

## Edgar Filing: WACHOVIA CORP/ NC - Form 425

WACHOVIA CORP/ NC  
Form 425  
May 14, 2001

Filed by SunTrust Banks, Inc.  
Pursuant to Rule 425 under the Securities  
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Act of 1934

Subject Company: Wachovia Corporation  
Commission File No. 1-9021

Date: May 14, 2001

The following is a press release and written materials presented at an  
analyst conference held on Monday, May 14, 2001.

[SunTrust Banks, Inc. Logo]

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SUNTRUST OFFERS TO ACQUIRE WACHOVIA FOR STOCK  
CURRENTLY VALUED AT \$70.06 PER WACHOVIA SHARE

Combination Would Create Premier Financial Services Franchise In The Southeast

Offers Significant Premium To Wachovia Shareholders Over First Union Agreement;  
Would Avoid Substantial Job Losses In Carolinas Planned By First Union

Atlanta, GA, May 14, 2001 -- SunTrust Banks, Inc. (NYSE: STI) announced today that it has delivered a letter to the Board of Directors of Wachovia Corporation (NYSE: WB) proposing to acquire Wachovia in a stock transaction currently valued at \$70.06 per Wachovia share, or a total of approximately \$14.7 billion. Under SunTrust's proposal, Wachovia shareholders would receive 1.081 shares of SunTrust common stock for each Wachovia share. Based on last Friday's closing prices, SunTrust's offer represents a 17% premium to the implied value of Wachovia's proposed acquisition by First Union Corporation (NYSE: FTU). SunTrust would also increase its annual dividend to \$2.22 per common share so that Wachovia shareholders would receive on a pro forma equivalent basis the same \$2.40 per share dividend that they currently receive.

The combination of SunTrust and Wachovia would create the premier financial services franchise in the Southeast. The pro forma company, with approximately \$180 billion in combined assets, will have a strong presence in seven contiguous, high-growth states with 20% of the U.S. population. It would have over 7.5 million retail customers; #1 market positions in Georgia, South Carolina, and Virginia based on deposits; and approximately 85% of its \$98 billion of U.S. deposits in markets where it has a Top 3 ranking. Together,

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SunTrust and Wachovia would also have a strong balance sheet; superior credit quality; and a powerful wealth

management business with \$138 billion in assets under management and \$260 billion in assets under administration.

"We are delighted to propose this combination which offers superior value to Wachovia's shareholders, and we are confident that the terms of Wachovia's merger agreement with First Union will allow Wachovia's Board of Directors to consider our proposal consistent with its fiduciary obligation to Wachovia shareholders," said L. Phillip Humann, SunTrust's Chairman, President and Chief Executive Officer. "Our interest in a transaction with Wachovia goes back many years and makes even more sense today as our organizations have never been more compatible or complementary. This is a compelling strategic combination for both companies -- and a substantially better deal for Wachovia's shareholders and other constituencies than the First Union transaction. Shareholders would get a higher price in a better-performing security as well as a higher dividend from a better-capitalized company. Our transaction involves a simpler integration process which means customers should experience less disruption and communities would face substantially fewer job losses and branch closings, especially in the Carolinas where SunTrust does not currently operate. We would make Winston-Salem the headquarters of our Carolinas bank and maintain a meaningful presence there. We stand ready to meet with Wachovia as soon as possible to fully explain our proposal and its many advantages."

SunTrust's proposal contemplates that the Board of Directors of the combined company would include appropriate representation from Wachovia's current Board of Directors, and that there would be leadership roles in the combined company for numerous members of Wachovia's management. The combined company would be headquartered in Atlanta.

The transaction is expected to be slightly accretive to SunTrust's earnings per share in the first year, excluding one-time merger-related charges, and increasingly accretive thereafter. SunTrust expects to achieve approximately \$500 million in annual cost savings to be fully phased in over a carefully planned three-year integration period. This includes a staff reduction of approximately 4,000, or 8% of the combined work force, far less than the 7,000 jobs to be lost under the First Union transaction. Wachovia shareholders would own approximately 44% of the combined SunTrust/Wachovia compared to 30% of the combined First Union/Wachovia.

"One of the most attractive aspects of our proposal is our currency," said Mr. Humann. "We have an excellent track record of earnings and dividend growth, and SunTrust has taken a cautious approach to credit management. This has allowed us to consistently meet our earnings targets and to largely avoid non-merger-related restructuring charges and write-downs. As evidenced by our successful acquisition of Crestar, SunTrust also brings a conservative and

disciplined approach to execution of merger transactions. By setting achievable cost-savings targets and retaining our customer focus, we are able to minimize

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revenue loss during integration. We are confident that we can integrate SunTrust's and Wachovia's complementary and overlapping businesses without the customer disruption and other problems that often accompany large bank mergers."

