

WESTCORP /CA/
Form S-4
July 16, 2004

Table of Contents

As filed with the Securities and Exchange Commission on July 16, 2004

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-4

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Westcorp

(Exact Name of Registrant as Specified in its Charter)

California
*(State or Other Jurisdiction of
Incorporation or Organization)*

6035
*(Primary Standard Industrial
Classification Code Number)*

51-0308535
*(I.R.S. Employer
Identification Number)*

**Westcorp
23 Pasteur
Irvine, CA 92618-3816
(949) 727-1002**

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Guy Du Bose

Senior Vice President and General Counsel

**23 Pasteur
Irvine, CA 92618-3816
(949) 727-1000**

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

With Copies to:

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Approximate date of commencement of proposed sale of the securities to the public: Upon consummation of the transaction described herein.

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, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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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.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Share(2)	Proposed Maximum Aggregate Offering Price(3)	Amount of Registration Fee
Common Stock, \$1.00 par value per share	7,374,427(1)		\$326,600,692	\$41,381

(1) This registration statement covers the maximum number of shares of common stock, \$1.00 par value per share, of Westcorp estimated to be issued, directly or indirectly, in connection with the merger of WFS Financial Inc (WFS) into Western Financial Bank, calculated as the product of (a) the aggregate of (i) the number of shares of common stock, no par value per share, of WFS held by shareholders of WFS on the closing date of the merger and (ii) the number of shares of WFS common stock underlying outstanding options granted pursuant to WFS Amended and Restated 1996 Stock Option Plan and (b) the exchange ratio of 1.11 shares of Westcorp common stock for each such share of WFS common stock. This registration statement also covers additional shares of Westcorp common stock that may be issued resulting from any stock split, stock dividend or similar transaction involving Westcorp common stock or WFS common stock, pursuant to Rule 416 under the Securities Act of 1933, as amended (the Securities Act).

(2) Omitted pursuant to Rule 457(o) under the Securities Act.

(3) Estimated solely for the purposes of calculating the registration fee required by the Securities Act and computed pursuant to Rule 457(c) and Rule 457(f)(1) under the Securities Act based on the market value of the securities of WFS to be received by Westcorp in the merger as established by the average of the high and low per-share sale prices of WFS common stock on the Nasdaq National Market on July 12, 2004 which was \$49.18, multiplied by 6,640,925 which is the expected maximum number of shares of WFS common stock to be acquired in the merger in exchange for shares of Westcorp common stock, which includes 50,644 shares of WFS common stock underlying outstanding options, at July 15, 2004, granted pursuant to the WFS Amended and Restated 1996 Stock Option Plan.

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 of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this proxy statement/prospectus is not complete and may be changed. Westcorp may not issue the securities to be issued in connection with the merger described in this proxy statement/prospectus until this registration statement filed with the Securities and Exchange Commission is effective. Any representation to the contrary is a criminal offense. This proxy statement/ prospectus is not an offer to sell the securities and Westcorp is not soliciting an offer to buy the securities in any state where the offer or sale is not permitted.

Subject to Completion, dated July 16, 2004

WFS FINANCIAL INC

**23 Pasteur
Irvine, CA 92618**

Merger Proposal Your Vote is Very Important

To the Shareholders of WFS Financial Inc:

We are pleased to report that in late May of this year the boards of directors of Westcorp and WFS Financial Inc, referred to in this proxy statement/prospectus as WFS, approved a definitive agreement to merge WFS into Western Financial Bank, referred to in this proxy statement/prospectus as the Bank, a wholly-owned subsidiary of Westcorp, pursuant to which the Bank will survive. The merger of WFS into the Bank is referred to in this proxy statement/prospectus as the merger, and the Agreement and Plan of Merger and Reorganization, entered into as of May 23, 2004 among Westcorp, WFS and the Bank, which contemplates the merger, is referred to in this proxy statement/prospectus as the merger agreement. The merger agreement has been negotiated and unanimously recommended by two special committees, one for each of Westcorp and WFS, each consisting of independent directors who are not directors or officers of the other company.

In the merger, each share of WFS common stock, other than shares of WFS common stock held by the Bank, will be converted, directly or indirectly, into the right to receive 1.11 shares of common stock, par value \$1.00 per share, of Westcorp. Accordingly, the value, but not the number, of shares of Westcorp common stock that WFS shareholders will receive in the merger may vary depending upon the market price of Westcorp common stock at the time of the consummation of the merger. Westcorp common stock is listed on the New York Stock Exchange under the trading symbol WES, and on 1/15/04, 2004, the last reported sale price of Westcorp's common stock was \$ 1.11 per share. Based on the number of shares of common stock of Westcorp and WFS outstanding on 1/15/04, 2004, the former shareholders of WFS will own approximately 11% of Westcorp common stock after the merger.

Westcorp and WFS cannot complete the merger unless shareholders holding a majority of the outstanding shares of WFS common stock approve the merger agreement and the merger. In addition, the merger is conditioned upon the approval of a majority of the outstanding shares of WFS common stock not held by Westcorp and its affiliates and the conversion of the Bank from a federal savings bank to a California state commercial bank. **Your vote is very important. Whether or not you plan to attend the WFS shareholders' meeting, please complete, sign, date and return the accompanying proxy in the enclosed self-addressed stamped envelope.** Returning the proxy does not deprive you of your right to attend the meeting and to vote your shares in person.

After careful consideration, the WFS board of directors, after its independent evaluation and acting upon the recommendation of the WFS special committee, approved the merger agreement and the merger and concluded that the merger and the exchange ratio are fair and in the best interests of WFS shareholders, other than Westcorp, the Bank and their respective affiliates. The WFS board of directors recommends that you vote FOR the approval of the merger agreement and the merger.

This proxy statement/prospectus provides you with information concerning Westcorp, WFS and the merger. Please give all of the information contained in this proxy statement/prospectus your careful attention. **In particular, you should carefully consider the discussion in the section entitled Risk Factors beginning on page 20 of this proxy statement/prospectus.**

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

Sincerely,

Ernest S. Rady

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Chairman of the Board

Neither the Securities and Exchange Commission nor any state securities commission or state or federal bank regulatory agency has approved or disapproved of the Westcorp securities to be issued in connection with the merger or passed upon the adequacy or accuracy of the disclosure included in this proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated 1 , 2004 and is first being mailed to WFS shareholders on or about 1 , 2004.

