

WACHOVIA CORP NEW
Form 11-K
June 14, 2004

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT

**PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934 [NO FEE REQUIRED]**

For the fiscal year ended December 31, 2003

OR

**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934 [NO FEE REQUIRED]**

For the transition period from _____ to _____

Commission File Number 1-10000

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

WACHOVIA SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

WACHOVIA CORPORATION

One Wachovia Center

Charlotte, North Carolina 28288-0013

(a) The following financial statements and reports, which have been prepared pursuant to the requirements of the Employee Retirement Income Security Act of 1974, are filed as part of this Annual Report on Form 11-K:

Report of Independent Registered Public Accounting Firm

Financial Statements:

Statements of Net Assets Available for Benefits, December 31, 2003 and 2002

Statement of Changes in Net Assets Available for Benefits, Year Ended December 31, 2003

Notes to Financial Statements

Supplemental Schedule:

Schedule of Assets Held for Investment Purposes at End of Year, December 31, 2003

(b) The following Exhibits are filed as part of this Annual Report on Form 11-K:

Consent of Independent Registered Public Accounting Firm

WACHOVIA SAVINGS PLAN

Financial Statements
and Schedule

As of December 31, 2003 and 2002 and for the
year ended December 31, 2003

(With Report of Independent Registered Public Accounting Firm Thereon)

WACHOVIA SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003 and 2002

NOTE 1: DESCRIPTION OF PLAN

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

GENERAL

Wachovia Corporation and its subsidiaries (the Companies) sponsor the Plan, which is designed to promote savings for retirement, and which is a defined contribution plan. The Companies' and employee contributions are held in trust and earn income tax-free until distributed. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Effective January 1, 1999, the portion of the Plan invested in the Wachovia Corporation Common Stock Fund was amended to be an employee stock ownership plan that invests primarily in employer securities. The first one percent of the Companies' matching contribution is made in Wachovia Corporation common stock. Each employee can immediately elect to liquidate the Company's common stock credited to the employee's account by transferring the value of the common stock to any of a number of investment options available within the Plan. The Companies have adopted the American Institute of Certified Public Accountants Statement of Position 99-3, *Accounting for and Reporting of Certain Defined Contribution Plan Investments and Other Disclosure Matters*.

ELIGIBILITY, CONTRIBUTIONS AND BENEFITS

Under the Plan, an employee is eligible to make contributions beginning on the first month in which the employee has completed one full calendar month of service. The employee is eligible to receive employer matching contributions after one year of service. Employee contributions, pre-tax and after-tax, are elected by the participant and cannot exceed 30 percent of the employee's gross compensation. The maximum percentage of the employer matched contribution is determined annually by the Executive Vice President of the Human Resources Division or by the Board of Directors of Wachovia Corporation, and the contribution amounts are paid from net income or accumulated earnings in accordance with the provisions of the Internal Revenue Code of 1986 as amended together with all regulations, revenue rulings and revenue procedures issued thereunder (the Code). The employer's matching contribution cannot exceed 6 percent of a participant's base compensation. Beginning in 1999, the first one percent of the employer's contribution was made in Wachovia Corporation common stock. Participants are fully vested in their entire account balances at all times.

Four types of withdrawals are allowed under the Plan: normal, specified cause, hardship and after age 59 1/2. Each type of withdrawal must be approved by the Benefits Committee (the Committee). Participants may withdraw up to their entire account balance, depending on the type of withdrawal, net of applicable withholdings and/or loan balances, or a minimum of \$500. The amount of tax withholding depends on the type of withdrawal. In addition, participants may elect to receive current distributions of cash dividends on shares of Wachovia Corporation common stock allocated to them under the Employee Stock Ownership Plan portion of the Plan.

