



FORM 8-K

WACHOVIA CORP NEW - WB

Filed: October 03, 2008 (period: October 03, 2008)

Report of unscheduled material events or corporate changes.

Table of Contents

[8-K - FORM 8-K](#)

[Item 7.01. Regulation FD Disclosure.](#)

[Item 8.01. Other Events.](#)

[Item 9.01. Financial Statements and Exhibits.](#)

[SIGNATURES](#)

[Exhibit Index](#)

[EX-99.\(A\) \(THE MERGER NEWS RELEASE\)](#)

[EX-99.\(B\) \(THE PRESENTATION\)](#)

[EX-99.\(C\) \(THE WACHOVIA NEWS RELEASE\)](#)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

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

Date of report (Date of earliest event reported) October 3, 2008

Wachovia Corporation
(Exact Name of Registrant as Specified in Its Charter)

North Carolina
(State or Other Jurisdiction of Incorporation)

1-10000
(Commission File Number)

56-0898180
(IRS Employer Identification No.)

**One Wachovia Center
Charlotte, North Carolina**
(Address of Principal Executive Offices)

28288-0013
(Zip Code)

(704) 374-6565
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01. Regulation FD Disclosure.

On October 3, 2008, Wachovia Corporation (“Wachovia”) and Wells Fargo & Company (“Wells Fargo”) issued a news release (the “Merger News Release”) announcing that they had entered into an Agreement and Plan of Merger (the “Merger Agreement”), providing for, among other things, the merger of Wachovia and Wells Fargo (the “Merger”). The Merger Agreement has been unanimously approved by the boards of directors of Wachovia and Wells Fargo and is subject to customary closing conditions, including the approval of regulators and Wachovia shareholders. A copy of the Merger News Release is attached as Exhibit (99)(a) to this report and is incorporated by reference into this item 7.01.

On October 3, 2008, Wells Fargo hosted a conference call with investors regarding the Merger. A copy of the presentation (the “Presentation”) used by Wells Fargo and Wachovia during the conference call is attached as Exhibit (99)(b) to this report and is incorporated by reference into this item 7.01.

Item 8.01. Other Events.

A copy of the Merger News Release is attached as Exhibit (99)(a) to this report and is incorporated by reference into this item 8.01. On October 3, 2008, Wachovia also separately issued a news release (the “Wachovia News Release”) regarding the proposed Merger. A copy of the Wachovia News Release is attached as Exhibit (99)(c) to this report and is incorporated by reference into this item 8.01.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

(99)(a) The Merger News Release.

(99)(b) The Presentation.

(99)(c) The Wachovia News Release.

* * *

This Current Report on Form 8-K (including information included or incorporated by reference herein) may contain, among other things, certain forward-looking statements, with respect to each of Wachovia, Wells Fargo and the combined company following the Merger, as well as the goals, plans, objectives, intentions, expectations, financial condition, results of operations, future performance and business of Wachovia or Wells Fargo, including, without limitation, (i) statements relating to the benefits of the Merger, and (ii) statements preceded by, followed by or that include the words “may”, “could”, “should”, “would”, “believe”, “anticipate”, “estimate”, “expect”, “intend”, “plan”, “projects”, “outlook” or similar expressions. These statements are

based upon the current beliefs and expectations of Wachovia's and/or Wells Fargo's management and are subject to significant risks and uncertainties that are subject to change based on various factors (many of which are beyond Wachovia's and Wells Fargo's control). Actual results may differ from those set forth in the forward-looking statements.

The following factors, among others, could cause Wachovia's or Wells Fargo's financial performance to differ materially from that expressed in such forward-looking statements: (1) the risk that the businesses of Wachovia and/or Wells Fargo in connection with the Merger will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; (2) the risk that expected revenue synergies and cost savings from the Merger may not be fully realized or realized within the expected time frame; (3) the risk that revenues following the Merger may be lower than expected; (4) deposit attrition, operating costs, customer loss and business disruption following the Merger, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected; (5) the inability to obtain governmental approvals of the Merger on the proposed terms and schedule; (6) the failure of Wachovia's shareholders to approve the Merger; (7) the risk that the strength of the United States economy in general and the strength of the local economies in which Wachovia and/or Wells Fargo conducts operations may be different than expected resulting in, among other things, a deterioration in credit quality or a reduced demand for credit, including the resultant effect on Wachovia's and/or Wells Fargo's loan portfolio and allowance for loan losses; (8) the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System; (9) potential or actual litigation; (10) inflation, interest rate, market and monetary fluctuations; (11) adverse conditions in the stock market, the public debt market and other capital markets (including changes in interest rate conditions) and the impact of such conditions on Wachovia's brokerage and capital markets activities; (12) the timely development of competitive new products and services by Wachovia or Wells Fargo and the acceptance of these products and services by new and existing customers; (13) the willingness of customers to accept third party products marketed by Wachovia or Wells Fargo; (14) the willingness of customers to substitute competitors' products and services for Wachovia's or Wells Fargo's products and services and vice versa; (15) the impact of changes in financial services' laws and regulations (including laws concerning taxes, banking, securities and insurance); (16) technological changes; (17) changes in consumer spending and saving habits; (18) the effect of corporate restructurings, acquisitions and/or dispositions, including, without limitation, the Merger, and the actual restructuring and other expenses related thereto, and the failure to achieve the expected revenue growth and/or expense savings from such corporate restructurings, acquisitions and/or dispositions; (19) the growth and profitability of Wachovia's and/or Wells Fargo's non-interest or fee income being less than expected; (20) unanticipated regulatory or judicial proceedings or rulings; (21) the impact of changes in accounting principles; (22) adverse changes in financial performance and/or condition of Wachovia's and/or Wells Fargo's borrowers which could impact repayment of such borrowers' outstanding loans; (23) the impact on Wachovia and/or Wells Fargo's businesses, as well as on the risks set forth above, of various domestic or international military or terrorist activities or conflicts; and (24) Wachovia's and/or Wells Fargo's success at managing the risks involved in the foregoing.

