

WACHOVIA CORP NEW
Form S-4/A
August 31, 2004
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As filed with the Securities and Exchange Commission on August 31, 2004

Registration No. 333-117283

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 2 TO FORM S-4 REGISTRATION STATEMENT

Under

THE SECURITIES ACT OF 1933

Wachovia Corporation

(Exact name of registrant as specified in its charter)

North Carolina
(State or other jurisdiction of
incorporation or organization)

6711
(Primary Standard Industrial
Classification Code Number)

56-0898180
(I.R.S. Employer
Identification No.)

One Wachovia Center
Charlotte, North Carolina 28288-0013
(704) 374-6565

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Mark C. Treanor, Esq.
Senior Executive Vice President,
General Counsel and Secretary
Wachovia Corporation
One Wachovia Center
Charlotte, North Carolina 28288-0013
(704) 374-6565

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies To:

Mitchell S. Eitel, Esq.	Ross E. Jeffries, Jr., Esq.	Paul S. Ware, Esq.	Bruce A. Parsons, Esq.
Sullivan & Cromwell LLP	Senior Vice President and	Bradley Arant Rose & White LLP	Burr & Forman LLP
125 Broad Street	Assistant General Counsel	One Federal Place	3100 SouthTrust Tower
New York, New York 10004	Wachovia Corporation	1819 5th Avenue North	420 North Twentieth St.
(212) 558-4000	One Wachovia Center	Birmingham, Alabama 35203	Birmingham, Alabama 35203
	Charlotte, North Carolina	(205) 521-8000	(205) 251-3000
	28288-0630		
	(704) 374-6611		

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE OF THE SECURITIES TO THE PUBLIC:

As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the Securities Act), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: "

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this joint proxy statement-prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement-prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED AUGUST 31, 2004

Our merger. Wachovia and SouthTrust are proposing a merger of SouthTrust into Wachovia. After the merger, we believe the combined Wachovia will be the pre-eminent retail banking franchise in the southeastern United States, and one of the nation's leading banking organizations in commercial banking, asset and wealth management, securities brokerage and investment banking.

Facts for SouthTrust shareholders:

In the merger, you will receive 0.89 Wachovia common shares for each SouthTrust common share you own.

Your board unanimously recommends the merger.

The combined company expects to continue Wachovia's dividend policy. Based on the current Wachovia quarterly dividend of \$0.40 per Wachovia common share and the 0.89 exchange ratio, this would equal \$0.356 per SouthTrust common share.

After the merger, former SouthTrust shareholders will own about 19% of the combined company.

Generally, the merger will be tax-free to you, other than with respect to any cash you receive for fractional shares.

SouthTrust needs your vote to complete the merger. SouthTrust plans to hold a special shareholders' meeting to vote on the merger on [•], 2004.

Facts for Wachovia shareholders:

In the merger, you will keep your Wachovia common shares.

Your board unanimously recommends the merger.

Your dividend rights will not be affected by the merger. The current Wachovia quarterly dividend is \$0.40 per common share.

After the merger, current Wachovia shareholders will own about 81% of the combined company.

The merger will be tax-free to you.

Wachovia needs your vote to complete the merger. Wachovia plans to hold a special shareholders' meeting to vote on the merger on [•], 2004.

Merger consideration. *The number of shares of Wachovia common stock that SouthTrust shareholders will receive in the merger is fixed. The dollar value of the stock consideration SouthTrust shareholders receive will change depending on changes in the market price of Wachovia common stock and will not be known at the time either company's shareholders vote on the merger.* For example,

<u>Date</u>	<u>Closing Wachovia Share Price</u>	<u>Value per SouthTrust Share</u>
June 18, 2004, the last trading day before we announced our merger [•], 2004	\$ 47.00 [•]	\$ 41.83 [•]

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You should obtain current market quotations for both Wachovia and SouthTrust common shares. Wachovia is listed on the New York Stock Exchange under the symbol **WB** and SouthTrust is listed on The Nasdaq Stock Market under the symbol **SOTR**.

Voting. Even if you plan to attend your company's meeting, please vote as soon as possible by completing and submitting the enclosed proxy card. Not voting at all will have the same effect as voting against the merger.

This document and risks. Please read this document carefully, because it contains important information about the merger. **Read carefully the risk factors relating to the merger beginning on page [•].**

None of the SEC, any state securities commission or the North Carolina Commissioner of Insurance has approved or disapproved the securities to be issued in the merger or determined if this document is accurate or adequate. It is illegal to tell you otherwise.

The securities to be issued in the merger are not savings or deposit accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Joint proxy statement-prospectus dated [•], 2004, and first mailed to shareholders on or about [•], 2004.

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References to Additional Information

This document incorporates important business and financial information about Wachovia and SouthTrust from other documents that are not included in or delivered with this document. This information is available to you without charge upon your written or oral request. You can obtain documents related to Wachovia and SouthTrust that are incorporated by reference in this document through the Securities and Exchange Commission web site at <http://www.sec.gov> or by requesting them in writing or by telephone from the appropriate company:

If you are a Wachovia shareholder:
Georgeson Shareholder Communications
17 State Street 10th Floor
New York, New York 10004
Telephone: (800) 255-8670

**If you would like to request documents,
please do so by [•], 2004
to receive them before
Wachovia's special meeting.**

If you are a SouthTrust shareholder:
Morrow & Co., Inc.
445 Park Ave. 5th Floor
New York, New York 10022-2606
Telephone: [•]

**If you would like to request documents
please do so by [•], 2004
to receive them before
SouthTrust's special meeting.**

You also may obtain additional proxy cards and other information related to the proxy solicitation by contacting the appropriate proxy solicitation firm. You will not be charged for any of these documents that you request.

See "Where You Can Find More Information" on page [•].

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WACHOVIA CORPORATION
NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON [•], 2004

To the Shareholders

of Wachovia Corporation:

We will hold a special meeting of shareholders of Wachovia Corporation, a North Carolina corporation, on [•], 2004, at [•] a.m., local time, in [•], for the following purpose:

Approving the plan of merger contained in the Agreement and Plan of Merger, dated as of June 20, 2004, between SouthTrust Corporation, a Delaware corporation, and Wachovia, pursuant to which SouthTrust will merge with and into Wachovia, as more fully described in the attached joint proxy statement-prospectus.

We have fixed the close of business on August 20, 2004, as the record date for determining those shareholders entitled to notice of and to vote at the special meeting and any adjournments or postponements of the special meeting. Only Wachovia shareholders of record at the close of business on that date are entitled to notice of the special meeting and any adjournments or postponements of the special meeting, and only Wachovia common shareholders of record at the close of business on that date are entitled to vote at the special meeting and any adjournments or postponements of the special meeting. In order for the proposal to approve the plan of merger to be adopted, the holders of a majority of the outstanding shares of Wachovia common stock entitled to vote must vote in favor of approval of the plan of merger. Abstentions and broker non-votes will have the same effect as votes against approval of the plan of merger. If you wish to attend the special meeting and your shares are held in the name of a broker, trust, bank or other nominee, you must bring with you a proxy or letter from the broker, trustee, bank or nominee to confirm your beneficial ownership of the shares.

