

WACHOVIA CORP NEW  
Form S-4/A  
November 22, 2005

**Table of Contents**

**As filed with the Securities and Exchange Commission on November 22, 2005**

**Registration No. 333-129196**

**SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**AMENDMENT NO. 1  
TO  
Form S-4  
REGISTRATION STATEMENT UNDER  
THE SECURITIES ACT OF 1933**

**Wachovia Corporation**  
*(Exact name of registrant as specified in its charter)*

**North Carolina**  
*(State or other jurisdiction of  
incorporation or organization)*

**6711**  
*(Primary Standard Industrial  
Classification Code Number)*

**56-0898180**  
*(I.R.S. Employer  
Identification No.)*

**One Wachovia Center  
Charlotte, North Carolina 28288-0013  
(704) 374-6565**

*(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)*

**Mark C. Treanor, Esq.  
Senior Executive Vice President,  
General Counsel and Secretary  
Wachovia Corporation  
One Wachovia Center  
Charlotte, North Carolina 28288-0013  
(704) 374-6565**

*(Name, address, including zip code, and telephone number, including area code, of agent for service)*

***Copies To:***

**David E. Brown, Jr., Esq.  
Alston & Bird LLP  
601 Pennsylvania Avenue,  
N.W.  
North Building, 10th  
Floor  
Washington, DC  
20004-2601  
(202) 756-3345**

**Ross E. Jeffries, Jr., Esq.  
Senior Vice President and  
Deputy General Counsel  
Wachovia Corporation  
One Wachovia Center  
Charlotte, North Carolina  
28288-0630  
(704) 374-6611**

**Robert M. Mattson,  
Jr., Esq.  
Morrison & Foerster  
LLP  
19900 MacArthur  
Blvd.  
Irvine, CA 92612  
(949) 251-7500**

**Gregg A. Noel, Esq.  
Skadden, Arps,  
Slate,  
Meagher & Flom  
LLP  
300 South Grand  
Avenue  
Los Angeles, CA  
90071  
(213) 687-5000**

**Approximate date of commencement of proposed sale of the securities to the public:** As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box:

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the Securities Act ), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

**The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

---

**Table of Contents**

The information in this joint proxy statement-prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement-prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

**SUBJECT TO COMPLETION DATED NOVEMBER 22, 2005**

**Merger Proposed Your Vote is Very Important**

To the Shareholders of Westcorp:

Westcorp is pleased to report that the boards of directors of Westcorp and Wachovia Corporation have approved the acquisition of Westcorp by Wachovia through the merger of Westcorp into Wachovia.

If the Westcorp merger is completed, each share of Westcorp common stock will be converted into the right to receive 1.2749 shares of Wachovia common stock. The value, but not the number, of shares of Wachovia common stock that Westcorp shareholders will receive in the Westcorp merger will depend on the market price of Wachovia common stock at the time the Westcorp merger is completed. Wachovia common stock is listed on the New York Stock Exchange under the trading symbol WB. On September 9, 2005, the last trading day before we announced the Westcorp merger, the last reported sale price of Wachovia common stock was \$50.38 per share, and on November 21, 2005, the last reported sale price of Wachovia common stock was \$53.06 per share. You should obtain current market quotations for Wachovia common stock.

Completing the Westcorp merger is subject to Westcorp shareholder approval, as described in this document. This document also describes the acquisition by Wachovia of WFS Financial Inc, a majority owned subsidiary of Western Financial Bank, which is a wholly-owned subsidiary of Westcorp, through a merger. Completing the Westcorp merger is also subject to WFS shareholder approval of the WFS merger, as described in this document. In addition, the Westcorp merger is conditioned on obtaining regulatory approvals, the receipt of opinions that the mergers will be tax-free for federal income tax purposes, and other conditions.

**Your vote is very important.** Westcorp has scheduled a special meeting of its shareholders to vote on the Westcorp merger and other related matters to be held at Westcorp's corporate headquarters located at 23 Pasteur, Irvine, California 92618 on January 6, 2006 at 10:00 a.m., local time. Whether or not you plan to attend the Westcorp special meeting in person, please submit your proxy by telephone or through the Internet as described on the enclosed proxy card, or complete, sign, date and return the enclosed proxy in the enclosed self-addressed stamped envelope.

The Westcorp board of directors, based in part on the unanimous recommendation of a special committee of independent directors, unanimously recommends that Westcorp shareholders vote **FOR** approval of the merger agreement and the Westcorp merger.

Please give all of the information contained in this joint proxy statement-prospectus your careful attention. **In particular, you should carefully consider the discussion in the section entitled Risk Factors beginning on page 18 of this joint proxy statement-prospectus.**

Westcorp sincerely appreciates your interest in and consideration of this matter.

Sincerely,

Ernest S. Rady  
*Chairman of the Board*

**None of the Securities and Exchange Commission, any state securities commission or the North Carolina Commissioner of Insurance has approved or disapproved the securities to be issued in the Westcorp merger or determined if this document is accurate or adequate. It is illegal to tell you otherwise.**

The securities to be issued in the Westcorp merger are not savings or deposit accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This joint proxy statement prospectus is dated November 22, 2005, and is first being mailed to Westcorp shareholders on or about November 29, 2005.

**Table of Contents**

The information in this joint proxy statement-prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement-prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

**SUBJECT TO COMPLETION DATED NOVEMBER 22, 2005**

**Merger Proposed Your Vote is Very Important**

To the Shareholders of WFS Financial Inc:

WFS is pleased to report that the boards of directors of WFS Financial Inc and Wachovia Corporation have approved the acquisition of WFS by Wachovia through a merger. Approximately 84% of the outstanding shares of WFS common stock are held by Western Financial Bank, a wholly-owned subsidiary of Westcorp. Westcorp and Wachovia have also agreed to the acquisition of Westcorp by Wachovia through the merger of Westcorp into Wachovia.

If the WFS merger is completed, each share of WFS common stock, other than shares held by Western Financial Bank, will be converted into the right to receive 1.4661 shares of Wachovia common stock. The value, but not the number, of shares of Wachovia common stock that WFS shareholders will receive in the WFS merger will depend on the market price of Wachovia common stock at the time the WFS merger is completed. Wachovia common stock is listed on the New York Stock Exchange under the trading symbol WB. On September 9, 2005, the last trading day before we announced the WFS merger, the last reported sale price of Wachovia common stock was \$50.38 per share, and on November 21, 2005, the last reported sale price of Wachovia common stock was \$53.06 per share. You should obtain current market quotations for Wachovia common stock.

Completing the WFS merger is subject to WFS shareholder approval, including approval by a majority of the shares of WFS common stock voting at the WFS special meeting, excluding shares of WFS common stock held by Westcorp and its affiliates, as described in this document. Completing the WFS merger is also subject to Westcorp shareholder approval of the Westcorp merger, as described in this document. In addition, the WFS merger is conditioned on obtaining regulatory approvals, the receipt of opinions that the mergers will be tax-free for federal income tax purposes, and other conditions.

**Your vote is very important.** WFS has scheduled a special meeting of its shareholders to vote on the WFS merger and other related matters to be held at WFS corporate headquarters located at 23 Pasteur, Irvine, California 92618 on January 6, 2006 at 10:30 a.m., local time. Whether or not you plan to attend the WFS special meeting in person, please submit your proxy by telephone or through the Internet as described on the enclosed proxy card, or complete, sign, date and return the enclosed proxy card in the enclosed self-addressed stamped envelope.

The WFS board of directors, based in part on the unanimous recommendation of a special committee of independent directors, unanimously recommends that WFS shareholders, other than Western Financial Bank and its affiliates, vote **FOR** approval of the merger agreement and the WFS merger.

Please give all of the information contained in this joint proxy statement-prospectus your careful attention. **In particular, you should carefully consider the discussion in the section entitled Risk Factors beginning on page 18 of this joint proxy statement-prospectus.**

WFS sincerely appreciates your interest in and consideration of this matter.

Sincerely,

Ernest S. Rady  
*Chairman of the Board*

**None of the Securities and Exchange Commission, any state securities commission or the North Carolina Commissioner of Insurance has approved or disapproved the securities to be issued in the WFS merger or determined if this document is accurate or adequate. It is illegal to tell you otherwise.**

The securities to be issued in the WFS merger are not savings or deposit accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This joint proxy statement prospectus is dated November 22, 2005, and is first being mailed to WFS shareholders on or about November 29, 2005.

