

U.S. DEPARTMENT OF THE TREASURY

Press Center

**Statement by Secretary Paulson on the Sale of Wachovia Bank**

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Washington – Treasury issued the following statement by Secretary Henry M. Paulson, Jr. on the sale of Wachovia Bank:

"I commend the action taken by Chairman Bair and the FDIC today to facilitate the sale of Wachovia Bank to Citigroup in an orderly fashion to mitigate potential market disruptions. I agree with the FDIC and the Federal Reserve that a failure of Wachovia would have posed a systemic risk. As a result of this transaction, all Wachovia depositors will be protected and Wachovia's senior and subordinated debt will be assumed by Citigroup. The FDIC's actions help to mitigate potential systemic risk to our financial system. As I have said before, in this period of market stress, we are committed to taking all actions necessary to protect our financial system and our economy."

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