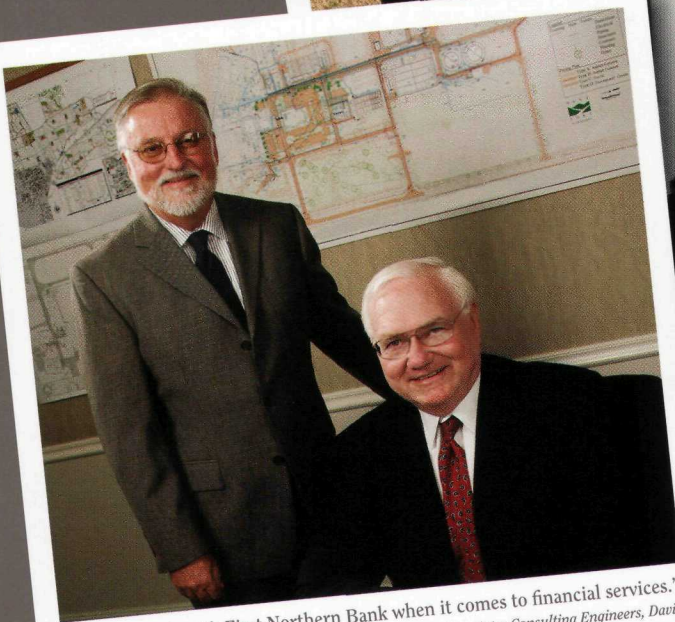


7640943-1



"The verdict is – First Northern's service is the best!"
– Hillman, Lucas & Jones, Attorneys at Law, Suisun City



"We consult with First Northern Bank when it comes to financial services."
– Steve Dalrymple & Bruce West, West Yost Associates Consulting Engineers, Davis
2007 Sacramento Workplace, Excellence Leader Award Winner

Success is Built on Healthy Relationships

FIRST NORTHERN COMMUNITY BANCORP

2007 Annual Report

Filings Services
April 16, 2008
SNL Financial, LC
1-800-969-4121



"First Northern has staying power – that's important to our business."
– Ashley & Judy Jeffrey, Western Stabilization, Dixon



company overview

First Northern Community Bancorp is the single bank holding company of First Northern Bank, an independent community bank with 11 branches and \$710 million in assets.

The Company has distinct strengths that provide it with competitive advantages in its three primary business lines – Commercial Banking, Community Banking and Wealth Management.

For more than a decade, the Company has fostered an ownership culture amongst its employees which creates a more ‘connected’ sense of pride as employees have a vested interest in the financial results produced. Currently over 90% of the Company’s fulltime equivalent employees own FNRN stock.

With a presence in the greater Sacramento and the eastern-most Bay Area region for almost 100 years, First Northern Community Bancorp represents a pillar of strength in its communities as a trusted corporate partner, providing a tradition of significant financial and volunteer support throughout its service areas.



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*

letter to shareholders

Dear Fellow Shareholders,

This past year was a mixed bag for our growing company. The balance sheet at year-end reached a record \$709.9 million in total assets, and we also set new record levels in deposit and loan totals. In spite of our need to provide almost \$5 million in loan loss provisions for deteriorating credits in our commercial loan portfolio, we are proud of the fact that we were still able to report \$7.28 million in net income. This feat was achieved by good old-fashioned hard work on the part of our employees and by staying true to our values.

In what remains a challenging environment for all financial institutions, First Northern Community Bancorp takes very seriously its vision, mission, and values, and incorporates them in virtually everything we do. This helps us prepare and execute clear and comprehensive game plans for continued success, not to mention it keeps everyone focused on moving decisively toward enhancing the value of our respected franchise.

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

Our need to provide \$4.8 million in loan loss provisions was the result of a number of small business and small homebuilder customers who were hit severely by the country's economic downturn and rapid decline in real estate values. Because these customers were not able to sell their products, their loans became 'workout situations,' requiring the Bank to either charge-off, write-down, and/or set aside reserves for future loan impairments. Unfortunately, even though First Northern Bank has never participated in the subprime lending market, we are not immune from the fallout plaguing the financial services industry as a whole.





