CAMCO FINANCIAL CORP
Form FWP
October 19, 2012

Camco Financial Corporation
Advantage Bank
Investment Overview
October 2012
Free Writing Prospectus

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Financial Disclosure

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(Registration Statement), including a prospectus (Prospectus) with the Securities and Exchange Commission (SEC) fo
this Presentation relates. Before you decide whether to invest, you should read the Prospectus in that registration statement for
advisor and information agent, will arrange to send to you the Prospectus if you request by calling (866) 404-2951.

Some of our statements contained in this presentation are forward-looking statements within the meaning of the Section 27A
and Section 21E of the Securities Exchange Act of 1934, as amended. We intend such forward-looking statements to be cover
forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and are including this statement
provisions. Forward-looking statements are not guarantees of performance or results. When we use words such as may, p
intend, continue, expect, project, predict, estimate, target, could, is likely, should, would, wi
identifying forward-looking statements, although we may use other phrasing.

All statements other than statements of historical fact included in this presentation regarding our outlook, financial position and
resources and interest rate sensitivity are forward-looking statements. These forward-looking statements also include, but are n
conditions created by state and federal legislation and regulations; anticipated changes in general interest rates and the impact o
profitability, capital adequacy and the fair value of our financial assets and liabilities; retention of our existing customer base a
development of new products and services and their success in the marketplace; the adequacy of the allowance for loan losses;
loan and deposit account growth, expense levels, liquidity and capital resources and projections of earnings.

The forward-looking statements contained in this presentation are based on our beliefs and assumptions and on the information
disclosures were prepared and involve known and unknown risks, uncertainties and other factors which may cause our actual re
future results expressed or implied by such forward-looking statements. Although we believe the expectations reflected in such
we can give no assurance such expectations will prove to have been correct. Important factors that could cause actual results to
forward-looking statements included herein include, but are not limited to, competition in the industry and markets in which w
changes in general interest rates; loan demand; rapid changes in technology affecting the financial services industry; real estate
and general economic and business conditions.

For other factors, risks and uncertainties that could cause our actual results to differ materially from estimates and projections c
statements, please read the *Risk Factors* section of the Prospectus that relates to the rights offering. All written or oral forw
expressly qualified in their entirety by this cautionary note. Any forward-looking statement speaks only as of the date which su
required by law, we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-lo
circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events.

this
offering.
You
may
obtain
these
documents
for
free
by
visiting
EDGAR
on
the
SEC
Website
at
www.sec.gov.
Alternatively,
CAFI
or
ParaCap
Group,
LLC,
financial

Offering Considerations

Offering Overview
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Issuer:
Camco Financial Corporation (NASDAQ: CAFI)
Securities Offered:
Common stock
Offering Price:

$1.75 per share
Offering Size:
Up to $10.0 million (no minimum)
Warrant Terms:
For every 2 shares purchased in the offering,
investors will receive one non-transferrable
warrant to purchase common stock within five
years at $2.10 per
share
Insider Commitment:
$2.45 million -
$3.50 million on the same terms
as all offering participants
Financial Advisor &
Information Agent:
ParaCap Group LLC

Offering Overview
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Rights Offering Terms:
Basic subscription rights allow existing shareholders to purchase one new share for each share owned as of the record date, subject to pro rata cutback

Oversubscription Privilege:
Existing shareholders may subscribe for additional shares over their basic rights; oversubscription shares are subject to pro rata cutback if total rights offering proceeds exceed $10.0 million
Record Date:
July 29, 2012
Rights Offering Expiration:
October 31, 2012, unless extended
Public Offering:
To the extent that any shares remain unsold in the rights offering, Camco may elect to conduct a public offering on the same terms as the rights offering

Investment Highlights
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Unique franchise combining Columbus and Cincinnati with community banking markets on I-77 corridor
New, committed management
Improved asset quality
Strengthened balance sheet

Return to profitability
Significant progress with consent order requirements
Attractive valuation

