



# Piper Jaffray New England Community Bank Day

Gregory Dufour | President & Chief Executive Officer  
Deborah Jordan | Chief Operating & Financial Officer

September 15, 2016



# Forward Looking Statements

This presentation contains certain statements that may be considered forward-looking statements under the Private Securities Litigation Reform Act of 1995 and other federal securities laws, including certain plans, exceptions, goals, projections, and statements, which are subject to numerous risks, assumptions, and uncertainties. Forward-looking statements can be identified by the use of the words "believe," "expect," "anticipate," "intend," "estimate," "assume," "plan," "target," or "goal" or future or conditional verbs such as "will," "may," "might," "should," "could" and other expressions which predict or indicate future events or trends and which do not relate to historical matters. Forward-looking statements should not be relied on, because they involve known and unknown risks, uncertainties and other factors, some of which are beyond the control of Camden National Corporation (the "Company"). These risks, uncertainties and other factors may cause the actual results, performance or achievements of the Company to be materially different from the anticipated future results, performance or achievements expressed or implied by the forward-looking statements.

The following factors, among others, could cause the Company's financial performance to differ materially from the Company's goals, plans, objectives, intentions, expectations and other forward-looking statements: weakness in the United States economy in general and the regional and local economies within the New England region and Maine, which could result in a deterioration of credit quality, an increase in the allowance for loan losses or a reduced demand for the Company's credit or fee-based products and services; changes in trade, monetary, and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System; inflation, interest rate, market, and monetary fluctuations; competitive pressures, including continued industry consolidation and the increased financial services provided by non-banks; volatility in the securities markets that could adversely affect the value or credit quality of the Company's assets, impairment of goodwill, the availability and terms of funding necessary to meet the Company's liquidity needs, and could lead to impairment in the value of securities in the Company's investment portfolio; changes in information technology that require increased capital spending; changes in consumer spending and savings habits; changes in tax, banking, securities and insurance laws and regulations; changes in accounting policies, practices and standards, as may be adopted by the regulatory agencies as well as the Financial Accounting Standards Board ("FASB"), and other accounting standard setters; and the ability of the Company to achieve cost savings as a result of the merger or in achieving such cost savings within the projected timeframe.

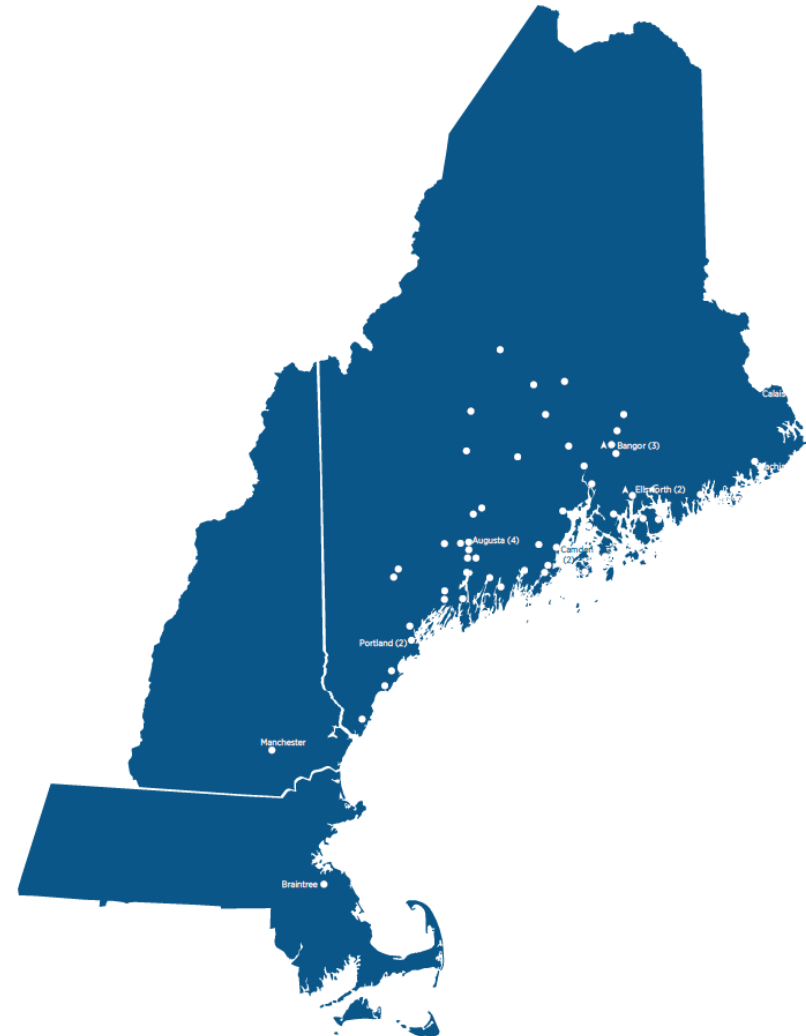
You should carefully review all of these factors, and be aware that there may be other factors that could cause differences, including the risk factors listed in the Company's filings with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2015, as updated by the Company's quarterly reports on Form 10-Q and other filings with the Securities and Exchange Commission. You should carefully review the risk factors described therein and should not place undue reliance on our forward-looking statements.

These forward-looking statements were based on information, plans and estimates at the date of this report, and we undertake no obligation to update any forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events or other changes, except to the extent required by applicable law or regulation.

