



September 12, 2019

Russell G. Golden
Chairman
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Via email: director@fasb.org

RE: File Reference No. 2019-750 *Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*

Dear Chairman Golden:

On behalf of Camden National Corporation (the "Company"), we appreciate and welcome the opportunity to comment on *Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates* ("Exposure Draft").

The Company, as a public bank holding company, understands the complexities within each of the above standards listed with the Exposure Draft, and appreciates the Board's willingness to review the effective date for each standard based on stakeholder feedback.

As a publicly-held bank holding company, the Credit Losses (Topic 326) standard ("Credit Losses standard") will have a significant impact on our Company and, more broadly, across our industry. Our comments within this letter are focused on the impact of the proposed changes outlined within the Exposure Draft, specific to the Credit Losses standard, including (i) the proposed change in methodology for determining the effective date of adoption for a company and (ii) the effective date of adoption for a company.

While we certainly appreciate the Board's intention for the proposed changes outlined within the Exposure Draft, we respectfully oppose the Board's proposal to (i) bifurcate public filers with the Securities and Exchange Commission ("SEC") and create a different application of generally accepted accounting principles ("GAAP") across public companies, and (ii) further delay the Credit Losses standard effective date for "bucket two" companies to fiscal years beginning after December 15, 2022. Our opinion is based on the following facts:

- Camden National Corporation is a \$4.4 billion publicly-held bank holding company headquartered in the state of Maine, and as the Exposure Draft is currently written, would not qualify as a "bucket two" company. Maine is unique in that of the 26 financial institutions (not including credit unions) headquartered in Maine, only five of these institutions are public registrants (including the Company). Based on our understanding and interpretation of the

Exposure Draft, we estimate that only two of those financial institutions in Maine would qualify as a “bucket one” company (again, including the Company). Additionally, financial institutions included in “bucket two” who would be able to delay implementation include a nonpublic competitor whose total assets exceed the Company’s, as well as several others whose total assets range between \$500 million and \$1.5 billion. It is our opinion that this will create an un-level playing field and provide a competitive disadvantage to the “bucket one” companies who are required to adopt the Credit Losses standard as compared to the “bucket two” institutions who would be able to delay adoption. This un-level playing field results from recording the estimated lifetime losses of a loan upfront which will likely result in an increase in the allowance for credit losses and related provision expense, compared to those companies applying today’s current incurred loss model. To maintain profit margins, “bucket one” companies will need to consider factoring in this cost into its loan pricing. However, within extremely competitive markets this becomes increasingly challenging to successfully achieve.

- A different standard of GAAP application for Credit Losses across both public filers and non-public filers runs the risk of creating confusion for users of these financial statements, making it more challenging to understand and compare risks, financial performance, and other metrics across comparable companies (which will include companies of similar size, risks, and within the same or similar geographic markets). Specifically within the banking industry, the disparity of such GAAP application for the accounting for credit losses will be exacerbated by further deferring the effective date for “bucket two” companies (including SRC and private companies), as proposed within the Exposure Draft, due to the level of economic uncertainty currently within the markets.

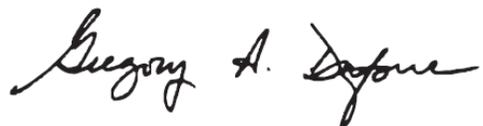
In response to Question 2 of the Exposure Draft, we do not believe public filers with the SEC that qualify as SRC should be afforded a delayed effective date for the reasons outlined above. It is our opinion that the Credit Losses standards should have one effective date for all companies, public and private. If the Board determined that the Credit Losses standard should be delayed, we believe this should apply for all companies.

In response to Question 4 of the Exposure Draft, we do not believe the Credit Losses standard should be delayed for two years for “bucket two” companies (including SRCs or private companies) for the reasons outlined above. Again, it is our opinion that the Credit Losses standards should have one effective date for all companies, public and private. If the Board determined that the Credit Losses standard should be delayed, we believe this should apply for all companies.

While the Company will be ready to adopt the Credit Losses standard in 2020 as we have invested the time and resources over the past several years preparing for implementation, please understand that we are not opposed to the delay of the effective date for the Credit Losses standard given the complexities and challenges the Board has recognized within the Exposure Draft. What we ask is the Board consider an “all or nothing” approach – either (i) delay the standard and introduce one effective date for all companies or (ii) make no change to the original standard as proposed and maintain the one-year laddering of the effective date between public and private companies.

Thank you for considering our comments. Should you need any additional information or have questions, please contact me at 207-230-2106 or via email at gdufour@camdennational.com.

Sincerely,

A handwritten signature in black ink that reads "Gregory A. Dufour". The signature is written in a cursive style with a large initial 'G' and a distinct 'D'.

Gregory A. Dufour
Camden National Corporation
President and Chief Executive Officer