WACHOVIA CORP NEW
Form 424B3
August 30, 2007

Table of Contents

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-144157

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Our merger. Wachovia Corporation, which we refer to as Wachovia, and A.G. Edwards, Inc., which we refer to as A.G. Edwards, are proposing a merger of A.G. Edwards with and into a wholly-owned subsidiary of Wachovia. After the merger, we believe the combined company will be one of the nation s leading financial services firms in securities brokerage and investment.

Facts for A.G. Edwards stockholders:

In the merger, each of your shares of A.G. Edwards common stock will be converted into the right to receive 0.9844 Wachovia common shares plus $35.80 in cash.

Your board of directors unanimously recommends that you vote FOR the proposal to adopt the merger agreement. A copy of the merger agreement is attached as Appendix A to this document.

Wachovia expects to continue its current dividend policy. Based on the current Wachovia quarterly dividend of $0.64 per Wachovia common share and the exchange ratio in the merger (*i.e.*, 0.9844), this would equal a quarterly dividend of $0.63 per A.G. Edwards common share.

Generally, the merger is intended to be tax-free to you, other than with respect to the cash you receive in the merger.

A.G. Edwards needs your vote to complete the merger. A.G. Edwards plans to hold a special stockholders meeting to vote on the merger agreement and other matters on September 28, 2007.

Merger consideration. *The number of shares of Wachovia common stock and cash that A.G. Edwards stockholders will receive in the merger is fixed. As shown by the below information, the dollar value of the stock consideration A.G. Edwards stockholders will receive in the merger will change depending on changes in the market price of Wachovia common stock and will not be known at the time you vote on the merger.*

Date	Closing Wachovia Share Price	Value per share of A.G. Edwards common stock (including cash amount)
May 30, 2007 (the last trading day before we announced the execution of the merger agreement)	$ 54.55	$ 89.50
August 27, 2007	$ 49.66	$ 84.69

You should obtain current market quotations for both Wachovia and A.G. Edwards common shares. Wachovia and A.G. Edwards are both listed on the New York Stock Exchange, under the symbols WB and AGE , respectively.

Voting. Even if you plan to attend the special meeting, please vote as soon as possible by completing and submitting the enclosed proxy card.

This document and risks. Please read this document carefully because it contains important information about the merger. **Read carefully the section entitled Risk Factors beginning on page 14 for a discussion of the risks relating to the merger.**

Thank you in advance for your cooperation and continued support.

Sincerely,

Robert L. Bagby
Chairman and Chief Executive Officer

None of the U.S. Securities and Exchange Commission, which we refer to as the SEC, any state securities commission or the North Carolina Commissioner of Insurance has approved or disapproved the securities to be issued in the merger or determined if this document is accurate or adequate. Any representation to the contrary is a criminal offense.

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

Proxy statement-prospectus dated August 28, 2007, and first mailed to stockholders on or about August 30, 2007.

ADDITIONAL INFORMATION

This document incorporates important business and financial information about Wachovia and A.G. Edwards from other documents that are not included in or delivered with this document. This information is available to you without charge upon your written or oral request. You can obtain documents related to Wachovia and A.G. Edwards that are incorporated by reference into this document through the SEC s web site at *http://www.sec.gov* or by requesting them in writing or by telephone from the appropriate company:

For Wachovia:	For A.G. Edwards:
Wachovia Corporation Investor Relations 301 South College Street Charlotte, North Carolina 28288 Telephone: (704) 374-6782	A.G. Edwards, Inc. Investor Relations One North Jefferson Avenue St. Louis, Missouri 63103 Telephone: (314) 955-3782

If you would like to request documents, please do so by September 21, 2007 to receive them before the special meeting.

You also may obtain additional proxy cards and other information related to the proxy solicitation by contacting the appropriate contact listed above. You will not be charged for any of these documents that you request.

For more information, see Where You Can Find More Information beginning on page 76.

You should rely only on the information contained in or incorporated by reference into this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated August 28, 2007. You should not assume that the information contained in, or incorporated by reference into, this document is accurate as of any date other than that date. Neither our mailing of this document to A.G. Edwards stockholders nor the issuance by Wachovia of common stock in connection with the merger will create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this document regarding Wachovia has been provided by Wachovia and information contained in this document regarding A.G. Edwards has been provided by A.G. Edwards.

Table of Contents

A.G. EDWARDS, INC.
NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON SEPTEMBER 28, 2007

To the Stockholders of A.G. Edwards, Inc.:

A special meeting of stockholders of A.G. Edwards, Inc., a Delaware corporation, is being held on September 28, 2007, at 10:00 a.m., local time, at A.G. Edwards home office, One North Jefferson Avenue, St. Louis, Missouri, for the following purposes:

To consider and vote on the proposal to adopt the Agreement and Plan of Merger, dated May 30, 2007, by and among Wachovia Corporation, White Bird Holdings, Inc., a wholly-owned subsidiary of Wachovia, and A.G. Edwards, Inc., as more fully described in the attached proxy statement-prospectus.

To consider and vote upon a proposal to approve the adjournment of the special meeting, including, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting for the foregoing proposal.

The close of business on August 13, 2007 has been fixed as the record date for determining those stockholders entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. Only A.G. Edwards stockholders of record at the close of business on that date are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. In order to adopt the merger agreement, the holders of a majority of the outstanding shares of A.G. Edwards common stock entitled to vote must vote in favor of the proposal. Abstentions and broker non-votes will have the same effect as votes against adoption of the merger agreement. If you wish to attend the special meeting and your shares are held in the name of a broker, trust, bank or other nominee, you must bring with you a proxy or letter from the broker, trustee, bank or nominee to confirm your beneficial ownership of the shares.

A.G. Edwards stockholders who do not vote in favor of the adoption of the merger agreement will have the right to seek appraisal of the fair value of their shares, as determined by the Delaware Chancery Court, if the merger is completed, but only if they submit a written demand for appraisal to A.G. Edwards before the vote is taken on the merger agreement and comply with all applicable requirements of Delaware law. A summary of the applicable requirements of Delaware law is contained in the accompanying proxy statement-prospectus under the caption Dissenters Appraisal Rights . In addition, the text of the applicable provisions of Delaware law are attached to the proxy statement-prospectus as Appendix C.

By Order of the Board of Directors,

Douglas L. Kelly
Secretary

August 28, 2007

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

proxy card or voted by telephone or through the Internet.

The A.G. Edwards board of directors unanimously recommends that you vote FOR adoption of the merger agreement.

Table of Contents

TABLE OF CONTENTS

i

Table of Contents

Table of Contents

Table of Contents

SUMMARY

This brief summary highlights material information from this document. We urge you to read carefully the entire document and the other documents to which we refer you for a more complete understanding of the proposed merger between A.G. Edwards and a subsidiary of Wachovia. In addition, we incorporate by reference into this document important business and financial information about Wachovia and A.G. Edwards. You may obtain the information incorporated by reference into this document without charge by following the instructions in the section entitled Where You Can Find More Information on page 76. Each item in this summary includes a page reference directing you to a more complete description of that item.

We Propose That Wachovia Acquire A.G. Edwards (Page 44)

We propose that Wachovia acquire A.G. Edwards by merging A.G. Edwards with and into White Bird Holdings, Inc., a wholly-owned subsidiary of Wachovia, with White Bird Holdings, Inc. as the surviving corporation. Following the merger, White Bird Holdings, Inc., which we refer to as White Bird Holdings, will continue to be a subsidiary of Wachovia. Following the merger, Wachovia will combine the retail securities brokerage businesses of A.G. Edwards with Wachovia s retail securities brokerage businesses under the name Wachovia Securities . Wachovia s common stock will continue to trade on the New York Stock Exchange, which we refer to as the NYSE, under the symbol WB . We expect to complete the merger in the fourth quarter of 2007.

A.G. Edwards Stockholders Will Receive in the Merger 0.9844 Shares of Wachovia Common Stock and $35.80 in Cash for Each Share of A.G. Edwards Common Stock (Page 44)

Each of your shares of A.G. Edwards common stock will be converted in the merger into the right to receive 0.9844 Wachovia common shares and $35.80 in cash.

Wachovia will not issue fractional shares in the merger. Instead, it will pay cash for fractional common shares based on the average of the NYSE closing price per Wachovia share on the five trading days before the merger completion date.

For example, if you own 100 shares of A.G. Edwards common stock immediately prior to the merger, when the proposed merger is completed, you will receive:

- 98 Wachovia common shares;
- $3,580.00 in cash; and
- for the fractional Wachovia common share, cash equal to 0.44 (the remaining fractional interest in a Wachovia common share) multiplied by the average of the NYSE closing price per Wachovia share on the five trading days before the merger completion date.

You will need to surrender your A.G. Edwards common stock certificates to receive the merger consideration for those A.G. Edwards shares, and any dividends paid by Wachovia after merger completion. Please do not surrender your certificates until you receive written instructions from Wachovia after we have completed the merger.

The Number of Wachovia Common Shares Issued in the Merger Is Fixed, and Therefore the Value of the Merger Consideration Will Fluctuate with Market Prices (Page 44)

The number of Wachovia common shares and cash to be issued in the merger for each A.G. Edwards common share are fixed at 0.9844 and $35.80, respectively, and will not be adjusted for changes in the market price of either Wachovia common stock or A.G. Edwards common stock. Accordingly, any change in the price of Wachovia common stock prior to the merger will affect the market value of the merger consideration that A.G. Edwards stockholders will receive as a result of the merger. Neither of us is permitted to terminate the merger agreement or resolicit the vote of A.G. Edwards stockholders solely because of changes in the market prices of our respective common stocks.

You should obtain current stock price quotations for Wachovia common stock and A.G. Edwards common stock. Wachovia common stock and A.G. Edwards common stock are listed on the NYSE under the symbols WB and AGE, respectively. The following table shows the closing prices for Wachovia common stock and A.G. Edwards common stock and the implied per share value in the merger to A.G. Edwards stockholders for the following dates and periods:

May 30, 2007, the last trading day before we announced the execution of the merger agreement;

May 31, 2007, the first trading day after we announced the execution of the merger agreement;

August 27, 2007, shortly before we mailed this document; and

the high, low and average closing values for the period from May 30, 2007 through August 27, 2007.

	Closing Wachovia share price	Closing A.G. Edwards share price	Implied value per A.G. Edwards share (including the $35.80 cash portion)
May 30, 2007	$ 54.55	$ 77.15	$ 89.50
May 31, 2007	54.19	88.16	89.14
August 27, 2007	49.66	83.43	84.69
High (for period)	54.55	88.75	89.50
Low (for period)	44.94	77.15	80.04
Average (for period)	50.71	84.04	85.71

With respect to the portion of the merger consideration involving the issuance of Wachovia common stock, we agreed upon a fixed exchange ratio, and note the following:

a fixed exchange ratio is customary for mergers of this type in the financial services industry;

an exchange ratio that does not fluctuate with the price of our common stocks provides substantial certainty about the number of shares that will be issued in the merger; and

the nominal dollar value of the Wachovia shares to be received by A.G. Edwards stockholders in the merger will fluctuate with the market price of Wachovia common stock before the merger is completed and could be materially different from the market price prevailing when we signed the merger agreement.