“Partnering with First Northern was an award winning decision!”

– Ernesto Jimenez, Owner - Zocalo Restaurant & Ernesto's Mexican Food

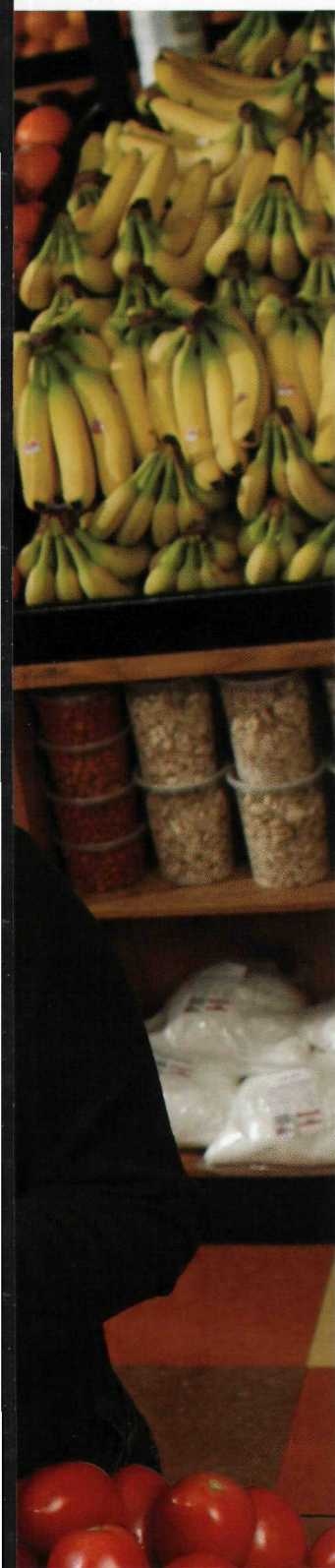
Ron Vrillakas, Vrillakas Architects, Sacramento

Winners of the Best Mixed-Use Project, Sacramento Business Journal's 2004 Best Real Estate Deals



“First Northern takes a fresh approach to financial services.”

– Victor Mendoza and Carmen Ochoa, La Superior SuperMercados, Sacramento



While 2007 does not reflect the stellar financial achievements of years past, we still made good progress in our core business, and delivered solid results particularly in light of the challenging operating environment. Following are some of our 2007 highlights:

product development

We launched several new products and services designed to add convenience, improve efficiencies, enhance security, and bring overall value to our customers. Our **Deposit Capture** service allows our business customers to make deposits anytime day or night, from the comfort of their offices, through an electronic check scanner. The program has been extremely successful; to date, we have over 140 customers utilizing Deposit Capture. Our participation in the **CDARS** network has provided our business and consumer customers the ability to deposit up to \$50 million in Certificates of Deposit under one roof (instead of the usual \$100,000 per financial institution limitation) while still receiving full FDIC insurance on those deposits. The Bank rolled out **Positive Pay**, a check fraud protection and security tool for businesses. We also launched a **business-focused Electronic Bill Pay** system. And, we now have what we are calling our **Country Home Mortgage Loan** program. This program provides customers with favorable home financing options for those tricky rural properties that involve acreage or agricultural production.

technological enhancements

We continued our initiative to seek ways to better utilize technology for improved efficiencies throughout the Company. We began **imaging the Bank's real estate loan and consumer loan files** to allow for the elimination of paper files and enhanced record retention. We initiated the process of converting all of the Bank's operating procedures onto our new **Electronic Policy & Procedure Manual**, called the "Knowledge Vault." Our employee recruitment process was enhanced by developing an **Online Employment Application**. And, we developed and implemented a **Credit Scoring System** for the Bank's smaller commercial loans.

