

FIRST NATIONAL LINCOLN CORP /ME/

Form 10-Q

August 07, 2008

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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 June 30, 2008

Commission File Number 0-26589

THE FIRST BANCORP, INC.

(Exact name of Registrant as specified in its charter) **MAINE 01-0404322**

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

MAIN STREET, DAMARISCOTTA, MAINE 04543

(Address of principal executive offices) (Zip code)

(207) 563-3195

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 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, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

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

Yes No

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of August 1, 2008

Common Stock: 9,680,462 shares

Table of Contents

<u>Part I. Financial Information</u>	1
<u>Selected Financial Data (Unaudited)</u>	1
<u>Item 1 Financial Statements</u>	2
<i><u>Report of Independent Registered Public Accounting Firm</u></i>	2
<i><u>Consolidated Balance Sheets (Unaudited)</u></i>	3
<i><u>Consolidated Statements of Income (Unaudited)</u></i>	4
<i><u>Consolidated Statements of Changes in Shareholders' Equity (Unaudited)</u></i>	5
<i><u>Consolidated Statements of Cash Flows (Unaudited)</u></i>	6
<u>Notes to Consolidated Financial Statements</u>	7
<i><u>Note 1 Basis of Presentation</u></i>	7
<i><u>Note 2 Common Stock</u></i>	7
<i><u>Note 3 Stock Options</u></i>	7
<i><u>Note 4 Earnings Per Share</u></i>	8
<i><u>Note 5 Postretirement Benefit Plans</u></i>	9
<i><u>Note 6 Goodwill and Other Intangible Assets</u></i>	10
<i><u>Note 7 Mortgage Servicing Rights</u></i>	10
<i><u>Note 8 Derivative Financial Instruments</u></i>	11
<i><u>Note 9 Income Taxes</u></i>	11
<i><u>Note 10 Reclassifications</u></i>	11
<i><u>Note 11 Fair Value Disclosures</u></i>	11
<i><u>Note 12 Impact of Recently Issued Accounting Standards</u></i>	13
<u>Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	15
<i><u>Critical Accounting Policies</u></i>	15
<i><u>Executive Summary</u></i>	15
<i><u>Net Interest Income</u></i>	16
<i><u>Provision for Loan Losses</u></i>	18

<i><u>Non-Interest Income</u></i>	19
<i><u>Non-Interest Expense</u></i>	19
<i><u>Income Taxes</u></i>	19
<i><u>Investments</u></i>	19
<i><u>Loans</u></i>	19
<i><u>Allowance for Loan Losses</u></i>	19
<i><u>Non-Performing Assets</u></i>	21
<i><u>Goodwill</u></i>	21
<i><u>Deposits</u></i>	21
<i><u>Borrowed Funds</u></i>	21
<i><u>Shareholders Equity</u></i>	21
<i><u>Average Daily Balance Sheets</u></i>	23
<i><u>Off-Balance Sheet Financial Instruments</u></i>	24
<i><u>Sale of Loans</u></i>	24
<i><u>Contractual Obligations</u></i>	24
<i><u>Liquidity Management</u></i>	24
<i><u>Forward-Looking Statements</u></i>	24
<u>Item 3 Quantitative and Qualitative Disclosures About Market Risk</u>	25
<i><u>Market-Risk Management</u></i>	25
<i><u>Asset/Liability Management</u></i>	25
<i><u>Interest Rate Risk Management</u></i>	26
<u>Item 4: Controls and Procedures</u>	27
<u>Part II Other Information</u>	28
<u>Item 1 Legal Proceedings</u>	28
<u>Item 1a Risk Factors</u>	28
<u>Item 2 Unregistered Sales of Equity Securities and Use of Proceeds</u>	28
<u>Item 3 Default Upon Senior Securities</u>	29
<u>Item 4 Submission of Matters to a Vote of Security Holders</u>	30

<u>Item 5</u> Other Information	<u>30</u>
<u>Item 6</u> Exhibits	<u>31</u>
<u>Signatures</u>	<u>32</u>

