




Camden National Corporation

November 5, 2014

NASDAQ: CAC

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. Certain 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, 2013, as updated by Camden National Corporation's Quarterly Reports on Form 10-Q and other filings with the SEC. Camden National Corporation does not have any obligation to update forward-looking statements.

Camden National Corporation

Camden National Corporation is a Maine-based community bank focused on delivering long-term shareholder value through banking, brokerage and wealth management services in Maine, New Hampshire and select markets of Northern New England.

Camden National Corporation Overview

Corporate Snapshot

- Headquartered in Camden, ME; Founded 1875
- Subsidiaries:
 - Camden National Bank - \$2.7 billion Assets
 - Acadia Trust - \$708 million AUM
- 480 Employees
- 44 Branch Locations

Financial Overview

	Sept 30, 2014	Dec 31, 2013	Dec 31, 2012
(in 000's)			
Loans	\$1,726	\$1,580	\$1,564
Assets	\$2,742	\$2,604	\$2,565
Deposits	\$1,929	\$1,814	\$1,929
Equity	\$240	\$231	\$234
Return on Assets	0.93%	0.88%	0.98%
Return on Tangible Equity	13.71%	14.55%	13.19%

Shareholder Profile

- Shares Outstanding 7.4 million
 - Institutional /Mutual Funds 46%
 - Insiders 2% / Other 52%
- Tangible Book Value per Share \$25.80
- Tangible Common Equity/Tangible Assets 7.11%
- Stock Price/ Tangible Book Value 158% (CAC stock closed at \$40.71 on 10/30/14)

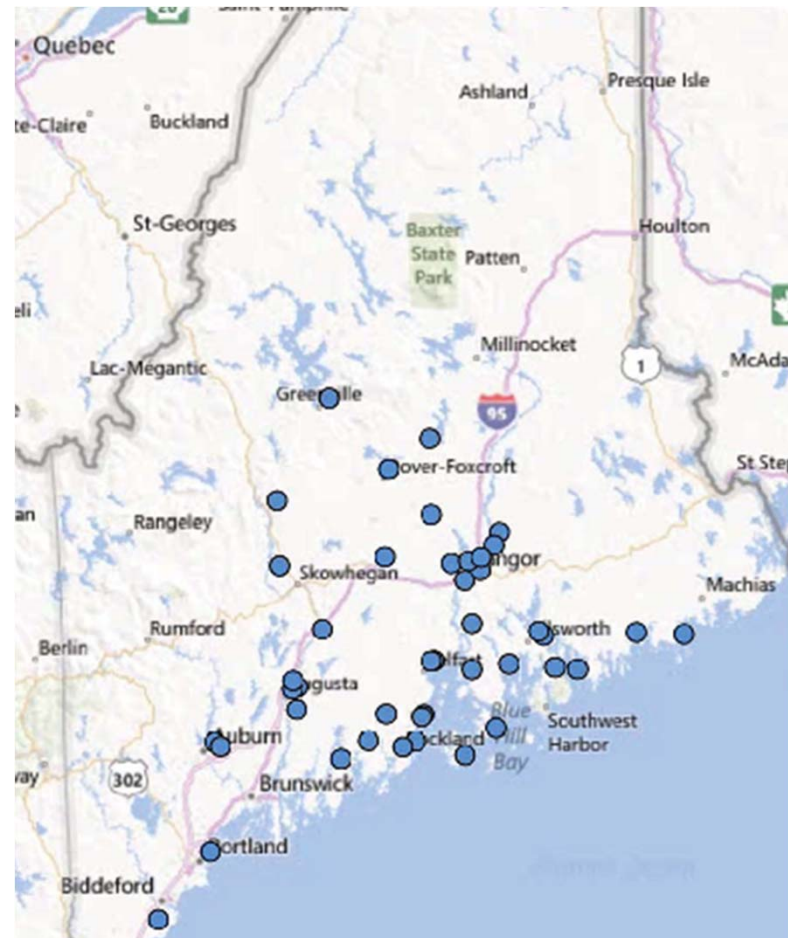
Events

- Opened commercial loan production office in Manchester, New Hampshire (2014)
- Named “Financial Institution of the Year” by Finance Authority of Maine (last four years)
- Sold 5 branches with \$80 million of deposits and \$46 million of loans (2013)
- Acquired 14 branches and \$287 million of deposits from Bank of America (2012)



Camden National Corporation Profile

- Founded 1875 in Camden, Maine
- Largest publicly traded community bank in Maine and Northern New England
- Second largest Maine based bank
- Fourth in the state for deposit market share



Source: SNL Financial

Financial Highlights

As of September 30, 2014 and 2013

(in 000's)	<u>9/30/14</u>	<u>9/30/13</u>
Loans (a)	\$1,726	\$1,590
Investment Securities	804	803
Total Assets	2,742	2,597
Deposits (b)	1,929	1,973
Borrowings	541	347
Shareholders' Equity	240	232

(a) Loan growth since 9/30/13 of \$182.6 million, or 12%, after adjusting for \$46.0 million of divested loans.

(b) Deposit growth since 9/30/13 of \$35.6 million, or 2%, after adjusting for sold deposits of \$80.4 million.



Financial Highlights

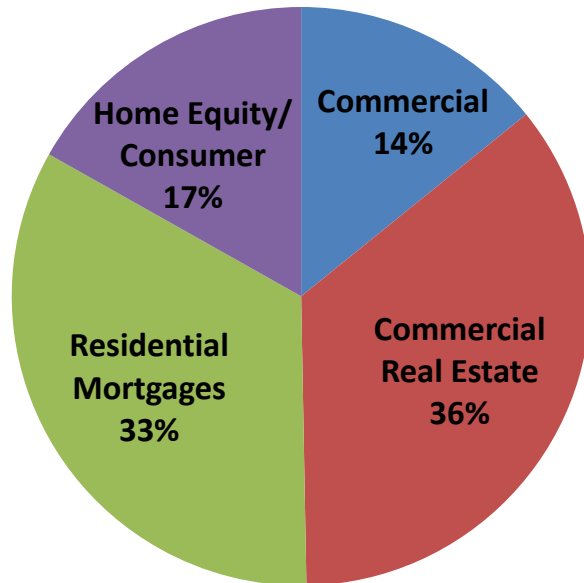
For nine months ended September 30, 2014 and 2013

	<u>9/30/14</u>	<u>9/30/13</u>
Net Income (in millions) (a)	\$18.5	\$18.4
Diluted Earnings per Share	\$2.46	\$2.39
Return on Tangible Equity	13.71%	14.01%
Return on Assets	0.93%	0.95%
Efficiency Ratio	61.01%	61.81%
Net Interest Margin	3.10%	3.21%

(a) 2013 results include net income contribution of \$424,000 from branches sold in October 2013.