Wachovia s Common Stock Dividend Policy Will Continue After the Merger; Coordination of Dividends (Page 61)

Wachovia expects to continue its common stock dividend policy after the merger, but this policy is subject to the determination of Wachovia s board of directors and may change at any time. In the third quarter of 2007, Wachovia declared a dividend of $0.64 per share of Wachovia common stock and for the second quarter of 2008, A.G. Edwards declared a dividend of $0.20 per share of A.G. Edwards common stock. For comparison, based on the 0.9844 exchange ratio and Wachovia s current quarterly dividend rate of $0.64 per share, following the merger, holders of A.G. Edwards common stock would receive a quarterly dividend equivalent to $0.63 per share of A.G. Edwards common stock (*i.e.*, 0.9844 times $0.64).

The merger agreement permits A.G. Edwards to continue to pay regular quarterly cash dividends to A.G. Edwards stockholders consistent with past practice prior to merger completion. A.G. Edwards has agreed in the merger agreement to coordinate with Wachovia regarding dividend declarations and the related record dates and payment dates so that A.G. Edwards stockholders will not receive two dividends, or fail to receive one dividend, for any single quarter. Accordingly, prior to the merger, A.G. Edwards may coordinate and alter its dividend record dates in order to effect this policy.

The payment of dividends by Wachovia or A.G. Edwards on their common stock in the future, either before or after the merger is completed, is subject to the determination of their respective boards of directors and depends on cash requirements, their financial condition and earnings, legal and regulatory considerations and other factors.

The Merger Will Be Accounted for as a Purchase (Page 60)

The merger will be treated as a purchase by Wachovia of A.G. Edwards in conformity with accounting principles generally accepted in the U.S., which we refer to as GAAP.

The Merger Is Generally Intended to Be Tax-Free to Stockholders, Except with Respect to the Receipt of Cash (Page 58)

The merger is intended to constitute a reorganization within the meaning of Section 368(a) of the

Internal Revenue Code of 1986, as amended, which we refer to as the Internal Revenue Code. Therefore, for U.S. federal income tax purposes as a result of the merger, A.G. Edwards stockholders will only recognize gain (but not loss) in an amount not to exceed the cash received as part of the merger consideration, and will recognize gain or loss with respect to any cash received in lieu of fractional share interests. The merger is conditioned on the receipt of legal opinions of Simpson Thacher & Bartlett LLP, special counsel to Wachovia, and Wachtell, Lipton, Rosen & Katz, special counsel to A.G. Edwards, that, for U.S. federal income tax purposes, the merger will constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. In addition, in connection with the effectiveness of the registration statement of which this document is a part, Wachovia and A.G. Edwards have each received a legal opinion to the same effect.

See The Merger Agreement Material U.S. Federal Income Tax Consequences for more information.

The tax consequences of the merger to any particular stockholder will depend on that stockholder s particular facts and circumstances. You are urged to consult your own tax advisor to determine your own tax consequences from the merger.

Goldman Sachs Provided an Opinion to the A.G. Edwards Board of Directors that the Stock Consideration and the Cash Consideration to be Received in the Merger, Taken in the Aggregate, Was Fair From a Financial Point of View to A.G. Edwards Stockholders (Page 29 and Appendix B)

On May 30, 2007, the date the A.G. Edwards board of directors approved the merger agreement, Goldman, Sachs & Co., which we refer to as Goldman Sachs, A.G. Edwards financial advisor, rendered an opinion to the A.G. Edwards board of directors that, as of that date and based upon and subject to the factors and assumptions set forth therein, the stock consideration and cash consideration to be received in the merger by A.G. Edwards stockholders, taken in the aggregate, pursuant to the merger agreement was fair from a financial point of view to such holders. The full text of Goldman Sachs written opinion is attached to this proxy statement-prospectus as Appendix B. You should read this opinion completely to understand the procedures followed, assumptions made, matters considered and limitations of the review undertaken by Goldman Sachs. Goldman Sachs opinion was provided for the information and assistance of the A.G. Edwards board of directors in connection with its consideration of the merger, does not in any manner address the decision of the A.G. Edwards board to proceed with or effect the merger and does not constitute a recommendation as to how any stockholder should vote with respect to the transaction or any other matter. The opinion of Goldman Sachs will not reflect any developments that may occur or may have occurred after the date of the opinion and prior to merger completion. A.G. Edwards does not currently expect to request an updated opinion from Goldman Sachs. Pursuant to an engagement letter, dated May 30, 2007, between A.G. Edwards and Goldman Sachs, Goldman Sachs is entitled to receive a transaction fee of $20 million, all of which is contingent upon the outcome of the transaction.

Interests of A.G. Edwards Directors and Executive Officers in the Merger (Page 37)

All A.G. Edwards directors and executive officers are stockholders of A.G. Edwards. Some of A.G. Edwards directors and executive officers have interests in the merger other than their interests as stockholders. The A.G. Edwards board of directors knew about these additional interests and considered them when it adopted the merger agreement.

Directors of A.G. Edwards. Wachovia has agreed in the merger agreement to indemnify all present and former directors, officers and employees of A.G. Edwards and its subsidiaries against costs and expenses in connection with claims arising from matters existing or occurring prior to merger completion. In addition, Wachovia has agreed to obtain directors and officers liability insurance for present and former officers and directors of A.G. Edwards and its subsidiaries with respect to facts or events occurring prior to merger completion.

Executive Officers of A.G. Edwards. A.G. Edwards has not maintained any employment agreements with its executive officers. In connection with entering into the merger agreement Wachovia entered into an employment arrangement with each of Robert L. Bagby, Chairman and Chief Executive Officer of A.G. Edwards, Douglas L. Kelly, CFO, Executive Vice President, Director of Law and Compliance, Director of Administration and Corporate Secretary, Paul F. Pautler, Executive Vice

Table of Contents

President and Director of Capital Markets, Peter M. Miller, Executive Vice President and Director of Sales and Marketing and Gene M. Diederich, Executive Vice President and Director of Branches.

The A.G. Edwards Board of Directors Recommends That You Vote FOR Adopting the Merger Agreement (Pages 22 and 26)

The A.G. Edwards board of directors believes that the merger and the other transactions contemplated by the merger agreement are in the best interests of A.G. Edwards stockholders and that the merger consideration is fair to A.G. Edwards stockholders, and unanimously recommends that you vote FOR the proposal to adopt the merger agreement. For the factors considered by the A.G. Edwards board of directors in reaching its decision to adopt the merger agreement and recommend adoption of the merger agreement to the A.G. Edwards stockholders, see The Merger A.G. Edwards Reasons for the Merger; Recommendation of the A.G. Edwards Board of Directors .

We Have Agreed When and How A.G. Edwards Can Consider Third-Party Acquisition Proposals (Page 51)

In the merger agreement, A.G. Edwards agreed not to initiate, solicit or encourage proposals from third parties regarding acquiring A.G. Edwards or its businesses. In addition, A.G. Edwards agreed not to engage in negotiations with or provide confidential information to a third party regarding acquiring A.G. Edwards or its businesses. However, if A.G. Edwards receives an unsolicited acquisition proposal from a third party, A.G. Edwards can participate in negotiations with and provide confidential information to the third party if, among other steps, the A.G. Edwards board of directors concludes in good faith that the proposal is, or would reasonably be likely to result in, a superior proposal to our merger. A.G. Edwards receipt of a superior proposal or participation in such negotiations does not give A.G. Edwards the right to terminate the merger agreement.

Merger Agreement Adoption Requires the Affirmative Vote of a Majority of Outstanding Shares by A.G. Edwards Stockholders (Page 19)

In order to adopt the merger agreement, the holders of a majority of A.G. Edwards common shares outstanding as of August 13, 2007, the record date for the A.G. Edwards special meeting, must vote in favor of the merger agreement. As of that date, A.G. Edwards directors and executive officers beneficially owned about 1,205,392, or approximately 1.59%, of the shares entitled to vote at the A.G. Edwards special meeting. Wachovia and its directors and executive officers beneficially owned less than 1% of the shares entitled to vote at the A.G. Edwards special meeting (other than shares held by Wachovia in a fiduciary, custodial or agency capacity). We expect our respective directors and executive officers will vote to adopt the merger agreement although there is no requirement for them to do so.

Treatment of A.G. Edwards Options (Page 44)

In the merger, Wachovia will assume all A.G. Edwards employee stock options and shares of restricted stock (including phantom restricted units) and those options will become options to purchase Wachovia common stock. The number of Wachovia shares issuable under those restricted stock awards and options and the exercise prices will be adjusted to take into account the 1.6407 option exchange ratio for A.G. Edwards shares converted into Wachovia shares in the merger. This 1.6407 option exchange ratio was derived by including the cash portion of the merger consideration as if the merger consideration were all shares of Wachovia common stock rather than only 60% of the merger consideration.

A.G. Edwards Stockholders Have Appraisal Rights (Page 41 and Appendix C)

Under Section 262 of the Delaware General Corporation Law, holders of A.G. Edwards common stock may have the right to obtain an appraisal of the value of their shares of A.G. Edwards common stock in connection with the merger.

To perfect appraisal rights, an A. G. Edwards stockholder must not vote for the adoption of the merger agreement and must strictly comply with all of the procedures required under Delaware law. Failure to strictly comply with Section 262 of the Delaware General Corporation Law by an A.G. Edwards stockholder may result in termination or waiver of that stockholder s appraisal rights.

We have included a copy of Section 262 of the Delaware General Corporation Law as Appendix C to this proxy statement-prospectus.

Table of Contents

We Must Meet Several Conditions to Complete the Merger (Page 54)

Our obligations to complete the merger depend on a number of conditions being met. These include:

- adoption of the merger agreement by A.G. Edwards stockholders;
- listing the shares of Wachovia common stock to be issued in the merger on the NYSE (including shares to be issued following exercise of the A.G. Edwards employee stock options assumed by Wachovia);
- receiving the required approvals of applicable federal, state and foreign regulatory authorities;
- the absence of any government action or other legal restraint or prohibition that would prohibit the merger or make it illegal;
- receiving legal opinions that, for United States federal income tax purposes, the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. These opinions will be based on customary assumptions and on factual representations made by Wachovia, White Bird Holdings and A.G. Edwards and will be subject to various limitations; and
- the representations and warranties of the other party to the merger agreement being true and correct, except as would not have or would not reasonably be expected to have a material adverse effect, and the other party to the merger agreement must have performed in all material respects all of its obligations under the merger agreement.

Where the law permits, either of us could choose to waive a condition to our obligation to complete the merger even when that condition has not been satisfied. We cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed. Although the merger agreement allows us to waive the tax opinion condition, we do not currently anticipate doing so. If either of us does waive the tax opinion condition, we will inform you of this fact and ask you to vote on the merger taking this into consideration.

We Must Obtain Regulatory Approvals to Complete the Merger (Page 56)

We cannot complete the merger unless we receive approvals or waivers of approval from applicable regulatory authorities. These include approvals, notices or waivers thereof by the Board of Governors of the Federal Reserve System, or the Federal Reserve Board, the National Association of Securities Dealers, Inc., which we refer to as the NASD, the NYSE, and various state and foreign securities regulators. We have filed the appropriate applications with these regulatory authorities. On August 14, 2007, the Federal Reserve Board notified Wachovia that it has approved the merger.

