WACHOVIA CORP NEW
Form 424B5
December 08, 2004
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Filed Pursuant to

Rule 424(b)5

Registration No. 333-72374

PROSPECTUS SUPPLEMENT

(To prospectus dated May 31, 2002)

$3,070,000

Wachovia Corporation

5% SUPRS[SM]

(Stock Underlying Premium Return Securities)

Linked to the Common Stock of Intel Corporation

due December 15, 2005

Issuer:	Wachovia Corporation
Principal Amount:	Each note will have a principal amount of $1,000.
Maturity Date:	December 15, 2005
Interest:	5% per annum
Interest Payment Dates:	March 15, June 15, September 15 and December 15, beginning March 15, 2005
Record Dates:	For the interest payment dates specified above, February 28, May 31, August 31 and November 30. Interest will accrue from and including the settlement date to but excluding the maturity date.
Underlying Stock:	The return on the notes is linked to the market price of the common stock of Intel Corporation (trading symbol INTC). Intel Corporation has no obligations relating to, and does not sponsor or endorse, the notes.
Payment at Maturity:	On the maturity date, you will receive a payment per note equal to the lesser of:

(i) $\$1{,}000 \times \left(\dfrac{\text{final stock price}}{\text{initial stock price}} \right) \times \text{share multiplier}$, and

(ii) the maximum payment at maturity,

in each case, plus accrued but unpaid interest payments.

The maximum payment at maturity is $1,100 per note (10% over the principal amount). *If the final stock price is less than the initial stock price, you will lose some or all of your principal (but you will still receive accrued but unpaid interest).*

No Listing:	The notes will not be listed on the American Stock Exchange because the aggregate principal amount of the notes sold in this offering is below the threshold that the American Stock Exchange requires for listing on that exchange. Additionally, the notes will not be listed or displayed on any other securities exchange, the Nasdaq National Market System or any electronic communications network.
Pricing Date:	December 7, 2004
Settlement Date:	December 14, 2004
CUSIP Number:	929903AL6

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-10.

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

	Per Note	Total
Public Offering Price	100%	$ 3,070,000
Underwriting Discount and Commission	1.5%	$ 46,050
Proceeds to Wachovia Corporation.	98.5%	$ 3,023,950

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, any state securities commission or the Commissioner of Insurance of the state of North Carolina has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

Wachovia may use this prospectus supplement in the initial sale of the notes. In addition, Wachovia Securities, 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 December 7, 2004.

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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 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.

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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 5% SUPRS℠ (Stock Underlying Premium Return Securities) Linked to the Common Stock of Intel Corporation (the Underlying Stock) due December 15, 2005 (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 principal 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 in this prospectus supplement to Wachovia Securities mean Wachovia Securities, LLC and 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 notes?

The notes offered by this prospectus supplement will be issued by Wachovia and will mature on December 15, 2005. The return on the notes will be linked to the change in the market price of the common stock of Intel Corporation during the term of the notes.

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 E that Wachovia 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-10.

Each note will have a principal amount of $1,000. Each note will be offered at an original public offering price equal to $1,000. You may transfer only whole notes. Wachovia 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.

Will I receive interest on the notes?

The notes will bear interest at 5% per annum payable on each of March 15, June 15, September 15 and December 15, beginning March 15, 2005. Interest will accrue from and including the settlement date to but excluding the maturity date. The interest rate on the notes is higher than the current dividend rate of the Underlying Stock.

What will I receive upon maturity of the notes?

At maturity, for each note you own, you will receive a payment in cash or, if you so elect, as described below, in shares of the Underlying Stock with a value on the valuation date equal to the maturity payment amount , plus accrued but unpaid interest. The maturity payment amount to which you will be entitled will be linked to the change in the market price of the Underlying Stock calculated by dividing the final stock price by the initial stock price. The maturity payment amount per note will equal the lesser of:

$$\$1{,}000 \times \left(\frac{\text{final stock price}}{\text{initial stock price}} \right) \times \text{share multiplier, and}$$

the maximum payment at maturity.

In no event will the maturity payment amount exceed $1,100 per note (the maximum payment at maturity), whether cash, shares of the Underlying Stock or a combination of cash and shares of the Underlying Stock is delivered. *If the final stock price is zero, the maturity payment amount will be zero (but you will still receive accrued but unpaid interest).*

The initial stock price is $23.8383, the average price per share of the Underlying Stock that any affiliate of Wachovia paid to hedge Wachovia s obligations under the notes on December 7, 2004.

The final stock price will be determined by the calculation agent and will equal the average price per share of the Underlying Stock that any affiliate of Wachovia receives to unwind the hedge of Wachovia s obligations under the notes on the valuation date. If the valuation date occurs on a day that is not a business day or on a day on which the calculation agent has determined that a market disruption event has occurred or is continuing, then the final stock price will be the average price per share of the Underlying Stock that any affiliate of Wachovia receives to unwind the hedge of Wachovia s obligations under the notes on the next succeeding business day on which the calculation agent determines that a market disruption event does not occur and is not continuing. *If the determination of the final stock price is postponed, then the maturity date of the notes will be postponed by an equal number of business days*.

The share multiplier is 1.0, subject to adjustment for certain corporate events relating to the Underlying Stock Issuer described in this prospectus supplement under Specific Terms of the Notes Antidilution Adjustments.

The valuation date means the fifth business day prior to the maturity date.

Each holder of at least $1,000,000 aggregate principal amount of the notes may elect to receive the maturity payment amount with respect to at least $1,000,000 aggregate principal amount of its notes in shares of the Underlying Stock. You should refer to Specific Terms of the Notes Payment at Maturity beginning on page S-10 for a description of this election. *If Wachovia determines that it is prohibited from delivering shares of the Underlying Stock, or that it would otherwise be unduly burdensome to deliver shares of the Underlying Stock, on the maturity date, it will pay the maturity payment amount in cash, regardless of the election by any holder to receive shares of the Underlying Stock. Any such determination will be made in the sole discretion of Wachovia.*

You should understand that the opportunity to participate in the possible appreciation in the market price of the Underlying Stock through an investment in the notes 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 return on the notes equal to 10% over the principal amount of the notes. However, in the event that the market price of the Underlying Stock declines over the term of the notes, the maturity payment amount will be proportionately less than the principal amount of the notes. ***Accordingly, if the market price of the Underlying Stock 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 (which do not consider any accrued but unpaid interest).

Initial stock price: $23.8383

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Share multiplier: 1.00

Maximum payment at maturity: $1,100.00

Example 1 The hypothetical final stock price is equal to 50% of the initial stock price:

Hypothetical final stock price: $11.9192

$$\text{Maturity payment amount (per note)} = \$1{,}000 \times \left(\frac{\$11.9192}{\$23.8383} \right) \times 1.0 = \$500$$

Since the hypothetical final stock price is *less* than the initial stock price, the maturity payment amount would be less than the principal amount of your notes and you would lose some of your principal. Your total cash payment at maturity would be $500 per note, representing a 50% loss of the principal amount of your notes.

Example 2 The hypothetical final stock price is equal to 105% of the initial stock price:

Hypothetical final stock price: $25.0302

$$\text{Maturity payment amount (per note)} = \$\,1{,}000 \times \left(\frac{\$25.0302}{\$23.8383} \right) \times 1.0 = \$1{,}050$$

Since the hypothetical final stock price is *greater* than the initial stock price, the maturity payment amount would be greater than the principal amount of your notes, subject to the maximum payment at maturity. Your total cash payment at maturity would be $1,050 per note, representing a 5% return above the principal amount of your notes.