By Order of the Board of Directors,

Mark C. Treanor

Senior Executive Vice President,

General Counsel and Secretary

[•], 2004

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Whether or not you plan to attend the special meeting in person, please vote your proxy by telephone or through the Internet, as described on the enclosed proxy card, or complete, date, sign and return the enclosed proxy card in the enclosed envelope. The enclosed envelope requires no postage if mailed in the United States. If you attend the special meeting, you may vote in person if you wish, even if you have previously returned your proxy card or voted by telephone or through the Internet.

Wachovia's board of directors unanimously recommends that you vote **FOR** approval of the plan of merger.

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SOUTHTRUST CORPORATION
NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON [•], 2004

To the Shareholders of

SouthTrust Corporation:

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of SouthTrust Corporation, a Delaware corporation, will be held on [•], 2004, at [•] a.m., local time, in the auditorium on the eighth floor of the SouthTrust Tower, 420 North 20th Street, Birmingham, Alabama, for the following purpose:

Approving the plan of merger contained in the Agreement and Plan of Merger, dated as of June 20, 2004, between Wachovia Corporation, a North Carolina corporation, and SouthTrust, pursuant to which SouthTrust will merge with and into Wachovia, as more fully described in the attached joint proxy statement-prospectus.

We have fixed the close of business on August 20, 2004, as the record date for determining those shareholders entitled to notice of and to vote at the special meeting and any adjournments or postponements of the special meeting. Only SouthTrust shareholders of record at the close of business on that date are entitled to notice of the special meeting and any adjournments or postponements of the special meeting, and only SouthTrust common shareholders of record at the close of business on that date are entitled to vote at the special meeting and any adjournments or postponements of the special meeting. In order for the proposal to approve the plan of merger to be adopted, the holders of a majority of the outstanding shares of SouthTrust common stock entitled to vote must vote in favor of approval of the plan of merger. Abstentions and broker non-votes will have the same effect as votes against approval of the plan of merger. If you wish to attend the special meeting and your shares are held in the name of a broker, trust, bank or other nominee, you must bring with you a proxy or letter from the broker, trustee, bank or nominee to confirm your beneficial ownership of the shares.

By Order of the Board of Directors,

Wallace D. Malone, Jr.

Chairman

[•], 2004

Whether or not you plan to attend the special meeting in person, please vote your proxy by telephone or through the Internet, as described on the enclosed proxy card, or complete, date, sign and return the enclosed proxy card in the enclosed envelope. The enclosed envelope requires no postage if mailed in the United States. If you attend the special meeting, you may vote in person if you wish, even if you have previously returned your proxy card or voted by telephone or through the Internet.

SouthTrust's board of directors unanimously recommends that you vote **FOR approval of the plan of merger.**

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SUMMARY

This summary highlights selected information from this document. It may not contain all the information that is important to you. We urge you to read carefully this entire document and the other documents to which we refer you for a more complete understanding of the merger between Wachovia and SouthTrust. In addition, we incorporate by reference into this document important business and financial information about Wachovia and SouthTrust. You may obtain the information incorporated by reference in this document without charge by following the instructions in the section entitled **Where You Can Find More Information on page [•]. Each item in this summary includes a page reference directing you to a more complete description of that item.**

We Propose That Wachovia and SouthTrust Merge (Page •)

We propose that SouthTrust merge into Wachovia, with Wachovia as the surviving corporation. The combined company will be incorporated in North Carolina and its corporate headquarters will be in Charlotte, North Carolina. The combined company will be called Wachovia Corporation and its common stock will trade on the New York Stock Exchange, or the NYSE, under the symbol WB. We expect to complete the merger in the fourth quarter of 2004.

SouthTrust Shareholders Will Receive 0.89 of a Share of Wachovia Common Stock in the Merger For Each Share of SouthTrust Common Stock (Page •)

SouthTrust Shareholders. When the merger is completed, each SouthTrust shareholder will receive 0.89 of a share of Wachovia common stock for each share of SouthTrust common stock held. We sometimes refer to this 0.89 ratio as the exchange ratio.

Wachovia will not issue fractional shares in the merger. Instead, it will pay cash for fractional common shares based on the NYSE closing price per Wachovia share on the trading day before the merger is completed.

If you are a SouthTrust shareholder, you will need to surrender your SouthTrust common stock certificates to receive your shares of Wachovia common stock, your cash payment instead of fractional shares and any dividends paid by the combined company. Please do not surrender your certificates until you receive written instructions from the combined company after we have completed the merger.

Wachovia Shareholders. If you are a Wachovia shareholder, your shares of Wachovia common stock will be unchanged by the merger. You do not need to surrender your shares or your stock certificates.

Combined Company. After completion of the merger, former SouthTrust shareholders will own approximately 19% of the common stock of the combined company, and current Wachovia shareholders will own approximately 81% of the common stock of the combined company.

The Exchange Ratio is Fixed and the Value of the Shares to be Issued in the Merger Will Fluctuate with Market Prices (Page •)

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Upon completion of the merger, each share of SouthTrust common stock will be converted into 0.89 shares of Wachovia common stock. The exchange ratio will not be adjusted for changes in the market price of either Wachovia common stock or SouthTrust common stock. Accordingly, any change in the price of Wachovia common stock prior to the merger will affect the market value of Wachovia common stock that SouthTrust shareholders will receive on the date of the merger. Neither of us is permitted to terminate the merger agreement or resolicit the vote of our shareholders solely because of changes in the market prices of our common stocks.

You should obtain current stock price quotations for Wachovia common stock and SouthTrust common stock. Wachovia common shares are listed on the NYSE under the symbol `WB` and SouthTrust common shares are listed on The Nasdaq

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Stock Market, or Nasdaq, under the symbol SOTR . The following table shows the closing prices for Wachovia and SouthTrust common stock and the implied per share value in the merger to SouthTrust shareholders for the following dates and periods:

June 18, 2004, the last trading day before we announced the merger;

June 21, 2004, the day we announced the merger;

[•], 2004, shortly before we mailed this document; and

the high, low and average values for the period from June 18, 2004 through [•], 2004.

