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WACHOVIA CORP/ NC  
Form 425  
May 30, 2001

Filed by First Union Corporation

Pursuant to Rule 425 under the Securities Act of 1933 and deemed filed pursuant to Rule 14a-12 under the Securities Exchange Act of 1934

Subject Company: Wachovia Corporation  
Commission File No. 333-59616

Date: May 29, 2001

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 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

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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.

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.

THE FOLLOWING PRESENTATION MATERIALS MAY BE USED BY FIRST UNION FROM TIME TO TIME IN ANALYST AND INVESTOR MEETINGS

[WACHOVIA LOGO]

[FIRST UNION LOGO]

Wachovia/First Union  
Merger Transition Process  
May 2001

Cautionary Statement

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### Additional Information

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Page 2

### Wachovia/First Union Key Merger Integration Objectives

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#### Primary Objectives

- o Lose no customers
- o Stay focused on customer experience
- o Improve customer perception of combined organization

#### Other Objectives

- o Provide a distinctive value proposition for customers which is based on maintaining a high level of trust and respect among employees
- o Convert systems on time with no adverse customer service/sales impact
- o Exceed quarterly earnings targets
- o Exceed pro forma efficiency expectations
- o Simplify the complexity of the combined operating environment

#### A Key to Transition Success

- o Successfully running normal day-to-day business activities

Page 3

### Merger Transition Organization

Balanced Representation of Wachovia and First Union Management

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Executive Committee (B. Baker and K. Thompson)  
Approve key transition decisions

Merger Steering Committee (B. McCoy and D. Carroll)  
Set overall policies

Project Management Office  
Coordinate and oversee all transition processes and communications

Customer Experience Team

Integrated Communications

Culture Integration Team

Progress Tracking

Transition Team  
Manage the corporations' integration  
at the business unit level

Conversion Task Force  
Complete all systems conversions

All Business Units Represented

All Business Units Represented

Page 4

Team Roles

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Executive Committee

- o Approve Key Merger Steering Committee decisions

Merger Steering Committee

- o Establish strategic direction
- o Provide overall leadership
- o Approve recommendations
- o Address issues and resolve conflicts

Project Management Committee

- o Coordinate teams sequence activities and monitor progress
- o Develop merger timeline and set milestones
- o Identify and allocate critical resources
- o Resolve issues

Page 5

Team Roles

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Customer Experience Team

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- o Monitor primary emphasis on customer retention through transition
- o Immediately respond to any integration-related customer issue
- o Provide customer perception and issue identification information associated with merger

### Culture Integration Team

- o Assess cultural similarities and differences
- o Provide action-oriented programs to accelerate cultural integration and leverage cultural differences

### Integrated Communications

- o Review and approve all internal and external communications
- o Ensure accuracy and consistency with merger objectives and guiding principles

### Progress Tracking

- o Develop and track key metrics related to merger transition information

Page 6

## Team Roles

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### Transition Team

- o Develop combined business unit strategies, plans and organizational structures
- o Integrate business units to establish merged entity
- o Assess business readiness for integration
- o Manage execution risk

### Conversion Task Force

- o Conduct technical systems review, analysis and selection
- o Develop conversion schedule based on business unit strategies
- o Implement project plan for systems integration

Page 7

## Transition Due Diligence

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Original Due Diligence

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- o Black hole analysis
- o Validate efficiencies
- o Initial identification of transition issues

### Key Foundation Strategies Established by June 30

- o New business strategies established
- o New organization designed
- o Tier I, II, III management identified

### Subsequent Due Diligence Completed by July 31

- o Re-calculate efficiencies at detail level under new business model
- o Re-calculate all restructuring/merger-related one-time expenses
- o Incorporate results in operating budgets

Page 8

### Timeline

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		2001				2002				
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q		
Transition Organization In Place	X									
Merger Agreement Announced	X									
Strategic Business Reviews	X	X								
Management Structure										
Executive	X									
Tier 2 Senior Management	X									
Tier 3 Management		X								
Shareholder Meeting		X								
Consummation		X								
Divestiture Purchase Agreements		X								
Divestitures Complete			X	X	X					
System Review and Selection	X	X	X							
Early Conversions (e.g. GL, HR, AP)		X	X	X	X					
Training Calendar Developed			X	X	X	X			X	
Core Conversions									X	X

\*Detailed conversion schedule in Appendix

Page 9

### Transition Risk Management

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- o Risk management is key component of entire transition/ execution process
  - Customer risk
  - Systems/operations risk
  - Organization risk
  - Employee risk
  - Regulatory risk
  - Financial risk
  - Market risk
  - Capacity/volume risk
  - Transaction risk
- o Continuous assessment of transition/conversion readiness
- o Proactive risk management through early warning
- o Key risk identification process for elevating issues to executive management
- o Merger transition organization structure provides the governance backbone for all risk management