Wachovia cautions that the foregoing list of factors is not exclusive. All subsequent written and oral forward-looking statements concerning Wachovia, Wells Fargo, the Merger, or other matters and attributable to Wachovia or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. Wachovia does not undertake any obligation to update any forward-looking statement, whether written or oral, relating to the matters discussed in this Current Report on Form 8-K.

The proposed Merger will be submitted to Wachovia's shareholders for their consideration. Wells Fargo will file a registration statement with the SEC, which will include a proxy statement/prospectus, and each of Wachovia and Wells Fargo may file other relevant documents concerning the proposed Merger. Shareholders and other investors are urged to read the registration statement and the proxy statement/prospectus when they become available, as well as any other relevant documents concerning the proposed Merger filed with the SEC (and any amendments or supplements to those documents), because they will contain important information. You will be able to obtain a free copy of the registration statement and the proxy statement/prospectus, as well as other filings containing information about Wachovia and Wells Fargo, at the SEC's website (<http://www.sec.gov>) and at the companies' respective websites, wachovia.com and wellsfargo.com. Copies of the proxy statement/prospectus and the SEC filings that will be incorporated by reference in the proxy statement/prospectus can also be obtained, free of charge, by directing a request to Wachovia Corporation, Investor Relations, One Wachovia Center, Charlotte, NC 28288-0206, (704) 383-0798; or to Wells Fargo & Company, Corporate Secretary, MAC N9305-173, Sixth and Marquette, Minneapolis, Minnesota 55479, (612) 667-0087.

Wachovia and Wells Fargo and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Wachovia in connection with the proposed Merger. Information about the directors and executive officers of Wachovia is set forth in the proxy statement for Wachovia's 2008 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 10, 2008. Information about the directors and executive officers of Wells Fargo is set forth in the proxy statement for Wells Fargo's 2008 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 17, 2008. Additional information regarding the interests of those participants and other persons who may be deemed participants in the Merger may be obtained by reading the proxy statement/prospectus regarding the proposed Merger when it becomes available. You may obtain free copies of these documents as described in the preceding paragraph.

SIGNATURES

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

WACHOVIA CORPORATION

Date: October 3, 2008

By: /s/ Jane C. Sherburne
Name: Jane C. Sherburne
Title: Senior Executive Vice President, General Counsel and Secretary

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
(99)(a)	The Merger News Release.
(99)(b)	The Presentation.
(99)(c)	The Wachovia News Release.

Wachovia Corporation**Media**

Mary Eshet	Christy Phillips-Brown
704-383-7777	704-383-8178

Investors

Alice Lehman	Ellen Taylor
704-374-4139	212-214-1904

Wells Fargo & Company**Media**

Janis Smith	Larry Haeg
415-396-7711	612-667-5266

Investors

Jim Rowe	Bob Strickland
415-396-8216	612-667-7919

WELLS FARGO, WACHOVIA AGREE TO MERGE***CREATING PREMIER COAST-TO-COAST
FINANCIAL SERVICES FRANCHISE******Without government assistance***

SAN FRANCISCO and CHARLOTTE, October 3, 2008 – Wells Fargo & Company (NYSE:WFC) and Wachovia Corporation (NYSE:WB) said today they have signed a definitive agreement for the merger of the two companies including all of Wachovia's banking operations in a whole company transaction requiring no financial assistance from the Federal Deposit Insurance Corporation (FDIC) or any other government agency.

Under the agreement, Wells Fargo will acquire all outstanding shares of common stock of Wachovia in a stock-for-stock transaction. In the transaction, Wells Fargo will acquire all of Wachovia Corporation and all its businesses and obligations, including its preferred equity and indebtedness, and all its banking deposits.

Under terms of the agreement, which has been approved unanimously by the boards of both companies, Wachovia shareholders will receive 0.1991 shares of Wells Fargo common stock in exchange for each share of Wachovia common stock. The transaction, based on Wells Fargo's closing stock price of \$35.16 on October 2, 2008, is valued at \$7.00 per Wachovia common share for a total transaction value of approximately \$15.1 billion. Wachovia has almost 2.2 billion common shares outstanding. The agreement requires the approval of Wachovia shareholders and customary approvals of regulators.