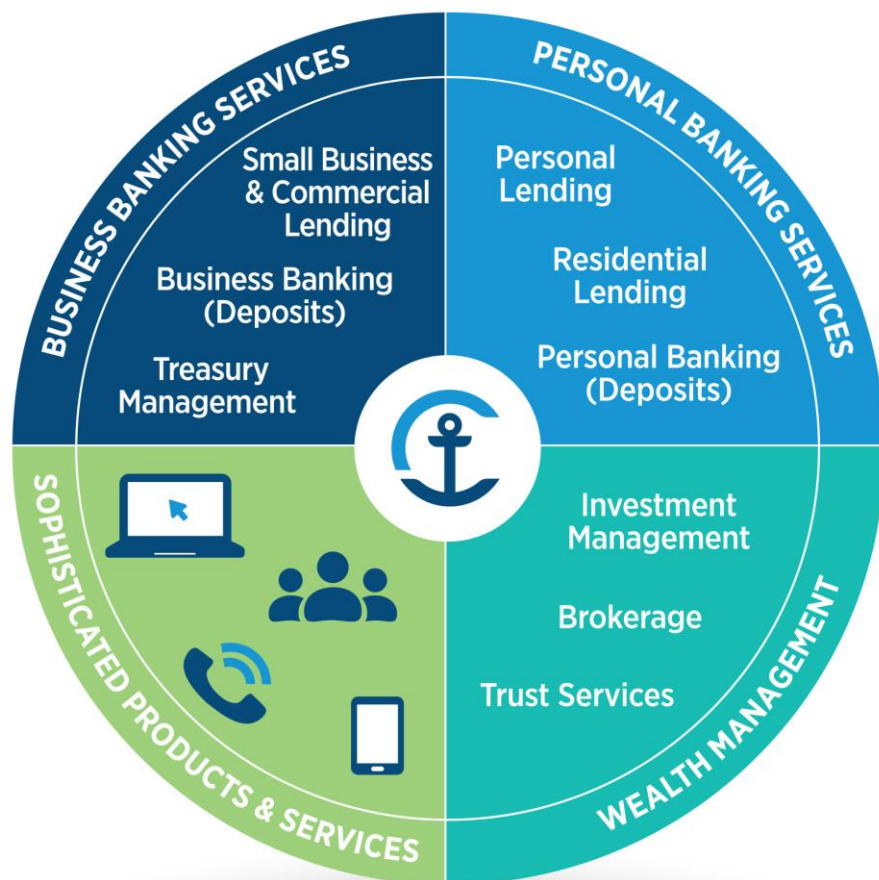
# Camden National Corporation



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



# Camden National Corporation



<b>Headquarters</b>	Camden, ME
<b>Employees</b>	Over 650
<b>Ticker</b>	CAC (NASDAQ)
<b>Current Price</b>	\$48.45 (to be adjusted for announced 3 for 2 stock split effective 9/30/16)
<b>52 Week Range</b>	\$37.23 to \$48.55
<b>Avg. Daily Volume</b>	33,841
<b>Assets</b>	\$3.9 billion
<b>Loans</b>	\$2.6 billion
<b>Deposits</b>	\$2.8 billion
<b>Market Cap</b>	\$498 million
<b>Analyst Coverage</b>	Piper Jaffrey (overweight) KBW (outperform)

Market data as of September 12, 2016  
Balance sheet data as of June 30, 2016

# Focused Priorities

Following a strategic plan with three major initiatives:

1

## Build Market Share

- Organic growth continues to be our #1 priority.
- Growth through acquisitions
  - 2015: Acquired The Bank of Maine (SBM Financial) and \$687 million of deposits:
    - Expanded market opportunity by 202,605 households
  - 2012: Acquired 14 Bank of America branches and \$287 million of deposits
- Growth through talent
  - Continue to invest in our team and internal training
  - Added 21 new lenders since 2013 (increased lenders by 64%)
  - Deepen credit bench

# Focused Priorities

Maintain discipline around expense control

2

## Create Efficiencies

- Focus on improving Efficiency Ratio
  - SBM cost savings of \$11 million in 2016
  - Branch Consolidation
    - 3 locations (completed by 12/31/16)
    - 4 locations (2015)
    - 2 locations (2013)
  - Divested 5 rural branches (2013)
- IT/Support: Invest in innovation and leverage scale
  - Outsourced core processing system (Jack Henry)
  - Expanded digital technology platform
  - Leveraged mortgage loan platform and AML/BSA system.

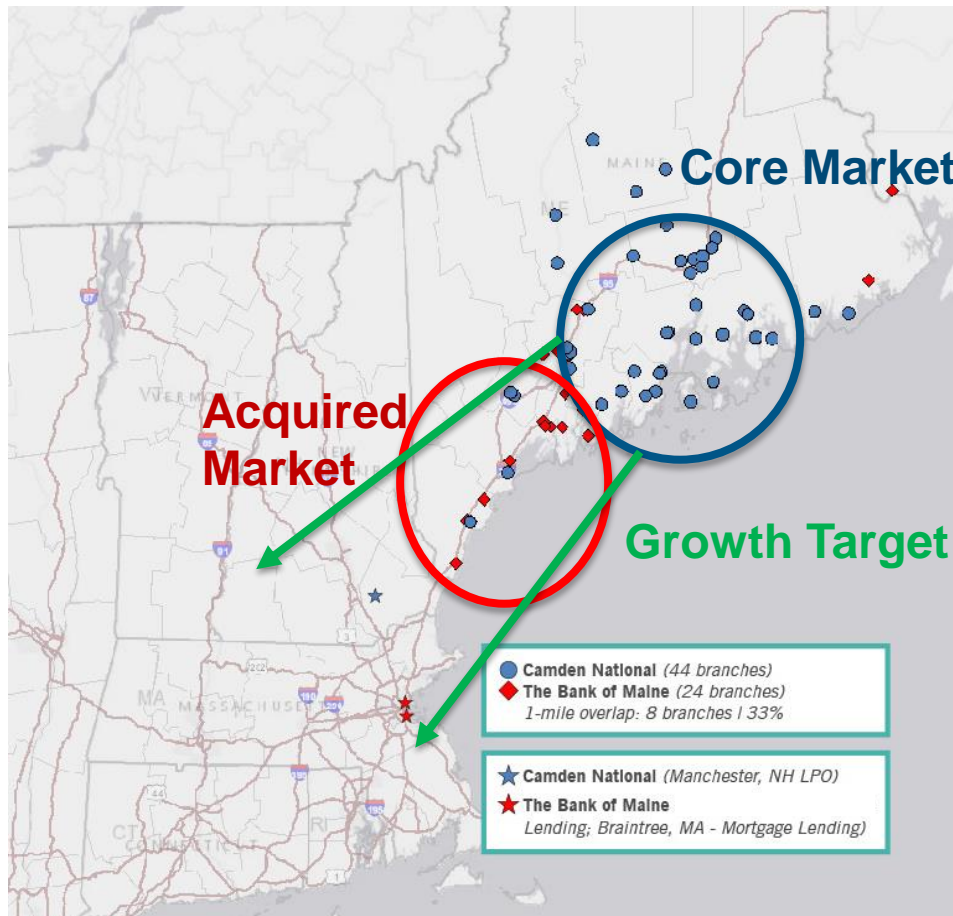
# Focused Priorities

Strategically positioned for future growth

## 3 Expand Business Banking Services

- Geographic
  - Southern Maine
  - Southern New Hampshire
  - Massachusetts
- Products & Services
  - Mortgage Banking
  - Treasury Management
  - Business Banking
- Technology
  - Q2
  - Apple Pay

# Strategic Plan for Growth



## The Bank of Maine (SBM Financial)

- October 2015 – simultaneous close and conversion
- Deposits: \$687 million
- Loans: \$615 million
- Expansion into high growth Southern Maine market
- Widens mortgage banking reach to Massachusetts
- Positions bank as the largest community bank in Northern New England