Page 10

### Merger Experience

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- o 81 bank mergers since 1985 with virtually no negative impact
  - 27 mergers were greater than \$1 billion in assets
  - 13 mergers were greater than \$5 billion
  - 10 broker dealers/investment managers with greater than 3 million customers
- o Ability to serve all retail customers anywhere throughout franchise
- o Converted over 2,000 systems and 4,000 branches to common platforms while updating every major platform to state-of-the-art technology
- o All mergers done without negative impact on customers except for CoreStates
  - Extracted too much cost
  - Converted too fast
  - Implemented new business model simultaneously
  - Does not characterize our approach to doing mergers and acquisitions

Page 11

### Conversion Experience (1985 - 2001)

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Goal: To have common systems and integrated environment

#### 81 Acquisitions Involved

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General Ledger  
Payroll  
Accounts Payable  
Fixed Assets  
Benefits  
Network Connectivity



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Customer  
Information Systems

41 of Those 81  
Less Complex  
Bank Acquisitions  
Additionally  
Involved

-----  
Deposits ATM  
Consumer Loans  
    Leasing  
    Indirect  
    Unsecured/Secured  
Commercial Loans  
CDs  
Safe Deposit Box  
Overdraft Protection  
Mortgage  
Item Processing  
Credit Card  
Wire Transfer  
Equity Lines  
ACH

30 of Those 81  
Complex Bank  
Acquisitions  
Additionally  
Involved

-----  
Mutual Funds  
Brokerage  
Personal Trust  
Corporate trust  
Insurance  
IRA  
CAP  
International  
Sales Tracking  
CheckCard/Debit Card  
Capital Markets Investments  
Capital Management Investments  
Trading  
Account recovery  
Cash management  
401K  
Institutional Custody

10 Specialty  
Acquisitions  
Involved

-----  
Unique System Conversions  
Examples Include:  
    Equity Derivative Systems  
    Bond Systems  
    Insurance Systems  
    Dot Coms

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### Progress Tracking Dashboard

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- o Continuous tracking of transition progress for early detection of issues
- o Dashboard of key performance metrics provided by Project Management Office to Merger Steering Committee and selected external audiences
- o Information tracked

### Financial

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Core Expense/Goal  
One Time Expense/Goal  
Operating Exp/Operating Rev. vs. Goal  
Operating EPS/Forecast vs. Goal  
Cash EPS/Forecast vs. Goal  
ChargeOffs/Avg. Loans vs. Target  
NP/Loans +OREO vs. Target  
Avg. Deposits/Customer vs. Baseline  
Avg. Loans/Customer vs. Baseline  
Revenue Growth/Forecast  
Tier 1 Capital vs. Target  
Total Capital vs. Target  
Debt Rating vs. Target  
Reserves/Loans vs. Target  
Credit Losses/Avg. Loans vs. Target  
Noncredit Losses/Avg. Loans vs. Target  
Share Price Movement/BK Index vs. target  
Economic Profit Growth vs. Target  
Operating ROE vs. Target  
Share Repurchases vs. Target

Page 13

### Progress Tracking Dashboard

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#### Customer

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Attrition vs. Baseline  
    Consumer  
    Small Business  
At Risk Assessment vs. Target  
Consumer (Gallup) vs. Target  
Commercial (Barlow) vs. Target  
Market Share of Target Groups vs. Target  
Growth vs. Baseline  
Brand Perception vs. Target  
Customer Perception vs. Target

#### Human Resources

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Cultural Task Force Meeting Milestones  
FTE Reduction/Plan  
Training Events/Plan  
% Employees Retained/Plan  
% Displaced in New Positions/Plan  
Monthly Turnover/Plan

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Transition Plan Milestones

-----  
 % Milestones Completed vs. Schedule  
 Call Center Service Level Metrics vs. Target  
 Uptime vs. Target  
 Data Accuracy vs. Target  
 Data Integrity vs. Target  
 Level of Exceptions vs. Target

Page 14

Appendix

Merger Key Events Timeline

DRAFT -- MOE Target Dates

	Day: 1	5	10	15	30	50	60	90	1
Merger Agreement Announced	X								
Merger Steering Committee Formed		X							
Merger Steering Committee Begins Meeting			X						
Transition Team Leaders Identified			X						
Welcome/Comfort Sessions-All Divisions Organizational Charts (Senior Management)				X					
Transition Team Leaders Meeting					X				
Conversion Task Force Identified					X				
File OCC Application					X				
File Fed Application					X				
File Preliminary Proxy Statement with SEC					X				
File S-4 with SEC						X			
Mail Proxy Statements								X	
Conversion Task Force Meetings Begin								X	
Publish Conversion Schedule (High Level Strawman)								X	X
Systems Review & Systems Selection								X	X
Product Alignment Begins								X	X
Selection Process for Personnel/HR Determined								X	X
Key Leadership Positions Determined & Communicated								X	X
Shareholder Meeting									X
Business Plans for All Divisions									X
Telecommunications/Corporate Real Estate Site Visits Begin									X

