

FIT *for the* **FUTURE**

Annual Report
2022

**FOUNDATION
ENDURANCE
STRENGTH
PERFORMANCE**



FIRST NORTHERN COMMUNITY BANCORP

Cautionary Note Regarding Forward-Looking Information

This publication, including the Message to Shareholders beginning on page 1, contains forward-looking statements, including statements regarding the benefits of our new offices and facilities, the Company's focus and values, vision, strategies and strategic initiatives, and the expected benefits of its strategies and strategic initiatives, the Company's prospects for growth, financial strength and performance, client base, business model, and competitive position. Do not rely unduly on forward-looking statements. Actual results might differ significantly from the Company's forecasts and expectations. Please refer to Part I, Item 1A "Risk Factors" in the Form 10-K for a discussion of some factors that may cause results to differ.

All forward-looking information is based on information available as of the date of this report. We assume no obligation to update any forward-looking information.

FOUNDATION

- Established in 1910
- 14 Full-Service Branches, Serving 7 Counties
- \$1.87 Billion in Assets
- Tier 1 Leverage Ratio, a primary measure of regulatory capital, was 8.7% at year end, up 80 basis point from prior year
- 97% of Deposits are Core Deposits
- Diversification in Customer Loans and Deposits across a wide range of industries
- Annual Customer Retention Rate of 86%

Message to SHAREHOLDERS

Dear Shareholders,

2022 was a successful and important year for First Northern Bank in many respects. The discipline we endeavor to bring to our operating model and decision-making continues to build our financial strength and performance. Our earnings, capital levels, liquidity position, market share growth, and annual customer retention rate are not the result of chance, but of a disciplined focus, across our history, on serving our customers and our communities, investing in accretive growth opportunities, prudent credit management, and careful allocation of our shareholders' capital.

First Northern Community Bancorp posted record earnings results in 2022. Annual net income for the year was \$15.9 million, a 12.0% increase over the \$14.2 million we posted for 2021. Fully diluted annual earnings per share of \$1.09 for 2022 was an increase of 14.7%, compared to fully diluted earnings per share of \$0.95 for 2021. We also posted record net loan growth of \$116.4 million, an increase of 13.6% over 2021. Excluding Paycheck Protection Program (PPP) loan payoffs of \$36.8 million, net loan growth for 2022 totaled \$153.2 million, or 18.8% compared to December 31, 2021. Net interest margin was 3.06% for the year ended 2022, which was a 16.8% or 44 basis point improvement from the 2.62% reported a year ago.

Many exciting things took place over the course of the year, including the successful negotiation and preparation for expanding our franchise north into two contiguous counties, Colusa and Glenn, by acquiring three branches from Columbia State Bank. Our new branches are located in Colusa, Willows, and Orland, growing our

community bank footprint from five counties to seven, with 14 full-service branches. In addition, we made organizational changes to further our efforts to become the prominent community bank in Northern California. The key highlights of these changes included expanding our Business & Industrial Lending Team and adding Regional Market Managers to further increase our focus on the customer experience. The strength of our team of bankers who know their local markets, combined with on-going demand for our attentive service, trusted financial advice, and relationship-approach to banking, are the driving forces behind our success.

We have said this many times before, but we wholeheartedly believe in the significance of local community banking. Community banks benefit not only the communities which they serve and their economic vitality, but the businesses, non-profits, residents,



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Message to SHAREHOLDERS

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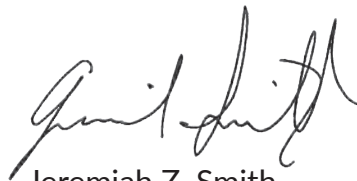
employees, and shareholders who live there. There has been a significant reduction in local community banks throughout our service area over the past few years, and First Northern Bank is working diligently to seize upon those opportunities.