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Participants may borrow up to 50 percent of the balance of their accounts with a minimum loan of \$1,000 and a maximum loan of \$50,000. Loan balances are charged interest at a fixed rate for the life of the loan. The interest rate is determined at origination as the prime interest rate in use by Wachovia Bank, National Association, on the business day preceding the date the loan is processed. Loans are made for a minimum of 12 months or a maximum of 60 months, except that if the loan is used to acquire the participant's principal residence, the maximum term is 180 months. Loan repayments are generally made semi-monthly as a payroll deduction. If a participant retires or is otherwise terminated, the loan balance must be paid in full or the outstanding balance will be considered as a taxable distribution.

Participants, at retirement, may elect to receive a distribution of their account balances. A participant is considered retired if it is the participant's 65th birthday, if it is the participant's 50th birthday with 10 or more years of service, or if it is determined that the participant is totally disabled. Distributions may be made in a lump sum, in installments or in a combination of both. Installment payments must be in multiples of \$50 over a period not to exceed the life expectancy of the participant. Distribution of a retired participant's account balance must begin at age 70½.

Although the employer has not expressed any intent to terminate the Plan, it may do so at any time subject to the provisions of ERISA. If the Plan is terminated, the accounts of each participant shall be adjusted in accordance with Plan provisions.

(Continued)

WACHOVIA SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

PARTICIPANT DIRECTED

In accordance with the Plan provisions, Plan earnings are allocated to participants' accounts on a daily basis. The investment options available to participants at December 31, 2003 and 2002, are presented below.

Stable Fund

This fund invests in a diversified portfolio of high quality securities, primarily consisting of Guaranteed Investment Contracts (GICs), collateralized synthetic GIC contracts and cash equivalents. Target duration is 1.5 years to 3.0 years. Its investment objective is preservation of principal with stable market value.

Evergreen U.S. Government Fund

This fund invests primarily in U.S. Treasury securities and other securities issued by the U.S. government, its agencies or instrumentalities. Its investment objective is a high level of current income with stability of principal.

Evergreen Growth Fund

This fund invests primarily in common stocks of small to medium-sized companies which management believes are demonstrating strong and consistent earnings growth not fully recognized in their stock price. Its investment objective is long-term capital growth.

Enhanced Stock Market Fund

This fund uses a diversified equity strategy that invests in both value and growth oriented companies. The fund's portfolio sector and industry weights reflect those in the S&P 500 Index. Its investment objective is to achieve a total rate of return which closely tracks the return of the S&P 500 Index over time.

American Europacific Growth Fund

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This fund invests in strong, growing companies based chiefly in Europe and the Pacific Basin, ranging from small firms to large corporations. The fund invests primarily in common and preferred stocks, convertible securities, American Depositary Receipts, European Depositary Receipts, bonds and cash. Its investment objective is long-term capital growth.

Dodge and Cox Balanced Fund

This fund invests in equities that management believes to be temporarily undervalued by the stock market but that have a favorable outlook for long-term growth. The fund also invests in a diversified portfolio of investment grade fixed-income securities, such as U.S. government obligations, mortgage and asset-backed securities, and corporate bonds. Its investment objective is regular income and conservation of principal.

Dodge and Cox Stock Fund

This fund invests primarily in a broadly diversified portfolio of common stocks. The fund consists of stocks that management believes are temporarily undervalued but have a favorable outlook for long-term growth. Its investment objective is long-term growth of principal and income.

Montag and Caldwell Growth Fund

This fund invests in equity securities management believes are undervalued based on the issuer's estimated earning power and ability to produce strong earnings growth over the next twelve to eighteen months. Its investment objective is long-term capital appreciation.

Evergreen Core Bond Fund

This fund invests at least 80 percent of its assets in U.S. dollar-denominated investment grade debt securities. The fund seeks to maximize total return through a combination of current income and capital growth.

Evergreen Special Value Fund

This fund invests primarily in common stocks of small U.S. companies. Management looks for significantly undervalued companies that they believe have the potential for above-average appreciation potential with below average risk. The fund seeks to produce growth of capital.

Hartford Midcap Fund

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This fund invests primarily in stocks selected on the basis of potential for capital appreciation. Under normal circumstances, the fund invests at least 80 percent of its assets in common stock of mid-capitalization companies. The fund seeks long-term growth of capital.

