

Edgar Filing: GOLDEN WEST FINANCIAL CORP /DE/ - Form 425

GOLDEN WEST FINANCIAL CORP /DE/
Form 425
May 16, 2006

Filed by Wachovia Corporation pursuant to
Rule 425 under the Securities Act of 1933,
as amended, and deemed filed pursuant to
Rule 14a-12 under the Securities Exchange
Act of 1934, as amended

Subject Company:

Golden West Financial Corporation

Commission File No.: 1-4629

Date: May 16, 2006

This filing may contain certain forward-looking statements with respect to each of Wachovia Corporation (Wachovia) and Golden West Financial Corporation (Golden West) and the combined company following the proposed merger between Wachovia and Golden West (the Merger), as well as the goals, plans, objectives, intentions, expectations, financial condition, results of operations, future performance and business of Wachovia, including, without limitation, (i) statements relating to the benefits of the Merger, including future financial and operating results, cost savings, enhanced revenues and the accretion/dilution to reported earnings that may be realized from the Merger, (ii) statements relating to the benefits of the merger between Wachovia and Westcorp and Wachovia s related acquisition of WFS Financial Inc (WFS Financial), a subsidiary of Westcorp, completed on March 1, 2006 (the Westcorp Transaction), including future financial and operating results, cost savings, enhanced revenues and the accretion/dilution to reported earnings that may be realized from the Westcorp Transaction, (iii) statements regarding certain of Wachovia s and/or Golden West s goals and expectations with respect to earnings, earnings per share, revenue, expenses and the growth rate in such items, as well as other measures of economic performance, including statements relating to estimates of credit quality trends, and (iv) statements preceded by, followed by or that include the words may , could , should , would , believe , anticipate , estimate , expect , intend , plan , projects , outlook or similar expressions. These statements are based upon the current beliefs and expectations of Wachovia s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. These forward-looking statements involve certain risks and uncertainties that are subject to change based on various factors (many of which are beyond Wachovia s control).

The following factors, among others, could cause Wachovia s financial performance to differ materially from that expressed in such forward-looking statements: (1) the risk that the businesses of Wachovia and/or Golden West in connection with the Merger or the businesses of Wachovia, Westcorp and WFS Financial in connection with the Westcorp Transaction will not be integrated successfully or such integration may be

more difficult, time-consuming or costly than expected; (2) expected revenue synergies and cost savings from the Merger or the Westcorp Transaction may not be fully realized or realized within the expected time frame; (3) revenues following the Merger or the Westcorp Transaction may be lower than expected; (4) deposit attrition, operating costs, customer loss and business disruption following the Merger or the Westcorp Transaction, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected; (5) the ability to obtain governmental approvals of the Merger on the proposed terms and schedule; (6) the failure of Wachovia's and/or Golden West's shareholders to approve the Merger, respectively; (7) the strength of the United States economy in general and the strength of the local economies in which Wachovia and/or Golden West conducts operations may be different than expected resulting in, among other things, a deterioration in credit quality or a reduced demand for credit, including the resultant effect on Wachovia's and/or Golden West's loan portfolio and allowance for loan losses; (8) the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System; (9) potential or actual litigation; (10) inflation, interest rate, market and monetary fluctuations; and (11) adverse conditions in the stock market, the public debt market and other capital markets (including changes in interest rate conditions) and the impact of such conditions on Wachovia's capital markets and capital management activities, including, without limitation, Wachovia's mergers and acquisition advisory business, equity and debt underwriting activities, private equity investment activities, derivative securities activities, investment and wealth management advisory businesses, and brokerage activities. Additional factors that could cause Wachovia's and Golden West's results to differ materially from those described in the forward-looking statements can be found in Wachovia's and Golden West's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. All subsequent written and oral forward-looking statements concerning Wachovia or the proposed Merger or other matters and attributable to Wachovia or Golden West or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. Wachovia and Golden West do not undertake any obligation to update any forward-looking statement, whether written or oral, relating to the matters discussed in this filing.