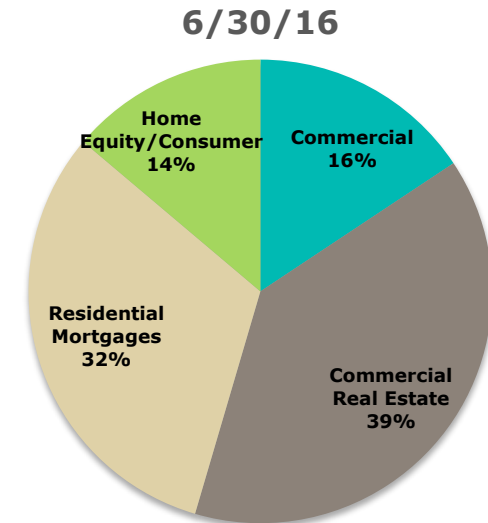


# Financial Highlights – Q2 2016

- Strong earnings performance
  - Return on tangible equity: 14.50%
  - Return on assets: 1.01%
- Solid growth
  - Total loans \$2.6 billion; 16% annualized growth rate
  - Total deposits \$2.8 billion; 15% annualized growth rate
  - Fee income reached \$10.6 million for the quarter
- Execution on SBM acquisition
  - Efficiency ratio: 56.53%
  - Tangible common equity ratio: 7.42%

# Loan Mix & Strong Credit Culture

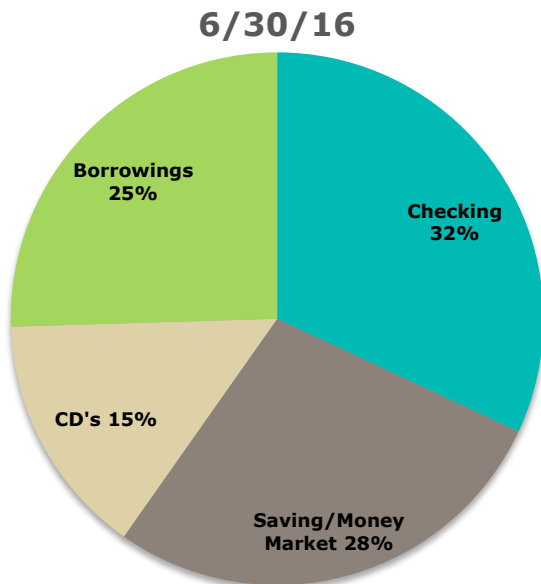
- Community-based, relationship focused lenders with local decision making
- Larger institutional experience (TD Bank, Citizens) to compliment an already strong credit focus
- Significant small-business lending driven by unmatched market expertise
- Credit quality ratios remain strong
  - Disciplined risk management culture
  - Conservative limits and prudent growth in CRE
  - Proactive internal and external loan review process anticipating problematic loan
  - Increase in provision and non-performing assets in second quarter 2016 related to two loans and not systemic issue



Loans: \$2.6 billion  
Average Yield: 4.33%

	At or For the Six Months Ended	2015	2014	2013
	6/30/2016			
Nonperforming assets / total assets	<b>0.75%</b>	0.66%	0.82%	1.18%
Past due loans / total loans	<b>0.27%</b>	0.40%	0.18%	0.40%
Loan loss provision (\$ millions)	<b>\$3.7</b>	\$1.9	\$2.2	\$2.1
Net charge-offs / average loans (annualized)	<b>0.09%</b>	0.10%	0.16%	0.22%

# Deposit Mix & Market Share



Funding: \$3.5 billion  
 Average Funding Cost: 0.50%  
 Average Deposit Cost: 0.27%

## STATE OF MAINE

(\$ in millions)

Rank	Institution	Deposits	Branches	Market Share %
1	Toronto-Dominion Bank	\$3,309	49	13.3
2	KeyCorp	2,891	51	11.6
<b>3</b>	<b>Camden + SBM</b>	<b>2,668</b>	<b>64</b>	<b>10.7</b>
4	Bangor Bancorp MHC	2,265	60	9.1
5	Bank of America Corp.	1,651	17	6.6
	Other Banks	12,101	256	48.6
	Total for State of Maine	\$24,885	497	

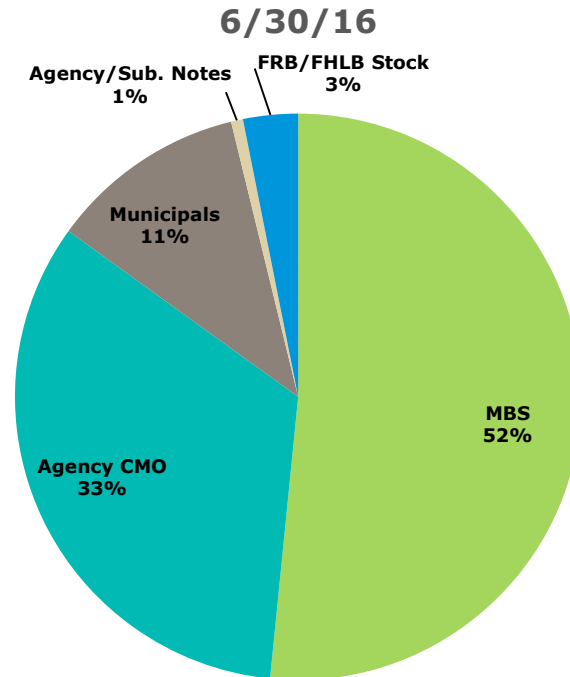
## CUMBERLAND AND YORK COUNTY

(\$ in millions)

Rank	Institution	Deposits	Branches	Market Share %
1	KeyCorp	\$2,077	20	18.7
2	Toronto-Dominion Bank	1,933	25	17.3
3	Bank of America Corp.	1,622	16	14.5
4	Kennebunk Savings Bank	790	13	7.1
5	PeoplesUnited	766	17	6.9
<b>12</b>	<b>Camden + SBM</b>	<b>299</b>	<b>8</b>	<b>2.7</b>
	Other Banks	3,652	85	32.8
	Total Cumberland/York County	\$11,138	184	

Source: SNL Financial. Deposit data as of June 2015.

