

Always **Listening.**

Continuously **Innovating.**

Delivering on Our Promise - **to You.**

We give our customers incredible service and state-of-the-art banking products — we also give them a say. Their voices, comments and feedback shape our personal approach to doing business, and inspire innovative technologies designed to make banking less complicated. When customers speak, we create products and services that speak to them.

In the spirit of a circle, we're closing the loop with customers and employees with a response in person, over the phone or by notecard, and—most importantly—through action. We're driven by the energy and ideas of our customers to expand our listening channels and invite more feedback, with the end goal of **continuous innovation that will deliver better banking.**



What our customers are saying:

"Customer service is stellar. The website and app feel very user-friendly and definitely make the experiences easy!"

"Personalized service with real people. Old-fashioned service with all the tools needed."

"I love the variety of different ways to do banking, particularly mobile deposits."

Our Core Values

- **Honesty and Integrity** above all else
- **Trust** built on fairness
- **Service** that creates remarkable experiences
- **Responsibility** to use our resources for the greater good
- **Excellence** through hard work and lifelong learning



Dear Fellow Shareholders:

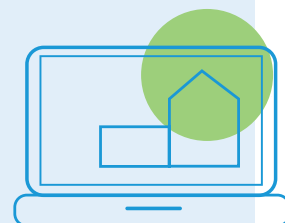
The past year has been remarkable. With an emphasis on listening to our customers and employees, we made exciting advances throughout 2017. We focused on ways to streamline processes and expedite product and service enhancements that make it easier for customers to bank with us. We also remained committed to our growth strategy in delivering strong, consistent results. Outlined in this year's annual report are just a few of the many exciting accomplishments we experienced at Camden National Corporation.

In 2017, we delivered a lengthy list of new products and services to position us for continued growth. We're pleased to share key highlights with you:

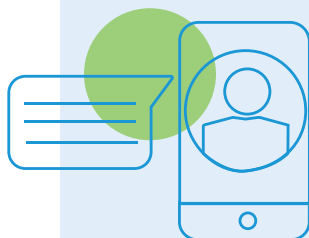


TreasuryLink™ – our secure online platform designed to offer advanced cash management, monitoring capabilities and controls for commercial and business clients

MortgageTouch™ – our online, paperless mortgage and home equity application system

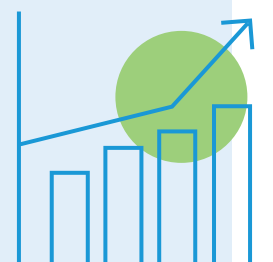


Onboard Deposits – our new deposit platform enhances and simplifies the account opening process for both customers and employees



Online Live Chat – augments our 24/7 customer assistance capabilities to quickly connect with our customers on their desktop computer or mobile phone

Investment Solutions – expanded for our wealth management clients to develop a comprehensive approach to asset allocation



Small Business Checking – our business solutions specifically tailored toward growing businesses with small to medium cash management needs



Product enhancements create an even better banking experience.

The impact of these investments in our products and services has been significant for our deposit growth and customer experience. TreasuryLink's comprehensive platform, which provides a smarter, easier way for businesses to automate their cash management, assisted in building new customer relationships that resulted in over \$120 million in deposits in 2017.



Likewise, the simplicity of MortgageTouch, complemented by the guidance of our local mortgage experts, has resulted in nearly 300 MortgageTouch applications processed since the online system's debut in April 2017. Some applications took customers as little as 10 minutes to complete.

The growing adoption of new online products and services in addition to an increase in online statements and notices reflects the desire many customers have to "go paperless" and streamline their banking experience. Our online chat feature was introduced in September 2017 to provide added convenience for customers who prefer to use a "chat" format for assistance. In its first four months of service, we recorded 3,300 chat conversations. Combined with our 24/7 live phone support, online chat gives customers the ability to reach a real person, in real time, even when banking centers are closed due to off-hours or weather.

These advancements complement our 60 banking centers, wealth management offices, loan offices in Manchester and Portsmouth, New Hampshire, and mortgage center in Braintree, Massachusetts. While more and more customers choose to utilize our online and mobile-based services, our banking centers conducted over 2.8 million transactions in 2017, and our Customer Assistance Center responded to over 220,000 calls and inquiries.

Our goal is to create an efficient, multichannel system for routine transactions so that our customers can rely on our well-trained employees to assist them in making better financial decisions, no matter how they choose to bank with us.

