From:	Schmidt, Mark S.
To:	Spoth, Christopher J.
Cc:	Lane, John M.
Subject:	FW: WB stuff
Date:	Sunday, September 28, 2008 5:49:12 PM
Attachments:	WB Lg Funds Providers-9-2008.doc WB Liabilities-9-2008 v2.doc Liquidity Run-off scenario 9.24.08 v2.xls vfcc-maturitycalendarpool.xls Wachovia Liability Breakout 9.08-v1.xls WB Debt Maturities.xls 3Q08 Deposit History.xls 07-08 Alvin Tracking and Surveillance.xls 08-08 Provider Summary.xls 08-08 Provider Summary-modified.xls Daily Liquidity 9-29-2008.xls

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This is the list of creditors I mentioned on the phone (and numerous other attachments I haven't looked at yet. Came from FRB via Brent.

-----Original Message-----
From: Hoyer, Brent D.
Sent: Sunday, September 28, 2008 12:16 PM
To: Schmidt, Mark S.; Simons-Poole, Gale A.; Hubbard, Steven J.
Subject: Fw: WB stuff

PDA/Hoyer

-----Original Message-----
From: John.Beebe@rich.frb.org <John.Beebe@rich.frb.org>
To: Hoyer, Brent D.
Sent: Sat Sep 27 15:36:08 2008
Subject: WB stuff

My memos from early this morning:

My current 2-week scenarios:

Some other data I picked up when I joined the team yesterday:

Now you have everything that I have, except the charm and good looks!

John A. Beebe, CFA
Market Risk Team Leader
Federal Reserve Bank of Richmond-Charlotte Office
Tel. # 704-358-2533 (Charlotte)
Tel # 212-720-6936 (New York)
Cell. # 704-302-6016

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INTEROFFICE MEMO

Date: September 27, 2008

To: Jennifer Burns, VP-LCBO

From: Elizabeth Gress, Senior Examiner 2, Market risk Team
John A. Beebe, Market Risk Team Leader

Subject: Wachovia Liability Structure

The following memo[1] outlines some key features of Wachovia's liability structure. It provides reference points for how their liabilities divide into major classes. This memo should be reviewed in conjunction with the Wachovia Large Funds Providers memo of the same date. Key information included in this memo include:

1. Deposit structure
2. Liability breakdown

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1. Deposit structure: According to SNL, Wachovia ($393 bn in deposits) was the third largest deposit holder in the United States as of the end of 2007, behind Bank of America ($663 bn) and JPMorgan ($440 bn). Wachovia had the fourth largest number of branches at 3,348. As of September 24, 2008, the deposit base breaks down as follows:

September 24 2008				
DDA	Sav & NOW	MM	Time	Total
$ 53,521	$ 74,785	$ 118,011	$ 133,267	$ 379,584

As of 9/24, they are reporting $26.8 bn in brokered deposits.

[1] This memo was constructed using various MIS reference reports. As a result there may be timing or data aggregation differences in some of the numbers. The differences are not significant in relation to the main themes of this memo.

Deposits by source/business line are as follows:

				Core Interest Bearing Deposits			
FDIC Sweep	AGE Sweep	Comm Sweeps	Int'l E$ Sweep	CIB	GBG	CMG	Wealth
29,832,752	22,949,731	12,773,000	7,066,000	9,302,532	254,751,870	50,673,913	11,460,425

2. The liability structure breaks down as follows:

Wachovia Liabilities Non Final Numbers: source G/L 9/24/2008		
Core Deposits		
DDA	$	53,521
Sav & NOW	$	74,785
Money Market	$	118,011
Time	$	133,267
Total Core Deposits	**$**	**379,584**
NonCore Deposits		
National Market Brokered CD	$	26,873
Foreign Deposits	$	24,365
Other	$	8,427
Total Noncore	**$**	**59,665**
Total Deposits	**$**	**439,249**
Short Term Borrowings		
Fed funds Purchased	$	15,129
Repos & Lent Securities	$	28,904
CP Paper	$	2,992
Other ST Borrowings	$	6,363
Total Short Term Borrowings	**$**	**53,946**
Trading Account Liabilities	$	86,893
Total Shorter Term Debt	**$**	**140,839**
Bank Long Term Debt		
Extendible Notes	$	5,300
CIB Borrowings	$	1,984
Senior Notes - Foreign	$	6,507
Medium Term Notes	$	35,486
Subordinated Notes	$	19,617
Total	$	68,895
FHLB Borrowings		
FHLB Borrowings	$	57,391
Corporate Long Term Debt		
Corporate Senior Notes	$	35,308
Corporate Sub Notes	$	2,007
Other Corporate Notes	$	1,250
Other Borrowings	$	17,752
Total Corporate	$	56,316
Trust Preferreds	$	58
Congress Notes (Canada affil)	$	374
Risk Mgt Derivatives	$	669
Total Long Term Debt	**$**	**183,704**
Equity		
Minority Interest	$	2,629
Equity	$	77,457
Total Equity	**$**	**80,086**
Total Liabiltities & Equity	**$**	**843,878**

