FIRST BANCORP /NC/
Form 10-Q
May 10, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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 March 31, 2011

Commission File Number 0-15572

FIRST BANCORP
(Exact Name of Registrant as Specified in its Charter)

North Carolina (State or Other Jurisdiction of Incorporation or Organization)	56-1421916 (I.R.S. Employer Identification Number)
341 North Main Street, Troy, North Carolina (Address of Principal Executive Offices)	27371-0508 (Zip Code)
(Registrant's telephone number, including area code)	(910) 576-6171

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 twelve 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. [X] 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 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. (Check one)

[ ] Large Accelerated Filer	[X] 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 [X] NO

The number of shares of the registrant's Common Stock outstanding on April 30, 2011 was 16,835,889.

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FIRST BANCORP AND SUBSIDIARIES

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FORWARD-LOOKING STATEMENTS

Part I of this report contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act, which statements are inherently subject to risks and uncertainties. Forward-looking statements are statements that include projections, predictions, expectations or beliefs about future events or results or otherwise are not statements of historical fact. Such statements are often characterized by the use of qualifying words (and their derivatives) such as “expect,” “believe,” “estimate,” “plan,” “project,” other statements concerning our opinions or judgment about future events. Factors that could influence the accuracy of such forward-looking statements include, but are not limited to, the financial success or changing strategies of our customers, our level of success in integrating acquisitions, actions of government regulators, the level of market interest rates, and general economic conditions. For additional information that could affect the matters discussed in this paragraph, see the “Risk Factors” section of our 2010 Annual Report on Form 10-K.

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Part I. Financial Information
Item 1 - Financial Statements

First Bancorp and Subsidiaries
Consolidated Balance Sheets

($ in thousands-unaudited)	March 31, 2011	December 31, 2010 (audited)	March 31, 2010
ASSETS			
Cash and due from banks, noninterest-bearing	$59,985	56,821	51,827
Due from banks, interest-bearing	182,445	154,320	200,343
Federal funds sold	14,590	861	2,948
Total cash and cash equivalents	257,020	212,002	255,118
Securities available for sale	192,382	181,182	169,887
Securities held to maturity (fair values of $58,526, $53,312, and $44,074)	57,433	54,018	43,206
Presold mortgages in process of settlement	2,696	3,962	1,494
Loans – non-covered	2,045,998	2,083,004	2,117,873
Loans – covered by FDIC loss share agreement	440,212	371,128	488,259
Total loans	2,486,210	2,454,132	2,606,132
Allowance for loan losses – non-covered	(35,773)	(38,275)	(39,690)
Allowance for loan losses – covered	(7,002)	(11,155)	
Total allowance for loan losses	(42,775)	(49,430)	(39,690)
Net loans	2,443,435	2,404,702	2,566,442
Premises and equipment	67,879	67,741	54,009
Accrued interest receivable	12,958	13,579	14,122
FDIC indemnification asset	140,937	123,719	117,003
Goodwill	65,835	65,835	65,835
Other intangible assets	4,575	4,523	5,182
Other real estate owned – non-covered	26,961	21,081	10,818
Other real estate owned – covered	95,868	94,891	68,044
Other	34,484	31,697	22,028
Total assets	$3,402,463	3,278,932	3,393,188
LIABILITIES			
Deposits: Demand - noninterest-bearing	$332,168	292,759	282,298
NOW accounts	349,677	292,623	313,975
Money market accounts	516,045	500,360	537,296
Savings accounts	161,869	153,325	155,603
Time deposits of $100,000 or more	806,735	762,990	833,537
Other time deposits	677,947	650,456	747,843
Total deposits	2,844,441	2,652,513	2,870,552
Securities sold under agreements to repurchase	72,951	54,460	67,394

Borrowings	108,833	196,870	76,695
Accrued interest payable	2,328	2,082	2,935
Other liabilities	24,520	28,404	29,983
Total liabilities	3,053,073	2,934,329	3,047,559
Commitments and contingencies			
SHAREHOLDERS' EQUITY			
Preferred stock, no par value per share. Authorized: 5,000,000 shares			
Issued and outstanding: 65,000 shares	65,000	65,000	65,000
Discount on preferred stock	(2,703)	(2,932)	(3,575)
Common stock, no par value per share. Authorized: 40,000,000 shares			
Issued and outstanding: 16,824,489, 16,801,426, and 16,739,005 shares	99,989	99,615	98,440
Common stock warrants	4,592	4,592	4,592
Retained earnings	187,401	183,413	184,982
Accumulated other comprehensive income (loss)	(4,889)	(5,085)	(3,810)
Total shareholders' equity	349,390	344,603	345,629
Total liabilities and shareholders' equity	$3,402,463	3,278,932	3,393,188

See notes to consolidated financial statements.

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First Bancorp and Subsidiaries
Consolidated Statements of Income

($ in thousands, except share data-unaudited)	Three Months Ended March 31, 2011	2010
INTEREST INCOME		
Interest and fees on loans	$36,807	38,218
Interest on investment securities:		
Taxable interest income	1,432	1,530
Tax-exempt interest income	500	354
Other, principally overnight investments	90	207
Total interest income	38,829	40,309
INTEREST EXPENSE		
Savings, NOW and money market	1,230	1,864
Time deposits of $100,000 or more	2,604	3,472
Other time deposits	2,169	3,224
Securities sold under agreements to repurchase	50	114
Borrowings	462	458
Total interest expense	6,515	9,132
Net interest income	32,314	31,177
Provision for loan losses – non-covered	7,570	7,623
Provision for loan losses – covered	3,773	
Total provision for loan losses	11,343	7,623
Net interest income after provision for loan losses	20,971	23,554
NONINTEREST INCOME		
Service charges on deposit accounts	2,954	3,465
Other service charges, commissions and fees	1,606	1,377
Fees from presold mortgages	295	372
Commissions from sales of insurance and financial products	355	422
Gain from acquisition	10,196	
Foreclosed property losses and write-downs – non-covered	(1,353)	
Foreclosed property losses and write-downs – covered	(4,934)	
FDIC indemnification asset income, net	5,040	
Securities gains	14	9
Other gains	20	49
Total noninterest income	14,193	5,694
NONINTEREST EXPENSES		
Salaries	9,711	8,616
Employee benefits	3,202	2,484
Total personnel expense	12,913	11,100
Net occupancy expense	1,672	1,888
Equipment related expenses	1,062	1,139
Intangibles amortization	224	215
Merger expenses	351	
Other operating expenses	8,821	7,938