What our customers are saying about MortgageTouch™

"The MortgageTouch interface was extremely straightforward and simplified the whole process."

"MortgageTouch is a very user-friendly application, especially on my phone. I loved the guidance throughout the process that helped me better understand exactly what was needed from me and why."

CamdenCircle: Empowering customers to bank the way they want.

Through new and time-trusted ways of communicating, our customers' voices are shaping our personal approach to doing business and inspiring innovative product development and enhancements. Our commitment to deliver a first-class experience continues to evolve along with the needs of our customers, and took shape in 2017 as our newly branded CamdenCircle customer experience program. By leveraging our customer relationship management system to capture everyday feedback from our banking centers and phone interactions and engaging a nationally recognized survey firm to give voice to customers far and wide, we're always listening. Feedback from over 10,000 customers is validating our focus on empowering customers to bank the way they want, whether in person or digitally.

Advanced technology and security protect our valuable customer data.

We remain keenly focused on ensuring the safety and security of our customers' data. We utilize a layered approach that leverages our employees, processes and technology to manage and maintain cybersecurity controls. We employ a variety of prevention and detection tools to monitor and block suspicious activity, as well as to report on any suspected threats. Our Information Security and Information Technology teams work together to ensure we utilize the most up-to-date cybersecurity protection and methods. In addition to implementing web monitoring and data loss prevention tools, we have taken steps to upgrade our computing infrastructure and other technology to help protect customer data.

Our processes are supported by our debit card Fraud Center, which monitors customer accounts around the clock for suspicious activity. By introducing "My Profile" in online banking early in 2017, we've given customers an easier way to keep their contact information up-to-date with us so that we can contact them quickly by phone, text or email to keep their accounts secure.

What our customers are saying about TreasuryLink™

"Camden National Bank is known for providing Maine businesses with access to the latest innovations in online and mobile banking that bring real business benefits to organizations of all sizes here in Maine. CEI Capital Management was excited to be an early adopter of the new TreasuryLink service that provides enhanced functionality, control and, most importantly, security."

Jackie Lynds,

Treasury & Loan Servicing Manager, CEI Capital Management

Prioritizing employee engagement and development.

We believe that engaged, committed employees are essential to our success. We strategically decided to invest a portion of our anticipated tax savings in 2018 resulting from the Tax Cuts and Jobs Act of 2017 (“tax reform”) in employee development, financial education and a comprehensive review of nonexecutive compensation in order to attract and retain top talent. When we give our employees the support they need, they can grow professionally and make a genuine impact on both our customers and the communities we serve.

We are committed to helping our employees develop and grow. Several years ago, we created the Horizons Leadership Program, an internal program dedicated to the growth of high-potential employees from across Camden National Bank. Since its inception, over 60 employees have graduated from Horizons 100, and 40 from Horizons 200. Additionally, all employees are encouraged to continue learning through job shadowing, mentoring and applying for our education reimbursement program.

In the spirit of CamdenCircle, we also sought employee feedback throughout 2017 with our third employee engagement survey. The feedback process included learning sessions, a results review and team action items. This process prompts constructive feedback, ongoing improvement and consistent follow-up so that employees are heard and engaged. Our 2017 survey results revealed 78% engagement (a 2% increase from 18 months ago), placing Camden National Bank in the top 25% of financial service company respondents in the IBM Talent Management Solutions survey group. We are proud to share that this is the third survey in a row in which we have seen increases in both engagement and performance enablement, which is also above the finance industry norm.

Connected to our communities.

Our employees donated over 18,000 hours of service in 2017 to over 50 local charitable organizations and causes through volunteering and nonprofit board leadership.

hope@home: Since 2015, we’ve donated nearly \$250,000 to homeless shelters through our unique hope@home program. Every time a customer finances their new home with us, we donate \$100 to a local shelter — the impact truly adds up for those in need of vital support.

Leaders & Luminaries: To recognize outstanding community volunteerism and nonprofit board leadership, we awarded \$22,000 this year to seven deserving nonprofits. Since 2011, \$107,000 has been donated to 31 organizations through Leaders & Luminaries grants.

FAME: Our commitment to local businesses and job growth remains strong. 2017 marks the eighth time that we received the “Lender at Work for Maine” award from the Finance Authority of Maine (FAME). The award recognizes the highest-volume commercial loan guarantee partner in Maine. We were proud to partner with FAME in its largest loan financing last year for Casco Bay Food and Beverage.