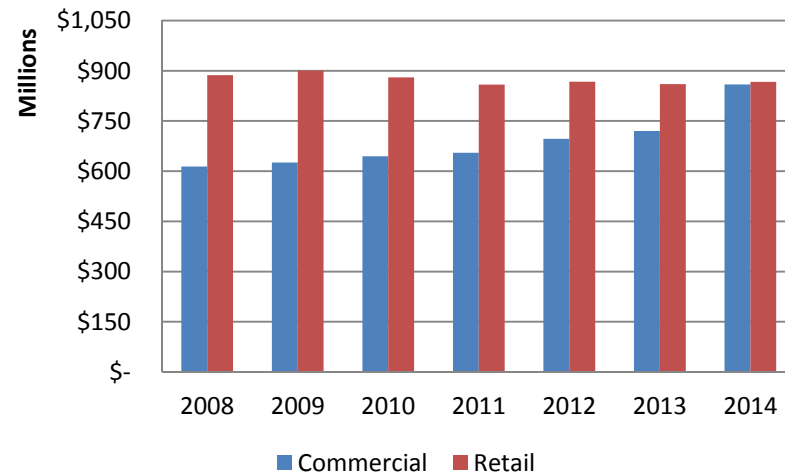
Loan Profile

Loan Mix 9/30/14



Total Loans: \$1.73 billion
Yield: 4.23%

Change in Portfolio Mix

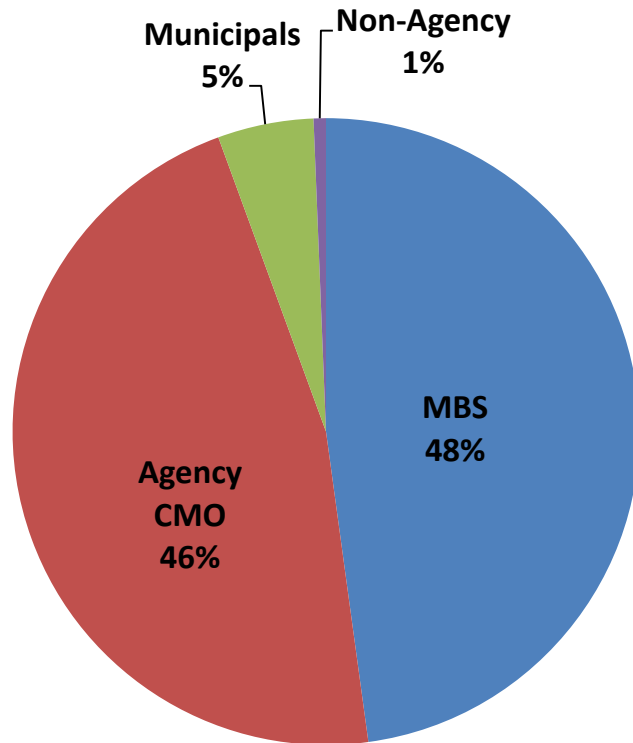


- **\$36 million legal lending limit**
- **Largest relationship \$28 million**
- **Top industry exposures:**
 - **Nonresidential building operators of \$168 million**
 - **Lodging of \$163 million**



Investment Portfolio

As of 9/30/14



Book Value - \$788 Million

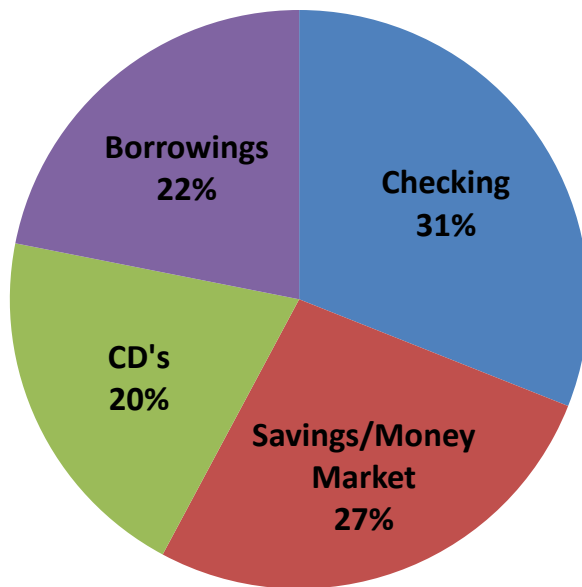
Portfolio Stats	
Market Value	\$783 Million
Average Yield	2.25%
Duration	3.87 Years
Premium	\$7.4 Million
Premium as % of Portfolio	0.95%

Excludes FRB/FHLB stock of \$20 million

Funding

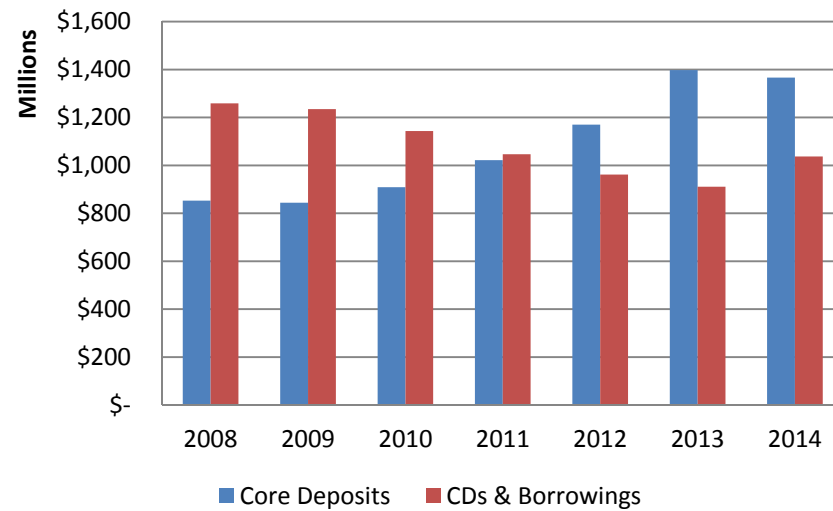
As of 9/30/14

Funding Mix



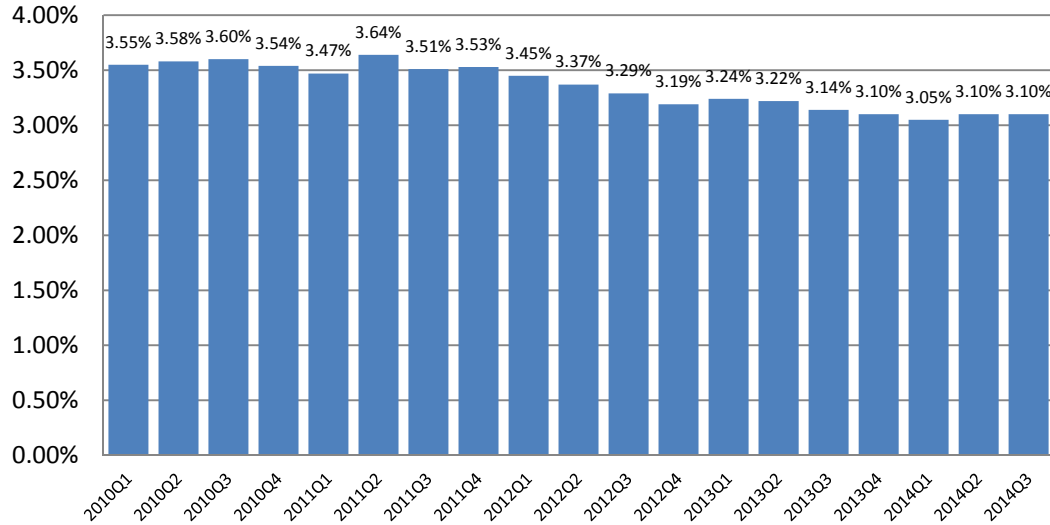
Funding: \$2.47 billion
Total Funding Cost: 0.50%
Deposit Cost: 0.28%

