

# “A New Paradigm”

**First Union Corporation**

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Chairman, President and CEO

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**Strategic/Regulatory Forum**

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# Cautionary Statement

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The information presented herein may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, (i) statements about the benefits of the merger between First Union Corporation and Wachovia Corporation, including future financial and operating results, cost savings, enhanced revenues, and accretion to reported earnings that may be realized from the merger; (ii) statements with respect to First Union's and Wachovia'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 First Union's and Wachovia'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 risk that the businesses of First Union and 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 ability to obtain governmental approvals of the merger on the proposed terms and schedule; (6) the failure of First Union's and Wachovia's stockholders to approve the merger; (7) competitive pressures among depository and other financial institutions may increase significantly and 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 First Union's and Wachovia's results to differ materially from those described in the forward-looking statements can be found in First Union's and Wachovia'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>). All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters attributable to First Union or Wachovia or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. First Union and Wachovia do 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.

# Additional Information

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The proposed transaction will be submitted to First Union's and Wachovia's stockholders for their consideration, and, on April 26, 2001, First Union filed a registration statement on Form S-4 with the SEC containing a preliminary joint proxy statement/prospectus of First Union and Wachovia and other relevant documents concerning the proposed transaction. Stockholders are urged to read the definitive joint proxy statement/prospectus when it becomes available and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they will contain important information. You will be able to obtain a free copy of the registration statement and the joint proxy statement/prospectus, as well as other filings containing information about First Union and Wachovia, at the SEC's Internet site (<http://www.sec.gov>). Copies of the joint proxy statement/prospectus and the SEC filings that will be incorporated by reference in the joint proxy statement/prospectus can also be obtained, without charge, by directing a request to First Union, Investor Relations, One First Union Center, Charlotte, North Carolina 28288-0206 (704-374-6782), or to Wachovia, Investor Relations, 100 North Main Street, Winston-Salem, North Carolina 27150 (888-492-6397).

First Union and Wachovia, and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of First Union and Wachovia in connection with the merger. Information about the directors and executive officers of First Union and their ownership of First Union common stock is set forth in First Union's proxy statement on Schedule 14A, as filed with the SEC on March 13, 2001. Information about the directors and executive officers of Wachovia and their ownership of Wachovia common stock is set forth in Wachovia's proxy statement on Schedule 14A, as filed with the SEC on March 19, 2001. Additional information regarding the interests of those participants may be obtained by reading the definitive joint proxy statement/prospectus regarding the proposed transaction when it becomes available.

# Significantly Greater “New GAAP” EPS Accretion

“New GAAP” EPS Accretion to Wachovia Shareholders

	FTU/WB Merger of Equals*	STI/WB Hostile Proposal**	Advantage from First Union Merger
<b>2002</b>	<b>9%</b>	<b>(9)%</b>	<b>18%</b>
<b>2003</b>	<b>13%</b>	<b>(3)%</b>	<b>16%</b>
<b>2004</b>	<b>17%</b>	<b>3%</b>	<b>14%</b>

**Average 16%**  
Advantage to  
WB Shareholder

\* *First Union/Wachovia presentation on April 16, 2001*

\*\* *SunTrust Investor Presentation on May 14, 2001*

# New Wachovia Cash EPS Twice That of SunTrust Hostile Offer

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## Cash EPS Impact to Wachovia Shareholders

	<b>FTU/WB Merger of Equals*</b>	<b>STI/WB Hostile Proposal**</b>	<b>Advantage from First Union Merger</b>
<b>2002</b>	<b>15%</b>	<b>1%</b>	<b>14%</b>
<b>2003</b>	<b>17%</b>	<b>5%</b>	<b>12%</b>
<b>2004</b>	<b>20%</b>	<b>9%</b>	<b>11%</b>

**Average 12%**  
Advantage to  
WB Shareholder

\* *First Union/Wachovia presentation on April 16, 2001*

\*\* *SunTrust Investor Presentation on May 14, 2001*

# Substantial Accretion to FTU Shareholders

	New GAAP EPS Impact		Cash EPS Impact	
	FTU <sup>(a)</sup>	STI <sup>(b,c)</sup>	FTU <sup>(a)</sup>	STI <sup>(b)</sup>
<b>2002</b>	<b>0%</b>	<b>(10)%</b>	<b>4%</b>	<b>0%</b>
<b>2003</b>	<b>3%</b>	<b>(4)%</b>	<b>5%</b>	<b>3%</b>
<b>2004</b>	<b>5%</b>	<b>(2)%</b>	<b>7%</b>	<b>6%</b>

*(a) First Union investor presentation on April 16, 2001.*

*(b) SunTrust presentation on May 14, 2001, assuming a \$780 million option payment.*

*(c) Assumes FTU/WB projected dividend payout ratio of 34% in 2002-2004.*

*Assumes STI/WB projected dividend payout ratio of 40% in 2003 and 2004.*

*Dividend streams present valued at a 13% discount rate.*