SunTrust's proposed merger would be accounted for as a purchase and would be subject to the receipt of shareholder and regulatory approvals and the satisfaction of other customary conditions. It would also be subject to Wachovia shareholders not approving Wachovia's merger agreement with First Union, the valid termination of that agreement, and the negotiation and execution of a definitive merger agreement between SunTrust and Wachovia. Although SunTrust reserves the right to challenge the validity of the stock option granted to First Union by Wachovia because it contains several excessive and unprecedented features, in the interest of facilitating the transaction, SunTrust's proposal assumes a payment to First Union of the "in-the-money" value of the option, subject to the cap set forth in the option agreement. SunTrust's proposal also assumes divestitures of up to \$1.5 billion in deposits for regulatory reasons.

In addition to delivering its proposal to the Wachovia Board of Directors, SunTrust is filing, before its investor/analyst presentation at 9:15 a.m. today, a preliminary proxy statement with the Securities and Exchange Commission for the purpose of enabling SunTrust to solicit Wachovia's shareholders to vote against the proposed First Union/Wachovia merger. SunTrust's letter to the Wachovia Board of Directors is included in this proxy statement.

SunTrust Banks, Inc. is the nation's ninth-largest commercial banking organization. The Company operates through an extensive distribution network in Alabama, Florida, Georgia, Maryland, Tennessee, Virginia, and the District of Columbia and also serves customers in selected markets nationally. Its primary businesses include traditional deposit and credit services as well as trust and investment services. Through various subsidiaries the Company provides credit cards, mortgage banking, insurance, brokerage and capital markets services.

### Conference Call Information

SunTrust senior management will hold an investor/analyst presentation today at 9:15 a.m. EDT to discuss its proposal to acquire Wachovia. The conference call dial-in numbers are: (888) 868-9080 (domestic) and (973) 628-6885 (international). A webcast of the meeting and slide presentation can also be accessed from the SunTrust website at [www.suntrust.com](http://www.suntrust.com). A replay will be available beginning later today at (877) 519-4471 (domestic) or (973) 341-3080

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(international); pass code is 2600481. An archived version of the webcast will also be available beginning later today. The press release and investor presentation are also available via fax on demand at (888) 861-6282.

\* \* \*

This filing contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, (i) statements about the benefits of a merger between SunTrust and Wachovia, including future financial and operating results, cost savings and accretion to reported and cash earnings that may be realized from such merger; (ii) statements with respect to SunTrust's plans, objectives, expectations and intentions and other statements that are not historical facts; and (iii) other statements identified by words such as "believes", "expects", "anticipates", "estimates", "intends", "plans", "targets", "projects" and similar expressions. These statements are based upon the current beliefs and expectations of SunTrust's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements: (1) the businesses of SunTrust and Wachovia may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; (2) expected revenue synergies and cost savings from the merger may not be fully realized or realized within the expected time frame; (3) revenues following the merger may be lower than expected; (4) deposit attrition, operating costs, customer loss and business disruption, including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers, may be greater than expected following the merger; (5) the regulatory approvals required for the merger may not be obtained on the proposed terms or on the anticipated schedule; (6) the failure of SunTrust's and Wachovia's stockholders to approve the merger; (7) competitive pressures among depository and other financial institutions may increase significantly and may have an effect on pricing, spending, third-party relationships and revenues; (8) the strength of the United States economy in general and the strength of the local economies in which the combined company 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 the combined company's loan portfolio and allowance for loan losses; (9) changes in the U.S. and foreign legal and regulatory framework; and (10) adverse conditions in the stock market, the public debt market and other capital markets (including changes in interest rate conditions) and the impact of such conditions on the combined company's capital markets and asset management activities. Additional factors that could cause SunTrust's results to differ materially from those described in the forward-looking statements can be found in SunTrust's reports (such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K) filed with the Securities and Exchange Commission and available at the SEC's Internet site ([http:// www.sec.gov](http://www.sec.gov)). All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters attributable to SunTrust or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. SunTrust does not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statements are made.

On May 14, 2001 SunTrust filed with the Securities and Exchange Commission ("SEC") a preliminary proxy statement for solicitation of proxies from Wachovia stockholders in connection with the Wachovia 2001 annual meeting of stockholders. Subject to future developments, SunTrust intends to file with the SEC a registration statement at a date or dates subsequent hereto to register the SunTrust shares to be issued in the proposed transaction. Investors and security holders are urged to read the proxy statement and registration statement (when available) and any other relevant documents filed with the SEC,

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as well as any amendments or supplements to those documents, because they contain (or will contain) important information. Investors and security holders may obtain a free copy of the proxy statement and the registration statement (when available) and other relevant documents at the SEC's Internet web site at [www.sec.gov](http://www.sec.gov). The proxy statement, the registration statement (when available) and such other documents may also be obtained free of charge from SunTrust by directing such request to: SunTrust, 303 Peachtree Street, N.E., Atlanta, GA 30308, Attention: Gary Peacock (404-658-4753).