Change in Funding Mix



Net Interest Margin

Quarterly NIM



Interest Rate Risk

Estimated Changes In Net Interest Income

Year 1

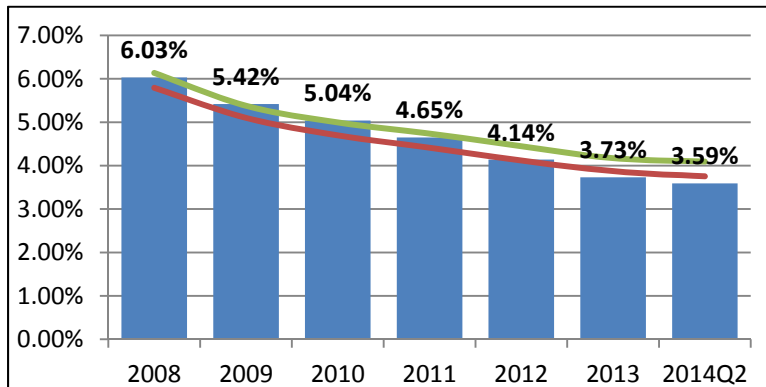
+400bp	-6.0%
+200 bp	-6.1%
-100 bp	-0.4%

Year 2

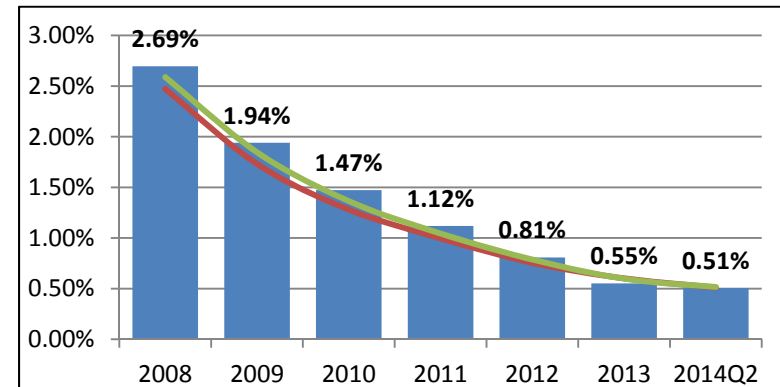
+400bp	-10.6%
+200 bp	-5.2%
-100 bp	-3.4%

(Assumes flat balance sheet and no change in asset/funding mix)

Average Asset Yield



Cost of Funds



Proxy Peer – Average of 17 publicly traded commercial and savings banks in the Northeast (as of 6/30/14)

National Peer – 227 Banks and Thrifts \$1-\$5 billion-excl. merger targets (as of 6/30/14)

Source: SNL Financial



Why Camden National?

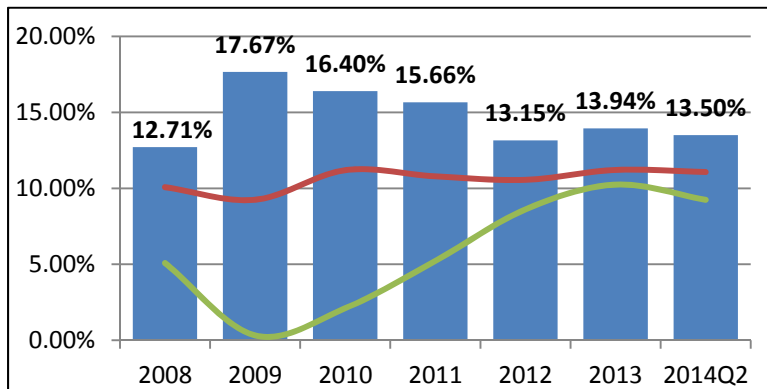
- Earnings power and capital generation to fund growth
- Successful record of acquired and organic growth
- Disciplined risk management
- Strategic repositioning for future shareholder value
- Long-term value and return to shareholders

Solid Earnings Performance to Fund Growth

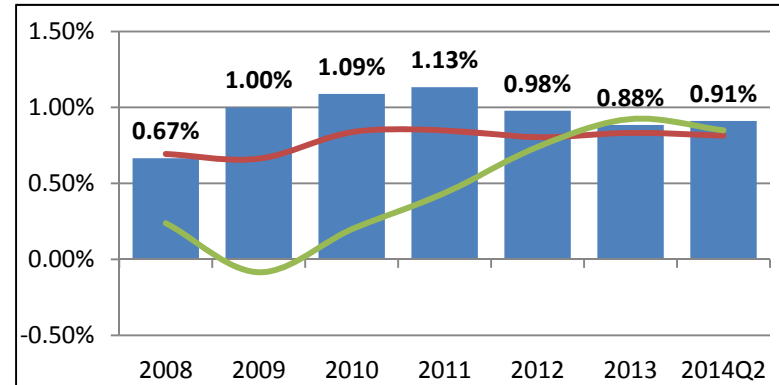
Highlights

- Investment in branches, lenders, and technology impact financial performance in the short-term
- Driven to create consistent returns for our shareholders
- Efficient operations focused on revenue generation

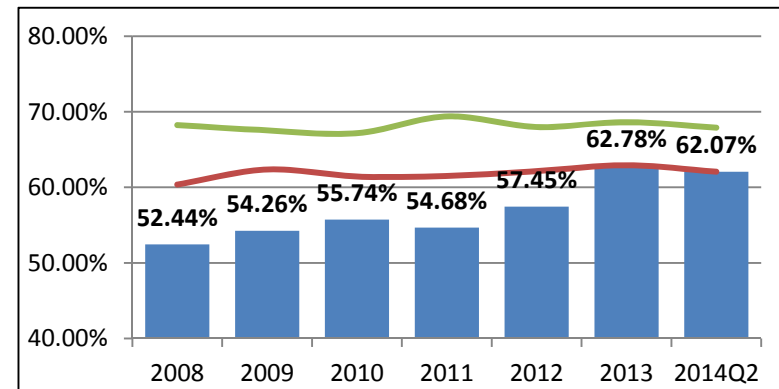
Return on Average Tangible Common Equity



Return on Average Assets



Efficiency Ratio (FTE)



■ CAC — Proxy Peer — BHCPR

Proxy Peer – Average of 17 publicly traded commercial and savings banks in the Northeast (as of 6/30/14)