Total noninterest expenses	25,043	22,280
Income before income taxes	10,121	6,968
Income taxes	3,746	2,530
Net income	6,375	4,438
Preferred stock dividends and accretion	(1,042)	(1,027)
Net income available to common shareholders	$5,333	3,411
Earnings per common share:		
Basic	$0.32	0.20
Diluted	0.32	0.20
Dividends declared per common share	$0.08	0.08
Weighted average common shares outstanding:		
Basic	16,813,941	16,732,518
Diluted	16,841,787	16,763,110

See notes to consolidated financial statements.

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First Bancorp and Subsidiaries
Consolidated Statements of Comprehensive Income

($ in thousands-unaudited)	Three Months Ended March 31, 2011	2010
Net income	$6,375	4,438
Other comprehensive income (loss):		
Unrealized gains on securities available for sale:		
Unrealized holding gains arising during the period, pretax	190	895
Tax benefit	(74)	(349)
Reclassification to realized gains	(14)	(9)
Tax expense	5	4
Postretirement Plans:		
Amortization of unrecognized net actuarial loss	140	117
Tax expense	(56)	(46)
Amortization of prior service cost and transition obligation	9	9
Tax expense	(4)	(4)
Other comprehensive income	196	617
Comprehensive income	$6,571	5,055

See notes to consolidated financial statements.

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First Bancorp and Subsidiaries
Consolidated Statements of Shareholders' Equity

(In thousands, except per share - unaudited)	Preferred Stock	Preferred Stock Discount	Common Stock Shares	Common Stock Amount	Common Stock Warrants	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Share-holders' Equity
Balances, January 1, 2010	$ 65,000	(3,789)	16,722	$ 98,099	4,592	182,908	(4,427)	342,383
Net income						4,438		4,438
Common stock issued under stock option plans			2	16				16
Common stock issued into dividend reinvestment plan			15	226				226
Cash dividends declared ($0.08 per common share)						(1,337)		(1,337)
Preferred dividends						(813)		(813)
Accretion of preferred stock discount		214				(214)		–
Stock-based compensation			–	99				99
Other comprehensive income							617	617
Balances, March 31, 2010	$ 65,000	(3,575)	16,739	$ 98,440	4,592	184,982	(3,810)	345,629
Balances, January 1, 2011	$ 65,000	(2,932)	16,801	$ 99,615	4,592	183,413	(5,085)	344,603
Net income						6,375		6,375
Common stock issued under stock option plans			2	31				31
Common stock issued into dividend reinvestment plan			14	210				210
Cash dividends declared ($0.08 per common share)						(1,345)		(1,345)
Preferred dividends						(813)		(813)
		229				(229)		–

Accretion of preferred stock discount								
Stock-based compensation			7	133				133
Other comprehensive income							196	196
Balances, March 31, 2011	$ 65,000	(2,703)	16,824	$ 99,989	4,592	187,401	(4,889)	349,390

See notes to consolidated financial statements.

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First Bancorp and Subsidiaries
Consolidated Statements of Cash Flows

($ in thousands-unaudited)	Three Months Ended March 31, 2011	2010
Cash Flows From Operating Activities		
Net income	$6,375	4,438
Reconciliation of net income to net cash provided by operating activities:		
Provision for loan losses	11,343	7,623
Net security premium amortization	412	472
Purchase accounting accretion and amortization, net	(2,500)	(2,735)
Gain from acquisition	(10,196)	
Foreclosed property losses and write-downs	6,287	
FDIC indemnification asset income recorded, not yet received	(5,040)	
Gain on securities available for sale	(14)	(9)
Other gains	(20)	(49)
Increase in net deferred loan costs	(207)	(123)
Depreciation of premises and equipment	1,092	984
Stock-based compensation expense	133	99
Amortization of intangible assets	224	215
Origination of presold mortgages in process of settlement	(20,082)	(17,134)
Proceeds from sales of presold mortgages in process of settlement	21,348	19,607
Decrease in accrued interest receivable	621	661
Decrease in other assets	759	1,692
Increase (decrease) in accrued interest payable	246	(119)
Increase (decrease) in other liabilities	(5,280)	5,264
Net cash provided by operating activities	5,501	20,886
Cash Flows From Investing Activities		
Purchases of securities available for sale	(21,817)	(16,282)
Purchases of securities held to maturity	(3,232)	(9,935)
Proceeds from maturities/issuer calls of securities available for sale	11,469	26,598
Proceeds from maturities/issuer calls of securities held to maturity	686	1,117
Proceeds from sales of securities available for sale	2,518	
Net decrease in loans	35,368	18,878
Proceeds from FDIC loss share agreements	31,214	20,914
Proceeds from sales of foreclosed real estate	6,772	3,016
Purchases of premises and equipment	(1,214)	(834)
Net cash received (paid) in acquisition	54,037	(170)
Net cash provided by investing activities	115,801	43,302
Cash Flows From Financing Activities		
Net increase (decrease) in deposits and repurchase agreements	17,713	(58,036)
Repayments of borrowings, net	(92,081)	(100,000)
Cash dividends paid – common stock	(1,344)	(1,335)
Cash dividends paid – preferred stock	(813)	(813)
Proceeds from issuance of common stock	241	242
Net cash used by financing activities	(76,284)	(159,942)

Increase (decrease) in cash and cash equivalents	45,018	(95,754)
Cash and cash equivalents, beginning of period	212,002	350,872
Cash and cash equivalents, end of period	$257,020	255,118
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest	$6,269	9,251
Income taxes	8,200	77
Non-cash transactions:		
Unrealized gain on securities available for sale, net of taxes	107	541
Foreclosed loans transferred to other real estate	19,441	29,441

See notes to consolidated financial statements.

