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WESTCORP /CA/
Form 425
October 17, 2005
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Filed by Wachovia Corporation pursuant to Rule 425 under the Securities Act of 1933, as amended, and deemed filed pursuant to Rule 14a-12 under the Securities Exchange Act of 1934, as amended

Subject Company:

Westcorp

Commission File No.: 001-09910

Date: October 17, 2005

This filing may contain certain forward-looking statements with respect to each of Wachovia Corporation (Wachovia), Westcorp, WFS Financial Inc (WFS Financial) and the combined companies following the proposed merger between Wachovia and Westcorp (the Westcorp Merger) and Wachovia s acquisition, by merger, of the 16% interest in WFS Financial held by the public (the WFS Financial Merger and, together with the Westcorp Merger, the Mergers), as well as the goals, plans, objectives, intentions, expectations, financial condition, results of operations, future performance and business of Wachovia, including, without limitation, (i) statements relating to the benefits of the Mergers, including future financial and operating results, cost savings, enhanced revenues and the accretion to reported earnings that may be realized from the Mergers, (ii) statements regarding certain of Wachovia s, Westcorp s and/or WFS Financial s goals and expectations with respect to earnings, earnings per share, revenue, expenses and the growth rate in such items, as well as other measures of economic performance, including statements relating to estimates of credit quality trends, and (iii) statements preceded by, followed by or that include the words may , could , should , would , believe , anticipate , estimate , expect , intend , plan , projects , outlook or similar expressions. These statements are based on current beliefs and expectations of Wachovia s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. These forward-looking statements involve certain risks and uncertainties that are subject to change based on various factors (many of which are beyond Wachovia s control).

The following factors, among others, could cause Wachovia s financial performance to differ materially from that expressed in such forward-looking statements: (1) the risk that the businesses of Wachovia, Westcorp and WFS Financial in connection with the Mergers 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 Mergers may not be fully realized or realized within the expected

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time frame; (3) revenues following the Mergers may be lower than expected; (4) deposit attrition, operating costs, customer loss and business disruption following the Mergers, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected; (5) the ability to obtain governmental approvals of the Mergers on the proposed terms and schedule; (6) the failure of Westcorp's and WFS Financial's shareholders to approve the Westcorp Merger and the WFS Financial Merger, respectively; (7) the strength of the United States economy in general and the strength of the local economies in which Wachovia, Westcorp and/or WFS Financial conducts 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 Wachovia's, Westcorp's and/or WFS Financial's loan portfolio and allowance for loan losses; (8) the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System; (9) potential or actual litigation; (10) inflation, interest rate, market and monetary fluctuations; and (11) 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 Wachovia's capital markets and capital management activities, including, without limitation, Wachovia's mergers and acquisition advisory business, equity and debt underwriting activities, private equity investment activities, derivative securities activities, investment and wealth management advisory businesses, and brokerage activities. Additional factors that could cause Wachovia's, Westcorp's and WFS Financial's results to differ materially from those described in the forward-looking statements can be found in Wachovia's, Westcorp's and WFS Financial's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. All subsequent written and oral forward-looking statements concerning Wachovia or the proposed Mergers or other matters and attributable to Wachovia or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. Wachovia, Westcorp and WFS Financial do not undertake any obligation to update any forward-looking statement, whether written or oral, relating to the matters discussed in this filing.

The proposed Mergers will be submitted to Westcorp's and WFS Financial's shareholders for their consideration. Wachovia will file a registration statement, which will include a proxy statement/prospectus, Westcorp and WFS Financial will file a proxy statement, and each of Wachovia, Westcorp and WFS Financial may file other relevant documents concerning the proposed Mergers with the SEC. Shareholders are urged to read the registration statement and the proxy statement/prospectus regarding the proposed Mergers when they become 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 proxy statement/prospectus, as well as other filings containing information about Wachovia, Westcorp and WFS Financial, at the SEC's website (<http://www.sec.gov>). You will also be able to obtain these documents, free of charge, at Wachovia's website (<http://www.wachovia.com>) under the tab "Inside Wachovia - Investor Relations" and then under the heading "Financial Reports - SEC Filings". Copies of the proxy statement/prospectus and the SEC filings that will be incorporated by reference in the proxy statement/prospectus can also be obtained, free of charge, by directing a request to

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Wachovia Corporation, Investor Relations, One Wachovia Center, 301 South College Street, Charlotte, NC 28288-0206, (704)-374-6782; or to Westcorp or WFS Financial, Attn: Investor Relations, 23 Pasteur, Irvine, CA 92618, (949)-727-1002.

Wachovia, Westcorp and WFS Financial and their respective directors and executive officers, may be deemed to be participants in the solicitation of proxies from the shareholders of Westcorp and/or WFS Financial in connection with the proposed Mergers. Information about the directors and executive officers of Wachovia is set forth in the proxy statement for Wachovia's 2005 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 14, 2005. Information about the directors and executive officers of Westcorp is set forth in the proxy statement for Westcorp's 2005 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 28, 2005, and information about the directors and executive officers of WFS Financial is set forth in the proxy statement for WFS Financial's 2005 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 28, 2005. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the proxy statement/prospectus regarding the proposed Mergers when it becomes available. You may obtain free copies of these documents as described in the preceding paragraph.

THE FOLLOWING IS A NEWS RELEASE ISSUED ON OCTOBER 17, 2005 BY WACHOVIA REGARDING WACHOVIA'S RESULTS OF OPERATIONS FOR THE QUARTER ENDED SEPTEMBER 30, 2005.

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Press Release October 17, 2005

WACHOVIA EARNS RECORD \$1.06 PER SHARE IN 3rd QUARTER 2005, UP 10%*Strong revenue growth, expense discipline, solid credit quality and customer service excellence drive record net income of \$1.67 billion***3rd QUARTER 2005 COMPARED WITH 3rd QUARTER 2004**

Record revenue up 19 percent, reflecting across-the-board core growth in fee income and the effect of acquisitions.

Revenue grew at more than twice the pace of expenses.

Merger savings and expense discipline drove improvement in the overhead efficiency ratio to 59.78 percent.

Credit quality continued to be exceptional with annualized net charge-offs of 0.10 percent of average loans and total nonperforming assets at a record low 0.37 percent of loans, foreclosed properties and loans held for sale.

Solid sales activity, good progress in merger integration, and continued leadership in customer satisfaction and loyalty generated record results.

Earnings Highlights

| | Three Months Ended | | | | | |
|--------------------------------------|--------------------|------|----------|------|---------------|------|
| | September 30, | | June 30, | | September 30, | |
| | 2005 | | 2005 | | 2004 | |
| (In millions, except per share data) | Amount | EPS | Amount | EPS | Amount | EPS |
| Earnings | | | | | | |
| Net income (GAAP) | \$ 1,665 | 1.06 | 1,650 | 1.04 | 1,263 | 0.96 |
| Net merger-related expenses | 51 | 0.03 | 48 | 0.03 | 55 | 0.04 |

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| | | | | | | |
|--|-----------------|-------------|-------|------|-------|------|
| Earnings excluding net merger-related expenses | \$ 1,716 | 1.09 | 1,698 | 1.07 | 1,318 | 1.00 |
| Financial ratios | | | | | | |
| Return on average common stockholders' equity | 13.95% | | 14.04 | | 15.12 | |
| Net interest margin (a) | 3.20 | | 3.23 | | 3.36 | |
| Fee and other income as % of total revenue (a) | 48.40 | | 46.60 | | 46.21 | |
| Overhead efficiency ratio (a) | 59.78% | | 59.29 | | 65.20 | |
| Capital adequacy (b) | | | | | | |
| Tier 1 capital ratio | 7.40% | | 7.85 | | 8.34 | |
| Total capital ratio | 10.75 | | 11.25 | | 11.22 | |
| Leverage ratio | 5.98% | | 6.10 | | 6.21 | |
| Asset quality | | | | | | |
| Allowance for loan losses as % of nonaccrual and restructured loans | 347% | | 332 | | 291 | |
| Allowance for loan losses as % of loans, net | 1.13 | | 1.18 | | 1.33 | |
| Allowance for credit losses as % of loans, net (c) | 1.20 | | 1.25 | | 1.41 | |
| Net charge-offs as % of average loans, net | 0.10 | | 0.09 | | 0.15 | |
| Nonperforming assets as % of loans, net, foreclosed properties and loans held for sale | 0.37% | | 0.44 | | 0.50 | |

(a) Tax-equivalent.

(b) The third quarter of 2005 is based on estimates.

(c) The allowance for credit losses is the sum of the allowance for loan losses and the reserve for unfunded lending commitments.

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CHARLOTTE, N.C. Wachovia Corp. (NYSE:WB) today reported record net income of \$1.67 billion, or a record \$1.06 per share, in the third quarter of 2005 compared with \$1.26 billion, or 96 cents per share, in the third quarter of 2004.

Excluding after-tax net merger-related expenses of 3 cents per share in the third quarter of 2005 and 4 cents in the third quarter of 2004, third quarter 2005 earnings were \$1.72 billion, or a record \$1.09 per share, compared with \$1.32 billion, or \$1.00 per share, in the third quarter of 2004.

Our record results reflect solid execution on our revenue strategies and merger integration savings, as well as improving efficiency, said Ken Thompson, Wachovia chairman and chief executive officer. With 10 percent earnings growth, our diversified business model and unwavering customer focus are clearly serving us well even as our industry faces pressure on profit margins and rising funding costs. We're extremely proud of the way our employees have maintained their focus on our No. 1 priority: serving our customers which is crucial as we complete the integration of the former SouthTrust branches this quarter. And we've all been inspired and heartened by our employees' efforts to help their customers and their colleagues in the wake of the recent hurricanes from making sure each employee was located and safe, to giving up vacation time to volunteer for relief work, to stepping up with cash donations. Their spirit and dedication give me great confidence in our ability to achieve Wachovia's goals for continued strong growth.

Wachovia Corporation

| (In millions) | Three Months Ended | | |
|--------------------------------|-----------------------|------------------|-----------------------|
| | September 30, 2005 | June 30, 2005 | September 30, 2004 |
| Total revenue (Tax-equivalent) | \$ 6,698 | 6,388 | 5,629 |
| Provision for credit losses | 82 | 50 | 43 |
| Noninterest expense | 4,004 | 3,788 | 3,671 |
| Net income | 1,665 | 1,650 | 1,263 |
| Average loans, net | 228,960 | 223,881 | 168,552 |
| Average core deposits | \$ 280,748 | 275,338 | 232,989 |

In the third quarter of 2005 compared with the third quarter of 2004, Wachovia:

Increased revenue 19 percent. Revenue growth reflected strong sales production as well as a larger balance sheet. These results include the impact of the acquisitions of SouthTrust Corporation on November 1, 2004, and the Palmer & Cay, Inc., insurance brokerage firm on May 6, 2005.

Grew net interest income 14 percent, reflecting higher loans and deposits, largely related to SouthTrust. Middle-market lending led commercial loan growth while consumer loans were led by real estate-secured lending. The deposit mix continued to shift, with core deposit growth driven by certificates of deposit and money market deposits.

Generated 25 percent fee and other income growth, generally across the board, with improved service charges and banking fees, higher brokerage and insurance commissions, and solid investment banking fees. Trading

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rebounded and principal investing results were strong, although down from a stronger third quarter a year ago. Securities gains were modest.

Achieved merger and other expense efficiencies, limiting noninterest expense growth to 9 percent.

Recorded a higher provision for credit losses of \$82 million. Net charge-offs were \$59 million, or an annualized 0.10 percent of average net loans. Total nonperforming assets including loans held for sale were \$955 million, or 0.37 percent of loans, foreclosed properties and loans held for sale at September 30, 2005.

Lines of Business

The following discussion covers the results for Wachovia's four core business segments and is on a segment earnings basis, which excludes net merger-related and restructuring expenses and other intangible amortization. Segment earnings are the basis on which Wachovia manages and allocates capital to its business segments. Pages 13 and 14 include a reconciliation of segment results to Wachovia's consolidated results of operations in accordance with GAAP.

General Bank Highlights

| <u>(In millions)</u> | Three Months Ended | | |
|---|-------------------------------------|--------------------------------|-------------------------------------|
| | <u>September 30,</u> <u>2005</u> | <u>June 30,</u> <u>2005</u> | <u>September 30,</u> <u>2004</u> |
| Total revenue (Tax-equivalent) | \$ 3,250 | 3,145 | 2,629 |
| Provision for credit losses | 77 | 68 | 74 |
| Noninterest expense | 1,584 | 1,514 | 1,362 |
| Segment earnings | \$ 1,006 | 989 | 760 |
| Cash overhead efficiency ratio (Tax-equivalent) | 48.74% | 48.16 | 51.80 |
| Average loans, net | \$ 163,801 | 161,774 | 124,687 |
| Average core deposits | 208,718 | 205,814 | 170,188 |
| Economic capital, average | \$ 7,019 | 6,981 | 5,123 |

General Bank

The General Bank includes retail, small business and commercial customers. Results include the impact of the fourth quarter 2004 acquisition of SouthTrust. The third quarter of 2005 compared with the third quarter of 2004 included:

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24 percent revenue growth driven by higher net interest income and fee and other income, largely due to SouthTrust. Growth also reflected increased debit card interchange fees, mortgage banking income and origination fees.

Strength in low-cost core deposits and higher commercial and consumer loans drove the increase in net interest income. Net new retail checking accounts increased by 150,000 in the third quarter of 2005, compared with an increase of 126,000 in the prior year third quarter.

26 percent growth in fee and other income generated by higher volume largely reflecting the addition of SouthTrust. In addition, strong debit card interchange income and retail service charges offset continued weakness in commercial service charges related to higher earnings credit rates on commercial customer balances.

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16 percent growth in noninterest expense due to SouthTrust. Merger efficiencies and expense management offset investment spending to drive a 306 basis point improvement in the overhead efficiency ratio to 48.74 percent.

Capital Management Highlights

| (In millions) | Three Months Ended | | |
|---|-----------------------|------------------|-----------------------|
| | September 30, 2005 | June 30, 2005 | September 30, 2004 |
| Total revenue (Tax-equivalent) | \$ 1,360 | 1,333 | 1,266 |
| Provision for credit losses | | | |
| Noninterest expense | 1,111 | 1,089 | 1,094 |
| Segment earnings | \$ 156 | 155 | 110 |
| Cash overhead efficiency ratio (Tax-equivalent) | 81.86% | 81.57 | 86.39 |
| Average loans, net | \$ 694 | 688 | 643 |
| Average core deposits | 30,700 | 30,846 | 29,547 |
| Economic capital, average | \$ 1,399 | 1,393 | 1,312 |

Capital Management

Capital Management includes retail brokerage services and asset management. The third quarter of 2005 compared with the third quarter of 2004 included:

7 percent revenue growth on 32 percent growth in brokerage managed account assets to a record \$99.7 billion, generating solid growth in recurring income, and improved retail brokerage transaction activity.

Net interest income growth of 10 percent largely due to improved deposit pricing.

Expense growth of 2 percent on higher brokerage commissions partially offset by efficiencies gained from the completed brokerage integration led to a 453 basis point improvement in the overhead efficiency ratio to 81.86 percent.

Total assets under management of \$256.5 billion at September 30, 2005, grew modestly from December 31, 2004. Equity assets reached a record \$82.7 billion, led by positive equity mutual fund sales and improved equity markets. Total brokerage client assets grew 5 percent from year-end 2004 to a record \$683.1 billion at September 30, 2005.

Wealth Management Highlights

| (In millions) | Three Months Ended | | |
|---|-----------------------|------------------|-----------------------|
| | September 30, 2005 | June 30, 2005 | September 30, 2004 |
| Total revenue (Tax-equivalent) | \$ 339 | 327 | 274 |
| Provision for credit losses | 6 | | (1) |
| Noninterest expense | 235 | 220 | 191 |
| Segment earnings | \$ 63 | 67 | 53 |
| Cash overhead efficiency ratio (Tax-equivalent) | 68.99% | 67.34 | 69.93 |
| Average loans, net | \$ 14,180 | 13,595 | 11,204 |
| Average core deposits | 13,224 | 13,198 | 12,171 |
| Economic capital, average | \$ 528 | 512 | 447 |

Wealth Management

Wealth Management includes private banking, personal trust, investment advisory services, charitable services, financial planning and insurance brokerage. Results include

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the impact of the May 6, 2005, acquisition of Palmer & Cay, Inc., an insurance brokerage firm. The third quarter of 2005 compared with the third quarter of 2004 included:

Record revenue driven by 34 percent growth in fee and other income and a 14 percent increase in net interest income.

Net interest income growth fueled by a 27 percent increase in average loans and a 9 percent increase in average core deposits.

Fee and other income included the full quarter impact of the Palmer & Cay acquisition, as well as improved trust and investment management fees due to higher assets under administration in improving markets.

Higher provision expense of \$6 million. In addition, noninterest expense growth reflected the impact of the Palmer & Cay acquisition and higher incentives related to revenue growth.

Corporate and Investment Bank Highlights

| (In millions) | Three Months Ended | | |
|---|-----------------------|------------------|-----------------------|
| | September 30, 2005 | June 30, 2005 | September 30, 2004 |
| Total revenue (Tax-equivalent) | \$ 1,515 | 1,272 | 1,340 |
| Provision for credit losses | (3) | (8) | (15) |
| Noninterest expense | 809 | 711 | 682 |
| Segment earnings | \$ 446 | 357 | 426 |
| Cash overhead efficiency ratio (Tax-equivalent) | 53.39% | 55.86 | 50.86 |
| Average loans, net | \$ 38,783 | 37,872 | 32,854 |
| Average core deposits | 24,797 | 22,495 | 18,597 |
| Economic capital, average | \$ 5,603 | 5,486 | 4,603 |

Corporate and Investment Bank

The Corporate and Investment Bank includes corporate lending, investment banking, and treasury and international trade finance. Third quarter 2005 results compared with the third quarter of 2004 included:

13 percent revenue growth reflecting a 29 percent increase in fee and other income offsetting a 6 percent decline in net interest income.

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Net interest income declined due primarily to a change in the mix of trading assets, which lowered the overall spread in the trading portfolio, and to runoff in a leasing portfolio, partially offset by the addition of SouthTrust.

Fee income rose 29 percent with record results in advisory and underwriting, driven by strong merger and acquisition advisory activity, structured products and high yield originations. A recovery in trading profits from third quarter 2004 trading losses also drove the increase.

A 19 percent increase in noninterest expense due primarily to higher variable compensation and increased strategic hiring in key positions resulted in a higher overhead efficiency ratio.

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WACHOVIA EARNS \$1.06 PER SHARE IN 3rd QUARTER 2005, UP 10%/page 6

Strong core deposit growth primarily from higher commercial mortgage servicing and international correspondent banking, and increased loans primarily reflecting higher large corporate loans and the addition of SouthTrust.

Economic capital usage increased due to higher loan balances and an increased expense base.

Wachovia Corporation (NYSE:WB) is one of the largest providers of financial services to retail, brokerage and corporate customers, with banking operations from Connecticut to Florida and west to Texas, and retail brokerage operations nationwide. Wachovia had assets of \$532.4 billion, market capitalization of \$73.9 billion and stockholders' equity of \$46.8 billion at September 30, 2005. Its four core businesses, the General Bank, Capital Management, Wealth Management, and the Corporate and Investment Bank, serve 13 million household and business relationships primarily through 3,138 offices in 15 states and Washington, D.C. Its full-service retail brokerage firm, Wachovia Securities, LLC, also serves clients through 702 offices in 49 states and five Latin American countries. The Corporate and Investment Bank serves clients in selected industries nationwide. Global services are offered through 40 offices around the world. Online banking and brokerage products and services also are available through Wachovia.com.

Forward-Looking Statements

This news release contains various forward-looking statements. A discussion of various factors that could cause Wachovia Corporation's actual results to differ materially from those expressed in such forward-looking statements is included in Wachovia's filings with the Securities and Exchange Commission, including its Current Report on Form 8-K dated October 17, 2005.

Explanation of Wachovia's Use of Certain Non-GAAP Financial Measures

In addition to results presented in accordance with GAAP, this news release includes certain non-GAAP financial measures, including those presented on page 1 and on page 10 under the captions "Earnings Excluding Merger-Related and Restructuring Expenses" and "Earnings Excluding Merger-Related and Restructuring Expenses, and Other Intangible Amortization", and which are reconciled to GAAP financial measures on pages 21 and 22. In addition, in this news release certain designated net interest income amounts are presented on a tax-equivalent basis, including the calculation of the overhead efficiency ratio.

Wachovia believes these non-GAAP financial measures provide information useful to investors in understanding the underlying operational performance of the company, its business and performance trends and facilitates comparisons with the performance of others in the financial services industry. Specifically, Wachovia believes the exclusion of merger-related and restructuring expenses and the cumulative effect of a change in accounting principle permits evaluation and a comparison of results for on-going business operations, and it is on this basis that Wachovia's management internally assesses the company's performance. Those non-operating items are excluded from Wachovia's segment measures used internally to evaluate segment performance in accordance with GAAP because management does not consider them particularly relevant or useful in evaluating the operating performance of our business segments. In addition, because of the significant amount of deposit base intangible amortization, Wachovia believes the exclusion of this expense provides investors with consistent and meaningful comparisons to

other financial services firms. Wachovia's management makes recommendations to its board of directors about dividend payments based on reported earnings excluding merger-related and restructuring expenses, other intangible amortization and the cumulative effect of a change in accounting principle, and has communicated certain dividend payout ratio goals to investors on this basis. Management believes this payout ratio is useful to investors because it provides investors with a better understanding of and permits investors to monitor Wachovia's dividend payout policy. Wachovia also believes the presentation of net interest income on a tax-equivalent basis ensures comparability of net interest income arising from both taxable and tax-exempt sources and is consistent with industry standards. Wachovia operates one of the largest retail brokerage businesses in our industry, and we have presented an overhead efficiency ratio excluding these brokerage services, which management believes is useful to investors in comparing the performance of our banking business with other banking companies.

Although Wachovia believes the above non-GAAP financial measures enhance investors' understanding of its business and performance, these non-GAAP financial measures should not be considered an alternative to GAAP basis financial measures.

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WACHOVIA EARNS \$1.06 PER SHARE IN 3rd QUARTER 2005, UP 10%/page 7

Additional Information

The proposed acquisition by Wachovia of Westcorp and WFS Financial Inc will be submitted to Westcorp's and WFS Financial's shareholders for their consideration. Wachovia will file a registration statement, which will include a proxy statement/prospectus, Westcorp and WFS Financial will file a proxy statement, and each of Wachovia, Westcorp and WFS Financial may file other relevant documents concerning the proposed mergers with the SEC. Shareholders are urged to read the registration statement and the proxy statement/prospectus regarding the proposed transaction when they become 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. Shareholders will be able to obtain a free copy of the proxy statement/prospectus, as well as other filings containing information about Wachovia, Westcorp and WFS Financial, at the SEC's website (<http://www.sec.gov>). Shareholders will also be able to obtain these documents, free of charge, at Wachovia's website (<http://www.wachovia.com>) under the tab Inside Wachovia Investor Relations and then under the heading Financial Reports SEC Filings. Copies of the proxy statement/prospectus and the SEC filings that will be incorporated by reference in the proxy statement/prospectus can also be obtained, free of charge, by directing a request to Wachovia Corporation, Investor Relations, One Wachovia Center, 301 South College Street, Charlotte, NC 28288-0206, (704)-374-6782; or to Westcorp or WFS Financial, Attn: Investor Relations, 23 Pasteur, Irvine, CA 92618, (949)-727-1002.

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Earnings Conference Call and Supplemental Materials

Wachovia CEO Ken Thompson and CFO Bob Kelly will review Wachovia's third quarter 2005 results in a conference call and audio webcast beginning at 9 a.m. Eastern Time today. This review may include a discussion of certain non-GAAP financial measures. Supplemental materials relating to third quarter results, which also include a reconciliation of any non-GAAP measures to Wachovia's reported financials, are available on the Internet at Wachovia.com/investor, and investors are encouraged to access these materials in advance of the conference call.

Webcast Instructions: To gain access to the webcast, which will be listen-only, go to Wachovia.com/investor and click on the link Wachovia Third Quarter Earnings Audio Webcast. In order to listen to the webcast, you will need to download either Real Player or Media Player.

Teleconference Instructions: The telephone number for the conference call is 1-888-357-9787 for U.S. callers or 1-706-679-7342 for international callers. You will be asked to tell the answering coordinator your name and the name of your firm. Mention the conference Access Code: Wachovia.

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Replay: Monday, October 17, at 12:30 p.m. ET and continuing through 5 p.m. ET Friday, November 18. Replay telephone number is 1-706-645-9291; access code 9323539.

Investors seeking further information should contact the Investor Relations team: Alice Lehman at 704-374-4139, Ellen Taylor at 704-383-1381 or Jeff Richardson at 704-383-8250. Media seeking further information should contact the Corporate Media Relations team: Mary Eshet at 704-383-7777 or Christy Phillips at 704-383-8178.

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WACHOVIA CORPORATION AND SUBSIDIARIES

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WACHOVIA CORPORATION AND SUBSIDIARIES**FINANCIAL HIGHLIGHTS**

(Unaudited)

| | 2005 | | | 2004 | |
|--|------------------|-------------------|------------------|-------------------|------------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter |
| (Dollars in millions, except per share data) | | | | | |
| EARNINGS SUMMARY | | | | | |
| Net interest income (GAAP) | \$ 3,403 | 3,358 | 3,413 | 3,297 | 2,965 |
| Tax-equivalent adjustment | 53 | 53 | 61 | 60 | 63 |
| Net interest income (Tax-equivalent) | 3,456 | 3,411 | 3,474 | 3,357 | 3,028 |
| Fee and other income | 3,242 | 2,977 | 2,995 | 2,804 | 2,601 |
| Total revenue (Tax-equivalent) | 6,698 | 6,388 | 6,469 | 6,161 | 5,629 |
| Provision for credit losses | 82 | 50 | 36 | 109 | 43 |
| Other noninterest expense | 3,820 | 3,591 | 3,696 | 3,605 | 3,445 |
| Merger-related and restructuring expenses | 83 | 90 | 61 | 116 | 127 |
| Other intangible amortization | 101 | 107 | 115 | 113 | 99 |
| Total noninterest expense | 4,004 | 3,788 | 3,872 | 3,834 | 3,671 |
| Minority interest in income of consolidated subsidiaries | 104 | 71 | 64 | 54 | 28 |
| Income before income taxes (Tax-equivalent) | 2,508 | 2,479 | 2,497 | 2,164 | 1,887 |
| Tax-equivalent adjustment | 53 | 53 | 61 | 60 | 63 |
| Income taxes | 790 | 776 | 815 | 656 | 561 |
| Net income | \$ 1,665 | 1,650 | 1,621 | 1,448 | 1,263 |
| Diluted earnings per common share | \$ 1.06 | 1.04 | 1.01 | 0.95 | 0.96 |
| Return on average common stockholders' equity | 13.95% | 14.04 | 13.92 | 13.50 | 15.12 |
| Return on average assets | 1.29 | 1.31 | 1.31 | 1.22 | 1.18 |
| Overhead efficiency ratio | 59.78% | 59.29 | 59.86 | 62.23 | 65.20 |
| Operating leverage | \$ 92 | 5 | 269 | 368 | (55) |
| ASSET QUALITY | | | | | |
| Allowance for loan losses as % of loans, net | 1.13% | 1.18 | 1.20 | 1.23 | 1.33 |
| Allowance for loan losses as % of nonperforming assets | 303 | 284 | 262 | 251 | 258 |
| Allowance for credit losses as % of loans, net | 1.20 | 1.25 | 1.27 | 1.30 | 1.41 |
| Net charge-offs as % of average loans, net | 0.10 | 0.09 | 0.08 | 0.23 | 0.15 |
| Nonperforming assets as % of loans, net, foreclosed properties and loans held for sale | 0.37% | 0.44 | 0.50 | 0.53 | 0.50 |

| CAPITAL ADEQUACY (a) | | | | | |
|---|------------------|--------|--------|--------|--------|
| Tier I capital ratio | 7.40% | 7.85 | 7.91 | 8.01 | 8.34 |
| Total capital ratio | 10.75 | 11.25 | 11.40 | 11.11 | 11.22 |
| Leverage ratio | 5.98% | 6.10 | 5.99 | 6.38 | 6.21 |
| OTHER DATA | | | | | |
| Average diluted common shares (In millions) | 1,575 | 1,591 | 1,603 | 1,518 | 1,316 |
| Actual common shares (In millions) | 1,553 | 1,577 | 1,576 | 1,588 | 1,308 |
| Dividends paid per common share | \$ 0.51 | 0.46 | 0.46 | 0.46 | 0.40 |
| Dividend payout ratio on common shares | 48.11% | 44.23 | 45.54 | 48.42 | 41.67 |
| Book value per common share | \$ 30.10 | 30.37 | 29.48 | 29.79 | 25.92 |
| Common stock price | 47.59 | 49.60 | 50.91 | 52.60 | 46.95 |
| Market capitalization | \$ 73,930 | 78,236 | 80,256 | 83,537 | 61,395 |
| Common stock price to book value | 158% | 163 | 173 | 177 | 181 |
| FTE employees | 92,907 | 93,385 | 93,669 | 96,030 | 84,503 |
| Total financial centers/brokerage offices | 3,840 | 3,825 | 3,970 | 3,971 | 3,215 |
| ATMs | 5,119 | 5,089 | 5,234 | 5,321 | 4,395 |

(a) The third quarter of 2005 is based on estimates.

