

WACHOVIA CORP NEW
Form 424B2
May 02, 2003
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The information in this preliminary prospectus supplement is not complete and may be changed.

Filed pursuant to Rule 424(b)(2)

Registration Statement No. 333-72374

PROSPECTUS SUPPLEMENT

SUBJECT TO COMPLETION, DATED APRIL 29, 2003.

(To prospectus dated May 31, 2002)

• Units

Wachovia Corporation

TEESSM Targeted Efficient Equity Securities

Leveraged Upside Note

Linked to the S&P 500[®] Index

due May •, 2005

Issuer:	Wachovia Corporation
Principal Amount:	Each unit will represent a single note with a principal amount of \$10. Each unit will be offered at an original public offering price of \$10.
Maturity Date:	May •, 2005
Interest:	Wachovia will not pay you interest during the term of the notes.
Market Measure:	The return on the notes is linked to the performance of the S&P 500 [®] Index.
Payment at Maturity:	The amount you receive at maturity, for each unit of notes you own, will be based upon the percentage change in the level of the Index from the Index starting level relative to the Index ending level (calculated as described in this prospectus supplement). If the Index ending level is higher than the Index starting level, at maturity you will receive a payment per unit based upon triple the percentage increase of the Index, not to exceed a maximum payment expected to be between \$12.70 and \$13.30 per unit. The maximum payment amount will be determined

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on the pricing date and disclosed in the final prospectus supplement.

If the Index ending level is lower than the Index starting level, at maturity you will receive a payment per unit based upon the full percentage decrease of the Index. *If the Index ending level is lower than the Index starting level, you will lose some or all of your principal.*

Listing: Wachovia intends to list the notes on the American Stock Exchange under the symbol TSK .
Pricing Date: •, 2003
Expected Settlement Date: •, 2003

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-9.

Investing in the notes involves risks. See Risk Factors beginning on page S-5.

	<u>Per Unit</u>	<u>Total</u>
Public Offering Price		
Underwriting Discount		
Proceeds to Wachovia Corporation.		

The notes solely represent an interest in 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, Inc. or any other affiliate of Wachovia may use this prospectus supplement in a market-making or other transaction in a 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 •, 2003.

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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 TEESSM Targeted Efficient Equity Securities linked to the S&P 500[®] Index due May •, 2005 (the "notes"). You should carefully read this prospectus supplement and the accompanying prospectus to fully understand the terms of the notes, the S&P 500[®] Index (the "Index") and the tax and other considerations that are important to you in making a decision about whether to invest in the notes. You should carefully review the section "Risk Factors" in this prospectus supplement and the accompanying prospectus, which highlights certain risks associated with an investment in the notes, to determine whether an investment in the notes is appropriate for you.

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus supplement to Wachovia, we, us and our or similar references mean Wachovia Corporation and its subsidiaries. Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus supplement to Wachovia Securities mean Wachovia Securities, Inc. 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 May •, 2005. The return on the notes will be linked to the performance of the Index. The notes will bear no interest and no other payments will be made until maturity.

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" issued by Wachovia. 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-9.

Each "unit" represents a single note with a principal amount of \$10. Each unit will be offered at an original public offering price of \$10. You may transfer the notes only in whole units. 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.

What will I receive upon maturity of the notes?

At maturity, for each unit of notes you own, you will receive a cash payment equal to the "redemption amount". The redemption amount to which you will be entitled depends on the percentage change in the level of the Index calculated based on the Index ending level (as defined below) relative to the Index starting level (as defined below):

If the Index ending level is greater than the Index starting level, the redemption amount per unit will equal:

$$\$10 + \left(\$30 \times \left(\frac{\text{Index ending level} - \text{Index starting level}}{\text{Index starting level}} \right) \right)$$

provided, however, that the redemption amount may not exceed an amount expected to be between \$12.70 and \$13.30 per unit (the capped amount). The actual capped amount will be determined on the pricing date (the pricing date) and will be disclosed in the final prospectus supplement delivered in connection with the sale of the notes.