	Closing		Implied value
	Wachovia	Closing	per
	share	SouthTrust	SouthTrust
	price	share price	share
	<u> </u>	<u> </u>	<u> </u>
June 18, 2004	\$ 47.00	\$ 34.80	\$ 41.83
June 21, 2004	45.02	39.37	40.07
[•], 2004			
High (for period)			
Low (for period)			
Average (for period)			

Our boards, in arriving at their determinations that a fixed exchange ratio is preferable and that the merger is in the best interests of our shareholders, each considered that:

a fixed exchange ratio is appropriate in view of the long-term strategic purposes of the merger because it captures the relative contribution of each company based on fundamental financial factors and avoids relative fluctuations between our stock prices caused by near-term volatility;

a fixed exchange ratio is customary for mergers of this type in the financial services industry;

an exchange ratio that does not fluctuate with the price of our common stocks provides substantial certainty about the number of shares that will be issued in the merger;

the nominal dollar value of the shares of the combined company to be received by SouthTrust shareholders in the merger would fluctuate with the market price of Wachovia common stock before the merger is completed and could be materially different from the market price prevailing when we signed the merger agreement; and

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an exchange ratio that does not fluctuate with the price of our common stocks focuses on the long-term value of the combined company rather than on short-term market fluctuations between the dates of signing the merger agreement and completing the merger.

Wachovia's Common Stock Dividend Policy Will Continue After the Merger; Coordination of Dividends (Page 2)

Wachovia's common stock dividend policy will continue after the merger, but this policy is subject to the determination of Wachovia's board of directors and may change at any time. In the second quarter of 2004, Wachovia paid a dividend of \$0.40 per share of Wachovia common stock and SouthTrust paid a dividend of \$0.24 per share of SouthTrust common stock. Based on the 0.89 exchange ratio and these dividend rates, following the merger, holders of SouthTrust common stock will receive an anticipated dividend rate increase of approximately 48% (from \$0.24 to \$0.356 quarterly dividend per share of SouthTrust common stock equivalent).

The merger agreement permits each of us to continue to pay regular quarterly cash dividends to our shareholders prior to completion of the merger. We have agreed in the merger agreement to coordinate dividend declarations and the related record dates and payment dates so that SouthTrust shareholders will not receive two dividends, or fail to receive one dividend, for any single quarter. Accordingly, prior to the merger, we may coordinate and alter our dividend record dates in order to effect this policy. In addition, the merger agreement provides that if the merger is not completed before the record date for the dividend on Wachovia common stock for the fourth quarter of 2004, which is expected to be November 30, 2004, SouthTrust may increase its quarterly cash dividend per share to the then-current Wachovia quarterly cash dividend per share, multiplied by the exchange ratio.

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The payment of dividends by Wachovia or SouthTrust on their common stock in the future, either before or after the merger is completed, is subject to the determination of our respective boards of directors and depends on cash requirements, our financial condition and earnings, legal and regulatory considerations and other factors.

The Merger Will Be Accounted for as a Purchase (Page •)

The merger will be treated as a purchase by Wachovia of SouthTrust under generally accepted accounting principles, or GAAP.

The Merger Will Generally Be Tax-Free To Shareholders (Page •)

In the opinion of Sullivan & Cromwell LLP and Bradley Arant Rose & White LLP, for United States federal income tax purposes:

the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and each of Wachovia and SouthTrust will be a party to the reorganization within the meaning of Section 368(b) of the Internal Revenue Code;

no gain or loss will be recognized by Wachovia or SouthTrust as a result of the merger;

no gain or loss will be recognized by the holders of SouthTrust common stock who receive Wachovia common stock in exchange for SouthTrust common stock pursuant to the merger, except with respect to cash received in lieu of fractional share interests.

The merger will not have any tax consequences for holders of Wachovia common stock. For a complete description of the material United States federal income tax consequences of the transaction, see [Material Federal Income Tax Consequences](#) on page [•].

The opinions of Sullivan & Cromwell LLP and Bradley Arant Rose & White LLP are based in part on customary assumptions and on factual representations that Wachovia and SouthTrust made to Sullivan & Cromwell LLP and Bradley Arant Rose & White LLP. These opinions are exhibits to the registration statement filed with the SEC in connection with this document.

Wachovia and SouthTrust will not be obligated to complete the merger unless Sullivan & Cromwell LLP and Bradley Arant Rose & White LLP confirm the tax consequences summarized above by issuing additional opinion letters to the same effect on the closing date.

Merrill Lynch Provided an Opinion to SouthTrust's Board that the Exchange Ratio was Fair From a Financial Point of View to SouthTrust Shareholders (Page •)

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On June 19, 2004, the date the SouthTrust board approved the merger, Merrill Lynch, Pierce, Fenner & Smith Incorporated, SouthTrust's financial advisor, rendered an oral opinion to SouthTrust's board that, as of that date, the exchange ratio of 0.89 shares of Wachovia common stock for 1 share of SouthTrust common stock was fair from a financial point of view to the holders of SouthTrust common stock. Merrill Lynch confirmed its opinion by delivery of a written opinion dated June 20, 2004. The full text of Merrill Lynch's written opinion is attached to this joint proxy statement-prospectus as Appendix C. You should read this opinion completely to understand the procedures followed, assumptions made, matters considered and limitations of the review undertaken by Merrill Lynch. Merrill Lynch's opinion is directed to the SouthTrust board of directors and does not constitute a recommendation to any shareholder as to any matters relating to the merger. The opinion of Merrill Lynch will not reflect any developments that may occur or may have occurred after the date of the opinion and prior to the completion of the merger. SouthTrust does not currently expect to request an updated opinion from Merrill Lynch. Under the terms of its engagement, SouthTrust has agreed to pay Merrill Lynch an aggregate fee of \$17.5 million for its financial advisory services, including its opinion, in connection with the merger.

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UBS Provided an Opinion to Wachovia's Board as to the Fairness, From a Financial Point of View, of the Exchange Ratio to Wachovia (Page •)

In connection with the merger, Wachovia's board of directors received a written opinion from UBS Securities LLC, Wachovia's financial advisor, as to the fairness, from a financial point of view, to Wachovia of the exchange ratio provided for in the merger. The full text of UBS' written opinion, dated June 20, 2004, is attached to this joint proxy statement-prospectus as Appendix D. We encourage you to read this opinion carefully in its entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the review undertaken. UBS' opinion was provided to Wachovia's board in its evaluation of the exchange ratio, does not address any other aspect of the merger and does not constitute a recommendation to any shareholder with respect to any matters relating to the proposed merger. UBS' opinion will not reflect any developments that may occur or may have occurred after the date of the opinion and prior to the completion of the merger. Wachovia does not currently expect to request an updated opinion from UBS. Under the terms of its engagement, Wachovia has agreed to pay UBS an aggregate fee of \$15 million for its financial advisory services, including its opinion, in connection with the merger.

SouthTrust's Directors and Executive Officers May Have Interests in the Merger that Differ from Your Interests (Page•)

Following the merger, three current members of SouthTrust's board of directors, including Wallace D. Malone, Jr., SouthTrust's Chairman and Chief Executive Officer, will be appointed to Wachovia's board of directors. Other than Mr. Malone, these directors have not yet been determined. Mr. Malone also will serve as Wachovia's Vice Chairman following the merger. Wachovia's current Chairman, President and Chief Executive Officer, G. Kennedy Thompson, will continue to serve in those capacities following the merger.

