## SELECTED FINANCIAL DATA
(Dollars in thousands, except per share data)

<table>
<thead>
<tr>
<th>Financial Condition Data</th>
<th>2012 (1)</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>$802,084</td>
<td>$611,998</td>
<td>$611,643</td>
<td>$539,587</td>
<td>$670,040</td>
</tr>
<tr>
<td>Loans and loans held for sale</td>
<td>1,563,866</td>
<td>1,520,089</td>
<td>1,530,280</td>
<td>1,526,758</td>
<td>1,500,908</td>
</tr>
<tr>
<td>Allowance for loan losses</td>
<td>23,044</td>
<td>23,011</td>
<td>22,293</td>
<td>20,246</td>
<td>17,691</td>
</tr>
<tr>
<td>Total assets</td>
<td>2,564,757</td>
<td>2,302,720</td>
<td>2,306,007</td>
<td>2,235,383</td>
<td>2,341,496</td>
</tr>
<tr>
<td>Deposits</td>
<td>1,929,469</td>
<td>1,991,366</td>
<td>1,515,811</td>
<td>1,495,807</td>
<td>1,489,517</td>
</tr>
<tr>
<td>Borrowings</td>
<td>360,163</td>
<td>456,233</td>
<td>559,919</td>
<td>527,347</td>
<td>661,805</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>233,815</td>
<td>218,876</td>
<td>205,995</td>
<td>190,561</td>
<td>166,400</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Data</th>
<th>2012 (1)</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>$73,745</td>
<td>$75,219</td>
<td>$74,290</td>
<td>$73,011</td>
<td>$70,221</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>3,816</td>
<td>4,735</td>
<td>6,299</td>
<td>8,213</td>
<td>4,397</td>
</tr>
<tr>
<td>Non-interest income</td>
<td>23,412</td>
<td>23,053</td>
<td>20,825</td>
<td>19,423</td>
<td>1,723</td>
</tr>
<tr>
<td>Non-interest expenses</td>
<td>59,031</td>
<td>55,579</td>
<td>52,937</td>
<td>51,005</td>
<td>46,829</td>
</tr>
<tr>
<td>Net income</td>
<td>23,428</td>
<td>26,177</td>
<td>24,766</td>
<td>22,773</td>
<td>15,335</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on average assets</td>
<td>0.98%</td>
<td>1.13%</td>
<td>1.09%</td>
<td>1.00%</td>
<td>0.67%</td>
</tr>
<tr>
<td>Return on average equity</td>
<td>10.31%</td>
<td>12.16%</td>
<td>12.42%</td>
<td>12.81%</td>
<td>9.15%</td>
</tr>
<tr>
<td>Average equity to average assets</td>
<td>9.48%</td>
<td>9.32%</td>
<td>8.77%</td>
<td>7.80%</td>
<td>7.28%</td>
</tr>
<tr>
<td>Tier 1 leverage capital ratio</td>
<td>8.94%</td>
<td>9.59%</td>
<td>8.77%</td>
<td>8.17%</td>
<td>7.19%</td>
</tr>
<tr>
<td>Total risk-based capital ratio</td>
<td>15.56%</td>
<td>15.95%</td>
<td>15.05%</td>
<td>13.49%</td>
<td>12.32%</td>
</tr>
<tr>
<td>Net interest margin</td>
<td>3.36%</td>
<td>3.57%</td>
<td>3.60%</td>
<td>3.53%</td>
<td>3.37%</td>
</tr>
<tr>
<td>Efficiency ratio</td>
<td>57.45%</td>
<td>54.68%</td>
<td>55.74%</td>
<td>54.26%</td>
<td>52.44%</td>
</tr>
<tr>
<td>Allowance for credit losses to total loans</td>
<td>1.46%</td>
<td>1.52%</td>
<td>1.46%</td>
<td>1.33%</td>
<td>1.18%</td>
</tr>
<tr>
<td>Net loan charge-offs to average loans</td>
<td>0.24%</td>
<td>0.26%</td>
<td>0.28%</td>
<td>0.37%</td>
<td>0.31%</td>
</tr>
<tr>
<td>Non-performing assets to total assets</td>
<td>1.13%</td>
<td>1.27%</td>
<td>1.08%</td>
<td>1.13%</td>
<td>0.71%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Per Share Data</th>
<th>2012 (1)</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic earnings per share</td>
<td>$3.06</td>
<td>$3.41</td>
<td>$3.23</td>
<td>$2.98</td>
<td>$2.00</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>3.05</td>
<td>3.40</td>
<td>3.23</td>
<td>2.97</td>
<td>2.00</td>
</tr>
<tr>
<td>Dividends paid per share</td>
<td>1.00</td>
<td>1.50</td>
<td>1.00</td>
<td>1.00</td>
<td>0.99</td>
</tr>
<tr>
<td>Book value per share</td>
<td>30.67</td>
<td>28.56</td>
<td>26.90</td>
<td>24.93</td>
<td>21.78</td>
</tr>
<tr>
<td>Tangible book value per share</td>
<td>23.68</td>
<td>22.66</td>
<td>20.91</td>
<td>18.86</td>
<td>15.62</td>
</tr>
<tr>
<td>Dividend payout ratio</td>
<td>32.73%</td>
<td>44.05%</td>
<td>30.95%</td>
<td>33.56%</td>
<td>50.00%</td>
</tr>
</tbody>
</table>