employee-centric initiatives

Our employees are truly the Company's strongest asset. To ensure our company is a great place to work and grow, we continually seek ways to foster employee development and recognition. In 2007, we enhanced our **Commercial Loan Trainee Program** to include mentoring with the Bank's commercial loan officers. We **honored 25 employees as First Northern Bank's first Franklins**, an elite group of community service superstars. And, we conducted an **internal Service Quality Survey** where employees rated the Bank's support departments on friendliness, quality of service, meeting deadlines, knowledge and skills, and problem-solving

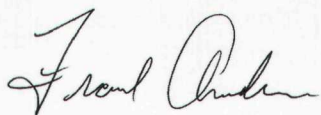
capabilities. Scores came in remarkably high, and we'll be using the 2007 survey as a benchmark for the new annual internal Service Quality Survey.

local and industry achievements


We hit some nice milestones in 2007 that are worthy of mentioning: our **Asset Management & Trust Department celebrated its 5th anniversary**, and our **Woodland Branch celebrated its 10th anniversary**. We were once again voted the **Best Bank** by the residents and businesses of Yolo County. Our Davis Branch received the Davis Chamber of Commerce Bill Streng **Business of the Year Award**. We received the '**Super Premier Performing Bank**' status from the Findley Group, a well-regarded financial institutions rating company. And, we **doubled the assets of our Investment & Brokerage Services Department**.

The Board of Directors and management teams at First Northern are fully engaged to face the challenges that lie ahead in 2008 and beyond. Despite the national projections for continued slowing economic conditions, we are confident that we are well positioned to create significant value for our shareholders. Our employees are passionate about building enduring relationships with our customers. We know our success has been built on continued strong and healthy relationships...with our customers, with each other, with our communities and with our shareholders. Relationships are built on trust. And this trust is what people depend on when they think of First Northern Bank. Because of that trust, our customers refer their friends, neighbors and associates to the Bank. That has always been the hallmark of our success, and it will continue to be as we open new branches, continue to expand into adjacent markets, identify mutually beneficial partnerships, and develop new products to serve our very valued customers.

We close on a note of sincere thanks to our shareholders, for your continued confidence in our abilities, particularly during such a challenging year. Providing you with value on your investment remains our ultimate goal. This will only be achieved through providing our customers with the best that banking has to offer. We have an unwavering commitment to high performance and superior service. We have the experience and the depth to be able to adapt to changing economic environments. We know what it takes to be successful in this business. We look forward to our bright future.



Frank J. Andrews
Chairman of the Board



Owen J. Onsum
President and Chief Executive Officer





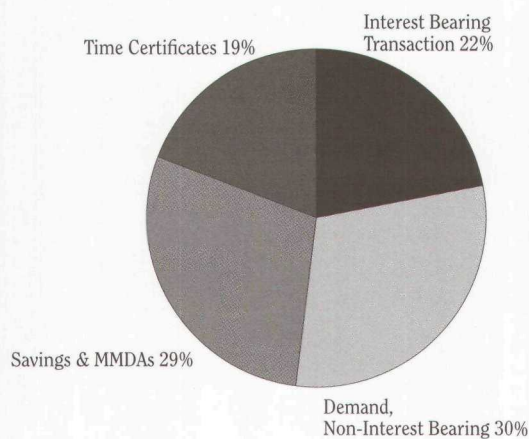
“First Northern helps keep my business financially fit.”