The proposed Merger will be submitted to Wachovia's and Golden West's shareholders for their consideration. Wachovia will file a registration statement, which will include a joint proxy statement/prospectus, and Golden West will file a proxy statement, and each of Wachovia and Golden West may file other relevant documents concerning the proposed Merger with the SEC. Shareholders are urged to read the registration statement and the joint proxy statement/prospectus regarding the proposed Merger when they become available and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they will contain important information. You will be able to obtain a free copy of the joint proxy statement/prospectus, as well as other filings containing information about Wachovia and Golden West, at the SEC's website (<http://www.sec.gov>). You will also be able to obtain these documents, free of charge, at Wachovia's website (<http://www.wachovia.com>) under the tab "Inside Wachovia" "Investor Relations" and then under the heading "Financial Reports - SEC Filings". Copies of the joint proxy statement/prospectus and the SEC

filings that will be incorporated by reference in the proxy statement/prospectus can also be obtained, free of charge, by directing a request to Wachovia Corporation, Investor Relations, One Wachovia Center, 301 South College Street, Charlotte, NC 28288-0206, (704)-374-6782; or to Golden West, Attn: Investor Relations Department, 1901 Harrison Street, Oakland, CA 94612, (510) 445-3420.

Wachovia and Golden West and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Wachovia and/or Golden West in connection with the proposed Merger. Information about the directors and executive officers of Wachovia is set forth in the proxy statement for Wachovia's 2006 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 13, 2006. Information about the directors and executive officers of Golden West is set forth in the proxy statement for Golden West's 2006 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 10, 2006. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the proxy statement/prospectus regarding the proposed Merger when it becomes available. You may obtain free copies of these documents as described in the preceding paragraph.

THE FOLLOWING PRESENTATION WAS USED IN A MEETING WITH ANALYSTS AND OTHERS.

Welcome to Wachovia
Ben Jenkins,
Vice Chairman and Head of the General
Bank
May 2006

X
X
X
THE
FOLLOWING
WAS
MADE
AVAILABLE
TO
GOLDEN
WEST
AND
WACHOVIA
EMPLOYEES.

Page 2

Wachovia Corporation

Vision

We will be the best, most trusted
and admired company in the
financial services industry

Page 3
Wachovia Corporation
Core Values
Integrity
Respect and Value the Individual
Teamwork
Service
Personal Excellence and Accountability
Winning

Page 4

Head Office:

Customers:

Employees:

Assets:

Loans:

Deposits:

Corporate

Debt Ratings:

Market Cap:

Charlotte, N.C.

13.4 million households and businesses

97,000

\$542 billion

\$260 billion

\$323 billion

Moody's: Aa3

S&P: A+

\$95 billion** #5 U.S.

Wachovia in Perspective*

*As of Mar. 31, 2006

**As of May 5, 2006; Ranking among U.S. banks.

Page 5

Wachovia in Perspective

Our History

Wachovia Corporation was formed by the 2001 merger of First Union Corporation and the former Wachovia Corporation.

Former Wachovia formed in 1879 in the town of Winston-Salem under the name Wachovia National Bank. Merged with Wachovia Loan and Trust in 1911 to form Wachovia Corporation.

First Union formed in 1908. In 1958, Union National merged with First National Bank and Trust Company of Asheville, N.C., forming First Union National Bank of North Carolina.

Through
more
than

90

mergers

with

banks

and

other

companies

evolved into diversified financial services company.

Page 6

Delivering sustainable growth

2005

A year of strong performance

Fourth consecutive year of double-digit earnings growth

Fifth consecutive year of leading customer service

Generated strong customer acquisition and market share gains

Invested for the future

Superior shareholder returns

#2 shareholder return over 5 years: up 123%

Increased dividend 17% from 2004, 113% since year-end 2001

Page 7

Wachovia in perspective:

Diversified businesses

General Bank

\$3,904

(60%)

(Retail, small business and commercial banking)

3,159 branches, 5,179 ATMs

#3

Capital Management

\$579

(9%)

Retail Brokerage: 10,500 registered reps

#3*

Mutual Fund: \$104 billion AUM

#17*

Wealth Management (**Private Banking**)

\$256

(4%)

44,500 clients, \$66 billion client AUM

#4**

Commercial Insurance Brokerage

#9

Corporate and Investment Bank

\$1,723

(27%)

3,800 corporate clients (2,400 institutional clients)

Capital Markets Issuance

Top 10

—

CDOs (Domestic)***

#2

—

Loan syndications****

#4

Cash Management

#3

2005 Segment Earnings

Key Business Lines

(\$ millions)

US Rank

*Retail Brokerage ranking based on client assets of \$684 billion. Mutual Fund ranking based on FRC as of 11/30/05.

**Wealth Management ranking based on total private banking assets under management of \$278 billion. Source: Barron's.

***2005 league table rankings based on lead deal dollar volumes.

Page 8

4

th

largest bank

holding company in

U.S.

