

WACHOVIA

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“Meeting the Challenge, Emerging Stronger”
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Meeting the Challenge, Emerging Stronger

WACHOVIA

- **Resilient, diversified businesses**
- **Intense focus on customer service**
- **Disciplined cost control with improving efficiency**
- **Aggressive, effective credit risk management**
- **Conservative integration plan focused on execution**

More Diversified, Better Positioned

WACHOVIA

	1990–92	2001
Pre-tax Pre-Provision Income/NCOs	415%	571%
Expense Growth	5%	- 2%
Reserve/NPLs	82%	195%
Tier 1 Capital and Reserve/NPLs	432%	1433%
Fee Income/Revenue	32%	47%
Revenue Diversification		
General Banking	>60%	47%
Corporate & Investment Bank	<15%	23%
Capital & Wealth Management	<10%	24%

Based on originally reported operating data. 2001 excludes Principal Investing for the full year. Growth rates are adjusted for the estimated impact of purchase accounting acquisitions.

9 Million Households · 900,000 Businesses

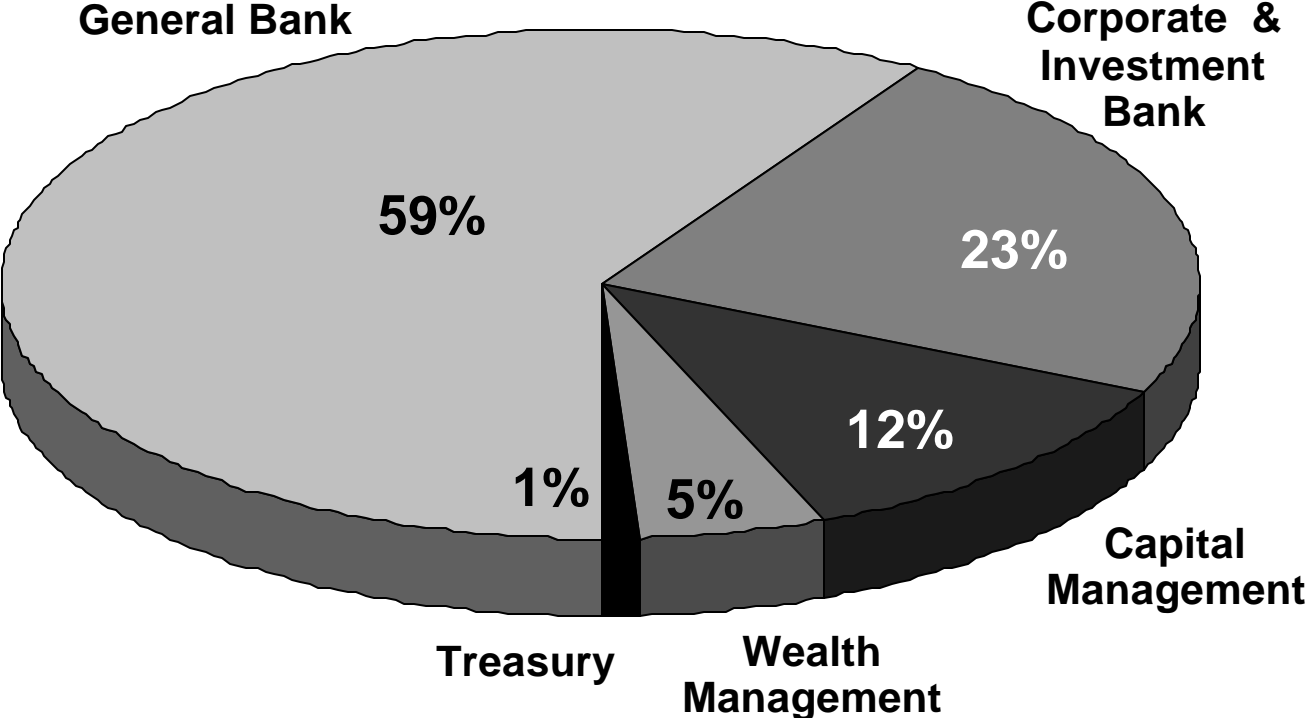
Market Scope

- **#1 East Coast retail bank**
- **#5 broker dealer**
- **#17 mutual fund assets**
- **#2 personal trust provider**
- **#3 bank insurance provider**
- **#2 treasury services provider**
- **Bank to 1/3 of businesses in footprint**
- **Top 5 middle market M&A advisor**
- **Top 10 debt and equity issuer**

Distribution

- **2,800 financial centers**
- **600 brokerage offices**
- **4,700 ATMs**
- **8,000 registered representatives**
- **1,900 third party fund distributors**
- **1,322 business RMs, bankers and advisors**
- **Full capability online and by telephone**

2001 Operating Earnings



Excludes Principal Investing results for the third quarter.

