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WACHOVIA CORP/ NC
Form 425
May 24, 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 24, 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 NEWS RELEASE WAS ISSUED BY FIRST UNION AND WACHOVIA

[GRAPHIC]

[WACHOVIA LOGO APPEARS HERE]

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FIRST UNION AND WACHOVIA ANNOUNCE COMMUNITY COMMITMENT

FOR THE NEW WACHOVIA

CHARLOTTE and WINSTON-SALEM, N.C., May 24, 2001 - First Union Corporation (NYSE:

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FTU) and Wachovia Corporation (NYSE: WB) today announced a Community Commitment for the new Wachovia designed to serve the needs of its combined communities. First Union and Wachovia first announced a merger of equals on April 16, 2001. Both companies separately hold "Outstanding" Community Reinvestment Act ratings, the highest ranking possible, held by few banks in the country.

"Together our companies are better," said L.M. Baker Jr., chairman, president and chief executive officer of Wachovia. "Today's Community Commitment is one of the first tangible benefits from combining two companies with longstanding, proven records of community development and commitment. In fact, both of our companies put more than 400 lower-income families in homes each week - almost 22,000 last year alone - and provided more than 55,000 loans to small businesses in 2000. Together we will continue to build on this great record of success."

"We now will be able to offer a broader range of products and services designed to meet the needs of the low- and moderate-income individuals and small businesses," said G. Kennedy Thompson, chairman, president and chief executive officer of First Union. "For example, we now will enhance our mortgage products and expand our homebuyer counseling services, including the introduction of a \$1 million down payment assistance program for low-income homeowners. In addition, we are committing \$1 million to pre-purchase counseling programs through the Community Partnership Mortgage Program. Up to 4,000 potential homeowners will benefit from this education."

For Small Business Lending, the new Wachovia will maintain a leadership position in the Southeast. To support additional growth in small business, the companies will expand their Tier 2 procurement program, which encourages vendors to contract with women- and minority-owned suppliers to foster opportunities for those businesses.

The companies are committed to being leaders in fair and equitable lending practices. In keeping with this commitment, the new Wachovia upon completion of the merger integration will eliminate the sale of single premium credit life insurance policies for mortgage loans. The companies said that they will continue to be leaders in the fight to stop predatory lending practices and will launch a pilot counseling program for home equity customers who require assistance in working toward credit solutions in order to avoid foreclosure.

Both companies also will sponsor a wide variety of consumer education initiatives, including financial educational seminars, and continue the support of technology in education through the e-Communities First program, which brings technological access and skill sets to lower-income neighborhoods.

Each company has a well-recognized culture of volunteerism that encourages employees to become actively involved in community organizations. First Union's Education First program was recognized with the President's Service Award, the nation's highest honor for volunteerism, as well as a gold medal from ComputerWorld magazine for an e-Communities First initiative developed to "bridge the digital divide." Wachovia has received numerous awards related to community development, including the Federal Home Loan Bank of Atlanta 2000 Partnership Excellence Award and a special merit award for its activities in Atlanta and the Southeast.

The Community Commitment - for states where both companies reside, including Florida, Georgia, North Carolina, South Carolina and Virginia -will be a minimum of \$35 billion, including \$20 billion in small business lending, \$9 billion in affordable mortgages, and \$6 billion in community development lending and investments.

First Union: (NYSE: FTU), with \$253 billion in assets and stockholders' equity of \$16 billion at March 31, 2001, is a leading provider of financial services to

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15 million retail and corporate customers throughout the East Coast and the nation. The company operates full-service banking offices in 11 East Coast states and Washington, D.C., and full-service brokerage offices in 47 states. Online banking products and services can be accessed through www.firstunion.com.

Wachovia: (NYSE: WB) is a major interstate financial holding company offering banking and financial services to individuals primarily in Florida, Georgia, North Carolina, South Carolina and Virginia and to corporations and institutions throughout the United States and globally. Wachovia Corporation is headquartered in Atlanta and Winston-Salem, N.C., and had assets of \$75.6 billion at March 31, 2001.

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Additional Information:

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