SunTrust, its directors and executive officers and certain other persons may be deemed to be "participants" in SunTrust's solicitation of proxies from Wachovia stockholders. A detailed list of the names, affiliations and interests of the participants in the solicitation is contained in SunTrust's preliminary proxy statement on Schedule 14A, filed with the SEC on May 14, 2001.

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[Logo of SunTrust]

[Logo of Wachovia]

A Better Deal For Shareholders

May 14, 2001

### FORWARD LOOKING INFORMATION

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, (i) statements about the benefits of a merger between SunTrust and Wachovia, including future financial and operating results, cost savings and accretion to reported and cash earnings that may be realized from such merger; (ii) statements with respect to SunTrust's plans, objectives, expectations and intentions and other statements that are not historical facts; and (iii) other statements identified by words such as "believes", "expects", "anticipates", "estimates", "intends", "plans", "targets", "projects" and similar expressions. These statements are based upon the current beliefs and expectations of SunTrust's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements.

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relationships with employees, customers, clients or suppliers, may be greater than expected following the merger; (5) the regulatory approvals required for the merger may not be obtained on the proposed terms or on the anticipated schedule; (6) the failure of SunTrust's and Wachovia's stockholders to approve the merger; (7) competitive pressures among depository and other financial institutions may increase significantly and may have an effect on pricing, spending, third-party relationships and revenues; (8) the strength of the United States economy in general and the strength of the local economies in which the combined company 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 the combined company's loan portfolio and allowance for loan losses; (9) changes in the U.S. and foreign legal and regulatory framework; and (10) adverse conditions in the stock market, the public debt market and other capital markets (including changes in interest rate conditions) and the impact of such conditions on the combined company's capital markets and asset management activities.

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### FORWARD LOOKING INFORMATION

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### OUR STORY

	The Transaction	Phil Humann
	A Premier Franchise	Jim Wells
	Shared Values and Growth Culture	John Clay
	Solid Credit Quality	Ted Hoepner
	Superior Shareholder Value & SunTrust Offers a Stronger Currency	John Spiegel
	A Better Deal For Shareholders	Phil Humann

### PROPOSED TRANSACTION TERMS

Price:	\$70.06 (1)
Fixed Exchange Ratio:	1.081 SunTrust shares per Wachovia share
Dividends: (2)	SunTrust to increase annual dividend to \$2.22 closing - equal to \$2.40 per Wachovia share
Cost Savings:	\$500MM 23% of estimated Wachovia's core expense base (
Divestitures:	Estimated to be up to \$1.5 Bn of deposits
Accounting/Structure:	Purchase; tax-free exchange
Steps to Completion:	Customary regulatory approvals; Valid termination First Union merger agreement; Entry into merger agreement with Wachovia

Notes: (1) Based on May 11, 2001 close.  
(2) All dividends on common stock subject to determination by the combined company's Board of Directors in its discretion.  
(3) Wachovia's estimated core non-interest expense base pro forma for impact of Republic Security transaction and card sale.

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A BETTER DEAL FOR SHAREHOLDERS

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	First Union Deal -----	SunTrust Deal -----	
Price (1)	\$60.04	\$70.06	17% higher
Premium to Current Wachovia Price (1)	(1%)	15%	
Dividends	\$1.92	\$2.40	25% higher
Cost Savings	\$890MM	\$500MM	
% Estimated Wachovia's Core Expense Base (2)	42%	23%	More achievable with less custo and employee disruption
Wachovia Pro Forma Ownership(3)	30%	44%	

Notes: (1) Based on May 11, 2001 close; SunTrust transaction based on 1.081 exchange ratio.  
(2) Wachovia's core non-interest expense base pro forma for impact of Republic Security transaction and card sale.  
(3) Based on common shares outstanding on 3/31/01.

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### A BETTER DEAL FOR SHAREHOLDERS From Every Perspective

- || Better price
- || Higher dividend
- || Better currency
- || Better fit
  - Management philosophy
  - Customer relationship driven
  - Focus on local markets and lines of business
- || Lower risk/better execution
  - Clean slate - successful Crestar integration complete
  - Proven large deal execution capability
  - More conservative and achievable cost savings
  - Less customer disruption

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### A LOGICAL AND COMPELLING FIT

- || Leadership position in high growth and affluent southeastern markets



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- || Enhanced scale in high growth / high margin businesses
- || Superior financial strength and credit risk management
- || Crestar behind us; clean slate for this transaction
- || Complementary cultures and business strengths
- || Opportunity for reinvestment of excess capital

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### A LOWER RISK TRANSACTION

