WACHOVIA CORP NEW
Form 424B5
May 23, 2006
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The information in this preliminary prospectus supplement is not complete and may be changed.

SUBJECT TO COMPLETION, DATED MAY 22, 2006

(To prospectus dated May 13, 2005)

PROSPECTUS SUPPLEMENT

Filed Pursuant to Rule 424(b)(5)

Registration No. 333-123311

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Wachovia Corporation

Enhanced Growth Securities

Linked to the Nikkei 225® Index

due November 30, 2009

Offering Currency Protection

Issuer:	Wachovia Corporation
Principal Amount:	Each security will have a principal amount of $10. Each security will be offered at an initial public offering price of $10.
Maturity Date:	November 30, 2009
Interest:	Wachovia will not pay you interest during the term of the securities.
Market Measure:	The return on the securities is linked to the performance of the Nikkei 225® Index, which we refer to as the Index.
Payment at Maturity:	The amount you receive at maturity, for each security you own, will be based upon the percentage change in the level of the Index from the initial Index level relative to the final Index level (calculated as described in this prospectus supplement). If the final Index level is greater than the initial Index level, at maturity you will receive a payment per security based on triple the percentage increase of the level of the Index, not to exceed a maximum payment expected to be $17.80 per security. The actual maximum payment at maturity will be determined on the pricing date. If the final Index level is equal to or less than the initial Index level, at maturity you will receive a payment per security based on the full percentage decrease of the level of the Index. If the final Index level is less than the initial Index level, you will lose some or all of your principal.
Listing:	The securities will not be listed or displayed on any securities exchange, the Nasdaq National Market or any electronic communications network.

Pricing Date:	•, 2006
Expected Settlement Date:	•, 2006
CUSIP Number:	929903649

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

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

	Per Security	Total
Public Offering Price		
Underwriting Discount and Commission[(1)]		
Proceeds to Wachovia Corporation		

(1) This represents the maximum underwriting discount and commission paid and includes, among other things, an administrative fee of •% paid to Wachovia Securities, LLC. For further details, please see Supplemental Plan of Distribution .

The securities solely represent senior, unsecured debt obligations of Wachovia and are not the obligation of, or guaranteed by, any other entity. The securities 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 securities. 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 security 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.

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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 securities, 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 securities 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 securities in any circumstances under which the offer of solicitation is unlawful.

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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 Enhanced Growth Securities Linked to the Nikkei 225® Index due November 30, 2009 Offering Currency Protection (the securities). You should carefully read this prospectus supplement and the accompanying prospectus to fully understand the terms of the securities, the Nikkei 225® Index, which we refer to as the Index, and the tax and other considerations that are important to you in making a decision about whether to invest in the securities. 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 securities, to determine whether an investment in the securities 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, 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. Unless otherwise mentioned or unless the context requires otherwise, all references 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 securities?

The securities offered by this prospectus supplement will be issued by Wachovia Corporation and will mature on November 30, 2009. The return on the securities will be linked to the performance of the Index. The securities will bear no interest and no other payments will be made until maturity.

As discussed in the accompanying prospectus, the securities 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 securities will rank equally with all other unsecured and unsubordinated debt of Wachovia Corporation. For more details, see Specific Terms of the Securities beginning on page S-11.

Each security will have a principal amount of $10. Each security will be offered at an initial public offering price of $10. You may transfer only whole securities. Wachovia Corporation will issue the securities 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 securities.

Are the securities principal protected?

No, the securities do not guarantee any return of principal at maturity. *If the final Index level is less than the initial Index level, the amount you will receive at maturity will be less than the principal amount of the securities in proportion to the decline in the level of the Index. Accordingly, if the level of the Index declines in this manner, you will lose some or all of your principal.*

What will I receive upon maturity of the securities?

At maturity, for each security you own, you will receive a cash payment equal to the maturity payment amount . The maturity payment amount to which you will be entitled depends on the percentage change in the level of the Index calculated based on the final Index level (as defined below) relative to the initial Index level (as defined below).

