



\$42 MILLION AWARDS PROGRAM TO SUPPORT COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS AIDING LOW-INCOME AND LOW-WEALTH PEOPLE

The Wachovia Foundation, MacArthur Foundation and Opportunity Finance Network Launch New Five-year Program; Two U.S. Organizations to Receive \$8.25 Million in First Year.

CHARLOTTE, N.C., CHICAGO, IL., AND PHILADELPHIA, PA.//June 27, 2007//The Wachovia Foundation, the John D. and Catherine T. MacArthur Foundation and the Opportunity Finance Network will award \$42 million to exceptional community development financial institutions (CDFIs) serving low-income and low-wealth people throughout the U.S. Today, they announced their partnership and launched a new five-year program called the "WACHOVIA NEXT AWARDS FOR OPPORTUNITY FINANCE."

The first recipients of the Wachovia NEXT Awards will be named in December 2007 in Miami. A distinguished national committee will choose two premier CDFI organizations to receive \$8.25 million in grants and investments. Financing provided by community-based CDFIs allows nonprofits and entrepreneurs to build and preserve affordable housing, help small businesses grow, and develop new community facilities, such as schools, health clinics and centers for child care, recreation and culture.

"The goal of the Wachovia NEXT Awards is to propel high-potential CDFIs to a next level of growth, success, and staying power with major one-time infusions of capital," explained Mark Pinsky, president and CEO of the Philadelphia-based Opportunity Finance Network.

The Wachovia Foundation, MacArthur and the Opportunity Finance Network created the awards program to spotlight and reinforce the growing – but underappreciated – role of CDFIs in the U.S. economy. Ultimately, the three partners hope more investors, policymakers, and talented young leaders will discover the innovative field of opportunity finance and help raise its scale and impact significantly.

"We expect these unprecedented awards to result in more jobs, affordable housing, assets, and vital community services and facilities for low-income and low-wealth communities across the nation," said Pinsky. "Nothing of this magnitude has been tried before in our field. The major investments that The Wachovia Foundation and the MacArthur Foundation are making will bring together capital market leaders and opportunity finance institutions to help many more people join America's economic mainstream."

The Wachovia Foundation is making a \$16.75 million grant and the MacArthur Foundation is making a \$25 million low-cost, long-term loan called a program-related investment to fund the Wachovia NEXT Awards.

"At the Wachovia Foundation, we're committed to strengthening communities and bringing together financial support and relationships with community partners," said Ken Thompson, chairman and CEO of Wachovia Corp. and board chairman for The Wachovia

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Foundation. "We're proud to continue our long-standing support for the opportunity finance industry with our investment in these awards, which will help innovative, up-and-coming CDFIs grow and create even more economic opportunity for families and communities."

"These awards celebrate the impressive achievements of CDFIs and the creative way they use capital, business acumen, and community-oriented solutions to bring greater economic security and opportunity to people of modest means," said Jonathan Fanton, president of the MacArthur Foundation. "Our \$25-million commitment to these new awards marks a turning point. It is a capstone investment to help launch the next era of achievement, growth and impact for the entire opportunity finance industry. We are delighted to join forces with Wachovia in this effort. Their robust support truly signals that CDFIs have become valued, enduring partners for our country's largest financial institutions."

ABOUT CDFIs

Over 700 mission-driven banks, loan funds and venture funds currently serve low-income and low-wealth people and communities that some mainstream investors consider too risky or difficult to reach. CDFI financing allows entrepreneurs and nonprofits to build and preserve affordable housing, to help small businesses grow, and to develop new sites for recreation, cultural programs, schools, health clinics, child care centers and more. Many CDFIs provide mortgages, banking accounts, car loans, money transfers, and other services that help customers gain financial literacy, build savings and avoid expensive or predatory financial products.

During 2005 alone, CDFIs provided \$4.3 billion in new financing which yielded: 39,151 jobs in 9,074 businesses; 55,242 units of affordable housing; 613 community facilities such as charter schools, child care and health care centers; and 138,045 low-income people opening their first bank accounts, according to the CDFI Data Project.

