

Edgar Filing: EDWARDS A G INC - Form 425

EDWARDS A G INC
Form 425
June 18, 2007

Filed by Wachovia Corporation pursuant to Rule 425 under the Securities Act of 1933, as amended, and deemed filed pursuant to Rule 14a-12 under the Securities Exchange Act of 1934, as amended

Subject Company:

A.G. Edwards, Inc.

Commission File No.: 1-8527

Date: June 18, 2007

This filing may contain certain forward-looking statements with respect to each of Wachovia Corporation (Wachovia) and A.G. Edwards, Inc. (A.G. Edwards) and the combined company following the proposed merger between Wachovia and A.G. Edwards (the Merger), as well as the goals, plans, objectives, intentions, expectations, financial condition, results of operations, future performance and business of Wachovia, including, without limitation, (i) statements relating to the benefits of the Merger, including future financial and operating results, cost savings, enhanced revenues and the accretion/dilution to reported earnings that may be realized from the Merger, (ii) statements relating to the benefits of the merger between Wachovia and Golden West Financial Corporation (Golden West) completed on October 1, 2006 (the Golden West Merger), including future financial and operating results, cost savings, enhanced revenues and the accretion to reported earnings that may be realized from the Golden West Merger, (iii) statements regarding certain of Wachovia s and/or A.G. Edwards 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, and (iv) statements preceded by, followed by or that include the words may , could , should , would , believe , anticipate , estimate , expect , intend , plan , projects , outlook or similar expressions. These statements are based upon the current beliefs and expectations of Wachovia s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. These forward-looking statements involve certain risks and uncertainties that are subject to change based on various factors (many of which are beyond Wachovia s control).

The following factors, among others, could cause Wachovia s financial performance to differ materially from that expressed in such forward-looking statements: (1) the risk that the businesses of Wachovia and A.G. Edwards in connection with the Merger or the businesses of Wachovia and Golden West in connection with the Golden West Merger will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; (2) the risk that expected revenue

synergies and cost savings from the Merger or the Golden West Merger may not be fully realized or realized within the expected time frame; (3) the risk that revenues following the Merger or the Golden West Merger may be lower than expected; (4) deposit attrition, operating costs, customer loss and business disruption following the Merger or the Golden West Merger, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected; (5) the inability to obtain governmental approvals of the Merger on the proposed terms and schedule; (6) the failure of A.G. Edwards' shareholders to approve the Merger; (7) risk that the strength of the United States economy in general and the strength of the local economies in which Wachovia and/or A.G. Edwards 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; (8) the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System; (9) potential or actual litigation; (10) inflation, interest rate, market and monetary fluctuations; and (11) adverse conditions in the stock market, the public debt market and other capital markets (including changes in interest rate conditions) and the impact of such conditions on Wachovia's and A.G. Edwards' brokerage and capital markets activities. Additional factors that could cause Wachovia's and A.G. Edwards' results to differ materially from those described in the forward-looking statements can be found in Wachovia's and A.G. Edwards' Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. All subsequent written and oral forward-looking statements concerning Wachovia or the proposed Merger or other matters and attributable to Wachovia or A.G. Edwards or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. Wachovia and A.G. Edwards do not undertake any obligation to update any forward-looking statement, whether written or oral, relating to the matters discussed in this filing.

The proposed Merger will be submitted to A.G. Edwards' shareholders for their consideration. Wachovia will file a registration statement with the SEC, which will include a proxy statement/prospectus regarding the proposed Merger. A.G. Edwards' shareholders are urged to read the registration statement and the proxy statement/prospectus when they become available, as well as any other relevant documents concerning the proposed Merger filed with the SEC (and any amendments or supplements to those documents), because they will contain important information. You will be able to obtain a free copy of the registration statement and the proxy statement/prospectus, as well as other filings containing information about Wachovia and A.G. Edwards, at the SEC's website (<http://www.sec.gov>) and at the companies' respective websites, www.wachovia.com and www.agedwards.com. Copies of the proxy statement/prospectus and the SEC filings that will be incorporated by reference in the proxy statement/prospectus can also be obtained, free of charge, by directing a request to Wachovia Corporation, Investor Relations, One Wachovia Center, 301 South College Street, Charlotte, NC 28288-0206, (704)-383-0798; or to A.G. Edwards, Inc., Investor Relations, One North Jefferson Avenue, St. Louis, MO 63103, (314) 955-3000.

