties, except as permitted by California law, such as to process our transactions or to maintain your account.	