

WACHOVIA CORP NEW
Form 424B5
November 02, 2006
Table of Contents

The information in this preliminary prospectus supplement is not complete and may be changed.

Filed Pursuant to Rule 424(b)(5)

Registration No. 333-123311

SUBJECT TO COMPLETION, DATED NOVEMBER 1, 2006

(To prospectus dated May 13, 2005)

PROSPECTUS SUPPLEMENT

\$•

Wachovia Corporation

Principal Protected Notes

Linked to a Basket of Asian Currencies

due •, 2008

Offering 100% Principal Protection

Issuer:	Wachovia Corporation
Principal Amount:	Each note will have a principal amount of \$10. Each note will be offered at an initial public offering price of \$10.
Maturity Date:	•, 2008.
Interest:	Wachovia will not pay you interest during the term of your notes.
Underlying Basket:	The return on the notes, in excess of the principal amount, is linked to the performance of an equally-weighted basket (the basket) of the following six currencies relative to the U.S. Dollar: the Japanese Yen, the Chinese Renminbi (Yuan), the Singapore Dollar, the Indonesian Rupiah, the Philippine Peso and the Indian Rupee (each, a basket currency , and collectively, the basket currencies).
Maturity Payment Amount:	At maturity, for each note you own, you will receive a cash payment equal to the sum of \$10 and the basket performance amount. The basket performance amount per note will equal the greater of (i) \$0, and (ii) the product of the principal amount of the note and the average currency appreciation. The average currency appreciation will equal the arithmetic mean of the percentage change in the value of the exchange rate of each basket currency relative to the U.S. Dollar. If the average currency appreciation is greater than zero, then the average currency appreciation used in calculating the basket performance amount will in no event be less than •% (to be determined on the pricing date) (the minimum average currency appreciation).

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If the average currency appreciation is less than or equal to zero, the basket performance amount will be \$0, and the maturity payment amount will be \$10.

Listing:

Wachovia has applied to list the notes on the American Stock Exchange under the symbol AWO . If Wachovia is unable to list the notes on the American Stock Exchange, the notes will not be listed or displayed on any other securities exchange, the Nasdaq National Market or any electronic communications network.

Pricing Date:

•, 2006

Expected Settlement Date:

•, 2006

CUSIP Number:

929903490

For a detailed description of the terms of the notes, see Summary Information beginning on page S-1 and Specific Terms of the Securities beginning on page S-15.

Investing in the securities involves risks. See Risk Factors beginning on page S-9.

	<u>Per Note</u>	<u>Total</u>
Public Offering Price		
Underwriting Discount and Commission		
Proceeds to Wachovia Corporation		

The notes solely represent senior, unsecured debt obligations of Wachovia and are not the obligation of, or guaranteed by, any other entity. The notes are not deposits or accounts and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

Wachovia may use this prospectus supplement in the initial sale of the notes. In addition, Wachovia Capital Markets, LLC or any other broker-dealer affiliate of Wachovia may use this prospectus supplement in a market-making or other transaction in any note after its initial sale. *Unless Wachovia or its agent informs the purchaser otherwise in the confirmation of sale, this prospectus supplement is being used in a market-making transaction.*

Wachovia Securities

The date of this prospectus supplement is •, 2006.

Table of Contents**TABLE OF CONTENTS****Prospectus Supplement**

<u>Summary Information</u>	Page S-1
<u>Risk Factors</u>	S-9
<u>Specific Terms of the Notes</u>	S-15
<u>The Basket</u>	S-19
<u>Supplemental Tax Considerations</u>	S-24
<u>Employee Retirement Income Security Act</u>	S-26
<u>Use of Proceeds and Hedging</u>	S-27
<u>Supplemental Plan of Distribution</u>	S-27
<u>Recent Developments</u>	S-28

Prospectus

About This Prospectus	Page 1
Where You Can Find More Information	3
Forward-Looking Statements	4
Wachovia Corporation	4
Risk Factors	5
Use of Proceeds	9
Consolidated Earnings Ratios	9
Selected Consolidated Condensed Financial Data	10
Capitalization	11
Regulatory Considerations	11
Description of the Notes We May Offer	12
Global Notes	45
United States Taxation	49
Proposed European Union Directive on Taxation of Savings	62
Employee Retirement Income Security Act	62
Plan of Distribution	64
Validity of the Notes	69
Experts	70
Listing and General Information	70

Unless otherwise indicated, you may rely on the information contained in this prospectus supplement and the accompanying prospectus. Neither we nor the underwriter has authorized anyone to provide information different from that contained in this prospectus supplement and the accompanying prospectus. When you make a decision about whether to invest in the notes, you should not rely upon any information other than the information in this prospectus supplement and the accompanying prospectus. Neither the delivery of this prospectus supplement nor sale of the notes means that information contained in this prospectus supplement or the accompanying prospectus is correct after their respective dates. This prospectus supplement and the accompanying prospectus are not an offer to sell or solicitation of an offer to buy the notes in any circumstances under which the offer or solicitation is unlawful.