Camco Financial Overview

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Unique Franchise
Assets: $767 Million*
Branches: 22
I-77 Corridor
9 branches / $322 million deposits**
Cincinnati / Dayton

8 branches / $183 million deposits**
Columbus / Washington Court House
5 branches / $137 million deposits**
* Asset
data
as
of
6/30/12;
**
Branch
deposit
data
as
of
6/30/11
per
FDIC

Ohio
has
posted
the
fourth
largest
increase

in
jobs
of
all
50
states,
on
a
year-over-year
basis from August 2011
From
August
2011
to
August
2012,
Ohio
added
98,300
jobs,
trailing
only
Texas,
New
York
and California
All of Camco s markets have witnessed a significant decline in the unemployment rate over the last year and remain notably below the national unemployment rate:
Cambridge, OH
Cincinnati-Middletown, OH-KY-IN
Parkersburg-Marietta-Vienna, WV-OH
Washington Court House, OH
Columbus, OH
Dayton, OH
New Philadelphia-Dover, OH
Ohio
Nationwide
9
Unique Franchise
(23.7%)
(23.0%)
(20.0%)
(24.2%)
(24.4%)
(22.3%)
(27.9%)
(22.7%)
(13.3%)
7.4%
6.7%

6.8%
6.9%
5.9%
7.3%
6.2%
6.8%
7.8%
Year-Over-Year Change
in Unemployment Rate
August 2012
Unemployment Rate
Source: Bureau of Labor Statistics and SNL

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Committed Management

Following its terminated merger with First Place Financial in 2008, Camco welcomed in a new management team, led by Jim Huston, that has successfully resolved legacy credit quality issues, returned the Company to profitability and positioned Camco to begin lending again in a meaningful way.

James

E.

Huston was named Chief Executive Officer, President and Chairman of the Board of Camco Financial Corporation in December 2008. Mr. Huston worked as an Independent Consultant for financial institutions from July 2006 through Decembe including for Camco from September 2008 through December 2008. From February 2006 until July 2006, Mr. Huston served interim Chief Financial Officer for the Federal Home Loan Bank of Des Moines. Mr. Huston was employed by First Consume National Bank in Portland, Oregon, from November 2001 until November 2005, serving as the Chief Executive Officer from M 2002 until November 2005. Mr. Huston served as Executive Vice President and Chief Financial Officer of Aames Financial Corporation, Los Angeles, California, from August 2000 to November 2001. He was employed by Bank One Corporation, Columbus, Ohio, from 1992 to 2000 where he held several executive positions, including Senior Vice President and Chief Fina Officer, Bank One Consumer Financial Services from May 1997 to August 2000.

John E. Kirksey has been the Senior Vice President, Chief Financial Officer and Treasurer of Camco Financial Corporation and Advantage Bank since March 2011. Mr. Kirksey was previously employed by Modern Medical, Inc. from 2008 through 2010, serving as the Director of Operations. Prior to that, Mr. Kirksey served in several financial leadership roles at JPMorgan Chase including Vice President/Planning and Analysis Manager, Retail Banking from 2002 to 2008; Vice President/Senior Finance Manager, Retail Group from 1997 to 2002; and Vice President/Strategic Planning in 1996 (with Banc One Corporation). At B One, Richmond, Mr. Kirksey served as Chief Financial Officer from 1989 to 1996. Mr. Kirksey holds a Master of Business Administration, Finance degree from Indiana University, Bloomington, Indiana, and a Bachelor of Science degree in Business Administration and Economics from Manchester College, North Manchester, Indiana.

Jeffrey

T. Tucker is a Certified Public Accountant and Sole Member of the accounting firm Tucker & Tucker CPAs, LLC, Cambridge, Ohio, a position he has held since 1984. Mr. Tucker was named Lead Independent Director of Camco Financial Corporation in February 2009.

