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## Different Perspective On Wachovia Name

Atlanta Business Chronicle - by John Downey

[Wells Fargo & Co.](#)'s top executives say the post-purchase combination with [Wachovia Corp.](#) will be named Wells Fargo. Banking observer Tony Plath thinks the decision is only half right.

Contending Wells has no significant reputation or association east of the Mississippi, Plath says a combined name would help the bank keep customers in Wachovia's old stomping grounds.

He cites the example of [JPMorgan Chase & Co.](#), which held on to the two best-known names among the four principal institutions that went into the combination. A combined Wells/Wachovia logo, he contends, could be a big plus — especially in the Southeast.

The banking professor at UNC Charlotte's Belk School of Business claims the name game is not simple sentiment. It could be key to holding on to customers in parts of the East.

In a merger of this size, banks always lose some customers. It's generally called runoff. With little geographic overlap in the two merging banks — like in the Wells/Wachovia deal — an average runoff would be about 6% to 7%.

The banks have said the process to change the Wachovia name here could take up to two years. The full integration process could take up to three years, they have said.

"If Wells comes riding into the Southeast on their stagecoach and the Wachovia name disappears, a lot of old Southern money is going to go to banks like BB&T," Plath says.

The runoff could balloon up to nearly 10%, he says. That would put it in line with the troubled merger Wachovia predecessor First Union Corp. and CoreStates Financial Corp. in 1998.

He contends adding the Wachovia name to the logo could even help reduce deposit defections. He thinks a careful merger and keeping Wachovia in the name could keep them down to about 5%.

In Denver, on the other side of the Mississippi, the chief executive of the financial recruiting and consulting firm RJ & Makay isn't buying.

"The Wells Fargo name has credibility. The Wachovia name has no credibility," Darin Manis says. "It has been drug threw the mud so much, I can't see them using the name at all."

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