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First Bancorp and Subsidiaries
Notes to Consolidated Financial Statements

(unaudited) For the Periods Ended March 31, 2011 and 2010

Note 1 - Basis of Presentation

In the opinion of the Company, the accompanying unaudited consolidated financial statements contain all adjustments necessary to present fairly the consolidated financial position of the Company as of March 31, 2011 and 2010 and the consolidated results of operations and consolidated cash flows for the periods ended March 31, 2011 and 2010. All such adjustments were of a normal, recurring nature. Reference is made to the 2010 Annual Report on Form 10-K filed with the SEC for a discussion of accounting policies and other relevant information with respect to the financial statements. The results of operations for the periods ended March 31, 2011 and 2010 are not necessarily indicative of the results to be expected for the full year. The Company has evaluated all subsequent events through the date the financial statements were issued.

Note 2 – Accounting Policies

Note 1 to the 2010 Annual Report on Form 10-K filed with the SEC contains a description of the accounting policies followed by the Company and discussion of recent accounting pronouncements. The following paragraphs update that information as necessary.

In July 2010, the FASB issued guidance that requires an entity to provide more information about the credit quality of its financing receivables, such as aging information, credit quality indicators and troubled debt restructurings, in the disclosures to its financial statements. Both new and existing disclosures must be disaggregated by portfolio segment or class. The disaggregation of information is based on how the entity develops its allowance for credit losses and how it manages its credit exposure. The required disclosures are effective for periods ending on or after December 15, 2010. In January 2011, the FASB temporarily delayed the effective date of the required disclosures related to troubled debt restructurings. The Company is required to include these disclosures in its interim and annual financial statements. See Note 8 for required disclosures.

In April 2011, the FASB issued guidance to assist creditors with their determination of when a restructuring is a troubled debt restructuring. The determination is based on whether the restructuring constitutes a concession and whether the debtor is experiencing financial difficulties, as both events must be present. Disclosures related to troubled debt restructurings will be effective for reporting periods beginning after June 15, 2011.

In December 2010, the FASB issued amended guidance to modify Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. Any resulting goodwill impairment should be recorded as a cumulative-effect adjustment to beginning retained earnings upon adoption. Impairments occurring subsequent to adoption should be included in earnings. The amendment was effective for the Company beginning January 1, 2011 and is not expected to impact the Company’s next goodwill impairment test.

Also in December 2010, the FASB issued amended guidance specifying that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. The amendment also requires that the supplemental pro forma disclosures include a description of the nature and amount of any material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. This amendment is effective for the Company for business combinations for which the acquisition date is on or after January 1, 2011.

In April 2011, the FASB issued amended guidance that removed from the assessment of effective control of a transfer, the (1) criteria requiring the transferor to have the ability to repurchase or redeem the financial assets, and (2) collateral maintenance implementation guidance related to that criteria. This guidance is effective for interim and annual periods beginning on or after December 15, 2011. The Company does not expect the adoption of this guidance to materially impact the financial statements.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

Note 3 – Reclassifications

Certain amounts reported in the period ended March 31, 2010 have been reclassified to conform to the presentation for March 31, 2011. These reclassifications had no effect on net income or shareholders' equity for the periods presented, nor did they materially impact trends in financial information.

Note 4 – Acquisition of Bank of Asheville

On January 21, 2011, the Company announced that First Bank, its banking subsidiary, had entered into a loss share purchase and assumption agreement with the Federal Deposit Insurance Corporation (FDIC), as receiver for The Bank of Asheville, Asheville, North Carolina. Earlier that day, the North Carolina Commissioner of Banks issued an order for the closure of The Bank of Asheville and appointed the FDIC as receiver. According to the terms of the agreement, First Bank acquired substantially all of the assets and liabilities of The Bank of Asheville. All deposits were assumed by First Bank with no losses to any depositor.

The Bank of Asheville operated through five branches in Asheville, North Carolina with total assets of approximately $198 million and 50 employees.

Substantially all of the loans and foreclosed real estate purchased are covered by loss share agreements between the FDIC and First Bank, which afford First Bank significant loss protection. Under the loss share agreements, the FDIC will cover 80% of covered loan and foreclosed real estate losses. The term for loss sharing on residential real estate loans is ten years, while the term for loss sharing on non-residential real estate loans is five years in respect to losses and eight years in respect to loss recoveries. The reimbursable losses from the FDIC are based on the book value of the relevant loan as determined by the FDIC at the date of the transaction. New loans made after that date are not covered by the loss share agreements.

First Bank received a $23.9 million discount on the assets acquired and paid no deposit premium. The acquisition was accounted for under the purchase method of accounting in accordance with relevant accounting guidance. The statement of net assets acquired as of January 21, 2011 and the resulting gain are presented in the following table. The purchased assets and assumed liabilities were recorded at their respective acquisition date fair values, and identifiable intangible assets were recorded at fair value. Fair values are preliminary and subject to refinement for up to one year after the closing date of the acquisition as information relative to closing date fair values becomes available. The Company has recorded an estimated receivable from the FDIC in the amount of $42.2 million, which represents the fair value of the FDIC's portion of the losses that are expected to be incurred and reimbursed to the Company.

An acquisition gain totaling $10.2 million resulted from the acquisition and is included as a component of noninterest income on the statement of income. The amount of the gain is equal to the amount by which the fair value of assets purchased exceeded the fair value of liabilities assumed.

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The statement of net assets acquired as of January 21, 2011 and the resulting gain that was recorded are presented in the following table.

