



**“The Tradition Continues...
Extending Our Reach”
Community Plan for the
SouthTrust/Wachovia Merger**

July 2004

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As you may know, Wachovia and SouthTrust have agreed to merge. The merger, which is subject to regulatory and shareholder approvals, is expected to be consummated in the fourth quarter of 2004. The information contained in this plan is in anticipation of merger consummation.



A Commitment to Community



We recognize our responsibility to bring strength and capacity to our communities.

As a combined company, we will build upon our longstanding commitment to our communities. We will be uniquely positioned to provide the best in products and services to our 14 million customers throughout the South and East.

Wachovia will combine financial support, relationships with dedicated community organizations and the vast potential of our employee volunteer network to create shared success in all the communities we serve.

Beginning in 2005, Wachovia pledges more than \$75 billion over five years to extend the reach of these programs.

This plan covers activities occurring in states affected by the SouthTrust/Wachovia merger. These states include Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Texas and Virginia.

We will continue to:

- Strategically invest time and resources to create affordable housing, develop neighborhoods, support entrepreneurs and increase financial literacy.
- Offer robust products and services fairly and equitably in all segments of our communities.
- Demonstrate community leadership by providing solutions that create positive change.
- Support our generous Time Away From Work for Community Service policy — in which each employee receives four hours per month (the equivalent of six paid days per year) of time off to volunteer.

A Legacy of Performance

During 2003, Wachovia and SouthTrust:

- Helped more than 500 lower-income families become homeowners each week — nearly 27,000.
- Loaned \$19.6 billion to more than 93,000 entrepreneurs and farmers to help them start or expand their small businesses and farms.
- Extended \$1.8 billion in loans to consumers in low- to moderate-income geographies.
- Provided financial education and counseling to more than 15,000 low- to moderate-income seminar attendees.
- Performed more than 575,000 hours of employee volunteer community service.



Wachovia has been:

- Ranked the **number one community development lender** in the nation per public data released by the Federal Financial Institutions Examination Council.
- Honored with the prestigious Fannie Mae **Community HERO Award**, which recognized Wachovia for creativity and leadership in mortgage and community lending.
- Awarded a “**B**” grade by the NAACP, the **highest among all banks and other financial services providers**, as part of the NAACP’s Economic Reciprocity Initiative. Wachovia was recognized for demonstrating a commitment to diversity in employment, advertising/marketing, vendor procurement, community development and philanthropy.
- Recognized by the following magazines:
 - *Business Ethics* as among the **100 Best Corporate Citizens**
 - *Essence* as **one of the Outstanding Companies for Black Women to Work**
 - *Latina Style* as **one of the 50 Best Companies for Latinas to Work**
 - *Working Mother* as **one of America’s Ten Best Companies for Working Mothers**

SouthTrust has been:

- Recognized as mortgage “**Servicer of the Year**” by the Alabama Housing Finance Authority for four consecutive years.
- Recognized by SBA as a “**Small Business Friendly Lender.**”
- Honored by *Fortune* magazine as one of the **top ten most admired super-regional banks.**
- Named by The United Negro College Fund (UNCF) as “**Birmingham Corporation of the Year**” in recognition of the bank’s commitment to higher education.

Our Community Plan

We listen and we learn from community leaders.

In assessing community needs, and as part of established business practice, we routinely talk with and seek input from Chambers of Commerce; community, civic and small business leaders; and faith-based and trade organizations.

This plan addresses community needs expressed to us on issues ranging from affordable housing to financial literacy. It is in part the result of feedback we received during active outreach to more than 300 key community leaders and organizations.

In addition, it reflects insight and feedback from our *Community Development Advisory Council (CDAC)*, a group of national and regional community leaders whose membership will be expanded as part of the merger. As part of our plan, we will expand the CDAC to include community leaders from new markets.

We appreciate the insight and wisdom shared with us during the development of this plan.





Wachovia pledges \$75 billion to our communities.

To address the needs voiced and to reinforce our standing commitment to our communities, we will make more than **\$75 billion in community loans and investments** over the next five years. In addition, we will commit **\$100 million in support of philanthropic activities**.