Example 3 The hypothetical final stock price is equal to 150% of the initial stock price:

Hypothetical final stock price: $35.7575

$$\text{Maturity payment amount (per note)} = \$\,1{,}000 \times \left(\frac{\$35.7575}{\$23.8383}\right) \times 1.0 = \$1{,}500$$

(Subject to the maximum payment at maturity of $1,100.00)

Since the hypothetical final stock price is *greater* than the initial stock price, the maturity payment amount would be greater than the principal amount of your notes, subject to the maximum payment at maturity. Although the calculation of the maturity payment amount would generate a result of $1,500 per note, your maturity payment amount would be limited to $1,100 per note, representing a 10% maximum return above the principal amount of your notes. This is because the payment on the notes at maturity may not exceed the maximum payment at maturity.

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

We have designed the notes for investors who want to receive a quarterly interest payment of 5% per annum and participate in the possible appreciation in the market price of the Underlying Stock over the term of the notes, subject to the maximum payment at maturity representing a maximum return on the notes equal to 10% over the principal amount of the notes. The notes are designed for investors who are also willing to make an investment that is exposed to potential loss of some or all of their principal, and the risk of owning equity securities in general or the Underlying Stock in particular. The notes are not designed for, and may not be a suitable investment for, investors who seek principal protection for their investment and who are unwilling to make an investment exposed to any risk of loss of principal, or the risk of owning equity securities in general or the Underlying Stock in particular. The notes are also not designed for, and may not be a suitable investment for, investors who seek the full upside appreciation in the market price of the Underlying Stock. 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, or who are unable or unwilling to hold the notes until maturity.

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 of the notes. 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. Depending on the impact of these factors, you may receive less than $1,000 per note from 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.

Who is Intel Corporation?

Intel Corporation (the Underlying Stock Issuer) has disclosed that it is a semiconductor chip maker, supplying advanced technology solutions for the computing and communications industries. 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 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 number 0-06217 and inspected at the SEC s public reference facilities or accessed over the Internet through the SEC s web site. 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 The Underlying Stock Issuer in this prospectus supplement.

What is the Underlying Stock Issuer s role 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 2001 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 U.S. federal income tax consequences of an investment in the notes are complex and uncertain. By purchasing a note, you and Wachovia hereby agree, in the absence of an administrative or judicial ruling to the contrary, to characterize a note for all tax purposes as a pre-paid cash-settled forward contract linked to the level of the Underlying Stock plus a cash deposit. Under this characterization of the notes, (1) interest on your note will be characterized as interest payable on the amount of the deposit and will be includible annually in your income in accordance with your method of accounting, and (2) you will generally recognize capital gain or loss on the sale, exchange or maturity of your note equal to the difference between the amount realized on the sale, exchange or maturity and your tax basis in the note. For a further discussion, see Supplemental Tax Considerations beginning on page S-20.

Will the notes be listed on a stock exchange?

The notes will not be listed on the American Stock Exchange because the aggregate principal amount of the notes sold in this offering is below the threshold that the American Stock Exchange requires for listing on that exchange. Additionally, the notes will not be listed or displayed on any other securities exchange, the Nasdaq National Market System or any electronic communications network. There can be no assurance that a liquid trading market will develop for the notes. Accordingly, if you sell your notes 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 notes in this prospectus supplement.

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. We urge you to read the detailed explanation of risks in Risk Factors beginning on page S-6.

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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 to which your notes are linked. You should carefully consider whether the notes 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 notes at maturity. The maturity payment amount on the notes will depend on the change in the market price of the Underlying Stock, based on the final stock price relative to the initial stock price. Because the market price of the Underlying Stock is subject to market fluctuations, the amount of cash or the value of the shares of the Underlying Stock you receive at maturity may be more or less than the principal amount of the notes. If the final stock price is less than the initial stock price, the maturity payment amount will be less than the principal amount of each note. ***Accordingly, if the market price of the Underlying Stock declines in this manner, you will lose some or all of your principal.***

The return on your notes is limited

You should understand that the opportunity to participate in the possible appreciation in the market price of the Underlying Stock through an investment in the notes is limited because the maturity payment amount will never exceed the maximum payment at maturity. The maximum payment at maturity represents a maximum return on the notes equal to 10% over the principal amount of the notes. However, as discussed above, in the event that the market price of the Underlying Stock declines over the term of the notes, you will realize the entire decline and will lose some or all of your principal.

Owning the notes is not the same as owning the Underlying Stock

Your return will not reflect the return you would realize if you actually owned and held the Underlying Stock for a similar period because the maturity payment amount will never exceed the maximum payment at maturity and will be determined without taking into consideration the value of any dividends that may be paid on the Underlying Stock. In addition, 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. If the return on the Underlying Stock over the term of the notes exceeds the maximum payment at maturity and the interest payments you receive, your return on the notes at maturity will be less than the return on a direct investment in the Underlying Stock without taking into account taxes and other costs related to such a direct investment. Even if the market price of the Underlying Stock increases above the initial stock price during the term of the notes, the market value of the notes may not increase by the same amount. It is also possible for the market price of the Underlying Stock to increase while the market value of the notes declines.

There may not be an active trading market for the notes

You should be willing to hold your notes until maturity. The notes will not be listed on the American Stock Exchange because the aggregate principal amount of the notes sold in this offering is below the threshold that the American Stock Exchange requires for listing on that exchange. Additionally, the notes will not be listed or displayed on any other securities exchange, the Nasdaq National Market System or any electronic communications network. There can be no assurance that a liquid trading market will develop for the notes. The development of a trading market for the notes will depend on our financial performance and other factors such as the appreciation, if any, in the market price of the Underlying Stock. 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 original public offering price, and, as a result, you may suffer substantial losses.

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Wachovia Securities 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 Securities 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 will depend substantially on the amount, if any, by which the market price of the Underlying Stock exceeds or does not exceed the initial stock price. If you choose to sell your notes when the market price of the Underlying Stock exceeds the initial stock price, you may receive substantially less than the amount that would be payable at maturity based on this market price because of the expectation that the market price of the Underlying Stock will continue to fluctuate until the final stock price is determined. In addition, because the maturity payment amount on the notes will not exceed the maximum payment at maturity, we do not expect that the notes will trade in the secondary market above the maximum payment at maturity.

Changes in the volatility of the Underlying Stock are 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, depending upon other factors (such as the magnitude of the changes in interest rates and the time remaining to the maturity of the notes), such changes may be adverse to holders of the notes. In general, if U.S. interest rates increase, we expect that the market value of the notes will decrease and, conversely, if U.S. interest rates decrease, we expect that the market value of the notes will increase.

Changes in dividend yields of the Underlying Stock are expected to affect the market value of the notes

In general, if dividend yields on the Underlying Stock increase, we expect that the market value of the notes will decrease and, conversely, if dividend yields on Underlying Stock decrease, 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 the change in the market price of the Underlying Stock shortly prior to maturity relative to the pricing date, an improvement in our credit ratings will not reduce the other investment risks related to the notes.

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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.

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. 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. 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 standard senior non-callable debt securities, the notes do not guarantee the return of a principal amount at maturity.

Wachovia and its affiliates have no affiliation with the Underlying Stock Issuer and are not responsible for its 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 maturity payment amount, 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, it has 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 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 and the final stock price of the Underlying Stock that the calculation agent will use to determine the maturity payment amount 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 share multiplier 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 share multiplier if the Underlying Stock Issuer or anyone else makes a partial tender or partial exchange offer for the Underlying Stock. Consequently, this could affect the calculation of the maturity payment amount and the market value of the notes. You should refer to Specific Terms of the Notes Antidilution Adjustments beginning on page S-13 for a description of the general circumstances in which the calculation agent will make adjustments to the share multiplier.