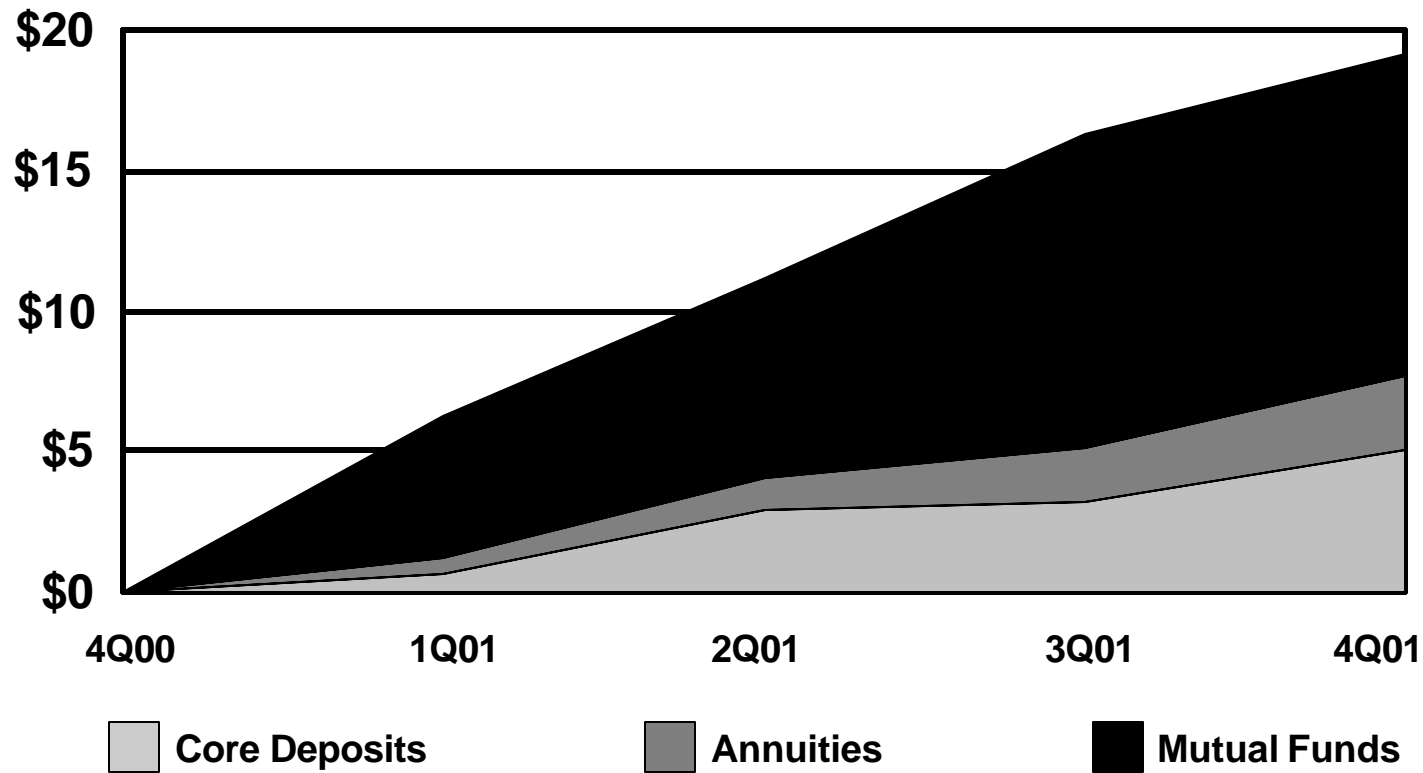
4Q01 Results

WACHOVIA

<i>(in millions)</i>	<i>General Bank</i>	<i>Capital Management</i>	<i>Wealth Management</i>	<i>Corporate and Investment Bank</i>	<i>Parent</i>	<i>Total</i>
Revenues	\$2,269	\$810	\$228	\$975	\$262	\$4,544
Provision	129	-	4	254	(6)	381
Expenses	1,243	669	161	552	317	2,942
Taxes	327	54	21	13	7	422
Net Income	\$ 570	\$ 87	\$ 42	\$ 156	\$ (56)	\$ 799
RAROC	39%	37%	46%	14%	29%	27%
Cash Efficiency	55%	83%	70%	53%	-	59%
<u>4Q vs. 3Q “Combined”*</u>						
Revenue Growth	6%	9%	3%	3%	-	8%
Expense Growth	- %	5%	(5)%	1%	-	1%

*Excludes Principal Investing. See Cautionary Statement regarding combined data.