By linking the maturity payment amount to the percentage change in the level of the Index rather than to the U.S. dollar value of the common stocks underlying the Index, the calculation of the maturity payment amount will not be affected by changes in the Japanese yen/U.S. dollar exchange rate.

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The maturity payment amount for each security will be determined by the calculation agent as described below:

- If the final Index level is greater than the initial Index level, the maturity payment amount per security will equal:

$10 + Enhanced Upside Payment,

provided, however, that the maturity payment amount may not exceed an amount currently expected to be $17.80 per security (the maximum payment at maturity). The actual maximum payment at maturity will be determined on the pricing date.

- If the final Index level is equal to or less than the initial Index level, the maturity payment amount per security will equal:

$$\$10 \times \left(\frac{\text{final Index level}}{\text{initial Index level}} \right)$$

- If the final Index level is zero, the maturity payment amount per security will be $0. ***If the final Index level is less than the initial Index level, you will lose some or all of your principal in proportion to the decline in the Index from the initial Index level to the final Index level.***

The initial Index level is the closing level of the Index on the trading day immediately following the pricing date.

The final Index level will be determined by the calculation agent and will be the closing level of the Index on the valuation date.

The Enhanced Upside Payment is equal to 3 x Index Performance x $10.

The Index Performance is equal to $\left(\frac{\text{final Index level} \quad \text{initial Index level}}{\text{initial Index level}} \right)$

The valuation date means the fifth trading day prior to the maturity date. However, if that day occurs on a day that is a disrupted day or is not a trading day, the valuation date will be postponed until the next succeeding trading day that is not a disrupted day; provided that in no event will the valuation date be postponed by more than five trading days. If the valuation date is postponed to the last possible day but that day is a disrupted day or is not a trading day, that date will nevertheless be the valuation date. *If the valuation date is postponed, then the maturity date of the securities will be postponed by an equal number of trading days.*

The closing level on any trading day will equal the official closing level (second session) of the Index or any successor index (as defined under Specific Terms of the Securities Discontinuation of the Index; Adjustments to the Index below) published by the Index Sponsor at the regular weekday close of trading on that trading day. In certain circumstances, the closing level will be based on the alternate calculation of the Index described under Specific Terms of the Securities Discontinuation of the Index; Adjustments to the Index below.

A trading day means any day on which each exchange and related exchange is scheduled to be open for its respective regular trading sessions.

A disrupted day means any trading day on which a relevant exchange or related exchange fails to open for trading during its regular trading session or on which a market disruption event has occurred.

You should understand that the opportunity to participate in the possible increases in the level of the Index through an investment in the securities is limited because the amount that you receive at maturity will never exceed the maximum payment at maturity. The maximum payment at maturity represents a maximum appreciation on the securities, currently

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expected to be 178% of the principal amount of the securities, which will be determined on the pricing date. However, if the final Index level is less than the initial Index level, the amount you will receive at maturity will be proportionately less than the principal amount of the securities. ***Accordingly, if the level of the Index declines in this manner, you will lose some or all of your principal.***

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 the following:

Hypothetical initial Index level: 16,500

Maximum payment at maturity: $17.80

Example 1 The hypothetical final Index level is 50% of the hypothetical initial Index level:

Hypothetical final Index level: 8,250

$$\text{Maturity payment amount (per security)} = \$10 \times \left(\frac{8{,}250}{16{,}500} \right) = \$5.00.$$

Since the hypothetical final Index level is less than the hypothetical initial Index level, you would lose some of your principal based on the percentage change in the level of the Index. Your total cash payment at maturity would be $5.00 per security, representing a 50% total loss of the principal amount of your securities.