Table of Contents

WFS FINANCIAL INC.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TIME: 1 a.m., Pacific Time
DATE: 1 , 2004
PLACE: 23 Pasteur Irvine, California 92618
PURPOSE: To consider and vote on the merger agreement and the proposed merger of WFS Financial Inc with and into Western Financial Bank, a wholly-owned subsidiary of Westcorp.

To the Shareholders of WFS Financial Inc:

Notice is hereby given that a special meeting of shareholders of WFS Financial Inc (WFS), a California corporation, will be held on 1 , 2004, at 1 a.m., Pacific Time, at its offices located at 23 Pasteur, Irvine, California 92618, for the following purpose, as more fully described in this proxy statement/prospectus:

To consider and vote upon a proposal to approve the merger agreement among WFS, Westcorp and Western Financial Bank (the Bank), a wholly-owned subsidiary of Westcorp, and to approve the merger of WFS with and into the Bank, pursuant to which the Bank will survive. In the merger, each share of WFS common stock held by shareholders of WFS, other than the Bank, will be converted, directly or indirectly, into the right to receive 1.11 shares of common stock, par value \$1.00 per share, of Westcorp. The merger agreement is included as Annex A to this proxy statement/prospectus.

Only shareholders of record at the close of business on 1 , 2004 are entitled to notice of and to vote at the special meeting. The stock transfer books will not be closed between the record date and the date of the meeting. A list of shareholders entitled to vote at the special meeting will be available for inspection at the executive offices of WFS.

All shareholders are cordially invited to attend the special meeting in person. Whether or not you plan to attend, please sign and return the enclosed proxy as promptly as possible in the envelope enclosed for your convenience. Should you receive more than one proxy because your shares are registered in different names and addresses, each proxy should be signed and returned to ensure that all your shares will be voted. You may revoke your proxy at any time prior to the special meeting. If you attend the special meeting and vote by ballot, your proxy will be revoked automatically and only your vote at the special meeting will be counted.

Pursuant to the California Corporations Code, under certain circumstances holders of outstanding shares of WFS common stock who vote against the approval of the merger agreement and the merger and who comply with the requirements of Chapter 13 of the California Corporations Code will have, if the merger is consummated, the right to receive payment of the appraised value of their shares of WFS common stock. For a more complete description of these dissenters rights, see The Merger Dissenters Rights of WFS Shareholders beginning on page 59 in this proxy statement/prospectus.

By Order of the Board of Directors

ERNEST S. RADY

Chairman of the Board

Irvine, California
1 , 2004

Your vote is very important, regardless of the number of shares you own. Please read this proxy statement/prospectus carefully. To ensure that your shares are present at the special meeting, please complete, date and sign the enclosed proxy and mail it promptly in the postage-paid envelope provided, regardless of whether you plan to attend the special meeting. You can revoke your proxy at any time before it is voted.

Table of Contents

REFERENCES TO ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about Westcorp and WFS from documents filed with the Securities and Exchange Commission, referred to in this proxy statement/prospectus as the Commission, that have not been included in or delivered with this proxy statement/prospectus. This information is available at the Internet website that the Commission maintains at <http://www.sec.gov>, as well as from other sources.

You may also request copies of these documents that relate to Westcorp or WFS, without charge, upon written or oral request to:

Westcorp
Attention: Lisa Capps
23 Pasteur
Irvine, California 92618
(949) 727-1002

WFS Financial Inc
Attention: Lisa Capps
23 Pasteur
Irvine, California 92618
(949) 727-1002

This proxy statement/ prospectus constitutes part of the registration statement on Form S-4 filed with the Commission by Westcorp and does not contain all of the information included in the registration statement, certain items of which are contained in schedules and exhibits to the registration statement as permitted by the rules and regulations of the Commission. You should refer to the registration statement and its annexes and exhibits to read that information. Statements and references made in this proxy statement/ prospectus as to certain of our contracts, agreements or other documents are not necessarily complete and you should refer to the exhibits attached to the registration statement for copies of the actual contract, agreement or other document. This information is available at the Internet website that the Commission maintains at <http://www.sec.gov>, as well as from other sources, including from Westcorp at the address provided above.

WFS shareholders may also request copies of the registration statement without charge, by written or oral request to:

Westcorp
Attention: Lisa Capps
23 Pasteur
Irvine, California 92618
(949) 727-1002

In order to receive timely delivery of the documents, you must make your request no later than 11:59 PM, May 11, 2004.

See Additional Information and Incorporation of Certain Documents by Reference, on page 94 of this proxy statement/ prospectus.

Table of Contents**TABLE OF CONTENTS**

	Page
	<hr/>
<u>Questions and Answers About the Proposals</u>	1
<u>Summary</u>	6
<u>Information About the Companies</u>	6
<u>Overview of the Merger and Consideration to be Received in the Merger</u>	6
<u>The WFS Special Meeting</u>	6
<u>Recommendation of the WFS Special Committee and Board of Directors</u>	7
<u>The Merger</u>	7
<u>Opinion of Deutsche Bank, Financial Advisor to the WFS Special</u>	
<u>Committee</u>	9
<u>Interests of Certain Persons in the Merger</u>	9
<u>Dividend Policies</u>	10
<u>Risks Associated with the Merger, Westcorp and Westcorp Common</u>	
<u>Stock</u>	10
<u>Material Differences in Rights of Westcorp Shareholders and WFS</u>	
<u>Shareholders</u>	10
<u>Dissenters' Rights of WFS Shareholders</u>	10
<u>Selected Historical Financial Data of Westcorp</u>	12
<u>Selected Historical Financial Data of WFS</u>	14
<u>Selected Unaudited Pro Forma Financial Data</u>	15
<u>Comparative Per Share Information</u>	16
<u>Comparative Market Value</u>	17
<u>Comparative Per Share Market Price and Dividend Information</u>	17
<u>Recent Developments Relating to Westcorp</u>	19
<u>Recent Developments Relating to WFS</u>	19
<u>Shareholder Litigation</u>	19
<u>Risk Factors</u>	20
<u>Risks Related to the Merger</u>	20
<u>Risks Related to Westcorp</u>	22
<u>Risks Related to Regulatory Factors</u>	24
<u>The WFS Special Meeting</u>	27
<u>Date, Time and Place of WFS Special Meeting</u>	27
<u>Matters to be Considered</u>	27
<u>Record Date; Shares Entitled to Vote and Vote Required</u>	27
<u>Changing a Vote After a Proxy Card has been Sent</u>	27
<u>Quorum</u>	27
<u>Effect of Abstentions and Broker Non-votes</u>	27
<u>Proxy Solicitation</u>	28
<u>Forward-Looking Statements May Prove Inaccurate</u>	29
<u>The Merger</u>	30
<u>General</u>	30
<u>Background of the Merger</u>	30
<u>WFS' Considerations Relating to the Merger</u>	35
<u>Recommendation of the WFS Special Committee and Board of Directors</u>	37
<u>Opinion of Deutsche Bank Securities Inc., Financial Advisor to the WFS</u>	
<u>Special Committee</u>	37
<u>Deutsche Bank's Financial Analysis</u>	38
<u>Interests of Certain WFS Directors and Executive Officers in the Merger</u>	41
<u>Interests of Certain Members of the Special Committees</u>	44
<u>Relationships among WFS, Westcorp and the Bank</u>	45
<u>Governmental and Regulatory Matters</u>	48

