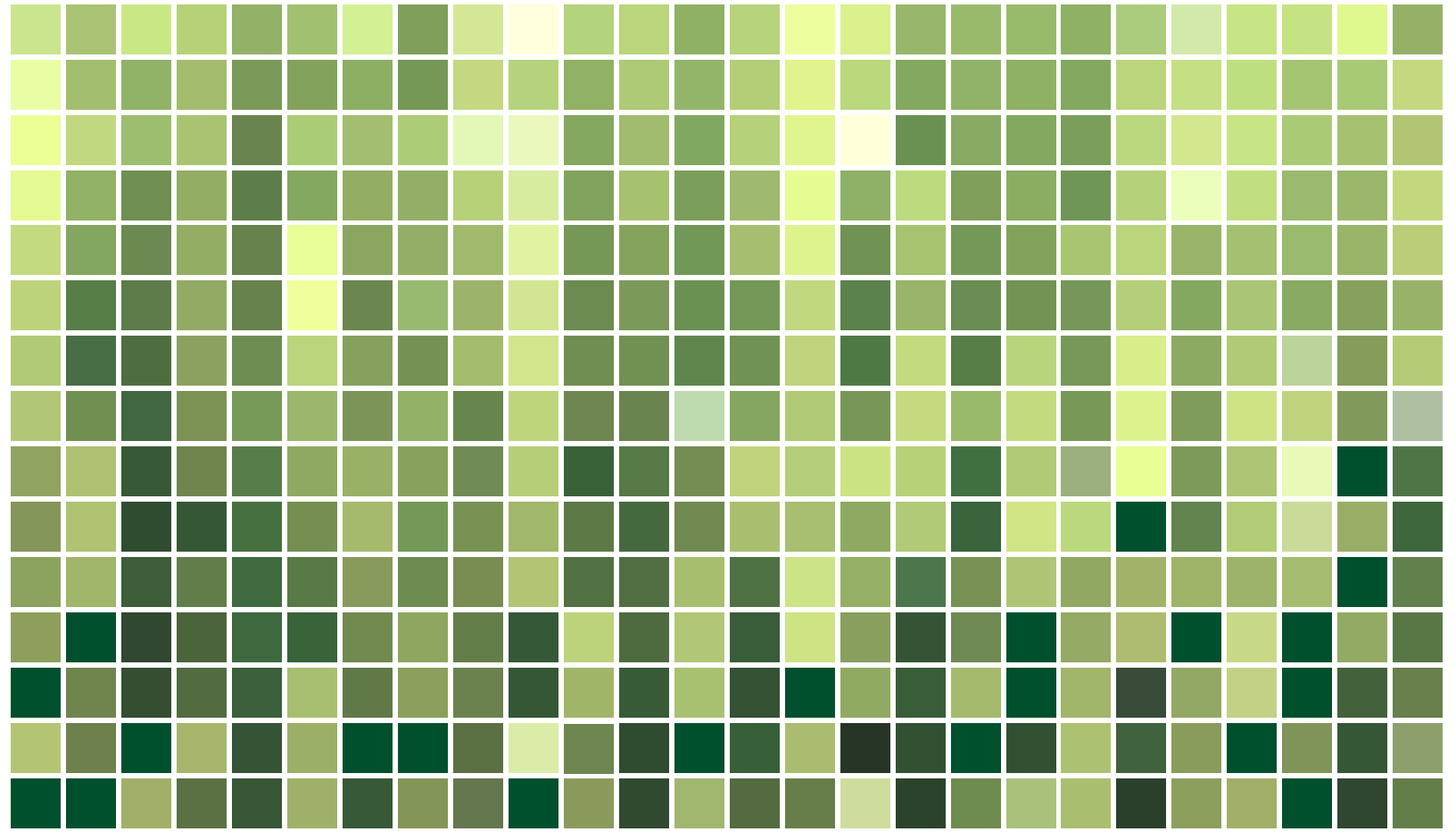


FIRST NORTHERN COMMUNITY BANCORP

2009 Annual Report



Policy of Independence

The Boards of Directors of First Northern Bank, since inception in 1910, have been committed to providing customers, shareholders and employees an independent banking organization that offers localized financial services. Shareholders have invested their capital to ensure that our service areas have a bank that supports economic growth and stability within their communities. Customers have, over the years, placed their banking relationships with First Northern Bank, providing localized deposits for investing in the community. First Northern Bank is committed to remaining an independent bank that provides quality banking services and has a vested interest in the economic viability and growth of the communities it serves.