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-17 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-24, 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 exchange-traded funds 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 exchange-traded funds 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 calculation agent may postpone the determination of the final stock price and the maturity date if a market disruption event occurs on the valuation date

The determination of the final stock price may be postponed if the calculation agent determines that a market disruption event has occurred or is continuing on the valuation date. If a postponement occurs, the calculation agent will use the average price per share of the Underlying Stock that any affiliate of Wachovia receives to unwind the hedge of the obligations under the notes on the next succeeding business day on which no market disruption event occurs or is continuing. As a result, the maturity date for the notes would also be postponed. You will not be entitled to any 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 market price of the Underlying Stock after the valuation date. See Specific Terms of the Notes Market Disruption Event beginning on page S-12.

Potential conflicts of interest could arise

Our subsidiary, WBNA, is our agent for the purposes of calculating the final stock price and the maturity payment amount. Under certain circumstances, WBNA s role as our subsidiary and its responsibilities as calculation agent for the notes could give rise to conflicts of interest. These conflicts could occur, for instance, in connection with its determination as to whether the final stock price can be calculated on a particular business day or what price any affiliate of Wachovia receives to unwind its hedge on the valuation date. See the section entitled Specific Terms of the Notes Market Disruption Event on page S-12. 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.

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Tax consequences are uncertain

You should consider the tax consequences of investing in the notes, 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 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 on page S-23.

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 E , 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 E, 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.

Interest

The notes will bear interest at 5% per annum payable on each of March 15, June 15, September 15 and December 15, beginning March 15, 2005. Interest will accrue from and including the settlement date to but excluding the maturity date. The interest rate on the notes is higher than the current dividend rate of the Underlying Stock.

The regular record dates will be the close of business on February 28, May 31, August 31 and November 30, respectively, in each case the fifteenth calendar day, whether or not a business day, immediately preceding the related interest payment date. For the purpose of determining the holder at the close of business on a day that is not a business day, the close of business will mean 5:00 P.M., New York City time, on that day.

Denominations

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

Payment at Maturity

At maturity, for each note you own, you will receive a payment in cash or, if you so elect, as provided below, in shares of the Underlying Stock with a value on the valuation date equal to the maturity payment amount, as provided below, plus accrued but unpaid interest. The maturity payment amount to which you

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will be entitled will be linked to the change in the market price of the Underlying Stock calculated by dividing the final stock price by the initial stock price as described below.

Determination of the Maturity Payment Amount

The maturity payment amount for each note will be determined by the calculation agent as described below. The maturity payment amount will equal the lesser of:

$$\$1{,}000 \text{ x } \left(\frac{\text{final stock price}}{\text{initial stock price}} \right) \text{ x share multiplier, and}$$

the maximum payment at maturity.

In no event will the maturity payment amount exceed $1,100 per note, the maximum payment at maturity, whether cash, shares of the Underlying Stock or a combination of cash and shares of the Underlying Stock is delivered. *If the final stock price is zero, the maturity payment amount will be zero (but you will still receive accrued but unpaid interest).*

The initial stock price is $23.8383, the average price per share of the Underlying Stock that any affiliate of Wachovia paid to hedge Wachovia s obligations under the notes on December 7, 2004

The final stock price will be determined by the calculation agent and will equal the average price per share of the Underlying Stock that any affiliate of Wachovia receives to unwind the hedge of Wachovia s obligations under the notes on the valuation date. If the valuation date occurs on a day that is not a business day or on a day on which the calculation agent has determined that a market disruption event has occurred or is continuing, then the final stock price will be the average price per share of the Underlying Stock that any affiliate of Wachovia receives to unwind the hedge of Wachovia s obligations under the notes on the next succeeding business day on which the calculation agent determines that a market disruption event does not occur and is not continuing. *If the determination of the final stock price is postponed, then the maturity date of the notes will be postponed by an equal number of business days*.

The share multiplier is 1.0, subject to adjustment for certain corporate events relating to the Underlying Stock Issuer described in this prospectus supplement under Specific Terms of the Notes Antidilution Adjustments.

The valuation date means the fifth business day prior to the maturity date.

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 such payment may be made on the next succeeding 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.

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 notes. Wachovia may at any time change the calculation agent without notice to holders of notes.

Stock Settlement Option

If you are a holder of at least $1,000,000 aggregate principal amount of the notes, you may elect to receive the maturity payment amount with respect to at least $1,000,000 aggregate principal amount of your notes in shares of the Underlying Stock by instructing your participant at the Depository Trust Company, whose nominee is the registered holder of your notes, to deliver at least 30 days prior to the maturity date to

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the Structured Equity Products desk of Wachovia Securities the properly completed and signed stock settlement notice, in the form attached to this prospectus supplement, specifying the outstanding principal amount of your notes for which you elect to receive the maturity payment amount in shares of the Underlying Stock. Delivery must be made by facsimile as provided in the attached stock settlement notice. Once given, a stock settlement notice may not be revoked. If you duly elect to receive your maturity payment amount in shares of the Underlying Stock, you will receive a number of shares of the Underlying Stock equal to the number of $1,000 principal amount notes you elect to have settled in stock multiplied by the quotient of the maturity payment amount per note divided by the final stock price, as determined by the calculation agent. If the number of shares to be delivered to you would result in fractional shares, we will pay cash in lieu of delivering the fractional shares in an amount equal to the corresponding fraction multiplied by the final stock price. *If Wachovia determines that it is prohibited from delivering shares of the Underlying Stock, or that it would otherwise be unduly burdensome to deliver shares of the Underlying Stock, on the maturity date, it will pay the maturity payment amount in cash, regardless of an election by you to receive shares of the Underlying Stock. Any such determination will be made in the sole discretion of Wachovia.*

Market Disruption Event

A market disruption event, as determined by the calculation agent in its sole discretion, 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;
- 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;
- the Underlying Stock does not trade on the New York Stock Exchange, the American Stock Exchange, the Nasdaq National Market System or what was the primary market for the Underlying Stock; or
- any other event that 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 on 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

will constitute a suspension or material limitation of trading in option or futures contracts, as the case may be, relating to the Underlying Stock in the primary market for those contracts.

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Events of Default and Acceleration

In case an event of default with respect to any notes has occurred and is continuing, the amount payable to a beneficial owner of a note upon any acceleration permitted by the notes, with respect to each $1,000 principal amount of each note, will be equal to the maturity payment amount, calculated as though the date of early repayment were the maturity date of the notes. If a bankruptcy proceeding is commenced in respect of Wachovia, the claim of the beneficial owner of a note may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the principal amount of the note plus an additional amount of contingent interest calculated as though the date of the commencement of the proceeding were the maturity date of the notes.

In case of default in payment of the notes, whether at their maturity or upon acceleration, the notes will not bear a default interest rate.

Antidilution Adjustments

The share multiplier is subject to adjustments by the calculation agent as a result of the dilution and reorganization adjustments described in this section. The adjustments described below do not cover all events that could affect the market value of your notes. We describe the risks relating to dilution above under Risk Factors You have limited antidilution protection beginning on page S-8.

How adjustments will be made

If one of the events described below occurs with respect to the Underlying Stock and the calculation agent determines that the event has a diluting or concentrative effect on the market price of the Underlying Stock, the calculation agent will calculate a corresponding adjustment to the share multiplier as the calculation agent deems appropriate to account for that diluting or concentrative effect. The share multiplier will be adjusted by the calculation agent by multiplying the existing share multiplier by a fraction whose numerator is the number of shares of the Underlying Stock outstanding immediately after the dilution or reorganization event and whose denominator is the number of shares of the Underlying Stock outstanding immediately prior to the dilution or reorganization event. For example, if an adjustment is required because of a two-for-one stock split, then the share multiplier will be adjusted to double the prior share multiplier, due to the corresponding decrease in the market price of the Underlying Stock.

The calculation agent will also determine the effective date of that adjustment, and the replacement of the Underlying Stock, if applicable, in the event of consolidation or merger of the Underlying Stock Issuer. Upon making any such adjustment, the calculation agent will give notice as soon as practicable to the trustee, stating the adjustment to the share multiplier. In no event, however, will an antidilution adjustment to the share multiplier during the term of the notes be deemed to change the principal amount per note which is fixed at $1,000.

