



Camden National Corporation

February 11, 2015

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 - \$2.8 billion Assets
 - Acadia Trust - \$711 million AUM
- 471 Employees
- 44 Branch Locations

Financial Overview

	Dec 31 ,	Dec 31,	Dec 31,
	2014	2013	2012
(in 000's)			
Loans	\$1,773	\$1,580	\$1,564
Assets	\$2,790	\$2,604	\$2,565
Deposits	\$1,932	\$1,814	\$1,929
Equity	\$245	\$231	\$234
Return on Assets	0.92%	0.88%	0.98%
Return on Tangible Equity	13.46%	14.55%	13.19%

Shareholder Profile

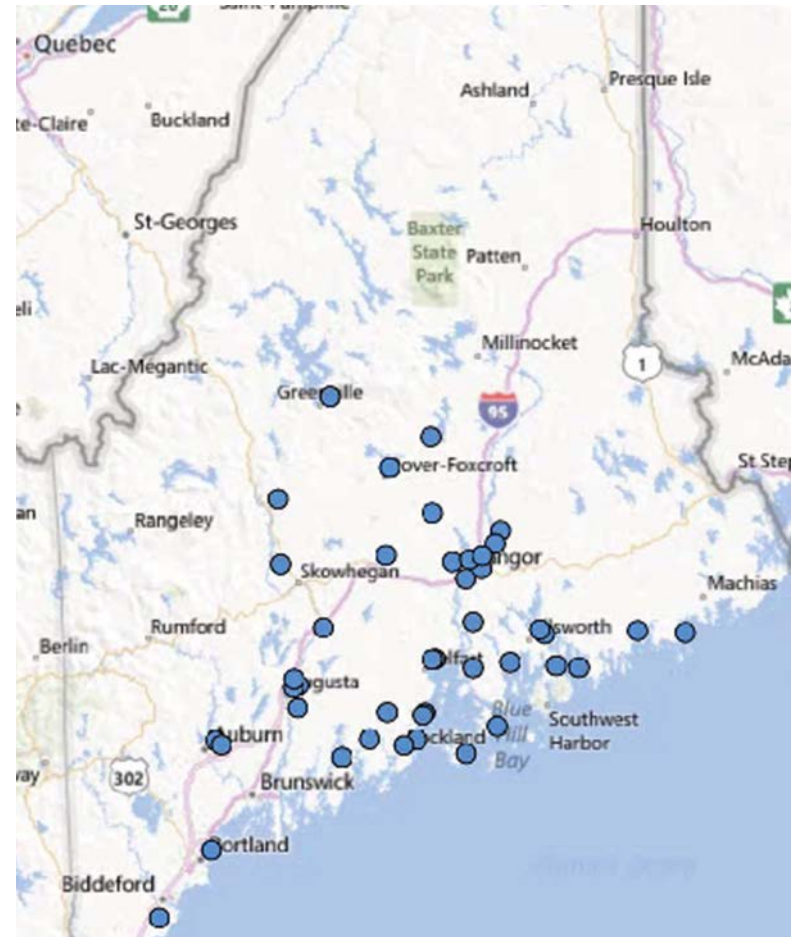
- Shares Outstanding 7.4 million
 - Institutional /Mutual Funds 46%
 - Insiders 2% / Other 52%
- Tangible Book Value per Share \$26.52
- Tangible Common Equity/Tangible Assets 7.18%
- Stock Price/ Tangible Book Value 142% (CAC stock closed at \$37.69 on 2/09/14)

Events

- Opened commercial loan production office in Manchester, New Hampshire (2014)
- Named “Financial Institution of the Year” by Finance Authority of Maine (five of the last six years)
- Sold 5 branches with \$86 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



Financial Highlights

As of December 31, 2014 and 2013

(in 000's)	<u>12/31/14</u>	<u>12/31/13</u>
Loans (a)	\$1,773	\$1,580
Investment Securities	804	828
Total Assets	2,790	2,604
Deposits (b)	1,932	1,814
Borrowings	577	530
Shareholders' Equity	245	231

(a) Loan growth since 12/31/13 of \$192.2 million, or 12%.

(b) Deposit growth since 12/31/13 of \$118.2 million, or 6.5%.

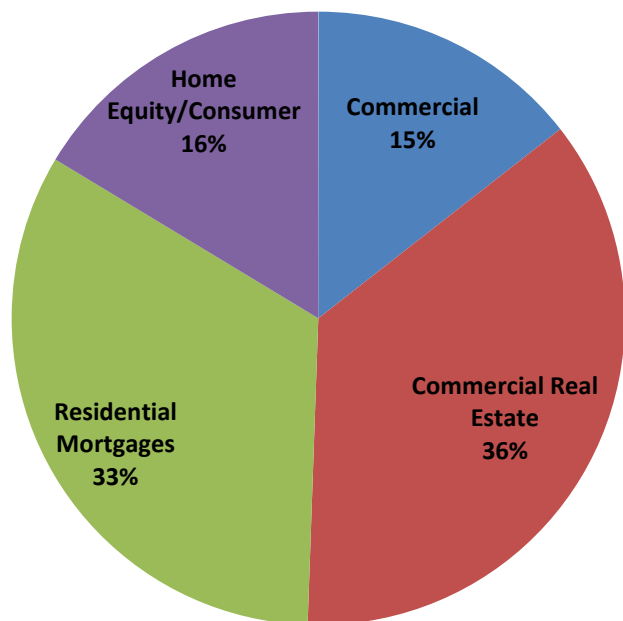
Financial Highlights

December 31, 2014 and 2013

	<u>12/31/14</u>	<u>12/31/13</u>
Net Income (in millions)	\$24.6	\$22.8
Diluted Earnings per Share	\$3.28	\$2.97
Return on Tangible Equity	13.46%	14.55%
Return on Assets	0.92%	0.88%
Efficiency Ratio	61.58%	62.78%
Net Interest Margin	3.11%	3.20%