— *Passed by the Bank's Board of Directors on March 28, 1996*

Vision

To be THE most admired financial services provider so more and more people will be saying,
"First Northern, that's my bank!"

Mission

To remain an independent financial services provider, we will continuously increase shareholder value by employing the very best people who exceed customer expectations and serve our community.

Values

People First • Absolute Integrity • Zest for Excellence

Message to Shareholders

Dear Fellow Shareholders,

In 2008, we witnessed a near meltdown in the financial services industry with the collapse of Lehman Brothers, the distressed sales of Bear Stearns, Merrill Lynch, Washington Mutual and Wachovia, government receivership of Fannie Mae and Freddie Mac, the government bailout of AIG, and the \$700 billion TARP program. We continue to witness rising unemployment, increased consumer and commercial loan defaults, a loss of wealth, new orders and production falling sharply, and there is no sign of a bottom to the declining real estate values.

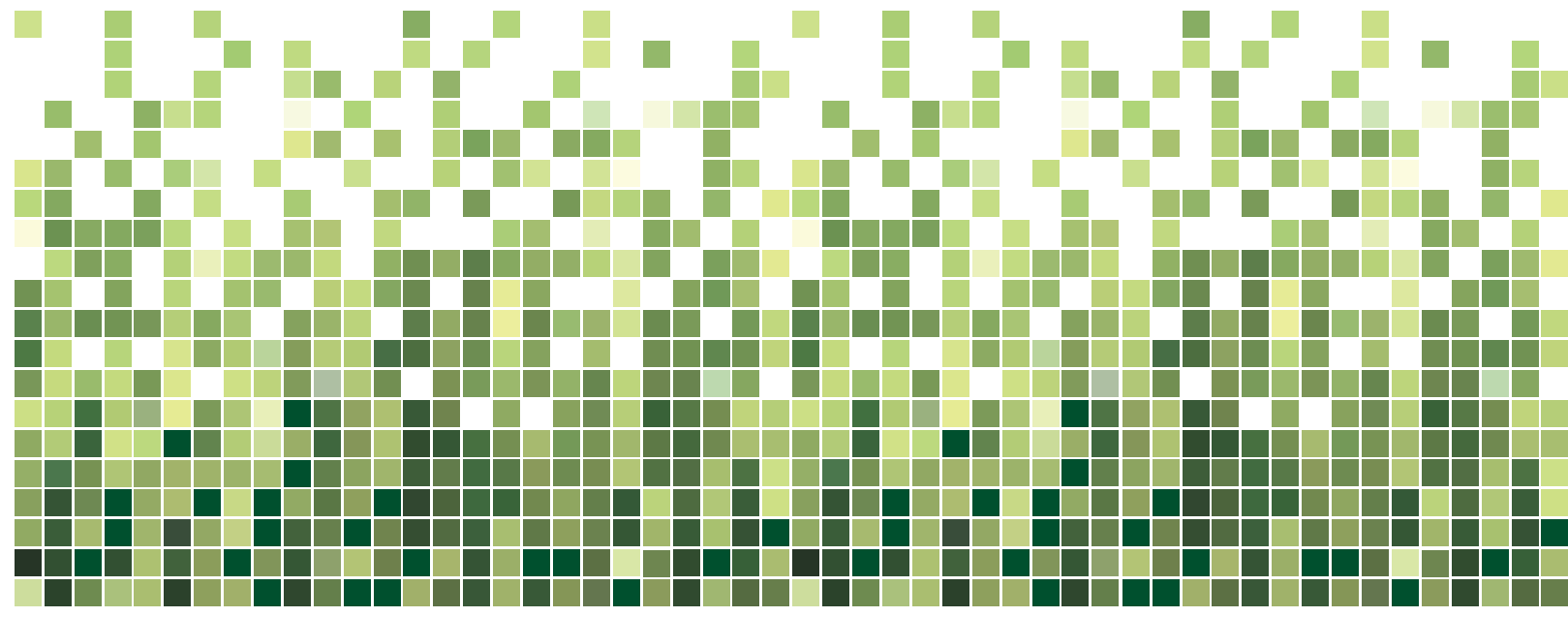
To characterize 2008 as a challenging year for the financial services industry would be a vast understatement. Virtually all banks felt the negative impact of the weakening economic conditions and the turmoil in the credit markets. In California, where the decline in the housing market and the rise in unemployment have been among the most severe in the country, the operating environment has been even more difficult.