($ in thousands)	As Recorded by The Bank of Asheville	Fair Value Adjustments		As Recorded by The Company
Assets				
Cash and cash equivalents	$ 27,297	–		27,297
Securities	4,461	–		4,461
Loans	153,994	(51,726	)(a)	102,268
Core deposit intangible	–	277	(b)	277
FDIC indemnification asset	–	42,218	(c)	42,218
Foreclosed properties	3,501	(2,159	)(d)	1,342
Other assets	1,146	(370	)(e)	776
Total	190,399	(11,760	)	178,639
Liabilities				
Deposits	192,284	460	(f)	192,744
Borrowings	4,004	77	(g)	4,081
Other	111	1,447	(h)	1,558
Total	196,399	1,984		198,383
Excess of liabilities received over assets	(6,000)	(13,744	)	(19,744)
Less: Asset discount	(23,940)			
Cash received/receivable from FDIC at closing	29,940			29,940
Total gain recorded				$ 10,196

Explanation of Fair Value Adjustments

(a) This estimated adjustment is necessary as of the acquisition date to write down The Bank of Asheville's book value of loans to the estimated fair value as a result of future expected loan losses.

(b) This fair value adjustment represents the value of the core deposit base assumed in the acquisition based on a study performed by an independent consulting firm. This amount was recorded by the Company as an identifiable intangible asset and will be amortized as an expense on a straight-line basis over the average life of the core deposit base, which is estimated to be seven years.

(c) This adjustment is the estimated fair value of the amount that the Company expects to receive from the FDIC under its loss share agreements as a result of future loan losses.

(d) This is the estimated adjustment necessary to write down The Bank of Asheville's book value of foreclosed real estate properties to their estimated fair value as of the acquisition date.

(e) This is an immaterial adjustment made to reflect fair value.

(f) This fair value adjustment was recorded because the weighted average interest rate of The Bank of Asheville's time deposits exceeded the cost of similar wholesale funding at the time of the acquisition. This amount will be amortized to reduce interest expense on a declining basis over the life of the portfolio of approximately 48 months.

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(g) This fair value adjustment was recorded because the interest rates of The Bank of Asheville's fixed rate borrowings exceeded current interest rates on similar borrowings. This amount was realized shortly after the acquisition by prepaying the borrowings at a premium and thus there will be no future amortization related to this adjustment.

(h) This adjustment relates primarily to the estimate of what the Company will owe to the FDIC at the conclusion of the loss share agreements based on a pre-established formula set forth in those agreements that is based on total expected losses in relation to the amount of the discount bid.

The operating results of the Company for the period ended March 31, 2011 include the operating results of the acquired assets and assumed liabilities for the period subsequent to the acquisition date of January 21, 2011 and were not material to the three month period ended March 31, 2011. Due primarily to the significant amount of fair value adjustments and the FDIC loss share agreements now in place, historical results of The Bank of Asheville are not believed to be relevant to the Company's results, and thus no pro forma information is presented.

Note 5 – Equity-Based Compensation Plans

At March 31, 2011, the Company had the following equity-based compensation plans: the First Bancorp 2007 Equity Plan, the First Bancorp 2004 Stock Option Plan, the First Bancorp 1994 Stock Option Plan, and one plan that was assumed from an acquired entity. The Company's shareholders approved all equity-based compensation plans, except for those assumed from acquired companies. The First Bancorp 2007 Equity Plan became effective upon the approval of shareholders on May 2, 2007. As of March 31, 2011, the First Bancorp 2007 Equity Plan was the only plan that had shares available for future grants.

The First Bancorp 2007 Equity Plan and its predecessor plans, the First Bancorp 2004 Stock Option Plan and the First Bancorp 1994 Stock Option Plan ("Predecessor Plans"), are intended to serve as a means to attract, retain and motivate key employees and directors and to associate the interests of the plans' participants with those of the Company and its shareholders. The Predecessor Plans only provided for the ability to grant stock options, whereas the First Bancorp 2007 Equity Plan, in addition to providing for grants of stock options, also allows for grants of other types of equity-based compensation, including stock appreciation rights, restricted stock, restricted performance stock, unrestricted stock, and performance units. Since the First Bancorp 2007 Equity Plan became effective on May 2, 2007, the Company has granted the following stock-based compensation: 1) the grant of 2,250 stock options to each of the Company's non-employee directors on June 1, 2007, 2008, and 2009, 2) the grant of 5,000 incentive stock options to an executive officer on April 1, 2008 in connection with a corporate acquisition, 3) the grant of 262,599 stock options and 81,337 performance units to 19 senior officers on June 17, 2008 (each performance unit represents the right to acquire one share of the Company's common stock upon satisfaction of the vesting conditions), 4) the grant of 29,267 long-term restricted shares of common stock to certain senior executive officers on December 11, 2009, 5) the grant of 1,039 shares of common stock to each of the Company's non-employee directors on June 1, 2010, and 6) the grant of 7,259 long-term restricted shares of common stock to certain senior executive officers on February 24, 2011.

Prior to the June 17, 2008 grant, stock option grants to employees generally had five-year vesting schedules (20% vesting each year) and had been irregular, usually falling into three categories - 1) to attract and retain new employees, 2) to recognize changes in responsibilities of existing employees, and 3) to periodically reward exemplary performance. Compensation expense associated with these types of grants is recorded pro-ratably over the vesting period. As it relates to directors, until 2010 the Company had historically granted 2,250 vested stock options to each of the Company's non-employee directors in June of each year. In June 2010, the Company granted 1,039 common shares to each non-employee director, which had approximately the same value as 2,250 stock options. Compensation expense associated with these director grants is recognized on the date of grant since there are no vesting conditions.

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The June 17, 2008 grant of a combination of performance units and stock options have both performance conditions (earnings per share targets) and service conditions that must be met in order to vest. The 262,599 stock options and 81,337 performance units represent the maximum number of options and performance units that could have vested if the Company were to achieve specified maximum goals for earnings per share during the three annual performance periods ending on December 31, 2008, 2009, and 2010. Up to one-third of the total number of options and performance units granted are subject to vesting annually as of December 31 of each year beginning in 2010, if (1) the Company achieves specific earnings per share (EPS) goals during the corresponding performance period and (2) the executive or key employee continues employment for a period of two years beyond the corresponding performance period. Compensation expense for this grant is recorded over the various service periods based on the estimated number of options and performance units that are probable to vest. If the awards do not vest, no compensation cost is recognized and any previously recognized compensation cost will be reversed. The Company did not achieve the minimum earnings per share performance goal for 2008 or 2010, and thus two-thirds of the above grant was permanently forfeited. As a result of the significant acquisition gain realized in June 2009 related to a failed bank acquisition, the Company achieved the EPS goal for 2009 and the related awards will vest on December 31, 2011 for each grantee that remains employed as of that date. The Company recorded compensation expense of $299,000 in each of 2009 and 2010 related to this grant and its expected vesting. Assuming no forfeitures, the Company will also record compensation expense of approximately $75,000 in each quarter of 2011 related to this grant.