If more than one event requiring adjustment occurs with respect to your the Underlying Stock, the calculation agent will make an adjustment for each event in the order in which the events occur, and on a cumulative basis. Thus, having made an adjustment for the first event, the calculation agent will adjust the share multiplier for the second event, applying the required adjustment to the share multiplier as already adjusted for the first event, and so on for any subsequent events.

For any dilution event described below, other than a consolidation or merger, the calculation agent will not have to adjust the share multiplier unless the adjustment would result in a change to the share multiplier of at least 0.1% in the share multiplier then in effect. The share multiplier resulting from any adjustment will be rounded up or down, as appropriate, to the nearest one-hundred thousandth.

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If an event requiring an antidilution adjustment occurs, the calculation agent will make the adjustment with a view to offsetting, to the extent practical, any change in your economic position relative to your notes that results solely from that event. The calculation agent may, in its sole discretion, modify the antidilution adjustments as necessary to ensure an equitable result.

The calculation agent will make all determinations with respect to antidilution adjustments, including any determination as to whether an event requiring adjustment has occurred, as to the nature of the adjustment required and how it will be made or as to the value of any property distributed in a reorganization event, and will do so in its sole discretion. In the absence of manifest error, those determinations will be conclusive for all purposes and will be binding on you and us, without any liability on the part of the calculation agent. You will not be entitled to any compensation from us for any loss suffered as a result of any of the above determinations by the calculation agent. The calculation agent will provide information about the adjustments that it makes upon your written request.

The following events are those that may require an antidilution adjustment of the share multiplier:

- a subdivision, consolidation or reclassification of the Underlying Stock or a distribution or dividend of Underlying Stock to existing holders of the Underlying Stock by way of bonus, capitalization or similar issue;
- a distribution or dividend to existing holders of the Underlying Stock of:
  - shares of the Underlying Stock,
  - other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Underlying Stock Issuer equally or proportionately with such payments to holders of the Underlying Stock, or
  - any other type of securities, rights or warrants in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the calculation agent;
- the declaration by the Underlying Stock Issuer of an extraordinary or special dividend or other distribution whether in cash or shares of the Underlying Stock or other assets;
- a repurchase by the Underlying Stock Issuer of its common stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- any other similar event that may have a diluting or concentrative effect on the market price of the Underlying Stock; and
- a consolidation of the Underlying Stock Issuer with another company or merger of the Underlying Stock Issuer with another company.

Stock Splits and Reverse Stock Splits

A stock split is an increase in the number of a corporation s outstanding shares of stock without any change in its stockholders equity. Each outstanding share will be worth less as a result of a stock split.

A reverse stock split is a decrease in the number of a corporation s outstanding shares of stock without any change in its stockholders equity. Each outstanding share will be worth more as a result of a reverse stock split.

If the Underlying Stock is subject to a stock split or a reverse stock split, then once the split has become effective the calculation agent will adjust the share multiplier to equal the product of the prior share multiplier and the number of shares issued in such stock split or reverse stock split with respect to one share of the Underlying Stock.

Stock Dividends

In a stock dividend, a corporation issues additional shares of its stock to all holders of its outstanding stock in proportion to the shares they own. Each outstanding share will be worth less as a result of a stock dividend.

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If the Underlying Stock is subject to a stock dividend payable in shares of Underlying Stock that is given ratably to all holders of shares of the Underlying Stock, then once the dividend has become effective the calculation agent will adjust the share multiplier on the ex-dividend date to equal the sum of the prior share multiplier plus the product of the number of shares issued with respect to one share of the Underlying Stock and the prior share multiplier. The ex-dividend date for any dividend or other distribution is the first day on and after which the Underlying Stock trades without the right to receive that dividend or distribution.

No Adjustments for Other Dividends and Distributions

The share multiplier will not be adjusted to reflect dividends, including cash dividends, or other distributions paid with respect to the Underlying Stock, other than:

- stock dividends described above,
- issuances of transferable rights and warrants as described in Transferable Rights and Warrants below,
- distributions that are spin-off events described in Reorganization Events beginning on page S-16, and
- extraordinary dividends described below.

A dividend or other distribution with respect to the Underlying Stock will be deemed to be an extraordinary dividend if its per share value exceeds that of the immediately preceding non-extraordinary dividend, if any, for the Underlying Stock by an amount equal to at least 10% of the closing price of the Underlying Stock on the business day before the ex-dividend date.

If the Underlying Stock is subject to an extraordinary dividend, then once the extraordinary dividend has become effective the calculation agent will adjust the share multiplier on the ex-dividend date to equal the product of the prior share multiplier and a fraction, the numerator of which is the closing price of the Underlying Stock on the business day preceding the ex-dividend date and the denominator of which is the amount by which the closing price of the Underlying Stock on the business day preceding the ex-dividend date exceeds the extraordinary dividend.

The amount of an extraordinary dividend for the Underlying Stock will equal:

- for an extraordinary dividend that is paid in lieu of a regularly scheduled dividend, the amount of the extraordinary dividend per share of the Underlying Stock minus the amount per share of the immediately preceding dividend, if any, that was not an extraordinary dividend for the Underlying Stock, or
- for an extraordinary dividend that is not paid in lieu of a regularly scheduled dividend, the amount per share of the extraordinary dividend.

Notwithstanding anything herein, the initiation by the Underlying Stock Issuer of an ordinary dividend on the Underlying Stock will not constitute an extraordinary dividend requiring an adjustment.

To the extent an extraordinary dividend is not paid in cash, the value of the non-cash component will be determined by the calculation agent, in its sole discretion. A distribution on the Underlying Stock that is a dividend payable in shares of Underlying Stock, an issuance of rights or warrants or a spin-off event and also an extraordinary dividend will result in an adjustment to the number of shares of Underlying Stock only as described in Stock Dividends above, Transferable Rights and Warrants below or Reorganization Events below, as the case may be, and not a described here.

Transferable Rights and Warrants

If the Underlying Stock Issuer issues transferable rights or warrants to all holders of the Underlying Stock to subscribe for or purchase the Underlying Stock at an exercise price per share that is less than the closing price of the Underlying Stock on the business day before the ex-dividend date for the issuance, then the share multiplier will be adjusted to equal the product of the prior share multiplier and a fraction, the numerator of which will be the number of shares of the Underlying Stock outstanding at the close of business on the business day before the ex-dividend date (as adjusted for any subsequent event requiring an adjustment hereunder) plus the number of additional shares of the Underlying Stock offered for subscription or purchase pursuant to the rights or warrants and the denominator of which will be the number of shares of the Underlying Stock outstanding at the close of business on the business day before the ex-dividend date (as adjusted for any subsequent event requiring an adjustment hereunder) plus the number of additional shares of Underlying Stock which the aggregate offering price of the total number of shares of the Underlying Stock so offered for subscription or purchase pursuant to the rights or warrants would purchase at the closing price on the business day before the ex-dividend date for the issuance, which will be determined by multiplying the total number of additional shares of the Underlying Stock offered for subscription or purchase pursuant to the rights or warrants by the exercise price of the rights or warrants and dividing the product so obtained by the closing price on the business day before the ex-dividend date for the issuance. If the number of shares of the Underlying Stock actually delivered in respect of the rights or warrants differs from the number of shares of the Underlying Stock offered in respect of the rights or warrants, then the share multiplier will promptly be readjusted to the share multiplier which would have been in effect had the adjustment been made on the basis of the number of shares of the Underlying Stock actually delivered in respect of the rights or warrants.