In addition, some of SouthTrust's directors and executive officers have interests in the merger other than their interests as shareholders. The members of our boards of directors knew about these additional interests and considered them when they adopted the plan of merger.

The following provides more detail about the payments, benefits and other interests of certain SouthTrust directors and executive officers.

Mr. Malone's Employment Agreement. Mr. Malone currently has a five-year employment agreement with SouthTrust, which will be assumed by Wachovia in the merger. He is to be paid an annual salary of at least \$1 million and is eligible for an annual incentive payment. Mr. Malone also will receive cash termination payments and other payments and benefits if he terminates his employment under the circumstances described under *Interests of Certain Persons in the Merger* beginning on page [•]. We currently estimate that a cash termination payment of approximately \$30.3 million payable over a five-year period could be triggered if Mr. Malone terminated employment within the time frame covered under his agreement.

SouthTrust Change In Control Agreements. Change in control agreements between SouthTrust and 9 of its other executive officers provide those officers with cash termination payments and other payments and benefits if their employment with Wachovia terminates within 3 years following completion of the merger. We currently estimate that cash termination payments of up to \$27 million in the aggregate could be triggered if all such executives terminated employment within the time frames covered under the agreements.

Shareholders Do Not Have Appraisal Rights (Page •)

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Under Delaware law, SouthTrust shareholders are not entitled to appraisal rights in the merger. Under North Carolina law, Wachovia shareholders are not entitled to appraisal rights in the merger.

Our Boards Recommend That You Vote FOR the Plan of Merger (Pages and •)

Wachovia Shareholders. Wachovia's board of directors believes that the merger is in the best interests of Wachovia and its shareholders, and unanimously recommends that Wachovia shareholders vote FOR approval of the plan of merger.

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SouthTrust Shareholders. SouthTrust's board of directors believes that the merger is in the best interests of SouthTrust and its shareholders and that the exchange ratio is fair to SouthTrust shareholders, and unanimously recommends that SouthTrust shareholders vote FOR approval of the plan of merger.

Our Reasons for the Merger (Pages • and •)

Wachovia's Board of Directors. Wachovia's board of directors is proposing the merger because:

It believes that SouthTrust offers Wachovia a unique strategic fit because of the two organizations' geographic overlap in a number of key states with high growth rates, and because the merger would provide Wachovia accelerated entry into the Texas banking market and a substantial position in the Alabama banking market. As a result, Wachovia's board believes Wachovia will have a greater potential for growth following the merger. The merger would enable the combined company to have the highest deposit share in the southeastern United States.

It believes SouthTrust is a very high quality organization with a strong earnings record and strong credit quality and management.

It believes that the combined company will have increased economies of scale, significant annual expense savings and complementary customer bases and products following the merger, as well as the potential for revenue enhancement. The expense savings are described in more detail on page [•] under the heading Cost Savings .

It believes that SouthTrust's and Wachovia's management share a common business vision and commitment to their respective customers, shareholders, employees and other constituencies.

It believes that the merger is likely to provide an increase in shareholder value, including the benefits of a stronger strategic position. With respect to shareholder value, Wachovia believes that while the merger will be dilutive to Wachovia shareholders on an earnings per share basis calculated according to GAAP until 2007, the merger will be accretive to Wachovia shareholders on a cash earnings per share basis by 2006. Wachovia's estimation of earnings per share accretion/dilution for the fourth quarter of 2004 and each of the years 2005, 2006 and 2007 is as follows:

	Q4			
	2004	2005	2006	2007
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Pro forma GAAP EPS	\$ 0.92	4.09	4.66	5.22
Wachovia estimated stand-alone GAAP EPS	0.95	4.30	4.73	5.20
Accretion/(Dilution)	(0.03)	(0.21)	(0.07)	0.02
Pro forma cash EPS	1.02	4.31	4.80	5.29
Wachovia estimated stand-alone cash EPS	1.04	4.41	4.79	5.22
Accretion/(Dilution)	\$ (0.02)	(0.10)	0.01	0.07

Wachovia's estimated fourth quarter 2004 and full year 2005 stand-alone GAAP earnings per share are based on consensus earnings per share estimates as reported by First Call as of June 20, 2004, adjusted to include merger-related and restructuring expenses in the fourth quarter of 2004 (merger-related and restructuring expenses associated with transactions prior to the merger are expected to be immaterial in 2005).

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Wachovia's estimated stand-alone GAAP earnings per share for 2006 and 2007 are based on 2005 consensus earnings per share estimates plus the consensus 5-year earnings per share growth expectations of 10% per year (merger-related and restructuring expenses associated with transactions prior to the merger are expected to be immaterial in 2006 and 2007). Pro forma fourth quarter 2004 and full year 2005 earnings per share estimates assume consensus earnings per share estimates for SouthTrust as reported by First Call as of June 20, 2004 and pro forma 2006 and 2007 estimates assume consensus 5-year earnings per share growth expectations for SouthTrust of 11% per year. Pro forma earnings per share are also based on the annual expense savings discussed above and on the assumptions of Wachovia's management described in more detail on page [•] under the heading "Recommendation of Wachovia's Board and Its Reasons for the Merger" and on page [•] under the heading "Opinion of Wachovia's Financial Advisor".

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Cash earnings per share is a non-GAAP financial measure that is calculated by adding after-tax restructuring and merger-related expenses and intangible amortization to income before cumulative effect of a change in accounting principle and dividing the result by average shares outstanding. Wachovia believes this measure provides information useful to investors in understanding our underlying operational performance, our business and performance trends, and facilitates comparison with the performance of others in the financial services industry.

Wachovia also currently intends to use up to \$1.7 billion of excess capital created as a result of the merger to repurchase shares of Wachovia common stock. Wachovia believes that in the current circumstances using such excess capital to repurchase shares is the best use of that excess capital versus other possible uses, including dividends, other acquisitions or other investments. Wachovia believes that share repurchases will tend to increase earnings per share, enhance the liquidity of Wachovia's common stock after the merger, return excess capital to shareholders in a tax efficient manner and provide a flexible means of capital management.

In considering the merger, Wachovia's board of directors also considered the potential initial negative impact to the market price of Wachovia common stock following announcement of the merger. In addition, it considered the following potential adverse consequences of the merger:

The possibility that the merger and the related integration process could result in the loss of key employees, in the disruption of Wachovia's on-going business or in the loss of customers.

The possibility that the anticipated benefits of the merger may not be realized, including the expected cost savings.

The potential effect of the merger on SouthTrust's employee benefits under various agreements, plans and programs because the merger may constitute a change in control, which might encourage employees to leave and involve additional cost under such agreements, plans and programs.

