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Corporate Counsel

Pierce Atwood
Portland, Maine

Independent Auditors

Berry, Dunn, McNeil & Parker
Portland, Maine

The First Bancorp

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Second Quarter 2009
Financial Results



July 31, 2009

Dear First Bancorp Shareholder:

I am pleased to report that the cash dividend for the second quarter of 2009 has been maintained at \$0.195 per share and it is at the same level it has been over the past three quarters. On an annualized basis, the \$0.78 dividend per share represents a yield of 4.01% based on the \$19.47 closing price of the stock on June 30, 2009.

The Company posted unaudited net income of \$3.8 million for the quarter ended June 30, 2009, an increase of \$159,000 or 4.4% from the second quarter of 2008. Also, for the first six months of 2009, net income was \$7.5 million, up \$296,000 or 4.1% from the \$7.2 million posted for the same period in 2008. We continue to benefit from the current low interest rate environment and steep yield curve with net interest income for the first six months of 2009 up \$4.8 million or 26.8% over the same period in 2008. We also saw our net interest margin widen from 3.23% for the first six months of 2008 to 3.68% for the first six month of 2009.

At the same time, we see continued deterioration in credit quality. With broad-based weakness in the economy, a continued slump in the housing market and unemployment at 9.4%, which is at the highest level it has been since 1983, we are in the longest and possibly the worst recession since the Great Depression. Not reflected in these unemployment numbers is the number of people who have experienced reduced incomes from wage cutbacks and loss of overtime. In Maine, many people are self-employed and are also experiencing a decline in business revenues impacting their individual incomes as well.

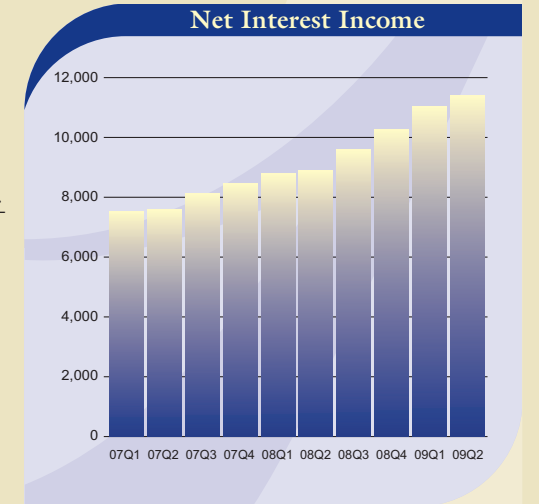
All of these factors have contributed to an increase in the Company's non-performing loans which stood at 1.57% of total loans as of June 30, 2009, compared to 0.40% a year ago and 1.32% as of March 31, 2009. Given this increase and the continued weakness in the economy, we provisioned \$4.6 million during the first six months of 2009 compared to \$1.4 million for the same period in 2008. As a result, the allowance for loan losses increased \$3.0 million in the first six months of 2009 and is now at \$11.8 million or 1.20% of total loans compared to 0.82% a year ago and 0.99% on March 31, 2009.

Our stock closed the quarter at \$19.47 per share, down \$0.42 from the December 31, 2008 closing price of \$19.89 per share. We continue to be included in the Russell 2000 and Russell 3000 indices, and on June 27, the day each year these indices are reconstituted, we had a high close for the year of \$21.78 per share.

Despite the challenges we have faced in the current recession, The First Bancorp has done well in the first half of 2009. Our strong net interest income and mortgage origination income have offset a much higher provision for loan losses, a one-time special assessment for FDIC insurance and the write down of an investment security for other-than-temporary-impairment. We also remain very well-capitalized, which is an important concern for all banks today. And finally, we have been able to maintain our quarterly dividend at \$0.195 per share, as noted above, which we feel is important to most of our shareholders.

