DEAR SHAREHOLDERS

130 YEARS OF SUCCESS

Camden National Corporation is a publicly held, multi-bank, financial services holding company headquartered in Camden, Maine. With an emphasis on community banking, the Company provides consumer and commercial banking products and services through its Camden National Bank and UnitedKingfield Bank subsidiaries, and wealth management, retirement and investment management services through Acadia Trust, N.A. With roots that can be traced back to 1875, Camden National Corporation now holds $1.7 billion in assets. The Company is listed on the American Stock Exchange, the Russell 3000® Index and the Russell 2000® Index under the symbol CAC.

This core purpose and these core values constitute CAMDEN NATIONAL CORPORATION’S core ideology and its timeless character.

CORE PURPOSE

Through each interaction, we will enrich the lives of people, help businesses succeed, and vitalize communities.

CORE VALUES

Honesty and Integrity
above all else

Trust
built on fairness

Service
second to none

Responsibility
to use our resources for the greater good

Excellence
through hard work and lifelong learning

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DEAR SHAREHOLDERS

While some might view the task of composing a Shareholder Letter for their Annual Report as an obligatory ritual, one more addition to an otherwise busy schedule, we would like to assure you that for each of us it is a much-anticipated event. Indeed, we view this occasion as an opportunity to reflect with you on the many developments of the past year and, even more importantly, to preview what the future may have in store for our Company.

What causes us to be considerably more buoyant and reflective is the fact that we celebrated a significant historical milestone in 2005—the attainment of our 130th anniversary as a community banking enterprise. While we have no specific facts to back up this next assertion, it is probably a safe bet that we are among the top 10% in business longevity here in this country. Does knowing the precise ranking among our centenarian counterparts really matter? Not really. What’s important for us is the pride that has developed around our Company’s heritage and the fact that its core ideology, honed since 1875 and outlined in this Report’s introduction, is still firmly intact.

You may recall in last year’s Annual Report how we spoke of having formulated our Enduring Vision, a ten- to thirty-year roadmap designed to provide clarity to our workforce about the Company’s strategic direction and ensure our place as a national model for sustainable community banking. During 2005, a considerable amount of time and energy was devoted to developing and implementing the strategic plan that will help us realize our long-term vision. Not only were Senior Managers and Directors involved in this process, but five newly-formed Vision Teams, comprised of Company top performers, also became key contributors as well—all part of creating more inclusiveness among our workforce.
The result was the identification of strategic priorities meant to capitalize on our strengths and address our weaknesses. The participants attempted to, as Jim Collins, author of Good to Great, terms it, “face the brutal facts.” In this counter-intuitive business classic, Collins advances certain well-accepted notions of why few businesses achieve greatness and most don’t. Our willingness to accept that the best opportunities for growth and improvement might possibly be found among the things we do least well as an enterprise certainly provoked considerable debate within the Company. Some might call it “enlightened thinking.”

The consensus arrived at between management and Company Directors was the need to focus our energy in three critical areas—now referred to as our Strategic Trinity—those being quality revenue growth, low-cost funding and generation and developing what Collins terms the “right people.” Within each of these strategic priorities countless tactical initiatives aimed at effecting desired near- and long-term outcomes were conceived. The following will provide select visible examples of our successful journey towards that end.

The Camden National Experience—Providing remarkable experiences for our Customers underpins all that we do in the fulfillment of our Enduring Vision. It goes without saying that without the Customer our reason for being ceases to exist. Thus, the clarion call emanating from the Company-wide participation in the “Customer” program, “always remember that the Customer pays our salary.”

To draw daily attention to this charge, we implemented The Camden National Experience, our singularly distinct Customer service program that has elevated both awareness and execution of remarkable service-related practices. To complement the program, we introduced a concept that encourages every Stakeholder to become a champion for innovation. The theory being that performance improvement, which includes producing more revenues and profit, can often be achieved simply by rethinking processes and applications, and not necessarily by spending more capital. We formed a “Soft Innovation Society” within the Company that now boasts over 20 members.

Product Solutions – it clearly within our workforce was deemed critical to our Company’s future success, so too was it desired for our checking account Customers, the greatest source of low-cost funding. Born out of this thinking was the roll out of the Company’s new lifestyle checking solution product set, the Onward, Compass and Anchor Solutions, which include our newly minted “Your Life Solutions” value-added feature. Supporting the launch of this simplified product offering was the introduction of a new branch platform technology that expedites account opening and enhances the cross-selling process, the latter designed to deepen our Customer relationships. With nearly 40% of our households utilizing but one service, it is clear the potential that lies before us.

Corporate Restructure – Though the subject of bank franchise integration has often cropped up in strategic discussions during the ten years since we became a multi-bank holding company, the reasons against always seemed to outweigh the reasons for, until this past year, the time. Through the process of communicating our Enduring Vision, implementing The Camden National Experience service concept and developing universal product sets and administrative procedures, it suddenly became clear that the costs associated with marketing two separate brands and governing multiple legal entities could be put to better use.

While skeptics may view our decision to integrate United/KeyBank into the remaining Camden National Bank enterprise as a move driven purely by short-term bottom line considerations, let us be the first to assure you that the driver of this decision was, and continues to be, improved Customer service, which, yes, is expected to benefit the Company’s bottom line, but in the longer term.

Another major thrust towards improving Customer service starts with a significant investment in technology during 2006, a move necessitated by our desire to successfully meet the Company’s growth imperative. While to the uninitiated technology may seem removed from the arena of Customer service, we are reminded every day how data drives information, information drives knowledge, knowledge drives innovation, innovation drives productivity, and productivity drives growth. Every one of these elements factors prominently in the delivery of great service to our Customers.

All this talk and excitement surrounding the Company’s vision and strategic initiatives, past and future, nearly had us forgetting one other piece of good news—the past year’s financial performance results.

Following a year of planned retooling in 2004, Camden National Corporation generated net income of $21.4 million in 2005, an increase of 9.7% over the previous fiscal period. Net income per diluted share was $2.80, up 10.7% over the $2.53 reported a year earlier. Looking at the five-year period 2000 to 2005, earnings per diluted share grew at a compound annual rate of 10.7%. This record of performance is consistent with our commitment to enhancing long-term shareholder value.