---

**Table of Contents**

**WESTCORP  
NOTICE OF SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON JANUARY 6, 2006**

**To the Shareholders of Westcorp:**

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of Westcorp, a California corporation, will be held on January 6, 2006, at 10:00 a.m., local time, at Westcorp's corporate headquarters located at 23 Pasteur, Irvine, California 92618, for the following purposes:

- (1) To consider and vote upon a proposal to approve the Agreement and Plan of Merger, as amended and restated, dated as of September 12, 2005, among Wachovia Corporation, a North Carolina corporation, Westcorp, a California corporation, Western Financial Bank, a federal savings bank, and WFS Financial Inc, or WFS, a California corporation, and to approve the merger of Westcorp with and into Wachovia, with Wachovia as the surviving corporation, which we refer to as the Westcorp merger. In the Westcorp merger, each outstanding share of Westcorp common stock held by shareholders of Westcorp (other than shares held by Westcorp's subsidiaries or Wachovia or any of its subsidiaries (other than certain shares held on behalf of third parties), which will be canceled with no payment being made with respect thereto, or held by shareholders of Westcorp who properly exercise and perfect their dissenters' rights under California law, if available, as applicable) will be converted into the right to receive 1.2749 shares of Wachovia common stock. The merger agreement and the Westcorp merger are more fully described in the attached joint proxy statement-prospectus;
- (2) To consider and vote upon a proposal to adjourn or postpone the Westcorp special meeting, if necessary, for the purpose of soliciting additional proxies in the event that there are not sufficient votes at the time of the Westcorp special meeting to approve the merger agreement and the Westcorp merger; and
- (3) To transact such other business as may properly be brought before the Westcorp special meeting and any adjournments or postponements thereof.

We have fixed the close of business on November 17, 2005, as the record date for determining those shareholders entitled to notice of and to vote at the Westcorp special meeting and any adjournments or postponements of the Westcorp special meeting. Only Westcorp shareholders of record at the close of business on that date are entitled to notice of and to vote at the Westcorp special meeting and any adjournments or postponements of the Westcorp special meeting.

In order for the proposal to approve the merger agreement and the Westcorp merger to be adopted, a majority of the outstanding shares of Westcorp common stock entitled to vote must be voted in favor of the proposal to approve the merger agreement and the Westcorp merger. In connection with the execution of the merger agreement, Mr. Ernest Rady and certain entities controlled by him agreed to vote in favor of approving the merger agreement and the Westcorp merger. The total number of shares of Westcorp common stock subject to the voting agreement represents approximately 40% of the outstanding shares of Westcorp. Approval of the proposal to adjourn or postpone the Westcorp special meeting, if necessary, for the purpose of soliciting additional proxies, in the event that there are not sufficient votes at the time of the Westcorp special meeting to approve the merger agreement and the Westcorp merger, requires the affirmative vote of the holders of a majority of the shares present in person or by proxy, even if less than a quorum.

The presence in person or by proxy of a majority of Westcorp common shares outstanding on the record date and entitled to vote at the Westcorp special meeting will constitute a quorum for purposes of conducting business at the Westcorp special meeting. Abstentions will be counted in determining whether a quorum is present at the Westcorp special meeting; however, abstentions, broker non-votes and shares not in attendance and not voted at the Westcorp special meeting will have the same effect as votes against approval of the merger agreement and the Westcorp merger. In addition, abstentions will have the same effect as votes against the proposal to adjourn or postpone the Westcorp special meeting for the purpose of soliciting additional proxies in the event that there are not sufficient votes at the

time of the Westcorp special meeting to approve the merger agreement and the Westcorp merger. If you wish to attend the Westcorp special meeting and your shares are held in the name of a broker, trust, bank or other nominee, you must bring with you a proxy or letter from the broker, trustee, bank or nominee to confirm your beneficial ownership of the shares.

---

**Table of Contents**

Pursuant to the California Corporations Code, under certain circumstances holders of outstanding shares of Westcorp common stock (including participants in Westcorp's Employee Stock Ownership and Salary Savings Plan with respect to the shares of Westcorp common stock allocated to their accounts) who vote against approval of the merger agreement and the Westcorp merger, and who comply with the requirements of Chapter 13 of the California Corporations Code may have, if the Westcorp merger is completed, the right to receive payment of the appraised value of their shares of Westcorp common stock. For a description of these dissenters' rights, see **The Mergers Dissenters' Rights** beginning on page 72.

Whether or not you plan to attend the Westcorp special meeting in person, please submit your proxy by telephone or through the Internet, as described on the enclosed proxy card, or complete, date, sign and return the enclosed proxy card in the enclosed envelope. The enclosed envelope requires no postage if mailed in the United States. If you attend the Westcorp special meeting, you may vote in person if you wish, even if you have previously returned your proxy card or submitted your proxy by telephone or through the Internet.

After careful consideration, the Westcorp board of directors, after its independent evaluation and acting upon the unanimous recommendation of the Westcorp special committee, unanimously determined that the Westcorp merger is fair to and in the best interests of Westcorp and its shareholders and approved the merger agreement and the Westcorp merger. The Westcorp board of directors unanimously recommends that Westcorp shareholders vote **FOR** the approval of the merger agreement and the Westcorp merger.

By Order of the Westcorp Board of Directors,

Ernest S. Rady  
Chairman of the Board

Irvine, California  
November 29, 2005

---

**Table of Contents**

**WFS FINANCIAL INC  
NOTICE OF SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON JANUARY 6, 2006**

**To the Shareholders of WFS Financial Inc:**

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of WFS Financial Inc, a California corporation, will be held on January 6, 2006, at 10:30 a.m., local time, at WFS corporate headquarters located at 23 Pasteur, Irvine, California 92618, for the following purposes:

- (1) To consider and vote upon a proposal to approve the Agreement and Plan of Merger, as amended and restated, dated as of September 12, 2005, among Wachovia Corporation, a North Carolina corporation, Westcorp, a California corporation, Western Financial Bank, a federal savings bank, and WFS Financial Inc, or WFS, a California corporation, and to approve the merger of WFS with a newly formed subsidiary, with WFS as the surviving corporation, which we refer to as the WFS merger. In the WFS merger, each outstanding share of WFS common stock held by shareholders of WFS (other than shares held by Western Financial Bank, Westcorp, Wachovia or any of their respective subsidiaries (other than certain shares held on behalf of third parties), which will be canceled with no payment being made with respect thereto, or held by shareholders of WFS who properly exercise and perfect their dissenters' rights under California law, if available, as applicable) will be converted into the right to receive 1.4661 shares of Wachovia common stock. The merger agreement and the WFS merger are more fully described in the attached joint proxy statement-prospectus;
- (2) To consider and vote upon a proposal to adjourn or postpone the WFS special meeting, if necessary, for the purpose of soliciting additional proxies in the event that there are not sufficient votes at the time of the WFS special meeting to approve the merger agreement and the WFS merger; and
- (3) To transact such other business as may properly be brought before the WFS special meeting and any adjournments or postponements thereof.

We have fixed the close of business on November 17, 2005, as the record date for determining those shareholders entitled to notice of and to vote at the WFS special meeting and any adjournments or postponements of the WFS special meeting. Only WFS shareholders of record at the close of business on that date are entitled to notice of and to vote at the WFS special meeting and any adjournments or postponements of the WFS special meeting.

In order for the proposal to approve the merger agreement and the WFS merger to be adopted, (a) a majority of the outstanding shares of WFS common stock entitled to vote must be voted in favor of the proposal to approve the merger agreement and the WFS merger, and (b) a majority of the shares of WFS common stock represented and voting at the WFS special meeting, excluding shares held by Westcorp and its affiliates (including Western Financial Bank) must be voted in favor of the proposal to approve the merger agreement and the WFS merger. Westcorp has agreed to cause Western Financial Bank, the holder of approximately 84% of the outstanding shares of WFS common stock as of the record date, to vote such shares in favor of the proposal to approve the merger agreement and the WFS merger, but such shares will not be counted as voting in determining whether the proposal has been approved by a majority of shares represented and voting at the WFS special meeting, excluding shares held by Westcorp and its affiliates. Approval of the proposal to adjourn or postpone the WFS special meeting, if necessary, for the purpose of soliciting additional proxies, in the event that there are not sufficient votes at the time of the WFS special meeting to approve the merger agreement and the WFS merger, requires the affirmative vote of the holders of a majority of the shares present in person or by proxy, even if less than a quorum.

The presence in person or by proxy of a majority of WFS common shares outstanding on the record date and entitled to vote at the WFS special meeting will constitute a quorum for purposes of conducting business at the WFS special meeting. Abstentions will be counted in determining whether a quorum is present at the WFS special meeting; however, abstentions, broker non-votes and shares not in attendance and not voted at the WFS special meeting will have the same effect as votes against approval of the merger agreement and the WFS merger for purposes of

determining approval by a majority of WFS common shares outstanding. Abstentions, broker non-votes, and shares not in attendance and not voted at the WFS special meeting will have no effect for determining approval by a majority of WFS common shares represented and voting at the WFS special meeting by shareholders other than Westcorp and its affiliates (including Western Financial Bank). In addition, abstentions will have the same effect as votes against the proposal to adjourn or postpone the WFS special meeting for the purpose of soliciting additional proxies in the event that there are not sufficient votes at the time of the WFS special meeting to approve the merger agreement and the WFS merger. If you wish to attend the WFS special meeting and your shares are held in the name of a broker, trust, bank or other nominee, you must bring with you a proxy or letter from the broker, trustee, bank or nominee to confirm your beneficial ownership of the shares.