# Investments & ALM Position



Investments: \$922 million  
 Average Yield: 2.41%  
 Duration: 3.8 years

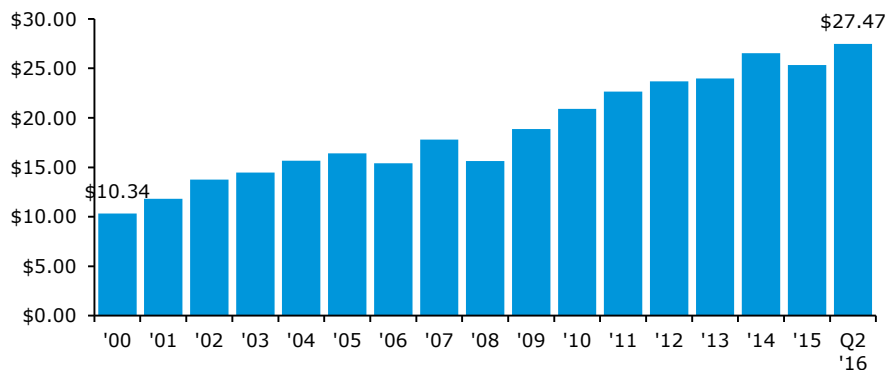
## Interest Rate Risk

Estimated Changes In Net Interest Income	
<b>Year 1</b>	
+200bp	(2.0)%
-100bp	(1.3)%
<b>Year 2</b>	
+200bp	1.3 %
-100bp	(7.8)%

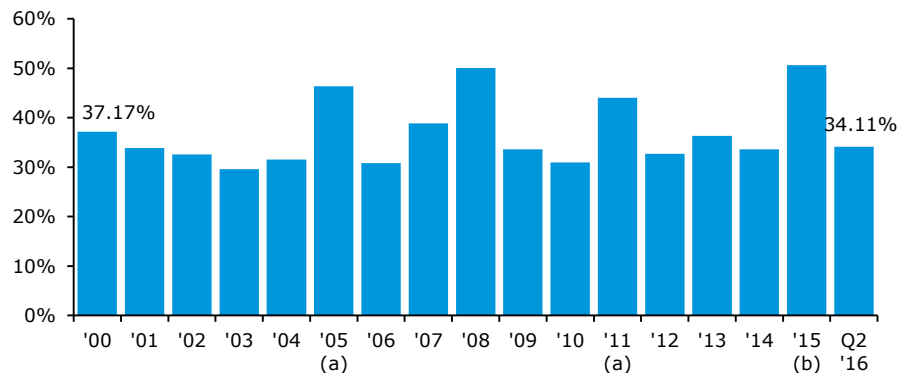
(Assumes flat balance sheet, no change in asset/funding mix and change of rates over 12 month period)

# Long-Term Shareholder Value

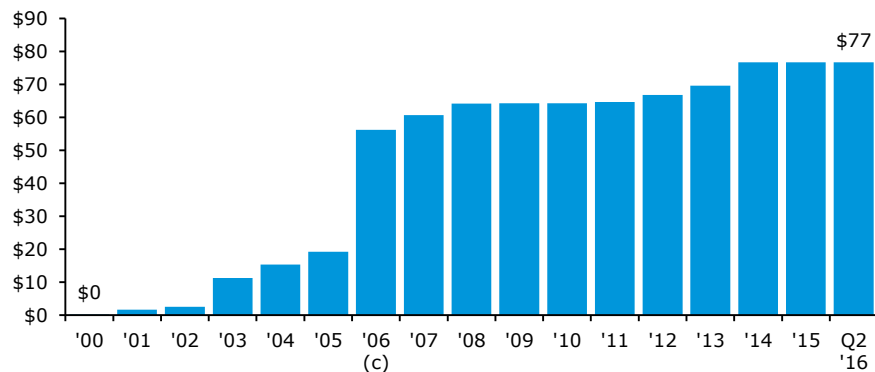
## TBV Per Share



## Dividends as % of Net Income



## Cumulative Stock Repurchases (\$ in millions)

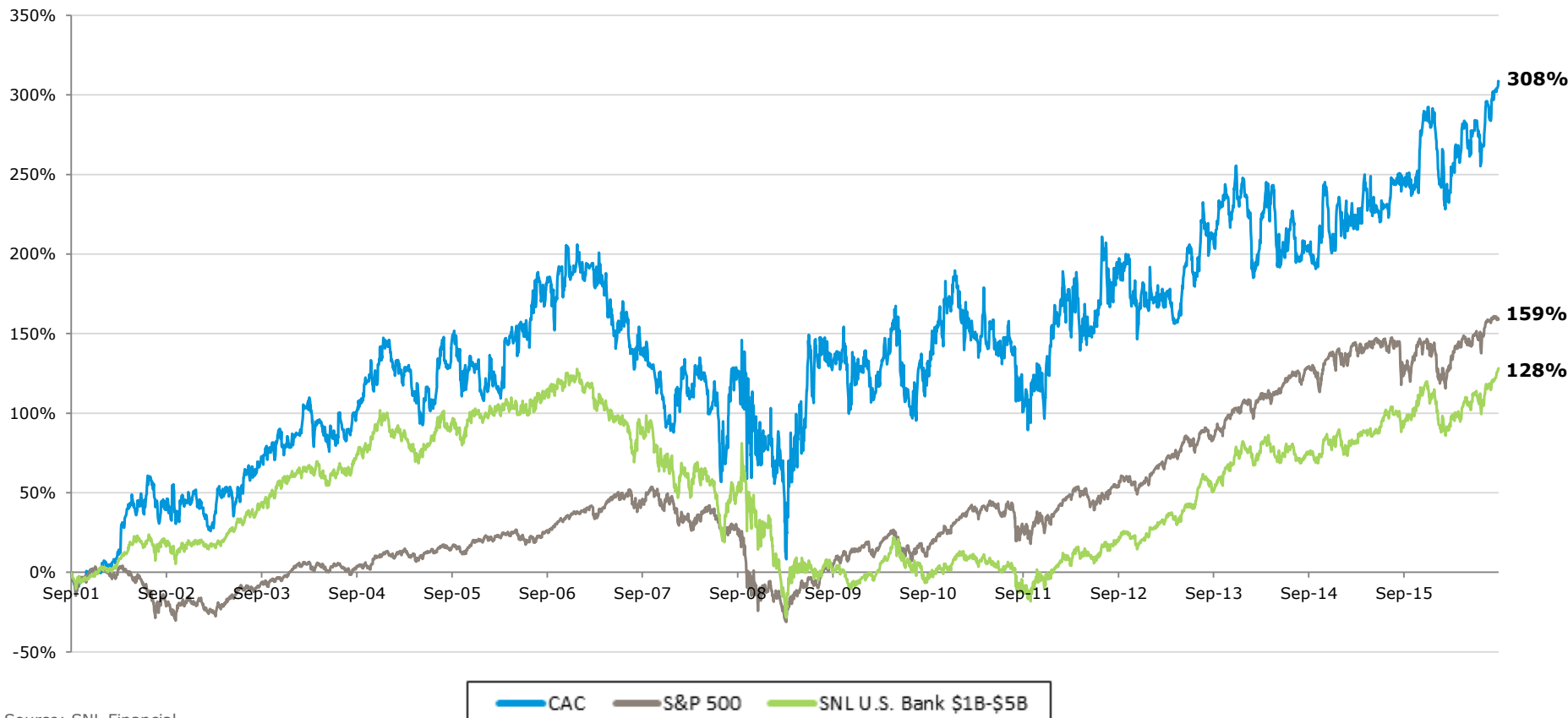


- a) 2005 and 2011, special dividend of \$0.50 per share.
- b) The increase in 2015 due to reduction in net income related to merger and acquisition costs of \$7.2 million, after tax.
- c) 2006 issuance of trust preferred and share buyback.