– Galen Miler, Millennium Sports Club, Vacaville

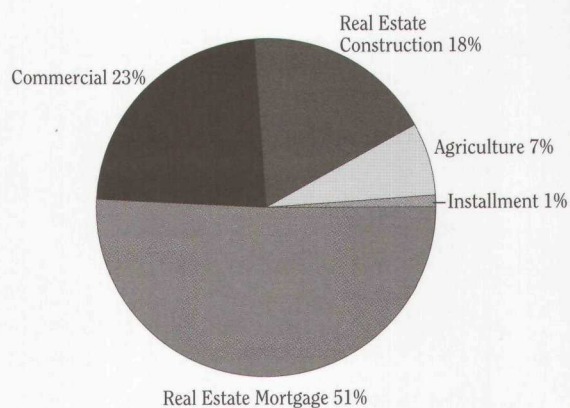
summary of operations

<i>Dollars in thousands</i>	2007	2006	2005	2004	2003
Interest Income and Loan Fees	\$ 48,594	\$48,070	\$40,902	\$31,619	\$30,326
Interest Expense	(11,738)	(9,426)	(5,729)	(3,426)	(3,109)
Net Interest Income	36,856	38,644	35,173	28,193	27,217
Provision for Loan Losses	(4,795)	(735)	(600)	(207)	(2,153)
Net Interest Income after Provision for Loan Losses	32,061	37,909	34,573	27,986	25,064
Other Operating Income	7,160	5,289	5,720	5,214	7,160
Other Operating Expense	(28,803)	(29,219)	(26,813)	(22,943)	(22,868)
Income before Taxes	10,418	13,979	13,480	10,257	9,356
Provisions for Taxes	(3,137)	(5,169)	(4,792)	(3,550)	(3,245)
Net Income	\$ 7,281	\$ 8,810	\$ 8,688	\$ 6,707	\$ 6,111
Basic Income Per Share	\$ 0.83	\$ 0.98	\$ 0.96	\$ 0.74	\$ 0.67
Diluted Income Per Share	\$ 0.80	\$ 0.94	\$ 0.92	\$ 0.72	\$ 0.66

deposit portfolio composition



loan portfolio composition





“First Northern’s menu of products and successful traditions are great ingredients for our business.”

– Shar & Kevin Katz, Caffé Italia, Davis



“We expect the best, so we bank with First Northern.”

– Cathy McPhillips, EarthSavers, Erosion Control Products, Woodland

stock information

As of December 31, 2007, there were 1,231 holders of record of the Company's common shares, which is the only class of equity securities authorized or issued.

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 Hoefer & Arnett, Inc., Wedbush Morgan Securities, Stone & Youngberg, Inc. and Monroe Securities, Inc. all make a market in the Company's stock (see page 16 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 2007 and 2006, as provided by Stone & Youngberg, is set forth herein to the extent available:

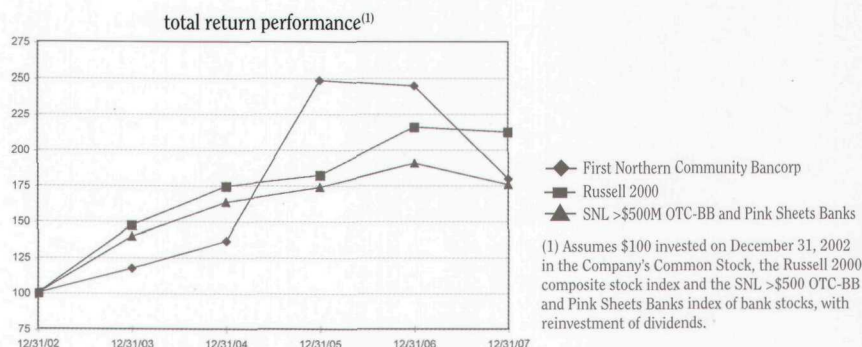
2007			2006		
High *	Low *		High *	Low *	
\$17.83	\$14.86	4th Quarter	\$23.14	\$20.25	4th Quarter
\$17.92	\$14.86	3rd Quarter	\$24.02	\$22.25	3rd Quarter
\$18.16	\$16.36	2nd Quarter	\$25.81	\$23.23	2nd Quarter
\$20.92	\$17.45	1st Quarter	\$25.58	\$21.20	1st Quarter

* Price adjusted for dividends and splits.