Example 2 The hypothetical final Index level is 125% of the hypothetical initial Index level:

Hypothetical final Index level: 20,625

$$\text{Maturity payment amount (per security)} = \$10 + \left(3 \times \left(\frac{20{,}625 \quad 16{,}500}{16{,}500} \right) \times \$10 \right) = \$17.50.$$

Since the hypothetical final Index level is greater than the hypothetical initial Index level, you would receive three times the amount of the percentage change in the level of the Index, subject to the maximum payment at maturity. Your total cash payment at maturity would be $17.50 per security, representing a 75% return above the principal amount of your securities.

Example 3 The hypothetical final Index level is 175% of the hypothetical initial Index level:

Hypothetical final Index level: 28,875

$$\text{Maturity payment amount (per security)} = \$10 + \left(3 \times \left(\frac{28{,}875 \quad 16{,}500}{16{,}500} \right) \times \$10 \right) = \$32.50,$$

subject to the $17.80 maximum payment at maturity.

Since the hypothetical final Index level is greater than the hypothetical initial Index level, you would receive three times the amount of the percentage change in the level of the Index, subject to the maximum payment at maturity. Although the calculation of the maturity payment amount without taking into account the maximum payment at maturity would generate a result of $32.50 per security, your maturity payment amount would be limited to $17.80 per security, representing a 78% maximum total return, because the payment on the securities at maturity may not exceed the maximum payment at maturity. The actual maximum payment at maturity will be determined on the pricing date.

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

We have designed the securities for investors who are willing to hold their securities until maturity and who want to participate in three times the possible appreciation of the Index (measured by the percentage change in the level of the Index based on the final Index level relative to the initial Index level) without exposure to the fluctuation in currency exchange rates between the Japanese yen and the U.S. dollar, subject to the maximum payment at maturity, currently expected to be 178% of the principal amount of the securities. The actual maximum payment at maturity will be determined on the pricing date. The securities are designed for investors who are also willing to make an investment that is exposed to the full downside performance risk of the Index.

The securities are not designed for, and may not be a suitable investment for, investors who are unable or unwilling to hold the securities to maturity, who seek principal protection for their investment and who are unwilling to make an investment exposed to any downside performance risk of the Index, or who seek exposure to the fluctuation in currency exchange rates between the Japanese yen and the U.S. dollar. This 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 securities prior to maturity?

The market value of the securities may fluctuate during the term of the securities. Several factors and their interrelationship will influence the market value of the securities, including the level of the Index, dividend yields of the component common stocks underlying the Index, the time remaining to maturity of the securities, interest rates and the volatility of the Index. Depending on the impact of these factors, you may receive less than $10 per security from any sale of your securities before the maturity date of the securities and less than what you would have received had you held the securities until maturity. For more details, see Risk Factors Many factors affect the market value of the securities .

Who publishes the Index and what does the Index measure?

The Index measures the composite price performance of selected Japanese common stocks and is calculated, published and disseminated by Nihon Keizai Shimbun, Inc. (the Index Sponsor or NKS). The Index is currently based on 225 underlying common stocks trading on the Tokyo Stock Exchange (the TSE) representing a broad cross-section of Japanese industries. Stocks listed in the First Section of the TSE are among the most actively traded stocks on the TSE. All 225 underlying common stocks are stocks listed in the First Section.

The Index is determined, calculated and maintained by the Index Sponsor without regard to the securities.

You should be aware that an investment in the securities does not entitle you to any ownership interest in the common stocks of the companies included in the Index. For a detailed discussion of the Index, see The Nikkei 225® Index beginning on page S-17.

How has the Index performed historically?

You can find a table with the high, low and closing levels of the Index during each calendar quarter from calendar year 2003 to the present in the section entitled The Nikkei 225® Index Historical Closing Levels of the Index in this prospectus supplement. We obtained the historical information from Bloomberg Financial Markets without independent verification. You should not take the past performance of the Index as an indication of how the Index will perform in the future.

What about taxes?