Wachovia and A.G. Edwards, and their respective directors and executive officers, may be deemed to be participants in the solicitation of proxies from the

shareholders of A.G. Edwards in connection with the proposed Merger. Information about the directors and executive officers of Wachovia is set forth in the proxy statement for Wachovia's 2007 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 9, 2007. Information about the directors and executive officers of A.G. Edwards is set forth in the proxy statement for A.G. Edwards' 2007 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on May 15, 2007. Additional information regarding the interests of those participants and other persons who may be deemed participants in the Merger may be obtained by reading the proxy statement/prospectus regarding the proposed Merger when it becomes available. You may obtain free copies of these documents as described in the preceding paragraph.

Wachovia Corporation
Fixed Income Investor Update
June 2007

THE FOLLOWING PRESENTATION WAS POSTED ON WACHOVIA 'S WEBSITE

Page 1
4990
Fixed Income Investor Update, June 2007
Company
(\$bn)
1
Citigroup
260
2
Bank of America
220
3
JP Morgan
169
4

Wells Fargo
118
5
Wachovia
101
6
US Bancorp
59
7
Capital One
33
8
SunTrust
31
9
PNC
25
10
Regions Financial
24
Company
(\$bn)
1
Citigroup
2,021
2
Bank of America
1,502
3
JP Morgan
1,409
4
Wachovia
706
5
Wells Fargo
486
6
US Bancorp
221
7
SunTrust
186
8
Capital One
149
9
National City
139
10

Regions Financial

138

Wachovia in perspective

First Union and Wachovia Corporation

merged in 2001, adopting the legacy

Wachovia name with headquarters in

Charlotte, NC

No. 4 U.S. bank based on assets

No. 3 U.S. deposit market share

No. 2 U.S. retail brokerage firm*

Key Statistics

2006 Net Income: \$7.8 billion

Market Cap: \$101 billion

Assets: \$706 billion

Deposits: \$408 billion

Employees: 110,000

Top Ten U.S. Banks

Total Assets

Note: Financial data as of 3/31/07 other than 2006 Net Income.

Market data as of 6/12/07.

*Pro Forma including proposed A.G. Edwards acquisition announced

May 31, 2007.

The proposed A.G. Edwards merger is subject to regulatory approval and A.G. Edwards

shareholder approval

Top Ten U.S. Banks

Market Cap

Page 2

4990

Fixed Income Investor Update, June 2007

5.8% deposit market share

3 in the U.S.

3,400 branches and 5,100
ATMs in 21 states and D.C.

8.1% in-footprint market
share

1 bank in the Southeast

1

Top 5 bank in Western U.S.

2

High growth/high wealth
markets

8.8% deposit-weighted
average population growth
vs. 6.3% U.S. average

3

\$84K deposit-weighted
average household income
vs. \$61K U.S. average

4

Source: SNL Financial.

1.

Based on deposits and includes AL, FL, GA, MS, NC, SC, TN, VA.

2.

Based on deposits and includes CA, NV, AZ, CO, NM, WA, OR, UT, ID, MT, WY and TX.

3.

5-year average population growth, county-weighted by deposits.

4.

Household income, zip code weighted by deposits.

The proposed A.G. Edwards merger is subject to regulatory approval and A.G. Edwards
shareholder approval

Wachovia in perspective

A great footprint drives sustainable growth

WB Financial Center Locations

WB Retail Brokerage Locations

AG Edwards Retail Brokerage Locations

WB Mortgage Locations

WB Auto

Finance

Locations

WB

Wealth

Management

Locations

Page 3

4990

Fixed Income Investor Update, June 2007

Wachovia in perspective

Diversified scale businesses

1Q07 Segment Earnings

\$2.3 billion*

Key Business Segments

General Bank

11.5 million households and business
relationships

3,400 financial centers, 5,100 ATMs

Wealth Management

\$76 billion client AUM (No. 5)

255 Insurance Brokers

Corporate and Investment Bank

Top 10 in U.S. structured products, loan
syndications, high yield, high grade,
preferreds and equities

70% of earnings is capital markets driven and
30% is traditional banking

Capital Management

Retail Brokerage: 10,700 registered reps,
\$773 billion broker client assets (No. 2 U.S.)
\$315 billion client AUM

Mutual Funds: \$110 billion AUM (No. 19 U.S.)