stock performance graph

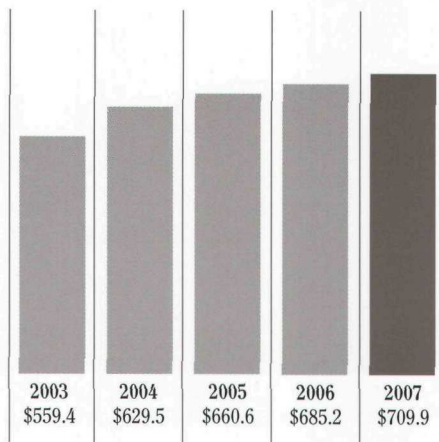
The graph below compares the cumulative total shareholder return on First Northern Community Bancorp (the "Company") common stock to the cumulative total return of the Russell 2000, and SNL >\$500M OTC-BB and Pink Sheets Banks as prepared by SNL Financial LC, which uses the cumulative total or the OTC Bulletin Board, an electronic, screen-based market maintained by the NASD, Inc.'s subsidiary, or the Pink Sheets. The following comparison covers the period December 31, 2002 to December 31, 2007. The graph assumes that \$100 was invested on December 31, 2002 and that all dividends were reinvested.

The Company is not among the approximately 2,000 companies included in the Russell 2000. The Company is among the commercial banks and bank holding companies included in the SNL >\$500M OTC-BB and Pink Sheets Banks whose stocks trade on either the OTC Bulletin Board or Pink Sheets.

