

CAMCO FINANCIAL CORP
Form 424B3
July 07, 2004

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Registration No. 333-116281

LONDON FINANCIAL CORPORATION
2 EAST HIGH STREET
LONDON, OHIO 43140
(740) 852-0787

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON AUGUST 6, 2004

Notice is hereby given that the special meeting of shareholders of London Financial Corporation will be held on August 6, 2004 at 10:00 a.m., Eastern Time, at 2 East High Street, London, Ohio. A joint prospectus/proxy statement and proxy card for the special meeting are enclosed. The special meeting will be held for the purpose of considering and voting upon the following matters:

1. To approve and adopt an agreement and plan of merger, dated as of March 26, 2004, by and among London Financial Corporation, The Citizens Bank of London, Camco Financial Corporation and Advantage Bank, as amended, and the transactions contemplated by that amended agreement, including the merger of London Financial into Camco and the merger of Advantage Bank into Citizens Bank, and the exchange of each outstanding share of London Financial, no par value per share, into the right to receive \$26.50, 1.56342 shares of Camco common stock or a combination of cash and Camco common stock; and
2. Such other business incident to the conduct of the special meeting as may properly come before the special meeting and any adjournment or postponement of the special meeting, including adjournment of the special meeting to allow for additional solicitation of shareholder votes in order to obtain the required vote to approve and adopt the merger agreement and to approve the transactions contemplated by the merger agreement.

The board of directors of London Financial has established July 25, 2004, as the record date for the determination of shareholders entitled to receive notice of and to vote at the special meeting and at any adjournment or postponement of the special meeting. Only record holders of London Financial common shares as of the close of business on that date will be entitled to vote at the special meeting or any adjournment or postponement of the special meeting. IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE SPECIAL MEETING. WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, PLEASE COMPLETE, SIGN AND PROMPTLY RETURN THE ENCLOSED PROXY CARD IN THE ENCLOSED POSTAGE-PAID ENVELOPE AS SOON AS POSSIBLE.

THE LONDON FINANCIAL BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE MATTERS PROPOSED.

By Order of the Board of Directors,

John J. Bodle, President

June 28, 2004

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PROSPECTUS
CAMCO FINANCIAL CORPORATION
for the issuance of up to
325,000 Shares of Common Stock

PROXY STATEMENT
LONDON FINANCIAL
CORPORATION
for the Special Meeting of Shareholders

On March 26, 2004, Camco Financial Corporation, Advantage Bank, London Financial Corporation, and The Citizens Bank of London executed a merger agreement that provides, as amended, for the merger of London Financial into Camco and the merger of Advantage Bank into Citizens Bank. For tax purposes, it is intended that the acquisition of London Financial by Camco will qualify as a "reorganization" under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended.

We cannot complete the merger unless the holders of at least 178,019 London Financial shares, which is a majority of the issued and outstanding London Financial shares, adopt the merger agreement. The London Financial board of directors has scheduled a special meeting for London Financial shareholders to vote on the merger agreement. The date, time and place of the special meeting are as follows:

AUGUST 6, 2004
10:00 A.M.
2 E. HIGH STREET, LONDON, OHIO

If we complete the merger, each London Financial shareholder will have the option to receive (i) \$26.50 in cash, (ii) 1.56342 shares of Camco common stock, subject to possible adjustment, or (iii) a combination of cash and Camco shares, in exchange for each London Financial share owned immediately before we complete the merger.

Camco shares are listed on The Nasdaq National Market under the symbol "CAFI." On June 25, 2004, the last trading date before we printed this prospectus/proxy statement, Camco shares closed at \$14.13. If Camco's share price were to remain at \$14.13 per share until closing, an adjustment to the exchange ratio would be made, and 1.59377 Camco shares valued at an aggregate of \$22.52 would be issued in exchange for each outstanding London Financial share exchanged solely for Camco shares and no cash. The exchange ratio, and thus the value, may be increased under certain circumstances set forth in the merger agreement.

This prospectus/proxy statement provides detailed information about the merger. We encourage you to read this entire document carefully.

AN INVESTMENT IN THE COMMON STOCK OF CAMCO INVOLVES CERTAIN RISKS. FOR A DISCUSSION OF THESE RISKS, SEE "RISK FACTORS" BEGINNING ON PAGE 14 OF THIS DOCUMENT.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE CAMCO STOCK TO BE ISSUED IN THE MERGER OR DETERMINED IF THIS PROSPECTUS/PROXY STATEMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE CAMCO STOCK IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY.

This prospectus/proxy statement is dated June 28, 2004, and is first being mailed to shareholders of London Financial on or about July 7, 2004.

REFERENCES TO ADDITIONAL INFORMATION

This document incorporates important business and financial information about Camco from documents that it has filed with the Securities and Exchange Commission but has not included in or delivered with this document. If you write

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or call Camco, we will send you these documents, excluding exhibits, without charge. You can contact Camco at:

Camco Financial Corporation
6901 Glenn Highway
Cambridge, Ohio 43725
Attention: Mark A. Severson
(740) 435-2020

Only limited financial information is provided in this prospectus/proxy statement about London Financial. You may obtain a copy of London Financial's financial statements for the fiscal years ended September 30, 2003 and 2002, by requesting them by phone or in writing to:

London Financial Corporation
2 East High Street
London, Ohio 43140
Attention: John J. Bodle
(740) 852-0787

TO PERMIT TIMELY DELIVERY, PLEASE BE SURE WE RECEIVE YOUR REQUEST FOR DOCUMENTS BY JULY 30, 2004. We will mail the documents you request by first class mail by the next business day after we receive your request. See "Where you can find more information" on page 48 for more information about the documents referred to in this prospectus/proxy statement.

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ANNEX A Agreement and Plan of Merger dated March 26, 2004, by and among Camco Financial Corporation, Advantage Bank, London Financial Corporation and The Citizens Bank of London, and Amendment to Agreement and Plan of Merger dated May 17, 2004.

ANNEX B Opinion of Keefe, Bruyette & Woods, Inc., updated as of June 25, 2004.

ANNEX C Rights of dissenting shareholders, Ohio General Corporation Law Section 1701.85.

SUMMARY

This summary highlights selected information from this prospectus/proxy statement. It does not contain all of the information that is important to you. You should read carefully this entire document and the other documents referred to in this document to fully understand the merger. To obtain more information, see "Where you can find more information" on page 48. Page references are included in this summary to direct you to a more complete description of topics discussed in this document.

THE PARTIES (PAGE 21)

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Camco Financial Corporation/Advantage Bank
6901 Glenn Highway
Cambridge, Ohio 43725
(740) 435-2020

Camco is a savings and loan holding company organized under Delaware law in 1970. Through its wholly-owned subsidiaries, Advantage Bank and Camco Title Insurance Agency, Inc., Camco is engaged in the financial services business in Ohio, Kentucky and West Virginia.

Advantage Bank is an Ohio savings bank. It was incorporated in 1885 as The Cambridge Loan and Building Company, and renamed Advantage Bank in June 2001 when Camco consolidated its four other subsidiary banks into the renamed Advantage Bank. Advantage Bank has its principal office in Cambridge, Ohio, 19 branch offices and 5 loan production offices located in Ohio, Kentucky and West Virginia.

London Financial Corporation/The Citizens Bank of London
2 East High Street
London, Ohio 43140
740-852-0787

London Financial is an Ohio corporation that was formed in 1995 in connection with the conversion of The Citizens Bank of London from a mutual savings and loan association to a stock savings and loan association. The principal business of London Financial is holding all of the issued and outstanding shares of Citizens Bank.

Citizens Bank, an Ohio bank, was formed in 1891 as a savings and loan association, converted into an Ohio bank in 1999, and conducts business from its office in London, Ohio. Citizens Bank is engaged in the business of making first mortgage loans, commercial loans and secured and unsecured consumer loans, and accepting deposits in its primary lending area.

THE MERGER (PAGE 22)

The merger agreement, as amended, provides for the merger of London Financial into Camco, and the subsequent merger of Advantage Bank into Citizens Bank, with the resulting bank adopting the name "Advantage Bank." The mergers cannot be completed unless at least 178,019 London Financial shares, which is a majority of the issued and outstanding London

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Financial shares, approve the merger. The merger agreement and an amendment with respect to the merger of the banks are attached to this document as Annex A, and are incorporated in this prospectus/proxy statement by reference. We encourage you to read the merger agreement carefully, as it is the legal document that governs the merger.

WHAT YOU WILL RECEIVE IN THE MERGER (PAGE 30)

If the merger is completed, each London Financial shareholder will have the option to receive (i) \$26.50 in cash, (ii) 1.56342 shares of Camco common stock, subject to possible adjustment, or (iii) a combination of cash and Camco shares, in exchange for each London Financial share owned. On June 25, the last trading date before we printed this prospectus/proxy statement, Camco stock closed at \$14.13 per share on Nasdaq. The merger agreement provides for an adjustment to the exchange ratio if the average price of Camco stock during the

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15 consecutive trading days ending five trading days before the closing date is less than \$14.41. If Camco's stock price were to remain at \$14.13 per share until the closing, 1.59377 shares of Camco stock valued at \$14.13 per share would be issued in exchange for each London Financial share exchanged solely for Camco stock and no cash, and the total value of Camco stock a London Financial shareholder would receive for each London Financial share, if the shareholder receives no cash, would equal \$22.52. The exchange ratio, and thus the value, may be increased under certain circumstances set forth in the merger agreement.

The number of shares of Camco stock that each London Financial shareholder electing Camco stock will receive in exchange for each London Financial share may be adjusted, depending upon the average market value of a share of Camco stock during the fifteen consecutive trading days ending five trading days immediately preceding the closing date. Therefore, the total value of the merger consideration will depend upon the value of a share of Camco stock during that measuring period. If the average market value of a share of Camco stock during the measuring period is between \$14.41 and \$19.49, then the number of shares of Camco stock that London Financial shareholders will receive in exchange for each London Financial share will equal 1.56342 shares. If the average market value of a share of Camco stock during the measuring period is less than \$14.41, then the number of shares of Camco stock that London Financial shareholders will receive in exchange for each London Financial share will equal \$22.52 divided by the average value of a Camco share during the measuring period. For example, if the average value of a Camco share during the measuring period is \$14.00, then London Financial shareholders will receive 1.60857 ($\$22.52/\14.00) shares of Camco stock in exchange for each London Financial share held. If the average market value of a share of Camco stock during the measuring period is greater than \$19.49, then the number of shares of Camco stock that London Financial shareholders will receive in exchange for each London Financial share will equal \$30.47 divided by the average value of a Camco share during the measuring period. For example, if the average value of a Camco share during the measuring period is \$20.00, then London Financial shareholders will receive 1.5235 ($\$30.47/\20.00) shares of Camco stock in exchange for each London Financial share held.

