



FORM 8-K

WACHOVIA CORP NEW - WB

Filed: September 09, 2008 (period: September 08, 2008)

Report of unscheduled material events or corporate changes.

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**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) September 8, 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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On September 8, 2008, Wachovia Corporation (“Wachovia”) issued a news release (the “News Release”) announcing that Wachovia’s Board of Directors appointed David K. Zwiener as Wachovia’s Senior Executive Vice President and Chief Financial Officer. As Chief Financial Officer, Mr. Zwiener succeeds Thomas J. Wurtz, who is leaving Wachovia. It is expected that Mr. Zwiener will begin employment with Wachovia no later than October 1, 2008.

Mr. Zwiener, 54, served as Managing Director for The Carlyle Group, focused on private equity opportunities in the global financial services sector since September 2007. Prior to this role, he worked at The Hartford Financial Services Group, Inc., where he served as President and Chief Operating Officer of property and casualty operations and as Executive Vice President and Chief Financial Officer. He worked at Hartford from 1995 through 2007 and also served as a member of the company’s board of directors. Prior to joining The Hartford Financial Services Group, Inc., Zwiener served for two years as Chief Financial Officer and Executive Vice President of ITT Financial Corporation, where he was responsible for all finance and systems operations, and he played a key role in the sale of ITT Financial. Prior to that Mr. Zwiener served a number of roles in the financial services industry, including Heller International Corp., Kimberly Clark, Mellon Bank and Ford Motor Corporation. He received his M.B.A. in finance and marketing from Northwestern University and his bachelor’s degree from Duke University.

A copy of the News Release is attached hereto as Exhibit (99)(a) and incorporated into this Item 5.02 by reference.

On September 8, 2008, Wachovia entered into an agreement with Mr. Zwiener that governs the terms of his employment with Wachovia (the “Agreement”). Except as provided below, the terms of the Agreement are substantially the same as those for other Wachovia executive officers, which are described in Wachovia’s 2008 proxy statement. The Agreement generally provides for payments to Mr. Zwiener following a termination of employment with Wachovia by Mr. Zwiener for “good reason” or a termination of employment by Wachovia without “cause”. The Agreement also provides that Wachovia will pay Mr. Zwiener a gross-up payment equal to the amount of excise taxes (plus the applicable federal and state income, FICA and excise taxes due on such gross-up payment) payable by Mr. Zwiener if employment is terminated in conjunction with a “change in control” of Wachovia and such taxes become payable, as a result of payments under the Agreement or otherwise, and are deemed to be “excess parachute payments” for federal tax purposes. In addition, the Agreement contains restrictive covenants for Wachovia’s benefit following such terminations of employment. The Agreement prohibits Mr. Zwiener from competing with Wachovia following employment termination in certain circumstances; from soliciting Wachovia employees and customers; and from divulging confidential information obtained while employed with Wachovia.

The financial terms of the Agreement include (1) an annual salary of \$500,000; (2) a target annual cash incentive of \$3,750,000; and (3) a target annual stock award incentive with an economic value of \$3,750,000. For fiscal year 2008, payable in February 2009, Mr. Zwiener will receive a guaranteed minimum annual cash incentive award of \$937,500.

Mr. Zwiener was entitled to a number of benefits with his former employer that he forfeited, including partnership equity and carried interest opportunity, in order to become employed by Wachovia. In order to replace those forfeited benefits, Wachovia agreed: (1) to pay Mr. Zwiener an upfront cash bonus of \$4,000,000 for one-time transition expenses and the expected value of any cash incentive from Mr. Zwiener's current employer for 2008 that he will forfeit; (2) to grant Mr. Zwiener 1,000,000 Wachovia stock options, which shall vest in three equal annual installments, at a price per share equal to fair market value on the date of grant, and have a ten-year term; and (3) to grant Mr. Zwiener 800,000 shares of Wachovia performance restricted stock awards ("RSAs"). One-fourth of these performance RSAs will vest only if Wachovia's share price is at least \$20 over a 15-day trading period on the NYSE; one-fourth will vest only if Wachovia's share price is \$25 over such a period; one-fourth will vest only if Wachovia's share price is \$30 over such a period; and one-fourth will vest only if Wachovia's share price is \$35 over such a period. For each performance RSA, the relevant performance goals must be achieved within six years in order for vesting to occur. All performance RSAs also have a separate three-year employment requirement.

The Agreement is attached hereto as Exhibit (10) and incorporated into this Item 5.02 by reference. The foregoing summary description of the Agreement is qualified in its entirety by reference to the Agreement.

Item 7.01. Regulation FD Disclosure.

On September 9, 2008, Robert K. Steel, Wachovia's Chief Executive Officer and President, made a presentation to analysts and investors. Attached hereto as Exhibit (99)(b) and incorporated into this Item 7.01 by reference are materials Mr. Steel used in his presentation (the "Presentation Materials"). The Presentation Materials are being furnished pursuant to Item 7.01, and the information contained therein shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall it be incorporated by reference in any filing under the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits.

- (c) Exhibits.
- (10) Agreement, dated September 8, 2008, between Wachovia and David K. Zwiener.
- (99)(a) News Release.
- (99)(b) Presentation Materials (solely furnished and not filed for purposes of Item 7.01).

* * *

This Current Report on Form 8-K (including information included or incorporated by reference herein) may contain, among other things, certain forward-looking statements, including, without limitation, (i) statements regarding certain of Wachovia's goals and expectations with respect to earnings, earnings per share, revenue, expenses and the growth rate in such items, as well as other measures of economic performance, including statements relating to estimates of Wachovia's credit quality trends, (ii) statements relating to the benefits of the merger between A.G. Edwards, Inc. ("A.G. Edwards") and Wachovia completed on October 1, 2007 (the "A.G. Edwards Merger"), including future financial and operating results, cost savings, enhanced revenues and the accretion/dilution to reported earnings that may be realized from the A.G. Edwards Merger, and (iii) statements preceded by, followed by or that include the words "may", "could", "should", "would", "believe", "anticipate", "estimate", "expect", "intend", "plan", "projects", "outlook" or similar expressions. These statements are based upon the current beliefs and expectations of Wachovia's management and are subject to significant risks and uncertainties that are subject to change based on various factors (many of which are beyond Wachovia's control). Actual results may differ from those set forth in the forward-looking statements.

The following factors, among others, could cause Wachovia's financial performance to differ materially from that expressed in such forward-looking statements: (1) the risk that the businesses in connection with the A.G. Edwards Merger will not be integrated successfully or such integrations may be more difficult, time-consuming or costly than expected; (2) the risk that expected revenue synergies and cost savings from the A.G. Edwards Merger may not be fully realized or realized within the expected time frame; (3) the risk that revenues following the A.G. Edwards Merger may be lower than expected; (4) deposit attrition, operating costs, customer loss and business disruption following the A.G. Edwards Merger, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected; (5) the risk that the strength of the United States economy in general and the strength of the local economies in which Wachovia 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 loan portfolio and allowance for loan losses; (6) 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; (7) potential or actual litigation; (8) inflation, interest rate, market and monetary fluctuations; (9) 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; (10) the timely development of competitive new products and services by Wachovia and the acceptance of these products and services by new and existing customers; (11) the willingness of customers to accept third party products marketed by Wachovia; (12) the willingness of customers to substitute competitors' products and services for Wachovia's products and services and vice versa; (13) the impact of changes in financial services' laws and regulations (including laws concerning taxes, banking, securities and insurance); (14) technological changes; (15) changes in consumer spending and saving habits; (16) the effect of corporate restructurings, acquisitions and/or dispositions, including, without limitation, the A.G. Edwards 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; (17) the growth and profitability of Wachovia's non-interest or fee income being less than expected; (18) unanticipated regulatory or judicial proceedings or rulings; (19) the impact of changes in accounting principles; (20) adverse changes in financial performance and/or condition of Wachovia's borrowers which could impact repayment of such borrowers' outstanding loans; (21) the impact on Wachovia's businesses, as well as on the risks set forth above, of various domestic or international military or terrorist activities or conflicts; and (22) Wachovia'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, the A.G. Edwards 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.

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: September 9, 2008

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

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
(10)	Agreement, dated September 8, 2008, between Wachovia and David K. Zwiener.
(99)(a)	News Release.
(99)(b)	Presentation Materials (solely furnished and not filed for purposes of Item 7.01).

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT, made and entered into as of the 8th day of September, 2008, by and between WACHOVIA CORPORATION (the "Company"), a North Carolina corporation, and DAVID K. ZWIENER (the "Executive");

WHEREAS, the Management Resources & Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its stockholders to assure that the Company employ the Executive and have the continued service of the Executive. The Committee believes it is imperative to encourage the Executive's full attention and dedication to the Company, and to provide the Executive with compensation and benefits arrangements upon a termination of employment with the Company which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations.

NOW, THEREFORE, in order to accomplish the objectives set forth above and in consideration of the mutual covenants herein contained, the parties hereby agree as follows:

1. Employment Period. (a) The "Effective Date" shall mean the first day that the Executive commences performing his duties for the Company. It is expected that the Effective Date will be October 1, 2008 but such date may be altered by agreement between the Company and the Executive; provided that in the event that the Executive is unable to commence performing his duties by November 1, 2008, then this Agreement shall be void and of no effect.

(b) The Company hereby agrees to employ the Executive and to continue the Executive in its employ, and the Executive hereby agrees to be employed by and to remain in the employ of the Company upon the terms and conditions set forth in this Agreement, for the period commencing on the Effective Date and ending on the third anniversary thereof (the "Employment Period"); provided, however, that commencing on the third anniversary, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Employment Period shall be automatically extended so as to terminate one year from such Renewal Date, unless at least 90 days prior to the Renewal Date the Company or the Executive, respectively, shall give notice to the Executive or the Company, respectively, that the Employment Period shall not be so extended. Notwithstanding the foregoing, in the event a "Change in Control" (as defined herein) occurs, the Employment Period, unless previously terminated, shall be extended immediately prior to the Change in Control so that the Employment Period shall terminate no earlier than three years from such Change in Control.

2. Terms of Employment. (a) Positions and Duties. (i) During the Employment Period, the Company agrees to employ the Executive, and the Executive agrees to serve as an employee of the Company and as an employee of one or more of its subsidiaries. The Executive shall perform such duties and responsibilities, in such capacity and with such authority, for the Company (or one or more of its subsidiaries) as the Company may designate from time to time.