Our loans and investments will focus on these key initiatives:

- Affordable Mortgage Lending
- Small Business Finance
- Consumer Products
- Community Development Lending and Investments
- Fair Lending
- Consumer Education Initiatives
- Diversity Commitment

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Affordable Mortgage Lending



Over the next five years, Wachovia commits to lend \$15 billion in mortgages to low- to moderate-income borrowers and neighborhoods.

Wachovia has been a leader in affordable mortgage lending. As reflected in the most recent publicly available data, we have the highest distribution of loans in lower-income neighborhoods among the top competitors in our market. We have been successful largely because we have developed a wide array of innovative products.

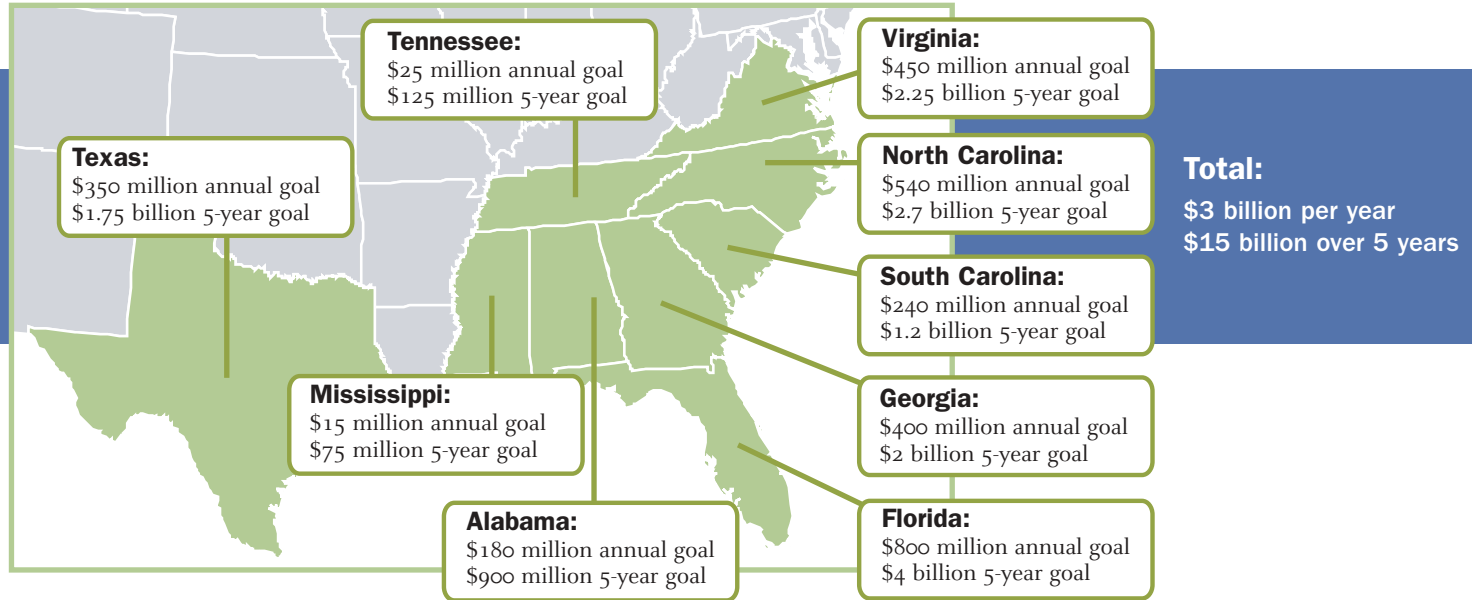
Our extensive line of affordable mortgages will continue to include products...

- Designed for applicants with impaired credit
- That do not require Private Mortgage Insurance
- With competitive interest rates and terms
- That have flexible underwriting standards

- With up to 100% financing
- With low or no down payment

We commit to:

- Up to **\$5 million** in down payment assistance for low- to moderate-income homebuyers.
- Make purchasing a home more affordable for low- to moderate-income borrowers by participating in:
 - HUD's *American Dream Down Payment* assistance program.
 - The Federal Home Loan Bank of Atlanta's *First Time Homebuyer* program and other down payment and closing cost assistance programs.