*Segment earnings as of 3/31/07.

Capital Management

\$304

Corporate &
Investment

Bank

\$379

General Bank

\$1,539

Wealth

Management

\$65

67%

17%

3%

13%

(\$ in millions)

Page 4

4990

Fixed Income Investor Update, June 2007

16%

34%

8%

15%

14%

6%

16%

12%

Capital

Management

2006 vs. 2005 Growth

Wealth Management

Corporate and
Investment Bank
Revenue Earnings
General Bank
Combined *

*General Bank s 2005 and 2006 Combined
results. (See Wachovia Form 8-K dated 1/23/2007 for information on Combined
results).

Wachovia in perspective
Strong earnings growth

Page 5

4990

Fixed Income Investor Update, June 2007

Wachovia in perspective

Strategies for sustainable growth

Leveraging the open-architecture investment platform

Insurance sales and referrals

Wealth

Management

Service delivery and sales management

Leveraging the Golden West footprint

Sale of deposit and loan products

Small Business

Commercial Banking
Distribution focus

De novo branch expansion
Retail credit expansion

Auto loan

Credit card

Mortgage
Banking Businesses -
Strategies for Growth
General Bank

Page 6

4990

Fixed Income Investor Update, June 2007

Wachovia in perspective

Strategies for sustainable growth

Focus on corporate clients and products

Leveraging product strengths to gain market share

Market expansion with select products in Europe and Asia

Corporate &

Investment

Bank

Retail Brokerage

A.G. Edwards proposed acquisition and integration

Improving broker productivity

Driving managed account growth through client needs

assessments

Asset Management

Improve fund performance

Selective acquisitions

International product and distribution expansion

Capital

Management

Markets-Related Businesses -

Strategies for Growth

Cross-Enterprise Sales Management

Page 7

4990

Fixed Income Investor Update, June 2007

Wachovia in perspective

A.G. Edwards proposed acquisition

Strategically Compelling

Rare opportunity to create the second largest retail brokerage firm in the U.S.

Expanded distribution improves ability to capitalize on U.S. baby boomer

retirement opportunity and drive increased sales of bank products and new

investment products developed by investment banking

Financially Attractive

IRR of 24%

Accretive to cash and operating EPS in 2008

\$2.0 billion in excess capital available at close

Low Risk Transaction

Similar customer and advisor-focused models

Both firms have strong regional firm histories with strong emphasis on client experience

Entrepreneurial cultures and advisory loyalty are the foundations of success

Integration expertise demonstrated by successful Wachovia Securities/Prudential Securities joint venture

*For understanding analysis and assumptions, please see Investor

Presentation materials filed with the SEC under rule 425 dated May 31, 2007

The proposed A.G. Edwards merger is subject to regulatory approval and A.G. Edwards shareholder approval

Page 8

4990

Fixed Income Investor Update, June 2007

Merrill Lynch (GPC)

*

\$11.9

\$1,503

15,930

Wachovia / A.G. Edwards

8.4

(#2)

1,147

(#3)

14,784

(#2)

Citigroup (Smith Barney)

8.4

1,277

13,009

Morgan Stanley (GWM)**

5.6

690

7,993

Wachovia Securities

5.3

773

8,166

UBS (Wealth Management US)

4.9

773

7,974

A.G. Edwards

3.1

374

6,618

Raymond James

1.8

198

4,650

(\$ in billions)

LTM = last twelve months, data as of 3/31/07.

*Merrill's client assets exclude \$145B in non-US assets. Merrill's net revenue represents Global Private Client (GPC) revenue only and excludes Investment Management revenue (i.e. Blackrock JV and other interests).