By purchasing a security, you and Wachovia hereby agree, in the absence of an administrative or judicial ruling to the contrary, to characterize a security for all tax purposes as a pre-paid derivative contract linked to the level of the Index. Under this characterization of the securities, you generally should be required to recognize capital gain or loss upon the sale or maturity of your securities in an amount equal to the difference between the amount you receive at such time and the amount you paid for the securities. For a further discussion, see Supplemental Tax Considerations beginning on page S-20.

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In the opinion of our counsel, Sullivan & Cromwell LLP, the securities should be treated in the manner described above. However, because there is no authority that specifically addresses the tax treatment of the securities, it is possible that the securities could alternatively be treated in the manner described under Supplemental Tax Considerations Supplemental U.S. Tax Considerations Alternative Treatments on page S-20.

Will the securities be listed on a stock exchange?

The securities will not be listed or displayed on any securities exchange, the Nasdaq National Market or any electronic communications network. There can be no assurance that a liquid trading market will develop for the securities. Accordingly, if you sell your securities prior to 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 securities in this prospectus supplement.

Are there any risks associated with my investment?

Yes, an investment in the securities is subject to significant risks, including the risk of loss of some or all of your principal. We urge you to read the detailed explanation of risks in Risk Factors beginning on page S-6.

How to reach us

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

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RISK FACTORS

An investment in the securities 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 securities are a riskier investment than ordinary debt securities. Also, your securities are not equivalent to investing directly in the component common stocks, i.e., the common stocks underlying the Index to which your securities are linked. You should carefully consider whether the securities are suited to your particular circumstances.

Your investment may result in a loss of some or all of your principal

We will not repay you a fixed amount of principal on the securities at maturity. The payment at maturity on the securities will depend on the percentage change in the level of the Index based on the final Index level relative to the initial Index level. Because the level of the Index is subject to market fluctuations, the amount of cash you receive at maturity may be more or less than the principal amount of the securities. If the final Index level is less than the initial Index level, the maturity payment amount will be less than the principal amount of each security. ***Accordingly, if the level of the Index declines in this manner, you will lose some or all of your principal.***

You will not receive interest payments on the securities

You will not receive any periodic interest payments on the securities or any interest payment at maturity. Your payment at maturity will depend on the percentage change in the level of the Index based on the final Index level relative to the initial Index level.

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

The yield that you will receive on your securities, which could be negative, 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. Unlike conventional senior non-callable debt securities, the securities do not guarantee the return of a principal amount at maturity. In addition, no interest will be paid during the term of your securities.

Your return is limited and will not reflect the return of owning the common stocks underlying the Index

You should understand that the opportunity to participate in the possible appreciation in the level of the Index through an investment in the securities is limited because the amount that you receive at maturity will never exceed the maximum payment at maturity. The maximum payment at maturity represents a maximum appreciation on the securities, currently expected to be 178% of the principal amount of the securities, which will be determined on the pricing date. Although any positive return on the securities is based on triple the amount of the percentage increase in the Index, in no event will the amount you receive at maturity be greater than the maximum payment at maturity, currently expected to be $17.80 per security, which will be determined on the pricing date. However, if the final Index level is less than the initial Index level, you will realize the entire decline and will lose some or all of your principal.

Owning the securities is not the same as owning the common stocks underlying the Index

The return on your securities will not reflect the return you would realize if you actually owned and held the common stocks underlying the Index for a similar period. First, because the maturity payment amount will be determined based on the performance of the Index, which is a price-return index, the return on the securities will not take into account the value of any dividends that may be paid on the common stocks underlying the Index. Second, the maturity payment amount will be determined without taking into consideration any change in the currency exchange rates between the Japanese yen and the U.S. dollar from the pricing date to the valuation date for the securities. A direct investment in the common stocks underlying the Index would benefit from any strengthening of the Japanese yen versus the U.S. dollar from the pricing date to the valuation date. In addition, as a holder of the securities, you will not be entitled to receive any dividend payments or other distributions on the common stocks underlying the Index, nor will you have voting rights or any other rights that holders of the common stocks underlying the Index may have. Even if the level of the Index increases above the initial Index level during the term of the securities, the market value of the securities may not increase by the same amount. It is also possible for the level of the Index to increase while the market value of the securities declines.