2001 Net Money Inflows (in billions)



Deposit data are restated for merger on September 1, 2001.

Improving Our Customers' Experience



	4Q00	1Q01	2Q01	3Q01	4Q01
Former First Union Overall Customer Satisfaction Scale = 1 to 7	6.27	6.29	6.32	6.33	6.35
Former Wachovia Customer Satisfaction Profile Scale = 0 to 100%	87%	88%	89%	90%	90%

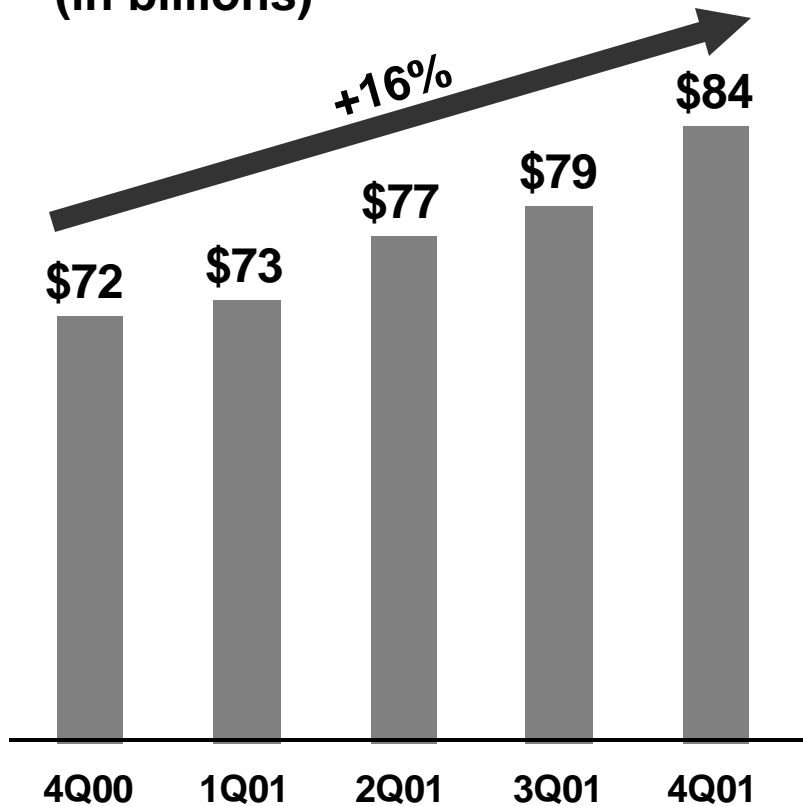
- **Worth Magazine Readers' Choice Survey ranks Wachovia as the 6th Best Private Bank in America**
- **93% of mortgage and 91% of brokerage customers recommend Wachovia**
- **DALBAR Mutual Funds Service Award for third consecutive year**

