

CAMCO FINANCIAL CORP
Form 10-Q/A
September 20, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q/A

(Mark One)

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

For the quarterly period ended June 30, 2012

OR

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

For the transition period from to

Commission File Number 0-25196

CAMCO FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of

51-0110823
(I.R.S. Employer

incorporation or organization)

Identification Number)

814 Wheeling Avenue, Cambridge, Ohio 43725-9757

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (740) 435-2020

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 period 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 Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by checkmark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes No

As of August 13, 2012, the latest practicable date, 7,468,087 shares of the registrant's common stock, \$1.00 par value, were outstanding.

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Camco Financial Corporation

Quarterly Report on Form 10-Q/A for the period ended June 30, 2012

EXPLANATORY NOTE

Camco Financial Corporation (the Camco) is filing this Amendment No. 1 (Amended Report) to its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012, which was originally filed with the Securities and Exchange Commission (SEC) on August 14, 2012 (the Original Report), to amend related disclosures in the Management s Discussion and Analysis.

As a result, Camco is filing this Amended Report to amend Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations, to correct minor errors and complete the capital table, which was inadvertently left blank. Accordingly, this Amended Report does not reflect other events occurring after the Original Report, nor does it modify or update those disclosures affected by other subsequent events. Changes to Item 2 are noted in bold italics below:

Other income (6 months ended June 30, 2012)

Other income totaled \$3.7 million for the six months ended June 30, 2012, a decrease of \$399,000, or 9.8%, from the comparable 2011 period. The decrease in other income was primarily attributable to a \$1.3 million decrease in gain on sale of investments, offset partially by the increase of ***\$1.1*** million in gain on sale of loans.

The decrease in gain on sale of investments can be attributed to the fact that there were *few* sales in 2012. Gain on sale of loans increased in 2012 primarily due to 2011 including the sale of three portfolio loans at a loss of \$433,000, which was offset by the 2011 year to date gain on the sale of mortgage loans of \$433,000. When comparing the six months ended June 30, 2012 versus 2011, the gain on sale of mortgage loans increased \$648,000.

General Administrative and Other Expense (3 months ended June 30, 2012)

The decrease in real estate owned and other expense of \$419,000 is primarily due to the prepayment of FHLB borrowings in the first quarter of 2011. Additionally, 2011 included losses on sale of real estate owned of \$590,000 versus current year gain on sale of \$91,000. The decrease of \$420,000 in other loan expense was due to lower classified asset expenses in the ***second quarter*** of 2012.

Camco and Advantage s table presenting capital requirements as June 30, 2012

	Actual		For capital Adequacy purposes		To be well-capitalized under prompt corrective action provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Dollars in thousands)						
Total capital to risk-weighted assets:						
Camco Financial Corporation	\$ 58,843	10.00%	\$ 47,068	8.0%	\$ 58,835	10.0%
Advantage Bank	\$ 56,591	9.62%	\$ 47,039	8.0%	\$ 58,799	10.0%
Tier I capital to risk-weighted assets:						
Camco Financial Corporation	\$ 51,409	8.74%	\$ 23,534	4.0%	\$ 35,301	6.0%

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Advantage Bank	\$ 49,157	8.36%	³ \$ 23,520	³ 4.0%	³ \$ 35,279	6.0%
Tier I leverage to average assets:						
Camco Financial Corporation	\$ 51,409	6.62%	³ \$ 31,057	³ 4.0%	³ \$ 38,821	5.0%
Advantage Bank	\$ 49,157	6.35%	³ \$ 30,986	³ 4.0%	³ \$ 38,732	5.0%

This Amended Report also includes currently-dated certifications from the Camco's Chief Executive Officer and Chief Financial Officer, as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002.

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While we are making only the changes noted above in Item 2 and to the Exhibits, for convenience and ease of future reference, we are filing the entire Quarterly Report for the quarter ended June 30, 2012, in this Amended Report.

Item 1. Financial Statements**Camco Financial Corporation****CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**

(In thousands, except share data)

	June 30, 2012 (unaudited)	December 31, 2011
ASSETS		
Cash and due from banks	\$ 15,460	\$ 16,420
Interest-bearing deposits in other financial institutions	12,700	21,954
Cash and cash equivalents	28,160	38,374
Securities available for sale, at market	72,430	17,845
Securities held to maturity, at cost	2,917	3,083
Loans held for sale at lower of cost or fair value	2,532	8,090
Loans receivable net	599,605	639,177
Office premises and equipment net	8,365	8,645
Real estate acquired through foreclosure	11,966	10,888
Federal Home Loan Bank stock at cost	9,888	9,888
Accrued interest receivable	2,717	2,945
Mortgage servicing rights at lower of cost or market	3,302	3,263
Prepaid expenses and other assets	4,806	4,927
Cash surrender value of life insurance	20,228	19,893
Total assets	\$ 766,916	\$ 767,018
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits	\$ 638,516	\$ 629,259
Other Borrowings	10,755	16,681
Advances from the Federal Home Loan Bank	58,445	63,604
Advances by borrowers for taxes and insurance	869	2,100
Accounts payable and accrued liabilities	11,555	9,769
Total liabilities	720,140	721,413
Commitments		
Stockholders' equity:		
Preferred stock \$1 par value; authorized 100,000 shares; no shares outstanding		
Common stock \$1 par value; authorized 29,900,000 shares; 9,147,000 and 8,884,508 shares issued at June 30, 2012 and December 31, 2011 respectively	9,147	8,885
Unearned compensation	(492)	(31)
Additional paid-in capital	60,954	60,528
Retained earnings	1,245	350
Accumulated other comprehensive income (loss) net of related tax effects	36	(13)
Treasury stock 1,678,913 shares at June 30, 2012 and December 31, 2011, at cost	(24,114)	(24,114)

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Total stockholders' equity	46,776	45,605
Total liabilities and stockholders' equity	\$ 766,916	\$ 767,018

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(In thousands, except per share data)

(unaudited)	Six months ended June 30,		Three months ended June 30,	
	2012	2011	2012	2011
Interest and dividend income				
Loans	\$ 15,912	\$ 17,740	\$ 7,699	\$ 8,839
Investment securities	219	439	132	84
Other interest-earning accounts	218	503	105	157
Total interest and dividend income	16,349	18,682	7,936	9,080
Interest Expense				
Deposits	2,956	4,107	1,405	1,918
Borrowings	1,291	1,529	618	726
Total interest expense	4,247	5,636	2,023	2,644
Net interest income	12,102	13,046	5,913	6,436
Provision for losses on loans	1,142	2,810	137	1,797
Net interest income after provision for losses on loans	10,960	10,236	5,776	4,639
Other income				
Late charges, rent and other	551	565	223	203
Loan servicing fees	566	605	285	298
Service charges and other fees on deposits	998	1,032	508	529
Gain (loss) on sale of loans	1,081		517	(92)
Mortgage servicing rights net	39	139	(63)	(132)
Gain (loss) on sale of investments & fixed assets	(2)	1,280	1	2
Income on cash surrender value of life insurance	426	437	208	220
Total other income	3,659	4,058	1,679	1,028
General, administrative and other expenses				