(1) The 2012 data includes the acquisition of 14 branches and $287 million of deposits.

For a complete set of Consolidated Financial Statements, refer to the Company’s 2012 Annual Report on Form 10-K.
DEAR FELLOW SHAREHOLDERS:

More than ever, 2012 presented new opportunities that highlighted Camden National Corporation’s unique capabilities, capacity and willingness to strengthen the future of our organization, our customers and our communities. Whether through our normal daily activities or executing a major acquisition, each endeavor was approached with the viewpoint that we were investing in the future to better serve our four constituencies — shareholders, customers, communities and employees.

Trustworthy Partners

Our attitude towards our investments has its foundation in one of our core values, “Responsibility: To use our resources for the greater good.” We don’t just make loans — we invest in the future of our customers. Whether it is a checking account at Camden National Bank, a brokerage transaction with Camden Financial Consultants or a wealth management relationship at Acadia Trust, we are stewards of our customers’ and clients’ financial future. Since our founding in 1875 in downtown Camden, people have expected us to be more than a provider of financial services, they have entrusted us to be a partner with them.

This was validated by Forbes in 2012, when they recognized Camden National Corporation as one of America’s most trustworthy companies. We were the only business in Maine to receive this honor.

Investing in Maine People

During 2012, we continued to invest in the people and businesses of Maine through our lending activities. Our commercial and retail lending teams originated over 4,000 new loans, representing nearly $442 million of new production. We made it possible for Mainers to move into new homes by providing mortgages, or to renovate their existing ones through home equity loans.

We have helped businesses start up and expand, which provides meaningful job growth to support the Maine economy.

As a result of the low interest rate environment, we have saved borrowers money by refinancing consumer and business loans. We are pleased that more and more customers are seeking out Camden National Bank as the Maine-based community bank that provides sophisticated products with local decision making.

Commitment to Small Businesses

Our commitment to investing in Maine’s small businesses was highlighted in November 2012, when the Finance Authority of Maine, or “FAME,” recognized Camden National Bank as a co-recipient of its “Financial Institution of the Year” award. This was the third time in four years that we have received this honor.

FAME’s business related focus is “to help businesses access capital to grow, expand and succeed; thus creating new employment opportunities that will benefit the people and communities of Maine.” FAME achieves this by providing a variety of programs including financial guarantees, which allows Camden National to provide critical funding to organizations while maintaining our credit underwriting criteria. We are very proud to be recognized by FAME, as it is an indication of our organizational and individual willingness to go the extra step to create partnerships with customers and invest in their future.
**Investment in Technology**

Over the past year, as technology has improved and the banking habits of our customers changed, we have introduced tools that allow customers to bank when it is most convenient for them. We have also made investments to improve our efficiency and productivity in our operations area.

**Self-Service Banking**

Over the past several years, our customers’ need for access to banking services outside of our physical branches and normal business hours has evolved. In response to this, in 2012, we:

- **Invested** $1.2 million in capital to upgrade our ATM network technology, which will be completed by the first quarter of 2013. Our new “Smart ATMs” allow us to provide a more secure deposit experience for users, to provide access to check images, and enables customers to change their personal identification number on demand.
- **Upgraded** our Customer Assistance Center and expanded our service hours for customers who desire to speak to a person on the phone or by email.
- **Expanded** our online and mobile banking platform through the introduction of iPhone® and Android™ apps for our customers’ convenience.

