WACHOVIA CORP NEW
Form 424B5
February 08, 2006
Table of Contents

Filed Pursuant to Rule 424(b)(5)

Registration No. 333-123311

PROSPECTUS SUPPLEMENT

(To prospectus dated May 13, 2005)

$3,000,000

Wachovia Corporation

Exchangeable Notes due February 15, 2012

(Exchangeable for Common Stock of Corning Inc.)

Issuer:	Wachovia Corporation
Principal Amount:	Each note will have a principal amount of $1,000. Each note will be offered at an initial public offering price of $1,000.
Maturity Date:	February 15, 2012
Underlying Stock:	Corning Inc. common stock. Corning Inc. is not involved with this offering and has no obligations relating to, and do not sponsor or endorse, the notes.
Interest:	Wachovia will not pay interest during the term of the notes.
Exchange Right:	Beginning March 11, 2006 to and including the fifth trading day prior to maturity, if your notes have not been previously redeemed, you will have the right to exchange each note that you hold for a number of shares of the underlying stock equal to the exchange ratio. If you exchange your notes, Wachovia will have the right to deliver to you either the actual shares of the underlying stock or the cash value of such shares as determined on the exchange date. The exchange ratio will equal 31.5526, subject to adjustments as described in this prospectus supplement.
Redemption Right:	Beginning February 9, 2009, Wachovia will have the right to redeem all of the notes on any day to and including the maturity date. If Wachovia redeems the notes, Wachovia will pay to you the redemption price of $1,000 per note. However, if the product of the closing price per share of the underlying stock on the business day immediately preceding the redemption notice date and the exchange ratio, as adjusted through that date, is greater than the redemption price, Wachovia will instead deliver to you for each note a number of shares of the underlying stock equal to the exchange ratio on such day. If Wachovia decides to redeem the notes, Wachovia will give you notice at least 10 days but not more than 30 days before the redemption date specified in the notice.
Payment at Maturity:	

	On the maturity date, unless you have previously exercised your exchange right or Wachovia has redeemed the notes, Wachovia will pay you $1,000 per note.
Listing:	The notes will not be listed on any securities exchange, the Nasdaq National Market or any electronic communications network.
Pricing Date:	February 6, 2006
Expected Settlement Date:	February 9, 2006
CUSIP Number:	929903BB7

For a detailed description of the terms of the notes, see Summary Information beginning on page S-1 and Specific Terms of the Notes beginning on page S-11.

Investing in the notes involves risks. See Risk Factors beginning on page S-6.

	Per Note	Total
Public Offering Price	100.00%	$ 3,000,000.00
Underwriting Discount and Commission	0.15%	$ 4,500.00
Proceeds to Wachovia Corporation	99.85%	$ 2,995,500.00

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 notes 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 February 6, 2006.

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

Prospectus

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 of 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 Exchangeable Notes due February 15, 2012 Exchangeable for Common Stock of Corning Inc. (the notes). You should carefully read this prospectus supplement and the accompanying prospectus to fully understand the terms of the notes as well as 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. Unless otherwise mentioned or unless the context requires otherwise, all references to WBNA mean Wachovia Bank, National Association. 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, a member of the New York Stock Exchange and the Securities Investor Protection Corporation, to Wachovia Securities Financial Network, LLC, a member of the National Association of Securities Dealers, Inc. and the Securities Investor Protection Corporation, or to broker-dealer affiliates of Wachovia Corporation and Wachovia Capital Markets, LLC. 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 February 15, 2012. The notes are exchangeable for common stock of Corning Inc, which we refer to as the underlying stock .

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 notes will rank equally with all other unsecured and unsubordinated debt of Wachovia. For more details, see Specific Terms of the Notes beginning on page S-11.

Each note has a principal amount of $1,000. 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.

The original price of the notes includes the agent s commissions paid with respect to the notes and the cost of hedging our obligations under the notes. The cost of hedging includes the projected profit that our affiliates may realize in consideration for assuming the risks inherent in managing the hedging transactions. The fact that the original issue price of the notes reflects these commissions and hedging costs is expect to adversely affect the secondary market prices of the notes. See Risk Factors The inclusion of commissions and projected profit of hedging in the original issue price is likely to adversely affect secondary market prices and Use of Proceeds and Hedging .

Who is the underlying stock issuer?

According to publicly available information, Corning Inc., which we refer to as the underlying stock issuer is a global technology based corporation that operates in four separate business segments: Display Technology, Telecommunications, Environmental Technologies and Life Sciences. You should independently investigate the underlying stock issuer and decide whether an investment in the notes linked to the underlying stock is appropriate for you.