Return on assets and return on equity for 2005 were 1.34% and 16.99%, respectively. Both measures continue to place us in the top tier when compared to our peers. By year-end, all-time highs were reached in total assets of $1.7 billion, loans of $1.2 billion and deposits of $1.2 billion, ranking the Company second in size among all banking institutions principally-owned and headquartered in the State of Maine. The solid growth in our balance sheet, coupled with an above average efficiency ratio of 49.88%, mitigated the adverse effect of an eroding net interest margin, which at 3.68%, was down from 3.76% in 2004. The eight increases in the Federal Funds Rate, orchestrated by the Federal Reserve Bank during 2005, helped slow down the latter trend. However, current interest rate forecasts for 2006 show little hope for any immediate reversal of this narrowing margin and its challenging effect on net interest income.

Non-interest income was $10.1 million for 2005, a decrease of 11.8% compared to the prior year. Contributing to the decline was the 2005 sale of $23.0 million of investments maturing in 2006 in order to reinvest the funds into higher yielding securities, which is expected to produce greater earnings between the sale date and the original maturity in 2006. The sale resulted in a $332,000 loss in 2005 compared to a $684,000 gain on the sale of securities in 2004.

Given that the primary source of revenues for the Company is its loan portfolio, it seems only prudent to provide you with a snapshot of how we ended the year. In 2005 the Company provided $1.3 million to the allowance for loan and lease losses (“ALLL”) compared to a net recovery of $685,000 in 2004. This addition to ALLL was a result of $112.9 million in loans during 2005, an increase in non-performing loans as a percentage of total loans to 5.79% at year-end compared to 0.60% at the same time a year ago, and net charge-offs of $739,000, or 0.06%, of loans outstanding at December 31, 2005 compared to net recoveries of $191,000, or (0.02%), of loans at the previous year-end. The deterioration noted is a reflection of weakening economic conditions in the natural resources and tourism-related business sectors within our State. Although the Company’s credit risk performance indicators compare favorably to industry experience, we have elected, as a customary matter of precaution, to augment manpower resources dedicated to risk management until such time as we see stabilization in the economy.

On February 7, 2006, the Maine Law Court upheld a judgment for the plaintiff, Steamship Navigation et al, in its legal dispute with Camden National Bank. You may recall that in September of 2004, the plaintiff had been awarded $1.5 million by a Superior Court jury on a single count of “breach of oral contract.” Twenty of the original twenty-one counts filed against the Bank and former Bank employees were dismissed prior to or during the trial. In light of an earlier judgment obtained by the Bank against the plaintiff, which partially offsets the awarded damages, the Company does not believe the net settlement with the plaintiff will be material.

During the past year, several changes occurred relative to the composition of the Company’s Board of Directors. In August, Arthur E. Strout attained the mandatory age for retirement following 25 years of loyal service to the Company and its subsidiaries, Camden National Bank and Acadia Trust, N.A. In September, David C. Flanagan was appointed a Director of the Company. He will remain on the Camden National Bank Board of Directors where he has served since 1998. Lastly, it is with great sadness that we acknowledge the passing of Richard N. Simoneau, who served on the Company’s and Camden National Bank’s Boards of Directors since 1978. Mr. Simoneau was also Chairman of the Company’s Audit Committee where he worked diligently on your behalf to ensure the Company’s financial statements were prepared in accordance with all applicable laws and regulations. In September, Mr. Simoneau was appointed a Director of the Company. He will remain on the Camden National Bank Board of Directors where he has served since 1998. Lastly, it is with great sadness that we acknowledge the passing of Richard N. Simoneau, who served on the Company’s and Camden National Bank’s Boards of Directors since 1978. Mr. Simoneau was also Chairman of the Company’s Audit Committee where he worked diligently on your behalf to ensure the Company’s financial statements were prepared in accordance with all applicable laws and regulations. Mr. Simoneau was also Chairman of the Company’s Audit Committee where he worked diligently on your behalf to ensure the Company’s financial statements were prepared in accordance with all applicable laws and regulations. Mr. Simoneau was also Chairman of the Company’s Audit Committee where he worked diligently on your behalf to ensure the Company’s financial statements were prepared in accordance with all applicable laws and regulations. Mr. Simoneau was also Chairman of the Company’s Audit Committee where he worked diligently on your behalf to ensure the Company’s financial statements were prepared in accordance with all applicable laws and regulations. Mr. Simoneau was also Chairman of the Company’s Audit Committee where he worked diligently on your behalf to ensure the Company’s financial statements were prepared in accordance with all applicable laws and regulations. Mr. Simoneau was also Chairman of the Company’s Audit Committee where he worked diligently on your behalf to ensure the Company’s financial statements were prepared in accordance with all applicable laws and regulations. Mr. Simoneau was also Chairman of the Company’s Audit Committee where he worked diligently on your behalf to ensure the Company’s financial statements were prepared in accordance with all applicable laws and regulations.

In our previous letter to you, we concluded by outlining the key elements to a successful future: our ability to develop great business talent and every detail. Translation: Accountability—Innovation—Execution.
A TRADITION BORN IN 1875

Camden National Bank was founded in 1875, located in the back room of what was then the town’s 5 & 10 building on the corner of Elm and Chestnut Streets, where our Main Office stands today. Our purpose then was to serve the needs of our community by supporting the purchase of new homes and the development of new businesses. Today, our purpose remains the same, as we continue to build the prosperity of individuals, businesses and our local communities.

We remain dedicated to preserving the Maine way of life so important to us all. As part of this tradition, each year Camden National Bank celebrates its commitment to independence as a Maine-based community bank. Our Customers look forward to our trademark popcorn and live, local music in each of our branches come the first Friday in June. We look forward to thanking our Customers for allowing us to serve them, year after year. In this case, we think growing older is an investment in our future.

CONTINUING OUR TRADITION TODAY

This past year, we celebrated the Bank’s Independence Day on June 3 as a special way to kick off the 130th anniversary of our founding as a community bank. This anniversary marks another milestone in our growth and longevity as one of Maine’s few remaining independent financial institutions providing a full array of products and services. From checking accounts and loans at both of our community banks to retirement accounts and trust services at Acadia Trust, N.A., our wealth management subsidiary, we are proud to say that we continue to be a Maine company.

FOCUSING ON TOMORROW

To remain an example of sustainable community banking in today’s rapidly changing environment, as we have for more than 130 years, it is imperative that we efficiently support our strategic growth objectives, while at the same time deepen our ties to our Customers and the communities we serve.