Under the merger agreement, London Financial shareholders who elect to receive Camco shares as consideration, and would be entitled to receive a fractional interest in a Camco share, will receive instead an amount of cash equal to the fractional interest in the Camco share multiplied by \$26.50.

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The merger agreement further provides that in order to preserve the status of the merger as a tax-free reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended, the aggregate value of Camco shares to be issued in connection with the merger, based upon the market value of Camco shares at the end of trading on the business day immediately preceding the effective time of the merger, may not be less than 45% of the total consideration to be paid to London Financial shareholders in the merger (the sum of the aggregate cash consideration - which is equal to \$26.50 per share multiplied by 50% of the outstanding London Financial Shares - and the aggregate value of Camco shares to be received by London Financial shareholders as consideration in the merger). If the aggregate value of Camco shares to be issued in connection with the merger would be less than 45% of the total consideration to be paid to London Financial shareholders in the merger, then the number of Camco shares that London Financial shareholders will receive in exchange for each London Financial share will be increased so that the aggregate value of Camco shares to be issued to London Financial shareholders in connection with the merger is equal to 45% of the total consideration to be paid to London Financial shareholders in the merger.

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ALLOCATION OF CAMCO SHARES AND CASH AMONG LONDON FINANCIAL SHAREHOLDERS (PAGE 32)

Under the merger agreement, the aggregate cash consideration to be paid to London Financial shareholders will equal \$26.50 multiplied by 50% of the total number of London Financial shares outstanding at the effective time of the merger.

If the number of London Financial shares subject to elections to receive cash consideration, which includes all dissenting shares, multiplied by \$26.50, plus the total cash to be paid in lieu of fractional Camco shares, is less than the aggregate cash consideration required under the merger agreement, then each London Financial shareholder so electing will receive cash consideration. The London Financial shares of those London Financial shareholders who did not make an election, and, if necessary, those London Financial shareholders electing to receive Camco shares as consideration, will then be exchanged for cash, on a pro rata basis, such that the total cash consideration paid to London Financial shareholders is equal to the aggregate cash consideration required under the merger agreement. The remainder of the London Financial shares will be exchanged for Camco shares.

If the product of (a) the number of London Financial shares subject to elections to receive cash consideration multiplied by (b) \$26.50, plus the cash to be paid in lieu of fractional Camco shares, is greater than the aggregate cash consideration to be paid under the merger agreement, then the cash consideration will be allocated among those London Financial shareholders electing to receive cash consideration on a pro rata basis such that the total cash consideration paid to London Financial shareholders is equal to the aggregate cash consideration to be paid under the merger agreement. The remainder of the London Financial shares will be exchanged for Camco shares.

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ELECTION PROCEDURE (PAGE 32)

No later than eight calendar days following the effective time of the merger, the exchange agent will mail to you an election form. Each election form will permit you to (i) elect to receive cash in exchange for your London Financial shares, (ii) elect to receive Camco shares in exchange for your London Financial shares, (iii) elect to receive a combination of cash and Camco shares in exchange for your London Financial shares, or (iv) indicate that you make no election. All election forms, along with your stock certificates representing London Financial shares, must be properly completed and actually received by the exchange agent by 5:00 p.m., Eastern Time, on the day designated on the election form, which will be approximately the 20th day following the date of mailing of the election form.

BACKGROUND AND REASONS FOR THE MERGER (PAGE 22)

The London board of directors considered several alternatives in an effort to increase shareholder value. After weighing the viable options against expenses that would be incurred to effect them, the London board of directors decided to pursue a merger. London engaged Keefe, Bruyette & Woods and Keller & Company, Inc., to assist in the process. After extensive deliberations and the review of several indications of interest, London's board of directors determined that Camco's offer was in the best interests of London's shareholders.

RISK FACTORS (PAGE 14)

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There are several risks associated with an investment in Camco stock, represented by the adoption of the merger agreement, including the fluctuation of the value of the Camco stock you may receive and the potential that Camco may not realize all of the anticipated benefits of the mergers. Please consider these risks carefully before deciding how you will vote.

VOTE OF MANAGEMENT OWNED SHARES (PAGE 18)

As of the record date, directors and executive officers of London Financial collectively owned approximately 35% of the outstanding London Financial common shares, not including shares subject to outstanding options. All of the directors and two non-director executive officers of London Financial have entered into voting agreements with Camco pursuant to which they have agreed to vote all of their shares in favor of the adoption and approval of the merger agreement.

RECOMMENDATION TO SHAREHOLDERS (PAGE 30)

The board of directors of London Financial believes that the merger is in the best interests of London Financial and its shareholders and unanimously recommends that you vote "For" the proposal to approve and adopt the merger agreement.

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OPINION OF FINANCIAL ADVISORS (PAGE 25)

In deciding to approve the merger, the London Financial board of directors considered the opinion of its financial advisor, Keefe, Bruyette & Woods, Inc., dated March 26, 2004, that the per share merger consideration was fair to London Financial shareholders from a financial point of view. The opinion, updated as of June 25, 2004, is attached as Annex B to this prospectus/proxy statement. We encourage you to read the opinion.

MATERIAL FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER (PAGE 40)

London Financial shareholders may recognize a gain or a loss upon the receipt of cash and/or Camco shares to be received in the merger. The actual income tax consequences for each London Financial shareholder may be different, and you should contact your tax advisor.

INTERESTS OF DIRECTORS AND OFFICERS (PAGE 38)

Some of the directors and officers of London Financial and Citizens Bank have interests in the merger that are different from, or in addition to, their interests as shareholders of London Financial. These interests include the following:

- At the completion of the merger, each outstanding option under the London Financial Corporation 1997 Stock Option and Incentive Plan that has not been exercised will be converted into the right to receive a cash payment equal to the product of \$16.50 times the number of shares of London Financial subject to the option. The directors and executive officers of London Financial have, in the aggregate, options to acquire 32,095 London Financial shares.
- At the completion of the merger, all of the management recognition plan awards that were made to London Financial directors and executive officers and which have not been earned and distributed,

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totaling 1,917 London Financial shares, and cash in the aggregate amount of approximately \$1,897 will become immediately earned and distributed.

- Current employees of London Financial or Citizens Bank who are employed by Camco or Advantage Bank after the merger will be covered by Camco's employee benefit plans.
- John J. Bodle, the President of London Financial and Citizens Bank, has an employment agreement with London Financial and Citizens Bank entitling him to a payment if his employment is terminated in connection with a change in control of London Financial or Citizens Bank, which sum of \$278,400 will be paid at the completion of the merger. Mr. Bodle is expected to execute an employment agreement with Advantage Bank pursuant to which Mr. Bodle will receive a monthly salary of \$1,400 until October 31, 2005, and group health, life and disability benefits until April 30, 2007.

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- Steven C. Adams, Executive Vice President of Citizens Bank, has an employment agreement with London Financial and Citizens Bank entitling him to a payment if his employment is terminated or changed in certain ways in connection with a change in control of London Financial or Citizens Bank, which sum of \$183,640 will be paid at completion of the merger. Mr. Adams is expected to execute an employment agreement with Advantage Bank pursuant to which Mr. Adams will receive an annual salary of \$96,000 and benefits for one year.
- For three years after the merger is completed, Camco will indemnify and provide liability insurance for the directors and executive officers of London Financial for acts occurring prior to completion of the merger.
- Each of the directors of London Financial will be appointed to an advisory board of Advantage Bank, for which such director will receive \$1,000 for each Advisory Board meeting attended.

TERMINATION AND AMENDMENT OF THE MERGER AGREEMENT (PAGE 37)

Camco and London Financial may agree to terminate the merger at any time before the consummation of the merger, even if the London Financial shareholders have voted to approve the merger. The merger agreement may be terminated and the merger may be abandoned at any time prior to the effective time of the merger:

- By the mutual written consent of Camco and London Financial;
- By either Camco or London Financial if the merger is not consummated on or before December 26, 2004;
- By either Camco or London Financial if any event occurs which would preclude satisfaction of certain conditions set forth in the merger agreement; or
- By London Financial if it executes a definitive agreement in connection with, or closes, an acquisition transaction whereby some person or entity other than Camco will acquire all or a material amount of the assets, or any equity securities, of London Financial, or London Financial and such other person or entity will enter into

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a merger, consolidation or business combination.

London Financial must pay to Camco a termination fee of \$450,000 if London Financial enters into or closes an acquisition transaction with a company other than Camco at any time prior to the expiration of 12 months after the merger agreement has been terminated.

We may amend the merger agreement in writing at any time before or after the London Financial shareholders adopt the merger agreement. If the London Financial shareholders have already adopted the merger agreement, however, we will not amend the merger agreement without shareholder approval if the amendment would have a material adverse effect on the shareholders.

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SPECIAL MEETING OF LONDON FINANCIAL SHAREHOLDERS (PAGE 17)

The London Financial special meeting of shareholders will take place at 2 E. High Street, London, Ohio, on August 6, 2004. If you owned London Financial common shares on July 25, 2004, you are entitled to vote at the special meeting. The holders of at least 178,019 shares, which is a majority of the issued and outstanding London Financial shares, must vote in favor of the resolution to adopt the merger agreement.

DISSENTERS' RIGHTS (PAGE 19)

Ohio law provides London Financial shareholders with dissenters' rights in the merger. This means that if you strictly comply with the procedures under Ohio law, you have the right to receive payment for your shares of London Financial based upon an independent determination of their fair cash value. In addition to the summary of dissenters' rights on page 19, a copy of the provisions of Ohio law regarding dissenters' rights is attached to this prospectus/proxy statement as Annex C.

COMPARATIVE STOCK PRICES AND DIVIDENDS

Camco common stock is listed on The Nasdaq National Market System under the symbol "CAFI." London Financial common stock is not listed on an exchange or The Nasdaq Stock Market.

As of June 25, 2004, there were 7,358,887 shares of Camco common stock outstanding and held by approximately 2,056 holders of record. As of June 25, 2004, there were 356,037 shares of London Financial common stock outstanding and held by approximately 195 holders of record.

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The following table sets forth, for the periods indicated, the high, low and closing sales prices per share of Camco common stock and the quarterly cash dividends per share declared by Camco and London Financial with respect to their common shares.