**Processing Improvements**

In order to keep pace with new capabilities and changing customer needs, we invested in technology that allows us to process business faster.

- **Imaging Technology**: we have expanded our use of imaging technology, which has reduced the amount of paper we use and allowed us to distribute certain processing functions across the franchise at the same time.
- **SharePoint®**: our team has also championed the introduction of Microsoft’s SharePoint®, a powerful communications and collaboration software tool that will speed up and streamline how we work with each other.

**Security Enhancements**

The rapid change in technology provides internal and external benefits but also imposes additional responsibilities. We have made many investments to help secure company and customer information against cyber threats, many of which are targeted at the elderly. Through various controls and extensive training, we strive to help protect our customers’ information. However, just as important are the many personal conversations that occur in our branches as our employees counsel, educate and protect our customers. We believe this expenditure of time and money is part of being a trustworthy partner with our customers.

**Branch Acquisition and Expansion in Key Markets**

The acquisition of 14 branches from Bank of America that was announced in April 2012 and completed on October 26, 2012 is the most visible investment we made in the past year. When the acquisition was announced, we said it was “financially attractive and strategically compelling.” The benefits of the acquisition are even clearer now. The transaction added $287 million of new deposits and over 55,000 new accounts, providing us opportunities to serve customers with our full product set of loans, checking and savings, and wealth management services. We expanded our presence in the important Bangor and Lewiston/Auburn areas and entered the Augusta/Waterville market. We have also added retail and commercial lenders in those markets to help reinvest deposit dollars into the communities.

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**INCREASE IN SELF-SERVICE CHANNEL USAGE**

In addition to increased traffic in our branches, we have seen a dramatic surge in usage of our online, mobile, ATM and Customer Assistance Center transactions. Online and mobile services usage increased 60% while the Customer Assistance Center call volume increased approximately 51%, and automated telephone banking increased 73%.
**Attractive Long-Term Investment**

The $13.0 million investment we made to acquire these branch facilities and deposits has the potential to provide attractive long-term financial returns. In Maine, where our population, and therefore customer growth, is limited, we were able to increase our customer base by 30% at a per account cost of only $195.00. As we stated when the announcement was made, we still believe that after the first year of “ramp up” the transaction will be accretive to our earnings and our expected earn back of tangible book value remains near our original estimates.

**Remaining Focused**

All too often when a company announces an acquisition, its daily activities are given a lesser priority. Internally, we challenged our employees to remain focused on two priorities: creating a smooth transition for our new customers and meeting our original 2012 strategic and financial goals.

On a reported basis, which includes one-time costs and the impact of the branch acquisition, we achieved solid operating results.

- Net income was $23.4 million or $3.05 per diluted share for 2012 compared to our record earnings of $26.2 million or $3.40 per diluted share reported in 2011.
- Return on Average Equity was 10.31% and Return on Average Tangible Equity was 12.95% in 2012, down from 12.16% and 15.42%, respectively, in 2011.

The 2012 financial results were impacted by the historically low interest rate environment which compressed our net interest margin thus reducing revenue combined with increased non-interest expenses associated with the branch acquisition.

The sustained low interest rates have negatively impacted interest income on our loan and investment portfolios as existing balances amortized or prepaid and those funds were reinvested at today’s lower rates. While we expect the low interest rate environment to continue, it is better to maintain our pricing parameters without entering into long-term investments that will be financially unattractive in the future. At December 31, 2012, the average duration of our investment portfolio was 3.6 years, which we believe balances the need for current earnings against the long-term interest rate risks.
Deposits provide the funding to allow us to invest in people and communities through loans. In 2012, we opened nearly 13,000 new deposit accounts representing $132 million of funding. We also redesigned our retail deposit product portfolio to better align it with the changing needs of our customers.

During 2012, we adhered to our long-standing commitment to thoroughly underwrite and understand the risks of making loans. Even with the best diligence, our customers are sometimes faced with the reality of a struggling economy and weak job market. We make every effort to help as we are not successful unless our customers are.