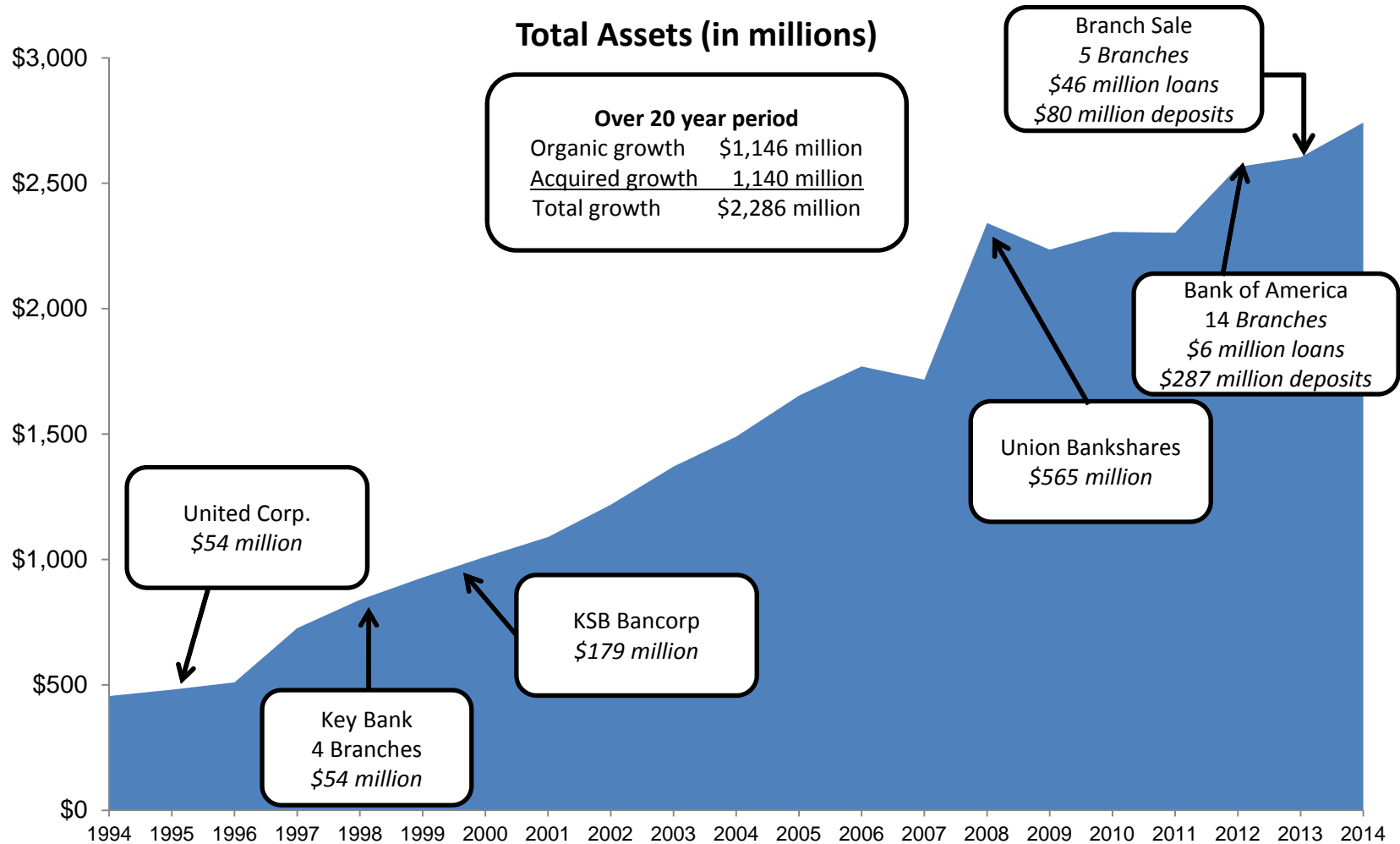
National Peer – 227 Banks and Thrifts \$1-\$5 billion-excl. merger targets (as of 6/30/14)

Source: SNL Financial



Solid Track Record of Organic and Acquired Growth

Asset Growth History



Source: SNL Financial

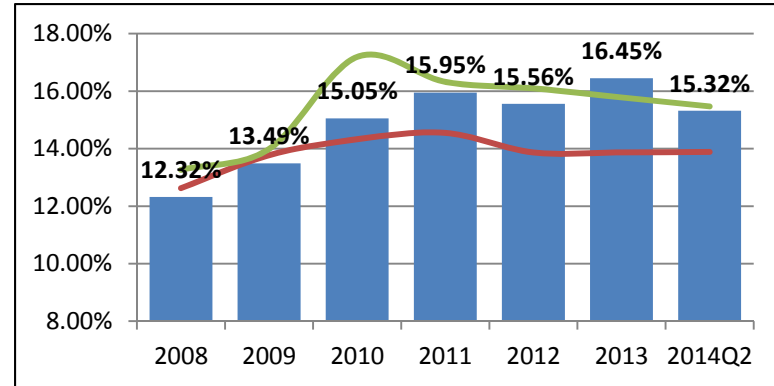


Disciplined Risk Management Culture

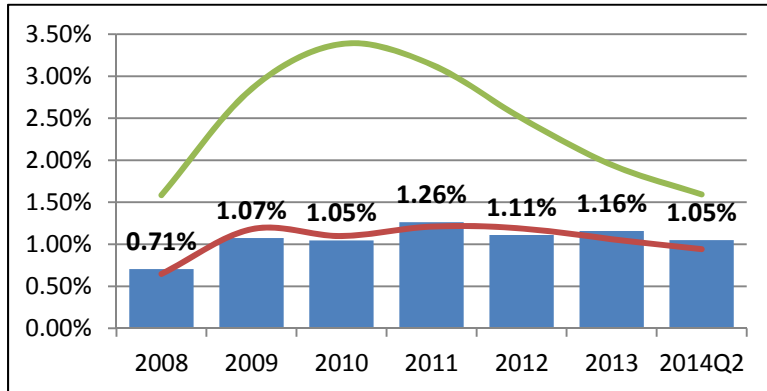
Highlights

- Strong capital growth to support future growth
- Credit quality consistent with Northeast peer group
- Stable asset quality through economic downturn