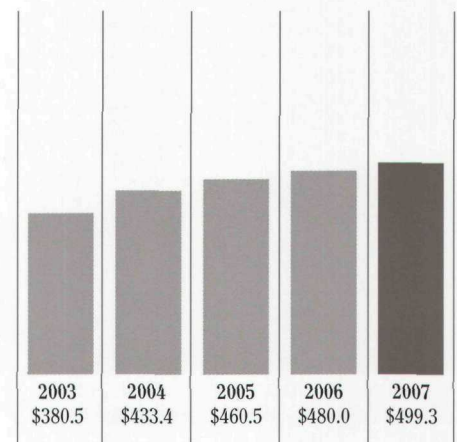


financial results

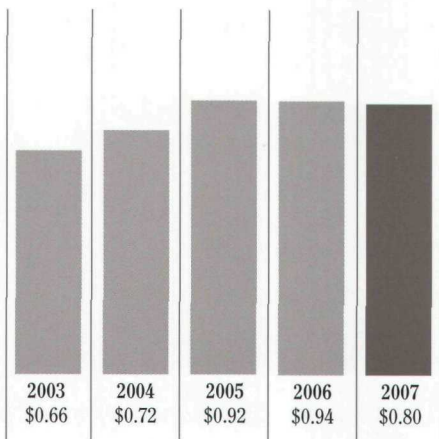
assets
dollars in millions



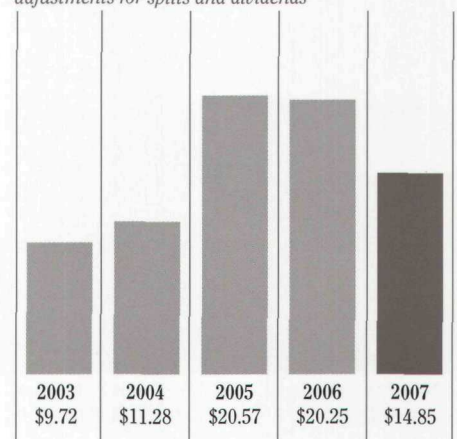
loans
dollars in millions



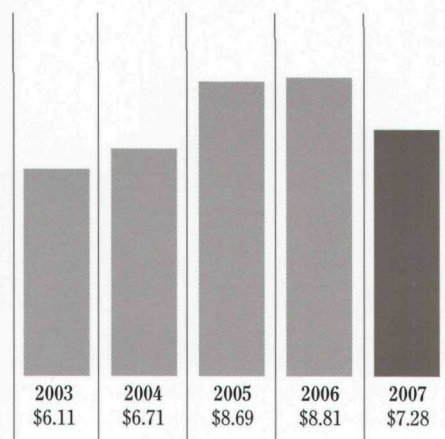
diluted earnings per share



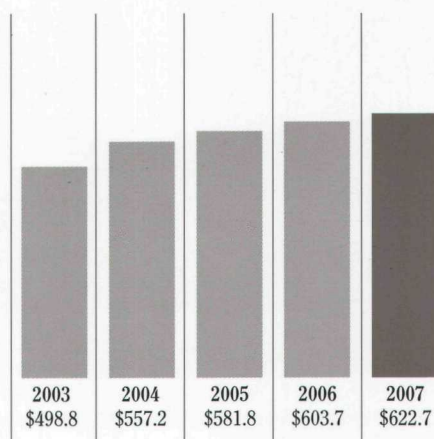
stock price
prices are as of year-end and reflect adjustments for splits and dividends



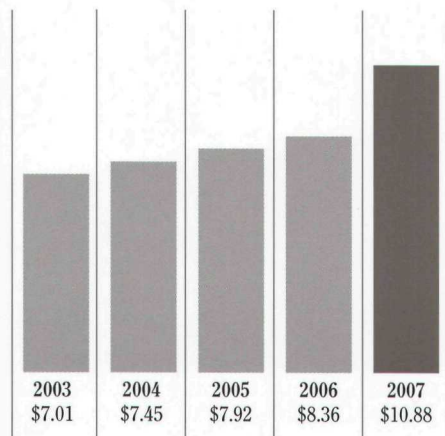
net earnings
dollars in millions



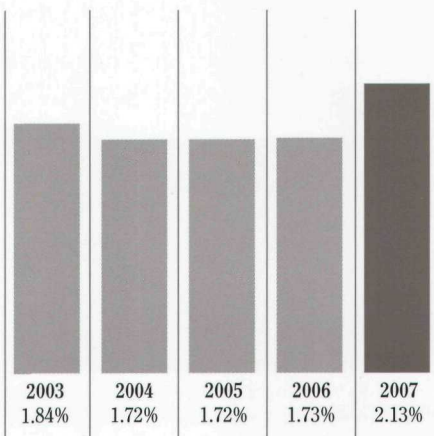
deposits
dollars in millions



allowance for loan losses
dollars in millions



allowance for loan losses as a percent of total loans





senior management team Larry Miller, *Sr. Vice President/Human Resources Director*; Bruce A. Orris, *Sr. Vice President/Chief Information Officer*; Louise A. Walker, *Sr. Executive Vice President/Chief Financial Officer*; Kimberly A. DeBra, *Sr. Vice President/Corporate Communications & Marketing*; Robert M. Walker, *Executive Vice President/Commercial, Retail & Trust Divisions*; Patrick S. Day, *Executive Vice President/Chief Credit Officer*; Owen J. Onsum, *President/Chief Executive Officer & Director First Northern Community Bancorp & First Northern Bank*

senior vice presidents

Jeffrey A. Adamski
Stanley R. Bean
Curt Houston
Steve Oren

vice presidents

Patricia Armlin
Steven Avery
Chris Ann Bachtel
Christopher Barto
Cindy Beck
Denise Burris
Josh Corell
Dave Davis
John Davis
Ann Diamondstone
Keith Evans
Sally Galindo

Nancy Garton
Scott Griffith
Juanita Holmes
Kim Judkins
Jessica Kilkenny
Paul Kolarik
Carol Landry
Bill Lobotzke
Gayle Matsuoka
Steve McCurley
Ann Marie Meloy-Lavallee
Geoffrey Miller
Jane Millett
Janice Myers
Michael W. Nease
Mary Nootenboom
Marc Pearl
Celso Pena
Craig Perkins
Yvonne Pigeon