Such duties shall be of a type for which the Executive is suited by background, experience and training, in the Company's reasonable discretion.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote his full professional attention and time during normal business hours to the business and affairs of the Company and to perform the responsibilities assigned to the Executive hereunder. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions, and (C) manage personal investments, so long as such activities do not interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement and are consistent with the Company's policies. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation. (i) Salary and Bonus. For all services rendered by the Executive in any capacity under this Agreement, the Company shall pay the Executive during the Employment Period as compensation (i) an annual salary in an amount not less than the amount of the Executive's annual salary as of the Effective Date (as set forth in *Appendix A*, the "Annual Base Salary") and (ii) such annual cash incentive bonus, if any, as may be awarded to him by the Board or by a Committee designated by the Board (the "Annual Bonus"). Such salary shall be payable in accordance with the Company's customary payroll practices, and any such bonus shall be payable in cash in accordance with the Company's incentive bonus plans from which the Annual Bonus is awarded. During the Employment Period prior to the Date of Termination, the Annual Base Salary shall be reviewed in accordance with the Company's policies and procedures applicable to the Executive and may be increased from time to time consistent with such procedures. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. In the event the Executive's actual Annual Base Salary is increased above the then current Annual Base Salary during the Employment Period, such increased Annual Base Salary shall constitute "Annual Base Salary" for purposes of this Agreement, and may not thereafter be reduced except with the written consent of the Executive.

(ii) Employee Benefits. During the Employment Period prior to the Date of Termination, the Executive and/or the Executive's family, as the case may be, shall be eligible to participate in employee benefit plans generally available to other peer executives of the Company or its subsidiaries, including without limitation, savings plans, retirement plans, welfare benefit plans (including, without limitation, medical, dental, disability and life, but excluding severance plans) and similar plans, practices, policies and programs. In addition, during the Employment Period, the Executive shall be eligible to participate in the Company's stock-based incentive compensation plans then available to other peer executives of the

Company with awards thereunder determined by the Board or by a Committee designated by the Board, in its sole discretion, except as provided in this Agreement.

(iii) Expenses. During the Employment Period prior to the Date of Termination, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the policies, practices and procedures of the Company and its affiliated companies in effect for the Executive at the time the expense is incurred.

(iv) Fringe Benefits. During the Employment Period prior to the Date of Termination, the Executive shall be entitled to fringe benefits and perquisite plans or programs of the Company and its affiliated companies generally available to executives who are peers of the Executive; provided that the Company reserves the right to modify, change or terminate such fringe benefits and perquisite plans or programs from time to time, in its sole discretion.

(v) Indemnification/D&O Insurance. During the Employment Period for acts prior to the Date of Termination, the Executive shall be entitled to indemnification with respect to the performance of his duties hereunder, and directors' and officers' liability insurance, on the same terms and conditions as generally available to other peer executives of the Company and its affiliated companies.

(vi) Sign-On Arrangements. In order to induce the Executive to accept employment with the Company and to replace certain compensation which he will forfeit as a consequence, the Company will make certain payments and grant stock awards to the Executive as set forth in *Appendix A*.

3. Termination of Employment. (a) Retirement, Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death or Retirement (as defined herein) during the Employment Period. For purposes of this Agreement, "Retirement" shall mean either (i) voluntary termination by the Executive of the Executive's employment upon satisfaction of the requirements for early retirement under the Company's tax-qualified defined benefit pension plan or (ii) voluntary termination by the Executive of the Executive's employment upon satisfaction of the requirements for normal retirement under the terms of the Company's tax-qualified pension plan. If the Company determines in good faith that Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Executive written notice in accordance with this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean termination of the Executive's employment upon satisfaction of the requirements to receive benefits under the Company's long-term disability plan.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the continued and willful failure of the Executive to perform substantially the Executive's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Executive by the Company which specifically identifies the manner in which the Company believes that the Executive has not substantially performed the Executive's duties and a reasonable time for such substantial performance has elapsed since delivery of such demand, or

(ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially injurious to the Company.

For purposes of this provision, no act or failure to act, on the part of the Executive, shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chairman of the Board or a senior executive officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. Following a Change in Control (as defined herein), the Company's termination of the Executive's employment shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-fourths of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before such Board), finding that, in the good faith opinion of such Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(c) Good Reason. The Executive's employment may be terminated by the Executive for Good Reason. For purposes of this Agreement, "Good Reason" shall mean, in the absence of a written consent of the Executive which expressly refers to a provision of this Section 3(c):

(i) prior to a Change in Control, the substantial diminution in the overall importance of the Executive's role, as determined by a reduction in the Executive's targeted Annual Bonus opportunity (but not a reduction in the Executive's actual Annual Bonus payment), targeted stock-based incentive compensation opportunity (but not a reduction in the Executive's actual stock-based incentive awards) or the Executive no longer being deemed to be an "executive officer" of the Company as determined by the Board; provided, however, that none of (I) a change in the Executive's title, (II) a change in the hierarchy, (III) a change in the

Executive's responsibilities from line to staff or vice versa, and (IV) placing the Executive on temporary leave pending an inquiry into whether the Executive has engaged in conduct that could constitute "Cause" under this Agreement, either individually or in the aggregate shall be considered Good Reason;

(ii) any failure by the Company to comply with any material provision of this Agreement (including, without limitation, any provision of Section 2 of this Agreement), other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iii) any purported termination by the Company of the Executive's employment otherwise than as expressly permitted by this Agreement;

(iv) following a Change in Control, the relocation of the principal place of the Executive's employment to a location that is more than 35 miles from such principal place of employment immediately prior to the date the proposed Change in Control is publicly announced, or the Company's requiring the Executive to travel on Company business to a substantially greater extent than required immediately prior to the Change in Control;

(v) following a Change in Control, the Company's requiring the Executive or all or substantially all of the employees of the Company who report directly to the Executive immediately prior to the date the proposed Change in Control is publicly announced to be based at any office or location other than such person's office or location on such date;

(vi) any failure by the Company to comply with and satisfy Section 9(c) of this Agreement; or

(vii) following a Change in Control, assignment to the Executive of any duties inconsistent in any respect with the Executive's position as in effect immediately prior to the public announcement of the proposed Change in Control (including status, offices, titles and reporting requirements), authority, duties or responsibilities, or any other action by the Company which results in any diminution in such position, authority, duties or responsibilities.

For purposes of this Section 3(c), any good faith determination of "Good Reason" made by the Executive after a Change in Control shall be conclusive (including any such determination when the Executive is then eligible for Retirement). In the event the Company challenges the Executive's determination of Good Reason, the Company shall continue to make the payments and provide the benefits to the Executive as set forth in Section 4(a). If it is finally determined pursuant to the procedures set forth in this Agreement that the Executive's termination was not for Good Reason, the Executive shall reimburse the Company the amounts to which it is finally determined to be entitled.

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other

party hereto given in accordance with this Agreement. For purposes of this Agreement, a “Notice of Termination” means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive’s employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than 30 days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive’s or the Company’s rights hereunder. To be effective, a Notice of Termination given by the Executive terminating employment with the Company for Good Reason must be received by the Company no later than 60 days from the event(s) giving rise to the Good Reason termination.

(e) Date of Termination. “Date of Termination” means (i) if the Executive’s employment is terminated by the Company for Cause, the date of receipt of the Notice of Termination, unless the Company agrees to a later date no more than 30 days after such notice, as the case may be, (ii) if the Executive’s employment is terminated by the Executive for Good Reason or Retirement, the date of receipt of the Notice of Termination or any later date specified therein within 30 days of such notice, as the case may be, (iii) if the Executive’s employment is terminated by the Company other than for Cause or Disability, the date on which the Company notifies the Executive of such termination or any later date specified therein within 30 days of such notice, as the case may be, (iv) if the Executive’s employment is terminated by reason of death or Disability, the date of death of the Executive or the Disability Effective Date, as the case may be, and (v) if the Executive’s employment is terminated by the Executive for other than Good Reason, death, Disability or Retirement, the date that is 60 days after the date of receipt of the Notice of Termination by the Company, provided, however, the Company may elect to waive such notice or place the Executive on paid leave for all or any part of such 60-day period during which the Executive will be entitled to continue to receive the Annual Base Salary but shall not receive any Annual Bonus or any other payment from the Company other than reimbursement for expenses as contemplated in Section 2(b)(iii) and continued participation in the employee benefit plans as contemplated in Section 2(b)(ii).

(f) Change in Control. For purpose of this Agreement, a “Change in Control” shall mean:

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (A) the then outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided,

however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change in Control: (1) any acquisition directly from the Company, (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (4) any acquisition by any corporation pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii) of this Section 3(f); or

(ii) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or contests by or on behalf of a Person other than the Board; or

(iii) Consummation of a reorganization, merger, share exchange or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from the Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (C) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board immediately prior to the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(iv) Approval by the stockholders of the Company of a complete

liquidation or dissolution of the Company.

4. Obligations of the Company upon Termination. (a) Good Reason; Company Termination other than for Cause, Death, Disability or Retirement. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause, Death, Disability or Retirement or the Executive shall terminate employment for Good Reason:

(i) the Company shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination the aggregate of (A) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, and (B) the product of (1) an Annual Bonus of an amount equal to the greater of (x) the highest annual cash incentive bonus paid by the Company to the Executive for the three calendar years prior to the Date of Termination or (y) the Executive's then applicable "target" incentive bonus under the then applicable cash incentive compensation plan prior to the Date of Termination (the greater of clauses (x) or (y) is defined as the "Base Bonus"), and (2) a fraction, the numerator of which is the number of days in the fiscal year in which the Date of Termination occurs through the Date of Termination, and the denominator of which is 365, to the extent not theretofore paid (the "Pro Rata Bonus"), (C) any unpaid Annual Bonus for the prior year, and (D) any accrued paid time off, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (A), (B), (C), and (D) shall be hereinafter referred to as the "Accrued Obligations").

For purposes of determining the Base Bonus hereunder, the Company shall exclude any special or one-time bonuses and any premium enhancements to bonuses but shall include any portions of bonuses (other than the excluded bonuses) which have been deferred by the Executive;

(ii) for each of the two years after the Executive's Date of Termination (the "Compensation Continuance Period"), the Company shall pay to the Executive a cash benefit equal to the sum of (A) the Executive's highest Annual Base Salary during the twelve months immediately prior to the Date of Termination, (B) the Base Bonus, and (C) the amount equal to the highest matching contribution by the Company to the Executive's account in the Company's 401(k) plan for the three years immediately prior to the Date of Termination (the payments described in clauses (A), (B) and (C) shall be hereinafter referred to as the "Compensation Continuance Payments" and, together with the benefits referred to in Sections 4(a)(iii), (iv), (v), (vi) and (vii), shall be hereinafter referred to as the "Compensation Continuance Benefits"). The Company shall make the Compensation Continuance Payments no more frequently than semi-monthly (and may make the Compensation Continuance Payments in accordance with the Company's normal payroll policies and practices), and shall withhold from the Compensation Continuance Payments all applicable federal, state and local taxes. Notwithstanding anything contained in this Agreement to the contrary, in the event a Change of Control has occurred on or prior to the Date of Termination, the Company shall pay the Compensation Continuance Payments to the Executive in a lump sum in cash within 30 days after the Date of Termination.