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Business Unit Contingency Plans  
 Training Calendar Developed  
 Branch Consolidation/Facility  
     Designs  
 Early Conversions  
     (GL, AP, PW, FA, HR, etc)  
 Merger Consummation  
 Flex Benefit Orientation Begins  
 Divestiture  
 Final Conversions (Deposits, etc)  
 Signage Changed at All Branches

X  
 X

Page 16

INTEGRATION DASHBOARD  
 Wachovia / First Union

----  
 Date  
 ----

Financial

-----  
 DEAL EXECUTION

	Actual	TTD Goal
Core Expense /Goal		
	TTD	Total
OneTime Expense/Goal		
	Actual	TTD Goal
Operating Exp./ Operating Rev.		

-----  
 DELIVERING  
 EARNINGS  
 TARGET

-----  
 Actual      TTD Goal  
 -----

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Operating EPS/  
Forecast

Cash EPS/  
Forecast

-----

-----

CREDIT QUALITY

-----  
Actual                      Target  
-----

ChargeOffs/  
Avg. Loans

NPA/Loans  
+ OREO

-----

-----

REVENUE  
MOMENTUM

Revenue/Growth  
Goal

-----  
Actual                      Linked Qtr.  
                                    Forecast  
-----

Wealth Management

Specialty Finance

General Banking

Capital Management

Capital Markets

Total

-----

-----

SOUNDNESS

-----

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Actual Target

Reserves/Loans

Credit Losses

Non-Credit Losses

Tier 1 Capital

Total Capital

Debt Rating

-----

-----  
 SHAREHOLDER  
 VALUE  
 -----

Actual Target

Share Price Movement/Index

Economic Profit Growth

ROE

-----

NOTES: TTD = Transition to Date ( ) Indicates problem area

INTEGRATION DASHBOARD  
 Wachovia / First Union

----  
 Date  
 ----

Customer

-----  
 ATTRITION  
 -----

Actual Baseline

-----

Attrition vs.  
 Baseline

Small Business

Consumer

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At Risk Assessment

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SERVICE QUALITY	
Actual	Goal

---

Consumer (Gallup)

Commercial (Barlow)

---

---

MARKET SHARE	
Actual	Goal

---

Market Share of  
Target Groups

---

---

ACQUISITION	
Actual	Baseline

---

Growth vs. Baseline

---

---

IMAGE	
Actual	Goal

---

Brand  
Perception

Customer  
Perception of  
Merger

---

---

BRANCH IMPACT	
Actual	Baseline

---

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Avg. Deposits/Customer

Avg. Loans/Customer

-----

INTEGRATION DASHBOARD  
Wachovia / First Union

----  
Date  
----

Transition Milestones

-----  
MEETING MILESTONES  
-----

Actual                      Schedule

-----  
% Milestones Complete  
-----

-----  
SERVICE LEVEL EXECUTION  
-----

Actual                      Goal

-----  
Call Center/Service Level  
Metrics  
-----

-----  
CORE SYSTEMS ENHANCEMENT  
-----

Actual                      Goal

-----  
Uptime

Data Accuracy

Data Integrity  
-----

-----  
OPERATIONAL RISK MANAGEMENT  
-----

Actual                      Goal  
-----



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Level of Exceptions

-----

INTEGRATION DASHBOARD  
Wachovia / First Union

-----  
Date  
-----

Human Resources

-----  
CULTURAL ALIGNMENT  
-----

Actual                      Schedule

-----  
Cultural Task  
Force

Meeting  
Milestones  
-----

-----  
STAFFING TO PLAN  
-----

Actual                      Goal

-----  
FTE Reduction/Plan  
-----

-----  
SATISFACTION  
-----

Actual                      Goal

-----  
Employee  
Interview

Voluntary  
Controllable

Turnover  
-----

-----  
KNOWLEDGE/SKILL LEVELS  
-----

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	Actual	Goal
Training Events/Plan	TBD	TBD

RETENTION OF KEY EMPLOYEES

	Actual	Goal
% Retained		
% Displaced in New Positions		
Monthly Turnover		

INTEGRATION DASHBOARD  
Wachovia / First Union

----  
Date  
----

APPENDIX

Detail to be determined - support for calculations