	Camco		London
	Market price		
Quarter ended	High	Low	Cash d declared
	Cash dividends Declared per share		

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March 31, 2004	\$17.62	\$16.40	\$0.145	\$
December 31, 2003	18.39	17.06	0.145	
September 30, 2003	18.23	15.90	0.145	
June 30, 2003	17.00	15.00	0.140	
March 31, 2003	17.08	14.21	0.140	
December 31, 2002	14.30	12.95	0.135	
September 30, 2002	14.75	13.13	0.135	
June 30, 2002	14.61	13.00	0.130	
March 31, 2002	13.35	12.10	0.125	

On March 25, 2004, the last trading day prior to the public announcement of the execution of the merger agreement, the last sales price of Camco common stock was \$17.05 per share. On June 25, 2004, the most recent practicable trading day prior to the printing of this proxy statement/prospectus, the last sales price of Camco common stock was \$14.13 per share. The market price of shares of Camco common stock is subject to fluctuation. As a result, London Financial shareholders are urged to obtain current market quotations.

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SELECTED CONSOLIDATED FINANCIAL DATA OF CAMCO

The tables below contain information regarding the financial condition and earnings of Camco for the three years ended December 31, 2003, based on the audited consolidated financial statements of Camco that are incorporated into this document by reference, and the three months ended March 31, 2004, based on its unaudited consolidated financial statements for those periods that are incorporated into this document by reference. In the opinion of Camco management, Camco has made all adjustments in the unaudited financial statements necessary for a fair presentation of consolidated financial condition and results of operations.

CAMCO CONSOLIDATED STATEMENT OF FINANCIAL CONDITION DATA:	At March 31,	At December		
	2004	2003	2002	2001
	(Unaudited)			
				(In thousands)
Total amount of :				
Assets	\$1,057,023	\$1,039,151	\$1,083,240	\$1,102,000
Interest-bearing deposits in other financial institutions	18,140	30,904	36,807	89,000
Investment securities available for sale - at market	28,928	27,008	38,789	
Investment securities held to maturity - at cost	1,128	1,130	5,368	18,000
Mortgage-backed securities available for sale - at market	93,324	77,916	97,332	60,000
Mortgage-backed securities held to maturity - at cost	6,193	7,704	20,000	30,000
Loans receivable - net (1)	820,700	805,082	796,958	871,000
Deposits	669,046	671,274	694,072	730,000
FHLB advances and other				

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borrowings	283,280	262,735	276,276	258
Stockholders' equity - substantially restricted	92,993	92,543	98,601	95

(1) Includes loans held for sale.

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CAMCO CONSOLIDATED STATEMENT OF EARNINGS DATA:	Three months ended	Year ended December		
	March 31, 2004	2003	2002	2001
	(Unaudited)			
Total interest income	\$ 12,729	\$ 54,875	\$ 66,002	\$ 74,372
Total interest expense	6,658	31,237	38,556	48,433
Net interest income	6,071	23,638	27,446	25,939
Provision for losses on loans	255	1,446	1,169	759
Net interest income after provision for losses on loans	5,816	22,192	26,277	25,180
Other income	1,536	11,411	10,100	7,153
General, administrative and other expense	5,870	22,404	21,682	18,948
Restructuring credits related to charter consolidation	-	-	(112)	-
FHLB advance prepayment fees	-	1,292	-	-
Earnings before federal income taxes	1,482	9,907	14,807	12,435
Federal income taxes	448	3,051	4,802	3,891
Net earnings	\$ 1,034	\$ 6,856	\$ 10,005	\$ 8,544
Earnings per share:				
Basic	\$ 0.14	\$ 0.92	\$ 1.27	\$ 1.20
Number of shares used to calculate basic earnings per share	7,345,340	7,491,977	7,908,786	7,096,960
Diluted	.14	.91	1.25	1.19
Number of shares used to calculate diluted earnings per share	7,414,616	7,566,367	8,005,880	7,190,506

OTHER DATA:

At or for the three months ended March 31, 2004 (1)	Year ended	
	2003	2002

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Return on average assets (2)	.40%	.65%	.92%
Return on average equity (2)	4.45	7.17	10.33
Average equity to average assets (2)	8.99	9.01	8.86
Dividend payout ratio (3)	103.57	61.96	41.34

- (1) Annualized where applicable.
- (2) Ratios are based upon the mathematical average of the balances at the beginning and the end of the year.
- (3) Represents dividends per share divided by basic earnings per share.

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SELECTED CONSOLIDATED FINANCIAL DATA OF LONDON FINANCIAL

The tables below contain information regarding the financial condition and earnings of London Financial for the three years ended September 30, 2003, based on the audited consolidated financial statements of London Financial that are incorporated into this document by reference, and the six months ended March 31, 2004, based on its unaudited consolidated financial statements. In the opinion of London Financial management, London Financial has made all adjustments in the unaudited financial statements necessary for a fair presentation of consolidated financial condition and results of operations.

LONDON FINANCIAL CONSOLIDATED STATEMENT OF FINANCIAL CONDITION DATA:	At March 31, 2004 ----- (Unaudited)	At September	
		2003 -----	2002 ----- (In thousand)
Total amount of:			
Assets	\$54,112	\$58,921	\$52,996
Interest-bearing deposits in other financial institutions	2,698	1,393	1,336
Investment securities available for sale - at market	-	-	-
Mortgage-backed securities held to maturity-at cost	412	495	757
Loans receivable - net	47,603	52,584	47,040
Deposits	43,956	44,443	44,695
FHLB advances and other borrowings	4,500	9,000	2,000
Shareholders' equity - substantially restricted	5,421	5,210	6,085

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Six months ended
March 31, 2004

Year ended September 30,

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LONDON FINANCIAL CONSOLIDATED STATEMENT OF EARNINGS DATA:	(Unaudited)	2003	2002
		(In thousands, except per share)	
Total interest income	\$ 1,448	\$ 3,080	\$ 3,192
Total interest expense	479	1,161	1,460
Net interest income	969	1,919	1,732
Provision for loan losses	30	60	60
Net interest income after provision for loan losses	939	1,859	1,672
Non-interest income	73	170	139
Non-interest expense	717	1,334	1,188
Earnings before federal income taxes	295	695	623
Federal income taxes	101	237	212
Net earnings	\$ 194	\$ 458	\$ 411
Earnings per share:			
Basic	\$ 0.54	\$ 1.16	\$ 0.97
Diluted	\$ 0.51	\$ 1.15	\$ 0.96
Number of shares used to calculate earnings per share:			
Basic	356,037	395,046	425,530
Diluted	380,781	399,081	427,422

OTHER DATA:	At or for the six months ended March 31, 2004 (1)	2003
Return on average assets (2)	0.69%	0.83%
Return on average equity (2)	7.30	7.94
Average equity to average assets (2)	9.41	10.40
Dividend payout ratio (3)	25.93	24.14

- (1) Annualized where applicable.
- (2) Ratios are based upon the mathematical average of the balances at the beginning and the end of the year.
- (3) Represents dividends per share divided by basic earnings per share.

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COMPARATIVE PER SHARE DATA

Presented below are the book value per share and net earnings per share of
(a) Camco on a historical basis, (b) London Financial on a historical basis, (c)

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Camco on a pro forma basis and (d) London Financial on an equivalent pro forma basis, adjusted to reflect the completion of the merger as of the beginning of each of the periods indicated. The information in the following table is not necessarily indicative of the results which actually would have been obtained if we had completed the merger before the periods indicated.

	Three months ended March 31, 2004 -----		
CAMCO HISTORICAL			
Earnings per share:			
Basic	\$ 0.14		
Diluted	0.14		
Book value per share	12.65		
Cash dividends paid per share	0.145		
LONDON FINANCIAL HISTORICAL			
Earnings per share:			
Basic	\$ 0.19		
Diluted	0.19		
Book value per share	15.21		
Cash dividends paid per share	.07		
CAMCO PRO FORMA			
Earnings per share:			
Basic	\$ 0.14		
Diluted	0.14		
Book value per share	12.73		
Cash dividends paid per share	0.140		
LONDON FINANCIAL PRO FORMA EQUIVALENT (2)			
Earnings per share:			
Basic	\$ 0.22		
Diluted	0.22		
Book value per share	19.90		
Cash dividends paid per share	0.22		

- (1) London Financial earnings per share and dividends per share are for the fiscal year ended September 30, 2003.
- (2) The pro forma equivalent items are calculated by multiplying the Camco pro forma amounts by the exchange ratio of 1.56342.

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SOURCES OF INFORMATION

Camco and Advantage Bank provided all information in this prospectus/proxy statement relating to them, and London Financial and Citizens Bank provided all information in this prospectus/proxy statement relating to them. Each party is responsible for the accuracy of its information.

YOU SHOULD RELY ONLY ON THE INFORMATION WHICH IS CONTAINED IN THIS DOCUMENT OR TO WHICH WE HAVE REFERRED IN THIS DOCUMENT. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT.

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RISK FACTORS

In considering how to vote on the merger agreement, you should consider carefully all of the information contained in this document, especially the following factors.

YOU MAY RECEIVE A FORM OF CONSIDERATION DIFFERENT FROM THE FORM OF CONSIDERATION YOU ELECT.

The consideration to be received by London Financial shareholders in the merger is subject to the requirements that the total cash consideration paid must be the product of \$26.50 multiplied by 50% of the outstanding London Financial shares. The merger agreement contains proration and allocation methods to achieve this result. If you elect to receive all cash and the available cash is oversubscribed, then you will receive a portion of the merger consideration in the form of Camco stock. If you elect all stock and the available stock is oversubscribed, then you will receive a portion of the merger consideration in cash. If you elect a combination of cash and Camco stock, you may not receive the exact allocation you request.

FLUCTUATION IN THE MARKET PRICE OF CAMCO STOCK WILL AFFECT THE VALUE OF THE SHARES OF CAMCO STOCK TO BE RECEIVED BY LONDON FINANCIAL SHAREHOLDERS.

