

FIRST NORTHERN COMMUNITY BANCORP
Form 10-Q
November 09, 2009
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR
15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 30, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR
15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 000-30707

First Northern Community Bancorp
(Exact name of registrant as specified in its charter)

California 68-0450397
(State or other jurisdiction of incorporation or (I.R.S. Employer Identification Number)
organization)

195 N. First Street, Dixon, California 95620
(Address of principal executive offices) (Zip Code)

707-678-3041
(Registrant's telephone number including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or Section 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company (as defined by Rule 12b-2 of the Exchange Act).

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The number of shares of Common Stock outstanding as of November 6, 2009 was 9,009,462.

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FIRST NORTHERN COMMUNITY BANCORP

ITEM I – FINANCIAL STATEMENTS (UNAUDITED)

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share amounts)	September 30, 2009 (unaudited)	December 31, 2008
Assets		
Cash and due from banks	\$ 112,922	\$ 25,150
Federal funds sold	—	40,860
Investment securities – available-for-sale	87,218	42,106
Loans, net of allowance for loan losses of \$14,179 at September 30, 2009 and \$14,435 at December 31, 2008	482,390	516,968
Loans held-for-sale	3,219	2,192
Stock in Federal Home Loan Bank and other equity securities, at cost	2,506	2,311
Premises and equipment, net	7,385	7,620
Other Real Estate Owned	4,748	4,368
Accrued interest receivable and other assets	29,568	29,227
Total Assets	\$ 729,956	\$ 670,802
Liabilities and Stockholders' Equity		
Liabilities:		
Demand deposits	\$ 168,287	\$ 181,600
Interest-bearing transaction deposits	124,228	123,614
Savings and MMDA's	180,865	155,656
Time, under \$100,000	57,938	64,252
Time, \$100,000 and over	98,874	59,596
Total deposits	630,192	584,718
FHLB Advances and other borrowings	11,876	18,259
Accrued interest payable and other liabilities	6,425	5,796
Total liabilities	648,493	608,773
Stockholders' Equity:		
Preferred stock, par value \$0.01 per share; \$1,000 per share liquidation preference, 18,500 shares authorized; 17,390 shares issued and outstanding at September 30, 2009 and none at December 31, 2008	16,791	—

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Common stock, no par value; 16,000,000 shares authorized;

8,973,645 shares issued and outstanding at September 30, 2009 and		
8,608,802 shares issued and outstanding at December 31, 2008	62,185	58,983
Additional paid in capital	977	977
Retained earnings	789	2,026
Accumulated other comprehensive income	721	43
Total stockholders' equity	81,463	62,029
Total Liabilities and Stockholders' Equity	\$729,956	\$670,802

See notes to unaudited condensed consolidated financial statements.

FIRST NORTHERN COMMUNITY BANCORP

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three months ended September 30, 2009	Three months ended September 30, 2008	Nine months ended September 30, 2009	Nine months ended September 30, 2008
(in thousands, except per share amounts)				
Interest and Dividend Income:				
Loans	\$ 7,545	\$ 9,062	\$ 23,315	\$ 26,842
Federal funds sold	19	70	58	487
Due from banks interest bearing accounts	28	109	88	521
Investment securities				
Taxable	353	282	820	1,122
Non-taxable	247	300	765	986
Other earning assets	4	33	10	99
Total interest and dividend income	8,196	9,856	25,056	30,057
Interest Expense:				
Deposits	1,155	1,282	3,288	4,635
Other borrowings	109	247	390	394
Total interest expense	1,264	1,529	3,678	5,029
Net interest income	6,932	8,327	21,378	25,028
Provision for loan losses	1,661	3,638	3,928	10,060
Net interest income after provision for loan losses	5,271	4,689	17,450	14,968
Other operating income:				
Service charges on deposit accounts	909	952	2,653	2,805
Gains on other real estate owned	—	78	4	78
Gains on sales of loans held-for-sale	146	29	720	203
Investment and brokerage services income	334	251	657	635
Mortgage brokerage income	22	3	65	16
Loan servicing income	350	30	709	189
Fiduciary activities income	60	72	216	245
ATM fees	60	61	182	199
Signature based transaction fees	175	153	478	444
Gains on sales of available-for-sale securities	4	29	268	524
Other income	192	188	507	583
Total other operating income	2,252	1,846	6,459	5,921
Other operating expenses:				
Salaries and employee benefits	3,817	3,650	11,471	11,716
Occupancy and equipment	950	913	2,888	2,777
Data processing	458	436	1,347	1,254
Stationery and supplies	74	83	293	370
Advertising	154	137	467	503
Directors' fees	55	53	158	158
Other real estate owned expense and write-downs	135	843	1,464	1,530

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Other expense	1,518	1,021	4,859	3,979
Total other operating expenses	7,161	7,136	22,947	22,287
Income (loss) before benefit for income taxes	362	(601)	962	(1,398)
Benefit for income taxes	(169)	(1,573)	(598)	(1,566)
Net income	\$ 531	\$ 972	\$ 1,560	\$ 168
Preferred stock dividends and accretion	\$ (249)	—	\$ (544)	—
Net income available to common shareholders	\$ 282	\$ 972	\$ 1,016	\$ 168
Basic income per share	\$ 0.03	\$ 0.11	\$ 0.11	\$ 0.02
Diluted income per share	\$ 0.03	\$ 0.11	\$ 0.11	\$ 0.02

See notes to unaudited condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME

(in thousands, except share amounts)

	Preferred Stock	Common Shares	Stock Amounts	Comprehensive Income	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance at December 31, 2008	\$—	8,608,802	\$58,983		\$ 977	\$2,026	\$ 43	\$62,029
Comprehensive income:								
Net income				\$ 1,560		1,560		1,560
Other comprehensive income, net of tax:								
Unrealized holding losses on securities arising during the current period, net of tax effect of \$560				839				
Reclassification adjustment due to gains realized on sales of securities, net of tax effect of \$107				(161)				
Total other comprehensive income, net of tax effect of \$453				678			678	678
Comprehensive income								
				\$ 2,238				
Issuance of preferred stock	16,726							16,726
Issuance of common stock warrants			664					664
4% stock dividend		346,011						