Delivering consistently strong financial results.

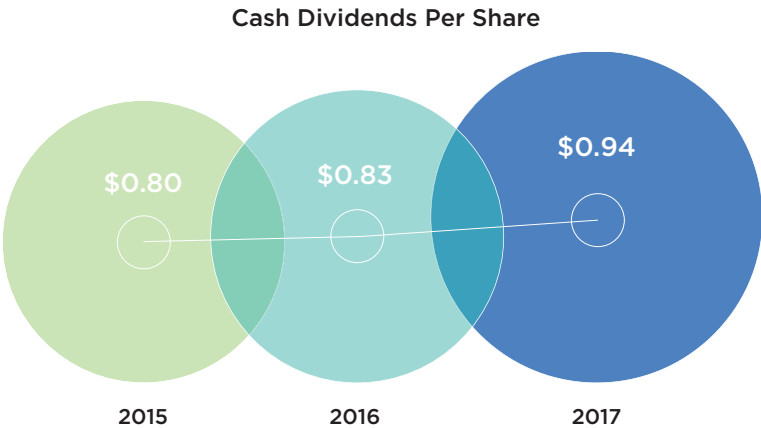
For 2017, Camden National Corporation reported net income of \$28.5 million and \$1.82 per share, compared to \$40.1 million and \$2.57 per share, respectively, for 2016. In late December 2017, tax reform passed, and we recorded a one-time \$14.3 million write-down of our deferred tax assets and liabilities to account for the decrease in the federal corporate income tax rate to 21%. Adjusted net income¹ and diluted earnings per share¹ for 2017, which exclude the impact of tax reform and certain other non-recurring transactions, were \$42.7 million and \$2.73 per share, respectively, representing an increase of 5% over 2016. Our adjusted return on average assets¹ reached 1.07% for 2017, and our adjusted return on average equity¹ was 10.51%.

Our solid operating results for 2017 were driven by favorable loan growth of 7% and deposit growth of 6% over 2016, as well as prudent expense control, which resulted in a 57.05% efficiency ratio¹ for 2017. Strong asset quality was also a major contributor to our financial success in 2017. Our net charge-offs to average loans ratio of 0.07% for 2017 was nearly half of what it was in 2016, while our nonperforming assets to total assets ratio declined to 0.50% at December 31, 2017, compared to 0.67% in 2016.

While tax reform certainly impacted our 2017 financial results, beginning in 2018, we expect to benefit from future tax savings. In January 2018, we were pleased to announce that all nonexecutive employees were granted a special cash bonus, and that we will also be increasing our investments in employees, community philanthropic efforts and customer-focused initiatives in 2018.

Our capital position remained strong at December 31, 2017, as our tangible equity to tangible assets ratio¹ was 7.66% and our total risk-based capital was 14.14%, well in excess of regulatory requirements.