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Committed Management
Camco s directors
and
officers
currently
own

approximately 7.2% of the Company s outstanding shares (10.5% on a fully diluted basis). They have indicated their intention to collectively invest an additional $2.45 million to $3.50 million through the exercise of their basic and oversubscription rights. The insiders will be investing on the same terms as all other offering participants, and their involvement is subject to being cut back if the rights offering is oversubscribed. As shown below, assuming a $10.0 million offering, the insiders aggregate pro forma ownership could be as high as 19.2% (23.1% on a fully diluted basis).
* Existing Ownership as of 9/21/12
Total Shares Outstanding
7,468,087
Total Options Outstanding
585,900
Pro Forma Shares ($10MM Offering)
13,182,373
Pro Forma Warrants and Options ($10MM Offering)
3,443,043
Warrants and
% of Total Shares
Directors & Officers
Common Stock
Options
Basic
Diluted
Existing Ownership*
535,000
310,000
7.2%
10.5%
$2.45 Million Commitment
1,400,000
700,000

14.7%
17.7%
$3.50 Million Commitment
2,000,000
1,000,000
19.2%
23.1%

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Dollars In Thousands
* Based on management internal reports
Improved Asset Quality
$85,000
$63,324
$51,219

$48,343
$30,000
$40,000
$50,000
$60,000
$70,000
$80,000
$90,000
12/31/2009
12/31/2010
12/31/2011
6/30/2012
Classified Assets*

13
Dollars In Thousands
Improved Asset Quality
$53,484
$32,848
$33,779
$24,918

$23,653
$0
$10,000
$20,000
$30,000
$40,000
$50,000
$60,000
12/31/2008
12/31/2009
12/31/2010
12/31/2011
6/30/2012
Nonperforming Loans

14
Dollars In Thousands
Improved Asset Quality
* Through 6/30/2012
$21,440
$17,689
$4,617

$1,489
$0
$5,000
$10,000
$15,000
$20,000
$25,000
2009
2010
2011
2012 YTD*
Net Charge Offs

15
Dollars In Thousands
Strengthened Balance Sheet
$167,106
$97,291
$92,934
$63,604

$58,445
$25,000
$50,000
$75,000
$100,000
$125,000
$150,000
$175,000
12/31/2008
12/31/2009
12/31/2010
12/31/2011
6/30/2012
FHLB Borrowings

Strengthened Balance Sheet
0%
10%
20%
30%
40%
50%

60%
12/31/2009
12/31/2010
12/31/2011
6/30/2012
Deposit Composition (% of Total Deposits)
Noninterest-bearing
Other Transaction
MMDA & Savings
16

Return to Profitability
2009
2010
2011
2012
YTD*
Gross

Earning
Assets
5.39%
5.41%
5.12%
4.62%
Cost of
Funds
2.54%
1.97%
1.54%
1.31%
NIM
2.91%
3.50%
3.66%
3.42%
17
* Through 6/30/2012
5.39%
5.41%
5.12%
4.62%
2.54%
1.97%
1.54%
1.31%
2.91%
3.50%
3.66%
3.42%
1.00%
2.00%
3.00%
4.00%
5.00%
6.00%
2009
2010
2011
2012 YTD
Gross
COF
NIM

Return to Profitability
18
2008 Pretax Loss
($20,440)
2009 Pretax Loss
($17,514)
2010 Pretax Loss

($14,041)
2011 Pretax Earnings
$758
2012 Pretax Earnings:
Quarter Ended March 31, 2012
$450
Quarter Ended June 30, 2012
$420
2012 YTD
$870
Dollars In Thousands

Return to Profitability
19
-30%
-25%
-20%
-15%
-10%

-5%
0%
5%
10%
15%
20%
Return on Average Equity (%)

Following an extended period of consistent attractive returns, the economic downturn led to substantial losses in 2008-2010. Camco returned to profitability beginning in the second half of 2011 and the trend has accelerated into 2012.