The December 11, 2009 and February 24, 2011 grants of long-term restricted shares of common stock to senior executives vest in accordance with the minimum rules for long-term equity grants for companies participating in the TARP. These rules require that the vesting of the stock be tied to repayment of the financial assistance. For each 25% of total financial assistance repaid, 25% of the total long-term restricted stock may become transferrable. The total compensation expense associated with the December 11, 2009 grant was $398,000 and is being initially amortized over a four year period. The amount of compensation expense recorded by the Company in 2009 was insignificant. The Company recorded approximately $24,500 in each of the first three months of 2011 and 2010 related to this grant. The Company will continue to record approximately $24,500 in each quarter through the end of 2013 related to the 2009 grant. The total compensation expense associated with the February 24, 2011 grant was $105,500 and is being initially amortized over a three year period, with approximately $8,800 being expensed in each quarter of 2011-2013. See Note 15 for further information related to the Company's participation in the TARP.

Under the terms of the Predecessor Plans and the First Bancorp 2007 Equity Plan, options can have a term of no longer than ten years, and all options granted thus far under these plans have had a term of ten years. The Company's options provide for immediate vesting if there is a change in control (as defined in the plans).

At March 31, 2011, there were 635,309 options outstanding related to the three First Bancorp plans, with exercise prices ranging from $14.35 to $22.12. At March 31, 2011, there were 964,004 shares remaining available for grant under the First Bancorp 2007 Equity Plan. The Company also has a stock option plan as a result of a corporate acquisition. At March 31, 2011, there were 4,788 stock options outstanding in connection with the acquired plan, with option prices ranging from $10.66 to $15.22.

The Company issues new shares of common stock when options are exercised.

The Company measures the fair value of each option award on the date of grant using the Black-Scholes option-pricing model. The Company determines the assumptions used in the Black-Scholes option pricing model as follows: the risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of the grant; the dividend yield is based on the Company's dividend yield at the time of the grant (subject to adjustment if the dividend yield on the grant date is not expected to approximate the dividend yield over the expected life of the option); the volatility factor is based on the historical volatility of the Company's stock (subject to adjustment if future volatility is reasonably expected to differ from the past); and the weighted-average expected life is based on the historical behavior of employees related to exercises, forfeitures and cancellations.

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The Company's only equity grants for the three months ended March 31, 2011 were the issuance of 7,259 shares of long-term restricted stock to certain senior executives on February 24, 2011. The fair market value of the Company's common stock on the grant date was $14.54 per share, which was the closing price of the Company's common stock on that date.

There were no option grants during the first quarter of 2010.

The Company recorded total stock-based compensation expense of $133,000 and $99,000 for the three-month periods ended March 31, 2011 and 2010, respectively. Stock-based compensation expense is recorded as "salaries expense" in the Consolidated Statements of Income and as an adjustment to cash flows from operating activities on the Company's Consolidated Statement of Cash Flows. The Company recognized $42,000 and $39,000 in income tax benefits in the income statement related to stock-based compensation for the three-month periods ended March 31, 2011 and 2010, respectively.

At March 31, 2011, the Company had $12,000 of unrecognized compensation costs related to unvested stock options that have vesting requirements based solely on service conditions. The cost is expected to be amortized over a weighted-average life of 2.1 years, with $5,000 being expensed in 2011, $6,000 being expensed in 2012, and $1,000 being expensed in 2013. At March 31, 2011, the Company had $224,000 in unrecognized compensation expense associated with the June 17, 2008 award grant that has both performance conditions and service conditions and will record $74,500 in each quarter of 2011.

As noted above, certain of the Company's stock option grants contain terms that provide for a graded vesting schedule whereby portions of the award vest in increments over the requisite service period. The Company has elected to recognize compensation expense for awards with graded vesting schedules on a straight-line basis over the requisite service period for the entire award. Compensation expense is based on the estimated number of stock options and awards that will ultimately vest. Over the past five years, there have only been minimal amounts of forfeitures or expirations, and therefore the Company assumes that all options granted without performance conditions will become vested.

The following table presents information regarding the activity for the first three months of 2011 related to all of the Company's stock options outstanding:

	Options Outstanding			
	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Contractual Term (years)	Aggregate Intrinsic Value
Balance at December 31, 2010	642,413	$ 18.11		
Granted	–	–		
Exercised	(2,300)	13.30		$ 6,949
Forfeited	–	–		
Expired	–	–		
Outstanding at March 31, 2011	640,113	$ 18.13	3.5	$ 6,199

Exercisable at March 31, 2011	549,565	$	18.37	2.9	$	6,199

The Company received $31,000 and $16,000 as a result of stock option exercises during the three months ended March 31, 2011 and 2010, respectively. The Company recorded no tax benefits from the exercise of nonqualified stock options during the three months ended March 31, 2011 or 2010.

As discussed above, the Company granted 81,337 performance units to 19 senior officers on June 17, 2008. Each performance unit represents the right to acquire one share of the Company's common stock upon satisfaction of the vesting conditions (discussed above). The fair market value of the Company's common stock on the grant date was $16.53 per share. One-third of this grant was forfeited on December 31, 2008 and another one-third was forfeited on December 31, 2010 because the Company failed to meet the minimum performance goal required for vesting. Also, as discussed above, the Company granted 29,267 and 7,259 long-term restricted shares of common stock to certain senior executives on December 11, 2009 and February 24, 2011, respectively.