Very truly yours,

Daniel R. Daigneault
President & Chief Executive Officer



Consolidated Balance Sheets *(unaudited)*

<i>Dollars in thousands</i>	June 30, 2009	December 31, 2008	June 30, 2008
Assets			
Cash and due from banks	\$ 18,575	\$ 16,856	\$ 19,997
Overnight funds sold	-	-	-
Securities available for sale	50,665	27,765	36,850
Securities to be held to maturity	247,627	234,767	209,528
Loans held for sale (fair value approximates cost)	3,162	1,298	2,253
Loans	982,336	979,273	951,814
Less allowance for loan losses	11,752	8,800	7,800
Net loans	970,584	970,473	944,014
Accrued interest receivable	7,140	5,783	7,886
Premises and equipment	18,610	16,028	16,046
Other real estate owned	2,797	2,428	1,558
Goodwill	27,684	27,684	27,684
Other assets	23,142	22,662	19,557
Total assets	\$ 1,369,986	\$1,325,744	\$ 1,285,373
Liabilities			
Demand deposits	\$ 63,266	\$ 68,399	\$ 62,755
NOW deposits	100,283	108,188	108,543
Money market deposits	104,803	129,333	114,096
Savings deposits	86,305	82,867	87,023
Certificates of deposit	202,039	246,152	339,620
Certificates \$100,000 and over	357,253	290,797	130,083
Total deposits	913,949	925,736	842,120
Borrowed funds	297,361	272,074	317,055
Other liabilities	12,478	10,753	11,440
Total liabilities	1,223,788	1,208,563	1,170,615
Shareholders' equity			
Preferred Stock	24,557	-	-
Common stock	97	97	97
Additional paid-in capital	44,958	44,117	44,030
Retained earnings	77,320	74,057	70,996
Net unrealized gains on available-for-sale securities	(472)	(819)	(100)
Net unrealized loss on postretirement benefit cost	(262)	(271)	(265)
Total stockholders' equity	146,198	117,181	114,758
Total liabilities & stockholders' equity	\$ 1,369,986	\$ 1,325,744	\$ 1,285,373
Number of shares authorized	18,000,000	18,000,000	18,000,000
Number of shares issued and outstanding	9,722,204	9,696,397	9,690,182
Book value per share	\$ 12.51	\$ 12.09	\$ 11.84
Allowance for loan losses/total loans	1.20%	0.90%	0.82%
Non-performing assets to total assets	1.36%	1.31%	0.29%

Consolidated Statements of Income *(unaudited)*

<i>Dollars in thousands</i>	For the six months ended June 30,		For the quarters ended June 30,	
<i>except per share amounts</i>	2009	2008	2009	2008
Interest income				
Interest and fees on loans	\$ 25,533	\$ 29,649	\$ 12,606	\$ 14,357
Interest and dividends on investments	7,336	6,195	3,645	3,157
Total interest income	32,869	35,844	16,251	17,514
Interest expense				
Interest on deposits	6,694	12,349	3,049	5,910
Interest on borrowed funds	3,665	5,736	1,765	2,662
Total interest expense	10,359	18,085	4,814	8,572
Net interest income	22,510	17,759	11,437	8,942
Provision for loan losses	4,600	1,439	2,950	939
Net interest income after provision for loan losses	17,910	16,320	8,487	8,003
Other operating income				
Investment management and fiduciary income	678	780	353	390
Service charges on deposit accounts	1,158	1,488	600	805
Net securities gains	-	28	-	-
Mortgage origination and servicing income	1,543	216	862	123
Other operating income	2,170	2,182	1,148	1,200
Total other operating income	5,549	4,694	2,963	2,518
Other operating expenses				
Salaries and employee benefits	5,152	5,680	2,563	2,755
Occupancy expense	834	774	393	363
Furniture and equipment expense	1,138	942	569	452
Net securities losses	148	-	6	-
Other than temporary impairment charge	916	-	-	-
Amortization of identified intangibles	142	142	71	71
Other operating expense	4,691	3,336	2,632	1,784
Total other operating expenses	13,021	10,874	6,234	5,425
Income before income taxes	10,438	10,140	5,216	5,096
Applicable income taxes	2,948	2,946	1,454	1,493
Net income	\$ 7,490	\$ 7,194	\$ 3,762	\$ 3,603
Less preferred stock premium amortization and dividends	486	-	337	-
Net income available to common shareholders	\$ 7,004	\$ 7,194	\$ 3,425	\$ 3,603
Earnings per common share				
Basic earnings per share	\$ 0.72	\$ 0.74	\$ 0.35	\$ 0.37
Diluted earnings per share	0.72	0.74	0.35	0.37
Closing market price per share	19.47	13.65	19.47	13.65
Financial ratios				
Return on average tangible equity ¹	16.18%	16.76%	16.40%	16.66%
Net interest margin tax-equivalent ¹	3.68%	3.23%	3.76%	3.21%
Efficiency ratio	40.78%	45.97%	41.40%	45.02%

¹Quarterly results have been annualized using a 365-day basis in 2009 and 366-day basis in 2008