In addition, the merger is subject to review by antitrust authorities under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, which we refer to as the HSR Act. On June 15, 2007, Wachovia and A.G. Edwards filed the requisite notices under the HSR Act with the Federal Trade Commission, which we refer to as the FTC, and the Antitrust Division of the Department of Justice, which we refer to as the DOJ. The merger received early termination of the HSR Act initial waiting period on June 22, 2007.

It is possible that one or more required regulatory approvals may not be received, may be received later than expected or may contain conditions that adversely affect our ability to obtain the anticipated benefits of the merger.

We May Terminate the Merger Agreement in Certain Circumstances (Page 54)

We can mutually agree at any time to terminate the merger agreement without completing the merger, even if the A.G. Edwards stockholders have adopted the merger agreement. Also, either of us can decide, without the consent of the other, to terminate the merger agreement:

- if there is a final denial of a required regulatory approval;
- if the merger is not completed on or before February 29, 2008, unless the failure to complete the merger by this date is due to the failure of the party seeking to terminate the merger agreement to perform its obligations under the merger agreement; or

if there is a continuing breach of the merger agreement by the other party, after 60 days written notice to the breaching party, as long as that breach would allow the non-breaching party not to complete the merger.

Also, Wachovia may terminate the merger agreement if:

the A.G. Edwards board of directors fails to recommend adoption of the merger agreement to its stockholders, or withdraws or materially and adversely modifies its recommendation;

A.G. Edwards materially breaches its obligations by failing to take all action necessary to convene and hold the special meeting in accordance with the merger agreement or materially breaches its obligations by failing to prepare and mail to its stockholders the proxy statement-prospectus in accordance with the merger agreement;

A.G. Edwards materially breaches the terms of the merger agreement relating to non-solicitation of third-party acquisition proposals in any respect adverse to Wachovia;

the A.G. Edwards board of directors negotiates or authorizes negotiations with a third party regarding an acquisition proposal other than the merger and those negotiations continue for at least 20 business days; or

A.G. Edwards is the subject of a tender or exchange offer by a third party and the A.G. Edwards board of directors recommends that A.G. Edwards stockholders tender their shares in the tender or exchange offer or fails to recommend that stockholders reject the tender or exchange offer.

The failure of A.G. Edwards to obtain the stockholder vote required for the merger will not by itself give either company the right to terminate the merger agreement. As long as no other termination event has occurred, both companies would remain obligated to continue to use their reasonable best efforts to complete the merger until February 29, 2008, which, depending on timing, could include calling additional stockholder meetings or using their reasonable best efforts to restructure the merger.

Whether or not the merger is completed, we will each pay our own fees and expenses, except that we will evenly divide the costs and expenses that we incur in preparing, printing and mailing this proxy statement-prospectus and filing fees paid in connection with the registration statement and all applications for government approvals, except fees paid to counsel, financial advisors and accountants.

In certain circumstances involving a competing acquisition bid for A.G. Edwards, A.G. Edwards has agreed to pay Wachovia a termination fee of up to $270 million, upon termination of the merger agreement or, in some cases, within a specified period of time after termination. See The Merger Agreement Termination Fee for a discussion of the circumstances under which a termination fee will be required to be paid.

We May Amend or Waive Merger Agreement Provisions (Page 56)

We may jointly amend the merger agreement, and each of us may waive our right to require the other party to follow particular provisions of the merger agreement. However, we may not amend the merger agreement after A.G. Edwards stockholders adopt the merger agreement if the amendment would legally require merger proposals to be resubmitted to A.G. Edwards stockholders or would violate Delaware law.

Wachovia may also change the structure of the merger, as long as any such change does not change the amount or type of stock or other payment to be received by A.G. Edwards stockholders and the holders of options to purchase

A.G. Edwards common stock, does not materially delay the timing of merger completion, does not adversely affect the tax consequences of the merger to A.G. Edwards stockholders and does not cause any of the conditions to complete the merger to be incapable of being satisfied.

The Rights of A.G. Edwards Stockholders Following the Merger Will Be Different (Page 69)

The rights of Wachovia stockholders are governed by North Carolina law and by Wachovia s articles of incorporation and by-laws. The rights of A.G. Edwards stockholders are governed by Delaware law and by A.G. Edwards certificate of incorporation and by-laws. A.G. Edwards stockholders should be aware of these differences when they vote at the special meeting because, upon merger completion, they will own shares of Wachovia common stock and therefore their rights will be

Table of Contents

governed by North Carolina law and Wachovia s articles of incorporation and by-laws.

Information About the Companies (Page 64)

Wachovia Corporation
301 South College Street
Charlotte, North Carolina 28288
(704) 374-6565

Wachovia is a financial holding company organized under the laws of North Carolina and registered under the federal Bank Holding Company Act. Wachovia has approximately 3,400 full-service financial centers and more than 760 retail brokerage offices. Wachovia offers a comprehensive line of consumer and commercial banking products and services, personal trust, investment advisory, insurance, securities brokerage, investment banking, mortgage, credit card, cash management, international banking and other financial services.

At June 30, 2007, Wachovia had consolidated total assets of approximately $719.9 billion, consolidated total deposits of approximately $413.7 billion and consolidated stockholders equity of approximately $69.3 billion. Based on total assets at June 30, 2007, Wachovia was the 4th largest bank holding company in the United States.

A.G. Edwards, Inc.
One North Jefferson Avenue
St. Louis, Missouri 63103
(314) 955-3000

A.G. Edwards is a Delaware corporation and is a financial services holding company incorporated in 1983 whose principal subsidiary, A.G. Edwards & Sons, Inc., is the successor to a partnership founded in 1887. A.G. Edwards and its subsidiaries provide securities and commodities brokerage, investment banking, trust services, asset management, financial and retirement planning, insurance products, and other related financial services to individual, corporate, governmental, municipal and institutional clients through one of the industry s largest retail branch distribution systems. At May 31, 2007, A.G. Edwards had 743 locations in 50 states, the District of Columbia, London, England and Geneva, Switzerland and 15,368 full-time employees, including 6,623 financial consultants providing services for approximately 3.2 million active client accounts. At May 31, 2007, A.G. Edwards had consolidated total assets of approximately $5.1 billion and consolidated stockholders equity of approximately $2.2 billion.

White Bird Holdings, Inc.
301 South College Street
Charlotte, North Carolina 28288
(704) 374-6565

White Bird Holdings is a newly formed Delaware corporation and a wholly-owned subsidiary of Wachovia. White Bird Holdings was formed solely for the purpose of effecting the proposed merger with A.G. Edwards and has not carried on any activities other than in connection with the proposed merger.

Special Meeting of A.G. Edwards (Page 19)

A.G. Edwards plans to hold its special meeting of stockholders on September 28, 2007, at 10:00 a.m., local time, at A.G. Edwards home office, One North Jefferson Avenue, St. Louis, Missouri. At the special meeting, A.G. Edwards stockholders will be asked to adopt the merger agreement providing for the merger of A.G. Edwards with and into White Bird Holdings, a wholly-owned subsidiary of Wachovia. In addition, A.G. Edwards stockholders will be asked to vote upon a proposal to approve adjournment of the special meeting, if necessary.

A.G. Edwards stockholders can vote at the A.G. Edwards special meeting of stockholders if they owned A.G. Edwards common stock at the close of business on August 13, 2007. As of that date, there were 75,792,790 shares of A.G. Edwards common stock outstanding and entitled to vote. A.G. Edwards stockholders can cast one vote for each share of A.G. Edwards common stock that they owned on that date.

Table of Contents

Unaudited Comparative Per Share Data

The table on the following page shows historical information about our companies respective earnings per share, dividends per share and book value per share, and similar information reflecting the merger, which we refer to as pro forma information, at or for the three months ended March 31, 2007, and at or for the year ended December 31, 2006. In presenting the comparative pro forma information for the period shown, it is assumed that Wachovia and A.G. Edwards had been combined throughout the period.

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

The information listed as equivalent pro forma for A.G. Edwards was obtained by multiplying the pro forma amounts listed by Wachovia by the 0.9844 exchange ratio.

The pro forma financial information includes customer relationship intangible, debt to fund the cash portion of the merger consideration, and estimated adjustments to record certain exit costs related to A.G. Edwards. The pro forma adjustments included herein are subject to updates as additional information becomes available and as additional analyses are performed. Certain assets and liabilities of A.G. Edwards may be subject to adjustment to their respective fair values, including additional intangible assets which may be identified. Pending more detailed analyses, no pro forma adjustments are included herein for these assets and liabilities. Any change in the fair value of the net assets of A.G. Edwards will change the amount of the purchase price allocable to goodwill. Additionally, changes to A.G. Edwards stockholders equity, including dividends and net income from June 1, 2007, through the date the merger is completed, will also change the amount of goodwill recorded. In addition, the final adjustments may be materially different from the unaudited pro forma adjustments presented herein.

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

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

Table of Contents

Unaudited Comparative Per Common Share Data of Wachovia and A.G. Edwards

	Three Months Ended March 31, 2007	Year Ended December 31, 2006
WACHOVIA		
Basic earnings per common share		
Income from continuing operations		
Historical	$ 1.22	4.70
Pro forma	1.20	4.60
Diluted earnings per common share		
Income from continuing operations		
Historical	1.20	4.61
Pro forma	1.18	4.52
Dividends declared on common stock		
Historical	0.56	2.14
Pro forma	0.56	2.14
Book value per common share		
Historical	36.47	36.61
Pro forma	$ 37.20	37.32

	Three Months Ended May 31, 2007	Year Ended February 28, 2007
A.G. EDWARDS		
Basic earnings per common share		
Historical	$ 1.12	4.44
Equivalent pro forma	1.18	4.53
Diluted earnings per common share		
Historical	1.10	4.34
Equivalent pro forma	1.16	4.45
Dividends declared on common stock		
Historical	0.20	0.80
Equivalent pro forma	0.55	2.11
Book value per common share		
Historical	28.69	27.91
Equivalent pro forma	$ 36.62	36.74

Table of Contents

Selected Financial Data

The following tables show summarized historical financial data for each of Wachovia and A.G. Edwards and also show similar pro forma information reflecting the merger. The historical financial data show the financial results actually achieved by Wachovia and A.G. Edwards for the periods indicated. The pro forma information reflects the pro forma effect of accounting for the merger under the purchase method of accounting. The pro forma income statement for the three months ended March 31, 2007, assumes a completion date of January 1, 2007. The pro forma income statement data for the year ended December 31, 2006, assumes a merger completion date of January 1, 2006. The pro forma balance sheet data assumes a merger completion date of March 31, 2007.

The pro forma financial information includes customer relationship intangible, debt to fund the cash portion of the merger consideration, and estimated adjustments to record certain exit costs related to A.G. Edwards. The pro forma adjustments included herein are subject to updates as additional information becomes available and as additional analyses are performed. Certain assets and liabilities of A.G. Edwards may be subject to adjustment to their respective fair values, including additional intangible assets which may be identified. Pending more detailed analyses, no pro forma adjustments are included herein for these assets and liabilities. Any change in the fair value of the net assets of A.G. Edwards will change the amount of the purchase price allocable to goodwill. Additionally, changes to A.G. Edwards stockholders equity, including net income from June 1, 2007, through the date the merger is completed, will also change the amount of goodwill recorded. In addition, the final adjustments may be materially different from the unaudited pro forma adjustments presented herein.