3

rd

largest full-service

U.S. brokerage firm*

97,000 employees

3,159 financial

centers & 5,179 ATMs

730 retail brokerage

offices

Wachovia in perspective

Wachovia Financial Centers

Wachovia Brokerage Offices

Westcorp Financial Centers

*Based on client assets; All data as of Mar. 31, 2006

Page 9
4
th
largest bank
holding company
in U.S.
110,000
employees
3,442 financial
centers & 5,179
ATMs
Wachovia in perspective:
Together with Golden West
Gold Mortgage Lending Offices States
Gold Financial Centers

Wachovia Brokerage Offices
Wachovia Financial Centers

Page 10
Best,
most trusted &
most admired
financial services
company
Wachovia Strategic Business Priorities
Employee
Engagement
Revenue
Growth
Customer
Loyalty
Corporate
Governance

Lower
Operating
Cost
Successful
Merger
Integration

Page 11

Competitive Compensation

Market-based compensation for all
job classes

100% of employees eligible for cash
incentives

Volunteer Opportunities

Time Away from Work for Community
Service

More than 650,000 employee volunteer
hours logged

Charitable Contributions

More than \$9 million in employee
contributions matched

Education Opportunities

\$10 million in employee tuition
reimbursement

49%

58%

70%

74%

Employee Engagement

Financial

Services

Average

High

Performers

WB*

Best

Employers

*Excludes SouthTrust

employees.

Source: Hewitt Associates Employee Engagement and Best Employer
Database of 1,500 companies, including Fortune 500 (1997-2001).

Valuing Employees

Employee Engagement

Page 12

Employee Engagement

Sample of benefits:

Comprehensive health care benefits

Matched retirement savings plan

Education reimbursement program

4 hours paid time/month to volunteer

Wachovia is recognized for developing an inclusive workplace that values employees:

One
of
Working
Mother
magazine's
100
Best
Companies
for
3
rd
consecutive
year.

Top
50
Best
Companies
for
Latinas
in
the
U.S.
by
Latina
Style
for
5
th
consecutive year.

Top
50
Companies
for
Diversity
by
DiversityInc
magazine
for
3
rd
consecutive
year.

Essence

magazine's Outstanding Companies for Black Women.

100 Best Corporations in North America for Developing Human Capital in
Training
Magazine
for
4
th
consecutive
year.

Page 13

Customer Loyalty

40.2%

45.3%

48.6%

51.1%

55.0%

4Q02

4Q03

4Q04

4Q05

2006

Percentage Loyal

Customers*

*Data is from independent studies conducted with customers who

transact in our Financial Centers. Definition of a loyal customer is a customer who rates Wachovia a 7 in all three loyalty questions satisfaction with Wachovia, likelihood to recommend, and likelihood to repurchase (scale of 1-7).

Goal

5.59

6.35

6.49

6.57

6.59

6.63

1Q99

4Q01

4Q02

4Q03

4Q04

4Q05

*Data is from independent studies conducted with customers who transact in our Financial Centers. Scores prior to 1Q02 for legacy First Union only. Scale of 1-7.

Customer attrition is total customer attrition and includes single service credit card, mortgage and trust households and out of footprint households.

Customer Satisfaction

Scores*

11%

20%

Page 14

Customer Loyalty

Wachovia

79

+10%

(#1)

All Others

78

+5%

Bank of America

72

+6%

Wells Fargo

67

+2%

Bank One/JPMC

70

6%

2005 American Customer

Satisfaction Index*

Score

2005

vs. 2001

#1 for 5

th

consecutive year

*Annual consumer satisfaction survey by the University of Michigan.

USAA Federal Savings Banks

824

Commerce Bancorp

808

Downey Savings & Loan

797

ING Bank

767

Wachovia Bank

755

#1 among large banks

Huntington National Bank

745

Washington Mutual Bank

744

Comerica Bank

744

Regions Bank

733

Fifth Third Bank

731

Scores based on 1,000-point scale. Industry average was 741.

J.D. Power and Associates

2006 Retail Banking Satisfaction

Study

sm

Page 15

Customer Loyalty:

The Wachovia Service Philosophy

I will warmly welcome you.

I will focus only on you.

I will make it easy to do business with me.

I will take ownership of your needs.

I will be knowledgeable and professional.

I will be responsive to your questions and requests.

I appreciate your business.

