

First Bancorp, Inc /ME/
Form 8-K
August 24, 2011

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): August 24, 2011

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

MAINE
(State or other jurisdiction of incorporation)

0-26589 01-0404322
(Commission file number) (IRS 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)

Check the appropriate box below if the Form 8-K filing is
intended to simultaneously satisfy the filing obligations
of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))

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ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

Pursuant to a Letter Agreement with the United States Treasury dated August 24, 2011, The First Bancorp, Inc., a Maine corporation (the "Company"), has repurchased \$12.5 million of the Company's Fixed Rate Cumulative Perpetual Preferred Stock, Series A, having a liquidation preference of \$1,000 per share. This stock was issued to the United States Treasury on January 9, 2009 under its Capital Purchase Program. The repurchase transaction was approved by the Federal Reserve Bank of Boston, the Company's primary regulator, based on the Company's projected capital ratios and needs.

After the repurchase, the Company has \$12.5 million outstanding of Fixed Rate Cumulative Perpetual Preferred Stock, Series A, that was issued to the United States Treasury in 2009. In conjunction with the 2009 preferred stock issuance, the Company also issued a Warrant to the United States Treasury, exercisable for up to 225,904 shares of Common Stock at an exercise price of \$16.60 per share. The Warrant was unchanged as a result of the repurchase transaction and remains outstanding.

Based on the Company's June 30, 2011 capital levels, the leverage capital ratio declines to 7.99% from 8.88% before the repurchase. The tier one risk-based capital ratio drops from 15.14% to 13.63% and the total risk-based capital ratio drops from 16.40% to 14.89%. These are all well above the FDIC minimum requirements of 5.00%, 6.00% and 10.00%, respectively, to be considered "well-capitalized". The following table presents the Company's actual capital ratios as of June 30, 2011 and pro-forma capital ratios after the repurchase:

	Actual Before Repurchase	Pro-Forma After Repurchase	FDIC Well-Capitalized
Tier One Capital	\$ 125,391,000	\$ 112,891,000	
Total Capital	135,802,000	123,302,000	
Average Assets for Leverage Ratio	1,412,402,000	1,412,402,000	
Risk-Based Assets	828,248,000	828,248,000	
Leverage Capital Ratio	8.88	% 7.99	% 5.00 %
Tier One Risk-Based Capital Ratio	15.14	% 13.63	% 6.00 %
Total Risk-Based Capital Ratio	16.40	% 14.89	% 10.00 %

Since December 31, 2008, the Company has increased its common equity by \$14.3 million through retained earnings and other comprehensive income.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

Exhibit

No. Description

10.1 Letter Agreement, dated August 24, 2011, between the Company and the United States Department of the Treasury for the repurchase of 12,500 shares of Fixed Rate Cumulative Perpetual Preferred Stock, Series A, having a liquidation preference of \$1,000 per share.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE FIRST BANCORP, INC.

By: /s/ F. STEPHEN WARD

F. Stephen Ward
Executive Vice President & Chief Financial Officer

Dated: August 24, 2011