Loan Profile

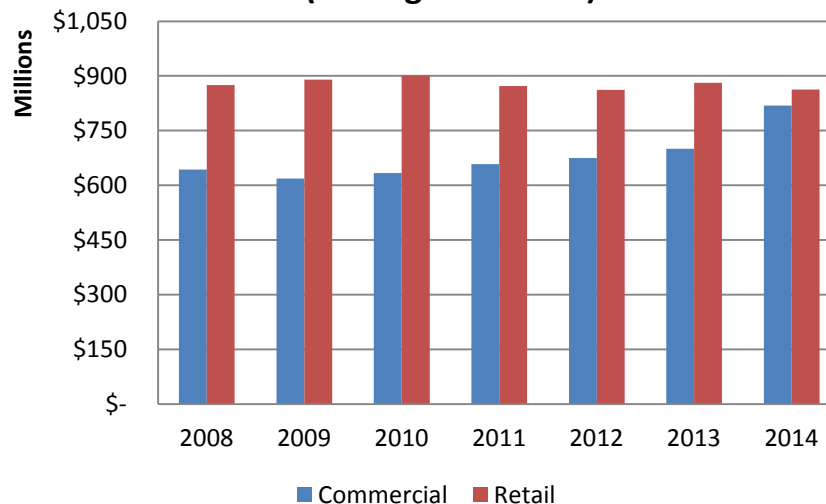
As of 12/31/14



Total Loans: \$1.77 billion

Yield: 4.23%

Change in Portfolio Mix (Average Balances)

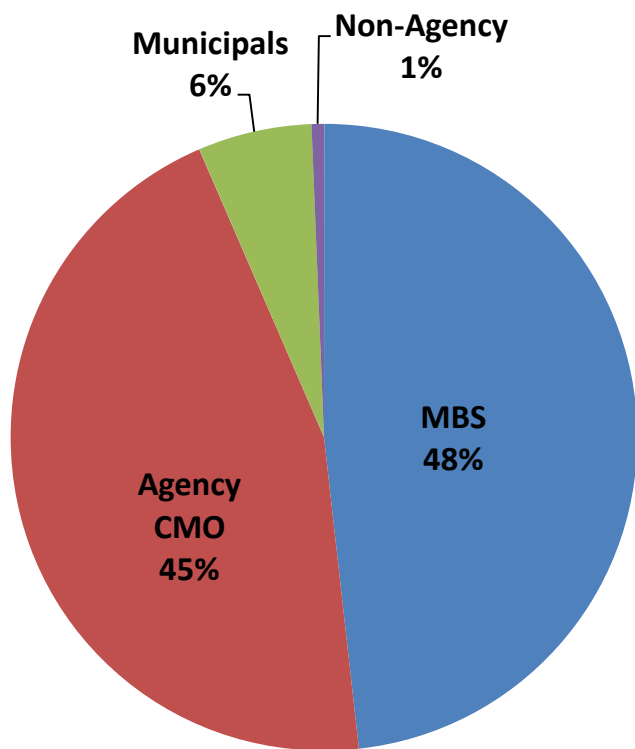


- **\$37 million legal lending limit**
- **Largest relationship \$32 million**
- **Top industry exposures:**
 - **Lodging of \$181 million**
 - **Nonresidential building operators of \$171 million**
- **9% out of state Commercial & CRE loans of total loans**



Investment Portfolio

As of 12/31/14



Book Value - \$784 Million

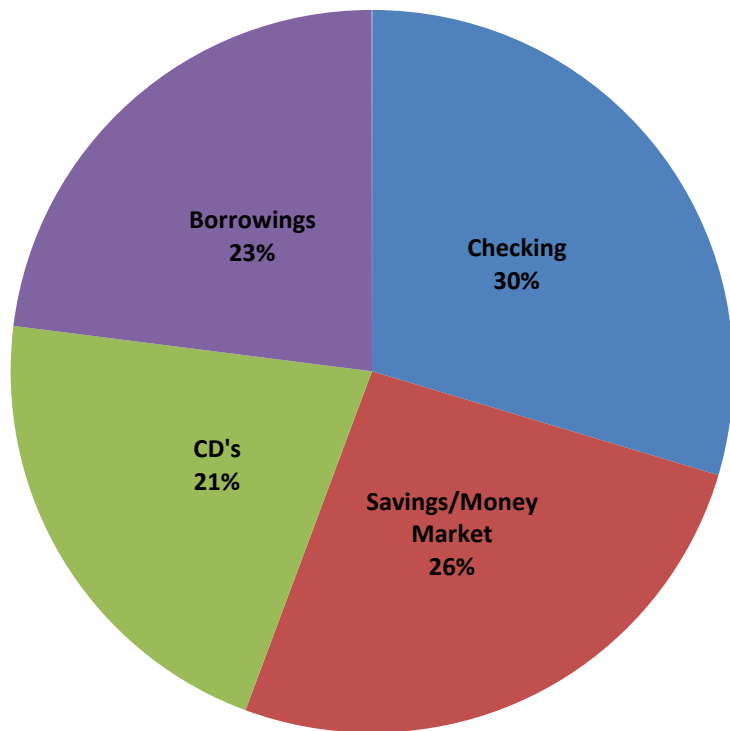
Portfolio Stats	
Market Value	\$783 Million
Average Yield	2.25%
Duration	3.52 Years
Premium	\$8.9 Million
Premium as % of Portfolio	1.14%