Wachovia s fiscal year runs from January 1 to December 31 and A.G. Edwards fiscal year runs from March 1 to February 28. The pro forma financial information presented herein combines A.G. Edwards May 31 three months ended with the immediately preceding Wachovia March 31 three months ended and A.G. Edwards February 28 fiscal year-end with the immediately preceding Wachovia December 31 fiscal year-end.

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

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

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

The costs associated with merger integration activities that impact certain A.G. Edwards systems, facilities and equipment, personnel and contractual arrangements will be recorded as purchase accounting adjustments as described above when the appropriate plans are in place with potential refinements up to one year after merger completion as additional information becomes available. Wachovia currently estimates that exit cost purchase accounting adjustments will amount to $120 million after-tax. The costs associated with integrating systems and operations will be recorded as merger-related expenses based on the nature and timing of the related expenses, but generally will be recorded as the expenses are incurred. Restructuring charges will be recorded based on the nature and timing of the expenses and generally will include merger integration activities that impact Wachovia systems, facilities and equipment, personnel and contractual arrangements. Wachovia expects merger-related and restructuring expenses will amount to $740 million after-tax and will be incurred and reported through 2009.

Table of Contents

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF WACHOVIA

	Six Months Ended June 30,		Years Ended December 31,				
millions, except per share data)	**2007**	**2006**	**2006**	**2005**	**2004**	**2003**	**2002**
NSOLIDATED SUMMARIES OF COME							
erest income	$ 20,509	14,111	32,265	23,689	17,288	15,080	15,63
erest expense	11,628	6,980	17,016	10,008	5,327	4,473	5,67
t interest income	8,881	7,131	15,249	13,681	11,961	10,607	9,95
vision for credit losses	356	120	434	249	257	586	1,47
t interest income after provision for dit losses	8,525	7,011	14,815	13,432	11,704	10,021	8,47
urities gains (losses)	76	(23)	118	89	(10)	45	16
and other income	7,899	7,123	14,427	12,130	10,789	9,437	7,72
rger-related and restructuring penses	42	92	179	292	444	443	38
her noninterest expense	9,402	8,408	17,297	15,555	14,222	12,837	11,30
nority interest in income of nsolidated subsidiaries	275	185	414	342	184	143	
ome from continuing operations ore income taxes and cumulative ect of a change in accounting nciple	6,781	5,426	11,470	9,462	7,633	6,080	4,66
ome taxes	2,138	1,813	3,725	3,033	2,419	1,833	1,08
ome from continuing operations ore cumulative effect of a change in ounting principle	4,643	3,613	7,745	6,429	5,214	4,247	3,57
continued operations, net of income es			46	214			
ome before cumulative effect of a nge in accounting principle	4,643	3,613	7,791	6,643	5,214	4,247	3,57
mulative effect of a change in ounting principle, net of income es						17	
t income	4,643	3,613	7,791	6,643	5,214	4,264	3,57
vidends on preferred stock						5	1
t income available to common ckholders	$ 4,643	3,613	7,791	6,643	5,214	4,259	3,56

R COMMON SHARE DATA							
sic							
ome from continuing operations							
ore change in accounting principle	$ 2.45	2.30	4.70	4.13	3.87	3.20	2.6
t income	2.45	2.30	4.72	4.27	3.87	3.21	2.6
uted							
ome from continuing operations							
ore change in accounting principle	2.42	2.26	4.61	4.05	3.81	3.17	2.6
t income	2.42	2.26	4.63	4.19	3.81	3.18	2.6
sh dividends	1.12	1.02	2.14	1.94	1.66	1.25	1.0
ok value	36.40	30.75	36.61	30.55	29.79	24.71	23.6
ASH DIVIDENDS PAID ON							
OMMON STOCK	2,137	1,637	3,589	3,039	2,306	1,665	1,36
ONSOLIDATED PERIOD-END							
LANCE SHEET ITEMS							
sets	719,922	553,614	707,121	520,755	493,324	401,188	342,03
ans, net of unearned income	429,120	282,916	420,158	259,015	223,840	165,571	163,09
posits	413,665	327,614	407,458	324,894	295,053	221,225	191,51
ng-term debt	142,047	74,627	138,594	48,971	46,759	36,730	39,66
ckholders equity	$ 69,266	48,872	69,716	47,561	47,317	32,428	32,07
mmon shares outstanding	1,903	1,589	1,904	1,557	1,588	1,312	1,35
ONSOLIDATED AVERAGE							
LANCE SHEET ITEMS							
sets	$ 702,062	532,970	580,334	509,010	426,767	361,501	320,60
ans, net of unearned income	418,275	267,960	307,722	227,922	172,033	158,327	154,45
posits	407,172	325,398	343,280	304,590	247,842	198,923	180,87
ng-term debt	142,746	63,932	87,178	47,774	39,780	36,676	38,90
ckholders equity	$ 69,318	48,498	54,263	47,019	35,295	32,135	30,39
mmon shares outstanding							
sic	1,892	1,570	1,651	1,556	1,346	1,325	1,35
uted	1,922	1,599	1,681	1,585	1,370	1,340	1,36
SET QUALITY							
owance for loan losses	$ 3,390	3,021	3,360	2,724	2,757	2,348	2,60
nperforming assets	2,106	741	1,382	752	1,257	1,228	1,87
t charge-offs	$ 305	110	366	207	300	652	1,12
ONSOLIDATED PERCENTAGES							
erage assets to average stockholders							
ity	10.13X	10.99	10.69	10.83	12.09	11.25	10.5
urn on average assets	1.33%(a)	1.37(a)	1.34	1.31	1.22	1.18	1.1
urn on average stockholders equity	13.51(a)	15.02(a)	14.36	14.13	14.77	13.27	11.7
erage stockholders equity to average							
ets	9.87	9.10	9.35	9.24	8.27	8.89	9.4
ckholders equity to assets	9.62	8.83	9.86	9.13	9.59	8.09	9.3
owance for loan losses to							
ans, net	0.79	1.07	0.80	1.05	1.23	1.42	1.6
nperforming assets	161	408	243	362	219	191	13
t charge-offs to average loans, net	0.15(a)	0.08(a)	0.12	0.09	0.17	0.41	0.7
nperforming assets to loans, net,							
eclosed properties and loans held for							
e	0.47	0.25	0.32	0.28	0.53	0.69	1.1
pital ratios							

r I capital	7.47	7.81	7.42	7.50	8.01	8.52	8.2
al capital	11.46	11.42	11.33	10.82	11.11	11.82	12.0
verage	6.23	6.57	6.01	6.12	6.38	6.36	6.7
t interest margin	2.97%(a)	3.19(a)	3.12	3.24	3.41	3.72	3.9

(a) Annualized.

Table of Contents

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF A.G. EDWARDS

(In millions, except per share data)	Three Months Ended May 31, 2007	Three Months Ended May 31, 2006	Years Ended February 28, 2007	2006*	2005	2004	2003
CONSOLIDATED SUMMARIES OF INCOME							
Interest income	$ 55	54	231	181	129	96	107
Interest expense	4	4	16	11	4	3	6
Net interest income	51	50	215	170	125	93	101
Provision for credit losses				1	(1)	1	9
Net interest income after provision for credit losses	51	50	215	169	126	92	92
Fee and other income	791	715	2,895	2,569	2,483	2,430	2,114
Noninterest expense	708	642	2,590	2,397	2,315	2,277	2,035
Income before income taxes and cumulative effect of a change in accounting principle	134	123	520	341	294	245	171
Income taxes	51	45	189	118	108	86	52
	83	78	331	223	186	159	119
Cumulative effect of a change in accounting principle, net of income taxes				3			
Net income	$ 83	78	331	226	186	159	119
PER COMMON SHARE DATA							
Basic							
Income before change in accounting principle	$ 1.12	1.03	4.44	2.91	2.39	1.99	1.48
Net income	1.12	1.03	4.44	2.95	2.39	1.99	1.48
Diluted earnings							
Income before change in accounting principle	1.10	1.01	4.34	2.89	2.37	1.97	1.46
Net income	1.10	1.01	4.34	2.93	2.37	1.97	1.46
Cash dividends	0.20	0.20	0.80	0.72	0.64	0.64	0.64
Book value	28.69	25.81	27.91	24.96	23.21	22.08	20.92
CASH DIVIDENDS PAID ON COMMON STOCK	15	15	61	52	50	51	51
CONSOLIDATED PERIOD-END BALANCE SHEET ITEMS							
Assets	5,066	4,413	5,312	4,672	4,688	4,436	3,980
Loans, net of unearned income	1,755	1,948	1,714	2,087	2,244	2,419	2,083
Stockholders equity	$ 2,174	1,972	2,102	1,887	1,788	1,778	1,689

Common shares outstanding	76	76	75	76	77	81	81
CONSOLIDATED AVERAGE BALANCE SHEET ITEMS							
Assets	$ 5,189	4,543	4,992	4,680	4,562	4,208	4,084
Loans, net of unearned income	1,735	2,018	1,901	2,166	2,332	2,251	2,291
Stockholders equity	$ 2,138	1,930	1,995	1,838	1,783	1,734	1,669
Average common shares outstanding							
Basic	74	75	75	77	78	80	80
Diluted	76	77	76	77	79	81	81
ASSET QUALITY							
Allowance for loan losses	$ 2	3	3	3	8	46	45
CONSOLIDATED PERCENTAGES							
Average assets to average stockholders equity	2.43X	2.35	2.50	2.55	2.56	2.43	2.45
Return on average assets	6.49%(a)	6.96(a)	6.63	4.83	4.08	3.78	2.91
Return on average stockholders equity	15.74(a)	16.39(a)	16.59	12.30	10.43	9.17	7.13
Average stockholders equity to average assets	41.20	42.48	39.96	39.27	39.08	41.20	40.87
Stockholders equity to assets	42.91	44.69	39.57	40.39	38.14	40.08	42.44
Allowance for loan losses to Loans, net	0.11%	0.15	0.18	0.14	0.36	1.90	2.16

* Fiscal 2006 amounts have been adjusted due to a change in accounting method related to stock-based compensation.

Table of Contents

SELECTED PRO FORMA CONDENSED COMBINED FINANCIAL DATA OF WACHOVIA AND A.G. EDWARDS

(In millions, except per share data)		Three Months Ended March 31, 2007(b)	Year Ended December 31, 2006(c)
CONSOLIDATED SUMMARIES OF INCOME			
Interest income	$	10,203	32,496
Interest expense		5,732	17,191
Net interest income		4,471	15,305
Provision for credit losses		177	434
Net interest income after provision for credit losses		4,294	14,871
Securities gains		53	118
Fee and other income		4,475	17,322
Merger-related and restructuring expenses		10	179
Other noninterest expense		5,297	19,946
Minority interest in income of consolidated subsidiaries		136	414
Income before income taxes		3,379	11,772
Income taxes		1,028	3,830
Net income	$	2,351	7,942
PER COMMON SHARE DATA			
Basic (a)	$	1.20	4.60
Diluted (a)		1.18	4.52
Dividends		0.56	2.14
Book value (a)		37.20	37.32
CONSOLIDATED PERIOD-END BALANCE SHEET ITEMS			
Assets		716,379	
Loans, net of unearned income		423,418	
Deposits		408,148	
Long-term debt		145,012	
Stockholders equity	$	73,944	
Common shares outstanding		1,988	
CONSOLIDATED PERCENTAGES			
Return on average assets		1.36%(d)	1.36
Return on average stockholders equity		13.34(d)	14.12
Allowance for loan losses to			
Loans, net		0.80	0.80
Nonperforming assets		192	243
Net charge-offs to average loans, net		0.15(d)	0.12
		0.40%	0.32

Nonperforming assets to loans, net, foreclosed properties and loans held for sale

(a) The basic and diluted per common share amounts were determined by dividing pro forma net income by the sum of (i) Wachovia s respective historical average basic and diluted shares outstanding, and (ii) A.G. Edwards respective historical average basic and diluted shares outstanding as adjusted by the 0.9844 exchange ratio for each period presented. Dividends per share are the actual amounts per share paid by Wachovia for each period presented. The book value per common share amounts at March 31, 2007 and December 31, 2006, respectively, were determined by dividing pro forma stockholders equity by the sum of (i) Wachovia s common shares outstanding at March 31, 2007 and December 31, 2006, respectively, and (ii) A.G. Edwards common shares outstanding at May 31, 2007 and February 28, 2007, respectively, as adjusted by the 0.9844 exchange ratio.