The impact of divestitures likely to be required, which may result in lost customer relationships and reduce the amount of income the combined company could have realized without such divestitures.

The potential merger-related and restructuring charges.

The Wachovia board concluded, however, that the potential benefits of the merger substantially outweighed the risks.

SouthTrust's Board of Directors. SouthTrust's board of directors is proposing the merger because:

It believes that the merger with Wachovia will allow SouthTrust shareholders to participate in a combined company that will have better future prospects than SouthTrust is likely to achieve on a stand-alone basis or through a combination with other potential merger partners.

The per share merger consideration for SouthTrust shareholders represented, on the date SouthTrust's board approved the merger, a premium of approximately 22% (based on the closing prices of Wachovia common stock and SouthTrust common stock for the five trading days prior to public announcement of the merger).

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After completion of the merger, SouthTrust shareholders will receive a 48% higher common stock dividend than they currently receive from SouthTrust (\$0.356 per share on a pro forma basis, taking into account the exchange ratio, versus \$0.24 per share currently).

It believes that SouthTrust and Wachovia have businesses that complement each other in many ways, including geographic coverage and the compatibility of their respective managements, cultures and operating styles.

It believes that Wachovia's recent success in integrating banking and securities brokerage acquisitions and the planned fifteen-month integration period are good indicators of success in integrating the merger with SouthTrust.

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In considering the merger, SouthTrust's board of directors also considered the following potential adverse consequences of the merger:

The risks of diverting management's attention from other strategic opportunities.

The potential impact of the costs that are expected to be incurred by the combined company in connection with completing the merger.

The potential challenges of integrating SouthTrust and Wachovia.

The risks associated with the fixed exchange ratio, which will not adjust upwards to compensate for declines in Wachovia's stock price.

The possibility that the interests of SouthTrust's directors and executive officers apart from their interests as SouthTrust shareholders might influence their decision with respect to the merger.

The impact of the terms of the merger agreement and stock option agreement that could have the effect of discouraging other parties from expressing interest in merging with or acquiring SouthTrust.

The risks associated with required regulatory approvals, including the impact of required divestitures on the combined company.

The risks of not achieving the expected cost savings and other benefits.

The SouthTrust board concluded, however, that the potential benefits of the merger substantially outweighed the risks.

Cost Savings and Accounting Charges. Although we can make no assurances, both SouthTrust and Wachovia believe that following the merger, the combined company can achieve cost savings of approximately 36% of SouthTrust's non-interest expense or 3% of combined non-interest expense (approximately \$255 million in after-tax annual expense reductions) by the end of 2006.

These cost savings are expected to be achieved partially in each year until 2006. Of the total \$255 million in after-tax annual expected cost savings:

64% is expected from personnel reductions;

21% is expected from consolidating facilities and from eliminating duplicative technology and operations functions; and

15% is expected from other factors, including stronger purchasing power.

As part of these cost savings, we expect to reduce the combined company's job positions by about 4,300 over the fifteen-month integration period. We believe that between 25% to 35% of these reductions could occur through normal attrition. As part of the cost savings we have outlined, we expect to consolidate about 130 to 150 branch banking offices during the fifteen-month integration period. You can find more detail

about our expected cost savings under the heading "Cost Savings" on page [•].

We expect to recognize an estimated \$156 million of after-tax merger-related and restructuring expenses and \$275 million of after-tax exit cost purchase accounting adjustments. We also expect to recognize \$42 million of after-tax fair value purchase accounting adjustments. A portion of these charges and adjustments will be recorded upon completion of the merger, with the remainder expected to be recorded in each year from the completion of the merger through 2006.

Anticipated Excess Capital; Share Repurchases

Following the merger, Wachovia expects that combining the two companies' balance sheets will result in a significant amount of excess capital. Wachovia currently intends for the combined company to maintain a leverage ratio of approximately 6% and a tangible capital to tangible asset ratio of 4.7% to 4.8%. Wachovia believes that, as a result of the merger, up to \$1.7 billion of capital in excess of such ratios will be available as excess capital, in addition to excess capital generated by Wachovia as a stand-alone entity. If such excess capital is available, Wachovia currently intends to use it to repurchase shares of Wachovia common stock. The actual amount of shares of Wachovia common stock repurchased will depend on various factors, including: market conditions; legal limitations and considerations affecting the amount and timing of repurchase activity; the combined

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company's capital position; internal capital generation; and alternative potential investment opportunities. Wachovia believes that share repurchases will tend to increase earnings per share, enhance the liquidity of Wachovia's common stock after the merger, return excess capital to shareholders in a tax efficient manner and provide a flexible means of capital management. Federal law prohibits Wachovia and SouthTrust from purchasing shares of either company's common stock from the date this joint proxy statement-prospectus is first mailed to shareholders until completion of both special meetings of shareholders.

We Have Agreed When and How SouthTrust Can Consider Third Party Acquisition Proposals (Page •)

We have agreed that SouthTrust will not initiate or solicit proposals from third parties regarding acquiring SouthTrust or its businesses. In addition, we have agreed that SouthTrust will not engage in negotiations with or provide confidential information to a third party regarding acquiring SouthTrust or its businesses. However, if SouthTrust receives an acquisition proposal from a third party, SouthTrust can participate in negotiations with and provide confidential information to the third party if, among other steps, SouthTrust's board of directors concludes in good faith that the proposal is a proposal that is superior to our merger. SouthTrust's receipt of a superior proposal or participation in such negotiations does not give SouthTrust the right to terminate the merger agreement.

Merger Approval Requires a Majority Vote by Wachovia Shareholders and by SouthTrust Shareholders (Pages • And •)

Wachovia Shareholders. In order to approve the plan of merger, the holders of a majority of Wachovia's common shares outstanding as of August 20, 2004, must vote in favor of the plan of merger contained in the merger agreement. As of that date, Wachovia directors and executive officers beneficially owned about [•], or less than [•]%, of the shares entitled to vote at the Wachovia special meeting. SouthTrust and its directors and executive officers beneficially owned less than [•]% of the shares entitled to vote at the Wachovia meeting (other than shares held by SouthTrust in a fiduciary, custodial or agency capacity).

SouthTrust Shareholders. In order to approve the plan of merger, the holders of a majority of SouthTrust's common shares outstanding as of August 20, 2004, must vote in favor of the plan of merger contained in the merger agreement. As of that date, SouthTrust directors and executive officers beneficially owned about [•], or less than [•]%, of the shares entitled to vote at the SouthTrust special meeting. Wachovia and its directors and executive officers beneficially owned less than [•]% of the shares entitled to vote at the SouthTrust meeting (other than shares held by Wachovia in a fiduciary, custodial or agency capacity).