- Expand our Section 8 Homeownership program.
- Offer new and innovative mortgage loan programs, such as our nonprofit broker program, which allow experienced nonprofit agencies to originate mortgage loans in Wachovia's name.
- Continue our involvement in state bond programs that help finance housing for low- to moderate-income buyers and neighborhoods.
- Work with our investor partners to offer groundbreaking, cutting-edge mortgage programs such as our Teacher A+,

Safety First and Health Workers programs for public servants.

- Educate and/or counsel **10,000 homebuyers** over the next five years — through partnerships with local housing groups and agencies — on the process of buying a home of their own.
- Offer customers flexible options to obtain mortgage loans through face-to-face contact, mail, telephone mortgage banking or the Internet.

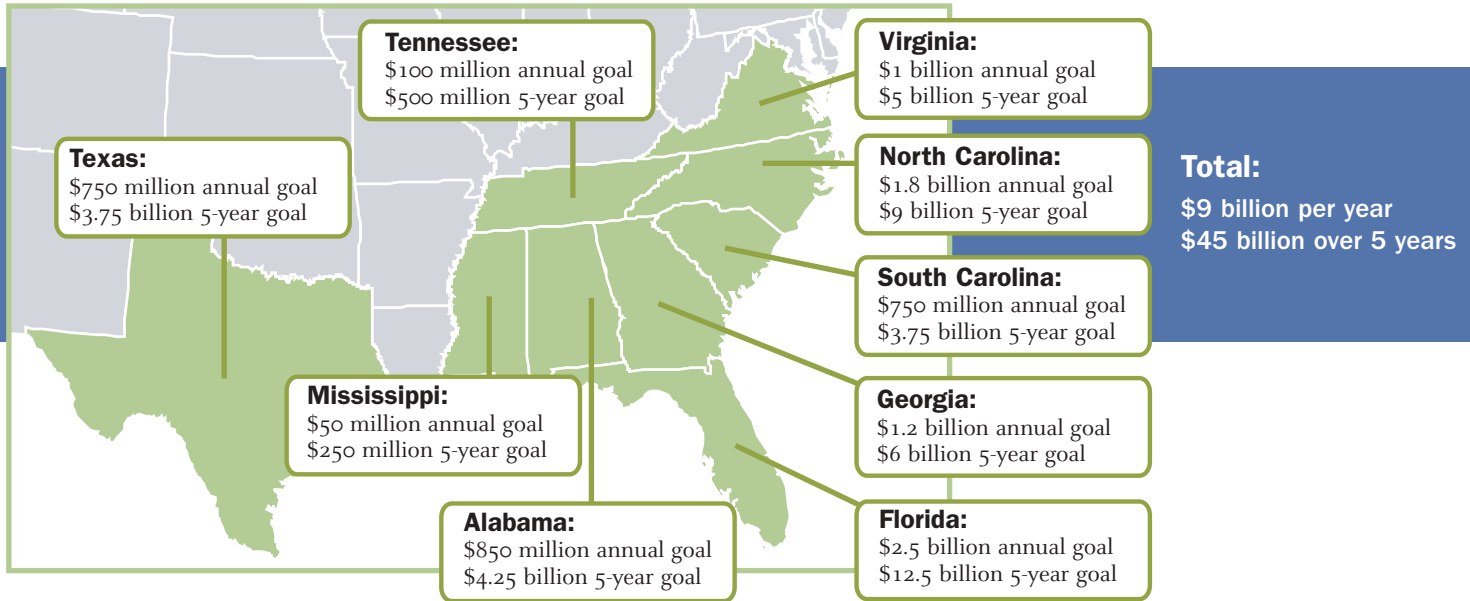
Small Business Finance



Wachovia commits to lend \$45 billion over five years to help entrepreneurs and farmers support or expand their small businesses.