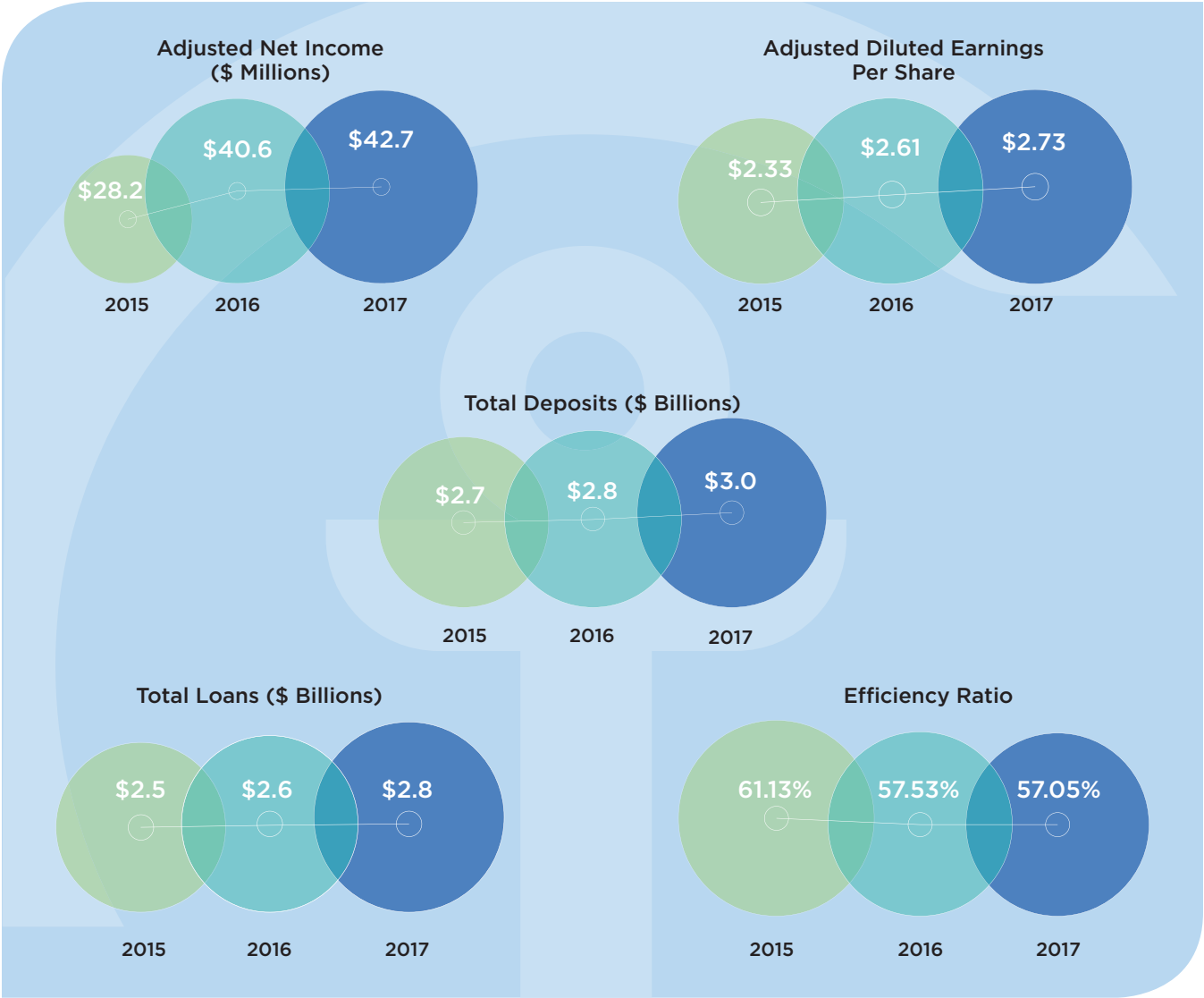
We remain focused on returning value to our shareholders through continued increases in cash dividends. In 2017, Camden National Corporation declared cash dividends of \$0.94 per share, representing a 13% increase over 2016. In December 2017, we announced an increase in our fourth quarter dividend of 9% to \$0.25 per share.



¹ The following was not calculated in accordance with generally accepted accounting principles ("GAAP"). Refer to the Company's 2017 Annual Report on Form 10-K for a complete reconciliation of GAAP to non-GAAP measures.

Financial highlights.

Camden National Corporation, headquartered in Camden, Maine, is the largest bank holding company in Northern New England with \$4.1 billion in assets and nearly 650 employees. Camden National Bank, its subsidiary, is a full-service community bank that offers an array of consumer and business financial products and services, accompanied by the latest in digital banking technology to empower customers to bank the way they want. The Bank provides personalized service through a network of 60 banking centers, 76 ATMs, and lending offices in New Hampshire and Massachusetts, all complemented by 24/7 live phone support. Comprehensive wealth management, investment and financial planning services are delivered by Camden National Wealth Management. Since its founding in 1875, the Bank has enjoyed a well-established reputation for financial security, consistent growth and strong community impact.



Financial highlights.

(Dollars in thousands, except per share data)

Earnings and Dividends

	2017 ⁽¹⁾	2016	2015	Year-over-Year Change 2017	2016
Total revenues	\$ 153,899	\$ 152,693	\$ 113,934	1%	34%
Total operating expenses	\$ 88,510	\$ 89,896	\$ 81,139	-2%	11%
Net income	\$ 28,476	\$ 40,067	\$ 20,952	-29%	91%
Adjusted net income ⁽²⁾	\$ 42,739	\$ 40,630	\$ 28,189	5%	44%