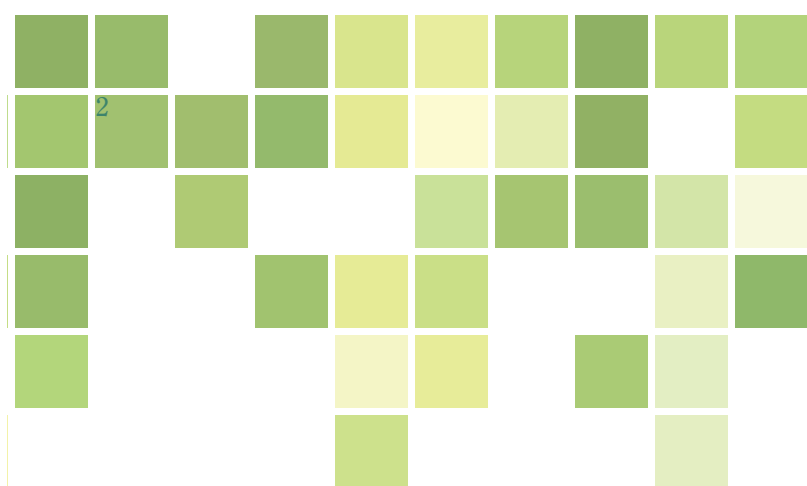
In response to the severe economic downturn and market chaos, First Northern Community Bancorp shifted its near-term strategic focus from a balanced approach to growing the franchise through profitable

organic expansion to preserving its balance sheet strength. Accordingly, we sharpened our pencils and decisively moved toward a more focused risk management operating model. Initiatives we embarked upon included: identifying problem assets as early as possible, substantially building our allowance for loan losses, aggressively pursuing new customers in order to expand our deposit base, downsizing our geographic footprint through office profitability studies, implementing a Company-wide expense management initiative, and maintaining the well-capitalized status of the Company.

The most significant area of concern in 2008 was our portfolio of loans to homebuilders for the construction of new homes. While we originated these loans with conservative underwriting standards that required loan-to-value ratios of 75% on average, the rapid and dramatic decline in housing prices in California had a severe impact on the value of the collateral underlying these projects. As a result, we incurred significant losses in this portfolio during the year.

With the outstanding balance in this portfolio having declined by \$24.7 million or 27% during 2008, we continue to reduce our potential exposure to additional losses related to the homebuilding





market. Following charge-offs, dispositions, and pay-downs, our homebuilding loan portfolio stood at approximately \$67.2 million at the end of 2008, which represents just 13% of our total loans.

The remainder of our loan portfolio was not impacted nearly as much as the homebuilding portfolio, although it did exhibit a level of deterioration consistent with a recessionary economy. We were very prudent in providing additional allowance for loan losses to reflect deteriorating economic conditions. During 2008, we took a provision for loan losses of approximately \$16.2 million. As a result, we completed 2008 with an allowance to total loans ratio of 2.71%, which is at the higher end of our peer group and a positive reflection of the actions we took during the year to recognize inherent losses in the loan portfolio.

Our net loss for the full year was \$1.37 million. While 2008 was very disappointing from a profit perspective, *Looking Ahead*

With no end in sight to the recession we're in, it's certain that 2009 will be another challenging year. We are preparing for considerable headwinds, including a reduced net interest margin, higher FDIC insurance premiums imposed upon the banking industry, and a continuation of elevated credit management costs.

Our priorities for 2009 include a continued focus on aggressive deposit gathering; utilizing the additional capital from the CPP investment while continuing to apply our prudent lending criteria; and tightly managing our expense levels. While we have every intention of retaining and hiring key staff to meet our strategic initiatives, we will be carefully managing salary expense throughout the months ahead.