Wachovia Stock Non-ESOP

Only participants employed by a business entity not taxable as a corporation, such as the employees of Wachovia Securities LLC, may invest in this fund. This fund's objective is long-term capital appreciation. The fund seeks to achieve its objective through investments in Wachovia Corporation common stock.

Wachovia Corporation Common Stock Fund

This fund invests primarily in Wachovia Corporation common stock and varying levels of short-term cash equivalent investments. Dividends allocated to each participant's account are reinvested in additional units of Wachovia Corporation common stock or paid out in cash at each participant's election. Its primary investment objective is long-term capital appreciation.

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WACHOVIA SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

Alliance Growth and Income Fund

This fund invests primarily in dividend-paying common stocks of large, well established, blue-chip companies. The fund also may invest in fixed-income and convertible securities and in issues of foreign companies.

Alliance Premier Growth Fund

This fund's investment objective is long-term growth of capital by investing predominantly in equity securities of a limited number of large U.S. companies.

Alliance Technology Fund

This fund invests primarily in securities of companies that use technology extensively in the development of new or improved products or processes. The fund's policy is to invest in any company and industry and in any type of security with potential for capital appreciation. The fund invests in well-known, established companies or in new or unseasoned companies. The fund may invest up to 25 percent of its total assets in foreign securities.

American Balanced Fund

This fund takes a balanced approach and is managed as if it constituted the complete investment program of the prudent investor. This fund invests primarily in common stocks and preferred stocks, bonds, convertible securities and cash. The fund may invest up to 10 percent of assets in securities of issuers domiciled outside the U.S. and not included in the S&P 500 Index.

American Century Equity Growth Fund

This fund seeks capital growth by investing in common stocks. Income is a secondary objective of the fund.

American Century International Growth Fund

This fund invests in equity securities of issuers in developed foreign countries.

American Century Small Cap Value Fund

Under normal market conditions, the fund will invest at least 65 percent of its assets in U.S. equity securities of smaller companies as measured by their market capitalization.

Ariel Appreciation Fund

This fund invests in companies with market capitalization primarily between \$1 billion and \$10 billion, with emphasis on mid-cap stocks. It identifies the common stock of undervalued companies with long-term growth potential. A stock will be held until it reaches its true value usually 3 years to 5 years.

Credit Suisse Capital Appreciation Fund

This fund invests primarily in a broadly diversified portfolio of stocks and other equity securities of U.S. companies. The fund invests at least 80 percent of total assets in a broadly diversified portfolio of growth stocks. Also, the fund may invest up to 20 percent of total assets in foreign securities.

Credit Suisse Global Technology Fund (formerly, Credit Suisse Telecommunication Fund)

Under normal market conditions, this fund invests at least 25 percent of total assets in equity securities of telecommunications companies and at least 65 percent of assets in equity securities of technology companies (including the telecommunication companies). The fund will invest in at least three countries, including the U.S., and may invest in companies of all sizes.

Credit Suisse Small Cap Company Growth Fund

This fund invests in equity securities of small U.S. growth companies. The fund may also invest in emerging growth companies. Under normal market conditions, the fund invests at least 65 percent of total assets in equity securities of small U.S. companies. Once this minimum policy is met, the fund may invest in companies of any size.

Fidelity Advisor Mid Cap Fund

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This fund normally invests at least 80 percent of assets in common stocks of companies with medium market capitalization (those with market capitalization similar to companies in the Russell MidCap Index or the S&P MidCap 400 Index). This fund also potentially invests in companies with smaller or larger markets capitalization. in domestic and foreign issuers, and in either growth stocks or value stocks or both.

Janus Balanced Fund

This fund invests 40 percent - 60 percent of its assets in securities selected primarily for their growth potential and 40 percent - 60 percent of its assets in securities selected primarily for their income potential. The fund will normally invest at least 25 percent of its assets in fixed-income senior securities. The fund may invest without limit in foreign equity and debt securities and less than 35 percent of its net assets in high-yield/high-risk bonds.

