

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.

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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.

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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

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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.

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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

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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

Reorganization

Impairment of long-term investments

Finance

Amortization

Loss before undernoted

Interest income

Non operating income

Net loss before income taxes and minority interest

Income taxes:

Current

Future

Net loss before minority interest

Minority interest

Net loss and comprehensive loss

Net loss per common share

Basic

Diluted

**CRYPTOLOGIC LIMITED
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS**

(In thousands of U.S. dollars)

(Unaudited)

	For the nine months ended September 30,	
	2009	2008
Retained earnings, beginning of period	\$ 32,032	\$ 70,855
Loss	(10,691)	(6,770)
Dividends paid, excluding those paid to CEC shareholders	(1,148)	(4,616)
Excess of purchase over stated value of repurchased common shares	-	(1,067)
Retained earnings, end of period	\$ 20,193	\$ 58,402

CRYPTOLOGIC LIMITED**CONSOLIDATED STATEMENTS OF CASHFLOWS***(In thousands of U.S. dollars)**(Unaudited)*

	For the three months ended September 30,		For the nine months ended September 30,	
	2009	2008	2009	2008
Cash flows from (used in):				
Operating activities:				
Net loss	\$ (3,204)	\$ (5,886)	\$ (10,691)	\$ (6,770)
Adjustments to reconcile loss to cash provided by (used in) operating activities:				
Amortization	1,241	1,519	3,745	4,426
Reorganization expense	240	-	927	-
Impairment of long-term investments	-	-	3,961	-
Unrealized gain on forward contract	(39)	-	(175)	(120)
Future income taxes	(163)	(315)	(1,783)	(164)
Minority interest	(224)	(396)	(424)	(138)
Stock options	183	442	778	1,613
	(1,966)	(4,636)	(3,662)	(1,153)
Change in operating assets and liabilities:				
Accounts receivable and other	(203)	2,458	(1,531)	679
Prepaid expenses	(215)	(1,984)	(2,152)	(2,391)
Accounts payable and accrued liabilities	(2,403)	(5,450)	(4,844)	(7,077)
Income taxes payable	31	(366)	(884)	(4,678)
	(4,756)	(9,978)	(13,073)	(14,620)
Financing activities:				
Issue of capital stock, net	-	-	-	189
Repurchase of common shares	-	(626)	-	(1,365)
Dividends paid including those to CEC shareholders	(416)	(1,674)	(1,245)	(5,018)
	(416)	(2,300)	(1,245)	(6,194)
Investing activities:				
Cash paid for Casino.co.uk	-	-	-	(1,254)
Purchase of capital assets	(227)	(3,039)	(534)	(4,348)
Purchase of other investments	-	(400)	(477)	(2,395)
(Increase)/decrease in restricted cash	5,000	(2,914)	7,175	12,062
Decrease in security deposits	-	-	-	900
	4,773	(6,353)	6,164	4,965
Decrease in cash and cash equivalents	(399)	(18,631)	(8,154)	(15,849)
Cash and cash equivalents, beginning of period	28,593	58,210	36,348	55,428
Cash and cash equivalents, end of period	\$ 28,194	\$ 39,579	\$ 28,194	\$ 39,579
Supplemental cash flow information:				
Non cash portion of options exercised	\$ -	\$ -	\$ -	\$ 83