Through our work with customers, community organizations and governmental agencies, we have designed products, services and processes that benefit small business customers. These products, services and processes include...

- Commercial mortgages, term loans, lines of credit, business credit cards and leases — all of which provide quick access to capital.
- The opportunity to talk with experienced small business bankers face to face at convenient locations or via telephone, without compromising service or personal attention.
- Streamlined, easy and flexible credit application processes in participation with the U.S. Small Business Administration for SBA 7(a) and 504 programs via “Preferred Lenders” status.



We remain committed to small business growth and pledge to:

- Commit **\$2 million** in technical assistance to minority-owned small businesses in our nine-state shared market* to develop a vendor relationship with Wachovia’s *Supplier Diversity Group*. The assistance is designed to help these companies create sustainable long-term business plans.
- Expand our capability to address the needs of small businesses through the *SBA Express* product and through *SBA Capital Express* — available for requests between

\$50,000 and \$150,000 (in pilot markets including Houston and San Antonio).

- Offer experienced, dedicated personal relationship managers to small business owners at **3,262 financial centers** in our nine-state shared market.
- Commit **\$1 million** in support to small business resource centers and incubators, and microenterprise entities.

*Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Texas and Virginia

Consumer Products

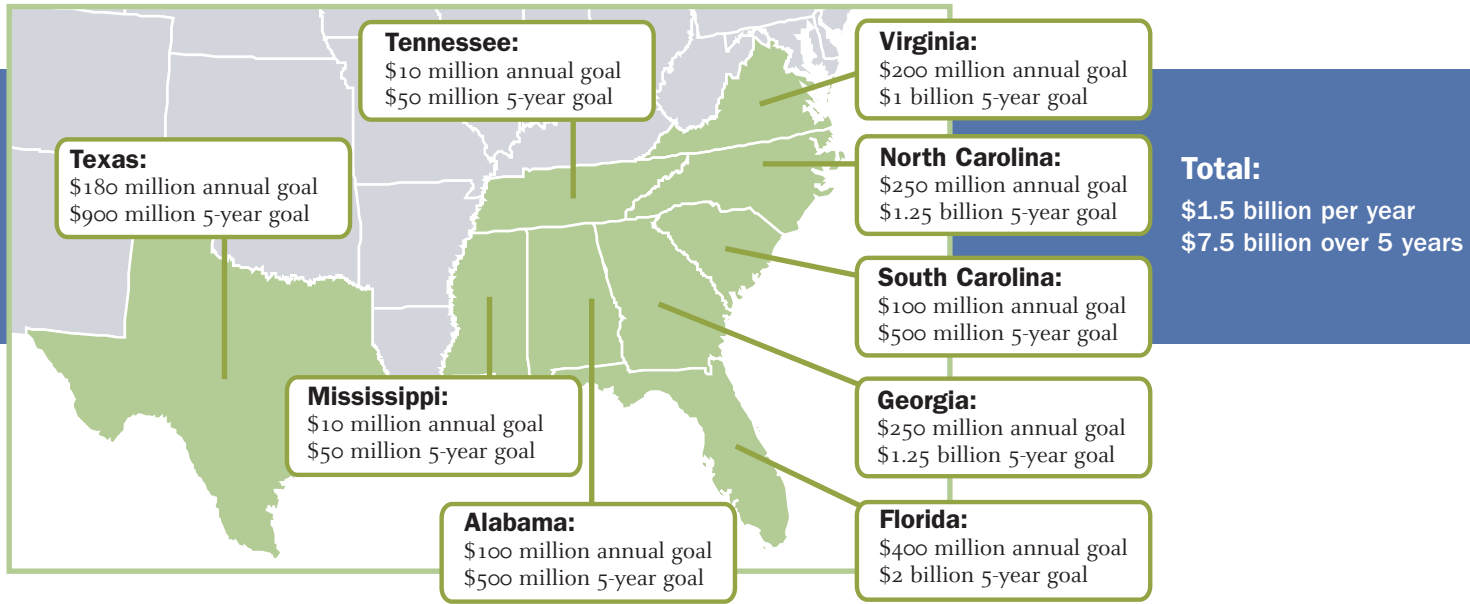


As part of our five-year pledge, Wachovia commits \$7.5 billion in loans to low- to moderate-income consumers and neighborhoods.