To this end, we announced in early January 2006 that we will combine our two banking subsidiaries later this year when Camden National Bank and UnitedKingfield Bank will join together under the Camden National Bank name. UnitedKingfield Bank has been part of the Camden National family since the acquisition of United Bank in 1995 and Kingfield Savings Bank in 1999. And so, in many respects, this is only a change in name, as the Stakeholders who serve our Customers daily will remain the same and in the same locations.

While Robert Daigle continues in his role as President and Chief Executive Officer of Camden National Corporation, Gregory Dufour has been named President and Chief Executive Officer of Camden National Bank. Jeffrey Smith will become Executive Vice President and Chief Operating Officer of the Bank and will also be responsible for managing the transition process. Greg has served as President and Chief Operating Officer of Camden National Bank since 2004 while Jeff has been his counterpart at UnitedKingfield Bank. The Bank's management team will also include Tim Nightingale, Senior Vice President and Senior Loan Officer; June Parent, Senior Vice President overseeing Retail Distribution; and James Ritter, Senior Vice President overseeing Strategic Development and Marketing. Jack Williams, Senior Vice President and Senior Regional Manager—Midcoast, will lead Community Relations. Claude Carbonneau, Senior Vice President, will lead the Bank’s newly created commercial deposit strategic initiative.

Combining the two Banks will allow the Company to redirect resources from administrative efforts to areas that will ultimately improve our service to Customers in all of our markets, to ensure our continued success as an independent, Maine-based company, and more importantly, to fulfill the ideals of our founders established in 1875.
In 1925, on our Company’s fiftieth anniversary, our management predecessors, led by our sixth president, Charles C. Wood, wrote the following in the pamphlet Looking Over 50 Years:

“So today—fifty years from our small beginning, we believe we are doing everything to make the Camden National Bank a safe place for your money and a friendly place where you may come and enjoy the advice and counsel of our officers. You may be assured always of a hearty welcome.”

In 2005, almost 130 years after our founding and 80 years since Mr. Wood wrote those words, a group of managers, led by Camden National Bank’s eleventh president, Gregory Dufour, affirmed Camden National’s commitment to our singular point of distinction that has been part of Camden National since its founding. We call it “The Camden National Experience.”

OUR PASSION

Our belief in The Camden National Experience, our Customer-to-Stakeholder interaction, is so strong that it can be seen in our Company’s Core Purpose—“Through each interaction, we will enrich the lives of people, help businesses succeed, and vitalize communities.”

While the ways we connect with our Customers have expanded from a single branch in Camden in 1875, to today having 27 branch locations, telephone services and a Web site, our focus on delivering “The Experience” in each interaction is our commitment to delivering quality products and services to our Customers.

The Experience is the added “touch” when your favorite teller greets you by name, a commercial lender mentions seeing your child named to the school honor roll, or a Stakeholder stops to say hello to you on the street. While you may feel good about the product or service you enjoy from a Camden National subsidiary, it is The Camden National Experience that makes you feel great.

DELIVERING THE EXPERIENCE

In 2005, we handled more than 2.2 million Customer transactions through our Banks’ branches and over 93,000 Customer phone calls through our Customer Assistance Center. And finally, over 700,000 visits were made to our Web site. In many ways, The Experience raises the level of service that we provide to our Customers, which is only made possible through a team of dedicated Stakeholders.

They include Stakeholders like Tom Corcoran, who handles nearly 100 calls per day in our Customer Assistance Center, and recognizes his regular Customers while treating new Customers with the same welcome. We’re also fortunate to have Stakeholders like Kathy Ryder from our UnitedKingfield Bangor branch who uses the power of a smile to welcome a Customer to her teller station. The Experience is also a major part of our service staff based at the Hanley Center in Rockport, Maine, where Stakeholders like Monica Tolman in our Loan Production Center process Customer requests in a timely fashion.

GUIDANCE FOR OUR FUTURE INVESTMENTS

Our commitment to The Camden National Experience is shown by our willingness to invest in people, processes and systems that will enhance The Experience for our Customers. During 2005, we invested in a state-of-the-art Encore® platform automation system. This significantly reduces the amount of time required to open new accounts, while at the same time meets many new regulatory requirements. We also updated our Web site during the year, resulting in a more user-friendly process that makes a personal connection to our Customers through the Internet.

More importantly, our Stakeholders have led the way by showing their commitment to The Experience as examples of one of our Core Values—Excellence, through hard work and lifelong learning. Our Stakeholders voluntarily attended at least one of our “Experience” classes, which were developed by our Stakeholder Development Center. This combination of in-house development of an important training class, along with dedication by our Stakeholders, exemplifies our feeling that like success, The Experience is a journey, not a destination.

Customers are greeted at Camden National Bank’s Main Office in downtown Camden, where our flagship branch remains located to this day.
OUR VISION IN ACTION

Our Core Purpose

Through each interaction, we will enrich the lives of people, help businesses succeed, and vitalize communities.

Our Core Purpose is at the root of every decision we make and every action we take. It has been this way since 1875 when one deposit helped create the foundation for a legacy of community focus, spirit and commitment. With that deposit, Camden National Bank established itself as a business partner ready to assist local entrepreneurs who wanted to start new businesses and citizens who dreamed of homeownership and better lives. Together, we vitalized our community.

We have been guided by these simple principles for more than 130 years, and they will guide us into the future. We know that we will remain true to our roots by maintaining our commitment to local Customers and businesses when later this year, our two banking subsidiaries will become one Bank under the Camden National Bank name. As one Bank, our ability to impact people and businesses at the State level will become more prominent. This responsibility, when leveraged locally within all of the communities we serve, will allow us to remain true to our roots and, at the same time, use our resources for the greater good.

ENRICHING THE LIVES OF PEOPLE

Creating an environment that will help develop and sustain economic growth is, we believe, essential to enriching the lives of people. When our Governor formed the Creative Economy Advisory Council to spur Maine’s economic development in an idea- rather than a goods-driven environment, he asked our Company’s President and Chief Executive Officer, Robert Daigle, to join the Advisory Council. With such leadership, the Governor’s Creative Economy Advisory Council is moving this initiative forward in terms of funding, planning, education and implementation. We feel that having a personal investment in such an important initiative will not only help Maine leverage its creative strengths within the global economy, but also continue to position Camden National as a leader with vision for the current and future needs of our Customers.

HELPING BUSINESSES SUCCEED

Thriving businesses in our local communities are important for all of us. To that end, we hosted a day-long working session for Leadership Maine, a Maine Development Foundation program, designed to build a broader pool of talented leaders in Maine to help shape our State’s future. Several of our Stakeholders, themselves graduates of Leadership Maine, helped devise a panel presentation and tour of local businesses to introduce the Leadership Maine participants from around the State to the diversity and vitality of Midcoast businesses.