- || SunTrust is ready
- || Integration will be SunTrust's sole focus
  - First Union still focused on completing its internal restructuring
- || More realistic cost savings and less customer disruption
  - 4,000 staff reductions for SunTrust vs. 7,000 for First Union
  - 150 - 175 branch closings for SunTrust vs. 300 for First Union
- || Complementary corporate cultures and business mix

[Logo of SunTrust]

### A PREMIER FRANCHISE

[Logo of SunTrust]

### THE BEST FOOTPRINT IN BANKING Concentration in High Growth and Affluent Markets(1)

- || 7.5 million retail customers
- || \$98Bn in U.S. deposits(2)
- || 1,842 branches
- || 3,347 ATMs
- || 85% of U.S. Deposits are in Markets with Top 3 Ranking

[Graphic Omitted]

#1 FL  
#1 GA  
#3 NC  
#1 SC  
#5 MD  
#1 VA  
#1 Greater Washington Area  
#4 TN

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Source: SNL Securities and company financials.

Notes: (1) Map does not include Alabama and Delaware. Before estimated divestitures.

(2) As of 9/00, most recent data available.

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### HIGH GROWTH AND AFFLUENT MARKETS Projected MSA Household Growth Rates (1)

Top 10 SunTrust/Wachovia MSAs	Growth Rates (%)	SunTrust/Wachovia Deposits (\$Bn)
-----	-----	-----
Atlanta	13.7	\$16.8
Greater Washington Area	7	11.6
Richmond	5.5	5.7
Greensboro/ Winston Salem	6.3	5.5
Orlando	11.6	4.3
Norfolk	2.9	3.2
Tampa/St. Petersburg	5.8	3.0
Miami	5.2	3.0
West Palm Beach	11.5	2.8
Nashville	8.6	2.8
		-----
Weighted Average(2)	8.9	
Over 60% higher than national average		\$58.6
		=====

Source: SNL Securities and U.S. Census data.

Notes: (1) Projected 5-year household growth rates (2000-2005).

(2) Based on deposits.

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### WE STACK UP WELL AGAINST OUR PEERS Growth of Market is 70%+ Higher Than U.S. Average

Weighted Average Population Growth (1)  
(5-Year Projected Growth Rate: 2000-2005)

SunTrust has captured benefits of its  
high growth markets:  
12% annualized core EPS  
growth 1996 - 2001E(2)

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SunTrust/Wachovia 7.7	Bank of America 7.1	Wells Fargo 6.9	BB&T 5.8	First Union/Wachovia 5.3	U.S. 2
Northern Trust 4.7	U.S. Average 4.5	Comerica 3.7	JP Morgan Chase 3.4	Citigroup 2.7	Fift 2
KeyCorp 2.2	FleetBoston 2	National City 1	PNC 0.4	Mellon 0.2	

Source: SNL Securities and U.S. Census data.

Notes: (1) Weighted average based on MSA deposits. Pro forma for announced transactions before estimated divestitures.

(2) Based on First Call estimates.

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### ASSET/WEALTH MANAGEMENT FRANCHISE

Proven Capability	Full Product Array	
Asset & Wealth Management	Personal Trust	Corporate and Institutional Trust
\$138Bn AUM	Retirement Services	Full Service Brokerage
\$31Bn Mutual Funds		
\$260Bn Assets Under Administration	Private Client Advisors	Investment Management
	Premier Position for Future Growth	

[Logo of SunTrust]

### BUSINESS BANKING

|| TOP MARKET SHARE OF BUSINESS BANKING RELATIONSHIPS IN ITS FOOTPRINT

|| WE HAVE WHAT BUSINESS CLIENTS WANT

- High quality management
- High touch relationship management
- Best-in-class customer service and satisfaction
- Broad array of product offerings

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### || MERGER WILL INCREASE OUR LEADERSHIP

- Best practices and products
- Leading Internet-based cash management products
- High margin product sales and increased penetration
- Capital available to reinvest

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### THE NEW SUNTRUST - BUSINESS MIX SUMMARY

### || Our businesses:

- A leading retail franchise in the highest growth markets
- Premier financial solutions provider to small and middle market businesses
- Full complement of fee businesses including capital markets, treasury management and insurance
- Complete wealth management platform operating in highly affluent markets

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### SHARED VALUES AND GROWTH CULTURE

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### COMPLEMENTARY CULTURES A COMMON VISION

- || Common values of soundness, profitability and growth
- || Holistic, integrated relationship approach
- || "Balanced" operating models
  - Strong geographic ownership of sales and service
  - Empowered lines of business to expedite strategic decision making
  - Functional competencies supporting the business

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### BOTH BANKS COMMITTED TO LOCAL OWNERSHIP AS WELL AS BUSINESS LINES

#### Local Banks

Line accountability for market penetration and strengthened relationship management at the local level

#### Business Lines

Strong influence and ability to drive strategies, programs, and priorities

#### Corporate Functions

Important role in support of lines-of-business and geographic strategies and priorities