The financial turmoil over the past two years has dramatically altered the competitive landscape for financial services companies, particularly in California. A number of the community banks that formerly competed in our markets are now gone, leaving opportunity for First Northern Community Bancorp to capture new banking relationships with commercial, high net-worth and retail customers who place a high value on the type of personal service and local decision-making that remain the hallmark of our Company. While we are mindful of the importance of being conservative with our allocation of capital, we are also keenly aware of the value of making strategic investments in our future. We remain vigilant in looking for opportunities to increase our market share and further strengthen our position as the premier community bank in our chosen markets.

In closing, we would like to sincerely thank our shareholders for your continued support; we know we have a lot of work to do to restore the value that has been lost these past months. We are doing all that we can to position First Northern Community Bancorp to be ready when the economy turns, and we are confident that we can reward our shareholders in the years ahead for your patience and the trust you have placed in us. We want to thank our valued customers for their business. Our team of highly skilled employees has always been known for delivering the products customers need along with a superior level of service customers desire, and we have not let up in that regard during this recession. We praise our employees for their hard work and unwavering dedication during a very difficult time for bankers. Employee commitment to ensuring the highest level of customer satisfaction is a critical component of our ability to successfully work through this challenging time. For nearly 100 years, we've had a vision to bring a better kind of banking to our communities. While the environment we operate in is ever changing, we attribute our continued success to our ability to stay true to our values in every decision we make. And, as always, we continue to work hard to exceed your expectations.

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Owen J. Onsum, *President and Chief Executive Officer*