Excludes FRB/FHLB stock of \$20 million

Funding

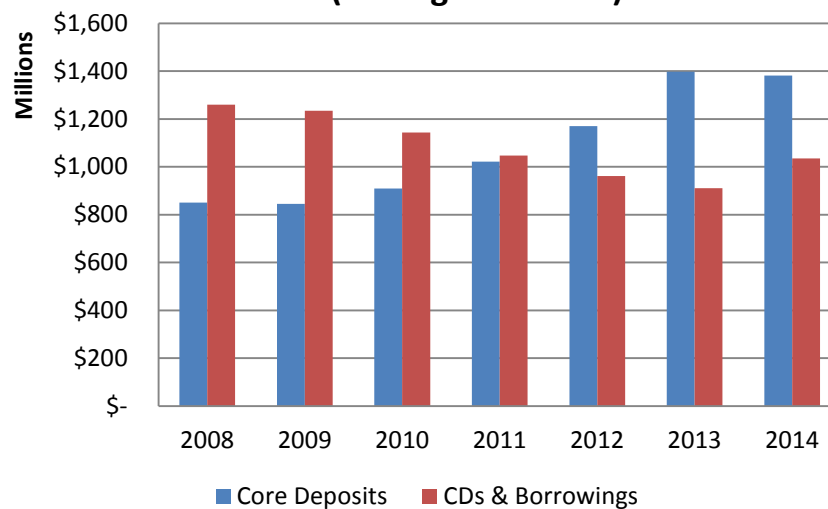
As of 12/31/14

Funding Mix



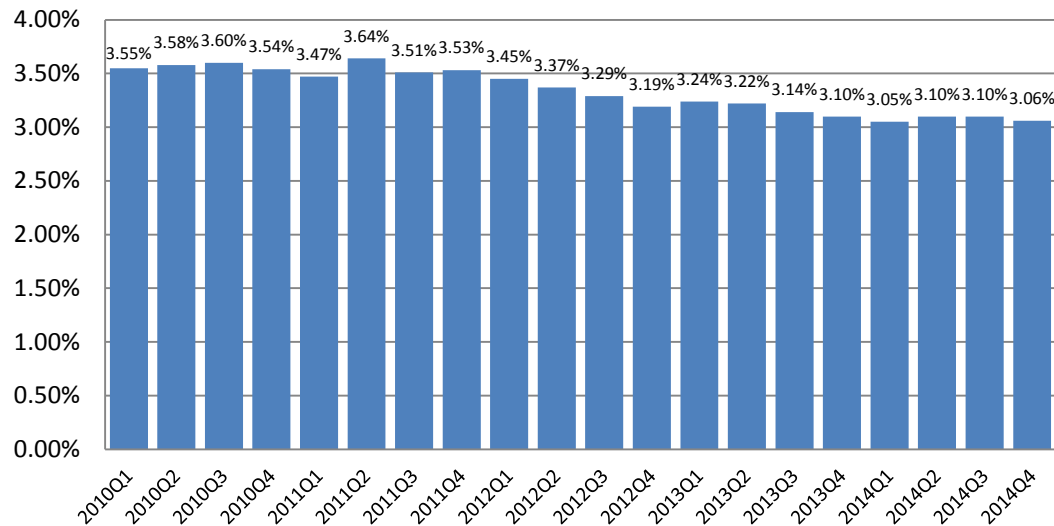
Funding: \$2.51 billion
Total Funding Cost: 0.50%
Deposit Cost: 0.28%

Change in Funding Mix (Average Balances)



Net Interest Margin

Quarterly NIM



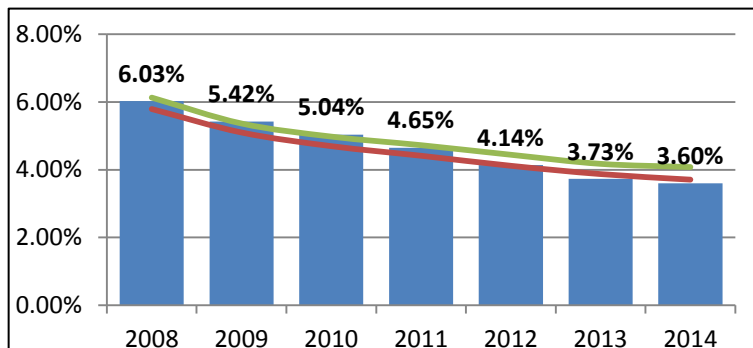
Interest Rate Risk

Estimated Changes In Net Interest Income

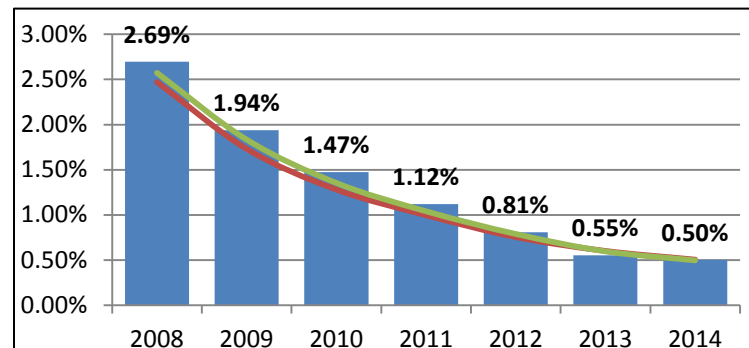
Year 1	
+400bp	-5.8%
+200bp	-5.9%
-100bp	-0.8%
Year 2	
+400bp	-11.3%
+200bp	-5.9%
-100bp	-4.9%

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

Average Asset Yield



Cost of Funds



■ CAC — Proxy Peer — National Peer

Proxy Peer – Average of 17 publicly traded commercial and savings banks in the Northeast (as of 12/31/14)

National Peer – 226 Banks and Thrifts \$1-\$5 billion-excl. merger targets (as of 12/31/14)

Source: SNL Financial

Why Camden National?

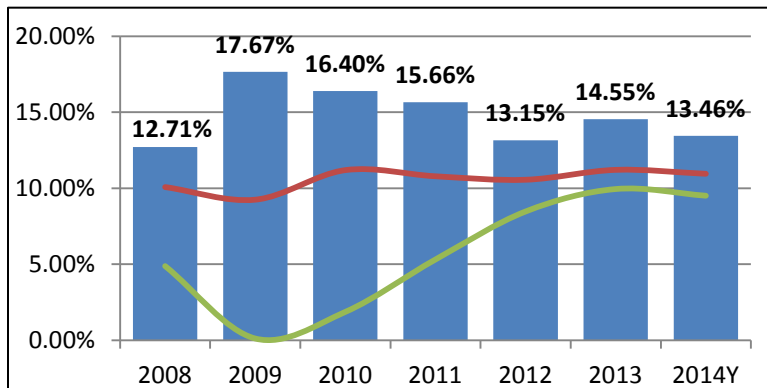
- Earnings power and capital generation to fund growth
- Successful record of acquired and organic growth
- Disciplined risk management
- Strategic repositioning for future shareholder value
- Long-term value and return to shareholders