Page 16

Revenue Growth:

Investing in the business drives future growth

Reinvesting 30-50% of efficiencies for future revenue growth

2006 Growth Initiatives

Credit Cards

Focused marketing to WB s 11 million retail and small business households

Mortgage

Expand modest market share

Hire 500-700 mortgage bankers

Auto Loans

Westcorp

acquisition adds \$13 billion in auto loans

De novo branches

Plan to open 100+ branches annually going forward

Strategically positioned hiring and investments

Hiring up to 1,000 retail brokers

Page 17

Yes

No

Senior management required to retain

75% of all stock awards until retirement

Yes

No

Stock options expensed

Yes

No

All stock plans approved by shareholders

Yes

No

All directors have meaningful Wachovia
stock holdings

Yes

No

Board meets independently from
management

Yes

No

Lead Independent Director

16

26

Board Size

2006

1999

Corporate Governance Leadership

Page 18

Lower Operating Costs:

Improving Overhead Efficiency*

64.7%

60.6%

57.2%

64.3%

59.1%

56.2%

60.0%

2000

2001

2002

2003

2004

1Q05

2Q05

2007 Goal

*Overhead efficiency ratio excludes merger-related and restructuring charges, changes in accounting principle and intangible a

2007 not a projection, results may differ from expectations for a number of reasons.

52 -

55%

Page 19

Successful Merger Integration

Track record of successful integrations:

First Union/Wachovia

2003

SouthTrust

2005

Our Philosophy:

Goal = no customer attrition

Thoughtful, deliberate approach

Retain all frontline, customer-facing employees

Carefully plan merger transitions and conversions

Page 20

General Bank Overview

\$9B Revenue

\$89B Loans

\$170B Deposits

\$26B Mortgage Production

Over 10MM Relationships

3,159 Financial Centers and 5,179 ATMs

#3 national branch & market share

#1 share in Southeast

\$13B Revenue

\$178B Loans

\$216B Deposits

11MM Household & Business

Relationships

45,400 Employees

As of 1st

Quarter 2006.

\$3.8B Revenue

\$89B Loans

\$47B Deposits

75,000 Wholesale Relationships

7,000 Auto Finance Relationships

Includes Commercial, Business Banking, Real
Estate Financial Services and Wachovia Dealer
Services

34% Commercial Do Business
share

#2 national market share in Real
Estate Financial Services

Retail & Small Business

Wholesale Businesses

General Bank

Page 21

General Bank Focus Areas

Service

Delivery

Sales focus with industry-leading service levels

Drive

new

customer

acquisition

and

customer

retention

Relentless pursuit of customer loyalty (2005 goal of 52%)

Sales

Management

Communication, measurement, incentives and coaching
Continued focus on increasing branch productivity
Generating industry leading balance sheet growth
Distribution
Excellence
De Novo in Texas, NYC, and high growth in footprint markets
Network management (refurbishment, consolidations, etc.)
Extended hours in selected markets (Capital and Atlanta)
Building
Credit
Businesses
Mortgage
Credit Card
Auto Finance
People
Drive higher employee satisfaction and retention
Adjust training and development to match new requirements
Revenue growth 2 x expensive growth
Operating
Leverage

Page 22

-40%

-20%

0%

20%

40%

60%

80%

100%

120%

140%

4Q01

4Q02

4Q03

4Q04

4Q05

Sustainable growth drives
material stock outperformance

S&P 500 +3%

5 year Total Return

BKX +33%

WB +123%

(# 2 of Top 20

U.S. Banks)

Wachovia's 5 year total return performance of 123%

is more than 3.5 times that of the BKX

and 41 times that of the S&P 500

Page 23

Marketplace Accolades

Top 100 Companies for

Working Mothers

Top 100 Best Corporate

Citizens

Outstanding CRA rating

Top 20 Best Corporate

Reputation

Outstanding Corporation for

Philanthropic Efforts

Page 24

Cautionary statement

This investor presentation contains certain forward-looking statements, including, without limitation, (i) statements relating to merger between Wachovia and Golden West (the Merger), including future financial and operating results, cost savings, earnings accretion / dilution to reported earnings that may be realized from the Merger, (ii) statements regarding certain of Wachovia's assets and expectations with respect to earnings, earnings per share, revenue, expenses and the growth rate in such items, as well as overall economic performance, including statements relating to estimates of credit

quality
trends,
and
(iii)
statements
preceded
by,
followed
by
or
that
include
the
words
may ,
could ,
should ,
would ,
believe ,
anticipate ,
estimate ,
expect ,
intend ,
plan
or
similar
expressions.

These
statements
are
based

upon the current beliefs and expectations of Wachovia's and/or Golden West's management and are subject to significant risk that actual results may differ from those set forth in the forward-looking statements.