Excellent Customer Service Produces Results

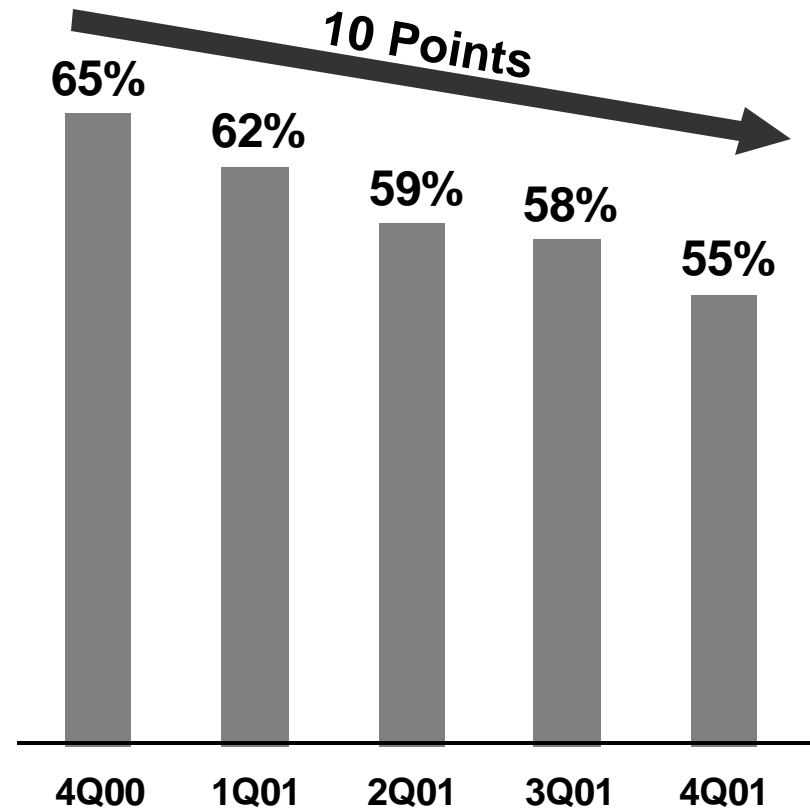
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General Bank

Low Cost Core Deposits
(in billions)