(b) The three months ended May 31, 2007, for A.G. Edwards.

(c) The year ended February 28, 2007, for A.G. Edwards.

(d) Annualized.

Table of Contents

RISK FACTORS

In addition to the other information contained in or incorporated by reference into this proxy statement-prospectus, including the matters addressed under the heading Forward-Looking Statements , you should carefully consider the following risk factors in deciding how to vote on the merger. For further discussion of risk factors relating to the businesses of each of Wachovia and A.G. Edwards, please see Wachovia s and A.G. Edwards periodic reports and other documents incorporated by reference into this document. See Where You Can Find More Information , beginning on Page 76.

The Market Value of the Wachovia Common Stock That A.G. Edwards Stockholders Will Receive in the Merger May Fluctuate.

In the merger, A.G. Edwards stockholders will have the right to receive 0.9844 shares of Wachovia common stock and $35.80 in cash for each share of A.G. Edwards common stock. Because the number of Wachovia common shares and cash that will be issued in the merger to each A.G. Edwards stockholder is fixed and will not be adjusted for changes in the market price of either Wachovia common stock or A.G. Edwards common stock, any change in the price of Wachovia common stock will affect the market value of the merger consideration that A.G. Edwards stockholders will receive. Neither Wachovia nor A.G. Edwards is permitted to terminate the merger agreement or resolicit the vote of A.G. Edwards stockholders solely because of changes in the market price of their respective shares of common stock.

Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our businesses, operations and prospects and regulatory considerations. Many of these factors are beyond either party s control. The prices of Wachovia common stock and A.G. Edwards common stock at merger completion may vary from their respective prices on the date the merger agreement was executed, the date of this proxy statement-prospectus and the date of the special meeting. As a result, the value represented by the merger consideration also will vary. For example, based on the range of closing prices of Wachovia common stock during the period from May 30, 2007, the last trading day before public announcement of the execution of the merger agreement, through August 27, 2007, the merger consideration represented a value ranging from a high of $89.50 to a low of $80.04 for each share of A.G. Edwards common stock. Because the date the merger is completed may be later than the date of the special meeting, at the time of A.G. Edwards stockholders meeting, you will not necessarily know the market value of Wachovia common stock that A.G. Edwards stockholders will receive upon merger completion.

Combining Our Two Companies May Be More Difficult, Costly or Time-Consuming Than We Expect.

Wachovia and A.G. Edwards have operated and, until merger completion, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees or disruption of each company s ongoing business or inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with customers and employees or to achieve the anticipated benefits of the merger. As with any merger of financial institutions, there also may be business disruptions that cause us to lose customers. The success of the combined company following the merger may depend in large part on the ability to integrate the two businesses, business models and cultures. If we are not able to integrate our operations successfully and timely, the expected benefits of the merger may not be realized.

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

The merger must be approved by the Federal Reserve Board and reviewed by the Federal Trade Commission and the Antitrust Division of the DOJ. The Federal Reserve Board, the Federal Trade Commission and/or the Antitrust Division of the DOJ will consider, among other factors, the competitive impact of the merger, the financial and managerial resources of our companies and the convenience and needs of the communities to be served. As part of that consideration, we expect that the Federal Reserve Board will review

Table of Contents

capital position, safety and soundness, and legal and regulatory compliance matters, and Community Reinvestment Act matters.

These and other regulatory approvals may not be received, or may be received later than anticipated. Regulatory approvals that are received may impose restrictions or conditions that restrict our activities or otherwise adversely affect our ability to obtain the anticipated benefits of the merger.

Future Results of the Combined Company May Differ Materially from the Summary Pro Forma Financial Information Presented in This Proxy Statement-Prospectus.

Wachovia s future results may be materially different from those shown in the summary pro forma financial information presented in this proxy statement-prospectus that show only a combination of Wachovia s and A.G. Edwards historical results. Wachovia has estimated that Wachovia will record approximately $740 million of aggregate after-tax merger-related and restructuring expenses, and $120 million of after-tax exit cost purchase accounting adjustments. The charges may be higher or lower than estimated, depending upon how costly or difficult it is to integrate our two companies. Furthermore, these charges may decrease Wachovia s capital that could be used for income-earning investments in the future.

The Market Price of Wachovia Common Stock after the Merger May be Affected by Factors Different from Those Affecting A.G. Edwards Common Stock Currently.

The businesses of Wachovia and A.G. Edwards differ in many respects primarily because of Wachovia s banking businesses and, accordingly, the results of operations of the combined company and the market price of Wachovia s shares of common stock after the merger may be affected by factors different from those currently affecting the independent results of operations of A.G. Edwards. For a discussion of the businesses of Wachovia and A.G. Edwards and of certain factors to consider in connection with those businesses, see the documents incorporated by reference into this proxy statement-prospectus and referred to under Where You Can Find More Information .

Unless the Merger Is Completed, There Are Limits on Another Business Combination By A.G. Edwards Until February 29, 2008.

The failure of A.G. Edwards to obtain the stockholder vote required for the merger will not by itself give either company the right to terminate the merger agreement. As long as no other termination event has occurred, both companies would remain obligated to continue to use their reasonable best efforts to complete the merger (including by using their reasonable best efforts to restructure the merger) until February 29, 2008, which, depending on the timing of the failed meeting, could include calling an additional stockholder meeting.

During the period the merger agreement is in effect, A.G. Edwards cannot undertake any other mergers or business combination transactions without the consent of Wachovia. Furthermore, any decision by the A.G. Edwards board of directors to withdraw or adversely modify its recommendation of the merger, or negotiate or authorize negotiations with a third party regarding an acquisition proposal other than the merger will not give A.G. Edwards the right to terminate the merger agreement. The foregoing prohibitions could have the effect of delaying alternative strategic business combinations for a limited period.

We May Fail to Realize the Cost Savings Estimated for the Merger.

Wachovia estimates that approximately $395 million of annual after-tax cost savings would be realized from the merger by December 31, 2009. As with any estimate, it is possible that the estimates of the potential cost savings could turn out to be incorrect. For example, the combined purchasing power may not be as strong as expected, and therefore the cost savings could be reduced. In addition, unanticipated growth in Wachovia s business may require Wachovia to continue to operate or maintain some facilities or support functions that are currently expected to be combined or reduced. The cost savings estimates also depend on our ability to combine the businesses of Wachovia and A.G. Edwards in a manner that permits those costs savings to be realized. If the estimates turn out to be incorrect or Wachovia is not able to combine our two companies

Table of Contents

successfully, the anticipated cost savings may not be fully realized or realized at all, or may take longer to realize than expected.

Uncertainties Associated with the Merger May Cause a Loss of Employees and May Otherwise Affect the Future Business and Operations of Wachovia and A.G. Edwards.

Wachovia s success after the merger will depend in part upon its ability to retain key employees of Wachovia and A.G. Edwards. Current and prospective employees of Wachovia and A.G. Edwards may experience uncertainty about their roles with the combined company following the merger. This may adversely affect the ability of each of Wachovia and A.G. Edwards to attract and retain key management, sales, marketing, technical and other personnel. In addition, key employees may depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the combined company following the merger. As a result, the combined company may not be able to attract or retain key employees of Wachovia and A.G. Edwards to the same extent that those companies have been able to attract or retain their own employees in the past.

Table of Contents

FORWARD-LOOKING STATEMENTS

This document, including information included or incorporated by reference into this document, contains forward-looking statements with respect to the financial condition, results of operations and business of each of Wachovia and A.G. Edwards and, assuming the completion of the merger, a combined Wachovia and A.G. Edwards. Such statements include, but are not limited to, statements relating to:

- synergies (including cost savings), and accretion/dilution to reported earnings expected to be realized from the merger;
- business opportunities and strategies potentially available to the combined company;
- merger-related and restructuring charges expected to be incurred;
- management, operations and policies of Wachovia after the merger; and
- statements preceded by, followed by or that include the words believes, expects, anticipates, intends, estimates, should or similar expressions.

These forward-looking statements involve some risks and uncertainties. Factors that may cause actual results to differ materially from those contemplated by these forward-looking statements include, among other things, the following possibilities:

- the risk that the businesses of Wachovia and A.G. Edwards will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected;
- the risk that expected revenue synergies and cost savings from the merger may not be fully realized or realized within the expected time frame;
- the risk that revenues following the merger may be lower than expected;
- broker attrition, operating costs, customer loss and business disruption following the merger, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected;
- the inability to obtain governmental approvals of the merger on the proposed terms and schedule;
- the failure of A.G. Edwards stockholders to adopt the merger agreement;
- competitive pressures among financial institutions may increase significantly and have an effect on pricing, spending, third-party relationships and revenues;
- the strength of the United States economy in general and the strength of the local economies in which Wachovia will conduct 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;
- changes in the United States and foreign legal and regulatory framework;

unanticipated regulatory or judicial proceedings or rulings;

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;

potential or actual litigation;

inflation, interest rate, market and monetary fluctuations;

the risk that management s assumptions and estimates used in applying critical accounting policies prove unreliable, inaccurate or not predictive of actual results;

the risk that the design of either company s disclosure controls and procedures or internal controls prove inadequate, or are circumvented, thereby causing losses or errors in information or a delay in the detection of fraud;

Table of Contents

adverse conditions in the stock market, the public debt market and other capital markets both domestically and abroad (including changes in interest rate conditions) and the impact of such conditions on Wachovia s and A.G. Edwards capital markets and asset management activities; and

the impact on Wachovia s or A.G. Edwards businesses, as well as on the risks set forth above, of various domestic or international military or terrorist activities or conflicts.

Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements, and the factors that will determine these results are beyond Wachovia s or A.G. Edwards ability to control or predict.

We caution you not to place undue reliance on the forward-looking statements, which speak only as of the date of this proxy statement-prospectus, in the case of forward-looking statements contained in this proxy statement-prospectus, or the dates of the documents incorporated by reference in this proxy statement-prospectus, in the case of forward-looking statements made in those incorporated documents.

Except to the extent required by applicable law or regulation, Wachovia and A.G. Edwards undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this proxy statement-prospectus or to reflect the occurrence of unanticipated events.