Janus Growth and Income Fund

This fund emphasizes investments in common stocks. Normally, it will invest up to 75 percent of its assets in equity securities selected primarily for their growth potential, and at least 25 percent of its assets in securities selected for their income potential.

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WACHOVIA SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

Janus Mercury Fund

This fund invests primarily in common stocks selected for their growth potential. The fund may invest in companies of any size, from larger, well-established companies to smaller, emerging growth companies.

Janus Worldwide Fund

This fund invests primarily in common stocks of companies of any size throughout the world. The fund normally invests in issuers from at least five different countries, including the U.S. The fund may at times invest in fewer than five countries or even a single country.

MFS New Discovery Fund

This fund invests, under normal market conditions, at least 65 percent of its total assets in equity securities of emerging growth companies. While emerging growth companies may be of any size, the fund will generally focus on small-cap emerging growth companies that are early in their life cycle.

Oakmark Select Fund

This fund is non-diversified and invests primarily in common stocks of U.S. companies. The fund could own as few as 12 securities, but generally will have 15 securities to 20 securities in its portfolio.

PIMCO Total Return Fund

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This fund seeks maximum total return, consistent with preservations of capital and prudent investment management. The fund seeks to achieve its investment objective by investing, under normal circumstances, at least 65 percent of its total assets in a diversified portfolio of fixed income instruments of varying maturities. The average portfolio duration of this fund normally varies within a 3 year to 6 year time frame based on PIMCO's forecast for interest rates.

Prudential 20/20 Focus Fund

This fund invests at least 80 percent of total assets in up to 40 equity-related U.S. securities that have strong capital appreciation potential. The fund's strategy is to combine the efforts of two portfolio managers, one with a growth style and the other with a value style. Each manager may select up to 20 securities to build the portfolio.

Prudential Equity Fund

This fund invests at least 80% of total assets in the common stock of major, established companies they believe are in sound financial condition and have potential for price appreciation greater than broadly-based stock indexes.

Prudential Value Fund

This fund invests primarily in common stocks and convertible securities. The fund also invests in fixed-income obligations and money market instruments, and may use derivatives.

Prudential Financial Services Fund

This fund invests at least 80 percent of its total assets in securities of companies in the financial services sector, such as banks, finance companies, insurance companies and securities/brokerage firms that are primarily engaged in providing financial services.

Prudential Guaranteed Interest Account

Provides stable, competitive interest rates based on current market conditions. As a stable value option, the GIA is well suited to individuals saving for retirement whose objectives include safety of principal.

Prudential Global Growth Fund

This fund invests primarily in equity-related securities of medium-size and large U.S. and foreign (non-U.S. based) companies.

Prudential Health Sciences Fund

This fund invests at least 80 percent of its total assets in securities of companies in the health sciences sector, such as pharmaceutical companies, biotechnology companies, medical device manufacturers, healthcare service providers and HMOs that derive a substantial portion of their sales from healthcare-related products or services.

Prudential High Yield Fund

This fund invests in a diversified portfolio of high-yield fixed-income securities rated Ba or lower by Moody's Investor Service, or BB or lower by Standard & Poor's Rating Group and securities either rated by another major rating service or unrated securities of comparable junk bond quality.

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WACHOVIA SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

Prudential International Value Fund

This fund invests at least 65 percent of total assets in stocks of foreign companies in at least three different countries without limitation to the amount of assets that may be invested in any single country. Generally, the fund does not invest in U.S. securities.

Prudential Jennison Equity Opportunity Fund

This fund primarily invests in established U.S. companies, but has the ability to invest in foreign companies.

Prudential Jennison Growth Fund

This fund invests at least 65 percent of total assets in equity securities (common stock, securities convertible into common stock and preferred stock) of established companies with above-average growth prospects.