Reorganization Events

Each of the following is a reorganization event:

- the Underlying Stock is reclassified or changed;
- the Underlying Stock Issuer has been subject to a merger, consolidation or other combination and either is not the surviving entity or is the surviving entity but all outstanding shares of Underlying Stock are exchanged for or converted into other property;
- a statutory share exchange involving outstanding shares of Underlying Stock and the securities of another entity occurs, other than as part of an event described above;
- the Underlying Stock Issuer sells or otherwise transfers its property and assets as an entirety or substantially as an entirety to another entity;
- the Underlying Stock Issuer effects a spin-off, other than as part of an event described above (in a spin-off, a corporation), issues to all holders of its common stock equity securities of another issuer); or
- the Underlying Stock Issuer is liquidated, dissolved or wound up or is subject to a proceeding under any applicable bankruptcy, insolvency or other similar law, or another entity completes a tender or exchange offer for all the outstanding shares of Underlying Stock.

Adjustments for Reorganization Events

If a reorganization event occurs, then the calculation agent will adjust the share multiplier to reflect the amount and type of property or properties whether cash, securities, other property or a combination that a prior holder of the number of shares of the Underlying Stock represented by its investment in the notes would have been entitled to in relation to an amount of shares of the Underlying Stock equal to what a holder of shares of the Underlying Stock would hold after the reorganization event has occurred. We refer to this new property as the distribution property.

For the purpose of making an adjustment required by a reorganization event, the calculation agent, in its sole discretion, will determine the value of each type of the distribution property. For any distribution property consisting of a security, the calculation agent will use the closing price of the security on the relevant business day. The calculation agent may value other types of property in any manner it determines, in its sole discretion, to be appropriate. If a holder of shares of the Underlying Stock may elect to receive different types or combination of types of distribution property in the reorganization event, the distribution property will consist of the types and amounts of each type distributed to a holder of shares of the Underlying Stock that makes no election, as determined by the calculation agent in its sole discretion.

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If a reorganization event occurs with respect to the shares of the Underlying Stock and the calculation agent adjusts the share multiplier to reflect the distribution property in the event as described above, the calculation agent will make further antidilution adjustments for any later events that affect the distribution property, or any component of the distribution property, comprising the new share multiplier. The calculation agent will do so to the same extent that it would make adjustments if the shares of the Underlying Stock were outstanding and were affected by the same kinds of events. If a subsequent reorganization event affects only a particular component of the number of shares of the Underlying Stock, the required adjustment will be made with respect to that component, as if it alone were the number of shares of the Underlying Stock.

For example, if the Underlying Stock Issuer merges into another company and each share of the Underlying Stock is converted into the right to receive two common shares of the surviving company and a specified amount of cash, the shares of the Underlying Stock will be adjusted to reflect two common shares of the surviving company and the specified amount of cash. The calculation agent will adjust the share multiplier to reflect any later stock split or other event, including any later reorganization event, that affects the common shares of the surviving company, to the extent described in this section entitled Antidilution Adjustments, as if the common shares were shares of the Underlying Stock. In that event, the cash component will not be adjusted but will continue to be a component of the number of shares of the Underlying Stock (with no interest adjustment). Consequently, the final stock price will include the final value of the two shares of the surviving company and the cash.

THE UNDERLYING STOCK

The Underlying Stock Issuer

Provided below is a brief description of the Underlying Stock Issuer obtained from publicly available information published by the Underlying Stock Issuer.

Intel Corporation has disclosed that it is a semiconductor chip maker, supplying advanced technology solutions for the computing and communications industries. Its goal is to be the preeminent building block supplier to the worldwide Internet economy. Its products include chips, boards and other semiconductor components that are the building blocks integral to computers, servers and networking and communications products. It offers products at various levels of integration, allowing its customers flexibility to create advanced computing and communications systems and products.

The Underlying Stock is registered under the Exchange Act. Companies with securities registered under the Exchange Act are required to file financial and other information specified by the SEC periodically. Information filed with the SEC can be inspected and copied at the Public Reference Section of the SEC, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of this material can also be obtained from the Public Reference Section, at prescribed rates. In addition, information filed by the Underlying Stock Issuer with the SEC electronically can be reviewed through a web site maintained by the SEC. The address of the SEC s web site is http://www.sec.gov. Information filed with the SEC by the Underlying Stock Issuer under the Exchange Act can be located by reference to SEC file number 0-06217.

Information about the Underlying Stock may also be obtained from other sources such as press releases, newspaper articles and other publicly disseminated documents, as well as from the Underlying Stock Issuer s web site. We do not make any representation or warranty as to the accuracy or completeness of any materials referred to above, including any filings made by the Underlying Stock Issuer with the SEC.

Historical Data

The Underlying Stock is principally traded on the Nasdaq National Market System under the symbol INTC . The following table sets forth the high, low and closing prices for and the amount of dividends paid per share of the Underlying Stock. The information given below is for the four calendar quarters in each of

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2001, 2002 and 2003 and the first three calendar quarters of 2004. Partial data is provided for the fourth calendar quarter of 2004. On December 7, 2004, the closing price for the Underlying Stock was $23.4800 per share. The closing prices listed below were obtained from Bloomberg Financial Services, without independent verification. The historical closing prices of the Underlying Stock should not be taken as an indication of future performance, and no assurance can be given that the price of the Underlying Stock will not decrease.

Quarterly High, Low and Closing Price of the Underlying Stock

Quarter - Start Date	Quarter - End Date	High Intra-Day Price of the Underlying Stock	Low Intra-Day Price of the Underlying Stock	Quarter - End Closing Price of the Underlying Stock	Quarterly Dividend per share of the Underlying Stock
1/1/01	3/31/01	38.5938	24.5625	26.3125	0.0200
4/1/01	6/30/01	32.5700	22.2500	29.2500	0.0200
7/1/01	9/30/01	32.2300	18.9600	20.4400	0.0200
10/1/01	12/31/01	34.8500	19.0800	31.4500	0.0200
1/1/02	3/31/02	36.7800	28.5000	30.4100	0.0200
4/1/02	6/30/02	31.4500	17.4500	18.2700	0.0200
7/1/02	9/30/02	19.8800	12.9500	13.8900	0.0200
10/1/02	12/31/02	22.0900	12.9500	15.5700	0.0200
1/1/03	3/31/03	19.0100	14.8800	16.2800	0.0200
4/1/03	6/30/03	22.9190	16.2800	20.7840	0.0200
7/1/03	9/30/03	29.3800	20.5100	27.5100	0.0200
10/1/03	12/31/03	34.5000	27.5900	32.2000	0.0200
1/1/04	3/31/04	34.6000	26.0300	27.2000	0.0400
4/1/04	6/30/04	29.0100	25.6100	27.6000	0.0400
7/1/04	9/30/04	27.4800	19.6400	20.0600	0.0400
10/1/04	12/7/04	24.9900	20.2200	23.4800	

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HYPOTHETICAL RETURNS

The following table illustrates, for the initial stock price and a range of hypothetical final stock prices:

- the hypothetical price return of the Underlying Stock;
- the hypothetical pre-tax annualized rate of return of the Underlying Stock as more fully described below;
- the hypothetical maturity payment amount for each note (excluding interest payments);
- the hypothetical return at maturity of the notes (excluding interest payments); and
- the hypothetical pre-tax annualized rate of total return on the notes.