OUR FOCUS IN THE COMING YEAR remains on our local markets and potential expansion of our franchise into contiguous markets where First Northern's brand of banking will be embraced. In addition, we will focus internally on our employees; we have a number of employee development initiatives that will be implemented. There is great optimism among our board members, senior management team, and employees for the year ahead, and we will continue to build upon the positive momentum of last year. In closing, we would like to recognize all of our dedicated staff who contributed to making the acquisition of our new Colusa, Willows, and Orland branches a success. And we welcome our new employees to the First Northern Bank family. Everyone worked extremely hard, on top of their regular jobs, to ensure the conversion was completed on-time and with minimal impact on our new clients in the North Valley.

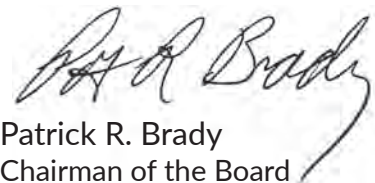
Whether you're a customer, shareholder, or employee, you have unique expectations of First Northern. We will continue to work hard to surpass them. We thank you for your loyalty and belief in the First Northern brand of banking.

ENDURANCE

- We've Stood the Test of Time, operating safely under the same ownership throughout two World Wars, the Great Depression, and 20 recessions. Today STRONGER than ever!
- A Dedication to Remaining Independent. In 1996, the Board of Directors adopted a Policy of Independence to share with our customers, communities, and shareholders, our intention of remaining independent.
- Disciplined Approach to Growth: grow profitably, with a locally-focused, branch-centric business model.
- Our Customer Focus targets the development of long-term banking relationships.



Jeremiah Z. Smith
President & Chief Executive Officer



Patrick R. Brady
Chairman of the Board

ANNUAL MEETING

The Annual Meeting of Shareholders of First Northern Community Bancorp will be held at 5:30 p.m., Tuesday, May 16, 2023 at the First Northern Bank Operations Center, 210 Stratford Avenue, Dixon, CA 95620.

INDEPENDENT AUDITORS

Moss Adams LLP
2882 Prospect Park Drive, Suite 300
Rancho Cordova, CA 95670

COMMON SHARE LISTING
OTCQB – Symbol: FNRN

MARKET MAKERS

John Cavender
Raymond James Financial Services, Inc.
(800) 346-5544

Joey Warmenhoven
JWTT, Inc.
(971) 323-0698

Ford Dickinson
Monroe Securities, Inc.
(800) 766-5560

TRANSFER AGENT

First Northern Community Bancorp
PO Box 547, Dixon, CA 95620
or 195 N. First Street, Dixon, CA 95620
(707) 678-3041

FORM 10-K AND OTHER SHAREHOLDER INFORMATION

First Northern Community Bancorp's Annual Report filed with the Securities and Exchange Commission, on Form 10-K, and other shareholder information can be viewed at the Company's Investor Relations website at www.thatsmybank.com; shareholders may also elect email notification of press releases, document filings, and other related information.

Printed materials may be obtained by contacting Devon Camara-Soucy at PO Box 547, Dixon, CA 95620, or by calling (707) 678-3041.

FIRST NORTHERN COMMUNITY BANCORP ADMINISTRATIVE MANAGEMENT

Jeremiah Z. Smith
President & Chief Executive Officer

Jeffrey Adamski
Executive Vice President/Senior Loan Officer

Denise E. Burris
Executive Vice President/Chief Information Officer

T. Joe Danelson
Executive Vice President/Chief Credit Officer

Kimberly A. DeBra
Executive Vice President/Chief Communications Officer

Kevin Spink
Executive Vice President/Chief Financial Officer

Libby Feyh
Senior Vice President/Human Resources Director

Cathleen Gorham
Senior Vice President/Operations Administrator

Devon Camara-Soucy
Vice President/Corporate Secretary

BOARD OF DIRECTORS



PATRICK R. BRADY
*Chairman of the Board
Retired CEO, Sutter
Roseville Medical Center*



JOHN M. CARBAHAL
*CPA & Principal, Carbahal
& Company, Inc., an
Accountancy Corporation*



JEREMIAH Z. SMITH
*President & CEO
First Northern Bank &
First Northern Community Bancorp*