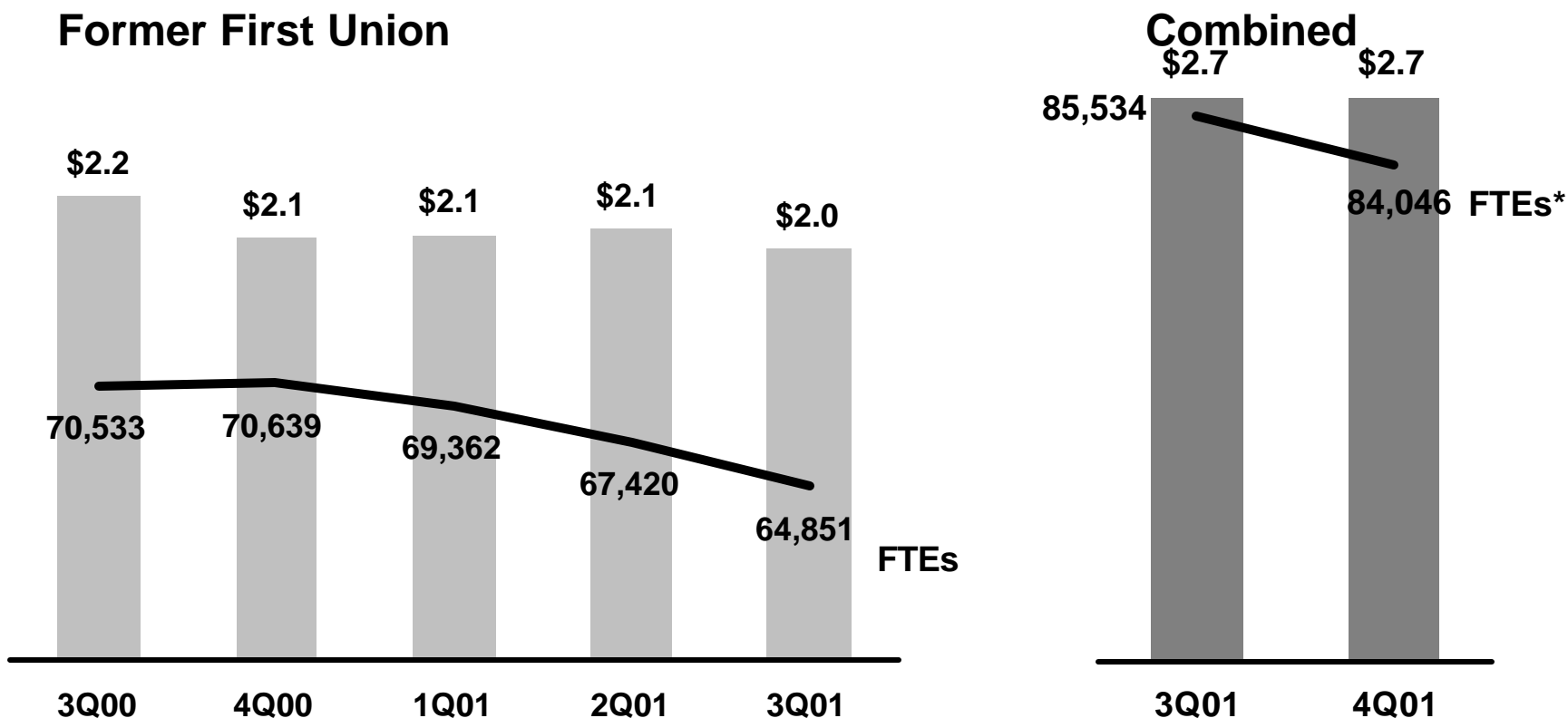
Cash Efficiency Ratio



Deposit data are restated for merger on September 1, 2001.

Strong Expense Management Culture

Cash Operating Expense (in billions)

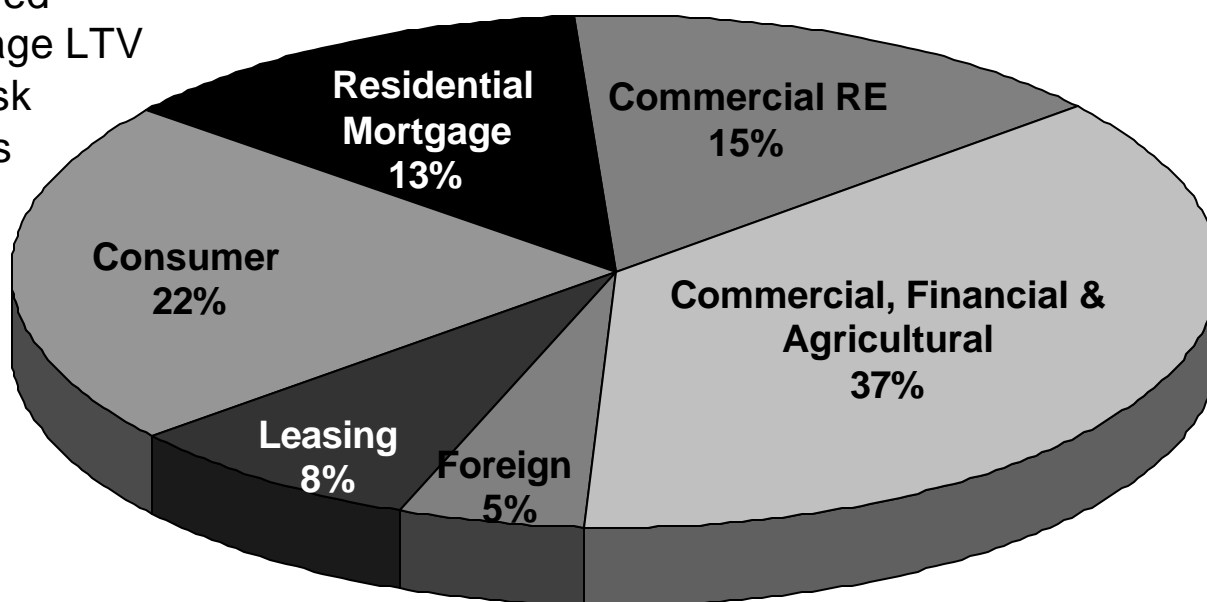


*Includes 890 reduction relating to divestiture of former Wachovia credit card business.