**Quarter ended 2/28/07. Excludes investment banking revenue.

A.G. Edwards proposed acquisition creates

2

nd

largest U.S. retail brokerage firm

Net

Series 7

Revenue

Client

Registered

Major Players

(LTM)

Assets

Reps

Page 9
4990
Fixed Income Investor Update, June 2007
Conservative Balance Sheet
Liquid/Low-risk Earning Asset Mix
Cash &
Equivalents
Other Earning
Assets
Loans
Securities
3%
18%
70%
5%

Financials as of 3/31/07.

Trading

Assets

4%

Solid Liability Funding

53%

12%

6%

10%

5%

Core

Deposits

Short

Term

Debt

Equity

Long

Term

Debt

(Unsecured)

Other

Deposits

Other

Liabs.

6%

8%

Long

Term

Debt

(Secured)

Page 10

4990

Fixed Income Investor Update, June 2007

0%

20%

40%

60%

80%

100%

WB

WFC

BAC

JPM

C

Loans

Securities

Interest Bearing Bank Balances

0%

20%

40%

60%

80%

100%

WB

WFC

BAC

JPM

C

Core Deposits

Long-Term Debt

Equity

Balance Sheet

Peer comparison

Average balances; company reports as of 3/31/07.

Earning Asset Composition

Liabilities and Equity Composition

Period end balances; Wachovia as of 3/31/07 while peers as of 12/31/06.

Page 11
4990
Fixed Income Investor Update, June 2007
Deposit growth
Superior customer service and loyalty
Core deposits*
(\$ billions)
2002
2003
2004
2005
4Q06
1Q07
\$235
\$256

\$308

\$339

\$362

*For comparative and illustrative purposes. Average core deposits include additions of (\$ billions): legacy SouthTrust in 2002: \$23.9; 2003: \$25.6; 2004: \$23.0; legacy Golden West in 2002: \$40.9; 2003: \$46.7; 2004: \$52.9; 2005: \$60.1.

Wachovia

80

+21.2%

(#1)

All Others

78

+8.3%

Bank of America

72

+14.3%

JPM/Bank One

72

+2.9%

Wells Fargo

72

+7.5%

2006 American Customer

Satisfaction Index

WB led survey for the

6

th

year in a row

Most improved since #1 ranking

in 2001

Score

2006

vs. 2000

\$369

Page 12

4990

Fixed Income Investor Update, June 2007

63.6%

59.1%

60.6%

60.0%

58.0%

54.6%

54.2%

2001

2002

2003

2004

2005

2006**

1Q07

2007 Goal

*Overhead efficiency ratio excludes merger-related and restructuring charges, changes in accounting principle and intangible a

**2006 OER is on a Combined

basis. (See Wachovia Form 8-K dated 1/23/07).

2007 Goal is not a projection; results may differ from expectations for a number of reasons.

Overhead efficiency* improvement

allows investing for sustainable growth

51.5

53.5%

Page 13

4990

Fixed Income Investor Update, June 2007

1,067

1,092

1,171

1,175

1,900

1,902

2,308

2,330

1,774

1,744

1,501

1,299

1,299
799
1,652
1,698
1,716
908
944
983
987
1,318
0.72
0.79
1.18
1.19
1.21
1.20
1.12
0.99
0.98
0.98
0.58
0.68
1.11
1.09
1.07
1.03
1.00
0.88
0.88
0.81
0.71
0.66
4Q01
1Q02
2Q02
3Q02
4Q02
1Q03
2Q03
3Q03
4Q03
1Q04
2Q04
3Q04
4Q04
1Q05
2Q05
3Q05
4Q05
1Q06

2Q06

3Q06

4Q06

1Q07

Earnings*

EPS*

Consistent, growing operating earnings

EPS CAGR

Earnings CAGR

Since 4Q01

15%

22%

\$ millions, except per share data

*Represents net income available to common shareholders excluding after-tax merger-related and restructuring expenses; com
exclude merger-related and restructuring expenses of \$10 million (\$0.00) in 1Q07 and \$63 million (\$0.04) in 4Q01.

Wachovia Corp.