GREGORY DuPRATT
*Retired Vice President/
Sales Manager,
Ron DuPratt Ford*



BARBARA A. HAYES
*Chief Economic Development
Officer, Rural County
Representatives of California
(RCRC)*



FOYS S. McNAUGHTON
*President & CEO,
McNaughton Newspapers*



RICHARD M. MARTINEZ
Partner Triad Farms



SEAN P. QUINN
*Former City Manager,
City of Fairfield*



DANIEL F. RAMOS
*Vice President, Ramco
Enterprises/Ramco
Properties LP; President,
Ram Properties, Inc.*



MARK C. SCHULZE
*Chief Strategy Officer,
TSX Entertainment*



LOUISE A. WALKER
*Retired President & CEO
First Northern Bank &
First Northern Community Bancorp*

SENIOR MANAGEMENT



JEREMIAH Z. SMITH
President & CEO
First Northern Bank &
First Northern Community Bancorp



JEFFREY ADAMSKI
Executive Vice President
Senior Loan Officer



DENISE E. BURRIS
Executive Vice President
Chief Information Officer



T. JOE DANELSON
Executive Vice President
Chief Credit Officer



KIMBERLY A. DeBRA
Executive Vice President
Chief Communications Officer



KEVIN SPINK
Executive Vice President
Chief Financial Officer



CATHLEEN GORHAM
Senior Vice President
Operations Administrator



LIBBY FEYH
Senior Vice President
Human Resources Director

STRENGTH

- #1 local small business lender for over a decade
- Our Lenders and Managers have an average of 24 years of banking experience, four times the industry average
- 54% of Customers have been Banking with First Northern Bank for Over 10 Years
- Effective and proven business model, built for tomorrow
- 97% of our business customers say they would refer a friend, associate or family member to FNB
- Over 65% of our employees are shareholders of First Northern Community Bancorp, so they have a vested interest in customer satisfaction and the success of the Bank.
- Financially sound. Well capitalized. Excess liquidity.

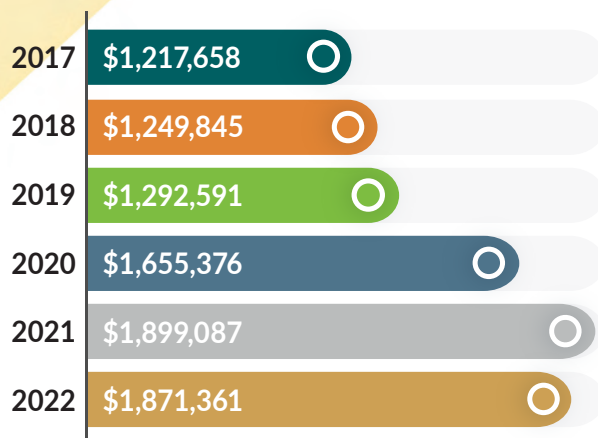
FINANCIAL HIGHLIGHTS

CAPITAL RATIOS

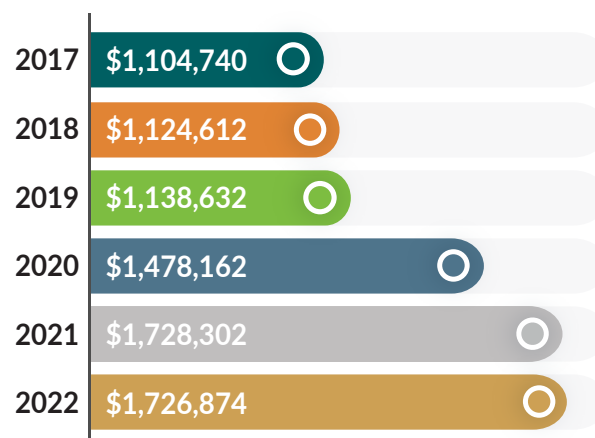
First Northern Bank has a strong Tier 1 Capital Ratio, a key measure of a bank's strength and capital adequacy. It exceeded the regulatory minimum required for a "well capitalized" bank at December 31, 2022.

