

CAMDEN NATIONAL CORP
Form 10-Q
August 08, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Commission File No. 0-28190

CAMDEN NATIONAL CORPORATION
(Exact name of registrant as specified in its charter)

MAINE (State or other jurisdiction of incorporation or organization)	01-0413282 (I.R.S. Employer Identification No.)
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2 ELM STREET, CAMDEN, ME (Address of principal executive offices)	04843 (Zip Code)
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Registrant's telephone number, including area code: (207) 236-8821

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input checked="" type="checkbox"/>
Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date:

Outstanding at August 4, 2014: Common stock (no par value) 7,421,595 shares.

CAMDEN NATIONAL CORPORATION

FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2014
TABLE OF CONTENTS OF INFORMATION REQUIRED IN REPORT

	PAGE
PART I. FINANCIAL INFORMATION	
ITEM 1. FINANCIAL STATEMENTS	
Report of Independent Registered Public Accounting Firm	<u>3</u>
Consolidated Statements of Condition - June 30, 2014 and December 31, 2013	<u>4</u>
Consolidated Statements of Income - Three and Six Months Ended June 30, 2014 and 2013	<u>5</u>
Consolidated Statements of Comprehensive Income (Loss) - Three and Six Months Ended June 30, 2014 and 2013	<u>6</u>
Consolidated Statements of Changes in Shareholders' Equity - Six Months Ended June 30, 2014 and 2013	<u>7</u>
Consolidated Statements of Cash Flows - Six Months Ended June 30, 2014 and 2013	<u>8</u>
Notes to Consolidated Financial Statements	<u>9</u>
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	<u>33</u>
ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK	<u>52</u>
ITEM 4. CONTROLS AND PROCEDURES	<u>53</u>
PART II. OTHER INFORMATION	
ITEM 1. LEGAL PROCEEDINGS	<u>54</u>
ITEM 1A. RISK FACTORS	<u>54</u>
ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS	<u>54</u>
ITEM 3. DEFAULTS UPON SENIOR SECURITIES	<u>54</u>
ITEM 4. MINE SAFETY DISCLOSURES	<u>54</u>
ITEM 5. OTHER INFORMATION	<u>55</u>
ITEM 6. EXHIBITS	<u>55</u>
SIGNATURES	<u>56</u>

EXHIBIT INDEX

57

EXHIBITS

2

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Shareholders and Board of Directors
Camden National Corporation

We have reviewed the accompanying interim consolidated financial information of Camden National Corporation and Subsidiaries as of June 30, 2014, and for the three and six-month periods ended June 30, 2014 and 2013. These financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with standards of the Public Company Accounting Oversight Board (United States), the objective of which is to express an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

/s/ Berry Dunn McNeil & Parker, LLC
Berry Dunn McNeil & Parker, LLC

Portland, Maine
August 8, 2014

CONSOLIDATED STATEMENTS OF CONDITION

(In Thousands, Except Number of Shares)	June 30, 2014 (unaudited)	December 31, 2013
ASSETS		
Cash and due from banks	\$51,465	\$51,355
Securities:		
Available-for-sale securities, at fair value	772,467	808,477
Held-to-maturity securities, at amortized cost	9,798	—
Federal Home Loan Bank and Federal Reserve Bank stock, at cost	20,379	19,724
Total securities	802,644	828,201
Trading account assets	2,406	2,488
Loans	1,696,765	1,580,402
Less: allowance for loan losses	(21,905)	(21,590)
Net loans	1,674,860	1,558,812
Goodwill and other intangible assets	48,745	49,319
Bank-owned life insurance	46,961	46,363
Premises and equipment, net	24,696	25,727
Deferred tax assets	13,261	16,047
Interest receivable	5,953	5,808
Other real estate owned	2,217	2,195
Other assets	18,498	17,514
Total assets	\$2,691,706	\$2,603,829
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Deposits:		
Demand	\$242,422	\$241,866
Interest checking	440,443	453,909
Savings and money market	659,718	675,679
Certificates of deposit	330,575	343,034
Brokered deposits	184,304	99,336
Total deposits	1,857,462	1,813,824
Federal Home Loan Bank advances	56,076	56,112
Other borrowed funds	464,851	430,058
Junior subordinated debentures	43,973	43,922
Accrued interest and other liabilities	31,624	28,817
Total liabilities	2,453,986	2,372,733
Commitments and contingencies (Notes 6, 7, and 9)		
Shareholders' Equity		
Common stock, no par value; authorized 20,000,000 shares, issued and outstanding 7,421,445 and 7,579,913 shares as of June 30, 2014 and December 31, 2013, respectively	41,211	47,783
Retained earnings	203,683	195,660
Accumulated other comprehensive loss:		
Net unrealized losses on available-for-sale securities, net of tax	(943)	(7,964)
Net unrealized losses on derivative instruments, net of tax	(4,437)	(2,542)
Net unrecognized losses on postretirement plans, net of tax	(1,794)	(1,841)
Total accumulated other comprehensive loss	(7,174)	(12,347)
Total shareholders' equity	237,720	231,096

Total liabilities and shareholders' equity	\$2,691,706	\$
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