Table of Contents

SUMMARY INFORMATION

This summary includes questions and answers that highlight selected information from this prospectus supplement and the accompanying prospectus to help you understand the Principal Protected Notes Linked to a Basket of Asian Currencies due •, 2008 Offering 100% Principal Protection (the notes). You should carefully read this prospectus supplement and the accompanying prospectus to fully understand the terms of the notes, the exchange rate of each basket currency relative to the U.S. Dollar and the tax and other considerations that are important to you in making a decision about whether to invest in the notes. You should carefully review the section Risk Factors in this prospectus supplement and the accompanying prospectus, which highlights certain risks associated with an investment in the notes, to determine whether an investment in the notes is appropriate for you.

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus supplement to Wachovia, we, us and our or similar references mean Wachovia Corporation and its subsidiaries. Wachovia Capital Markets, LLC is an indirect, wholly owned subsidiary of Wachovia Corporation. Wachovia Corporation conducts its investment banking, capital markets and retail brokerage activities through its various broker-dealer, bank and non-bank subsidiaries, including Wachovia Capital Markets, LLC, under the trade name Wachovia Securities. Any reference to Wachovia Securities in this prospectus supplement does not, however, refer to Wachovia Securities, LLC, member of the New York Stock Exchange and the Securities Investor Protection Corporation or Wachovia Securities Financial Network, LLC, member of the National Association of Securities Dealers, Inc. and the Securities Investor Protection Corporation, broker-dealer affiliates of Wachovia Corporation and Wachovia Capital Markets, LLC. Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus supplement to WBNA mean Wachovia Bank, National Association. All references to this prospectus supplement mean the pricing supplement contemplated in the accompanying prospectus.

What are the notes?

The notes offered by this prospectus supplement will be issued by Wachovia Corporation and will mature on •, 2008. The maturity payment amount, in excess of the principal amount of the notes, if any, will be linked to the performance of the basket, which is in turn based on the performance of the basket currencies. The notes will not bear interest and no other payments will be made until maturity.

Each basket currency will represent one-sixth of the basket. The basket currencies, with their respective symbols as used by Bloomberg Financial Markets and recognized by the Foreign Exchange Committee of the Federal Reserve Bank of New York and certain currency traders associations (the currency symbols), are set forth below:

Japanese Yen (symbol JPY), the lawful currency of Japan;

Chinese Renminbi (Yuan) (symbol CNY), the lawful currency of the People's Republic of China;

Singapore Dollar (symbol SGD), the lawful currency of the Republic of Singapore;

Indonesian Rupiah (symbol IDR), the lawful currency of the Republic of Indonesia;

Philippine Peso (symbol PHP), the lawful currency of the Republic of the Philippines; and

Indian Rupee (symbol INR), the lawful currency of the Republic of India.

The weighting of each basket currency is fixed and will not change during the term of the notes. Similarly, the basket currencies that compose the basket will not change, except as described under Specific Terms of the Notes Adjustments to the Basket on page S-18.

As discussed in the accompanying prospectus, the notes are debt securities and are part of a series of debt securities entitled Medium-Term Notes, Series G that Wachovia Corporation may issue from time to time. The

S-1

Table of Contents

notes will rank equally with all other unsecured and unsubordinated debt of Wachovia Corporation. For more details, see Specific Terms of the Notes beginning on page S-15.

Each note will have a principal amount of \$10. Each note will be offered at an initial public offering price of \$10. You may transfer only whole notes. Wachovia Corporation will issue the notes in the form of a global certificate, which will be held by The Depository Trust Company, also known as DTC, or its nominee. Direct and indirect participants in DTC will record your ownership of the notes.

Are the notes principal protected?

The notes are fully principal protected and will pay 100% of the principal amount of your notes at maturity, subject to our ability to pay our obligations.

What will I receive upon maturity of the notes?

On the maturity date, for each note you own, you will receive a cash payment equal to the sum of \$10 and the basket performance amount.

Determination of the basket performance amount

The basket performance amount per note will be determined by the calculation agent and will equal the greater of:

- (i) \$0, and
- (ii) \$10 × average currency appreciation.

The average currency appreciation will be determined by the calculation agent and will equal the arithmetic mean of the currency appreciation of each basket currency. If the average currency appreciation is greater than zero, then the average currency appreciation used to calculate the basket performance amount will in no event be less than the minimum average currency appreciation.

The currency appreciation of each basket currency will be determined by the calculation agent as follows:

$$\text{currency appreciation} = \left(\frac{\text{initial basket currency exchange rate} - \text{final basket currency exchange rate}}{\text{initial basket currency exchange rate}} \right) .$$

The initial basket currency exchange rate for each basket currency is the basket currency exchange rate for that basket currency on the pricing date.

The final basket currency exchange rate for each basket currency will be the basket currency exchange rate for that basket currency on the valuation date.