### || Fully empowered local market CEOs

- Lead the sales and service culture
- Drive effective and timely decision making for credit, pricing

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- and people
- Deliver superior service quality
- Develop talent
- Execute against corporate strategy to drive superior results

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### BOTH ORGANIZATIONS SHARE COMMON VALUES

SERIOUS ABOUT TALENT

OBSESSED ABOUT QUALITY

RELATIONSHIP FOCUSED

PASSIONATE ABOUT GROWTH

COMMITTED TO EFFICIENCYCUSTOMER DRIVEN TECHNOLOGY

PERFORMANCE DRIVEN

[Logo of SunTrust]

SOLID CREDIT QUALITY

[Logo of SunTrust]

PRO FORMA FINANCIALS

Loan Portfolio

Comparable Loan Mix

(\$MM) -----	SunTrust -----		Wachovia (NC) -----
	Total -----	% of Total Loans -----	Total -----
Commercial and Industrial	\$28,042	40%	\$18,831
Commercial Real Estate	11,325	16	13,324
Residential Real Estate	17,707	25	10,395
Consumer	10,663	15	6,948
Lease Financing	2,624	4	2,806
Total Loans	\$70,360 =====	100% ===	\$52,304 =====

Source: Company financials.

Note: (1) Pro forma for card sale.

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## PRO FORMA FINANCIALS Loan Portfolio - Us Vs. Them (1)

### Preferable Loan Mix

(\$MM)	SunTrust/Wachovia		First
	Loans	% of Total Loans	Loans
Commercial and Industrial	\$46,873	38%	\$79,306
Commercial Real Estate	24,649	20	24,717
Residential Real Estate	28,102	23	26,942
Consumer	17,611	14	31,480
Lease Financing	5,430	4	18,305
	-----	---	-----
Total Loans	\$122,664	100%	\$180,750
	=====	===	=====

Source: Company financials. SunTrust/Wachovia as of 3/31/01.

First Union/Wachovia as of 12/31/00.

Note: (1) Pro forma for card sale.

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## SOLID CREDIT QUALITY 5-Year Net Charge-off Ratio(1)

SunTrust	Comerica	BB&T	Mellon	National City	
0.29	0.30	0.31	0.35	0.41	
U.S. Bancorp	PNC	Fifth Third	KeyCorp	First Union	Bank of New York
0.43	0.44	0.47	0.55	0.57	0.57
Bank of America	Wachovia	FleetBoston	JP Morgan Chase	Bank One	
0.59	0.63	0.75	0.75	0.98	
Wells Fargo	Citigroup				
1.10	1.25				

Source: SNL Securities, company financials.

Note: (1) 1996-2000 average.

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## SOLID CREDIT QUALITY 5-Year Net Charge-off Trend(1) - Us Vs. Them

	SunTrust/Wachovia	First Union/Wachovia
1996	0.14	0.3
1997	0.13	0.27

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1998	0.13	0.27
1999	0.23	0.36
2000	0.25	0.49

Note: (1) Excludes credit card losses.

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### SOLID CREDIT QUALITY Allowance for Loan Losses to Non-performing Loans(1)

Fifth Third 407.13	BB&T 301.46	Bank of New York 299.03	SunTrust/Wachovia 286	
Wells Fargo 275.59	Bank One 232.96	National City 230.12		
FleetBoston 229.31	PNC 200.89	First Union/Wachovia 186	U.S. Bancorp 176	JP Morgan Chase 173
Citigroup 147.55	Keycorp 140	Comerica 136.92	Mellon 134.36	Bank of America 122.78

Source: SNL Securities, company financials.

Notes: (1) As of latest available quarter.

(2) Assumes \$450MM special provision for both SunTrust/Wachovia and First Union/Wachovia.

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### SUPERIOR SHAREHOLDER VALUE

[Logo of SunTrust]

### CONSERVATIVE ASSUMPTIONS

- || Street estimates utilized for 2002 base case
  - 10% and 9% growth rates assumed thereafter for SunTrust and Wachovia, respectively
- || Expense savings of \$500MM fully phased-in by 2004
  - 23% of estimated Wachovia's expenses (1)
  - 10% of combined expenses (1)
- || Restructuring charge estimated to be \$1Bn pre-tax
- || Additional credit reserve of up to \$450MM
- || Estimated breakup fee of \$440MM (2) o No revenue enhancements assumed

Notes: (1) Wachovia's estimated core non-interest expense base pro forma for impact of Republic Security transaction and card sale.

(2) In-the-money value of option as of 5/11/01, based on 1.081 exchange ratio.