Wells Fargo will record Wachovia's credit-impaired assets at fair value. The acquisition is expected to exceed Wells Fargo's internal rate of return goal and add to Wells Fargo's earnings per share in the first year of operations, excluding integration costs, write downs, transaction charges, and credit reserve build. Wells Fargo expects to incur merger and integration charges of approximately \$10 billion. To maintain its strong capital position, Wells Fargo intends to issue up to \$20 billion of new Wells Fargo securities, primarily common stock.

"We at Wachovia have great admiration and respect for the people and businesses at Wells Fargo and we are extremely pleased to join forces with this outstanding company," said Robert K. Steel, President and CEO of Wachovia Corp. "Today's announcement creates one of the strongest financial firms in the world and is great for all Wachovia constituencies: our shareholders, customers, colleagues and communities. This deal enables us to keep Wachovia intact and preserve the value of an integrated

company, without government support. The market presence and composition of our businesses, along with our service-oriented cultures, are extraordinarily complementary and this combination creates great potential for sustained stability and growth.”

“This agreement represents a compelling value for Wachovia shareholders,” said Wells Fargo Chairman Dick Kovacevich. “It provides superior value compared to the previous offer to acquire only the banking operations of the company and because Wachovia shareholders will have a meaningful opportunity to participate in the growth and success of a combined Wachovia-Wells Fargo that will be one of the world’s great financial services companies. We are combining the industry’s number one ranking customer service culture of Wachovia with the industry’s number one sales and cross selling culture of Wells Fargo. The best in service and the best in sales, an unbeatable combination. Wachovia shareholders also will benefit from holding the stock of a strong financial institution, the U.S. bank with the highest credit ratings and with a long history of increasing dividends on its common stock. Wachovia’s brokerage and asset management businesses, which would have been left behind in the prior proposal, are tightly interwoven with Wachovia’s core banking business – and this agreement avoids the complexity and unavoidable loss of value in trying to separate them, which would have disrupted Wachovia’s team members and customers. We also bring to this merger agreement our 157 years of experience in financial services and the unparalleled convenience we can offer Wachovia customers through one of the most extensive financial services distributions systems in North America. We have the highest regard

for the quality and commitment and caring of Wachovia team members. We believe their demonstrated commitment to outstanding customer service and their highest standards of community leadership are identical to our own values. And, of course, this agreement won't require even a penny from the FDIC."

The combined company will have a strong presence in Charlotte, which will be the headquarters for the combined company's East Coast retail and commercial and corporate banking business. St. Louis will remain the headquarters of Wachovia Securities. In addition, three members of the Wachovia Board will be invited to join the Wells Fargo & Company Board when the transaction is completed.

Kovacevich said "This agreement is an outstanding opportunity for Wachovia common and preferred shareholders and debt holders, team members and customers, for the Charlotte and St. Louis communities and indeed all of the communities that Wachovia serves, and for the U.S. government and our banking system. It makes compelling business and strategic sense and is simply an incredible fit that will result in an immensely strong, stable financial services company that will carry on Wachovia's proud tradition of being one of the very best financial institutions in the world."

"We know this has been a time of great uncertainty for Wachovia team members and many of its customers as their company has gone through a very painful and challenging time of unprecedented change in our industry," said Wells Fargo President

and CEO John Stumpf. “We want to assure them we’ll do everything we can to make the integration of our operations as smooth as possible. An important measure of success for this integration will be our ability to retain as many of the talented Wachovia team members as possible so they can continue to provide outstanding service and financial advice to their customers and continue their careers with Wells Fargo.”

The combined company will be one of North America’s most extensive financial services distribution networks:

6/30/08

	<u>Wells Fargo</u>	<u>Wachovia</u>	<u>Combined</u>
Assets	\$ 609 billion	\$ 812 billion	\$ 1.42 trillion
Deposits	\$ 339 billion	\$ 448 billion	\$ 787 billion
Customers	28 million	20 million	48 million*
Assets under Mgt. (Mutual Funds)	\$ 151 billion	\$ 107 billion	\$ 258 billion
Stores	5,941	4,820	10,761
ATMs	6,950	5,277	12,227
Team Members	160,000	120,000	280,000

* *unadjusted for customer overlap*

Wells Fargo’s Chief Financial Officer Howard Atkins said Wells Fargo used conservative assumptions in evaluating this opportunity. “As always, we only consider acquisitions that add to earnings per share no later than the third year after purchase and earn an internal rate of return of at least 15 percent,” said Atkins. “This acquisition comfortably exceeds all our financial requirements. This is a unique opportunity to expand both our Community Banking and Wholesale Banking presence in current

markets and enter some new markets by acquiring another full service financial services retail banking company with a strong culture of customer service and community involvement very similar to ours.”