Conversations with community leaders confirm the need for access, plus quick, simple and competitively priced deposit and credit products for low- to moderate-income consumers.

Wachovia delivers a safe, flexible and affordable array of deposit, savings and credit products to benefit our diverse customer base, including...

- *Free Checking, Free Student Checking, Access Fifty Checking*
- *The PayAccess Card*
- *Premium Savings* and a 12-month *Systematic Saver CD*
- Secured and unsecured lines of credit
- Vehicle and equipment loans
- Credit cards
- Student loans



We commit to:

- Provide safe, flexible and affordable deposit, savings and credit products.
- Offer convenient access to consumer products at our 5,294 ATMs, 3,262 financial centers, through our telephone service center and through the Internet.
- Provide financial education and tools — in English and Spanish — to help enhance money management and technical skills and build financial confidence.

Community Development Lending and Investments



We are experts in community development lending and investing.

With more than **\$1.2 billion** in funding for affordable housing and neighborhood revitalization projects in lower-income communities, Wachovia was **rated the number one community development lender in the nation** as announced in 2003. We provide both debt and equity for projects and serve as an important channel to advance community development initiatives.

Our success stems from the fact that we approach community development as a market segment. Instead of viewing this work as a regulatory requirement, we manage it as a sustainable business — business that is good for the company, our shareholders and our communities.

Wachovia's unique approach to community development lending and investing combines the efforts of our mainstream commercial and investment bankers with industry specialists in our Community Development Finance (CDF) and Tax

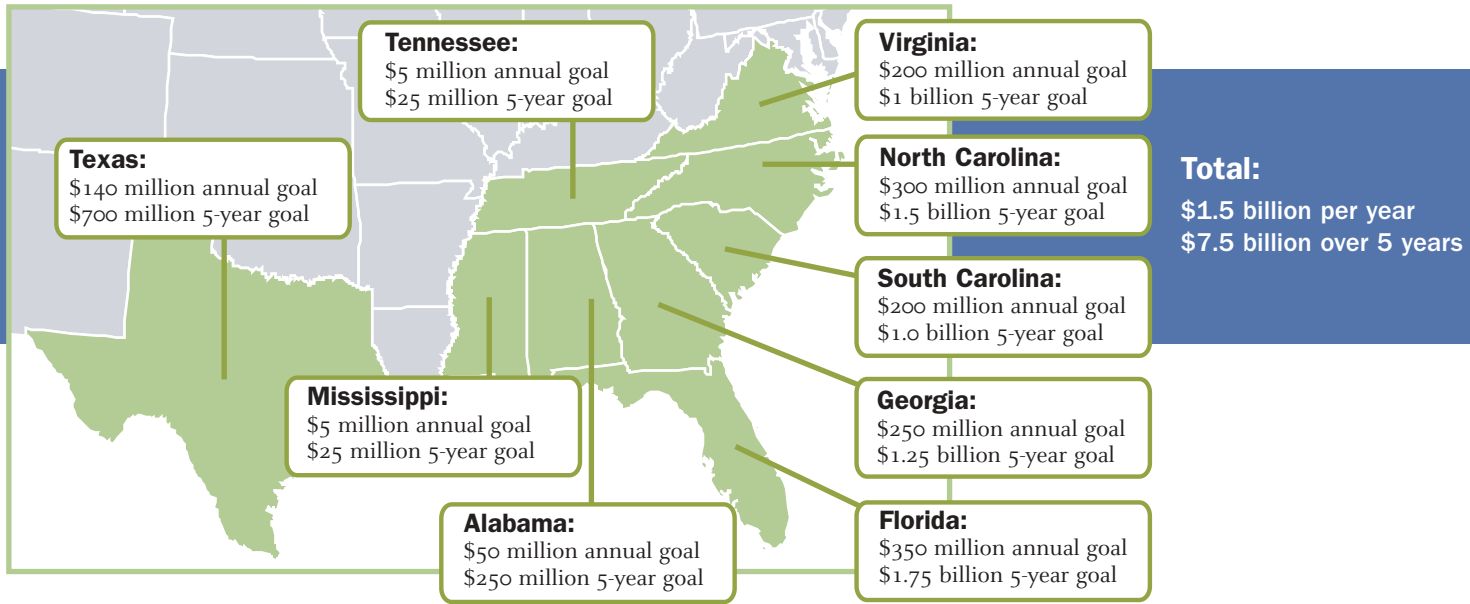
Credit Investment Groups. A key capability of CDF is combining private capital with government programs.