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### PRO FORMA CASH RESULTS (1) Illustrative - Based On First Call Estimates

(\$MM, except per share amounts)	2002	2003	2004
	----	----	----

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SunTrust Earnings	\$1,527	\$1,631	\$1,740
Wachovia Earnings (2)	1,053	1,147	1,251
	-----	-----	-----
Subtotal	2,580	2,778	2,991
Cost Savings	124	217	310
Other (3)	(87)	(84)	(75)
	-----	-----	-----
Pro Forma Earnings	2,616	2,911	3,226
	=====	=====	=====
EPS	\$5.35	\$6.06	\$6.82
SunTrust Accretion	0.6%	3.6%	6.3%
Wachovia Accretion	1.9	5.7	9.3

Notes: (1) Estimated in-the-money value of option is \$440MM. If in-the-money value of option is \$780MM, SunTrust accretion will be 0.5% lower each period.

(2) Assumes 25 million share repurchase to conform with street estimates.

(3) Includes earnings loss due to divestitures, restructuring charge, breakup fee, reserve addition and increased dividend.

[Logo of SunTrust]

### CONSERVATIVE COST SAVINGS

Phase in: 40% in Year 1, 70% in Year 2, 100% in Year 3

(\$MM)

Staff/Administration	\$250
Data Processing	60
Occupancy	30
Equipment	30
Professional Services	30
Other	100
	---

Fully Phased-In Total \$500

=====

23% of Wachovia's  
expense base

Note: (1) Wachovia's estimated core non-interest expense base pro forma for impact of Republic Security transaction and card sale.

[Logo of SunTrust]

### CONSERVATIVE COST SAVINGS TARGETS BY ANY MEASURE

Cost Savings as a % of Target Operating Expenses  
(Median 10%) (1)

How they  
look at it

Chemical/Chase	16
Chemical/Manufacturers Hanover	13
First Union/Core States	12
Banc One/First Chicago NBD	10
Nations Bank/Bank America	~10



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Fleet/Boston	10
Suntrust/Wachovia(2)	10
First Union/Wachovia(3)	8
Norwest/Wells	8
Firststar/US Bancorp	5

Cost Savings as a % of Target Operating Expenses  
(Median 27%) (1)

How we  
look at it

First Union/Core States	45
First Union/Wachovia(2)	42
Chemical/Chase	34
Chemical/Manufacturers Hanover	33
Bank One/First Chicago NBD	27
NationsBank/BankAmerica	26
SunTrust/Wachovia(2)	23
Fleet/BankBoston	19
Norwest/Wells	17
Firststar/US Bancorp	8

Notes: (1) Includes completed transactions.

(2) Wachovia's estimated core non-interest expense base pro forma for impact of Republic Security transaction and card sale.

(3) Source: First Union/Wachovia analyst presentation.

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### ESTIMATED MERGER RELATED CHARGES

(\$MM)	
Staff Development, Retention and Severance	\$290
Conversion Costs	310
Accounting Standardization	150
Occupancy / Equipment / Software Writedowns	75
Other	175
	---
Total Pre-Tax Merger Related Charges	\$1,000
Estimated Breakup Fee(1)	\$440
Addition to Reserve	Up to \$450

Required purchase accounting adjustments will be made at closing.

Note: (1) In-the-money value of option as of 5/11/01 based on 1.081 exchange ratio.

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STRONG ECONOMIC RETURNS WITH  
CONSERVATIVE ASSUMPTIONS

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SunTrust Cost of Equity:  
10 - 12%

Transaction IRR:  
13 - 15%

### Major Assumptions:

- || 11 - 12x Terminal cash multiple (2006)
- || 10% EPS growth for SunTrust 2002 - 2006
- || 9% EPS growth for Wachovia 2002 - 2006
- || Other transaction assumptions same as used earlier

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### INTEGRATION RISK IS LOW

- || Thoughtful and deliberate 3-year integration plan
- || Emphasizes customer and revenue retention
  - Low customer attrition rates during Crestar integration
- || Customer service quality standards not diminished during system conversions

Emphasis on customer key to seamless execution  
and achievement of financial goals

[Logo of SunTrust]

### THIS IS NOT WELLS FARGO/FIRST INTERSTATE

Wells Fargo/First Interstate  
-----

- || Dramatically different operational structure
- || Aggressive cost take-outs targeted
- || Attempted 9 month integration
- || Wells in midst of re-working distribution
- || Incentives for managers to leave
- || No due diligence

SunTrust/Wachovia  
-----

- || Similar operational structure
- || Reasonable assumptions
- || 3 Years for integration
- || Clean slate
- || Encouraging significant management participation

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|| Strong familiarity with wachovia;  
due diligence to be updated

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RESULTS NOT PROMISES  
SunTrust Offers a Superior Currency

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RESULTS NOT PROMISES  
Total Return(1)

[GRAPHIC OMITTED]

1-YEAR	31% higher	5-YEAR	81% higher
-----		-----	
SunTrust	29	SunTrust	100
First Union	(2)	First Union	19
	10-YEAR	174% higher	
	-----		
	SunTrust	521	
	First Union	347	

Source: FactSet.