The basket currency exchange rate for each basket currency on any given date will be determined by the calculation agent and will equal the basket currency/U.S. Dollar exchange rate as reported by Reuters Group PLC (Reuters), as follows:

For the Japanese Yen, the Japanese Yen/U.S. Dollar exchange rate as determined by reference to Reuters page 1FED , or any successor page, published at approximately 5:00 p.m., Greenwich Mean Time (GMT), on the relevant date;

For the Chinese Renminbi (Yuan), the Chinese Renminbi (Yuan)/U.S. Dollar exchange rate, as determined by reference to Reuters page SAEC , or any successor page, published at approximately 5:00 p.m., GMT, on the relevant date;

Table of Contents

For the Singapore Dollar, the Singapore Dollar/U.S. Dollar exchange rate as determined by reference to Reuters page ABSIRFIX01 , or any successor page, published at approximately 5:00 p.m., GMT, on the relevant date;

For the Indonesian Rupiah, the Indonesian Rupiah/U.S. Dollar exchange rate as determined by reference to Reuters page ABSIRFIX01 , or any successor page, published at approximately 5:00 p.m., GMT, on the relevant date;

For the Philippine Peso, the Phillipine Peso/U.S. Dollar exchange rate as determined by reference to Reuters page PNBM , or any successor page, published at approximately 5:00 p.m., GMT, on the relevant date; and

For the Indian Rupee, the Indian Rupee/U.S. Dollar exchange rate, as determined by reference to Reuters page RBIB , or any successor page, published at approximately 5:00 p.m., GMT, on the relevant date.

If the calculation agent is unable to determine a basket currency exchange rate by reference to the applicable Reuters page listed above or the corresponding successor page, then the calculation agent will select a similar source in a commercially reasonable manner in accordance with general market practice.

The minimum average currency appreciation will equal $\frac{1}{4}\%$ (to be determined on the pricing date).

The following table shows the basket currencies, their respective currency symbols, their initial basket currency exchange rates and their applicable currency business days:

Basket Currency	Currency Symbol	Initial Basket Currency Exchange Rate	Applicable Currency Business Day
Japanese Yen	JPY	•	Tokyo
Chinese Renminbi (Yuan)	CNY	•	Beijing
Singapore Dollar	SGD	•	Singapore
Indonesian Rupiah	IDR	•	Singapore
Philippine Peso	PHP	•	Singapore
Indian Rupee	INR	•	Mumbai

A business day means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in New York City generally are authorized or obligated by law, regulation or executive order to close.

The currency business day for each basket currency is any day, other than a Saturday or a Sunday, that is neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation or executive order to close (including for dealings in foreign exchange in accordance with the practice of the foreign exchange market) in the city listed in the table above under Applicable Currency Business Day for that basket currency.

The valuation date, with respect to each basket currency, means the tenth currency business day before the maturity date. However, if that day occurs on a day on which the calculation agent has determined that a market disruption event has occurred or is continuing with respect to one or more basket currencies, then the valuation date for the affected basket currency or basket currencies will be postponed until the next succeeding currency business day for such basket currency or basket currencies on which the calculation agent determines that a market disruption event does not occur or is not continuing with respect to such basket currency or basket currencies; provided that in no event will the valuation date with respect to any basket currency be postponed by more than twenty calendar days. The determination of the final basket currency exchange rate for any basket currency with respect to which a market disruption event does not occur or is not continuing on the valuation date will not be postponed for the purpose of calculating the maturity payment amount. *If the valuation date with respect to any basket currency is postponed, then the maturity date of the notes will be postponed by an equal number of business days.*

Table of Contents

If the average currency appreciation is less than or equal to zero, the basket performance amount will be \$0, and the maturity payment amount will be \$10.

Hypothetical Examples

Set forth below are three hypothetical examples of the calculation of the maturity payment amount. For purposes of these examples, we have assumed a minimum average currency appreciation of 9%. The minimum average currency appreciation will be determined on the pricing date.

Example 1

The hypothetical average currency appreciation is -50%, reflecting a 50% decrease in the value of the basket:

Basket performance amount (per note) is the greater of:

(i) \$0, and

$$(ii) \left(\$10 \times -50\% \right) = -\$5.00.$$

Maturity payment amount = \$10 + \$0 = \$10.

Since the hypothetical currency appreciation is *less* than zero, the basket performance amount would equal \$0 and the maturity payment amount would equal the principal amount of your note.

Example 2

The hypothetical average currency appreciation is 5%, reflecting a 5% increase in the value of the basket:

Basket performance amount (per note) is the greater of:

(i) \$0, and

$$(ii) \left(\$10 \times 9\% \right) = \$0.90$$

Maturity payment amount = \$10 + \$0.90 = \$10.90.

Since the hypothetical average currency appreciation is *greater* than zero but less than the minimum average currency appreciation, the average currency appreciation used to calculate the basket performance amount would be the minimum average currency appreciation and, therefore, the basket performance amount would equal \$0.90 and the maturity payment amount would be greater than the principal amount of your note.

