

## Northern Bank & Trust Company

215 Lexington Street

Woburn, MA 01801

FDIC Certificate #: 18266 [Bank Charter Class: NM](#)

<i>Definition</i>	<i>Dollar figures in thousands</i>	<b>Northern Bank &amp; Trust Company Woburn, MA March 31, 2008</b>	<b>Northern Bank &amp; Trust Company Woburn, MA March 31, 2007</b>
<b>All Summary Information</b>			
<b>Assets and Liabilities</b>			
<a href="#">1</a>	Total employees (full-time equivalent)	91	101
<a href="#">2</a>	<b>Total assets</b>	<b>476,522</b>	<b>455,698</b>
<a href="#">3</a>	<a href="#">Cash and due from depository institutions</a>	7,959	9,293
<a href="#">4</a>	Interest-bearing balances	34	5
<a href="#">5</a>	<a href="#">Securities</a>	29,676	38,646
<a href="#">6</a>	Federal funds sold & reverse repurchase agreements	3,499	875
<a href="#">7</a>	<a href="#">Net loans &amp; leases</a>	405,188	386,143
<a href="#">8</a>	Loan loss allowance	3,693	3,414
<a href="#">9</a>	Trading account assets	0	0
<a href="#">10</a>	Bank premises and fixed assets	12,347	5,127
<a href="#">11</a>	<a href="#">Other real estate owned</a>	0	0
<a href="#">12</a>	<a href="#">Goodwill and other intangibles</a>	0	0
<a href="#">13</a>	All other assets	17,853	15,614
<a href="#">14</a>	Life insurance assets	6,283	6,074
<a href="#">15</a>	<b>Total liabilities and capital</b>	<b>476,522</b>	<b>455,698</b>
<a href="#">16</a>	<b>Total liabilities</b>	<b>428,882</b>	<b>412,317</b>
<a href="#">17</a>	<a href="#">Total deposits</a>	325,779	331,498
<a href="#">18</a>	Interest-bearing deposits	242,376	306,608
<a href="#">19</a>	Deposits held in domestic offices	325,779	331,498
<a href="#">20</a>	% insured (estimated)	73.05%	75.36%
<a href="#">21</a>	Federal funds purchased & repurchase agreements	2,257	1,830
<a href="#">22</a>	Trading liabilities	0	0
<a href="#">23</a>	Other borrowed funds	93,000	72,300
<a href="#">24</a>	Subordinated debt	0	0
<a href="#">25</a>	All other liabilities	7,846	6,689
<a href="#">26</a>	<b>Equity capital</b>	<b>47,640</b>	<b>43,381</b>
<a href="#">27</a>	Perpetual preferred stock	0	0
<a href="#">28</a>	Common stock	600	600
<a href="#">29</a>	Surplus	6,900	6,900
<a href="#">30</a>	Undivided profits	40,140	35,881
<b>Memoranda:</b>			
<a href="#">31</a>	Noncurrent loans and leases	2,766	3,365
<a href="#">32</a>	Noncurrent loans that are wholly or partially guaranteed by the U.S. government	0	0
<a href="#">33</a>	Income earned, not collected on loans	2,079	1,955
<a href="#">34</a>	Earning assets	438,397	425,669
<a href="#">35</a>	Long-term assets (5+ years)	156,110	119,205
<a href="#">36</a>	Average Assets, year-to-date	470,526	448,568
<a href="#">37</a>	Average Assets, quarterly	470,526	448,568
<a href="#">38</a>	Volatile liabilities	50,722	78,858
<a href="#">39</a>	Insider loans	6,246	6,134

<a href="#">40</a>	FHLB advances	93,000	72,300
<a href="#">41</a>	Loans and leases held for sale	0	0
<a href="#">42</a>	Unused loan commitments	64,024	53,192
<a href="#">43</a>	Tier 1 (core) capital	47,292	43,473
<a href="#">44</a>	Total risk weighted assets	415,320	398,540
<a href="#">45</a>	<a href="#">Total unused commitments</a>	64,024	53,192
<a href="#">46</a>	Restructured Loans and leases	0	0
<a href="#">47</a>	<a href="#">Derivatives</a>	0	0
	<a href="#">Past due and nonaccrual assets</a>		
	<a href="#">Fiduciary and related services</a>		