Table of Contents

	<u>Page</u>
<u>Bank Regulatory Approvals</u>	56
<u>Litigation Relating to the Merger</u>	56
<u>Material U.S. Federal Income Tax Consequences of the Merger</u>	57
<u>Dissenters' Rights of WFS Shareholders</u>	59
<u>Demand for Purchase</u>	60
<u>Other Requirements</u>	61
<u>Plans for WFS After the Merger</u>	61
<u>Accounting Treatment</u>	61
<u>Deregistration of WFS Common Stock</u>	62
<u>Listing of Westcorp Common Stock</u>	62
<u>Restrictions on Sales of Westcorp Common Stock by Affiliates of Westcorp and WFS</u>	62
<u>Affiliate Agreements with WFS Shareholders</u>	62
<u>The Merger Agreement</u>	63
<u>The Merger</u>	63
<u>Closing and Effective Time of the Merger</u>	63
<u>Articles of Incorporation and Bylaws</u>	63
<u>Directors and Officers of the Surviving Corporation</u>	63
<u>Consideration to be Received in the Merger</u>	63
<u>Cancellation of Shares</u>	64
<u>Procedures for Exchange of Certificates; Fractional Shares</u>	64
<u>WFS Stock Options</u>	65
<u>Representations and Warranties</u>	66
<u>Material Adverse Effect</u>	67
<u>Covenants - Conduct of Businesses Pending the Merger</u>	67
<u>Covenants - Additional Agreements</u>	68
<u>Conditions to the Merger</u>	71
<u>Termination</u>	72
<u>Effect of Termination</u>	73
<u>Amendment</u>	73
<u>Waiver</u>	74
<u>Expenses</u>	74
<u>Unaudited Pro Forma Consolidated Financial Information</u>	75
<u>Beneficial Ownership of Westcorp Common Stock</u>	82
<u>Beneficial Ownership of WFS Common Stock</u>	84
<u>Description of Westcorp Capital Stock</u>	86
<u>Comparison of Rights of Holders of Westcorp Common Stock and WFS Common Stock</u>	88
<u>Commission Position on Indemnification for Securities Act Liabilities</u>	93
<u>Legal Matters</u>	93
<u>Experts</u>	93
<u>Additional Information and Incorporation of Certain Documents by Reference</u>	94
<u>Annex A - Agreement and Plan of Merger and Reorganization</u>	A-1
<u>Annex B - Opinion of Deutsche Bank Securities Inc., Financial Advisor to the WFS Special Committee</u>	B-1
<u>Annex C - Chapter 13 of the California Corporations Code</u>	C-1
<u>EXHIBIT 3.1.2</u>	
<u>EXHIBIT 3.2</u>	
<u>EXHIBIT 5.1</u>	
<u>EXHIBIT 8.1</u>	
<u>EXHIBIT 10.4</u>	
<u>EXHIBIT 10.4.1</u>	
<u>EXHIBIT 10.5</u>	
<u>EXHIBIT 10.6</u>	
<u>EXHIBIT 23.1</u>	

EXHIBIT 99.2

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE PROPOSALS

GENERAL QUESTIONS AND ANSWERS

Q: Why did Westcorp propose the merger?

A: Westcorp, through the Bank, currently owns approximately 84% of WFS' outstanding common stock. Westcorp's proposal to merge WFS with and into the Bank will result in Westcorp obtaining the beneficial ownership of the WFS common stock that it does not already beneficially own. The merger proposal was prompted, in part, by the decision to convert the Bank's charter from a federal savings bank to a California state commercial bank. Westcorp believes that upon the Bank's proposed conversion to a California state commercial bank, the merger would alleviate the need for WFS to seek separate state regulatory licenses in substantially all of those states that require licenses to conduct direct and indirect lending activities. In addition, Westcorp believes that the merger will, among other things:

simplify the corporate structure under which Westcorp and WFS operate;

eliminate certain expenses associated with WFS' current status as a publicly held corporation;

allow management's focus to be directed at maintaining one, as opposed to two, public companies; and

give the combined company greater flexibility in responding to market factors and to utilize, to a greater extent, low cost insured customer deposits to finance its activities. For more information, see "The Merger - Governmental and Regulatory Matters - The Charter Conversion."

However, there can be no assurances that the combined company will be able to achieve these anticipated benefits in a cost effective manner, or at all. See "Risk Factors - Risks Related to the Merger - Anticipated benefits of the merger may not be realized."

Q: Did the board of directors of each of WFS and Westcorp form special committees of independent directors to evaluate the merger proposal?

A: Yes. Each of WFS and Westcorp formed a special committee consisting of independent directors who are not directors or officers of the other company, to evaluate, negotiate and determine whether to recommend the proposed merger. WFS' special committee, referred to in this proxy statement/prospectus as the "WFS special committee," is comprised of Ronald Simon and Fredricka Taubitz, two independent members of WFS' board of directors who are not directors or officers of Westcorp or the Bank. Westcorp's special committee, referred to in this proxy statement/prospectus as the "Westcorp special committee," is comprised of Robert Barnum and Charles Scribner, two independent members of Westcorp's board of directors who are not directors or officers of WFS.

Q: Did the WFS special committee and the Westcorp special committee negotiate the exchange ratio?

A: Yes. The Westcorp special committee initially offered to consummate the merger at an exchange ratio of 1.03 (*i.e.*, each outstanding share of WFS common stock held by WFS shareholders, other than the Bank, would be converted into the right to receive 1.03 shares of Westcorp common stock). Following a series of negotiations between the WFS special committee and the Westcorp special committee, the boards of directors of Westcorp and WFS agreed to consummate the merger at an exchange ratio of 1.11.