Solid Earnings Performance to Fund Growth

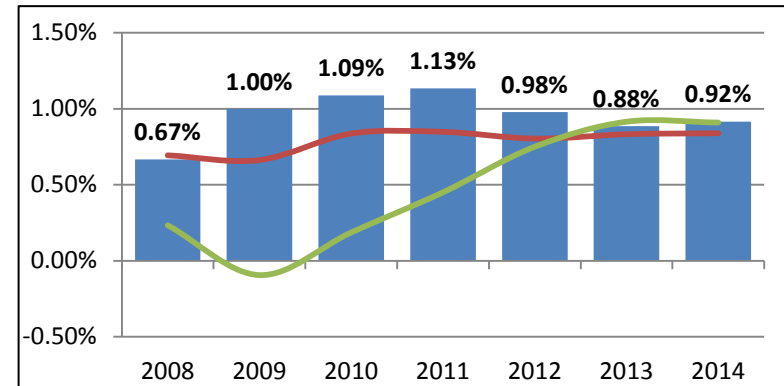
Highlights

- 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

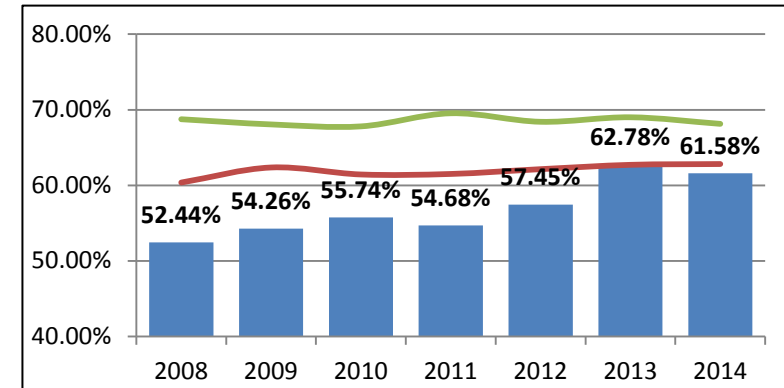
Return on Average Tangible Common Equity



Return on Average Assets



Efficiency Ratio (FTE)