The importance of helping businesses succeed is evident in our support to Atlantic Challenge, an organization that provides experiential education programs for young people to learn more about the marine industry, including the art of boatbuilding in the traditional Maine way. As the boatbuilding industry evolves to include leveraging composites and other new materials to build ships, these students will have learned the fundamental skills needed to thrive in this industry. Also, they will have an appreciation for the peripheral businesses that support the marine industry. Our support to provide scholarships to young people interested in the art of boatbuilding is one example of how we are helping businesses and the future of this historical industry in Maine.

VITALIZING COMMUNITIES

We believe that when we have the ability to assist in vitalizing our communities, we have an obligation to do so. In the fall of 2005, UnitedKingfield Bank President Jeffrey Smith demonstrated this commitment when he spearheaded a Company-wide effort to support our local communities through a variety of initiatives, such as providing heating oil assistance through an organization that helps local Mainers in need during winter. Jeff also led an effort to extend our outreach during an extraordinary time of national need with donations to the Pine Tree Chapter of the American Red Cross to help generate relief funds for those impacted by Hurricane Katrina.

Our tenets are not new. We simply look for new ways to embody them in our communities.
IT STARTED WITH A SINGLE DEPOSIT!

Henry Alden, our first depositor, opened an account at Camden National Bank in late December 1875, and we subsequently closed out the balance sheets for that year just a few days later with $20,000 in deposits.

Today, with more than $1.7 billion in assets, we have over 50,000 Customer households supporting the growth of $1.2 billion in loans and that same amount in deposits. Our Company’s products and services philosophy remains remarkably, and intentionally, the same as it was in 1875—provide our Customers with the products and services they need, at a value they deserve.

While we can still trace our roots back to 1875 and a savings account, we have developed over the years an expertise in a variety of products and services ranging from home equity loans to complex commercial real estate loan structures, and from simple savings accounts to fully managed trust relationships at Acadia Trust, N.A.

OUR PRODUCTS AND SERVICES IN ACTION

In 2005, we opened many new account relationships through our banking subsidiaries while deepening our relationships with our existing Customers. We take pride in all of our relationships, and it’s especially rewarding to open a “Penny the Pig Savings Club” account for a young Customer’s first banking relationship, and to help teach the child to save.

Our ability to also help businesses through commercial loans and small business loans is critical. Our staff of commercial lenders enabled businesses to use more than $166 million in new capital for commercial development in the State of Maine.

Additionally, the efforts of our banking subsidiaries are complemented by our wealth management subsidiary, Acadia Trust, N.A. Just as we are excited with a young new saver, we also take pride in helping to create long-term financial security for our more established Customers. In 2005, more than 80 businesses and 5,400 employees benefitted from either 401(k) plans or related benefit plans managed by Acadia Trust, N.A. Overall assets under management at Acadia Trust, N.A. grew to nearly $700 million.

NEW PRODUCTS AND SERVICES

We know that when our Customers build a complete relationship with us, they rely on us for future financial services; therefore, we continue to meet the needs of our Customers in today’s environment by constantly developing new products. During 2005 we established several new products and services that will help us build deeper and long-lasting relationships with our Customers:

Cash Management for Businesses. Our Cash Management services, which we call Business Access, help streamline the way businesses manage their accounts. We’ve eased managing payroll accounts by creating sweeps between deposit accounts and lines of credit, auditing cash flow, as well as other functions, all to benefit our Customers.

Unique Debit Cards—Check-writing Made Even Easier! With nearly 150,000 debit card transactions processed per month, we realize the importance and the personal nature of a debit card to our Customers. As one of the only banks in the Northeast to give Customers a choice among several options of debit cards, including a Platinum Debit Card, we know our product is distinct. And we understand that giving Customers the ability to choose the Debit Card they place in their wallet only enhances their relationship with us.

As we move forward in 2006, we’ll continue to provide our Customers with the right product at the right time in their lives. Already this year, we have introduced a new checking solutions product set designed to better meet the needs of our Customers. Whether our Customers find themselves on the go and need electronic access to their accounts, or have reached a level of financial maturity and need their assets to grow, we have the right product to help them succeed.

Our business began in 1875 with a single deposit. Since then, we have developed our products and services to follow our tradition of focusing on each account relationship to ensure we meet our Customers’ needs.

Above: (Left) New Camden National Bank Debit Cards were offered in September 2005; (Middle) Acadia Trust, N.A. works to ensure the best return for our Customers; (Right) An example of a Camden National Bank advertisement depicts our ability to offer financial guidance.

Right: Camden National Bank’s re-designed Web site was unveiled in July 2005. Easy and accessible, our Web site is an extension of our personal in-branch Experience.
OUR COMMUNITY SERVICE

“We enter our fifty-first year with a deeper realization than ever before of our duties and our opportunities measured in terms of community needs and community service.”

Looking Over 50 Years, History of Camden National Bank, 1925

“There is a sense of responsibility—to use our resources for the greater good.”

Core Values, Camden National Corporation, 2005

Throughout our history, service to our communities has been a cornerstone of the culture of Camden National. While some organizations will use the term “community bank” as a way to differentiate themselves based on asset size or geographic location, we at Camden National define a “community bank” as being an active member of each community we serve.

In 2005, the Stakeholders of Camden National Corporation and its subsidiaries gave more than 22,000 hours of their own time to more than 500 community organizations. Our Stakeholders’ commitment is fostered by a culture of “giving back.”

OUR ACTIONS

Some notable Stakeholder actions include Laurel Bouchard, Camden National Corporation Senior Vice President and Chief Administrative Officer, who as an alumna of Lincoln Academy, a public/private high school located in Newcastle, Maine, has returned to serve as a trustee as well as a committee member of the Academy’s capital campaign.

Vera Rand, Vice President of Commercial Lending at Camden National Bank, lists her involvement in the Women, Work & Community organization, which provides start-up business information and advice to women entrepreneurs. This is in addition to Vera’s other activities, which include work with Harbor Schools of Maine and the Waldo County Preschool and Family Services.

Additionally, the Company’s direct financial support is given to a wide variety of organizations, which help build our State’s economy through research, such as the Lobster Institute, education, such as Carrabassett Valley Academy, and economic development efforts, such as the Waldoboro Business Association, which consists of more than 40 small businesses in Lincoln County, Maine.