Q: Did each of the WFS and Westcorp special committees recommend that their respective boards approve the merger agreement and the merger?

A: Yes. Each of the WFS and Westcorp special committees unanimously recommended that their respective boards approve the merger agreement and the merger. In addition, the WFS special committee unanimously recommended that the WFS board of directors recommend to its shareholders that they vote in favor of the merger agreement and the merger.

Table of Contents

Q: Does the WFS board of directors recommend that I vote in favor of the merger agreement and the merger?

A: Yes. Based on the recommendation of the WFS special committee and the independent evaluation by the WFS board of directors, the WFS board of directors approved the merger agreement and the merger and recommends that the WFS shareholders vote in favor of the merger agreement and the merger.

Q: Did the WFS special committee and the WFS board of directors receive an opinion from a financial advisor that the exchange ratio is fair, from a financial point of view, to the shareholders of WFS, other than Westcorp, the Bank and their respective affiliates?

A: Yes. The WFS special committee and the WFS board of directors received an opinion from Deutsche Bank Securities Inc., referred to in this proxy statement/prospectus as Deutsche Bank, to the effect that, as of the date of such opinion and subject to and based on the assumptions, matters considered and limits of the review undertaken by Deutsche Bank, the exchange ratio was fair, from a financial point of view, to the shareholders of WFS, other than Westcorp, the Bank and their respective affiliates, referred to in this proxy statement/prospectus as the WFS minority shareholders.

Q: What factors were relied upon by the WFS special committee and the WFS board of directors in arriving at their conclusion that the merger agreement and the merger are fair to the WFS minority shareholders?

A: Among other factors, the following factors support the belief of the WFS special committee and the belief of the WFS board of directors that the merger agreement and the merger are fair to the WFS minority shareholders:

the belief of the WFS special committee and the WFS board of directors that the 1.11 exchange ratio adequately reflects the long-term value inherent in WFS as a standalone company;

the fairness opinion delivered by Deutsche Bank to the effect that, as of the date of such opinion and subject to and based on the assumptions, matters considered and limits of the review undertaken by Deutsche Bank, the exchange ratio of 1.11 was fair, from a financial point of view, to the WFS minority shareholders;

receiving shares of Westcorp common stock provides an opportunity for the holders of WFS common stock, other than the Bank, to participate in any future growth of WFS business indirectly through their ownership of Westcorp common stock, and also provides the holders of WFS common stock, other than the Bank, with the opportunity to participate in any future growth of the businesses of Westcorp other than those associated with WFS;

shares of Westcorp common stock, which trade on the New York Stock Exchange and have a significantly higher average daily trading volume than shares of WFS common stock, are more liquid than shares of WFS common stock;

the expectation that holders of WFS common stock generally will not recognize gain for U.S. federal income tax purposes on the exchange of such shares for shares of Westcorp common stock in the merger;

the combination of WFS and Westcorp would:

reduce or eliminate real and perceived complexities of a two public company structure;

eliminate duplicative public company expenses; and

improve access to capital;

making the combined company more attractive to potential investors or other third parties interested in acquiring an equity interest in one combined publicly traded entity as opposed to two operating Westcorp and WFS businesses;

Table of Contents

in the event of a sale of Westcorp at a premium to a third party, the combination of WFS and Westcorp would allow the former shareholders of WFS to participate in that premium because they would now be Westcorp shareholders; if the merger is not completed, WFS shareholders would not receive a premium in the event of a sale of only Westcorp at a premium;

upon the Bank's proposed conversion to a California state commercial bank, the combination of WFS and Westcorp would alleviate the need for WFS to seek separate state regulatory licenses in substantially all of those states that require licenses to conduct direct and indirect lending activities;

the merger would further align the interests of holders of WFS common stock and Westcorp common stock;

WFS shareholders are likely to receive the benefit of earning a dividend on their investment (because Westcorp, unlike WFS, has historically paid a quarterly dividend on its common stock); and

the merger is conditioned upon the approval of the merger agreement and the merger by a majority of the WFS minority shareholders.

Q: What will happen if the merger is completed?

A: If WFS is merged with and into the Bank, Westcorp will acquire the approximate 16% equity interest in WFS that it does not already own through the Bank. After the merger, the business of WFS will be operated as part of the Bank.

Q: When will the merger be completed?

A: The merger will be completed when the conditions described below under "The Merger Agreement - Conditions to the Merger" are satisfied. Westcorp and WFS believe that the merger can be completed by the end of 2004. There can be no assurances, however, as to when the completion of the merger will occur, if at all. See "Risk Factors - Risks Relating to the Merger."

Q: Have any lawsuits been filed in connection with the merger?

A: Yes. On May 24, 2004, shortly after Westcorp and WFS issued their joint press release announcing an agreement whereby Westcorp would acquire the outstanding 16% common stock interest of WFS in exchange for Westcorp stock, individual shareholders of WFS filed three separate purported class action complaints in the Orange County, California Superior Court against Westcorp, WFS, individual board members of Westcorp, and the individual WFS special committee members. A fourth purported class action complaint was filed several days later against the same defendants. All of the actions allege that the defendants breached their respective fiduciary duties and practiced self-dealing in agreeing to the terms of the proposed "going private" transaction. The plaintiffs contend, among other things, that the exchange ratio of 1.11 is not adequate. The actions further allege that defendants failed to make proper public disclosures concerning the transaction. Each of the actions seeks to enjoin or rescind the transaction and obtain an unspecified sum in damages and costs including attorneys' fees and expenses. See "The Merger - Litigation Relating to the Merger."

QUESTIONS AND ANSWERS FOR WFS SHAREHOLDERS

Q: When and where is the special meeting of the WFS shareholders?

A: The special meeting of WFS shareholders, referred to in this proxy statement/prospectus as the "WFS special meeting," will take place on May 11, 2004, at 11:00 a.m., Pacific Time. The WFS special meeting will be held at WFS offices at 23 Pasteur, Irvine, California 92618.

Table of Contents

Q: What are the WFS shareholders voting on and why?

A: WFS shareholders are voting on a proposal to approve the merger agreement and the merger. The approval of the merger agreement and the merger by the WFS shareholders is a condition to the effectiveness of the merger.

Q: What will WFS shareholders receive in the merger?

A: At the effective time of the merger, each issued and outstanding share of WFS common stock held by WFS shareholders, other than the Bank, will be converted into the right to receive 1.11 shares of common stock, par value \$1.00 per share, of Westcorp.