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If the Index ending level is equal to or less than the Index starting level, the redemption amount per unit will equal:

$$\$10 \times \left(\frac{\text{Index ending level}}{\text{Index starting level}} \right)$$

The Index starting level will be determined on the pricing date and will be disclosed to you in the final prospectus supplement delivered in connection with the sale of the notes.

The Index ending level means the average of the levels of the Index at the close of the market on each of five specified valuation days during the period from and including the seventh scheduled trading day prior to the maturity date to and including the second scheduled trading day prior to the maturity date. We may calculate the Index ending level by reference to fewer than five or even by reference to a single day's closing levels if, during the specified period before the maturity of the notes, there is a disruption in the trading of the component stocks included in the Index or certain futures or options contracts relating to the Index.

You should understand that the opportunity to participate in the possible increases in the level of the Index through an investment in the notes is limited because the amount that you receive at maturity will never exceed the capped amount. The capped amount represents a maximum appreciation on the notes, currently expected to be between 27% to 33% over the principal amount of the notes, which will be determined on the pricing date and disclosed to you in the final prospectus supplement. However, in the event that the Index ending level is less than the Index starting level, the amount you will receive at maturity will be proportionately less than the principal amount of the notes. *Accordingly, if the level of the Index declines, you will lose some or all of your principal.*

Hypothetical Examples

Set forth below are three hypothetical examples of the calculation of the redemption amount payable at maturity of the notes. For purposes of these examples, we have assumed the following:

Index starting level: 919.02

Capped amount: \$ 13.00

Example 1 The hypothetical Index ending level is equal to 50% of the Index starting level:

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Hypothetical Index ending level: 459.51

$$\text{Redemption amount (per unit)} = \$10.00 \times \left(\frac{459.51}{919.02} \right) = \$5.00$$

Example 2 The hypothetical Index ending level is equal to 105% of the Index starting level:

Hypothetical Index ending level: 964.971

$$\text{Redemption amount (per unit)} = \$10.00 + \left(\$30.00 \times \left(\frac{964.971 - 919.02}{919.02} \right) \right) = \$11.50$$

Since the Index ending level is *greater* than the Index starting level, you receive three times the amount of the percentage change in the level of the Index, subject to the capped amount. Your total cash payment at maturity would be \$11.50 per unit, representing a 15% total return on your investment.

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Example 3 The hypothetical Index ending level is equal to 150% of the Index starting level:

Hypothetical Index ending level: 1378.53

$$\text{Redemption amount (per unit)} = \$10.00 + \left(\$30.00 \times \left(\frac{1378.53 - 919.02}{919.02} \right) \right) = \$13.00$$

(subject to \$13 capped amount)

Since the Index ending level is *greater* than the Index starting level, you receive three times the amount of the percentage change in the Index, subject to the capped amount. Although the redemption amount would be equal to \$25.00 per unit, your total cash payment at maturity would be limited to \$13.00 per unit, representing a 30% maximum total return. This is because the maximum payment on the notes at maturity may not exceed the capped amount.

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

We have designed the notes for investors who want to participate in the possible appreciation of the Index (measured by the percentage change in the level of the Index based on the Index ending level relative to the Index starting level), subject to the capped amount, currently expected to be between 27% to 33% over the principal amount of the notes, which will be determined on the pricing date and disclosed to you in the final prospectus supplement. These notes are designed for investors who are also willing to make an investment that is exposed to the full downside performance risk of the Index. The 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 downside performance risk of the Index. This may not be a suitable investment for investors who prefer the lower risk of fixed income investments with comparable maturities issued by companies with comparable credit ratings.

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

The market value of the notes may fluctuate between the date you purchase them and the maturity of the notes. Several factors and their interrelationship will influence the market value of the notes, including the level of the Index, dividend yields of the component stocks underlying the Index, the time remaining to maturity of the notes, interest rates and the volatility of the Index. Depending on the impact of these factors, you may receive less than \$10 per unit of notes in any sale of your notes before the stated 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 publishes the Index and what does the Index measure?