The following table presents information regarding the activity during 2011 related to the Company's outstanding performance units and restricted stock:

	Nonvested Performance Units		Long-Term Restricted Stock	
Three months ended March 31, 2011	Number of Units	Weighted-Average Grant-Date Fair Value	Number of Units	Weighted-Average Grant-Date Fair Value
Nonvested at the beginning of the period	27,113	$ 16.53	29,267	$ 13.59
Granted during the period	–	–	7,259	14.54
Vested during the period	–	–	–	–
Forfeited or expired during the period	–	–	–	–
Nonvested at end of period	27,113	$ 16.53	36,526	$ 13.78

Note 6 – Earnings Per Common Share

Basic earnings per common share were computed by dividing net income available to common shareholders by the weighted average common shares outstanding. Diluted earnings per common share includes the potentially dilutive effects of the Company's equity plans and the warrant issued to the U.S. Treasury in connection with the Company's participation in the Treasury's Capital Purchase Program – see Note 15 for additional information. The following is a reconciliation of the numerators and denominators used in computing basic and diluted earnings per common share:

	For the Three Months Ended March 31,					
		2011			2010	
($ in thousands except per share amounts)	Income (Numer- ator)	Shares (Denom- inator)	Per Share Amount	Income (Numer- ator)	Shares (Denom- inator)	Per Share Amount
Basic EPS						
Net income available to common shareholders	$5,333	16,813,941	$0.32	$3,411	16,732,518	$0.20
Effect of Dilutive Securities	-	27,846		-	30,592	

Diluted EPS per common share	$5,333	16,841,787	$0.32	$3,411	16,763,110	$0.20

For the three months ended March 31, 2011 and 2010, there were 515,916 and 704,002 options, respectively, that were antidilutive because the exercise price exceeded the average market price for the period. In addition, the warrant for 616,308 shares issued to the U.S. Treasury (see Note 15) was antidilutive for the three months ended March 31, 2011 and 2010. Antidilutive options and warrants have been omitted from the calculation of diluted earnings per share for the respective periods.

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Note 7 – Securities

The book values and approximate fair values of investment securities at March 31, 2011 and December 31, 2010 are summarized as follows:

	March 31, 2011				December 31, 2010			
($ in thousands)	Amortized Cost	Fair Value	Unrealized Gains	Unrealized (Losses)	Amortized Cost	Fair Value	Unrealized Gains	Unrealized (Losses)
Securities available for sale:								
Government-sponsored enterprise securities	$ 45,431	45,267	195	(359)	43,432	43,273	214	(373)
Mortgage-backed securities	113,150	115,876	3,296	(570)	104,660	107,460	3,270	(470)
Corporate bonds	15,750	15,571	194	(373)	15,754	15,330	35	(459)
Equity securities	15,398	15,668	302	(32)	14,858	15,119	301	(40)
Total available for sale	$ 189,729	192,382	3,987	(1,334)	178,704	181,182	3,820	(1,342)
Securities held to maturity:								
State and local governments	$ 57,426	58,519	1,388	(295)	54,011	53,305	517	(1,223)
Other	7	7	–	–	7	7		
Total held to maturity	$ 57,433	58,526	1,388	(295)	54,018	53,312	517	(1,223)

Included in mortgage-backed securities at March 31, 2011 were collateralized mortgage obligations with an amortized cost of $2,332,000 and a fair value of $2,405,000. Included in mortgage-backed securities at December 31, 2010 were collateralized mortgage obligations with an amortized cost of $2,644,000 and a fair value of $2,740,000.

The Company owned Federal Home Loan Bank stock with a cost and fair value of $15,304,000 and $14,759,000 at March 31, 2011 and December 31, 2010, respectively, which is included in equity securities above and serves as part of the collateral for the Company's line of credit with the Federal Home Loan Bank. The investment in this stock is a requirement for membership in the Federal Home Loan Bank system.

The following table presents information regarding securities with unrealized losses at March 31, 2011:

($ in thousands)	Securities in an Unrealized Loss Position for Less than 12 Months		Securities in an Unrealized Loss Position for More than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Government-sponsored enterprise securities	$ 34,117	359	–	–	34,117	359
Mortgage-backed securities	36,759	570	–	–	36,759	570
Corporate bonds	5,534	18	2,947	355	8,481	373
Equity securities	4	1	30	31	34	32
State and local governments	10,843	295	–	–	10,843	295
Total temporarily impaired securities	$ 87,257	1,243	2,977	386	90,234	1,629

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The following table presents information regarding securities with unrealized losses at December 31, 2010:

	Securities in an Unrealized Loss Position for Less than 12 Months		Securities in an Unrealized Loss Position for More than 12 Months		Total	
(in thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Government-sponsored enterprise securities	$ 18,607	373	–	–	18,607	373
Mortgage-backed securities	21,741	470	–	–	21,741	470
Corporate bonds	7,548	55	2,900	404	10,448	459
Equity securities	3	1	29	39	32	40
State and local governments	35,289	1,223	–	–	35,289	1,223
Total temporarily impaired securities	$ 83,188	2,122	2,929	443	86,117	2,565

In the above tables, all of the non-equity securities that were in an unrealized loss position at March 31, 2011 and December 31, 2010 are bonds that the Company has determined are in a loss position due to interest rate factors, the overall economic downturn in the financial sector, and the broader economy in general. The Company has evaluated the collectability of each of these bonds and has concluded that there is no other-than-temporary impairment. The Company does not intend to sell these securities, and it is more likely than not that the Company will not be required to sell these securities before recovery of the amortized cost. The Company has also concluded that each of the equity securities in an unrealized loss position at March 31, 2011 and December 31, 2010 was in such a position due to temporary fluctuations in the market prices of the securities. The Company's policy is to record an impairment charge for any of these equity securities that remains in an unrealized loss position for twelve consecutive months unless the amount is insignificant.

The aggregate carrying amount of cost-method investments was $15,311,000 and $14,766,000 at March 31, 2011 and December 31, 2010, respectively, which included the Federal Home Loan Bank stock discussed above. The Company determined that none of its cost-method investments were impaired at either period end.