We have invested more than **\$80 million** in Community Development Financial institutions, credit unions, loan funds, minority-owned banks, multi-bank consortia and venture capital funds.

Additionally, Wachovia was one of the first to receive a New Markets Tax Credit (NMTC) award from the U.S. Treasury. More than **\$150 million** in New Markets Tax Credits will flow to communities in need as Wachovia utilizes this award to help revitalize neighborhoods.

Both Wachovia and SouthTrust are community development investment leaders:

- Wachovia's current equity investments include more than **\$2 billion** in low-income housing tax credit investments to finance **53,000 units** of housing.
- SouthTrust's CRA investments exceed **\$305 million**.



We will make \$7.5 billion in community development loans and investments.

Through teams of dedicated, specialized bankers, we will:

- Provide creative and responsive financing and technical assistance in support of:
 - Affordable single- and multi-family housing
 - Low-income housing tax credit properties
 - Special needs housing
 - Economic revitalization
 - Faith-based community development

- Expand our NMTC program — seeking additional awards to further our positive impact.
- Continue our leadership in bringing resources from the Federal Home Loan Bank of Atlanta’s Affordable Housing Program and the Bank Enterprise Award program to lower costs for nonprofit developers.
- Continue our philanthropic investments to community development organizations.

Responsive Community Strategies

Wachovia responds to community needs with strategic products and services.

As a part of responding to community needs, we routinely assess our products, services and delivery channels. We recognize that access to products and services remains a barrier for many communities.

To improve access to our products and services, we commit to expanding the following strategies:

Community Banking

Designed to increase the access, focus and support in non-metro and rural markets throughout our markets, the Community Banking strategy emphasizes *local* leadership and community involvement by *local*, empowered employees.

Key elements of the strategy include:

- Serving all commercial and personal banking needs locally.
- Providing a broad menu of products and services to the market.
- Staffing markets with local, knowledgeable, experienced and active civic and community leaders.
- Maintaining local decision-making autonomy.

Emerging Markets

Wachovia is focused on serving emerging markets. Based on community needs, Wachovia implemented several strategies that support outreach and access to our diverse customers and prospects, including:

- Establishing alliances and sponsorships with the NAACP, the National Association of Women Business Owners and the Hispanic Chamber of Commerce.
- Launching direct marketing campaigns for emerging markets.
- Developing direct market approaches and products that meet segment needs, such as:
 - Promoting our multilingual call center and Spanish language Web site.
 - Promoting a foreign remittance card.

Fair Lending



We are committed to fair and uniform lending standards for all applicants.

Wachovia's Fair Lending team has established itself as a national leader in fair lending and a champion of anti-predatory lending practices. The unit is staffed by experts in law, compliance, econometrics, lending and training.

To fight unfair or predatory lending practices, we will:

- Provide national leadership in ending predatory lending practices by working with lenders, advocates, bank regulators and government officials to protect consumers.
- Continue national leadership in financial services fair lending best practices through training and speaking at prominent conferences.
- Maintain our robust, proactive fair lending program that includes logistic regression analysis, mystery shopping, training and ongoing reviews of policies and procedures.

Consumer Education Initiatives

Financial education and technology training needs exist in all our markets, but they are especially critical to the emerging and low- to moderate-income communities.

Through collaboration with community nonprofits and through our generous Time Away From Work for Community Service policy, Wachovia commits to...