Q: What are the tax consequences of the merger to me?

A: It is expected that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which is referred to in this proxy statement/prospectus as the Code. Assuming the merger so qualifies, for U.S. federal income tax purposes, holders of WFS common stock who exchange their shares for shares of Westcorp common stock in the merger will not recognize gain or loss, except to the extent of cash, if any, received in lieu of a fractional share of Westcorp common stock. See the section entitled The Merger Material U.S. Federal Income Tax Consequences of the Merger beginning on page 57.

Q: What vote of WFS shareholders will be required to approve the merger agreement and the merger?

A: The approval of the merger agreement requires the vote of a majority of the outstanding shares of WFS common stock. In addition, the merger is conditioned upon the approval of the merger agreement and the merger by a majority of the outstanding shares held by the WFS minority shareholders. See The WFS Special Meeting Record Date; Shares Entitled to Vote and Vote Required and The Merger Agreement Conditions to the Merger. Westcorp, which holds through the Bank approximately 84% of the outstanding shares of WFS common stock, has agreed to vote its shares of WFS common stock in favor of the approval of the merger agreement and the merger.

Q: What should I do now in order to vote on the merger proposal?

A: After carefully reading and considering the information contained in this proxy statement/prospectus, please complete and sign the enclosed proxy card and return it in the enclosed postage-paid envelope as soon as possible so that your shares may be represented at the WFS special meeting. You may also cast your vote by attending the WFS special meeting in person.

Q: What do I do if I want to revoke my proxy?

A: A proxy may be revoked at any time before it is voted by delivering to WFS, Attn: Secretary, at the principal executive office of WFS indicated below under Summary Information About the Companies WFS, a written notice of revocation or a duly executed proxy bearing a later date than the proxy being revoked. In addition, a WFS shareholder may revoke his or her proxy by submitting a telephonic proxy at a later date, before the vote at the WFS special meeting, or by attending the WFS special meeting and voting in person.

Q: What will happen if I abstain from voting?

A: An abstention or failure to vote will have the same effect as a vote against the approval of the merger agreement and the merger.

Q: Do I have dissenters' rights?

A: Dissenters' rights are available only if more than 5% of the outstanding shares entitled to vote against the merger agreement and the merger and demand payment for their shares. In that case, those WFS

Table of Contents

shareholders who have voted against the merger agreement and the merger and have demanded payment for their shares will have dissenters' rights under California law. However, the obligations of Westcorp and the Bank to effect the merger are conditioned upon dissenting shares not constituting more than 5% of the outstanding shares of WFS common stock entitled to vote to approve the merger agreement and the merger. See The Merger Dissenters' Rights of WFS Shareholders.

Q: Who should I contact if I have questions?

A: If you have any questions about the merger or if you need additional copies of this proxy statement/prospectus or the enclosed proxy card, you should contact:

WFS Financial Inc
Attention: Lisa Capps
23 Pasteur
Irvine, California 92618
(949) 727-1002

Table of Contents

SUMMARY

This summary does not contain all of the information that may be important to WFS shareholders and is qualified in its entirety by reference to the information contained elsewhere in, or incorporated by reference in, this proxy statement/prospectus. WFS shareholders are urged to read the entire proxy statement/prospectus, including the information set forth in the section entitled Risk Factors, beginning on page 20, and the attached annexes. See Additional Information and Incorporation of Certain Documents by Reference on page 94.

Information About the Companies

Westcorp

Westcorp is a financial services holding company whose principal subsidiaries are WFS and the Bank. Westcorp, through its subsidiary, the Bank, operates 20 retail bank branches and provides commercial banking services in Southern California.

The principal executive office of Westcorp is located at 23 Pasteur, Irvine, California 92618, and its telephone number is (949) 727-1002. Based on the closing price of a share of Westcorp common stock on the New York Stock Exchange on June 30, 2004 (\$45.45) and the number of shares of Westcorp common stock outstanding on that date (51,833,196), Westcorp's market capitalization on that date was approximately \$2.36 billion.

Additional information concerning Westcorp is included in the reports that Westcorp periodically files with the Commission. See Additional Information and Incorporation of Certain Documents by Reference on page 94.

WFS

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.

The principal executive office of WFS is located at 23 Pasteur, Irvine, California 92618, and its telephone number is (949) 727-1002.

Additional information concerning WFS is included in the reports that WFS periodically files with the Commission. See Additional Information and Incorporation of Certain Documents by Reference on page 94.

Overview of the Merger and Consideration to be Received in the Merger (page 63)

Westcorp, the Bank and WFS have entered into a merger agreement pursuant to which Westcorp will acquire the approximate 16% equity interest in WFS that it does not already own through a merger of WFS with and into the Bank, with the Bank surviving the merger. After the merger, the business of WFS will be operated as part of the Bank.

Shares of WFS held by the Bank will be cancelled in the merger. In addition, at the effective time of the merger, each issued and outstanding share of WFS common stock held by a minority shareholder will be converted into the right to receive 1.11 shares of common stock, par value \$1.00 per share, of Westcorp.

The WFS Special Meeting (page 27)

The WFS special meeting will be held on 1, 2004 at 1 a.m., Pacific Time, at 23 Pasteur Irvine, California 92618. At the WFS special meeting, shareholders will be asked to approve the merger agreement and the merger.

Table of Contents

Recommendation of the WFS Special Committee and Board of Directors (page 37)

The WFS board of directors, acting upon the recommendation of the WFS special committee, has approved the merger agreement and the merger and recommends that the WFS shareholders vote FOR the approval of the merger agreement and the merger.

The WFS board of directors created the WFS special committee, which consists of two independent directors of the WFS board of directors who are not directors or officers of Westcorp or the Bank, to act solely on behalf of the WFS shareholders, other than Westcorp and its affiliates, for the purpose of evaluating, negotiating and determining whether to recommend the merger agreement and the merger. See The Merger Background of the Merger.

The Merger (page 30)

The rights and obligations of the parties to the merger agreement are governed by the specific terms and conditions of the merger agreement and not by any summary or other information in this proxy statement/ prospectus. Therefore, the information in this proxy statement/ prospectus regarding the merger agreement and the merger is qualified in its entirety by reference to the merger agreement itself, a copy of which is attached as Annex A to this proxy statement/ prospectus.

Consideration to be Received in the Merger

In the merger, each outstanding share of WFS common stock, other than shares of WFS common stock held by the Bank, will be converted into the right to receive 1.11 shares of common stock, par value \$1.00 per share, of Westcorp. For a full description of the merger consideration to be received in the merger by the WFS minority shareholders, see The Merger Agreement Consideration to be Received in the Merger on page 63.