If the merger is completed, each London Financial shareholder will have the option to receive (i) \$26.50 in cash, (ii) 1.56342 shares of Camco common stock, subject to possible adjustment, or (iii) a combination of cash and Camco shares, in exchange for each London Financial share owned. On June 25, 2004, the last trading date before we printed this prospectus/proxy statement, Camco stock closed at \$14.13 per share on Nasdaq. The merger agreement provides for an adjustment to the exchange ratio if the average price of Camco stock during the 15 consecutive trading days ending five trading days before the closing date is less than \$14.41. If Camco's stock price were to remain at \$14.13 per share until the closing, 1.59377 shares of Camco stock valued at \$14.13 per share would be issued in exchange for each London Financial share exchanged solely for Camco stock and no cash, and the total value of Camco stock a London Financial shareholder would receive for each London Financial share, if the shareholder receives no cash, would equal \$22.52. The exchange ratio, and thus the value, may be increased under certain circumstances set forth in the merger agreement.

The number of shares of Camco stock that each London Financial shareholder may elect to receive in exchange for each London Financial share may be adjusted, depending upon the average market value of a share of Camco stock during a measuring period prior to closing.

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Therefore, the total value of the merger consideration will depend upon the value of a share of Camco stock during the measuring period, which is the fifteen consecutive trading days ending five trading days immediately preceding the closing date. If the average market value of a share of Camco stock during the measuring period is between \$14.41 and \$19.49, then the number of shares of Camco stock that London Financial shareholders will receive in exchange for each London Financial share will equal 1.56342 shares. If the average market value of a share of Camco stock during the measuring period is less than \$14.41, then the number of shares of Camco stock that London Financial shareholders will receive in exchange for each London Financial share will equal \$22.52 divided by the average value of a Camco share during the measuring period.

If the average market value of a share of Camco stock during the measuring period is greater than \$19.49, then the number of shares of Camco stock that

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London Financial shareholders will receive in exchange for each London Financial share will equal \$30.47 divided by the average value of a Camco share during the measuring period. A reduction in the market value of the Camco stock after the end of the measuring period and before the closing of the merger will result in a reduction of the market value of the Camco stock received by London Financial's shareholders.

Moreover, London Financial shareholders will not receive their merger consideration until several weeks after the closing of the merger and, in fact, will not know during that time whether they are receiving cash, stock or some combination of both. During the post-closing period during which London Financial shareholders will be given an opportunity to elect the form of consideration they would like to receive and while allocations are determined by Camco, the market price of Camco stock may fall. You will not be able to sell your Camco stock to avoid losses resulting from any decline in the trading prices of Camco stock during this period.

On the day the merger closes, the market price of a share of Camco stock may be higher or lower than the market price on the date the merger agreement was signed, on the date this document was mailed to you, or on the date of the special meeting of shareholders of London Financial. Therefore, you cannot be assured of receiving any specific market value of Camco stock on the date of the closing of the merger.

CAMCO MAY FAIL TO REALIZE THE ANTICIPATED BENEFITS OF THE MERGER.

Camco and London Financial may not be able to integrate their operations without encountering difficulties, including the loss of key employees and customers, the disruption of ongoing business or possible inconsistencies in standards, controls, procedures and policies. Additionally, in determining that the merger is in the best interests of Camco and London Financial, each of the Camco and the London Financial boards of directors considered enhanced earnings opportunities. There can be no assurance, however, that any enhanced earnings will result from the merger.

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CHANGES IN INTEREST RATES COULD REDUCE CAMCO'S INCOME.

Camco's net income depends to a great extent on the difference between the interest rates earned on interest-earning assets, such as loans and investment securities, and the interest rates paid on interest-bearing liabilities, such as deposits and borrowings. These rates are highly sensitive to many factors that are beyond Camco's control, including general economic conditions and the policies of various governmental and regulatory agencies. Changes in interest rates influence the volume of loan originations, the generation of deposits, the yield on loans and investment securities and the cost of deposits and borrowings. Fluctuations in these areas may adversely affect Camco.

FORWARD LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a safe harbor from civil litigation for forward-looking statements. Forward-looking statements include the information concerning future results of operations, cost savings and synergies of Camco and London Financial after the merger and those statements preceded by, followed by or that otherwise include the terms "should," "believe," "expect," "anticipate," "intend," "may," "will," "continue," "estimate" and other expressions that indicate future events and trends. Although Camco and London Financial believe, in making such statements, that their expectations are based on reasonable assumptions, these statements may be influenced by risks and uncertainties which could cause actual results

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and trends to be substantially different from historical results or those anticipated depending on a variety of factors. These risks and uncertainties include, without limitation:

- expected cost savings from the merger are not fully realized or realized within the expected time frame;
- revenues following the merger are lower than expected or deposit withdrawals, operating costs or customer loss and business disruption following the merger are greater than expected;
- competition among depository and other financial services companies increases significantly;
- costs or difficulties related to the integration of Camco and London Financial are greater than expected;
- general economic or business conditions are less favorable than expected;
- adverse changes occur in the securities market; and
- legislation or regulatory requirements or changes adversely affect the businesses in which Camco is engaged.

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You should understand that these factors, in addition to those discussed elsewhere in this document and in documents that have been incorporated by reference, could affect the future results of Camco and London Financial, and could cause those results to be substantially different from those expressed in any forward-looking statements. Camco and London Financial do not undertake any obligation to update any forward-looking statement to reflect events or circumstances arising after the date of this document.

REGULATORY APPROVALS REQUIRED

Camco has submitted applications to the Federal Deposit Insurance Corporation, the Ohio Division of Financial Institutions and the Board of Governors of the Federal Reserve System seeking approval of the merger. The Board of Governors of the Federal Reserve System has approved the merger, and we anticipate that the other regulatory authorities will approve the merger. Camco and London Financial are not aware of any basis for disapproving the merger, but there can be no assurance that all requisite approvals will be obtained, that such approvals will be received on a timely basis or that such approvals will not impose conditions or requirements that, individually or in the aggregate, would so materially reduce the economic or business benefits of the transactions contemplated by the merger to Camco and London Financial that, had such condition or requirement been known, neither Camco nor London Financial, in its reasonable judgment, would have entered into the merger agreement.

THE SPECIAL MEETING OF LONDON FINANCIAL SHAREHOLDERS

TIME, DATE AND PLACE

The London Financial special meeting of shareholders will be held at 10:00 a.m., on August 6, 2004, at 2 E. High Street, London, Ohio.

PURPOSE OF THE MEETING

At the special meeting of shareholders, you will be asked to consider and

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vote upon the following resolution:

RESOLVED, that the Agreement and Plan of Merger, dated March 26, 2004, by and among Camco Financial Corporation, Advantage Bank, London Financial Corporation and The Citizens Bank of London, as amended by an Amendment to Agreement and Plan of Merger dated May 17, 2004, copies of which are attached to the prospectus/proxy statement of Camco Financial Corporation and London Financial Corporation, dated June 28, 2004, and the transactions contemplated thereby, including the merger of London Financial Corporation into Camco Financial Corporation, be, and they hereby are, approved and adopted.

SHARES OUTSTANDING AND ENTITLED TO VOTE; RECORD DATE

Only shareholders of record on June 25, 2004, will be entitled to notice of and to vote at the special meeting of shareholders. At the close of business on June 25, 2004, there were

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356,037 London Financial shares issued and outstanding and entitled to vote. The London Financial shares were held of record by approximately 195 shareholders. Each London Financial share entitles the holder to one vote on all matters properly presented at the special meeting of shareholders.

VOTES REQUIRED

The holders of a majority of the outstanding London Financial shares, or 178,019 shares, must vote in favor of the merger agreement. As of June 25, 2004, the directors and executive officers of London Financial and Citizens Bank and the affiliates of such directors and executive officers had sole or shared voting power, in the aggregate, with respect to 123,536 London Financial common shares, or 35% of the outstanding London Financial shares, not including shares subject to options. The directors and two non-director executive officers of London Financial and Citizens Bank have agreed to vote 119,433 London Financial shares for the adoption of the merger agreement.

Each share of London Financial is entitled to one vote on the proposal. A quorum, consisting of the holders of over 50% of the outstanding London Financial common shares, must be present in person or by proxy at the special meeting before any action can be taken. Under Ohio law, only votes cast in favor of a proposal count as being voted for the proposal. Therefore, abstentions and broker non-votes will have the effect of a vote against the adoption of the merger agreement.

If any other matters incident to the conduct of the special meeting are properly brought before the special meeting for consideration, including a motion to adjourn the special meeting to another time or place for the purpose of soliciting additional proxies or otherwise, shares represented by properly executed proxies will be voted in the discretion of the persons named in the proxy card enclosed herewith in accordance with their best judgment. However, no proxy that is voted against the proposal to approve the merger agreement will be voted in favor of any adjournment of the special meeting to solicit further proxies for such proposal.

VOTING AND SOLICITATION AND REVOCATION OF PROXIES

Each copy of this prospectus/proxy statement mailed to London Financial shareholders was accompanied by a form of proxy for use at the special meeting of shareholders. This proxy is solicited by the London Financial board of directors. Whether or not you attend the special meeting, the London Financial

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board of directors urges you to use the enclosed proxy. If you have executed a proxy, you may revoke it at any time before the special meeting by:

- filing a written notice of revocation with the Secretary of London Financial, at 2 East High Street, London, Ohio 43140;
- executing and returning a later-dated proxy received by London Financial prior to a vote being taken at the special meeting; or
- attending the special meeting and giving notice of revocation in person.

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Your attendance at the special meeting will not, by itself, serve as a revocation of a proxy.

If you are a London Financial shareholder whose shares are not registered in your own name, you will need additional documentation from your record holder in order to vote your shares at the special meeting in person.

We do not expect any matter other than the merger agreement to be brought before the London Financial special meeting of shareholders. The persons named as proxies will act at the direction of the London Financial board of directors in voting on any other matters that properly come before the special meeting.

London Financial will pay its expenses incurred in connection with preparing and mailing this prospectus/proxy statement, the accompanying proxy and any other related materials and all other costs incurred in connection with the solicitation of proxies on behalf of the London Financial board of directors. Proxies will be solicited by mail and may be further solicited, for no additional compensation, by officers, directors or employees of London Financial. London Financial will also pay the standard charges and expenses of brokerage houses, voting trustees, banks, associations and other custodians, nominees and fiduciaries, who are record holders of London Financial common shares not beneficially owned by them, for forwarding the proxy materials to, and obtaining proxies from, the beneficial owners of London Financial common shares entitled to vote at the special meeting of shareholders.

DISSENTERS' RIGHTS

The following is a summary of the steps that you must take if you wish to exercise dissenters' rights with respect to the merger. This description is not complete. You should read Section 1701.85 of the Ohio General Corporation Law for a more complete discussion of the procedures. That section is attached as Annex C to this document. IF YOU FAIL TO TAKE ANY ONE OF THE REQUIRED STEPS, YOUR DISSENTERS' RIGHTS MAY BE TERMINATED UNDER OHIO LAW. If you are considering dissenting, you should consult your own legal advisor.