Per Share Data

Diluted earnings per share	\$ 1.82	\$ 2.57	\$ 1.73	-29%	49%
Adjusted diluted earnings per share ⁽²⁾	\$ 2.73	\$ 2.61	\$ 2.33	5%	12%
Cash dividends per share	\$ 0.94	\$ 0.83	\$ 0.80	13%	4%
Book value at end of period	\$ 25.99	\$ 25.30	\$ 23.69	3%	7%
Tangible book value at end of period ⁽²⁾	\$ 19.57	\$ 18.74	\$ 16.89	4%	11%
Closing stock price (at December 31 st)	\$ 42.13	\$ 44.45	\$ 29.39	-5%	51%

At Year End

Total assets	\$ 4,065,398	\$ 3,864,230	\$ 3,709,344	5%	4%
Total investment securities	\$ 907,642	\$ 897,679	\$ 855,995	1%	5%
Total loans and loans held for sale	\$ 2,790,542	\$ 2,609,400	\$ 2,501,164	7%	4%
Total deposits	\$ 3,000,491	\$ 2,828,529	\$ 2,726,379	6%	4%
Total shareholders' equity	\$ 403,413	\$ 391,547	\$ 363,190	3%	8%

Financial Ratios

Return on average assets	0.71%	1.04%	0.70%
Adjusted return on average assets ⁽²⁾	1.07%	1.06%	0.94%
Return on average equity	7.00%	10.47%	7.54%
Adjusted return on average equity ⁽²⁾	10.51%	10.62%	10.15%
Net interest margin	3.23%	3.32%	3.19%
Efficiency ratio ⁽²⁾	57.05%	57.53%	61.13%
Tier I leverage capital ratio	9.07%	8.83%	8.74%
Non-performing assets to total assets	0.50%	0.67%	0.66%

(1) 2017 includes a one-time charge of \$14.3 million for the re-valuation of its net deferred tax assets for the newly enacted federal corporate tax rate of 21%.

(2) This is a non-GAAP measure. Refer to the Company's 2017 Annual Report on Form 10-K for detailed calculation.

For a complete set of Consolidated Financial Statements, refer to the Company's 2017 Annual Report on Form 10-K.

Leadership changes maintain strong governance.

We saw several changes in the governance of our organization in 2017 due to our mandatory retirement age for directors. Karen Stanley retired after serving for seven years as chair of the board of directors of Camden National Corporation and Camden National Bank. During her tenure, she guided the organization through the post-financial crisis environment, the acquisition of 14 branches from Bank of America and the acquisition of SBM Financial Inc. in 2015. In September, longtime board director John Holmes also retired after serving for nearly 30 years as a director of Camden National Corporation and Camden National Bank and providing guidance to the board and management team on many levels, including serving on several significant committees, such as the Asset and Liability, Audit and Compensation committees. In February 2018, John Rohman also reached the board's mandatory retirement age. John, a local business and community leader, had served on the Governance and Risk, Loan Review and Compensation committees of Camden National Corporation and Camden National Bank since 2007.

In September 2017, Lawrence "Larry" Sterrs was named chair of the board of directors of Camden National Corporation and Camden National Bank. Larry has served on the board of directors for Camden National Corporation since January 2015. He is a member of the Compensation and Technology committees, and he became chair of the Governance and Risk committee when he succeeded Karen as board chair. He brings over 40 years of professional experience in the telecommunications industry. Larry is board chairman of UniTek, Inc., and its telecom subsidiary, UniTel, Inc., and he was formerly chief executive officer of each company. Since 2001, Larry has served as chairman and chief executive officer of the Unity Foundation, a public charity founded in 2000 that provides strategic grant-making as well as executive and board coaching to nonprofit organizations throughout Maine.

In 2017, we welcomed Craig Denekas to the board of Camden National Corporation. Craig also serves as trustee, chairman and chief executive officer of the Libra Foundation, a private grant-making charitable foundation based in Portland, Maine. This foundation embraces the sense of proportion and fairness defined by its name, Libra, to fulfill its mission of maintaining a balance and diversity of giving throughout the state of Maine and across all populations.

Thank you.

Our success is built upon a strong foundation, dedicated employees and a bright and promising future. Our commitment to our core values and key constituents—customers, communities, employees and shareholders—guides us through periods of rapid change. We remain focused on delivering sustainable long-term results and are poised to pursue new opportunities. We acknowledge and appreciate the support of our shareholders as we continue to deliver great experiences to all of our constituents.