(iii) during the Compensation Continuance Period, the Company shall

continue medical, dental and life insurance benefits to the Executive and/or the Executive's family on a substantially equivalent basis to those which would have been provided to them in accordance with the medical, dental and life insurance programs described in Section 2(b)(iv) of this Agreement if the Executive's employment had not been terminated. At the end of the Compensation Continuance Period, if eligible to participate in the applicable programs described in Section 2(b)(iv) as a "retiree", the Executive will be treated as a "retiree" under such programs. If the Date of Termination is after a Change in Control and the Executive is not eligible for retiree coverage after the Compensation Continuance Period, the Executive and/or the Executive's family will receive medical coverage for the remainder of the Executive's life through the Company at its cost of providing this coverage. Notwithstanding the foregoing, in the event the Executive becomes reemployed with another employer and becomes eligible to receive medical, dental and/or life insurance benefits from such employer, the medical, dental and/or life insurance benefits described herein shall be secondary to such benefits during the period of the Executive's eligibility, but only to the extent that the Company reimburses the Executive for any increased cost and provides any additional benefits necessary to give the Executive the benefits provided hereunder. For purposes of determining eligibility (but not the time of commencement of benefits) of the Executive for retiree benefits pursuant to such plans, practices, programs and policies, the Executive shall be considered to have terminated employment with the Company on the Date of Termination. Notwithstanding the foregoing, if the Company reasonably determines that providing continued coverage under one or more of its welfare benefit plans contemplated herein could adversely affect the tax treatment of other participants covered under such plans, or would otherwise have adverse legal ramifications, the Company may, in its discretion, either (A) provide other coverage at least as valuable as the continued coverage through insurance or otherwise, or (B) pay the Executive a lump sum cash amount that reasonably approximates the after-tax value to the Executive of the premiums for continued coverage, in lieu of providing such continued coverage;

(iv) during the Compensation Continuance Period, to the extent not otherwise vested in accordance with the Company's stock compensation plans nor pursuant to the terms of the applicable awards, all unvested options to purchase shares of Company common stock and restricted stock awards will continue to vest in accordance with the applicable terms of such stock option or restricted stock grants as if the Executive's employment with the Company had not been terminated. At the end of the Compensation Continuance Period, to the extent not otherwise vested in accordance with the preceding sentence, all unvested stock options and restricted stock awards will vest. Notwithstanding the termination of the Executive's employment with the Company, all stock options granted to the Executive as of the date of this Agreement and during the Employment Period will be exercisable until the scheduled expiration date of such stock options; provided, however, in the event any such stock options are designated as "incentive stock options" pursuant to section 422 of the Code (as defined herein), such stock options shall be treated as non-qualified stock options for purposes of this sentence to the extent that they are exercised after the period specified in section 422(a)(2) of the Code (to the extent such provision applies);

(v) during the Compensation Continuance Period, the Executive shall be

entitled to continue to participate in the Company's fringe benefit and perquisite plans or programs in which the Executive participated immediately prior to the Date of Termination, in each case in accordance with the Company's plans, programs, practices and policies;

(vi) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (excluding any severance plan, program, policy or practice) through the Date of Termination, including without limitation, payment of any amounts previously deferred by the Executive in the Company's deferred compensation plans in accordance with the terms of such plans and the Executive's elections thereunder (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits"); and

(vii) the Company will provide outplacement services to the Executive in accordance with the Company's policies generally applicable to involuntarily terminated employees.

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations, Other Benefits, and the payment of an amount equal to the Executive's Annual Base Salary. Accrued Obligations and cash payments pursuant to the preceding sentence shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 4(b) shall include, without limitation, and the Executive's estate and/or beneficiaries shall be entitled to receive, death benefits then applicable to the Executive.

(c) Retirement. If the Executive's employment is terminated by reason of the Executive's Retirement during the Employment Period, this Agreement shall terminate without further obligations to the Executive under this Agreement, other than for payment of Accrued Obligations and Other Benefits. Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 4(c) shall include, without limitation, and the Executive shall be entitled to receive, all retirement benefits then applicable to the Executive.

(d) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for payment of Accrued Obligations, Other Benefits, and the payment of an amount equal to the Executive's Annual Base Salary. Accrued Obligations and the cash payments pursuant to the preceding sentence shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the

provision of Other Benefits, the term Other Benefits as utilized in this Section 4(d) shall include, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other benefits then applicable to the Executive.

(e) Cause; Other than for Good Reason. If the Executive's employment shall be terminated by the Company for Cause or by the Executive without Good Reason (other than for Retirement) during the Employment Period, this Agreement shall terminate without further obligations of the Company to the Executive other than the obligation to pay to the Executive (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Executive, and (z) Other Benefits, in each case only to the extent owing and theretofore unpaid.

(f) Delayed Payment Date. Notwithstanding any provision to the contrary in this Agreement, if the Executive is deemed at the time to be a "key employee" within the meaning of that term under Section 416(i) of the Internal Revenue Code of 1986, as amended (the "Code"), and such delayed commencement is otherwise required in order to avoid a prohibited distribution under Section 409A(a)(2) of the Code, no payments or benefits to which the Executive otherwise becomes entitled under this Agreement shall be made or provided to the Executive prior to the earlier of (i) the expiration of the six (6)-month period measured from the date of the Executive's "separation from service" (as such term is defined in Treasury Regulations issued under Section 409A of the Code) or (ii) the date of the Executive's death. Upon the expiration of the applicable Code Section 409A(a)(2) deferral period referred to in the preceding sentence, all payments and benefits deferred pursuant to this Section 4(f) (whether they would have otherwise been payable in a single sum or in installments in the absence of such deferral) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

5. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify (excluding any severance plan or program of the Company), nor shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

6. Full Settlement. Except as specifically provided in this Agreement, the Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other

action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and, such amounts shall not be reduced whether or not the Executive obtains other employment. The Executive acknowledges and agrees that subject to the payment by the Company of the benefits provided in this Agreement to the Executive, in no event will the Company or its subsidiaries or affiliates be liable to the Executive for damages under any claim of breach of contract as a result of the termination of the Executive's employment. In the event of such termination, the Company shall be liable only to provide the benefits specified in this Agreement. The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Section 7872(f)(2)(A) of the Code. Notwithstanding the foregoing, if it is finally judicially determined that the Executive brought any claims contemplated in the previous sentence in bad faith, the Executive shall reimburse the Company for such fees and expenses which are reasonably related to such bad faith claim.

7. Covenants. (a) The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret, non-public or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their related businesses, which shall have been obtained by the Executive during or in anticipation of the Executive's employment by the Company or any of its affiliated companies (or predecessors thereto). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In addition to the foregoing, the Executive will refrain from taking any action or making any statements, written or oral, which are intended to or which disparage the business, goodwill or reputation of the Company or any of its affiliated companies, or their respective directors, officers, executives or other employees, or which could adversely affect the morale of employees of the Company or any of its affiliated companies.

(b) (i) While employed by the Company and for two years after the Date of Termination (which may include the Compensation Continuance Period), the Executive shall not, directly or indirectly, on behalf of the Executive or any other person, (A) solicit for employment by other than the Company, (B) encourage to leave the employ of the Company, or (C) interfere with the Company's or its affiliated companies' relationship with, any person employed by the Company or its affiliated companies.

(ii) While employed by the Company and for two years after the Date of Termination (which may include the Compensation Continuance Period), the Executive will not become a director, officer, employee or consultant engaging in activities similar to those performed by a senior officer for any business which is in competition with any line of business of the Company or its affiliates and in which the Executive participated in a direct capacity while

he was employed by the Company or its affiliates (including predecessors thereof) at any time within the one year period preceding the Date of Termination and which has offices in any location in which the Executive had supervisory responsibility in the geographic footprint of Wachovia Bank, National Association (or successors thereto, including but not limited to, Alabama, Arizona, California, Connecticut, Delaware, Florida, Georgia, Maryland, Mississippi, Nevada, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, and Washington, D.C. plus any other state or states added during the Employment Period) during that one year period. The Executive expressly acknowledges the reasonableness of such restrictions and such geographic area. Further, during such period, the Executive will not acquire an equity or equity-like interest in such an organization for his own account, except that he may acquire equity interests of not more than 5% of any such organization from time to time as an investment. Notwithstanding anything to the contrary contained herein, this Section 7(b)(ii) shall not apply if the Executive terminates employment with the Company pursuant to Retirement or the Executive terminates employment with the Company for any reason following a Change in Control or the Company terminates the Executive's employment for any reason following a Change in Control. Upon the Executive's request to the Company's Chief Executive Officer, the Company will provide an advance opinion as to whether a proposed activity would violate the provisions of this Section 7(b)(ii).

(iii) During the Compensation Continuance Period, the Executive shall provide consulting services to the Company at such time or times as the Company shall reasonably request, subject to appropriate notice and to reimbursement by the Company of all reasonable travel and other expenses incurred and paid by the Executive in accordance with the Company's then-current policy for expense reimbursement. In the event the Executive shall engage in any employment permitted hereunder during the Compensation Continuance Period for another employer or on a self-employed basis, the Executive's obligation to provide the consulting services hereunder shall be adjusted in accordance with the requirements of such employment.

(c) In the event of a breach or threatened breach of this Section 7, the Executive agrees that the Company shall be entitled to injunctive relief in a court of appropriate jurisdiction to remedy any such breach or threatened breach and, prior to a Change in Control, the Company may terminate the Compensation Continuance Period and the Compensation Continuance Benefits, if applicable, in its sole discretion. The Executive acknowledges that monetary damages would be inadequate and insufficient remedy for a breach or threatened breach of Section 7. Following the occurrence of a Change in Control, in no event shall an asserted violation of the provisions of this Section 7 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement. If it is finally determined pursuant to the procedures set forth in this Agreement that the Executive did not breach this Section 7, the Company shall reimburse the Executive the amounts to which it is finally determined to be entitled.

(d) Any termination of the Executive's employment or of this Agreement shall have no effect on the continuing operation of this Section 7; provided, however, upon

termination of this Agreement due to the Company's or the Executive's failure to extend the term of this Agreement pursuant to Section 1(b), Section 7(b)(ii) shall no longer apply to the Executive if the Executive's employment shall terminate after the term of this Agreement expires; and provided, further, Section 7(b)(ii) shall not apply if the Executive terminates employment with the Company pursuant to Retirement or the Executive terminates employment with the Company for any reason following a Change in Control or the Company terminates the Executive's employment for any reason following a Change in Control.

(e) The Executive hereby agrees that prior to accepting employment with any other person or entity during the Employment Period or during the two years following the Date of Termination (which may include the Compensation Continuance Period), the Executive will provide such prospective employer with written notice of the existence of this Agreement and the provisions of Section 3(e) and this Section 7, with a copy of such notice delivered simultaneously to the Company in accordance with Section 12(c). The foregoing provision shall not apply if the Company terminates the Executive's employment without Cause following a Change in Control, or if the Executive terminates employment for Good Reason following a Change in Control.