<b>Income and Expense</b>		<b>(Year-to-date)</b>	<b>(Year-to-date)</b>
<a href="#">48</a>	Number of institutions reporting	1	1
<a href="#">49</a>	<a href="#">Total interest income</a>	7,257	7,274
<a href="#">50</a>	<a href="#">Total interest expense</a>	2,706	2,707
<a href="#">51</a>	Net interest income	4,551	4,567
<a href="#">52</a>	Provision for loan and lease losses	115	154
<a href="#">53</a>	Total noninterest income	644	835
<a href="#">54</a>	Fiduciary activities	0	0
<a href="#">55</a>	Service charges on deposit accounts	347	390
<a href="#">56</a>	<a href="#">Trading account gains &amp; fees</a>	0	0
<a href="#">57</a>	<a href="#">Additional noninterest income</a>	297	445
<a href="#">58</a>	Total noninterest expense	3,326	3,692
<a href="#">59</a>	Salaries and employee benefits	2,105	2,286
<a href="#">60</a>	Premises and equipment expense	466	462
<a href="#">61</a>	<a href="#">Additional noninterest expense</a>	755	944
<a href="#">62</a>	Pre-tax net operating income	1,754	1,556
<a href="#">63</a>	Securities gains (losses)	0	7
<a href="#">64</a>	Applicable income taxes	612	522
<a href="#">65</a>	Income before extraordinary items	1,142	1,041
<a href="#">66</a>	Extraordinary gains - net	0	0
<a href="#">67</a>	<b>Net income</b>	<b>1,142</b>	<b>1,041</b>
<a href="#">68</a>	<a href="#">Net charge-offs</a>	105	-6
<a href="#">69</a>	<a href="#">Cash dividends</a>	0	0
<a href="#">70</a>	Sale, conversion, retirement of capital stock, net	0	0
<a href="#">71</a>	Net operating income	1,142	1,036

**Memo:****Performance and Condition Ratios**

<a href="#">72</a>	% of unprofitable institutions	N/A	N/A
<a href="#">73</a>	% of institutions with earnings gains	N/A	N/A
<b>Performance Ratios (% , annualized)</b>		<b>(Year-to-date)</b>	<b>(Year-to-date)</b>
<a href="#">74</a>	Yield on earning assets	6.66%	6.94%
<a href="#">75</a>	Cost of funding earning assets	2.48%	2.58%
<a href="#">76</a>	Net interest margin	4.18%	4.36%
<a href="#">77</a>	Noninterest income to earning assets	0.59%	0.80%
<a href="#">78</a>	Noninterest expense to earning assets	3.05%	3.52%
<a href="#">79</a>	Net operating income to assets	0.97%	0.92%
<a href="#">80</a>	Return on assets (ROA)	0.97%	0.93%
<a href="#">81</a>	Pretax return on assets	1.49%	1.39%
<a href="#">82</a>	Return on equity (ROE)	9.70%	9.72%
<a href="#">83</a>	Retained earnings to average equity (YTD only)	9.70%	9.72%

<a href="#">84</a>	<a href="#">Net charge-offs to loans</a>	0.10%	-0.01%
<a href="#">85</a>	Credit loss provision to net charge-offs	109.52%	-2,566.67%
<a href="#">86</a>	Earnings coverage of net loan charge-offs (x)	17.80	N/A
<a href="#">87</a>	Efficiency ratio	64.02%	68.35%
<a href="#">88</a>	Assets per employee (\$ millions)	5.24	4.51
<a href="#">89</a>	Cash dividends to net income (YTD only)	0	0
	<b>Condition Ratios (%)</b>		
<a href="#">90</a>	Loss allowance to loans	0.90%	0.88%
<a href="#">91</a>	Loss allowance to noncurrent loans	133.51%	101.46%
<a href="#">92</a>	Noncurrent assets plus other real estate owned to assets	0.58%	0.74%
<a href="#">93</a>	<a href="#">Noncurrent loans to loans</a>	0.68%	0.86%
<a href="#">94</a>	Net loans and leases to deposits	124.38%	116.48%
<a href="#">95</a>	Net loans and leases to core deposits	146.11%	137.04%
<a href="#">96</a>	Equity capital to assets	10.00%	9.52%
<a href="#">97</a>	Core capital (leverage) ratio	10.04%	9.74%
<a href="#">98</a>	Tier 1 risk-based capital ratio	11.39%	10.91%
<a href="#">99</a>	Total risk-based capital ratio	12.28%	11.78%
	<b>Memoranda:</b>		
<a href="#">100</a>	Average assets	470,526	448,568
<a href="#">101</a>	Average earning assets	435,870	419,082
<a href="#">102</a>	Average equity	47,106	42,824
<a href="#">103</a>	Average loans	406,277	383,612