To exercise dissenters' rights, you must satisfy five conditions:

- you must be a London Financial shareholder of record on June 25, 2004;
- you must not vote your London Financial shares in favor of the merger;
- you must deliver a written demand for the fair cash value of the dissenting shares within 10 days of the date on which the vote is taken;

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- if London Financial requests, you must send your stock certificates to London Financial within 15 days of the request so that a legend may be added stating that a demand for fair cash value has been made; and

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- if you do not reach an agreement as to the fair cash value of your shares with London Financial, you must file a complaint in court for determination of the fair cash value.

All demands should be sent to London Financial, 2 East High Street, London, Ohio 43140, Attention: John J. Bodle.

"Fair cash value" is the amount that a willing seller, under no compulsion to sell, would be willing to accept, and that a willing buyer, under no compulsion to purchase, would be willing to pay. Fair cash value is determined as of the day before the special meeting, excluding any appreciation or depreciation in market value of your shares resulting from the merger. The fair cash value of your shares may be higher, the same as, or lower than the market value of London Financial shares on the date of the merger. In no event will the fair cash value be in excess of the amounts specified in the dissenting shareholder's demand.

The following is a more detailed description of the conditions you must satisfy to perfect your dissenters' rights:

- You must be the record holder of the dissenting shares as of June 25, 2004. If you have a beneficial interest in London Financial shares that are held of record in the name of another person, you must cause the shareholder of record to follow the required procedures.
- You must not vote in favor of the merger agreement. This requirement is satisfied if:
 - you submit a properly executed proxy with instructions to vote "against" the adoption of the merger agreement or to "abstain" from the vote; or
 - you do not return a proxy or you revoke a proxy and you do not cast a vote at the special meeting in favor of the adoption of the merger agreement.

IF YOU VOTE IN FAVOR OF THE MERGER AGREEMENT, YOU WILL LOSE YOUR DISSENTERS' RIGHTS. IF YOU SIGN A PROXY AND RETURN IT BUT DO NOT INDICATE A VOTING PREFERENCE ON THE PROXY, THE PROXY WILL BE VOTED IN FAVOR OF THE ADOPTION OF THE MERGER AGREEMENT AND WILL CONSTITUTE A WAIVER OF DISSENTERS' RIGHTS.

- You must file a written demand with London Financial on or before the 10th day after the day on which the London Financial shareholders approved the merger. London Financial will not inform you of the expiration of the 10-day period. The written demand must include your name and address, the number of dissenting shares and the amount you claim as the fair cash value of those shares. Voting against the merger does not constitute a written demand as required under Ohio law.

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- If London Financial requests, you must submit your certificates for dissenting shares to London Financial within 15 days after it sends its request so that a legend may be placed on the certificates, indicating that demand for cash value was made. The certificates will be returned to you by London Financial. London Financial intends to make this request to dissenting shareholders.
- You must file a petition with the court if you do not reach an agreement with London Financial as to the fair cash value of your shares. You must file the petition with the Court of Common Pleas of Madison County, Ohio, for a determination of the fair cash value of the dissenting shares within three months after service of your demand to London Financial for fair cash value. The court will determine the fair cash value per share. The costs of the proceeding, including reasonable compensation to appraisers, will be assessed as the court considers equitable.

Your right to receive the fair cash value of your dissenting shares will terminate if:

- the merger does not become effective;
- you fail to make a timely written demand on London Financial;
- you do not, upon request of London Financial, surrender your London Financial certificates in a timely manner;
- you withdraw your demand, with the consent of London Financial; or
- London Financial and you have not come to an agreement as to the fair cash value of the dissenting shares and you have not timely filed a complaint.

Camco will not be required to complete the merger if the holders of more than 10% of the outstanding London Financial shares exercise dissenters' rights.

THE PARTIES TO THE MERGER AGREEMENT

CAMCO

Camco is a savings and loan holding company that was organized under Delaware law in 1970. Camco owns all of the issued and outstanding shares of Advantage Bank and Camco Title Insurance Agency, Inc. Camco has grown from \$22.4 million in consolidated assets in 1970 to \$1.1 billion in consolidated assets at May 31, 2004. This rate of growth is largely attributable to the acquisitions of Marietta Savings Bank in 1973, First Federal Savings Bank of Washington Court House in 1988, First Federal Bank for Savings in 1996, Germantown Federal Savings Bank in 1998, Westwood Homestead Savings Bank in 2000 and Columbia Federal Savings Bank in 2001. In connection with this merger, Camco has applied to the Federal Reserve for approval to become a financial holding company so that it may operate the resulting Ohio bank and Camco Title.

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In June 2001, Camco completed a restructuring through which all of Camco's five separate bank charters merged into Cambridge Savings Bank, which was renamed Advantage Bank. Advantage Bank is a full-service provider of financial products with a main office, 19 branches, and 5 loan production offices throughout Ohio, northeastern Kentucky and northwestern West Virginia. Advantage Bank's primary lending activities include the origination of conventional

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fixed-rate and variable-rate mortgage loans for the acquisition, construction or refinancing of single-family homes located in Advantage Bank's primary market areas. Advantage Bank also originates mortgage loans on multifamily properties and nonresidential properties, and originates a variety of consumer loans and commercial loans.

LONDON FINANCIAL

London Financial is an Ohio corporation that was formed in 1995. The only business of London Financial is holding the shares of its subsidiary, Citizens Bank, which makes first mortgage loans, commercial loans and consumer loans and accepts deposits from its only office in London, Ohio.

THE MERGER

If the holders of at least a majority of the London Financial shares adopt the merger agreement, if all necessary regulatory approvals are received and if all conditions to the completion of the merger are satisfied or waived, the acquisition of London Financial and Citizens Bank will be accomplished through a two-step process. First, London Financial will merge into Camco, with Camco being the surviving holding company. Second, Advantage Bank will merge into Citizens Bank, with Citizens Bank being the surviving bank and adopting the name "Advantage Bank."

BACKGROUND AND REASONS FOR THE MERGER

CAMCO. Camco's strategic plan is to deliver a wide array of financial products and services through its divisions, which operate under the direction of management personnel who maintain close ties to the communities they serve. Since adopting the holding company structure in 1970, Camco has expanded over the years through several acquisitions of financial institutions.

In pursuing growth, Camco has paid particular attention to opportunities in geographic areas contiguous to its existing markets, which include portions of central, southwestern and southeastern Ohio, and the corridor from Marietta to Canton, Ohio, which runs along I-77. Camco also has banking locations in northeastern Kentucky and loan production offices in western West Virginia.

The merger provides Camco the opportunity to strengthen its presence in the central Ohio market. Camco management believes that the economic diversity of the central Ohio market will lessen the impact on Camco's net earnings in the event of an economic downturn in any individual industry or market.

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With the recent consolidation of Camco's five bank charters into Advantage Bank, Camco's integrated "Advantage Banking" program offers an additional opportunity to expand the lending and deposit relationships London has obtained with its existing customer base and to attract new customers. Camco believes it will be able to maintain and strengthen the relationships that London has fostered with the local community while providing the additional management and administrative support necessary to expand the range of products and services that London branches currently offer. As Camco determined that the commercial bank charter of Citizens Bank would be more consistent with the business plan of Advantage Bank than Advantage's current savings bank charter, the parties to the merger agreement agreed to merge Advantage Bank into Citizens Bank.

LONDON. A bank holding company incorporated under the laws of the State of Ohio, London Financial owns all of the issued and outstanding common shares of Citizens Bank, a bank incorporated under the laws of the State of Ohio. In March 1996, London Financial acquired all of the common shares issued by Citizens Bank

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upon its conversion from a mutual savings and loan association to a stock savings and loan association. Since its formation, London Financial's activities have been limited primarily to holding the common shares of Citizens Bank.

In their periodic long-range planning, the directors usually considered whether London Financial could continue to increase shareholder value in an increasingly competitive environment resulting in part from significant technological changes, the proliferation of alternative deposit products, independent mortgage lenders and an array of financial services permitted to be sold by financial institutions under recent legislation. In an effort to increase shareholder value, Citizens Bank completed a charter conversion from a state-chartered savings and loan association to a state-chartered commercial bank in 1999. The charter conversion permitted Citizens Bank to increase its commercial lending to small businesses and agricultural concerns.

After the charter conversion, Citizens Bank became an important agricultural lender for Madison and surrounding counties. Nevertheless, the directors searched for other ways to remain competitive and to increase shareholder value. The addition of various products and services was considered and discussed in relation to such competition, but the directors determined that many such products were too expensive to implement effectively. London Financial also considered such possibilities as the opening of additional branches and the further diversification of the loan portfolio. Such possibilities were rejected, however, on the basis that the substantial expense of implementation and the additional credit risk could not be justified as a material increase in shareholder value was unlikely in the foreseeable future.

As the directors pondered the future, they decided in the fall of 2003 that they should retain a financial advisor to advise the directors on alternatives. In November 2003, representatives of Keefe, Bruyette & Woods presented to the directors an analysis of the steps necessary as an independent entity to remain competitive and to enhance shareholder value, as well as the potential alternatives to remaining independent, including merger possibilities. Following the lengthy consideration of such analysis, as well as the various other matters previously considered by the directors, the board of directors decided to engage Keefe, Bruyette

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& Woods and Keller & Company as financial advisors to advise the board of directors in the pursuit of the possibility of a merger with another financial institution.

At a meeting of the board of directors in December 2003, London Financial's advisors reviewed with the directors information on more than 20 companies that might be interested in a merger with London Financial. After such review, the directors authorized the London Financial advisors to contact 21 of such companies. Of the companies contacted, 20 expressed an interest in considering a possible merger, signed confidentiality agreements and received books of information about London Financial as prepared by the London Financial advisors. Of the companies receiving the books, six submitted non-binding indications of interest, including Camco.

On February 6, 2004, the board of directors met with the London Financial advisors to discuss the six indications of interest. The advisors provided the directors with information on the proposals, including financial and market analyses and additional relevant information. Based upon the information and analysis, the board of directors concluded that the indications of interest of Camco and two of the other companies were clearly preferable to the other three proposals in terms of price and other factors. Accordingly, the directors decided to invite Camco and the other two preferred companies to perform a due

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diligence examination of London Financial, including a review of its books and records, and the board of directors of London Financial reviewed publicly available and other information about Camco and the other two companies.