# Total Return

## Strong 15 year return

- Stock price appreciation of 158.82%
- Average dividend yield of 2.86%



Source: SNL Financial

# Peer Analysis

Source: SNL Financial

<b>Performance Ratios (%)</b>	<b>6/30/2016 CNC</b>	<b>6/30/2016 Peer Median</b>	<b>6/30/2016 Peer Average</b>
Core ROAA	1.01	0.87	0.91
Core ROAE	10.25	9.49	9.45
Net Interest Margin (Reported)	3.34	3.21	3.22
Efficiency Ratio (Reported)	58.77	59.75	59.67
Loans / Deposits	93.21	90.62	93.35
<b>Asset Quality Ratios (%)</b>			
NPAs / Loans & OREO	1.11	0.93	0.94
NCOs / Avg. Loans	0.09	0.08	0.08
Reserves / NPAs	81.57	115.67	158.53
<b>Capital Ratios (%)</b>			
Total Risk Based Capital	12.94	13.14	13.90
Tangible Equity / Tangible Assets	7.42	8.01	8.06
Leverage	8.44	8.91	8.71
<b>Market Ratios</b>			
Price / LTM Core EPS (x)	11.76	14.83	14.55
Price / TBV (%)	152.88	160.50	164.03
Current Dividend Yield (%)	2.86	3.07	2.92

Camden National Corporation's peer group consists of the following: Arrow Financial Corporation (AROW), Bar Harbor Bankshares (BHB), Berkshire Hills Bancorp, Inc. (BHLB), Boston Private Financial Holdings, Inc. (BPFH), Brookline Bancorp, Inc. (BRKL), Century Bancorp, Inc. (CNBKA), Chemung Financial Corporation (CHMG), Community Bank System, Inc. (CBU), Enterprise Bancorp, Inc. (EBTC), Financial Institutions, Inc. (FISI), First Bancorp, Inc. (FNLC), First Connecticut Bancorp, Inc. (FBNK), Hingham Institution for Savings (HIFS), Independent Bank Corp. (INDB), Merchants Bancshares, Inc. (MBVT), NBT Bancorp Inc. (NBTB), Sterling Bancorp (STL), Tompkins Financial Corporation (TMP), TrustCo Bank Corp NY (TRST), United Financial Bancorp, Inc. (UBNK), and Washington Trust Bancorp, Inc. (WASH).

# Investment Summary

## Experienced Leaders

- 25+ years average banking experience and 12 years with CAC

## Strong Market Share and Brand Recognition

- 140 year operating history
- 3<sup>rd</sup> overall deposit market share in Maine<sup>(1)</sup>
- #2 mortgage originator in Maine, with 6.3% of all mortgage originations in the state<sup>(2)</sup>

## Quality Growth

- Consistent long-term growth both organically and through acquisitions
- Expanded presence in higher growth Southern Maine markets and enhanced scale, density, and deposit costs in existing markets

## Strong Fundamental Operating Metrics

- Historically strong credit quality with nonperforming assets consistently less than 1.5% of total assets
- Efficiency ratio, ROAA and ROAE superior to peers

(1) On a combined basis as of 6/30/15.

(2) Year to date as of 6/30/16.



# Why Invest in Camden National?



- Diversified business model creates strong franchise value
- Highly experienced management team with track record of solid performance
- Geographic footprint expanding into higher growth markets with proven denovo and acquisition history
- Strong and stable asset quality with disciplined credit environment
- Largest publicly traded bank in Northern New England

# Appendix

# Seasoned Management Team



Name	Position	Age	Years of Banking Experience	Year joined Camden
Greg Dufour	President and CEO	56	25+	2001
Debbie Jordan, CPA	COO & CFO	50	20+	2008
Joanne Campbell	EVP Risk Management	54	30+	1996
Carolyn Crosby	SVP Human Resources	50	25+	1996
Edmund Hayden	EVP Chief Credit Officer	60	30+	2015
Tim Nightingale	EVP Senior Loan Officer	59	30+	2000
June Parent	EVP Retail Banking	53	25+	1995
Renee Smyth	SVP Chief Marketing Officer	45	15+	2015
Mary Beth Haut	President/CEO Acadia Trust	53	30+	2016

# Financial Highlights

## Balance Sheet

(in million's)	6/30/16	12/31/15	6/30/16 vs. 12/31/15 Change	6/30/15	12/31/14
Loans	\$2,585	\$2,490	4%	\$1,807	\$1,773
Investment Securities	922	856	8%	823	804
Total Assets	3,910	3,709	5%	2,837	2,790
Deposits	2,773	2,726	2%	1,981	1,932
Borrowings	690	572	20%	564	577
Shareholders' Equity	385	363	6%	255	245
Tier 1 Leverage Ratio	8.44%	8.74%	-	9.39%	9.26%

# Financial Highlights

## Net Income and Key Ratios

	Six Months Ended			Year Ended	
	Core <sup>(a)</sup> 6/30/16	GAAP 6/30/16	GAAP 6/30/15	GAAP 2015	GAAP 2014
Net Income (in millions)	\$18.8	\$18.3	\$12.8	\$21.0	\$24.6
Diluted Earnings per Share	\$1.81	\$1.76	\$1.71	\$2.60	\$3.28
Return on Tangible Equity <sup>(b)</sup>	14.44%	14.04%	13.08%	9.53%	13.06%
Return on Assets	1.00%	0.97%	0.92%	0.70%	0.92%
Efficiency Ratio <sup>(b)</sup>	58.77%	58.77%	60.24%	61.13%	61.58%
Net Interest Margin	3.11% <sup>(c)</sup>	3.34%	3.14%	3.19%	3.11%

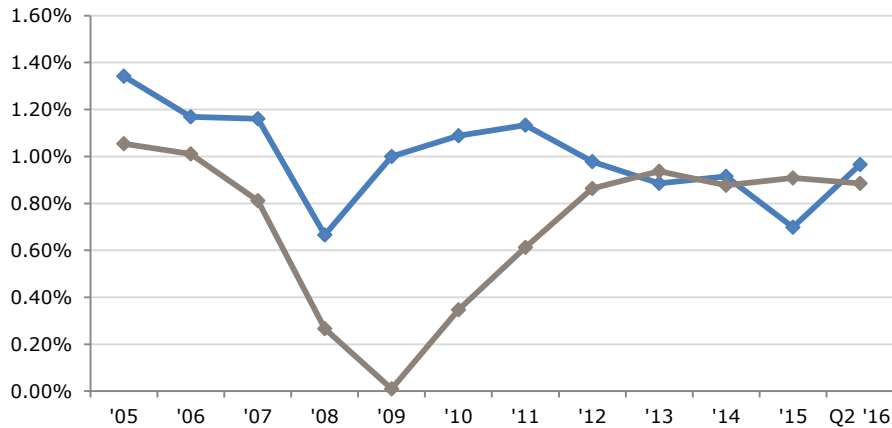
- (a) Core results are non-GAAP measures. Refer to the Form 10-Q filed on 8/5/16 and Form 10-K filed for the year ended December 31, 2015 for the reconciliation of non-GAAP to GAAP financial measures.
- (b) This is a non-GAAP measure. Refer to the Form 10-Q filed on 8/5/16 and Form 10-K filed for the year ended December 31, 2015 for the reconciliation of non-GAAP to GAAP financial measures.
- (c) Represents net interest margin excluding certain one-time, non-recurring transactions and the effect of fair value accounting on acquired loans and CD's. This is a non-GAAP measure. Refer to the Form 10-Q filed on 8/5/16 for the reconciliation of non-GAAP to GAAP financial measures.

