

PRESS RELEASE
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First Northern Community Bancorp Reports
First Quarter 2021 Net Income of \$3.2 Million, Up 18.6% from One Year Ago

Dixon, California—First Northern Community Bancorp (the “Company”, OTCQB: FNRN), holding company for First Northern Bank (“First Northern” or the “Bank”), today reported net income of \$3.2 million, or \$0.23 per diluted share, for the three months ended March 31, 2021, up 18.6% compared to net income of \$2.7 million, or \$0.20 per diluted share, for the three months ended March 31, 2020.

Total assets as of March 31, 2021 were \$1.78 billion, an increase of \$438.8 million, or 32.7%, compared to March 31, 2020. Total deposits as of March 31, 2021 were \$1.61 billion, an increase of \$425.0 million, or 36.0%, compared to March 31, 2020. Total net loans (including loans held-for-sale) as of March 31, 2021 were \$950.8 million, an increase of \$186.1 million, or 24.3%, compared to March 31, 2020. The increase in net loans was primarily driven by loans made under the SBA’s Paycheck Protection Program (PPP) totaling \$202.6 million as of March 31, 2021 and \$47.4 million in purchased commercial real estate loans during the first quarter of 2021. These increases were partially offset by a decrease in agriculture and residential construction loans largely due to paydowns and an overall decrease in demand. The Company continued to be “well capitalized” under regulatory definitions, exceeding the 10% total risk-based capital ratio threshold as of March 31, 2021.

Commenting on the Company’s financial results, President & Chief Executive Officer Louise Walker stated, “We are proud to report another quarter of strong performance. In addition to the 18.6% increase in net income, non-interest income on March 31, 2021 was \$2.29 million, up 38.9%, or \$641,000, compared to the \$1.65 million earned in the same period a year ago. The primary contributors to this increase were from gains from

mortgage-related activities and debit card income. Mortgage loan originations for the three months ended March 31, 2021 totaled \$29.6 million compared to \$17.7 million in the first quarter last year, representing an increase of 67.3%. A significant number of new client relationships were established in PPP-Round 1, and the trend has continued in PPP-Round 2 which began on January 15, 2021. We believe the deepening of these new relationships, in addition to growth in quality loans from our robust pipeline should contribute to solid and sustainable core earnings increasing over the long term.”

PPP-Round 2 resulted in approximately \$4.8 million in processing fees from the SBA, which is being recognized as an adjustment to the effective yield over the loan’s projected life. Unearned PPP processing fees totaled \$5.9 million and \$1.9 million as of March 31, 2021 and December 31, 2020, respectively. PPP processing fees totaling approximately \$760,000 were recognized in interest income for the three-month period ended March 31, 2021.

Provision for loan losses totaled \$300,000 for the three months ended March 31, 2021 compared to \$650,000 for the same period in 2020. The decrease in the provision for loan losses was primarily due to the overall improvement in economic conditions, which was partially offset by an increase in specific reserves on impaired loans.

On March 25, 2021, the Company paid a 5% stock dividend to all shareholders of record as of February 26, 2021.

About First Northern Bank

First Northern Bank is an independent community bank that specializes in relationship banking. The Bank, headquartered in Solano County since 1910, serves Solano, Yolo, Sacramento, Placer, and Contra Costa Counties, as well as the west slope of El Dorado County. Experts are available in small-business, commercial, real estate and agribusiness lending, as well as mortgage loans. The Bank is an SBA Preferred Lender. Non-FDIC insured Investment and Brokerage Services are available at every branch location, including Dixon, Davis, West Sacramento, Fairfield, Vacaville, Winters, Woodland, Sacramento, Roseville, Auburn and Rancho Cordova. The Bank also has a commercial lending office in Walnut Creek and a mortgage loan office in Sonoma. Real estate mortgage and small-business loan officers are available by appointment in any of the Bank’s 11 branches. First Northern is rated as a Veribanc “Blue Ribbon” Bank and a “5-Star Superior” Bank by Bauer Financial for the earnings period ended December 31, 2020 (www.veribanc.com) and (www.bauerfinancial.com). The Bank can be found on the Web at thatsmybank.com, on [Facebook](https://www.facebook.com) and on [LinkedIn](https://www.linkedin.com).

Forward-Looking Statements

This press release and other public statements may include certain “forward-looking statements” about First Northern Community Bancorp and its subsidiaries (the “Company”). These forward-looking statements are based on management’s current expectations, including but not limited to statements about the Company’s expectations about earnings, loan growth, and new client relationships resulting from the Bank’s participation in the PPP, and are subject to certain risks, uncertainties and changes in circumstances. Actual results may differ materially from these expectations due to changes in global political, economic, business, competitive, market and regulatory factors. Given the many challenges and uncertainties resulting from the coronavirus pandemic, such as the extent and duration of the impact on public health, the U.S. and California economies, financial markets and consumer and corporate customers and clients, including economic activity, employment levels and market liquidity, and on our business, results of operation and financial condition, as well as the various actions taken in response to the challenges and uncertainties by governments, regulatory agencies and others, our forward-looking statements are subject to the risk that conditions will be substantially different than we are currently expecting. More detailed information about these risk factors is contained in the Company’s most recent reports filed with the Securities and Exchange Commission on Forms 10-K and 10-Q, each as it may be amended from time to time, which identify important risk factors that could cause actual results to differ materially from those contained in the forward-looking statements. The financial information contained in this release should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s most recent reports on Form 10-K and Form 10-Q, and any reports on Form 8-K. The Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances arising after the date on which they are made. For further information regarding the Company, please read the Company’s reports filed with the SEC and available at www.sec.gov.