

AMERICAN RIVER BANKSHARES

Form 10-Q

August 06, 2013

**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, June 30,
period 2013
ended
or

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

For
the
transition
period
from

Commission File
Number:
0-31525

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AMERICAN RIVER BANKSHARES

(Exact name of registrant as specified in its charter)

California 68-0352144
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

3100 Zinfandel Drive, Suite 450, Rancho Cordova, California 95670
(Address of principal executive offices) (Zip Code)

(916) 851-0123
(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 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 Web site, 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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

No par value Common Stock – 8,833,562 shares outstanding at August 6, 2013.

AMERICAN RIVER BANKSHARES

**INDEX TO QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2013**

		Page
<u>Part I.</u>		
<u>Item 1.</u>	<u>Financial Statements</u>	3
<u>Item 2.</u>	<u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	27
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	47
<u>Item 4.</u>	<u>Controls and Procedures</u>	48
<u>Part II.</u>		
<u>Item 1.</u>	<u>Legal Proceedings</u>	49
<u>Item 1A.</u>	<u>Risk Factors</u>	49
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	49
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>	49
<u>Item 4.</u>	<u>Mine Safety Disclosures</u>	49
<u>Item 5.</u>	<u>Other Information</u>	49
<u>Item 6.</u>	<u>Exhibits</u>	50
<u>Signatures</u>		54
<u>Exhibit</u>		55
<u>Index</u>		
31.1	Certifications of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	56
31.2	Certifications of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	57
32.1	Certification of American River Bankshares by its Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	58
101.INS	XBRL Instance Document	
101.SCH	XBRL Taxonomy Extension Schema	
101.CAL	XBRL Taxonomy Extension Calculation	
101.DEF	XBRL Taxonomy Extension Definition	
101.LAB	XBRL Taxonomy Extension Label	
101.PRE	XBRL Taxonomy Extension Presentation	
2		

PART I-FINANCIAL INFORMATION**Item 1. Financial Statements.**AMERICAN RIVER BANKSHARES
CONSOLIDATED BALANCE SHEET
(Unaudited)

(dollars in thousands)	June 30, 2013	December 31, 2012
ASSETS		
Cash and due from banks	\$ 23,694	\$ 55,461
Interest-bearing deposits in banks	1,000	750
Investment securities:		
Available-for-sale, at fair value	254,644	231,839
Held-to-maturity, at amortized cost	1,497	2,117
Loans and leases, less allowance for loan and lease losses of \$5,680 at June 30, 2013 and \$5,781 at December 31, 2012	247,778	252,118
Premises and equipment, net	1,673	1,888
Federal Home Loan Bank stock	3,248	3,254
Goodwill and other intangible assets	16,321	16,321
Other real estate owned	8,120	12,237
Bank owned life insurance	12,562	12,858
Accrued interest receivable and other assets	7,008	7,546
	\$ 577,545	\$ 596,389
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Noninterest bearing	\$ 138,463	\$ 151,201
Interest-bearing	329,194	327,055
Total deposits	467,657	478,256
Short-term borrowings	8,000	2,000
Long-term borrowings	8,000	16,000
Accrued interest payable and other liabilities	5,434	6,139

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Total liabilities	489,091	502,395
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, no par value; 20,000,000 shares authorized; none outstanding		
Common stock, no par value; 20,000,000 shares authorized; issued and outstanding – 8,833,562 shares at June 30, 2013 and 9,327,203 shares at December 31, 2012	64,134	67,977
Retained earnings	23,006	21,732
Accumulated other comprehensive income, net of taxes	1,314	4,285
Total shareholders' equity	88,454	93,994
	\$ 577,545	\$ 596,389

See Notes to Unaudited Consolidated Financial Statements

AMERICAN RIVER BANKSHARES
CONSOLIDATED STATEMENT OF INCOME
(Unaudited)

(dollars in thousands, except per share data)

For the periods ended June 30,

	Three months		Six months	
	2013	2012	2013	2012
Interest income:				
Interest and fees on loans	\$3,516	\$4,238	\$7,158	\$8,554
Interest on deposits in banks	—	3	1	6
Interest and dividends on investment securities:				
Taxable	805	931	1,593	1,821
Exempt from Federal income taxes	221	148	441	449
Dividends	9	4	9	4
Total interest income	4,551	5,324	9,202	10,834
Interest expense:				
Interest on deposits	301	418	632	853
Interest on borrowings	74	64	150	131
Total interest expense	375	482	782	984
Net interest income	4,176	4,842	8,420	9,850
Provision for loan and lease losses	100	375	200	955
Net interest income after provision for loan and lease losses	4,076	4,467	8,220	8,895
Noninterest income:				
Service charges on deposit accounts	147	194	298	390
Gain on sale of securities	3	11	3	75
Other noninterest income	298	489	772	922
Total noninterest income	448	694	1,073	1,387
Noninterest expense:				
Salaries and employee benefits	2,175	2,033	4,393	4,235
Occupancy	301	299	602	595
Furniture and equipment	191	202	385	392
Federal Deposit Insurance Corporation assessments	(16)	141	110	283
Expenses related to other real estate owned	195	468	500	842
Other expense	766	908	1,624	1,816
Total noninterest expense	3,612	4,051	7,614	8,163
Income before provision for income taxes	912	1,110	1,679	2,119
Provision for income taxes	260	265	405	562
Net income	\$652	\$845	\$1,274	\$1,557
Basic earnings per share	\$0.07	\$0.09	\$0.14	\$0.16

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Diluted earnings per share	\$0.07	\$0.09	\$0.14	\$0.16
Cash dividends per share	\$0.00	\$0.00	\$0.00	\$0.00

See notes to Unaudited Consolidated Financial Statements

4

AMERICAN RIVER BANKSHARES
CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS) INCOME
(Unaudited)

(dollars in thousands, except per share data)

For the periods ended June 30,

	Three months		Six months	
	2013	2012	2013	2012
Net income	\$652	\$845	\$1,274	\$1,557
Other comprehensive (loss) income:				
Unrealized holding (losses) gains on investment securities arising during the period	(4,517)	761	(4,949)	1,380
Deferred tax expense	1,807	(302)	1,980	(534)
Unrealized holding (losses) gains on investment securities arising during the period, net of tax	(2,710)	459	(2,969)	846
Reclassification adjustment for realized gains included in net income	(3)	(11)	(3)	(75)
Tax effect	1	5	1	30
Realized gains, net of tax	(2)	(6)	(2)	(45)
Total other comprehensive (loss) income	(2,712)	453	(2,971)	801
Comprehensive (loss) income	\$(2,060)	\$1,298	\$(1,697)	\$2,358
See Notes to Unaudited Consolidated Financial Statements				

AMERICAN RIVER BANKSHARES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)