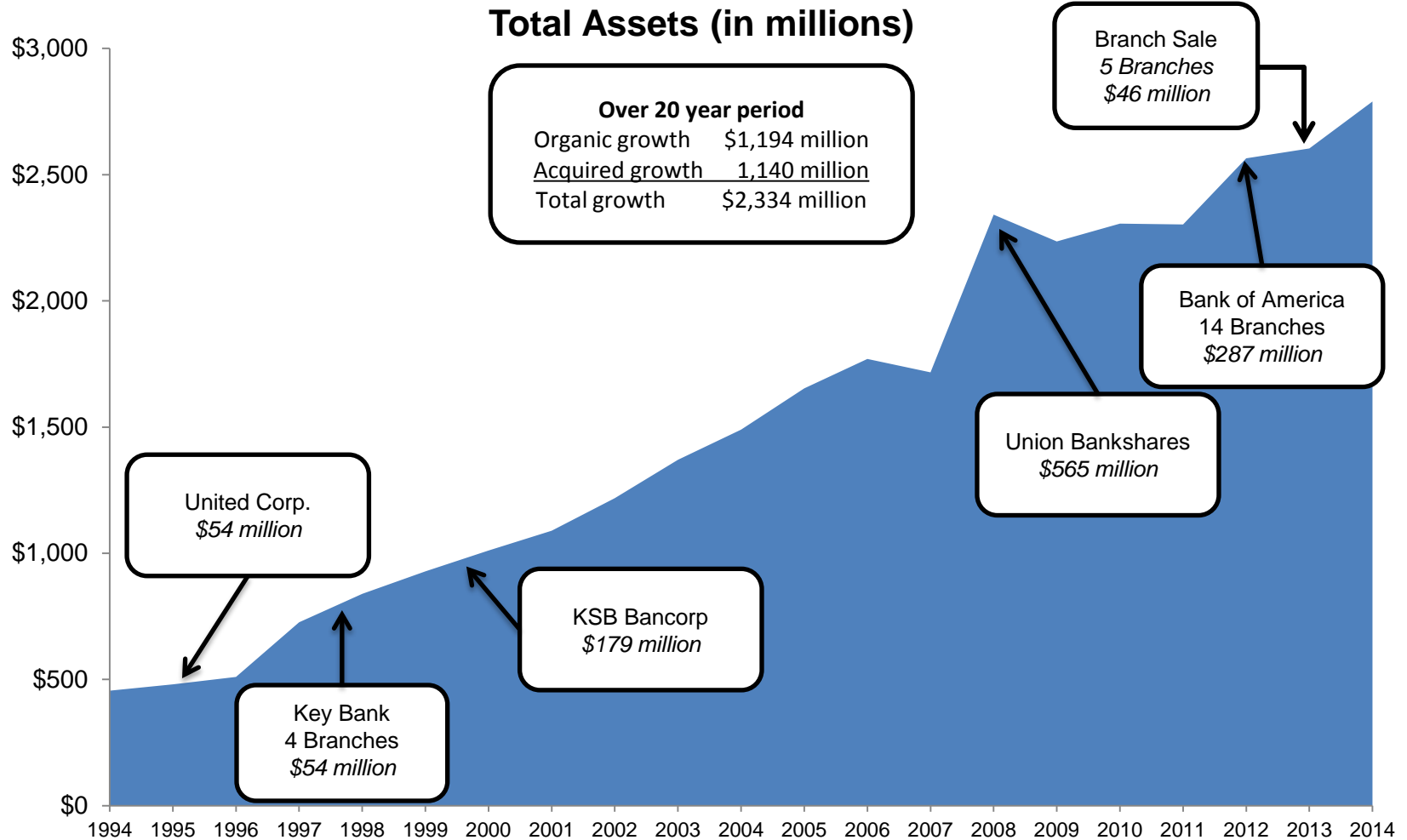
■ CAC ■ Proxy Peer ■ National Peer

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Source: SNL Financial

Solid Track Record of Organic and Acquired Growth

Asset Growth History



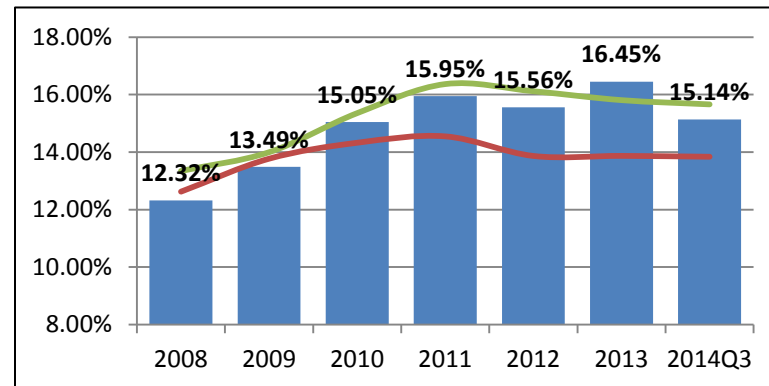
Source: SNL Financial

Disciplined Risk Management Culture

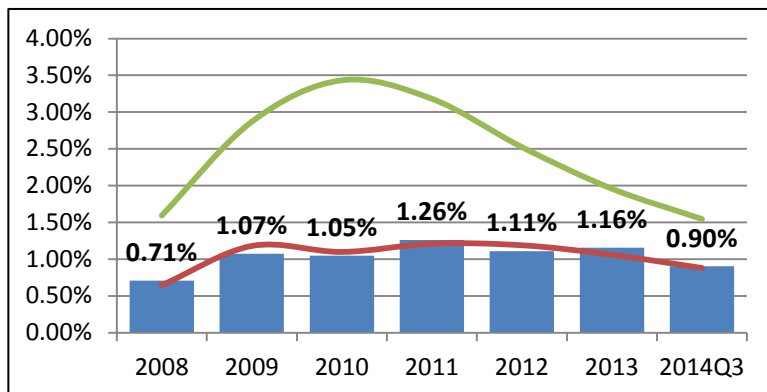
Highlights

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

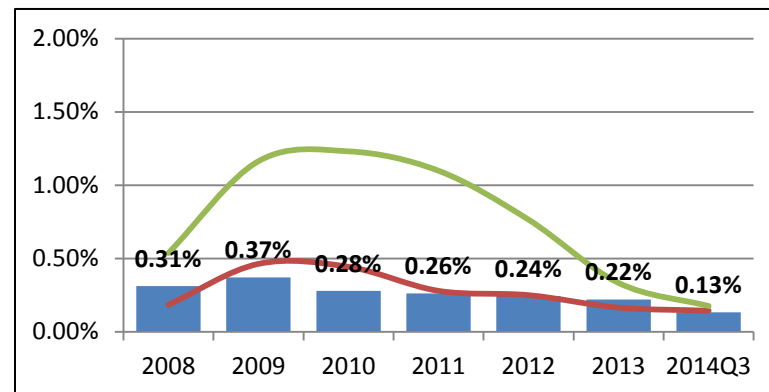
Total Risk Based Capital



NPAs to Total Assets



Net Charge Offs to Average Loans



■ CAC — Proxy Peer — National Peer

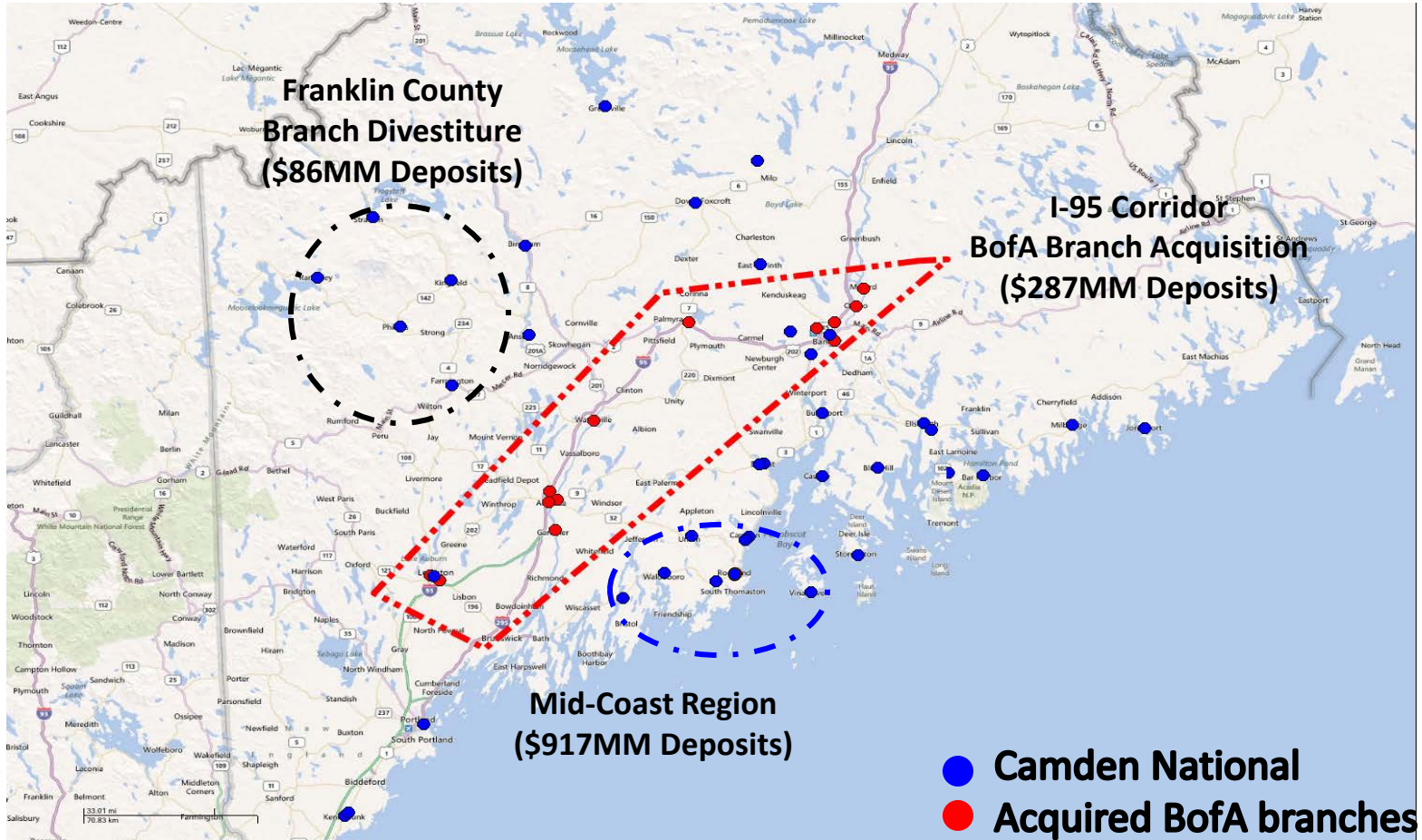
Proxy Peer – Average of 17 publicly traded commercial and savings banks in the Northeast (as of 9/30/14)