There may not be an active trading market for the securities

The securities will not be listed or displayed on any securities exchange, the Nasdaq National Market or any electronic communications network. There can be no assurance that a liquid trading market will develop for the securities. The development of a trading market for the securities will depend on our financial performance and other factors such as the increase, if any, in the level of the Index. Even if a secondary market for the securities develops, it may not provide significant liquidity and transaction costs in any secondary market could be high. As a result, the difference between bid and asked prices for your security in any secondary market could be substantial. If you sell your securities 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 securities, although they are not required to do so and may stop any such market-making activities at anytime. As market makers, trading of the securities may cause Wachovia Capital Markets, LLC or any other broker-dealer affiliates of Wachovia to have long or short positions in the securities. The supply and demand for the securities, including inventory positions of market makers, may affect the secondary market for the securities.

Many factors affect the market value of the securities

The market value of the securities 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 securities caused by another factor and that the effect of one factor may compound the decrease in the market value of the securities caused by another factor. For example, a change in the volatility of the Index may offset some or all of any increase in the market value of the securities attributable to another factor, such as an increase in the level of the Index. In addition, a change in interest rates may offset other factors that would otherwise change the level of the Index, and therefore, may change the market value of the securities. We expect that the market value of the securities will depend substantially on the amount, if any, by which the final Index level exceeds or does not exceed the initial Index level. If you choose to sell your securities when the level of the Index exceeds the initial Index level, you may receive substantially less than the amount that would be payable at maturity based on this level because of the expectation that the Index will continue to fluctuate until the final Index level is determined. Moreover, because the maturity payment amount on the securities will not exceed the maximum payment at maturity, we do not expect that the securities will trade in the secondary market above the maximum payment at maturity. We believe that other factors that may also influence the value of the securities include:

- The volatility (frequency and magnitude of changes in the level) of the Index and, in particular, market expectations regarding the volatility of the Index;
- interest rates in the U.S. and Japanese markets;
- the dividend yields of the common stocks included in the Index;
- the relationship between changes in the U.S. dollar/Japanese yen exchange rates and the level of the Index;
- our creditworthiness, as represented by our credit ratings or as otherwise perceived in the market;
- changes that affect the Index, such as additions, deletions or substitutions;
- the time remaining to maturity; and

geopolitical, economic, financial, political, regulatory or judicial events as well as other conditions may affect the common stocks included in the Index.

Wachovia and its affiliates have no affiliation with the Index Sponsor and are not responsible for its public disclosure of information

Wachovia and its affiliates are not affiliated with the Index Sponsor in any way (except for licensing arrangements discussed below under The Nikkei 225® Index) and have no ability to control or predict its actions, including any errors in or discontinuation of disclosure regarding its methods or policies relating to the calculation of the Index. If the Index Sponsor discontinues or suspends the calculation of the Index, it may become difficult to determine the market value of the securities or the maturity payment amount. The calculation agent may designate a successor index selected in its sole discretion. If the calculation agent determines in its sole discretion that no successor index comparable to the Index exists, the amount you receive at maturity will be determined by the calculation agent in its sole discretion. See Specific Terms of the Securities Market Disruption Event on page S-14 and Specific Terms of the Securities Discontinuation of the Index; Adjustments to the Index on page S-13. The Index Sponsor is not involved in the offer of the securities in any way and has no obligation to consider your interest as an owner of securities in taking any actions that might affect the value of your securities.

Each security is an unsecured debt obligation of Wachovia only and is not an obligation of the Index Sponsor. None of the money you pay for your securities will go to the Index Sponsor. Since the Index Sponsor is not involved in the offering of the securities in any way, it has no obligation to consider your interest as an owner of securities in taking any actions that might affect the value of your securities. The Index Sponsor may take actions that will adversely affect the market value of the securities.