<i>Definition</i>	<i>Demographic Information</i>	<b>July 16, 2008</b>	<b>March 31, 2008</b>	<b>March 31, 2007</b>
<a href="#">1</a>	Status	Active	Active	Active
<a href="#">2</a>	Bank Holding Company (Regulatory Top Holder)	<a href="#">See Note!</a>	<a href="#">NORTHERN BANCORP, INC.</a>	<a href="#">NORTHERN BANCORP, INC.</a>
<a href="#">3</a>	Certificate#	18266	18266	18266
<a href="#">4</a>	Federal Reserve ID Number	900306	900306	900306
<a href="#">5</a>	Institution Name	Northern Bank & Trust Company	Northern Bank & Trust Company	Northern Bank & Trust Company
<a href="#">6</a>	City,State,Zip	Woburn, MA, 01801	Woburn, MA, 01801	Woburn, MA, 01801
<a href="#">7</a>	Number of Domestic Offices		10	10
<a href="#">8</a>	Number of Foreign Offices		N/A	N/A
<a href="#">9</a>	Interstate Offices		No	No
<a href="#">10</a>	Summary Of Deposits		<a href="#">June 30, 2007</a>	<a href="#">June 30, 2006</a>
<a href="#">11</a>	Current List of Total Offices	<a href="#">Offices</a>		
<a href="#">12</a>	Asset Concentration Hierarchy	Commercial Lending Specialization	Commercial Lending Specialization	Commercial Lending Specialization
<a href="#">13</a>	Subchapter S Corporation		No	No
<a href="#">14</a>	County	<a href="#">Middlesex</a>	Middlesex	Middlesex
<a href="#">15</a>	Metropolitan Statistical Area	Boston-Cambridge-Quincy, MA-NH	Boston-Cambridge- Quincy, MA-NH	Boston-Cambridge- Quincy, MA-NH
<a href="#">16</a>	Established Date	February 25, 1960	February 25, 1960	February 25, 1960
<a href="#">17</a>	Date of Deposit Insurance	June 23, 1960	June 23, 1960	June 23, 1960
<a href="#">18</a>	Last Structure Change Process Date	December 5, 2006		
<a href="#">19</a>	Last Structure Change Effective Date	December 5, 2006		
<a href="#">20</a>	Ownership Type		Stock	Stock
<a href="#">21</a>	Directly Owned by Another Bank?(CERT)		No	No

<a href="#">22</a>	Trust Powers Granted	No	No	No
<a href="#">23</a>	Bank Charter Class	Federal Reserve Non-member	Federal Reserve Non-member	Federal Reserve Non-member
<a href="#">24</a>	Regulator	FDIC	FDIC	FDIC
<a href="#">25</a>	Insurance fund membership	DIF	DIF	DIF
<a href="#">26</a>	FDIC Quarterly Banking Profile Region	New York	New York	New York
<a href="#">27</a>	FDIC Geographic Region	New York	New York	New York
<a href="#">28</a>	FDIC Supervisory Region	New York	NEW YORK	NEW YORK
<a href="#">29</a>	FDIC Field Office	North Boston	North Boston	North Boston
<a href="#">30</a>	Federal Reserve District	Boston	Boston	Boston
<a href="#">31</a>	Office of the Comptroller of the Currency District	Northeast	Northeast	Northeast
<a href="#">32</a>	Office of Thrift Supervision Region	Northeast	Northeast	Northeast
<a href="#">33</a>	Primary Web Address	<a href="http://www.nbtc.com:80/">http://www.nbtc.com:80/</a>	N/A	N/A

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