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

Hypothetical final stock price	**Hypothetical price return of the Underlying Stock**	**Hypothetical pre-tax annualized rate of return of the Underlying Stock(1)(2)**	**Hypothetical maturity payment amount for each note (excluding interest payments)**	**Hypothetical return at maturity of the notes (excluding interest payments)**	**Hypothetical pre-tax annualized rate of total return on the notes(1)**
11.9192	-50.00%	-49.29%	$ 500.00	-50.00%	-45.97%
13.1111	-45.00%	-44.23%	$ 550.00	-45.00%	-40.85%
14.3030	-40.00%	-39.16%	$ 600.00	-40.00%	-35.73%
15.4949	-35.00%	-34.10%	$ 650.00	-35.00%	-30.62%
16.6868	-30.00%	-29.03%	$ 700.00	-30.00%	-25.51%
17.8787	-25.00%	-23.97%	$ 750.00	-25.00%	-20.40%
19.0706	-20.00%	-18.90%	$ 800.00	-20.00%	-15.30%
20.2626	-15.00%	-13.84%	$ 850.00	-15.00%	-10.20%
21.4545	-10.00%	-8.77%	$ 900.00	-10.00%	-5.10%
22.6464	-5.00%	-3.70%	$ 950.00	-5.00%	0.00%
23.8383(3)	0.00%	1.37%	$ 1,000.00	0.00%	5.09%
25.0302	5.00%	6.44%	$ 1,050.00	5.00%	10.19%
26.2221	10.00%	11.50%	$ 1,100.00	10.00%	15.28%
27.4140	15.00%	16.57%	$ 1,100.00	10.00%	15.28%
28.6060	20.00%	21.64%	$ 1,100.00	10.00%	15.28%
29.7979	25.00%	26.72%	$ 1,100.00	10.00%	15.28%
30.9898	30.00%	31.79%	$ 1,100.00	10.00%	15.28%
32.1817	35.00%	36.86%	$ 1,100.00	10.00%	15.28%
33.3736	40.00%	41.93%	$ 1,100.00	10.00%	15.28%
34.5655	45.00%	47.00%	$ 1,100.00	10.00%	15.28%

35.7575	50.00%	52.08%	$ 1,100.00	10.00%	15.28%

(1) The annualized rates of return specified in the preceding tables are calculated based on (a) annual compounding and (b) an actual/365 day count.

(2) This rate of return is solely based on the following assumptions:

(a) a quarterly dividend paid based on a constant dividend yield of 1.36%;

(b) no transaction fee for expenses; and

(c) a hypothetical 1 year and 1 day investment term.

(3) This is also the initial stock price.

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The following graph sets forth the return at maturity for a range of final stock prices (as a percentage of the initial stock price).

Return Profile of SUPRS vs. Intel Corporation Common Stock Price

SUPPLEMENTAL TAX CONSIDERATIONS

The following is a general description of certain United States federal tax considerations relating to the notes. It does not purport to be a complete analysis of all tax considerations relating to the notes. Prospective purchasers of the notes should consult their tax advisors as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of the United States of acquiring, holding and disposing of the notes and receiving payments of interest, principal and/or other amounts under the notes. This summary is based on the law as in effect on the date of this prospectus supplement and is subject to any change in law that may take effect after such date. This summary does not address all aspects of United States federal income taxation of the notes that may be relevant to you in light of your particular circumstances, nor does it address all of your tax consequences if you are a holder of notes who is subject to special treatment under the United States federal income tax laws.

Supplemental U.S. Tax Considerations

The discussion below supplements the discussion under United States Taxation in the accompanying prospectus and is subject to the limitations and exceptions set forth therein. Except as otherwise noted under United States Alien Holders below, this discussion is only applicable to you if you are a United States holder (as defined in the accompanying prospectus).

Characterization of the Notes. The treatment of the notes for United States federal income tax purposes is uncertain. In the opinion of Sullivan & Cromwell LLP, it would be reasonable to treat the notes as and the terms of the notes require you and us, in the absence of an administrative or judicial ruling to

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the contrary, to treat the notes for all tax purposes as pre-paid cash-settled forward contracts, under the terms of which contracts:

(1) at the time of issuance of your note you deposit irrevocably with us a fixed amount of cash equal to the amount you paid for your note,

(2) until the stated maturity date we will be obligated to pay interest on the deposit at a rate equal to the stated rate of interest on your note as compensation to you for our use of the cash deposit during the term of the note, and

(3) at the stated maturity date the cash deposited unconditionally and irrevocably will be applied by us in full satisfaction of your obligation under the forward purchase contract, and we will deliver to you the maturity payment amount pursuant to the terms of your note.

Except as discussed below under Alternative Treatments , the discussion below assumes that the notes will be so treated.

Although you will be obligated to treat the payment of the purchase price for your note as a deposit for U.S. federal income tax purposes, the cash proceeds that we will receive from the offering will not be segregated by us during the term of your note, but instead will be commingled with our other assets.

Initial Purchasers. Amounts denominated as interest that are payable with respect to the notes will be characterized as interest payable on the amount of the deposit, includible annually in your income in accordance with your method of accounting. Your tax basis in your note generally will equal its cost to you.

Upon the sale, exchange or maturity of your note if you receive your payment at maturity in cash, you will recognize gain or loss equal to the difference between the amount realized on the sale, exchange or maturity and your tax basis in the note. The gain or loss generally will be short-term capital gain or loss if you hold your note for one year or less or long-term capital gain or loss if you hold your note for more than one year, except to the extent attributable to accrued but unpaid interest. Capital gain of a noncorporate United States holder that is recognized before January 1, 2009 is generally taxed at a maximum rate of 15% where the holder has a holding period greater than one year.

If you receive your payment at maturity in shares of the Underlying Stock instead of in cash, then you will not recognize gain or loss on the purchase of the stock. You will have a tax basis in the Underlying Stock equal to your tax basis in your note, less the portion of the tax basis of your note allocable to any fractional share, as described in the next sentence, and would have a holding period in the Underlying Stock beginning on the date after the stated maturity date. You would recognize capital gain or loss with respect to cash received in lieu of a fractional share, in an amount equal to the difference between the cash received and the portion of the basis of your note allocable to the fractional share. **Such gain or loss will likely be short-term gain or loss.**

Secondary Purchasers. If you purchase your notes in the secondary market at a price other than the adjusted issue price as determined for tax purposes, you would likely be required to allocate your purchase price for the note between the deposit component and forward contract component of your note. If the amount allocated to the deposit component of your note is not equal to the principal amount of the note, then you may be subject to the market discount rules or to the amortizable bond premium rules described under United States Taxation Original Issue Discount in the accompanying prospectus. You would generally be treated upon maturity of your note in the same manner described above with respect to initial purchasers of notes, except that (1) you would be required to recognize gain or loss with respect to the deposit component of your note in an amount equal to any market discount (including any de minimis market discount) or premium, respectively, not previously taken into account by you with respect to the deposit component of your notes, and (2) for purposes of computing any gain or loss recognized at such time or your basis in any stock received at such time, you would be required to adjust your purchase price for your note to take into account any market discount (including de minimis market discount) or premium previously taken into account (either over the term of your note or upon maturity of your note) with respect to your note. Because the appropriate U.S. federal income tax treatment of persons who purchase notes at a price other than the adjusted issue price is unclear, those persons are urged to consult their tax advisors regarding the tax consequences of their purchase of notes.

Alternative Treatments. In light of the uncertainty as to the United States federal income tax treatment, in the opinion of Sullivan & Cromwell LLP, it would also be reasonable for the notes to be treated as a single debt instrument subject to special rules governing contingent payment obligations. If the notes are so treated, you would be required to accrue interest income over the term of your notes based upon the yield at which we would issue a non-contingent fixed-rate debt instrument with other terms and conditions similar to your notes (the comparable yield). You would recognize gain or loss on the sale or maturity of your notes in an amount equal to the difference, if any, between the amount you receive at such time and your adjusted basis in your notes. In general, your adjusted basis in your notes would be equal to the amount you paid for your notes, increased by the amount of interest you previously accrued with respect to your notes and decreased by the amount of any interest payments previously made on your notes. Any gain you recognize on the sale, redemption or maturity of your notes would be ordinary income and any loss recognized by you at such time would be ordinary loss to the extent of interest you included in income in the current or previous taxable years in respect of your notes, and thereafter would be capital loss.