Note: (1) As of 5/11/01, assumes reinvestment of dividends.

[Logo of SunTrust]

RESULTS NOT PROMISES  
NET REVENUE PER SHARE (1)

[Graphic Omitted]

	1996	1997	1998	1999	2000	1Q '01 Ann.
(SunTrust)	11.58	13.25	14.36	14.96	16.22	17.36 8% CAGR
(First Union)	13.11(2)	14.42	13.64	14.56	14.38	13.14 0% CAGR

Notes: (1) Excludes non-recurring items.

(2) Adjusted for 1997 2-for-1 stock split.

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RESULTS NOT PROMISES

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Core EPS (1)

[GRAPHIC OMITTED]

	1996	1997	1998	1999	2000	2001E(2)	
(SunTrust)	2.72	3.13	3.31	3.92	4.39	4.74	12% CAGR
(First Union)	3.10(3)	3.25	3.21	3.42	2.97	2.58	(4%) CAGR

Whose stock would you want to own?

Notes: (1) Originally reported; excludes non-recurring items, merger-related and restructuring charges.

(2) First Call estimates as of 5/11/01.

(3) Adjusted for 1997 2-for-1 stock split.

[Logo of SunTrust]

## RESULTS NOT PROMISES Annual Dividends Per Share(1)

[GRAPHIC OMITTED]

SunTrust CAGR: 18%		First Union(2) CAGR: (2%)		Wachovia CAGR with Sun Trust: 10% CAGR with FirstUnion: 5%	
1996	0.83	1996	1.10	1996	1.52
1997	0.93	1997	1.22	1997	1.68
1998	1.00	1998	1.58	1998	1.86
1999	1.38	1999	1.88	1999	2.06
2000	1.48	2000	1.92	2000	2.28
1Q '01		1Q '01			
Ann.	1.60	Ann.	0.96	SunTrust/ Wachovia Proposal	2.40
SunTrust/ Wachovia Future	2.22	First Union/ Wachovia Future	0.96	First Union/ Wachovia Proposal	1.92

Notes: (1) Company financials, as originally reported.

(2) Adjusted for 1997 2-for-1 stock split. Does not reflect one time \$0.48 special dividend.

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## Edgar Filing: WACHOVIA CORP/ NC - Form 425

### RESULTS NOT PROMISES Restructuring Charges Since 1997

	Restructuring	Merger Related	Provision	Other	Total
First Union	3471	789	1157	1658	7075
SunTrust	0	250		115	365

Source: Company financials.

[Logo of SunTrust]

### RESULTS NOT PROMISES Financial Ratios for 1Q '01(1)

ROA		ROE(2)	
SunTrust	1.2	SunTrust	19.5
First Union	1.0	First Union	15.6

Reported Efficiency Ratio		Tangible Common Equity Ratio	
SunTrust	55.4	SunTrust	6.8
First Union	65.2	First Union	5.0

Notes: (1) Excludes non-recurring items, merger-related and restructuring charges.  
(2) Excludes Coke.

[Logo of SunTrust]

### RESULTS NOT PROMISES

[First Union Logo]  
[CoreStates Logo]

[SunTrust Logo]  
[Crestar Logo]

23% Shortfall

3.0% Shortfall

Promised 4.46  
IBES(1) 4.35  
Delivered(2) 3.42

Promised 4.52  
IBES(1) 4.40  
Delivered(2) 4.39

1999 EPS

2000 EPS

## Edgar Filing: WACHOVIA CORP/ NC - Form 425

Source: Analyst presentation, company financials, SNL Securities.

Notes: (1) First Union IBES as of 1/1/99. SunTrust IBES as of 1/1/00.

(2) Excluding merger-related and restructuring charges and other non-recurring items.

[Logo of SunTrust]

### A BETTER DEAL FOR SHAREHOLDERS

[Logo of SunTrust]

### A BETTER DEAL FOR SHAREHOLDERS FROM EVERY PERSPECTIVE

- || Better price
- || Higher dividend
- || Better currency
- || Better fit
  - Management philosophy
  - Customer relationship driven
  - Focus on local markets and lines of business
- || Lower risk/better execution
  - Clean slate - successful crestar integration complete
  - Proven large deal execution capability
  - More conservative and achievable cost savings
  - Less customer disruption

This deal should happen

[Logo of SunTrust]

### APPENDIX

[Logo of SunTrust]

### PRO FORMA FINANCIALS Balance Sheet - Based On Purchase Accounting

As of March 31, 2001 (\$MM)	SunTrust -----	Wachovia (1) -----	Pro Forma -----
Loans	\$ 70,360	\$52,304	\$122,664
Reserves	872	851	2,173 (2)
Other Interest Earning Assets	22,955	10,764	33,719
Intangibles	869	1,284	11,394

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Total Assets	103,726	77,006	189,973
Deposits	\$ 62,723	\$45,617	\$106,840 (3)
Short Term Borrowings	16,040	9,516	25,557
Long-Term Borrowings	12,526	10,712	23,238
Equity	\$ 7,830	\$ 7,705	\$ 22,648

Source: Company financials.

