

**SNL**  
**Bank M&A Conference**  
**Strategic Footprint Analysis**  
**October 2-3, 2013**

**Camden National Corporation**



## Safe Harbor Statement

The information presented may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based upon current beliefs and expectations and are subject to significant risks and uncertainties (some of which are beyond Camden National Corporation's control). Actual results may differ materially from the results discussed in these forward-looking statements. Factors that could cause Camden National Corporation's results to differ materially can be found in the risk factors set forth in Camden National Corporation's Annual Report on Form 10-K for the year ended December 31, 2012, as updated by Camden National Corporation's Quarterly Reports on Form 10Q and other filings with the SEC.

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# Camden National Corporation

- Founded 1875 in Camden, Maine
- NASDAQ: CAC
  - Market capitalization of \$301.9 million
  - 7.6 million shares outstanding
- Camden National Bank
  - \$2.6 billion of assets
  - 49 branch locations
- Acadia Trust, N.A.
  - Wealth management subsidiary
  - \$605 million assets under management

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# Strategic Footprint Analysis

- Market Demographics
- Franchise Position
- Strategic Outlook

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# Market Demographics

- **Maine's population**
  - Oldest in the nation
  - Minimal population growth
  - Outmigration from Northern counties to South or out of state
- **Economic activity**
  - Minimal state-wide growth
  - Higher growth in southern Maine counties
  - Affluence in coastal markets (second homes and retirees)
- **Competitive landscape**
  - 25 of Maine's banks are mutuals
  - 6 stock-based banks
  - "Over-banked" market

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## Franchise Position

- Camden's franchise is spread through out central and "Mid-Coast" Maine
- Over 50% deposit market share in Mid-Coast region
- Small presence in 2 of 3 Maine's major markets/economic centers
- Portion of franchise located in low growth counties

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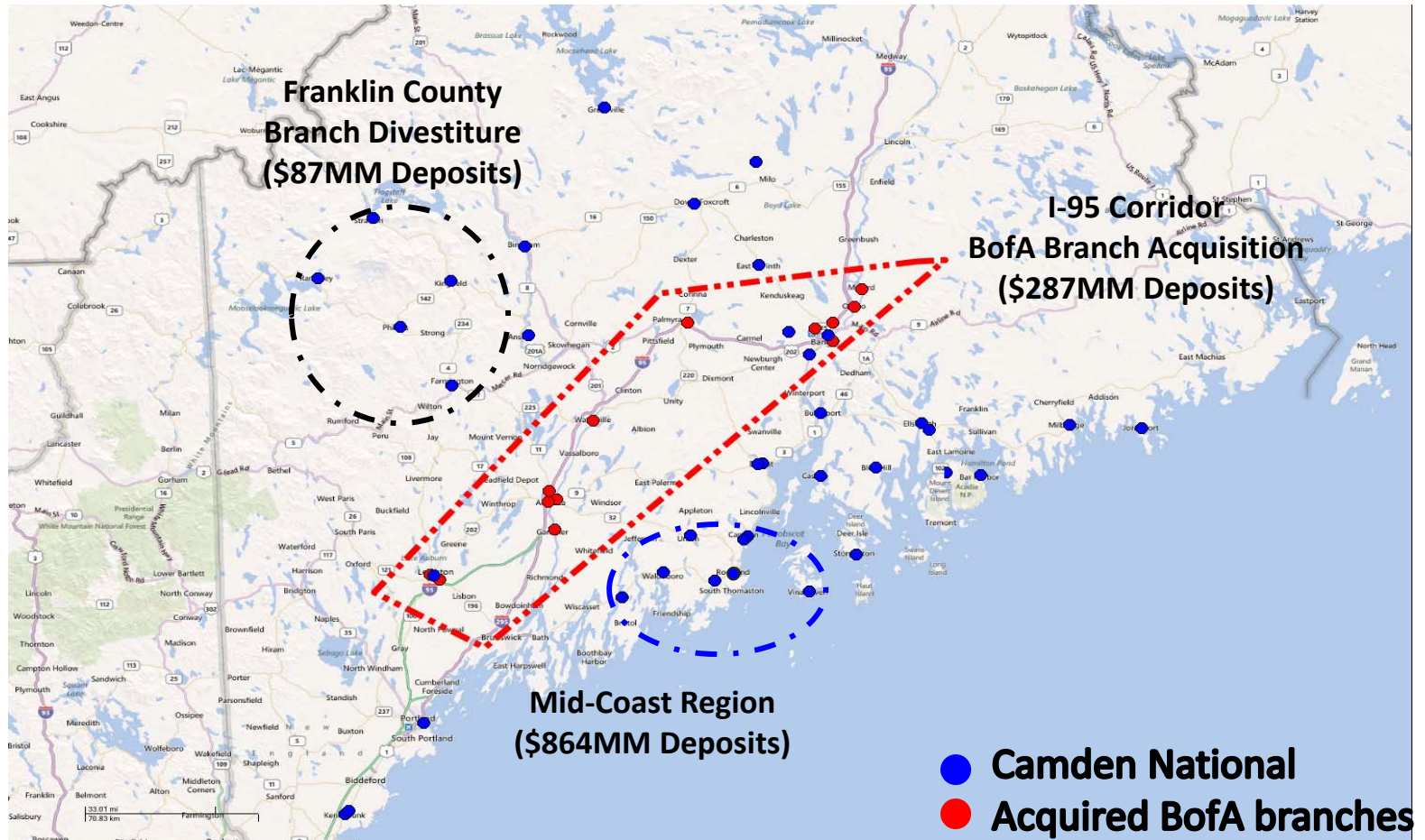
# Strategic Outlook

- Market will not provide a “lift” to growth
- Regulatory costs will require higher critical mass
- Economic opportunities in larger markets where Camden had lower share and presence

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# Branch Footprint



Source: SNL Financial





# Strategy #1 – Acquire 14 branches

- Competitive bidding for
  - 14 branches
  - \$287 million of deposits
  - \$6 million of small business loans
  - 30,000 customers
- Locations along the “I-95 corridor”
- Significant market increases:
  - Androscoggin County from #8 to #5
  - Kennebec County from no presence to #5
  - Penobscot County from #7 to #3
- “All in” acquisition cost per account of \$278

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## Strategy #2 – Divest 5 branches

- Located in Franklin County
- Two of the five branches were scheduled for closure
- Long-term economic and demographic trends were not favorable
- Low deposits per branch
- Suitable buyer to minimize execution risk

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# Result

- Reshape the franchise for the future
- Focus on stronger and strategically aligned markets
- Increase market share in stronger markets
- Increase of deposits per branch
- Bought customers; not branches

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