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WACHOVIA CORPORATION AND SUBSIDIARIES**OTHER FINANCIAL DATA**

(Unaudited)

| (In millions) | 2005 | | | 2004 | |
|--|------------------|-------------------|------------------|-------------------|------------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter |
| EARNINGS EXCLUDING MERGER-RELATED AND RESTRUCTURING EXPENSES (a) (b) | | | | | |
| Return on average common stockholders' equity | 14.36% | 14.43 | 14.19 | 13.95 | 15.72 |
| Return on average assets | 1.33 | 1.35 | 1.34 | 1.26 | 1.24 |
| Overhead efficiency ratio | 58.55 | 57.87 | 58.92 | 60.34 | 62.96 |
| Overhead efficiency ratio excluding brokerage | 54.04% | 52.85 | 54.12 | 54.99 | 57.54 |
| Operating leverage | \$ 84 | 35 | 214 | 358 | (30) |
| EARNINGS EXCLUDING MERGER-RELATED AND RESTRUCTURING EXPENSES, AND OTHER INTANGIBLE AMORTIZATION (a) (b) (c) | | | | | |
| Dividend payout ratio on common shares | 45.13% | 41.44 | 42.59 | 44.23 | 38.10 |
| Return on average tangible common stockholders' equity | 29.14 | 29.50 | 28.86 | 26.59 | 26.28 |
| Return on average tangible assets | 1.45 | 1.48 | 1.46 | 1.38 | 1.33 |
| Overhead efficiency ratio | 57.06 | 56.19 | 57.15 | 58.50 | 61.20 |
| Overhead efficiency ratio excluding brokerage | 52.27% | 50.85 | 52.01 | 52.77 | 55.42 |
| Operating leverage | \$ 77 | 27 | 215 | 373 | (38) |
| OTHER FINANCIAL DATA | | | | | |
| Net interest margin | 3.20% | 3.23 | 3.31 | 3.37 | 3.36 |
| Fee and other income as % of total revenue | 48.40 | 46.60 | 46.30 | 45.50 | 46.21 |
| Effective income tax rate | 32.21 | 32.02 | 33.42 | 31.20 | 30.71 |
| Tax rate (Tax-equivalent) (d) | 33.63% | 33.50 | 35.05 | 33.14 | 33.04 |
| AVERAGE BALANCE SHEET DATA | | | | | |
| Commercial loans, net | \$ 132,637 | 131,195 | 127,703 | 116,599 | 96,860 |
| Consumer loans, net | 96,323 | 92,686 | 93,472 | 79,928 | 71,692 |
| Loans, net | 228,960 | 223,881 | 221,175 | 196,527 | 168,552 |
| Earning assets | 431,346 | 422,534 | 421,047 | 397,490 | 359,909 |
| Total assets | 511,567 | 503,361 | 500,486 | 472,431 | 424,399 |
| Core deposits | 280,748 | 275,338 | 271,095 | 260,627 | 232,989 |
| Total deposits | 306,371 | 297,194 | 294,674 | 280,051 | 248,245 |
| Interest-bearing liabilities | 375,782 | 367,828 | 365,516 | 343,489 | 314,310 |
| Stockholders' equity | \$ 47,328 | 47,114 | 47,231 | 42,644 | 33,246 |
| PERIOD-END BALANCE SHEET DATA | | | | | |

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| | | | | | |
|--------------------------------------|------------|---------|---------|---------|---------|
| Commercial loans, net | \$ 141,063 | 136,115 | 134,696 | 131,196 | 102,524 |
| Consumer loans, net | 98,670 | 94,172 | 92,570 | 92,644 | 71,980 |
| Loans, net | 239,733 | 230,287 | 227,266 | 223,840 | 174,504 |
| Goodwill and other intangible assets | | | | | |
| Goodwill | 21,857 | 21,861 | 21,635 | 21,526 | 11,481 |
| Deposit base | 779 | 861 | 951 | 1,048 | 484 |
| Customer relationships | 416 | 427 | 387 | 443 | 372 |
| Tradenname | 90 | 90 | 90 | 90 | 90 |
| Total assets | 532,381 | 511,840 | 506,833 | 493,324 | 436,698 |
| Core deposits | 287,732 | 275,281 | 273,883 | 274,588 | 237,315 |
| Total deposits | 320,439 | 299,910 | 297,657 | 295,053 | 252,981 |
| Stockholders equity | \$ 46,757 | 47,904 | 46,467 | 47,317 | 33,897 |

- (a) These financial measures are calculated by excluding from GAAP computed net income presented on page 9, \$51 million, \$48 million, \$31 million, \$53 million and \$55 million in the third, second and first quarters of 2005, and in the fourth and third quarters of 2004, respectively, of after-tax net merger-related and restructuring expenses.
- (b) See page 9 for the most directly comparable GAAP financial measure and pages 21 and 22 for a more detailed reconciliation.
- (c) These financial measures are calculated by excluding from GAAP computed net income presented on page 9, \$63 million, \$69 million, \$72 million, \$74 million and \$62 million in the third, second and first quarters of 2005, and in the fourth and third quarters of 2004, respectively, of deposit base and other intangible amortization.
- (d) The tax-equivalent tax rate applies to fully tax-equivalized revenues.

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WACHOVIA CORPORATION AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF INCOME**

(Unaudited)

| (In millions, except per share data) | 2005 | | | 2004 | |
|--|------------------|-------------------|------------------|-------------------|------------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter |
| INTEREST INCOME | | | | | |
| Interest and fees on loans | \$ 3,588 | 3,362 | 3,174 | 2,814 | 2,393 |
| Interest and dividends on securities | 1,434 | 1,437 | 1,426 | 1,232 | 1,156 |
| Trading account interest | 403 | 354 | 378 | 388 | 325 |
| Other interest income | 635 | 549 | 475 | 535 | 427 |
| Total interest income | 6,060 | 5,702 | 5,453 | 4,969 | 4,301 |
| INTEREST EXPENSE | | | | | |
| Interest on deposits | 1,408 | 1,221 | 1,050 | 860 | 691 |
| Interest on short-term borrowings | 742 | 670 | 601 | 492 | 396 |
| Interest on long-term debt | 507 | 453 | 389 | 320 | 249 |
| Total interest expense | 2,657 | 2,344 | 2,040 | 1,672 | 1,336 |
| Net interest income | 3,403 | 3,358 | 3,413 | 3,297 | 2,965 |
| Provision for credit losses | 82 | 50 | 36 | 109 | 43 |
| Net interest income after provision for credit losses | 3,321 | 3,308 | 3,377 | 3,188 | 2,922 |
| FEE AND OTHER INCOME | | | | | |
| Service charges | 555 | 528 | 513 | 519 | 499 |
| Other banking fees | 385 | 355 | 351 | 343 | 313 |
| Commissions | 615 | 603 | 599 | 620 | 568 |
| Fiduciary and asset management fees | 732 | 728 | 714 | 700 | 668 |
| Advisory, underwriting and other investment banking fees | 294 | 257 | 233 | 271 | 237 |
| Trading account profits (losses) | 146 | 17 | 99 | (16) | (60) |
| Principal investing | 166 | 41 | 59 | 7 | 201 |
| Securities gains (losses) | 29 | 136 | (2) | 23 | (71) |
| Other income | 320 | 312 | 429 | 337 | 246 |
| Total fee and other income | 3,242 | 2,977 | 2,995 | 2,804 | 2,601 |
| NONINTEREST EXPENSE | | | | | |
| Salaries and employee benefits | 2,476 | 2,324 | 2,401 | 2,239 | 2,118 |

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| | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Occupancy | 260 | 271 | 250 | 260 | 234 |
| Equipment | 276 | 269 | 265 | 272 | 268 |
| Advertising | 50 | 48 | 44 | 51 | 46 |
| Communications and supplies | 158 | 158 | 162 | 163 | 149 |
| Professional and consulting fees | 167 | 155 | 127 | 179 | 134 |
| Other intangible amortization | 101 | 107 | 115 | 113 | 99 |
| Merger-related and restructuring expenses | 83 | 90 | 61 | 116 | 127 |
| Sundry expense | 433 | 366 | 447 | 441 | 496 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total noninterest expense | 4,004 | 3,788 | 3,872 | 3,834 | 3,671 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Minority interest in income of consolidated subsidiaries | 104 | 71 | 64 | 54 | 28 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Income before income taxes | 2,455 | 2,426 | 2,436 | 2,104 | 1,824 |
| Income taxes | 790 | 776 | 815 | 656 | 561 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Net income | \$ 1,665 | 1,650 | 1,621 | 1,448 | 1,263 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| PER COMMON SHARE DATA | | | | | |
| Basic earnings | \$ 1.07 | 1.05 | 1.03 | 0.97 | 0.97 |
| Diluted earnings | 1.06 | 1.04 | 1.01 | 0.95 | 0.96 |
| Cash dividends | \$ 0.51 | 0.46 | 0.46 | 0.46 | 0.40 |
| AVERAGE COMMON SHARES | | | | | |
| Basic | 1,549 | 1,564 | 1,571 | 1,487 | 1,296 |
| Diluted | 1,575 | 1,591 | 1,603 | 1,518 | 1,316 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

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WACHOVIA CORPORATION AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF INCOME****(Unaudited)**

| | Nine Months Ended September 30, | |
|--|------------------------------------|--------|
| | 2005 | 2004 |
| (In millions, except per share data) | | |
| INTEREST INCOME | | |
| Interest and fees on loans | \$ 10,124 | 7,044 |
| Interest and dividends on securities | 4,297 | 3,407 |
| Trading account interest | 1,135 | 759 |
| Other interest income | 1,659 | 1,109 |
| Total interest income | 17,215 | 12,319 |
| INTEREST EXPENSE | | |
| Interest on deposits | 3,679 | 1,993 |
| Interest on short-term borrowings | 2,013 | 1,011 |
| Interest on long-term debt | 1,349 | 651 |
| Total interest expense | 7,041 | 3,655 |
| Net interest income | 10,174 | 8,664 |
| Provision for credit losses | 168 | 148 |
| Net interest income after provision for credit losses | 10,006 | 8,516 |
| FEE AND OTHER INCOME | | |
| Service charges | 1,596 | 1,459 |
| Other banking fees | 1,091 | 883 |
| Commissions | 1,817 | 1,981 |
| Fiduciary and asset management fees | 2,174 | 2,072 |
| Advisory, underwriting and other investment banking fees | 784 | 640 |
| Trading account profits | 262 | 51 |
| Principal investing | 266 | 254 |
| Securities gains (losses) | 163 | (33) |
| Other income | 1,061 | 668 |
| Total fee and other income | 9,214 | 7,975 |
| NONINTEREST EXPENSE | | |
| Salaries and employee benefits | 7,201 | 6,464 |

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| | | |
|--|-------------------|-------------------|
| Occupancy | 781 | 687 |
| Equipment | 810 | 780 |
| Advertising | 142 | 142 |
| Communications and supplies | 478 | 457 |
| Professional and consulting fees | 449 | 369 |
| Other intangible amortization | 323 | 318 |
| Merger-related and restructuring expenses | 234 | 328 |
| Sundry expense | 1,246 | 1,287 |
| | <u> </u> | <u> </u> |
| Total noninterest expense | 11,664 | 10,832 |
| | <u> </u> | <u> </u> |
| Minority interest in income of consolidated subsidiaries | 239 | 130 |
| | <u> </u> | <u> </u> |
| Income before income taxes | 7,317 | 5,529 |
| Income taxes | 2,381 | 1,763 |
| | <u> </u> | <u> </u> |
| Net income | \$ 4,936 | 3,766 |
| | <u> </u> | <u> </u> |
| PER COMMON SHARE DATA | | |
| Basic earnings | \$ 3.16 | 2.90 |
| Diluted earnings | 3.10 | 2.85 |
| Cash dividends | \$ 1.43 | 1.20 |
| AVERAGE COMMON SHARES | | |
| Basic | 1,561 | 1,299 |
| Diluted | 1,590 | 1,321 |
| | <u> </u> | <u> </u> |

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WACHOVIA CORPORATION AND SUBSIDIARIES**BUSINESS SEGMENTS**

(Unaudited)

Three Months Ended September 30, 2005

| (In millions) | General Bank | Capital Management | Wealth Management | Corporate and Investment Bank | Parent | Net Merger- Related and Restructuring Expenses (b) | Total |
|-----------------------------|-----------------|-----------------------|----------------------|--|--------|---|-------|
| CONSOLIDATED | | | | | | | |
| Net interest income (a) | \$ 2,434 | 171 | 147 | 549 | 155 | (53) | 3,403 |
| Fee and other income | 760 | 1,201 | 191 | 1,011 | 79 | | 3,242 |
| Intersegment revenue | 56 | (12) | 1 | (45) | | | |
| Total revenue (a) | 3,250 | 1,360 | 339 | 1,515 | 234 | (53) | 6,645 |
| Provision for credit losses | 77 | | 6 | (3) | 2 | | 82 |
| Noninterest expense | 1,584 | 1,111 | 235 | 809 | 182 | 83 | 4,004 |
| Minority interest | | | | | 105 | (1) | 104 |
| Income taxes (benefits) | 573 | 92 | 35 | 242 | (121) | (31) | 790 |
| Tax-equivalent adjustment | 10 | 1 | | 21 | 21 | (53) | |
| Net income | \$ 1,006 | 156 | 63 | 446 | 45 | (51) | 1,665 |

Three Months Ended June 30, 2005

| (In millions) | General Bank | Capital Management | Wealth Management | Corporate and Investment Bank | Parent | Net Merger- Related and Restructuring Expenses (b) | Total |
|-----------------------------|-----------------|-----------------------|----------------------|--|--------|---|-------|
| CONSOLIDATED | | | | | | | |
| Net interest income (a) | \$ 2,409 | 157 | 143 | 522 | 180 | (53) | 3,358 |
| Fee and other income | 687 | 1,188 | 183 | 789 | 130 | | 2,977 |
| Intersegment revenue | 49 | (12) | 1 | (39) | 1 | | |
| Total revenue (a) | 3,145 | 1,333 | 327 | 1,272 | 311 | (53) | 6,335 |
| Provision for credit losses | 68 | | | (8) | (10) | | 50 |
| Noninterest expense | 1,514 | 1,089 | 220 | 711 | 164 | 90 | 3,788 |
| Minority interest | | | | | 85 | (14) | 71 |
| Income taxes (benefits) | 564 | 89 | 40 | 185 | (74) | (28) | 776 |

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| | | | | | | | |
|---------------------------|-----------|---------|---------|-----------|-----------|-------------|---------|
| Tax-equivalent adjustment | <u>10</u> | <u></u> | <u></u> | <u>27</u> | <u>16</u> | <u>(53)</u> | <u></u> |
| Net income | \$ 989 | 155 | 67 | 357 | 130 | (48) | 1,650 |

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WACHOVIA CORPORATION AND SUBSIDIARIES**BUSINESS SEGMENTS****(Unaudited)**

Three Months Ended September 30, 2004

| (In millions) | General Bank | Capital Management | Wealth Management | Corporate and Investment Bank | Parent | Net Merger- Related and Restructuring Expenses (b) | Total |
|-----------------------------|-------------------------|-------------------------------|------------------------------|--|---------------|---|--------------|
| CONSOLIDATED | | | | | | | |
| Net interest income (a) | \$ 1,985 | 155 | 129 | 587 | 172 | (63) | 2,965 |
| Fee and other income | 601 | 1,124 | 143 | 786 | (53) | | 2,601 |
| Intersegment revenue | 43 | (13) | 2 | (33) | 1 | | |
| Total revenue (a) | 2,629 | 1,266 | 274 | 1,340 | 120 | (63) | 5,566 |
| Provision for credit losses | 74 | | (1) | (15) | (15) | | 43 |
| Noninterest expense | 1,362 | 1,094 | 191 | 682 | 215 | 127 | 3,671 |
| Minority interest | | | | | 65 | (37) | 28 |
| Income taxes (benefits) | 423 | 62 | 31 | 217 | (137) | (35) | 561 |
| Tax-equivalent adjustment | 10 | | | 30 | 23 | (63) | |
| Net income (loss) | \$ 760 | 110 | 53 | 426 | (31) | (55) | 1,263 |

(a) Tax-equivalent.

(b) The tax-equivalent amounts are eliminated herein in order for Total amounts to agree with amounts appearing in the *Consolidated Statements of Income*.

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WACHOVIA CORPORATION AND SUBSIDIARIES**LOANS ON-BALANCE SHEET, AND MANAGED AND SERVICING PORTFOLIOS**

(Unaudited)

| (In millions) | 2005 | | | 2004 | |
|---|-------------------|-------------------|------------------|-------------------|------------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter |
| ON-BALANCE SHEET LOAN PORTFOLIO COMMERCIAL | | | | | |
| Commercial, financial and agricultural | \$ 83,241 | 80,528 | 78,669 | 75,095 | 59,271 |
| Real estate construction and other | 13,653 | 13,216 | 12,713 | 12,673 | 6,985 |
| Real estate mortgage | 19,864 | 19,724 | 20,707 | 20,742 | 14,771 |
| Lease financing | 25,022 | 24,836 | 25,013 | 25,000 | 24,042 |
| Foreign | 8,888 | 7,549 | 7,504 | 7,716 | 7,402 |
| Total commercial | 150,668 | 145,853 | 144,606 | 141,226 | 112,471 |
| CONSUMER | | | | | |
| Real estate secured | 80,128 | 76,213 | 74,631 | 74,161 | 54,965 |
| Student loans | 11,458 | 10,828 | 10,795 | 10,468 | 10,207 |
| Installment loans | 6,745 | 6,783 | 6,808 | 7,684 | 6,410 |
| Total consumer | 98,331 | 93,824 | 92,234 | 92,313 | 71,582 |
| Total loans | 248,999 | 239,677 | 236,840 | 233,539 | 184,053 |
| Unearned income | 9,266 | 9,390 | 9,574 | 9,699 | 9,549 |
| Loans, net (On-balance sheet) | \$ 239,733 | 230,287 | 227,266 | 223,840 | 174,504 |
| MANAGED PORTFOLIO (a) | | | | | |
| COMMERCIAL | | | | | |
| On-balance sheet loan portfolio | \$ 150,668 | 145,853 | 144,606 | 141,226 | 112,471 |
| Securitized loans off-balance sheet | 1,263 | 1,293 | 1,402 | 1,734 | 1,823 |
| Loans held for sale | 4,039 | 1,783 | 1,117 | 2,112 | 1,993 |
| Total commercial | 155,970 | 148,929 | 147,125 | 145,072 | 116,287 |
| CONSUMER | | | | | |
| Real estate secured | | | | | |
| On-balance sheet loan portfolio | 80,128 | 76,213 | 74,631 | 74,161 | 54,965 |
| Securitized loans off-balance sheet | 9,255 | 10,199 | 6,979 | 7,570 | 6,567 |
| Securitized loans included in securities | 4,218 | 4,426 | 4,626 | 4,838 | 8,909 |
| Loans held for sale | 12,660 | 11,923 | 11,925 | 10,452 | 15,602 |

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| | | | | | |
|--|-------------------|---------|---------|---------|---------|
| Total real estate secured | 106,261 | 102,761 | 98,161 | 97,021 | 86,043 |
| Student | | | | | |
| On-balance sheet loan portfolio | 11,458 | 10,828 | 10,795 | 10,468 | 10,207 |
| Securitized loans off-balance sheet | 341 | 382 | 423 | 463 | 554 |
| Loans held for sale | | 16 | 65 | 128 | 160 |
| Total student | 11,799 | 11,226 | 11,283 | 11,059 | 10,921 |
| Installment | | | | | |
| On-balance sheet loan portfolio | 6,745 | 6,783 | 6,808 | 7,684 | 6,410 |
| Securitized loans off-balance sheet | 2,228 | 2,662 | 1,930 | 2,184 | 2,489 |
| Securitized loans included in securities | 146 | 163 | 155 | 195 | 195 |
| Loans held for sale | 1,339 | 809 | 1,066 | 296 | |
| Total installment | 10,458 | 10,417 | 9,959 | 10,359 | 9,094 |
| Total consumer | 128,518 | 124,404 | 119,403 | 118,439 | 106,058 |
| Total managed portfolio | \$ 284,488 | 273,333 | 266,528 | 263,511 | 222,345 |
| SERVICING PORTFOLIO (b) | | | | | |
| Commercial | \$ 158,650 | 152,923 | 140,493 | 136,578 | 130,313 |
| Consumer | \$ 57,391 | 53,261 | 46,552 | 40,053 | 31,549 |

- (a) The managed portfolio includes the on-balance sheet loan portfolio, loans securitized for which the assets are classified in securities on-balance sheet, loans held for sale on-balance sheet and the off-balance sheet portfolio of securitized loans sold, where we service the loans.
- (b) The servicing portfolio consists of third party commercial and consumer loans for which our sole function is that of servicing the loans for the third parties.

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WACHOVIA CORPORATION AND SUBSIDIARIES**ALLOWANCE FOR LOAN LOSSES AND NONPERFORMING ASSETS**

(Unaudited)

| (In millions) | 2005 | | | 2004 | |
|--|------------------|-------------------|------------------|-------------------|------------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter |
| ALLOWANCE FOR LOAN LOSSES (a) | | | | | |
| Balance, beginning of period | \$ 2,718 | 2,732 | 2,757 | 2,324 | 2,331 |
| Provision for credit losses | 74 | 48 | 33 | 95 | 63 |
| Provision for credit losses relating to loans transferred to loans held for sale or sold | 12 | | 1 | (6) | (8) |
| Balance of acquired entities at purchase date | | | | 510 | |
| Allowance relating to loans acquired, transferred to loans held for sale or sold | (26) | (11) | (13) | (51) | 3 |
| Net charge-offs | (59) | (51) | (46) | (115) | (65) |
| Balance, end of period | \$ 2,719 | 2,718 | 2,732 | 2,757 | 2,324 |
| as % of loans, net | 1.13% | 1.18 | 1.20 | 1.23 | 1.33 |
| as % of nonaccrual and restructured loans (b) | 347% | 332 | 300 | 289 | 291 |
| as % of nonperforming assets (b) | 303% | 284 | 262 | 251 | 258 |
| LOAN LOSSES | | | | | |
| Commercial, financial and agricultural | \$ 43 | 35 | 26 | 82 | 50 |
| Commercial real estate construction and mortgage | 9 | | 1 | 4 | 3 |
| Consumer | 71 | 75 | 67 | 74 | 70 |
| Total loan losses | 123 | 110 | 94 | 160 | 123 |
| LOAN RECOVERIES | | | | | |
| Commercial, financial and agricultural | 35 | 25 | 26 | 27 | 41 |
| Commercial real estate construction and mortgage | 2 | 1 | | | 1 |
| Consumer | 27 | 33 | 22 | 18 | 16 |
| Total loan recoveries | 64 | 59 | 48 | 45 | 58 |
| Net charge-offs | \$ 59 | 51 | 46 | 115 | 65 |

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| | | | | | |
|--|---------------|-------|-------|-------|------|
| Commercial loans net charge-offs as % of average commercial loans, net (c) | 0.05% | 0.03 | | 0.20 | 0.05 |
| Consumer loans net charge-offs as % of average consumer loans, net (c) | 0.18 | 0.18 | 0.19 | 0.28 | 0.30 |
| Total net charge-offs as % of average loans, net (c) | 0.10% | 0.09 | 0.08 | 0.23 | 0.15 |
| NONPERFORMING ASSETS | | | | | |
| Nonaccrual loans | | | | | |
| Commercial, financial and agricultural | \$ 445 | 497 | 527 | 585 | 534 |
| Commercial real estate construction and mortgage | 120 | 88 | 131 | 127 | 42 |
| Consumer real estate secured | 209 | 221 | 239 | 230 | 211 |
| Installment loans | 10 | 13 | 13 | 13 | 11 |
| Total nonaccrual loans | 784 | 819 | 910 | 955 | 798 |
| Foreclosed properties (d) | 112 | 138 | 132 | 145 | 101 |
| Total nonperforming assets | \$ 896 | 957 | 1,042 | 1,100 | 899 |
| Nonperforming loans included in loans held for sale (e) | \$ 59 | 111 | 159 | 157 | 57 |
| Nonperforming assets included in loans and in loans held for sale | \$ 955 | 1,068 | 1,201 | 1,257 | 956 |
| as % of loans, net, and foreclosed properties (b) | 0.37% | 0.42 | 0.46 | 0.49 | 0.51 |
| as % of loans, net, foreclosed properties and loans held for sale (e) | 0.37% | 0.44 | 0.50 | 0.53 | 0.50 |
| Accruing loans past due 90 days | \$ 525 | 521 | 510 | 522 | 428 |

- (a) At September 30, 2005, the reserve for unfunded lending commitments was \$154 million.
- (b) These ratios do not include nonperforming loans included in loans held for sale.
- (c) Annualized.
- (d) Restructured loans are not significant.
- (e) These ratios reflect nonperforming loans included in loans held for sale. Loans held for sale are recorded at the lower of cost or market value, and accordingly, the amounts shown and included in the ratios are net of the transferred allowance for loan losses and the lower of cost or market value adjustments.