Treatment of SouthTrust Options (Pages • and •)

In the merger, Wachovia will assume all SouthTrust employee and director stock options and those options will become options to purchase Wachovia common stock. Each converted option will vest at the time of the merger. The number of shares issuable under those options and the exercise prices will be adjusted to take into account the exchange ratio.

We Must Meet Several Conditions To Complete the Merger (Page •)

Our obligations to complete the merger depend on a number of conditions being met. These include:

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the approval of the plan of merger by both Wachovia and SouthTrust shareholders;

the listing of the shares of Wachovia common stock to be issued in the merger on the NYSE (including shares to be issued following exercise of the SouthTrust employee and director stock options assumed by Wachovia);

receiving the required approvals of federal and state regulatory authorities;

the absence of any government action or other legal restraint or prohibition that would prohibit the merger or make it illegal;

receiving legal opinions that, for United States federal income tax purposes, the merger will be treated as a reorganization and no gain or loss will be recognized by SouthTrust shareholders who receive Wachovia common stock in exchange for all

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of their SouthTrust common stock, except with respect to any cash received for fractional interests. These opinions will be based on customary assumptions and on factual representations made by Wachovia and SouthTrust and will be subject to various limitations; and

the representations and warranties of the other party to the merger agreement being true and correct, except as would not have or would not reasonably be expected to have a material adverse effect, and the other party to the merger agreement must have performed in all material respects all its obligations under the merger agreement.

Where the law permits, either of us could choose to waive a condition to our obligation to complete the merger even when that condition has not been satisfied. We cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed. Although the merger agreement allows us to waive the tax opinion condition, we do not currently anticipate doing so. If either of us does waive the condition, we will inform you of this fact and ask you to vote on the merger taking this into consideration.

We Must Obtain Regulatory Approvals to Complete the Merger (Page •)

We cannot complete the merger unless it is approved by the Board of Governors of the Federal Reserve System. Once the Federal Reserve Board approves the merger, we will have to wait from 15 to 30 days before we can complete it. During that time, the United States Department of Justice, or DOJ, can challenge the merger. We filed our merger application with the Federal Reserve Board on July 12, 2004.

In addition, certain aspects of the merger are subject to review by antitrust authorities under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or HSR Act, and we filed notices with the Federal Trade Commission and the Antitrust Division of the DOJ. On August 6, 2004, those regulatory authorities confirmed that the waiting period for those aspects of the merger under the HSR Act has terminated.

The merger is also subject to receiving the approval of other regulatory authorities. We are in the process of filing all of the required applications and notices with regulatory authorities.

There can be no assurance as to whether these and other regulatory approvals will be received, the timing of those approvals, or whether any conditions will be imposed. On August 25, 2004, the DOJ advised Wachovia that Wachovia and SouthTrust should sell 18 SouthTrust branches having in the aggregate approximately \$590 million in deposits, along with related loans, to third parties in order to comply with the DOJ's antitrust requirements. The Federal Reserve Board will also make a determination of required divestitures and has not agreed to a divestiture requirement. Wachovia and SouthTrust have taken a divestiture requirement into account in planning for the merger, and we do not believe that it will have a material adverse effect on the combined company.

We May Terminate the Merger Agreement (Page •)

We can mutually agree at any time to terminate the merger agreement without completing the merger, even if our shareholders have approved the plan of merger. Also, either of us can decide, without the consent of the other, to terminate the merger agreement:

if there is a final denial of a required regulatory approval;

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if the merger is not completed on or before March 31, 2005;

if there is a continuing breach of the merger agreement by the other party, after 60 days written notice to the breaching party, as long as that breach would allow the non-breaching party not to complete the merger; or

if the other party's board of directors fails to recommend approval of the plan of merger to its shareholders, or withdraws or materially and adversely modifies its recommendation.

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Also, Wachovia may terminate the merger agreement if SouthTrust's board recommends an acquisition proposal other than the merger, or if SouthTrust's board negotiates or authorizes negotiations with a third party regarding an acquisition proposal other than the merger and those negotiations continue for at least three business days. SouthTrust has no such termination right.

In addition, prior to the SouthTrust special shareholder meeting, SouthTrust may terminate the merger agreement during a period of 10 days after any public announcement that Wachovia has entered into or become the subject of an acquisition transaction that would result in a change of control of Wachovia.

The failure of either SouthTrust or Wachovia to obtain the shareholder vote required for the merger will not by itself give either company the right to terminate the merger agreement. As long as no other termination event has occurred, both companies would remain obligated to continue to use their reasonable best efforts to complete the merger until March 31, 2005, which, depending on the timing of the failed meeting, could include calling additional shareholder meetings. In addition, during this period SouthTrust cannot undertake any other mergers or business combination transactions without Wachovia's consent. Furthermore, any decision by the SouthTrust board of directors to withdraw or adversely modify its recommendation of the merger, or recommend an acquisition proposal other than the merger, or negotiate or authorize negotiations with a third party regarding an acquisition proposal other than the merger will not give SouthTrust the right to terminate the merger agreement.

The boards of directors of both companies considered and believed it was appropriate to make the foregoing commitments for the limited period of time involved, especially in light of the relatively short term of the commitments and the relatively lengthy regulatory and integration processes involved in transactions like these.

Whether or not the merger is completed, we will each pay our own fees and expenses, except that we will evenly divide the costs and expenses that we incur in preparing, printing and mailing this document and filing fees paid in connection with the registration statement and all applications for government approvals, except fees paid to counsel, financial advisors and accountants. If SouthTrust elects to terminate the merger agreement because Wachovia enters into or becomes the subject of an acquisition transaction that would result in a change of control of Wachovia, Wachovia will pay SouthTrust a cash termination fee of \$100 million and reimburse SouthTrust for its reasonable expenses.

We May Amend or Waive Merger Agreement Provisions (Page •)

We may jointly amend the merger agreement, and each of us may waive our right to require the other party to follow particular provisions of the merger agreement. However, we may not amend the merger agreement after our shareholders approve the plan of merger if the amendment would legally require the plan of merger to be resubmitted to SouthTrust shareholders or Wachovia shareholders or would violate Delaware or North Carolina law.

Wachovia may also change the structure of the merger, as long as any change does not change the amount or type of stock or other payment to be received by SouthTrust shareholders and the holders of options to purchase SouthTrust common stock, does not adversely affect the timing of completion of the merger, does not adversely affect the tax consequences of the merger to SouthTrust shareholders and does not cause any of the conditions to complete the merger to be incapable of being satisfied.

SouthTrust Has Granted a Stock Option to Wachovia (Page • and Appendix B)

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SouthTrust and Wachovia entered into a stock option agreement that grants Wachovia an option to purchase up to 64,935,000 shares of SouthTrust common stock, or an equivalent number of shares of the stock of any company that acquires SouthTrust, under the circumstances and for the payments described in the option agreement.