---

**Table of Contents**

Pursuant to the California Corporations Code, under certain circumstances holders of outstanding shares of WFS common stock who vote against approval of the merger agreement and the WFS merger, and who comply with the requirements of Chapter 13 of the California Corporations Code may have, if the WFS merger is completed, the right to receive payment of the appraised value of their shares of WFS common stock. For a description of these dissenters' rights, see **The Mergers Dissenters' Rights** beginning on page 72.

Whether or not you plan to attend the WFS special meeting in person, please submit your proxy by telephone or through the Internet, as described on the enclosed proxy card, or complete, date, sign and return the enclosed proxy card in the enclosed envelope. The enclosed envelope requires no postage if mailed in the United States. If you attend the WFS special meeting, you may vote in person if you wish, even if you have previously returned your proxy card or submitted your proxy by telephone or through the Internet.

After careful consideration, the WFS board of directors, after its independent evaluation and acting upon the unanimous recommendation of the WFS special committee, unanimously determined that the merger agreement and the WFS merger are fair to and in the best interests of WFS and its shareholders, other than Western Financial Bank and its affiliates, and approved the merger agreement and the WFS merger. The WFS board of directors unanimously recommends that WFS shareholders, other than Western Financial Bank and its affiliates, vote **FOR** the approval of the merger agreement and the WFS merger.

By Order of the WFS Board of Directors,

Ernest S. Rady  
Chairman of the Board

Irvine, California  
November 29, 2005

---

**Table of Contents**

**References to Additional Information**

This document incorporates by reference important business and financial information about Wachovia, Westcorp and WFS from other documents that are not included in or delivered with this document. This information is available to you without charge upon your written or oral request. You can obtain documents related to Wachovia, Westcorp and WFS that are incorporated by reference in this document through the Securities and Exchange Commission, which we refer to as the SEC, web site at <http://www.sec.gov> or by requesting them in writing or by telephone from the appropriate company:

Westcorp:  
Attention: Guy Du Bose, Esq.  
23 Pasteur  
Irvine, California 92618  
(949) 727-1002

**If you would like to request documents, please do so by December 29, 2005 to receive them before Westcorp's special meeting**

WFS:  
Attention: Guy Du Bose, Esq.  
23 Pasteur  
Irvine, California 92618  
(949) 727-1002

**If you would like to request documents, please do so by December 29, 2005 to receive them before WFS's special meeting.**

Wachovia:  
Investor Relations  
301 S. College Street  
Charlotte, North Carolina 28288  
(704) 374-6782

**You also may obtain additional copies of this joint proxy statement-prospectus or proxy cards related to the proxy solicitation without charge by contacting Mellon Investor Services, Attn: Peter Tomaszewski, telephone number 1-800-279-0618.**

See Where You Can Find More Information on page 106.

---

**Table of Contents****TABLE OF CONTENTS**

	<b>Page</b>
<b>SUMMARY</b>	1
<u>Wachovia and Westcorp propose the Westcorp merger and Wachovia and WFS propose the WFS merger.</u>	1
<u>Westcorp and WFS shareholders will receive shares of Wachovia common stock in the respective mergers in exchange for their shares of common stock of Westcorp and WFS.</u>	1
<u>Each of the Westcorp and WFS exchange ratios is fixed and the value of the shares to be issued in the mergers will fluctuate with market prices.</u>	2
<u>Wachovia's common stock dividend policy will continue after the mergers; the parties will coordinate payment of dividends.</u>	2
<u>The mergers will be accounted for as purchases.</u>	3
<u>Material United States federal income tax consequences.</u>	3
<u>Credit Suisse First Boston LLC provided an opinion to the Westcorp special committee as to the fairness, from a financial point of view, of the Westcorp exchange ratio.</u>	3
<u>Deutsche Bank Securities Inc. provided an opinion to the WFS special committee and the WFS board of directors as to the fairness, from a financial point of view, of the WFS exchange ratio.</u>	4
<u>Some of Westcorp's and WFS directors and executive officers have interests in the mergers that may differ from your interests.</u>	4
<u>Westcorp and WFS shareholders may have dissenters' rights under California law.</u>	4
<u>The Westcorp board recommends that Westcorp shareholders vote FOR the merger agreement and the Westcorp merger.</u>	5
<u>The WFS board recommends that WFS shareholders vote FOR the merger agreement and the WFS merger.</u>	5
<u>Reasons for the mergers.</u>	6
<u>We have agreed when and how Westcorp can consider third party acquisition proposals.</u>	6
<u>Approval of the merger agreement and the Westcorp merger requires approval by a majority of Westcorp's outstanding shares of common stock.</u>	6
Approval of the merger agreement and the WFS merger requires approval by a majority of WFS outstanding shares of common stock and approval by a majority of the shares of WFS common stock represented and voting at the WFS special meeting excluding shares held by Westcorp and its affiliates.	7
<u>Treatment of Westcorp options.</u>	7
<u>We must meet several conditions to complete the mergers.</u>	7
<u>We must obtain regulatory approvals to complete the mergers.</u>	8
<u>We may terminate the merger agreement.</u>	8
<u>We may amend or waive merger agreement provisions.</u>	9
<u>The rights of Westcorp and WFS shareholders following the mergers will be different.</u>	9
<u>Information about Wachovia, Westcorp and WFS.</u>	9
Westcorp special meeting.	10
<u>WFS special meeting.</u>	10
<u>Unaudited Comparative Per Share Data</u>	11
<u>Unaudited Comparative Per Common Share Data of Wachovia, Westcorp and WFS</u>	12
<u>Selected Financial Data</u>	13
<b>RISK FACTORS</b>	18
<b>WESTCORP SPECIAL MEETING</b>	21
<u>Matters To Be Considered</u>	21

Votes Required: Quorum

21

Proxies: Revocation of Proxies

22

**Table of Contents**

	<b>Page</b>
<u>Solicitation of Proxies</u>	23
<u>Record Date and Voting Rights</u>	23
<u>Recommendation of the Westcorp Board</u>	24
<u>Submitting Proxies via Telephone, Internet or Mail</u>	24
<b><u>WFS SPECIAL MEETING</u></b>	<b>25</b>
<u>Matters To Be Considered</u>	25
Votes Required; Quorum	25
<u>Proxies: Revocation of Proxies</u>	26
<u>Solicitation of Proxies</u>	26
<u>Record Date and Voting Rights</u>	27
<u>Recommendation of the WFS Board</u>	28
<u>Submitting Proxies via Telephone, Internet or Mail</u>	28
<b><u>THE MERGERS</u></b>	<b>29</b>
<u>Background of the Mergers</u>	29
<u>Recommendation of Wachovia's Board and Its Reasons for the Mergers</u>	47
<u>Recommendation of the Westcorp Board of Directors; Westcorp's Reasons for the Westcorp Merger</u>	47
<u>Recommendation of the WFS Board of Directors; WFS' Reasons for the WFS Merger</u>	50
<u>Opinion of the Financial Advisor to the Westcorp Special Committee</u>	53
<u>Opinion of the Financial Advisor to the WFS Special Committee</u>	59
Material United States Federal Income Tax Consequences	66
Accounting Treatment	68
Interests of Certain Persons in the Mergers	68
Voting Agreement	71
Section 16	71
Restrictions on Resales by Affiliates	71
Dissenters' Rights	72
<u>Regulatory Approvals Required for the Mergers and the Bank Conversion</u>	75
<b><u>THE MERGER AGREEMENT</u></b>	<b>78</b>
Structure	78
Conversion of Stock; Treatment of Options	78
<u>Exchange of Certificates; Fractional Shares</u>	79
<u>Effective Time</u>	80
<u>Representations and Warranties</u>	81
<u>Conduct of Business Pending The Mergers</u>	82
Acquisition Proposals by Third Parties	83
<u>Other Agreements</u>	84
<u>Conditions to Completion of the Mergers</u>	85
Termination of the Merger Agreement	86
Termination Fee	86
Proportionate Termination Fee	88
Waiver and Amendment of the Merger Agreement	88
Stock Exchange Listing	89
Expenses	89
Dividends	89