The book values and approximate fair values of investment securities at March 31, 2011, by contractual maturity, are summarized in the table below. Expected maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Securities Available for Sale		Securities Held to Maturity	
($ in thousands)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Debt securities				
Due within one year	$ –	–	657	670
Due after one year but within five years	45,493	45,301	1,724	1,793
Due after five years but within ten years	2,934	2,947	16,334	17,044
Due after ten years	12,754	12,590	38,718	39,019
Mortgage-backed securities	113,150	115,876	–	–
Total debt securities	174,331	176,714	57,433	58,526
Equity securities	15,398	15,668	–	–

Total securities	$ 189,729	192,382	57,433	58,526

At March 31, 2011 and December 31, 2010, investment securities with book values of $115,581,000 and $75,654,000, respectively, were pledged as collateral for public and private deposits and securities sold under agreements to repurchase.

There were $2,510,000 in sales of securities during the three months ended March 31, 2011, which resulted in a net gain of $8,000. There were no securities sales during the first three months of 2010. During the three months ended March 31, 2011, the Company recorded a net loss of $5,000 related to write-downs of the Company's equity portfolio. Also, during the three months ended March 31, 2011, the Company recorded a net gain of $11,000 related to the call of several municipal securities. During the three months ended March 31, 2010, the Company recorded a gain of $9,000 related to the call of a municipal security.

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Note 8 – Loans and Asset Quality Information

The loans and foreclosed real estate that were acquired in FDIC-assisted transactions are covered by loss share agreements between the FDIC and First Bank, which afford First Bank significant loss protection. (See the Company's 2010 Annual Report on Form 10-K for more information regarding the Cooperative Bank transaction and Note 2 above for the more information regarding The Bank of Asheville transaction.) Because of the loss protection provided by the FDIC, the risk of the Cooperative Bank and The Bank of Asheville loans and foreclosed real estate are significantly different from those assets not covered under the loss share agreements. Accordingly, the Company presents separately loans subject to the loss share agreements as "covered loans" in the information below and loans that are not subject to the loss share agreements as "non-covered loans."

The following is a summary of the major categories of total loans outstanding:

($ in thousands)	March 31, 2011		December 31, 2010		March 31, 2010	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
All loans (non-covered and covered):						
Commercial, financial, and agricultural	$ 162,868	7 %	155,016	6 %	164,792	6 %
Real estate – construction, land development & other land loans	434,566	18 %	437,700	18 %	527,394	20 %
Real estate – mortgage – residential (1-4 family) first mortgages	804,278	32 %	802,658	33 %	831,484	32 %
Real estate – mortgage – home equity loans / lines of credit	267,515	11 %	263,529	11 %	271,182	11 %
Real estate – mortgage – commercial and other	733,087	29 %	710,337	29 %	724,923	28 %
Installment loans to individuals	82,716	3 %	83,919	3 %	85,860	3 %
Subtotal	2,485,030	100 %	2,453,159	100 %	2,605,635	100 %
Unamortized net deferred loan costs	1,180		973		497	
Total loans	$ 2,486,210		2,454,132		2,606,132	

As of March 31, 2011, December 31, 2010 and March 31, 2010, net loans include unamortized premiums of $1,298,000, $687,000, and $834,000, respectively, related to acquired loans.

The following is a summary of the major categories of non-covered loans outstanding:

($ in thousands)	March 31, 2011 Amount	March 31, 2011 Percentage	December 31, 2010 Amount	December 31, 2010 Percentage	March 31, 2010 Amount	March 31, 2010 Percentage
Non-covered loans:						
Commercial, financial, and agricultural	$ 146,838	7 %	150,545	7 %	158,891	8 %
Real estate – construction, land development & other land loans	330,389	16 %	344,939	17 %	388,704	18 %
Real estate – mortgage – residential (1-4 family) first mortgages	622,108	30 %	622,353	30 %	603,375	28 %
Real estate – mortgage – home equity loans / lines of credit	241,443	12 %	246,418	12 %	248,613	12 %
Real estate – mortgage – commercial and other	624,699	31 %	636,197	30 %	635,533	30 %
Installment loans to individuals	79,341	4 %	81,579	4 %	82,260	4 %
Subtotal	2,044,818	100 %	2,082,031	100 %	2,117,376	100 %
Unamortized net deferred loan costs	1,180		973		497	
Total non-covered loans	$ 2,045,998		2,083,004		2,117,873	

The carrying amount of the covered loans at March 31, 2011 consisted of impaired and nonimpaired purchased loans, as follows:

($ in thousands)	Impaired Purchased Loans – Carrying Value	Impaired Purchased Loans – Unpaid Principal Balance	Nonimpaired Purchased Loans – Carrying Value	Nonimpaired Purchased Loans – Unpaid Principal Balance	Total Covered Loans – Carrying Value	Total Covered Loans – Unpaid Principal Balance
Covered loans:						
Commercial, financial, and agricultural	$ 133	1,016	15,897	21,700	16,030	22,716
Real estate – construction, land development & other land loans	10,603	22,699	93,574	155,183	104,177	177,882
Real estate – mortgage – residential (1-4 family) first mortgages	1,835	3,849	180,335	216,404	182,170	220,253
Real estate – mortgage – home equity loans / lines of credit	277	788	25,795	32,228	26,072	33,016
Real estate – mortgage – commercial and other	7,562	14,709	100,826	132,463	108,388	147,172
Installment loans to individuals	28	133	3,347	3,637	3,375	3,770
Total	$ 20,438	43,194	419,774	561,615	440,212	604,809

The carrying amount of the covered loans at December 31, 2010 consisted of impaired and nonimpaired purchased loans, as follows:

($ in thousands)	Impaired Purchased Loans – Carrying Value	Impaired Purchased Loans – Unpaid Principal Balance	Nonimpaired Purchased Loans – Carrying Value	Nonimpaired Purchased Loans – Unpaid Principal Balance	Total Covered Loans – Carrying Value	Total Covered Loans – Unpaid Principal Balance
Covered loans:						
Commercial, financial, and agricultural	$ –	–	4,471	5,272	4,471	5,272
Real estate – construction, land development & other land loans	1,898	3,328	90,863	147,615	92,761	150,943
Real estate – mortgage – residential (1-4 family) first mortgages	–	–	180,305	212,826	180,305	212,826
Real estate – mortgage – home equity loans / lines of credit	–	–	17,111	20,332	17,111	20,332
Real estate – mortgage – commercial and other	2,709	3,594	71,431	93,490	74,140	97,084
Installment loans to individuals	–	–	2,340	2,595	2,340	2,595
Total	$ 4,607	6,922	366,521	482,130	371,128	489,052

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The following table presents information regarding covered purchased nonimpaired loans since December 31, 2009. The amounts include principal only and do not reflect accrued interest as of the date of the acquisition or beyond.