Because the underlying stock is registered under the Securities Exchange Act of 1934, as amended (the Exchange Act), the underlying stock issuer is required to file periodically certain financial and other

Table of Contents

information specified by the Securities and Exchange Commission (the SEC). Information provided to or filed with the SEC by the underlying stock issuer can be located by reference to SEC file numbers and inspected at the SEC s public reference facilities or accessed over the Internet through the SEC s website. The SEC file numbers for the underlying stock issuer is SEC file number 1-03247. The address of the SEC s website is http://www.sec.gov. In addition, information regarding the underlying stock may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated information. We make no representation or warranty as to the accuracy or completeness of any such information. For further information, please see the section entitled The Underlying Stock in this prospectus supplement.

What will I receive upon maturity of the notes?

On the maturity date, if you have not previously exchanged your notes or we have not redeemed the notes, we will pay you a maturity payment amount equal to $1,000 per note.

How does the exchange right work?

Beginning March 11, 2006 to and including the fifth trading day prior to the maturity date (each such date being an exchange date), you may exchange each note you hold for a number of shares of the underlying stock equal to the exchange ratio (or, at our option, the cash value of such shares as determined on the exchange date), subject to our right to redeem all of the notes on any day from and including February 9, 2009 to and including the maturity date. You should refer to Specific Terms of the Notes Exchange Right beginning on page S-11 for a more detailed description of the exchange right.

The exchange ratio will equal 31.5526, the initial parity divided by the initial stock price.

The initial parity is $757.58, which equals the principal amount of the note divided by the sum of one and the initial premium.

The initial premium is 32.00%.

The initial stock price is $24.01, the closing price per share of the underlying stock on the pricing date.

The exchange ratio for the underlying stock will remain constant for the term of the notes, subject to adjustment for certain corporate events relating to the issuer of the underlying stock. See Specific Terms of the Notes Adjustment Events in this prospectus supplement.

A trading day means a day, as determined by the calculation agent, on which trading is generally conducted on the New York Stock Exchange, Inc. (NYSE), the American Stock Exchange, the Nasdaq National Market, the Chicago Board Mercantile Exchange and the Chicago Board of Options Exchange and in the over-the-counter market for equity securities in the United States.

How do you exchange your notes?

When you exchange your notes, the calculation agent will determine the exact number of shares of the underlying stock you will receive based on the principal amount of the notes you exchange and the exchange ratio as it may have been adjusted through the exchange date. Since the notes will be held only in book-entry form, you may exercise your exchange right only by acting through your participant at DTC, whose nominee is the registered holder of the notes. Accordingly, as a beneficial owner of notes, if you desire to exchange all or any portion of your notes you must instruct the participant through which you own your interest to exercise the exchange right on your behalf by forwarding the Official Notice of Exchange to us and the calculation agent as discussed below.

To exchange a note on any day, you must instruct your broker or other person with whom you hold your notes to take the following steps through normal clearing system channels:

- fill out an Official Notice of Exchange, which is attached as Annex A to this prospectus supplement;

Table of Contents

- deliver your Official Notice of Exchange to us before 11:00 A.M., New York City time on that day; and

- transfer your book-entry interest in the notes to JPMorgan Chase Bank, N.A., (formerly known as JPMorgan Chase Bank), as trustee for our senior notes, on the day we deliver your shares or pay cash to you, as described below.

Different firms may have different deadlines for accepting instructions from their customers. Accordingly, as a beneficial owner of notes, you should consult the participant through which you own your interest for the relevant deadline. If you give us your Official Notice of Exchange after 11:00 A.M., New York City time on any day or at any time on a day when the stock markets are closed, your notice will not become effective until the next day that the stock markets are open.

You must exchange your notes in $1,000 minimum increments at a time, provided that you may exchange any number of notes if you are exchanging all the notes that you hold.

At our option, on the fifth business day after you fulfill all the conditions of your exchange (the exchange settlement date), we will either:

- deliver to you shares of the underlying stock at the exchange ratio as it may have been adjusted through the close of business on the exchange date, or

- pay to you the cash value of such shares based on the closing price per share of the underlying stock and the exchange ratio on the exchange date.

If upon exchange of the notes we deliver shares of the underlying stock, we will pay cash in lieu of delivering any fractional share of the underlying stock in an amount equal to the value of such fractional share based on the closing price per share of the underlying stock as determined by the calculation agent on the business day immediately preceding the exchange date.

You will no longer be able to exchange your notes if we redeem the notes for the $1,000 redemption price in cash, as described below. If, however, we redeem the notes for shares of the underlying stock rather than the $1,000 redemption price in cash, you will be able to exchange your notes on any day prior to the fifth business day prior to the redemption date.

We may request that Wachovia Capital Markets, LLC (WCM), which is one of our broker-dealer subsidiaries, purchase any exchanged notes in exchange for a number of shares of the underlying stock equal to the exchange ratio (or, at WCM s election, an amount of cash equal to the value of such shares on the exchange date), that would otherwise have been deliverable or payable by us. WCM s agreement to purchase the exchanged notes will not affect your right to take action against us if WCM fails to purchase your notes. Any exchanged notes that are subsequently purchased by WCM will remain outstanding.