Wachovia received the option in order to increase the likelihood that our merger would be

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completed. The option could discourage other companies from proposing a competing combination with SouthTrust before we complete the merger.

Wachovia cannot exercise the option unless:

a third party acquires 25% or more of SouthTrust's common stock;

SouthTrust agrees to, or recommends that its shareholders approve, a business combination or acquisition transaction (other than our proposed merger) with another party that would result in the acquisition of more than 25% of the voting power or business of SouthTrust or a significant subsidiary;

SouthTrust shareholders do not approve our merger after a third party has proposed an alternative acquisition transaction, or SouthTrust's board adversely changes its recommendation of our merger in anticipation of an alternative acquisition transaction;

A third party files a registration statement or tender offer materials or a preliminary proxy statement with the SEC or a notice or application with any bank or antitrust authority for a potential alternative acquisition transaction;

A third party publicly proposes, or announces an intention to propose, an alternative acquisition transaction and files a preliminary proxy statement with the SEC soliciting a vote against approval of our merger; or

SouthTrust willfully breaches a provision in the merger agreement after a third party has proposed an alternative acquisition transaction and the breach entitles Wachovia to terminate the merger agreement and is not cured before Wachovia gives notice of exercise.

We do not know of any event that has occurred as of the date of this document that would allow Wachovia to exercise the option.

After completion of a business combination or acquisition transaction between SouthTrust and a third party involving 25% or more of the voting power or business of SouthTrust or a significant subsidiary, or if a person acquires 50% or more of SouthTrust's outstanding common shares, SouthTrust may be required to repurchase the option and any shares Wachovia may have purchased under it at a formula price, or the option holder may choose to surrender the option for a cash payment equal to \$430 million. The holder of the option may realize a maximum total profit under the terms of the option of \$555 million, unless a third party publicly proposes, or publicly announces its intention to propose, an alternative acquisition transaction with SouthTrust, and the per share value of the proposal is less than 10% greater than the per share value of our merger, in which case the total profit can be up to \$600 million.

The option generally expires if the merger agreement terminates. However, the option will continue for 12 months after the merger agreement terminates (subject to extension for up to 6 months if regulatory or legal impediments prevent exercise during that period) if:

before the merger agreement terminates, SouthTrust agrees to an acquisition transaction with a third party or a third party takes other specified steps toward an acquisition of SouthTrust;

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Wachovia terminates the merger agreement due to a continuing breach by SouthTrust; or

Wachovia terminates the merger agreement because SouthTrust's board failed to recommend the merger to its shareholders or began and continued for three business days negotiations with a third party concerning an alternative acquisition proposal.

If Wachovia were able to, and did, exercise the option, it would own approximately 16% of the shares of SouthTrust common stock, after giving effect to the newly issued shares, and would generally have the ability to vote those shares in the future. Because North Carolina and Delaware law generally require a majority vote for merger proposals, Wachovia would not be able to force a merger or block future business combination transactions, based solely on the shares received upon exercise of the option.

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The Rights of SouthTrust Shareholders Following the Merger Will be Different (Page •)

The rights of Wachovia shareholders are governed by North Carolina law and by Wachovia's articles of incorporation and by-laws. The rights of SouthTrust shareholders are governed by Delaware law, and by SouthTrust's certificate of incorporation and by-laws. Upon our completion of the merger, the rights of both shareholder groups will be governed by North Carolina law and Wachovia's articles of incorporation and by-laws.

Information About Wachovia and SouthTrust (Page •)

Wachovia Corporation

301 South College Street

Charlotte, NC 28288

(704) 374-6565

Wachovia is a financial holding company organized under the laws of North Carolina and registered under the federal Bank Holding Company Act. Wachovia has approximately 2,500 full-service financial centers, more than 700 retail brokerage offices and approximately 4,400 ATM locations. Wachovia offers a comprehensive line of consumer and commercial banking products and services, personal and commercial trust, investment advisory, insurance, securities brokerage, investment banking, mortgage, credit card, cash management, international banking and other financial services.

At June 30, 2004, Wachovia had consolidated total assets of approximately \$418 billion, consolidated total deposits of approximately \$243 billion and consolidated stockholders' equity of approximately \$33 billion. Based on total assets at June 30, 2004, Wachovia was the 5 largest bank holding company in the United States.

SouthTrust Corporation

420 North 20th Street

Birmingham, AL 35203

(205) 254-5000

SouthTrust is a Delaware corporation and a registered financial holding company, and one of its wholly owned subsidiaries is SouthTrust of Alabama, Inc., an Alabama corporation. SouthTrust of Alabama owns SouthTrust Bank, an Alabama banking corporation. SouthTrust, through its subsidiaries, engages in a full range of banking services from more than 710 banking locations in Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Texas and Virginia. At June 30, 2004, SouthTrust had consolidated total assets of approximately \$53 billion, which ranked it among the top 20 largest bank holding companies in the United States.

Special Meeting of Wachovia (Page •)

Wachovia plans to hold its special meeting of shareholders on [•], 2004, at [•] a.m., local time, in [•]. At the meeting you will be asked to approve the plan of merger of SouthTrust into Wachovia.

You can vote at the Wachovia special meeting of shareholders if you owned Wachovia common stock at the close of business on August 20, 2004. As of that date, there were [•] shares of Wachovia common stock outstanding and entitled to vote. You can cast one vote for each share of Wachovia common stock that you owned on that date.

Special Meeting of SouthTrust (Page •)

SouthTrust plans to hold its special meeting of shareholders on [•], 2004, at [•] a.m., local time, in the auditorium on the eighth floor of the SouthTrust Tower, 420 North 20th Street, Birmingham, Alabama. At the meeting you will be asked to approve the plan of merger of SouthTrust into Wachovia.

You can vote at the SouthTrust special meeting of shareholders if you owned SouthTrust common stock at the close of business on August 20, 2004. As of that date, there were [•] shares of SouthTrust common stock outstanding and entitled to vote. You can cast one vote for each share of SouthTrust common stock that you owned on that date.

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Unaudited Comparative Per Share Data

The table on the following page shows historical information about our companies' respective earnings per share, dividends per share and book value per share, and similar information reflecting the merger, which we refer to as "pro forma" information, at or for the six months ended June 30, 2004, and at or for the year ended December 31, 2003. In presenting the comparative pro forma information for the periods shown we assumed that we had been combined throughout those periods.

We have assumed that the merger will be accounted for under an accounting method known as "purchase accounting". Under the purchase method of accounting, the assets and liabilities of the company not surviving a merger are, as of the completion date of the merger, recorded at their respective fair values and added to those of the surviving company. Financial statements of the surviving company issued after consummation of the merger reflect such values and are not restated retroactively to reflect the historical financial position or results of operations of the company not surviving.