- Expand our nationally recognized financial literacy program — offered in English/Spanish and including Money Smart and *eCommunitiesfirst* — to reach more than 50,000 participants in our nine-state shared market* by 2010.
- Invest in new financial literacy technology across our nine-state shared market by:
 - Expanding satellite locations to increase the reach of Money Smart, the FDIC's ten-module money management curriculum, to communities with limited training resources.
 - Increasing the number of computer labs to bridge the digital divide through *eCommunitiesfirst*, Wachovia's signature, six-module technology curriculum.

*Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Texas and Virginia



At Wachovia, diversity is a business imperative.

Wachovia is committed to building an inclusive organization that values and retains employees and delivers outstanding service to customers and communities. This commitment begins with senior management and extends to all employees with a goal of building a diverse and inclusive work environment.

We strive to integrate diversity into every aspect of our business, from workforce development to supplier procurement.

Workforce Development

Our *Office of Diversity* provides a cohesive diversity infrastructure for the company. It coordinates continuing diversity education and awareness and monitors progress toward diversity goals.

The *Corporate Diversity Council*, a 24-member group chaired by the CEO and including a cross-section of employees who are different by race, gender, sexual orientation and organizational level, governs the *Office of Diversity*. The council drives a strategic plan to create an inclusive workplace.

Supplier Diversity

As an integral part of Wachovia's strategic sourcing and procurement processes, the *Supplier Diversity Group* provides opportunities for minority- and women-owned business enterprises. This is done through direct spending with minority- and women-owned business suppliers (Tier 1) and establishing contracts that request at least 10 percent minority and women-owned subcontracts (Tier 2) for non-minority-owned business suppliers.

As part of our continued commitment to diversity, we will...

- Cultivate a diverse workforce that will help us build stronger relationships with our diverse customer base and with all segments of the communities we serve.
- Provide **\$2 million** in technical assistance to minority-owned businesses as in our nine-state shared market* that have relationships with Wachovia's *Supplier Diversity Group*. The assistance is designed to help these companies win additional contracts and to create sustainable long-term business plans.

*Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Texas and Virginia

Summary

Upon completion of the merger,* we will build on the foundation of the strong Community Development legacies of our two companies. Our combined company will strive to provide superior products and services to all segments of our communities. We will remain committed to seeking creative, flexible solutions to community needs.

We look forward to working with our community partners to extend the reach of our community development programs.

Following the completion of the merger and beginning in 2005, Wachovia pledges more than **\$75 billion** over five years in support of communities affected by the SouthTrust/Wachovia merger. Highlights of the plan include:

- **\$15 billion** in affordable mortgages.
- **\$45 billion** in small business loans.
- **\$7.5 billion** in low- to moderate-income consumer loans.
- **\$7.5 billion** in community development loans and investments.
- **\$100 million** in support of philanthropic activities.
- Up to **\$5 million** in down payment mortgage assistance.
- **\$2 million** in technical assistance to minority-owned small businesses in our nine-state shared market that have relationships with Wachovia's *Supplier Diversity Group*.
- **\$1 million** in support of small business resource centers and incubators, and microenterprise entities.
- Expanding small business and consumer access into community markets.
- Providing **10,000 homebuyers** with education on homeownership.
- Reaching more than **50,000** consumers through financial literacy programs and creating new satellite and technology labs in at-risk neighborhoods.
- Supporting our generous Time Away From Work for Community Service policy — **four hours per month (the equivalent of six paid days per year)**.
- Expanding our *Community Development Advisory Council* with additional community leaders.
- Promoting an environment that ensures fair lending.
- Cultivating and maintaining a diverse workforce to build stronger relationships with our diverse customer base and community.

Our **\$75 billion** commitment includes: **\$5.9 billion** to Alabama, **\$20.25 billion** to Florida, **\$10.5 billion** to Georgia, **\$400 million** to Mississippi, **\$14.45 billion** to North Carolina, **\$6.45 billion** to South Carolina, **\$700 million** to Tennessee, **\$7.1 billion** to Texas and **\$9.25 billion** to Virginia.

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