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WACHOVIA CORPORATION AND SUBSIDIARIES**CONSOLIDATED BALANCE SHEETS**

(Unaudited)

| (In millions, except per share data) | 2005 | | | 2004 | |
|---|-------------------|-------------------|------------------|-------------------|------------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter |
| ASSETS | | | | | |
| Cash and due from banks | \$ 12,976 | 12,464 | 12,043 | 11,714 | 10,355 |
| Interest-bearing bank balances | 2,492 | 2,852 | 1,285 | 4,441 | 7,664 |
| Federal funds sold and securities purchased under resale agreements | 27,083 | 22,528 | 24,899 | 22,436 | 30,629 |
| Total cash and cash equivalents | 42,551 | 37,844 | 38,227 | 38,591 | 48,648 |
| Trading account assets | 49,646 | 46,519 | 47,149 | 45,932 | 45,129 |
| Securities | 117,195 | 117,906 | 116,731 | 110,597 | 102,157 |
| Loans, net of unearned income | 239,733 | 230,287 | 227,266 | 223,840 | 174,504 |
| Allowance for loan losses | (2,719) | (2,718) | (2,732) | (2,757) | (2,324) |
| Loans, net | 237,014 | 227,569 | 224,534 | 221,083 | 172,180 |
| Loans held for sale | 18,038 | 14,531 | 14,173 | 12,988 | 17,755 |
| Premises and equipment | 5,352 | 5,354 | 5,260 | 5,268 | 4,150 |
| Due from customers on acceptances | 882 | 826 | 826 | 718 | 563 |
| Goodwill | 21,857 | 21,861 | 21,635 | 21,526 | 11,481 |
| Other intangible assets | 1,285 | 1,378 | 1,428 | 1,581 | 946 |
| Other assets | 38,561 | 38,052 | 36,870 | 35,040 | 33,689 |
| Total assets | \$ 532,381 | 511,840 | 506,833 | 493,324 | 436,698 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | |
| Deposits | | | | | |
| Noninterest-bearing deposits | 68,402 | 63,079 | 61,626 | 64,197 | 52,524 |
| Interest-bearing deposits | 252,037 | 236,831 | 236,031 | 230,856 | 200,457 |
| Total deposits | 320,439 | 299,910 | 297,657 | 295,053 | 252,981 |
| Short-term borrowings | 78,184 | 75,726 | 73,401 | 63,406 | 67,589 |
| Bank acceptances outstanding | 932 | 859 | 866 | 755 | 570 |
| Trading account liabilities | 19,815 | 19,827 | 22,418 | 21,709 | 22,704 |
| Other liabilities | 16,504 | 15,750 | 15,281 | 15,507 | 14,838 |
| Long-term debt | 45,846 | 49,006 | 47,932 | 46,759 | 41,444 |

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| | | | | | |
|---|-------------------|---------|---------|---------|---------|
| Total liabilities | 481,720 | 461,078 | 457,555 | 443,189 | 400,126 |
| Minority interest in net assets of consolidated subsidiaries | 3,904 | 2,858 | 2,811 | 2,818 | 2,675 |
| STOCKHOLDERS EQUITY | | | | | |
| Dividend Equalization Preferred shares, no par value, 97 million shares issued and outstanding at September 30, 2005 | | | | | |
| Common stock, \$3.33-1/3 par value; authorized 3 billion shares, outstanding 1.553 billion shares at September 30, 2005 | | | | | |
| | 5,178 | 5,258 | 5,255 | 5,294 | 4,359 |
| Paid-in capital | 30,821 | 31,038 | 30,976 | 31,120 | 18,095 |
| Retained earnings | 11,086 | 11,079 | 10,319 | 10,178 | 10,449 |
| Accumulated other comprehensive income, net | (328) | 529 | (83) | 725 | 994 |
| Total stockholders equity | 46,757 | 47,904 | 46,467 | 47,317 | 33,897 |
| Total liabilities and stockholders equity | \$ 532,381 | 511,840 | 506,833 | 493,324 | 436,698 |

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WACHOVIA CORPORATION AND SUBSIDIARIES**NET INTEREST INCOME SUMMARIES**

(Unaudited)

| (In millions) | THIRD QUARTER 2005 | | | SECOND QUARTER 2005 | | |
|---|--------------------|-------------------------|---------------------------|---------------------|-------------------------|---------------------------|
| | Average Balances | Interest Income/Expense | Average Rates Earned/Paid | Average Balances | Interest Income/Expense | Average Rates Earned/Paid |
| ASSETS | | | | | | |
| Interest-bearing bank balances | \$ 2,417 | 21 | 3.46% | \$ 2,649 | 20 | 3.07% |
| Federal funds sold and securities purchased under resale agreements | 24,451 | 216 | 3.50 | 24,676 | 189 | 3.08 |
| Trading account assets | 33,720 | 423 | 5.01 | 31,879 | 377 | 4.73 |
| Securities | 114,902 | 1,461 | 5.08 | 115,006 | 1,469 | 5.11 |
| Loans | | | | | | |
| Commercial | | | | | | |
| Commercial, financial and agricultural | 81,488 | 1,184 | 5.77 | 80,213 | 1,084 | 5.42 |
| Real estate construction and other | 13,322 | 201 | 5.96 | 12,885 | 177 | 5.53 |
| Real estate mortgage | 19,684 | 302 | 6.09 | 20,204 | 288 | 5.71 |
| Lease financing | 9,979 | 178 | 7.15 | 10,252 | 183 | 7.11 |
| Foreign | 8,164 | 80 | 3.88 | 7,641 | 68 | 3.55 |
| Total commercial | 132,637 | 1,945 | 5.82 | 131,195 | 1,800 | 5.50 |
| Consumer | | | | | | |
| Real estate secured | 78,088 | 1,166 | 5.97 | 74,799 | 1,072 | 5.74 |
| Student loans | 11,267 | 144 | 5.07 | 10,995 | 129 | 4.72 |
| Installment loans | 6,968 | 124 | 7.04 | 6,892 | 115 | 6.75 |
| Total consumer | 96,323 | 1,434 | 5.94 | 92,686 | 1,316 | 5.69 |
| Total loans | 228,960 | 3,379 | 5.87 | 223,881 | 3,116 | 5.58 |
| Loans held for sale | 16,567 | 244 | 5.90 | 14,024 | 194 | 5.51 |
| Other earning assets | 10,329 | 138 | 5.27 | 10,419 | 125 | 4.84 |
| Total earning assets excluding derivatives | 431,346 | 5,882 | 5.43 | 422,534 | 5,490 | 5.20 |
| Risk management derivatives (a) | | 231 | 0.21 | | 265 | 0.26 |
| Total earning assets including derivatives | 431,346 | 6,113 | 5.64 | 422,534 | 5,755 | 5.46 |
| Cash and due from banks | 12,277 | | | 12,389 | | |

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| | | | | | | |
|---|-------------------|--------------|-------------|-------------------|--------------|-------------|
| Other assets | 67,944 | | | 68,438 | | |
| Total assets | \$ 511,567 | | | \$ 503,361 | | |
| LIABILITIES AND STOCKHOLDERS EQUITY | | | | | | |
| Interest-bearing deposits | | | | | | |
| Savings and NOW accounts | 78,961 | 220 | 1.10 | 80,113 | 194 | 0.97 |
| Money market accounts | 97,746 | 529 | 2.15 | 94,990 | 455 | 1.92 |
| Other consumer time | 41,063 | 325 | 3.13 | 38,064 | 273 | 2.87 |
| Foreign | 15,285 | 123 | 3.18 | 11,857 | 81 | 2.75 |
| Other time | 10,338 | 109 | 4.21 | 9,999 | 78 | 3.09 |
| Total interest-bearing deposits | 243,393 | 1,306 | 2.13 | 235,023 | 1,081 | 1.84 |
| Federal funds purchased and securities sold under repurchase agreements | | | | | | |
| Commercial paper | 56,426 | 460 | 3.24 | 53,984 | 375 | 2.79 |
| Securities sold short | 12,664 | 108 | 3.39 | 13,365 | 97 | 2.91 |
| Other short-term borrowings | 9,040 | 77 | 3.38 | 10,648 | 92 | 3.49 |
| Long-term debt | 6,471 | 29 | 1.80 | 6,694 | 30 | 1.82 |
| | 47,788 | 536 | 4.48 | 48,114 | 528 | 4.39 |
| Total interest-bearing liabilities excluding derivatives | 375,782 | 2,516 | 2.66 | 367,828 | 2,203 | 2.40 |
| Risk management derivatives (a) | | 141 | 0.15 | | 141 | 0.16 |
| Total interest-bearing liabilities including derivatives | 375,782 | 2,657 | 2.81 | 367,828 | 2,344 | 2.56 |
| Noninterest-bearing deposits | | | | | | |
| Other liabilities | 62,978 | | | 62,171 | | |
| Stockholders equity | 25,479 | | | 26,248 | | |
| | 47,328 | | | 47,114 | | |
| Total liabilities and stockholders equity | \$ 511,567 | | | \$ 503,361 | | |
| Interest income and rate earned including derivatives | | | | | | |
| Interest expense and equivalent rate paid including derivatives | \$ 6,113 | 5.64% | | \$ 5,755 | 5.46% | |
| | 2,657 | 2.44 | | 2,344 | 2.23 | |
| Net interest income and margin including derivatives | \$ 3,456 | 3.20% | | \$ 3,411 | 3.23% | |

(a) The rates earned and the rates paid on risk management derivatives are based on off-balance sheet notional amounts. The fair value of these instruments is included in other assets and other liabilities.

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WACHOVIA CORPORATION AND SUBSIDIARIES**NET INTEREST INCOME SUMMARIES**

(Unaudited)

| FIRST QUARTER 2005 | | | FOURTH QUARTER 2004 | | | THIRD QUARTER 2004 | | |
|--------------------|-------------------------|---------------------------|---------------------|-------------------------|---------------------------|--------------------|-------------------------|---------------------------|
| Average Balances | Interest Income/Expense | Average Rates Earned/Paid | Average Balances | Interest Income/Expense | Average Rates Earned/Paid | Average Balances | Interest Income/Expense | Average Rates Earned/Paid |
| \$ 2,484 | 16 | 2.62% | \$ 3,909 | 18 | 1.85% | \$ 3,153 | 12 | 1.52% |
| 24,272 | 153 | 2.55 | 24,722 | 123 | 1.99 | 26,419 | 96 | 1.44 |
| 35,147 | 402 | 4.59 | 36,517 | 411 | 4.49 | 32,052 | 348 | 4.34 |
| 114,961 | 1,477 | 5.15 | 103,879 | 1,297 | 5.00 | 101,493 | 1,237 | 4.88 |
| 76,651 | 960 | 5.08 | 69,394 | 836 | 4.79 | 58,278 | 642 | 4.40 |
| 12,608 | 156 | 5.01 | 10,537 | 120 | 4.53 | 6,683 | 67 | 4.02 |
| 20,739 | 271 | 5.31 | 19,035 | 237 | 4.95 | 14,877 | 170 | 4.54 |
| 10,513 | 182 | 6.94 | 10,185 | 180 | 7.07 | 9,692 | 178 | 7.33 |
| 7,192 | 58 | 3.28 | 7,448 | 58 | 3.10 | 7,330 | 47 | 2.51 |
| 127,703 | 1,627 | 5.16 | 116,599 | 1,431 | 4.88 | 96,860 | 1,104 | 4.54 |
| 74,658 | 1,037 | 5.57 | 62,083 | 853 | 5.49 | 54,288 | 732 | 5.38 |
| 11,003 | 120 | 4.41 | 10,560 | 107 | 4.04 | 10,145 | 97 | 3.80 |
| 7,811 | 122 | 6.31 | 7,285 | 111 | 6.12 | 7,259 | 107 | 5.86 |
| 93,472 | 1,279 | 5.49 | 79,928 | 1,071 | 5.35 | 71,692 | 936 | 5.21 |
| 221,175 | 2,906 | 5.30 | 196,527 | 2,502 | 5.08 | 168,552 | 2,040 | 4.83 |
| 12,869 | 166 | 5.19 | 21,405 | 261 | 4.89 | 17,119 | 186 | 4.34 |
| 10,139 | 115 | 4.58 | 10,531 | 104 | 3.89 | 11,121 | 96 | 3.43 |
| 421,047 | 5,235 | 5.00 | 397,490 | 4,716 | 4.74 | 359,909 | 4,015 | 4.45 |
| | 279 | 0.27 | | 313 | 0.31 | | 349 | 0.39 |
| 421,047 | 5,514 | 5.27 | 397,490 | 5,029 | 5.05 | 359,909 | 4,364 | 4.84 |
| 12,661 | | | 11,870 | | | 11,159 | | |

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| 66,778 | | | 63,071 | | | 53,331 | | |
|-------------------|-----------------|--------------|-------------------|-----------------|--------------|-------------------|-----------------|--------------|
| <u>\$ 500,486</u> | | | <u>\$ 472,431</u> | | | <u>\$ 424,399</u> | | |
| 81,071 | 161 | 0.81 | 79,476 | 128 | 0.64 | 73,171 | 93 | 0.51 |
| 93,477 | 357 | 1.55 | 90,382 | 271 | 1.19 | 81,525 | 197 | 0.96 |
| 36,005 | 239 | 2.70 | 32,540 | 212 | 2.58 | 26,860 | 180 | 2.68 |
| 10,996 | 61 | 2.26 | 9,486 | 46 | 1.92 | 7,453 | 27 | 1.42 |
| 12,583 | 83 | 2.67 | 9,938 | 56 | 2.31 | 7,803 | 39 | 1.98 |
| <u>234,132</u> | | | <u>221,822</u> | | | <u>196,812</u> | | |
| 51,395 | 312 | 2.46 | 47,264 | 233 | 1.96 | 47,052 | 164 | 1.39 |
| 13,553 | 82 | 2.45 | 11,840 | 58 | 1.94 | 12,065 | 43 | 1.42 |
| 12,681 | 102 | 3.25 | 12,694 | 102 | 3.18 | 12,388 | 96 | 3.09 |
| 6,370 | 26 | 1.63 | 5,859 | 19 | 1.33 | 6,042 | 15 | 0.91 |
| 47,385 | 493 | 4.17 | 44,010 | 443 | 4.02 | 39,951 | 404 | 4.05 |
| <u>365,516</u> | | | <u>343,489</u> | | | <u>314,310</u> | | |
| | 124 | 0.14 | | 104 | 0.12 | | 78 | 0.09 |
| <u>365,516</u> | | | <u>343,489</u> | | | <u>314,310</u> | | |
| | 2,040 | 2.26 | | 1,672 | 1.94 | | 1,336 | 1.69 |
| <u>60,542</u> | | | <u>58,229</u> | | | <u>51,433</u> | | |
| <u>27,197</u> | | | <u>28,069</u> | | | <u>25,410</u> | | |
| <u>47,231</u> | | | <u>42,644</u> | | | <u>33,246</u> | | |
| <u>\$ 500,486</u> | | | <u>\$ 472,431</u> | | | <u>\$ 424,399</u> | | |
| | \$ 5,514 | 5.27% | | \$ 5,029 | 5.05% | | \$ 4,364 | 4.84% |
| | 2,040 | 1.96 | | 1,672 | 1.68 | | 1,336 | 1.48 |
| | <u>\$ 3,474</u> | <u>3.31%</u> | | <u>\$ 3,357</u> | <u>3.37%</u> | | <u>\$ 3,028</u> | <u>3.36%</u> |

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WACHOVIA CORPORATION AND SUBSIDIARIES**NET INTEREST INCOME SUMMARIES**

(Unaudited)

| (In millions) | NINE MONTHS ENDED 2005 | | | NINE MONTHS ENDED 2004 | | |
|---|------------------------|--------------------------------|-------------------------------------|------------------------|--------------------------------|-------------------------------------|
| | Average Balances | Interest Income/ Expense | Average Rates Earned/ Paid | Average Balances | Interest Income/ Expense | Average Rates Earned/ Paid |
| ASSETS | | | | | | |
| Interest-bearing bank balances | \$ 2,516 | 57 | 3.05% | \$ 3,467 | 33 | 1.27% |
| Federal funds sold and securities purchased under resale agreements | 24,467 | 558 | 3.05 | 25,013 | 219 | 1.17 |
| Trading account assets | 33,577 | 1,202 | 4.78 | 26,402 | 828 | 4.18 |
| Securities | 114,956 | 4,407 | 5.11 | 99,980 | 3,654 | 4.87 |
| Loans | | | | | | |
| Commercial | | | | | | |
| Commercial, financial and agricultural | 79,469 | 3,228 | 5.43 | 56,805 | 1,817 | 4.28 |
| Real estate construction and other | 12,941 | 534 | 5.51 | 6,339 | 176 | 3.71 |
| Real estate mortgage | 20,205 | 861 | 5.70 | 15,048 | 488 | 4.33 |
| Lease financing | 10,246 | 543 | 7.07 | 7,890 | 541 | 9.14 |
| Foreign | 7,669 | 206 | 3.59 | 7,043 | 129 | 2.44 |
| Total commercial | 130,530 | 5,372 | 5.50 | 93,125 | 3,151 | 4.52 |
| Consumer | | | | | | |
| Real estate secured | 75,861 | 3,275 | 5.76 | 52,525 | 2,128 | 5.40 |
| Student loans | 11,089 | 393 | 4.74 | 9,666 | 265 | 3.66 |
| Installment loans | 7,221 | 361 | 6.69 | 8,493 | 363 | 5.70 |
| Total consumer | 94,171 | 4,029 | 5.71 | 70,684 | 2,756 | 5.20 |
| Total loans | 224,701 | 9,401 | 5.59 | 163,809 | 5,907 | 4.81 |
| Loans held for sale | 14,500 | 604 | 5.56 | 15,168 | 478 | 4.20 |
| Other earning assets | 10,296 | 378 | 4.90 | 11,241 | 262 | 3.12 |
| Total earning assets excluding derivatives | 425,013 | 16,607 | 5.22 | 345,080 | 11,381 | 4.40 |
| Risk management derivatives (a) | | 775 | 0.24 | | 1,128 | 0.44 |
| Total earning assets including derivatives | 425,013 | 17,382 | 5.46 | 345,080 | 12,509 | 4.84 |
| Cash and due from banks | 12,441 | | | 11,123 | | |

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| | | | | | | |
|---|-------------------|--------------|-------------|-------------------|--------------|-------------|
| Other assets | 67,724 | | | 55,231 | | |
| Total assets | \$ 505,178 | | | \$ 411,434 | | |
| LIABILITIES AND STOCKHOLDERS EQUITY | | | | | | |
| Interest-bearing deposits | | | | | | |
| Savings and NOW accounts | 80,041 | 575 | 0.96 | 69,594 | 241 | 0.46 |
| Money market accounts | 95,420 | 1,341 | 1.88 | 75,881 | 523 | 0.92 |
| Other consumer time | 38,395 | 837 | 2.91 | 26,881 | 545 | 2.71 |
| Foreign | 12,728 | 265 | 2.78 | 7,412 | 69 | 1.25 |
| Other time | 10,966 | 270 | 3.29 | 7,751 | 107 | 1.83 |
| Total interest-bearing deposits | 237,550 | 3,288 | 1.85 | 187,519 | 1,485 | 1.06 |
| Federal funds purchased and securities sold under repurchase agreements | | | | | | |
| Commercial paper | 53,954 | 1,147 | 2.84 | 47,340 | 404 | 1.14 |
| Securities sold short | 13,191 | 287 | 2.91 | 12,099 | 105 | 1.16 |
| Other short-term borrowings | 10,776 | 271 | 3.37 | 10,464 | 216 | 2.76 |
| Long-term debt | 6,511 | 85 | 1.75 | 6,165 | 36 | 0.76 |
| | 47,764 | 1,557 | 4.35 | 38,359 | 1,146 | 3.99 |
| Total interest-bearing liabilities excluding derivatives | 369,746 | 6,635 | 2.40 | 301,946 | 3,392 | 1.50 |
| Risk management derivatives (a) | | 406 | 0.14 | | 263 | 0.12 |
| Total interest-bearing liabilities including derivatives | 369,746 | 7,041 | 2.54 | 301,946 | 3,655 | 1.62 |
| Noninterest-bearing deposits | | | | | | |
| Other liabilities | 61,906 | | | 49,508 | | |
| Stockholders equity | 26,301 | | | 27,152 | | |
| | 47,225 | | | 32,828 | | |
| Total liabilities and stockholders equity | \$ 505,178 | | | \$ 411,434 | | |
| Interest income and rate earned including derivatives | | | | | | |
| Interest expense and equivalent rate paid including derivatives | \$ 17,382 | 5.46% | | \$ 12,509 | 4.84% | |
| | 7,041 | 2.21 | | 3,655 | 1.42 | |
| Net interest income and margin including derivatives | \$ 10,341 | 3.25% | | \$ 8,854 | 3.42% | |

(a) The rates earned and the rates paid on risk management derivatives are based on off-balance sheet notional amounts. The fair value of these instruments is included in other assets and other liabilities.

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WACHOVIA CORPORATION AND SUBSIDIARIES**RECONCILIATION OF CERTAIN NON-GAAP FINANCIAL MEASURES**

(Unaudited)

| (In millions, except per share data) | * | 2005 | | | 2004 | |
|---|-------|------------------|-------------------|------------------|-------------------|------------------|
| | | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter |
| NET INCOME | | | | | | |
| Net income (GAAP) | A | \$ 1,665 | 1,650 | 1,621 | 1,448 | 1,263 |
| After tax merger-related and restructuring expenses (GAAP) | | 51 | 48 | 31 | 53 | 55 |
| Net income, excluding after tax merger-related and restructuring expenses | B | 1,716 | 1,698 | 1,652 | 1,501 | 1,318 |
| After tax other intangible amortization (GAAP) | | 63 | 69 | 72 | 74 | 62 |
| Net income, excluding after tax merger-related and restructuring expenses, and other intangible amortization | C | \$ 1,779 | 1,767 | 1,724 | 1,575 | 1,380 |
| RETURN ON AVERAGE COMMON STOCKHOLDERS EQUITY | | | | | | |
| Average common stockholders' equity (GAAP) | D | \$ 47,328 | 47,114 | 47,231 | 42,644 | 33,246 |
| Merger-related and restructuring expenses (GAAP) | | 96 | 52 | 11 | 169 | 116 |
| Average common stockholders' equity, excluding merger-related and restructuring expenses | E | 47,424 | 47,166 | 47,242 | 42,813 | 33,362 |
| Average intangible assets (GAAP) | F | (23,195) | (23,148) | (23,020) | (19,257) | (12,473) |
| Average common stockholders' equity, excluding merger-related and restructuring expenses, and other intangible amortization | G | \$ 24,229 | 24,018 | 24,222 | 23,556 | 20,889 |
| Return on average common stockholders' equity GAAP | A/D | 13.95% | 14.04 | 13.92 | 13.50 | 15.12 |
| Excluding merger-related and restructuring expenses | B/E | 14.36 | 14.43 | 14.19 | 13.95 | 15.72 |
| Return on average tangible common stockholders' equity GAAP | A/D+F | 27.36 | 27.61 | 27.16 | 24.62 | 24.20 |
| Excluding merger-related and restructuring expenses, and other intangible amortization | C/G | 29.14% | 29.50 | 28.86 | 26.59 | 26.28 |
| RETURN ON AVERAGE ASSETS | | | | | | |
| Average assets (GAAP) | H | \$ 511,567 | 503,361 | 500,486 | 472,431 | 424,399 |
| Average intangible assets (GAAP) | | (23,195) | (23,148) | (23,020) | (19,257) | (12,473) |

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| | | | | | | |
|--|------------|-------------------|----------|----------|----------|----------|
| Average tangible assets (GAAP) | I | 488,372 | 480,213 | 477,466 | 453,174 | 411,926 |
| Average assets (GAAP) | | 511,567 | 503,361 | 500,486 | 472,431 | 424,399 |
| Merger-related and restructuring expenses (GAAP) | | 96 | 52 | 11 | 169 | 116 |
| Average assets, excluding merger-related and restructuring expenses | J | 511,663 | 503,413 | 500,497 | 472,600 | 424,515 |
| Average intangible assets (GAAP) | | (23,195) | (23,148) | (23,020) | (19,257) | (12,473) |
| Average tangible assets, excluding merger-related and restructuring expenses | K | \$ 488,468 | 480,265 | 477,477 | 453,343 | 412,042 |
| Return on average assets | | | | | | |
| GAAP | A/H | 1.29% | 1.31 | 1.31 | 1.22 | 1.18 |
| Excluding merger-related and restructuring expenses | B/J | 1.33 | 1.35 | 1.34 | 1.26 | 1.24 |
| Return on average tangible assets | | | | | | |
| GAAP | A/I | 1.35 | 1.38 | 1.38 | 1.27 | 1.22 |
| Excluding merger-related and restructuring expenses, and other intangible amortization | C/K | 1.45% | 1.48 | 1.46 | 1.38 | 1.33 |

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WACHOVIA CORPORATION AND SUBSIDIARIES**RECONCILIATION OF CERTAIN NON-GAAP FINANCIAL MEASURES**

(Unaudited)

| (In millions, except per share data) | * | 2005 | | | 2004 | |
|---|----------------|------------------|-------------------|------------------|-------------------|------------------|
| | | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter |
| OVERHEAD EFFICIENCY RATIOS | | | | | | |
| Noninterest expense (GAAP) | L | \$ 4,004 | 3,788 | 3,872 | 3,834 | 3,671 |
| Merger-related and restructuring expenses (GAAP) | | (83) | (90) | (61) | (116) | (127) |
| Noninterest expense, excluding merger-related and restructuring expenses | M | 3,921 | 3,698 | 3,811 | 3,718 | 3,544 |
| Other intangible amortization (GAAP) | | (101) | (107) | (115) | (113) | (99) |
| Noninterest expense, excluding merger-related and restructuring expenses, and other intangible amortization | N | \$ 3,820 | 3,591 | 3,696 | 3,605 | 3,445 |
| Net interest income (GAAP) | | \$ 3,403 | 3,358 | 3,413 | 3,297 | 2,965 |
| Tax-equivalent adjustment | | 53 | 53 | 61 | 60 | 63 |
| Net interest income (Tax-equivalent) | | 3,456 | 3,411 | 3,474 | 3,357 | 3,028 |
| Fee and other income (GAAP) | | 3,242 | 2,977 | 2,995 | 2,804 | 2,601 |
| Total | O | \$ 6,698 | 6,388 | 6,469 | 6,161 | 5,629 |
| Retail Brokerage Services, excluding insurance | | | | | | |
| Noninterest expense (GAAP) | P | \$ 874 | 861 | 867 | 908 | 862 |
| Net interest income (GAAP) | | \$ 153 | 142 | 143 | 144 | 143 |
| Tax-equivalent adjustment | | 1 | | | 1 | |
| Net interest income (Tax-equivalent) | | 154 | 142 | 143 | 145 | 143 |
| Fee and other income (GAAP) | | 905 | 880 | 886 | 906 | 826 |
| Total | Q | \$ 1,059 | 1,022 | 1,029 | 1,051 | 969 |
| Overhead efficiency ratios | | | | | | |
| GAAP | L/O | 59.78% | 59.29 | 59.86 | 62.23 | 65.20 |
| Excluding merger-related and restructuring expenses | M/O | 58.55 | 57.87 | 58.92 | 60.34 | 62.96 |
| Excluding merger-related and restructuring expenses, and brokerage | M-P/O-Q | 54.04 | 52.85 | 54.12 | 54.99 | 57.54 |

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| | | | | | | |
|---|----------------|----------------|-------|-------|-------|-------|
| Excluding merger-related and restructuring expenses, and other intangible amortization | N/O | 57.06 | 56.19 | 57.15 | 58.50 | 61.20 |
| Excluding merger-related and restructuring expenses, other intangible amortization and brokerage | N-P/O-Q | 52.27% | 50.85 | 52.01 | 52.77 | 55.42 |
| OPERATING LEVERAGE | | | | | | |
| Operating leverage (GAAP) | | \$ 92 | 5 | 269 | 368 | (55) |
| Merger-related and restructuring expenses (GAAP) | | (8) | 30 | (55) | (10) | 25 |
| Operating leverage, excluding merger-related and restructuring expenses | | 84 | 35 | 214 | 358 | (30) |
| Other intangible amortization (GAAP) | | (7) | (8) | 1 | 15 | (8) |
| Operating leverage, excluding merger-related and restructuring expenses, and other intangible amortization | | \$ 77 | 27 | 215 | 373 | (38) |
| DIVIDEND PAYOUT RATIOS ON COMMON SHARES | | | | | | |
| Dividends paid per common share | R | \$ 0.51 | 0.46 | 0.46 | 0.46 | 0.40 |
| Diluted earnings per common share (GAAP) | S | \$ 1.06 | 1.04 | 1.01 | 0.95 | 0.96 |
| Merger-related and restructuring expenses (GAAP) | | 0.03 | 0.03 | 0.02 | 0.04 | 0.04 |
| Other intangible amortization (GAAP) | | 0.04 | 0.04 | 0.05 | 0.05 | 0.05 |
| Diluted earnings per common share, excluding merger-related and restructuring expenses, and other intangible amortization | T | \$ 1.13 | 1.11 | 1.08 | 1.04 | 1.05 |
| Dividend payout ratios | | | | | | |
| GAAP | R/S | 48.11% | 44.23 | 45.54 | 48.42 | 41.67 |
| Excluding merger-related and restructuring expenses, and other intangible amortization | R/T | 45.13% | 41.44 | 42.59 | 44.23 | 38.10 |

* The letters included in the columns are provided to show how the various ratios presented in the tables on pages 21 and 22 are calculated. For example, return on average assets on a GAAP basis is calculated by dividing income (GAAP) by average assets (GAAP) (i.e., A/H) and annualized where appropriate.

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The following are supplemental earnings materials for the quarter ended September 30, 2005 made available by Wachovia on October 17, 2005.

Wachovia Third Quarter 2005

Quarterly Earnings Report

October 17, 2005

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READERS ARE ENCOURAGED TO REFER TO WACHOVIA'S RESULTS FOR THE QUARTER ENDED JUNE 30, 2005, PRESENTED IN ACCORDANCE WITH U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP), WHICH MAY BE FOUND IN WACHOVIA'S SECOND QUARTER 2005 REPORT ON FORM 10-Q.

ALL NARRATIVE COMPARISONS ARE WITH SECOND QUARTER 2005 UNLESS OTHERWISE NOTED.

THE INFORMATION CONTAINED HEREIN INCLUDES CERTAIN NON-GAAP FINANCIAL MEASURES. PLEASE REFER TO PAGES 37-41 FOR AN IMPORTANT EXPLANATION OF OUR USE OF NON-GAAP MEASURES AND RECONCILIATION OF THOSE NON-GAAP MEASURES TO GAAP.

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Wachovia 3Q05 Quarterly Earnings Report

Explanation of Combined Results

Certain tables and narrative comparisons in this supplemental earnings package include references to Combined results for third quarter 2004. Combined results for the third quarter of 2004 represent Wachovia's actual third quarter 2004 results plus the actual results of SouthTrust. The Combined results are for illustrative purposes only and the presentation of results on this Combined basis is not a presentation that conforms with generally accepted accounting principles. The third quarter 2004 Combined results include purchase accounting and other closing adjustments as of the actual closing date of November 1, 2004; no attempt was made to estimate these purchase accounting and other closing adjustments on the Combined results for prior periods as if the merger had occurred on prior dates. Readers are encouraged to refer to Wachovia's results presented in accordance with generally accepted accounting principles which may be found in exhibit (99)(c) to Wachovia's current report on form 8-K, filed on October 17, 2005. All narrative comparisons are to wachovia-only results for prior periods unless otherwise noted. See also Supplemental Illustrative Combined Information beginning on page 43 for a further discussion regarding the Combined presentation.

All narrative comparisons of Combined results pertain to 3Q05 reported results versus Combined third quarter 2004 results unless otherwise noted.

For ease of use, comments herein pertaining to As Reported or Actual results are presented in bold type.

Combined Summary

3Q04: **Reported results plus SouthTrust's results plus three months of DBI amortization**

Prior period results do not include the effect of accretion and amortization of fair market value adjustments made to SouthTrust's balance sheet on 11/1/04.