Page 14
4990
Fixed Income Investor Update, June 2007
Student
Other
Consumer
Real Estate
Secured
Period-end balance sheet as of 3/31/2007.
39%
14%
9%
Consumer
Mortgage
Auto, Other

Secured

23%

4%

3%

Commercial

Foreign

2%

6%

Commercial

Financial &

Agricultural

Commercial

Leasing

Commercial

Real Estate

Loan portfolio

High quality, low loss content

Total Loan Portfolio 90%

Secured/Guaranteed

\$255 billion consumer loan portfolio

96% secured (additional 3% guaranteed)

-

87% secured by Real Estate

Real Estate portfolio

-

71% average LTV

-

Average FICO 700

-

85% first lien secured

1Q07 net losses: 20 bps

\$167 billion commercial loan portfolio

77% secured

No industry > 5% (3-digit SIC)

\$1.7 million average size

1Q07 net losses: 7 bps

Page 15
4990
Fixed Income Investor Update, June 2007
0.15%
WB
0.15%
JPM
0.77%
BAC
0.80%
WFC
0.89%
C
1.24%
Net Charge-off Ratio

0.99%

Credit quality

Risk reduction = best-in-class credit positioning

0.29%

0.70%

2001

1Q07

Wachovia

Median: Top 20 U.S. Banks

0.54%

1.04%

0.41%

NPA/Loans Ratio

1.05%

2001

1Q07

Source: Company reports.

BAC

0.28%

WB

0.41%

JPM

0.54%

WFC

0.82%

C

0.86%

23.6x

4.96x

5.82x

9.9x

1Q07

2001

WB

23.6x

JPM

9.2x

BAC

6.7x

WFC

5.5x

C

5.3x

PTPP Earnings*/

Charge-offs

*Pre-tax, pre-provision earnings.

Page 16

4990

Fixed Income Investor Update, June 2007

-0.20%

0.00%

0.20%

0.40%

0.60%

0.80%

1.00%

1.20%

1.40%

1.60%

'90

'92

'94
'96
'98
'00
'02
'04
'06

Golden West

Top 35 U.S. Bank Average

Top U.S. Thrifts Avg - ex GDW

World Savings mortgage portfolio

Proven, low risk mortgage origination model

Conservative underwriting

Diligent and methodical
documentation standards

In-house appraisers

Underwritten to fully
indexed rate

Regular customer outreach and
counseling

Low Balance Sheet risk

Loans originated at low LTVs and
kept on Balance Sheet

Product features

Payment rates closer to market

Average 10-year reset period

>

Reduces risk of payment shock
in rising rate environment

Net Charge-Offs / Avg. Loans

GDW

17 year

Average

Charge-offs

= 5 bps

Peak Year

18 bps

CA Real Estate Crisis **11 bps**

0 bps

Source: SNL Financial.

Golden West charge-offs for 2006 through 12/31/2006

Page 17

4990

Fixed Income Investor Update, June 2007

5.0%

4.7%

4.7%

4.0%

7.2%

WFC

JPM

WB

BAC

C

*Excludes servicing and the impact of FAS 115/133/158.

Source: Company reports as of 3/31/07.

Strong capital position
Tangible Common Equity as
% of Tangible Assets*

7.8%

6.2%

6.2%

6.1%

4.7%

WFC

BAC

JPM

WB

C

Leverage Ratio

Source: Company reports as of 3/31/07.

Page 18

4990

Fixed Income Investor Update, June 2007

\$12

\$16

\$20

\$24

\$28

\$32

\$36

\$40

4Q01

2Q02

4Q02

2Q03

4Q03

2Q04

4Q04

2Q05

4Q05

2Q06

4Q06

Economic

Tangible

Tier 1

1Q07

Strong capital positioning for

low risk business model

Tangible common equity vs. economic capital

(\$ in billions)

-\$1.9B

\$1.9B

\$4.1B

\$8.0B

\$7.4B

\$8.0B

\$6.9B

Page 19
4990
Fixed Income Investor Update, June 2007
\$0
\$3
\$6
\$9
\$12
2-3
4-5
7
10-12
15-20
25-30
Wachovia Bank, N.A.