	First Northern Bank 12/31/22	Regulatory Well-Capitalized Minimum
Tier 1 Leverage	8.7%	5.0%
Common Equity Tier 1	14.7%	6.5%
Tier 1 Capital	14.7%	8.0%
Total Risk-Based Capital	15.9%	10.0%

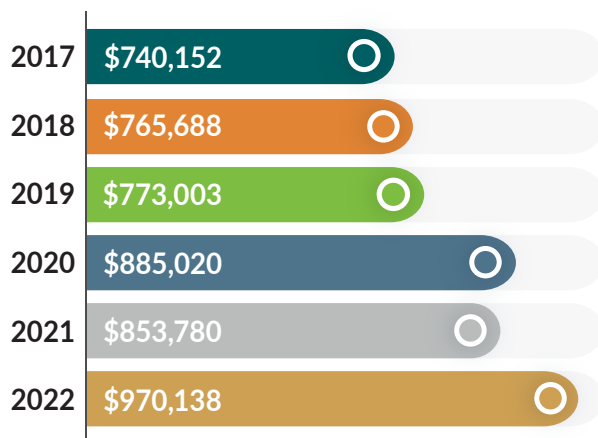
TOTAL ASSETS *in thousands*



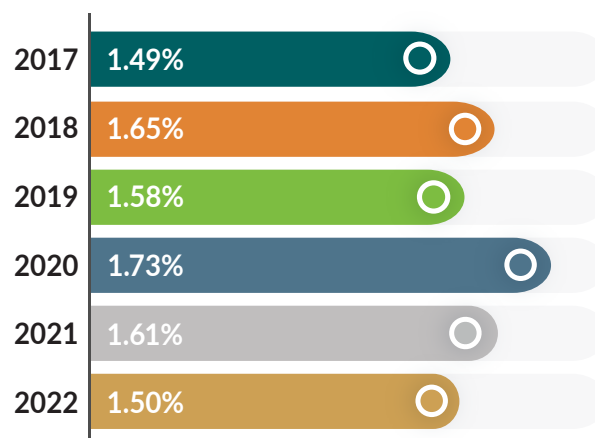
TOTAL DEPOSITS *in thousands*



TOTAL LOANS, NET *in thousands* *(including loans held-for-sale)*



ALLOWANCE FOR LOAN LOSSES TO TOTAL LOANS



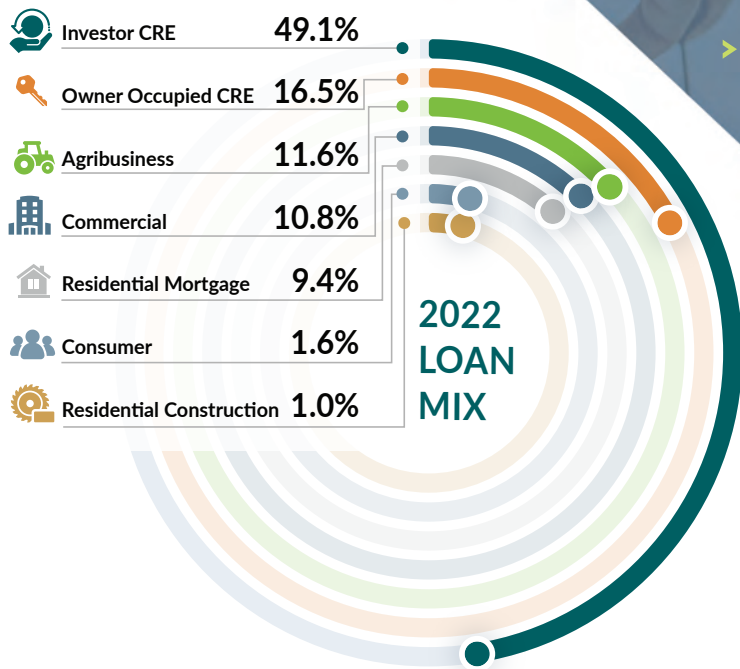
FNRN STOCK PRICES

Stock prices have been adjusted to give retroactive effect to the 5% stock dividend declared on January 26, 2023.