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Wachovia 3Q05 Quarterly Earnings Report

Third Quarter 2005 Financial Highlights

Versus 2Q05

Record earnings of \$1.7 billion, up 1% and up 32% over 3Q04; EPS of \$1.06 up 2% and up 10% from 3Q04

Excluding \$0.03 per share of net merger-related and restructuring expenses, record EPS of \$1.09 up 2% and up 9% from 3Q04

Strong segment earnings reflect revenue growth in all four businesses

General Bank up 2% and up 32% from 3Q04; up 11% from Combined 3Q04

Capital Management up 1% and up 42% from 3Q04

Wealth Management decreased 6% reflecting higher provision, up 19% from 3Q04

Corporate and Investment Bank up 25% and up 5% from strong 3Q04

Record revenue, up 5% on growth in all categories except securities gains

Net interest income up 1%; net interest margin down slightly due to higher securitization inventories

Fee and other income up 9%, and up 17% from Combined 3Q04

Revenue up 8% from Combined 3Q04 compared with only 2% growth in expenses excluding merger charges

Other noninterest expense increased 6% driven by higher revenue-based incentives

Includes \$26 million of severance and other costs relating to efficiency initiative and \$25 million of corporate contributions

Average loans up 2%; up 12% from Combined 3Q04

Average core deposits up 2%; up 8% from Combined 3Q04

Net charge-offs were \$59 million, or 10 bps of average loans

Total nonperforming assets declined 11% reflecting continued proactive portfolio management

Provision of \$82 million

Repurchased 25.9 million shares during the quarter

SouthTrust integration proceeding as planned; final deposit conversion scheduled for 4Q05

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Wachovia 3Q05 Quarterly Earnings Report

Earnings Reconciliation

| Earnings Reconciliation | 2005 | | | | | | 2004 | | | | 3 Q 05 EPS | |
|--|-----------------|-------------|----------------|------|---------------|------|----------------|------|---------------|------|------------|--------|
| | Third Quarter | | Second Quarter | | First Quarter | | Fourth Quarter | | Third Quarter | | vs | vs |
| | Amount | EPS | Amount | EPS | Amount | EPS | Amount | EPS | Amount | EPS | 2 Q 05 | 3 Q 04 |
| Net income (GAAP) | \$ 1,665 | 1.06 | 1,650 | 1.04 | 1,621 | 1.01 | 1,448 | 0.95 | 1,263 | 0.96 | 2% | 10 |
| Net merger-related and restructuring expenses | 51 | 0.03 | 48 | 0.03 | 31 | 0.02 | 53 | 0.04 | 55 | 0.04 | | (25) |
| Earnings excluding merger-related and restructuring expenses | 1,716 | 1.09 | 1,698 | 1.07 | 1,652 | 1.03 | 1,501 | 0.99 | 1,318 | 1.00 | 2 | 9 |
| Deposit base and other intangible amortization | 63 | 0.04 | 69 | 0.04 | 72 | 0.05 | 74 | 0.05 | 62 | 0.05 | | (20) |
| Earnings excluding merger-related and restructuring expenses, and other intangible amortization | \$ 1,779 | 1.13 | 1,767 | 1.11 | 1,724 | 1.08 | 1,575 | 1.04 | 1,380 | 1.05 | 2% | 8 |

Key Points

Expect remaining amortization of existing intangibles in 4Q05 of \$0.04

(See Appendix, page 16 for further detail)

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Wachovia 3Q05 Quarterly Earnings Report

Summary Results

| Earnings Summary | 2005 | | | 2004 | | Combined | | | |
|--|----------|---------|---------|---------|---------|----------|--------|----------|--------|
| | Third | Second | First | Fourth | Third | 3 Q 05 | 3 Q 05 | 3 Q 05 | 3 Q 05 |
| (In millions, except per share data) | Quarter | Quarter | Quarter | Quarter | Quarter | vs | vs | vs | vs |
| | 2 Q 05 | 3 Q 04 | 3 Q 04 | 3 Q 04 | 3 Q 04 | 2 Q 05 | 3 Q 04 | 3 Q 04 | 3 Q 04 |
| Net interest income (Tax-equivalent) | \$ 3,456 | 3,411 | 3,474 | 3,357 | 3,028 | 1% | 14 | \$ 3,451 | % |
| Fee and other income | 3,242 | 2,977 | 2,995 | 2,804 | 2,601 | 9 | 25 | 2,764 | 17 |
| Total revenue (Tax-equivalent) | 6,698 | 6,388 | 6,469 | 6,161 | 5,629 | 5 | 19 | 6,215 | 8 |
| Provision for credit losses | 82 | 50 | 36 | 109 | 43 | 64 | 91 | 67 | 22 |
| Other noninterest expense | 3,820 | 3,591 | 3,696 | 3,605 | 3,445 | 6 | 11 | 3,723 | 3 |
| Merger-related and restructuring expenses | 83 | 90 | 61 | 116 | 127 | (8) | (35) | 127 | (35) |
| Other intangible amortization | 101 | 107 | 115 | 113 | 99 | (6) | 2 | 133 | (24) |
| Total noninterest expense | 4,004 | 3,788 | 3,872 | 3,834 | 3,671 | 6 | 9 | 3,983 | 1 |
| Minority interest in income of consolidated subsidiaries | 104 | 71 | 64 | 54 | 28 | 46 | | 28 | |
| Income before income taxes (Tax-equivalent) | 2,508 | 2,479 | 2,497 | 2,164 | 1,887 | 1 | 33 | 2,137 | 17 |
| Income taxes (Tax-equivalent) | 843 | 829 | 876 | 716 | 624 | 2 | 35 | 706 | 19 |
| Net income | \$ 1,665 | 1,650 | 1,621 | 1,448 | 1,263 | 1% | 32 | \$ 1,431 | 16% |
| Diluted earnings per common share | \$ 1.06 | 1.04 | 1.01 | 0.95 | 0.96 | 2% | 10 | | |
| Dividend payout ratio on common shares | 48.11% | 44.23 | 45.54 | 48.42 | 41.67 | | | | |
| Return on average common stockholders equity | 13.95 | 14.04 | 13.92 | 13.50 | 15.12 | | | | |
| Return on average assets | 1.29 | 1.31 | 1.31 | 1.22 | 1.18 | | | | |
| Overhead efficiency ratio (Tax-equivalent) | 59.78% | 59.29 | 59.86 | 62.23 | 65.20 | | | 64.08% | % |
| Operating leverage (Tax-equivalent) | \$ 92 | 5 | 269 | 368 | (55) | % | | | |

Key Points

Revenues grew 5% driven by strength in fee and other income; up 19% from 3Q04 driven by the addition of SouthTrust

Up 8% from Combined 3Q04 on strong growth in fees

Net interest income rose 1%, or \$45 million, reflecting loan and deposit growth and improved deposit spreads

Flat vs. Combined 3Q04, reflecting margin compression related to the flattening yield curve, offset by growth in loans and core deposits

Fee and other income increased 9%

Solid growth in all categories except securities gains/losses

Results up 17% from Combined 3Q04 reflecting solid fee growth in all business segments

Other noninterest expense increased 6%

Reflects higher revenue-based incentives, corporate contributions of \$25 million and efficiency initiative costs of \$26 million

(See Appendix, pages 16- 20 for further detail)

MINORITY INTEREST IN PRE-TAX INCOME OF CONSOLIDATED ENTITIES IS ACCOUNTED FOR AS AN EXPENSE ON OUR INCOME STATEMENT. MINORITY INTEREST INCLUDES THE EXPENSE REPRESENTED BY PRUDENTIAL FINANCIAL, INC. S 38% OWNERSHIP INTEREST IN WACHOVIA SECURITIES FINANCIAL HOLDINGS, LLC (WSFH), IN ADDITION TO THE EXPENSE ASSOCIATED WITH OTHER MINORITY INTERESTS IN OUR CONSOLIDATED SUBSIDIARIES.

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Wachovia 3Q05 Quarterly Earnings Report

Other Financial Measures**Performance Highlights**

| | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 |
|---|------------------|-------------------|------------------|-------------------|------------------|--------------|--------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | vs 2 Q 05 | vs 3 Q 04 |
| Earnings excluding merger-related and restructuring expenses (a)(b) | | | | | | | |
| Net income | \$ 1,716 | 1,698 | 1,652 | 1,501 | 1,318 | 1% | 30 |
| Return on average assets | 1.33% | 1.35 | 1.34 | 1.26 | 1.24 | | |
| Return on average common stockholders' equity | 14.36 | 14.43 | 14.19 | 13.95 | 15.72 | | |
| Overhead efficiency ratio (Tax-equivalent) | 58.55 | 57.87 | 58.92 | 60.34 | 62.96 | | |
| Overhead efficiency ratio excluding brokerage (Tax-equivalent) | 54.04% | 52.85 | 54.12 | 54.99 | 57.54 | | |
| Operating leverage (Tax-equivalent) | \$ 84 | 35 | 214 | 358 | (30) | % | |
| Earnings excluding merger-related and restructuring expenses, and other intangible amortization (a)(b) | | | | | | | |
| Net income | \$ 1,779 | 1,767 | 1,724 | 1,575 | 1,380 | 1% | 29 |
| Dividend payout ratio on common shares | 45.13% | 41.44 | 42.59 | 44.23 | 38.10 | | |
| Return on average tangible assets | 1.45 | 1.48 | 1.46 | 1.38 | 1.33 | | |
| Return on average tangible common stockholders' equity | 29.14 | 29.50 | 28.86 | 26.59 | 26.28 | | |
| Overhead efficiency ratio (Tax-equivalent) | 57.06 | 56.19 | 57.15 | 58.50 | 61.20 | | |
| Overhead efficiency ratio excluding brokerage (Tax-equivalent) | 52.27% | 50.85 | 52.01 | 52.77 | 55.42 | | |
| Operating leverage (Tax-equivalent) | \$ 77 | 27 | 215 | 373 | (38) | % | |
| Other financial data | | | | | | | |
| Net interest margin | 3.20% | 3.23 | 3.31 | 3.37 | 3.36 | | |
| Fee and other income as % of total revenue | 48.40 | 46.60 | 46.30 | 45.50 | 46.21 | | |
| Effective income tax rate | 32.21 | 32.02 | 33.42 | 31.20 | 30.71 | | |
| Tax rate (Tax-equivalent) (c) | 33.63% | 33.50 | 35.05 | 33.14 | 33.04 | | |
| Asset quality | | | | | | | |
| Allowance for loan losses as % of loans, net | 1.13% | 1.18 | 1.20 | 1.23 | 1.33 | | |
| Allowance for loan losses as % of nonperforming assets | 303 | 284 | 262 | 251 | 258 | | |
| Allowance for credit losses as % of loans, net | 1.20 | 1.25 | 1.27 | 1.30 | 1.41 | | |
| Net charge-offs as % of average loans, net | 0.10 | 0.09 | 0.08 | 0.23 | 0.15 | | |
| Nonperforming assets as % of loans, net, foreclosed properties and loans held for sale | 0.37% | 0.44 | 0.50 | 0.53 | 0.50 | | |
| Capital adequacy | | | | | | | |
| Tier 1 capital ratio (d) | 7.40% | 7.85 | 7.91 | 8.01 | 8.34 | | |
| Tangible capital ratio (including FAS 115/133) | 4.64 | 5.05 | 4.84 | 5.15 | 5.06 | | |
| Tangible capital ratio (excluding FAS 115/133) | 4.69 | 4.93 | 4.84 | 4.99 | 4.84 | | |
| Leverage ratio (d) | 5.98% | 6.10 | 5.99 | 6.38 | 6.21 | | |

| Other | | | | | | | |
|---|------------------|--------|--------|--------|--------|------|------|
| Average diluted common shares (In millions) | 1,575 | 1,591 | 1,603 | 1,518 | 1,316 | (1)% | 20 |
| Actual common shares (In millions) | 1,553 | 1,577 | 1,576 | 1,588 | 1,308 | (2) | 19 |
| Dividends paid per common share | \$ 0.51 | 0.46 | 0.46 | 0.46 | 0.40 | 11 | 28 |
| Book value per common share | 30.10 | 30.37 | 29.48 | 29.79 | 25.92 | (1) | 16 |
| Common stock price | 47.59 | 49.60 | 50.91 | 52.60 | 46.95 | (4) | 1 |
| Market capitalization | \$ 73,930 | 78,236 | 80,256 | 83,537 | 61,395 | (6) | 20 |
| Common stock price to book value | 158% | 163 | 173 | 177 | 181 | (3) | (13) |
| FTE employees | 92,907 | 93,385 | 93,669 | 96,030 | 84,503 | (1) | 10 |
| Total financial centers/brokerage offices | 3,840 | 3,825 | 3,970 | 3,971 | 3,215 | | 19 |
| ATMs | 5,119 | 5,089 | 5,234 | 5,321 | 4,395 | 1% | 16 |

- (a) See tables on page 3, and on pages 38 through 41 for reconciliation to earnings prepared in accordance with GAAP.
- (b) See page 4 for the most directly comparable GAAP financial measure and pages 39 through 42 for reconciliation to earnings prepared in accordance with GAAP.
- (c) The tax-equivalent tax rate applies to fully tax-equivalized revenues.
- (d) The third quarter of 2005 is based on estimates.

Key Points

Cash overhead efficiency ratio rose 87 bps to 57.06% primarily due to corporate contributions and higher efficiency initiative costs

Net interest margin decreased 3 bps to 3.20%, reflecting strong structured products pipelines funded with wholesale liabilities

Tangible capital declined to 4.69% on strong period-end balance sheet growth and higher share repurchases driven by beneficial settlement of equity collar transactions

Capital ratios expected to return to targeted levels by year end 2005 (leverage: 6%; tangible: 4.75%)

Average diluted shares down 16 million due to the effect of 3Q05 open market purchases of 18.4 million shares (average cost \$50.36) and the repurchase of 7.5 million shares relating to equity collar settlements (average cost \$48.61)

(See Appendix, pages 16-20 for further detail)

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Wachovia 3Q05 Quarterly Earnings Report

Loan and Deposit Growth**Average Balance Sheet Data**

| (In millions) | 2005 | | | 2004 | | 3 Q 05 vs 2 Q 05 | 3 Q 05 vs 3 Q 04 | Combined | |
|--|------------------|-------------------|------------------|-------------------|------------------|------------------------|------------------------|------------|------------------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | | | 3 Q 04 | 3 Q 05 vs 3 Q 04 |
| | Assets | | | | | | | | |
| Trading assets | \$ 33,720 | 31,879 | 35,147 | 36,517 | 32,052 | 6% | 5 | \$ 32,155 | 5% |
| Securities | 114,902 | 115,006 | 114,961 | 103,879 | 101,493 | | 13 | 113,045 | 2 |
| Commercial loans, net | | | | | | | | | |
| General Bank | 80,937 | 80,463 | 78,838 | 69,682 | 53,125 | 1 | 52 | 77,349 | 5 |
| Corporate and Investment Bank | 38,779 | 37,869 | 36,815 | 35,221 | 32,848 | 2 | 18 | 34,391 | 13 |
| Other | 12,921 | 12,863 | 12,050 | 11,696 | 10,887 | | 19 | 11,535 | 12 |
| Total commercial loans, net | 132,637 | 131,195 | 127,703 | 116,599 | 96,860 | 1 | 37 | 123,275 | 8 |
| Consumer loans, net | 96,323 | 92,686 | 93,472 | 79,928 | 71,692 | 4 | 34 | 81,992 | 17 |
| Total loans, net | 228,960 | 223,881 | 221,175 | 196,527 | 168,552 | 2 | 36 | 205,267 | 12 |
| Loans held for sale | 16,567 | 14,024 | 12,869 | 21,405 | 17,119 | 18 | (3) | 17,773 | (7) |
| Other earning assets (a) | 37,197 | 37,744 | 36,895 | 39,162 | 40,693 | (1) | (9) | 40,734 | (9) |
| Total earning assets | 431,346 | 422,534 | 421,047 | 397,490 | 359,909 | 2 | 20 | 408,974 | 5 |
| Cash | 12,277 | 12,389 | 12,661 | 11,870 | 11,159 | (1) | 10 | 12,176 | 1 |
| Other assets | 67,944 | 68,438 | 66,778 | 63,071 | 53,331 | (1) | 27 | 66,377 | 2 |
| Total assets | \$ 511,567 | 503,361 | 500,486 | 472,431 | 424,399 | 2% | 21 | \$ 487,527 | 5% |
| Liabilities and Stockholders Equity | | | | | | | | | |
| Core interest-bearing deposits | 217,770 | 213,167 | 210,553 | 202,398 | 181,556 | 2 | 20 | 203,776 | 7 |
| Foreign and other time deposits | 25,623 | 21,856 | 23,579 | 19,424 | 15,256 | 17 | 68 | 24,716 | 4 |
| Total interest-bearing deposits | 243,393 | 235,023 | 234,132 | 221,822 | 196,812 | 4 | 24 | 228,492 | 7 |
| Short-term borrowings | 84,601 | 84,691 | 83,999 | 77,657 | 77,547 | | 9 | 81,589 | 4 |
| Long-term debt | 47,788 | 48,114 | 47,385 | 44,010 | 39,951 | (1) | 20 | 46,785 | 2 |
| Total interest-bearing liabilities | 375,782 | 367,828 | 365,516 | 343,489 | 314,310 | 2 | 20 | 356,866 | 5 |
| Noninterest-bearing deposits | 62,978 | 62,171 | 60,542 | 58,229 | 51,433 | 1 | 22 | 56,917 | 11 |
| Other liabilities | 25,479 | 26,248 | 27,197 | 28,069 | 25,410 | (3) | | 26,483 | (4) |
| Total liabilities | 464,239 | 456,247 | 453,255 | 429,787 | 391,153 | 2 | 19 | 440,266 | 5 |
| Stockholders equity | 47,328 | 47,114 | 47,231 | 42,644 | 33,246 | | 42 | 47,261 | |

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| | | | | | | | | | |
|---|------------|---------|---------|---------|---------|----|----|------------|----|
| Total liabilities and stockholders equity | \$ 511,567 | 503,361 | 500,486 | 472,431 | 424,399 | 2% | 21 | \$ 487,527 | 5% |
|---|------------|---------|---------|---------|---------|----|----|------------|----|

(a) Includes interest-bearing bank balances, federal funds sold and securities purchased under resale agreements.

Memoranda

| | | | | | | | | | |
|----------------------------|-------------------|----------------|----------------|----------------|----------------|-----------|-----------|-------------------|-----------|
| Low-cost core deposits | \$ 229,918 | 226,713 | 224,009 | 216,821 | 194,404 | 1% | 18 | \$ 214,481 | 7% |
| Other core deposits | 50,830 | 48,625 | 47,086 | 43,806 | 38,585 | 5 | 32 | 46,212 | 10 |
| Total core deposits | \$ 280,748 | 275,338 | 271,095 | 260,627 | 232,989 | 2% | 20 | \$ 260,693 | 8% |

Key Points

Trading assets increased 6% reflecting growth in structured product warehouses; average VAR increased modestly to \$21 million

Securities remained stable at \$115 billion; up 13% from 3Q04 reflecting the addition of SouthTrust and strong deposit growth

Average duration of investment securities increased to 2.9 years from 2.1 years due to higher rates

Commercial loans increased \$1.4 billion, or 1%; Combined commercial loans up 8% reflecting strength in large corporate and middle-market lending

Period end net commercial loans up 4% vs. 2Q05

Consumer loans increased 4% reflecting growth in real estate-secured loans and student lending, up 34% from 3Q04; Combined consumer loans up \$14.3 billion reflecting transfer of \$9.2 billion in real estate-secured loans from held for sale at end of 4Q04 and other growth

Originated a record \$19.2 billion of consumer loans in 3Q05, up 18%; originated \$62.2 billion since 3Q04

Total earning assets include \$13.5 billion of consumer loans held for sale and \$5.6 billion of margin loans

Loans held for sale increased \$2.5 billion in advance of planned 4Q05 securitization activity; transferred \$562 million of consumer loans out of held for sale to the portfolio

Core deposits were up 2%; up 20% from 3Q04 driven by the addition of SouthTrust

Up \$20 billion, or 8% vs. Combined 3Q04, driven by growth in DDA and money market

(See Appendix, pages 17-18 for further detail)

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Wachovia 3Q05 Quarterly Earnings Report

Fee and Other Income**Fee and Other Income**

| (In millions) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 | Combined | |
|--|-----------------|--------------|--------------|--------------|--------------|-----------|-----------|-----------------|------------|
| | Third | Second | First | Fourth | Third | vs | vs | 3 Q 04 | 3 Q 04 |
| | Quarter | Quarter | Quarter | Quarter | Quarter | 2 Q 05 | 3 Q 04 | 3 Q 04 | 3 Q 04 |
| Service charges | \$ 555 | 528 | 513 | 519 | 499 | 5% | 11 | \$ 567 | (2)% |
| Other banking fees | 385 | 355 | 351 | 343 | 313 | 8 | 23 | 355 | 8 |
| Commissions | 615 | 603 | 599 | 620 | 568 | 2 | 8 | 576 | 7 |
| Fiduciary and asset management fees | 732 | 728 | 714 | 700 | 668 | 1 | 10 | 677 | 8 |
| Advisory, underwriting and other investment banking fees | 294 | 257 | 233 | 271 | 237 | 14 | 24 | 237 | 24 |
| Trading account profits (losses) | 146 | 17 | 99 | (16) | (60) | 759 | | (58) | |
| Principal investing | 166 | 41 | 59 | 7 | 201 | 305 | (17) | 201 | (17) |
| Securities gains (losses) | 29 | 136 | (2) | 23 | (71) | (79) | | (71) | |
| Other income | 320 | 312 | 429 | 337 | 246 | 3 | 30 | 280 | 14 |
| Total fee and other income | \$ 3,242 | 2,977 | 2,995 | 2,804 | 2,601 | 9% | 25 | \$ 2,764 | 17% |

Key Points

Record fee and other income grew 9% and 25% vs. 3Q04

Up in all categories except security gains/losses

Up 17% from Combined 3Q04

Record service charges increased 5% and grew 11% from 3Q04 reflecting the merger with SouthTrust

Consumer up 9%, commercial up 3% from 2Q05

Results down 2% from Combined 3Q04 driven by lower commercial DDA service charges, partially offset by 4% growth in consumer service charges

Record other banking fees rose 8% on higher mortgage and interchange fees

Commissions increased 2% linked quarter on improvement in retail brokerage and the full quarter impact of the Palmer & Cay acquisition; up 8% from 3Q04, primarily related to Palmer & Cay

Record fiduciary and asset management fees increased 1% largely on growth in retail brokerage managed account assets; up 10% vs. 3Q04

Record advisory, underwriting and other investment banking fees grew 14% and were up 24% from 3Q04

Linked quarter reflects strong results in structured products, high yield, investment grade and record results in M&A, partially offset by lower loan syndications fees from a very strong 2Q05

Trading account profits were \$146 million versus \$17 million in 2Q05 driven by improvement in high yield, credit default swaps and equity linked products

Principal investing net gains of \$166 million from both direct and fund investments

Net securities gains of \$29 million included \$22 million of net gains in the investment portfolio intended to defray \$26 million of efficiency initiative costs

(See Appendix, page 19 for further detail)

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Wachovia 3Q05 Quarterly Earnings Report

Noninterest Expense**Noninterest Expense**

| (In millions) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 | Combined | |
|---|----------|---------|---------|---------|---------|--------|--------|----------|--------|
| | Third | Second | First | Fourth | Third | vs | vs | 3 Q 04 | 3 Q 04 |
| | Quarter | Quarter | Quarter | Quarter | Quarter | 2 Q 05 | 3 Q 04 | 3 Q 04 | 3 Q 04 |
| Salaries and employee benefits | \$ 2,476 | 2,324 | 2,401 | 2,239 | 2,118 | 7% | 17 | \$ 2,297 | 8% |
| Occupancy | 260 | 271 | 250 | 260 | 234 | (4) | 11 | 263 | (1) |
| Equipment | 276 | 269 | 265 | 272 | 268 | 3 | 3 | 291 | (5) |
| Advertising | 50 | 48 | 44 | 51 | 46 | 4 | 9 | 49 | 2 |
| Communications and supplies | 158 | 158 | 162 | 163 | 149 | | 6 | 163 | (3) |
| Professional and consulting fees | 167 | 155 | 127 | 179 | 134 | 8 | 25 | 139 | 20 |
| Sundry expense | 433 | 366 | 447 | 441 | 496 | 18 | (13) | 521 | (17) |
| Other noninterest expense | 3,820 | 3,591 | 3,696 | 3,605 | 3,445 | 6 | 11 | 3,723 | 3 |
| Merger-related and restructuring expenses | 83 | 90 | 61 | 116 | 127 | (8) | (35) | 127 | (35) |
| Other intangible amortization | 101 | 107 | 115 | 113 | 99 | (6) | 2 | 133 | (24) |
| Total noninterest expense | \$ 4,004 | 3,788 | 3,872 | 3,834 | 3,671 | 6% | 9 | \$ 3,983 | 1% |

Key Points

Other noninterest expense grew 6% and 11% vs. 3Q04; increased 3% from Combined 3Q04

Salaries and employee benefits were up 7% largely on higher revenue-based incentives

Sundry expense increased \$67 million, reflecting \$25 million in corporate contributions and a \$14 million 2Q05 benefit from a franchise tax settlement; decreased 17% from Combined 3Q04 on lower legal costs

(See Appendix, page 20 for further detail)

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Wachovia 3Q05 Quarterly Earnings Report

Consolidated Results Segment Summary**Wachovia Corporation****Performance Summary****Three Months Ended September 30, 2005**

| (Dollars in millions) | General Bank | Capital Management | Wealth Management | Corporate and Investment Bank | Parent | Merger- Related and Restructuring Expenses | Total Corporation |
|---|-----------------|-----------------------|----------------------|--|--------|---|----------------------|
| Income statement data | | | | | | | |
| Total revenue (Tax-equivalent) | \$ 3,250 | 1,360 | 339 | 1,515 | 234 | | 6,698 |
| Noninterest expense | 1,584 | 1,111 | 235 | 809 | 182 | 83 | 4,004 |
| Minority interest | | | | | 105 | (1) | 104 |
| Segment earnings | \$ 1,006 | 156 | 63 | 446 | 45 | (51) | 1,665 |
| Performance and other data | | | | | | | |
| Economic profit | \$ 775 | 117 | 48 | 263 | 34 | | 1,237 |
| Risk adjusted return on capital (RAROC) | 54.85% | 44.22 | 47.41 | 29.63 | 16.06 | | 39.73 |
| Economic capital, average | \$ 7,019 | 1,399 | 528 | 5,603 | 2,529 | | 17,078 |
| Cash overhead efficiency ratio (Tax-equivalent) | 48.74% | 81.86 | 68.99 | 53.39 | 35.05 | | 57.06 |
| FTE employees | 41,609 | 18,340 | 4,660 | 4,799 | 23,499 | | 92,907 |

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Wachovia 3Q05 Quarterly Earnings Report

General Bank

This segment includes Retail and Small Business, and Commercial.

General Bank**Performance Summary**

| (Dollars in millions) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 | Combined | |
|---|------------------|-------------------|------------------|-------------------|------------------|--------------|--------------|------------|------------------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | vs 2 Q 05 | vs 3 Q 04 | 3 Q 04 | 3 Q 05 vs 3 Q 04 |
| Income statement data | | | | | | | | | |
| Net interest income (Tax-equivalent) | \$ 2,434 | 2,409 | 2,360 | 2,284 | 1,985 | 1% | 23 | \$ 2,356 | 3% |
| Fee and other income | 760 | 687 | 684 | 660 | 601 | 11 | 26 | 725 | 5 |
| Intersegment revenue | 56 | 49 | 43 | 47 | 43 | 14 | 30 | 44 | 27 |
| Total revenue (Tax-equivalent) | 3,250 | 3,145 | 3,087 | 2,991 | 2,629 | 3 | 24 | 3,125 | 4 |
| Provision for credit losses | 77 | 68 | 57 | 107 | 74 | 13 | 4 | 94 | (18) |
| Noninterest expense | 1,584 | 1,514 | 1,545 | 1,525 | 1,362 | 5 | 16 | 1,613 | (2) |
| Income taxes (Tax-equivalent) | 583 | 574 | 545 | 493 | 433 | 2 | 35 | 514 | 13 |
| Segment earnings | \$ 1,006 | 989 | 940 | 866 | 760 | 2% | 32 | \$ 904 | 11% |
| Performance and other data | | | | | | | | | |
| Economic profit | \$ 775 | 755 | 699 | 668 | 592 | 3% | 31 | | |
| Risk adjusted return on capital (RAROC) | 54.85% | 54.37 | 51.13 | 52.20 | 57.00 | | | | |
| Economic capital, average | \$ 7,019 | 6,981 | 7,062 | 6,448 | 5,123 | 1 | 37 | | |
| Cash overhead efficiency ratio (Tax-equivalent) | 48.74% | 48.16 | 50.04 | 50.98 | 51.80 | | | 51.62% | % |
| Lending commitments | \$ 105,598 | 102,189 | 96,559 | 93,608 | 76,592 | 3 | 38 | | |
| Average loans, net | 163,801 | 161,774 | 159,433 | 146,978 | 124,687 | 1 | 31 | \$ 155,193 | 6% |
| Average core deposits | \$ 208,718 | 205,814 | 201,773 | 191,621 | 170,188 | 1 | 23 | \$ 196,137 | 6% |
| FTE employees | 41,609 | 41,466 | 42,263 | 43,404 | 34,519 | % | 21 | | |

General Bank Key Metrics

| | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 |
|--|---------------|----------------|---------------|----------------|---------------|-----------|-----------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | vs 2 Q 05 | vs 3 Q 04 |
| Customer overall satisfaction score (a) | 6.61 | 6.63 | 6.62 | 6.59 | 6.57 | % | 1 |
| New/Lost ratio | 1.25 | 1.31 | 1.38 | 1.45 | 1.44 | (5) | (13) |
| Online active customers (In thousands) (b) | 3,254 | 3,011 | 2,862 | 2,736 | 2,548 | 8 | 28 |
| Financial centers | 3,138 | 3,126 | 3,277 | 3,283 | 2,507 | % | 25 |

(a) Gallup survey measured on a 1-7 scale; 6.4 = best in class .