\$164 Billion Loan Portfolio

\$58 Billion Consumer Portfolio

- 93% secured
- 75% average LTV
- No card risk
- Low losses

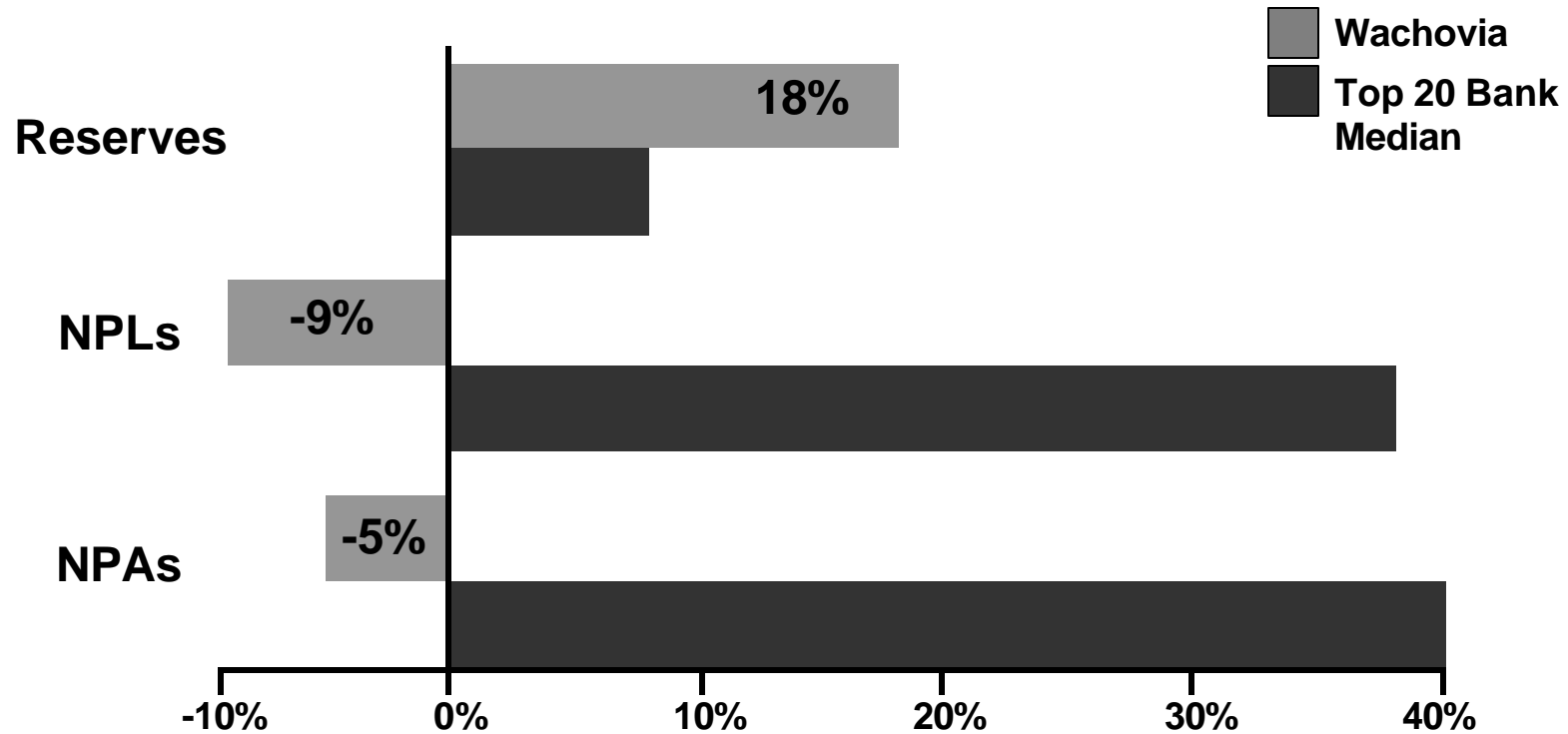


\$106 Billion Wholesale Portfolio

- 75% secured
- No industry > 5%
- \$1.2 million average size
- Average maturity < 3 years