(f) The Executive hereby covenants that his execution of this Agreement and performance of the obligations under this Agreement do not and will not conflict with, violate the terms of, or constitute a default under, and will be in compliance with (i) any agreement or instrument to which the Executive is a party or by which the Executive is bound, or to which the Executive is subject and (ii) any order, rule, law, regulation or other legal requirement applicable to the Executive. The Executive covenants that he is not a party to any employment agreement. In addition, he covenants that he is not subject to any contractual post-termination employment restrictions.

8. Certain Additional Payments by the Company. (a) Except as set forth below or in Section 11 of this Agreement, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive following a Change in Control (whether paid or payable or distributed or distributable pursuant to the terms of the Agreement or otherwise, but determined without regard to any additional payments required under this Section 8) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code (or any successor statute) or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 8(c), all determinations required to be made under this Section 8, including whether and when a Gross-Up Payment is required and the

amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by KPMG LLP or such other certified public accounting firm reasonably acceptable to the Company (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 30 business days of the receipt of notice from the Company that there has been a Payment, or such earlier time as is requested by the Company. All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 8, shall be paid by the Company to the Executive by the due date for the payment of any Excise Tax, or, if earlier, 30 days after the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 8(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith in order to effectively contest such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 8(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt of an amount advanced by the Company pursuant to Section 8(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 8(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto) upon receipt thereof. If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 8(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial or refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(e) For purposes of this Section 8, any reference to the Executive shall be deemed to include the Executive's surviving spouse, estate and/or beneficiaries with respect to payments or adjustments provided by this Section 8.

9. Successors. (a) This Agreement is personal to the Executive and without the prior consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly in writing and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

10. Arbitration. Except with respect to the Company's rights to injunctive relief for matters arising under Section 7 of this Agreement, any disputes or controversies arising under or in connection with this Agreement (including, without limitation, whether any such disputes or controversies have been brought in bad faith) shall be settled exclusively by arbitration in Charlotte, North Carolina in accordance with the commercial arbitration rules of the American Arbitration Association then in effect; provided, however, that the Company may invoke the American Arbitration Association's Optional Rules for Emergency Measures of Protection. Judgment may be entered on the arbitrator's award in any court having jurisdiction.

11. Limitation on Payments. Notwithstanding anything to the contrary contained in this Agreement, including without limitation, Sections 4, 5, 6, 8 and 12(g), aggregate payments by the Company to the Executive under this Agreement that constitute "Severance Benefits" within the meaning of the Wachovia Corporation Policy Regarding Shareholder Approval of Future Severance Agreements shall not exceed the sum of (a) the Executive's Annual Base Salary plus (b) the highest annual bonus awarded to the Executive in any of the three full fiscal years immediately preceding the Executive's termination of employment, times 2.99, as determined in accordance with such policy.

12. General Provisions. (a) Governing Law; Amendment; Modification. This Agreement shall be governed and construed in accordance with the laws of the State of North Carolina, without reference to principles of conflict of laws. This Agreement may not be modified or amended except by an instrument in writing signed by the parties hereto.

(b) Severability. If, for any reason, any provision of this Agreement is held invalid, such invalidity shall not affect any other provision of this Agreement not held so invalid, and each such other provision shall to the full extent consistent with law continue in full force and effect. If any provision of this Agreement shall be held invalid in part, such invalidity shall in no way affect the rest of such provision not held so invalid and the rest of such provision, together with all other provisions of this Agreement, shall to the full extent consistent with law continue in full force and effect.

(c) Notices. All notices under this Agreement shall be in writing and shall be deemed effective when delivered in person (in the Company's case, to its Secretary) or forty-

eight (48) hours after deposit thereof in the U.S. mail, postage prepaid, for delivery as registered or certified mail — addressed, in the case of the Executive, to such Executive at his residential address, and in the case of the Company, to its corporate headquarters, attention of the Secretary, or to such other address as the Executive or the Company may designate in writing at any time or from time to time to the other party. In lieu of notice by deposit in the U.S. mail, a party may give notice by telegram or telex.

(d) Tax Withholding. The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) Strict Compliance. The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 3(c) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement. The waiver, whether express or implied, by either party of a violation of any of the provisions of this Agreement shall not operate or be construed as a waiver of any subsequent violation of any such provision.

(f) Entire Understanding. From and after the Effective Date this Agreement (including *Appendix A*) shall supersede any other agreement between the parties with respect to the subject matter hereof.

(g) Conflicts with Plans. To the extent any plan, policy, practice or program of or contract or agreement with the Company attempts to cap, restrict, limit or reduce payments to the Executive hereunder, such caps, restrictions, limitations or reductions are expressly modified to permit the payments contemplated hereby and the parties intend that the terms of this Agreement shall be construed as having precedence over any such caps, restrictions, limitations or reductions.

(h) Release and Waiver of Claims. In consideration of any Compensation Continuance Benefits the Company provides to the Executive under this Agreement, the Executive upon termination of employment with the Company shall execute a separate general release and waiver of claims in favor of the Company, its affiliates and personnel in a form acceptable to the Company. The Executive shall not be eligible for any Compensation Continuance Benefits until the Executive has executed such release and waiver of claims.

(i) Creditor Status. No benefit or promise hereunder shall be secured by any specific assets of the Company. The Executive shall have only the rights of an unsecured general creditor of the Company in seeking satisfaction of such benefits or promises.

(j) No Assignment of Benefits. No right, benefit or interest hereunder shall be subject to assignment, encumbrance, charge, pledge, hypothecation or set off in respect of any

claim, debt or obligation, or similar process.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its officers thereunto duly authorized, and the Executive has signed this Agreement under seal, all as of the date and year first above written.

WACHOVIA CORPORATION

[SEAL]

ATTEST:

By: /s/ Robert K. Steel
Name: Robert K. Steel
Title: Chief Executive Officer

/s/ Jane C. Sherburne
Name: Jane C. Sherburne
Title: Secretary

/s/ David K. Zwiener {SEAL}
David K. Zwiener

**APPENDIX A OF THE EMPLOYMENT AGREEMENT
OFFER SUMMARY
David K. Zwiener
September 8, 2008**

TITLE

- You will be named Senior Executive Vice President, and Chief Financial Officer of Wachovia Corporation, reporting to the Chief Executive Officer.

COMPENSATION

- Your initial Base Salary will be \$500,000 per year, paid semi-monthly. Your Base Salary will be reviewed annually with respect to market changes.
- You will receive an upfront signing bonus of \$4,000,000, minus required taxes and withholdings, payable with your first Base Salary paycheck. The value of this upfront buy-out bonus takes into consideration one time transition expenses and the expected value of any cash incentive from your current employer for 2008 that you may forfeit by leaving at this time.
- For 2008, you will receive a guaranteed minimum cash incentive of \$937,500, provided that you have not voluntarily terminated your employment without Good Reason or have not been terminated by Wachovia for Cause as of the date such incentive is to be paid or awarded. This payment will be subject to applicable withholding taxes and standard deductions and will be payable on February 28, 2009 or as soon thereafter as reasonably practicable. Your target cash incentive for 2009 will be \$3,750,000.
- Your 2008 target equity award under Wachovia's 2003 Stock Incentive Plan will be an economic value of \$3,750,000, provided that you have not voluntarily terminated your employment without Good Reason or have not been terminated by Wachovia for Cause as of the date such equity is awarded. Equity awards to Operating Committee executives, including you, are paid in the form of stock options and restricted stock ("RSAs"). For purposes of determining the number of stock options to grant, a stock option value equal to 25% of the average closing price for the 30 trading days ending the last trading day in the month prior to grant will be used. For purposes of determining the number of shares of restricted stock to grant, a stock value equal to the average closing price for the 30 trading days ending the last trading day in the month prior to grant will be used. The award will be effective upon the date of the grant, and the option price on any options granted will be the closing price of the Company's common stock on the date of grant. You will receive 20% of your economic value in the form of stock options and 80% in the form of RSAs. Both the stock options and RSAs typically vest pro-rata over a 5

(five) year period from the date of grant. Stock options are exercisable for a 10 year period from the date of grant. Except as provided in the Employment Agreement (including this Appendix A), the grants will be subject to the terms and conditions of the Stock Incentive Plan. Applicable award agreements will provide for accelerated vesting in event of the termination of your employment due to death, Disability, by Wachovia other than for Cause or by you for Good Reason (as such capitalized terms are defined under the Employment Agreement) and upon such termination the options will be exercisable for the unexpired period of the 10 year option term.

- You will participate in the Operating Committee Incentive Plan. Your 2008 target compensation is discussed above. For future periods, the Management Resource & Compensation Committee (“MRCC”) will establish your target annual cash incentive award and target annual equity award, based on their annual review of target compensation for executive officers and the market for executive compensation in October of each year. Future period incentive compensation will be based on your target compensation, and adjusted based on Wachovia’s performance and your individual performance.
- As a member of the Operating Committee, Wachovia and you will enter into the Employment Agreement of which this Appendix A is a part and which is based on the form of executive employment agreement approved by the MRCC. As provided in the Severance Policy, a copy of which has been provided, any tax gross-up payable to you pursuant to an event covered by Section 280G of the Internal Revenue Code will be subject to limitation only to the extent the payments for which the gross-up is due you are subject to such limitation and, for the avoidance of doubt, any such tax gross-up payment applicable to accelerated vesting of any equity award shall be excluded from such severance limitation by the terms of the Severance Policy.
- Members of the Operating Committee are subject to Wachovia’s Equity Ownership Policy. Under the terms of this policy, you are required to own shares equal to 4 times your base salary and have 3 years in which to meet this minimum. In addition, you must retain 75% of any equity, net of taxes and transaction costs, upon vesting or exercise of options until your termination of employment. For avoidance of doubt, the equity you are required to retain resulting from option exercise counts as shares owned for purposes of this policy.
- You will also be eligible to receive up to \$15,000 per year in financial planning and up to \$7,500 toward an executive physical each 18 months. You will also have access to use of corporate aircraft for business travel purposes on the same basis as other senior executives and subject to Wachovia’s Corporate Jet Policy.
- Wachovia will pay your professional fees incurred to negotiate and prepare the Employment Agreement, this Appendix A and all related agreements, not to exceed \$25,000, together with a full tax gross-up to the extent such payment is taxable to you.