(b) Retail and small business.

SouthTrust Integration

| (Dollars in millions) | 2005 | | | 2004 | Cumulative Total | Goal | % of |
|-----------------------|---------------|----------------|---------------|------|------------------|---------|---------------|
| | Third Quarter | Second Quarter | First Quarter | | | | Goal Complete |
| Merger costs | \$ 74 | 111 | 124 | 101 | 410 | \$ 700 | 59% |
| Position reductions | 735 | 849 | 1,597 | 733 | 3,914 | 4,300 | 91 |
| Branches consolidated | 1 | 160 | | | 161 | 175-200 | % |

Record segment earnings of \$1 billion, up 2% and up 32% from 3Q04

Record revenue of \$3.3 billion up 3% on strong fee income; up 24% from 3Q04 driven by the addition of SouthTrust

Net interest income up 1% and up 23% from 3Q04; up 3% from Combined 3Q04 on loan and deposit growth

Fees increased 11% and 26% from 3Q04, driven by improvement in interchange fees, mortgage-related fees and consumer DDA charges

Expenses increased 5% reflecting higher revenue-based incentives and corporate contributions; up 16% from 3Q04

Combined expenses down 2% from 3Q04 reflecting SouthTrust merger savings and focus on improving efficiency

Average loans up 1% driven by growth in consumer real estate-secured and commercial

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Combined loans up 6% vs. 3Q04, with growth evenly split between commercial and consumer

Average core deposits up 1% on interest checking and CD growth

Combined core deposits up 6% vs. 3Q04; strength in interest checking and CDs

Sustained industry-leading customer satisfaction scores and record customer loyalty

Merger integration on track; final deposit conversion to be completed in 4Q05 with all integration activities finalized by January 2006

(See Appendix, pages 21 23 for further discussion of business unit results)

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Wachovia 3Q05 Quarterly Earnings Report

Capital Management

This segment includes Asset Management and Retail Brokerage Services.

Capital Management**Performance Summary**

| | 2005 | | | 2004 | | Combined | | | |
|---|------------------|-------------------|------------------|-------------------|------------------|------------------------|------------------------|-----------|--------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | 3 Q 05 vs 2 Q 05 | 3 Q 05 vs 3 Q 04 | 3 Q 04 | vs 3 Q 04 |
| Income statement data | | | | | | | | | |
| Net interest income (Tax-equivalent) | \$ 171 | 157 | 158 | 160 | 155 | 9% | 10 | \$ 158 | 8% |
| Fee and other income | 1,201 | 1,188 | 1,189 | 1,211 | 1,124 | 1 | 7 | 1,136 | 6 |
| Intersegment revenue | (12) | (12) | (12) | (10) | (13) | | 8 | (14) | (14) |
| Total revenue (Tax-equivalent) | 1,360 | 1,333 | 1,335 | 1,361 | 1,266 | 2 | 7 | 1,280 | 6 |
| Provision for credit losses | | | | | | | | | |
| Noninterest expense | 1,111 | 1,089 | 1,093 | 1,143 | 1,094 | 2 | 2 | 1,107 | |
| Income taxes (Tax-equivalent) | 93 | 89 | 89 | 79 | 62 | 4 | 50 | 63 | 48 |
| Segment earnings | \$ 156 | 155 | 153 | 139 | 110 | 1% | 42 | \$ 110 | 42% |
| Performance and other data | | | | | | | | | |
| Economic profit | \$ 117 | 117 | 115 | 99 | 74 | % | 58 | | |
| Risk adjusted return on capital (RAROC) | 44.22% | 44.82 | 43.93 | 38.75 | 33.27 | | | | |
| Economic capital, average | \$ 1,399 | 1,393 | 1,411 | 1,421 | 1,312 | | 7 | | |
| Cash overhead efficiency ratio (Tax-equivalent) | 81.86% | 81.57 | 81.91 | 84.03 | 86.39 | | | 86.51% | % |
| Lending commitments | \$ 184 | 176 | 148 | 119 | 107 | 5 | 72 | | |
| Average loans, net | 694 | 688 | 641 | 672 | 643 | 1 | 8 | \$ 643 | 8% |
| Average core deposits | \$ 30,700 | 30,846 | 32,052 | 31,927 | 29,547 | | 4 | \$ 30,024 | 2% |
| FTE employees | 18,340 | 18,507 | 18,935 | 19,822 | 19,699 | (1)% | (7) | | |

Capital Management Key Metrics

| (Dollars in millions) | 2005 | | | 2004 | | 3 Q 05 vs 2 Q 05 | 3 Q 05 vs 3 Q 04 |
|---|------------------|-------------------|------------------|-------------------|------------------|------------------------|------------------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | | |
| Separate account assets | \$ 154,398 | 152,461 | 151,790 | 149,913 | 142,407 | 1% | 8 |
| Mutual fund assets | 102,076 | 101,523 | 100,433 | 106,408 | 106,831 | 1 | (4) |
| Total assets under management (a) | 256,474 | 253,984 | 252,223 | 256,321 | 249,238 | 1 | 3 |
| Securities lending | 49,339 | 47,948 | 45,200 | 40,885 | 36,123 | 3 | 37 |
| Total assets under management and securities lending | \$ 305,813 | 301,932 | 297,423 | 297,206 | 285,361 | 1 | 7 |
| Gross fluctuating mutual fund sales | \$ 3,107 | 2,946 | 3,717 | 3,048 | 2,830 | 5 | 10 |
| Full-service financial advisors series 7 | 7,941 | 7,833 | 7,883 | 8,017 | 7,964 | 1 | |
| Financial center advisors series 6 | 2,493 | 2,456 | 2,451 | 2,502 | 2,594 | 2 | (4) |
| Broker client assets | \$ 683,100 | 655,600 | 644,700 | 652,500 | 615,900 | 4 | 11 |
| Customer receivables including margin loans | \$ 5,647 | 5,623 | 5,748 | 6,028 | 6,050 | | (7) |
| Traditional brokerage offices | 702 | 699 | 693 | 688 | 708 | | (1) |
| Banking centers with brokerage services | 2,071 | 2,136 | 2,207 | 2,237 | 1,834 | (3)% | 13 |

(a) Includes \$66 billion in assets managed for Wealth Management which are also reported in that segment.

Segment earnings of \$156 million, up 1% and 42% from 3Q04

Total revenue increased 2% and 7% from 3Q04 largely reflecting growth in net interest income, commissions and managed account fees

Record brokerage managed account assets of \$99.7 billion

Strong broker recruitment; net new hires of 108

Expenses increased 2% reflecting higher volume-based commissions, incentive compensation, and corporate contributions

AUM grew 1% as strength in fixed income and record equity assets were muted by money market outflows

(See Appendix, pages 24 25 for further discussion of business unit results)

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Wachovia 3Q05 Quarterly Earnings Report

Wealth Management

This segment includes Private Banking, Personal Trust, Investment Advisory Services, Charitable Services, Financial Planning, and Insurance Brokerage (property and casualty, and high net worth life).

Wealth Management**Performance Summary**

| (Dollars in millions) | 2005 | | | 2004 | | Combined | | | |
|--|------------------|-------------------|------------------|-------------------|------------------|------------------------|------------------------|-----------|--------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | 3 Q 05 vs 2 Q 05 | 3 Q 05 vs 3 Q 04 | 3 Q 04 | vs 3 Q 04 |
| Income statement data | | | | | | | | | |
| Net interest income (Tax-equivalent) | \$ 147 | 143 | 140 | 137 | 129 | 3% | 14 | \$ 136 | 8% |
| Fee and other income | 191 | 183 | 146 | 149 | 143 | 4 | 34 | 148 | 29 |
| Intersegment revenue | 1 | 1 | 2 | 1 | 2 | | (50) | 2 | (50) |
| Total revenue (Tax-equivalent) | 339 | 327 | 288 | 287 | 274 | 4 | 24 | 286 | 19 |
| Provision for credit losses | 6 | | (1) | | (1) | | | | |
| Noninterest expense | 235 | 220 | 190 | 200 | 191 | 7 | 23 | 197 | 19 |
| Income taxes (Tax-equivalent) | 35 | 40 | 36 | 31 | 31 | (13) | 13 | 33 | 6 |
| Segment earnings | \$ 63 | 67 | 63 | 56 | 53 | (6)% | 19 | \$ 56 | 13% |
| Performance and other data | | | | | | | | | |
| Economic profit | \$ 48 | 50 | 46 | 38 | 36 | (4)% | 33 | | |
| Risk adjusted return on capital (RAROC) | 47.41% | 50.21 | 50.14 | 42.37 | 42.66 | | | | |
| Economic capital, average | \$ 528 | 512 | 472 | 484 | 447 | 3 | 18 | | |
| Cash overhead efficiency ratio (Tax-equivalent) | 68.99% | 67.34 | 66.07 | 69.42 | 69.93 | | | 69.03% | % |
| Lending commitments | \$ 5,574 | 5,154 | 4,862 | 4,711 | 4,390 | 8 | 27 | | |
| Average loans, net | 14,180 | 13,595 | 12,849 | 12,052 | 11,204 | 4 | 27 | \$ 11,719 | 21% |
| Average core deposits | \$ 13,224 | 13,198 | 13,259 | 12,858 | 12,171 | | 9 | \$ 12,528 | 6% |
| FTE employees | 4,660 | 4,693 | 3,878 | 3,911 | 3,671 | (1)% | 27 | | |

Wealth Management Key Metrics

| (Dollars in millions) | 2005 | | | 2004 | | 3 Q 05 vs 2 Q 05 | 3 Q 05 vs 3 Q 04 |
|--|------------------|-------------------|------------------|-------------------|------------------|------------------------|------------------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | | |
| Investment assets under administration | \$ 123,820 | 122,488 | 120,706 | 119,582 | 107,750 | 1% | 15 |
| Assets under management (a) | \$ 65,642 | 64,907 | 64,606 | 64,673 | 58,692 | 1 | 12 |
| Client relationships | 45,381 | 50,409 | 55,721 | 56,522 | 52,543 | (10) | (14) |
| Wealth Management advisors | 971 | 962 | 1,004 | 987 | 951 | 1% | 2 |

(a) These assets are managed by and reported in Capital Management. Historical periods have been restated to reflect the transfer of assets from Wealth Management to other channels that best meet client needs.

Segment earnings of \$63 million, down 6% linked quarter and up 19% from 3Q04

Record revenues of \$339 million, up 4% and 24% from 3Q04

Net interest income rose 3% on loan growth of 4%; up 14% from 3Q04 including the impact of the SouthTrust merger

Fee and other income rose \$8 million, or 4%, on stronger insurance commissions

Reflects the full quarter impact of the Palmer & Cay acquisition and higher trust and investment management fees

Provision rose to \$6 million; however, overall credit quality of the portfolio remained stable

Expenses increased \$15 million, or 7%, and 23% from 3Q04

Reflects higher personnel expenses driven by Palmer & Cay and increased corporate contributions

(See Appendix, page 26 for further discussion of business unit results)

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Wachovia 3Q05 Quarterly Earnings Report

Corporate and Investment Bank

This segment includes Corporate Lending, Investment Banking, and Treasury and International Trade Finance.

Corporate and Investment Bank**Performance Summary**

| (Dollars in millions) | 2005 | | | 2004 | | Combined | | | |
|---|------------------|-------------------|------------------|-------------------|------------------|------------------------|------------------------|-----------|------------------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | 3 Q 05 vs 2 Q 05 | 3 Q 05 vs 3 Q 04 | 3 Q 04 | 3 Q 05 vs 3 Q 04 |
| Income statement data | | | | | | | | | |
| Net interest income (Tax-equivalent) | \$ 549 | 522 | 590 | 620 | 587 | 5% | (6) | \$ 592 | (7)% |
| Fee and other income | 1,011 | 789 | 979 | 684 | 786 | 28 | 29 | 793 | 27 |
| Intersegment revenue | (45) | (39) | (34) | (38) | (33) | 15 | 36 | (33) | 36 |
| Total revenue (Tax-equivalent) | 1,515 | 1,272 | 1,535 | 1,266 | 1,340 | 19 | 13 | 1,352 | 12 |
| Provision for credit losses | (3) | (8) | (3) | 4 | (15) | (63) | (80) | (13) | |
| Noninterest expense | 809 | 711 | 733 | 659 | 682 | 14 | 19 | 689 | 17 |
| Income taxes (Tax-equivalent) | 263 | 212 | 299 | 222 | 247 | 24 | 6 | 249 | 6 |
| Segment earnings | \$ 446 | 357 | 506 | 381 | 426 | 25% | 5 | \$ 427 | 4% |
| Performance and other data | | | | | | | | | |
| Economic profit | \$ 263 | 176 | 343 | 226 | 269 | 49% | (2) | | |
| Risk adjusted return on capital (RAROC) | 29.63% | 23.88 | 38.21 | 29.72 | 34.19 | | | | |
| Economic capital, average | \$ 5,603 | 5,486 | 5,112 | 4,806 | 4,603 | 2 | 22 | | |
| Cash overhead efficiency ratio (Tax-equivalent) | 53.39% | 55.86 | 47.77 | 52.08 | 50.86 | | | 50.90% | % |
| Lending commitments | \$ 93,338 | 88,944 | 81,118 | 81,461 | 75,732 | 5 | 23 | | |
| Average loans, net | 38,783 | 37,872 | 36,819 | 35,227 | 32,854 | 2 | 18 | \$ 34,398 | 13% |
| Average core deposits | \$ 24,797 | 22,495 | 20,912 | 21,009 | 18,597 | 10 | 33 | \$ 18,712 | 33% |
| FTE employees | 4,799 | 4,845 | 4,623 | 4,723 | 4,548 | (1)% | 6 | | |

Corporate and Investment Bank

Sub-segment Revenue

| (In millions) | 2005 | | | 2004 | | 3 Q 05 vs 2 Q 05 | 3 Q 05 vs 3 Q 04 |
|--|------------------|-------------------|------------------|-------------------|------------------|------------------------|------------------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | | |
| Investment Banking | \$ 925 | 715 | 807 | 651 | 776 | 29% | 19 |
| Corporate Lending | 348 | 322 | 485 | 361 | 322 | 8 | 8 |
| Treasury and International Trade Finance | 242 | 235 | 243 | 254 | 242 | 3 | |
| Total revenue (Tax-equivalent) | \$ 1,515 | 1,272 | 1,535 | 1,266 | 1,340 | 19% | 13 |
| Memoranda | | | | | | | |
| Total net trading revenue (Tax-equivalent) | \$ 308 | 196 | 298 | 230 | 170 | 57% | 81 |

Segment earnings of \$446 million, up 25% from 2Q05 and 5% from 3Q04

Revenue of \$1.5 billion increased 19% and 13% from 3Q04; up 12% from Combined 3Q04

Net interest income grew 5% on growth in trading assets, loans and deposits

Fee and other income increased 28% from 2Q05 on strength in principal investing and trading, high yield and investment grade originations and record M&A activity

Expenses increased 14% largely on higher revenue-based incentive costs

Increased 19% from 3Q04 reflecting higher revenue-based incentive and personnel costs associated with strategic hiring

FTEs up 251 from 3Q04

Average loans increased 2% linked quarter driven by growth in large corporate lending and international; average loans up 18% from 3Q04

(See Appendix, pages 27 - 29 for further discussion of business unit results)

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Wachovia 3Q05 Quarterly Earnings Report

Asset Quality**Asset Quality**

| (In millions) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 |
|--|---------------|----------------|---------------|----------------|---------------|-----------|-----------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | vs 2 Q 05 | vs 3 Q 04 |
| Nonperforming assets | | | | | | | |
| Nonaccrual loans | \$ 784 | 819 | 910 | 955 | 798 | (4)% | (2) |
| Foreclosed properties | 112 | 138 | 132 | 145 | 101 | (19) | 11 |
| Total nonperforming assets | \$ 896 | 957 | 1,042 | 1,100 | 899 | (6)% | |
| as % of loans, net and foreclosed properties | 0.37% | 0.42 | 0.46 | 0.49 | 0.51 | | |
| Nonperforming assets in loans held for sale | \$ 59 | 111 | 159 | 157 | 57 | (47)% | 4 |
| Total nonperforming assets in loans and in loans held for sale | \$ 955 | 1,068 | 1,201 | 1,257 | 956 | (11)% | |
| as % of loans, net, foreclosed properties and loans held for sale | 0.37% | 0.44 | 0.50 | 0.53 | 0.50 | | |
| Allowance for credit losses (a) | | | | | | | |
| Allowance for loan losses, beginning of period | \$ 2,718 | 2,732 | 2,757 | 2,324 | 2,331 | (1)% | 17 |
| Balance of acquired entity at purchase date | | | | 510 | | | |
| Net charge-offs | (59) | (51) | (46) | (115) | (65) | 16 | (9) |
| Allowance relating to loans transferred or sold | (26) | (11) | (13) | (51) | 3 | | |
| Provision for credit losses related to loans transferred or sold (b) | 12 | | 1 | (6) | (8) | | |
| Provision for credit losses | 74 | 48 | 33 | 95 | 63 | 54 | 17 |
| Allowance for loan losses, end of period | 2,719 | 2,718 | 2,732 | 2,757 | 2,324 | | 17 |
| Reserve for unfunded lending commitments, beginning of period | 158 | 156 | 154 | 134 | 146 | 1 | 8 |
| Provision for credit losses | (4) | 2 | 2 | 20 | (12) | | (67) |
| Reserve for unfunded lending commitments, end of period | 154 | 158 | 156 | 154 | 134 | (3) | 15 |
| Allowance for credit losses | \$ 2,873 | 2,876 | 2,888 | 2,911 | 2,458 | % | 17 |
| Allowance for loan losses | | | | | | | |
| as % of loans, net | 1.13% | 1.18 | 1.20 | 1.23 | 1.33 | | |
| as % of nonaccrual and restructured loans (c) | 347 | 332 | 300 | 289 | 291 | | |
| as % of nonperforming assets (c) | 303 | 284 | 262 | 251 | 258 | | |
| Allowance for credit losses | | | | | | | |

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| as % of loans, net | 1.20% | 1.25 | 1.27 | 1.30 | 1.41 | | |
|---|--------------|------|------|------|------|-----|-----|
| Net charge-offs | \$ 59 | 51 | 46 | 115 | 65 | 16% | (9) |
| Commercial, as % of average commercial | 0.05% | 0.03 | 0.00 | 0.20 | 0.05 | | |
| Consumer, as % of average consumer loans | 0.18 | 0.18 | 0.19 | 0.28 | 0.30 | | |
| Total, as % of average loans, net | 0.10% | 0.09 | 0.08 | 0.23 | 0.15 | | |
| Past due loans, 90 days and over, and nonaccrual loans (c) | | | | | | | |
| Commercial, as a % of loans, net | 0.43% | 0.45 | 0.50 | 0.56 | 0.57 | | |
| Consumer, as a % of loans, net | 0.71% | 0.77 | 0.80 | 0.80 | 0.89 | | |

- (a) The allowance for credit losses is the sum of the allowance for loan losses and the reserve for unfunded lending commitments.
(b) The provision related to loans transferred or sold includes recovery of lower of cost or market losses.
(c) These ratios do not include nonperforming assets included in loans held for sale.

Key Points

Total NPAs declined to a record low 37 bps

Provision expense of \$82 million increased \$32 million and included \$12 million relating to loan sales; increased \$39 million from 3Q04

Net charge-offs of \$59 million, or 10 bps of average loans, increased \$8 million

Allowance for loan losses totaled \$2.7 billion, or 1.13% of net loans, reflecting high quality loan portfolio

Allowance for loan losses to nonaccrual loans increased to 347% vs. 332% in 2Q05

Unallocated portion of the allowance increased to \$135 million from \$90 million in 2Q05

(See Appendix, pages 31 - 33 for further detail)

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Wachovia 3Q05 Quarterly Earnings Report

2005 Full Year Outlook**Economic Assumptions for Full-Year 2005**

| | <u>Jan 19 Estimate</u> | <u>Current</u> |
|-------------------------------------|------------------------|----------------|
| Real GDP Growth | 3.30% | 3.50% |
| Inflation (CPI) | 2.80% | 3.70% |
| Fed Funds (at DEC 2005) | 3.25% | 4.25% |
| 10 Year Treasury Bond (at Dec 2005) | 4.50% | 4.50% |
| S&P 500 (at DEC 2005) | 6.00% | YTD flat |

Denotes update to outlook

(Versus Combined Full-Year 2004 Unless Otherwise Noted)

| | <u>Combined 2004 (1)</u> | <u>2005 Outlook</u> |
|-------------------------------|--------------------------|--|
| Net Interest Income (TE) | \$ 13.6 billion | Expected % growth in low single digits |
| Net Interest Margin | 3.42% | Expected to decline 15 - 20 bps; slight improvement expected 3Q05 to 4Q05 |
| Fee Income | \$ 11.4 billion | Anticipate % growth in high single digits |
| Noninterest Expense (2) | \$ 15.4 billion | Expected % growth flat to down slightly |
| | | Reflects estimated \$250 million and \$250 million, respectively, of incremental expense savings relating to SouthTrust and retail brokerage integration, as well as approximately \$150 million relating to our efficiency initiative |
| Minority Interest Expense (2) | \$ 297 million | Expected 3.0 - 3.5% of pre-tax income (3) |
| Loans | \$ 202,263 million | Expect low teens % growth |
| | \$ 81,257 million | Consumer low-to-mid teens % growth |
| | \$ 121,006 million | Commercial high single digits % growth |
| Net Charge-offs | 19 bps | 10-20 bps of average net loans range |
| | | Provision expected to be within this range |
| Effective Tax Rate | 33.81% | Approximately 34.0 - 34.5 (tax-equivalent) |
| Leverage Ratio | | Target > 6.00% |

Dividend Payout Ratio

40% - 50% of earnings (before merger-related and restructuring expenses, and other intangible amortization)

Excess Capital

Opportunistically repurchase shares; authorization for 124 million shares remaining

Financially attractive, shareholder friendly acquisitions

-
- (1) Represents Combined data, calculated as if Wachovia and SouthTrust had merged on 1/1/04. See Wachovia's Current Report on Form 8-K dated 1/19/05 for further information
 - (2) Before merger-related and restructuring expenses
 - (3) Before minority interest expense

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Wachovia 3Q05 Quarterly Earnings Report

Summary Operating Results

Business segment results are presented excluding (i) merger-related and restructuring expenses, (ii) deposit base intangible and other intangible amortization expense, and (iii) the cumulative effect of a change in accounting principle. This is the basis on which we manage and allocate capital to our business segments. We continuously assess assumptions, methodologies and reporting classifications to better reflect the true economics of our business segments.

We continuously update segment information for changes that occur in the management of our businesses. In 1Q05, we transferred certain insurance brokerage business lines to Wealth Management from Capital Management and have updated information for 2004 to reflect this change. The impact to segment earnings for full year 2004 as a result of this and other changes was a \$7 million decrease in the General Bank, a \$5 million decrease in Capital Management, a \$7 million increase in Wealth Management, a \$42 million decrease in the Corporate and Investment Bank and a \$47 million increase in the Parent. Additionally, in 1Q05 we updated the presentation for all periods of sub-segment results for the Corporate and Investment Bank to be more consistent with the management of these business lines. Specifically, Loan Syndications was moved from Corporate Lending to Investment Banking and the formerly separate Principal Investing sub-segment was combined with Investment Banking. The impact to previously reported sub-segment earnings for full year 2004 was a reduction of \$99 million for Corporate Lending and a net increase of \$73 million for Investment Banking, including a \$133 million loss from the Principal Investing sub-segment which was combined with the Investment Banking sub-segment.

In a rising rate environment, Wachovia benefits from a widening spread between deposit costs and wholesale funding costs. However, our funds transfer pricing (FTP) system, described below, credits this benefit to a deposit-providing business on a lagged basis. The effect of the FTP system results in rising charges to business units for funding to support predominantly floating rate assets. This benefit of higher rates earned on floating-rate assets and lagging rates on longer duration deposits is captured in the central money book in the Parent segment.

In order to remove interest rate risk from each core business segment, the management reporting model employs a FTP system. The FTP system matches the duration of the funding used by each segment to the duration of the assets and liabilities contained in each segment. Matching the duration, or the effective term until an instrument can be repriced, allocates interest income and/or interest expense to each segment so its resulting net interest income is insulated from interest rate risk.

As previously disclosed, the FASB has been discussing several matters relating to leveraged lease accounting and uncertain tax positions. On July 14, 2005, the FASB issued a proposed FASB Staff Position (FSP) that would amend SFAS 13 to provide that changes affecting the timing of cash flows but not the total net income under a leveraged lease will trigger a recalculation of the lease. The FASB has also issued a proposed FASB Interpretation, Uncertain Tax Positions, to clarify the criteria for recognition of income tax benefits in accordance with SFAS No. 109, Accounting for Income Taxes. Please see pages 24-25 of Exhibit 19 to Wachovia's 2005 Second Quarter Report on Form 10-Q for a discussion of these FASB proposals.

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Wachovia 3Q05 Quarterly Earnings Report

Net Interest Income

(See Table on Page 6)

| Net Interest Income Summary (In millions) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 | Combined | |
|--|------------|---------|---------|---------|---------|--------|--------|------------|--------|
| | Third | Second | First | Fourth | Third | vs | vs | 3 Q 05 | 3 Q 05 |
| | Quarter | Quarter | Quarter | Quarter | Quarter | 2 Q 05 | 3 Q 04 | 3 Q 04 | 3 Q 04 |
| Average earning assets | \$ 431,346 | 422,534 | 421,047 | 397,490 | 359,909 | 2% | 20 | \$ 408,974 | 5% |
| Average interest-bearing liabilities | 375,782 | 367,828 | 365,516 | 343,489 | 314,310 | 2 | 20 | 356,866 | 5 |
| Interest income (Tax-equivalent) | 6,113 | 5,755 | 5,514 | 5,029 | 4,364 | 6 | 40 | 4,965 | 23 |
| Interest expense | 2,657 | 2,344 | 2,040 | 1,672 | 1,336 | 13 | 99 | 1,514 | 75 |
| Net interest income (Tax-equivalent) | \$ 3,456 | 3,411 | 3,474 | 3,357 | 3,028 | 1% | 14 | \$ 3,451 | % |
| Average rate earned | 5.64% | 5.46 | 5.27 | 5.05 | 4.84 | | | | |
| Equivalent rate paid | 2.44 | 2.23 | 1.96 | 1.68 | 1.48 | | | | |
| Net interest margin | 3.20% | 3.23 | 3.31 | 3.37 | 3.36 | | | 3.37% | |

Net interest income of \$3.5 billion increased \$45 million on average earning asset growth and improved deposit spreads; rose \$428 million from 3Q04 reflecting the addition of SouthTrust. Results were flat from Combined 3Q04 as deposit and loan growth was offset by margin compression resulting from a flatter yield curve.

Net interest margin declined 3 bps to 3.20%. The margin continued to benefit from deposit spread widening, which offset lower derivatives income and compressed spreads on securities. Unusually strong growth in our securitization pipelines produced warehouse growth funded with wholesale liabilities, accounting for the 3 bps reduction to the margin. Net interest margin declined 16 bps from 3Q04, driven by growth in structured products and mortgage warehouses, increased low-yielding trading assets, and lower income on derivatives, partially offset by wider deposit spreads.

In order to maintain our targeted interest rate risk profile, derivative positions are used to hedge the repricing risk inherent in balance sheet positions. The contribution of hedge-related derivatives, primarily on fixed rate liabilities and floating rate loans, offset effects on income from balance sheet positions. In 3Q05, net hedge-related derivative income contributed 8 bps to the net interest margin vs. 12 bps in 2Q05 and 30 bps in 3Q04.

Average trading assets increased 6% and 5% from 3Q04, primarily the result of increased structured products activity.

Average securities were flat linked quarter and grew \$13.4 billion from 3Q04 reflecting the addition of SouthTrust. Average securities increased 2%, or \$1.9 billion, from Combined 3Q04.