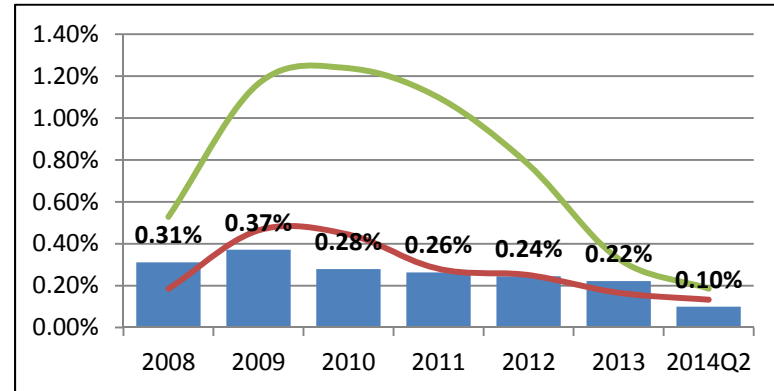
Total Risk Based Capital



NPAs to Total Assets



Net Charge Offs to Average Loans



■ CAC — Proxy Peer — BHCPR

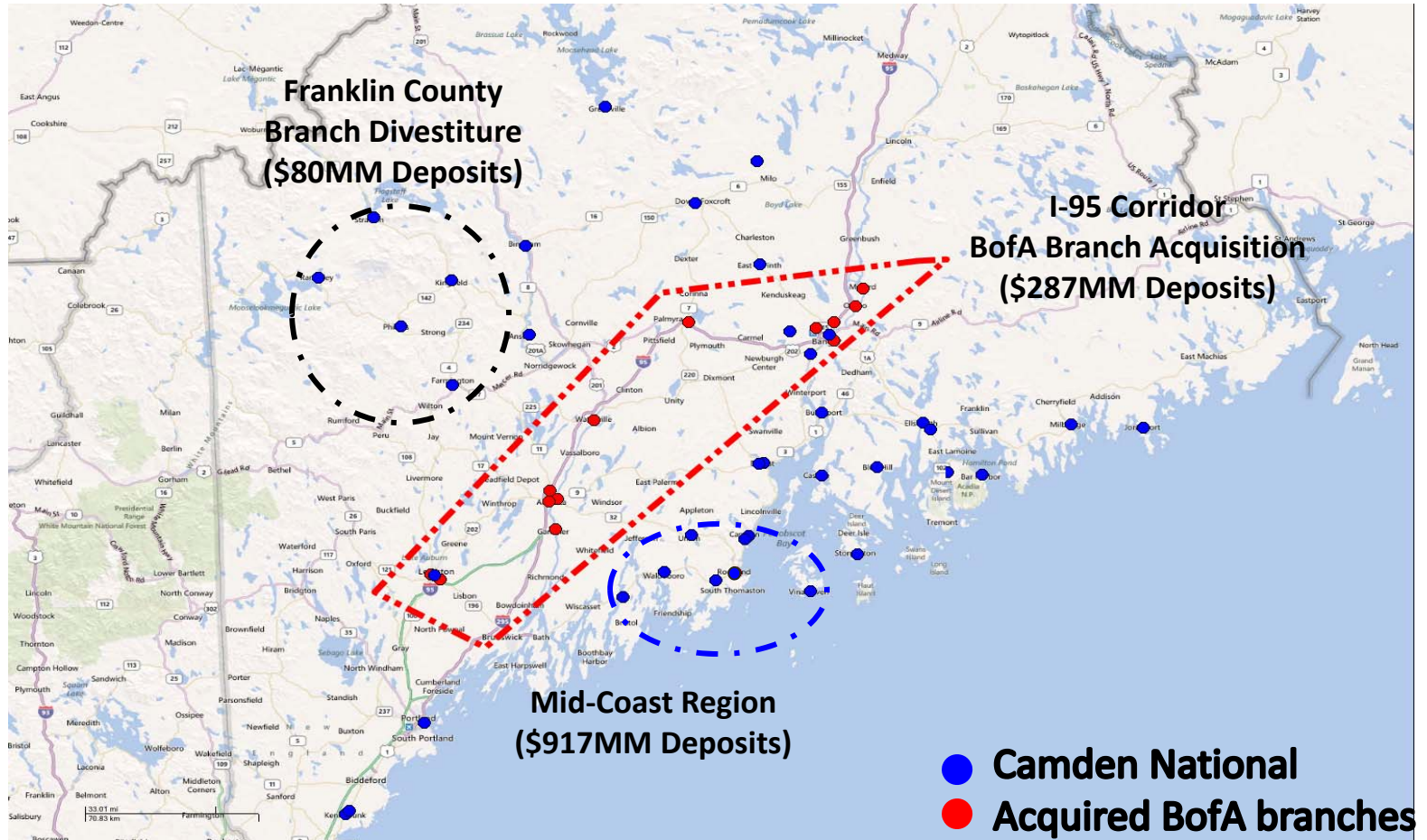
Proxy Peer – Average of 17 publicly traded commercial and savings banks in the Northeast (as of 6/30/14)

National Peer – 227 Banks and Thrifts \$1-\$5 billion-excl. merger targets (as of 6/30/14)

Source: SNL Financial

Strategic Repositioning

Focus on Growth Markets



Source: SNL Financial

Strategic Repositioning

Preparing for the Future

- Branch Acquisitions
 - Acquisition of 14 branches from Bank of America resulted in \$287 million in core deposits
 - Increased our market share in Maine and improved presence in growth markets
 - Earn back of Tangible Book Value within four years
- Branch Divestitures/Consolidation
 - Sold five branches in Franklin County in 2013
 - \$80 million of deposits and \$46 million of loans at deposit premium of 3.5%
 - 2014 EPS dilution of 3% will be mitigated by stock repurchases
 - Combined two Kennebunk branches during 2nd quarter 2013



Strategic Repositioning

Preparing for the Future

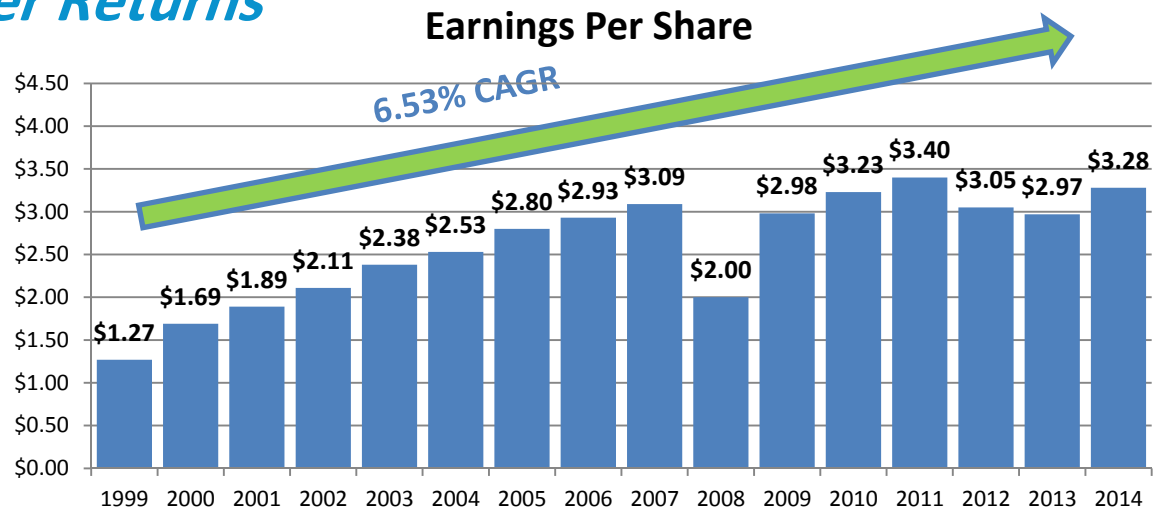
- Talent Acquisition and Development
 - Hired 10 commercial bankers and mortgage originators
 - Improved credit administration
 - Internal management programs
- New Markets – Manchester, New Hampshire
 - Experienced commercial real estate lender with 25 years
 - Loan production office based delivery platform
- Technology Investments
 - Web, mobile, phone banking – Q2
 - Outsource core processing – Jack Henry Outlink
 - Mortgage loan platform – Encompass 360
 - AML/BSA system – Verafin