FORFEITED PARTNERSHIP EQUITY

It is our understanding based on information you have provided that, if you become a Wachovia employee as contemplated herein, you will forfeit your partnership equity in the Carlyle Group and carried interest opportunity. To compensate you for such forfeitures, at the first meeting of the MRCC following your date of employment (currently scheduled for October 21, 2008), you will be awarded a grant of stock options for 1,000,000 Wachovia shares. In addition, you will be granted a special one-time grant of 800,000 performance RSAs at the MRCC meeting. Vesting for 200,000 of these RSAs will be subject to the Fair Market Value of Wachovia shares is at least \$20 per share for 15 consecutive trading days on the New York Stock Exchange; for 200,000 of these RSAs will be subject to the Fair Market Value of Wachovia shares is at least \$25 per share for 15 consecutive trading days on the New York Stock Exchange; for 200,000 of these RSAs will be subject to the Fair Market Value of Wachovia shares is at least \$30 per share for 15 consecutive trading days on the New York Stock Exchange; and for 200,000 of these RSAs will be subject to the Fair Market Value of Wachovia shares is at least \$35 per share for 15 consecutive trading days on the New York Stock Exchange. The employment requirement of all of these RSAs is that you remain employed until October 15, 2011. Subject to the terms of the Stock Incentive Plan and this letter, the RSAs will vest on the later of satisfaction of the relevant stock price performance goal and the employment requirement and will be forfeited if the relevant stock price performance goal is not satisfied by October 15, 2014.

RELOCATION

Our relocation policy, Your Moving Matters, will provide detailed information and instructions regarding all of your relocation benefits. Your policy will also include the name and phone number of your personal Wachovia Relocation Consultant. In order to be eligible for the relocation program, you must not initiate any agreements with real estate agents or make any relocation arrangements until you have discussed your relocation benefits with your Wachovia Relocation Consultant. If your relocation policy is not included with this letter you will receive it directly from our Employee Relocation Department. Please call your Wachovia Relocation Consultant immediately upon receipt of Your Moving Matters.

As you have let us know that you will need to commute during your first 12 months of employment, you **will be eligible to receive up to 12 months of Temporary Housing or the cash equivalent during your first year employment.** Additionally, you will be eligible for relocation benefits as outlined below to support your final transition to Charlotte, NC, to be completed **no later than three years from your start date.**

A summary of your relocation benefits follows:

- Relocation Allowance (\$5,000 gross)
- Real Estate Broker Referral (Buy and Sell Required)
- Guaranteed Home Purchase Program (real estate commission, miscellaneous closing

- costs, equity advance, & carrying costs)
- Home Finding Assistance
- Purchase Closing Costs
- Temporary Living (up to an additional 2 months once formal relocation is formally underway)
- House-hunting travel expenses for you, your spouse and family (2 round trips)
- Household Goods and Vehicles Shipment (Includes 60 days of storage, if needed)
- A full Tax Gross-Up on all amounts taxable to you
- Termination Payback Agreement

WACHOVIA SAVINGS PLAN:

- Regular full-time and part-time employees (regardless of the number of hours worked) will be eligible to participate in the Wachovia 401(k) Savings Plan beginning the first day of the month following one month of employment. Eligibility for company matching contributions will be based on one full year of service. Please see the Wachovia Savings Plan Summary Plan Description (SPD) for complete details surrounding the terms and conditions of the plan. If there is a conflict between the official Wachovia Savings Plan Document and the statements made in this letter, the official Wachovia Savings Plan Document is controlling.

OTHER

- If you become employed by Wachovia, you will be expected to abide by Wachovia's Code of Conduct and all other policies that relate to your employment with Wachovia. These policies are available for review on Wachovia's intranet site or available by hard copy upon request. Employees are expected to have the responsibility to be fully knowledgeable of the Code of Conduct and all other policies at all times during employment.
- Any reference in this letter to a policy, plan or program is subject to the terms and conditions of such policy plan or program, as amended, and applicable law. Wachovia reserves the right to modify, replace or eliminate any of its policies, plans and programs, at any time, without notice. That notwithstanding, in the event of any inconsistency between (i) this Appendix A or the Employment Agreement and (ii) any plan, policy, program or practice, the terms of this Appendix A will control.
- This Offer Summary is being delivered to you with the understanding that you are not a party to a written agreement containing any of the following provisions: a non-competition provision, non-solicitation provision or a notice (garden leave) provision that would prohibit you from beginning employment with Wachovia as contemplated herein (it being understood you may be subject to confidentiality restrictions and restrictions on soliciting customers and employees and on not interfering with vendor relationships with the Carlyle Group that do not restrict your ability to commence such employment with Wachovia).

- It is Wachovia's policy that you should not use the property or confidential information of former employers while working at Wachovia and to refrain from sharing the trade secrets of any former employer in connection with your employment at Wachovia. If it is determined that you have brought to Wachovia or used the property, confidential information or trade secrets of a former employer during your course of employment with Wachovia, you will be subject to corrective action, as provided in your employment agreement.
- Wachovia's vision is to be the best, most trusted and admired company in the financial services industry, and our values and policies support this vision. As your only condition of employment with Wachovia, all new-hires (full time, part time, temporary, etc) must submit to a comprehensive background screening and will only be allowed to begin work once their check is complete and has met our Employment Standards. This background screening involves only a fingerprint check, a drug test and the IFPS check pursuant to the USA Patriot Act. If, at any time either before or after you begin your employment with Wachovia, we learn of an unsatisfactory result on any of any such background screen, your employment may be immediately terminated.

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WACHOVIA



Press Release Monday, Sept. 8, 2008

WACHOVIA NAMES DAVID K. ZWIENER CFO

CHARLOTTE, N.C.—Wachovia today named David K. Zwiener, 54, chief financial officer. He will join the company on Oct. 1. Zwiener has more than 30 years of experience in the financial services industry and most recently was managing director and co-head of the Financial Institutions Group at The Carlyle Group. Zwiener will report to Wachovia President and CEO Robert K. Steel.

“David’s experience and many talents have enabled him to become a strong and proven leader in the financial services industry,” said Steel. “We believe he is exactly the right candidate to serve as CFO, with a diverse background that reflects sound business leadership, finance and operations experience and the ability to manage complex businesses for profitability. We are extremely pleased that an individual with David’s expertise and talent, high level of integrity and commitment to teamwork is joining Wachovia. We have confidence in his ability to contribute greatly to Wachovia’s future success.”

As CFO, Zwiener has leadership responsibility for treasury management and planning, financial reporting, budgeting, investor relations, taxation, real estate operations and purchasing. In addition, Wachovia’s Operations and Technology division, led by Jerry Enos, will report to Zwiener.

“I am honored to have the opportunity to join Wachovia as CFO,” Zwiener said. “The management team has an excellent plan in place to address the firm’s challenges and has already made good progress. The core businesses are strong and continue to perform well. Wachovia has enormous potential, and I am excited to be part of the team working to restore confidence and value for shareholders.”

Zwiener has a long and distinguished career in the financial services industry. As managing director at The Carlyle Group, he focused on global opportunities in the financial services sector. Prior to this role, he worked at The Hartford Financial Services Group, where he served as president and chief operating officer of property and casualty operations and as executive vice president and chief financial officer. He worked at Hartford from 1995 through 2007 and also served as a member of the company’s board of directors. Prior to joining Hartford, Zwiener served for two years as chief financial officer and executive vice president of ITT Financial Corporation in St. Louis. At ITT, he was responsible for all finance and systems operations, and he played a key role in the sale of ITT Financial. Previously, Zwiener worked for six years at Heller International Corp., the commercial finance subsidiary of Fuji Bank, Ltd., first as senior vice president and treasurer and later as executive vice president of capital markets. From 1984 through 1987, he was assistant treasurer of international operations for Kimberly Clark. He also worked at Mellon Bank in

credit and cash management roles and at Ford Motor Corporation in various financial positions.

Zwiener received a master's in business administration with concentrations in finance and marketing from Northwestern University and a bachelor's degree from Duke University.

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.

Wachovia Corporation Lehman Brothers Global Financial Services Conference

Robert K. Steel
President and CEO

September 9, 2008



Overview

- **Strategies to protect, preserve and generate capital**
 - Expected to benefit Tier 1 Capital by more than \$6 billion by year-end 2009
 - Additional de-risking strategies
- **Minimizing risk and maximizing value of Golden West portfolio for our shareholders**
- **Maintaining a prudent liquidity profile**
 - Proven ability to generate balanced deposit growth
- **Leveraging the footprint, execution strengths and proven superior customer service to deepen and enhance relationships with our expanding customer base**
- **Moving forward**

- Update on strategies to protect, preserve and generate capital

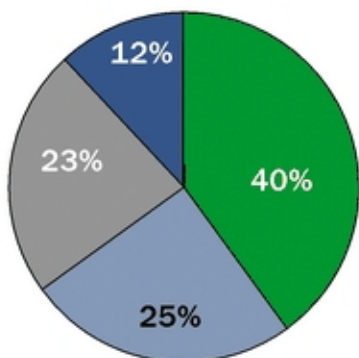
Update on strategies to protect, preserve and generate capital *Expected to benefit Tier 1 capital by more than \$6 billion by YE 2009*

Actions	Current Status	Anticipated Results
<ul style="list-style-type: none"> ▪ Reduce quarterly dividend to \$0.05 per share ▪ Reduce budgeted expenses and defer capital consuming initiatives ▪ Reduce budgeted securities and loan balances by at least \$20 billion ▪ Opportunity for sale of non-core assets 	<ul style="list-style-type: none"> ▪ Completed ▪ Announced additional FTE reductions and have notified 87% of affected active FTEs ▪ On track for \$20 billion reduction in securities and loan outstandings by YE 2008 ▪ Evaluating alternatives 	<ul style="list-style-type: none"> ▪ Preserves approximately \$4 billion in capital by YE 2009 ▪ Preserves \$1.0 billion in capital ▪ Frees up \$1.5 billion in capital ▪ Expected to further enhance capital and focus on core competencies

Reducing budgeted expense growth

Expected to preserve up to \$1 billion in capital

Expense reductions across all business lines



Personnel	40%
Other	25%
Projects	23%
Marketing & Advertising	12%

- Company-wide reductions expected to lower full year budgeted 2009 expense growth by \$1.5 billion
 - Actions complement previous 1H08 savings resulting in approximately \$2 billion in total
- 2H08 expense benefit more than offset by \$525 - \$650 million in severance and other costs
- Expense actions expected to have modest effect on revenue
 - Includes reduction of approximately 6,950 active FTEs and 4,400 open positions and contractors

Expected Results: up to \$1 billion in capital preservation, \$1.5+ billion expense growth reduction from budgeted 2009, 200-300 bps improvement in overhead efficiency ratio