Prudential Small Company Fund

This fund invests primarily in a diversified portfolio of stocks in smaller, lesser known U.S. companies (with total capitalization typically less than \$1.5 billion). The fund is diversified among many different industries and across a variety of small company stocks.

Prudential Stock Index Fund

This fund's focus is long-term capital growth and current income and seeks to provide investment results that correspond to the price and yield performance of the Standard & Poor's Composite Stock Price Index (S&P 500 Index). The fund invests at least 80 percent of its total assets in securities included in the S&P 500 Index in the same proportions as those of the Index.

Prudential Total Return Bond Fund

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This fund allocates assets primarily among investment grade debt securities. The fund may invest up to 50 percent of its total assets in non-investment grade securities having a rating of not lower than CCC. Also, the fund may invest up to 20 percent of its total assets in foreign securities and may hedge at least 75 percent of its exposure to foreign currency to reduce exchange rate risks.

Prudential Utility Fund

This fund primarily invests in equity-related and investment grade debt securities of utility companies. The fund may invest more than 5 percent in any one issuer.

Prudential U.S. Emerging Growth Fund

This fund invests at least 80 percent of the fund's total assets in equity securities of small and medium-sized U.S. companies with the potential for above-average growth. The fund may frequently trade its portfolio securities.

Strong Government Securities Fund

This fund invests, under normal circumstances, at least 80 percent of its net assets in higher-quality bonds issued by the U.S. government or its agencies. The fund's dollar-weighted average effective maturity will normally be between 5 years and 10 years. To a limited extent, the fund may also invest in dollar-denominated foreign securities.

Target Small Cap Value Fund

This fund invests in stocks of smaller companies with a market capitalization of under \$1.5 billion.

Washington Mutual Investors Fund

This fund invests primarily in common stocks of larger, more established companies that meet the listing requirements of the New York Stock Exchange and have a strong record of earnings and dividends. The fund invests in stocks that meet strict standards that evolved from requirements originally established by the U.S. District Court for the District of Columbia for the investment of trust funds. This fund may not invest in companies that derive their primary revenues from alcohol or tobacco.

DISCONTINUED INVESTMENT OPTIONS

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As of December 31, 2003, funds no longer available as an investment option were the Evergreen Small Cap Fund, Strong Advisor Common Stock Fund and the Franklin Small-Mid Cap Growth Fund.

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WACHOVIA SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

MERGERS WITH FINANCIAL INSTITUTIONS

On December 31, 2003, the PSI 401(k) Plan merged into the Plan. The PSI 401(k) Plan had assets of \$598 million. Additionally, in 2003, assets of the savings plans of United Savings Bank ESOP, Principal Securities 401(k) Profit Sharing Plan, C.M. Harris Holding Co. & Affiliates 401(k) Plan and C.M. Harris Holding Co. & Affiliates Employee Stock Ownership Plan were merged into the Plan. Their plan assets were approximately \$11 million.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

VALUATION OF INVESTMENTS

The specific identification method is used in determining the cost of securities. Security transactions are recognized on the trade date (the date the order to buy or sell is executed). Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date.

Investments in cash management accounts and participants' loans receivable are stated at cost which approximates fair value. Investments in commercial paper, U.S. Government and agency securities, corporate bonds, mutual funds, collective investment funds and common stocks are stated at fair value, which is based on closing market quotations.

In accordance with the American Institute of Certified Public Accountants Statement of Position 94-4, Reporting of Investment Contracts Held by Health and Welfare Benefits Plans and Defined-Contribution Pension Plans, the Stable Funds and the Prudential Guaranteed Interest Accounts' holdings of investment contracts are generally stated at contract value plus accrued interest because they are considered to be benefit responsive, thus providing reasonable access to the funds by participants. If Plan management is aware that an event has occurred that may affect the ability to recover the full value of a contract, the contract is reported at its estimated realizable value. Otherwise the contract value of investment contracts, including any accrued interest approximates the fair value.

Interest and dividends earned on marketable investments are treated as gains in appreciation of the fair value of the fund, since all income received by the fund is reinvested in the fund and thus increases the participants' share value.

