

Frequently Asked Questions
Book-Entry Share Ownership Through A Direct Registration System

1. What is a Direct Registration System (DRS)?

A Direct Registration System (DRS) is a method of recording shares of stock in book-entry form. Book-entry means Frontier Financial Corporation's (FFC) Transfer Agent, currently American Stock Transfer & Trust Company (AST), maintains your shares on your behalf without the need for physical share certificates. Shares held in uncertificated book-entry form have the same rights and privileges as shares held in certificate form.

2. What are the benefits of DRS?

Holding shares in book-entry form through DRS has the following benefits:

- (a) It helps reduce the risks and costs associated with storing share certificate(s) and replacing lost or stolen certificate(s).
- (b) It enables electronic share transactions between your broker/dealer and the FFC's transfer agent, AST.
- (c) It reduces the overall administrative costs to FFC and its shareholders.

3. Can I send other FFC share certificates for safekeeping in my DRS account?

You may choose to deposit other FFC share certificates into book-entry form for safekeeping at any time. Simply return your certificates and a Letter of Instruction to the American Stock Transfer and Trust Company either by registered or certified mail, return receipt requested and insured. It is not necessary to endorse your certificates. Since the method of delivery of all documents and certificates is at your risk, we strongly recommend that you insure your package for two percent (2%) of the current market value of the shares, which is the cost of a bond to have your certificates replaced if they are lost or stolen. A DRS Transaction Advice will be mailed to you upon receipt and processing of your certificates.

4. Can I get a share certificate for my book-entry shares?

You may request a share certificate for all or a portion of your FFC DRS book-entry shares at any time. To request a certificate, you should contact AST. A certificate for your full shares will be mailed to you.

5. How do I transfer my shares to or from my brokerage account or sell my shares?

You may elect to deposit your shares in FFC's dividend reinvestment plan and then sell the shares through the plan. To do so, please write to the AST and indicate that you would like to move your shares from DRS and sell them through the plan.

If you wish to transfer your shares to your brokerage account, whether or not you plan to sell your shares, contact your broker and provide him or her with your DRS account information (which appears on the Transaction Advice you will receive when you become a participant in DRS). Your broker will then electronically initiate the transfer of your book-entry shares based on your instructions.

6. How do I transfer shares held through DRS to a new owner?

You may transfer shares to a new owner by contacting AST. Your instruction must include a Medallion Signature Guarantee. More detailed instructions on transfer requirements are available at http://www.amstock.com/shareholder/sh_transinst.asp.

7. What happens to my dividends if I hold my shares in DRS book-entry form?

If you hold your shares in DRS, you have the same choices as to how to receive your dividends as a shareholder who holds a certificate. Please contact AST if you have questions about the payment of dividends.

8. What documents will I receive showing my shares held through DRS?

You will also receive a DRS Transaction Advice Form following each transaction involving your shares held through DRS.

9. What will it cost me to hold my shares through DRS?

You will not be charged by FFC or its transfer agent (AST) for holding your shares of FFC common stock through DRS. You should contact your brokerage firm to determine its fees if you transfer your shares to or sell your shares through your brokerage account.

10. How do I know my book-entry shares are safe and cannot be transferred without my consent?

Your written consent is required by the Transfer Agent to transfer shares to any third party other than your broker. If you choose to supply a broker with your DRS account information, your broker is responsible for obtaining instructions and documentation for any transfer or sale.

11. What is a Medallion Signature Guarantee and how do I obtain one?

A Medallion Signature Guarantee is a statement (stamp and signature) given by a financial institution such as a commercial bank, credit union, brokerage firm, etc., that is a member of the Securities Transfer Association Medallion Program (STAMP), New York Stock Exchange Program or Stock Exchange Medallion Program (SEMP, MSP). The Medallion Program is not a notarization. To obtain a Medallion Signature Guarantee please visit any office of Frontier Bank or another financial institution that participates in the Medallion Program.

12. How do I contact American Stock Transfer and Trust Company?

They may be reached as follows:

American Stock Transfer & Trust Company
Shareholder Services
6201 15th Avenue
Brooklyn, NY 11219
Toll-free: 800-937-5449
World Wide: 718-921-8124