National Peer – 226 Banks and Thrifts \$1-\$5 billion-excl. merger targets (as of 9/30/14)

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
 - \$86 million of deposits and \$46 million of loans at deposit premium of 3.5%
 - 2014 EPS dilution of 3% mitigated by stock repurchases of 181,355 shares.
 - Combined two Kennebunk branches during 2nd quarter 2013

Strategic Repositioning

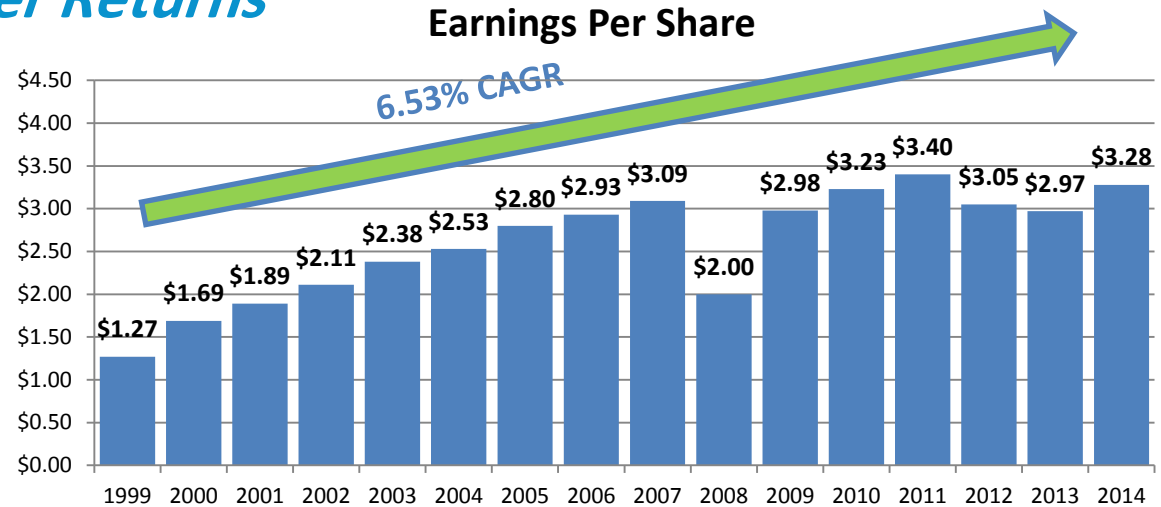
Preparing for the Future

- 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

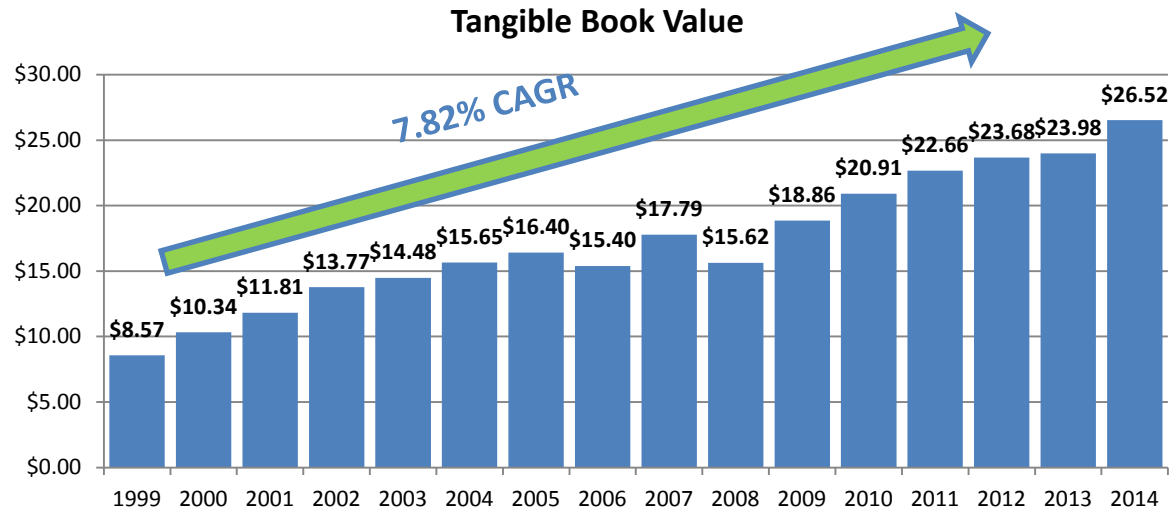
Long Term Value

Consistent Shareholder Returns

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



- Tangible book value compound annual growth of 7.82% over a 15-year period

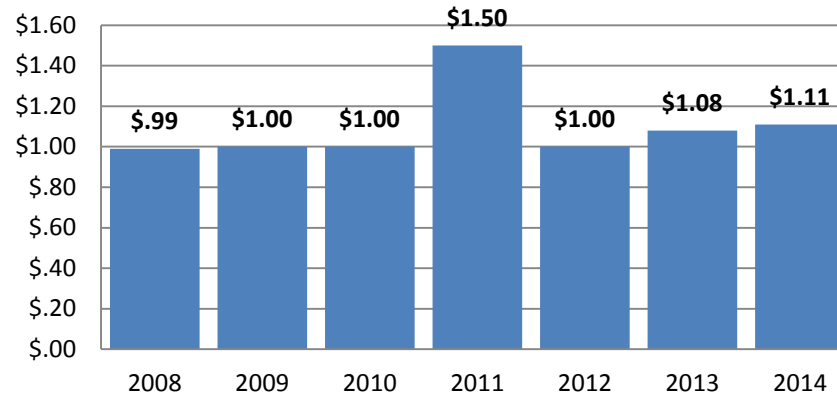


Long Term Value

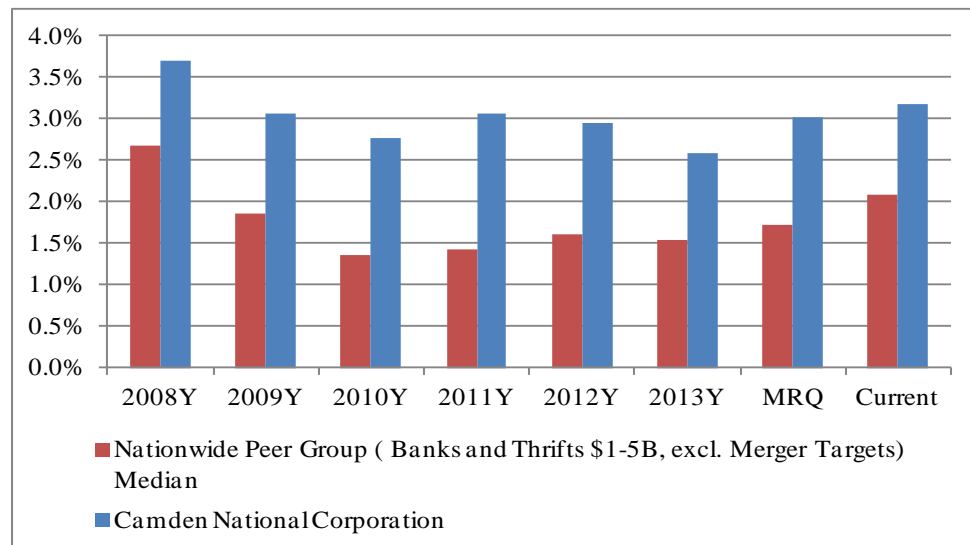
Dividend Commitment

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

Dividends Per Share



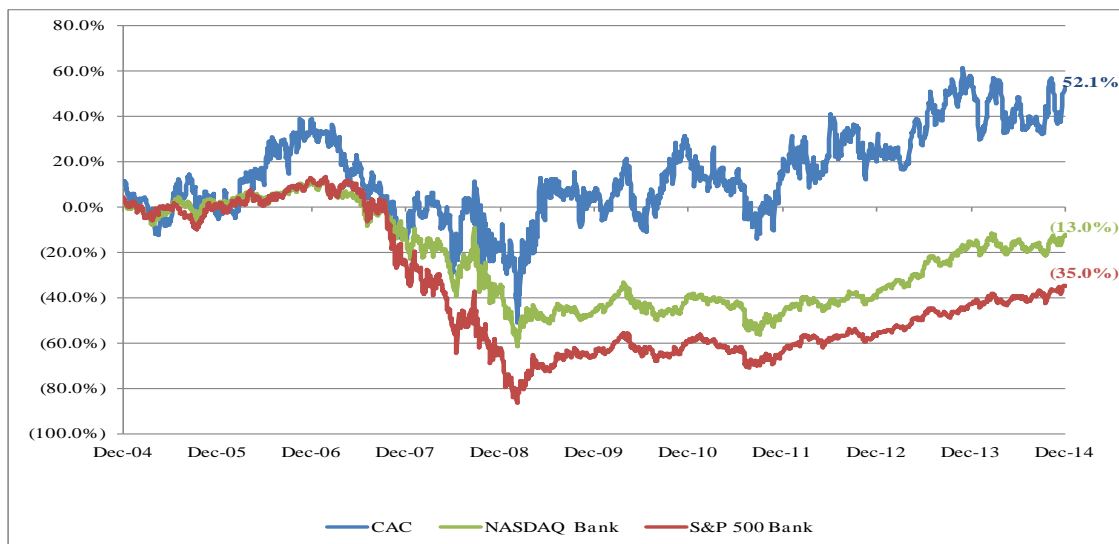
Dividend Yield



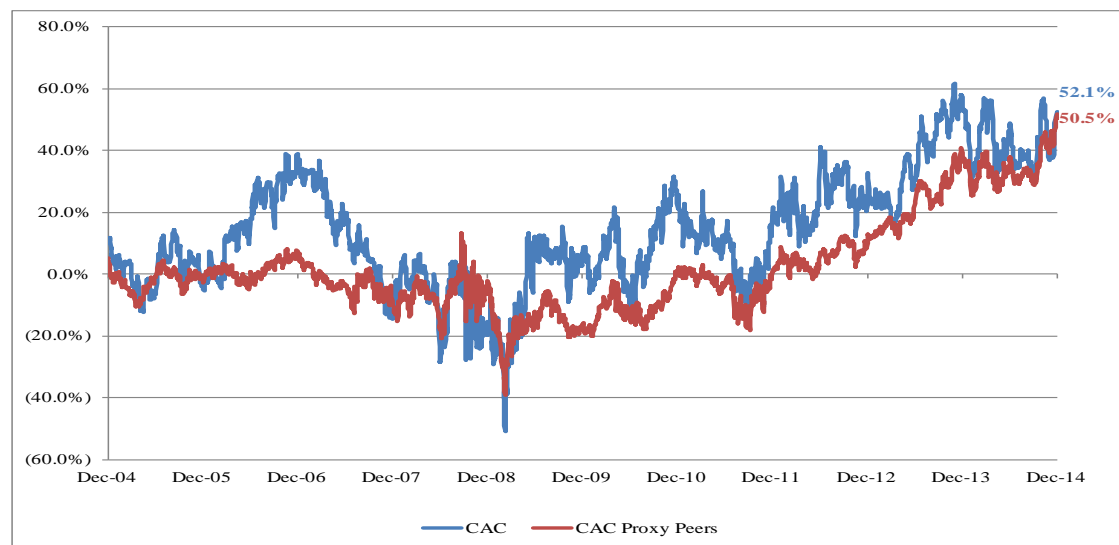
Long Term Value

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

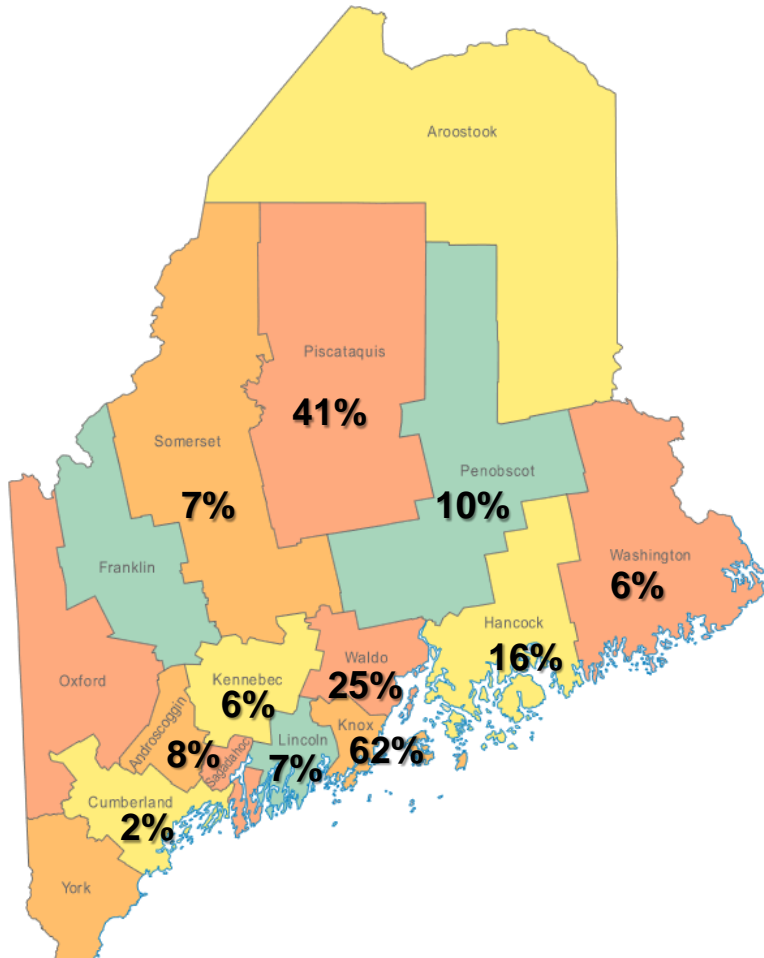
	Age	Years of Banking Experience	Year joined Camden
Greg Dufour, President and CEO	54	25+	2001
Debbie Jordan, CPA, COO and CFO	49	20+	2008
Joanne Campbell, EVP Risk Management	52	30+	1996
Peter Greene, EVP Operations and Technology	55	30+	2008
Tim Nightingale, EVP Senior Loan Officer	57	30+	2000
June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

Bar Harbor Bankshares - ME

Berkshire Hills Bancorp, Inc. - MA

Brookline Bancorp, Inc. - MA

Century Bancorp, Inc. - MA

Chemung Financial Corporation - NY