WFS Stock Options

In connection with the merger, each WFS employee stock option that is outstanding immediately prior to the effective time of the merger will be assumed by Westcorp. Each such assumed option will be deemed to constitute an option to acquire, on the same terms and conditions as were applicable under the original stock option, a number of shares of Westcorp common stock equal to the number of shares that could have been purchased under the assumed option immediately prior to the merger multiplied by 1.11, with an exercise price per share equal to the exercise price of the assumed option immediately prior to the merger divided by 1.11, subject to certain adjustments. For a full description of the treatment of WFS stock options, see The Merger Agreement WFS Stock Options.

Conditions to the Merger

A number of conditions must be satisfied before the merger will be completed. These include:

the correctness in all material respects of the representations and warranties of each party contained in the merger agreement;

the performance in all material respects of all obligations of the parties contained in the merger agreement;

in the case of Westcorp, the absence of material adverse changes with respect to WFS;

the conversion of the Bank from a federal savings bank to a California state commercial bank;

the delivery of tax opinions of legal counsel; and

in the case of Westcorp, dissenting shares shall not constitute more than 5% of the outstanding shares of WFS common stock entitled to vote to approve the merger agreement and the merger.

Table of Contents

Except for the conditions that a majority of the outstanding shares of WFS, as well as a majority of shares held by WFS minority shareholders, approve the merger agreement and the merger and the condition that the Bank shall have converted from a federal savings bank to a California state commercial bank, either Westcorp or WFS may waive conditions for the benefit of itself and its shareholders and complete the merger even though one or more of these conditions has not been met. However, WFS cannot extend the time for Westcorp performance, waive any inaccuracy in a Westcorp representation or warranty or waive compliance by Westcorp with any agreement of Westcorp or condition to WFS obligations without the approval of the WFS special committee.

There can be no assurances that all of the conditions will be satisfied or waived or that the merger will occur. For a full description of the conditions to the merger, see The Merger Agreement Conditions to the Merger.

Termination of the Merger Agreement

Westcorp, the Bank and WFS may mutually agree in writing, at any time before the effective time of the merger, to terminate the merger agreement so long as the termination is also approved by the WFS special committee. Also, either Westcorp or WFS may terminate the merger agreement before the effective time of the merger if:

the effective time of the merger has not occurred by February 28, 2005 on the terms provided in the merger agreement;

any governmental entity prohibits the merger; or

the shareholders fail to approve the merger agreement and the merger at the WFS special meeting.

Westcorp may terminate the merger agreement before the effective time of the merger if the WFS special committee or the board of directors of WFS withdraws or modifies or changes its recommendation of the merger agreement or the merger in a manner adverse to Westcorp or the Bank or if WFS breaches a representation, warranty, covenant or agreement in the merger agreement that would give rise to the failure of a condition set forth in the merger agreement, subject to the right of WFS to cure such breach.

WFS can terminate the merger agreement before the effective time of the merger if Westcorp or the Bank breaches a representation, warranty or covenant in the merger agreement that would give rise to the failure of a condition set forth in the merger agreement, subject to the right of Westcorp and the Bank to cure such breach.

For a full description of the rights of Westcorp, the Bank and WFS to terminate the merger agreement, see The Merger Agreement Termination.

Material U.S. Federal Income Tax Consequences of the Merger

It is expected that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Assuming the merger qualifies as a reorganization, for U.S. federal income tax purposes, holders of WFS common stock whose shares of WFS common stock are exchanged in the merger for shares of Westcorp common stock will not recognize gain or loss, except to the extent of cash, if any, received in lieu of a fractional share of Westcorp common stock. It is a condition to the completion of the merger that Westcorp and WFS receive written opinions from special counsel to the Westcorp special committee and special counsel to the WFS special committee, respectively, to the effect that the merger will qualify as a reorganization. Neither Westcorp nor WFS intends to waive this closing condition. In the event that either Westcorp or WFS waives receipt of such opinion from such counsel, however, WFS will resolicit the approval of its shareholders after providing appropriate disclosure. For further information concerning U.S. federal income tax consequences of the merger, please see The Merger Material U.S. Federal Income Tax Consequences of the Merger beginning on page 57 of this proxy statement/ prospectus.

Table of Contents

Tax matters are very complicated and the tax consequences of the merger to each WFS shareholder will depend on such shareholder's particular facts and circumstances. WFS shareholders are urged to consult their tax advisors to understand fully the tax consequences to them of the merger.

Bank Conversion

In order to complete the merger, the Bank must convert from a federal savings bank to a California state commercial bank. The conversion and merger are subject to receipt of certain regulatory approvals and the filing of certain related regulatory notices. For example, the Bank's conversion requires approval of the California Commissioner of Financial Institutions and of the Office of Thrift Supervision, referred to in this proxy statement/prospectus as the OTS, pursuant to the OTS Regulations. On July 1, 2004, the Bank received notice from the OTS that it has tentatively approved the Bank's application regarding the conversion. The conversion will result in Westcorp becoming a bank holding company and requires the prior approval of the Board of Governors of the Federal Reserve System. In addition, the merger requires the approval of the Federal Deposit Insurance Corporation, referred to in this proxy statement/prospectus as the FDIC. There is no assurance that the regulatory agencies will approve the conversion and merger, that the Department of Justice will not challenge the conversion and merger, or that any approval by the regulatory agencies will not contain conditions which are materially burdensome to Westcorp. See Risk Factors Risks Related to Regulatory Factors Delay in regulatory approvals could delay and possibly prevent the merger and The Merger Governmental and Regulatory Matters.

Opinion of Deutsche Bank, Financial Advisor to the WFS Special Committee (page 37)

In connection with the proposed merger, Deutsche Bank has acted as financial advisor to the WFS special committee. On May 23, 2004, Deutsche Bank delivered its oral opinion to the WFS special committee and the WFS board of directors, subsequently confirmed in writing as of the same date, to the effect that, as of such date, based upon and subject to the assumptions made, matters considered and limits of the review undertaken by Deutsche Bank, the exchange ratio was fair, from a financial point of view, to the WFS minority shareholders. The full text of Deutsche Bank's written opinion is attached to this proxy statement/prospectus as Annex B. WFS shareholders are encouraged to read this opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the review undertaken.