On February 27, 2004, the board of directors again met with London Financial's advisors to review the final non-binding proposals of Camco and the two other companies. The Camco proposal provided for an exchange of London Financial common shares for a purchase price to be paid in a combination of cash and common shares of Camco. The amount of cash would be fixed at \$25.50 at the time an agreement was executed and would equal 25% of the total consideration. In addition, the number of shares of Camco to be received for each share of London Financial would be fixed at the time an agreement was executed at a \$25.50 value, although it would be subject to adjustment under certain circumstances, and would equal 75% of the total consideration. The total value of the purchase price would, therefore, be subject to the movement of the Camco stock price until the closing, but the fixed cash component would limit the extent of the volatility of the purchase price. The directors noted that the historic market price of Camco stock had been relatively stable in the past few years and approximately equaled Camco's peers on the basis of multiples of book value and earnings.

One of the two other final indications of interest involved a mix of 60% stock, 40% cash, valued at approximately \$25.25. While subject to the same market fluctuation risks as the Camco offer, the multiples at which the proponent's stock was trading were significantly above peer levels on both a book value and earnings basis. Moreover, the market price of the stock had increased substantially during the past year. The directors were concerned, therefore, that if the multiples returned to normal peer ranges, the value of the consideration could fall dramatically. The directors decided to focus, therefore, on the third final indication of interest and Camco.

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The third final indication of interest was for \$25.50 in cash. Although the certainty of 100% cash was attractive, the directors wanted to find a way to give the shareholders a choice between equity and cash if they could provide shareholders with a higher nominal value from Camco.

Accordingly, the directors asked Camco to increase the value of the cash and stock component of its proposal to \$26.50 and to increase the percentage of the cash component from 25% to 50% of the total consideration. When Camco agreed to such increases, London Financial and Camco negotiated the terms and conditions of the merger agreement and its exhibits between February 28 and March 26, 2004. After discussing a draft of the agreement on March 11, 2004, the boards of directors of London Financial and Citizens Bank met on March 26, 2004, with London Financial advisors and legal counsel to discuss the final agreement, its exhibits and the contemplated transaction. Included in the review was a detailed analysis by Keefe, Bruyette & Woods of the financial terms of the agreement. Following extensive discussion, Keefe, Bruyette & Woods stated that, as of March 26, 2004, the financial consideration provided in the merger agreement was fair to the shareholders of London Financial from a financial point of view. The directors then unanimously agreed that the transaction negotiated with Camco would be in the best interests of the London Financial shareholders and voted unanimously to approve the merger agreement.

The foregoing discussion of the information and factors considered by the board of directors is not exhaustive but constitutes the material factors considered by the board of directors. In reaching its determination to approve and recommend the merger agreement, the directors did not assign any relative or specific weight to the foregoing factors, and individual directors may have weighed factors differently. The terms of the merger agreement were the product

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of arm's length negotiations between representatives of London Financial and Camco.

THE BOARD OF DIRECTORS OF LONDON FINANCIAL UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE ADOPTION OF THE MERGER AGREEMENT.

OPINION OF KEEFE, BRUYETTE & WOODS, INC.

On November 11, 2003, the London Financial board of directors met with representatives from Keefe, Bruyette & Woods for a strategic planning session to discuss recent trends in the banking industry and the prospects for London Financial. The London Financial directors discussed the changes that had occurred in the market for publicly traded banks in recent quarters and the difficult strategic issues facing banking institutions and, in particular, smaller institutions like London Financial. The directors also considered increased competition, new technology and the decreasing pool of potential acquirors as a result of consolidation in the thrift and banking industry. At this meeting, Keefe, Bruyette & Woods also reviewed the then current merger market, the various pricing methods, a range of values for London Financial based on these pricing methods, and a review of other successful strategies that other institutions have implemented.

London Financial retained Keefe, Bruyette & Woods to evaluate London Financial's strategic alternatives as part of a shareholder enhancement program and to review and evaluate any specific proposals for a strategic alliance that might be received regarding an alliance with London Financial. Keefe, Bruyette & Woods, as part of its investment banking business, is

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regularly engaged in the evaluation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings and distributions of listed and unlisted securities. Keefe, Bruyette & Woods is familiar with the market for common stocks of publicly traded banks, thrifts and bank holding companies. The London Financial board of directors selected Keefe, Bruyette & Woods on the basis of the firm's reputation and its experience and expertise in transactions similar to the merger.

Pursuant to its engagement, Keefe, Bruyette & Woods was asked to render an opinion as to the fairness, from a financial point of view, of the merger consideration to be paid to the shareholders of London Financial. Keefe, Bruyette & Woods delivered its opinion to the London directors that, as of March 26, 2004, the merger consideration was fair, from a financial point of view, to the shareholders of London Financial. No limitations were imposed by the London Financial board of directors upon Keefe, Bruyette & Woods with respect to the investigations made or procedures followed by it in rendering its opinion. Keefe, Bruyette & Woods has consented to the inclusion in this prospectus/proxy statement of the summary of its opinion, updated as of June 25, 2004, to the London Financial board of directors and to the reference to the entire opinion attached hereto as Annex B.

THE FULL TEXT OF THE KEEFE, BRUYETTE & WOODS OPINION, WHICH IS ATTACHED AS ANNEX B TO THIS PROSPECTUS/PROXY STATEMENT, SETS FORTH CERTAIN ASSUMPTIONS MADE, MATTERS CONSIDERED AND LIMITATIONS ON THE REVIEW UNDERTAKEN BY KEEFE, BRUYETTE & WOODS, AND SHOULD BE READ IN ITS ENTIRETY. THE SUMMARY OF THE OPINION OF KEEFE, BRUYETTE & WOODS SET FORTH IN THIS PROSPECTUS/PROXY STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE OPINION.

In rendering its opinion, Keefe, Bruyette & Woods (i) reviewed the merger agreement; (ii) reviewed London Financial's annual reports to shareholders for the years ended September 30, 2001, 2002 and 2003; (iii) reviewed London

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Financial's proxy statements for the years ended September 30, 2001, 2002 and 2003; (iv) reviewed London Financial's unaudited financial statements for the quarter ended December 31, 2003; (v) discussed with senior management and the board of directors of London Financial the current position and prospective outlook for London Financial; (vi) considered historical quotations, levels of activity and prices of recorded transactions in London Financial's common shares; (vii) reviewed the financial and stock market data of other banks and the financial and structural terms of several other recent transactions involving mergers and acquisitions of comparably situated banks; and (viii) performed other analyses which Keefe, Bruyette & Woods considered appropriate.

ANALYSIS OF RECENT COMPARABLE ACQUISITION TRANSACTIONS. In rendering its opinion, Keefe, Bruyette & Woods analyzed certain comparable merger and acquisition transactions of bank deals, comparing the acquisition price relative to book value, tangible book value, latest twelve months earnings, and premium to core deposits. The analysis included a comparison of the low, median and high of the above ratios for representative pending acquisitions since March 31, 2003, where the selling institution had an asset size less than \$125 million. As a result of

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these transaction criteria, the following selling banks were used in analyzing comparable transactions:

First Western Bank	FNB Bancshares, Inc.	AEA Bancshares, Inc.
Metro Bancorp, Inc.	Security Bancshares, Inc.	Lost Pines Bancshares, Inc.
Pend Oreille Bancorp	Hacienda Bank	Snyder National Bank
Valley Bancorp, Inc.	Pioneer Bankshares, Inc.	Town & Country Bank of Ozarks
Horizon Bank & Trust	Malden Bancorp, Inc.	Canaan National Bancorp, Inc.
Wewahitchka State Bank		

The transaction analysis resulted in a range of values for London Financial based upon comparable bank merger and acquisition transactions. Keefe, Bruyette & Woods derived the median pricing metrics of the comparable group and summarized the results of comparative bank merger and acquisition transactions and compared the range of values to the consideration to be received by London Financial shareholders. The comparable bank merger and acquisition statistics are as follows:

	PRICE TO BOOK RATIO (%) -----	PRICE TO TANGIBLE BOOK RATIO (%) -----	PRICE TO LAST 12 MONTHS EARNINGS (X) -----	CORE DEPOSIT PREMIUM (%) -----
LOW VALUE	78.9	80.7	14.3	3.9
MEDIAN VALUE	175.6	176.7	20.8	10.1
HIGH VALUE	235.3	235.3	29.4	13.8
 \$26.50 CAMCO OFFER	 187.0	 192.7	 21.1	 14.7

Keefe, Bruyette & Woods viewed the comparable group as the most appropriate in deriving a comparable transaction value based on London Financial's size and earnings. Keefe, Bruyette & Woods viewed as being

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statistically significant for purposes of comparison the fact that the query based on the above criteria produced sixteen transactions with reported pricing metrics in the comparable group. Keefe, Bruyette & Woods viewed the four resulting metrics (price to book value, price to tangible book value, price to last twelve months earnings and core deposit premium) from the comparable transactions on a median basis as the key metrics used to evaluate the fairness, from a financial point of view, of the transaction.

Given that the value of the consideration on an aggregate basis to be paid in the merger, as of the date of the opinion, is greater than the median value of the range of comparable bank transactions for price to book value, price to tangible book value, price to latest twelve month earnings, and core deposit premium basis, Keefe, Bruyette & Woods believes that this analysis supports the fairness, from a financial point of view, to London Financial and its shareholders of the consideration to be paid in the merger.

DISCOUNTED CASH FLOW ANALYSIS. Keefe, Bruyette & Woods performed a discounted cash flow analysis of the forecasted financial performance of London Financial using a base case

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scenario whereby earnings grew at its historical 12.5% per annum from Year 1 to Year 5. Keefe, Bruyette & Woods applied transaction multiples to earnings of 19.0x, 20.0x, 20.8x, 21.0x and 22.0x. The terminal multiple range is based on the terminal earnings multiple of completed transactions similar to this transaction. The combined cash flows and terminal value were then discounted back to present values using different discount ranges ranging from 10.3% to 12.3%, chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of London Financial common shares taking into consideration such factors as current long-term interest rates, market capitalization size, earnings and liquidity of the shares. The results of Keefe, Bruyette & Woods' analysis are set forth in the following table:

SENSITIVITY ANALYSIS Terminal Multiple

Discount Rate -----	19.0x -----	20.0x -----	20.8x -----	21.0x -----	22.0x -----
12.3%	\$23.12	\$24.12	\$25.08	\$25.29	\$26.38
11.8%	\$23.74	\$24.86	\$25.75	\$25.97	\$27.09
11.3%	\$24.38	\$25.53	\$26.44	\$26.67	\$27.82
10.8%	\$25.04	\$26.22	\$27.16	\$27.39	\$28.57
10.3%	\$25.72	\$26.93	\$27.90	\$28.14	\$29.35

Based on the foregoing criteria and assumptions, Keefe, Bruyette & Woods determined that the change-in-control present value of the London Financial common shares ranged from \$23.12 to \$29.35 per share. Given that the value of the consideration on a per share basis to be paid in the merger, as of the date of the opinion, is in the middle part of the range derived from the discounted cash flow analysis, Keefe, Bruyette & Woods believes that this analysis supports the fairness, from a financial point of view, to London Financial and its shareholders of the consideration to be paid in the merger.