The information listed as "equivalent pro forma" for SouthTrust was obtained by multiplying the pro forma amounts listed by Wachovia by the 0.89 exchange ratio. We present this information to reflect the fact that SouthTrust shareholders will receive 0.89 shares of Wachovia common stock for each share of their SouthTrust common stock exchanged in the merger.

The pro forma financial information includes estimated adjustments to record certain assets and liabilities of SouthTrust at their respective fair values and to record certain exit costs related to SouthTrust. The pro forma adjustments included herein are subject to updates as additional information becomes available and as additional analyses are performed. Certain other assets and liabilities of SouthTrust will also be subject to adjustment to their respective fair values. Pending more detailed analyses, no pro forma adjustments are included herein for these assets and liabilities, including additional intangible assets which may be identified. Any change in the fair value of the net assets of SouthTrust will change the amount of the purchase price allocable to goodwill. Additionally, changes to SouthTrust's stockholders' equity, including dividends and net income from July 1, 2004, through the date the merger is completed, will also change the amount of goodwill recorded. In addition, the final adjustments may be materially different from the unaudited pro forma adjustments presented herein.

We also anticipate that the merger will provide Wachovia with financial benefits that include increased revenue and reduced operating expenses, but these financial benefits are not reflected in the pro forma information. Accordingly, the pro forma information does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had our companies been combined during the periods presented. See "Cost Savings" on page [●].

The information in the following tables is based on historical financial information and related notes that we have presented in our prior filings with the SEC. You should read all of the summary financial information we provide in the following tables together with this historical financial information and related notes. The historical financial information is also incorporated into this document by reference. See "Where You Can Find More Information" on page [●] for a description of where you can find this historical information.

Table of Contents**UNAUDITED COMPARATIVE PER COMMON SHARE DATA OF WACHOVIA AND SOUTHTRUST**

	Six Months Ended June 30, 2004	Year Ended December 31, 2003
Wachovia		
Basic earnings per common share		
Income before change in accounting principle		
Historical	\$1.92	3.20
Pro forma	1.78	3.01
Diluted earnings per common share		
Income before change in accounting principle		
Historical	1.89	3.17
Pro forma	1.75	2.98
Dividends declared on common stock		
Historical	0.80	1.25
Pro forma	0.80	1.25
Book value per common share		
Historical	24.93	24.71
Pro forma	28.82	
SouthTrust		
Basic earnings per common share		
Historical	1.14	2.08
Equivalent pro forma	1.58	2.68
Diluted earnings per common share		
Historical	1.12	2.06
Equivalent pro forma	1.56	2.65
Dividends declared on common stock		
Historical	0.48	0.84
Equivalent pro forma	0.71	1.11
Book value per common share		
Historical	13.41	13.20
Equivalent pro forma	\$25.65	

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Selected Financial Data

The following tables show summarized historical financial data for each of Wachovia and SouthTrust and also show similar pro forma information reflecting the merger. The historical financial data show the financial results actually achieved by Wachovia and SouthTrust for the periods indicated. The pro forma information reflects the pro forma effect of accounting for the merger under the purchase method of accounting. The pro forma income statement data for the six months ended June 30, 2004, assumes a merger completion date of January 1, 2004. The pro forma income statement data for the year ended December 31, 2003, assumes a merger completion date of January 1, 2003. The pro forma balance sheet data assumes a merger completion date of June 30, 2004.

The pro forma financial information includes estimated adjustments to record certain assets and liabilities of SouthTrust at their respective fair values and to record certain exit costs related to SouthTrust. The pro forma adjustments included herein are subject to updates as additional information becomes available and as additional analyses are performed. Certain other assets and liabilities of SouthTrust will also be subject to adjustment to their respective fair values, including additional intangible assets which may be identified. Pending more detailed analyses, no pro forma adjustments are included herein for these assets and liabilities. Any change in the fair value of the net assets of SouthTrust will change the amount of the purchase price allocable to goodwill. Additionally, changes to SouthTrust's stockholders' equity, including net income from July 1, 2004, through the date the merger is completed, will also change the amount of goodwill recorded. In addition, the final adjustments may be materially different from the unaudited pro forma adjustments presented herein.

The information in the tables on the following pages is based on historical financial information and related notes that we have presented in our prior filings with the SEC. You should read all of the summary financial information we provide in the following tables together with this historical financial information and related notes. The historical financial information is also incorporated into this document by reference. See [Where You Can Find More Information](#) on page [•] for a description of where you can find this historical information.

We also anticipate that the merger will provide Wachovia with financial benefits that include increased revenue and reduced operating expenses, but these financial benefits are not reflected in the pro forma information. Accordingly, the pro forma information does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had our companies been combined during the periods presented. See [Cost Savings](#) on page [•].

Since announcement of the merger, our merger integration teams have been developing plans to integrate the operations of SouthTrust into Wachovia so that we will continue to provide premier service to our customers while at the same time beginning to realize merger efficiencies. These plans will continue to be refined over the next several months and will address systems, facilities and equipment, personnel, contractual arrangements and other integration activities for both SouthTrust and Wachovia.

The costs associated with merger integration activities that impact certain SouthTrust systems, facilities and equipment, personnel and contractual arrangements will be recorded as purchase accounting adjustments as described above when the appropriate plans are in place with potential refinements up to one year after completion of the merger as additional information becomes available. We currently estimate that exit cost purchase accounting adjustments will amount to \$447 million pre-tax (\$275 million after-tax). The costs associated with integrating systems and operations will be recorded as merger-related expenses based on the nature and timing of the related expenses, but generally will be recorded as the expenses are incurred. Restructuring charges will be recorded based on the nature and timing of the expenses and generally will include merger integration activities that impact Wachovia systems, facilities and equipment, personnel and contractual arrangements. We expect merger-related and restructuring expenses will amount to \$156 million after-tax and will be incurred and reported through 2006.

Table of Contents**SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF WACHOVIA**

	Six Months Ended		Years Ended December 31,				
	June 30,						
<i>(In millions, except per share data)</i>	2004	2003	2003	2002	2001	2000	1999
Consolidated Summaries of Income							
Interest income	\$ 8,018	7,417	15,080	15,632	16,100	17,534	15,151
Interest expense	2,319	2,340	4,473	5,677	8,325	10,097	7,699
Net interest income	5,699	5,077	10,607	9,955	7,775	7,437	7,452
Provision for credit losses	105	419	586	1,479	1,947	1,736	692
Net interest income after provision for credit losses	5,594	4,658	10,021	8,476	5,828	5,701	6,760
Securities gains (losses)	38	47	45	169	(67)	(1,125)	(63)
Fee and other income	5,318	4,177	9,399	7,704	6,363	7,837	6,996
Merger-related and restructuring expenses	201	160	443	387	106	2,190	404
Other noninterest expense	6,942	5,746	12,799	11,289	9,724	9,520	8,449
Minority interest in income of consolidated subsidiaries	102	25	143	6			