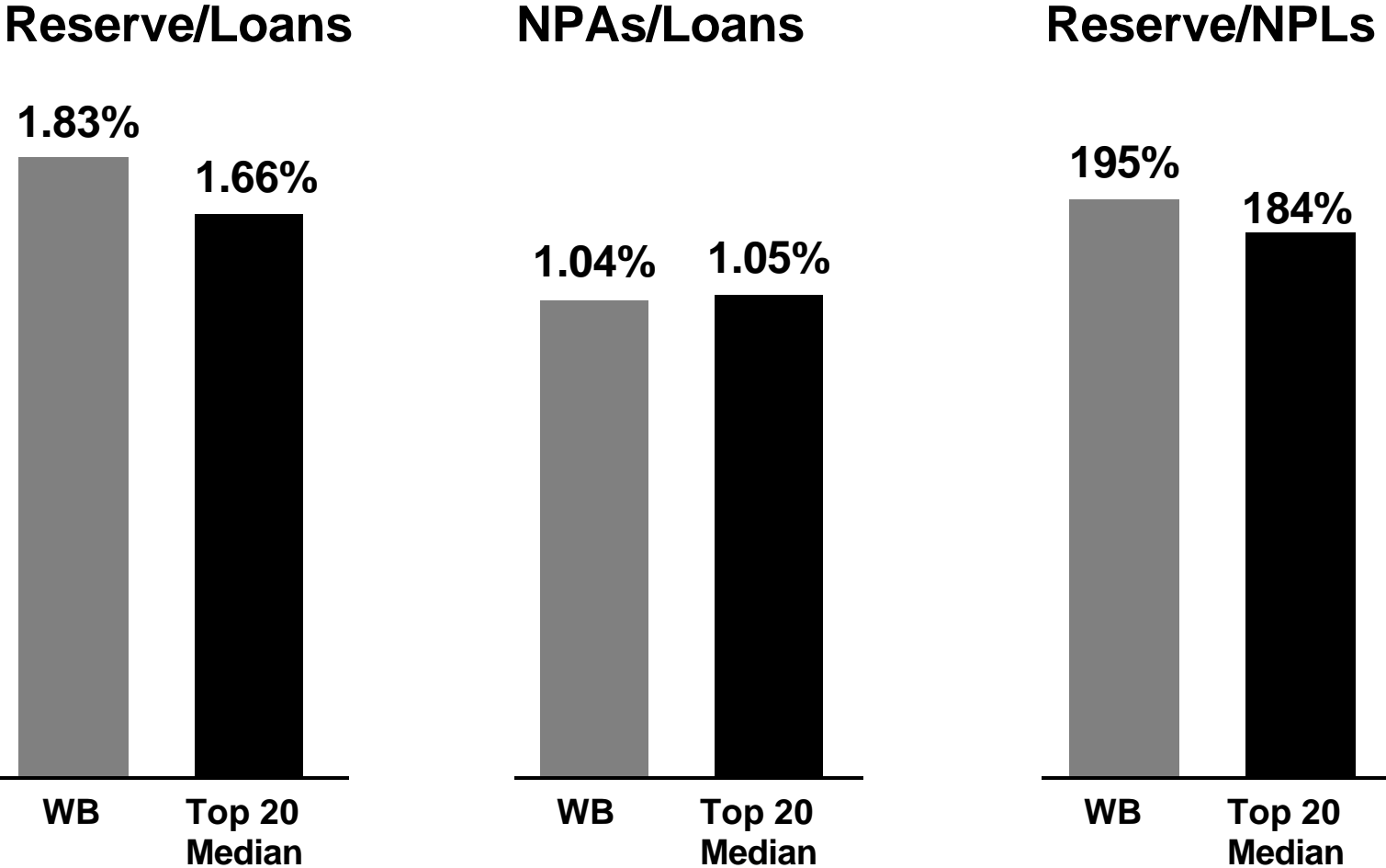
Data as of December 31, 2001.

Comparative Change in Asset Quality 4Q01 vs. 4Q00



4Q00 base for Wachovia is the sum of former Wachovia and former First Union reported data.

Positioned to Reduce Future Earnings Risk



Data as of December 31, 2001.