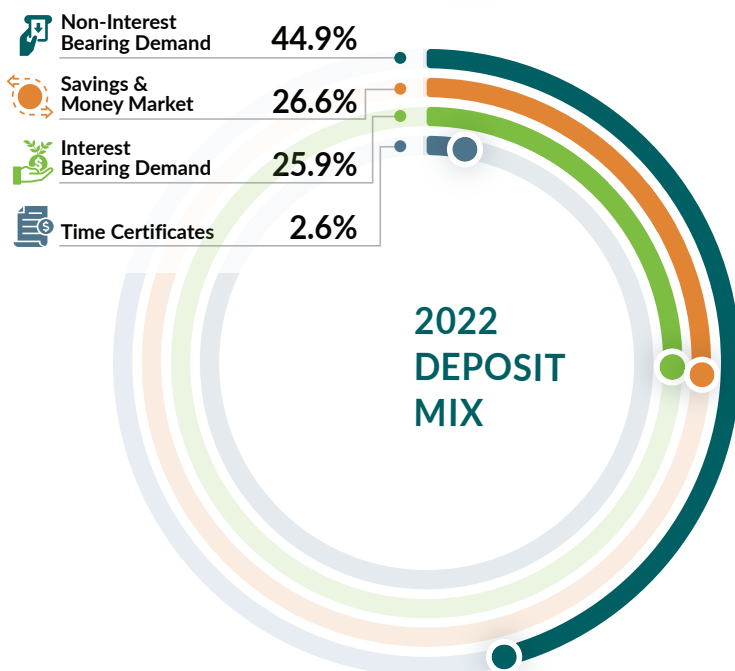
<u>\$10.02</u>	<u>\$8.73</u>	<u>\$9.46</u>	<u>\$8.72</u>	<u>\$9.30</u>	<u>\$7.71</u>
2017	2018	2019	2020	2021	2022

PERFORMANCE

- > Record Earnings of \$15.9 Million, 12% increase over prior year
- > Record Net Loan Growth of \$116.4 Million, 13.6% increase over prior year
 - > Excluding PPP Loan Payoffs of \$36.8 Million, Net Loan Growth totaled \$153.2 Million, 18.8% increase over prior year
 - > Fully Diluted Annual Earnings Per Share of \$1.09, 14.7% increase over prior year
 - > Record Net Interest Income of \$54.7 Million, 18.3% increase over prior year



- > Net Interest Margin was 3.06% at year end, 16.8% improvement over prior year
- > Ranked #192 of the Top 200 Community Banks in the Nation – *American Banker*
- > “Premier Performing Bank” – *The Findley Reports*
- > “5-Star Superior” – *Bauer Financial*
- > “Green-3 Stars” – *Veribanc*



All data on pages 6 and 7 as of December 31.

SELECTED FINANCIAL DATA

Dollars in thousands, except ratios, share, and per share information

DECEMBER 31, 2022 2021

Summary of Operations

Interest and Dividend Income	\$	55,882	\$	47,176
Interest Expense		(1,186)		(912)
Net Interest Income		54,696		46,264
(Provision) Reversal of Provision for Loan Losses		(900)		1,500
Net Interest Income after Provision for Loan Losses		53,796		47,764
Non-interest Income		6,933		7,863
Non-interest Expense		(39,063)		(36,201)
Income before Taxes		21,666		19,426
Provision for Taxes		(5,782)		(5,240)
Net Income	\$	15,884	\$	14,186
Basic Earnings per Share*	\$	1.11	\$	0.96
Diluted Earnings per Share*	\$	1.09	\$	0.95

Balance at Year-End

Total Assets	\$	1,871,361	\$	1,899,087
Total Loans, Including Loans Held-for-Sale, Net		970,138		853,780
Total Investments		618,092		632,213
Total Deposits		1,726,874		1,728,302
Total Equity		125,040		150,911
Book Value per Common Share*		8.53		10.37
Shares Outstanding		14,652,584		13,848,904

Ratios

Return on Average Equity		12.14%		9.41%
Return on Average Assets		0.84%		0.77%
Average Equity to Average Assets		6.91%		8.16%
Total Risk-Based Capital to Risk-Weighted Assets		15.90%		16.80%
Net Interest Margin		3.06%		2.62%
Allowance as a % of Non-Performing Loans (net of guaranteed)		172.4%		137.30%

* Per share information for 2022 and 2021 has been adjusted to give retroactive effect to the 5% stock dividend declared on January 26, 2023.