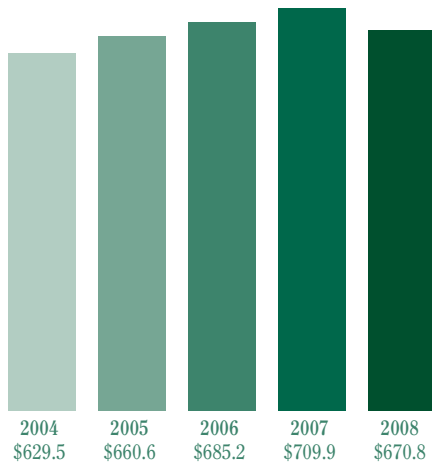
Greg DuPratt, *Chairman of the Board*



Financial Results

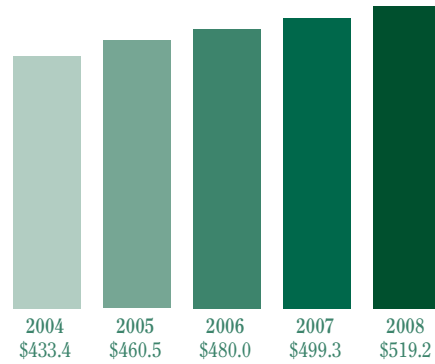
Assets

dollars in millions

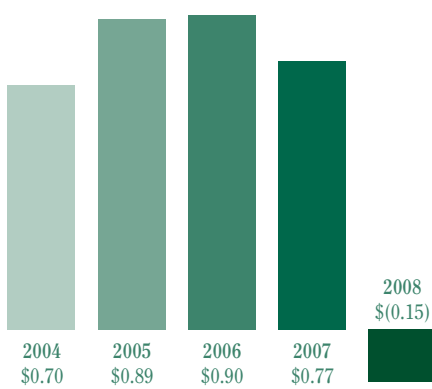


Loans

dollars in millions

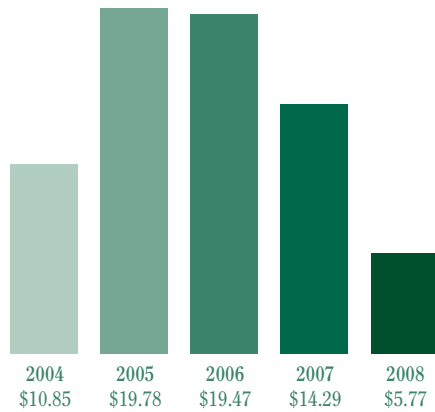


Diluted (loss) Income Per Share



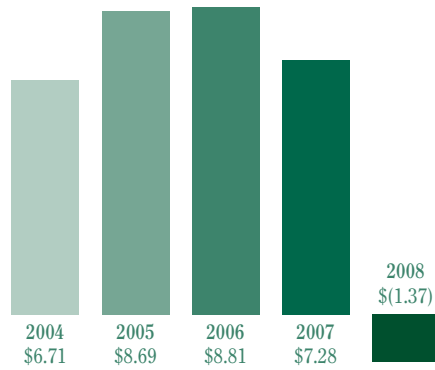
Stock Price

prices are as of year-end and reflect adjustments for splits and dividends



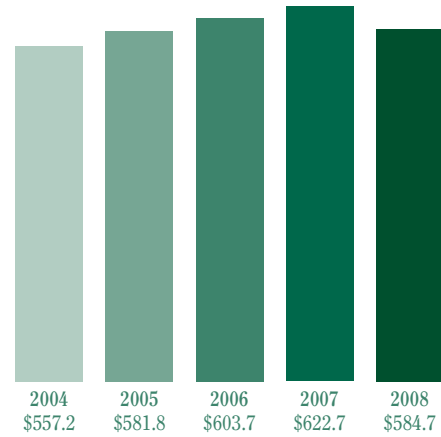
Net Earnings

dollars in millions



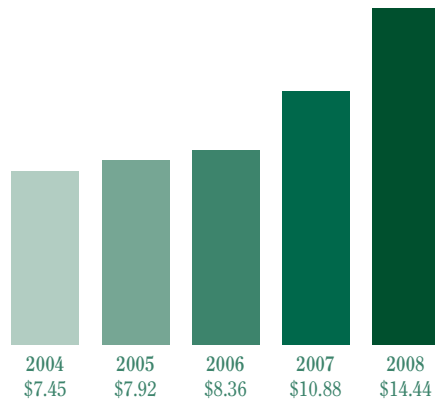
Deposits

dollars in millions

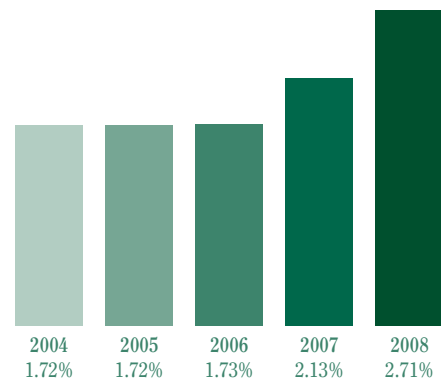


Allowance for Loan Losses

dollars in millions



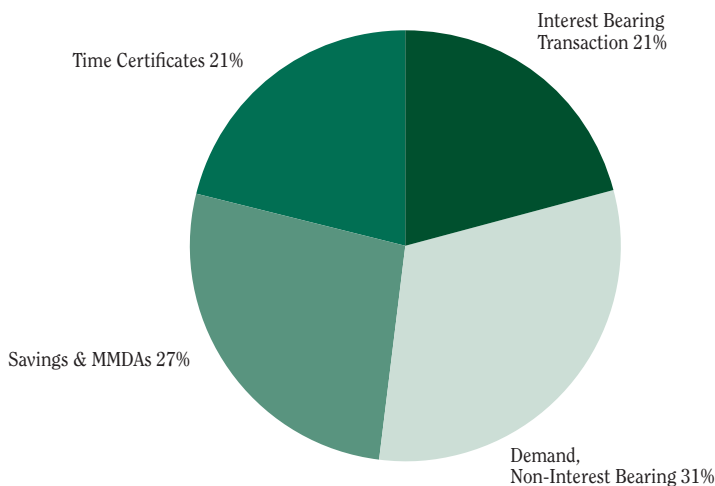
Allowance for Loan Losses as a Percent of Total Loans