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.

Will the notes be redeemable by Wachovia prior to maturity?

We may redeem the notes, in whole but not in part, for settlement on any day from and including February 9, 2009, to and including the maturity date (which we refer to as the redemption date), for stock or a redemption price of $1,000, as determined below. If we redeem the notes, we will send you written notice not less than 10 days nor more than 30 days before the redemption date (the redemption notice date).

On the business day immediately preceding the redemption notice date, the calculation agent will determine the closing price per share of the underlying stock. If on such day the closing price per share of the underlying stock multiplied by the exchange ratio, as adjusted through such date, which we refer to as parity , is

Table of Contents

less than the $1,000 redemption price, then we will pay the redemption price to you in cash on the redemption date and you will no longer be able to exercise your exchange right. If, however, parity as so determined is equal to or greater than the $1,000 redemption price, then we will instead deliver to you on the redemption date, for each $1,000 principal amount of notes, shares of the underlying stock at the applicable exchange ratio. If on or after the redemption notice date the underlying stock becomes subject to trading restrictions that restrict our or any of our affiliates abilities to deliver the underlying stock without registration, we will deliver on the redemption date the cash value of the shares of the underlying stock, determined by the calculation agent on the fifth business day before the redemption date. If parity on the business day before the redemption notice date is equal to or greater than the $1,000 redemption price, you will still have the right to exchange your notes on any day prior to the fifth business day before the redemption date.

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

We have designed the notes for investors who seek to protect their investment by receiving at least 100% of the principal amount of their investment at maturity and who are willing to receive either the actual shares of the underlying stock or the cash value of such shares upon exchange of the notes on redemption at the option of Wachovia.

The notes are not designed for, and may not be a suitable investment for, investors who prefer the lower risk of fixed income investments with comparable maturities issued by companies with comparable credit ratings.

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

The market value of the notes may fluctuate between the date you purchase them and the maturity date. Several factors and their interrelationship will influence the market value of the notes, including the market price of the underlying stock, dividend yields on the underlying stock, the time remaining to maturity of the notes, interest and yield rates in the market and the volatility of the market price of the underlying stock. The notes are 100% principal protected only if held to maturity or if redeemed for the $1,000 redemption price. If you sell your notes prior to 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 of the notes 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 .

What is the role of the underlying stock issuer in the notes?

The underlying stock issuer has no obligations relating to the notes or amounts to be paid to you, including no obligation to take the needs of Wachovia or of holders of the notes into consideration for any reason. The underlying stock issuer will not receive any of the proceeds of the offering of the notes, is not responsible for, and has not participated in, the offering of the notes and is not responsible for, and will not participate in, the determination or calculation of the maturity payment amount. Wachovia is not affiliated with the underlying stock issuer.

How has the underlying stock performed historically?

You can find a table with the high, low and closing prices per share of the underlying stock during each calendar quarter from calendar year 2002 to the present in the section entitled The Underlying Stock Historical Data in this prospectus supplement. We have provided this historical information to help you evaluate the behavior of the underlying stock in the recent past; however, past performance of the underlying stock is not indicative of how it will perform in the future.

What about taxes?

The notes will be treated as debt instruments subject to special rules governing contingent payment 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 may not receive any payments from us until maturity. This

Table of Contents

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 purchase the notes at a time other than the initial issue date, the tax consequences to you may be different.

For further discussion, see Supplemental Tax Considerations beginning on page S-23.

Will the notes be listed on a stock exchange?

The notes will not be listed or displayed on any securities exchange, the Nasdaq National Market or any electronic communications network. Accordingly, there may be little or no secondary market for the notes.

Are there any risks associated with my investment?

Yes, an investment in the notes is subject to significant risks, including the risk of loss of some or all of your principal if you do not hold your notes to maturity or if the notes are not redeemed for the $1,000 redemption price. We urge you to read the detailed explanation of risks in Risk Factors beginning on page S-6.

How to reach us

You may contact us by calling 1-888-215-4145 or 1-212-214-6282 and asking for the Investment Solutions Group.

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 Related 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 underlying stock contained in the underlying to which your notes are linked. You should carefully consider whether the notes are suited to your particular circumstances.

You will not receive interest payments on the notes

You will not receive any interest payments on the notes, periodic or otherwise.

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

The yield that you will receive on your notes may be less than the return you could earn on other investments. If, before the maturity date you have not exchanged your notes and Wachovia has not redeemed them, your payment at maturity in cash will not be greater than the aggregate principal amount of your notes. Your yield may be less than the yield you would earn if you bought a standard senior 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.