Wells Fargo and Wachovia will create the nation’s premier coast-to-coast community banking presence. The combined company will have community banks in 39 states and the District of Columbia. The acquisition will establish a Wells Fargo Community Banking presence for the first time in Alabama, Connecticut, Delaware, Florida, Georgia, Kansas, Maryland, Mississippi, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, Virginia and Washington, D.C. Wells Fargo already has a Community Banking presence in Alaska, Arizona, Arkansas (pending), California, Colorado, Idaho, Illinois, Indiana, Iowa, Michigan, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Ohio, Oregon, South Dakota, Texas, Utah, Washington, Wisconsin, and Wyoming.

The combined company will be #1 in deposit market share* in 17 of its 39 Community Banking states: Alaska, Arizona, California, Colorado, Florida, Georgia, Idaho, Minnesota, Iowa, Montana, Nebraska, New Jersey, New Mexico, North Carolina, South Dakota, Texas, and Virginia. Ninety-three percent of its deposits will be in states in which it ranks #1, 2 or 3 and the combined company will rank #1 in ten of the nation’s 20 largest Metropolitan Statistical Areas (MSAs) in deposit market share.¹

¹ *Excludes deposits greater than \$500 million in a single banking store*

Wells Fargo also is the nation's:

- #1 small business lender,
- #1 agricultural lender,
- #1 commercial real estate broker,
- #2 largest mortgage originator,
- #2 largest mortgage servicer,
- #2 largest debit card issuer,
- #1 financial services provider to middle market businesses in the western U.S. and a national presence in commercial banking (29 states),
- largest bank-owned U.S. insurance brokerage

In connection with the agreement, Wachovia and Wells Fargo entered into a share exchange agreement under which Wachovia is issuing Wells Fargo preferred stock that votes as a single class with Wachovia's common stock representing 39.9 percent of Wachovia's voting power.

Wells Fargo was advised on the transaction by Wachtell, Lipton, Rosen & Katz and JPMorgan Securities, Inc. was the exclusive financial advisor to Wells Fargo. Wachovia was advised on the transaction by Sullivan & Cromwell LLP, Goldman Sachs & Co. and Perella Weinberg Partners.

Wells Fargo & Company is a diversified financial services company with \$609 billion in assets, providing banking, insurance, investments, mortgage and consumer finance through almost 6,000 stores and the internet (wellsfargo.com) across North America and elsewhere internationally. Wells Fargo Bank, N.A. is the only bank in the U.S., and one of only two banks worldwide, to have the highest possible credit rating from both

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements about Wells Fargo and Wachovia and the proposed transaction between the companies. There are several factors – many beyond Wells Fargo's control – that could cause actual results to differ significantly from expectations described in the forward-looking statements. Among these factors are the receipt of necessary regulatory approvals and the approval of Wachovia shareholders. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them to reflect changes that occur after that date.

For a discussion of factors that may cause actual results to differ from expectations, refer to each company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008, and Annual Report on Form 10-K for the year ended December 31, 2007, including information incorporated into each company's 10-K from their respective 2007 annual reports, filed with the Securities and Exchange Commission (SEC) and available on the SEC's website at www.sec.gov.

MORE INFORMATION ABOUT THE MERGER AND WHERE TO FIND IT

The proposed merger will be submitted to Wachovia Corporation shareholders for their consideration. Wells Fargo will file with the Securities and Exchange Commission ("SEC") a registration statement on Form S-4 that will include a proxy statement of Wachovia Corporation that also constitutes a prospectus of Wells Fargo. Wachovia Corporation will mail the proxy statement-prospectus to its shareholders. Wachovia shareholders and other investors are urged to read the final proxy statement-prospectus when it becomes available because it will describe the proposed merger and contain other important information. You may obtain copies of all documents filed with the SEC regarding the proposed merger, free of charge, at the SEC's website (www.sec.gov). You may also obtain free copies of these documents by contacting Wells Fargo or Wachovia, as follows:

Wells Fargo & Company, Attention Corporate Secretary, MAC N9305-173, Sixth and Marquette, Minneapolis, Minnesota 55479, (612) 667-0087.

Wachovia Corporation, Investor Relations, One Wachovia Center, 301 South College Street, Charlotte, North Carolina 28288, (704) 374-6782

Wells Fargo and Wachovia and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from Wachovia Corporation shareholders in connection with the proposed merger. Information about Wells Fargo's directors and executive officers and their ownership of Wells Fargo common stock is contained in the definitive proxy statement for Wells Fargo's 2008 annual meeting of

stockholders, as filed by Wells Fargo with the SEC on Schedule 14A on March 17, 2008. Information about Wachovia's directors and executive officers and their ownership of Wachovia common stock is contained in the definitive proxy statement for Wachovia's 2008 annual meeting of shareholders, as filed by Wachovia with the SEC on Schedule 14A on March 10, 2008. You may obtain a free copy of these documents by contacting Wells Fargo or Wachovia at the contact information provided above. The proxy statement-prospectus for the proposed merger will provide more information about participants in the solicitation of proxies from Wachovia Corporation shareholders.