- On December 31, 2012, our non-performing assets, which are loans that are not paying as agreed as well as other real estate owned, were $29.1 million, which is comparable to the level reported a year ago. This was 1.13% of total assets, which compares favorably to our national peer group average of 2.72%.
- During the year, we experienced $3.8 million of net charge offs, or 0.24% of average loans, which also compares favorably to our peer average of 0.58%.
- We set aside reserves for potential losses through our Allowance for Credit Losses, which was $23.1 million on December 31, 2012, and is comparable to the levels reported a year ago. This is 1.48% of total loans and represents over five years of historical charge off experience. We believe, based on our estimates of the economy and our analysis of our loan portfolio, that these levels of reserves are appropriate.

**Investing in the State of Maine**

In light of the challenges facing the financial services industry, we continue to recognize our unique position as a community organization. We employ over 500 people in the state of Maine, providing $29.7 million of salaries and benefits to the Maine economy. By using local vendors, paying taxes and other expenses, we contribute over $15 million to other Maine-based businesses and people who perform services for us. Using an economic multiplier of 5 to 10 times, this means that the economic benefit to the state of Maine resulting from Camden National Corporation ranges from $223 million to $447 million — we are truly local and supporting our communities!

In 2012, the Board of Directors declared dividends totaling $1.00 per common share. Our focus is to increase shareholder value by improving the tangible book value of each common share. This guide has served us well as we did not participate in government...
bailout funds in 2008, or “TARP,” and, because we have prudently managed our capital, we are able to execute the branch acquisition without issuing additional shares of stock. This means that the return on the branch investment will be shared with existing shareholders by increasing the tangible book value of their investment.

Since December 31, 2008, tangible book value per share increased from $15.62 to $23.68, or $8.06 per share. When including regular and special dividends of $4.50 per share over that same time horizon, tangible shareholder returns were $12.56 per share or 80.41%.

**Saying Goodbye to a Board of Director Leader**
A steward of the Camden National legacy deserves mention at this time. Through his service as the former chairman of the Board of Directors of Camden National Corporation and Camden National Bank, Rendle Jones has been the champion of corporate governance. Since joining the Board of Directors of Camden National Bank in 1988, Rendle has worked tirelessly on behalf of the Company’s shareholders and its other constituencies. In addition to guiding the organization’s growth from $500 million to $2.6 billion, Rendle's steady hand and foresight guided the organization to adopt many best practices of corporate governance, often before they were required by regulators.

A successful attorney, Rendle not only gave his time to Camden National but to many other local organizations and efforts including Pen Bay Healthcare System, where he served as chair of the Board of Trustees and the Camden Conference, where he currently serves as a director. He was recognized for his service and was named “Townsperson of the Year” in 2003 by the Camden-Rockport-Lincolnville Chamber of Commerce, now the Penobscot Bay Chamber of Commerce. Rendle reached the mandatory retirement age of corporate directors in December 2012. His guidance, advice and counsel will be missed, but he leaves his imprint on the organization through his fellow directors and members of management he has worked with and guided over the years.

The hallmark of Camden National has been to invest wisely and for the long-term. The Board of Directors, management and employees of Camden National Corporation and its subsidiaries strive to continue this legacy and appreciate your support as a shareholder.

Sincerely,

Karen W. Stanley,
Chair of the Board of Directors

Gregory A. Dufour,
President and Chief Executive Officer

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One of our 14 new branch locations, 80 Exchange Street, Bangor, ME.
Stakeholders at Camden National Bank participate in a variety of training and wellness activities. Over 40 stakeholders participated in our Horizons Training Program which is dedicated to developing future company leaders.
79% of our stakeholders participate in our wellness program which includes semi-annual wellness check-up, fitness and wellness challenge programs.

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
Camden National Corporation Board of Directors

Pictured from left to right

John M. Rohman
Civic Leader

Robin A. Sawyer, CPA
Corporate Controller & Principal Accounting Officer, Fairchild Semiconductor International, Inc.

Rendle A. Jones
Attorney & Partner, Harmon, Jones & Sanford, LLP

John W. Holmes
President, Consumers Fuel Company

Karen W. Stanley
Chair, Camden National Corporation, Civic Leader

Robert J. Campbell
Partner, Beck, Mack & Oliver Investments

Gregory A. Dufour
President & Chief Executive Officer, Camden National Corporation

David C. Flanagan
President, Viking Lumber, Inc.