OUR COMMUNITIES & LOCATIONS



Administration, Corporate Headquarters
195 N. First Street
Dixon, CA 95620
(707) 678-3041

Administration, Sacramento
1375 Exposition Boulevard, Suite 300
Sacramento, CA 95815

Agribusiness Lending Team
195 N. First Street
Dixon, CA 95620
(707) 678-7881

Auburn Branch
390 Elm Avenue
Auburn, CA 95603
(530) 885-5009

Business & Industrial Lending Team
508 Second Street, Suite 104
Davis, CA 95616
(530) 297-2062

Central Operations
210 Stratford Avenue
Dixon, CA 95620
(707) 678-1904

Colusa Branch
558 Market Street
Colusa, CA 95932
(530) 458-4884

Davis Branch
434 Second Street
Davis, CA 95616
(530) 758-7500

Davis Mortgage Loan Office
508 Second Street, Suite 104
Davis, CA 95616
(530) 753-1585

Dixon Branch
195 N. First Street
Dixon, CA 95620
(707) 678-4422

East Bay Region Commercial Lending Team
(Contra Costa County)
100 Pringle Avenue, Suite 225
Walnut Creek, CA 94596
(925) 482-1580

Fairfield Branch
1455 Oliver Drive
Fairfield, CA 94533
(707) 425-2900

Orland Branch
328 Walker Street
Orland, CA 95963
(530) 865-2127

Rancho Cordova Branch
2901 Sunrise Blvd., Suite 100
Rancho Cordova, CA 95742
(916) 642-1477

Real Estate Industries Lending Team
(Residential Construction & Commercial Real Estate Financing)
1375 Exposition Boulevard, Suite 101
Sacramento, CA 95815
(916) 447-9000

Roseville Branch
2270 Douglas Blvd., Suite 100
Roseville, CA 95661
(916) 787-8510

Sacramento Branch
1375 Exposition Boulevard, Suite 101
Sacramento, CA 95815
(916) 447-9000

University Retirement Community Satellite Office
1515 Shasta Drive
Davis, CA 95616

Vacaville Branch
555 Mason Street
Vacaville, CA 95688
(916) 447-8600

West Sacramento Branch
1300 Harbor Boulevard
West Sacramento, CA 95691
(916) 372-1023

Willows Branch
155 N. Tehama Street
Willows, CA 95988
(530) 934-3821

Winters Branch
48 Main Street
Winters, CA 95694
(530) 795-4501

Woodland Branch
11 W. Court Street
Woodland, CA 95695
(530) 661-6000

WEALTH MANAGEMENT DIVISION

First Northern Advisors
390 Elm Avenue
Auburn, CA 95603
(530) 745-2281



FIRST NORTHERN BANK

EXPERTISE IN COMMUNITY BANKING

We bring a wealth of financial solutions to our clients:

- Lightning Loanssm
- Cash Management Services
- Online Banking & Mobile Banking
- Loans for Green Initiatives
- Remote Deposit Capture
- Merchant Credit/Debit Card Processing
- Mortgage Loans
- Home Equity Lines of Credit
- Investment & Advisory Services, non-FDIC insured
- Small Business Administration Lending
- Business Term Loans & Lines of Credit
- Agribusiness Lending
- Equipment Loans & Leasing
- Construction Financing
- Commercial Real Estate Lending
- Business & Consumer Checking Accounts
- eStatements
- Non-Profit/Association Banking
- Payroll Solutions
- MoneyPass[®] Surcharge-Free ATM Network
- Debit and Credit Cards
- ACH and Check Positive Pay
- CardValet
- Personal Financial Management

195 N. First Street | Dixon, California 95620



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