Owning the notes is not the same as owning the underlying stock

You will not receive any dividend payments or other distributions on the underlying stock, and as a holder of the notes, you will not have voting rights or any other rights that holders of the underlying stock may have.

There may not be an active trading market for the notes

The notes will not be listed on any securities exchange, the Nasdaq National Market or any electronic communications network. There may be little or no secondary market for the notes. 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 note in any secondary market could be substantial. If you sell your notes before 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 any time. 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.

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. The following paragraphs describe the expected impact on the market value of the notes given a change in a specific factor, assuming all other conditions remain constant.

The market price of the underlying stock is expected to affect the market value of the notes

We expect that the market value of the notes on any given date will depend substantially on the market price of the underlying stock at that time relative to the initial stock price. If you choose to sell your notes when the market price of the underlying stock is below the initial stock price, you may have to sell them at a substantial discount compared to what you would receive if you sold them when the market price of the underlying stock is above the initial stock price.

Table of Contents

Changes in the volatility of the underlying stock is expected to affect the market value of the notes

Volatility is the term used to describe the size and frequency of price and/or market fluctuations. If the volatility of the underlying stock increases or decreases, the market value of the notes may be adversely affected.

Changes in the levels of interest rates are expected to affect the market value of the notes

We expect that changes in interest rates, even if they do not affect the market price of the underlying stock as described above, may affect the market value of the notes and may be adverse to holders of the notes.

Changes in dividend yields of the underlying stock is expected to affect the market value of the notes

In general, if the dividend yield on the underlying stock increases, we expect that the market value of the notes will decrease and, conversely, if the dividend yield on the underlying stock decreases, we expect that the market value of the notes will increase. The return on the notes will not reflect any dividends paid on the underlying stock.

Changes in our credit ratings may affect the market value of the notes

Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the market value of the notes. However, because the return on your notes is dependent upon factors in addition to our ability to pay our obligations under the notes, such as changes in the market price of the underlying stock relative to the pricing date, an improvement in our credit ratings will not reduce the other investment risks related to the notes.

In general, assuming all relevant factors are held constant, we expect that the effect on the market value of the notes of a given change in some of the factors listed above will be less if it occurs later in the term of the notes than if it occurs earlier in the term of the notes.

The time remaining to maturity may affect the value of the notes

The value of the notes may be affected by the time remaining to maturity. As a result of a time premium , the notes may have a value above that which would be expected based on the level of interest rates and the market price of the underlying stock at such time the longer the time remaining to maturity. A time premium results from expectations concerning the market price of the underlying stock during the period prior to maturity of the notes. As the time remaining to the maturity of the notes decreases, this time premium will likely decrease, adversely affecting the value of the notes.

Changes in geopolitical, economic, financial and other conditions may affect the market price of the underlying stock

In general, geopolitical conditions and economic, financial, political, regulatory or judicial events that affect the market price of the underlying stock may affect the value of the notes.

If we notify you that we are redeeming the notes, the price of the underlying stock may decline before the redemption date

If we notify you that we are redeeming the notes for shares of the underlying stock, the closing price per share of the underlying stock may be lower on the redemption date than it was on the business day immediately preceding the redemption notice date, in which case the value of the underlying stock that you receive on the redemption date for each note may be less than the redemption price of $1,000.

Following our redemption of the notes for shares of the underlying stock, we may deliver the cash values of certain of such shares

If, after we have notified you that we are redeeming the notes for shares of the underlying stock, the underlying stock becomes subject to trading restrictions that restrict our or any of our affiliates abilities to deliver the underlying stock without registration, we will deliver to you on the redemption date the cash value of the shares of the underlying stock, determined by the calculation agent based on the closing price per share of the underlying stock on the fifth business day preceding the redemption date, rather than the shares of the underlying stock.

The exchange right may not yield a value greater than the principal amount of the notes

Subject to our redemption right, you will have a right to exchange the notes for shares of the underlying stock, but there is no guarantee that the value of the underlying stock will increase such that an exchange will yield a value greater than the principal amount of the notes. If you exercise your exchange right, we, in our sole discretion, may pay you, in lieu of shares of the underlying stock, cash in an amount equal to the product of the closing price per share of the underlying stock on the business day immediately preceding the exchange date and the exchange ratio.

The notes may become exchangeable into the common stock of companies other than the issuer of the underlying stock

Following certain corporate events relating to the underlying stock, such as a merger event where holders of shares of the underlying stock receive all or a substantial portion of their consideration in cash, or a significant cash dividend or distribution of property with respect to the underlying stock, you will be entitled to receive the common stock of three companies in the same industry group as the issuer of the underlying stock in lieu of, or in addition to, such underlying stock, upon an exchange or our redemption of the notes for shares. Following certain other corporate events, such as a stock-for-stock merger where the issuer of the underlying stock is not the surviving entity, you will be entitled to receive the common stock of a successor corporation to the issuer of the underlying stock upon an exchange or our redemption of the notes for shares. We describe the specific corporate events that can lead to these adjustments and the procedures for selecting those other reference stock in the section of this prospectus supplement called Specific Terms of the Notes Adjustment Events . The occurrence of such corporate events and the consequent adjustments may materially and adversely affect the market price of the notes.