**Table of Contents**

	<b>Page</b>
PRICE RANGE OF COMMON STOCK AND DIVIDENDS	90
<u>Wachovia</u>	90
<u>Westcorp</u>	91
WFS	91
Wachovia Dividend Policy	92
<u>INFORMATION ABOUT WACHOVIA, WESTCORP AND WFS</u>	93
<u>Wachovia</u>	93
<u>Westcorp</u>	93
WFS	93
<u>DESCRIPTION OF WACHOVIA CAPITAL STOCK</u>	94
Common Stock	94
Preferred Stock	95
Dividend Equalization Preferred Shares (DEPs)	95
Shareholder Protection Rights Plan	96
<u>COMPARISON OF SHAREHOLDER RIGHTS</u>	98
<u>Authorized Capital Stock</u>	98
<u>Size of Board of Directors</u>	98
Classes of Directors	98
Removal of Directors	99
<u>Filling Vacancies on the Board of Directors</u>	99
<u>Nomination of Director Candidates by Shareholders</u>	99
<u>Shareholder Protection Rights Plan</u>	100
<u>Calling Special Meetings of Shareholders</u>	100
<u>Shareholder Proposals</u>	100
<u>Notice of Shareholder Meetings</u>	101
<u>Indemnification of Directors and Officers</u>	102
<u>Amendments to Articles of Incorporation and Bylaws</u>	103
<u>LEGAL OPINIONS</u>	104
<u>EXPERTS</u>	104
<u>SHAREHOLDER PROPOSALS FOR NEXT YEAR</u>	104
Wachovia	104
Westcorp	105
WFS	105
<u>OTHER MATTERS</u>	106
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	106
<u>FORWARD-LOOKING STATEMENTS</u>	108
APPENDIX A: AGREEMENT AND PLAN OF MERGER	A-1
APPENDIX B: VOTING AGREEMENT	B-1
APPENDIX C: OPINION OF CREDIT SUISSE FIRST BOSTON LLC	C-1
APPENDIX D: OPINION OF DEUTSCHE BANK SECURITIES INC	D-1
APPENDIX E: CALIFORNIA CORPORATIONS CODE CHAPTER 13	E-1
<u>Ex-(8)</u>	
<u>Ex-(23)(a)</u>	
<u>Ex-(23)(b)</u>	
<u>Ex-(99)(c)</u>	
<u>Ex-(99)(d)</u>	



**Table of Contents**

**SUMMARY**

**This summary highlights selected information from this document. It may not contain all the information that is important to you. We urge you to read carefully the entire document and the other documents to which we refer you for a more complete understanding of the mergers involving Wachovia, Westcorp and WFS and the other transactions contemplated by the merger agreement. In addition, we incorporate by reference into this document important business and financial information about Wachovia, Westcorp and WFS. You may obtain the information incorporated by reference in this document without charge by following the instructions in the section entitled **Where You Can Find More Information** on page 106. Each item in this summary includes a page reference directing you to a more complete description of that item.**

**Wachovia and Westcorp propose the Westcorp merger and Wachovia and WFS propose the WFS merger. (Page 29)**

Wachovia, Westcorp and WFS have agreed to the acquisition of Westcorp and WFS by Wachovia. To accomplish these acquisitions, the parties have entered into a merger agreement, which contemplates that the parties will complete a series of transactions. Set forth below is a brief description of these transactions, in the order in which they will occur:

*Westcorp merger* Westcorp will merge into Wachovia, with Wachovia as the surviving corporation.

*Bank conversion* At the same time as the Westcorp merger, Western Financial Bank, a subsidiary of Westcorp, will convert into a national banking association.

*Bank merger* After the Westcorp merger and the bank conversion, Wachovia Bank, National Association, a subsidiary of Wachovia, will merge into Western Financial Bank, with Western Financial Bank as the survivor, and its name will then be changed to Wachovia Bank, National Association .

*Merger subsidiary* Wachovia will contribute a newly-formed merger subsidiary to the surviving bank in the bank merger.

*WFS merger* After the bank merger, the newly-formed subsidiary will merge into WFS, with WFS as the surviving corporation.

The parties have structured the mergers in this manner in order to permit the transactions to receive the federal income tax treatment desired by the parties. This tax treatment is more fully discussed in **The Mergers** Material United States Federal Income Tax Consequences beginning on page 66.

Following these transactions, Wachovia will continue to be incorporated in North Carolina and its corporate headquarters will remain in Charlotte, North Carolina. Wachovia Bank, National Association will be a direct subsidiary of Wachovia and WFS will be a direct subsidiary of Wachovia Bank, National Association. Wachovia common stock will continue to trade on the New York Stock Exchange, or the NYSE , under the symbol WB . We expect to complete these transactions in the first quarter of 2006.

**Westcorp and WFS shareholders will receive shares of Wachovia common stock in the respective mergers in exchange for their shares of common stock of Westcorp and WFS. (Page 78)**

*Westcorp shareholders.* Upon completing the Westcorp merger, Westcorp shareholders other than shareholders who properly exercise dissenters' rights, to the extent available, will receive 1.2749 shares of Wachovia common stock in exchange for each share of Westcorp common stock held. We sometimes refer to this 1.2749 ratio as the Westcorp exchange ratio .

*WFS shareholders.* Upon completing the WFS merger, WFS shareholders, other than shareholders who properly exercise their dissenters' rights, to the extent available, will receive 1.4661 shares of Wachovia common stock in exchange for each share of WFS common stock held. We sometimes refer to this 1.4661 ratio as the WFS exchange ratio .

Edgar Filing: WACHOVIA CORP NEW - Form S-4/A

*Fractional share payments.* Wachovia will not issue fractional shares in the mergers. Instead, cash will be paid for fractional Wachovia common shares, based on the closing price per Wachovia share on the NYSE on the trading day before the Westcorp merger is completed.

*Surrender of certificates.* Westcorp and WFS shareholders must surrender their Westcorp and WFS common stock certificates to receive shares

**Table of Contents**

of Wachovia common stock, cash payment instead of fractional shares and any dividends paid by Wachovia following the mergers. Please do not surrender your certificates until you receive written instructions from Wachovia after we have completed the mergers.

*Combined company.* After the mergers are completed, former Westcorp shareholders will own approximately 4.1% of the outstanding Wachovia common stock, former WFS shareholders, other than Western Financial Bank, will own approximately 0.6% of the outstanding Wachovia common stock and current Wachovia shareholders will own approximately 95.3% of the outstanding Wachovia common stock.

**Each of the Westcorp and WFS exchange ratios is fixed and the value of the shares to be issued in the mergers will fluctuate with market prices. (Page 18)**

Neither the Westcorp exchange ratio nor the WFS exchange ratio will be adjusted for changes in the market price of Wachovia common stock, Westcorp common stock or WFS common stock. Any change in the price of Wachovia common stock prior to the mergers will affect the market value of Wachovia common stock that Westcorp and WFS shareholders will receive in the applicable merger. The parties are not permitted to terminate the merger agreement or resolicit the vote of shareholders solely because of changes in the market prices of our respective shares of common stock.

You should obtain current stock price quotations for Wachovia common stock, Westcorp common stock and WFS common stock. Wachovia common shares and Westcorp common shares are listed on the NYSE under the symbols WB and WES, respectively, and WFS common shares are quoted on the Nasdaq National Market, or Nasdaq, under the symbol WFSI. The following tables show the closing prices for Wachovia, Westcorp and WFS common stock and the indicated per share value in the mergers to Westcorp and WFS shareholders for the following dates and periods:

September 9, 2005, the last trading day before we announced the mergers;

September 12, 2005, the day we announced the mergers;

November 21, 2005, shortly before we mailed this document; and

the high, low and average indicated values for the period from September 9, 2005 through November 21, 2005.

	<b>Closing Wachovia share price</b>	<b>Closing Westcorp share price</b>	<b>Indicated value per Westcorp share</b>
September 9, 2005	\$ 50.38	\$ 61.35	\$ 64.23
September 12, 2005	49.57	61.58	63.20
November 21, 2005	53.06	66.20	67.65
High (for period)	53.16	66.21	67.77
Low (for period)	46.49	57.69	59.27
Average (for period)	50.04	61.19	63.80

	<b>Closing Wachovia share</b>	<b>Closing WFS share</b>	<b>Indicated value per WFS</b>
--	---------------------------------------	----------------------------------	--

	price	price	share
September 9, 2005	\$ 50.38	\$ 64.92	\$ 73.86
September 12, 2005	49.57	70.15	72.67
November 21, 2005	53.06	75.93	77.79
High (for period)	53.16	75.93	77.94
Low (for period)	46.49	64.92	68.16
Average (for period)	50.04	69.95	73.36

**Wachovia's common stock dividend policy will continue after the mergers; the parties will coordinate payment of dividends. (Pages 89 and 92)**

Wachovia's common stock dividend policy will continue after the mergers, but this policy is subject to the determination of Wachovia's board of directors and may change at any time. In the fourth quarter of 2005, Wachovia declared a dividend of \$0.51 per share of Wachovia common stock. On a pro forma basis to reflect the mergers and the respective exchange ratios, the dividend amount per share of Wachovia common stock would have equaled approximately \$0.65 per Westcorp share and approximately \$0.75 per WFS share.