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INTEROFFICE MEMO

Date: September 27, 2008

To: Jennifer Burns, VP-LCBO

From: John A. Beebe, Market Risk Team Leader

Subject: Wachovia Large Funds Providers

The following memo[1] outlines some key features of Wachovia's large funds providers, looking at the composition of these providers through various prisms to show their links with the financial system. Key systemic integration points include:

1. Fund holdings of Wachovia debt (Systemic risk-"break-the-buck")
2. Broker-dealer money markets (Systemic risk-market confidence)
3. Financial institutions

A key issue to consider under a Wachovia lead disruption is that they would more resemble a Bear Stearns or AIG case, where counterparties have not had time to reduce their exposure to Wachovia. This is unlike WaMu or even Lehman, which had long periods where investors had time to reduce exposure. Even in the latter two cases, the disruption to the liquidity markets has been severe.

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1. Fund holdings of WB liabilities represent a significant systemic risk. Based on the August 31, 2008 report, US Mutual funds hold $66.1 bn of WB's liabilities. This breaks down into the following debt types:
    a. Corporate Notes: $34.6 bn
    b. CDs: $10.1 bn
    c. Floaters: $7.5 bn
    d. Tender Option Bonds: $8.0 bn

[1] This memo was constructed using various MIS reference reports. As a result there may be timing or data aggregation differences in some of the numbers. The differences are not significant in relation to the main themes of this memo. Data for provider by Wachovia legal entity was not available.

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Exposed Funds include[2]:

a. Dreyfus: $7.9 bn (Please note that Dreyfus was showing signs of strain immediately after the Lehman failure and the Reserve Fund break-the-buck event. A Wachovia event would likely lead to renewed redemption issues @ Dreyfus)
b. Federated Investors: $4.3 bn
c. PIMCO: $4.4 bn
d. Fidelity: $3.5 bn
e. Vanguard: $3.4 bn
f. Columbia Mgmt: $3.2 bn
g. Morgan Stanley: $2.7 bn

2. US broker-dealers are also large investors in Wachovia with investments totaling $38.9 bn. The investment banking sector is already weak and exposed to low levels of confidence. Broker dealers could become even more reliant on Federal Reserve support programs, such as the PDCF, to support operations in the event of a Wachovia lead disruption. Wachovia liabilities on BD balance sheets include $23.9 bn in money markets[3], $5.7 bn in ABCP (VFCC), $4.3 bn in corp notes, and $2.0 bn in Tender option bonds.

3. Financial institution exposure to Wachovia is $15.4 bn, primarily in the form of corporate notes of $9.4 bn. Again, this is a weak sector exposed to already eroded confidence.

[2] The fund listing was done by large fund provider by name, not provider type. Other large fund providers may also have been included in the categorization, but that data wasn't readily available.
[3] The money market volume is notable in reference to WB liquidity, since it is likely to leave the company quickly should a Wachovia specific event occur.

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4. Breakdown of investors by investor type and product

WACHOVIA BANK and WACHOVIA CAPITAL MARKETS, LLC
All Products Combined
as of 08.31.2008

Stated as Combination BOOK VALUE/F

OUTSTANDING LIABILITIES
(MILLIONS)