Example 3

The hypothetical average currency appreciation is 50%, reflecting a 50% increase in the value of the basket:

Basket performance amount (per note) is the greater of:

(i) \$0, and

S-4

Table of Contents

$$(ii) \left(\$10 \times 50\% \right) = \$5.00$$

Maturity payment amount = \$10 + \$5.00 = \$15.00

Since the hypothetical average currency appreciation is *greater* than zero, the basket performance amount would equal \$5.00 and the maturity payment amount would be greater than the principal amount of your note.

Hypothetical Returns

The following table illustrates, for a range of hypothetical average currency appreciations representing equivalent percentage changes in the value of the basket:

the hypothetical basket performance amount;

the hypothetical maturity payment amount per note;

the hypothetical pre-tax annualized rate of return to beneficial owners of the notes as more fully described below.

The figures below are for purposes of illustration only. The actual maturity payment amount and the resulting total and pre-tax annualized rate of return will depend on the actual average currency appreciation determined by the calculation agent as described in this prospectus supplement.

Hypothetical average currency appreciation	Hypothetical basket performance amount	Hypothetical maturity payment amount per note (1)	Hypothetical pre-tax annualized rate of return on the notes (2)
-50.00%	\$0.00	\$10.00	0.00%
-45.00	0.00	10.00	0.00
-40.00	0.00	10.00	0.00
-35.00	0.00	10.00	0.00
-30.00	0.00	10.00	0.00
-25.00	0.00	10.00	0.00
-20.00	0.00	10.00	0.00
-15.00	0.00	10.00	0.00
-10.00	0.00	10.00	0.00
-5.00	0.00	10.00	0.00
0.00(3)	0.00	10.00	0.00
5.00	0.90	10.90	4.36
10.00	1.00	11.00	4.82
15.00	1.50	11.50	7.11
20.00	2.00	12.00	9.33
25.00	2.50	12.50	11.47
30.00	3.00	13.00	13.56
35.00	3.50	13.50	15.58
40.00	4.00	14.00	17.55
45.00	4.50	14.50	19.47
50.00	5.00	15.00	21.34

- (1) The hypothetical maturity payment per note is based on a minimum average currency appreciation of 9%. The actual minimum average currency appreciation will be determined on the pricing date.

S-5

Table of Contents

(2) The hypothetical pre-tax annualized rate of return is based on a 2-year term, semi-annual compounding and a 30/360 day count.

(3) This is also the average currency appreciation corresponding to the value of the basket on the pricing date. The following graph sets forth the return at maturity for a range of hypothetical average currency appreciations.

Return Profile of Principal Protected Notes vs. Basket*

*Assumes a minimum average currency appreciation rate of 9%.

Who should or should not consider an investment in the notes?

We have designed the notes for investors who are willing to hold the notes to maturity; who seek an investment with a return linked to the basket currency exchange rates and who believe that the basket currency exchange rates, when averaged together, will decrease over the term of the notes (*i.e.*, that over the term of the notes, when averaged together, *fewer* units of the basket currencies will be needed to buy a given amount of U.S. Dollars and the basket currencies will, when averaged together, *appreciate* in value against the U.S. Dollar); and who seek to protect their investment by receiving at least 100% of the principal amount of their investment at maturity.

The notes are not designed for, and may not be a suitable investment for, investors who are unable or unwilling to hold the notes to maturity; who require an investment that yields regular returns; who believe that the basket currency exchange rates, when averaged together, are likely to increase or remain unchanged over the term of the notes (*i.e.*, that over the term of the notes, when averaged together, *more* or the same number of units

Table of Contents

of the basket currencies will be needed to buy a given amount of U.S. Dollars and the basket currencies will, when averaged together, *depreciate* or remain unchanged in value against the U.S. Dollar); or who seek a more aggressive leveraged investment with exposure to both the full upside performance as well as the full downside performance risk of the basket currency exchange rates.

What will I receive if I sell the notes prior to maturity?

The market value of the notes may fluctuate during the term of the notes. Several factors and their interrelationship will influence the market value of the notes, including the level of the basket currency exchange rates; the time remaining to the maturity date; the Japanese Yen, Chinese Renminbi (Yuan), Singapore Dollar, Indonesian Rupiah, Philippine Peso, Indian Rupee and U.S. Dollar interest rates; and the volatility of the basket currency exchange rates. The notes are 100% principal protected only if held to maturity. If you sell your notes before maturity, you may have to sell them at a discount and you will not have principal protection. Depending on the impact of these factors, you may receive less than the principal amount in any sale of your notes before the maturity date and less than what you would have received had you held the notes until maturity. For more details, see **Risk Factors**. Many factors affect the market value of the notes.

How have the basket currency exchange rates performed historically?

You can find a table with the published high and low levels in the interbank market of each of the basket currency exchange rates as well as the basket currency exchange rates at the end of each calendar quarter from calendar year 2003 to present in the section entitled **The Basket Historical Basket Currency Exchange Rates** in this prospectus supplement. We have provided this historical information to help you evaluate the behavior of the basket currency exchange rates in the recent past; however, past performance of the basket currency exchange rates does not indicate how they will perform in the future.