The following factors, among others, could cause actual results to differ materially from that expressed in such forward-looking statements:

that
the
businesses
of
Wachovia
and/or
Golden
West
in
connection
with
the
Merger
will
not
be

integrated
successfully
or
such
integration
may
be

more

difficult, time-consuming or costly than expected; (2) expected revenue synergies and cost savings from the Merger may not be realized within the expected time frame; (3) revenues following the Merger may be lower than expected; (4) deposit attrition, operating business disruption following the Merger, including, without limitation, difficulties in maintaining relationships with employees may be more than expected; (5) the ability to obtain governmental approvals of the Merger on the proposed terms and schedule; (6) the failure of Golden West

to obtain the approval of its
shareholders
to
approve
the
Merger,
respectively;

(7)
the
strength
of
the
United
States
economy
in
general
and
the
strength
of
the
local

economies in which Wachovia and/or Golden West conducts operations may be different than expected resulting in, among other things, a reduced demand for credit, including the resultant effect on Wachovia's and/or Golden West's loan portfolio; (8) the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System;

(9)
potential
or
actual
litigation;
(10)
inflation,
interest

rate,
market
and
monetary
fluctuations;
and
(11)
adverse
conditions
in

the stock market, the public debt market and other capital markets (including changes in interest rate conditions) and the impact on Wachovia's capital markets and capital management activities, including, without limitation, Wachovia's mergers and acquisitions, equity and debt underwriting activities, private equity investment activities, derivative securities activities, investment and wealth management businesses, and brokerage activities. Additional factors that could cause Wachovia's and/or Golden West's results to differ from those described in the forward-looking statements can be found in Wachovia's and Golden West's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. All subsequent written and oral forward-looking statements concerning Wachovia or Golden West or other matters and attributable to Wachovia or Golden West or any person acting on their behalf are expressly qualified in the cautionary statements above. Wachovia and Golden West do not undertake any obligation to update any forward-looking statements, written or oral, relating to the matters discussed in this news release.

Page 25

Additional information

The proposed Merger will be submitted to Wachovia's and Golden West's shareholders for their consideration. Wachovia will submit a statement,

which

will

include

a

joint

proxy

statement/prospectus,

and

Golden

West

will

file
a
joint
proxy
statement,
and
each
of
Wachovia
and
Golden
West
may
file
other
relevant
documents
concerning
the
proposed
Merger
with
the
SEC.
Shareholders
are
urged
to
read
the
registration
statement
and
the joint proxy statement/prospectus regarding the proposed Merger when they become available and any other relevant documents
as
well
as
any
amendments
or
supplements
to
those
documents,
because
they
will
contain
important
information.

You
will
be
able
to
obtain

a
free
copy

of the joint proxy statement/prospectus, as well as other filings containing information about Wachovia and Golden West, at the
(<http://www.sec.gov>).

You
will
also
be
able
to
obtain
these
documents,
free
of
charge,
at

Wachovia's
website
(<http://www.wachovia.com>)
under
the
tab

Inside
Wachovia

Investor
Relations
and
then
under
the
heading
Financial
Reports

-
SEC
Filings .
Copies
of
the
joint
proxy

statement/prospectus
and

the SEC filings that will be incorporated by reference in the joint proxy statement/prospectus can also be obtained, free of charge, to Wachovia Corporation, Investor Relations, One Wachovia Center, 301 South College Street, Charlotte, NC 28288-0206, (704) 399-3420, or Golden West, Investor Relations Department, 1901 Harrison Street, Oakland, CA 94612, (510) 446-3420.

Wachovia and Golden West and their respective directors and executive officers, may be deemed to be participants in the solicitation of proxies from shareholders.

of
Wachovia
and/or
Golden
West
in
connection
with
the
proposed
Merger.

Information
about
the
directors
and
executive
officers

of
Wachovia is set forth in the proxy statement for Wachovia's 2006 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 10, 2006.

Information about the directors and executive officers of Golden West is set forth in the proxy statement for Golden West's 2006 annual meeting of shareholders,

as
filed
with
the
SEC
on
a
Schedule
14A
on
March
10,
2006.

Additional
information
regarding
the
interests
of
those

participants
and
other
persons
who
may
be
deemed
participants
in
the
transaction

may
be
obtained
by
reading
the
joint
proxy
statement/prospectus
regarding
the
proposed

Merger when it becomes available. You may obtain free copies of these documents as described in the preceding paragraph.