Wachovia Corporation
2006 issuances
Term debt issuance summary

\$16
Net Issuance
14

Less:
maturities
78% / 22%
29% / 71%

6.6
\$30
Total
70% / 30%
51% / 49%

8.9
13
Wachovia
Corporation
84% / 16%
12% / 81%

5.0 Yrs
\$17
Wachovia
Bank, N.A.
Senior / Sub.

Fixed /
Floating
WAM

Amount
Summary:
Debt Issuance by Tenor
(\$ billions)

23%
9%
68%

Euro
USD
Sterling

Debt Issuance by Currency
Sterling

500 million
12 yr
Wachovia Corp

2.8 billion
5 yr
WBNA

1.5 billion

5 yr

Wachovia Corp

Euro

Foreign Debt Issuance

£700 million

29 yr

Wachovia Corp

£750 million

17 yr

WBNA

750 million

10 yr

Wachovia Corp

Amount

Tenor

Issuer

Page 20

4990

Fixed Income Investor Update, June 2007

5.0

5.7

5.4

5.7

3.8

3.7

2.6

3.2

3.3

2007

2008

2009

Wachovia Bank, N.A.

Wachovia Corporation

World Savings (CA & TX)

2007 funding and term debt maturity

Outlook:

Maintain sufficient holding company liquidity to satisfy debt obligations for 12 months

Loan growth likely to drive increased bank issuance

Continued expansion into foreign currencies and markets

Continued focus on ratings upgrades

WBNA

Wachovia Corp

A\$400 million

10 yr

AUD

\$4.0 billion

2 yr

US Dollar

\$2.5 billion

18 mth

US Dollar

\$800 million

Retail Hybrid

US Dollar

\$875 million

Retail Hybrid

US Dollar

\$2.3 billion

10 yr

US Dollar

1.0 billion

7 yr

Euro

\$1.5 billion

5 yr

US Dollar

A\$1.1 billion

5 yr

AUD

\$1.0 billion

5* yr

US Dollar

\$1.5 billion

30

US Dollar

Amount

Tenor

Issuer

2007 YTD Activity

Year to date through 6/4/2007.

Total US dollar-equivalent funds raised of \$17.0 billion.

*Investor-driven reopening of Oct 2011s.

Term Debt Maturities

(\$ in billions)

Page 21
4990
Fixed Income Investor Update, June 2007
Wachovia corporate debt ratings
Stable
3/02/07
Aa3
Aa1
A1
Aa3
Moody's
AA-
AA
Senior
Wachovia Bank, N.A.

A+
AA-
Sub
3/21/05
2/14/07
Ratings
Date
Current
Outlook
Wachovia Corporation
Stable
Stable

A+
A+
Sub
AA-
Fitch
AA-
S&P
Senior

Selected comments:

Moody's (2/07): In the past six years, Wachovia has improved its execution in the general bank. As a result of its well-run, large franchise, Wachovia has a large source of predictable earnings and a broad funding base centered on its large holdings of core

S&P (12/06): **Wachovia's capital position is in line with the risk profile of its core business. The company is very focused on economic** in its measurement of capital needs. The lower credit risk profile of its core lending businesses and Wachovia's diversified revenue consistently good growth of core earnings supports the current capital position.

Fitch (5/06): **WB has approached operational risk management, including risks associated with mergers, quite cautiously and has a** track record in recent years.

Aa2
Aa3
A1
A2
A3
Baa1
AA
AA-
A+
A
A-
BBB+
Moody's
S & P
Fitch
12/04
12/03
12/02
12/01
12/06
12/05
Aa2

Aa3
A1
A2
A3
Baa1
AA
AA-
A+
A
A-
BBB+
Moody s
S & P
Fitch
12/04
12/03
12/02
12/01
12/06
12/05
Aa2
Aa3
A1
A2
A3
Baa1
AA
AA-
A+
A
A-
BBB+
Moody s
S & P
Fitch
12/04
12/03
12/02
12/01
12/06
12/05
Aa2
Aa3
A1
A2
A3
Baa1
AA
AA-
A+

