

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **1996-02-08** | Period of Report: **1996-02-05**
SEC Accession No. **0000950109-96-000614**

([HTML Version](#) on [secdatabase.com](#))

FILER

BAY VIEW CAPITAL CORP

CIK: **840387** | IRS No.: **943078031** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-17901** | Film No.: **96513060**
SIC: **6035** Savings institution, federally chartered

Mailing Address
2121 SOUTH EL CAMINO
REAL
SAN MATEO CA 94403

Business Address
2121 S EL CAMINO REAL
SAN MATEO CA 94403
4155737300

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): FEBRUARY 5, 1996

BAY VIEW CAPITAL CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE

0-17901

94-3078031

(State or other
jurisdiction of
incorporation

(Commission File Number)

(IRS Employer
Identification
No.)

2121 SOUTH EL CAMINO REAL, SAN MATEO, CALIFORNIA

94403

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (415) 573-7300

N/A

Item 5. Other Events.

On February 5, 1996, the Registrant issued the press release attached as Exhibit 99.1 hereto. Additional information regarding the acquisition described in that release is presented in Exhibit 99.2 attached hereto.

Statements contained in Exhibits 99.1 and 99.2 that are not historical facts may be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. Certain of such statements are identified as being based on consensus estimates (by analysts not affiliated with the Registrant). Further, such statements are subject to important factors that could cause actual results to differ materially from those in Exhibits 99.1 and 99.2, including the following: regional and national economic conditions; changes in levels of market interest rates; credit risks of real estate, consumer and other lending activities; regulatory factors (including regulatory approval of the acquisition); and the Registrant's ability to achieve synergies in the acquisition and to sustain or improve the performance of the acquired company.

Item 7. Financial Statements and Exhibits

(i) Exhibits

The Exhibits referred to in Item 5 of this Report and listed on the accompanying Exhibit Index are filed as part of this Report and are incorporated herein by reference.

<TABLE>
<CAPTION>

EXHIBIT NUMBER -----	DESCRIPTION -----	SEQUENTIAL PAGE NO. -----
<S>	<C>	<C>
99.1	Press release	
99.2	Presentation	

</TABLE>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BAY VIEW CAPITAL CORPORATION

Date: February 7, 1995

By: /s/ ROBERT J. FLAX

Robert J. Flax
Executive Vice President and
Corporate Secretary

EXHIBIT 99.1

[LETTERHEAD OF BAY VIEW CAPITAL CORP.]

Contact: David A. Heaberlin
(415) 312-7272

FOR IMMEDIATE RELEASE

February 5, 1996

BAY VIEW CAPITAL CORPORATION TO ACQUIRE CTL CREDIT, INC.,
AUTHORIZES ADDITIONAL STOCK REPURCHASES

San Mateo, California - Bay View Capital Corporation (NASDAQ:BVFS), the holding company for Bay View Federal Bank, and CTL Credit, Inc. (NASDAQ:CTLI), the holding company for California Thrift and Loan, today announced that they have signed a definitive agreement under which Bay View Capital Corporation will acquire CTL Credit, Inc.

Under the terms of the definitive agreement, CTL Credit, Inc, shareholders will receive \$18.00 per share in cash for each share of common stock held or an aggregate price of approximately \$65 million including acquisition costs. The \$18.00 per share purchase price contributes 1.32 times CTL Credit Inc.'s book value per share at December 31, 1995 and 12.6 times 1995 earnings per share.

Edward H. Sondker, President and Chief Executive Officer of Bay View Capital Corporation, said, "This transaction is consistent with our goal to redeploy our excess capital and expand our asset origination capability. We are pleased to acquire a company that originates high quality, high yielding assets."

David A. Heaberlin, Executive Vice President, Chief Financial Officer and Treasurer, indicated that "This acquisition is expected to be immediately accretive. Management believes this transaction should significantly enhance the Corporation's future earnings per share growth thereby enhancing shareholder

value".

The acquisition of CTL Credit, Inc. will be accounted for as a purchase and is expected to be completed by June 30, 1994. The transaction is subject to the approval of CTL Credit, Inc. shareholders and all applicable regulatory authorities. California Thrift and Loan ("CTL") is expected to be a stand-alone subsidiary of Bay View Capital Corporation and a sister-bank to Bay View Federal Bank.

- 1 -

The tangible book value per share of Bay View Capital Corporation at December 31, 1995 was \$28.46. The Corporation's preliminary estimates indicate that goodwill per share (based on number of shares outstanding at December 31, 1995) arising from this transaction will approximate \$2.50, comfortably below the combined entity's first full year (1997) estimated tangible earnings per share.

At December 31, 1995, CTL had \$496 million in assets. CTL underwrites and purchases primarily high quality, high yielding consumer loans and has successfully carved out a niche in the increasingly competitive auto finance industry. It is located in Santa Barbara, California and operates 19 offices throughout California and the Western United States.

The Board of Directors of Bay View Capital Corporation has previously authorized the repurchase of up to 600,000 shares of the Corporation's common stock. To date, 305,000 shares have been repurchased, leaving a remaining authorization of 295,000 shares. The Board of Directors has further increased this remaining authorization by 205,000 shares (for a current total authorization of 500,000 shares). Management and the Board believes the Corporation's shares are extremely attractive at current market valuations, especially in light of the future earnings enhancement anticipated as a result of this transaction, and expects to be aggressively repurchasing shares.