ABOUT THE AWARDS

Each year the Wachovia NEXT Awards will include:

- A \$5.5 million program-related investment and unrestricted grant award an outstanding, high-potential CDFI with over \$50 million in assets dedicated to lending or investing;
- A \$2.75 million program-related investment and unrestricted grant award to an outstanding, high-potential CDFI with \$10- \$50 million in assets dedicated to lending or investing; and
- Four \$25,000 unrestricted grant awards to CDFIs of any size that have demonstrated excellence in Innovation, Advocacy, Financing, and Community Impact.

CDFIs seeking to apply for a Wachovia NEXT Award must meet all of the eligibility requirements detailed at the Wachovia NEXT Awards Web site: <http://www.nextawards.org>. These include:

- A primary mission of community development;
- Demonstrated financial discipline and programmatic performance; and
- An increasing volume of lending or investing activity and positive net revenue.

Successful candidates will be CDFIs with a history of outstanding accomplishment, a bold and compelling vision, extraordinary future potential for growth, innovation and impact, and a high degree of readiness to successfully use and leverage a large, flexible investment.

Applications for the 2007 Wachovia NEXT Awards must be submitted by 5:00 PM EDT on Monday, August 20, 2007. For complete details, rules and restrictions, please consult the Application Guide for the 2007 awards at <http://www.nextawards.org>. All applications must be submitted electronically through the Wachovia NEXT Awards Web site.

ABOUT THE GROUPS

The Wachovia Foundation is a private foundation that is funded by Wachovia Corporation. The Foundation provides grants to eligible 501(c)(3) tax-exempt organizations in two primary focus areas (education and community development) and two secondary areas (health and human services, arts and culture). The Foundation's mission is to build strong and vibrant communities, improve the quality of life, and make a positive difference where Wachovia lives and works.

Wachovia Corporation (NYSE:WB) is one of the nation's largest diversified financial services companies, providing a broad range of retail banking and brokerage, asset and wealth management, and corporate and investment banking products and services. Wachovia has retail and commercial banking operations in 21 states with 3,400 retail banking offices from Connecticut to Florida and west to Texas and California. In addition, two core businesses operate under the Wachovia Securities brand name: retail brokerage with 768 offices in 48 states and service affiliate offices in Latin America, and corporate and investment banking serving clients in selected corporate and institutional sectors globally. Other nationwide businesses include mortgage lending in all 50 states and auto finance covering 46 states. Globally, Wachovia serves clients through more than 40 international offices. At March 31, 2007, Wachovia had assets of \$706.4 billion and market capitalization of \$105.3 billion.

The John D. and Catherine T. MacArthur Foundation is a private, independent grantmaking institution dedicated to helping groups and individuals foster lasting improvement in the human condition. Through the support it provides, the Foundation fosters the development of knowledge, nurtures individual creativity, strengthens institutions, helps improve public policy and provides information to the public, primarily through support for public interest media. The MacArthur Foundation has been a leading

supporter of the opportunity finance field since the early 1980s, investing almost a quarter of a billion dollars in approximately 100 groups nationwide. With assets of over \$6 billion and grants totaling \$225 million annually, MacArthur is one of the nation's largest private philanthropic foundations. For more information, please visit <http://www.macfound.org>.

Opportunity Finance Network is the leading network of private financial intermediaries identifying and investing in opportunities to benefit low-income and low-wealth people in the U.S. The network's financing delivers both sound financial returns and real changes for people and communities. CDFIs in the Opportunity Finance Network originated more than \$11 billion in financing in unconventional urban, rural, and reservation-based markets through 2005. This has generated or maintained 171,146 jobs; 35,451 businesses; 484,943 housing units; and, 5,153 community facility projects. With cumulative net charge-off rates of less than 1%, these CDFIs have demonstrated that it is possible to lend prudently and productively in unconventional markets often overlooked by conventional financial institutions. More information about Opportunity Finance Network can be found online at <http://www.opportunityfinance.net>.

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EDITOR'S NOTE: A streaming audio replay of a related news event will be available on the Web at <http://www.nextawards.org> as of 7 p.m. EDT/6 p.m. CDT on June 27, 2007.