Wachovia and its affiliates have no affiliation with the underlying stock issuer and are not responsible for their public disclosure of information

Wachovia and its affiliates are not affiliated with the underlying stock issuer in any way and have no ability to control or predict its actions, including any corporate actions of the type that would require the calculation agent to adjust the exchange ratio, and have no ability to control the public disclosure of these corporate actions or any events or circumstances affecting them.

Each note is an unsecured debt obligation of Wachovia only and is not an obligation of the underlying stock issuer. None of the money you pay for your notes will go to the underlying stock issuer. Since the underlying stock issuer is not involved in the offering of the notes in any way, they have no obligation to consider your interest as an owner of notes in taking any actions that might affect the value of your notes. The underlying stock issuer may take actions that will adversely affect the market value of the notes.

This prospectus supplement relates only to the notes and does not relate to the underlying stock. We have derived the information about the underlying stock issuer in this prospectus supplement from publicly available information, without independent verification. We have not participated in the preparation of any of the publicly-available documents or made any due diligence investigation or any inquiry of the underlying stock issuer in connection with the offering of the notes. Neither we nor any of our affiliates assumes any responsibility for the adequacy or accuracy of the information about the underlying stock issuer contained in this prospectus supplement. Furthermore, we do not know whether the underlying stock issuer has disclosed all events occurring before the date of this prospectus supplement including events that could affect the accuracy or completeness of the publicly-available documents referred to above, the market price of the underlying stock and, therefore, the initial stock price that the calculation agent will use to determine the exchange ratio with respect to your notes. You, as an investor in the notes, should make your own investigation into the underlying stock issuer.

You have limited antidilution protection

WBNA, as calculation agent for your notes, will, in its sole discretion, adjust the exchange ratio for certain events affecting the underlying stock, such as stock splits and stock dividends, and certain other corporate actions involving the underlying stock issuer, such as mergers. However, the calculation agent is not required to make an adjustment for every corporate event that can affect the underlying stock. For example, the calculation agent is not required to make any adjustments to the exchange ratio if the underlying stock issuer or anyone else makes a partial tender or partial exchange offer for an underlying stock. Consequently, this could affect the market value of the notes. You should refer to Specific Terms of the Notes Adjustment Events beginning on page S-16 for a description of the general circumstances in which the calculation agent will make adjustments to the exchange ratio.

Historical performance of the underlying stock should not be taken as an indication of its future performance during the term of the notes

It is impossible to predict whether the market price of the underlying stock will rise or fall. The underlying stock has performed differently in the past and is expected to perform differently in the future. The market price of the underlying stock will be influenced by complex and interrelated political, economic, financial and other factors that can affect the underlying stock issuer. You should refer to The Underlying Stock beginning on page S-22 for a description of the underlying stock issuer and historical data on the underlying stock.

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-26, we or one or more of our affiliates may hedge our obligations under the notes by purchasing the underlying stock, futures or options on the underlying stock or other derivative instruments with returns linked or related to changes in the market price of the underlying stock, and we may adjust these hedges by, among other things, purchasing or selling the underlying stock, futures, options or other derivative instruments with returns linked to the underlying stock at any time. Although they are not expected to, any of these hedging activities may adversely affect the market price of the underlying stock and, therefore, the market value of the notes. 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.

The inclusion of commissions and projected profits from hedging in the original issue 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.

Potential conflicts of interest could arise

Our subsidiary, WBNA, is our agent for the purposes of calculating the underlying stock price and the exchange ratio. 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 connection with its determination as to whether the underlying stock price can be calculated on a particular business day. See the section entitled Specific Terms of the Notes Market Disruption Event beginning on page S-15. WBNA is required to carry out its duties as calculation agent in good faith and using its reasonable judgment.

Wachovia or its affiliates may presently or from time to time engage in business with the underlying stock issuer. This business may include extending loans to, or making equity investments in, the underlying stock issuer or providing advisory services to the underlying stock issuer, including merger and acquisition advisory services. In the course of business, Wachovia or its affiliates may acquire non-public information relating to the underlying stock issuer and, in addition, one or more affiliates of Wachovia may publish research reports about the underlying stock issuer. Wachovia does not make any representation to any purchasers of the notes regarding any matters whatsoever relating to the underlying stock issuer. Any prospective purchaser of the notes should undertake an independent investigation of the underlying stock issuer as in its judgment is appropriate to make an informed decision regarding an investment in the notes.