	Low Floater	Tender Option Bonds	VFCC-CP	United Hamilton	Bank Notes	BKEL	CD	CDEL	Wachovia CP	Deposit Note	EUROS	Fed Funds (ON)	Fed Funds (Term)	Corporate Notes	MMDA	MMDEPGIC	PC	Loan Part	TDOA
Affiliate	513	(0)	-	-	20	-	503	165	-	-	344	-	-	10,102	-	-	-	1	-
Broker/Dealer(US)	364	2,012	5,663	685	622	-	1,338	26	0	1	-	-	-	4,298	23,944	-	-	-	-
Corporation/Companies(US)	1,016	100	959	60	220	-	1,915	1	3,842	-	3,214	41	-	6,800	-	2	0	-	-
Fed Govt & Agencies	1	-	-	-	-	-	1,385	-	-	-	-	12,500	250	841	-	-	-	-	-
Financial Institutions(FGN)	-	-	-	-	129	-	376	-	206	-	1,437	24	-	7,021	-	500	-	-	-
Financial Institutions(US)	1,577	236	-	-	2,477	-	642	0	-	-	9	808	225	9,388	-	-	-	-	-
Individual(US)	142	-	-	-	-	-	0	-	4	-	0	-	-	(0)	-	-	-	-	-
Mutual Funds(US)	7,481	8,043	4,121	1,255	206	-	10,108	-	250	-	16	-	-	34,607	-	-	-	-	-
Other(FGN)	96	131	1,388	-	-	-	104	(0)	11	-	871	-	-	4,121	-	-	-	-	-
Other(US)	(559)	90	-	-	4,908	30	50	159	11	-	41	-	-	12,112	-	-	-	-	-
State & Muncipalities	1	22	43	-	50	-	275	-	123	-	24	-	-	1,109	-	40	0	-	-
Trust	10	-	-	-	-	-	20	-	15	-	8	-	-	201	-	0	-	-	-
	10,639	10,633	12,175	2,000	8,631	30	16,717	352	4,462	1	5,965	13,374	475	90,600	23,944	542	0	1	-
	5.3%	5.3%	6.1%	1.0%	4.3%	0.0%	8.3%	0.2%	2.2%	0.0%	3.0%	6.7%	0.2%	45.2%	11.9%	0.3%	0.0%	0.0%	0.0%

* includes inventory and unidentified contras

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5. Large Fund by product:

Top 5 Total Funding Counterparties	
Dreyfus Investment Advisors, Inc.	6,485
State Street Global Advisors, Inc.	5,840
Federated Investors	4,389
PIMCO	4,380
BlackRock Financial Management, Inc.	3,978
	25,072

Top 5 VRDN Counterparties	
Federated Investors	1,400
The Dreyfus Corporation	1,032
The Vanguard Group, Inc.	755
BlackRock Financial Management, Inc.	679
Wells Fargo Bank NA	664
	4,530

Top 5 TOB Counterparties	
The Vanguard Group, Inc.	2,110
JP Morgan Investment Management, Inc.	2,081
Fidelity Management and Research Company	1,271
Federated Investors	1,110
Charles Schwab and Co.	659
	7,231

Top 5 ABCP Counterparties	
Morgan Stanley	2,057
Lehman	1,938
Columbia Management Advisors, LLC	1,510
Morgan Stanley Investment Advisors, Inc.	984
Infiniti SPC Limited	969
	7,458

Top 5 CD Counterparties	
The Dreyfus Corporation	6,335
Morgan Stanley Investment Advisors, Inc.	985
FHLB San Francisco	980
Western Asset Management Co.	975
Garban Capital Markets LLC	670
	9,945

6. Large Fund providers by name:

Account or Account Group	Outstandings
Dreyfus affiliated accounts	7,859
BONY Mellon affiliated accounts	6,573
State Street Global Advisors	5,840
Federated Investors	4,388
Pacific Investment Management	4,379
Blackrock Financial Management	3,978
Fidelity Management & Research Company	3,498
The Vanguard Group	3,409
JP Morgan affiliated accounts	3,362
Columbia Management Advisors LLC	3,217
Barclay's Global Investors	3,180
Morgan Stanley affiliated accounts	2,763
Charles Schwab & Company	2,056
Western Asset Management Co.	1,956
UBS Global Asset Management	1,822
JP Morgan Chase Bank	1,805
Dodge & Cox	1,763
Northern Trust Company	1,595
State Administration of Foreign Exchange	1,435
AIM Advisors Inc.	1,138
AIG Global Investment Corp	1,131
Wells Capital Management	1,057
Royal Bank of Canada	1,056
Wells Fargo Bank	1,012
FHLB San Francisco	980
Citigroup Alternative Investments	973
Infiniti SPC Limited	969
Barclay's Bank NYC/London	833
Fannie Mae	826
The Carlyle Group	824
Goldman Sachs Asset Management	819
Boise Land and Timber	818
Capital Management & Research Company	798
FAF Advisors	682
Garban Capital Markets	670
Neuberger Berman LLC	641
Credit Suisse US	598
Putnam, LLC	558
T Rowe Price Associates	555
Keybank National Association	538
Securities Finance Trust Company	530
Dresdner Bank AG US	526
Lehman Brothers Asset Management	520
Bank Leumi Israel	500