The merger agreement permits Westcorp and Wachovia to continue to pay regular quarterly cash dividends to their shareholders prior to completing the mergers. However, Westcorp cannot pay dividends at a rate that is greater than the rate of \$0.15 per share paid by it during the second quarter of 2005. We have agreed in the merger agreement to coordinate dividend declarations and the related record dates and payment dates so that Westcorp shareholders will not receive two dividends, or fail to receive one dividend, for any single quarter. Therefore, prior to

**Table of Contents**

the Westcorp merger, we may coordinate and alter our dividend record dates in order to effect this policy.

Dividend payments by Wachovia and Westcorp in the future, either before or, in the case of Wachovia, after the mergers are completed, is subject to the determination of our respective boards of directors and depends on cash requirements, our respective financial condition and earnings, legal and regulatory considerations and other factors. WFS does not currently pay cash dividends on its common stock.

**The mergers will be accounted for as purchases. (Page 68)**

The mergers will be treated as purchases by Wachovia of both Westcorp and WFS under generally accepted accounting principles, or GAAP .

**Material United States federal income tax consequences. (Page 66)**

Each of the Westcorp merger and WFS merger is intended to qualify as a reorganization for United States federal income tax purposes. It is a condition to completing the mergers that (1) Wachovia receive a written opinion from its special counsel, Alston & Bird LLP, and that Westcorp receive a written opinion from its special counsel, Morrison & Foerster LLP, substantially to the effect that the Westcorp merger will qualify as a reorganization under Section 368(a) of the Internal Revenue Code, and that (2) Wachovia receive a written opinion from its special counsel, Alston & Bird LLP, and that WFS receive a written opinion from its special counsel, Skadden, Arps, Slate, Meagher & Flom LLP, substantially to the effect that the WFS merger will qualify as a reorganization under Section 368(a) of the Internal Revenue Code. If each of the Westcorp merger and the WFS merger is treated as a reorganization under Section 368(a) of the Internal Revenue Code, then, in general:

no gain or loss will be recognized by Wachovia, Westcorp or WFS as a result of the mergers;

no gain or loss will be recognized by a shareholder of Westcorp who exchanges all of his or her shares of Westcorp common stock solely for shares of Wachovia common stock, except for any gain recognized with respect to cash received instead of a fractional share of Wachovia common stock; and

no gain or loss will be recognized by a shareholder of WFS who exchanges all of his or her shares of WFS common stock solely for shares of Wachovia common stock, except for any gain recognized with respect to cash received instead of a fractional share of Wachovia common stock.

Tax matters are very complicated and the tax consequences of the mergers to each Westcorp shareholder or WFS shareholder will depend on each shareholder's own situation. Westcorp shareholders and WFS shareholders are urged to consult their tax advisors for a full understanding of the tax consequences of the mergers to them.

**Credit Suisse First Boston LLC provided an opinion to the Westcorp special committee as to the fairness, from a financial point of view, of the Westcorp exchange ratio. (Page 53)**

In connection with the Westcorp merger, Credit Suisse First Boston LLC, financial advisor to a special committee of the Westcorp board, which we refer to as the Westcorp special committee, delivered a written opinion, dated September 11, 2005, to the Westcorp special committee as to the fairness, from a financial point of view and as of the date of the opinion, of the Westcorp exchange ratio. The full text of Credit Suisse First Boston's written opinion is attached to this joint proxy statement-prospectus as Appendix C. We encourage Westcorp shareholders to read this opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the scope of review undertaken. **Credit Suisse First Boston's opinion was provided to the Westcorp special committee in connection with its evaluation of the Westcorp exchange ratio, does not address any other aspect of the proposed mergers or related transactions and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act with respect to any matters relating to the mergers.** Credit Suisse First Boston assumes no responsibility for updating or revising its opinion

**Table of Contents**

based on circumstances or events occurring after the date thereof.

**Deutsche Bank Securities Inc. provided an opinion to the WFS special committee and the WFS board of directors as to the fairness, from a financial point of view, of the WFS exchange ratio. (Page 59)**

Deutsche Bank Securities Inc., which we refer to as Deutsche Bank, served as financial advisor to a special committee of the WFS board, which we refer to as the WFS special committee, in connection with the WFS merger. On September 11, 2005, the date the WFS board approved the WFS merger, Deutsche Bank rendered an oral opinion to the WFS special committee and to the WFS board to the effect that, as of that date, based upon and subject to the assumptions made, matters considered and limits of the review undertaken by Deutsche Bank, the WFS exchange ratio of 1.4661 shares of Wachovia common stock for 1 share of WFS common stock was fair from a financial point of view to the holders of WFS common stock other than Western Financial Bank and its affiliates, or the WFS minority shareholders. Deutsche Bank confirmed its opinion by delivery of a written opinion dated September 12, 2005. The full text of Deutsche Bank's written opinion is attached to this joint proxy statement-prospectus as Appendix D. The WFS minority shareholders should read this opinion completely to understand the procedures followed, assumptions made, matters considered and limitations of the review undertaken by Deutsche Bank.

**Deutsche Bank's opinion was provided to the WFS board of directors and the WFS special committee to assist them in connection with their consideration of the WFS merger and does not constitute a recommendation to any shareholder as to how to vote or take any other action with respect to the WFS merger.** Deutsche Bank assumes no responsibility for updating or revising its opinion based on circumstances or events occurring after the date thereof.

**Some of Westcorp's and WFS directors and executive officers have interests in the mergers that may differ from your interests. (Page 68)**

Some of Westcorp's and WFS directors and executive officers have interests in the mergers other than their interests as shareholders. The members of Westcorp's and WFS boards of directors knew about these additional interests and considered them when each approved the merger agreement and the respective merger. These interests include, among others:

*Employment letters.* Offer letters entered into at the time of the merger agreement and to be effective upon completing the Westcorp merger between Wachovia and six of Westcorp's executive officers provide those officers with cash termination payments and other payments and benefits if their employment with Wachovia terminates without cause or if they terminate for good reason before December 31, 2007. Westcorp and Wachovia currently estimate that cash termination payments of up to \$8,220,800 in the aggregate could be triggered if all these executives terminated employment within the time frames covered under the agreements.

*Director and officer insurance.* In the merger agreement, Wachovia agreed to maintain directors and officers liability insurance for Westcorp and WFS directors and officers for a period of six years after completing the mergers.

*Severance benefits.* In the merger agreement, Westcorp and Wachovia agreed that any employees of Westcorp or its subsidiaries with the title of senior vice president or higher as of the date of the merger agreement who continue to be employed at Wachovia following completion of the Westcorp merger will be entitled, in the event of a qualifying termination occurring prior to December 31, 2007, to receive, in addition to any severance benefits they are entitled to under Wachovia's severance plan, a lump sum payment equal to the difference between the severance pay available under the Westcorp severance plan at the Westcorp merger date and the severance pay received under the Wachovia severance plan.

**Westcorp and WFS shareholders may have dissenters' rights under California law. (Page 72)**

Westcorp and WFS shareholders (including participants in Westcorp's Employee Stock Ownership and Salary Savings Plan with respect to shares of Westcorp common stock allocated to their accounts, or Plan participants) who, not later than the date of their respective special meeting, deliver to Westcorp or WFS, as applicable, a written demand for dissenters' rights, who vote against approval of the merger agreement and the respective merger and who comply with all

**Table of Contents**

other applicable requirements of Chapter 13 of the California Corporations Code, may have the right to demand payment in cash of the fair market value of those shareholders' shares of Westcorp or WFS common stock, as applicable, but only if the mergers are completed. Under California law, the fair market value of shares of Westcorp or WFS common stock for dissenters' rights purposes is the respective fair market value of such stock as of September 9, 2005, the last trading day before announcement of the mergers.

No Westcorp or WFS shareholder (including Plan participants) will be entitled to dissenters' rights unless holders of at least 5% of the outstanding shares of Westcorp or WFS common stock, as applicable, have perfected their dissenters' rights in accordance with Chapter 13 of the California Corporations Code or if their shares are subject to certain transfer restrictions. Failure to follow the steps required by Chapter 13 of the California Corporations Code for perfecting dissenters' rights may result in the loss of such rights.

In order for any Westcorp or WFS shareholder (including Plan participants) to exercise his or her dissenters' rights, the shareholder, among other things, must file with Westcorp or WFS, as applicable, on or before the date of their respective special meeting, a written notice of the shareholder's intent to demand payment for his or her shares if the respective merger is completed and must vote against approval of the merger agreement and the respective merger.

Westcorp and WFS shareholders (including Plan participants) should note the following:

dissenters' rights will not be available to you if less than 5% of the outstanding shares of Westcorp or of WFS, as applicable, dissent and vote against approval of the merger agreement and the respective merger;

simply voting against approval of the merger agreement and the respective merger will not be considered an assertion of dissenters' rights;

a shareholder who fails to file a written notice of demand on or before the date of the Westcorp or WFS special meeting or otherwise comply with all the requirements of Chapter 13 of the California Corporations Code will lose his or her dissenters' rights; and

a shareholder who votes for approval of the merger agreement and the respective merger will not have dissenters' rights.