Table of Contents

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 obligations for United States federal income tax purposes. If you are a U.S. person, you generally will be required to pay taxes on ordinary income from the notes over their term based upon the comparable yield for the notes, even though you may not receive any payments from us until maturity. The 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 loss you may recognize upon the sale of the notes will be ordinary loss to the extent of interest you included as income in the current or previous taxable years in respect of the notes, and thereafter, 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 you previously accrued interest income in respect of the notes and thereafter will be capital loss.

If you purchase the notes at a time other than the initial issue date, the tax consequences may be different. You should consult your tax advisor about your own tax situation.

You should consider the tax consequences of investing in the notes, significant aspects of which are uncertain. See Supplemental Tax Considerations beginning on page S-23.

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 such 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 beginning on page S-25.

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 securities, entitled Medium-Term Notes, Series G , that we may issue under the indenture from time to time as described in the accompanying prospectus. The notes are also Indexed Notes and Senior Notes , each as described in the accompanying prospectus.

This prospectus supplement summarizes specific financial and other terms that apply to the notes. Terms that apply generally to all Medium-Term Notes, Series G, are described in Description of the Notes We May Offer in the accompanying prospectus. The terms described here supplement those described in the accompanying prospectus and, if the terms described there are inconsistent with those described here, the terms described here are controlling.

We describe the terms of the notes in more detail below.

No Interest

There will be no payment of interest, periodic or otherwise.

Denominations

Wachovia will issue the notes in principal amount of $1,000 per note and integral multiples thereof.

Offering Price

The original price of the notes is $1,000. The original price of the notes includes the agent s commissions paid with respect to the notes and the cost of hedging our obligations under the notes. The cost of hedging includes the projected profit that our affiliates may realize in consideration for assuming the risks inherent in managing the hedging transactions. The fact that the original issue price of the notes reflects these commissions and hedging costs is expected to adversely affect the secondary market prices of the notes. See Risk Factors The inclusion of commissions and projected profit of hedging in the original issue price is likely to adversely affect secondary market prices and Use of Proceeds and Hedging .

Parity

Parity on any date equals the sum of the products of the closing price per share and the exchange ratio for the underlying stock, each determined as of such date by the calculation agent.

Underlying Stock

The underlying stock is Corning Inc. **If, as a result of any event described under Adjustment Events below, the notes are exchangeable into equity securities other than the shares of the underlying stock issuer, underlying stock shall include such other securities. For additional details on adjustments, see Adjustment Events below.**

Payment at Maturity

On the maturity date, if you have not previously exchanged your notes or we have not redeemed the notes, we will pay you a maturity payment amount equal to $1,000 per note.

Exchange Right

Beginning March 11, 2006 to and including the fifth trading day prior to the maturity date (each such date being an exchange date), you may exchange each note you hold for a number of shares of the underlying stock equal to the exchange ratio (or, at our option, the cash value of such shares as determined on the exchange

Table of Contents

date), subject to our right to redeem all of the notes on any day from and including February 9, 2009 to and including the maturity date.

The exchange ratio will equal 31.5526, the initial parity divided by the initial stock price.

The initial parity is $757.58, which equals the principal amount of the note divided by the sum of one and the initial premium.

The initial premium is 32.00%.

The initial stock price is $24.01, the closing price per share of the underlying stock on the pricing date.

A trading day means a day, as determined by the calculation agent, on which trading is generally conducted on the New York Stock Exchange, Inc. (NYSE), the American Stock Exchange, the Nasdaq National Market, the Chicago Board Mercantile Exchange and the Chicago Board of Options Exchange and in the over-the-counter market for equity securities in the United States.

The exchange ratio for the underlying stock will remain constant for the term of the notes, subject to adjustment for certain corporate events relating to, the issuer of the underlying stock. See Adjustment Events .

When you exchange your notes, the calculation agent will determine the exact number of shares of the underlying stock you will receive based on the principal amount of the notes you exchange and the exchange ratio as it may have been adjusted through the exchange date. Since the notes will be held only in book-entry form, you may exercise your exchange right only by acting through your participant at DTC, whose nominee is the registered holder of the notes. Accordingly, as a beneficial owner of notes, if you desire to exchange all or any portion of your notes you must instruct the participant through which you own your interest to exercise the exchange right on your behalf by forwarding the Official Notice of Exchange to us and the calculation agent as discussed below.

To exchange a note on any day, you must instruct your broker or other person with whom you hold your notes to take the following steps through normal clearing system channels:

- fill out an Official Notice of Exchange, which is attached as Annex A to this prospectus supplement;
- deliver your Official Notice of Exchange to us before 11:00 A.M., New York City time on that day; and
- transfer your book-entry interest in the notes to JPMorgan Chase Bank, N.A., (formerly known as JPMorgan Chase Bank), as trustee for our senior notes, on the day we deliver your shares or pay cash to you, as described below.