A
A-
BBB+
Moody's
S & P
Fitch
12/04
12/03
12/02
12/01
12/06
12/05

Page 22

4990

Fixed Income Investor Update, June 2007

Wachovia's value proposition

Resilient, diversified scale businesses

Footprint in higher growth markets

Sales and service leadership

Aggressive, effective credit risk management

Disciplined capital use

Low-risk balance sheet

Going forward:

Superior execution

Seamless merger integration

Strong retail sales culture

Generate significant excess capital

Page 23
4990
Fixed Income Investor Update, June 2007
Appendix

Page 24

4990

Fixed Income Investor Update, June 2007

Wachovia's geographic reach

Our investor clients are located in more than 50 countries:

United States

Canada

Australia

Bermuda

United Kingdom

Germany

France

Denmark

Ireland

Austria

Netherlands
Israel
Belgium
Spain
Switzerland
Bahrain
Norway
Cyprus
United Arab Emirates
Italy
Tunisia
Jersey, C.I.
Luxembourg
Sweden
Turkey
Jordan
Finland
China
Hong Kong
Singapore
Korea
Philippines
Taiwan
Puerto Rico
Chile
Venezuela
Peru
Brazil
Dominican Republic
Argentina
Mexico
Panama
Aruba
Colombia
Costa Rica
Jamaica
Bahamas
Honduras
Cayman Islands
El Salvador
Proposed A.G. Edwards merger is subject to regulatory approval and A.G. Edwards
shareholder approval

Page 25

4990

Fixed Income Investor Update, June 2007

\$2.7

\$2.8

\$3.2

2004

2005

2006

\$6.0

\$6.2

\$6.7

2004

2005

2006

Retail and Small Business
Revenue* per Financial Center
(\$ in millions)

*Excludes Westcorp, Credit Card and Golden West.

2004 is Combined for Wachovia and SouthTrust.

(See Wachovia Form 8-K dated 1/19/05).

General Bank

Commercial Banking Revenue*
per Relationship Manager
(\$ in millions)

*Commercial Banking business. Excludes Business Banking,
Real Estate Financial Services, Community Banking and Dealer
Financial Services. 2004 is Combined for Wachovia and
SouthTrust. See Wachovia Form 8-K dated 1/19/05.

Page 26

4990

Fixed Income Investor Update, June 2007

\$200

\$248

\$267

\$156

2003

2004

2005

2006

Revenue per RM

(\$ in millions)

Wealth Management

\$2.5

\$3.7

\$3.7

\$3.2

2003

2004

2005

2006

Earnings

(\$ in millions)

Page 27

4990

Fixed Income Investor Update, June 2007

1.5%

4.7%

1.5%

1.3%

0.2%

2.9%

5.5%

2.6%

2.3%

1.0%

3.8%

5.7%

3.2%

1.7%

4.5%

Wachovia Market Share
(based on fees generated)

Equity

Loan

Syndications

Advisory

Source: Dealogic. Market share based on fees generated.

2001 2003 2006

TOTAL

Corporate & Investment Bank

Debt Capital

Markets

Page 28

4990

Fixed Income Investor Update, June 2007

39%

50%

58%

61%

70%

2003

2004

2005

2006

Goal

11%

16%

20-25%

13%

18%

2003

2004

2005

2006

Goal

Managed Account Assets

as a % of Total Client Assets

Recurring Revenues

as a % of Total Revenues

Managed Account Assets (*\$ in billions*)

\$68

\$82

\$106

\$134

Recurring Revenues (*\$ in billions*)

\$1.3

\$2.1

\$2.5

\$3.0

Capital Management

Page 29

4990

Fixed Income Investor Update, June 2007

Cross-enterprise sales management

CMG/CIB Cross-Business Partnership

(\$ millions)

CMG Deposit and Loan Production

(\$ millions)

GBG Commercial Banking Insurance

Services Sold Referrals

IRA Rollover Assets Captured*

(\$ millions)

\$388

\$449

2005

2006

16%

594

803

2005

2006

26%

\$2,389

\$3,203

2005

2006

34%

*General

Bank and In-bank channels gross rollover inflows.

2005

2006

2005

2006

Deposits

Loans

\$1,343

\$2,068

\$2,773

\$3,872