The discounted cash flow analysis of London Financial does not necessarily indicate actual values or actual future results and does not purport to reflect the prices at which any securities may trade at the present or at any time in

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the future. Discounted cash flow analysis is a widely used valuation methodology, but the results of this methodology are highly dependent upon numerous assumptions that must be made, including earnings growth rates, dividend payout rates, terminal values, projected capital structure, and discount rates.

DIVIDEND DISCOUNT ANALYSIS. Keefe, Bruyette & Woods performed an analysis that estimated the 5-year stream of after-tax dividend flows of London Financial under various circumstances, assuming London Financial's projected dividend stream and that London Financial performed in accordance with the historical earnings whereby earnings grew at 12.5% per annum from Year 1 to Year 5. A range of terminal values was determined by adding (1) the present value, which is a representation of the current value of a sum that is to be received some time in the future, of the estimated future dividends per share (i.e., cash flows per share) that London Financial would generate through Year 5 and (2) the present value of the terminal value on a per share basis, which is a representation of the ongoing value at a specified time in the future of London Financial common shares.

In calculating a terminal value of London Financial common shares, Keefe, Bruyette & Woods applied multiples of 14.0x, 15.0x, 17.0x, and 18.0x to Year 5 forecasted earnings per share.

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The terminal multiple range is based on the earnings multiple of similar publicly traded banks of similar asset size. The combined cash flows and terminal value were then discounted back to present values using different discount percentages ranging from 10.3% to 12.3%, chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of London Financial common shares taking into consideration such factors as current long term interest rates, market capitalization size, earnings and liquidity of the shares. The results of Keefe, Bruyette & Woods' analysis are set forth in the following table:

SENSITIVITY ANALYSIS Terminal Multiple

Discount Rate	14.0x	15.0x	15.0x	17.0x	18.0x
-----	-----	-----	-----	-----	-----
12.3%	\$17.62	\$18.77	\$18.77	\$21.09	\$22.25
11.8%	\$17.99	\$19.18	\$19.18	\$21.55	\$22.73
11.3%	\$18.38	\$19.59	\$19.59	\$22.02	\$23.23
10.8%	\$18.78	\$20.02	\$20.02	\$22.50	\$23.74
10.3%	\$19.19	\$20.46	\$20.46	\$22.99	\$24.26

Based on the foregoing criteria and assumptions, Keefe, Bruyette & Woods determined that the stand-alone present value of the London Financial common shares ranged from \$17.62 to \$24.26 per share. Given that the value of the consideration on a per share basis to be paid in the merger, as of the date of the opinion, is above the range derived from the dividend discount analysis, Keefe, Bruyette & Woods believes that this analysis supports the fairness, from a financial point of view, to London Financial and its shareholders of the consideration to be paid in the merger.

The dividend discount analysis of London Financial does not necessarily indicate actual values or actual future results and does not purport to reflect

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the prices at which any securities may trade at the present or at any time in the future. Dividend discount analysis is a widely used valuation methodology, but the results of this methodology are highly dependent upon numerous assumptions that must be made, including earnings growth rates, dividend payout rates, terminal values, projected capital structure, and discount rates.

Based on the above analyses, Keefe, Bruyette & Woods concluded that the consideration was fair, from a financial point of view, to shareholders of London Financial. This summary does not purport to be a complete description of the analysis performed by Keefe, Bruyette & Woods and should not be construed independent of the other information considered by Keefe, Bruyette & Woods in rendering its opinion. Selecting portions of Keefe, Bruyette & Woods' analysis or isolating certain aspects of the comparable transactions without considering all analysis and factors, could create an incomplete or potentially misleading view of the evaluation process.

In rendering its opinion, Keefe, Bruyette & Woods assumed and relied upon the accuracy and completeness of the financial information provided to it by London Financial. In its review, with the consent of the London Financial board of directors, Keefe, Bruyette & Woods did not undertake any independent verification of the information provided to it, nor did it make any independent appraisal or evaluation of the assets or liabilities and potential or contingent liabilities of London Financial.

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The fairness opinion of Keefe, Bruyette & Woods is limited to the fairness as of its date, from a financial point of view, of the consideration to be paid in the merger and does not address the underlying business decision to effect the merger (or alternatives thereto) nor does it constitute a recommendation to any shareholder of London Financial as to how such shareholder should vote with respect to the merger.

Keefe, Bruyette & Woods is a nationally recognized investment banking firm and is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, secondary distributions of listed and unlisted securities and private placements.

In preparing its analysis, Keefe, Bruyette & Woods made numerous assumptions with respect to industry performance, business and economic conditions and other matters, many of which are beyond the control of Keefe, Bruyette & Woods and London Financial. The analyses performed by Keefe, Bruyette & Woods are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by such analyses and do not purport to be appraisals or reflect the prices at which a business may be sold.

Keefe, Bruyette & Woods will receive a fee of \$85,000 for services rendered in connection with advising and issuing a fairness opinion regarding the merger. As of the date of this prospectus/proxy statement, Keefe, Bruyette & Woods has received \$40,000 of such fee; the remainder of the fee is due at the closing of the transaction. London Financial has also agreed to reimburse Keefe, Bruyette & Woods for all reasonable out-of-pocket expenses and disbursements, which will not exceed \$3,000, incurred in connection with its engagement and to indemnify Keefe, Bruyette & Woods and its affiliates and their respective directors, officers, employees, agents, and controlling persons against certain expenses and liabilities, including liabilities under securities laws.

RECOMMENDATION OF THE BOARD OF DIRECTORS OF LONDON FINANCIAL

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The board of directors of London Financial unanimously recommends that the London Financial shareholders vote FOR the adoption of the merger agreement. The board of directors believes that the terms of the merger are fair to, and in the best interests of, London Financial's shareholders.

MERGER CONSIDERATION

At the effective time of the merger, each London Financial share will be converted into the right to receive (i) \$26.50 in cash, (ii) 1.56342 shares of Camco Financial Corporation common stock, subject to possible adjustment, or (iii) a combination of cash and Camco shares, and all London Financial shares will be cancelled and extinguished. Based on the 356,037 London Financial common shares issued and outstanding on June 25, 2004, the Camco stock price as of June 25, 2004, and the adjustment to the exchange ratio that would be made if the Camco stock price were to remain at \$14.13 per share until closing, the total number of shares of Camco stock to be issued to London Financial shareholders would be approximately 283,719. Based on the number of shares of Camco stock issued and outstanding on June 25, 2004, the

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total number of outstanding shares of Camco stock after the merger would be 7,642,606, of which 3.7% would be held by the former London Financial shareholders.

On June 25, 2004, the last trading date before we printed this prospectus/proxy statement, Camco shares closed at \$14.13 on Nasdaq. The merger agreement provides for an adjustment to the exchange ratio if the average price of Camco stock during the 15 consecutive trading days ending five trading days before the closing date is less than \$14.41. If Camco's stock price were to remain at \$14.13 per share until the closing, 1.59377 shares of Camco stock valued at \$14.13 per share would be issued in exchange for each London Financial share exchanged solely for Camco stock and no cash, and the total value of Camco stock a London Financial shareholder would receive for each London Financial share, if the shareholder receives no cash, would equal \$22.52. The exchange ratio, and thus the value, may be increased under certain circumstances set forth in the merger agreement.

On the day the merger closes, the market price of a share of Camco stock may be higher or lower than the market price on the date the merger agreement was signed, on the date this document was mailed to you, or on the date of the special meeting of shareholders of London Financial. Therefore, you cannot be assured of receiving any specific market value of Camco stock on the date of the closing of the merger.

The number of shares of Camco stock that each London Financial shareholder electing Camco stock will receive in exchange for each London Financial share may be adjusted, depending upon the average market value of a share of Camco stock during a measuring period prior to closing. Therefore, the total value of the merger consideration will depend upon the value of a share of Camco stock during the measuring period, which is the fifteen consecutive trading days ending five trading days immediately preceding the closing date. If the average market value of a share of Camco stock during the measuring period is between \$14.41 and \$19.49, then the number of shares of Camco stock that London Financial shareholders will receive in exchange for each London Financial share will equal 1.56342 shares. If the average market value of a share of Camco stock during the measuring period is less than \$14.41, then the number of shares of Camco stock that London Financial shareholders will receive in exchange for each London Financial share will equal \$22.52 divided by the average value of a Camco share during the measuring period. For example, if the average value of a Camco

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share during the measuring period is \$14.00, then London Financial shareholders will receive 1.60857 ($\$22.52/\14.00) shares of Camco stock in exchange for each London Financial share held. If the average market value of a share of Camco stock during the measuring period is greater than \$19.49, then the number of shares of Camco stock that London Financial shareholders will receive in exchange for each London Financial share will equal \$30.47 divided by the average value of a Camco share during the measuring period. For example, if the average value of a Camco share during the measuring period is \$20.00, then London Financial shareholders will receive 1.5235 ($\$30.47/\20.00) shares of Camco stock in exchange for each London Financial share held.

Camco will not issue fractional shares in the merger. Each London Financial shareholder who otherwise would be entitled to receive a fraction of a share of Camco stock will receive cash

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in an amount equal to the fractional Camco share interest to which such holder would otherwise be entitled multiplied by \$26.50.

ALLOCATION OF CAMCO SHARES AND CASH AMONG LONDON FINANCIAL SHAREHOLDERS

If the number of London Financial shares subject to elections to receive cash consideration, which includes all dissenting shares, multiplied by \$26.50, plus the total cash to be paid in lieu of fractional Camco shares, is less than the aggregate cash consideration required under the merger agreement, then each London Financial shareholder so electing will receive cash consideration. The London Financial shares of those London Financial shareholders who did not make an election, and, if necessary, those London Financial shareholders electing to receive Camco shares as consideration, will then be exchanged for cash, on a pro rata basis, such that the total cash consideration paid to London Financial shareholders is equal to the aggregate cash consideration required under the merger agreement. The remainder of the London Financial shares will be exchanged for Camco shares.