Part I. Financial Information**Selected Financial Data (Unaudited)**

The First Bancorp, Inc. and Subsidiary

<i>Dollars in thousands, except for per share amounts</i>	For the six months ended		For the quarters ended	
	<u>June 30</u>		<u>June 30</u>	
	2008	2007	2008	2007
Summary of Operations				
Interest Income	\$ 35,844	\$ 34,450	\$ 17,514	\$ 17,502
Interest Expense	18,085	19,273	8,572	9,890
Net Interest Income	17,759	15,177	8,942	7,612
Provision for Loan Losses	1,439	550	939	250
Non-Interest Income	4,694	4,617	2,518	2,470
Non-Interest Expense	10,874	10,603	5,425	5,352
Net Income	7,194	6,198	3,603	3,196
Per Common Share Data				
Basic Earnings per Share	\$ 0.74	\$ 0.63	\$ 0.37	\$ 0.33
Diluted Earnings per Share	0.74	0.63	0.37	0.33
Cash Dividends Declared	0.375	0.335	0.190	0.170
Book Value	11.84	11.24	11.84	11.24
Tangible Book Value	8.99	8.42	8.99	8.42
Market Value	13.65	17.00	13.65	17.00
Financial Ratios				
Return on Average Equity ¹	12.68%	11.49%	12.63%	11.72%
Return on Average Tangible Equity ¹	16.76%	15.41%	16.66%	15.70%
Return on Average Assets ¹	1.16%	1.12%	1.15%	1.13%
Average Equity to Average Assets	9.17%	9.72%	9.13%	9.67%
Average Tangible Equity to Average Assets	6.94%	7.25%	6.92%	7.22%
Net Interest Margin Tax-Equivalent ¹	3.23%	3.12%	3.21%	3.07%
Dividend Payout Ratio	50.68%	53.17%	51.35%	51.52%
Allowance for Loan Losses/Total Loans	0.82%	0.77%	0.82%	0.77%
Non-Performing Loans to Total Loans	0.40%	0.24%	0.40%	0.24%
Non-Performing Assets to Total Assets	0.29%	0.18%	0.29%	0.18%
Efficiency Ratio ²	45.97%	50.79%	45.02%	50.41%
At Period End				
Total Assets	\$1,285,373	\$1,161,274	\$1,285,373	\$1,161,274
Total Loans	951,814	877,220	951,814	877,220
Total Investment Securities	246,378	200,170	246,378	200,170
Total Deposits	842,120	851,089	842,120	851,089
Total Shareholders' Equity	114,758	110,213	114,758	110,213

¹Annualized using a 365-day basis²The Company uses the following formula in calculating its efficiency ratio:

Non-Interest Expense - Loss on Securities Sales

Tax-Equivalent Net Interest Income + Non-Interest Income Gains on Securities Sales

Item 1 Financial Statements

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders

The First Bancorp, Inc.

We have reviewed the accompanying interim consolidated financial information of The First Bancorp, Inc. and Subsidiary as of June 30, 2008 and 2007 and for the three-month and six-month periods then ended. These financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with standards of the Public Company Accounting Oversight Board (United States), the objective of which is to express an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

/s/ Berry, Dunn, McNeil & Parker

Portland, Maine

August 7, 2008

Consolidated Balance Sheets (Unaudited)

The First Bancorp, Inc. and Subsidiary

<i>In thousands of dollars</i>	June 30, 2008	December 31, 2007	June 30, 2007
Assets			
Cash and due from banks	\$ 19,997	\$ 17,254	\$ 21,349
Overnight funds sold	-	-	-
Securities available for sale	36,850	40,461	43,009
Securities to be held to maturity (fair value \$206,475 at June 30, 2008, \$181,132 at December 31, 2007 and \$152,876 at June 30, 2007)	209,528	181,354	157,161
Loans held for sale (fair value approximates cost)	2,253	1,817	44
Loans	951,814	920,164	877,220
Less: allowance for loan losses	7,800	6,800	6,714
Net loans	944,014	913,364	870,506
Accrued interest receivable	7,886	6,585	7,876
Premises and equipment	16,046	16,481	15,615
Other real estate owned	1,558	827	625
Goodwill	27,684	27,684	27,684
Other assets	19,557	17,423	17,405
Total Assets	\$1,285,373	\$1,223,250	\$1,161,274
Liabilities			
Demand deposits	\$ 62,755	\$ 60,637	\$ 63,063
NOW deposits	108,543	101,680	101,908
Money market deposits	114,096	124,033	121,352
Savings deposits	87,023	86,611	89,798
Certificates of deposit	339,620	301,364	364,611
Certificates \$100,000 and over	130,083	106,955	110,357
Total deposits	842,120	781,280	851,089
Borrowed funds	317,055	316,719	188,478
Other liabilities	11,440	12,583	11,494
Total Liabilities	1,170,615	1,110,582	1,051,061
Shareholders' Equity			
Common stock	97	97	98
Additional paid-in capital	44,030	44,762	45,817
Retained earnings	70,996	67,647	