In order to ensure that the instructions are received by us on a particular day, you must instruct the participant through which you own your interest before that participant s deadline for accepting instructions from their customers. Different firms may have different deadlines for accepting instructions from their customers. Accordingly, as a beneficial owner of notes, you should consult the participant through which you own your interest for the relevant deadline. If you give us your Official Notice of Exchange after 11:00 A.M., New York City time on any day or at any time on a day when the stock markets are closed, your notice will not become effective until the next day that the stock markets are open. All instructions given to us by participants on your behalf relating to the right to exchange the notes will be irrevocable. In addition, at the time instructions are given, you must direct the participant through which you own your interest to transfer its book entry interest in the related notes, on DTC s records, to the trustee on our behalf. See Global Notes in the accompanying prospectus.

Different firms may have different deadlines for accepting instructions from their customers. Accordingly, as a beneficial owner of notes, you should consult the participant through which you own your interest for the relevant deadline. If you give us your Official Notice of Exchange after 11:00 A.M., New York City time on any day or at any time on a day when the stock markets are closed, your notice will not become effective until the next day that the stock markets are open.

Table of Contents

You must exchange your notes in $1,000 minimum increments at a time, provided that you may exchange any number of notes if you are exchanging all the notes that you hold.

At our option, on the fifth business day after you fulfill all the conditions of your exchange (the exchange settlement date), we will either:

- deliver to you shares of the underlying stock at the exchange ratio as it may have been adjusted through the close of business on the exchange date, or

- pay to you the cash value of such shares based on the closing price per share of the underlying stock and the exchange ratio on the exchange date.

If upon exchange of the notes we deliver shares of the underlying stock, we will pay cash in lieu of delivering any fractional share of the underlying stock in an amount equal to the value of such fractional shares based on the closing price per share of the underlying stock as determined by the calculation agent on the business day immediately preceding the exchange date.

You will no longer be able to exchange your notes if we redeem the notes for the $1,000 redemption price in cash, as described below. If, however, we redeem the notes for shares of the underlying stock rather than the $1,000 redemption price in cash, you will be able to exchange your notes on any day prior to the fifth business day prior to the redemption date.

We may request that Wachovia Capital Markets, LLC (WCM), which is one of our broker-dealer subsidiaries, purchase any exchanged notes in exchange for a number of shares of the underlying stock equal to the exchange ratio (or, at WCM s election, an amount of cash equal to the value of such shares on the exchange date), that would otherwise have been deliverable or payable by us. WCM s agreement to purchase the exchanged notes will not affect your right to take action against us if WCM fails to purchase your notes. Any exchanged notes that are subsequently purchased by WCM will remain outstanding.

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.

Redemption Right

We may redeem the notes, in whole but not in part, for settlement on any day from and including February 9, 2009, to and including the maturity date, for stock or a redemption price of $1,000, as determined below. If we redeem the notes, we will send you written notice not less than 10 days nor more than 30 days before the redemption date (the redemption notice date).

On the business day immediately preceding the redemption notice date, the calculation agent will determine parity, or the product of the closing price per share of the underlying stock on that day and the exchange ratio, as adjusted through such date. If parity is less than the $1,000 redemption price, then we will pay the redemption price to you in cash on the redemption date and you will no longer be able to exercise your exchange right. If, however, parity as so determined is equal to or greater than the $1,000 redemption price, then we will instead deliver to you on the redemption date, for each $1,000 principal amount of notes, shares of the underlying stock at the exchange ratio as it may have been adjusted through the close of business on the business day immediately preceding the redemption notice date. If on or after the redemption notice date the underlying stock becomes subject to trading restrictions that restrict our or any of our affiliates abilities to deliver such underlying stock without registration, we will deliver on the redemption date the cash value of the shares of such underlying stock, determined by the calculation agent on the fifth business day prior to the redemption date. If parity on the business day immediately preceding the redemption notice date is equal to or greater than the $1,000 redemption price, you will still have the right to exchange your notes on any day prior to the fifth business day prior to the redemption date.

If upon redemption of the notes we deliver shares of the underlying stock, we will pay cash in lieu of delivering any fractional share of the underlying stock in an amount equal to the value of such fractional shares based on the closing price per share of the underlying stock as determined by the calculation agent on the second business day immediately preceding the redemption date.

