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First Bancorp, Inc /ME/
Form 10-Q
November 08, 2013

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 September 30, 2013

Commission File Number 0-26589

THE FIRST BANCORP, INC.
(Exact name of Registrant as specified in its charter)

MAINE
(State or other jurisdiction of incorporation or organization)

01-0404322
(I.R.S. Employer Identification No.)

MAIN STREET, DAMARISCOTTA, MAINE
(Address of principal executive offices)

04543
(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

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, 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

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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 November 1, 2013
Common Stock: 10,668,891 shares

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Part I. Financial Information

Selected Financial Data (Unaudited)

The First Bancorp, Inc. and Subsidiary

Dollars in thousands, except for per share amounts	As of and for the nine months ended September 30,		As of and for the quarters ended September 30,		
	2013	2012	2013	2012	
Summary of Operations					
Interest Income	\$37,169	\$39,131	\$12,655	\$12,892	
Interest Expense	9,390	9,737	3,150	3,222	
Net Interest Income	27,779	29,394	9,505	9,670	
Provision for Loan Losses	3,500	6,300	800	1,400	
Non-Interest Income	9,488	8,556	2,621	2,492	
Non-Interest Expense	21,818	19,503	7,006	6,595	
Net Income	9,463	9,459	3,365	3,223	
Per Common Share Data					
Basic Earnings per Share	\$0.87	\$0.91	\$0.31	\$0.31	
Diluted Earnings per Share	0.87	0.91	0.31	0.31	
Cash Dividends Declared	0.585	0.585	0.195	0.195	
Book Value per Common Share	13.75	14.64	13.75	14.64	
Tangible Book Value per Common Share ²	10.88	11.83	10.88	11.83	
Market Value	16.65	17.55	16.65	17.55	
Financial Ratios					
Return on Average Equity ¹	8.51	% 8.86	% 9.19	% 8.90	%
Return on Average Tangible Common Equity ^{1,2}	10.29	% 10.36	% 11.51	% 10.39	%
Return on Average Assets ¹	0.88	% 0.89	% 0.92	% 0.90	%
Average Equity to Average Assets	10.77	% 10.90	% 9.99	% 11.02	%
Average Tangible Equity to Average Assets ²	8.63	% 8.95	% 7.88	% 9.07	%
Net Interest Margin Tax-Equivalent ^{1,2}	3.04	% 3.16	% 3.04	% 3.12	%
Dividend Payout Ratio	67.24	% 64.29	% 62.90	% 62.90	%
Allowance for Loan Losses/Total Loans	1.45	% 1.69	% 1.45	% 1.69	%
Non-Performing Loans to Total Loans	2.08	% 2.71	% 2.08	% 2.71	%
Non-Performing Assets to Total Assets	1.48	% 2.04	% 1.48	% 2.04	%
Efficiency Ratio ²	56.00	% 50.74	% 53.51	% 50.73	%
At Period End					
Total Assets	\$1,464,749	\$1,423,316	\$1,464,749	\$1,423,316	
Total Loans	862,073	869,871	862,073	869,871	
Total Investment Securities	504,063	468,604	504,063	468,604	
Total Deposits	1,037,466	944,547	1,037,466	944,547	
Total Shareholders' Equity	146,653	156,637	146,653	156,637	

¹Annualized using a 365-day basis in 2013 and 366-day basis in 2012

²These ratios use non-GAAP financial measures. See Management's Discussion and Analysis of Financial Condition and Results of Operations for additional disclosures and information.

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 September 30, 2013 and 2012 and for the three-month and nine-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 consolidated financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

/s/ Berry Dunn McNeil & Parker, LLC

Portland, Maine
November 8, 2013

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Consolidated Balance Sheets (Unaudited)

The First Bancorp, Inc. and Subsidiary

	September 30, 2013	December 31, 2012	September 30, 2012
Assets			
Cash and cash equivalents	\$20,117,000	\$14,958,000	\$14,904,000
Interest bearing deposits in other banks	787,000	1,638,000	681,000
Securities available for sale	317,900,000	291,614,000	299,900,000
Securities to be held to maturity (fair value of \$166,269,000 at September 30, 2013, \$150,247,000 at December 31, 2012 and \$162,382,000 at September 30, 2012)	172,251,000	143,320,000	154,256,000
Restricted equity securities, at cost	13,912,000	14,448,000	14,448,000
Loans held for sale	1,555,000	1,035,000	—
Loans	862,073,000	869,284,000	869,871,000
Less allowance for loan losses	12,457,000	12,500,000	14,739,000
Net loans	849,616,000	856,784,000	855,132,000
Accrued interest receivable	5,353,000	4,912,000	5,425,000
Premises and equipment, net	23,667,000	22,988,000	18,376,000
Other real estate owned	3,760,000	7,593,000	5,471,000
Goodwill	29,805,000	29,805,000	27,684,000
Other assets	26,026,000	25,904,000	27,039,000
Total assets	\$1,464,749,000	\$1,414,999,000	\$1,423,316,000
Liabilities			
Demand deposits	\$110,007,000	\$90,252,000	\$89,500,000
NOW deposits	151,126,000	147,309,000	136,472,000
Money market deposits	96,313,000	80,983,000	74,805,000
Savings deposits	147,560,000	135,250,000	130,354,000
Certificates of deposit	532,460,000	505,056,000	513,416,000
Total deposits	1,037,466,000	958,850,000	944,547,000
Borrowed funds – short term	131,627,000	142,750,000	164,592,000
Borrowed funds – long term	135,150,000	140,155,000	140,157,000
Other liabilities	13,853,000	16,921,000	17,383,000
Total liabilities	1,318,096,000	1,258,676,000	1,266,679,000
Shareholders' equity			
Preferred stock, \$1,000 preference value per share	—	12,402,000	12,377,000
Common stock, one cent par value per share	106,000	98,000	98,000
Additional paid-in capital	58,241,000	46,314,000	46,205,000
Retained earnings	92,633,000	89,692,000	88,541,000
Accumulated other comprehensive income (loss)			
Net unrealized gain (loss) on securities available for sale	(4,212,000)) 7,940,000	9,488,000
Net unrealized loss on postretirement benefit costs	(115,000)) (123,000)) (72,000)
Total shareholders' equity	146,653,000	156,323,000	156,637,000
Total liabilities & shareholders' equity	\$1,464,749,000	\$1,414,999,000	\$1,423,316,000
Common Stock			
Number of shares authorized	18,000,000	18,000,000	18,000,000
Number of shares issued and outstanding	10,665,378	9,859,914	9,853,396
Book value per common share	\$13.75		