What about taxes?

The notes will be treated as debt instruments subject to special rules governing contingent payment debt obligations for United States federal income tax purposes. If you are a U.S. individual or taxable entity, you generally will be required to pay taxes on ordinary income from the notes over their term based on the comparable yield for the notes, even though you will not receive any payments from us until maturity. This comparable yield is determined solely to calculate the amount on which you will be taxed prior to maturity and is neither a prediction nor a guarantee of what the actual yield will be. In addition, any gain you may recognize on the sale or maturity of the notes will be taxed as ordinary interest income. If you are a secondary purchaser of the notes, the tax consequences to you may be different.

For further discussion, see **Supplemental Tax Considerations** beginning on page S-24.

Will the notes be listed on a stock exchange?

We have applied to list the notes on the American Stock Exchange under the symbol **AWO**. We cannot predict whether or when the American Stock Exchange will approve our application or whether this offering will satisfy the listing criteria of the American Stock Exchange. If we are unable to list the notes on the American Stock Exchange, the notes will not be listed or displayed on any other securities exchange, the Nasdaq National Market or any electronic communications network. You should be aware that even if the notes are listed on the American Stock Exchange, a liquid trading market will not necessarily develop for the notes. Accordingly, if you sell your notes before maturity, you may have to sell them at a substantial loss. You should review the section entitled **Risk Factors**. There may not be an active trading market for the notes in this prospectus supplement.

Are there any risks associated with my investment?

Yes, an investment in the notes is subject to significant risks. We urge you to read the detailed explanation of risks in **Risk Factors** beginning on page S-9.

Table of Contents

How to reach us

You may reach us by calling (704) 715-8400 and asking for Structured Notes.

S-8

Table of Contents

RISK FACTORS

An investment in the notes is subject to the risks described below, as well as the risks described under Risk Factors Risks Relating to Indexed Notes in the accompanying prospectus. Your notes are a riskier investment than ordinary debt securities. Also, your notes are not equivalent to investing directly in the currencies, i.e., the basket currencies and the U.S. Dollar underlying the basket currency exchange rates to which your notes are linked. You should carefully consider whether the notes are suited to your particular circumstances.

The notes are intended to be held to maturity. Your principal is only protected if you hold your notes to maturity

You will receive at least 100% of the principal amount of your notes if you hold your notes to maturity, subject to our ability to pay our obligations. If you sell your notes in the secondary market before maturity, you will not receive principal protection on the notes you sell. You should be willing to hold your notes to maturity.

You will not receive interest payments on the notes

You will not receive any periodic interest payments on the notes or any interest payment at maturity. At maturity, you may not receive any return in excess of the principal amount of your notes.

Your yield on the notes may be lower than the yield on a standard senior debt security of comparable maturity

The yield that you will receive on your notes, which could be zero, may be less than the return you could earn on other investments. Even if your yield is positive, your yield may be less than the yield you would earn if you bought a standard senior non-callable debt security of Wachovia with the same maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money. In addition, no interest will be paid during the term of your notes.

If the average currency appreciation is less than or equal to zero, the maturity payment amount for each note will be limited to the principal amount of the note. This will be true even if the value of the basket, as measured by the average currency appreciation, on some date or dates before the valuation date is greater than the value of the basket on the pricing date, because the maturity payment amount will be calculated only on the basis of the basket currency exchange rates on the valuation date (or as otherwise determined by the calculation agent, in the case of a market disruption event). You should, therefore, be prepared to realize no return at maturity over the principal amount of your notes.

Owning the notes is not the same as owning the basket currencies

The return on your notes will not reflect the return you would realize if you actually purchased any or all of the basket currencies and converted them into U.S. Dollars on the valuation date. Even if the average currency appreciation increases above zero during the term of the notes, the market value of the notes may not increase by the same amount. It is also possible for the average currency appreciation to increase while the market value of the notes declines.

There may not be an active trading market for the notes

We have applied to list the notes on the American Stock Exchange under the symbol AWO . We cannot predict whether or when the American Stock Exchange will approve our application or whether this offering will satisfy the listing criteria of the American Stock Exchange. If we are unable to list the notes on the American Stock Exchange, the notes will not be listed or displayed on any other securities exchange, the Nasdaq National Market or any electronic communications network. You should be aware that even if the notes are listed on the American Stock Exchange, a liquid trading market will not necessarily develop for the notes. The development of a trading market for the notes will depend on our financial performance and other factors such as the increase, if any, in the value of the basket. Even if a secondary market for the notes develops, it may not provide significant liquidity and we expect that transaction costs in any secondary market would be high. As a result, the difference between bid and asked prices for your notes in any secondary market could be substantial. If you sell your notes before

Table of Contents

maturity, you may have to do so at a discount from the initial public offering price, and, as a result, you may suffer substantial losses.