Table of Contents

Delivery of Shares or Cash upon Exchange or Redemption

On the applicable exchange settlement date or redemption date (each a settlement date), we shall, or shall cause the calculation agent to, (i) provide written notice to the Trustee and to DTC, on or prior to 10:30 a.m. New York City time on the trading day immediately prior to the settlement date of the notes (but if such trading day is not a business day, prior to the close of business on the business day preceding the maturity date), of cash or the amount of shares of the underlying stock to be delivered on the settlement date with respect to the principal amount of each note, as determined on the exchange date or the business day immediately preceding the redemption notice date, as applicable, and (ii) deliver such cash or shares of the underlying stock (and cash in respect of any fractional shares of the underlying stock) to the Trustee for delivery to DTC, as holder of the notes, on the applicable settlement date. We expect such shares and cash will be distributed to investors on the applicable settlement date in accordance with the standard rules and procedures of DTC and its direct and indirect participants.

If the calculation agent has determined that a market disruption has occurred or is continuing on a day that would otherwise be an exchange date or the business day immediately preceding a redemption notice date, then such date will be postponed until the next succeeding trading day or business day, respectively, on which the calculation agent determines that a market disruption event does not occur or is not continuing.

If any payment is due on the notes on a day which is not a day on which commercial banks settle payments in The City of New York, then that payment may be made on the next day that is a day on which commercial banks settle payments in The City of New York, in the same amount and with the same effect as if paid on the original due date.

Closing Price

The closing price for one share of the underlying stock (or one unit of any other security for which a closing price must be determined) on any business day means:

- if the underlying stock (or any such other security) is listed or admitted to trading on a national securities exchange, the last reported sale price, regular way, of the principal trading session on such day on the principal United States securities exchange registered under the Exchange Act, on which the underlying stock (or any such other security) is listed or admitted to trading;

- if the underlying stock (or any such other security) is a security of the Nasdaq National Market (and provided that the Nasdaq National Market is not then a national securities exchange), the Nasdaq official closing price published by The Nasdaq Stock Market, Inc. on such day; or

- if the underlying stock (or any such other security) is neither listed or admitted to trading on any national securities exchange nor a security of the Nasdaq National Market but is included in the OTC Bulletin Board Service (the OTC Bulletin Board) operated by the National Association of Securities Dealers, Inc. (the NASD), the last reported sale price of the principal trading session on the OTC Bulletin Board on such day.

If the underlying stock (or any such other security) is listed or admitted to trading on any national securities exchange or is a security of the Nasdaq National Market but the last reported sale price or Nasdaq official closing price, as applicable, is not available pursuant to the preceding sentence, then the closing price for one share of the underlying stock (or one unit of any such other security) on any business day will mean the last reported sale price of the principal trading session on the over-the-counter market as reported on the Nasdaq National Market or the OTC

Bulletin Board on such day.

If the last reported sale price or Nasdaq official closing price per share, as applicable, for the underlying stock (or any such other security) is not available pursuant to either of the two preceding sentences, then the closing price per share for any business day will be the mean, as determined by the calculation agent, of the bid price for the underlying stock (or any such other security) obtained from as many recognized dealers in such security, but not exceeding three, as will make such bid prices available to the calculation agent. Bids of Wachovia Capital Markets, LLC or any of its affiliates may be included in the calculation of such mean, but only to the extent that any such bid is the highest of the bids obtained. The term security of the Nasdaq National Market will include a security included in any successor to such system, and the term OTC Bulletin Board Service will include any successor service thereto.

Table of Contents

Market Disruption Event

A market disruption event means the occurrence or existence of any of the following events:

- a suspension, absence or material limitation of trading in the underlying stock on its primary market for more than two hours of trading or during the one-half hour before the close of trading in that market, as determined by the calculation agent in its sole discretion;
- a suspension, absence or material limitation of trading in option or futures contracts relating to the underlying stock, if available, in the primary market for those contracts for more than two hours of trading or during the one-half hour before the close of trading in that market, as determined by the calculation agent in its sole discretion;
- the underlying stock does not trade on the New York Stock Exchange, the American Stock Exchange, the Nasdaq National Market or what was the primary market for the underlying stock, as determined by the calculation agent in its sole discretion; or
- any other event, if the calculation agent determines in its sole discretion that the event materially interferes with our ability or the ability of any of our affiliates to unwind all or a material portion of a hedge with respect to the notes that we or our affiliates have effected or may effect as described below under Use of Proceeds and Hedging.

The following events will not be market disruption events:

- a limitation on the hours or number of days of trading in the underlying stock in its primary market, but only if the limitation results from an announced change in the regular business hours of the relevant market; and
- a decision to permanently discontinue trading in the option or futures contracts relating to the underlying stock.

For this purpose, an absence of trading in the primary securities market on which option or futures contracts relating to the underlying stock, if available, are traded will not include any time when that market is itself closed for trading under ordinary circumstances. In contrast, a suspension or limitation of trading in option or futures contracts relating to the underlying stock, if available, in the primary market for those contracts, by reason of any of:

- a price change exceeding limits set by that market;
- an imbalance of orders relating to those contracts; or
- a disparity in bid and asked quotes relating to those contacts