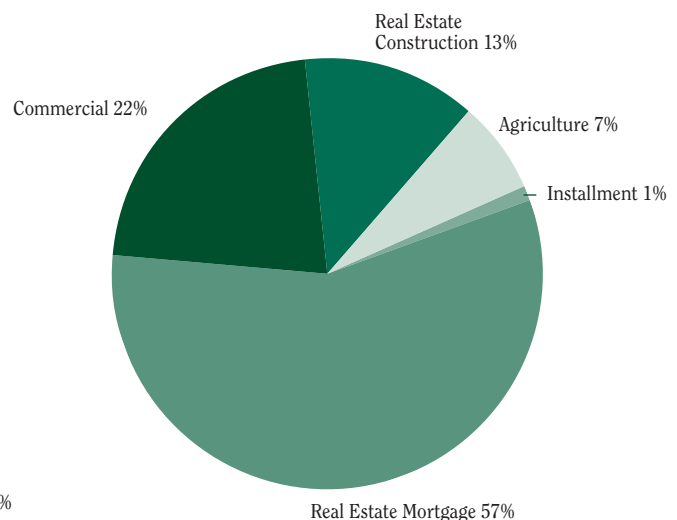
Summary of Operations

<i>Dollars in thousands</i>	2009	2008	2007	2006	2005
Interest Income and Loan Fees	\$ 33,066	\$ 38,871	\$ 48,594	\$ 48,070	\$ 40,9029
Interest Expense	(4,960)	(6,375)	(11,738)	(9,426)	(5,729)
Net Interest Income	28,106	32,496	36,856	38,644	35,173
Provision for Loan Losses	(10,489)	(16,164)	(4,795)	(735)	(600)
Net Interest Income after Provision for Loan Losses	17,617	16,332	32,061	37,909	34,573
Other Operating Income	8,553	6,313	7,160	5,289	5,720
Other Operating Expense	(30,068)	(27,654)	(28,803)	(29,219)	(26,813)
(Loss) Income before Taxes	(3,898)	(5,009)	10,418	13,979	13,480
Benefit (Provision) for Taxes	2,844	3,635	(3,137)	(5,169)	(4,792)
Net (Loss) Income	\$ (1,054)	\$ (1,374)	\$ 7,281	\$ 8,810	\$ 8,688
Basic (Loss) Income Per Share	\$ (0.21)	\$ (0.15)	\$ 0.79	\$ 0.95	\$ 0.93
Diluted (Loss) Income Per Share	\$ (0.21)	\$ (0.15)	\$ 0.77	\$ 0.90	\$ 0.89

Deposit Portfolio Composition



Loan Portfolio Composition



Stock Information

2007

High*	Low*	
\$ 6.00	\$ 4.75	4th Quarter
\$ 6.25	\$ 4.35	3rd Quarter
\$ 5.76	\$ 4.60	2nd Quarter
\$ 6.73	\$ 4.00	1st Quarter

2008

High*	Low*	
\$ 9.62	\$ 5.77	4th Quarter
\$11.30	\$ 8.65	3rd Quarter
\$13.70	\$ 9.86	2nd Quarter
\$16.06	\$13.22	1st Quarter

* Price adjusted for dividends and splits.

As of December 31, 2009, there were 1,322 holders of record of the Company's common shares, which was the only class of equity securities authorized or issued at that time.

The Company's common stock is not listed on any exchange nor is it listed on the NASDAQ, however, it can be found on the OTC Bulletin Board under the symbol FNRN. First Northern Community Bancorp is aware that Howe Barnes Hoefler & Arnett, Inc., Wedbush Morgan Securities, Stone & Youngberg, Inc. and Monroe Securities, Inc. all make a market in the Company's stock (see page 8 for contact information). Management is aware that there are also private transactions in the Company's common stock and the data set forth may not reflect all such transactions. The range of high and low bid quotations for each quarterly period during 2009 and 2009, as provided by Stone & Youngberg, is set forth herein to the extent available:

Shareholder Information

Form 10-K

The Company makes available free of charge on www.thatismybank.com its Annual Reports on SEC Form 10-K, as filed with the SEC pursuant to the Securities Exchange Act of 1934, or by writing to Lynn Campbell, Assistant Vice President/Corporate Secretary, First Northern Community Bancorp, 195 N. First Street, Dixon, California, 95620. These filings are also accessible on the SEC's website at www.sec.gov. Shareholders may also obtain without charge a copy of the Bank's Annual Disclosure Statement prepared pursuant to Part 350 of the FDIC's rules and regulations by writing to the address above or by calling Administration, (707) 678-3041.