CONFERENCE CALL UPDATE

Wells Fargo will host a conference call Friday, October 3, 2008, at 6:30 a.m. (Pacific Time) to review the acquisition. Investors can call 877-425-9480 (domestic) and (210) 689-8848 (international) with the access code 299254, or listen via live audio webcast. The live audio webcast and presentation visuals will be available on http://www.wellsfargo.com/invest_relations/presents. A replay of the conference call will be available through October 10, 2008 at (877) 660-6853 (domestic) and (201) 612-7415 (international). Enter account 286 and Conference ID 299254. The replay also will be available online.

- 9 -



Wells Fargo + Wachovia
A Combined Premier Financial Services Company
A Superior Deal for Shareholders

October 3, 2008

Forward-Looking Statements



This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about expected cost savings and other benefits of the merger between Wells Fargo and Wachovia, expected integration costs of the merger, and the combined company's plans, objectives, expectations and intentions for the future. You should not unduly rely on forward-looking statements. They are based on the current beliefs and expectations of Wells Fargo's management and are subject to significant risks and uncertainties. The forward-looking statements speak only as of the date of this presentation, and Wells Fargo does not undertake to update such statements to reflect changes that occur after that date.

There are a number of factors that could cause actual results to differ from those set forth in the forward-looking statements. These factors include, but are not limited to: the risk that the credit crisis will continue longer or be more severe than expected; the risk that Wells Fargo will incur more credit losses from Wachovia's loan portfolio than expected; the inability to obtain required approvals of the merger from regulatory authorities on the proposed terms and schedule; the risk that the businesses will not be integrated successfully; the risk that cost savings and other expected benefits of the merger may not be fully realized or may take longer to realize than expected; the risk that deposit attrition will be greater than expected; the risk that disruption from the merger may make it more difficult to maintain business and operational relationships; the risk of new and changing governmental regulation; and the exposure of Wells Fargo to additional litigation as a result of the merger. Additional factors are described in Wells Fargo's Annual Report on Form 10-K for the year ended December 31, 2007, as updated by Wells Fargo's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008. Such reports are available on the website of the Securities and Exchange Commission (www.sec.gov).

INFORMATION ABOUT THE MERGER

The proposed merger will be submitted to Wachovia Corporation shareholders for their consideration. Wells Fargo will file with the Securities and Exchange Commission ("SEC") a registration statement on Form S-4 that will include a proxy statement of Wachovia Corporation that also constitutes a prospectus of Wells Fargo. Wachovia Corporation will mail the proxy statement-prospectus to its shareholders. Wachovia shareholders and other investors are urged to read the final proxy statement-prospectus when it becomes available because it will describe the proposed merger and contain other important information. You may obtain copies of all documents filed with the SEC regarding the proposed merger, free of charge, at the SEC's website (www.sec.gov). Wells Fargo and Wachovia and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from Wachovia Corporation shareholders in connection with the proposed merger. Information about each company's directors and executive officers and their ownership of the company's common stock is contained in the definitive proxy statement filed for each company with respect to their respective 2008 annual meeting.

Transaction Overview



Terms

- Fixed exchange ratio
 - 0.1991 Wells Fargo shares for each Wachovia share
 - \$7.00 per Wachovia share¹
 - Total consideration of \$15.1 billion¹

Structure

- Whole company transaction: nothing left behind
- No FDIC assistance







Capital raise

- Wells Fargo anticipates raising capital of up to \$20 billion

¹ Based on Wells Fargo's closing price on October 2, 2008 of \$35.16

Transaction Overview



- **Revenue and credit assumptions:**  Includes conservative deposit run-off and credit assumptions
- **Synergies:**  \$5 billion annual expense reduction
- **Merger costs:**  \$10 billion
- **Targeted close:**  Fourth quarter 2008
- **Due diligence:**  Completed
- **Remaining approvals:** 
 - Regulatory approvals
 - Wachovia shareholders

The New Wells Fargo



U.S. Banking Stores

Rank	Institution	Stores (#)
1	Pro forma Wells Fargo	6,675
2	Bank of America	6,138
3	JPMorgan Chase	5,410
-	Wachovia	3,348
-	Wells Fargo	3,327
4	U.S. Bancorp	2,649

U.S. Deposits (\$ billions)

Rank	Institution	Deposits
1	Pro forma Wells Fargo	\$713
2	Bank of America	697
3	JPMorgan Chase	670
-	Wachovia	420
-	Wells Fargo	294
4	Citi	261

Company Data (\$ millions)