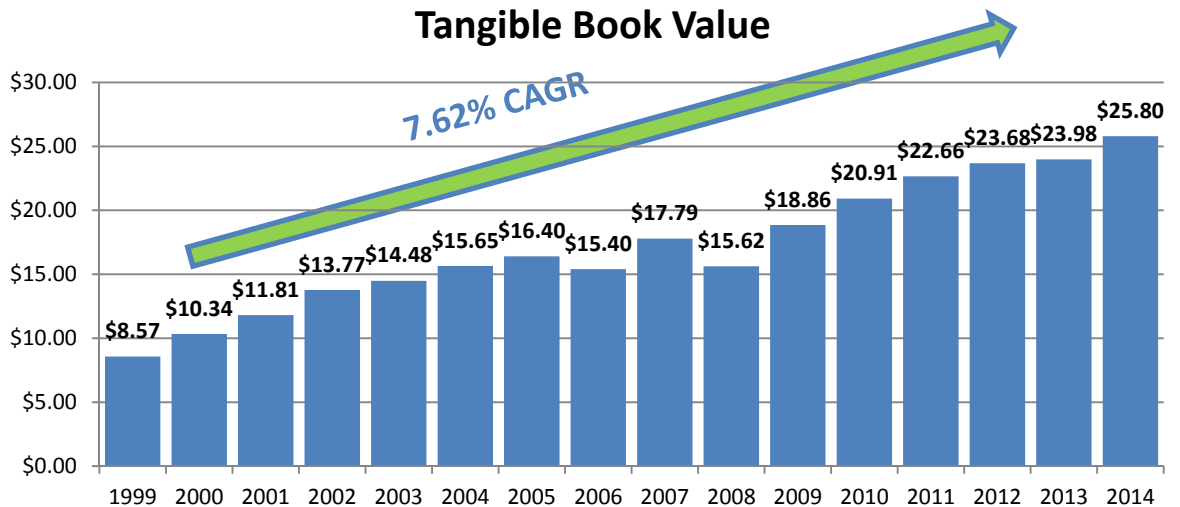
Long Term Value

Consistent Shareholder Returns

- Earnings per share compound annual growth of 6.53% over a 15-year period



- Tangible book value compound annual growth of 7.62% over a 15-year period

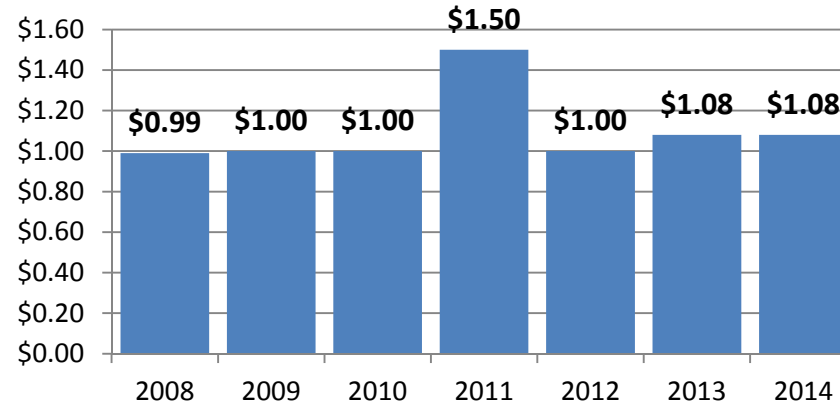


Long Term Value

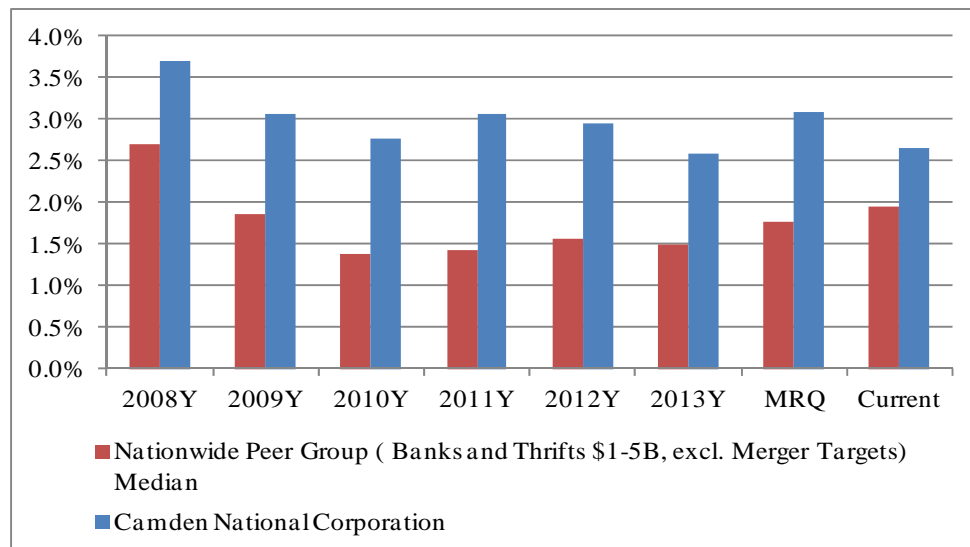
Dividend Commitment

- Consistent quarterly dividends and periodic special dividends
- Dividend yield compared to National Peer

Dividends Per Share

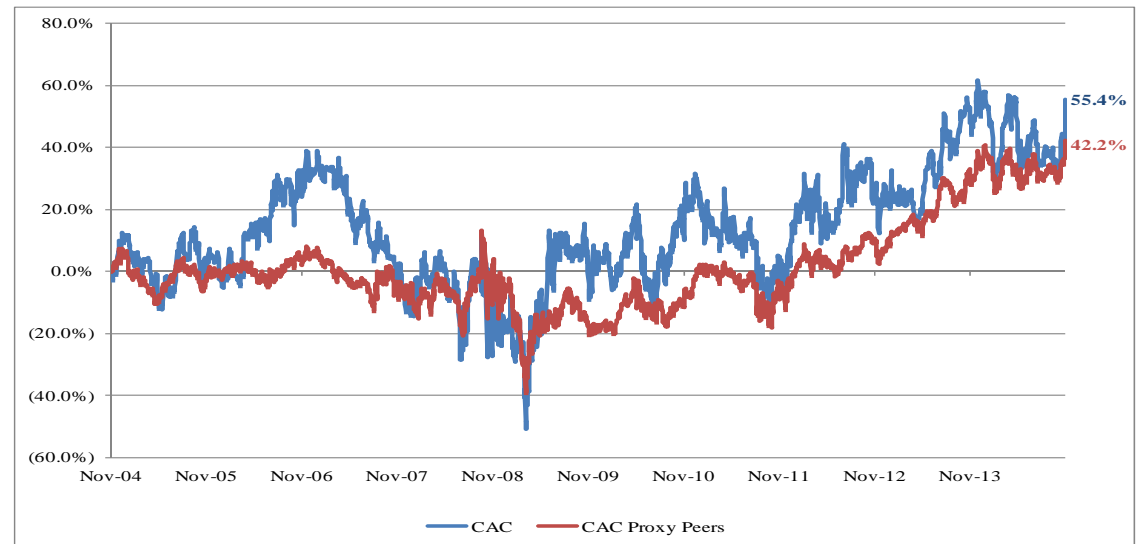
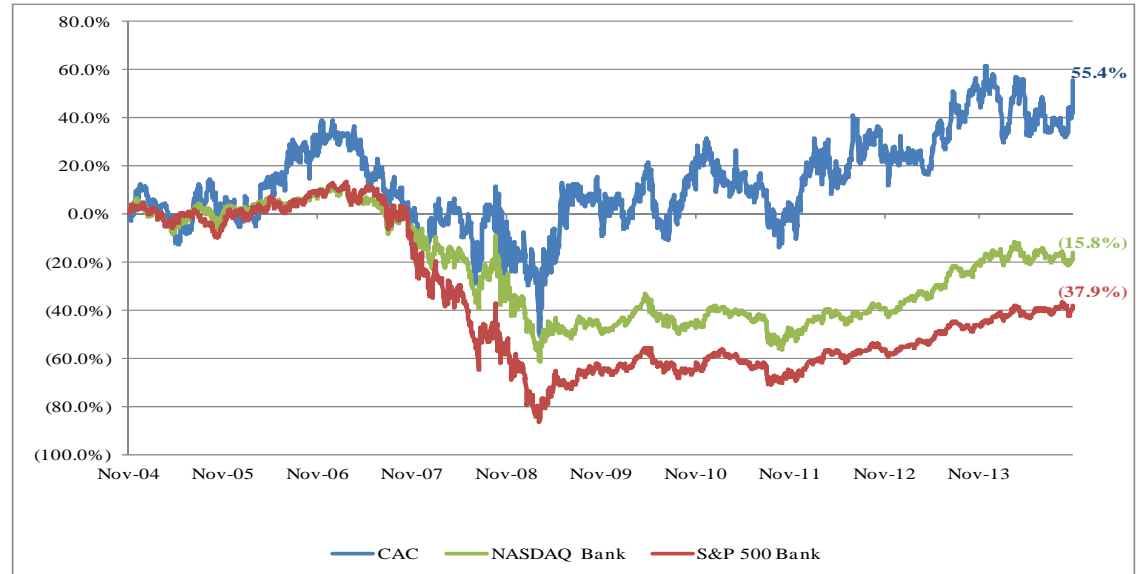