Balance sheet discipline

De-leveraging expected to preserve up to \$1.5 billion in capital

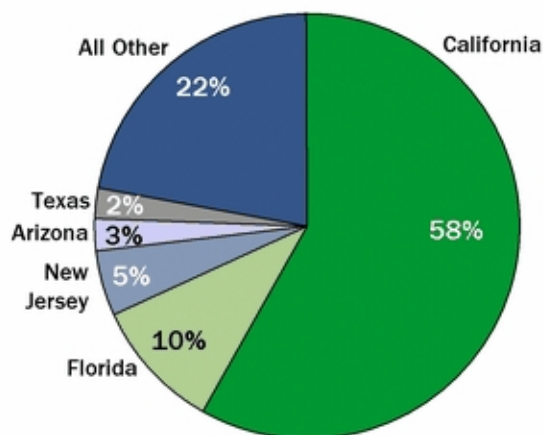
Actions to De-leverage Balance Sheet	Current Status	Anticipated Results
<ul style="list-style-type: none"> ▪ Reduce reinvestment of maturing securities ▪ Reduce trading account assets ▪ Sale of \$509 million of GSE preferreds 	<ul style="list-style-type: none"> ▪ \$5 billion reduction as of 8/31/08 ▪ Liquidated as of 7/21/08 	<ul style="list-style-type: none"> ▪ Approximately \$11 billion reduction in securities and trading balances ▪ 3Q08 loss of \$171 million pre-tax
<ul style="list-style-type: none"> ▪ Exit lower return commercial lending relationships ▪ Sell liquid loans where appropriate ▪ Reduce risk in consumer loan portfolio <ul style="list-style-type: none"> – Ceased origination and retention of neg am Pick-a-Pay loans – Ended private student loan originations – New mortgage originations focused largely on marketable product – Securitizing eligible consumer loans 	<ul style="list-style-type: none"> ▪ Revised ROE, ROA and RAROC targets for all renewals and new commitments ▪ Announced 6/08 ▪ Announced 7/08 ▪ Announced 7/08 	<ul style="list-style-type: none"> ▪ \$9-11 billion reduction in commercial and consumer loan balances

Expected Result: up to \$1.5 billion in capital preservation

Golden West portfolio overview

2Q08 \$122 billion Pick-a-Pay Mortgage Portfolio ^(a)

Geographic Distribution



(a) Includes other non Pick-a-Pay product balances of \$6.2 billion in 2Q08.

(b) Based on AVM (automated valuation method) using May 2008 data. Source: Veros.
Excludes REO balances of \$306 million as of 6/30/08.

(c) Includes Real Estate in Judgment (REJ) properties as of 6/30/08.

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- 448,000 loans
- Average loan = \$271,000
 - CA average loan = \$348,000
- NPAs of \$7.0 billion composed of 23,600 loans with an average loan size of \$299,000; current average LTV = 100% ^(b)
- Deferred interest of \$3.9 billion or 3.2% of GDW portfolio
 - 66% of borrowers have some deferred interest balance
 - Current average LTV = 90% ^(b)
- 1,360 REO properties ^(c)
 - Average time to sale 71 days
 - Average severity 36% of which 14% is selling costs

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Update on the Golden West portfolio

Strategies to minimize risk and maximize value

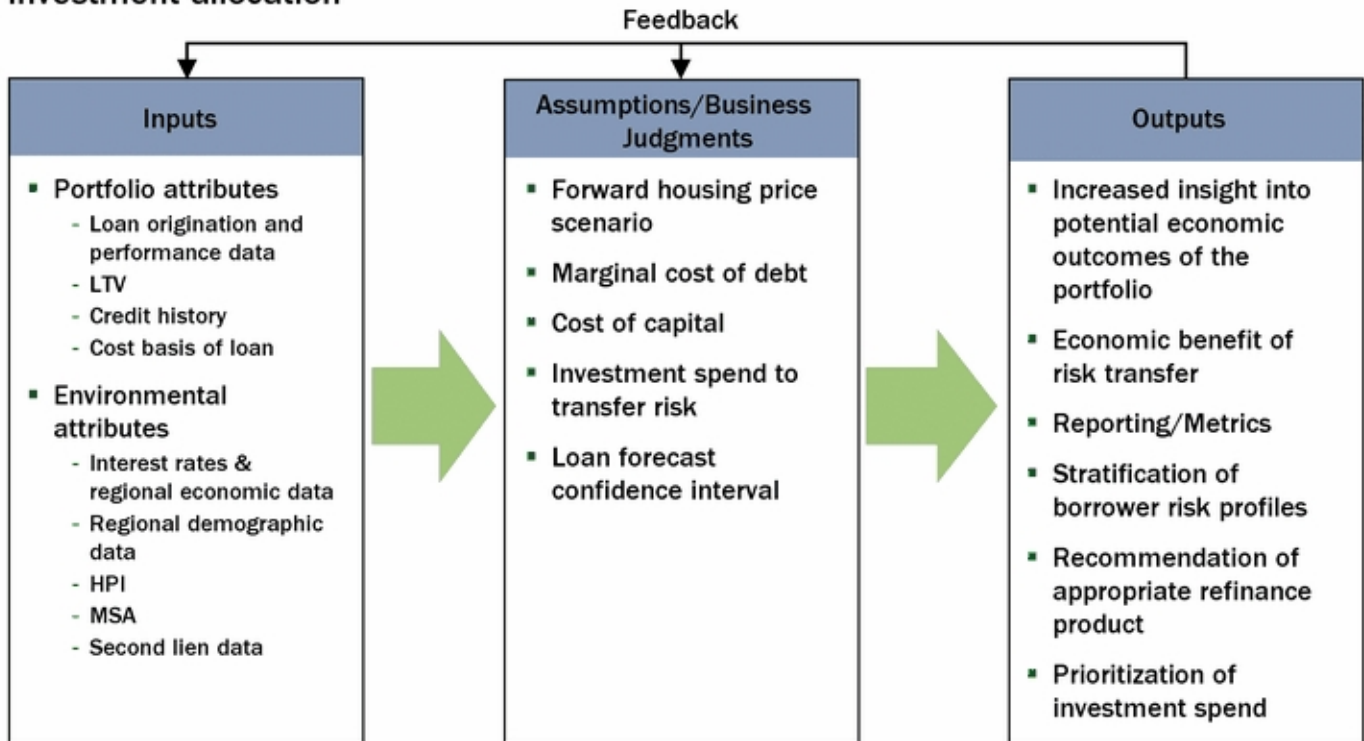
Actions to manage Pick-a-Pay exposure	Current Status
<ul style="list-style-type: none"> Eliminate negative amortization payment option loan products 	<ul style="list-style-type: none"> Completed
<ul style="list-style-type: none"> Willing to waive prepayment fee on Pick-a-Pay loans 	<ul style="list-style-type: none"> Completed
<ul style="list-style-type: none"> Discontinue loan retention strategies 	<ul style="list-style-type: none"> Completed
<ul style="list-style-type: none"> Exit General Bank wholesale mortgage channel 	<ul style="list-style-type: none"> Completed
<ul style="list-style-type: none"> Identify executive sponsor to oversee initiative and formation of dedicated resolution organization 	<ul style="list-style-type: none"> Completed: David Carroll named
<ul style="list-style-type: none"> Segment borrowers by probability of default and severity of loss 	<ul style="list-style-type: none"> Completed: In beta test to validate and refine
<ul style="list-style-type: none"> Right-sizing infrastructure to support refined customer-centric mortgage strategy 	<ul style="list-style-type: none"> In process: Reduced mortgage headcount by 2,000 through 6/08 with plans in place to reduce another 4,900 FTEs over the next 12 months
<ul style="list-style-type: none"> Build out infrastructure necessary for borrower outreach 	<ul style="list-style-type: none"> In process: Fully operational by 10/08 with 425 fulfillment staff, 500 sales personnel and 3 dedicated sites
<ul style="list-style-type: none"> Contact borrowers to discuss refinance options 	<ul style="list-style-type: none"> Goal: Make initial contact with 100% of borrowers by year-end

Holding loans on balance sheet and servicing them ourselves provides flexibility and allows for return maximization

Update on the Golden West portfolio

Process to determine target customer group, risk and financial impact

Goal: To align the greatest economic benefit with our customer outreach efforts and investment allocation

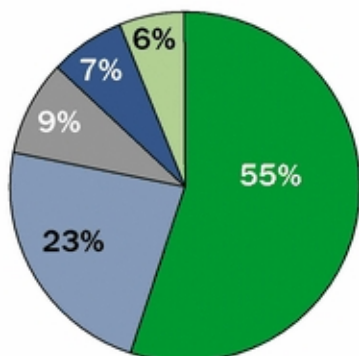


- **Update on maintaining a prudent liquidity profile**

Update on maintaining a prudent liquidity profile

87% funded by deposits, long-term debt and equity

Stable Liability Funding



Total Deposits	55%
LT Debt	23%
Equity	9%
ST Debt	7%
Other Liabilities	6%

- Flexibility and liquidity further enhanced by:
 - Dividend reduction
 - De-leveraging of balance sheet
 - Sale of \$1.3 billion ARS to 3rd party
 - Ability to grow deposits quickly
 - CD deposit balances have grown by \$20 billion since 6/30 through 8/29
 - Retail brokerage average deposits increased \$5.7 billion QoQ
- HoldCo cash position equates to approximately 3.5 years of long-term debt maturities
- Wachovia Bank, NA continues to be a net provider of funds
 - Balance sheet strategies and asset sales will further enhance bank liquidity position

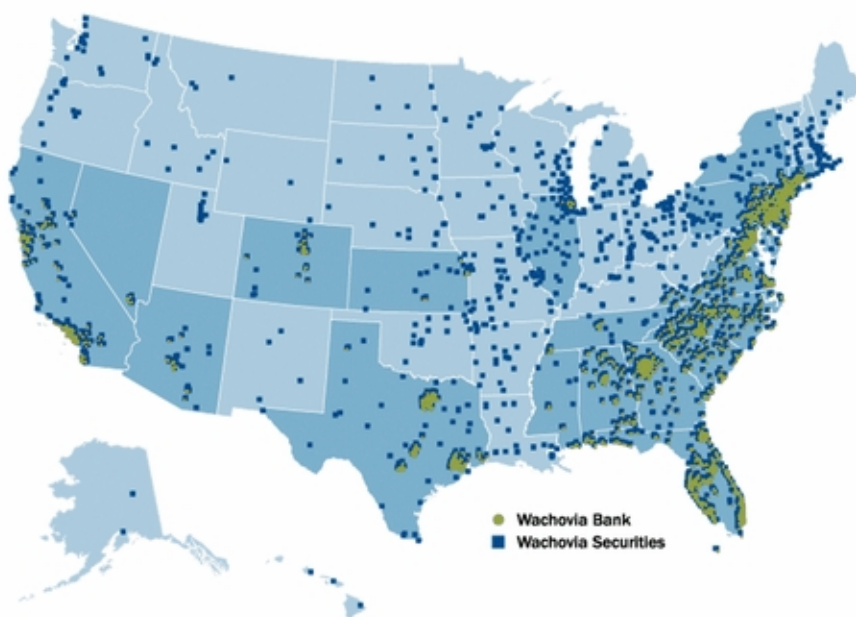
Period end as of 6/30/08.
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- **Leveraging the franchise to deliver solid underlying business results**