Karen W. Stanley
Chair, Camden National Bank, Civic Leader

Robert J. Campbell
Partner, Beck, Mack & Oliver Investments

Gregory A. Dufour
President & Chief Executive Officer, Camden National Corporation

Camden National Bank Board of Directors

Pictured from left to right

Rosemary B. Weymouth
President, Megunticook Management Company

Francis J. O’Hara, Jr.
Vice President, O’Hara Corporation

Rendle A. Jones
Attorney & Partner, Harmon, Jones & Sanford, LLP

John M. Rohman
Civic Leader

John W. Holmes
President, Consumers Fuel Company

Karen W. Stanley
Chair, Camden National Bank, Civic Leader

Robert D. Merrill
President, Merrill Furniture

Gregory A. Dufour
President & Chief Executive Officer, Camden National Bank

David C. Flanagan
President, Viking Lumber, Inc.

Ann W. Bresnahan
Civic Leader

Joanne T. Campbell
Executive Vice President & Risk Management Officer

June B. Parent
Executive Vice President & Senior Retail Banking Officer

Gregory A. Dufour
President & Chief Executive Officer

Peter F. Greene
Executive Vice President, Operations & Technology Officer

Acadia Trust, N.A. Board of Directors

Pictured from left to right

Rendle A. Jones
Attorney & Partner, Harmon, Jones & Sanford, LLP

Stephen J. Tall
President & Chief Executive Officer, Acadia Trust, N.A.

Ann W. Bresnahan
Civic Leader

Robert J. Campbell
Partner, Beck, Mack & Oliver Investments

Gregory A. Dufour
President & Chief Executive Officer, Camden National Corporation
SHAREHOLDER INFORMATION

Annual Meeting
The Annual Meeting of the Shareholders will be held Tuesday, April 30, 2013, at 3:00 p.m. at the Point Lookout Resort, Erickson Hall, Lincolnville, Maine.

Form 10-K and Other Reports
Camden National Corporation will provide, upon written request and without charge, a copy of the Company’s 2012 Annual Report and Form 10-K. You may contact our Corporate Clerk for information, or may view Company reports under Investor Relations at www.CamdenNational.com.

Dividend Reinvestment and Stock Purchase Plan
Shareholders wishing to receive a prospectus for the Dividend and Stock Purchase Plan are invited to contact our Corporate Clerk or our transfer agent.

Corporate Clerk
Susan M. Westfall
Camden National Corporation
P.O. Box 310
Camden, ME 04843-0310
(207) 230-2096 or IR@CamdenNational.com

Transfer Agent and Registrar
American Stock Transfer & Trust Company, LLC
6201 15th Avenue
Brooklyn, NY 11038
(800) 937-5449 or www.amstock.com

Camden National Bank
Camden National Bank is a full-service community bank headquartered in Camden, Maine with a network of 50 banking offices throughout Maine. The Bank also has a system of ATM-only locations, plus online and mobile banking at CamdenNational.com. Located at Camden National Bank, Camden Financial Consultants offers full-service brokerage and insurance services.

Camden National Bank is a national bank and 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, which has awarded the Bank a Community Reinvestment Act “Outstanding” rating. The Federal Deposit Insurance Corporation insures its deposits up to the maximum amount permitted by law.

Acadia Trust, N.A.
Acadia Trust, N.A., a direct, wholly-owned subsidiary of Camden National Corporation, provides comprehensive wealth management and trust services for individuals, families, and non-profit organizations throughout Maine and New England. With offices in Portland, Bangor and Ellsworth, Acadia Trust is a federally chartered, non-deposit trust company.

The wealth management strategies provided by Acadia Trust, N.A. complement the financial services offered through Camden National Bank. As a national bank and a member bank of the Federal Reserve System, Acadia Trust, N.A. is subject to supervision, regulation, and examination by the Office of the Comptroller of the Currency.

Forward-Looking Statements
Certain statements in this Annual Report that are not historical facts may be considered forward-looking statements. For more information regarding factors that could cause actual results to differ materially from those projected in the forward-looking statements, see “Forward-Looking Statements” in the Company’s 2012 Annual Report on Form 10-K.
LOCATIONS

Camden National Bank

New Branches

Acadia Trust, N.A.

Camden National Corporation
2 Elm Street, Camden, ME 04843 | 800.860.8821 | CamdenNational.com