PARTNERSHIPS

The Company’s community involvement is heightened when long-lasting partnerships can be formed, such as the relationship between Camden National Bank and Bay Chamber Concerts.

This partnership began about 45 years ago, when Tom Wolfe, now Executive Director of Bay Chamber Concerts, and his brother Andy, who passed away in 1985, came to Camden National Bank to open a checking account. They had recently created an organization called Bay Chamber Concerts, and needed a checking account in which to place their first donation they received on behalf of their new organization. Their dad had to assist them when they opened the account because, as teenagers, they were still too young to open one by themselves!

In 2005, the Bank entered the second of a multi-year commitment to underwrite all youth and family programming for the internationally known Bay Chamber Concerts based in Rockport, Maine. In addition to exposing youth and their families to world-class musicians and performers in a theater setting, the Youth and Family Program series also includes a significant amount of outreach by the visiting performers to the area’s local schools. In fact, in 2005, more than 5,000 students from 25 schools were impacted by the Bay Chamber Concerts Youth and Family Program series.

Working with organizations such as Bay Chamber Concerts helps us encourage the aspirations of a child, and this is what we feel makes our bank a “community bank.”

Overall, Camden National’s commitment is to balance the needs of our constituencies—our Shareholders, Customers, Stakeholders and Communities—by using our resources for the greater good. As we embrace the future, we will continue this approach to our commitment and service to our communities.

“Responsibility—to use our resources for the greater good.”

Core Values, Camden National Corporation, 2005

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In addition to our efforts to keep Customer’s information up to date, we also recognize the importance of our People in creating a remarkable Camden National Experience. Our People are the heart and soul of our organization, and they are instrumental in delivering exceptional service to our Customers.

On behalf of all management at Camden National Corporation and its subsidiaries, we thank you for doing a superior job supporting our Customers, “Each Day—Every Day.”

Above: Stakeholders are represented from various areas of our Company. (Left) The Items Processing team at the Hanley Center works to process over 1 million items per year. (Middle) Stakeholders gather at the Bangor Bank’s Bangor branch. (Right) Stakeholders meet at Acadia Trust, N.A. in Bangor.

Right: Vanessa Ellis, a roller at Camden National Bank, was recently recognized for creating a remarkable Camden National Experience.
“Our vision is to be a national model for sustainable community banking ~ whose shareholders buy and hold the Company’s stock because they care as much about social and corporate responsibility as they do about profitability.”

Robert W. Daigle
President and Chief Executive Officer

From a time when we issued our own currency, to being listed on the American Stock Exchange in 1997, Camden National Corporation’s growth over 130 years is impressive.

**STOCK PRICE PER SHARE 1981–2005**

Per share amounts above have been restated to reflect stock splits during the periods presented. Data prior to 1995 excludes United Bank and data prior to 1999 excludes UnitedKingfield Bank.

**INVESTMENT OF $10,000 OVER 25 YEARS 1981–2005**

The chart above reflects the change in value over 25 years of an initial investment of $10,000 in CNC stock.

**ASSET GROWTH 1981–2005**

Increases in assets due to mergers are reflected as of the date of acquisition.

Above: From left to right, the changes in Camden National Bank’s flagship Main Office, from the early 1950s to today.
### SELECTED FIVE-YEAR FINANCIAL DATA

#### DECEMBER 31,

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>$1,653,257</td>
<td>$1,489,865</td>
<td>$1,370,363</td>
<td>$1,218,419</td>
<td>$1,089,355</td>
</tr>
<tr>
<td>Loans</td>
<td>1,182,175</td>
<td>1,069,294</td>
<td>966,855</td>
<td>808,882</td>
<td>724,042</td>
</tr>
<tr>
<td>Allowance for Loan and Lease Losses</td>
<td>14,167</td>
<td>13,641</td>
<td>14,135</td>
<td>15,242</td>
<td>13,514</td>
</tr>
<tr>
<td>Investments</td>
<td>367,629</td>
<td>323,998</td>
<td>303,749</td>
<td>314,775</td>
<td>263,810</td>
</tr>
<tr>
<td>Deposits</td>
<td>1,163,905</td>
<td>1,014,601</td>
<td>900,996</td>
<td>850,134</td>
<td>763,568</td>
</tr>
<tr>
<td>Borrowings</td>
<td>347,039</td>
<td>336,820</td>
<td>338,408</td>
<td>238,861</td>
<td>210,843</td>
</tr>
<tr>
<td>Shareholders' Equity</td>
<td>129,538</td>
<td>126,405</td>
<td>119,706</td>
<td>118,828</td>
<td>105,068</td>
</tr>
</tbody>
</table>

#### OPERATIONS DATA

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income</td>
<td>$89,721</td>
<td>$73,377</td>
<td>$72,146</td>
<td>$74,572</td>
<td>$79,870</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>$34,697</td>
<td>$24,365</td>
<td>$24,487</td>
<td>$27,715</td>
<td>$35,689</td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>$55,024</td>
<td>$49,012</td>
<td>$47,659</td>
<td>$46,857</td>
<td>$44,181</td>
</tr>
<tr>
<td>Provision for (Recovery of) Loan and Lease Losses</td>
<td>$1,265</td>
<td>$685</td>
<td>$150</td>
<td>$3,080</td>
<td>$3,681</td>
</tr>
<tr>
<td>Net Interest Income after Provision for (Recovery of) Loan and Lease Losses</td>
<td>$53,759</td>
<td>$49,697</td>
<td>$47,809</td>
<td>$43,777</td>
<td>$40,500</td>
</tr>
<tr>
<td>Non-interest Income</td>
<td>$10,050</td>
<td>$11,399</td>
<td>$10,829</td>
<td>$14,459</td>
<td>$13,094</td>
</tr>
<tr>
<td>Non-interest Expense</td>
<td>$32,461</td>
<td>$31,882</td>
<td>$30,424</td>
<td>$32,311</td>
<td>$31,014</td>
</tr>
<tr>
<td>Income before Provision for Income Tax</td>
<td>$31,348</td>
<td>$29,214</td>
<td>$28,214</td>
<td>$25,925</td>
<td>$22,580</td>
</tr>
<tr>
<td>Income Tax Expense</td>
<td>$9,968</td>
<td>$9,721</td>
<td>$9,286</td>
<td>$8,425</td>
<td>$7,162</td>
</tr>
<tr>
<td>Cumulative Effect of Change in Accounting, net</td>
<td>$21,380</td>
<td>$19,493</td>
<td>$18,928</td>
<td>$17,051</td>
<td>$15,418</td>
</tr>
</tbody>
</table>