For additional information about factors that could cause actual results to differ materially from those described in the forward-looking statements, please see the reports that Wachovia and A.G. Edwards have filed with the SEC under Where You Can Find More Information .

All subsequent written or oral forward-looking statements concerning the merger or other matters addressed in this proxy statement-prospectus 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 contained or referred to in this section.

Neither Wachovia s nor A.G. Edwards independent registered public accounting firms have compiled, examined or otherwise applied procedures to the prospective financial information presented herein and, accordingly, do not express an opinion or any other form of assurance on such information or its achievability.

Table of Contents

A.G. EDWARDS SPECIAL MEETING

This section contains information about the special meeting of A.G. Edwards stockholders called to consider and adopt the merger agreement. This proxy statement-prospectus is being mailed to A.G. Edwards stockholders on or about August 30, 2007. Together with this proxy statement-prospectus, A.G. Edwards is also sending to you a form of proxy that the A.G. Edwards board of directors is soliciting for use at the special meeting and at any adjournments or postponements of the meeting. The special meeting will be held on September 28, 2007 at 10:00 a.m., local time, at A.G. Edwards home office, One North Jefferson Avenue, St. Louis, Missouri.

Matters To Be Considered

To consider and vote on the proposal to adopt the Agreement and Plan of Merger, dated May 30, 2007, by and among Wachovia Corporation, White Bird Holdings, Inc., a wholly-owned subsidiary of Wachovia, and A.G. Edwards, Inc., pursuant to which, A.G. Edwards will merge with and into White Bird Holdings, as more fully described in this proxy statement-prospectus.

To consider and vote upon a proposal to approve the adjournment of the special meeting, including, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting for the foregoing proposal.

Proxies

A.G. Edwards stockholders should complete and return the proxy card accompanying this document to ensure that their vote is counted at the special meeting, regardless of whether they plan to attend the special meeting. If you are a registered A.G. Edwards stockholder (that is, you hold A.G. Edwards common stock directly registered in your own name), you may also vote by telephone or through the Internet by following the instructions described on your proxy card. If your shares of A.G. Edwards common stock are held in nominee or street name , you will receive separate voting instructions from your broker or nominee, which will be included with your proxy materials. Most brokers and nominees offer telephone and Internet voting, but the availability of and procedures for these alternatives will depend on the arrangements established by each particular broker or nominee.

If you are a registered A.G. Edwards stockholder, you can revoke your proxy at any time before the vote is taken at the special meeting by submitting to A.G. Edwards corporate secretary written notice of revocation or a properly executed proxy of a later date, or by attending the special meeting and voting in person. Attendance at the special meeting will not by itself constitute revocation of a proxy. Written notices of revocation and other communications about revoking A.G. Edwards proxies should be addressed to:

A.G. Edwards, Inc.
One North Jefferson Avenue
St. Louis, Missouri 63103
Attention: Corporate Secretary

If your shares are held in nominee or street name , you should contact your broker or other nominee regarding the revocation of proxies.

All shares of A.G. Edwards common stock represented by valid proxies that A.G. Edwards receives through this solicitation, and not revoked before they are exercised, will be voted in the manner specified on the proxies. If you make no specification on your proxy card, your proxy will be voted FOR adoption of the merger agreement and FOR approval of the proposal to adjourn the special meeting, including, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to adopt the merger agreement. However, brokers that hold shares of A.G. Edwards common stock in nominee or street name for customers who are the beneficial owners of those shares may not give a proxy to vote those shares on the merger agreement without specific instructions from those customers.

Table of Contents

The A.G. Edwards board of directors is presently unaware of any other matters that may be presented for action at the special meeting. If other matters do properly come before the special meeting, however, A.G. Edwards intends that shares represented by proxies in the form accompanying this proxy statement-prospectus will be voted by and at the discretion of the persons named as proxies on the proxy card.

Adopting the merger agreement requires the affirmative vote of a majority of the outstanding shares of A.G. Edwards common stock entitled to vote at the special meeting. As a result, abstentions and broker non-votes will have the same effect as votes against adoption of the merger agreement. Therefore, the A.G. Edwards board of directors urges A.G. Edwards stockholders to complete, date and sign the accompanying proxy and return it promptly in the enclosed, postage-paid envelope or, alternatively, to submit your proxy via the telephone or Internet procedures described under Voting via Telephone, Internet or Mail below.

A.G. Edwards stockholders should NOT send in any stock certificates with their proxy card. The exchange agent will mail a transmittal letter with instructions for the surrender of stock certificates to A.G. Edwards stockholders as soon as practicable after the merger is completed.

Solicitation of Proxies

A.G. Edwards will bear the entire cost of soliciting proxies from its stockholders, except that A.G. Edwards and Wachovia have agreed to each pay one-half of the costs and expenses of printing and mailing this proxy statement-prospectus and all filing and other fees relating to the merger paid to the SEC. In addition to soliciting proxies by mail, A.G. Edwards will request banks, brokers and other record holders to send proxies and proxy material to the beneficial owners of A.G. Edwards common stock and secure their voting instructions. If necessary, A.G. Edwards will reimburse those banks, brokers and record holders for their reasonable fees and expenses in taking those actions. A.G. Edwards has also made arrangements with Innisfree M&A Incorporated to assist in soliciting proxies and has agreed to pay them $50,000 plus reasonable expenses for these services. If necessary, subject to applicable law, A.G. Edwards and Wachovia may also use several of their regular employees, who will not be specially compensated, to solicit proxies from A.G. Edwards stockholders, either personally or by telephone, the Internet, telegram, fax, letter or special delivery letter.

Record Date and Voting Rights

In accordance with Delaware law, A.G. Edwards by-laws and NYSE rules, A.G. Edwards has fixed August 13, 2007 as the record date for determining the A.G. Edwards stockholders entitled to notice of, and to vote at, the special meeting. Only A.G. Edwards stockholders of record at the close of business on the record date are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. At the close of business on the record date, there were 75,792,790 shares of A.G. Edwards common stock outstanding, held by approximately 26,230 holders of record. The presence in person or by proxy of a majority of common shares outstanding on the record date will constitute a quorum for purposes of conducting business at the special meeting. On each matter properly submitted for consideration at the special meeting, you are entitled to one vote for each outstanding share of A.G. Edwards common stock you held as of the close of business on the record date.

Shares of A.G. Edwards common stock present in person at the special meeting but not voting, and shares of A.G. Edwards common stock for which A.G. Edwards has received proxies indicating that their holders have abstained, will be counted as present at the special meeting for purposes of determining whether there is a quorum for transacting business at the special meeting. Shares represented by proxies returned by a broker holding the shares in street name will be counted for purposes of determining whether a quorum exists, even if those shares are not voted by their beneficial owners on matters where the broker cannot vote the shares in its discretion (so-called broker non-votes).

As of the record date:

A.G. Edwards directors and executive officers beneficially owned approximately 1,205,392 shares of A.G. Edwards common stock, representing approximately 1.59% of the shares entitled to vote at the special meeting. A.G. Edwards currently expects that its directors and executive officers will vote the shares of A.G. Edwards common stock they beneficially own FOR adoption of the merger agreement;

Wachovia and its directors and executive officers beneficially owned less than 1% of the shares entitled to vote at the A.G. Edwards special meeting (other than shares held as fiduciary, custodian or agent as described below);

subsidiaries of Wachovia, as fiduciaries, custodians or agents, held a total of approximately 568,908 shares of A.G. Edwards common stock, representing approximately 0.75% of the shares entitled to vote at the annual meeting, and maintained sole or shared voting power over approximately 129,134 of these shares; and

subsidiaries of A.G. Edwards, as fiduciaries, custodians or agents, held a total of approximately 82,067 shares of A.G. Edwards common stock, representing approximately 0.11% of the shares entitled to vote at the annual meeting, and maintained sole or shared voting power over approximately 82,067 of these shares.

Voting via Telephone, Internet or Mail

A.G. Edwards offers three ways for you to vote your proxy:

Option 1 Vote by Telephone:

Call toll free 1-800-690-6903 before midnight (Eastern Time) on September 25, 2007 and follow the instructions on the enclosed proxy card.

Option 2 Vote on the Internet:

Access the proxy form at www.proxyvote.com before midnight (Eastern Time) on September 25, 2007. Follow the instructions for Internet voting found there and on the enclosed proxy card. If you vote via the Internet, please be advised that there may be costs involved, including possibly access charges from Internet access providers and telephone companies. You will have to bear these costs.

If your shares are registered in the name of a brokerage, bank or other nominee, you may not be able to use telephone and Internet voting procedures. Please refer to the voting materials you receive, or contact your broker, bank or other nominee, to determine your options.

Option 3 Mail your Proxy Card:

If you do not wish to vote by telephone or the Internet, please complete, sign, date and return the enclosed proxy card as described under Proxies above.

In order to be effective, proxy instructions must be received before the times indicated above to allow for processing the results.

The voting procedures used by A.G. Edwards proxy service, Broadridge Financial Solutions, Inc., are designed to properly authenticate stockholders identities and to accurately record and count their proxies.

Delivery of Proxy Materials

To reduce the expenses of delivering duplicate proxy materials to A.G. Edwards stockholders, A.G. Edwards is relying upon SEC rules that permit it to deliver only one proxy statement-prospectus to multiple stockholders who share an address unless we receive contrary instructions from any stockholder at that address. If you share an address with another stockholder and have received only one proxy statement-prospectus, you may write or call us as specified below to request a separate copy of this document and we will promptly send it to you at no cost to you. For future A.G. Edwards stockholder meetings, if any, you may request separate copies of A.G. Edwards proxy materials, or request that A.G. Edwards send only one set of these materials to you if you are receiving multiple copies, by contacting us at: A.G. Edwards, Inc., Investor Relations, One North Jefferson Avenue, St. Louis, Missouri 63103, or by telephoning us at (314) 955-3782.

Table of Contents

Attending the Meeting

All A.G. Edwards stockholders, including stockholders of record and stockholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the A.G. Edwards special meeting. Stockholders of record can vote in person at the special meeting. If you are not a stockholder of record, you must obtain a proxy executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership and you must bring a form of personal photo identification with you in order to be admitted. We reserve the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification.

Proposal to Adopt the Agreement and Plan of Merger

Recommendations of the A.G. Edwards Board

The A.G. Edwards board of directors has unanimously approved and adopted the merger agreement. The A.G. Edwards board of directors believes that the merger agreement and the transactions it contemplates are in the best interests of A.G. Edwards and its stockholders, and unanimously recommends that A.G. Edwards stockholders vote FOR adoption of the merger agreement.

See The Merger A.G. Edwards Reasons for the Merger; Recommendation of the A.G. Edwards Board of Directors for a more detailed discussion of the A.G. Edwards board s recommendation with regard to the merger agreement.

Table of Contents

THE MERGER

The following discussion contains certain material information about the merger. The discussion is subject, and qualified in its entirety by reference, to the merger agreement and financial advisor opinion attached as Appendices to this document. We urge you to read carefully this entire document, including the merger agreement and financial advisor opinion attached as Appendices to this document, for a more complete understanding of the merger.

Wachovia s and A.G. Edwards boards of directors have approved and adopted the merger agreement. The merger agreement provides for combining our companies through the merger of A.G. Edwards with and into White Bird Holdings, Inc., a wholly-owned subsidiary of Wachovia, with White Bird Holdings as the surviving corporation. Following the merger, Wachovia will combine the retail securities brokerage businesses of A.G. Edwards with Wachovia s retail securities brokerage businesses under the name Wachovia Securities .