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The Index is published by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. (Standard & Poor's or S&P), and is intended to provide an indication of the pattern of common stock price movement. The calculation of the level of the Index is based on the relative value of the aggregate market value of the common stocks of 500 companies as of a particular time compared to the aggregate average market value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. Standard & Poor's chooses companies for inclusion in the Index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of the Standard & Poor's Stock Guide Database, which Standard & Poor's uses as an assumed model for the composition of the total market.

The Index is determined, compared and calculated by Standard & Poor's without regard to the notes.

You should be aware that an investment in the notes does not entitle you to any ownership interest in the stocks of the companies included in the Index. For a detailed discussion of the Index, see "The S&P 500 Index" beginning on page S-14.

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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 Index. Under this characterization of the notes, you should be required to recognize capital gain or loss to the extent that you receive cash on the maturity date or upon a sale or exchange of a note prior to the maturity date. For a further discussion, see **Supplemental Tax Considerations** beginning on page S-18.

Will the notes be listed on a stock exchange?

We intend to list the notes on the American Stock Exchange under the symbol **TSK**. You should be aware that the listing of the notes on the American Stock Exchange will not necessarily ensure that a liquid trading market will be available 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-5.

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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 **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 component stocks, i.e., the common stocks underlying the Index 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 all or some of your principal

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

Additionally, although any positive return on the notes is based on triple the amount of the percentage increase in the Index, in no event will the amount you receive at maturity be greater than the capped amount, which is an amount expected to be between \$12.70 and \$13.30 per unit. The actual capped amount will be determined on the pricing date and will be disclosed in the final prospectus supplement delivered in connection with the sale 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, which could be negative, 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 date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money. Unlike standard senior non-callable debt securities, the notes do not guarantee the return of a principal amount at maturity.

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

You should understand that the opportunity to participate in the possible appreciation in the level of the Index through an investment in the notes is limited because the amount that you receive at maturity will never exceed the capped amount. The capped amount represents a maximum appreciation on the notes, currently expected to be between 27% to 33% over the principal amount of the notes, which will be determined on the pricing date and disclosed to you in the final prospectus supplement. However, in the event that the level of the Index declines shortly prior to maturity relative to the pricing date, you will realize the entire decline and will lose some or all of your principal.

Your return will not reflect dividends paid on the common stocks underlying the Index

Your return will not reflect the return you would realize if you actually owned the stocks underlying the Index and received the dividends paid on those stocks because the level of the Index is calculated by reference to the prices of the common stocks underlying the Index without taking into consideration the value of dividends paid on those stocks.

There may not be an active trading market for the notes

We intend to list the notes on the American Stock Exchange under the symbol TSK . You should be aware that the listing of the notes on the American Stock Exchange will not necessarily ensure that a 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 increase, if any, in the level of the Index. Even if a

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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.

Wachovia Securities and other 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 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. For example, a change in the volatility of the Index may offset some or all of any increase in the market value of the notes attributable to another factor, such as an increase in the level of the Index. In addition, an increase in interest rates may offset other factors that would otherwise increase the level of the Index, and therefore, may decrease the market value of the notes. 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 level of the Index 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 Index ending level exceeds or does not exceed the Index starting level. If you choose to sell your notes when the level of the Index exceeds the Index starting level, you may receive substantially less than the amount that would be payable at maturity based on this level because of the expectation that the Index will continue to fluctuate until the Index ending level is determined. In addition, because the payment at maturity on the notes will not exceed the capped amount, we do not expect that the notes will trade in the secondary market above the capped amount.

Changes in the volatility of the Index 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 Index 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 level of the Index as described above, may affect the market value of the notes and, depending upon other factors (such as the then current level of the Index, the magnitude of the changes in interest rates and the time

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remaining to the maturity of the notes), such changes may be adverse to holders of the notes.

Changes in dividend yields of the stocks included in the Index are expected to affect the market value of the notes

In general, if dividend yields on the stocks included in the Index increase, we expect that the market value of the notes will decrease and, conversely, if dividend yields on these stocks 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 stocks included in the Index.

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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 percentage change in the level of the Index 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.

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.