Terry Ramm
Stephen Romeo
Gwyn Runnels
Phyllis Seelye
Doug Shepard
Jeremiah Smith
Norman Todd
Ute Turner
Karen Walker
William Woehler
Roy Yarbrough

assistant vice presidents

Pam Aguilera
William Arnott
Linda K. Barbosa
Ramona Baumeister
Lynn Campbell
Janet Carrere
Susan Clark



board of directors Owen J. Onsum, *President/Chief Executive Officer & Director First Northern Community Bancorp & First Northern Bank*; Frank J. Andrews, Jr., *CHAIRMAN OF THE BOARD, President/Andrews, Lando & Associates*; David W. Schulze, *Retired Farmer/Manager Family Farming Operation*; Foy S. McNaughton, *President & Chief Executive Officer, McNaughton Newspapers*; Diane P. Hamlyn, *Founder, Davisville Travel*; John F. Hamel, *Retired Banker*; John M. Carbahal, *CPA, Principal & Shareholder Carbahal & Company, Inc., an Accountancy Corporation*; Gregory DuPratt, *VICE CHAIRMAN OF THE BOARD, Vice President Ron DuPratt Ford*; Lori J. Aldrete, *Principal, ACS Quantum Strategies, LLC*; Andrew Wallace, *Chief Financial Officer & Chief Operating Officer Wallace-Kuhl & Associates, Inc.*

Alysia Corell
Irma Del Nero
Arda Eckels
Marcia Faulkner
Elaine Green
Laura Guerrero
Jackie Hernandez
Lynette Hjerpe
Richard Jordana
Kathy Kolb
Gayna Lamb-Bang
Lynne Lincoln
Sheri Mosher
Stacie Pinkston
Catherine Ross-Price
Karen Seymour
Dianna Schmid
Cary Schroeder
Susan Spann
Angela Wheeler

officers

Jinny Adams
Jennie Baumeister
Kim Bonnington
Kimberly Bowman
Joanne Bryant
Kerry Clearwater
Jane Christophersen
Shirley d'Alquen
BriAnne Dewberry
Stephanie Douglass
Kathy Dozier
Anne Galindo
Lawrence Gapinski
Jeanette A. Garcia
Michael Girvin
Steve Goldstein
Elizabeth Hernandez
Dyann Houston

Alison Jewett
Kristen Lenz
Michaela Long
Alison Maha
Katie Mertz
Marnie Nessen
Aarti Pendse
Ashley Phillips
Kathy Redman
Rosina Sandoval
Stephen Schmidt
Donna Schneider
Laura Sires
Julie Solorio
Paul Stockman
Charles Thiot
Lisa Tubbs

shareholder information

form 10-K

The Company makes available free of charge on www.thatsmybank.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 2008 Annual Meeting of Shareholders will be held at 5:30 p.m., Tuesday, May 13, 2008 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 Hofer & 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

Covell Gardens

Satellite Office
1111 Alvarado Street
Davis, California 95616

Davis Branch

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

Davis

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

Dixon Branch

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

Downtown Financial Center

555 Mason Street, Suite 100
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 94534
(707) 425-2900

Folsom Branch

2360 E. Bidwell Street, Suite 105
Folsom, California 95630
(916) 817-3900

Folsom

Real Estate Loan Office
2360 E. Bidwell Street, Suite 100
Folsom, California 95630
(916) 817-3910

Investment &

Brokerage Services
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 100
Roseville, California 95661
(916) 787-8510

Roseville

Real Estate Loan Office
1133 Coloma Way, Suite A
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

Winters Branch

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

Woodland Branch

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

Woodland

Real Estate Loan Office
30 W. Main Street
Woodland, California 95695
(530) 662-8694

Caption for photo on front cover:

"A well-established partner like First Northern is an asset to our business."

– *Kelly & Max Fregoso, Fregoso Builders, Inc., Sacramento*
Effie Yeaw Nature Center, built By Fregoso Builders, Inc.

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

195 N. First Street
Dixon, California 95620

Member FDIC