In the merger, each share of A.G. Edwards common stock will be converted into the right to receive 0.9844 shares of Wachovia common stock and $35.80 in cash for each such share. Shares of Wachovia common stock issued and outstanding at merger completion will remain outstanding and those stock certificates will be unaffected by the merger. Wachovia s common stock will continue to trade on the NYSE under the Wachovia Corporation name with the symbol WB following the merger.

See The Merger Agreement for additional and more detailed information regarding the legal documents that govern the merger, including information about the conditions to the merger and the provisions for terminating or amending the merger agreement.

Background of the Merger

Each of Wachovia s and A.G. Edwards board of directors has from time to time separately engaged with senior management of their respective companies in reviews and discussions of potential strategic alternatives, and has considered ways to enhance their respective performance and prospects in light of competitive and other relevant developments. These reviews and discussions have focused on, among other things, the business environment facing financial institutions generally and each respective company in particular, as well as conditions and ongoing consolidation in the financial services industry, including in the retail brokerage industry. For each company, these reviews have also included periodic discussions with respect to potential transactions that would better serve clients and employees, further its strategic objectives, and the potential benefits and risks of those transactions.

In November 2006, at a meeting of Robert L. Bagby, Chairman and Chief Executive Officer of A.G. Edwards, and the independent directors of the A.G. Edwards board of directors, discussions occurred concerning strategic matters relating to A.G. Edwards and the markets in which it operates. In connection with these discussions, Mr. Bagby discussed plans for a strategic planning session of the Executive Committee of the brokerage subsidiary of A.G. Edwards that would consider issues the A.G. Edwards board of directors had been discussing from time to time, including the strategic direction of the firm, the need for growth or change given the costs of technology, supervision and other regulatory requirements, the effects of globalization, efficient use of capital, the need for increased returns from current assets and additional products and services, changes in securities exchanges, trading and distribution arrangements, effects of regulatory and self-regulatory initiatives, and the increasingly competitive market for financial consultants. The strategic planning session would consider options including whether to change the existing business model and whether to consider a strategic transaction.

The Executive Committee of the brokerage subsidiary of A.G. Edwards held a strategic planning session at the end of November 2006. At the planning session, although no formal recommendation was made, a majority of the members of the Executive Committee favored consideration of a strategic transaction depending on the structure of the transaction and other factors. After the planning session, Mr. Bagby and Douglas L. Kelly, Chief Financial Officer of A.G. Edwards, discussed the session with the independent directors of the A.G. Edwards board of directors and thereafter explored the possibilities of a strategic transaction, including discussions with an investment banking firm who could act as a financial advisor and a law firm, each knowledgeable about the industry and strategic transactions.

During the period from November 2006 until May 2007, a small group of A.G. Edwards management performed diligence concerning the industry and the possibility of a strategic transaction. A.G. Edwards management consulted with Goldman Sachs concerning the retail brokerage industry, including changes in the operating environment and client behavior, public market trading performance of the brokerage industry and previous transactions involving retail broker dealers, as well as potential participants in a strategic transaction. Management also consulted with the law firm of Wachtell, Lipton, Rosen & Katz, which we refer to as Wachtell, Lipton. In connection with its review of a potential strategic transaction, A.G. Edwards subsequently retained Wachtell, Lipton as its legal advisor. During this time, the independent directors of the A.G. Edwards board of directors were briefed periodically by management on the actions taken by management.

Daniel J. Ludeman, President and Chief Executive Officer of Wachovia Securities, LLC, which we refer to as Wachovia Securities, and Mr. Bagby have known each other for several years, and periodically have spoken about their respective companies and the brokerage industry at industry meetings. On May 11, 2007, Mr. Ludeman and Mr. Bagby had a conversation in which Mr. Ludeman inquired about A.G. Edwards interest in a possible strategic transaction with Wachovia. Mr. Bagby subsequently contacted Mr. Ludeman and they agreed that representatives of Wachovia and A.G. Edwards should meet to discuss in general terms the possibility of such a strategic transaction.

On May 20, 2007, a meeting was held with G. Kennedy Thompson, Wachovia s Chairman and Chief Executive Officer, David M. Carroll, Head of Wachovia s Capital Management Group, Thomas J. Wurtz, Wachovia s Chief Financial Officer, Mr. Ludeman, Mr. Bagby, Mr. Kelly, and Paul F. Pautler, Director of Capital Markets of A.G. Edwards. At this meeting, discussions focused on the potential opportunities that would be created by a possible strategic transaction to form a unified retail brokerage operations headquartered in St. Louis, Missouri with management and employees from each company and combined capital market activities. A general discussion of preliminary pricing considerations, including the need for a premium to A.G. Edwards stockholders, also occurred. Thereafter, Mr. Bagby apprised individual members of the A.G. Edwards board of directors of the status of his discussions with Wachovia representatives and discussed his intention to pursue these conversations further. In connection with the discussions with Wachovia, A.G. Edwards retained Goldman Sachs as its financial advisor and Wachovia retained Credit Suisse Securities (USA) LLC, which we refer to as Credit Suisse, and Wachovia Capital Markets LLC as its financial advisors and Simpson Thacher & Bartlett LLP, which we refer to as Simpson Thacher, as its legal advisor.

On May 21, 2007, the parties entered into a confidentiality agreement and thereafter commenced mutual due diligence. Negotiations continued between executive officers of Wachovia and A.G. Edwards regarding the terms of a potential strategic transaction focusing on the price to be paid to A.G. Edward stockholders by Wachovia, the representations and warranties to be given by each party and the conditions to closing. The negotiations on price included discussion of the premium to be paid relative to the recent market price levels of A.G. Edwards stock, how the price would be set in view of changes in stock price during the period of negotiations and whether payment to A.G. Edwards stockholders would be all stock or part stock and part cash. In addition, the parties discussed the importance of expeditiously concluding a transaction if a transaction were to occur. The parties, with advice from their financial advisors, ultimately agreed that the merger consideration would be set such that it would have a value of $89.50 per A.G. Edwards shares as of the close of business on the day the merger agreement was signed (with roughly 60% of the consideration in the form of Wachovia common stock and 40% of the consideration in cash). The terms and conditions of the merger were to be generally consistent with those between large publicly held financial institutions. While negotiations continued on other substantive terms, the parties, with the aid of outside counsel, began preliminary drafting of the transaction documents.

On May 30, 2007, the parties reached agreement on the merger consideration consisting of 0.9844 shares of Wachovia common stock and $35.80 in cash for each outstanding A.G. Edwards common share and 1.6407 shares of Wachovia common stock as the exchange ratio for each outstanding A.G. Edwards stock

Table of Contents

option and restricted share of A.G. Edwards. The parties and their respective counsel also completed negotiation of the terms contained in the definitive transaction documents.

On May 30, 2007, the board of directors of Wachovia met with senior management and their outside legal and financial advisors. Management reviewed for the Wachovia board of directors the background of discussions with A.G. Edwards and the progress of negotiations, and reported on Wachovia s due diligence investigations of A.G. Edwards. Wachovia s management and Credit Suisse reviewed with the Wachovia board of directors the structure and other terms of the proposed transaction, and financial information regarding A.G. Edwards, Wachovia and the transaction, as well as information regarding peer companies and comparable transactions.

Representatives of Simpson Thacher discussed with the Wachovia board of directors the legal standards applicable to its decisions and actions with respect to its consideration of the proposed transaction, and reviewed the legal terms of the proposed transaction agreements as well as employee benefits and compensation arrangements for A.G. Edwards employees. Representatives of Simpson Thacher also discussed with the Wachovia board of directors the A.G. Edwards stockholder vote and regulatory approvals that would be required to complete the proposed merger, the likely process and timetable of the merger including obtaining the required A.G. Edwards stockholder vote and regulatory approvals and compensation and benefits issues in connection with the merger. Simpson Thacher also reviewed with the Wachovia board the implications of the proposed A.G. Edwards merger on the joint ownership of Wachovia Securities, LLC and the options available to Wachovia s joint venture partner following the merger. Mark C. Treanor, Wachovia s General Counsel, reviewed for the Wachovia board of directors the resolutions relating to the proposed merger.

Following these discussions, and review and discussion among the members of the Wachovia board of directors, including consideration of the factors described under Wachovia s Reasons for the Merger , the Wachovia board of directors unanimously determined that the transactions contemplated by the merger agreement and the related transactions and agreements are advisable and in the best interests of Wachovia and its stockholders, and the directors voted unanimously to approve the merger with A.G. Edwards, to approve the merger agreement and to approve the related transactions and agreements.

The A.G. Edwards board of directors met on May 30, 2007. Mr. Bagby and other senior A.G. Edwards executives reviewed for the board of directors the strategic issues affecting the firm that the board of directors had discussed previously and that had been the subject of the strategic planning session of the Executive Committee of the brokerage subsidiary of A.G. Edwards, and the actions taken by management since the strategic planning session. Members of A.G. Edwards management also reviewed the discussions and negotiations with Wachovia, the due diligence process and the proposed terms of the transaction, including the proposed merger consideration.

Representatives from Goldman Sachs delivered a financial analysis of the transaction including evaluation of the implied merger consideration to be received by A.G. Edwards stockholders. They reviewed the current retail brokerage industry including the operating environment and client behavior, the importance of scale and scope, changes in the industry since 1995, a summary of business models of competitors and comments on the current strong operating performance of A.G. Edwards and the pressures the firm faces from increasingly diverse competitors including from industry participants with greater scale and capital resources. Goldman Sachs also gave a public market overview of A.G. Edwards stock and the stock of competitors, reviewed precedent transactions and reviewed information concerning retail brokerage firms and U.S. and international banks. The representatives of Goldman Sachs then advised the A.G. Edwards board of directors of the opinion of Goldman Sachs that, as of May 30, 2007, and based upon the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Goldman Sachs, all as set forth in its written opinion, the stock consideration and the cash consideration to be received in the merger, taken in the aggregate, pursuant to the merger agreement, was fair, from a financial point of view, to holders of A.G. Edwards common stock.

Representatives of Wachtell, Lipton advised the A.G. Edwards board of directors regarding certain legal matters related to the proposed transaction, including the fiduciary obligations of A.G. Edwards directors in connection with their consideration of the proposed merger agreement. Representatives of Wachtell, Lipton also presented information about the proposed merger agreement, including key terms relating to structure, covenants, representations and warranties and closing conditions and proposed agreements with management including Mr. Bagby. Wachtell, Lipton representatives also discussed regulatory and stockholder approvals required to complete the merger. Following the presentations, directors addressed questions to, and discussed the proposed transaction with, members of A.G. Edwards management, representatives of Wachtell, Lipton and representatives of Goldman Sachs.

The A.G. Edwards board of directors unanimously determined that the transactions contemplated by the merger agreement and the related transactions and agreements were advisable and in the best interests of A.G. Edwards and its stockholders, and the directors voted unanimously to approve the merger with Wachovia, to approve the merger agreement and to approve the related transactions and agreements.

The transaction was announced prior to the opening of trading on the NYSE on the morning of May 31, 2007 in a press release issued jointly by Wachovia and A.G. Edwards.