Interests of Certain Persons in the Merger (beginning on page 41)

In considering the recommendation of the WFS board of directors to approve the merger agreement and the merger, WFS shareholders should consider that some of WFS's directors and executive officers have interests in the merger that differ from, or are in addition to, their interests as WFS shareholders. The WFS board of directors, including the WFS special committee, were aware of these interests and considered them, among other matters, in approving the merger and adopting the merger agreement.

As a result of these interests, these directors and executive officers could be more likely to vote to approve the merger agreement and the merger than if they did not hold these interests, and may have reasons for doing so that are not the same as the interests of WFS's other shareholders. WFS shareholders should consider whether these interests may have influenced these directors and officers to support or recommend the approval of the merger agreement and the merger. For a full description of the interests of WFS's directors and executive officers in the merger, see The Merger Interests of Certain WFS Directors and Executive Officers in the Merger.

In addition, certain members of the Westcorp special committee and the WFS special committee have relationships with individuals or entities affiliated with Westcorp. See The Merger Interests of Certain Members of the Special Committees.

WFS, Westcorp and the Bank also have a number of intercompany arrangements, including:

intercompany borrowings;

short-term investments;

Table of Contents

reinvestment contracts;

whole loan sales;

a tax sharing agreement; and

management agreements.

For a detailed discussion of these arrangements, see *The Merger Relationships among WFS, Westcorp and the Bank*.

Dividend Policies (page 91)

Westcorp. The holders of Westcorp common stock receive dividends if and when declared by the Westcorp board of directors out of legally available funds. Westcorp paid quarterly cash dividends for each of the years ended December 31, 2003, 2002 and 2001 and Westcorp's board of directors declared a quarterly cash dividend to be paid on August 17, 2004 to shareholders of record as of August 3, 2004. The declaration and payment of dividends is subject to certain limitations and Westcorp can give no assurances that it will continue to pay dividends on the Westcorp common stock in the future.

WFS. WFS has never paid a dividend on shares of its common stock, and it does not anticipate paying dividends in the future.

Risks Associated with the Merger, Westcorp and Westcorp Common Stock (beginning on page 20)

WFS shareholders, in determining how to vote at the WFS special meeting, should carefully read this proxy statement/ prospectus, including the risk factors, as well as the documents incorporated by reference into this proxy statement/ prospectus. See *Risk Factors* and *Additional Information and Incorporation of Certain Documents by Reference*.

Material Differences in Rights of Westcorp Shareholders and WFS Shareholders (beginning on page 88)

WFS shareholders receiving Westcorp common stock in the merger will have different rights once they become Westcorp shareholders due to differences in the governing documents of Westcorp and WFS. These differences are described in detail under *Comparison of the Rights of Holders of Westcorp Common Stock and WFS Common Stock*.

Dissenters' Rights of WFS Shareholders (page 59)

Holders of WFS common stock who, not later than the date of the WFS special meeting, deliver to WFS a written demand for dissenters' rights, who vote against the approval of the merger agreement and the merger and who comply with all other applicable requirements of Chapter 13 of the California Corporations Code, will have the right to receive payment in cash of the fair market value of such holders' shares of WFS common stock, but only if the merger is consummated; however, no holder of WFS common stock will be entitled to dissenters' rights unless holders of at least 5% of the outstanding shares of WFS common stock entitled to vote have perfected their dissenters' rights in accordance with the California Corporations Code. The procedure for perfecting dissenters' rights is summarized under the caption *The Merger Dissenters' Rights of WFS Shareholders*, and the provisions of Chapter 13 of the California Corporations Code are included as Annex C to this proxy statement/ prospectus. The fair market value of the WFS common stock for this purpose will be the fair value as of May 21, 2004, the day before the announcement of the merger, and will exclude any appreciation or depreciation in value of WFS common stock because of the merger.

In order for any WFS shareholder to exercise his or her dissenters' rights, the shareholder, among other things, must file with WFS on or before the WFS special meeting a written notice of the shareholder's intent to demand payment for his or her shares if the merger is effectuated and must vote against approval of the merger agreement and the merger. Annex C to this proxy statement/ prospectus contains a copy of Chapter 13 of the California Corporations Code, which addresses dissenters' rights.

Table of Contents

WFS shareholders should particularly note the following:

dissenters' rights will not be available if less than 5% of the outstanding shares of WFS are voted against approval of the merger agreement and the merger;

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

a WFS shareholder who fails to file a written notice of demand to WFS at 23 Pasteur, Irvine, California 92618, Attn: Corporate Secretary, on or before the date of the WFS special meeting will lose his or her dissenters' rights;

shareholders who vote for the approval of the merger agreement and the merger will not have dissenters' rights; and

the obligations of Westcorp and the Bank to effect the merger are conditioned upon dissenting shares not constituting more than 5% of the outstanding shares of WFS common stock entitled to vote to approve the merger agreement and the merger.

For a full description of the rights of WFS shareholders to dissent from the merger, see "The Merger - Dissenters' Rights of WFS Shareholders" on page 59 as well as Annex C to this proxy statement/prospectus.

Table of Contents**Selected Historical Financial Data of Westcorp**

The following is Westcorp's selected consolidated financial data for each of the years in the five-year period ended December 31, 2003 and for the three months ended March 31, 2004 and 2003. The information with respect to the years ended December 31, 1999 through December 31, 2003 was derived from information in its Annual Report on Form 10-K for the year ended December 31, 2003. The information for the three months ended March 31, 2004 and 2003 was derived from information included in Westcorp's Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2004 and 2003. This summary should be read together with the consolidated financial statements, which are incorporated by reference in this proxy statement/prospectus, the accompanying notes and management's discussion and analysis of financial condition and results of operations of Westcorp contained in Westcorp's reports referred to above, as well as the unaudited pro forma financial statements and the accompanying notes described under Unaudited Pro Forma Consolidated Financial Information.