Dividend Yield



Long Term Value *Relative Total Return Performance (10-Year)*

- Compared to NASDAQ Bank and S&P 500 Bank
- Compared to Proxy Peer Group





Camden National Corporation

Seasoned Management Team

	Age	Years of Banking Experience	Year joined Camden
Greg Dufour, President and CEO	54	25+	2001
Debbie Jordan, CPA, EVP and CFO	49	20+	2008
Joanne Campbell, EVP Risk Management	52	30+	1996
Peter Greene, EVP Operations and Technology	55	30+	2008
Tim Nightingale, EVP Senior Loan Officer	57	30+	2000
June Parent, EVP Retail Banking	51	25+	1995

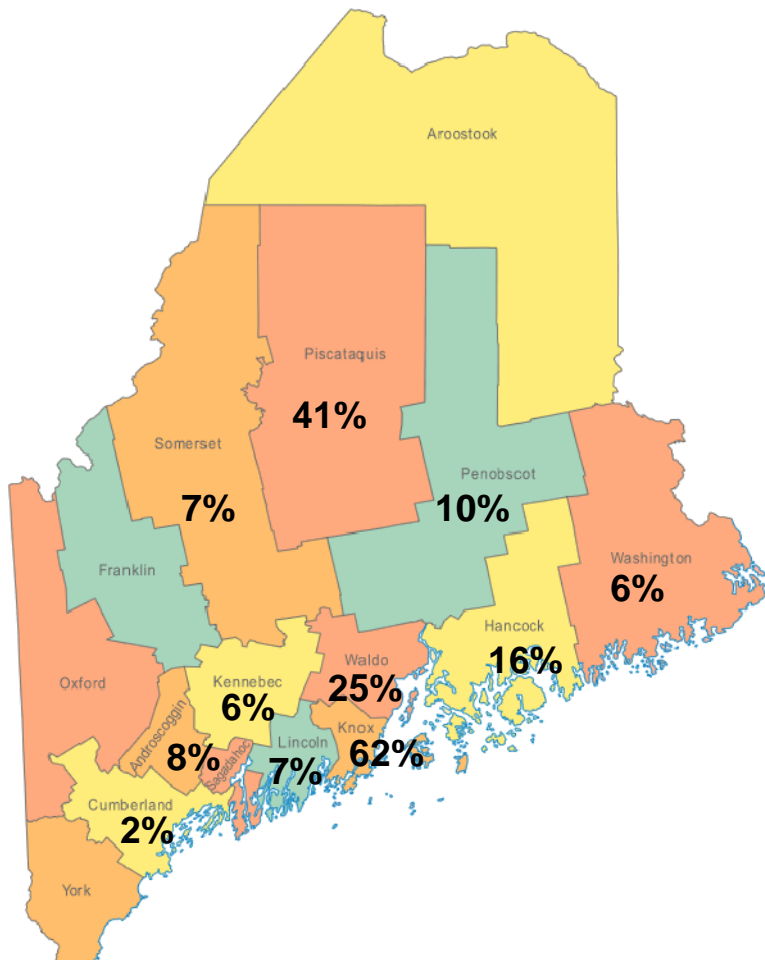


Market Demographics

	Current Footprint	Southern ME	Southern NH
Market Segments & Growth			
Total Households	291,602	202,605	453,657
Projected Growth, 2014 to 2019	0.2%	1.9%	1.3%
Mass Affluent Households	78,216	102,179	259,169
% of Total Households	26.8%	50.4%	57.1%
Number of Businesses	41,767	32,627	65,959

Data Source: Nielsen, Inc.

Deposit Market Share



Maine				
2014 Rank	Institution	2014 Number of Branches	2014 Total Deposits in Market (\$000)	2014 Total Market Share (%)
1	Toronto-Dominion Bank	50	3,169,533	13.3
2	KeyCorp (OH)	53	2,998,177	12.6
3	Bangor Bancorp MHC (ME)	59	2,115,508	8.9
4	Camden National Corp. (ME)	44	1,876,095	7.9
5	Bank of America Corp. (NC)	18	1,660,220	6.9
6	First Bancorp Inc. (ME)	16	1,033,887	4.3
7	Machias Bancorp MHC (ME)	17	908,062	3.8
8	People's United Financial Inc. (CT)	26	889,558	3.7
9	Bar Harbor Bankshares (ME)	16	837,692	3.5
10	Norway Bancorp MHC (ME)	23	810,448	3.4
	All Others in State (23)	177	7,553,366	31.7
	Total For Institutions In Market	499	23,852,546	100.00

Source: SNL Financial FDIC Deposit Market Share data as of 6/30/14. (excludes credit unions)

Proxy Peer Group

Arrow Financial Corporation - NY	Independent Bank Corp. - MA
Bar Harbor Bankshares - ME	Merchants Bancshares, Inc. - VT
Berkshire Hills Bancorp, Inc. - MA	NH Thrift Bancshares, Inc. - NH
Brookline Bancorp, Inc. - MA	Tompkins Financial Corporation - NY
Century Bancorp, Inc. - MA	TrustCo Bank Corp NY - NY
Chemung Financial Corporation - NY	United Financial Bancorp, Inc. - MA
Enterprise Bancorp, Inc. - MA	Washington Trust Bancorp, Inc. - RI
Financial Institutions, Inc. - NY	Westfield Financial, Inc. – MA
First Bancorp, Inc. – ME	