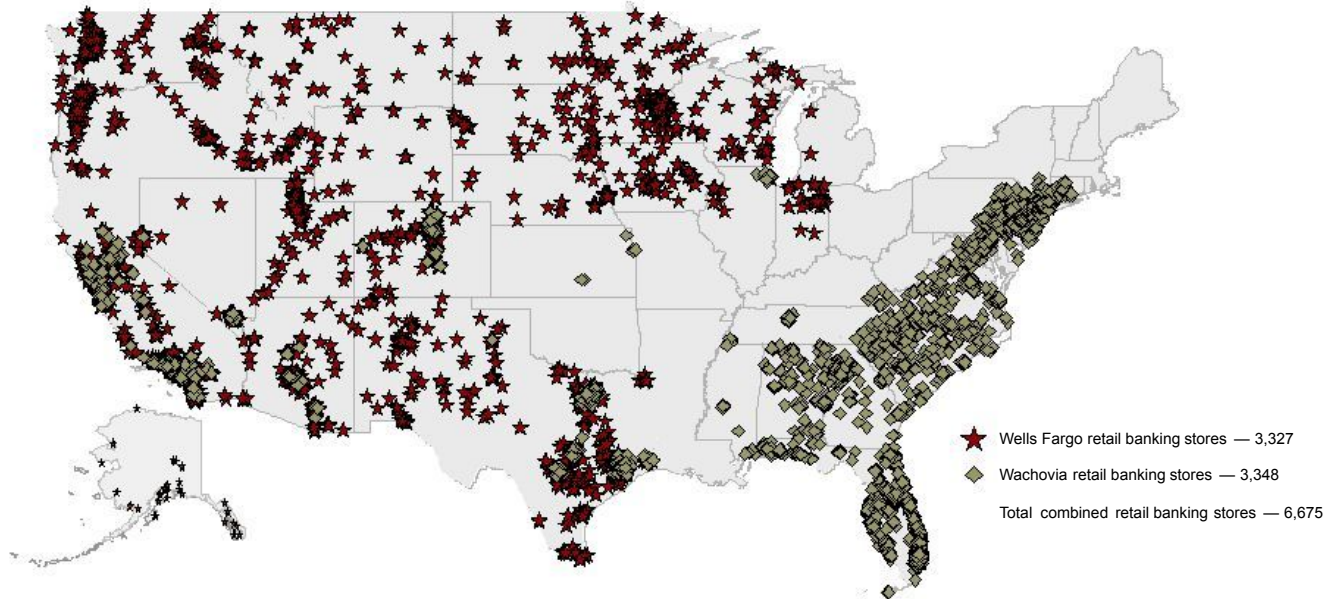
		
Assets	\$609,074	\$812,433
Total Net Loans	417,776	485,884
Deposits	339,124	447,790
Core deposits	310,410	400,387
Mutual fund AUM	151,306	107,100

Source: SNL Financial and Company data

Note: Financial data as of June 30, 2008. Banking store data as of September 18, 2008. Deposit and store data include all pending bank acquisitions, and exclude Bank of America's acquisition of Merrill Lynch. Total Net Loans include Held for Sale

Unparalleled Market Position

Largest, Most Extensive Banking Store Network Across the U.S.

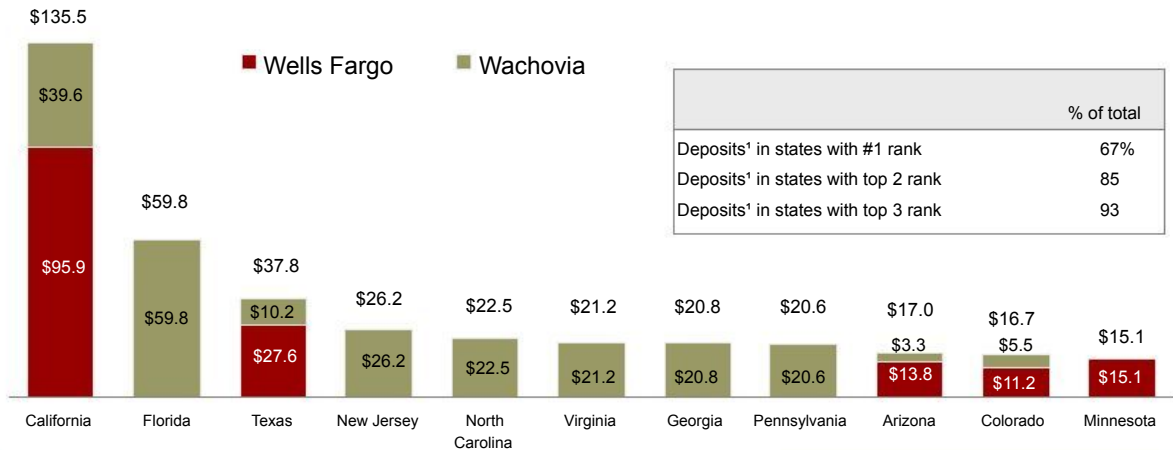


Source: SNL Financial
Note: Data as of September 18, 2008

Leading Market Share from Coast to Coast



Adjusted deposits in key states - \$ in billions



	% of total
Deposits ¹ in states with #1 rank	67%
Deposits ¹ in states with top 2 rank	85
Deposits ¹ in states with top 3 rank	93

Rank	1	1	1	1	1	1	3	1	1	1	
Market share	21.8%	18.7%	13.0%	20.0%	19.3%	19.7%	15.1%	9.8%	24.6%	23.2%	19.7%
Pop growth (000)²	2,530	2,418	2,372	331	805	614	1,129	267	1,079	417	325
Pop growth (%)²	6.8%	12.8%	9.9%	3.7%	8.9%	7.8%	11.7%	2.1%	17.0%	8.5%	6.1%