# Profitability Trends

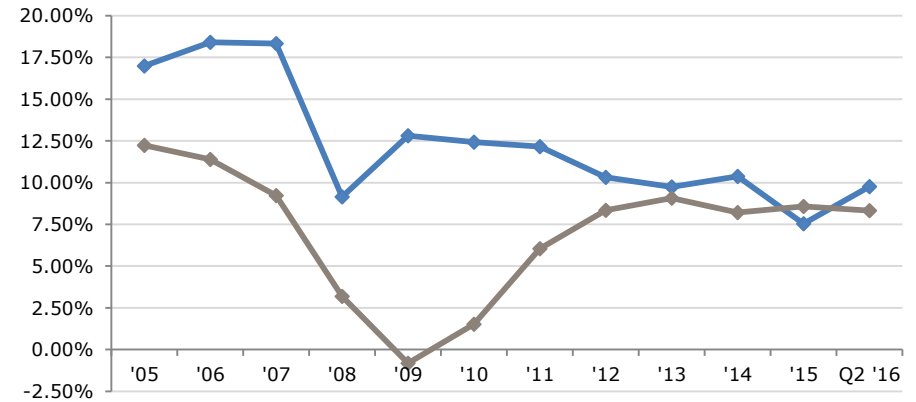
Camden National Corp.  
Peer Group



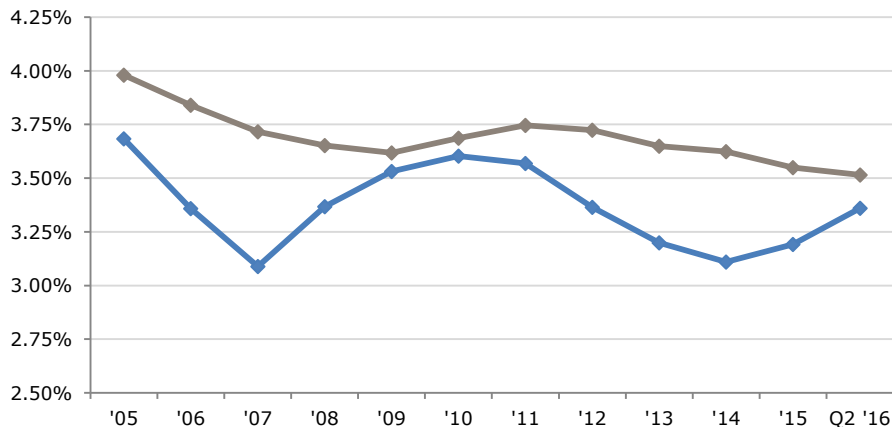
### ROAA



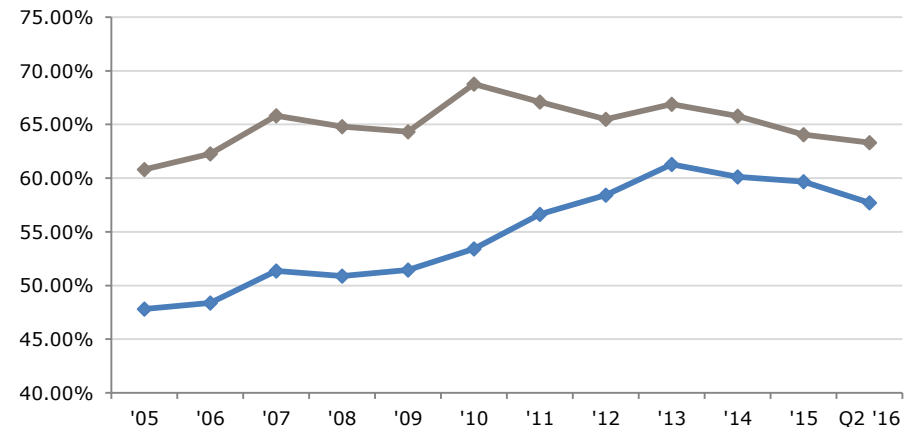
### ROAE



### Net Interest Margin



### Efficiency Ratio



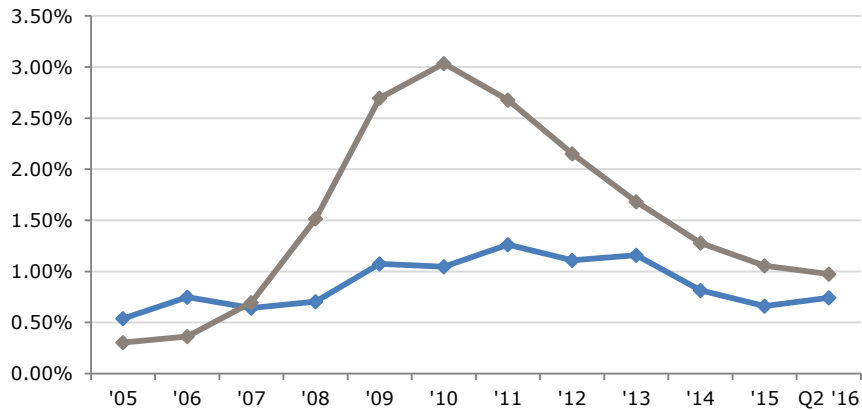
Note: Peer Group defined as publicly traded banks and thrifts headquartered in the United States with total assets between \$1.5 billion and \$7.0 billion, excluding merger targets.  
Source: SNL Financial