#### OTHER DATA

<table>
<thead>
<tr>
<th>Year or For the Year Ended December 31,</th>
<th>2005</th>
<th>2004</th>
<th>2003</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Earnings Per Share</td>
<td>$2.81</td>
<td>$2.54</td>
<td>$2.39</td>
<td>$2.12</td>
<td>$1.90</td>
</tr>
<tr>
<td>Diluted Earnings Per Share</td>
<td>2.80</td>
<td>2.53</td>
<td>2.38</td>
<td>2.11</td>
<td>1.89</td>
</tr>
<tr>
<td>Dividends Per Share</td>
<td>1.30</td>
<td>0.80</td>
<td>0.72</td>
<td>0.68</td>
<td>0.64</td>
</tr>
<tr>
<td>Book Value Per Share</td>
<td>17.21</td>
<td>16.56</td>
<td>15.43</td>
<td>14.80</td>
<td>13.04</td>
</tr>
<tr>
<td>Tangible Book Value Per Share (1)</td>
<td>16.40</td>
<td>15.65</td>
<td>14.48</td>
<td>13.77</td>
<td>11.81</td>
</tr>
<tr>
<td>Return on Average Assets</td>
<td>13.4%</td>
<td>1.40%</td>
<td>1.48%</td>
<td>1.48%</td>
<td>1.47%</td>
</tr>
<tr>
<td>Return on Average Equity</td>
<td>16.99%</td>
<td>15.97%</td>
<td>15.85%</td>
<td>15.38%</td>
<td>15.55%</td>
</tr>
<tr>
<td>Allowance for Loan and Lease Losses to Total Loans</td>
<td>1.20%</td>
<td>1.28%</td>
<td>1.46%</td>
<td>1.88%</td>
<td>1.87%</td>
</tr>
<tr>
<td>Non-Performing Loans to Total Loans</td>
<td>0.79%</td>
<td>0.60%</td>
<td>0.70%</td>
<td>1.03%</td>
<td>1.11%</td>
</tr>
<tr>
<td>Stock Dividend Payout Ratio</td>
<td>46.26%</td>
<td>31.50%</td>
<td>30.13%</td>
<td>32.08%</td>
<td>33.90%</td>
</tr>
<tr>
<td>Average Equity to Average Assets</td>
<td>7.90%</td>
<td>8.75%</td>
<td>9.32%</td>
<td>9.62%</td>
<td>9.44%</td>
</tr>
<tr>
<td>Efficiency Ratio (2)</td>
<td>49.88%</td>
<td>52.78%</td>
<td>52.02%</td>
<td>52.70%</td>
<td>54.15%</td>
</tr>
</tbody>
</table>

(1) Tangible Book Value Per Share is computed by dividing total shareholders’ equity less goodwill and core deposit intangible by the number of common shares outstanding.

(2) Efficiency Ratio is computed by dividing total non-interest expense by the sum of net interest income and total non-interest income.
### CONSOLIDATED STATEMENTS OF CONDITION

**ASSETS**

<table>
<thead>
<tr>
<th>(In thousands, except number of shares and per share data)</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and due from banks</td>
<td>$30,321</td>
<td>$31,573</td>
</tr>
<tr>
<td>Federal funds sold</td>
<td>1,110</td>
<td>–</td>
</tr>
<tr>
<td>Securities available for sale, at market</td>
<td>350,302</td>
<td>321,881</td>
</tr>
<tr>
<td>Securities held to maturity (market value $17,167 and $2,078 at December 31, 2005 and 2004, respectively)</td>
<td>17,127</td>
<td>2,117</td>
</tr>
<tr>
<td>Loans, less allowance for loan and lease losses of $14,167 and $13,641 at December 31, 2005 and 2004, respectively</td>
<td>1,168,008</td>
<td>1,055,653</td>
</tr>
<tr>
<td>Premises and equipment, net</td>
<td>15,967</td>
<td>16,430</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>6,689</td>
<td>5,556</td>
</tr>
<tr>
<td>Core deposit intangible</td>
<td>2,040</td>
<td>2,924</td>
</tr>
<tr>
<td>Goodwill</td>
<td>3,991</td>
<td>3,991</td>
</tr>
<tr>
<td>Other assets</td>
<td>31,602</td>
<td>49,418</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$1,653,257</td>
<td>$1,489,865</td>
</tr>
</tbody>
</table>

**LIABILITIES**

<table>
<thead>
<tr>
<th>(In thousands, except number of shares and per share data)</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits: Demand</td>
<td>$150,953</td>
<td>$131,998</td>
</tr>
<tr>
<td>NOW</td>
<td>116,247</td>
<td>120,203</td>
</tr>
<tr>
<td>Money market</td>
<td>240,958</td>
<td>211,060</td>
</tr>
<tr>
<td>Savings</td>
<td>101,010</td>
<td>112,010</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>552,737</td>
<td>449,330</td>
</tr>
<tr>
<td><strong>Total Deposits</strong></td>
<td>1,163,905</td>
<td>1,014,601</td>
</tr>
<tr>
<td>Borrowings from Federal Home Loan Bank</td>
<td>287,501</td>
<td>277,690</td>
</tr>
<tr>
<td>Other borrowed funds</td>
<td>59,538</td>
<td>59,130</td>
</tr>
<tr>
<td>Accrued interest and other liabilities</td>
<td>12,775</td>
<td>12,039</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>1,623,719</td>
<td>1,363,460</td>
</tr>
</tbody>
</table>

**SHAREHOLDERS’ EQUITY**

| Common stock, no par value; authorized 20,000,000 shares, issued and outstanding 7,529,073 and 7,634,975 shares on December 31, 2005 and 2004, respectively | 2,450 | 2,450 |
| Surplus                                                    | 4,098 | 4,440 |
| Retained earnings                                          | 126,687 | 118,764 |
| Accumulated other comprehensive (loss) income              | (3,697) | 751 |
| Net unrealized (losses) gains on securities available for sale, net of tax | (3,584) | 751 |
| Net unrealized losses on derivative instruments, marked to market, net of tax | (113) | 251 |
| **Total Shareholders’ Equity**                             | 129,328 | 126,405 |
| **Total Liabilities and Shareholders’ Equity**             | $1,653,257 | $1,489,865 |

For a complete set of Consolidated Financial Statements, refer to the Company’s 2005 Annual Report on Form 10-K.