Source: SNL Financial

Note: Deposit data as of June 30, 2007, pro forma for acquisitions; excludes deposits greater than \$500mm in a single banking store

¹ Unadjusted deposits (includes deposits greater than \$500mm in-a single-banking-store)

² 2007-2012

Strong Retail Distribution and Customer Base



Powerful Retail Distribution

					Combined
Banking stores (#)	3,327		3,348		6,675
Total stores (#)	5,941	+	4,820	→	10,761
ATMs (#)	6,950		5,277		12,227

Significant Customer Base

					Combined
Total retail households (mm)	11.2		15.0		26.2¹
Active online customers (mm)	10.6	+	5.1	→	15.7¹
States in footprint (#)	24		21		39²



Source: Company filings

¹ Not adjusted for customers in common

² Six overlapping

Significant Competitive Advantages



		
Presence in growth markets	50% of U.S. population growth in footprint	80% of U.S. population growth in footprint
Penetration of affluent entrepreneurs	#1 small business lender	Top 10 wealth manager
Consumer Banking	Competitive advantage in cross-sell	Most #1 rankings in customer satisfaction among U.S. Banks
Middle Market Commercial	Leading relationship bank in the West	#1 in Southeast
Insurance	Largest Bank-owned Insurance Brokerage	Nation's largest distributor of annuities
Trade Finance / Global Payments	Deep relationships with U.S. exporters and leading position in global remittance	World-class international correspondent banking network
Treasury Services	#1 cash management provider in market	Leading cash management provider on East coast
Mutual Funds	\$151.3 billion in AUM	\$107.1 billion in AUM

Source: Company filings, SNL Financial

Pro Forma Financial Review



Balance sheet adjustments



\$ billions

	6/30/2008 Balance	Estimated Lifetime Losses & Market Value Adjustments ¹
Commercial	\$123	(\$9)
Total CRE	46	(12)
Foreign / Leasing	60	(3)
Total Commercial	\$228	(\$24)
Pick-A-Pay	\$122	(\$32)
Home Equity	60	(7)
Other Consumer	88	(3)
Total Consumer	\$270	(\$42)
Total Loans	\$498²	(\$65)
Other Marks		(\$8)
Total		(\$74)

¹ To be included in purchase accounting or post acquisition financial results over time

² Balances as of June 30th, 2008, before unearned income (\$10 billion)

Capital



\$ billions		
	6/30/2008 Wells Fargo	Estimated 12/31/08 pro forma Wells Fargo
<u>Assets (regulatory)</u>		
Total assets	\$609	\$1,371
Tangible assets	595	1,342
Risk-weighted assets	516	1,094
Average assets for leverage ratio	577	1,342
<u>Capital (regulatory)</u>		
Tangible common equity	\$33	\$50
Tier 1 capital	44	82
Total capital	60	121
<u>Capital ratios</u>		
TCE/TA (regulatory)	5.6%	3.7%
Leverage	7.4	6.1
Tier 1 capital	8.2	7.5
Total capital	11.2	11.1

Note: Reflects \$20 billion capital raise. 24-month extension of deferred tax asset exclusion limits pending final regulatory approval

P&L Impact



Cost Savings

- Approximately \$5 billion annually, or approximately 10% of combined 2008 non-interest expense
- Majority of cost synergies achievable by end of 2010
- Disciplined approach to banking store integration

Merger Costs

- Estimated transaction-related costs of approximately \$10 billion

EPS Impact

- Expect majority of credit costs related to legacy portfolio to be incurred in the next two years, and the transaction to add meaningfully to EPS thereafter

Conclusion

The Wells Fargo logo, consisting of the words "WELLS" and "FARGO" stacked vertically in a white, sans-serif font on a red square background.

Combination with Wachovia creates the premier Coast-to-Coast financial services franchise

Strategic Fit

- Greatly enhances retail banking platform in attractive markets
 - Combined deposits of \$787 billion (\$713 billion U.S. deposits) and 6,675 banking stores
 - Increases market share in existing fast-growing markets
 - #1 in 9 of top 10 key states
 - Expands footprint into attractive new markets – Miami to New York City
- Successful, experienced acquiror: 280 transactions over past 20 years, including Wells Fargo / Norwest merger
- Increases scale of wholesale banking platform
- Extends product capabilities

Appendix



#1 Rank in 10 of Top 20 MSAs

Concentration in fast-growing MSAs



Top 20 MSAs in the United States Ranked by Deposit Size (\$bn)