Average loans rose 2% and 36% from 3Q04. On a Combined basis, average loans rose 12%, or 4% excluding loan sales, purchases, and transfers. **Average commercial loans were up 1%, with growth in large corporate and middle market commercial, and grew 37% from 3Q04.** On a Combined basis, average commercial loans were up 8% on large corporate and middle-market commercial growth. **Average consumer loans increased 4%, and grew 3% excluding net loan sales and activity in the investment mortgage portfolio. Additionally, net mortgage purchases of an average \$2.6 billion replaced runoff of an average \$1.6 billion in the investment mortgage portfolio.** **Consumer loans grew 34% from 3Q04.** On a Combined basis, average consumer loans rose \$14.3 billion driven by the 4Q04 transfer of \$9.2 billion in prime equity lines from loans held for sale. **Average loans held for sale increased \$2.5 billion, reflecting growth in securitization warehouses and the 3Q05 transfer of \$562 million of loans into the portfolio from held for sale. Additionally, we originated \$7.5 billion of mortgages and delivered \$4.1 billion to agencies in 3Q05.**

Average other earning assets declined 1% on lower interest-bearing bank balances and federal funds sold. Total average earning assets grew \$71.4 billion from 3Q04, primarily driven by the SouthTrust merger. Total average earning assets grew \$22.4 million, or 5%, from Combined 3Q04, driven by a \$23.7 billion increase in loans and \$1.9 billion in securities.

Average core deposits increased \$5.4 billion, or 2%, on \$2.9 billion growth in consumer CDs as well as growth in money market and interest checking. Core deposits rose 20% from 3Q04. On a Combined basis, core deposits rose \$20.1 billion driven by growth in low-cost core deposits. Average short-term borrowings were flat linked quarter and rose \$7.1 billion from 3Q04 reflecting the SouthTrust merger; and on a Combined basis increased \$3.0 billion. Average long-term debt declined 1%, or \$326 million, and grew 20% from 3Q04. On a Combined basis increased \$1.0 billion reflecting previous debt issuances.

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Wachovia 3Q05 Quarterly Earnings Report

The following tables provide additional detail on our consumer loans.

Average Consumer Loans Total Corporation

| (In millions) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 | Combined | |
|-----------------------------|------------------|---------------|---------------|---------------|---------------|-----------|-----------|------------------|------------|
| | Third | Second | First | Fourth | Third | vs | vs | 3 Q 05 | 3 Q 04 |
| | Quarter | Quarter | Quarter | Quarter | Quarter | 2 Q 05 | 3 Q 04 | 3 Q 04 | 3 Q 04 |
| Mortgage | \$ 33,398 | 30,842 | 30,479 | 28,705 | 26,299 | 8% | 27 | | |
| Home equity loans | 29,345 | 28,095 | 27,533 | 26,725 | 25,061 | 4 | 17 | | |
| Home equity lines | 15,345 | 15,862 | 16,646 | 6,653 | 2,928 | (3) | | | |
| Student | 11,267 | 10,995 | 11,003 | 10,560 | 10,145 | 2 | 11 | | |
| Installment | 3,405 | 3,359 | 3,384 | 3,380 | 3,211 | 1 | 6 | | |
| Other consumer loans | 3,563 | 3,533 | 4,427 | 3,905 | 4,048 | 1 | (12) | | |
| Total consumer loans | \$ 96,323 | 92,686 | 93,472 | 79,928 | 71,692 | 4% | 34 | \$ 81,992 | 17% |

Period-End On-Balance Sheet Consumer Loans

| (In millions) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 | Combined | |
|--|-------------------|----------------|----------------|----------------|---------------|-----------|-----------|-------------------|-----------|
| | Third | Second | First | Fourth | Third | vs | vs | 3 Q 05 | 3 Q 04 |
| | Quarter | Quarter | Quarter | Quarter | Quarter | 2 Q 05 | 3 Q 04 | 3 Q 04 | 3 Q 04 |
| On-balance sheet loan portfolio | \$ 98,331 | 93,824 | 92,234 | 92,313 | 71,582 | 5% | 37 | \$ 82,195 | 20% |
| Securitized loans included in securities | 4,364 | 4,589 | 4,781 | 5,033 | 9,104 | (5) | (52) | 9,104 | (52) |
| Loans held for sale | 13,999 | 12,748 | 13,056 | 10,876 | 15,762 | 10 | (11) | 16,445 | (15) |
| Total consumer loan assets | \$ 116,694 | 111,161 | 110,071 | 108,222 | 96,448 | 5% | 21 | \$ 107,744 | 8% |

We hold consumer loans on our balance sheet in our consumer loan portfolio, in securitized form in our securities portfolio and in loans held for sale. On-balance sheet total period-end consumer loan assets of \$116.7 billion increased 5% and rose 21% from 3Q04 driven by the addition of SouthTrust. On a Combined basis, consumer loan assets increased 8%.

We originated \$7.5 billion of mortgages in 3Q05 and \$21.3 billion since 3Q04. We delivered \$4.1 billion of mortgages to agencies in 3Q05 and \$13.1 billion since 3Q04. Combined originations were \$22 billion and Combined deliveries were \$13.4 billion since 3Q04. Residential

loans serviced, including loans we originated, totaled \$35.4 billion at 3Q05 vs. \$26.4 billion at 2Q05 and \$6.7 billion at 3Q04.

The following table provides additional period-end balance sheet data.

| Period-End Balance Sheet Data (In millions) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 | Combined | |
|---|------------------|-------------------|------------------|-------------------|------------------|--------|--------|--------------|--------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | vs | vs | 3 Q 05 vs | |
| | | | | | | 2 Q 05 | 3 Q 04 | 3 Q 04 | 3 Q 04 |
| Commercial loans, net | \$ 141,063 | 136,115 | 134,696 | 131,196 | 102,524 | 4% | 38 | \$ 129,107 | 9% |
| Consumer loans, net | 98,670 | 94,172 | 92,570 | 92,644 | 71,980 | 5 | 37 | 82,562 | 20 |
| Loans, net | 239,733 | 230,287 | 227,266 | 223,840 | 174,504 | 4 | 37 | 211,669 | 13 |
| Goodwill and other intangible assets | | | | | | | | | |
| Goodwill | 21,857 | 21,861 | 21,635 | 21,526 | 11,481 | | 90 | 21,418 | 2 |
| Deposit base | 779 | 861 | 951 | 1,048 | 484 | (10) | 61 | 1,224 | (36) |
| Customer relationships | 416 | 427 | 387 | 443 | 372 | (3) | 12 | 372 | 12 |
| Tradenname | 90 | 90 | 90 | 90 | 90 | | | 90 | |
| Total assets | 532,381 | 511,840 | 506,833 | 493,324 | 436,698 | 4 | 22 | 500,222 | 6 |
| Core deposits | 287,732 | 275,281 | 273,883 | 274,588 | 237,315 | 5 | 21 | 265,164 | 9 |
| Total deposits | 320,439 | 299,910 | 297,657 | 295,053 | 252,981 | 7 | 27 | 290,202 | 10 |
| Stockholders equity | \$ 46,757 | 47,904 | 46,467 | 47,317 | 33,897 | (2)% | 38 | \$ 48,064 | (3)% |
| Memoranda | | | | | | | | | |
| Unrealized gains (Before income taxes) | | | | | | | | | |
| Securities, net | \$ 121 | 1,491 | 509 | 1,762 | 1,989 | | | | |
| Risk management derivative financial instruments, net | 372 | 934 | 404 | 792 | 1,002 | | | | |
| Unrealized gains, net (Before income taxes) | \$ 493 | 2,425 | 913 | 2,554 | 2,991 | | | | |

Unrealized net securities gains declined to \$121 million, down from \$1.5 billion in 2Q05, due to the effect of higher rates.

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Wachovia 3Q05 Quarterly Earnings Report

Fee and Other Income

(See Table on Page 7)

Fee and other income of \$3.2 billion increased \$265 million, or 9%, from 2Q05, and increased 25% from 3Q04. Fees grew in all fee categories except securities gains (losses). Fees represented 48% of total revenue in 3Q05 and 47% in 2Q05. Fees increased 17% vs. Combined 3Q04.

Service charges increased 5% to \$555 million on 9% growth in consumer DDA charges and 3% growth in commercial service charges. Service charges rose 11% from 3Q04 driven by the addition of SouthTrust. Service charges declined 2% from Combined 3Q04, largely reflecting higher earnings credit rates paid on commercial compensating DDA balances related to rising short-term rates. Consumer service charges grew 4% from Combined 3Q04.

Other banking fees of \$385 million were up 8%, primarily related to higher mortgage banking income, increased interchange income and higher international trade finance income. Growth of 23% from 3Q04 was partially due to the addition of SouthTrust. Compared with Combined 3Q04 results, other banking fees increased 8% on higher interchange income and stronger mortgage banking income.

Commissions of \$615 million were up 2% on slight improvement in retail brokerage activity and a full quarter of the Palmer & Cay acquisition, which closed on May 6, 2005. Commissions increased 8% from 3Q04. Compared with Combined 3Q04 results, commissions grew 7%, primarily due to the addition of Palmer & Cay as well as modest improvement in retail brokerage activity.

Fiduciary and asset management fees of \$732 million increased 1% and were up 10% vs. 3Q04. On a Combined basis, fiduciary and asset management fees grew 8% vs. 3Q04 as strong growth in brokerage managed accounts was partially offset by the effect of lower money market mutual fund assets.

Advisory, underwriting and other investment banking fees of \$294 million increased 14% from a strong 2Q05, on strong results in structured products, high yield, investment grade and record M&A activity, partially offset by lower fees in loan syndications versus a record 2Q05. Results were up 24% from 3Q04 largely on strength in structured products and M&A.

Trading account profits of \$146 million increased \$129 million from a very weak 2Q05, on stronger results in interest rate products as well as gains on economic hedges against non-trading assets (2Q05 included losses on such hedges). Trading account profits were up \$206 million from 3Q04 losses, which reflected losses in interest rate products and on economic hedges.

Principal investing recorded net gains of \$166 million, up \$125 million from 2Q05, due to stronger gains in the direct portfolio as well as strong fund results. Results were down \$35 million vs. 3Q04, which reflected strong direct gains.

Net securities gains were \$29 million in 3Q05, including \$65 million in impairment losses, versus 2Q05 net gains of \$136 million, including \$49 million in impairment losses. Results reflect \$22 million of net gains in the investment portfolio and \$7 million in net gains in the Corporate and Investment Bank. In 2Q05, we recorded \$93 million of net gains in the investment portfolio and \$42 million of net gains in the Corporate and Investment Bank. Net securities losses in 3Q04 were \$71 million and included \$18 million in impairment losses.

Other income of \$320 million increased \$8 million. Mortgage and home equity sale and securitization income of \$64 million was up from \$54 million in 2Q05. Affordable housing write-downs were \$15 million in 3Q05 vs. \$37 million in 2Q05. These positive variances were largely offset by the effect of a 2Q05 gain of \$41 million on a structured products consumer loan transaction.

Other income increased \$74 million vs. 3Q04 driven in part by the impact of the SouthTrust merger. Compared with Combined 3Q04, other income increased \$40 million, largely reflecting a \$25 million increase in securitization income and \$11 million increase related to corporate investments.

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Wachovia 3Q05 Quarterly Earnings Report

Noninterest Expense

(See Table on Page 8)

Total noninterest expense increased 6% on higher salaries and employee benefits expense and sundry expense, and increased 9% vs. 3Q04 driven by the merger with SouthTrust. 3Q05 included \$26 million in identified costs associated with our efficiency initiatives, vs. \$16 million in 2Q05. Excluding the effect of merger-related and restructuring expenses and other intangible amortization, expenses were up 6%. Compared with Combined 3Q04 results, expenses were down 5%, and excluding the effect of merger-related and restructuring expenses and other intangible amortization, expenses were up 3% vs. 3Q04.

Salaries and employee benefits expense increased 7% vs. 2Q05 and 17% vs. 3Q04, reflecting higher revenue-based incentives expense and a full quarter's effect of higher salaries related to annual merit increases. The year-over-year comparison also reflects the addition of SouthTrust. Sundry expense increased \$67 million, reflecting \$25 million in corporate contributions and the effect of a 2Q05 franchise tax settlement. Other intangible amortization of \$101 million included \$81 million in deposit base intangible amortization and \$20 million in other intangible amortization.

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Wachovia 3Q05 Quarterly Earnings Report

General Bank

This segment consists of the Retail and Small Business, and Commercial operations.

(See Table on Page 10)

Retail and Small Business

This sub-segment includes Retail Banking, Small Business Banking, Wachovia Mortgage, Wachovia Home Equity, Educaid and other retail businesses.

Retail and Small Business**Performance Summary**

| (In millions) | 2005 | | | 2004 | | 3 Q 05 vs 2 Q 05 | 3 Q 05 vs 3 Q 04 | Combined | |
|--------------------------------------|------------------|-------------------|------------------|-------------------|------------------|------------------------|------------------------|----------|------------------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | | | 3 Q 04 | 3 Q 05 vs 3 Q 04 |
| Income statement data | | | | | | | | | |
| Net interest income (Tax-equivalent) | \$ 1,680 | 1,660 | 1,622 | 1,562 | 1,392 | 1% | 21 | \$ 1,600 | 5% |
| Fee and other income | 657 | 586 | 572 | 564 | 499 | 12 | 32 | 609 | 8 |
| Intersegment revenue | 15 | 16 | 14 | 14 | 15 | (6) | | 16 | (6) |
| Total revenue (Tax-equivalent) | 2,352 | 2,262 | 2,208 | 2,140 | 1,906 | 4 | 23 | 2,225 | 6 |
| Provision for credit losses | 54 | 58 | 53 | 67 | 56 | (7) | (4) | 59 | (8) |
| Noninterest expense | 1,273 | 1,226 | 1,233 | 1,219 | 1,077 | 4 | 18 | 1,285 | (1) |
| Income taxes (Tax-equivalent) | 376 | 359 | 339 | 310 | 280 | 5 | 34 | 319 | 18 |
| Segment earnings | \$ 649 | 619 | 583 | 544 | 493 | 5% | 32 | \$ 562 | 15% |
| Performance and other data | | | | | | | | | |
| Economic profit | \$ 557 | 529 | 490 | 460 | 413 | 5% | 35 | | |
| | 77.49% | 74.55 | 69.59 | 68.94 | 69.70 | | | | |

| Risk adjusted return on capital (RAROC) | | | | | | | | | |
|---|------------|---------|---------|---------|---------|----|----|------------|----|
| Economic capital, average | \$ 3,328 | 3,336 | 3,388 | 3,158 | 2,804 | | | | 19 |
| Cash overhead efficiency ratio (Tax-equivalent) | 54.13% | 54.24 | 55.86 | 56.96 | 56.50 | | | 57.77% | % |
| Average loans, net | \$ 85,236 | 84,087 | 83,560 | 79,479 | 72,027 | 1 | 18 | \$ 80,667 | 6% |
| Average core deposits | \$ 166,296 | 163,457 | 159,097 | 148,790 | 130,849 | 2% | 27 | \$ 153,822 | 8% |

Net interest income was up 1% linked quarter on 2% growth in average core deposits primarily driven by growth in interest checking and consumer CDs. Average loans outstanding increased 1% on strength in mortgage and home equity as well as student loans. Net interest income rose 21% from 3Q04, and loans and deposits grew 18% and 27%, respectively, largely reflecting the addition of SouthTrust. Compared with Combined 3Q04 results, net interest income increased 5%, driven by 8% growth in core deposits and 6% growth in loans in all categories except mortgage and installment.

Fee and other income grew 12% linked quarter driven by stronger consumer service charges, mortgage banking fees and interchange fees. Fee and other income rose 32% from 3Q04, largely reflecting the addition of SouthTrust. When compared with Combined 3Q04 results, fee and other income grew 8% on improvements across the board. Additionally, small business commercial service charges were lower due to customers compensating balances covering more fees due to higher earnings credit rates.

Mortgage-related fee and other income of \$81 million increased 73% linked quarter and 138% from 3Q04. 3Q05 results included \$29 million in net gains on mortgage deliveries and servicing sales compared with \$6 million in 2Q05 and \$8 million in 3Q04. 3Q05 results also included \$6 million in impairment and increased amortization of mortgage services rights vs. \$12 million in 2Q05. Compared with Combined results, mortgage-related income was up 48% from 3Q04, which included \$13 million in net gains on mortgage deliveries and servicing sales.

Noninterest expense increased 4% linked quarter due to higher revenue based incentives, corporate contributions, efficiency initiative costs and de novo branching costs. Expenses rose 18% from 3Q04 largely reflecting the addition of SouthTrust. Compared with Combined 3Q04 results, expenses declined 1% largely reflecting merger-related efficiencies.

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Wachovia 3Q05 Quarterly Earnings Report

General Bank - Retail and Small Business Loan Production**Retail and Small Business**

| (In millions) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 |
|---------------------------------|------------------|----------------|---------------|----------------|---------------|-----------|-----------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | vs 2 Q 05 | vs 3 Q 04 |
| Loan production | | | | | | | |
| Mortgage | \$ 7,501 | 5,890 | 4,298 | 3,635 | 3,320 | 27% | 126 |
| Home equity | 9,053 | 8,408 | 7,849 | 7,083 | 7,612 | 8 | 19 |
| Student | 1,316 | 684 | 995 | 604 | 832 | 92 | 58 |
| Installment | 187 | 176 | 154 | 101 | 117 | 6 | 60 |
| Other retail and small business | 1,109 | 1,017 | 1,150 | 1,024 | 1,117 | 9 | (1) |
| Total loan production | \$ 19,166 | 16,175 | 14,446 | 12,447 | 12,998 | 18% | 47 |

The above table does not include SouthTrust results for 2004. Loan production increased 18% linked quarter to \$19.2 billion on stronger mortgage and home equity production as well as a seasonal increase in student lending and higher small business production.

Wachovia.com/SouthTrust.com**Wachovia.com/SouthTrust.com**

| (In thousands) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 |
|---|---------------|----------------|---------------|----------------|---------------|-----------|-----------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | vs 2 Q 05 | vs 3 Q 04 |
| Online product and service enrollments | | | | | | | |
| Retail | 9,375 | 8,831 | 8,569 | 8,063 | 7,842 | 6% | 20 |
| Wholesale | 541 | 513 | 482 | 452 | 440 | 5 | 23 |
| Total online product and service enrollments | 9,916 | 9,344 | 9,051 | 8,515 | 8,282 | 6 | 20 |
| Enrollments per quarter | 614 | 507 | 474 | 305 | 906 | 21 | (32) |

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| | | | | | | | |
|--|---------|------|------|------|------|-----|----|
| Dollar value of transactions (In billions) | \$ 28.8 | 25.3 | 29.6 | 25.3 | 21.9 | 14% | 32 |
|--|---------|------|------|------|------|-----|----|

The above table does not include SouthTrust results for 2004.

Wachovia Contact Center

Wachovia Contact Center Metrics

| (In millions) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 |
|---|---------------|----------------|---------------|----------------|---------------|-----------|-----------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | vs 2 Q 05 | vs 3 Q 04 |
| Customer calls to | | | | | | | |
| Person | 10.7 | 10.4 | 9.9 | 9.6 | 9.5 | 3% | 13 |
| Voice response unit | 48.7 | 47.8 | 47.4 | 38.1 | 36.4 | 2 | 34 |
| Total calls | 59.4 | 58.2 | 57.3 | 47.7 | 45.9 | 2 | 29 |
| % of calls handled in 30 seconds or less (Target 70%) | 53% | 65 | 68 | 75 | 78 | % | |

2005 represents combined company data, except for the last line. Data for 2004 is for Wachovia only.

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Wachovia 3Q05 Quarterly Earnings Report

Commercial

This sub-segment includes Business Banking, Middle-Market Commercial, Commercial Real Estate and Government Banking.

Commercial**Performance Summary**

| (In millions) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 | Combined | |
|--|------------------|-------------------|------------------|-------------------|------------------|--------------|--------------|-----------|------------------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | vs 2 Q 05 | vs 3 Q 04 | 3 Q 04 | 3 Q 05 vs 3 Q 04 |
| Income statement data | | | | | | | | | |
| Net interest income (Tax-equivalent) | \$ 754 | 749 | 738 | 722 | 593 | 1% | 27 | \$ 756 | % |
| Fee and other income | 103 | 101 | 112 | 96 | 102 | 2 | 1 | 116 | (11) |
| Intersegment revenue | 41 | 33 | 29 | 33 | 28 | 24 | 46 | 28 | 46 |
| Total revenue (Tax-equivalent) | 898 | 883 | 879 | 851 | 723 | 2 | 24 | 900 | |
| Provision for credit losses | 23 | 10 | 4 | 40 | 18 | | 28 | 35 | (34) |
| Noninterest expense | 311 | 288 | 312 | 306 | 285 | 8 | 9 | 328 | (5) |
| Income taxes (Tax-equivalent) | 207 | 215 | 206 | 183 | 153 | (4) | 35 | 195 | 6 |
| Segment earnings | \$ 357 | 370 | 357 | 322 | 267 | (4)% | 34 | \$ 342 | 4% |
| Performance and other data | | | | | | | | | |
| Economic profit | \$ 218 | 226 | 209 | 208 | 179 | (4)% | 22 | | |
| Risk adjusted return on capital (RAROC) | 34.43% | 35.90 | 34.10 | 36.14 | 41.63 | | | | |
| Economic capital, average | \$ 3,691 | 3,645 | 3,674 | 3,290 | 2,319 | 1 | 59 | | |
| Cash overhead efficiency ratio (Tax-equivalent) | 34.64% | 32.61 | 35.44 | 35.94 | 39.41 | | | 36.45% | % |
| Average loans, net | \$ 78,565 | 77,687 | 75,873 | 67,499 | 52,660 | 1 | 49 | \$ 74,526 | 5% |
| Average core deposits | \$ 42,422 | 42,357 | 42,676 | 42,831 | 39,339 | % | 8 | \$ 42,315 | % |

Net interest income was up 1% linked quarter on loan growth of 1% and growth in deposits driven by interest checking. Core deposits remained stable as the shift of money market balances to off-balance sheet alternatives stabilized. Net interest income rose 27% from 3Q04, and loans and deposits rose 49% and 8%, respectively, largely reflecting the addition of SouthTrust. Compared with Combined 3Q04 results, net interest income remained stable as loan growth of 5% was offset by decreasing loan spreads.

Fee and other income grew 2% linked quarter driven by seasonally higher service charges. Fee and other income increased 1% from 3Q04 and reflects the addition of SouthTrust offset somewhat by higher earnings credit rates applied to compensating balances. Compared with Combined 3Q04 results, fee and other income declined 11%, reflecting higher earnings credit rates.

Noninterest expense rose 8% vs. 2Q05 driven largely by higher legal costs, loan costs, efficiency initiative costs and corporate contributions. Noninterest expense rose 9% vs. 3Q04, largely reflecting the addition of SouthTrust. Compared with Combined 3Q04 results, noninterest expense declined 5%, largely the result of expense efficiencies related to the SouthTrust merger.

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Wachovia 3Q05 Quarterly Earnings Report

Capital Management

This segment includes Retail Brokerage Services and Asset Management.

(See Table on Page 11)

Retail Brokerage Services**Retail Brokerage Services****Performance Summary**

| (In millions) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 |
|---|------------------|-------------------|------------------|-------------------|------------------|--------------|--------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | vs 2 Q 05 | vs 3 Q 04 |
| Income statement data | | | | | | | |
| Net interest income (Tax-equivalent) | \$ 157 | 144 | 147 | 147 | 144 | 9% | 9 |
| Fee and other income | 939 | 925 | 926 | 945 | 873 | 2 | 8 |
| Intersegment revenue | (10) | (12) | (11) | (9) | (12) | 17 | 17 |
| Total revenue (Tax-equivalent) | 1,086 | 1,057 | 1,062 | 1,083 | 1,005 | 3 | 8 |
| Provision for credit losses | | | | | | | |
| Noninterest expense | 887 | 875 | 881 | 920 | 880 | 1 | 1 |
| Income taxes (Tax-equivalent) | 75 | 66 | 67 | 60 | 44 | 14 | 70 |
| Segment earnings | \$ 124 | 116 | 114 | 103 | 81 | 7% | 53 |
| Performance and other data | | | | | | | |
| Economic profit | \$ 92 | 85 | 82 | 70 | 51 | 8% | 80 |
| Risk adjusted return on capital (RAROC) | 42.55% | 40.59 | 39.55 | 34.58 | 29.34 | | |
| Economic capital, average | \$ 1,156 | 1,154 | 1,169 | 1,183 | 1,086 | | 6 |
| Cash overhead efficiency ratio (Tax-equivalent) | 81.92% | 82.58 | 83.03 | 85.08 | 87.50 | | |
| Average loans, net | \$ 354 | 334 | 303 | 302 | 297 | 6 | 19 |
| Average core deposits | \$ 28,307 | 29,040 | 30,427 | 30,247 | 27,984 | (3)% | 1 |

Net interest income of \$157 million increased 9% as improved deposit pricing more than offset a 3% decline in average core deposits. Net interest income grew 9% from 3Q04, with the year-over-year increase driven by improved deposit spreads and a 1% increase in average core deposits associated with the movement of money market fund balances to the FDIC-insured sweep product.

Fee and other income increased 2% linked quarter on higher commissions from retail transaction activity and higher recurring fees, including managed account fees. Fees grew 8% from 3Q04 on higher managed account fees, driven by managed account asset growth of 32% and higher commissions from retail transaction activity.

Noninterest expense increased 1% linked quarter on higher volume-based incentives and was up 1% year-over-year as higher volume-based incentives were partially offset by efficiencies achieved from the now-completed retail brokerage integration.

Retail Brokerage Transaction

The Retail Brokerage Services sub-segment results shown in the above table include 100% of the results of the Wachovia Securities retail brokerage transaction, which is the combination of Wachovia's and Prudential Financial's retail brokerage operations. The entity is a consolidated subsidiary of Wachovia Corporation for GAAP purposes. Wachovia Corporation owns 62% of Wachovia Securities retail brokerage and Prudential Financial, Inc. owns 38%. Prudential Financial's minority interest is included in minority interest reported in the Parent (see page 30) and in Wachovia Corporation's consolidated statements of income on a GAAP basis, which differs from our segment reporting as noted on pages 4 and 16. For the three months ended September 30, 2005, Prudential Financial's pre-tax minority interest on a GAAP basis was \$65 million.

The Retail Brokerage Services sub-segment results reported in the above table also include our Insurance Services business, as well as additional corporate allocations that are not included in the Wachovia Securities Financial Holdings results.

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Wachovia 3Q05 Quarterly Earnings Report

Asset Management

This sub-segment consists of the mutual fund business, customized investment advisory services, and Corporate and Institutional Trust Services.

Asset Management**Performance Summary**

| (In millions) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 |
|---|------------------|-------------------|------------------|-------------------|------------------|--------------|--------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | vs 2 Q 05 | vs 3 Q 04 |
| Income statement data | | | | | | | |
| Net interest income (Tax-equivalent) | \$ 14 | 12 | 11 | 12 | 11 | 17% | 27 |
| Fee and other income | 264 | 266 | 267 | 269 | 254 | (1) | 4 |
| Intersegment revenue | (1) | | (1) | | (1) | | |
| Total revenue (Tax-equivalent) | 277 | 278 | 277 | 281 | 264 | | 5 |
| Provision for credit losses | | | | | | | |
| Noninterest expense | 228 | 219 | 218 | 232 | 222 | 4 | 3 |
| Income taxes (Tax-equivalent) | 18 | 21 | 22 | 17 | 16 | (14) | 13 |
| Segment earnings | \$ 31 | 38 | 37 | 32 | 26 | (18)% | 19 |
| Performance and other data | | | | | | | |
| Economic profit | \$ 24 | 31 | 31 | 25 | 20 | (23)% | 20 |
| Risk adjusted return on capital (RAROC) | 49.77% | 62.84 | 62.01 | 52.41 | 46.17 | | |
| Economic capital, average | \$ 244 | 240 | 244 | 241 | 228 | 2 | 7 |
| Cash overhead efficiency ratio (Tax-equivalent) | 82.55% | 78.62 | 78.68 | 82.34 | 84.19 | | |
| Average loans, net | \$ 340 | 354 | 338 | 370 | 346 | (4) | (2) |
| Average core deposits | \$ 2,393 | 1,806 | 1,625 | 1,680 | 1,563 | 33% | 53 |

Net interest income of \$14 million increased \$2 million, or 17%, on a \$587 million increase in Corporate and Institutional Trust s average core deposits.

Fee and other income was down 1% linked quarter. Fee and other income increased 4% from 3Q04 on higher fees associated with 14% growth in equity assets under management and higher trust revenues.

Noninterest expense increased 4% linked quarter on higher personnel expenses and higher corporate contributions. Compared with 3Q04, expenses increased 3% on higher personnel expenses.