Enterprise Bancorp, Inc. - MA

Financial Institutions, Inc. - NY

First Bancorp, Inc. – ME

Independent Bank Corp. - MA

Merchants Bancshares, Inc. - VT

NH Thrift Bancshares, Inc. - NH

Tompkins Financial Corporation - NY

TrustCo Bank Corp NY - NY

United Financial Bancorp, Inc. - MA

Washington Trust Bancorp, Inc. - RI

Westfield Financial, Inc. – MA



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 and goodwill impairment from non-interest expense, excludes net gain on sale of securities and the gain on branch divestiture 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>	Year Ended	
	December 31, 2014	December 31, 2013
Non-interest expense, as presented	\$ 62,397	\$ 66,333
Less: branch acquisition and divestiture costs	—	374
Less: goodwill impairment	—	2,830
Adjusted non-interest expense	\$ 62,397	\$ 63,129
Net interest income, as presented	\$ 76,293	\$ 75,475
Add: effect of tax-exempt income	1,157	808
Non-interest income, as presented	24,334	27,801
Less: net gain on sale of securities	451	785
Less: gain on branch divestiture	—	2,742
Adjusted net interest income plus non-interest income	\$ 101,333	\$ 100,557
Non-GAAP efficiency ratio	61.58%	62.78%
GAAP efficiency ratio	62.01%	64.23%

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>	Year Ended	
	December 31, 2014	December 31, 2013
Net interest income, as presented	\$ 76,293	\$ 75,475
Add: effect of tax-exempt income	1,157	808
Net interest income, tax equivalent	\$ 77,450	\$ 76,283

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, and goodwill impairment 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>	Year Ended	
	December 31, 2014	December 31, 2013