### CONSOLIDATED STATEMENTS OF INCOME

**INTEREST INCOME**

| Interest and fees on loans                                | $73,057 | $58,084 | $55,191 |
| Interest on U.S. government and agency obligations         | 14,824 | 12,360 | 13,961 |
| Interest on state and political subdivision obligations    | 765 | 352 | 353 |
| Interest on interest rate swap agreements                  | 173 | 2,070 | 2,070 |
| Interest on federal funds sold and other investments       | 912 | 511 | 571 |
| **Total Interest Income**                                 | 89,721 | 73,377 | 75,124 |

**INTEREST EXPENSE**

| Interest on deposits                                      | 21,584 | 14,963 | 14,175 |
| Interest on other borrowings                              | 12,971 | 8,084 | 9,059 |
| Interest on interest rate swap agreements                 | 142 | 1,318 | 1,053 |
| **Total Interest Expense**                               | 34,797 | 24,365 | 24,287 |
| **Net Interest Income**                                   | 54,960 | 49,012 | 47,839 |

| Provision for (Recovery of) Loan and Lease Losses         | 1,260 | (885) | (150) |
| **Net Interest Income after Provision for Loan and Lease Losses** | 53,705 | 49,125 | 47,689 |

**NON-INTEREST INCOME**

| Service charges on deposit accounts                       | 3,433 | 3,700 | 3,712 |
| Other service charges and fees                           | 1,341 | 1,103 | 1,307 |
| Income from fiduciary services                            | 4,026 | 3,931 | 3,506 |
| Brokerage and insurance commissions                      | 470 | 335 | 324 |
| Mortgage servicing income, net                           | 113 | 277 | 345 |
| Life insurance earnings                                   | 643 | 928 | 727 |
| (Loss) gain on sale of securities                        | (332) | 684 | 301 |
| **Other income**                                          | 356 | 441 | 607 |
| **Total Non-interest Income**                            | 10,050 | 11,389 | 10,829 |

**NON-INTEREST EXPENSES**

| Salaries and employee benefits                           | 18,595 | 17,367 | 16,895 |
| Net occupancy                                            | 2,262 | 2,229 | 2,261 |
| Furniture, equipment and data processing                 | 2,027 | 1,951 | 1,869 |
| Amortization of core deposit intangible                   | 884 | 901 | 941 |
| Other expenses                                           | 6,694 | 9,434 | 8,458 |
| **Total Non-interest Expenses**                          | 36,491 | 31,882 | 30,424 |
| **Income before Income Taxes**                           | 31,849 | 29,214 | 28,214 |
| **Income Taxes**                                          | 9,588 | 9,721 | 9,286 |
| **Net Income**                                            | $21,380 | $19,493 | $18,928 |

**PER SHARE DATA**

| Basic earnings per share                                 | $2.81 | $2.54 | $2.39 |
| Diluted earnings per share                               | 2.80 | 2.53 | 2.38 |
| Weighted average number of shares outstanding             | 7,599,051 | 7,685,006 | 7,915,743 |

For a complete set of Consolidated Financial Statements, refer to the Company’s 2005 Annual Report on Form 10-K.
OUR BOARDS OF DIRECTORS AND ADMINISTRATIONS

CAMDEN NATIONAL CORPORATION

DIRECTORS
Rendle A. Jones | Chairman, Camden National Corporation 
Attorney & Partner, Harmon, Jones & Sanford, LLP 
Ann W. Bresnahan | Citic Leader 
Robert W. Daigle | President & Chief Executive Officer, Camden National Corporation 
Gregory A. Dufour | President, Viking Lumber, Inc. 
John W. Wolhms | President, Consumers Fuel Co. 
Theodore C. Johanson | Managing Director, Harbor Wharf, LLC 
Winfield F. Robinson | Senior Vice President, Chief Financial Officer 
Robin A. Sawyer, CPA | Corporate Controller & Principal Accounting Officer, Fairfield Seminole Solar International 

ADMINISTRATION
Robert W. Daigle | President & Chief Executive Officer 
Laurel J. Bouchard | Senior Vice President, Chief Administrative Officer 
Sean G. Daly | Senior Vice President, Chief Financial Officer 
Gregory A. Dufour | Senior Vice President, Chief Banking Officer 
Joann T. Campbell | Senior Vice President 
Stephen J. Matteo | Senior Vice President 

CAMDEN NATIONAL BANK

DIRECTORS
Rendle A. Jones | Chairman, Camden National Bank 
Attorney & Partner, Harmon, Jones & Sanford, LLP 
Ann W. Bresnahan | Citic Leader 
Robert W. Daigle | President & Chief Executive Officer, Camden National Corporation 
Gregory A. Dufour | President, Viking Lumber, Inc. 
John W. Wolhms | President, Consumers Fuel Co. 
Winfield F. Robinson | President, Flagstaff Ventures, LLC 
Rosemary B. Wyometh | President, Magnetcock Management Co. 

ASSOCIATE DIRECTORS
Peter T. Allen | Retired 
Kenneth C. Dickey | Retired Board Chairman, Camden National Corporation 
John S. McCormick, Jr. | Retired Engineering Contractor 
David H. Montgomery | Retired Board Chairman, Camden National Corporation 
Port Chairman, Allen Agency 
Keith C. Patton | Retired Chairman, Camden National Bank 
Retired President & CEO, Camden National Corporation 
Arthur E. Stroud | Retired Attorney & Partner, Stroud & Payson, P.A. 

ADMINISTRATION
Gregory A. Dufour | President & Chief Executive Officer 
Claude R. Carbonneau | Senior Vice President 
June B. Parent | Senior Vice President 
Richard E. Littlefield | Senior Vice President 

CAMDEN NATIONAL BANK ADMINISTRATION CONT.