Wachovia Capital Markets, LLC and other broker-dealer affiliates of Wachovia currently intend to make a market for the notes, although they are not required to do so and may stop any such market-making activities at anytime. As market makers, trading of the notes may cause Wachovia Capital Markets, LLC or any other broker-dealer affiliates of Wachovia to have long or short positions of the notes in their inventory. The supply and demand for the notes, including inventory positions of market makers, may affect the secondary market for the notes.

Even though the basket currencies and U.S. Dollar are traded around-the-clock, if a secondary market develops, the notes may trade only during regular trading hours in the United States

The interbank market for the basket currencies and the U.S. Dollar is a global, around-the-clock market. Therefore, the hours of trading for the notes may not conform to the hours during which the basket currencies and the U.S. Dollar are traded. To the extent that U.S. markets are closed while the markets for any of the basket currencies remain open, significant price and rate movements may take place in the underlying foreign exchange markets that will not be reflected immediately in the price of the notes.

There is no systematic reporting of last-sale information for foreign currencies. Reasonable current bid and offer information is available in certain brokers' offices, in bank foreign currency trading offices, and to others who wish to subscribe for this information, but this information will not necessarily reflect the basket currency exchange rates relevant for determining the value of the notes. The absence of last-sale information and the limited availability of quotations to individual investors make it difficult for many investors to obtain timely, accurate data about the state of the underlying foreign exchange markets.

Many factors affect the market value of the notes

The market value of the notes will be affected by factors that interrelate in complex ways. It is important for you to understand that the effect of one factor may offset the increase in the market value of the notes caused by another factor and that the effect of one factor may exacerbate the decrease in the market value of the notes caused by another factor. For example, a change in the volatility of any or all of the basket currency exchange rates may offset some or all of any increase in the market value of the notes attributable to another factor, such as an increase in the trading value of the basket currencies relative to the U.S. Dollar. In addition, a change in interest rates may offset other factors that would otherwise change the trading value of any or all of the basket currencies relative to the U.S. Dollar and, therefore, may change the market value of the notes.

We expect that the market value of the notes will depend substantially on the amount, if any, by which the value of the basket, as measured by the change in the average currency appreciation, increases during the term of the notes. If you choose to sell your notes when the average currency appreciation has increased above zero, you may receive substantially less than the amount that would be payable at maturity based on this increase because of the expectation that the average currency appreciation will continue to fluctuate until the valuation date. We believe that other factors that may influence the value of the notes include:

the volatility (the frequency and magnitude of changes in level) of the basket currency exchange rates and in particular market expectations regarding the volatility of the basket currency exchange rates;

interest rates in the U.S. market and in the markets of each of the basket currencies;

our creditworthiness, as represented by our credit ratings and as otherwise perceived in the market;

changes in the correlation (the extent to which the basket currency exchange rates increase or decrease to the same degree at the same time) between the basket currency exchange rates;

suspension or disruption of market trading in any or all of the basket currencies

Table of Contents

the time remaining to maturity; and

geopolitical, economic, financial, political, regulatory or judicial events as well as other conditions may affect the basket currency exchange rates.

The basket currency exchange rates will be influenced by unpredictable factors that interrelate in complex ways

The basket currency exchange rates are a result of the supply of and demand for each currency, and changes in foreign exchange rates may result from the interactions of many factors including economic, financial, social and political conditions in the United States, Japan, China, Singapore, Indonesia, the Philippines and India. These conditions include, for example, the overall growth and performance of the economies of the United States, Japan, China, Singapore, Indonesia, the Philippines and India; the trade and current account balances between the U.S. on the one hand and Japan, China, Singapore, Indonesia, the Philippines and India on the other; the financing and capital account balances between the U.S. on the one hand and Japan, China, Singapore, Indonesia, the Philippines and India on the other; market interventions by the Federal Reserve Board or the respective governmental and banking authorities responsible for setting foreign exchange policies in Japan, China, Singapore, Indonesia, the Philippines and India; inflation, interest rate levels, the performance of stock markets, and the stability of the governments and banking systems in the United States, Japan, China, Singapore, Indonesia, the Philippines and India; wars that any of the United States, Japan, China, Singapore, Indonesia, the Philippines and India are directly or indirectly involved in or wars that occur anywhere in the world; major natural disasters in the United States, Japan, China, Singapore, Indonesia, the Philippines and India; and other foreseeable and unforeseeable events.

Certain relevant information relating to Japan, China, Singapore, Indonesia, the Philippines and India may not be as well known or as rapidly or thoroughly reported in the United States as comparable United States developments. Prospective purchasers of the notes should be aware of the possible lack of availability of important information that can affect the value of the basket currencies relative to the U.S. Dollar and must be prepared to make special efforts to obtain that information on a timely basis.