Wachovia and its affiliates have no affiliation with Standard & Poor's and are not responsible for its public disclosure of information

Wachovia and its affiliates are not affiliated with Standard & Poor's in any way (except for licensing arrangements discussed below under "The S&P 500® Index") and have no ability to control or predict its actions, including any errors in or discontinuation of disclosure regarding its methods or policies relating to the calculation of the Index. If S&P discontinues or suspends the calculation of the Index, it may become difficult to determine the market value of the notes or the redemption amount payable at maturity. The calculation agent may designate a successor index selected in its sole discretion. If the calculation agent determines in its sole discretion that no successor index comparable to the Index exists, the amount you receive at maturity will be determined by the calculation agent in its sole discretion. See "Specific Terms of the Notes—Market Disruption Event" on page S-11 and "Specific Terms of the Notes—Discontinuation of the Index; Adjustments to the Index" on page S-10. S&P is not involved in the offer of the notes in any way and has no obligation to consider your interest as an owner of notes in taking any actions that might affect the value of your notes.

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

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

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

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

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As described below under "Use of Proceeds and Hedging" on page S-20, we or one or more of our affiliates may hedge our obligations under the notes by purchasing stocks underlying the Index, futures or options on the Index or stocks underlying the Index, or exchange-traded funds or other derivative instruments with returns linked or related to changes in the trading prices of stocks underlying the Index or the level of the Index, and we may adjust these hedges by, among other things, purchasing or selling stocks underlying the Index, futures, options, or exchange-traded funds or other derivative instruments with returns linked to the Index or the stocks underlying the Index at any time. Although they are not expected to, any of these hedging activities may adversely affect the trading prices of stocks underlying the Index and/or the level of the Index 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.

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Potential conflicts of interest could arise

Our subsidiary, WBNA, is our agent for the purposes of calculating the Index ending level and the redemption amount payable at maturity. 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 level of the Index can be calculated on a particular trading day, or in connection with judgments that it would be required to make in the event of a discontinuance of the Index. See the sections entitled "Specific Terms of the Notes," "Discontinuance of the Index; Adjustments to the Index" on page S-10 and "Market Disruption Event" on page S-11. WBNA is required to carry out its duties as calculation agent in good faith and using its reasonable judgment.

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

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-18.

You will not receive interest payments on the notes or dividend payments on the stocks underlying the Index

You will not receive any interest payments on the notes and you will not receive any dividend payments or other distributions on the component stocks included in the Index. As a holder of the notes, you will not have voting rights or any other rights that holders of the component stocks included in the Index may have.

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-19.

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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.

No Interest

While at maturity a beneficial owner of a note will receive a cash payment equal to the redemption amount, there will be no other payment of interest, periodic or otherwise.

Denominations

Wachovia will issue the notes in denominations of whole units, each of which represents a single note with a principal amount of \$10.

Payment at Maturity

At maturity, for each unit of notes you own, you will receive a cash payment equal to the redemption amount, as provided below. The redemption amount to which you will be entitled depends on the percentage change in the level of the Index calculated based on the Index ending level relative to the Index starting level.

Determination of the Redemption Amount

The redemption amount for each unit will be determined by the calculation agent as described below:

If the Index ending level is *greater* than the Index starting level, the redemption amount per unit will equal:

$$\$10 + \left(\$30 \times \left(\frac{\text{Index ending level} - \text{Index starting level}}{\text{Index starting level}} \right) \right)$$

provided, however, that the redemption amount may not exceed an amount expected to be between \$12.70 and \$13.30 per unit (the capped amount). The actual capped amount will be determined on the pricing date and will be disclosed in the final prospectus supplement delivered in connection with the sale of the notes.

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If the Index ending level is equal to or less than the Index starting level, the redemption amount per unit will equal:

$$\$10 \times \left(\frac{\text{Index ending level}}{\text{Index starting level}} \right)$$

The Index starting level will be the closing level of the Index on the pricing date and will be disclosed to you in the final prospectus supplement delivered in connection with the sale of the notes.

