

FIRST NORTHERN COMMUNITY BANCORP
Form 10-Q
August 08, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended June 30, 2008

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
(State or other jurisdiction of incorporation or
organization)

68-0450397
(I.R.S. Employer Identification Number)

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

95620
(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

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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 August 7, 2008 was 8,607,597.

FIRST NORTHERN COMMUNITY BANCORP

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PART I - FINANCIAL INFORMATION

ITEM 1.

FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share amounts)

	(UNAUDITED)	
	June 30, 2008	December 31, 2007
ASSETS		
Cash and due from banks	\$ 49,642	\$ 52,090
Federal funds sold	715	46,940
Investment securities – available-for-sale	56,053	74,849
Loans, net of allowance for loan losses of \$12,096 at June 30, 2008 and \$10,876 at December 31, 2007	512,229	497,971
Loans held-for-sale	1,154	1,343
Stock in Federal Home Loan Bank and other equity securities, at cost	2,257	2,199
Premises and equipment, net	7,960	7,872
Other Real Estate Owned	5,729	879
Accrued interest receivable and other assets	25,636	25,752
TOTAL ASSETS	\$ 661,375	\$ 709,895
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits		
Demand deposits	\$ 172,528	\$ 193,258
Interest-bearing transaction deposits	130,866	135,381
Savings and MMDA's	165,323	178,137
Time, under \$100,000	43,022	46,411
Time, \$100,000 and over	62,036	69,484
Total deposits	573,775	622,671
FHLB Advances and other borrowings	20,166	15,832
Accrued interest payable and other liabilities	6,008	7,417
TOTAL LIABILITIES	599,949	645,920
Stockholders' equity		
Common stock, no par value; 16,000,000 shares authorized; 8,577,689 shares issued and outstanding at June 30, 2008 and 8,169,772 shares issued and outstanding at December 31, 2007	58,507	50,956
Additional paid in capital	977	977
Retained earnings	2,595	12,209
Accumulated other comprehensive loss	(653)	(167)
TOTAL STOCKHOLDERS' EQUITY	61,426	63,975
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 661,375	\$ 709,895

See notes to unaudited condensed consolidated financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share amounts)

	Three months ended June 30, 2008	Three months ended June 30, 2007	Six months ended June 30, 2008	Six months ended June 30, 2007
Interest and Dividend Income				
Loans	\$ 8,540	\$ 10,379	\$ 17,780	\$ 20,754
Federal funds sold	127	992	417	1,852
Due from banks interest bearing accounts	144	—	412	—
Investment securities				
Taxable	342	684	840	1,334
Non-taxable	328	302	686	580
Other earning assets	37	31	66	60
Total interest and dividend income	9,518	12,388	20,201	24,580
Interest Expense				
Deposits	1,441	3,098	3,353	5,990
Other borrowings	61	89	147	166
Total interest expense	1,502	3,187	3,500	6,156
Net interest income	8,016	9,201	16,701	18,424
Provision for loan losses	2,763	430	6,422	260
Net interest income after provision for loan losses	5,253	8,771	10,279	18,164
Other operating income				
Service charges on deposit accounts	929	816	1,853	1,609
(Losses) gains on other real estate owned	(583)	179	(652)	179
Gains on sales of loans held-for-sale	74	138	174	184
Investment and brokerage services income	207	37	384	104
Mortgage brokerage income	12	8	13	77
Loan servicing income	112	91	159	166
Fiduciary activities income	76	80	173	145
ATM fees	69	73	138	139
Signature based transaction fees	152	129	291	243
(Losses) gains on sales of available-for-sale securities	(16)	—	495	—
Other income	188	157	395	360
Total other operating income	1,220	1,708	3,423	3,206
Other operating expenses				
Salaries and employee benefits	3,959	4,337	8,066	8,810
Occupancy and equipment	952	899	1,864	1,897
Data processing	419	385	818	793
Stationery and supplies	171	141	287	287
Advertising	191	218	366	429
Directors' fees	53	46	105	100

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Other real estate owned expense	26	18	35	18
Other expense	1,556	1,383	2,958	2,739
Total other operating expenses	7,327	7,427	14,499	15,073
(Loss) income before income tax expense	(854)	3,052	(797)	6,297
Provision for income taxes	10	1,067	7	2,222
Net (loss) income	\$ (864)	\$ 1,985	\$ (804)	\$ 4,075
Basic (Loss) Income per share	\$ (0.10)	\$ 0.22	\$ (0.09)	