If the notes are treated as a contingent debt instrument and you purchase your notes in the secondary market at a price that is at a discount from, or in excess of, the adjusted issue price of the notes, such excess or discount would not be subject to the generally applicable market discount or amortizable bond premium rules described in the accompanying prospectus but rather would be subject to special rules set forth in treasury regulations governing contingent debt instruments. Accordingly, if you purchase your notes in the secondary market, you should consult your tax advisor as to the possible application of such rules to you.

Because of the absence of authority regarding the appropriate tax characterization of your notes, it is possible that the Internal Revenue Service could seek to characterize your notes in a manner that results in tax consequences to you that are different from those described above. For example, the Internal Revenue Service could seek to allocate an amount that exceeds the amount you paid for your note to the cash deposit described above in which case you would be deemed to have received an amount equal to such excess in order to induce you to enter into the forward contract described above. In that case, (a) you may be entitled to amortize bond premium with respect to the deposit component of your note and (b) the up-front payment that you are deemed to receive in respect of the forward contract would increase the amount of gain (or decrease the amount of loss) that you would otherwise recognize upon the maturity of the notes. Alternatively, the Internal Revenue Service could seek to treat all or a portion of the stated interest on the notes as put premium, in which case your ownership of the notes would likely be treated as a straddle for tax purposes. If your notes are so treated, any gain you recognize upon the sale or maturity of your notes would be short-term capital gain or loss and you may be required to capitalize certain expenses that are attributable to your purchase of the notes. The Internal Revenue Service could also seek to characterize your note as a notional principal contract, or as a prepaid forward without a cash deposit component. You should consult your tax advisors as to possible alternative characterizations of your note for U.S. federal income tax purposes.

United States Alien Holders. If the notes are treated as pre-paid cash-settled forward contracts as discussed above, then if you are a United States alien holder (as defined in the accompanying prospectus), you will be subject to withholding tax on payments on your notes that are treated as interest as well as to generally applicable information reporting and backup withholding requirements with respect to those and other payments on your notes unless you comply with certain certification and identification requirements as to your foreign status. See United States Taxation United States Alien Holders in the accompanying prospectus.

As discussed above, alternative characterizations of the notes for U.S. federal income tax purposes are possible. Should an alternative characterization of the notes, by reason of a change or clarification of the law,

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by regulation or otherwise, cause other payments with respect to the notes to become subject to withholding tax, we will withhold tax from those payments at the applicable statutory rate as well. Prospective United States alien holders of the notes should consult their own tax advisors in this regard.

EMPLOYEE RETIREMENT INCOME SECURITY ACT

A fiduciary of a pension, profit-sharing or other employee benefit plan (a plan) subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA), should consider the fiduciary standards of ERISA in the context of the plan s particular circumstances before authorizing an investment in the notes. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the plan, and whether the investment would involve a prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code (the Code).

Section 406 of ERISA and Section 4975 of the Code prohibit plans, as well as individual retirement accounts and Keogh plans subject to Section 4975 of the Internal Revenue Code (also plans), from engaging in certain transactions involving plan assets with persons who are parties in interest under ERISA or disqualified persons under the Code (parties in interest) with respect to the plan or account. A violation of these prohibited transaction rules may result in civil penalties or other liabilities under ERISA and/or an excise tax under Section 4975 of the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Certain employee benefit plans and arrangements including those that are governmental plans (as defined in section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and foreign plans (as described in Section 4(b)(4) of ERISA) (non-ERISA arrangements) are not subject to the requirements of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local, foreign or other regulations, rules or laws (similar laws).

The acquisition of the notes by a plan with respect to which Wachovia, Wachovia Securities or certain of our affiliates is or becomes a party in interest may constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code, unless those notes are acquired pursuant to and in accordance with an applicable exemption. The U.S. Department of Labor has issued five prohibited transaction class exemptions, or PTCEs , that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of the notes. These exemptions are:

PTCE 84-14, an exemption for certain transactions determined or effected by independent qualified professional asset managers;

PTCE 90-1, an exemption for certain transactions involving insurance company pooled separate accounts;

PTCE 91-38, an exemption for certain transactions involving bank collective investment funds;

PTCE 95-60, an exemption for transactions involving certain insurance company general accounts; and

PTCE 96-23, an exemption for plan asset transactions managed by in-house asset managers.

The notes may not be purchased or held by (1) any plan, (2) any entity whose underlying assets include plan assets by reason of any plan s investment in the entity (a plan asset entity) or (3) any person investing plan assets of any plan, unless in each case the purchaser or holder is eligible for the exemptive relief available under one or more of the PTCEs listed above or another applicable similar exemption. Any purchaser or holder of the notes or any interest in the notes will be deemed to have represented by its purchase and holding of the notes that it either (1) is not a plan or a plan asset entity and is not purchasing

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those notes on behalf of or with plan assets of any plan or (2) with respect to the purchase or holding, is eligible for the exemptive relief available under any of the PTCEs listed above or another applicable exemption. Similarly, any holder of the notes who elects to receive the maturity payment amount with respect to at least $1,000,000 aggregate principal amount of its notes in shares of the Underlying Stock will be required to represent in its stock settlement notice that it either (1) is not a plan or a plan asset entity and did not purchase the notes on behalf of or with plan assets of any plan or (2) with respect to such election, is eligible for the exemptive relief available under any of the PTCEs listed above or another applicable exemption. Any purchaser or holder of the notes or any interest in the notes that is a non-ERISA arrangement will be deemed to have represented by its purchase and holding of the notes, and will be required to represent in connection with any stock settlement election, that its purchase and holding of the notes, or its making of any such election, will not violate the provision of any similar law.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing the notes on behalf of or with plan assets of any plan, plan asset entity or non-ERISA arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above or any other applicable exemption, or the potential consequences of any purchase or holding under similar laws, as applicable.

If you are an insurance company or the fiduciary of a pension plan or an employee benefit plan and propose to invest in the notes, you should consult your legal counsel.

USE OF PROCEEDS AND HEDGING

The net proceeds from the sale of the notes will be used as described under Use of Proceeds in the accompanying prospectus and to hedge market risks of Wachovia associated with its obligation to pay the maturity payment amount at the maturity of the notes.

The hedging activity discussed above may adversely affect the market value of the notes from time to time and the maturity payment amount you will receive on the notes at maturity. See Risk Factors Purchases and sales by us and our affiliates may affect the return on the notes and Potential conflicts of interest could arise for a discussion of these adverse effects.

SUPPLEMENTAL PLAN OF DISTRIBUTION

Wachovia Securities, an agent under the distribution agreement, has agreed, subject to the terms and conditions of the distribution agreement and a terms agreement, to purchase from Wachovia as principal $3,070,000 aggregate principal amount of notes.

The distribution agreement provides that the obligations of Wachovia Securities are subject to certain conditions and that Wachovia Securities is obligated to purchase the notes. Wachovia Securities has advised Wachovia that it proposes initially to offer all or part of the notes directly to the public at the offering price set forth on the cover page of this prospectus supplement. After the original public offering, the public offering price may be changed and a concession to dealers may be offered. Wachovia Securities is offering the notes subject to receipt and acceptance and subject to its right to reject any order in whole or in part.

Proceeds to be received by Wachovia in this offering will be net of the underwriting discount, commission, expenses and, if applicable, offering price discount payable by Wachovia.

Wachovia Securities may use this prospectus supplement and the accompanying prospectus for offers and sales related to market-making transactions in the notes. Wachovia Securities may act as principal or agent in these transactions, and the sales will be made at prices related to prevailing market prices at the time of sale.

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Wachovia Securities is an affiliate of Wachovia. Rule 2720 of the Conduct Rules of the National Association of Securities Dealers, Inc. (the NASD) imposes certain requirements when an NASD member such as Wachovia Securities distributes an affiliated company s debt securities. Wachovia Securities has advised Wachovia that this offering will comply with the applicable requirements of Rule 2720. Wachovia Securities will not confirm initial sales to accounts over which it exercises discretionary authority without the prior written approval of the customer.