The Index ending level will be determined by the calculation agent and will equal the average, arithmetic mean, of the closing levels of the Index determined on each of five specified valuation days during the calculation period. If there are fewer than five valuation days in the calculation period, then the Index ending level will equal the average, arithmetic mean, of the closing levels of the Index on those valuation days that occur. If there is only one valuation day in the calculation period, then the Index ending level will equal the closing level of the Index on that valuation day. If no valuation day occurs during the calculation period, then the Index ending level will be the value of the Index on the next succeeding scheduled trading day that is not a disrupted day. If no valuation day occurs during each of the eight scheduled trading days immediately following the last scheduled trading day in the calculation period, then such eighth scheduled trading day will be the date on which the Index ending level will be determined, and the calculation agent shall, in its sole discretion, make a good faith effort to determine the Index ending level that would have prevailed in the absence of a market disruption event. *If the valuation date is postponed then the maturity date of the notes will be postponed an equal number of scheduled trading days.*

The calculation period means the period from and including the seventh scheduled trading day prior to the maturity date to and including the second scheduled trading day prior to the maturity date.

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

A valuation day means each scheduled trading day during the calculation period that is not a disrupted day.

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

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

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WBNA, our subsidiary, will serve as the calculation agent. All determinations made by the calculation agent shall be at the sole discretion of the calculation agent and, absent a determination of a manifest error, shall 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.

Discontinuation of the Index; Adjustments to the Index

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

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In the event that Standard & Poor's discontinues publication of the Index and:

the calculation agent does not select a successor index, or

the successor index is no longer published on any of the relevant scheduled trading days,

the calculation agent will compute a substitute level for the Index in accordance with the procedures last used to calculate the level of the Index before any discontinuation but using only those securities that comprised the Index prior to such discontinuation. If a successor index is selected or the calculation agent calculates a level as a substitute for the Index as described below, the successor index or level will be used as a substitute for the Index for all purposes, including for purposes of determining whether a market disruption event exists.

If Standard & Poor's discontinues publication of the Index before the calculation period and the calculation agent determines that no successor index is available at that time, then on each scheduled trading day until the earlier to occur of:

the determination of the Index ending level, or

a determination by the calculation agent that a successor index is available,

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

Notwithstanding these alternative arrangements, discontinuation of the publication of the Index would be expected to adversely affect trading in the notes.

If at any time the method of calculating the level of the Index or the level of the successor index, changes in any material respect, or if the Index or successor index is in any other way modified so that the Index or successor index does not, in the opinion of the calculation agent, fairly represent the level of the Index had those changes or modifications not been made, then, from and after that time, the calculation agent shall, at the close of business in New York, New York, on each date that the closing level of the Index is to be calculated, make any adjustments as, in the good faith judgment of the calculation agent, may be necessary in order to arrive at a calculation of a level of a stock index comparable to the Index or such successor index, as the case may be, as if those changes or modifications had not been made, and calculate the closing level with reference to the Index or such successor index, as so adjusted. Accordingly, if the method of calculating the Index or a successor index is modified so that the level of the Index is a fraction or a multiple of what it would have been if it had not been modified, e.g., due to a split, then the calculation agent shall adjust such index in order to arrive at a level of such index as if it had not been modified, e.g., as if a split had not occurred.

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Neither the calculation agent nor Wachovia will have any responsibility for good faith errors or omissions in calculating or disseminating information regarding the Index or any successor index or as to modifications, adjustments or calculations by Standard & Poor's or any successor index sponsor in order to arrive at the level of the Index or any successor index.

Market Disruption Event

A market disruption event, as determined by the calculation agent in its sole discretion, means a relevant exchange or any related exchange fails to open for trading during its regular trading session or the occurrence or existence of any of the following events:

a trading disruption, if the calculation agent determines it is material, at any time during the one hour period that ends at the close of trading for the applicable exchange; or

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an exchange disruption, if the calculation agent determines it is material, at any time during the one hour period that ends at the close of trading for the applicable exchange; or

an early closure.

For the purposes of determining whether a market disruption event exists at any time, if a market disruption event occurs in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that security and (ii) the overall level of the Index, in each case immediately before the occurrence of such market disruption event.

A trading disruption means any suspension of or limitation imposed on trading by the relevant exchange or related exchange or otherwise, whether by reason of movements in price exceeding limits permitted by the relevant exchange or related exchange or otherwise, (i) relating to securities that comprise 20 percent or more of the level of the Index or (ii) in options contracts or futures contracts relating to the Index on any relevant related exchange.