With much appreciation,



Lawrence "Larry" J. Sterrs
Chair, Board of Directors



Gregory A. Dufour
President and Chief Executive Officer



Camden National Corporation

Board of Directors

Pictured from left to right (back row):

Craig N. Denekas, Ann W. Bresnahan, S. Catherine Longley, Carl J. Soderberg, David J. Ott, Lawrence J. Sterrs (Chair), James H. Page, Ph.D., and Gregory A. Dufour; *(front row)* David C. Flanagan



Camden National Bank

Board of Directors

Pictured from left to right (back row):

Gregory A. Dufour, Ann W. Bresnahan, David J. Ott, James L. Markos, Jr., David C. Flanagan, Carl J. Soderberg, Lawrence J. Sterrs (Chair), and William P. Dubord; *(front row)* Robert D. Merrill



Executive Management

Pictured from left to right (back row): Patricia A. Rose, Timothy P. Nightingale, Jennifer L. Mirabile, CFP®, CWS®, Deborah A. Jordan, CPA, Edmund M. Hayden III, Renée D. Smyth, and Joanne T. Campbell; *(front row)* Gregory A. Dufour

Corporate Information

Common Stock

Camden National Corporation's common stock is listed on the NASDAQ Global Select Market and is traded under the symbol CAC.

Annual Meeting

Camden National's 2018 Annual Meeting of Shareholders will be held Tuesday, April 24th, 2018 at 3:00 pm at the Point Lookout Conference Center, Hedges Hall, 67 Atlantic Highway, Northport, Maine 04849.

Shareholder Services

Camden National's shareholder services are provided by American Stock Transfer & Trust Company, LLC (AST). Shareholders may contact AST through one of the following methods:

ONLINE

Registered shareholders can view their account information by logging into AST's website, www.astfinancial.com. This website provides instructions on how to gain access to shareholder account information, perform certain transactions, request forms or participate in the Investors Choice Dividend Reinvestment & Direct Stock Purchase and Sale Plan. Shareholders may also e-mail our transfer agent at help@astfinancial.com.

TELEPHONE

Shareholders may call AST's toll-free number (800) 937-5449 for assistance.

WRITTEN CORRESPONDENCE

Shareholders should mail written account inquiries or other requests for assistance regarding stock ownership to:

Camden National Corporation
c/o American Stock Transfer & Trust Co., LLC
Operations Center
6201 15th Avenue
Brooklyn, NY 11219

Dividend Reinvestment, Stock Purchase and Sale

Camden National is pleased to offer the Investors Choice Dividend Reinvestment & Direct Stock Purchase and Sale Plan (Plan), a voluntary plan administered by AST. Under the Plan, shareholders may reinvest dividends, purchase additional shares, sell all or part of shares owned, or deposit their Camden National stock certificates for safekeeping or sale. For more information, call (800) 937-5449 or visit AST's website at www.astfinancial.com.

Financial Publications Available at No Charge

Additional copies of Camden National's Annual Report on Form 10-K, quarterly reports and other corporate publications are available, without charge, at CamdenNational.com or upon request by emailing IR@CamdenNational.com, calling (800) 860-8821 or by writing to:

Camden National Corporation
Attn: Investor Relations
P.O. Box 310, Camden, ME 04843-0310

Media Inquiries

Media representatives seeking general information should contact:

Renée Smyth
Chief Experience & Marketing Officer
(207) 518-5607
rsmyth@CamdenNational.com

Analyst Coverage

The following analysts published research about Camden National in 2017:

Keefe, Bruyette & Woods, Inc.
Piper Jaffray

LOCATION KEY

- Camden National Bank
- ▲ Camden National Wealth Management

Greenville
Dover-Foxcroft
Milo
Calais
Bingham
Corinth
Old Town
Madison
Hermon
Bangor (2)
Newport Hampden
Brewer
Machias
Bucksport
Ellsworth (2)
Waterville (2)
Belfast (2)
Blue Hill
Town Hill
Milbridge
Jonesport
Oakland
Union
Castine
Manchester
Winthrop
Augusta (4)
Camden (2)
Hallowell
Randolph
Rockland
Stonington
Lewiston
Gardiner
Vinalhaven
Auburn
Richmond
Waldoboro
Thomaston
Topsham
Wiscasset
Damariscotta
Brunswick (2)
Bath
Boothbay Harbor
Falmouth
Portland
Saco
Kennebunk
York
Manchester
Portsmouth
Braintree