The provisions of Chapter 13 of the California Corporations Code are included as Appendix E to this joint proxy statement-prospectus.

**The Westcorp board recommends that Westcorp shareholders vote FOR the merger agreement and the Westcorp merger. (Page 47)**

The Westcorp board of directors formed the Westcorp special committee, consisting of independent directors who are not directors or officers of WFS, to evaluate, negotiate and determine whether to recommend the merger agreement and the Westcorp merger. The Westcorp special committee consists of Robert Barnum and Charles Scribner.

After careful consideration, the Westcorp board of directors, after its independent evaluation and acting upon the unanimous recommendation of the Westcorp special committee, unanimously determined that the Westcorp merger is fair to and in the best interests of Westcorp and its shareholders and approved the merger agreement and the Westcorp merger. The Westcorp board of directors unanimously recommends that Westcorp shareholders vote FOR the approval of the merger agreement and the Westcorp merger.

**The WFS board recommends that WFS shareholders vote FOR the merger agreement and the WFS merger. (Page 50)**

The WFS board of directors formed the WFS special committee, consisting of independent directors who are not directors and officers of Westcorp or Western Financial Bank, to evaluate, negotiate and determine whether to recommend the merger agreement and the WFS merger. The WFS special committee consists of Ronald Simon and Fredricka Taubitz.

After careful consideration, the WFS board of directors, after its independent evaluation and acting upon the unanimous recommendation of the WFS special committee, unanimously determined that the merger agreement and

the WFS merger are fair to and in the best interests of WFS and its shareholders, other than Western Financial Bank and its affiliates, and approved the

**Table of Contents**

merger agreement and the WFS merger. The WFS board of directors unanimously recommends that WFS shareholders, other than Western Financial Bank and its affiliates, vote FOR the approval of the merger agreement and the WFS merger.

**Reasons for the mergers. (Pages 47 and 50)**

*Wachovia's Board of Directors.* Wachovia's board of directors approved the mergers because Wachovia believes that joining with Westcorp and WFS is an excellent way to further develop Wachovia's ability to provide expanded and complementary credit products to a broader range of customers.

*Westcorp's Board of Directors.* In determining to recommend the merger agreement and the Westcorp merger to the Westcorp board of directors, the Westcorp special committee considered a number of factors. After its independent evaluation and upon the unanimous recommendation of the Westcorp special committee, the Westcorp board of directors unanimously approved the merger agreement and the Westcorp merger and recommended that Westcorp shareholders, vote FOR the approval of the merger agreement and the Westcorp merger.

*WFS Board of Directors.* In determining to recommend the merger agreement and the WFS merger to the WFS board of directors, the WFS special committee considered a number of factors. After its independent evaluation and upon the unanimous recommendation of the WFS special committee, the WFS board of directors unanimously approved the merger agreement and the WFS merger and recommended that WFS shareholders, other than Western Financial Bank and its affiliates, vote FOR the approval of the merger agreement and the WFS merger.

**We have agreed when and how Westcorp can consider third party acquisition proposals. (Pages 83 and 86)**

We have agreed that Westcorp, WFS and Western Financial Bank, and any of their subsidiaries, will not initiate or solicit proposals from third parties regarding acquiring Westcorp or its subsidiaries. In addition, we have agreed that Westcorp, WFS and Western Financial Bank will not engage in negotiations with or provide confidential information to a third party regarding acquiring Westcorp or its businesses. However, if Westcorp receives an acquisition proposal from a third party, Westcorp can participate in negotiations with and provide confidential information to the third party if, among other steps, Westcorp's special committee and board of directors each concludes in good faith that the proposal is a proposal that is superior, or may reasonably be expected to lead to a proposal that is superior, to the Westcorp merger and the other transactions contemplated by the merger agreement and that such action is necessary for Westcorp's board of directors to comply with their fiduciary duties to the Westcorp shareholders. Westcorp's receipt of a superior proposal or participation in such negotiations gives Westcorp a limited right to terminate the merger agreement prior to the Westcorp special meeting upon payment of a termination fee of \$125 million to Wachovia.

**Approval of the merger agreement and the Westcorp merger requires approval by a majority of Westcorp's outstanding shares of common stock. (Page 21)**

In order to approve the merger agreement and the Westcorp merger, a majority of Westcorp's common shares outstanding as of the record date, November 17, 2005, must vote in favor of the merger agreement and the Westcorp merger. As of that date, Westcorp directors and executive officers beneficially owned 28,167,015 shares of Westcorp common stock, or 53.8% of the shares entitled to vote at the Westcorp special meeting. Wachovia and its directors and executive officers beneficially owned less than 1% of the shares entitled to vote at the Westcorp special meeting.

Ernest S. Rady, Westcorp's and WFS's Chairman of the Board and Westcorp's Chief Executive Officer, and certain entities controlled by him, are the beneficial owners of 27,790,187 shares of Westcorp common stock, or 53.1% of the shares entitled to vote at the Westcorp special meeting. Mr. Rady and certain entities controlled by him, solely in their capacities as Westcorp shareholders, in order to induce Wachovia to enter into the merger agreement, have agreed to vote 20,890,258 shares of Westcorp common stock, or approximately 40% of the shares entitled to vote at the Westcorp special meeting, FOR approval of the merger agreement and the Westcorp merger. If Mr. Rady and the entities controlled by him determine to vote the remaining shares of

## **Table of Contents**

Westcorp common stock beneficially owned by them FOR approval of the merger agreement and the Westcorp merger, then the proposal at the Westcorp special meeting to approve the merger agreement and the Westcorp merger will be approved.

The Westcorp merger cannot be completed unless WFS shareholders also approve the merger agreement and the WFS merger.

### **Approval of the merger agreement and the WFS merger requires approval by a majority of WFS outstanding shares of common stock and approval by a majority of the shares of WFS common stock represented and voting at the WFS special meeting excluding shares held by Westcorp and its affiliates. (Page 25)**

In order to approve the merger agreement and the WFS merger, a majority of WFS common shares outstanding as of the record date, November 17, 2005, must vote in favor of the merger agreement and the WFS merger. As of that date, excluding shares held by Western Financial Bank, WFS directors and executive officers beneficially owned 95,872, or 0.2% of the shares entitled to vote at the WFS special meeting. Westcorp has agreed to cause Western Financial Bank, the holder of approximately 84% of the outstanding shares of WFS common stock as of the record date, to vote its shares in favor of approving the merger agreement and the WFS merger. In addition, the WFS merger is also conditioned upon a majority of the shares of WFS common stock represented and voting at the WFS special meeting, excluding shares held by Westcorp and its affiliates (including Western Financial Bank), voting in favor of the merger agreement and the WFS merger. Wachovia and its directors and executive officers beneficially owned less than 1% of the shares entitled to vote at the WFS special meeting.

The WFS merger cannot be completed unless Westcorp shareholders also approve the merger agreement and the Westcorp merger.

### **Treatment of Westcorp options. (Page 78)**

In the mergers, Wachovia will assume all Westcorp employee stock options and those options will become options to purchase Wachovia common stock. The vesting schedule, duration and other terms of each assumed option will be substantially the same as the original option. The number of shares issuable under those options and the exercise prices will be adjusted to take into account the Westcorp exchange ratio.

Westcorp stock options that are held by non-employee directors at Westcorp, Western Financial Bank and WFS will automatically vest at the time of the Westcorp merger and will be canceled. In consideration for this cancellation, each non-employee director holding an option will be entitled to receive Wachovia common stock in an amount equal to the Westcorp exchange ratio times the difference (if positive) between the number of shares of Westcorp common stock that the option represented minus the number of shares of Westcorp common stock with an aggregate fair market value equal to the exercise price of those options, as based on the closing price of Westcorp common stock on the NYSE the day before the completion of the Westcorp merger.

### **We must meet several conditions to complete the mergers. (Page 85)**

The obligations of Wachovia, Westcorp, Western Financial Bank and WFS to complete the transactions contemplated by the merger agreement depend on a number of conditions being met. These include:

approval of the merger agreement and the respective merger by the requisite approval of both Westcorp and WFS shareholders as described above (which condition cannot be waived);

listing the shares of Wachovia common stock to be issued in the mergers on the NYSE (including shares to be issued following exercise of the Westcorp stock options assumed by Wachovia);

receiving the approvals of federal and state regulatory authorities required to complete the transactions contemplated by the merger agreement without any conditions that Wachovia reasonably determines in good faith would have a material adverse effect on Westcorp or materially reduce the anticipated economic benefits of the mergers;

absence of any government action or other legal restraint that would prohibit the mergers or make them illegal;

receiving legal opinions that, for United States federal income tax purposes, each

**Table of Contents**

of the Westcorp merger and the WFS merger will qualify as a reorganization. These opinions will be based on customary assumptions and on factual representations made by Wachovia, Westcorp and WFS and will be subject to various qualifications; and

the representations and warranties of each party to the merger agreement being true and correct, except as would not have or would not reasonably be expected to have a material adverse effect, and each party to the merger agreement must have performed in all material respects all of its obligations under the merger agreement.