Net income, as presented	\$ 24,570	\$ 22,783
Add: tax affected amortization of intangible assets	746	747
Add: goodwill impairment	—	2,830
Net income, adjusted	\$ 25,316	\$ 26,360
Average equity, as presented	236,849	233,888
Less: average goodwill and other intangibles	48,735	52,708
Average tangible equity	\$ 188,114	\$ 181,180
Return on average tangible equity	13.46%	14.55%
Return on average equity	10.37%	9.74%

The following table provides a reconciliation between tangible book value per share and book value per share, which has been prepared in accordance with GAAP:

<i>(In Thousands, Except Number of Shares and Per Share Data)</i>	December 31, 2014	December 31, 2013
Shareholders' equity, as presented	\$ 245,109	\$ 231,096
Less: goodwill and other intangible assets	48,171	49,319
Tangible equity	\$ 196,938	\$ 181,777
Shares outstanding at period end	7,426,222	7,579,913
Tangible book value per share	\$ 26.52	\$ 23.98
Book value per share	\$ 33.01	\$ 30.49

Reconciliation of non-GAAP to GAAP Financial Measures

The following table provides a reconciliation between tangible shareholders' equity to tangible assets and shareholders' equity to assets, which has been prepared in accordance with GAAP:

<i>(In Thousands)</i>	December 31, 2014	December 31, 2013
Shareholders' equity, as presented	\$ 245,109	\$ 231,096
Less: goodwill and other intangibles	48,171	49,319
Tangible equity	\$ 196,938	\$ 181,777
Total assets	\$ 2,789,853	\$ 2,603,829
Less: goodwill and other intangibles	48,171	49,319
Tangible assets	\$ 2,741,682	\$ 2,554,510
Tangible equity to tangible assets	7.18%	7.12%
Shareholders' equity to assets	8.79%	8.88%