If the product of (a) the number of London Financial shares subject to elections to receive cash consideration multiplied by (b) \$26.50, plus the cash to be paid in lieu of fractional Camco shares, is greater than the aggregate cash consideration to be paid under the merger agreement, then the cash consideration will be allocated among those London Financial shareholders electing to receive cash consideration on a pro rata basis such that the total cash consideration paid to London Financial shareholders is equal to the aggregate cash consideration to be paid under the merger agreement. The remainder of the London Financial shares will be exchanged for Camco shares.

ELECTION PROCEDURE AND EXCHANGE OF CERTIFICATES EVIDENCING LONDON FINANCIAL SHARES

No later than eight calendar days following the effective time of the merger, the exchange agent will mail to you an election form. Each election form will permit you to (i) elect to receive cash in exchange for your London Financial shares, (ii) elect to receive Camco shares in exchange for your London Financial shares, (iii) elect to receive a combination of cash and Camco shares in exchange for your London Financial shares, or (iv) indicate that you make no election. All election forms, along with your stock certificates representing London Financial shares, must be properly completed and actually received by the exchange agent by 5:00 p.m., Eastern Time, on the day designated on the election form, which will be approximately the 20th day following the date of mailing of the election form.

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When you surrender your certificates for cancellation, together with a properly executed letter of transmittal, you will be entitled to receive (i) \$26.50 in cash, (ii) 1.56342 shares of Camco common stock, subject to possible adjustment, or (iii) a combination of cash and Camco shares. Until you surrender your certificates, Camco will not pay you any cash consideration or any dividends or other distributions and your rights as a shareholder of Camco will be suspended. No interest will be paid or accrued on any cash constituting merger consideration (including the cash in lieu of fractional shares) and unpaid dividends and distributions, if any, payable to holders of certificates for London Financial shares.

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If you have lost or misplaced your London Financial stock certificate(s), you should immediately call Registrar and Transfer Company at 1-800-368-5948. Registrar and Transfer Company will mail to you instructions for replacing the lost certificate(s).

EMPLOYEE MATTERS

Each Citizens Bank employee whose employment is not specifically terminated will become an employee of Camco or its resulting bank subsidiary, which will be named Advantage Bank. Each Citizens Bank employee who becomes an employee of Camco or Advantage Bank will be eligible to participate in Camco or Advantage Bank employee plans, on the same basis as any newly-hired employee of Camco or Advantage Bank. Service with London Financial or Citizens Bank will be treated as service with Camco or Advantage Bank to determine eligibility to participate, vesting and entitlement to benefits, but not for purposes of benefit accrual under each Camco or Advantage Bank employee plan. Each employee of Citizens Bank who does not have an employment agreement or severance agreement with Citizens Bank and who Camco or its subsidiaries elect not to hire or elect to terminate will be paid a severance payment equal to the product of one week of the employee's salary multiplied by the number of years of that employee's service to Citizens Bank, with a maximum payment equal to 6 months' salary, plus payment for accrued and unused vacation time in accordance the vacation policy of Citizens Bank.

REPRESENTATIONS, WARRANTIES AND COVENANTS

Camco, Advantage Bank, London Financial and Citizens Bank have each made representations and warranties in the merger agreement regarding:

- corporate organization,
- authority and capitalization,
- regulatory reports and filings,
- financial condition,
- past conduct of business,
- taxes,
- legal proceedings,
- employment matters, and
- environmental matters.

In addition, London Financial and Citizens Bank have made representations and warranties regarding:

- investments,
- properties,
- material contracts,
- insurance,
- permits and licenses,
- employee benefit plans, and
- other matters.

London Financial may not solicit or initiate any proposals or offers from any person regarding any acquisition or purchase of all or a material amount of the assets of, any equity securities of, or any merger, consolidation or business combination with, London Financial or Citizens Bank, except as required by the good faith exercise of the fiduciary duties of the board of directors of London Financial. London Financial must pay to Camco a termination fee of \$450,000 if London Financial enters into or closes an acquisition transaction with any person or entity other than Camco at any time prior to the expiration of 12 months after the termination of the merger agreement.

London Financial and Citizens Bank have also agreed to do the following immediately before completion of the merger to the extent such actions are permitted by law and are consistent with generally accepted accounting principles:

- terminate the London Financial employee stock ownership plan;
- take certain accounting actions to conform Citizens Bank's loan, accrual and reserve policies to Camco's policies; and
- recognize the expenses of the merger and any restructuring charges related to or to be incurred in connection with the merger.

CONDUCT OF BUSINESS PENDING THE MERGER

During the period between March 26, 2004, and the completion of the merger, London Financial and Citizens Bank have agreed to conduct their business only in the ordinary and usual course, unless Camco agrees otherwise in writing. In addition, London Financial and Citizens Bank have agreed not to:

- sell, transfer, mortgage, pledge, or subject to any lien or otherwise encumber any material amount of assets, except in the ordinary course of business;
- make any capital expenditure that individually or in the aggregate exceeds \$2,500;

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- declare or pay any dividends on London Financial shares, other than quarterly cash dividends not in excess of \$.07 per share;
- purchase, redeem, retire or otherwise acquire any London Financial shares;
- issue any London Financial shares, other than pursuant to existing options or management recognition plan awards;
- amend their articles of incorporation, code of regulations, constitution or bylaws;
- acquire any stock or other interest in any other entity, with certain exceptions in the ordinary course of business;
- except as provided in the merger agreement, adopt or amend in any material respect any employee or director benefit plan, severance plan or collective bargaining agreement or make any contributions, awards or distributions under any employee benefit plan that is not consistent with past practice;
- except as otherwise provided in the merger agreement, enter into or amend any employment contract with any of their employees, increase the compensation payable to any employee or director, or any relative of an employee or director, or become obligated to increase such compensation;
- incur or pay any material obligation or liability, other than liabilities and obligations incurred in the ordinary course of business;
- borrow or agree to borrow any funds or directly guarantee or agree to guarantee any obligations of others, except for amounts that may be prepaid at any time without penalty and deposit taking in the ordinary course of business;
- originate or issue a commitment to originate any loan secured by one- to four-family residential real estate or nonresidential real estate in an amount of \$250,000 or more;
- establish any new lending programs or make any policy changes concerning who may approve loans;
- enter into any securities transactions for their own account or purchase or otherwise acquire any investment security for their own account other than U.S. Government and agency obligations;
- increase or decrease the rate of interest paid on time deposits or certificates of deposits, except in a manner consistent with past practices and prevailing rates in Citizens Bank's market;
- foreclose upon or otherwise take title or possession of any real property without first obtaining a Phase I Environmental Report that indicates that the property is

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free of pollutants, contaminants or hazardous or toxic materials; provided, however, that Citizens Bank will not be required to obtain such a report with respect to single-family, non-agriculture

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residential property of one acre or less to be foreclosed upon unless it has reason to believe such property may contain pollutants, contaminants or other waste materials; or

- agree to take any of the actions described above.

CONDITIONS

Camco, Advantage Bank, London Financial and Citizens Bank may complete the merger only if:

- the merger agreement is adopted by the holders of a majority of the outstanding London Financial shares;
- the parties receive regulatory approvals from the Federal Deposit Insurance Corporation, the Ohio Division of Financial Institutions and the Federal Reserve;
- no governmental authority prohibits consummation of the merger;
- the Camco shares to be issued in the merger have been registered with the Securities and Exchange Commission and are approved for listing on Nasdaq; and
- legal counsel has provided an opinion with respect to the federal income tax consequences of the merger.

In addition, Camco and Advantage Bank will not be required to complete the merger unless the following conditions are satisfied:

- all of London Financial's and Citizens Bank's representations and warranties in the merger agreement are true in all material respects, including the lack of material adverse changes with respect to London Financial since December 31, 2003;
- London Financial and Citizens Bank have satisfied, in all material respects, their obligations in the merger agreement;
- London Financial's shareholders' equity at the time of the merger is at least \$5,297,000, exclusive of expenses related to the merger and reserves, accruals and charges taken or established by London Financial or Citizens Bank at the request of Camco, realized or unrealized gains or losses on securities classified as available for sale in London Financial's audited financial statements, and dividends paid in accordance with the merger agreement; and

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- the holders of 10% or less of the outstanding London Financial shares have dissented.

London Financial and Citizens Bank will not be required to complete the merger unless the following conditions are satisfied:

- all of Camco's and Advantage Bank's representations and warranties in the merger agreement are true in all material respects, including the lack of material adverse changes with respect to Camco since December 31, 2003;
- Camco and Advantage Bank have satisfied, in all material respects,

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their obligations in the merger agreement; and

- London Financial receives an opinion from its financial advisors reasonably acceptable to London Financial, dated as of the closing date, that the consideration to be received by London Financial shareholders in the merger is fair from a financial point of view.

Camco and London Financial may waive any of the conditions unless the waiver is prohibited by law.

EFFECTIVE TIME

Following the satisfaction or waiver of all conditions in the merger agreement, we will file Certificates of Merger as soon as practicable with Ohio's Secretary of State and Delaware's Secretary of State in order to complete the merger. We anticipate that we will complete the merger in August 2004.

TERMINATION AND AMENDMENT

Camco and London Financial may agree to terminate the merger at any time before the consummation of the merger, even if the London Financial shareholders have voted to approve the merger. The merger agreement may be terminated and the merger may be abandoned at any time prior to the effective time of the merger:

- by the mutual written consent of Camco and London Financial;
- by either Camco or London Financial if the merger is not consummated on or before December 26, 2004;
- by either Camco or London Financial if any event occurs which would preclude satisfaction of certain conditions set forth in the merger agreement; or

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- by London Financial if it executes a definitive agreement in connection with, or closes, an acquisition transaction whereby some person or entity other than Camco will acquire all or a material amount of the assets, or any equity securities, of London Financial, or London Financial and such other person or entity will enter into a merger, consolidation or business combination.

London Financial must pay to Camco a termination fee of \$450,000 if London Financial enters into or closes an acquisition transaction with a company other than Camco at any time prior to the expiration of 12 months after the merger agreement has been terminated.

In the event that the merger agreement is terminated, the merger agreement will become void and have no effect, except that the prov