Where the law permits, and subject to certain exceptions agreed by the parties, any of Westcorp, WFS or Wachovia could choose to waive a condition to its obligation to complete the mergers that has not been satisfied. We cannot be certain when, or if, the conditions to the mergers will be satisfied or waived, or that the mergers will be completed. Although the merger agreement allows Wachovia, Westcorp or WFS to waive the tax opinion condition, we do not currently anticipate doing so. If any of us does waive the condition, Westcorp and WFS will inform the applicable shareholders of this fact and ask them to vote on the applicable merger after this information is provided to them.

**We must obtain regulatory approvals to complete the mergers. (Page 75)**

We cannot complete the transactions contemplated by the merger agreement unless we receive approval by the Office of the Comptroller of the Currency, or the OCC, for the bank conversion and the bank merger. We cannot complete the Westcorp merger unless we receive approval, or a waiver of the requirement to receive this approval, from the Board of Governors of the Federal Reserve System, or the Federal Reserve Board. Once the applicable federal banking regulatory authorities approve these transactions, we will have to wait from 15 to 30 days before we can complete them. During that time, the Department of Justice, or the DOJ, can challenge the mergers. We are in the process of completing the applications required to be filed with the OCC and requesting a waiver of an application from the Federal Reserve Board.

In addition, certain aspects of the mergers are subject to review by antitrust authorities under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or the HSR Act, and we will file notices with the Federal Trade Commission and the Antitrust Division of the DOJ.

We cannot assure you that these and other regulatory approvals will be received or that they will be received in a timely manner, that no conditions will be imposed, or that the approvals will not contain conditions that Wachovia would reasonably determine in good faith would have a material adverse effect on Westcorp or materially reduce the anticipated economic benefits of the mergers.

See also Risk Factors Regulatory Approvals May Not Be Received, May Take Longer Than Expected or May Impose Conditions Which Are Not Presently Anticipated.

**We may terminate the merger agreement. (Page 86)**

Wachovia, Westcorp, Western Financial Bank and WFS can mutually agree at any time to terminate the merger agreement without completing the mergers, even if Westcorp and WFS shareholders have approved the merger agreement and the respective mergers. Also, any of the parties (other than Western Financial Bank) can decide, without the consent of the others, to terminate the merger agreement:

if there is a final denial of a required regulatory approval or if the mergers are enjoined or otherwise prohibited by governmental authority;

if the requisite shareholder approvals of Westcorp or WFS shareholders are not obtained at the respective special shareholders meetings; or

if the mergers are not completed on or before June 30, 2006.

In addition, either Wachovia or Westcorp may terminate the merger agreement if there is a continuing breach of the merger agreement by Westcorp or Wachovia, respectively, after 45 days written notice to the breaching party, as long as



**Table of Contents**

that breach would allow the non-breaching party not to complete the mergers.

Also, Wachovia may terminate the merger agreement if Westcorp or WFS respective boards or special committees modify or change their recommendations of the respective merger in a way that is adverse to Wachovia or recommend an acquisition proposal other than the respective mergers or if Westcorp or WFS encourages, solicits, participates in or initiates or knowingly facilitates inquiries or proposals of an acquisition proposal from another person other than as permitted under the merger agreement. Westcorp and WFS have no similar termination right.

At any time prior to the Westcorp special meeting and after providing five business days notice to Wachovia, Westcorp may terminate the merger agreement if it receives a third party proposal which the Westcorp board of directors and the Westcorp special committee determine in good faith is a superior proposal. In connection with this termination, Westcorp must pay Wachovia a termination fee of \$125 million.

Also, in certain other circumstances (1) Westcorp is required to pay Wachovia a termination fee of \$125 million following termination of the merger agreement, and (2) Westcorp and WFS are required to pay Wachovia a termination fee of \$111 million and \$14 million, respectively, following termination of the merger agreement. See The Merger Agreement Termination Fee and The Merger Agreement Proportionate Termination Fee for more information.

Whether or not the mergers are completed, Westcorp and Wachovia will each pay their own fees and expenses, except that they will evenly divide the costs and expenses they incur in preparing, printing and mailing this document and filing fees paid in connection with the registration statement except fees paid to counsel, financial advisors and accountants.

**We may amend or waive merger agreement provisions. (Page 88)**

Westcorp, WFS, Western Financial Bank and Wachovia may jointly amend the merger agreement, and each of us may waive our right to require the other parties to follow particular provisions of the merger agreement, although no party can waive the required shareholder approvals. However, after the Westcorp shareholders and the WFS shareholders approve the merger agreement and the respective merger, we may not amend or alter the merger agreement in a manner that would require approval of the shareholders of either Westcorp or WFS without obtaining this shareholder approval. All amendments and waivers of the merger agreement must be approved by the special committees of Westcorp and WFS.

Wachovia may also change the structure of the mergers, as long as any change does not alter or change the amount or kind of consideration to be received by Westcorp and WFS shareholders and the holders of options to purchase Westcorp and WFS common stock, does not adversely affect the timing for completing the mergers, does not adversely affect the tax consequences of the mergers to Westcorp or WFS shareholders and does not cause the conditions relating to the receipt of the respective tax opinions to be incapable of being satisfied.

**The rights of Westcorp and WFS shareholders following the mergers will be different. (Page 98)**

The rights of Wachovia shareholders are governed by North Carolina law and by Wachovia's articles of incorporation and bylaws. The rights of Westcorp shareholders are governed by California law and by Westcorp's articles of incorporation and bylaws. The rights of WFS shareholders are governed by California law and by WFS articles of incorporation and bylaws. Upon completing the mergers, the rights of all shareholders will be governed by North Carolina law and Wachovia's articles of incorporation and bylaws.

**Information about Wachovia, Westcorp and WFS. (Page 93)**

*Wachovia Corporation  
301 South College Street  
Charlotte, NC 28288  
(704) 374-6565*

Wachovia is a financial holding company organized under the laws of North Carolina and registered under the federal Bank Holding Company Act. Wachovia has approximately 3,100 full-service financial centers, more than 700 retail brokerage offices and approximately 5,100 ATM locations. Wachovia offers a comprehensive line of consumer and commercial banking products and services, personal and commercial trust, invest-

**Table of Contents**

ment advisory, insurance, securities brokerage, investment banking, mortgage, credit card, cash management, international banking and other financial services.

At September 30, 2005, Wachovia had consolidated total assets of approximately \$532 billion, consolidated total deposits of approximately \$320 billion and consolidated stockholders equity of approximately \$47 billion. Based on total assets at September 30, 2005, Wachovia was the 4th largest bank holding company in the United States.

*Westcorp*

*23 Pasteur*

*Irvine, California 92618*

*(949) 727-1002*

Westcorp is a financial services holding company whose principal subsidiaries are WFS and Western Financial Bank. Westcorp, through its subsidiary, Western Financial Bank, operates 19 retail bank branches and provides commercial banking services in Southern California.

*WFS Financial Inc*

*23 Pasteur*

*Irvine, California 92618*

*(949) 727-1002*

WFS is one of the nation's largest independent automobile finance companies. WFS specializes in originating, securitizing, and servicing new and pre-owned prime and non-prime credit quality automobile contracts through its nationwide relationships with automobile dealers.

**Westcorp special meeting. (Page 21)**

Westcorp plans to hold its special meeting on January 6, 2006, at 10:00 a.m., local time, at Westcorp's corporate headquarters located at 23 Pasteur, Irvine, California 92618. At the Westcorp special meeting, Westcorp shareholders will be asked to approve the merger agreement and the Westcorp merger. In addition, Westcorp shareholders will be asked to approve a proposal to adjourn or postpone the Westcorp special meeting, if necessary, for the purpose of soliciting additional proxies in the event that there are not sufficient votes at the time of the Westcorp special meeting to approve the merger agreement and the Westcorp merger.

Westcorp shareholders of record as of the close of business on the record date, November 17, 2005, are entitled to notice of and to vote at the Westcorp special meeting. As of that date, there were 52,318,760 shares of Westcorp common stock outstanding and entitled to vote. You can cast one vote for each share of Westcorp common stock that you owned on that date.

If you are a Plan participant, you may provide written instructions directly to the Plan's trustees how to vote the shares (vested or unvested) allocated to your Plan account.

**WFS special meeting. (Page 25)**

WFS plans to hold its special meeting of shareholders on January 6, 2006, at 10:30 a.m., local time, at WFS corporate headquarters located at 23 Pasteur, Irvine, California 92618. At the WFS special meeting, WFS shareholders will be asked to approve the merger agreement and the WFS merger. In addition, WFS shareholders will be asked to approve a proposal to adjourn or postpone the WFS special meeting, if necessary, for the purpose of soliciting additional proxies in the event that there are not sufficient votes at the time of the WFS special meeting to approve the merger agreement and the WFS merger.