Mutual Funds

| (In billions) | 2005 | | | | | | 2004 | | | | 3 Q 05 vs 2 Q 05 | 3 Q 05 vs 3 Q 04 |
|---------------------------------|---------------|-------------|----------------|-------------|---------------|-------------|----------------|-------------|---------------|-------------|------------------------|------------------------|
| | Third Quarter | | Second Quarter | | First Quarter | | Fourth Quarter | | Third Quarter | | | |
| | Fund | Fund | Fund | Fund | Fund | Fund | Fund | Fund | Fund | Fund | | |
| | Amount | Mix | Amount | Mix | Amount | Mix | Amount | Mix | Amount | Mix | | |
| Assets under management | | | | | | | | | | | | |
| Equity | \$ 31 | 30% | \$ 30 | 29% | \$ 29 | 29% | \$ 29 | 27% | \$ 26 | 25% | 3% | 19 |
| Fixed income | 25 | 25 | 25 | 25 | 26 | 26 | 27 | 26 | 27 | 25 | | (7) |
| Money market | 46 | 45 | 47 | 46 | 45 | 45 | 50 | 47 | 54 | 50 | (2) | (15) |
| Total mutual fund assets | \$ 102 | 100% | \$ 102 | 100% | \$ 100 | 100% | \$ 106 | 100% | \$ 107 | 100% | 1% | (4) |

Total Assets Under Management

| (In billions) | 2005 | | | | | | 2004 | | | | 3 Q 05 vs 2 Q 05 | 3 Q 05 vs 3 Q 04 |
|---|---------------|-------------|----------------|-------------|---------------|-------------|----------------|-------------|---------------|-------------|------------------------|------------------------|
| | Third Quarter | | Second Quarter | | First Quarter | | Fourth Quarter | | Third Quarter | | | |
| | Amount | Mix | Amount | Mix | Amount | Mix | Amount | Mix | Amount | Mix | | |
| | Amount | Mix | Amount | Mix | Amount | Mix | Amount | Mix | Amount | Mix | | |
| Assets under management | | | | | | | | | | | | |
| Equity | \$ 83 | 32% | \$ 80 | 31% | \$ 79 | 32% | \$ 81 | 32% | \$ 73 | 29% | 4% | 14 |
| Fixed income | 114 | 45 | 111 | 44 | 114 | 45 | 112 | 44 | 111 | 45 | 3 | 3 |
| Money market | 59 | 23 | 63 | 25 | 59 | 23 | 63 | 24 | 65 | 26 | (6) | (9) |
| Total assets under management | \$ 256 | 100% | \$ 254 | 100% | \$ 252 | 100% | \$ 256 | 100% | \$ 249 | 100% | 1 | 3 |
| Securities lending | 50 | | 48 | | 45 | | 41 | | 36 | | 3 | 37 |
| Total assets under management and securities lending | \$ 306 | | \$ 302 | | \$ 297 | | \$ 297 | | \$ 285 | | 1% | 7 |

Total assets under management increased 1% as equity and fixed income inflows and higher market valuations were partially offset by institutional money market outflows.

Capital Management Eliminations

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In addition to the above sub-segments, Capital Management results include eliminations among business units. Certain brokerage commissions earned on mutual fund sales by our brokerage sales force are eliminated and deferred in the consolidation of Capital Management reported results. In 3Q05, brokerage revenue and expense eliminations were a reduction of \$3 million and \$4 million, respectively.

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Wachovia 3Q05 Quarterly Earnings Report

Wealth Management

This segment includes Private Banking, Personal Trust, Investment Advisory Services, Charitable Services, Financial Planning and Insurance Brokerage (property and casualty, and high net worth life).

Wealth Management**Performance Summary**

| (Dollars in millions) | 2005 | | | 2004 | | Combined | | | |
|--|------------------|-------------------|------------------|-------------------|------------------|--------------|--------------|-----------|--------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | 3 Q 05 | 3 Q 05 | 3 Q 05 | |
| | | | | | | vs 2 Q 05 | vs 3 Q 04 | 3 Q 04 | 3 Q 04 |
| Income statement data | | | | | | | | | |
| Net interest income (Tax-equivalent) | \$ 147 | 143 | 140 | 137 | 129 | 3% | 14 | \$ 136 | 8% |
| Fee and other income | 191 | 183 | 146 | 149 | 143 | 4 | 34 | 148 | 29 |
| Intersegment revenue | 1 | 1 | 2 | 1 | 2 | | (50) | 2 | (50) |
| Total revenue (Tax-equivalent) | 339 | 327 | 288 | 287 | 274 | 4 | 24 | 286 | 19 |
| Provision for credit losses | 6 | | (1) | | (1) | | | | |
| Noninterest expense | 235 | 220 | 190 | 200 | 191 | 7 | 23 | 197 | 19 |
| Income taxes (Tax-equivalent) | 35 | 40 | 36 | 31 | 31 | (13) | 13 | 33 | 6 |
| Segment earnings | \$ 63 | 67 | 63 | 56 | 53 | (6)% | 19 | \$ 56 | 13% |
| Performance and other data | | | | | | | | | |
| Economic profit | \$ 48 | 50 | 46 | 38 | 36 | (4)% | 33 | | |
| Risk adjusted return on capital (RAROC) | 47.41% | 50.21 | 50.14 | 42.37 | 42.66 | | | | |
| Economic capital, average | \$ 528 | 512 | 472 | 484 | 447 | 3 | 18 | | |
| Cash overhead efficiency ratio (Tax-equivalent) | 68.99% | 67.34 | 66.07 | 69.42 | 69.93 | | | 69.03% | % |
| Lending commitments | \$ 5,574 | 5,154 | 4,862 | 4,711 | 4,390 | 8 | 27 | | |
| Average loans, net | 14,180 | 13,595 | 12,849 | 12,052 | 11,204 | 4 | 27 | \$ 11,719 | 21% |
| Average core deposits | \$ 13,224 | 13,198 | 13,259 | 12,858 | 12,171 | | 9 | \$ 12,528 | 6% |
| FTE employees | 4,660 | 4,693 | 3,878 | 3,911 | 3,671 | (1)% | 27 | | |

Net interest income of \$147 million rose 3%, driven by loan growth of 4% (commercial up 2% and consumer up 8%), and 14% vs. 3Q04 on strong loan growth of 27% and core deposit growth of 9%. Net interest income was up 8% from Combined 3Q04. Average loans

grew 21% year-over-year on consumer and commercial loan growth, and average core deposits rose 6%.

Fee and other income of \$191 million increased \$8 million linked quarter, or 4%. This was largely due to improved insurance commissions reflecting a full quarter impact of the Palmer & Cay acquisition, and an increase in fiduciary and trust management fees of 3%. Fee and other income rose \$48 million, or 34%, vs. 3Q04, largely due to the impact of the Palmer & Cay acquisition. When compared with Combined 3Q04 results, fee and other income was up 29% primarily due to the Palmer & Cay acquisition.

Noninterest expense was up 7%, or \$15 million, and up 23% vs. 3Q04. Linked quarter increases were largely due to an additional month of Palmer & Cay personnel expenses. Segment overhead efficiency ratio increased 165 bps linked quarter and improved 94 bps year-over-year to 68.99%. When compared with Combined 3Q04 results, noninterest expense was up 19%, as the addition of Palmer & Cay expenses was partially offset by efficiencies.

Wealth Management Key Metrics

| (Dollars in millions) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 |
|--|------------|---------|---------|---------|---------|--------|--------|
| | Third | Second | First | Fourth | Third | vs | vs |
| | Quarter | Quarter | Quarter | Quarter | Quarter | 2 Q 05 | 3 Q 04 |
| Investment assets under administration | \$ 123,820 | 122,488 | 120,706 | 119,582 | 107,750 | 1% | 15 |
| Assets under management (a) | \$ 65,642 | 64,907 | 64,606 | 64,673 | 58,692 | 1 | 12 |
| Client relationships | 45,381 | 50,409 | 55,721 | 56,522 | 52,543 | (10) | (14) |
| Wealth Management advisors | 971 | 962 | 1,004 | 987 | 951 | 1% | 2 |

(a) These assets are managed by and reported in Capital Management. Historical periods have been restated to reflect the transfer of assets from Wealth Management to other channels that best meet client needs.

AUM were up 1% linked quarter and 12% year-over-year. The linked quarter comparison was in line with improved market performance, while year-over-year growth reflected sales momentum, stronger equity markets and the impact of acquisitions. Client relationships declined 10% linked quarter to 45,381 due to the continued transfer of certain client relationships to the General Bank offsetting growth in core wealth relationships.

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Wachovia 3Q05 Quarterly Earnings Report

Corporate and Investment Bank

This segment includes Corporate Lending, Investment Banking, and Treasury and International Trade Finance.

(See Table on Page 13)

Corporate Lending

This sub-segment includes Large Corporate Lending, and Leasing.

Corporate Lending**Performance Summary**

| (In millions) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 |
|---|----------|---------|---------|---------|---------|--------|--------|
| | Third | Second | First | Fourth | Third | vs | vs |
| | Quarter | Quarter | Quarter | Quarter | Quarter | 2 Q 05 | 3 Q 04 |
| Income statement data | | | | | | | |
| Net interest income (Tax-equivalent) | \$ 218 | 219 | 235 | 232 | 217 | % | |
| Fee and other income | 124 | 98 | 244 | 122 | 99 | 27 | 25 |
| Intersegment revenue | 6 | 5 | 6 | 7 | 6 | 20 | |
| Total revenue (Tax-equivalent) | 348 | 322 | 485 | 361 | 322 | 8 | 8 |
| Provision for credit losses | (3) | (9) | (3) | 4 | (14) | (67) | (79) |
| Noninterest expense | 112 | 104 | 108 | 108 | 107 | 8 | 5 |
| Income taxes (Tax-equivalent) | 91 | 88 | 142 | 93 | 86 | 3 | 6 |
| Segment earnings | \$ 148 | 139 | 238 | 156 | 143 | 6% | 3 |
| Performance and other data | | | | | | | |
| Economic profit | \$ 41 | 31 | 142 | 64 | 45 | 32% | (9) |
| Risk adjusted return on capital (RAROC) | 16.14% | 15.27 | 31.39 | 20.47 | 18.14 | | |
| Economic capital, average | \$ 3,109 | 2,997 | 2,814 | 2,691 | 2,501 | 4 | 24 |

| | | | | | | | |
|---|------------------|--------|--------|--------|--------|----|-----|
| Cash overhead efficiency ratio (Tax-equivalent) | 32.14% | 32.56 | 22.16 | 29.84 | 33.06 | | |
| Average loans, net | \$ 29,421 | 28,961 | 28,353 | 27,085 | 25,239 | 2 | 17 |
| Average core deposits | \$ 719 | 690 | 757 | 730 | 743 | 4% | (3) |

Corporate Lending

Loans Outstanding

| (In millions) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 |
|-------------------------|------------------|---------|---------|---------|---------|--------|--------|
| | Third | Second | First | Fourth | Third | vs | vs |
| | Quarter | Quarter | Quarter | Quarter | Quarter | 2 Q 05 | 3 Q 04 |
| Large corporate loans | \$ 14,601 | 13,630 | 12,976 | 12,009 | 11,155 | 7% | 31 |
| Capital finance | 14,820 | 15,331 | 15,377 | 15,076 | 14,084 | (3) | 5 |
| Total loans outstanding | \$ 29,421 | 28,961 | 28,353 | 27,085 | 25,239 | 2% | 17 |

Net interest income remained flat as the benefit of deposit and loan growth was offset by decreases in the leasing portfolio. Average loans and leases were up 2% from 2Q05; increased 17% from 3Q04 driven by growth in large corporate and the addition of SouthTrust. Average core deposits increased 4% from 2Q05 largely relating to activity associated with one large relationship.

Fee and other income increased \$26 million, or 27%, driven by improvement in economic hedge-related income from 2Q05 which reflected losses. Compared with 3Q04, fee and other income increased \$25 million, driven by improvement in leasing revenue as well as economic hedge-related income. There were \$3 million in gains on sales of loans and loans held for sale in 3Q05 vs. \$9 million in 2Q05 and \$3 million in 3Q04.

Noninterest expense increased 8% reflecting higher corporate contributions and a write-off on foreclosed property. Expenses increased 5% vs. 3Q04 reflecting higher personnel costs.

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Wachovia 3Q05 Quarterly Earnings Report

Investment Banking

This sub-segment includes Equity Capital Markets, M&A, Equity-Linked Products, Fixed Income Division, Loan Syndications and Principal Investing. See page 16 for an explanation of changes to this sub-segment and the restatement of historical results.

Investment Banking**Performance Summary**

| (In millions) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 |
|---|------------------|-------------------|------------------|-------------------|------------------|--------------|--------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | vs 2 Q 05 | vs 3 Q 04 |
| Income statement data | | | | | | | |
| Net interest income (Tax-equivalent) | \$ 245 | 217 | 265 | 291 | 283 | 13% | (13) |
| Fee and other income | 702 | 514 | 552 | 376 | 505 | 37 | 39 |
| Intersegment revenue | (22) | (16) | (10) | (16) | (12) | (38) | 83 |
| Total revenue (Tax-equivalent) | 925 | 715 | 807 | 651 | 776 | 29 | 19 |
| Provision for credit losses | | 1 | | | (1) | | |
| Noninterest expense | 533 | 441 | 465 | 389 | 401 | 21 | 33 |
| Income taxes (Tax-equivalent) | 144 | 98 | 127 | 95 | 138 | 47 | 4 |
| Segment earnings | \$ 248 | 175 | 215 | 167 | 238 | 42% | 4 |
| Performance and other data | | | | | | | |
| Economic profit | \$ 182 | 112 | 156 | 113 | 188 | 63% | (3) |
| Risk adjusted return on capital (RAROC) | 44.14% | 31.30 | 42.32 | 35.30 | 51.50 | | |
| Economic capital, average | \$ 2,192 | 2,189 | 2,029 | 1,851 | 1,842 | | 19 |
| Cash overhead efficiency ratio (Tax-equivalent) | 57.68% | 61.38 | 57.85 | 59.66 | 51.84 | | |
| Average loans, net | \$ 3,770 | 3,702 | 3,299 | 2,925 | 2,410 | 2 | 56 |
| Average core deposits | \$ 8,829 | 7,634 | 6,788 | 6,558 | 5,939 | 16% | 49 |

Net interest income increased 13%, or \$28 million, driven by growth in trading assets, and higher mortgage servicing deposits; declined 13% from 3Q04 due to reduced spreads on trading assets driven by a change in the mix of assets.

Fee and other income increased \$188 million, or 37%, due to strong principal investing and improved trading results as well as strength in structured products, high yield, investment grade and record M&A results. Principal investing net gains were \$166 million vs. \$41

million in 2Q05 and \$201 million in 3Q04. Trading profits of \$118 million increased \$89 million from 2Q05 results, which included losses in credit, global rate and structured products. Investment Banking total trading revenue was \$308 million for the quarter, up \$112 million from 2Q05. Net securities gains were \$7 million in 3Q05 vs. \$41 million in 2Q05 and \$6 million in 3Q04. 2Q05 also included a structured products consumer loan transaction gain of \$41 million. Fee and other income increased \$197 million, or 39%, from 3Q04 driven by \$161 million improvement in trading profits and strength in M&A, structured products and equities somewhat offset by lower loan syndications and principal investing results.

Noninterest expense increased 21% on higher revenue-based incentives and rose 33% from 3Q04 on higher personnel costs largely due to higher revenue-based incentives and increased strategic hiring in key positions.

Investment Banking

| (In millions) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 |
|---|----------|---------|---------|---------|---------|--------|--------|
| | Third | Second | First | Fourth | Third | vs | vs |
| | Quarter | Quarter | Quarter | Quarter | Quarter | 2 Q 05 | 3 Q 04 |
| Total revenue | | | | | | | |
| Fixed income global rate products | \$ 128 | 128 | 137 | 122 | 94 | % | 36 |
| Fixed income credit products (Excluding loan portfolio) | 101 | 87 | 127 | 119 | 168 | 16 | (40) |
| Fixed income structured products/other | 393 | 365 | 392 | 265 | 206 | 8 | 91 |
| Total fixed income | 622 | 580 | 656 | 506 | 468 | 7 | 33 |
| Principal investing | 160 | 38 | 60 | 3 | 199 | | (20) |
| Total equities/M&A/other | 143 | 97 | 91 | 142 | 109 | 47 | 31 |
| Total revenue | 925 | 715 | 807 | 651 | 776 | 29 | 19 |
| Trading-related revenue | | | | | | | |
| Net interest income (Tax-equivalent) | 124 | 94 | 132 | 164 | 156 | 32 | (21) |
| Trading account profits (losses) | 118 | 29 | 99 | (7) | (43) | | |
| Other fee income | 66 | 73 | 67 | 73 | 57 | (10) | 16 |
| Total net trading-related revenue (Tax-equivalent) | 308 | 196 | 298 | 230 | 170 | 57 | 81 |
| Principal investing balances | | | | | | | |
| Direct investments | 790 | 790 | 736 | 704 | 767 | | 3 |
| Fund investments | 770 | 784 | 806 | 787 | 816 | (2) | (6) |
| Total principal investing balances | \$ 1,560 | 1,574 | 1,542 | 1,491 | 1,583 | (1)% | (1) |

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Wachovia 3Q05 Quarterly Earnings Report

Treasury and International Trade Finance

This sub-segment includes Treasury Services, International Correspondent Banking and Trade Finance.

Treasury and International Trade Finance**Performance Summary**

| (In millions) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 |
|---|------------------|-------------------|------------------|-------------------|------------------|--------------|--------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | vs 2 Q 05 | vs 3 Q 04 |
| Income statement data | | | | | | | |
| Net interest income (Tax-equivalent) | \$ 86 | 86 | 90 | 97 | 87 | % | (1) |
| Fee and other income | 185 | 177 | 183 | 186 | 182 | 5 | 2 |
| Intersegment revenue | (29) | (28) | (30) | (29) | (27) | 4 | 7 |
| Total revenue (Tax-equivalent) | 242 | 235 | 243 | 254 | 242 | 3 | |
| Provision for credit losses | | | | | | | |
| Noninterest expense | 164 | 166 | 160 | 162 | 174 | (1) | (6) |
| Income taxes (Tax-equivalent) | 28 | 26 | 30 | 34 | 23 | 8 | 22 |
| Segment earnings | \$ 50 | 43 | 53 | 58 | 45 | 16% | 11 |
| Performance and other data | | | | | | | |
| Economic profit | \$ 40 | 33 | 45 | 49 | 36 | 21% | 11 |
| Risk adjusted return on capital (RAROC) | 63.18% | 55.82 | 78.49 | 84.95 | 65.91 | | |
| Economic capital, average | \$ 302 | 300 | 269 | 264 | 260 | 1 | 16 |
| Cash overhead efficiency ratio (Tax-equivalent) | 67.61% | 70.89 | 65.49 | 64.21 | 71.29 | | |
| Average loans, net | \$ 5,592 | 5,209 | 5,167 | 5,217 | 5,205 | 7 | 7 |
| Average core deposits | \$ 15,249 | 14,171 | 13,367 | 13,721 | 11,915 | 8% | 28 |

Net interest income was flat as 7% loan growth and 8% core deposit growth was offset by spread compression. Net interest income declined 1% from 3Q04 levels despite 7% loan growth and 28% core deposit growth.

Fee and other income increased 5% from 2Q05 due to seasonality in International Trade Finance revenue as well as a gain on the sale of an embassy banking unit which has approximately \$700 million in associated deposits; increased 2% from 3Q04.

Noninterest expense decreased 1% from 2Q05 due to the benefit of ongoing efficiency initiatives.

The Treasury Services business is managed in the Corporate and Investment Bank. Product revenues and earnings are also realized in other business lines within the company, including the General Bank and Wealth Management. Total treasury services product revenues for the company were \$593 million in 3Q05 vs. \$580 million in 2Q05 and \$598 million in 3Q04.

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Wachovia 3Q05 Quarterly Earnings Report

Parent

This sub-segment includes the central money book, investment portfolio, some consumer real estate and mortgage assets, minority interest in consolidated subsidiaries, businesses being wound down or divested, other intangibles amortization and eliminations.

Parent**Performance Summary**

| (Dollars in millions) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 |
|---|------------------|-------------------|------------------|-------------------|------------------|--------------|--------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | vs 2 Q 05 | vs 3 Q 04 |
| Income statement data | | | | | | | |
| Net interest income (Tax-equivalent) | \$ 155 | 180 | 226 | 156 | 172 | (14)% | (10) |
| Fee and other income | 79 | 130 | (3) | 100 | (53) | (39) | |
| Intersegment revenue | | 1 | 1 | | 1 | | |
| Total revenue (Tax-equivalent) | 234 | 311 | 224 | 256 | 120 | (25) | 95 |
| Provision for credit losses | 2 | (10) | (17) | (2) | (15) | | |
| Noninterest expense | 182 | 164 | 250 | 191 | 215 | 11 | (15) |
| Minority interest | 105 | 85 | 74 | 83 | 65 | 24 | 62 |
| Income taxes (Tax-equivalent) | (100) | (58) | (73) | (75) | (114) | 72 | (12) |
| Segment earnings (loss) | \$ 45 | 130 | (10) | 59 | (31) | (65)% | |
| Performance and other data | | | | | | | |
| Economic profit | \$ 34 | 115 | (21) | 56 | (50) | (70)% | |
| Risk adjusted return on capital (RAROC) | 16.06% | 29.89 | 7.64 | 20.49 | 2.55 | | |
| Economic capital, average | \$ 2,529 | 2,436 | 2,421 | 2,301 | 2,253 | 4 | 12 |
| Cash overhead efficiency ratio (Tax-equivalent) | 35.05% | 17.88 | 60.27 | 29.96 | 96.32 | | |
| Lending commitments | \$ 433 | 430 | 398 | 408 | 319 | 1 | 36 |
| Average loans, net | 11,502 | 9,952 | 11,433 | 1,598 | (836) | 16 | |
| Average core deposits | \$ 3,309 | 2,985 | 3,099 | 3,212 | 2,486 | 11 | 33 |
| FTE employees | 23,499 | 23,874 | 23,970 | 24,170 | 22,066 | (2)% | 6 |

Net interest income declined \$25 million from 2Q05 and \$17 million from 3Q04. Results reflect the liability sensitive positioning of our investment portfolio and wholesale funding operations, which serve to hedge our asset sensitive core business activities. The benefits to the Parent of wider funds transfer pricing spreads (see page 16 for description) was offset by compression of spreads in the funding of the investment portfolio as well as lower contribution from hedge-related derivatives. Compared with Combined 3Q04, net interest income

decreased \$54 million.

Fee and other income decreased \$51 million from 2Q05 and increased \$132 million vs. 3Q04. Compared with 2Q05, net securities gains were \$21 million vs. gains of \$93 million. Securitization income was a net \$17 million of gains down from a net \$33 million of gains in 2Q05, reflecting lower deal volume. Income from corporate investments declined \$6 million. These negative variances were partially offset by improved trading, with gains of \$5 million vs. \$11 million in losses in 2Q05. We recorded a \$6 million gain associated with equity collars on our stock versus a \$5 million loss in 2Q05. Additionally, affordable housing tax credit eliminations were down \$22 million. (Affordable housing results are recorded in Corporate and Investment Bank fee and other income net of the related tax benefit; this tax benefit is eliminated for consolidated reporting purposes in Parent fee and other income.)

The primary reasons for the improvement in fee income from 3Q04 were a \$99 million increase in net securities gains and a \$34 million increase in trading profits, as each category had losses in 3Q04. On a Combined basis, fee and other income increased \$117 million from 3Q04.

Noninterest expense increased \$18 million primarily due to higher loan costs, and decreased \$33 million vs. 3Q04 due to lower legal costs and the addition of SouthTrust. On a Combined basis, noninterest expense declined \$68 million from Combined 3Q04, primarily related to lower legal expense.

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Asset Quality

(See Table on Page 14)

Net charge-offs in the loan portfolio of \$59 million increased \$8 million from 2Q05 and declined \$6 million from 3Q04. As a percentage of average net loans, annualized net charge-offs were 0.10% in 3Q05 compared with 0.09% in 2Q05 and 0.15% in 3Q04. Gross charge-offs of \$123 million represented 0.21% of average loans, offset by \$64 million in recoveries.

Provision for credit losses totaled \$82 million, and included provision for loan losses of \$74 million and provision related to loans sold of \$12 million, partially offset by a benefit in credit losses on unfunded lending commitments of \$4 million.

Allowance For Credit Losses**Allowance for Credit Losses**

| (In millions) | 2005 | | | | | |
|---|-----------------|-------------------------|-----------------|-------------------------|-----------------|-------------------------|
| | Third Quarter | | Second Quarter | | First Quarter | |
| | Amount | As a % of loans, net | Amount | As a % of loans, net | Amount | As a % of loans, net |
| Allowance for loan losses | | | | | | |
| Commercial | \$ 1,871 | 1.33% | \$ 1,883 | 1.38% | \$ 1,910 | 1.42% |
| Consumer | 713 | 0.72 | 746 | 0.79 | 732 | 0.79 |
| Unallocated | 135 | | 90 | | 90 | |
| Total | 2,719 | 1.13 | 2,718 | 1.18 | 2,732 | 1.20 |
| Reserve for unfunded lending commitments | | | | | | |
| Commercial | 154 | | 158 | | 156 | |
| Allowance for credit losses | \$ 2,873 | 1.20% | \$ 2,876 | 1.25% | \$ 2,888 | 1.27% |
| Memoranda | | | | | | |
| Total commercial (including reserve for unfunded lending commitments) | \$ 2,025 | 1.44% | \$ 2,041 | 1.50% | \$ 2,066 | 1.53% |

Allowance for credit losses was \$2.9 billion, down \$3 million from 2Q05, reflecting continued strong credit quality and the sale of \$215 million of commercial loans which included \$14 million of associated allowance. Allowance for loan losses as a percentage of loans of 1.13% and allowance for credit losses of 1.20% each decreased 5 bps. The reserve for unfunded lending commitments, which includes unfunded loans and standby letters of credit, was \$154 million. The unallocated portion of the allowance increased to \$135 million from \$90 million in 2Q05 and \$115 million in 3Q04 partially due to the impact of recent hurricanes, the full effect of which is currently under review.

The allowance for loan losses to nonperforming loans ratio of 347% was up from 332% in 2Q05 and from 291% in 3Q04. Allowance for loan losses to nonperforming assets (excluding NPAs in loans held for sale) increased to 303% vs. 284% in 2Q05 and 258% in 3Q04.

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Wachovia 3Q05 Quarterly Earnings Report

Nonperforming Loans**Nonperforming Loans (a)**

| (In millions) | 2005 | | | 2004 | | 3 Q 05 | 3 Q 05 |
|--|------------------|-------------------|------------------|-------------------|------------------|--------------|--------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | vs 2 Q 05 | vs 3 Q 04 |
| Balance, beginning of period | \$ 819 | 910 | 955 | 798 | 863 | (10)% | (5) |
| Commercial nonaccrual loan activity | | | | | | | |
| Commercial nonaccrual loans, beginning of period | 585 | 658 | 712 | 576 | 643 | (11) | (9) |
| Balance of acquired entity at purchase date | | | | 321 | | | |
| New nonaccrual loans and advances | 229 | 195 | 210 | 149 | 143 | 17 | 60 |
| Charge-offs | (52) | (35) | (27) | (86) | (53) | 49 | (2) |
| Transfers (to) from loans held for sale | | | (25) | (121) | | | |
| Transfers (to) from other real estate owned | (1) | (25) | | | (1) | (96) | |
| Sales | (93) | (83) | (46) | (24) | (19) | 12 | |
| Other, principally payments | (103) | (125) | (166) | (103) | (137) | (18) | (25) |
| Net commercial nonaccrual loan activity | (20) | (73) | (54) | (185) | (67) | (73) | (70) |
| Commercial nonaccrual loans, end of period | 565 | 585 | 658 | 712 | 576 | (3) | (2) |
| Consumer nonaccrual loan activity | | | | | | | |
| Consumer nonaccrual loans, beginning of period | 234 | 252 | 243 | 222 | 220 | (7) | 6 |
| Balance of acquired entity at purchase date | | | | 21 | | | |
| New nonaccrual loans, advances and other, net | (15) | (18) | 9 | 4 | 2 | (17) | |
| Transfers (to) from loans held for sale | | | | (4) | | | |
| Sales and securitizations | | | | | | | |
| Net consumer nonaccrual loan activity | (15) | (18) | 9 | | 2 | (17) | |
| Consumer nonaccrual loans, end of period | 219 | 234 | 252 | 243 | 222 | (6) | (1) |
| Balance, end of period | \$ 784 | 819 | 910 | 955 | 798 | (4)% | (2) |

(a) Excludes nonperforming loans included in loans held for sale, which at September 30, June 30, and March 31, 2005, and at December 31, and September 30, 2004, were \$59 million, \$111 million, \$159 million, \$157 million and \$57 million, respectively.

Nonperforming loans in the loan portfolio of \$784 million decreased \$35 million or 4% vs. 2Q05, reflecting \$93 million in sales and continued strong credit quality, and decreased 2% from 3Q04 despite the addition of SouthTrust. Total nonperforming assets, including loans held for sale of \$955 million, decreased \$113 million, or 11%, from 2Q05 and were consistent with 3Q04, reflecting the merger with SouthTrust offset by improving credit quality.