Annual Meeting of Shareholders

The 2009 Annual Meeting of Shareholders will be held at 5:30 p.m., Tuesday, May 18, 2010 at the First Northern Bank Operations Center, 210 Stratford Avenue, Dixon, California 95620.

Cautionary Note Regarding Forward-Looking Information

This publication includes forward-looking statements, which include statements regarding forecasts of our financial results and condition, credit quality, the company's focus, vision and strategies, and the expected benefits of its strategies, the company's growth prospects and competitive position, ability to return capital to investors and enhance shareholder value, expectations for the company's operations and business, and assumptions for those forecasts and expectations. Do not rely unduly on forward-looking statements. Actual results might differ significantly from the company's forecasts and expectations. Please refer to 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.

Independent Auditors

Moss Adams LLP, 3121 West March Lane, Suite 100
Stockton, California 95219-2303

For stock information, please call one of the Bancorp's market makers:

John Cavender, Howe Barnes Hoefler & Arnett, Inc.
(800) 346-5544

Lisa Ann Gallo, Wedbush Morgan Securities (800)
357-3680

Troy Norlander, Stone & Youngberg (800) 288-
2811

Steven Schroeder, Monroe Securities, Inc. (800)
766-5560

Corporate Headquarters

195 N. First Street, Dixon, California 95620 (707)
678-3041

First Northern Community Bancorp Administrative Management

Owen J. Onsum, *President and Chief Executive Officer*

Louise A. Walker, Sr., *Executive Vice President/Chief Financial Officer*

Patrick S. Day, *Executive Vice President*

Robert M. Walker, *Executive Vice President*

Lynn Campbell, *Assistant Vice President/Corporate Secretary*

Office Locations

Administration
195 N. First Street
Dixon, California 95620
(707) 678-3041

**Asset Management &
Trust Department**
1007 7th Street, Ste. M100
Sacramento, California 95814
(916) 325-0050

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

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

**Davis Investment
& Brokerage Services**
508 Second Street
Davis, California 95616
(530) 756-5814

Davis
Real Estate Loan Office
508 Second Street, Suite 104
Davis, California 95616
(530) 753-1585

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

Downtown Financial Center
555 Mason Street
Vacaville, California 95688
(707) 447-8600

Downtown Sacramento Branch
700 J Street
Sacramento, California 95814
(916) 447-9000

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

Folsom
Real Estate Loan Office
2360 E. Bidwell Street, Suite 100
Folsom, California 95630
(916) 817-3900

Investment & Brokerage Services
Main Office
2360 E. Bidwell Street, Suite 105
Folsom, California 95630
(916) 817-3909

Regency Park Branch
661 Elmira Road
Vacaville, California 95687
(707) 447-1400

Roseville Branch
2150 Douglas Boulevard, Suite 260
Roseville, California 95661
(916) 787-8510

Roseville
Real Estate Loan Office
2150 Douglas Boulevard, Suite 260-C
Roseville, California 95661
(916) 787-8500

SBA Loan Department
1007 7th Street, M102
Sacramento, California 95814
(916) 567-6270

**University Retirement
Community**
Satellite Office
1515 Shasta Drive
Davis, California 95616

Vacaville
Real Estate Loan Office
555 Mason Street
Vacaville, California 95688
(707) 469-2130

West Sacramento Branch
1300 Harbor Boulevard
W. Sacramento, California 95691
(916) 372-1023

**West Sacramento Investment
& Brokerage Services**
1550 Barbor Blvd., Suite 140
W. Sacramento, California 95691
(916) 372-1023

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

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

FIRST NORTHERN
COMMUNITY **BANCORP**



FIRST NORTHERN BANK

Expertise in Community Banking

We bring a wealth of financial solutions to our clients:

Cash Management Services

Deposit Capture

Asset Management & Trust Administration, *non-FDIC insured*

Investment & Brokerage Services, *non-FDIC insured*

Small Business Administration Lending

Residential Mortgage Lending

Lease Financing

Construction Financing

Business Banking

Internet Banking

Personal Banking

Non-Profit/Association Banking

Private Client Services

Payroll Services

Small Business Resource Center

24-Hour Mortgage & Home Equity Loans

195 N. First Street
Dixon, California 95620

Member FDIC



EQUAL HOUSING
LENDER