	Deposits 2007 (\$bn)	Deposit growth 2002-2007 CAGR (%)	Pro forma Wells Fargo		
			Presence	Rank #	Market share (%)
1 New York	\$462	5.1%	✓	5	6.1%
2 Los Angeles	258	6.9	✓	1	16.8
3 Chicago	193	5.2	✓	8	0.7
4 Miami	122	7.3	✓	1	19.1
5 Philadelphia	108	5.4	✓	1	15.1
6 San Francisco	107	4.7	✓	1	28.3
7 Boston	92	2.3		NM	0.0
8 Washington	90	6.4	✓	2	12.7
9 Dallas	77	8.1	✓	3	12.3
10 Atlanta	75	9.4	✓	1	20.6
11 Houston	73	7.6	✓	2	16.5
12 Detroit	64	3.4		NM	0.0
13 Seattle	51	7.2	✓	4	8.6
14 Phoenix	46	10.1	✓	1	24.5
15 St Louis	46	3.9		NM	0.0
16 San Diego	45	7.1	✓	1	22.8
17 San Jose	45	5.2	✓	1	30.0
18 Pittsburgh	45	3.5		NM	0.0
19 Minneapolis	43	5.3	✓	1	24.3
20 Tampa	40	6.1	✓	1	20.3

Source: SNL Financial

Note: Deposit data as of June 30, 2007, pro forma for acquisitions; excludes deposits greater than \$500mm in a single store

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Press Release Friday, Oct. 3, 2008

WACHOVIA STATEMENT: WACHOVIA'S BOARD APPROVES WELLS FARGO MERGER PROPOSAL

CHARLOTTE, N.C. – Wells Fargo last night presented Wachovia with a signed and Board-approved offer to purchase Wachovia Corporation as an intact company and without government assistance in a stock-for-stock merger transaction. Under the Wells Fargo proposal, each share of Wachovia common stock will be exchanged for 0.1991 shares of Wells Fargo common stock, representing a value of \$7 per share, based on Wells Fargo's closing stock price on Oct. 2, 2008.

Prior to receiving this proposal, Wachovia had been negotiating with Citigroup to complete a transaction supervised by the FDIC that included assistance from the government. Wachovia's Board approved Wells Fargo's offer last night.

"We at Wachovia have great admiration and respect for the people and businesses at Wells Fargo and we are extremely pleased to join forces with this outstanding company," said Robert K. Steel, President and CEO of Wachovia Corp. "Today's announcement creates one of the strongest financial firms in the world and is great for all Wachovia constituencies: our shareholders, customers, colleagues and communities. This deal enables us to keep Wachovia intact and preserve the value of an integrated company, without government support. The market presence and composition of our businesses, along with our service-oriented cultures, are extraordinarily complementary and this combination creates great potential for sustained stability and growth."

Wells Fargo and Wachovia will have the largest deposit base in the country, creating a coast-to-coast banking franchise for consumers. In addition, Wachovia will combine with the only AAA-rated financial institution in the United States. Additional details on the transaction are included in the press release issued by Wells Fargo.

About Wachovia

Wachovia Corporation (NYSE:WB) is one of the nation's largest diversified financial services companies, with assets of \$812.4 billion and market capitalization of \$33.5 billion at June 30, 2008. Wachovia provides a broad range of retail banking and brokerage, asset and wealth management, and corporate and investment banking products and services to customers through 3,300 retail financial centers in 21 states from Connecticut to Florida and west to Texas and California, and nationwide retail brokerage, mortgage lending and auto finance businesses. Globally, clients are served

in selected corporate and institutional sectors and through more than 40 international offices. Our retail brokerage operations under the Wachovia Securities brand name manage more than \$1.1 trillion in client assets through 14,600 financial advisors in 1,500 offices nationwide. Online banking is available at wachovia.com; online brokerage products and services at wachoviasec.com; and investment products and services at evergreeninvestments.com.

Additional Information About the Proposed Merger

The proposed Merger will be submitted to Wachovia's shareholders for their consideration. Wells Fargo will file a registration statement with the SEC, which will include a proxy statement/prospectus, and each of Wachovia and Wells Fargo may file other relevant documents concerning the proposed Merger. Shareholders and other investors are urged to read the registration statement and the proxy statement/prospectus when they become available, as well as any other relevant documents concerning the proposed Merger filed with the SEC (and any amendments or supplements to those documents), because they will contain important information. You will be able to obtain a free copy of the registration statement and the proxy statement/prospectus, as well as other filings containing information about Wachovia and Wells Fargo, at the SEC's website (<http://www.sec.gov>) and at the companies' respective websites, wachovia.com and wellsfargo.com. Copies of the proxy statement/prospectus and the SEC filings that will be incorporated by reference in the proxy statement/prospectus can also be obtained, free of charge, by directing a request to Wachovia Corporation, Investor Relations, One Wachovia Center, Charlotte, NC 28288-0206, (704) 383-0798; or to Wells Fargo & Company, Corporate Secretary, MAC N9305-173, Sixth and Marquette, Minneapolis, Minnesota 55479, (612) 667-0087.

Wachovia and Wells Fargo and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Wachovia in connection with the proposed Merger. Information about the directors and executive officers of Wachovia is set forth in the proxy statement for Wachovia's 2008 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 10, 2008. Information about the directors and executive officers of Wells Fargo is set forth in the proxy statement for Wells Fargo's 2008 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 17, 2008. Additional information regarding the interests of those participants and other persons who may be deemed participants in the Merger may be obtained by reading the proxy statement/prospectus regarding the proposed Merger when it becomes available. You may obtain free copies of these documents as described in the preceding paragraph.

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