BASIS OF PRESENTATION

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The accompanying financial statements are prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America.

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect reported amounts of assets, liabilities and obligations and disclosure of contingent liabilities at the date of the financial statements, as well as additions to and deductions from these amounts during the reporting period. Actual results could differ from those estimates.

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WACHOVIA SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS**NOTE 3: INVESTMENTS**

Under the terms of the Plan, Wachovia Bank, National Association (the Trustee), a wholly-owned subsidiary of Wachovia Corporation and a related party-in-interest, holds the assets of the Plan in bank-administered trust funds. The following table presents the Plan's investments.

The investment contracts held by the Stable Fund and the Prudential Guaranteed Interest Account have crediting interest rates ranging from 3.30 percent to 7.91 percent at December 31, 2003. The average yields for the investment contracts ranged from 3.30 percent to 7.91 percent for the year ended December 31, 2003.

In conjunction with the PSI 401(k) termination, the Wachovia Benefits Committee elected to redeem the Prudential Guaranteed Interest Account (GIC) in accordance with its policy terms. Accordingly, the GIC is carried at its fair value which approximates its contract value at December 31, 2003. Subsequent to year end, the GIC was settled for its contract value.

	December 31,	
	2003	2002
INVESTMENTS		
Mutual funds		
Evergreen U.S. Government Fund	\$ 208,135,637	245,043,383
Evergreen Small-Cap Fund		69,879,663
Evergreen Growth Fund	151,606,880	87,569,437
Evergreen Core Bond Fund	5,033,536	
Evergreen Special Value Fund	112,853,692	
American Europacific Growth Fund	155,483,367	95,554,417
Dodge and Cox Balanced Fund	436,029,626	308,765,115
Dodge and Cox Stock Fund	341,185,928	202,078,530
Montag and Caldwell Growth Fund	67,541,186	50,002,557
Strong Advisor Common Stock Fund		69,226,586
Franklin Small-Mid Cap Growth Fund		46,678,872
Hartford Midcap Fund	197,083,354	
Prudential Small Company Value Fund	32,898,766	
Prudential Equity Fund	38,210,830	
Prudential High Yield Fund	16,834,048	
Prudential Global Growth Fund	17,288,942	
Prudential Utility Fund	17,884,456	
Prudential Value Fund	11,445,637	
Prudential Jennison Growth Fund	56,058,428	
Prudential Stock Index Fund I	28,622,259	
Prudential International Value Fund	12,493,504	
Prudential 20/20 Focus	14,671,650	

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Prudential US Emerging Growth	8,370,374
Prudential Financial Services Fund	2,957,405
Prudential Health Sciences Fund	7,443,971
Prudential Jennison Equity Opportunity Fund	12,458,513

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WACHOVIA SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

	December 31,	
	2003	2002
Prudential Total Return Bond Fund	11,647,311	
Alliance Premier Growth Fund	2,935,485	
Alliance Technology Fund	6,705,060	
Alliance Growth & Income Fund	9,336,920	
American Balanced Fund	10,506,519	
American Century Equity Growth	2,570,308	
American Century International Growth	5,416,450	
American Century Small Cap Value	9,254,465	
Ariel Appreciation Fund	3,295,574	
Janus Balanced	2,803,384	
Janus Growth and Income	4,442,254	
Janus Mercury	3,476,467	
Janus Worldwide	4,318,777	
Fidelity Advisor Mid Cap	9,514,217	
MFS New Discovery	4,298,777	
Oakmark Select	24,959,335	
PIMCO Total Return Fund	5,563,473	
Strong Government Securities	2,168,364	
Target Small Cap Fund	5,351,766	
Washington Mutual Investors	21,433,106	
Credit Suisse Capital Appreciation	2,246,581	
Credit Suisse Global Technology	2,169,009	
Credit Suisse Small Company Growth	3,257,302	
Total mutual funds	2,110,262,893	1,174,798,560
Stable Fund	818,240,276	805,776,681
Enhanced Stock Market Fund	723,677,303	578,313,615
Wachovia Stock Non-ESOP	18,516,457	
Prudential Guaranteed Interest Account	144,303,603	
Employee Stock Ownership Plan		
Wachovia Corporation common stock	1,393,318,022	1,163,729,729
Cash and cash equivalents	69,744,550	55,034,295
Total marketable investments	5,278,063,104	3,777,652,880
Participants' loans receivable	191,998,778	148,320,468
Total investments	\$ 5,470,061,882	3,925,973,348