A.G. Edwards Reasons for the Merger; Recommendation of the A.G. Edwards Board of Directors

In reaching its decision to adopt the merger agreement and recommend adoption of the merger agreement to the A.G. Edwards stockholders, the A.G. Edwards board of directors consulted with A.G. Edwards management, as well as with its outside legal and financial advisors, and considered, among other things, the following material factors:

The current environment in the financial services industry, including national and regional economic conditions, continued consolidation in the financial services industry, evolving trends in technology, regulatory compliance requirements, nationwide competition, and the likely effect of these factors on A.G. Edwards on both a stand-alone basis and in the context of the proposed merger.

The A.G. Edwards board of directors belief that the merger would further important business strategies, including achieving strong earnings growth, improving customer and financial consultant attraction and retention and focusing on expense savings. The A.G. Edwards board of directors believed the merger would provide economies of scale, increased sales of banking products, new investment products from investment banking, cost savings opportunities, and enhanced opportunities for growth. Specifically,

A.G. Edwards, while well-capitalized for a retail brokerage firm, does not have sufficient capital to permit use of large amounts of risk-capital in the type of transactions increasingly common in capital market activities. The A.G. Edwards board of directors believed that a transaction with Wachovia could provide capital for capital markets activities while reducing the need for the retail brokerage firm to maintain its current capital.

Competitors are offering products and services, particularly access to loans or other banking related services, which are increasingly requested by clients and financial consultants. A.G. Edwards generally obtains the products and services from third parties with the results that clients sometimes dealt with competitors and that the return on client assets to A.G. Edwards is less than what competitors who offer all such services could earn. The A.G. Edwards board of directors believed that a transaction with Wachovia could provide access for clients and financial consultants to additional products and services while allowing the combined firms to earn returns on assets greater than that earned by A.G. Edwards alone.

A.G. Edwards offers selected products to retail and institutional clients in the United States from foreign jurisdictions and provides selected services to persons or institutions resident in foreign countries. The A.G. Edwards board believed Wachovia has a broader international presence than A.G. Edwards.

Recruiting and retaining financial consultants has been difficult for A.G. Edwards given the up-front money being paid by some competitors and the attraction of some financial consultants to independent contractor or other models. The A.G. Edwards board believed that a transaction with

Table of Contents

Wachovia, which has successfully recruited financial consultants and which has an independent contractor model for some financial consultants, is more attractive in recruiting and retaining financial consultants.

The combination of A.G. Edwards and Wachovia would produce the second largest retail brokerage firm in terms of number of financial consultants, giving the opportunity to leverage complementary business lines across a larger customer base and the scale to reduce on a per financial consultant basis certain costs including those for technology, operations and regulatory compliance.

The expectation that the merger will qualify as a transaction of a type that is generally tax-free for United States federal income tax purposes to A.G. Edwards, Wachovia, and A.G. Edwards stockholders, except to the extent cash is received in the merger.

Wachovia and A.G. Edwards will use a deliberate, disciplined approach to the combination, structured to generate positive operating leverage through expense control and quality revenue growth.

The combined retail brokerage operations would include a senior management team composed of members from both organizations.

The A.G. Edwards board s understanding that the combined cash consideration and stock consideration as of the close of business on May 30, 2007 has a higher dollar value than the historical trading price of the A.G. Edwards stock and represents an approximate 16% premium over the closing price of A.G. Edwards common stock on the NYSE as of May 30, 2007, the day before the announcement of the signing of the merger agreement.

The A.G. Edwards board s belief that the merger is likely to increase value to stockholders. In particular, the dividend expected to be paid by Wachovia, on a pro forma basis based on Wachovia s current dividend rate and the 0.9844 exchange ratio, will represent an approximately 176% increase in the dividend currently paid by A.G. Edwards on its common stock.

Goldman Sachs financial presentation to the A.G. Edwards board of directors, including Goldman Sachs opinion, dated May 30, 2007, as to the fairness, from a financial point of view, to the holders of A.G. Edwards common stock of the stock consideration and the cash consideration, taken in the aggregate, pursuant to the merger agreement, as discussed in Opinion of A.G. Edwards Financial Advisor below.

The A.G. Edwards board s understanding that the exchange ratio for the stock portion of the merger consideration was fixed and would not fluctuate.

The review by the A.G. Edwards board of directors with its legal advisor, Wachtell, Lipton, of the provisions of the merger agreement, including the provisions of the merger agreement relating to the conditions to completion of the merger and employee benefit arrangements contemplated in the merger.

The regulatory and other approvals required in connection with the merger, the possibility that meaningful branch divestitures might be required in overlapping markets in connection with obtaining necessary regulatory approvals, and the likelihood regulatory approvals will be received in a timely manner and without unacceptable conditions.

The possibility that the merger and the related integration process could result in the loss of key employees, in the disruption of A.G. Edwards on-going business and in the loss of customers.

In view of the wide variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, the A.G. Edwards board of directors did not find it useful and did not attempt to quantify or assign any relative or specific weights to the various factors that it considered in reaching its determination to approve the merger and the merger agreement and recommend that A.G. Edwards stockholders vote FOR the adoption of the merger agreement. In addition, individual members of the A.G. Edwards board of directors may have given differing weights to different factors. The A.G. Edwards board of directors conducted an overall analysis of the factors described above, including through discussions with, and questioning of, A.G. Edwards management and outside legal and financial advisors, as well as Goldman Sachs analysis of the financial terms of the merger and relied on its opinion as to the fairness, from a financial point of view, to the holders of A.G. Edwards common stock of the consideration to be received by A.G. Edwards stockholders.

It should be noted that this explanation of the A.G. Edwards board s reasoning and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading Forward-Looking Statements .

For the reasons set forth above, the A.G. Edwards board of directors determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interest of A.G. Edwards and its stockholders, and unanimously approved the merger agreement. The A.G. Edwards board of directors unanimously recommends that the A.G. Edwards stockholders vote FOR the adoption of the merger agreement.

Wachovia s Reasons for the Merger

Wachovia s board of directors believes that it is advantageous to build a financial services company with leading positions in its core businesses. To further that objective, Wachovia has concentrated on making selected acquisitions of companies engaged in providing financial services that complement or expand the financial services offered by Wachovia. Wachovia s board believes that joining with A.G. Edwards is an excellent way to further develop Wachovia s ability to provide expanded and complementary banking, brokerage and investment banking products to a broader range of customers.

The acquisition of A.G. Edwards will extend Wachovia s retail securities brokerage business into a national business covering all 50 states, the District of Columbia and two foreign jurisdictions, and expand its market presence in the top 50 U.S. metropolitan areas. Following the merger, Wachovia expects its retail securities brokerage business to be second in the U.S. measured by revenues and the number of registered representatives and third in the U.S. measured by client assets under management. Wachovia believes substantial cost savings will result from the merger with A.G. Edwards of approximately $395 million after-tax per year following the integration period. Wachovia believes the acquisition will be accretive to Wachovia s earnings per share, excluding merger-related and restructuring expense, in 2008 and beyond. Wachovia expects to recognize an estimated $740 million of aggregate after-tax merger-related and restructuring expenses in the merger through 2009, with 5% expected to be recognized in 2007, 61% expected to be recognized in 2008, and 34% expected to be recognized in 2009.

Wachovia is continually evaluating acquisition opportunities and frequently conducts due diligence activities in connection with possible acquisitions. As a result, acquisition discussions and, in some cases, negotiations frequently take place and future acquisitions involving cash, debt or equity securities can be expected. Acquisitions typically involve the payment of a premium over book and market values, and therefore, some dilution of Wachovia s book value and net income per common share may occur in connection with any future acquisitions.

Cost Savings and Accounting Charges. Although no assurances can be made, Wachovia believes that following the merger, the combined company can achieve cost savings of approximately 20% of the combined retail securities brokerage expenses excluding registered representative compensation (approximately $395 million in after-tax annual expense reductions) by 2009.

As part of these cost savings, Wachovia expects to reduce the combined company s non-registered representative job positions by about 25% over the merger integration period. As part of the cost savings, Wachovia expects to consolidate about 230 brokerage offices during the integration period.

Wachovia expects to recognize an estimated $740 million of after-tax merger-related and restructuring expenses and $120 million of after-tax exit cost purchase accounting adjustments. A portion of these charges and adjustments will be recorded upon merger completion, with the remainder expected to be recorded in each year from the merger completion through early 2009.

Table of Contents

Opinion of A.G. Edwards Financial Advisor

Goldman Sachs rendered its opinion to the A.G. Edwards board of directors that, as of May 30, 2007, and based upon and subject to the factors and assumptions set forth therein, the merger consideration to be received by the holders of shares of A.G. Edwards common stock, taken in the aggregate pursuant to the merger agreement, was fair from a financial point of view to such holders.

The full text of the written opinion of Goldman Sachs, dated May 30, 2007, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Appendix B. Goldman Sachs provided its opinion for the information and assistance of the A.G. Edwards board of directors in connection with its consideration of the transaction. The Goldman Sachs opinion is not a recommendation as to how any holder of A.G. Edwards shares should vote with respect to the transaction or on any other matter.

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

- the merger agreement;
- annual reports to stockholders and Annual Reports on Form 10-K of A.G. Edwards and Wachovia for the five fiscal years ended February 28, 2007 for A.G. Edwards and December 31, 2006 for Wachovia;
- certain interim reports to stockholders and Quarterly Reports on Form 10-Q of A.G. Edwards and Wachovia;
- certain other communications from A.G. Edwards and Wachovia to their respective stockholders;
- certain research analyst estimates of the future financial performance of A.G. Edwards and Wachovia;
- extrapolations of A.G. Edwards future financial performance under various scenarios provided by the management of A.G. Edwards (the Company Analyses); and
- analyses of certain cost savings and operating synergies projected to result from the transaction prepared by the managements of A.G. Edwards and Wachovia (the Synergies).

Goldman Sachs also held discussions with members of the senior management of Wachovia regarding the future financial performance of Wachovia, including discussions regarding their assessment of certain publicly available research analyst estimates related to Wachovia.

Goldman Sachs also held discussions with members of the senior managements of A.G. Edwards and Wachovia regarding their assessment of the strategic rationale for, and the potential benefits of, the transaction and the past and current business operations, financial condition and future prospects of their respective companies. In addition, Goldman Sachs reviewed the reported price and trading activity for A.G. Edwards common shares and Wachovia common shares, compared certain financial and stock market information for A.G. Edwards and Wachovia with similar financial and stock market information for certain other companies the securities of which are publicly traded, and reviewed the financial terms of certain recent business combinations in the brokerage industry specifically and in other industries generally and performed such other studies and analyses, and considered such other factors, as it considered appropriate.

For purposes of rendering its opinion, Goldman Sachs relied upon and assumed, without assuming any responsibility for independent verification, the accuracy and completeness of all of the financial, accounting, legal, tax and other information discussed with or reviewed by it. In that regard, Goldman Sachs assumed with A.G. Edwards consent that the Company Analyses and the Synergies reflected the best available estimates and judgments of the management of A.G. Edwards and Wachovia, as the case may be. Goldman Sachs also assumed that the allowances for losses in loan and lease portfolios are in the aggregate adequate to cover such losses. In addition, Goldman Sachs did not review individual credit files, nor did Goldman Sachs make an independent evaluation or appraisal of the assets and liabilities (including any conting