($ in thousands)	
Carrying amount of nonimpaired covered loans at December 31, 2009	$485,572
Principal repayments	(43,801)
Transfers to foreclosed real estate	(75,121)
Loan charge-offs	(7,736)
Accretion of loan discount	7,607
Carrying amount of nonimpaired covered loans at December 31, 2010	366,521
Additions due to acquisition of The Bank of Asheville (at fair value)	84,623
Principal repayments	(17,148)
Transfers to foreclosed real estate	(9,625)
Loan charge-offs	(7,112)
Accretion of loan discount	2,515
Carrying amount of nonimpaired covered loans at March 31, 2011	$419,774

As reflected in the table above, the Company accreted $2,515,000 of the loan discount on purchased nonimpaired loans into interest income during the first quarter of 2011.

The following table presents information regarding all purchased impaired loans since December 31, 2009, substantially all of which are covered loans. The Company has applied the cost recovery method to all purchased impaired loans at their respective acquisition dates due to the uncertainty as to the timing of expected cash flows, as reflected in the following table.

($ in thousands) Purchased Impaired Loans	Contractual Principal Receivable	Fair Market Value Adjustment – Write Down (Nonaccretable Difference)	Carrying Amount
Balance at December 31, 2009	$39,293	3,242	36,051
Change due to payments received	(685)	2	(687)
Transfer to foreclosed real estate	(27,569)	(225)	(27,344)
Change due to loan charge-off	(3,149)	(625)	(2,524)
Other	190	(65)	255
Balance at December 31, 2010	$8,080	2,329	5,751
Additions due to acquisition of The Bank of Asheville	38,452	20,807	17,645
Change due to payments received	–	–	–
Transfer to foreclosed real estate	(992)	–	(992)
Change due to loan charge-off	(814)	–	(814)
Other	21	–	21
Balance at March 31, 2011	$44,747	23,136	21,611

Each of the purchased impaired loans is on nonaccrual status and considered to be impaired. Because of the uncertainty of the expected cash flows, the Company is accounting for each purchased impaired loan under the cost recovery method, in which all cash payments are applied to principal. Thus, there is no accretable yield associated with the above loans. During the first quarter of 2010, the Company received $67,000 in payments that exceeded the initial carrying amount of the purchased impaired loans. These payments were recorded as interest income. There were no such amounts recorded in 2011.

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Nonperforming assets are defined as nonaccrual loans, restructured loans, loans past due 90 or more days and still accruing interest, and other real estate. Nonperforming assets are summarized as follows:

ASSET QUALITY DATA ($ in thousands)	March 31, 2011	December 31, 2010	March 31, 2010
Non-covered nonperforming assets			
Nonaccrual loans	$ 69,250	62,326	63,415
Restructured loans - accruing	19,843	33,677	27,207
Accruing loans > 90 days past due	-	-	-
Total non-covered nonperforming loans	89,093	96,003	90,622
Other real estate	26,961	21,081	10,818
Total non-covered nonperforming assets	$ 116,054	117,084	101,440
Covered nonperforming assets			
Nonaccrual loans (1)	$ 56,862	58,466	105,043
Restructured loans - accruing	16,238	14,359	11,379
Accruing loans > 90 days past due	-	-	-
Total covered nonperforming loans	73,100	72,825	116,422
Other real estate	95,868	94,891	68,044
Total covered nonperforming assets	$ 168,968	167,716	184,466
Total nonperforming assets	$ 285,022	284,800	285,906

(1) At March 31, 2011, December 31, 2010, and March 31, 2010, the contractual balance of the nonaccrual loans covered by FDIC loss share agreements was $106.5 million, $86.2 million, and $192.1 million, respectively.

The following table presents information related to the Company's impaired loans.

($ in thousands)	As of /for the three months ended March 31, 2011	As of /for the year ended December 31, 2010	As of /for the three months ended March 31, 2010
Impaired loans at period end			
Non-covered	$ 89,093	96,003	90,622
Covered	73,100	72,825	116,422
Total impaired loans at period end	$ 162,193	168,828	207,044
Average amount of impaired loans for period			
Non-covered	$ 92,548	89,751	73,098
Covered	72,962	95,373	105,584
Average amount of impaired loans for period – total	$ 165,510	185,124	178,682
Allowance for loan losses related to impaired loans at period end			
Non-covered	$ 6,289	7,613	10,450
Covered	6,206	11,155	–

Allowance for loan losses related to impaired loans - total	$ 12,495	18,768	10,450
Amount of impaired loans with no related allowance at period end			
Non-covered	$ 40,169	42,874	54,829
Covered	57,785	49,991	116,422
Total impaired loans with no related allowance at period end	$ 97,954	92,865	171,251

All of the impaired loans noted in the table above were on nonaccrual status at each respective period end except for those classified as restructured loans (see table above for balances).

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The remaining tables in this note present information derived from the Company's allowance for loan loss model. This model combines loan types in a different manner than the tables previously presented.

The following table presents the Company's nonaccrual loans as of March 31, 2011.

($ in thousands)	Non-covered	Covered	Total
Commercial, financial, and agricultural:			
Commercial – unsecured	$ 42	161	203
Commercial – secured	1,755	19	1,774
Secured by inventory and accounts receivable	260	–	260
Real estate – construction, land development & other land loans	29,433	27,001	56,434
Real estate – residential, farmland and multi-family	23,243	18,178	41,421
Real estate – home equity lines of credit	2,131	842	2,973
Real estate – commercial	9,785	10,582	20,367