We have derived the information about the Index Sponsor and the Index in this prospectus supplement from publicly available information, without independent verification. Neither we nor any of our affiliates assumes any responsibility for the adequacy or accuracy of the information about the Index or the Index Sponsor contained in this prospectus supplement. You, as an investor in the securities, should make your own investigation into the Index and the Index Sponsor.

Historical levels of the Index should not be taken as an indication of the future levels of the Index during the term of the securities

The trading prices of the common stocks underlying the Index will determine the Index level at any given time. As a result, it is impossible to predict whether the level of the Index will rise or fall. Trading prices of the common stocks underlying the Index will be influenced by complex and interrelated political, economic, financial and other factors that can affect the issuers of the common stocks underlying the Index.

The maturity payment amount for the securities will not be adjusted for any change in the currency exchange rates between the Japanese yen and the U.S. dollar

Although the common stocks underlying the Index are traded in Japanese yen and the securities, which are linked to the Index, are denominated in U.S. dollars, the maturity payment amount will not be adjusted for any change in the currency exchange rate between the Japanese yen and the U.S. dollar. Changes in exchange rates, however, may reflect changes in the Japanese economy that in turn may affect the maturity payment amount for the securities. The maturity payment amount will be based solely on the principal amount of the securities plus the percentage change in the level of the Index from the initial Index level to the final Index level, which may be negative.

An investment in the securities is subject to risks associated with the Japanese securities markets

The common stocks underlying the Index have been issued by Japanese companies. An investment in securities linked to the value of Japanese equity securities involves particular risks. The Japanese securities markets may be more volatile than U.S. or other securities markets and market developments may affect Japanese markets differently from U.S. or other securities markets. Direct or indirect government intervention to stabilize the Japanese securities markets, as well as cross shareholdings in Japanese companies, may affect trading prices and volumes in those markets. Also, there is generally less publicly available information about Japanese companies than about those U.S. companies that are subject to the reporting requirements of the U.S. Securities and Exchange Commission, and Japanese companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies. Securities prices in Japan are subject to political, economic, financial and social factors that apply in Japan. These factors, which could negatively affect the Japanese securities markets, include the possibility of recent or future changes in the Japanese government s economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other Japanese laws or restrictions applicable to Japanese companies or investments in Japanese equity securities and the possibility of fluctuations in the rate of exchange between currencies. Moreover, the Japanese economy may differ favorably or unfavorably from the U.S. economy in important respects such as growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency. The Japanese economy has been troubled by negative or low rates of growth for many years. Many Japanese common stocks have performed poorly over an extended period.

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

As described below under Use of Proceeds and Hedging on page S-22, we or one or more of our affiliates may hedge our obligations under the securities by purchasing common stocks underlying the Index, futures or options on the Index or common stocks underlying the Index, or exchange-traded funds or other derivative instruments with returns linked or related to changes in the trading prices of common stocks underlying the Index or the level of the Index, and we may adjust these hedges by, among other things, purchasing or selling common stocks underlying the Index, futures, options, or exchange-traded funds or other derivative instruments with returns linked to the Index or the common stocks underlying the Index at any time. Although they are not expected to, any of these hedging activities may adversely affect the trading prices of common stocks underlying the Index and/or the level of the Index and, therefore, the market value of the securities. 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 securities 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 securities 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 securities, as well as the projected profit included in the cost of hedging our obligations under the securities. 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.