# Historical Credit Metrics

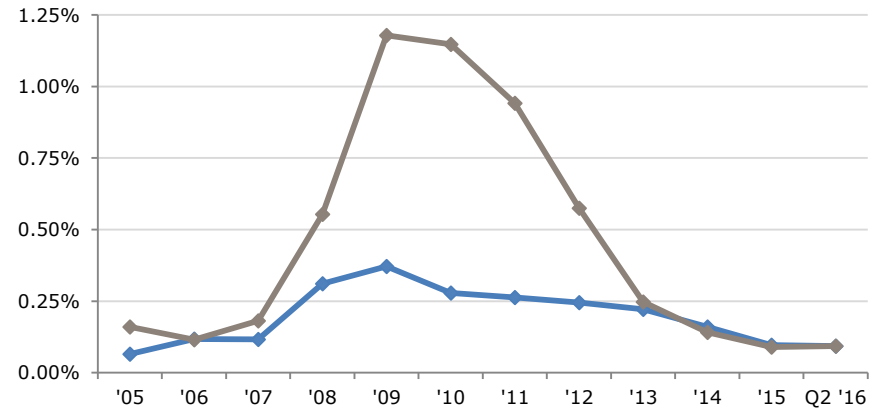
Camden National Corp.  
Peer Group



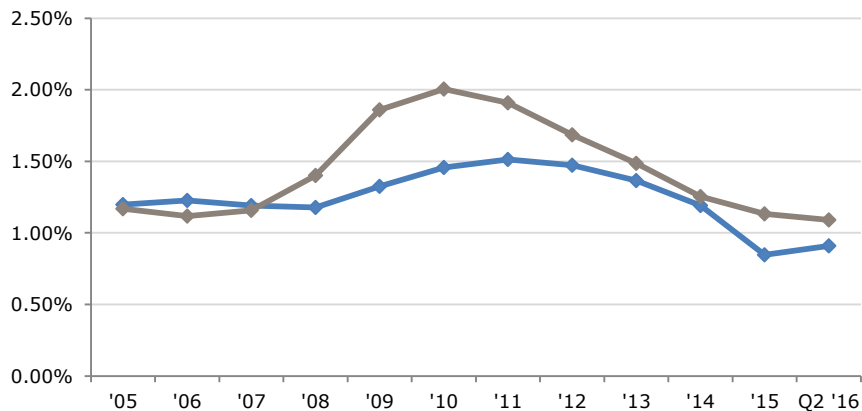
### NPAs / Assets



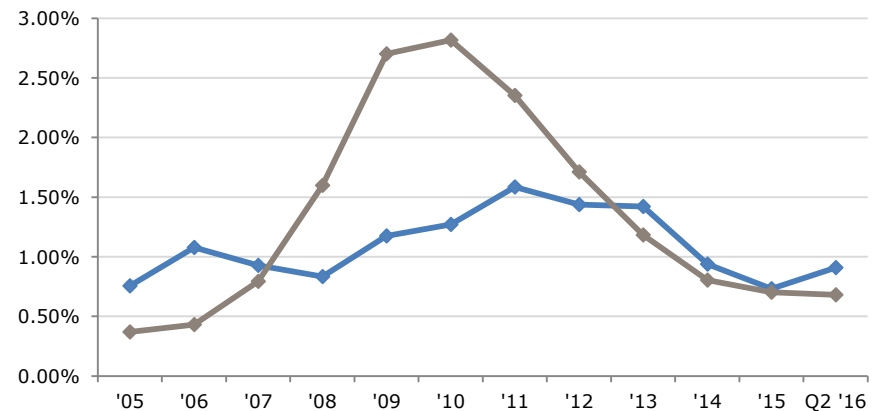
### NCOs / Average Loans



### Loan Loss Reserves / Gross Loans



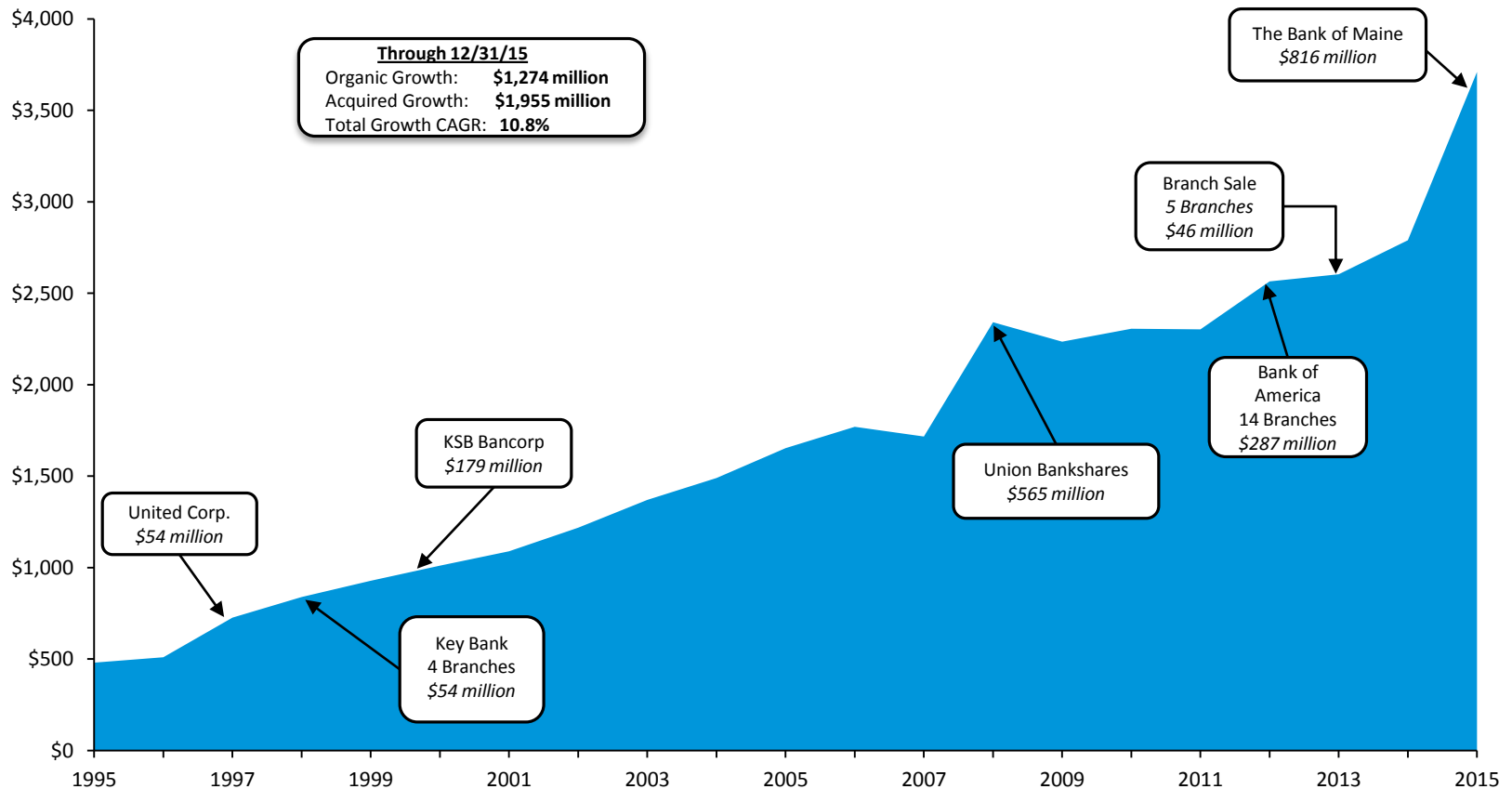
### Nonaccrual Loans / Loans



Note: Peer Group defined as publicly traded banks and thrifts headquartered in the United States with total assets between \$1.5 billion and \$7.0 billion, excluding merger targets.  
Source: SNL Financial

# Asset Growth

- Successful track record of growing the franchise through combination of organic growth and acquisitions (40% organic growth over 20 year horizon).