	At or for the Three Months Ended March 31,		At or for the Year Ended December 31,				
	2004	2003	2003	2002	2001	2000	1999
(Dollars in thousands, except per share amounts)							
Consolidated Statements of Income:							
Interest income	\$ 313,659	\$ 307,863	\$ 1,245,017	\$ 1,142,940	\$ 962,627	\$ 583,821	\$ 297,616
Interest expense	119,419	141,573	531,436	530,916	491,944	313,872	152,788
Net interest income	194,240	166,290	713,581	612,024	470,683	269,949	144,828
Provision for credit losses	62,294	79,884	294,006	306,233	196,977	82,133	38,400
Net interest income after provision for credit losses	131,946	86,406	419,575	305,791	273,706	187,816	106,428
Noninterest income	28,690	27,753	110,157	90,653	78,899	177,884	212,138
Noninterest expense	71,217	68,439	281,788	251,306	244,871	220,973	217,958
Income before income tax	89,419	45,720	247,944	145,138	107,734	144,727	100,608
Income tax	35,313	18,226	98,275	52,267	41,675	58,132	41,460
Income before minority interest	54,106	27,494	149,669	92,871	66,059	86,595	59,148
Minority interest in earnings of subsidiaries	10,741	3,945	26,064	13,153	10,369	11,852	6,522
Net income	\$ 43,365	\$ 23,549	\$ 123,605	\$ 79,718	\$ 55,690	\$ 74,743	\$ 52,626
Weighted average number of shares and common share equivalents diluted	52,493,432	39,452,915	43,397,211	38,922,611	34,485,127	29,525,677	26,505,128
Earnings per common share diluted	\$ 0.83	\$ 0.60	\$ 2.85	\$ 2.05	\$ 1.61	\$ 2.53	\$ 1.99
Dividends declared per common share	0.14	0.13	0.52	0.48	0.44	0.30	0.20
Dividend payout ratio	16.9%	21.7%	18.2%	23.4%	27.3%	11.9%	10.1%
Consolidated Statements of Financial Condition:							
Assets:	\$ 208,452	\$ 93,202	\$ 382,082	\$ 84,215	\$ 104,327	\$ 128,763	\$ 171,365

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Cash and due from banks							
Loans:							
Consumer(1)	11,035,332	9,817,459	10,777,829	9,063,755	7,092,959	4,309,317	1,516,669
Mortgage(2)	224,960	269,368	236,223	282,930	373,455	507,431	598,302
Commercial	108,974	93,339	124,431	97,216	85,312	107,586	66,927
Mortgage-backed securities	2,686,505	2,790,310	2,701,797	2,649,657	2,092,225	2,230,448	1,431,376
Investments and time deposits	481,519	209,714	363,148	128,529	74,957	35,101	33,423
Other assets	302,704	322,513	332,012	445,689	427,380	653,270	744,929
Less: Allowance for credit losses	303,062	281,030	301,602	269,352	178,218	104,006	64,217
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ 14,745,384	\$ 13,314,875	\$ 14,615,920	\$ 12,482,639	\$ 10,072,397	\$ 7,867,910	\$ 4,498,774
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Table of Contents

	At or for the Three Months Ended March 31,		At or for the Year Ended December 31,				
	2004	2003	2003	2002	2001	2000	1999
(Dollars in thousands, except per share amounts)							
Liabilities:							
Deposits	\$ 2,025,539	\$ 2,084,725	\$ 1,972,856	\$ 1,974,984	\$ 2,329,326	\$ 2,478,487	\$ 2,212,309
Notes payable on automobile secured financing	10,248,497	9,411,139	10,254,641	8,494,678	5,886,227	3,473,377	461,104
FHLB advances and other borrowings	581,543	515,265	560,179	618,766	723,675	616,193	498,901
Subordinated debt	393,217	397,406	394,854	400,561	147,714	189,962	199,298
Amounts held on behalf of trustee				177,642	280,496	494,858	687,274
Other liabilities	196,545	162,749	179,471	101,145	85,994	71,221	59,140
Total liabilities	13,445,341	12,571,284	13,362,001	11,767,776	9,453,432	7,324,098	4,118,026
Minority interest in equity of subsidiaries	142,865	105,798	131,434	101,666	78,261	56,644	28,030
Shareholders equity	1,157,178	637,793	1,122,485	613,197	540,704	487,168	352,718
Total liabilities and shareholders equity	\$ 14,745,384	\$ 13,314,875	\$ 14,615,920	\$ 12,482,639	\$ 10,072,397	\$ 7,867,910	\$ 4,498,774
Other Selected Financial Data:							
Average managed automobile contracts	\$ 10,726,048	\$ 9,533,314	\$ 10,051,754	\$ 8,845,635	\$ 7,576,681	\$ 6,076,814	\$ 4,840,363
Return on average managed automobile contracts(3)	1.62%	0.99%	1.23%	0.90%	0.74%	1.23%	1.09%
Average shareholders equity(4)	\$ 1,207,092	\$ 722,009	\$ 858,927	\$ 654,109	\$ 570,298	\$ 450,323	\$ 351,162
Return on average shareholders equity(4)	14.37%	13.05%	14.39%	12.19%	9.77%	16.60%	14.99%
Total equity to assets(5)	9.30%	6.30%	9.04%	6.54%	6.75%	7.10%	8.94%
Book value per share(4)	\$ 23.71	\$ 18.71	\$ 23.00	\$ 18.23	\$ 16.80	\$ 15.72	\$ 14.06
Originations:							
Consumer loans	\$ 1,586,161	\$ 1,353,928	\$ 5,983,492	\$ 5,419,296	\$ 4,869,970	\$ 4,232,115	\$ 3,355,732
Mortgage loans	2,658	4,314	25,622	23,950	23,001	33,124	276,936
Commercial loans	66,879	96,684	407,387	354,439	291,944	266,342	237,316
Total loan originations	\$ 1,655,698	\$ 1,454,926	\$ 6,416,501	\$ 5,797,685	\$ 5,184,915	\$ 4,531,581	\$ 3,869,984
Interest rate spread	5.03%	4.98%	4.95%	5.14%	4.85%	4.37%	3.59%

- (1) Net of unearned discounts.
- (2) Net of undisbursed loan proceeds.
- (3) Net income divided by average automobile contracts managed.
- (4) Excludes accumulated other comprehensive loss.
- (5) Excludes accumulated other comprehensive loss and includes minority interest.

Table of Contents

Selected Historical Financial Data of WFS

The following is WFS selected consolidated financial data for each of the years in the five-year period ended December 31, 2003 and for the three months ended March 31, 2004 and 2003. The information with respect to the years ended December 31, 1999 through December 31, 2003 was derived from information contained in its Annual Report on Form 10-K for the year ended December 31, 2003. The information for the three months ended March 31, 2004 and 2003 was derived from information included in WFS Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2004 and 2003. This summary should be read together with the consolidated financial statements, which are incorporated by reference in this proxy statement/ prospectus, the accompanying notes and management's discussion and analysis of financial condition and results of operations of WFS contained in WFS reports referred to above, as well as the unaudited pro forma financial statements and the accompanying notes described under Unaudited Pro Forma Consolidated Financial Information.