Additional potential conflicts of interest could arise

Our subsidiary, WBNA, is our agent for the purposes of calculating the final Index level and the maturity payment amount. Under certain circumstances, WBNA s role as our subsidiary and its responsibilities as calculation agent for the securities could give rise to conflicts of interest. These conflicts could occur, for instance, in connection with its determination as to whether the level of the Index can be calculated on a particular trading day, or in connection with judgments that it would be required to make in the event of a discontinuation of the Index. See the sections entitled Specific Terms of the Securities Discontinuation of the Index; Adjustments to the Index on page S-13 and Specific Terms of the Securities Market Disruption Event on page S-14. 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 one or more of the issuers of component common stocks included in the Index. This business may include extending loans to, or making equity investments in, such companies or providing advisory services to such companies, including merger and acquisition advisory services. In the course of business, Wachovia or its affiliates may acquire non-public information relating to these companies and, in addition, one or more affiliates of Wachovia may publish research reports about these companies. Wachovia does not make any representation to any purchasers of the securities regarding any matters whatsoever relating to the issuers of component common stocks included in the Index. Any prospective purchaser of the securities should undertake an independent investigation of these companies as in its judgment is appropriate to make an informed decision regarding an investment in the securities. The composition of the issuers of component stocks included in the Index does not reflect any investment or sell recommendations of Wachovia or its affiliates.

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The calculation agent may postpone the valuation date and, therefore, determination of the final Index level and the maturity date if a market disruption event occurs on the valuation date

The valuation date and, therefore, determination of the final Index level 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 the Index. If a postponement occurs, the calculation agent will use the closing level of the Index on the next succeeding trading day on which no market disruption event occurs or is continuing as the final Index level. As a result, the maturity date for the securities would be postponed. You will not be entitled to compensation from us or the calculation agent for any loss suffered as a result of the occurrence of a market disruption event, any resulting delay in payment or any change in the level of the Index after the valuation date. See Specific Terms of the Securities Market Disruption Event beginning on page S-14.

Tax consequences are uncertain

You should consider the tax consequences of investing in the securities, significant aspects of which are uncertain. See Supplemental Tax Considerations on page S-20.

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 securities with the assets of such a plan, should consult with its counsel regarding whether the purchase or holding of the securities 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-21.

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SPECIFIC TERMS OF THE SECURITIES

Please note that in this section entitled Specific Terms of the Securities , references to holders mean those who own securities 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 securities registered in street name or in securities 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 securities 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 securities 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 securities. 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 securities in more detail below.

No Interest

There will be no interest payments, periodic or otherwise, on the securities.

Denominations

Wachovia will issue the securities in principal amounts of $10 per security and integral multiples thereof.

Offering Price

Each security will be offered at an initial public offering price of $10.

Payment at Maturity

At maturity, for each security you own, you will receive a cash payment equal to the maturity payment amount . The maturity payment amount to which you will be entitled depends on the percentage change in the level of the Index calculated based on the final Index level (as defined below) relative to the initial Index level (as defined below).

By linking the maturity payment amount to the percentage change in the level of the Index rather than to the U.S. dollar value of the common stocks underlying the Index, the calculation of the maturity payment amount will not be affected by changes in the Japanese yen/U.S. dollar exchange rate.

The maturity payment amount for each security will be determined by the calculation agent as described below:

- If the final Index level is greater than the initial Index level, the maturity payment amount per security will equal:

$10 + Enhanced Upside Payment,

provided, however, that the maturity payment amount may not exceed an amount currently expected to be $17.80 per security (the maximum payment at maturity). The actual maximum payment at maturity will be determined on the pricing date.

- If the final Index level is equal to or less than the initial Index level, the maturity payment amount per security will equal:

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$$\$10 \times \left(\frac{\text{final Index level}}{\text{initial Index level}} \right)$$

- If the final Index level is zero, the maturity payment amount per security will be $0. ***If the final Index level is less than the initial Index level, you will lose some or all of your principal in proportion to the decline in the Index from the initial Index level to the final Index level.***

The initial Index level is the closing level of the Index on the trading day immediately following the pricing date.

The final Index level will be determined by the calculation agent and will equal the closing level of the Index on the valuation date.

The Enhanced Upside Payment is equal to 3 x Index Performance x $10.