Carefully Managing Financial Risk

WACHOVIA

Goal: Reacquire AA debt rating

- **More disciplined, risk-adjusted marketing (RAROC)**
- **More conservative credit risk management**
- **Improved balance sheet liquidity**
 - **Reduced wholesale funding**
- **Using “plain vanilla” off-balance sheet strategies**
- **Increasing Tier 1 Capital**

- **Targeted efficiencies: \$890 million**
 - \$248 million run rate at year-end
 - \$490 million savings expected in 2002
- **Integration Well Under Way**
 - More than 25% of major systems activities completed
 - Expense policies and benefits programs implemented
 - Incentive structure in place
- **Upcoming Key Events**
 - 37 branch divestitures in Q1
 - Deposit conversions begin in November in Florida and are essentially complete by end of 2003

A Look Ahead for 2002

WACHOVIA

- **Low to mid single digit revenue growth**
- **Relatively flat expenses**
- **Moderate loan growth**
- **60-80 basis points net chargeoffs**
- **30-35% dividend payout of cash earnings**
- **7.80-8.00% Tier 1 capital by year-end**

Meeting the Challenge, Emerging Stronger

WACHOVIA

- **Resilient, diversified businesses**
- **Intense focus on customer service**
- **Excellent cost control with improving efficiency**
- **Aggressive, effective credit risk management**
- **Disciplined, careful integration plan**

Cautionary Statement

- This presentation may contain, among other things, certain forward-looking statements with respect to Wachovia Corporation (the "Corporation"), as well as the goals, plans, objectives, intentions, expectations, financial condition, results of operations, future performance and business of the Corporation, including, without limitation, (i) statements relating to the benefits of the merger between First Union Corporation and the former Wachovia Corporation (the "Merger"), including future financial and operating results, cost savings, enhanced revenues, and the accretion to reported earnings that may be realized from the Merger, (ii) statements regarding certain of the Corporation's goals and expectations with respect to earnings, earnings per share, revenue, expenses, and the growth rate in such items, as well as other measures of economic performance, including statements relating to estimates of credit quality trends, and (iii) statements preceded by, followed by or that include the words "may", "could", "would", "should", "believes", "expects", "anticipates", "estimates", "intends", "plans", "targets" "probably", "potentially", "projects" or similar expressions. These forward-looking statements involve certain risks and uncertainties that are subject to change based on various factors (many of which are beyond the Corporation's control). The following factors, among others, could cause the Corporation's financial performance to differ materially from the goals, plans, objectives, intentions, and expectations expressed in such forward-looking statements: (1) the risk that the businesses of First Union and the former Wachovia will 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 following the Merger, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected; (5) the strength of the United States economy in general and the strength of the local economies in which the Corporation conducts 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 Corporation's loan portfolio and allowance for loan losses; (6) the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System; (7) inflation, interest rate, market and monetary fluctuations; and (8) 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 Corporation's capital markets and capital management activities, including, without limitation, its mergers and acquisition advisory business, equity and debt underwriting activities, private equity investment activities, derivative securities activities, investment and wealth management advisory businesses, and brokerage activities. Additional information with respect to factors that may cause actual results to differ materially from those contemplated by such forward-looking statements is included in the reports filed by the Corporation with the Securities and Exchange Commission, including the Current Report on Form 8-K dated January 23, 2002.
- The Corporation cautions that the foregoing list of factors is not exclusive. All subsequent written and oral forward-looking statements concerning the Merger or other matters and attributable to the Corporation or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. The Corporation does not undertake any obligation to update any forward-looking statement, whether written or oral, relating to the matters discussed in this presentation.
- Certain tables and narrative comparisons in this Supplemental Earnings Package refer to "Combined" results for the third quarter of 2001. "Combined" results for the third quarter of 2001 represent Wachovia's actual 2001 third quarter results plus the actual results of Former Wachovia for July and August 2001. The "Combined" results are for illustrative purposes only and presentation of 3Q01 results on this "Combined" basis is not a presentation that conforms with generally accepted accounting principles. The 3Q01 "combined" results include purchase accounting and other closing adjustments as of the actual closing date of 9/1/01; no attempt was made to show the "Combined" results "as if" the merger had occurred at 7/1/01. Readers are encouraged to refer to Wachovia's results presented in accordance with generally accepted accounting principles which may be found in Exhibit 99(a) to Wachovia's form 8-K, filed on January 23, 2002. Tabular Financial information presented herein, unless specifically labeled "Combined", represents operating earnings information.