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Regulatory Compliance
Retain
qualified
management
and
increase

board
participation
Tier 1 Leverage Ratio of 9.0% / Total Risk-Based Capital of 12.0%
Establish acceptable capital plan
Establish acceptable concentration of credit plan
Reduce CRE concentration to less than 300% of Total Risk-Based Capital
Establish plan for reduction of classified assets / charge off loss-rated assets
Establish
plans
for
liquidity
risk
management
and
sensitivity
to
interest
rate
risk
Establish acceptable strategic plan and test on a quarterly basis
Establish comprehensive methodology for determining adequacy of ALLL
Establish profit plan and budget for 2012-2013 and test on a quarterly basis
Assess
officer
incentive
plan
to
ensure
appropriate
alignment
of
incentives
Establish acceptable IT strategic plan and business continuity plan

Advantage Bank was issued a consent order by the FDIC and Ohio DFI on February 9, 2012, that effectively replaced its original order issued July 31, 2009. The order sought improvements in several areas, both financial and administrative. Management believes that the bank has achieved compliance with substantially all of the order s requirements except for those that are dependent upon raising additional capital. Camco believes that the successful completion of its rights offering will strengthen its position with regard to any remaining outstanding items.

Attractive Valuation
21
SNL Bank Index Historical Price to Book Multiples (%)
SNL Bank Index Historical Price to Earnings Multiples (x)
101
98
107

104
138
189
209
209
237
229
232
257
231
284
291
266
201
165
154
172
50
100
150
200
250
300
2012
YTD
2011
2010
2009
2008
2007
2006
2005
2004
2003
2002
2001
2000
1999
1998
1997
1996
1995
1994
1993
11.4
12.1
16.8
21.8
14.1
12.6

13.8
14.9
15.1
15.6
19.2
19.0
17.6
22.0
20.8
17.6
14.0
11.6
10.6
15.3
0.0
5.0
10.0
15.0
20.0
25.0
2012
YTD
2011
2010
2009
2008
2007
2006
2005
2004
2003
2002
2001
2000
1999
1998
1997
1996
1995
1994
1993

Attractive Valuation
22
*Assumes $2.0mm sold to insiders, $3.0mm through basic rights and $5.0mm through oversubscription rights
CAFI
Rights Offering
CAFI
(dollars in thousands)

6/30/2012
Adjustments*
Pro Forma
Consolidated Financial Summary
Total Reserves
14,185
$
-
$
14,185
$
Total Goodwill and Intangibles
-
-
-
Trust Preferred
5,000
-
5,000
Stockholders' Equity:
Accumulated Other Comprehensive Income net of
Related Tax Effects
36
-
36
Common Stock
46,740
9,361
56,101
Total Stockholders' Equity
46,776
9,361
56,137
Total Capitalization
51,776
$
9,361
$
61,137
$
Regulatory Capital Ratios
Tier 1 Capital to Tangible Assets (Leverage Ratio)
6.62%
7.65%
Total Risk-Based Capital to Risk Weighted Assets
10.00%
11.21%
Consolidated Financial Data
Consolidated Tangible Common Equity to Assets
6.10%

7.23%
Common Book Value Per Share
6.26
$
4.26
$
Tangible Common Book Value Per Share
6.26
$
4.26
$
Offering Price / Tangible Book Value Per Share
27.94%
41.09%
Ownership
Shares Outstanding
7,468,087
5,714,286
13,182,373
Pro Forma Ownership -
Existing Shares
100.00%
56.65%
Pro Forma Ownership -
Newly Issued Shares
0.00%
43.35%

Investment Highlights
23
Unique franchise combining Columbus and Cincinnati with community banking markets on I-77 corridor
New, committed management
Improved asset quality
Strengthened balance sheet

Return to profitability
Significant progress with consent order requirements
Attractive valuation

Additional Information
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To request additional information, please
contact our Information Agent:
(866) 404-2951
A Subsidiary of Paragon Capital Group, LLC