WFS shareholders of record as of the close of business on the record date, November 17, 2005, are entitled to notice of and to vote at the WFS special meeting. As of that date, there were 41,088,380 shares of WFS common stock outstanding and entitled to vote, of which 34,447,772 shares were owned by Western Financial Bank. You can cast one vote for each share of WFS common stock that you owned on that date.

**Table of Contents**

**Unaudited Comparative Per Share Data**

The table on the following page shows historical information about our companies' respective earnings per share, dividends per share and book value per share, and similar information reflecting the mergers, which we refer to as pro forma information, at or for the nine months ended September 30, 2005, and at or for the year ended December 31, 2004. In presenting the comparative pro forma information for the periods shown we assumed that Wachovia, Westcorp and WFS had been combined throughout those periods.

We have assumed that the mergers will be accounted for under an accounting method known as purchase accounting. Under the purchase method of accounting, the assets and liabilities of the company not surviving a merger are, as of the completion date of the merger, recorded at their respective fair values and added to those of the surviving company. Financial statements of the surviving company issued after completion of the merger reflect such values and are not restated retroactively to reflect the historical financial position or results of operations of the company not surviving.

The information listed as equivalent pro forma for Westcorp and WFS was obtained by multiplying the pro forma amounts listed by Wachovia by the 1.2749 Westcorp exchange ratio for Westcorp and by the 1.4661 WFS exchange ratio for WFS. We present this information to reflect the fact that Westcorp shareholders will receive 1.2749 shares of Wachovia common stock for each share of their Westcorp common stock exchanged in the Westcorp merger and WFS shareholders will receive 1.4661 shares of Wachovia common stock for each share of their WFS common stock exchanged in the WFS merger.

The pro forma financial information includes estimated adjustments to record certain assets and liabilities of Westcorp, which includes WFS, at their respective fair values and to record certain exit costs related to Westcorp and WFS. The pro forma adjustments included herein are subject to updates as additional information becomes available and as additional analyses are performed. Certain other assets and liabilities of Westcorp will also be subject to adjustment to their respective fair values. Pending more detailed analyses, no pro forma adjustments are included herein for these assets and liabilities, including additional intangible assets that may be identified. Any change in the fair value of the net assets of Westcorp will change the amount of the purchase price allocable to goodwill. Additionally, changes to Westcorp's stockholders' equity, including dividends and net income from October 1, 2005, through the date the mergers are completed, will also change the amount of goodwill recorded. In addition, the final adjustments may be materially different from the unaudited pro forma adjustments presented herein.

We also anticipate that the mergers will provide Wachovia with financial benefits that include increased revenue and reduced operating expenses, but these financial benefits are not reflected in the pro forma information. Accordingly, the pro forma information does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of Wachovia would have been had our companies been combined during the periods presented.

The information in the following tables is based on historical financial information and related notes that we have presented in our prior filings with the SEC. You should read all of the summary financial information we provide in the following tables together with this historical financial information and related notes. The historical financial information is also incorporated into this document by reference. See [Where You Can Find More Information](#) on page 106 for a description of where you can find this historical information.

**Table of Contents****UNAUDITED COMPARATIVE PER COMMON SHARE DATA OF WACHOVIA, WESTCORP AND WFS**

	<b>Nine Months Ended September 30, 2005</b>	<b>Year Ended December 31, 2004</b>
<b>Wachovia</b>		
Basic earnings per common share		
Historical	\$ 3.16	3.87
Pro forma	3.13	3.80
Diluted earnings per common share		
Historical	3.10	3.81
Pro forma	3.07	3.73
Dividends declared on common stock		
Historical	1.43	1.66
Pro forma	1.43	1.66
Book value per common share		
Historical	30.10	29.79
Pro forma	31.07	
<b>Westcorp</b>		
Basic earnings per common share		
Historical	3.70	4.01
Equivalent pro forma	3.99	4.85
Diluted earnings per common share		
Historical	3.65	3.96
Equivalent pro forma	3.91	4.76
Dividends declared on common stock		
Historical	0.45	0.56
Equivalent pro forma	1.82	2.12
Book value per common share		
Historical	29.44	25.77
Equivalent pro forma	39.61	
<b>WFS</b>		
Basic earnings per common share		
Historical	4.25	4.44
Equivalent pro forma	4.58	5.57
Diluted earnings per common share		
Historical	4.25	4.44
Equivalent pro forma	4.50	5.47
Dividends declared on common stock		
Historical		
Equivalent pro forma	2.10	2.43
Book value per common share		
Historical	29.71	25.12
Equivalent pro forma	\$ 45.55	



**Table of Contents****Selected Financial Data**

The following tables show summarized historical financial data for each of Wachovia, Westcorp and WFS and also show similar pro forma information reflecting the mergers. The historical financial data show the financial results actually achieved by Wachovia, Westcorp and WFS for the periods indicated. The pro forma information reflects the pro forma effect of accounting for the mergers under the purchase method of accounting. The pro forma income statement data for the nine months ended September 30, 2005, assumes a completion date of January 1, 2005 for each respective merger. The pro forma income statement data for the year ended December 31, 2004, assumes a completion date of January 1, 2004 for each respective merger. The pro forma balance sheet data assumes a completion date of September 30, 2005 for each respective merger.

The pro forma financial information includes estimated adjustments to record certain assets and liabilities of Westcorp, which includes WFS, at their respective fair values and to record certain exit costs related to Westcorp and WFS. The pro forma adjustments included herein are subject to updates as additional information becomes available and as additional analyses are performed. Certain other assets and liabilities of Westcorp will also be subject to adjustment to their respective fair values, including additional intangible assets which may be identified. Pending more detailed analyses, no pro forma adjustments are included herein for these assets and liabilities. Any change in the fair value of the net assets of Westcorp will change the amount of the purchase price allocable to goodwill. Additionally, changes to Westcorp's stockholders' equity, including net income from October 1, 2005, through the date the mergers are completed, will also change the amount of goodwill recorded. In addition, the final adjustments may be materially different from the unaudited pro forma adjustments presented herein.

The information in the tables on the following pages is based on historical financial information and related notes that we have presented in our prior filings with the SEC. You should read all of the summary financial information we provide in the following tables together with this historical financial information and related notes. The historical financial information is also incorporated into this document by reference. See [Where You Can Find More Information](#) on page 106 for a description of where you can find this historical information.

We also anticipate that the mergers will provide Wachovia with financial benefits that include increased revenue and reduced operating expenses, but these financial benefits are not reflected in the pro forma information. Accordingly, the pro forma information does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of Wachovia would have been had our companies been combined during the periods presented.

Since announcement of the mergers, our merger integration teams have been developing plans to integrate the operations of Westcorp and WFS into Wachovia so that we will continue to provide premier service to our customers while at the same time beginning to realize merger efficiencies. These plans will continue to be refined over the next several months and will address systems, facilities and equipment, personnel, contractual arrangements and other integration activities for Westcorp, WFS and Wachovia.

The costs associated with merger integration activities that impact certain Westcorp and WFS systems, facilities and equipment, personnel and contractual arrangements will be recorded as purchase accounting adjustments as described above when the appropriate plans are in place with potential refinements up to one year after completion of the mergers as additional information becomes available.

**Table of Contents****UNAUDITED SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF WACHOVIA**

	Nine Months Ended September 30,		Years Ended December 31,				
	2005	2004	2004	2003	2002	2001	2000
<i>(In millions, except per share data)</i>							
<b>CONSOLIDATED SUMMARIES OF INCOME</b>							
Interest income	\$ 17,215	12,319	17,288	15,080	15,632	16,100	17,534
Interest expense	7,041	3,655	5,327	4,473	5,677	8,325	10,097
Net interest income	10,174	8,664	11,961	10,607	9,955	7,775	7,437
Provision for credit losses	168	148	257	586	1,479	1,947	1,736
Net interest income after provision for credit losses	10,006	8,516	11,704	10,021	8,476	5,828	5,701
Securities gains (losses)	163	(33)	(10)	45	169	(67)	(1,125)
Fee and other income	9,051	8,008	10,789	9,437	7,721	6,363	7,837
Merger-related and restructuring expenses	234	328	444	443	387	106	2,190
Other noninterest expense	11,430	10,504	14,222	12,837	11,306	9,724	9,520
Minority interest in income of consolidated subsidiaries	239	130	184	143	6	1	
Income before income taxes and cumulative effect of a change in accounting principle	7,317	5,529	7,633	6,080	4,667	2,293	703
Income taxes	2,381	1,763	2,419	1,833	1,088	674	565
Income before cumulative effect of a change in accounting principle	4,936	3,766	5,214	4,247	3,579	1,619	138
Cumulative effect of a change in accounting principle, net of income taxes				17			(46)