No action has been or will be taken by Wachovia or Wachovia Securities that would permit a public offering of the notes or possession or distribution of this prospectus supplement or the accompanying prospectus in any jurisdiction, other than the United States, where action for that purpose is required. No offers, sales or deliveries of the notes, or distribution of this prospectus supplement or the accompanying prospectus, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on Wachovia or Wachovia Securities. In respect of specific jurisdictions, please note the following:

The notes, and the offer to sell such notes, does not constitute a public offering in Argentina. Consequently, no public offering approval has been requested or granted by the Comision National de Valores, nor has any listing authorization of the notes been requested on any stock market in Argentina.

The notes will not be offered or sold to any persons who are Residents of the Bahamas within the meaning of the Exchange Control Regulations of 1956 issued by the Central Bank of the Bahamas.

The notes may not be offered or sold to the public in Brazil. Accordingly, the notes have not been submitted to the Comissao de Valores Mobiliaros for approval. Documents relating to this offering may not be supplied to the public as a public offering in Brazil or be used in connection with any offer for subscription or sale to the public in Brazil.

Neither the notes nor Wachovia Corporation are registered in the Securities Registry of the Superintendency of Securities and Insurance in Chile.

The notes have not been registered with the National Registry of Securities maintained by the Mexican National Banking and Securities Commission and may not be offered or sold publicly in Mexico. This prospectus supplement and the accompanying prospectus may not be publicly distributed in Mexico.

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RECENT DEVELOPMENTS

Certain Proceedings

Wachovia s periodic reports filed with the SEC contain information regarding certain pending legal and regulatory proceedings involving Wachovia. The following supplements Wachovia s Quarterly Report on Form 10-Q for the period ended June 30, 2004.

Pioneer Litigation. On July 26, 2000, a jury in the Philadelphia County (PA) Court of Common Pleas returned a verdict in the case captioned *Pioneer Commercial Funding Corporation v. American Financial Mortgage Corporation, CoreStates Bank, N.A., et al*. The verdict against CoreStates Bank, N.A. (CoreStates), a predecessor of Wachovia Bank, National Association, included consequential damages of $13.5 million and punitive damages of $337.5 million. The trial court had earlier directed a verdict against CoreStates for compensatory damages of $1.7 million. The plaintiff, who was not a CoreStates customer, alleged that the sum of $1.7 million, which it claims it owned, was improperly setoff by CoreStates. Upon Wachovia s motion, the trial court reduced the amount of the punitive damages award to $40.5 million in December 2000. Wachovia believes that numerous reversible errors occurred at the trial, and that the facts do not support the damages awards. In March 2002, the Pennsylvania Superior Court vacated the award of punitive damages, affirmed the awards of consequential and compensatory damages and remanded the case for a new trial on punitive damages. On August 19, 2004, the Pennsylvania Supreme Court reversed the Pennsylvania Superior Court s judgment and remanded the case to the trial court for an entry of judgment in favor of Wachovia on all counts. The plaintiff has requested that the Court hear re-argument of its appeal. Wachovia has filed submissions in opposition to this request for re-argument.

Bluebird Partners, L.P., Litigation. On December 12, 2002, the jury in the Supreme Court of the State of New York, County of New York, returned a verdict against First Fidelity Bank, N.A. New Jersey, a predecessor to Wachovia Bank, National Association, in the amount of $37.8 million in the case captioned *Bluebird Partners, L.P. v. First Fidelity Bank, N.A., et al*. The trial court directed a verdict in favor of CoreStates New Jersey National Bank, another predecessor of Wachovia Bank, National Association. In this action for breach of contract, breach of fiduciary duty, negligence and malpractice, plaintiff alleges that First Fidelity, while serving as indenture trustee for debt certificates issued by Continental Airlines, failed to take the necessary action to protect the value of the collateral after Continental Airlines filed for bankruptcy on December 3, 1990 and that the decline in the value of the collateral during the pendency of the bankruptcy caused plaintiff s losses. On July 10, 2003, the trial judge granted First Fidelity s motion to set aside the verdict, holding that the evidence was insufficient to support the verdict. Plaintiff appealed, and on October 7, 2004, the Supreme Court, Appellate Division, First Department reversed the dismissal and reinstated the verdict. Plaintiff now seeks the entry of a judgment that would include interest on the verdict amount at the New York statutory rate from either 1991 or 1993 through the date of payment. Wachovia is opposing this application. In addition, Wachovia believes that numerous reversible errors occurred, and that the evidence was insufficient to support the verdict that First Fidelity s actions caused Bluebird s loss. Wachovia has filed a motion for leave to appeal.

Securities and Exchange Commission. As previously disclosed, on July 23, 2004, the SEC staff advised Wachovia that the staff was considering recommending to the SEC that it institute an enforcement action against Wachovia and certain former legacy Wachovia officers, some of whom remain with the combined company, relating to legacy Wachovia s purchases of legacy First Union common stock and the disclosures made by both legacy companies related to those purchases following the April 2001 announcement of the merger between First Union and legacy Wachovia. Wachovia, without admitting or denying the allegations set forth in the complaint filed on November 4, 2004, consented to entry of final judgment by the United States District Court for the District of Columbia permanently enjoining Wachovia from directly or indirectly violating Sections 13(a) and 14(a) of the Exchange Act and Rules 12b-20, 13a-13 and 14a-9 promulgated thereunder. The judgment also orders Wachovia to pay a civil money penalty of $37 million pursuant to

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Section 21(d)(3) of the Exchange Act. Wachovia anticipates that there will be no additional SEC enforcement proceedings related to this matter against it or any current or former officers.

Breakpoint Discount Settlement. On February 12, 2004, the SEC and the NASD announced enforcement actions and settlements against a total of 15 brokerage firms, including Wachovia Securities, LLC, for not delivering correct mutual fund breakpoint discounts during 2001 and 2002. The SEC and the NASD previously had identified an industry wide problem in connection with the calculation and delivery of breakpoint discounts. Breakpoint discounts are discounts on the front-end sales charge offered to investors who invest a significant amount of money in a front-end load mutual fund. During 2003, the NASD directed securities firms to conduct an assessment of their mutual fund transactions to determine if appropriate breakpoint discounts were delivered to customers. In November 2003, the NASD and the SEC notified Wachovia Securities, LLC that they may initiate enforcement actions in connection with the failure to deliver all appropriate breakpoints. Without admitting or denying liability, on February 12, 2004, Wachovia Securities, LLC agreed to settle the matter with the SEC and the NASD by: (1) paying a fine of $4,844,465; (2) notifying customers from January 1, 1999 through November 3, 2003 that they may be due refunds from missed breakpoints; (3) agreeing to conduct a review of all mutual fund trades in excess of $2,500 between January 1, 2001 and November 3, 2003 to determine which transactions may have resulted in missed breakpoints; (4) making prompt refunds to customers where appropriate; (5) disclosing applicable breakpoint information to customers at the point of sale; and (6) developing procedures reasonably designed to ascertain information necessary to determine the availability and appropriate level of breakpoints. Wachovia Securities, LLC has substantially completed the customer notification, trade review, and refund process, and has paid an aggregate of approximately $18 million, including interest, in refunds to customers. Deloitte & Touche was retained to assist Wachovia Securities, LLC in the remediation process, and in creating procedures reasonably designed to ascertain information necessary to determine the availability and appropriate level of breakpoints.

Other Regulatory Matters. Governmental and self-regulatory authorities have instituted numerous ongoing investigations of various practices in the securities and mutual fund industries, including those discussed in Wachovia s previous filings with the SEC and those relating to revenue sharing, market-timing, late trading and record retention. The investigations cover advisory companies to mutual funds, broker-dealers, hedge funds and ot