# Mortgage Banking Activity

- The SBM Financial acquisition positions CAC as the #2 Mortgage Originator in Maine

Top 15 Lenders	Six Months Ended June 30, 2016			Year Ended December 31, 2015		
	Originations	Rank	% of Total	Originations	Rank	% of Total
Bangor Savings Bank	1,637	1	8.7%	3,469	1	8.5%
<b>Camden National Bank<sup>(1)</sup></b>	<b>1,195</b>	<b>2</b>	<b>6.3%</b>	<b>3,039</b>	<b>2</b>	<b>7.4%</b>
Residential Mortgage Services Inc.	1,064	3	5.6%	2,330	3	5.7%
TD Bank, N.A.	804	4	4.3%	2,255	4	4.2%
Quicken Loans	775	5	4.1%	1,726	7	3.4%
Kennebec Savings Bank	688	6	3.6%	1,689	6	3.6%
First, N.A.	647	7	3.4%	1,465	8	3.0%
Key Bank	580	8	3.1%	1,395	5	4.1%
Machias Savings Bank	568	9	3.0%	1,207	10	2.7%
Norway Savings Bank	526	10	2.8%	1,110	9	2.7%
Bank of America	524	11	2.8%	1,090	11	2.4%
Wells Fargo Bank	365	12	1.9%	962	13	1.8%
Bath Savings Institution	356	13	1.9%	784	16	1.7%
Gorham Savings Bank	350	14	1.9%	748	12	1.8%
Saco & Biddeford Savings Inst.	330	15	1.7%	734	14	1.8%
<b>Total for All Lenders</b>	<b>18,883</b>	<b>-</b>	<b>100.0%</b>	<b>40,840</b>	<b>-</b>	<b>100.0%</b>

(a) Camden National's 2015 loan originations include those originated by SBM Financial, Inc. in 2015 prior to the acquisition that closed on October 16, 2015.  
Source: MRS, Inc.

# Market Overview

## Maine

- Projected 7.57% growth in household income for 2015 to 2020
- Unemployment rate of 3.7% as of June 2016
- Hospitality and tourism generate more than \$2 billion in household income annually

## New Hampshire

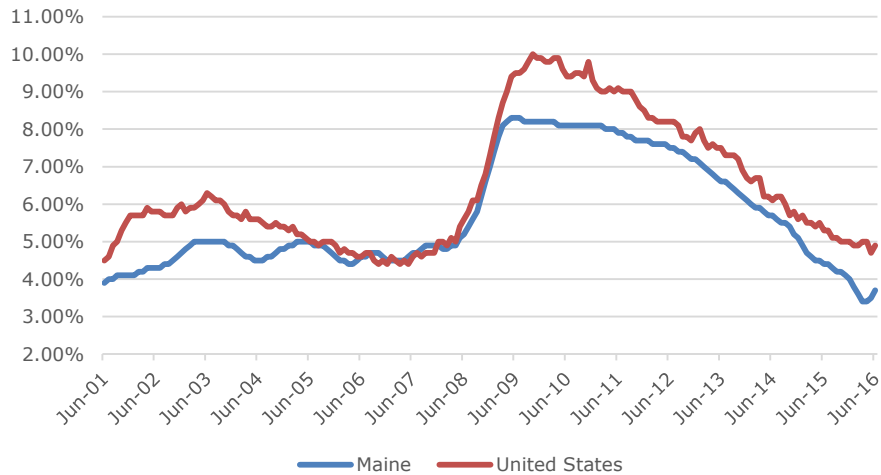
- Projected 7.57% growth in household income for 2015 to 2020
- Unemployment rate of 2.8% as of June 2016
- State GDP grew 2.3% to \$71.6 billion in 2014

Market Segments & Growth	Pre-Merger Footprint	Expanding Footprint to Higher Growth Market	
		Southern Maine	Southern New Hampshire
Total Households	291,602	202,605	453,657
Projected Growth, 2014 to 2019	0.2%	1.9%	1.3%
Mass Affluent Households <sup>1</sup>	78,216	102,179	259,169
% of Total Households	26.8%	50.4%	57.1%
Number of Businesses	41,767	32,627	65,959

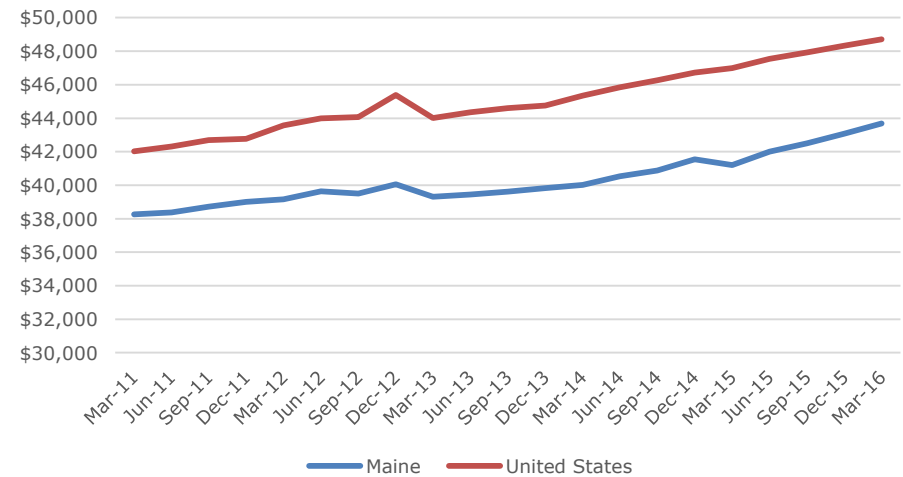
1) Mass Affluent Households defined as households with Interest Producing Assets between \$250,000 and \$1,000,000  
Sources: SNL Financial, Bureau of Economic Analysis, Nielsen, Maine Office of Tourism, Bureau of Labor Statistics

# Stable Operating Economy

## Unemployment Rate



## Per Capital Personal Income



Sources: Bureau of Economic Analysis and Maine State Government