John P. “Jack” Williams | Senior Vice President 
Tamara J. Bryant | Vice President 
Jayne Crosby Giles | Vice President 
Craig S. Dahmen | Vice President 
Michael A. Goldoff | Vice President 
Michael J. Jones | Vice President 
Pamela C. Kenniston | Vice President 
Erika L. McFadden | Vice President 
Roger A. Moody | Vice President 

UNITEDKINGFIELD BANK

DIRECTORS
Winfield F. Robinson | Chairman, UnitedKingfield Bank, President, Flagstaff Ventures, LLC 
Robert W. Daigle | President & Chief Executive Officer, Camden National Corporation 
William Dubois | Attorney & Senior Partner, Marden, Dubord, Bernier & Stevens 
Lucien B. Gosselin | President, Lewiston-Auburn Economic Growth Council 
Joyce B. Holway, Ph.D. | President, Eastern Maine Community College 
Theodore C. Johanson | Managing Director, Harbor Wharf, LLC 
Rendle A. Jones | Attorney & Partner, Harmon, Jones & Sanford, LLP 
Jeffrey D. Smith | President & Chief Operating Officer, UnitedKingfield Bank 
Roger G. Sapor | Vice President for Administration Emeritus, University of Maine at Farmington 

ADMINISTRATION
Jeffrey D. Smith | President & Chief Operating Officer 
Timothy P. Nightingale | Senior Vice President 
Arthur A. Comstock | Senior Vice President 
Ellen W. Curtis | Vice President 
George C. Collins | Vice President 
Richard L. Fournier II | Vice President 
Linda D. Gilbert | Vice President 
Diane P. Manus | Vice President 
Carie L. Burger | Assistant Vice President 
Christopher P. DeMerchant | Assistant Vice President 
Cynthia G. Gilmore | Assistant Vice President 
Oakley L. Maher | Assistant Vice President 
Raymond A. Trelfa | Assistant Vice President 
Cynthia C. Wheeler | Assistant Vice President 

ACADIA TRUST, N.A.

DIRECTORS
Robert W. Daigle | Chairman, Acadia Trust, N.A., President & Chief Executive Officer, Camden National Corporation 
William H. Bolinder | President & Chief Executive Officer, Acadia Trust, N.A. 
Robert J. Campbell | Partner, Beck, Mack & Oliver Investments 
Rendle A. Jones | Attorney & Partner, Harmon, Jones & Sanford, LLP 

ADMINISTRATION
William H. Bolinder | President & Chief Executive Officer 
Diane M. Aston | Senior Vice President 
Lawrence A. Balsdon | Senior Vice President 

In MEMORIAM

Richard N. Simonneau, CPA 
1936–2005 
Camden National Corporation and 
Camden National Bank Boards of Directors 
27 Years of Service 

Andrew B. Haskin | Vice President 
Kimberly J. Nason | Vice President 
Vera E. Rand | Vice President 
Gary E. Stone | Vice President 
Steven E. Wurtz | Vice President 
Timothy J. McLuckie | Assistant Vice President 
Jane G. Price | Assistant Vice President 
Denise L. Swindell II | Assistant Vice President
ANNUAL MEETING

The 2006 Annual Meeting of the Shareholders of Camden National Corporation will be held at 3:00 p.m. on Tuesday, April 25, 2006, at the Hanley Center, Fox Ridge Office Park, Route One, Rockport, Maine.

FORM 10-K AND OTHER REPORTS

Camden National Corporation will provide, upon written request and without charge, a copy of the Company's 2005 Annual Report on Form 10-K. Requests should be addressed to:

Sean Daly, Chief Financial Officer
P.O. Box 310
Camden, Maine 04843-0310
207-236-8821
IR@camdennational.com

Company reports are also available under Investor Relations at www.camdennational.com.

SPECIAL THANKS

In addition to the countless hours contributed by the Company’s staff, the following members of Maine’s creative community are recognized:

Design and Project Management: Allure Creative Inc.
10K & Proxy ~ Hallowell Printing
Photography: Benjamin Magro
Tina Shute, Village Soup
Stakeholders from Camden National

All photographs ©2006 by the respective photographer.

1911 CNB Milestone
An early example of marketing designed to keep our Customers informed of our products and services as well as our financial stability.

Please send me more information about:

☒ Camden National Bank and the products it offers
☒ UnitedKingfield Bank and the products it offers
☒ Acadia Trust, N.A. and the products it offers
☒ I am interested in receiving a free financial planning consultation with an Acadia Trust, N.A. specialist.

If you would like a free financial planning consultation, please note the best time for us to contact you:

Name __________________________
Address _______________________
City ___________________________
State / Zip ______________________
Home Phone _____________________
E-mail __________________________

Please fold here and tape closed on left side of card; do not staple.
Belfast, Bucksport, Camden, Damariscotta, Kennebunk, Portland, Rockland, Thomaston, Union, Vinalhaven and Wiscasset, Maine, and it focuses primarily on attracting deposits from the general public through its branches and using such deposits to originate residential mortgage loans, commercial business loans, commercial real estate loans, and a variety of consumer loans. During 2001, Camden National Bank introduced Acadia Financial Consultants, a full-service brokerage and insurance division of the Bank. Camden National Bank is a member bank of the Federal Reserve System and is subject to supervision, regulation and examination by the Office of the Comptroller of the Currency (the “OCC”). The Federal Deposit Insurance Corporation (the “FDIC”) insures its deposits up to the maximum amount permitted by law.

UNITEDKINGFIELD BANK
UnitedKingfield Bank, a direct, wholly owned subsidiary of the Company, is a financial institution chartered under the laws of the State of Maine with its principal office in Bangor, Maine, and is subject to regulation, supervision and examination by the FDIC and the Superintendent of Banking for the State of Maine. The FDIC insures its deposits up to the maximum amount permitted by law.

UnitedKingfield Bank offers its products and services in the communities of Bangor, Bingham, Corinth, Dover-Foxcroft, Farmington, Greenville, Hampden, Hermon, Kingfield, Lewiston, Madison, Milo, Phillips, Rangeley, and Stratton, Maine, and it focuses primarily on attracting deposits from the general public through its branches and using such deposits to originate residential mortgage loans, commercial business loans, commercial real estate loans, and a variety of consumer loans. During 2001, UnitedKingfield Bank introduced Acadia Financial Consultants, a full-service brokerage and insurance division of the Bank.

ACADIA TRUST, N.A.
Acadia Trust, N.A., a direct, wholly owned subsidiary of the Company, is a national banking association chartered under the laws of the United States with a limited purpose trust charter. From its offices in Portland and Bangor, Maine, Acadia Trust, N.A. offers investment management and traditional trust services to individuals, families, trust donors and beneficiaries, municipalities, non-profit organizations, and retirement plan sponsors throughout Maine and New England.

The wealth management strategies provided by Acadia Trust, N.A. complement the financial services provided by the Company’s subsidiary banks. As a member bank of the Federal Reserve System, Acadia Trust, N.A. is subject to supervision, regulation and examination by the OCC.