



## **PRESS RELEASE**

### **FOR IMMEDIATE RELEASE**

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### **First Northern Community Bancorp Reports First Quarter 2018 Earnings**

#### **Q1 Net Income Increased 8.7% Over Same Period Last Year**

#### **Total Net Loans Up 10.1% from Prior Year**

**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 \$2.7 million, or \$0.23 per diluted share, for the three months ended March 31, 2018 compared to net income of \$2.5 million, or \$0.22 per diluted share, for the three months ended March 31, 2017.

Total assets at March 31, 2018 were \$1.2 billion, an increase of \$37.6 million, or 3.2%, compared to March 31, 2017. Total deposits at March 31, 2018 were \$1.1 billion, an increase of \$32.1 million, or 3.0%, compared to March 31, 2017. During the same period, total net loans (including loans held-for-sale) increased \$66.3 million, or 10.1%, to \$721.0 million. The Company continued to be “well capitalized” under regulatory definitions, exceeding the 10% total risk-based capital ratio threshold at March 31, 2018.

Commenting on the Company’s financial results, President & Chief Executive Officer Louise Walker stated, “We are very pleased with our strong core operating results posted for the first three months of 2018, which ended with net income at \$2.7 million, an 8.7% increase over the first quarter of 2017. By growing the balance sheet and increasing the size of our quality loan portfolio, we have been able to report consistent gains in our net interest income. Net interest income was \$10.5 million at March 31, 2018, a 12.9% increase over the same period last year. Non-interest income declined \$1.0 million, or 36.6%, when compared to the same period last year, primarily due to the \$1.2 million gain on the sale-leaseback of our Auburn Branch recognized in the first

quarter of 2017 which was not repeated in 2018. Investment and brokerage income generated from our Wealth Management Division was a bright spot within non-interest income, posting a 12.6% increase over first quarter of 2017. Lastly, our effective tax rate declined from 38.0% for the three months ended March 31, 2017 to 28.0% for the three months ended March 31, 2018 as a result of the Tax Cuts and Jobs Act; this led to a decrease in our provision for income taxes of \$0.5 million, or 31.0%, when compared to the same period last year.”

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: Auburn, Dixon, Davis, Fairfield, Roseville, Sacramento, Vacaville, West Sacramento, Winters, and Woodland. The Bank has a full-service Trust Department in Sacramento and a commercial lending office in Walnut Creek. Real estate mortgage and small-business loan officers are available by appointment in any of the Bank’s 10 branches. First Northern recently launched Lightning Loans, its new digital channel for small businesses to get a \$2,500 to \$50,000 loan or line of credit in minutes. The Bank is rated as a Veribanc “Blue Ribbon” Bank for the earnings period ended December 31, 2017 ([www.veribanc.com](http://www.veribanc.com)). The Bank can be found on the Web at [www.thatsmybank.com](http://www.thatsmybank.com), on [Facebook](#) and on [LinkedIn](#).

#### *Forward-Looking Statements*

*This press release 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 market conditions and the anticipated impact of recent tax law changes and current expectations about strategic focus and competitive advantages, 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. 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](http://www.sec.gov).*

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