High growth/affluent footprint drives core business results

- 75% of U.S. GDP growth generated within WB's footprint ¹
- No. 1 bank in the Southeast ²
- Top 3 bank in U.S.
- Top 3 retail brokerage firm
- Top 10 wealth manager
- 8.4% deposit-weighted average population growth vs. 6.3% U.S. average ³
- \$85K deposit-weighted average household income vs. \$73K U.S. average ⁴
- 80% of U.S. population growth expected within WB footprint ⁵



1. Source: U.S. Department of Commerce.

2. Source: SNL Financial, based on deposits and includes AL, FL, GA, MS, NC, SC, TN, VA.

3. Source: SNL Financial. 5-year projected average population growth, county-weighted by deposits.

4. Source: SNL Financial. Current U.S. average household income, county-weighted by deposits.

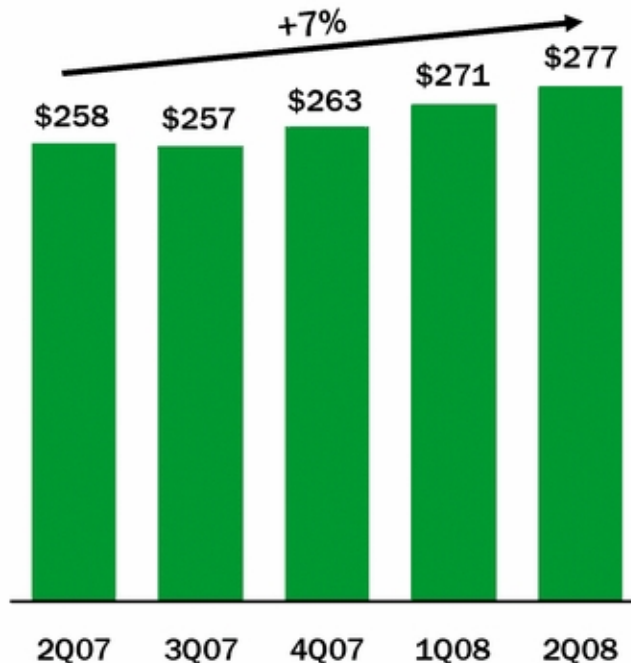
5. Source: U.S. Census Bureau, forecasted population growth as of 2020.

Superior customer service is a hallmark of Wachovia and drives results

Customer Service Accolades

- Top 25 in *Business Week* Customer Service Champs (March 2008)
- No. 1 in J.D. Power and Associates' Home Equity Line/Loan Origination Study (July 2007)
- Ranked No. 1 in customer satisfaction in J.D. Power and Associates Primary Mortgage Origination Study (October 2007)
- No. 1 in customer experience for online banking by Change Sciences (July 2007)
- No. 1 in customer satisfaction for seven consecutive years by the American Customer Satisfaction Index (University of Michigan)

Low-Cost Core Deposit Growth (\$ billions)



Core business fundamentals

2Q08 results masked by market headwinds

General Bank

- Revenues up 5%, expenses up 1% and segment earnings up 6% excluding mortgage ^(a)
- Top 3 retail bank in U.S.
 - Average core deposits of \$290 billion
 - Over 3,300 financial centers and over 5,200 ATMs
 - Largest retail bank in Southeast
- 11.7 million households and business relationships
- No. 1 middle-market commercial lender in footprint

Corporate & Investment Bank

- Revenues up 111%, expenses up 29%
- Top 10 U.S. loan syndications, asset-based lead arranger, high yield, equity and preferred stock
- Top 2 investment bank market share growth between 2001 and 2008
- 3,500 corporate client relationships
- 2,600 institutional investor client relationships

Wealth Management

- Revenues up 4%, expenses up 3% and segment earnings up 7%
- Top 10 U.S. Wealth Manager
 - High Net Worth Leader of the Year (Private Asset Management 2007)
- Over 85,000 client relationships
- 976 Wealth Management advisors
- \$77 billion AUM

Capital Management

- Revenue down 2%, expenses down 2% and segment earnings down 4% excluding market disruption-related losses ^(b)
- Top 3 full service retail brokerage
 - \$1.1 trillion in client assets
 - Over 1,500 full service brokerage offices and 2,650 banking centers with brokerage services
 - Over 18,900 registered representatives
- \$246 billion AUM

Revenue, expense and earnings comparisons are with 1Q08.

(a) See page 54 of 2Q08 Financial Highlights presentation for reconciliation.

(b) Excludes market disruption-related losses of \$618 million in 2Q08 including \$118 million in impairment losses and \$500 million in legal reserves.

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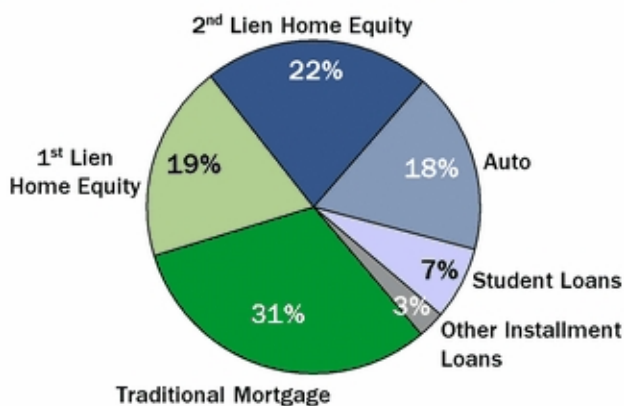
Core business fundamentals

Core consumer loan portfolio ^(a) continues solid performance

Consumer Loans excluding GDW and CIB ^(a)			
(\$ in millions)	2Q08	1Q08	2Q07
Consumer loans	\$ 142,477	140,414	132,076
NPAs as % of loans	0.68 %	0.52	0.32
NCOs as % of loans	0.94 %	0.82	0.36

- Traditional mortgage
 - 90+ days past due two-thirds of industry average ^(b)
- Home equity
 - Second lien home equity 60+ days past due one-third of the industry average ^(b)
- Auto
 - 30+ days past due 60% of industry average ^(c)

\$142 Billion Consumer Loan Portfolio ^(a)



^(a) Excludes \$122 billion in GDW mortgages, \$2.7 billion in GDW home equity lines, \$2.1 billion in CIB mortgage and \$0.5 billion in CIB home equity lines.

^(b) Source: Loan Performance data as of June 2008 industry average.

^(c) Source: Moody's Economy.com.

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Core business fundamentals: *Commercial loan portfolio, excluding residential-related commercial real estate, continues to perform well*

(\$ in millions)	2Q08	1Q08	2Q07
Other commercial	\$ 168,265	164,056	141,896
NPAs as % of loans	0.59 %	0.49	0.22
Net charge-offs as % of avg loans	0.41 %	0.27	0.06

(\$ in millions)	2Q08	1Q08	2Q07
REFS portfolio ^(a)	\$ 48,355	47,644	36,787
Income producing	36,616	35,275	24,636
REFS NPAs as % of loans	5.11 %	3.95	0.46
Income Prod. NPAs as % of loans	1.26 %	1.08	0.18
REFS net charge-offs as % of loans	2.34 %	1.10	0.01
Income Prod net charge-offs as % of loans	0.23 %	0.07	.

- Commercial charge-offs have historically outperformed peers
- Recent outperformance attributed to:
 - Portfolio composition benefits from risk-based pricing
 - Early loss mitigation through bulk loan sales
 - Portfolio diversification and granularity with concentration limits
- Criticized assets, while rising, show only modest increases
- 3Q08 intensive review of income producing portfolio follows residential portfolio reviews
- Underwriting practices have been tightened:
 - Improved pricing, more equity, lower LTVs and greater pre-leasing lending standards
- Residential portfolio being aggressively managed
 - Significant investment in risk management resources
- Tighter controls of new income producing originations

Heightened vigilance as cycle continues

(a) Real Estate Financial Services (REFS) portfolio includes \$37.7 billion in loans from the REFS portfolio and \$10.7 billion in commercial real estate loans held-for-investment in Investment Banking

Core business fundamentals

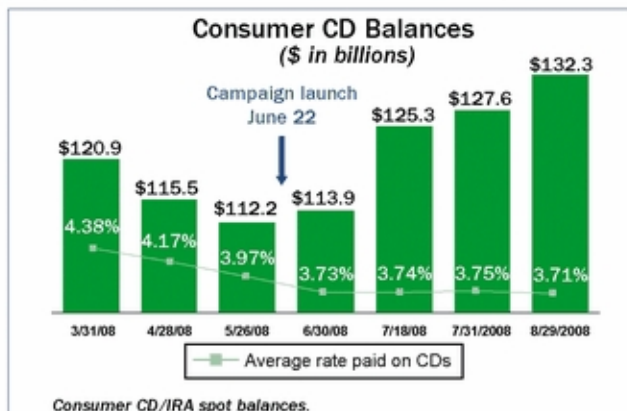
Focus on deposit growth delivers results

Low cost core deposit growth

- Low cost core deposits up 7% from 2Q07
 - 1H08 checking portfolio growth of 485,000 = \$1.8 billion in incremental deposits
- Expected to be flat to down 3Q08 due to money market movement to CDs
- Surpassed 2008 goal of 1 million Way2Save Accounts in August
 - 45% have generated a new checking account

CD repositioning and June campaign launch exceeding expectations

- CD deposit balances have grown by \$20 billion through 8/29/08; 83% is new money to Wachovia



- Weighted average maturity of new CDs = > 15 months
- 41% sold to new customers
- Strong cross-sell of new customers
 - 47,000 incremental checking accounts opened in less than 2 months

Core business fundamentals

A.G. Edwards integration on track

- Merger integration 45% complete through 8/08
 - Signage conversion nearly complete
 - Final conversion of cash sweep balances to bank deposit program
 - Front- and back-office system conversions scheduled for 1Q09
 - Fully complete 3Q09
- Financial advisor hiring and retention
 - FAs remain steady at over 14,600 since consummation
 - Average production of experienced new hires 89% higher than attrited FAs
- Cross-sell of banking products
 - 1 in 4 AGE FAs have sold a loan