Notes: (1) Pro forma for credit card sale.  
(2) Assumes \$450MM of special provision.  
(3) Assumes \$1.5Bn of deposit divestitures.

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## PRO FORMA FINANCIALS Loan Portfolio

As of March 31, 2001  
(\$Mm)

	SunTrust		Wachovia (1)		Pro Forma (1)
	Total	% of Total Loans	Total	% of Total Loans	Total
Commercial and Industrial	\$27,959	40%	\$18,831	36%	\$ 46,790
Real Estate	29,032	41	23,719	45	52,750
Construction	3,631	5	3,747	7	7,378
Commercial Mortgages	7,694	11	9,577	18	17,271
Residential Mortgages	17,707	25	10,395	20	28,102
Consumer	10,663	15	6,948	13	17,611
Indirect Consumer	5,612	8	4,572	9	10,183
Direct Consumer	5,051	7	2,377	5	7,428
Credit - Commercial	83	0	-	0	83
Lease Financing	2,624	4	2,806	5	5,430
Total Loans	\$70,360	100%	\$52,304	100%	\$122,664

Source: Company financials.

Note: (1) Pro forma for credit card sale.

[Logo of SunTrust]

## PRO FORMA FINANCIALS Deposit Composition (1)

## Edgar Filing: WACHOVIA CORP/ NC - Form 425

As of December 31, 2000  
(\$MM)

	SunTrust		Wachovia	
	Total	% of Total Deposits	Total	% of Total Deposits
Non-Interest Bearing	\$13,178	20%	\$8,428	19%
Savings/NOW/MMDAs	26,563	40	17,678	40
Time Deposits (LESS THAN) 100k	9,936	15	9,494	22
Time Deposits >100k	17,016	26	8,346	19
Total	\$66,692	100%	\$43,946	100%

Note: (1) Based on average balances as of 12/31/00. Not pro forma for divested deposits.

[Logo of SunTrust]

### PRO FORMA FINANCIALS Nonperforming Assets (1)

As of March 31, 2001 (\$MM)	SunTrust	Wachovia	Pro Forma
Nonperforming Loans	\$349	\$410	\$759
Other Foreclosed Assets	21	27	48
Total Nonperforming Assets	\$369	\$437	\$806
NPLs to Loans	0.50%	0.78%	0.62%
NPAs to Loans + Foreclosed Assets	0.52%	0.84%	0.66%
Allowance to NPLs	250%	208%	286% (2)

Source: Company financials.

Notes: (1) Loans pro forma for card sale. Assumes no reserves are being transferred with the card portfolio.

(2) Includes \$450MM special provision as a result of transaction.

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### RESERVING FOR PORTFOLIO RISK

|| SunTrust will reserve up to to \$450 MM to strengthen Wachovia's portfolio



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(\$Bn)

	SunTrust/Wachovia (1)
Loans	\$122.7
Loan Loss Reserves	2.2
NPAs	0.8
Reserves/Loans	1.77%
Reserves/NPAs	270%
NPAs/Assets	0.42%

Note: (1) As of 3/31/01. Pro forma for card sale except NPA figures, assumes no reserves adjustment.

[Logo of SunTrust]

## SENSITIVITY ANALYSIS Pro Forma Cash Results - Illustrative

		Suntrust Accretion/(Dilution)		
		2002	2003	2004
		-----	-----	-----
What if?	First Call Estimates (\$5.68 for 2002)	0.6%	3.6%	6.1%
	Wachovia 2002 Cash Estimate:			
	\$5.73	1.0%	4.0%	6.1%
	\$5.63	0.3%	3.3%	5.1%
	\$5.58	(0.1)%	2.9%	5.1%
	\$5.53	(0.4)%	2.5%	5.1%

[Logo of SunTrust]

## "NEW" GAAP

|| "New" GAAP procedures not yet formally established; below is our best guess:

Estimated	2002	2003	2004
-----	-----	-----	-----

## Edgar Filing: WACHOVIA CORP/ NC - Form 425

Standalone "New" GAAP EPS	\$5.29	\$5.81	\$6.39
Core deposit Intangible amortization (\$MM)	\$215-295	\$195-250	\$175-210
Pro Forma "New" GAAP EPS	(7-11%)	(3-5%)	Breakeven

Note: (1) Assumes core deposit intangibles of 5% excluding deposits greater than \$100K. Amortization between 7-10 years sum-of-the-year's digits.

[Logo of SunTrust]