The liquidity, market value and maturity payment amount of the notes could be affected by the actions of the governments of Japan, China, Singapore, Indonesia, the Philippines and India

Exchange rates of the currencies of most economically developed nations and of many other nations, including Japan, Singapore, Indonesia, the Philippines and India, are floating, meaning they are permitted to fluctuate in value relative to the U.S. Dollar. However, governments of many nations, from time to time, do not allow their currencies to float freely in response to economic forces. (The Chinese Renminbi (Yuan) exchange rate is not floating and will be described further below.) Governments, including the governments of Japan, Singapore, Indonesia, the Philippines and India, use a variety of techniques, such as intervention by their central banks or imposition of regulatory controls or taxes, to affect the exchange rates of their respective currencies. Governments may also issue a new currency to replace an existing currency or alter its exchange rate or relative exchange characteristics by devaluing or revaluing the currency. Thus, a special risk in purchasing the notes is that their liquidity, trading value and amounts payable could be affected by the actions of the governments of Japan, Singapore, Indonesia, the Philippines and India that could change or interfere with currency valuations that are currently determined primarily by the markets, by fluctuations in response to other market forces, and the movement of currencies across borders. There will be no adjustment or change in the terms of the notes if exchange rates become fixed, if there is any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, if there is an issuance of a replacement currency, or if other developments affect any or all of the basket currencies, the U.S. Dollar, or any other currency.

There are specific risks related to the Chinese Renminbi (Yuan)

The exchange rate of the Chinese Renminbi (Yuan) is currently managed by the Chinese government. On July 21, 2005, the People's Bank of China, with the authorization of the State Council of the People's Republic of China, announced that the Renminbi (Yuan) exchange rate would no longer be pegged to the U.S. Dollar and instead would be pegged to a basket of currencies (the Renminbi basket) and allowed to float within a narrow band around the value of the Renminbi basket. According to public reports, the governor of the People's Bank of China has stated that the Renminbi basket is composed mainly of the U.S. Dollar, the European Union Euro, the

Table of Contents

Japanese Yen, and the Korean Won. Also considered, but playing smaller roles, are the currencies of Singapore, the United Kingdom, Malaysia, Russia, Australia, Canada and Thailand. The weight of each currency within the Renminbi basket has not been announced.

The initial adjustment of the Chinese Renminbi (Yuan) exchange rate was an approximate 2% revaluation from an exchange rate of 8.28 Yuan per U.S. Dollar to 8.11 Yuan per U.S. Dollar. The People's Bank of China has also announced that the daily trading price of the U.S. Dollar against the Renminbi (Yuan) in the inter-bank foreign exchange market will continue to be allowed to float within a band of 0.3 percent around the central parity published by the People's Bank of China, while the trading prices of the non-U.S. Dollar currencies against the Renminbi (Yuan) will be allowed to move within a certain band announced by the People's Bank of China. The People's Bank of China will announce the closing price of a foreign currency such as the U.S. Dollar traded against the Renminbi (Yuan) in the inter-bank foreign exchange market after the closing of the market on each working day, and will make it the central parity for the trading against the Renminbi (Yuan) on the following working day. The People's Bank of China has stated that it will make adjustments of the Renminbi (Yuan) exchange rate band when necessary according to market developments as well as the economic and financial situation.

Despite the recent change in their exchange rate regime, the Chinese government continues to manage the valuation of the Chinese Renminbi (Yuan), and, as currently managed, its price movements are unlikely to contribute significantly to either an increase or decrease in the value of the basket. However, further changes in the Chinese government's management of the Renminbi (Yuan) could result in a significant movement in the U.S. Dollar/Chinese Renminbi (Yuan) exchange rate. Assuming the values of all other basket currencies remain constant, a decrease in the value of the Renminbi (Yuan), whether because of a change in the government's management of the currency or for other reasons, would result in a decrease in the value of the basket.

Historical levels of the basket currency exchange rates should not be taken as indications of the future levels of the basket currency exchange rates during the term of the notes

The basket currency exchange rates will be influenced by complex and interrelated political, economic, financial and other factors. As a result, it is impossible to predict whether the basket currency exchange rates will appreciate or depreciate over the term of the notes.

The basket is not a recognized market index and may not accurately reflect global market performance

The basket is not a recognized market index. The basket was created solely for purposes of the offering of the notes and will be calculated solely during the term of the notes. The value of the basket and, therefore, the basket performance amount, however, will not be published during the term of the notes. The basket does not reflect the performance of all major securities or currency markets, and may not reflect actual global market performance.

Purchases and sales by us and our affiliates may affect the return on the notes

As described below under "Use of Proceeds and Hedging" on page S-27, we or one or more affiliates may hedge our obligations under the notes by purchasing basket currencies, futures or options on basket currencies or other derivative instruments with returns linked or related to changes in the performance of the basket currencies, and we may adjust these hedges by, among other things, purchasing or selling basket currencies, futures, options or other derivative instruments at any time.

Although they are not expected to, any of these hedging activities may adversely affect the levels of the basket currency exchange rates and the basket performance amount. It is possible that we or one or more of our affiliates could receive substantial returns from these hedging activities while the market value of the notes declines.