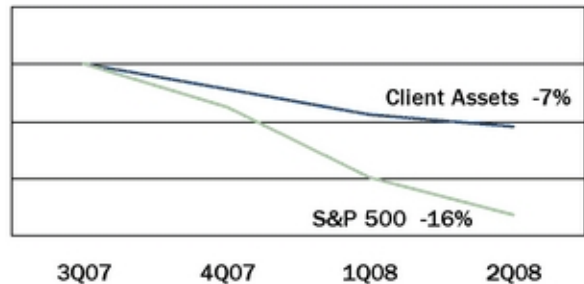
Retail Brokerage Deposit Growth

- AGE has contributed \$23 billion in deposits



Broker Client Assets

- Client assets affected by declining markets

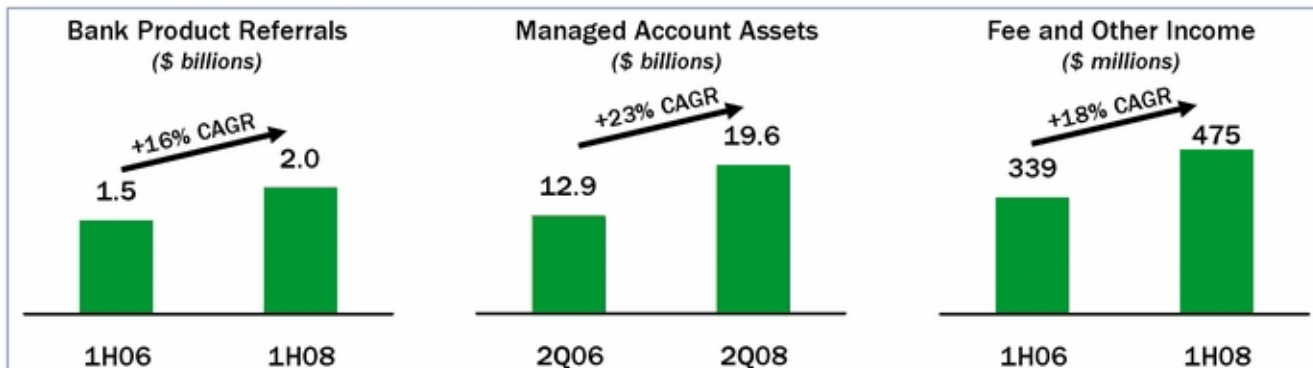


Core business fundamentals

Retail Brokerage in-bank channel delivers on strategies

2007 Revenues of \$1.1 billion; 40%+ pre-tax margin
1H06 - 1H08 Earnings CAGR = 13%

- 1 million households with \$129 billion in client assets
- 1,600 Series 7 Securities Registered Reps and 4,300 licensed GBG Registered Reps located in 2,650 financial centers and other locations
- Strong sales momentum drives results



- Capturing the affluent opportunity will drive future growth
 - GBG has 2.2 million affluent households that do not have a WB brokerage account
 - 370,000 have a deep relationship holding both high deposit balances and multiple products
- Goal is to double financial advisors in in-bank channel over next 3-5 years

Core business fundamentals

Treasury Services and International banking delivers on strategies

2007 Revenues of \$3.0 billion; 1H04 - 1H08 Earnings CAGR = 11%

Treasury Services

- Top 3 largest domestic cash management services provider ^(a)
- Best in class in terms of products, bank perception and relationship managers ^(b)

	2006	2008
Products	A	A+
Bank Perception	B+	A-
Relationship Managers	B	A-

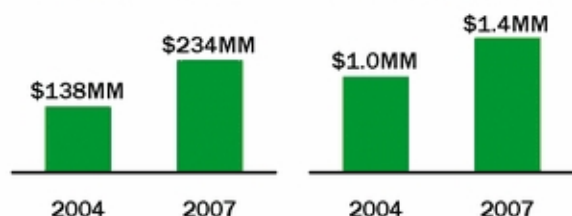
Global Financial Institutions and Trade Banking

- Leading payment, trade, lending and deposit solutions provider
- No. 1 market share in Asia and Latin America; No. 2 in Western Europe
- No. 1 in overall customer satisfaction for three years running (Flmetrix)
- New initiatives in multi-currency payment processing and supply chain finance

Sales Momentum

Annual New Sales
2004-2007 CAGR: 19%

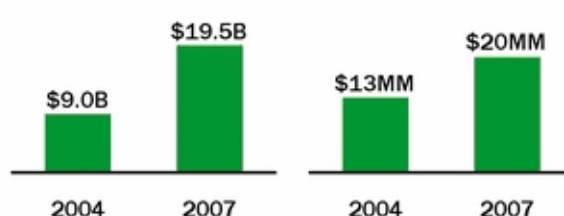
Sales per Sales Officer
2004-2007 CAGR: 12%



Performance Metrics

Deposit Balances
2004-2007 CAGR: 29%

Payment Volume
2004-2007 CAGR: 16%



(a) Source: Ernst & Young 2008 U.S. Cash Management Industry Survey.

(b) Source: Phoenix-Hecht 2008 Cash Management Monitor Large Corporate Ratings. Peer group includes BAC, C and JPM.

▪ **Moving forward**

Addressing current challenges aggressively, directly and with clarity

- **We understand and accept responsibility for our challenges and are aggressively addressing them with a series of specific actions**
 - Several initiatives under way to protect, preserve and generate capital
 - Committed to creating maximum value from the Golden West Pick-a-Pay portfolio
 - Committed to a strong Balance Sheet and protecting and creating shareholder value

- **Continued earnings challenges**
 - Making proactive decisions to “tap the brakes”
 - Market related headwinds including:
 - ARS settlement
 - Headcount reduction costs
 - Liquidation of GSE preferreds
 - Market disruption-related impacts

- **Our core businesses are attractive and performing well given the current environment; we are committed to strengthening them while continuing to excel in operating them**

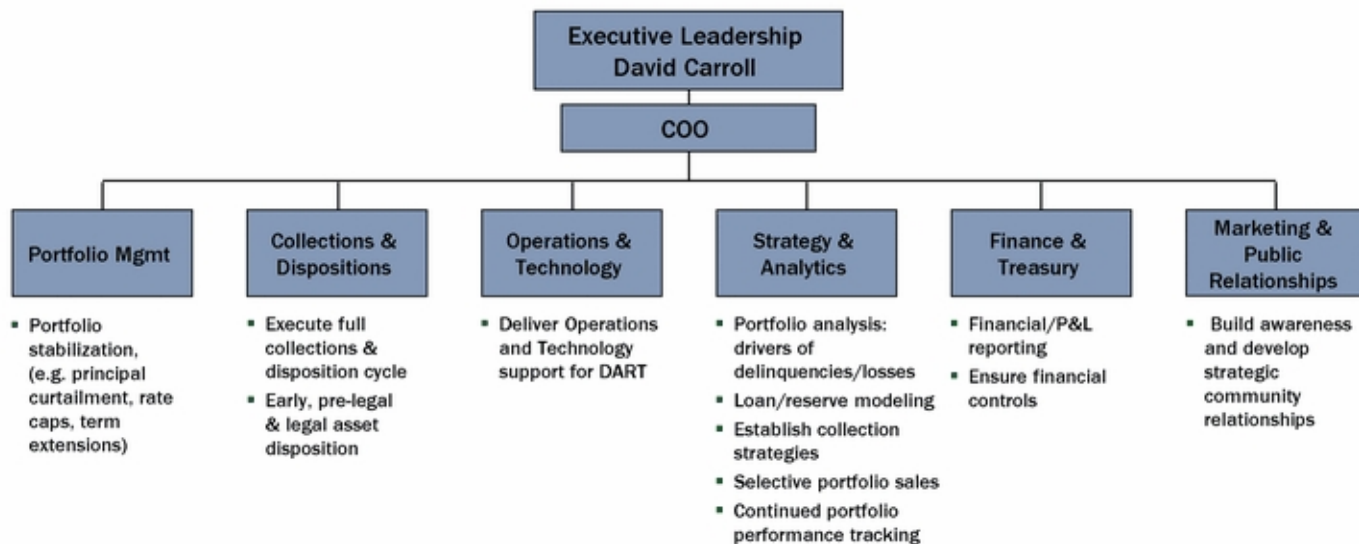
Wachovia's core values

- **Profitability** Profits enable us to better serve our customers and clients, and to invest in our people, businesses and communities. Our commitment is to provide our shareholders with attractive returns, prudently manage risk and ensure financial soundness.
- **Integrity** The highest ethical standards are essential to us. We do what we say we will do. We communicate with candor and take responsibility for our actions.
- **Service** We have an enduring and deep commitment to service. We place a high priority on trusting relationships, and seek to understand and meet the needs of each customer, client and community.
- **Respect** We recognize the value of all people. We seek to create an inclusive environment where all people are valued and respected. By appreciating and leveraging our differences, we strengthen our company. We are at our best at work when fully engaged with our families, friends and communities.
- **Teamwork** We achieve far more as a team than as individuals. We always put the interests of our shareholders, customers and clients ahead of our own. We win when we work together across our organization to deliver the best of Wachovia.
- **Excellence** We all push for excellence, the highest level of performance and a discipline of constant improvement.
- **Accountability** Each of us is responsible and accountable for the stewardship of our core values in everything we do.

Appendix

Update on the Golden West portfolio

Distressed Asset Resolution Team (DART) Objectives



Update on the Golden West portfolio

Distressed Asset Resolution Team (DART) Responsibilities



Cautionary statement

The foregoing materials and management's discussion of them may contain, among other things, certain forward-looking statements with respect to Wachovia, as well as the goals, plans, objectives, intentions, expectations, financial condition, results of operations, future performance and business of Wachovia, including, without limitation, (i) statements regarding certain of Wachovia's goals and expectations with respect to earnings, earnings per share, revenue, expenses and the growth rate in such items, as well as other measures of economic performance, including statements relating to estimates of Wachovia's credit quality trends, (ii) statements relating to the benefits of the merger between Wachovia and A.G. Edwards, Inc. completed on October 1, 2007 (the "A.G. Edwards Merger"), including future financial and operating results, cost savings, enhanced revenues and the accretion/dilution to reported earnings that may be realized from the A.G. Edwards Merger, and (iii) 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 forward-looking statements are based on the current beliefs and expectations of Wachovia'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 control). Actual results may differ from those set forth in the forward-looking statements. The following factors, among others, could cause Wachovia's financial performance to differ materially from that expressed in such forward-looking statements: (1) the risk that the applicable businesses in connection with the A.G. Edwards Merger will not be integrated successfully or such integrations may be more difficult, time-consuming or costly than expected; (2) the risk that expected revenue synergies and cost savings from the A.G. Edwards Merger may not be fully realized or realized within the expected time frame; (3) the risk that revenues following the A.G. Edwards Merger may be lower than expected; (4) deposit attrition, operating costs, customer loss and business disruption following the A.G. Edwards Merger, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected; (5) the risk that the strength of the United States economy in general and the strength of the local economies in which Wachovia 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 loan portfolio and allowance for loan losses; (6) 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; (7) potential or actual litigation; (8) inflation, interest rate, market and monetary fluctuations; (9) 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; (10) unanticipated regulatory or judicial proceedings or rulings; (11) the impact of changes in accounting principles; (12) adverse changes in financial performance and/or condition of Wachovia's borrowers which could impact repayment of such borrowers' outstanding loans; and (13) the impact on Wachovia's businesses, as well as on the risks set forth above, of various domestic or international military or terrorist activities or conflicts.

Wachovia cautions that the foregoing list of factors is not exclusive. All subsequent written and oral forward-looking statements concerning Wachovia, the A.G. Edwards 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.