New commercial nonaccrual inflows were \$229 million, up \$34 million from 2Q05. Commercial nonaccruals were \$565 million, down 3% from 2Q05 and down 2% from 3Q04 despite the addition of SouthTrust. In 3Q05, \$93 million in nonperforming commercial loans were sold directly out of the loan portfolio. Consumer nonaccruals were \$219 million, down 6% from 2Q05 and 1% vs. 3Q04, driven by improving credit quality, particularly in consumer real estate-secured.

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Loans Held For Sale**Loans Held for Sale**

| (In millions) | 2005 | | | 2004 | |
|---|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter |
| Balance, beginning of period | \$ 14,531 | 14,173 | 12,988 | 17,755 | 16,257 |
| Core business activity | | | | | |
| Core business activity, beginning of period | 14,447 | 13,715 | 12,293 | 17,720 | 16,200 |
| Balance of acquired entity at purchase date | | | | 653 | |
| Originations/purchases | 15,157 | 10,577 | 7,692 | 12,941 | 8,108 |
| Transfers to (from) loans held for sale, net | (562) | (583) | 462 | (8,968) | (190) |
| Lower of cost or market value adjustments | | (1) | 1 | (1) | (1) |
| Performing loans sold or securitized | (8,604) | (6,999) | (5,109) | (7,033) | (4,142) |
| Nonperforming loans sold | | | | | |
| Other, principally payments | (2,424) | (2,262) | (1,624) | (3,019) | (2,255) |
| Core business activity, end of period | 18,014 | 14,447 | 13,715 | 12,293 | 17,720 |
| Portfolio management activity | | | | | |
| Portfolio management activity, beginning of period | 84 | 458 | 695 | 35 | 57 |
| Transfers to (from) loans held for sale, net | | | | | |
| Performing loans | 1 | (15) | 96 | 602 | 12 |
| Nonperforming loans | | | 25 | 125 | |
| Lower of cost or market value adjustments | | | | | 1 |
| Performing loans sold | (19) | (297) | (295) | (12) | (21) |
| Nonperforming loans sold | (37) | (13) | (6) | | (6) |
| Allowance for loan losses related to loans transferred to loans held for sale | | | (5) | (51) | |
| Other, principally payments | (5) | (49) | (52) | (4) | (8) |
| Portfolio management activity, end of period | 24 | 84 | 458 | 695 | 35 |
| Balance, end of period (a) | \$ 18,038 | 14,531 | 14,173 | 12,988 | 17,755 |

(a) Nonperforming assets included in loans held for sale at September 30, June 30, and March 31, 2005, and at December 31, and September 30, 2004, were \$59 million, \$111 million, \$159 million, \$157 million and \$57 million, respectively.

Core Business Activity

In 3Q05, a net \$15.2 billion of loans were originated or purchased for sale representing core business activity. We sold or securitized a total of \$8.6 billion of loans out of loans held for sale. During the quarter, we transferred a net \$562 billion of performing loans to the portfolio, primarily consumer real estate-secured.

Portfolio Management Activity

During the quarter, we sold \$19 million in performing commercial loans and \$37 million in nonperforming commercial loans from loans held for sale.

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Wachovia 3Q05 Quarterly Earnings Report

Merger Integration Update**Estimated Merger Expenses**

In connection with the SouthTrust merger, which closed on November 1, 2004, we began recording certain merger-related and restructuring expenses in our income statement, as well as preliminary purchase accounting adjustments to record SouthTrust's assets and liabilities at their respective fair values as of November 1, 2004, and certain exit costs related to SouthTrust's businesses. As of September 30, 2005, net merger-related and restructuring expenses were \$211 million, and exit cost purchase accounting adjustments were \$199 million.

The following table indicates our progress compared with the estimated merger expenses for the SouthTrust merger transaction.

SouthTrust Transaction**One-time Costs**

| <u>(In millions)</u> | <u>Net Merger- Related and Restructuring Expenses</u> | <u>Exit Cost Purchase Accounting Adjustments (a)</u> | <u>Total</u> |
|--------------------------|---|--|--------------|
| Total estimated expenses | \$ 253 | 447 | 700 |
| Actual expenses | | | |
| 2004 | 41 | 60 | 101 |
| First quarter 2005 | 33 | 91 | 124 |
| Second quarter 2005 | 55 | 56 | 111 |
| Third quarter 2005 | 82 | (8) | 74 |
| Total actual expenses | \$ 211 | 199 | 410 |

- (a) These adjustments represent incremental costs related to combining the two companies and are specifically attributable to SouthTrust's contributed business. Examples include employee termination costs, employee relocation costs, contract cancellations including leases and closing redundant SouthTrust acquired facilities. These adjustments are reflected in goodwill and are not charges against income. Depending upon the timing of integration actions, certain items projected to be recorded as exit cost purchase accounting adjustments may be recorded as net merger-related and restructuring expenses.

The total one-time costs for this transaction is the sum of total merger-related and restructuring expenses as reported in the following *Merger-Related and Restructuring Expenses* table and Total pre-tax exit cost purchase accounting adjustments (one-time costs) as detailed in the *Goodwill and Other Intangibles* table on the following pages.

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During the quarter, we recorded one-time costs of \$74 million related to the SouthTrust merger for a cumulative total of \$410 million.

Merger-Related and Restructuring Expenses**(Income Statement Impact)**

| (In millions) | 2005 | | | 2004 | |
|---|------------------|-------------------|------------------|-------------------|------------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter |
| SouthTrust merger-related and restructuring expenses | | | | | |
| Personnel and employee termination benefits | \$ 4 | 7 | 7 | 24 | |
| Occupancy and equipment | 40 | 7 | 2 | | |
| Advertising | 8 | 5 | 1 | | |
| Contract cancellations and system conversions | 20 | 26 | 15 | 10 | |
| Other | 10 | 10 | 8 | 7 | |
| Total SouthTrust merger-related and restructuring expenses | 82 | 55 | 33 | 41 | |
| Wachovia Securities retail brokerage transaction merger-related and restructuring expenses | | | | | |
| Personnel and employee termination benefits | | 4 | | 18 | 49 |
| Occupancy and equipment | | | | 10 | 10 |
| Advertising | | | | (1) | 1 |
| Contract cancellations and system conversions | | 25 | 23 | 44 | 30 |
| Other | | 6 | 5 | 8 | 9 |
| Total Wachovia Securities retail brokerage transaction merger-related and restructuring expenses | | 35 | 28 | 79 | 99 |
| First Union/Wachovia merger-related and restructuring expenses-Final | | | | | |
| Personnel and employee termination benefits | | | | (2) | 2 |
| Occupancy and equipment | | | | (2) | 13 |
| Advertising | | | | | |
| Contract cancellations and system conversions | | | | | 9 |
| Other | | | | | 4 |
| Total First Union/Wachovia merger-related and restructuring expenses - Final | | | | (4) | 28 |
| Other merger-related and restructuring expenses (reversals), net | 1 | | | | |
| Net merger-related and restructuring expenses | 83 | 90 | 61 | 116 | 127 |

| | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Prudential Financial's 38 percent of shared Wachovia/Prudential Financial retail brokerage merger-related and restructuring expenses (Minority interest) | | (14) | (11) | (30) | (37) |
| Income taxes (benefits) | (32) | (28) | (19) | (33) | (35) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| After-tax net merger-related and restructuring expenses | \$ 51 | 48 | 31 | 53 | 55 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

Merger-Related And Restructuring Expenses

In 3Q05, we recorded \$82 million in net merger-related and restructuring expenses related to the SouthTrust integration. This was largely composed of occupancy and equipment charges associated with the closing of certain SouthTrust branches and offices.

Goodwill and Other Intangibles

Under purchase accounting, the assets and liabilities of SouthTrust are recorded at their respective fair values as of November 1, 2004, as if they had been purchased in the open market. The purchase accounting adjustments associated with SouthTrust's assets and liabilities are preliminary in nature and are subject to further refinement. The premiums and discounts that resulted from the purchase accounting adjustments to financial instruments are accreted/amortized into income/expense over the estimated term of the respective assets and liabilities, similar to the purchase of a bond at a premium or discount. This results in a market yield in the income statement for those assets and liabilities. Assuming a stable market environment from the date of purchase, we would expect that as these assets and liabilities mature, they could generally be replaced with instruments of similar yields.

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Goodwill and Other Intangibles Created by the SouthTrust Transaction Preliminary

| (In millions) | 2005 | | | 2004 |
|--|------------------|-------------------|------------------|-------------------|
| | Third Quarter | Second Quarter | First Quarter | Fourth Quarter |
| Purchase price less former SouthTrust ending tangible stockholders equity as of November 1, 2004 | \$ 10,048 | 10,048 | 10,048 | 10,048 |
| Fair value purchase accounting adjustments (a) | | | | |
| Financial assets | (99) | (90) | (96) | (69) |
| Premises and equipment | 110 | 108 | 98 | 98 |
| Employee benefit plans | 98 | 98 | 98 | 99 |
| Financial liabilities | 270 | 270 | 270 | 275 |
| Other | 37 | 28 | 31 | 27 |
| Income taxes | (75) | (74) | (91) | (163) |
| Total fair value purchase accounting adjustments | 341 | 340 | 310 | 267 |
| Exit cost purchase accounting adjustments (b) | | | | |
| Personnel and employee termination benefits | 215 | 212 | 202 | 168 |
| Occupancy and equipment | 61 | 80 | 48 | |
| Contract cancellations | 23 | 16 | 3 | |
| Regulatory mandated branch sales | (131) | (131) | (131) | (129) |
| Other | 31 | 30 | 29 | 21 |
| Total pre-tax exit costs | 199 | 207 | 151 | 60 |
| Income taxes | (32) | (35) | (15) | 17 |
| Total after-tax exit cost purchase accounting adjustments (One-time costs) | 167 | 172 | 136 | 77 |
| Total purchase intangibles | 10,556 | 10,560 | 10,494 | 10,392 |
| Core deposit base and customer relationship intangibles (Net of income taxes) | 452 | 452 | 455 | 455 |
| Preliminary goodwill | \$ 10,104 | 10,108 | 10,039 | 9,937 |

- (a) These adjustments represent fair value adjustments in compliance with purchase accounting standards and adjust assets and liabilities of the former SouthTrust to their fair values as of November 1, 2004.
- (b) These adjustments represent incremental costs relating to combining the two companies and are specifically attributable to those businesses of the former SouthTrust.

The preliminary fair value purchase accounting adjustments relating to SouthTrust were \$341 million. These adjustments are preliminary and subject to further refinement.

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Wachovia 3Q05 Quarterly Earnings Report

Explanation of Our Use of Certain Non-GAAP Financial Measures

In addition to results presented in accordance with GAAP, this quarterly earnings report includes certain non-GAAP financial measures, including those presented on pages 3 and 5 under the captions **Earnings Reconciliation**, and **Other Financial Measures**, each with the sub-headings **Earnings excluding merger-related and restructuring expenses** and **Earnings excluding merger-related and restructuring expenses, and other intangible amortization**, and which are reconciled to GAAP financial measures on pages 38-41. In addition, in this quarterly earnings report certain designated net interest income amounts are presented on a tax-equivalent basis, including the calculation of the overhead efficiency ratio.

Wachovia believes these non-GAAP financial measures provide information useful to investors in understanding the underlying operational performance of the company, its business and performance trends and facilitates comparisons with the performance of others in the financial services industry. Specifically, Wachovia believes the exclusion of merger-related and restructuring expenses permits evaluation and a comparison of results for on-going business operations, and it is on this basis that Wachovia's management internally assesses the company's performance. Those non-operating items are excluded from Wachovia's segment measures used internally to evaluate segment performance in accordance with GAAP because management does not consider them particularly relevant or useful in evaluating the operating performance of our business segments. In addition, because of the significant amount of deposit base intangible amortization, Wachovia believes the exclusion of this expense provides investors with consistent and meaningful comparisons to other financial services firms. Wachovia's management makes recommendations to its board of directors about dividend payments based on reported earnings excluding merger-related and restructuring expenses, other intangible amortization and the cumulative effect of a change in accounting principle, and has communicated certain dividend payout ratio goals to investors on this basis. Management believes this payout ratio is useful to investors because it provides investors with a better understanding of and permits investors to monitor Wachovia's dividend payout policy. Wachovia also believes the presentation of net interest income on a tax-equivalent basis ensures comparability of net interest income arising from both taxable and tax-exempt sources and is consistent with industry standards. Wachovia operates one of the largest retail brokerage businesses in our industry, and we have presented an overhead efficiency ratio excluding these brokerage services, which management believes is useful to investors in comparing the performance of our banking business with other banking companies.

Although Wachovia believes the above non-GAAP financial measures enhance investors' understanding of our business and performance, these non-GAAP financial measures should not be considered an alternative to GAAP basis financial measures.

See also page 43 for a discussion of the presentation of **Supplemental Illustrative Combined** financial information.

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Reconciliation Of Certain Non-GAAP Financial Measures**Reconciliation of Certain Non-GAAP Financial Measures**

| (In millions) | * | 2005 | | | 2004 | |
|---|-------|------------------|-------------------|------------------|-------------------|------------------|
| | | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter |
| Net income | | | | | | |
| Net income (GAAP) | A | \$ 1,665 | 1,650 | 1,621 | 1,448 | 1,263 |
| After tax merger-related and restructuring expenses (GAAP) | | 51 | 48 | 31 | 53 | 55 |
| Net income, excluding after tax merger-related and restructuring expenses | B | 1,716 | 1,698 | 1,652 | 1,501 | 1,318 |
| After tax other intangible amortization (GAAP) | | 63 | 69 | 72 | 74 | 62 |
| Net income, excluding after tax merger-related and restructuring expenses, and other intangible amortization | C | \$ 1,779 | 1,767 | 1,724 | 1,575 | 1,380 |
| Return on average common stockholders' equity | | | | | | |
| Average common stockholders' equity (GAAP) | D | \$ 47,328 | 47,114 | 47,231 | 42,644 | 33,246 |
| Merger-related and restructuring expenses (GAAP) | | 96 | 52 | 11 | 169 | 116 |
| Average common stockholders' equity, excluding merger-related and restructuring expenses | E | 47,424 | 47,166 | 47,242 | 42,813 | 33,362 |
| Average intangible assets (GAAP) | F | (23,195) | (23,148) | (23,020) | (19,257) | (12,473) |
| Average common stockholders' equity, excluding merger-related and restructuring expenses, and other intangible amortization | G | \$ 24,229 | 24,018 | 24,222 | 23,556 | 20,889 |
| Return on average common stockholders' equity | | | | | | |
| GAAP | A/D | 13.95% | 14.04 | 13.92 | 13.50 | 15.12 |
| Excluding merger-related and restructuring expenses | B/E | 14.36 | 14.43 | 14.19 | 13.95 | 15.72 |
| Return on average tangible common stockholders' equity | | | | | | |
| GAAP | A/D+F | 27.36 | 27.61 | 27.16 | 24.62 | 24.20 |
| Excluding merger-related and restructuring expenses, and other intangible amortization | C/G | 29.14% | 29.50 | 28.86 | 26.59 | 26.28 |

Table continued on next page.

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Wachovia 3Q05 Quarterly Earnings Report

Reconciliation of Certain Non-GAAP Financial Measures**Reconciliation of Certain Non-GAAP Financial Measures**

| (In millions) | * | 2005 | | | 2004 | |
|--|------------|-------------------|-------------------|------------------|-------------------|------------------|
| | | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter |
| Return on average assets | | | | | | |
| Average assets (GAAP) | H | \$ 511,567 | 503,361 | 500,486 | 472,431 | 424,399 |
| Average intangible assets (GAAP) | | (23,195) | (23,148) | (23,020) | (19,257) | (12,473) |
| Average tangible assets (GAAP) | I | \$ 488,372 | 480,213 | 477,466 | 453,174 | 411,926 |
| Average assets (GAAP) | | \$ 511,567 | 503,361 | 500,486 | 472,431 | 424,399 |
| Merger-related and restructuring expenses (GAAP) | | 96 | 52 | 11 | 169 | 116 |
| Average assets, excluding merger-related and restructuring expenses | J | 511,663 | 503,413 | 500,497 | 472,600 | 424,515 |
| Average intangible assets (GAAP) | | (23,195) | (23,148) | (23,020) | (19,257) | (12,473) |
| Average tangible assets, excluding merger-related and restructuring expenses | K | \$ 488,468 | 480,265 | 477,477 | 453,343 | 412,042 |
| Return on average assets | | | | | | |
| GAAP | A/H | 1.29% | 1.31 | 1.31 | 1.22 | 1.18 |
| Excluding merger-related and restructuring expenses | B/J | 1.33 | 1.35 | 1.34 | 1.26 | 1.24 |
| Return on average tangible assets | | | | | | |
| GAAP | A/I | 1.35 | 1.38 | 1.38 | 1.27 | 1.22 |
| Excluding merger-related and restructuring expenses, and other intangible amortization | C/K | 1.45% | 1.48 | 1.46 | 1.38 | 1.33 |

* The letters included in the column are provided to show how the various ratios presented in the tables on pages 38 through 41 are calculated. For example, return on average assets on a GAAP basis is calculated by dividing net income (GAAP) by average assets (GAAP) (i.e., A/H), and annualized where appropriate.

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Wachovia 3Q05 Quarterly Earnings Report

Reconciliation Of Certain Non-GAAP Financial Measures**Reconciliation of Certain Non-GAAP Financial Measures**

| (In millions) | * | 2005 | | | 2004 | |
|---|---------|------------------|-------------------|------------------|-------------------|------------------|
| | | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter |
| Overhead efficiency ratios | | | | | | |
| Noninterest expense (GAAP) | L | \$ 4,004 | 3,788 | 3,872 | 3,834 | 3,671 |
| Merger-related and restructuring expenses (GAAP) | | (83) | (90) | (61) | (116) | (127) |
| Noninterest expense, excluding merger-related and restructuring expenses | M | 3,921 | 3,698 | 3,811 | 3,718 | 3,544 |
| Other intangible amortization (GAAP) | | (101) | (107) | (115) | (113) | (99) |
| Noninterest expense, excluding merger-related and restructuring expenses, and other intangible amortization | N | \$ 3,820 | 3,591 | 3,696 | 3,605 | 3,445 |
| Net interest income (GAAP) | | \$ 3,403 | 3,358 | 3,413 | 3,297 | 2,965 |
| Tax-equivalent adjustment | | 53 | 53 | 61 | 60 | 63 |
| Net interest income (Tax-equivalent) | | 3,456 | 3,411 | 3,474 | 3,357 | 3,028 |
| Fee and other income (GAAP) | | 3,242 | 2,977 | 2,995 | 2,804 | 2,601 |
| Total | O | \$ 6,698 | 6,388 | 6,469 | 6,161 | 5,629 |
| Retail Brokerage Services, excluding insurance | | | | | | |
| Noninterest expense (GAAP) | P | \$ 874 | 861 | 867 | 908 | 862 |
| Net interest income (GAAP) | | \$ 153 | 142 | 143 | 144 | 143 |
| Tax-equivalent adjustment | | 1 | | | 1 | |
| Net interest income (Tax-equivalent) | | 154 | 142 | 143 | 145 | 143 |
| Fee and other income (GAAP) | | 905 | 880 | 886 | 906 | 826 |
| Total | Q | \$ 1,059 | 1,022 | 1,029 | 1,051 | 969 |
| Overhead efficiency ratios | | | | | | |
| GAAP | L/O | 59.78% | 59.29 | 59.86 | 62.23 | 65.20 |
| Excluding merger-related and restructuring expenses | M/O | 58.55 | 57.87 | 58.92 | 60.34 | 62.96 |
| Excluding merger-related and restructuring expenses, and brokerage | M-P/O-Q | 54.04 | 52.85 | 54.12 | 54.99 | 57.54 |
| Excluding merger-related and restructuring expenses, and other intangible amortization | N/O | 57.06 | 56.19 | 57.15 | 58.50 | 61.20 |

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Excluding merger-related and restructuring expenses, other intangible
amortization and brokerage

| N-P/O-Q | 52.27% | 50.85 | 52.01 | 52.77 | 55.42 |
|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

Table continued on next page.

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Wachovia 3Q05 Quarterly Earnings Report

Reconciliation Of Certain Non-GAAP Financial Measures**Reconciliation of Certain Non-GAAP Financial Measures**

| (In millions, except per share data) | * | 2005 | | | 2004 | |
|---|------------|------------------|-------------------|------------------|-------------------|------------------|
| | | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter |
| Operating leverage | | | | | | |
| Operating leverage (GAAP) | \$ | 92 | 5 | 269 | 368 | (55) |
| Merger-related and restructuring expenses (GAAP) | | (8) | 30 | (55) | (10) | 25 |
| Operating leverage, excluding merger-related and restructuring expenses | | 84 | 35 | 214 | 358 | (30) |
| Other intangible amortization (GAAP) | | (7) | (8) | 1 | 15 | (8) |
| Operating leverage, excluding merger-related and restructuring expenses, and other intangible amortization | \$ | 77 | 27 | 215 | 373 | (38) |
| Dividend payout ratios on common shares | | | | | | |
| Dividends paid per common share | R | \$ 0.51 | 0.46 | 0.46 | 0.46 | 0.40 |
| Diluted earnings per common share (GAAP) | S | \$ 1.06 | 1.04 | 1.01 | 0.95 | 0.96 |
| Merger-related and restructuring expenses (GAAP) | | 0.03 | 0.03 | 0.02 | 0.04 | 0.04 |
| Other intangible amortization (GAAP) | | 0.04 | 0.04 | 0.05 | 0.05 | 0.05 |
| Diluted earnings per common share, excluding merger-related and restructuring expenses, and other intangible amortization | T | \$ 1.13 | 1.11 | 1.08 | 1.04 | 1.05 |
| Dividend payout ratios | | | | | | |
| GAAP | R/S | 48.11% | 44.23 | 45.54 | 48.42 | 41.67 |
| Excluding merger-related and restructuring expenses, and other intangible amortization | R/T | 45.13% | 41.44 | 42.59 | 44.23 | 38.10 |

* The letters included in the column are provided to show how the various ratios presented in the tables on pages 38 through 41 are calculated. For example, return on average assets on a GAAP basis is calculated by dividing net income (GAAP) by average assets (GAAP) (i.e., A/H), and annualized where appropriate.

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Cautionary Statement

The foregoing materials and management's discussion of them may contain, among other things, certain forward-looking statements with respect to Wachovia, as well as the goals, plans, objectives, intentions, expectations, financial condition, results of operations, future performance and business of Wachovia, including, without limitation, (i) statements relating to certain of Wachovia's goals and expectations with respect to earnings, earnings per share, revenue, expenses, and the growth rate in such items, as well as other measures of economic performance, including statements relating to estimates of credit quality trends, (ii) statements relating to the benefits of the merger between Wachovia Corporation and SouthTrust Corporation, completed November 1, 2004, (the SouthTrust Merger), (iii) statements relating to the benefits of the acquisition by Wachovia of Westcorp and WFS Financial Inc. (the Westcorp Merger) and together with the SouthTrust Merger, the Mergers), (iv) statements with respect to Wachovia's plans, objectives, expectations and intentions and other statements that are not historical facts, and (v) statements preceded by, followed by or that include the words may, could, would, should, believes, expects, anticipates, estimates, intends, plans, targets, probably, potentially, projects, outlook or similar expressions. These forward-looking statements involve certain risks and uncertainties that are subject to change based on various factors (many of which are beyond Wachovia's control). The following factors, among others, could cause Wachovia's financial performance to differ materially from the goals, plans, objectives, intentions and expectations expressed in such forward-looking statements: (1) the risk that the businesses involved in the Mergers will not be integrated successfully or such integrations may be more difficult, time-consuming or costly than expected; (2) expected revenue synergies and cost savings from the Mergers may not be fully realized or realized within the expected time frame; (3) revenues following the Mergers may be lower than expected; (4) deposit attrition, customer attrition, operating costs, and business disruption following the Mergers, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected; (5) enforcement actions by governmental agencies that are not currently anticipated; (6) the strength of the United States economy in general and the strength of the local economies in which Wachovia conducts 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 Wachovia's loan portfolio and allowance for loan losses; (7) the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System; (8) inflation, interest rate, market and monetary fluctuations; (9) 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 Wachovia's capital markets and capital management activities, including, without limitation, its mergers and acquisition advisory business, equity and debt underwriting activities, private equity investment activities, derivative securities activities, investment and wealth management advisory businesses, and brokerage activities; (10) adverse changes in the financial performance and/or condition of Wachovia's borrowers which could impact the repayment of such borrowers outstanding loans; (11) the impact of changes in accounting principles; and (12) the impact on Wachovia's businesses, as well as on the risks set forth above, of various domestic or international military or terrorist activities or conflicts. Additional information with respect to factors that may cause actual results to differ materially from those contemplated by such forward-looking statements is included in the reports filed by Wachovia with the Securities and Exchange Commission, including its Current Report on Form 8-K dated October 17, 2005.

Wachovia cautions that the foregoing list of factors is not exclusive. All subsequent written and oral forward-looking statements concerning the Mergers or other matters and attributable to Wachovia or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. Wachovia does not undertake any obligation to update any forward-looking statement, whether written or oral.

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Supplemental Illustrative Combined Information

This Quarterly Earnings Report contains certain financial information labeled Combined results. The Combined information contained in this Quarterly Earnings Report shows certain historical financial data for each of Wachovia and SouthTrust and also shows similar combined illustrative information reflecting the merger of SouthTrust with and into Wachovia. The historical financial data show the financial results actually achieved by Wachovia and SouthTrust for the periods indicated. The Combined illustrative information shows the illustrative effect of the merger under the purchase method of accounting assuming the merger was consummated as of the applicable prior period, instead of November 1, 2004, the actual merger consummation date. In the case of the Combined illustrative information for the three months ended December 31, 2004, the standalone SouthTrust information represents the period from October 1, 2004 to October 31, 2004. In the case of the Combined illustrative information for the full year ended December 31, 2004, the standalone SouthTrust information represents the period from January 1, 2004 to October 31, 2004.

The Combined illustrative information is not prepared in accordance with generally accepted accounting principles (GAAP), although both the historical Wachovia and historical SouthTrust financial information presented were respectively prepared in accordance with GAAP. Wachovia believes the Combined illustrative information is useful to investors in understanding how the financial information of Wachovia and SouthTrust may have appeared on a combined basis had the two companies actually been merged as of the dates indicated and how the financial information of the business segments and certain sub-segments of the new combined company may have appeared had the two companies actually been merged as of the dates indicated.

The Combined illustrative 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 estimated adjustments 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 estimated adjustments are included 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. In addition, the final adjustments may be materially different from the unaudited estimated adjustments presented. The Combined illustrative information cannot be reconciled to GAAP because many of the purchase accounting adjustments resulting from the merger are based upon valuations of assets as of the merger date and therefore cannot be ascertained for prior periods.

We 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 Combined illustrative information. Accordingly, the Combined illustrative 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.

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 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 currently expect merger-related and restructuring expenses will amount to \$253 million pre-tax (\$156

million after-tax) and will be incurred and reported through 2006.

The information herein is based on historical financial information and related notes that Wachovia and SouthTrust have respectively presented in prior filings with the Securities and Exchange Commission. Shareholders are encouraged to review that historical financial information and related notes in connection with the Combined illustrative information.

See also Wachovia's Current Report on Form 8-K dated January 19, 2005.

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Additional Information

The proposed acquisition by Wachovia of Westcorp and WFS Financial Inc will be submitted to Westcorp's and WFS Financial's shareholders for their consideration. Wachovia will file a registration statement, which will include a proxy statement/prospectus, Westcorp and WFS Financial will file a proxy statement, and each of Wachovia, Westcorp and WFS Financial may file other relevant documents concerning the proposed mergers with the SEC. Shareholders are urged to read the registration statement and the proxy statement/prospectus regarding the proposed transaction when they become 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 proxy statement/prospectus, as well as other filings containing information about Wachovia, Westcorp and WFS Financial, at the SEC's website (<http://www.sec.gov>). You will also be able to obtain these documents, free of charge, at Wachovia's website (<http://www.wachovia.com>) under the tab "Inside Wachovia" "Investor Relations" and then under the heading "Financial Reports" "SEC Filings". Copies of the proxy statement/prospectus and the SEC filings that will be incorporated by reference in the proxy statement/prospectus can also be obtained, free of charge, by directing a request to Wachovia Corporation, Investor Relations, One Wachovia Center, 301 South College Street, Charlotte, NC 28288-0206, (704)-374-6782; or to Westcorp or WFS Financial, Attn: Investor Relations, 23 Pasteur, Irvine, CA 92618, (949)-727-1002.

Wachovia, Westcorp and WFS Financial and their respective directors and executive officers, may be deemed to be participants in the solicitation of proxies from the shareholders of Westcorp and/or WFS Financial in connection with the proposed transaction. Information about the directors and executive officers of Wachovia is set forth in the proxy statement for Wachovia's 2005 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 14, 2005. Information about the directors and executive officers of Westcorp is set forth in the proxy statement for Westcorp's 2005 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 28, 2005, and information about the directors and executive officers of WFS Financial is set forth in the proxy statement for WFS Financial's 2005 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 28, 2005. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the proxy statement/prospectus regarding the proposed transaction when it becomes available. You may obtain free copies of these documents as described in the preceding paragraph.