Potential conflicts of interest could arise

Our subsidiary, WBNA, is our agent for the purposes of calculating the average currency appreciation and the maturity payment amount. Under certain circumstances, WBNA's role as our subsidiary and its responsibilities as calculation agent for the notes could give rise to conflicts of interest. These conflicts could occur, for instance, in

Table of Contents

connection with its determination of whether any or all of the basket currency exchange rates can be calculated on a particular business day. See Specific Terms of the Notes Market Disruption Event on page S-17. WBNA is required to carry out its duties as calculation agent in good faith and using its reasonable judgment.

Wachovia and its affiliates may engage in trading activities related to the basket currencies and the U.S. Dollar that are not for the account of holders of the notes or on their behalf. These trading activities may present a conflict between the holders' interest in the notes and the interests we and our affiliates will have in their proprietary accounts, in facilitating transactions, including options and other derivatives transactions, for their customers and in accounts under their management. These trading activities, if they influence the basket currency exchange rates, could be adverse to the interests of the holders of the notes.

We or one or more of our affiliates have published and may in the future publish research on foreign exchange markets, exchange rates and other matters that may have an influence on currency exchange rates. This research may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the notes. This research should not be viewed as a recommendation or endorsement of the notes in any way, and investors must make their own independent investigation of the merits of this investment. Any of these activities by us or our other affiliates may affect the levels of the basket currency exchange rates and, therefore, the market value of the notes.

The calculation agent may postpone the determination of the average currency appreciation and the maturity date if a market disruption event occurs on the valuation date

The determination of one or more final basket currency exchange rates may be postponed if the calculation agent determines that a market disruption event has occurred or is continuing on the valuation date with respect to one or more basket currencies. If a postponement occurs, then for each basket currency with respect to which a market disruption event has occurred or is continuing, the calculation agent will use the final basket currency exchange rate on the next succeeding business day on which no market disruption event occurs or is continuing with respect to that basket currency for the calculation of the average currency appreciation. As a result, the maturity date for the notes would be postponed. You will not be entitled to compensation from us or the calculation agent for any loss suffered because of a market disruption event or any resulting delay in payment. See Specific Terms of the Notes Market Disruption Event beginning on page S-17.

The inclusion of commissions and projected profits from hedging in the initial public offering price is likely to adversely affect secondary market prices

Assuming no change in market conditions or any other relevant factors, the price, if any, at which Wachovia is willing to purchase the notes in secondary market transactions will likely be lower than the initial public offering price, since the initial public offering price included, and secondary market prices are likely to exclude, commissions paid with respect to the notes, as well as the projected profit included in the cost of hedging our obligations under the notes. In addition, any such prices may differ from values determined by pricing models used by Wachovia, as a result of dealer discounts, mark-ups or other transactions.

U.S. taxpayers will be required to pay taxes on the notes each year

The notes will be treated as debt instruments subject to special rules governing contingent payment debt obligations for United States federal income tax purposes. If you are a U.S. individual or taxable entity, you generally will be required to pay taxes on ordinary income from the notes over their term based on the comparable yield for the notes, even though you will not receive any payments from us until maturity. This comparable yield is determined solely to calculate the amounts you will be taxed on prior to maturity and is neither a prediction nor a guarantee of what the actual yield will be. In addition, any gain you may recognize upon the sale or maturity of the notes will be taxed as ordinary income. Any gain you may recognize on the sale or maturity of the notes will be ordinary interest income. Any loss you may recognize upon the sale of the notes will be ordinary loss to the extent the interest you included as income in the current or previous taxable years in respect of the notes, and thereafter will be capital loss. If you hold your notes until maturity and the maturity payment is less than the projected payment at maturity, the difference will first reduce interest that would otherwise accrue in respect of the notes in such taxable year, and any remainder will be ordinary loss to the extent the interest you previously accrued as income in respect of the notes, and thereafter will be capital loss. If you are a secondary purchaser of

Table of Contents

the notes, the tax consequences to you may be different. You should consult your tax advisor about your own tax situation.

For further discussion, see Supplemental Tax Considerations on page S-24.

Certain considerations for insurance companies and employee benefit plans

A fiduciary of a pension plan or other employee benefit plan that is subject to the prohibited transaction rules of the Employee Retirement Income Security Act of 1974, as amended, which we call ERISA, or the Internal Revenue Code of 1986, as amended, and that is considering purchasing the notes with the assets of a plan, should consult with its counsel regarding whether the purchase or holding of the notes could become a prohibited transaction under ERISA, the Internal Revenue Code or any substantially similar prohibition. These prohibitions are discussed in further detail under Employee Retirement Income Security Act on page S-26.

S-14

Table of Contents

SPECIFIC TERMS OF THE NOTES

*Please note that in this section entitled *Specific Terms of the Notes* , references to *holders* mean those who own notes registered in their own names, on the books that we or the trustee maintain for this purpose, and not indirect holders who own beneficial interests in notes registered in street name or in notes issued in book-entry form through The Depository Trust Company. Please review the special considerations that apply to indirect holders in the accompanying prospectus, under *Legal Ownership* .*

The notes are part of a series of debt notes, entitled *Medium-Term Notes, Series G* , that we may issue under the indenture