

FIRST NORTHERN COMMUNITY BANCORP
Form 10-Q
August 01, 2018
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)

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

For the Quarterly Period Ended June 30, 2018

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 organization) (I.R.S. Employer Identification Number)

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

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Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 July 30, 2018 was 11,661,857.

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PART I – FINANCIAL INFORMATION

FIRST NORTHERN COMMUNITY BANCORP

ITEM I. – FINANCIAL STATEMENTS (UNAUDITED)

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in thousands, except share amounts)	June 30, 2018	December 31, 2017
Assets		
Cash and cash equivalents	\$ 121,220	\$ 152,892
Certificates of deposit	4,165	1,984
Investment securities – available-for-sale	285,909	280,741
Loans, net of allowance for loan losses of \$11,807 at June 30, 2018 and \$11,133 at December 31, 2017	730,831	739,112
Loans held-for-sale	1,436	1,040
Stock in Federal Home Loan Bank and other equity securities, at cost	6,019	5,567
Premises and equipment, net	5,991	6,248
Interest receivable and other assets	30,953	30,074
Total Assets	\$ 1,186,524	\$ 1,217,658
Liabilities and Stockholders' Equity		
Liabilities:		
Demand deposits	\$ 386,083	\$ 382,157
Interest-bearing transaction deposits	307,523	312,569
Savings and MMDA's	310,515	336,592
Time, \$250,000 or less	50,307	54,531
Time, over \$250,000	17,200	18,891
Total deposits	1,071,628	1,104,740
Interest payable and other liabilities	11,322	12,874
Total Liabilities	1,082,950	1,117,614
Stockholders' Equity:		
Common stock, no par value; 16,000,000 shares authorized; 11,661,857 shares issued and outstanding at June 30, 2018 and 11,630,129 shares issued and outstanding at December 31, 2017	86,048	85,583
Additional paid-in capital	977	977
Retained earnings	23,367	17,881
Accumulated other comprehensive loss, net	(6,818)	(4,397)
Total Stockholders' Equity	103,574	100,044
Total Liabilities and Stockholders' Equity	\$ 1,186,524	\$ 1,217,658

See notes to unaudited condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
(in thousands, except per share amounts)				
Interest and dividend income:				
Loans	\$9,146	\$ 8,211	\$17,952	\$16,172
Due from banks interest bearing accounts	427	291	944	623
Investment securities				
Taxable	1,314	1,191	2,622	2,293
Non-taxable	34	73	73	148
Other earning assets	98	83	203	191
Total interest and dividend income	11,019	9,849	21,794	19,427
Interest expense:				
Deposits	281	255	544	520
Total interest expense	281	255	544	520
Net interest income	10,738	9,594	21,250	18,907
Provision for loan losses	525	—	1,050	600
Net interest income after provision for loan losses	10,213	9,594	20,200	18,307
Non-interest income:				
Service charges on deposit accounts	490	495	978	913
Gains on sales of loans held-for-sale	85	148	154	295
Investment and brokerage services income	159	145	320	288
Mortgage brokerage income	6	30	12	43
Loan servicing income	100	116		