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the Stable Fund investments are managed by Wachovia Bank, National Association. The Wachovia Corporation Common Stock Fund is also managed by Wachovia Bank, National Association, and it is principally comprised of shares of Wachovia Corporation common stock.

Wachovia Bank, National Association, a party in interest, serves as the trustee for the Plan. In 2003, the Companies paid administrative expenses on behalf of the Plan amounting to \$2,576,478.

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WACHOVIA SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS**NOTE 6: LOANS PAYABLE**

Upon the merger of the CoreStates Employee Stock Ownership and Savings Plan into the Plan in 1999, Wachovia Bank, National Association, assumed all obligations of CoreStates Financial Corp under the loan agreement dated October 27, 1994, pursuant to which Meridian Trust Company issued to Meridian Bancorp, Inc. its promissory note dated October 27, 1994, in the amount of \$60,000,000, with a maturity date of October 1, 2014, and bearing an interest rate of 8.85 percent. The Companies are obligated to make contributions to maintain debt service.

The loan was originally collateralized by 3,274,816 shares of Wachovia Corporation common stock. The loan repayment schedule is as follows:

2004	\$ 2,532,533
2005	2,764,211
2006	3,017,082
2007	3,293,087
2008	3,594,342
Thereafter	\$ 29,625,671

As the Plan makes each payment of principal and interest, an appropriate percentage of common stock will be available to fund the Companies one percent match in accordance with the provisions of the Plan document. If shares made available after payment of principal are in excess of those amounts required to fund the Companies one percent matching contribution, those shares may be utilized to fund the Companies matching contribution where participants have elected to invest in the Wachovia Corporation Common Stock Fund or in participant contributions where participants have elected to invest in Wachovia Corporation common stock. Shares vest fully upon allocation. Dividends allocated to each participant's account are reinvested in additional units of Wachovia Corporation common stock or paid out in cash at each participant's election. Dividends on unallocated shares not distributed currently to participants may be either distributed or reinvested in Wachovia Corporation common stock at the discretion of the Companies. The Companies have elected to reinvest the dividends.

The borrowing is collateralized by 2,251,442 unallocated shares of Wachovia Corporation common stock at December 31, 2003, and is guaranteed by the Companies. In 2003, 204,677 shares were released based on principal and interest paydowns on the loan. The lender has no rights against shares once they are allocated under the Plan. Accordingly, the financial statements of the Plan in 2003 present separately the assets and liabilities and changes therein pertaining to: (a) the accounts of employees with vested rights in allocated stock, and (b) stock not yet allocated to employees (Unallocated).

Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised. The Trustee is required to vote all shares in the Plan, including unallocated shares, in proportion to the response received for participants and beneficiaries with respect to stock allocated to participant accounts.

The fair value of the loan payable is based on the current rates available to the Plan for debt with the same or similar maturities and terms. At December 31, 2003 and 2002, the loan payable was recorded at \$44,826,926 and \$47,147,199, respectively, and had an estimated fair value of

\$56,718,209 and \$59,811,652.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Benefits Committee

Wachovia Corporation

We have audited the accompanying statements of net assets available for benefits of Wachovia Savings Plan (the Plan), as of December 31, 2003 and 2002, and the related statement of changes in net assets available for benefits for the year ended December 31, 2003. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the Standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2003 and 2002, and the changes in net assets available for benefits for the year ended December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held for investment purposes at end of year is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by th