The Index Performance is equal to

$$\left(\frac{\text{final Index level} \quad \text{initial Index level}}{\text{initial Index level}} \right)$$

The valuation date means the fifth trading day prior to the maturity date. However, if that day occurs on a day that is a disrupted day or is not a trading day, the valuation date will be postponed until the next succeeding trading day that is not a disrupted day; provided that in no event will the valuation date be postponed by more than five trading days. If the valuation date is postponed to the last possible day but that day is a disrupted day or is not a trading day, that date will nevertheless be the valuation date. *If the valuation date is postponed, then the maturity date of the securities will be postponed by an equal number of trading days*.

The closing level on any trading day will equal the official closing level (second session) of the Index or any successor index (as defined under Discontinuation of the Index; Adjustments to the Index below) published by the Index Sponsor at the regular weekday close of trading on that trading day. In certain circumstances, the closing level will be based on the alternate calculation of the Index described under Discontinuation of the Index; Adjustments to the Index below.

A trading day means any day on which each exchange and related exchange is scheduled to be open for its respective regular trading sessions.

A disrupted day means any trading day on which a relevant exchange or related exchange fails to open for trading during its regular trading session or on which a market disruption event has occurred.

You should understand that the opportunity to participate in the possible increases in the level of the Index through an investment in the securities is limited because the amount that you receive at maturity will never exceed the maximum payment at maturity. The maximum payment at maturity represents a maximum appreciation on the securities, currently expected to be 178% of the principal amount of the securities, which will be determined on the pricing date. However, if the final Index level is less than the initial Index level, the amount you will receive at maturity will be proportionately less than the principal amount of the securities. ***Accordingly, if the level of the Index declines in this manner, you will lose some or all of your principal.***

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

WBNA, our subsidiary, will serve as the calculation agent. All determinations made by the calculation agent will be at the sole discretion of the calculation agent and, absent a determination of a manifest error, will be conclusive for all purposes and binding on Wachovia and the holders and beneficial owners of the securities. Wachovia may at any time change the calculation agent without notice to holders of securities.

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Discontinuation of the Index; Adjustments to the Index

If the Index Sponsor discontinues publication of the Index and the Index Sponsor or another entity publishes a successor or substitute Index that the calculation agent determines, in its sole discretion, to be comparable to the Index (a successor index), then, upon the calculation agent s notification of any determination to the trustee and Wachovia, the calculation agent will substitute the successor index as calculated by the Index Sponsor or any other entity for the Index and calculate the final Index level as described above under Payment at Maturity . Upon any selection by the calculation agent of a successor index, Wachovia will cause notice to be given to holders of the securities.

If the Index Sponsor discontinues publication of the Index and:

- the calculation agent does not select a successor index, or
- the successor index is no longer published on any of the relevant trading days,

the calculation agent will compute a substitute level for the Index in accordance with the procedures last used to calculate the level of the Index before any discontinuation but using only those securities that composed the Index prior to such discontinuation. If a successor index is selected or the calculation agent calculates a level as a substitute for the Index as described below, the successor index or level will be used as a substitute for the Index for all purposes going forward, including for purposes of determining whether a market disruption event exists, even if the Index Sponsor elects to begin republishing the Index, unless the calculation agent in its sole discretion decides to use the republished Index.

If the Index Sponsor discontinues publication of the Index before the valuation date and the calculation agent determines that no successor index is available at that time, then on each trading day until the earlier to occur of:

- the determination of the final Index level, or
- a determination by the calculation agent that a successor index is available,

the calculation agent will determine the level that would be used in computing the maturity payment amount as described in the preceding paragraph as if that day were a trading day. The calculation agent will cause notice of each level to be published not less often than once each month in *The Wall Street Journal* or another newspaper of general circulation, and arrange for information with respect to these levels to be made available by telephone.

Notwithstanding these alternative arrangements, discontinuation of the publication of the