Reconciliation of non-GAAP to GAAP Financial Measures

Camden National presents its efficiency ratio using non-GAAP information. The GAAP-based efficiency ratio is non-interest expense divided by net interest income plus non-interest income from the consolidated statements of income. The non-GAAP efficiency ratio excludes branch acquisition and divestiture costs from non-interest expense, excludes net gain on sale of securities from non-interest income, and adds the tax-equivalent adjustment (assumed 35.0% tax rate) to net interest income. The following table provides a reconciliation between the GAAP and non-GAAP efficiency ratio:

<i>(In Thousands)</i>	Nine Months Ended		Twelve Months Ended	
	September 30, 2014	September 30, 2013	December 31, 2013	December 31, 2012
Non-interest expense, as presented	\$ 46,096	\$ 47,347	\$ 66,333	\$ 59,031
Less: branch acquisition and divestiture costs	—	279	374	2,324
Less: goodwill impairment	—	—	2,830	—
Less: prepayment penalties on borrowings	—	—	—	2,030
Adjusted non-interest expense	\$ 46,096	\$ 47,068	\$ 63,129	\$ 54,677
Net interest income, as presented	\$ 57,032	\$ 57,125	\$ 75,475	\$ 73,745
Add: effect of tax-exempt income	836	618	808	988
Non-interest income, as presented	18,138	19,187	27,801	23,412
Less: gain on branch divestiture/branch facility	—	—	2,742	479
Less: net gain on sale of securities	451	785	785	2,498
Adjusted net interest income plus non-interest income	\$ 75,555	\$ 76,145	\$ 100,557	\$ 95,168
Non-GAAP efficiency ratio	61.01 %	61.81 %	62.78 %	57.45 %
GAAP efficiency ratio	61.32 %	62.04 %	64.23 %	60.76 %

The following table provides a reconciliation between tax-equivalent net interest income to GAAP net interest income using a 35.0% tax rate:

<i>(In Thousands)</i>	Nine Months Ended		Twelve Months Ended	
	September 30, 2014	September 30, 2013	December 31, 2013	December 31, 2012
Net interest income, as presented	\$ 57,032	\$ 57,125	\$ 75,475	\$ 73,745
Add: effect of tax-exempt income	836	618	808	988
Net interest income, tax equivalent	\$ 57,868	\$ 57,743	\$ 76,283	\$ 74,733

Reconciliation of non-GAAP to GAAP Financial Measures

Return on average tangible equity is the ratio of (i) net income, adjusted for tax-effected amortization of intangible assets to (ii) average equity, adjusted for goodwill and other intangible assets. The following table reconciles the return on average tangible equity to GAAP return on average equity:

<i>(In Thousands)</i>	<u>Nine Months Ended</u>		<u>Twelve Months Ended</u>	
	<u>September 30,</u> <u>2014</u>	<u>September 30,</u> <u>2013</u>	<u>December 31,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
Net income, as presented	\$ 18,482	\$ 18,359	\$ 22,783	\$ 23,428
Add: tax-effected goodwill impairment	—	—	2,830	—
Add: tax-effected amortization of intangible assets	560	561	747	427
Net income, adjusted	\$ 19,042	\$ 18,920	\$ 26,360	\$ 23,855
Average equity	\$ 234,574	\$ 233,398	\$ 233,888	\$ 227,129
Less: average goodwill and other intangible assets	48,879	52,861	52,708	46,253
Average tangible equity	\$ 185,695	\$ 180,537	\$ 181,180	\$ 180,876
Return on average tangible equity	13.71 %	14.01 %	14.55 %	13.19 %
Return on average equity	10.53 %	10.52 %	9.74 %	10.31 %

The following table provides a reconciliation between tangible book value per share and GAAP book value per share:

<i>(In Thousands, Except Number of Shares and Per Share Data)</i>	<u>September 30,</u> <u>2014</u>	<u>September 30,</u> <u>2013</u>	<u>December 31,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
Shareholders' equity, as presented	\$ 239,912	\$ 232,282	\$ 231,096	\$ 233,815
Less: goodwill and other intangible assets	48,458	52,436	49,319	53,299
Tangible equity	\$ 191,454	\$ 179,846	\$ 181,777	\$ 180,516
Shares outstanding at period end	7,421,595	7,646,664	7,579,913	7,622,750
Tangible book value per share	\$ 25.80	\$ 23.52	\$ 23.98	\$ 23.68
Book value per share	\$ 32.33	\$ 30.38	\$ 30.49	\$ 30.67

Reconciliation of non-GAAP to GAAP Financial Measures

The following table provides a reconciliation between tangible equity to tangible assets and GAAP equity to assets:

<i>(In Thousands)</i>	September 30, 2014	September 30, 2013	December 31, 2013	December 31, 2012
Shareholders' equity, as presented	\$ 239,912	\$ 232,282	\$ 231,096	\$ 233,815
Less: goodwill and other intangibles	48,458	52,436	49,319	53,299
Tangible equity	<u>\$ 191,454</u>	<u>\$ 179,846</u>	<u>\$ 181,777</u>	<u>\$ 180,516</u>
Total assets	<u>\$ 2,741,989</u>	<u>\$ 2,597,255</u>	<u>\$ 2,603,829</u>	<u>\$ 2,564,757</u>
Less: goodwill and other intangibles	48,458	52,436	49,319	53,299
Tangible assets	<u>\$ 2,693,531</u>	<u>\$ 2,544,819</u>	<u>\$ 2,554,510</u>	<u>\$ 2,511,458</u>
Tangible equity to tangible assets	7.11 %	7.07 %	7.12 %	7.19 %
Equity to assets	8.75 %	8.94 %	8.88 %	9.12 %

In the fourth quarter of 2013, the Company divested its five Franklin County branches and, as a result, these branches are not included within the Company's financial results for the nine months ended September 30, 2014. The following table reconciles the Company's nine months ended September 30, 2013 GAAP (as reported) operating results to the Company's normalized nine months ended September 30, 2013 operating results (excluding the divested branches operating results). The Company utilizes such analysis when comparing its nine months ended September 30, 2014 operating results to the same period in 2013 as it believes it provides a more meaningful representation of current year performance.

<i>(In Thousands)</i>	For The Nine Months Ended September 30, 2013		
	GAAP, as reported	Franklin County Operating Results	Normalized Operating Results, as adjusted
Net interest income	\$ 57,125	\$ 1,273	\$ 55,852
Provision for credit losses	2,034	47	1,987
Non-interest income	19,187	552	18,635
Non-interest expense	<u>47,347</u>	<u>1,125</u>	<u>46,222</u>
Income before income taxes	26,931	653	26,278
Income taxes	<u>8,572</u>	<u>229</u>	<u>8,343</u>
Net income	<u>\$ 18,359</u>	<u>\$ 424</u>	<u>\$ 17,935</u>
Diluted EPS	<u>\$ 2.39</u>	<u>\$ 0.06</u>	<u>\$ 2.33</u>