Headquartered in San Mateo, California, Bay View Federal Bank had \$3.0 billion in assets at December 31, 1995 and operates 27 branches in the San Francisco Bay Area.

- 2 -

EXHIBIT 99.2

[LOGO OF BAY VIEW CAPITAL CORP.]

ANALYST PRESENTATION

BAY VIEW CAPITAL CORPORATION
ACQUISITION OF CTLC INC

EDWARD H. SONDKER, CEO
DAVID A. HEABERLIN, CFO

1

[LOGO OF BAY VIEW CAPITAL CORP.]

CTLC INC. ACQUISITION

- . Strategic Focus
- . CTLC Acquisition Consistent with Strategic Focus
- . CTLC Background
- . Transaction Structure
- . Transaction Benefits
- . Forecast EPS Impact

2

[LOGO OF BAY VIEW CAPITAL CORP.]

STRATEGIC FOCUS

- . Eliminate Performance Impediments
- . Increase Retail/Reduce Wholesale
- . Improve Future Profitability
- . Enhance Shareholder Value
- . Reduce Excess Capital
- . Redeploy Capital Opportunistically

3

[LOGO OF BAY VIEW CAPITAL CORP.]

CTLC ACQUISITION CONSISTENT
WITH STRATEGIC FOCUS

Opportunistic Transaction Which:

- . Redeploys Excess Capital
- . Improves Attractiveness of Franchise
- . Reduces Asset Generation Impediment & Core Asset "Melt" Risk
- . Enhances Asset Quality

4

[LOGO OF BAY VIEW CAPITAL CORP.]

CTLC ACQUISITION CONSISTENT
WITH STRATEGIC FOCUS

- . Immediately and Dramatically
Improves EPS
- . Significantly Enhances EPS Growth
Beyond 1996
- . Leaves Bay View Federal Bank
Strategic Focus Unchanged

[LOGO OF BAY VIEW CAPITAL CORP.]

CTLC INC. BACKGROUND

- . California Thrift & Loan
- . 23 Year History
- . Cal Fed Spin-Off in 1993
- . Auto Finance Niche Lender
- . Other Consumer/Commercial Lending

6

[LOGO OF BAY VIEW CAPITAL CORP.]

CTLC INC. BACKGROUND

- . Strong Underwriting/High Yields
- . High Quality Assets; Consistently
Strong Loan Loss Experience (Annual Losses 1%)

7

[LOGO OF BAY VIEW CAPITAL CORP.]

CTLC INC. BACKGROUND

<TABLE>
<CAPTION>

CTLC Selected Financial Data (\$000,000)

	1994	1995
<S>	<C>	<C>
Average Assets	463	496
Average Liabilities	423	447
Originations	272	231

Asset Yields #	11.55%	12.10%
Cost of Deposits #	5.60%	6.05%
Net Interest Margin	6.64%	6.40%
Provision for Losses #	0.88%	0.97%
G & A Expenses #	4.77%	4.25%
Delinquencies #	1.30%	1.30%
Reserves #	1.83%	1.76%

Year-end Ratios

</TABLE>

8

[LOGO OF BAY VIEW CAPITAL CORP.]

TRANSACTION STRUCTURE

- . Cash Merger at \$18 per Share
- . Approximately \$65 Million Total
- . Separate Stand-Alone Subsidiary of Bay View Capital Corporation
- . Sister Bank to Bay View Federal Bank

9

[LOGO OF BAY VIEW CAPITAL CORP.]

TRANSACTION STRUCTURE

- . Transaction Does Not Impede Potential Sale of Bay View Capital Corporation

[LOGO OF BAY VIEW CAPITAL CORP.]

TRANSACTION BENEFITS

- . HIGH YIELD ASSET GENERATION
Offsets Core Asset "Melt" Risk
- . IMPROVEMENT OF ROE, EPS
Provides On-Going Growth Opportunities
- . SIGNIFICANT OPPORTUNITIES EXIST TO:

Reduce Funding Costs, Expand Production, and
Reduce Operating Costs

11

[LOGO OF BAY VIEW CAPITAL CORP.]

TRANSACTION BENEFITS

- . With Modest Implementation of
Opportunities, Transaction is
Dramatically More Accretive than
Share Buy-Back
- . Opportunity to Dramatically Enhance
Shareholder Value

12

[LOGO OF BAY VIEW CAPITAL CORPORATION APPEARS HERE]

FORECASTED IMPACTS

<TABLE>
<CAPTION>

PRELIMINARY ESTIMATED IMPACT OF CTLC "PROJECT '97"

1997**

1998#

<S>	<C>	<C>
Forecast EPS*	\$2.75	\$2.89
With Project '97	\$3.56	\$4.00
Book Value***	\$32.50	\$36.00
Return on Equity	11.3%	11.7%
\$65 Million Buy-Back##	\$3.33	\$3.51
EPS Growth with Project '97	29%	38%
EPS Growth Beyond Share Buy-Back	7%	14%

</TABLE>

* Consensus 1996 EPS \$2.40 excluding SAIF Recapitalization

** 1996 consensus plus full year's benefit of SAIF Recapitalization

5% earnings growth per year from 1997 base

Assumes 25% buy-back at average price of \$35 per share

*** Assumes 7.1 million shares outstanding