An exchange disruption means any event (other than a scheduled early closure) that disrupts or impairs (as determined by the calculation agent in its sole discretion) the ability of market participants in general to (i) effect transactions in or obtain market values on any relevant exchange or related exchange in securities that comprise 20 percent or more of the level of the Index or (ii) effect transactions in options contracts or futures contracts relating to the Index on any relevant related exchange.

An early closure means the closure on any exchange business day of any relevant exchange relating to securities that comprise 20 percent or more of the level of the Index or any related exchange prior to its normally scheduled closing time unless such earlier closing time is announced by such exchange or related exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such exchange or related exchange on such exchange business day and (ii) the submission deadline for orders to be entered into the relevant exchange system for execution at the close of trading on such exchange business day.

An exchange means the primary organized exchange or market for trading any securities included in the Index and any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in any securities underlying the Index has temporarily relocated (provided that the calculation agent has determined that there is comparable liquidity relative to the securities underlying the Index on such substitute exchange or quotation system as on the original exchange).

An exchange business day means any scheduled trading day on which each exchange and related exchange is open for business during its regular trading session, notwithstanding any such exchange or related exchange closing prior to its scheduled weekday closing time, without regard to after hours or other trading outside its regular trading session hours.

A related exchange means each exchange or quotation system on which futures or options contracts relating to the Index are traded, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the futures or options contracts relating to such Index has temporarily relocated (provided that the calculation agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original related exchange).

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 \$10 principal amount of each unit, will be equal to the redemption amount, calculated as though the date of early repayment were the stated 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.

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The following table illustrates, for the Index starting level and a range of hypothetical Index ending levels:

the hypothetical percentage change from the Index starting level to the hypothetical Index ending level;

the hypothetical total amount payable at maturity for each note;

the hypothetical total rate of return to beneficial owners of the notes;

the hypothetical pre-tax annualized rate of return to beneficial owners of the notes; and

the hypothetical pre-tax annualized rate of return of an investment in the stocks included in the Index, which includes an assumed aggregate dividend yield of 1.76% per annum, as more fully described below.

Hypothetical Index ending level	Percentage	Total amount payable at maturity per note	Total rate of return on the notes	Pre-tax annualized rate of return on the notes(1)	Pre-tax annualized rate of return of stocks included in the Index(1)(2)
	change from the Index starting level to the hypothetical Index ending level				
459.51	-50.00%	\$5.00	-50.00%	-31.78%	-30.24%
505.46	-45.00%	\$5.50	-45.00%	-27.73%	-26.17%
551.41	-40.00%	\$6.00	-40.00%	-23.95%	-22.36%
597.36	-35.00%	\$6.50	-35.00%	-20.39%	-18.79%
643.31	-30.00%	\$7.00	-30.00%	-17.04%	-15.41%
689.27	-25.00%	\$7.50	-25.00%	-13.86%	-12.21%
735.22	-20.00%	\$8.00	-20.00%	-10.84%	-9.16%
781.17	-15.00%	\$8.50	-15.00%	-7.95%	-6.26%
827.12	-10.00%	\$9.00	-10.00%	-5.19%	-3.47%
873.07	-5.00%	\$9.50	-5.00%	-2.54%	-0.81%
919.02(3)	0.00%	\$10.00	0.00%	0.00%	1.76%
964.97	5.00%	\$11.50	15.00%	7.10%	4.23%
1,010.92	10.00%	\$13.00	30.00%	13.54%	6.62%
1,056.87	15.00%	\$13.00	30.00%	13.54%	8.93%
1,102.82	20.00%	\$13.00	30.00%	13.54%	11.16%
1,148.78	25.00%	\$13.00	30.00%	13.54%	13.33%
1,194.73	30.00%	\$13.00	30.00%	13.54%	15.43%
1,240.68	35.00%	\$13.00	30.00%	13.54%	17.47%
1,286.63	40.00%	\$13.00	30.00%	13.54%	19.46%
1,332.58	45.00%	\$13.00	30.00%	13.54%	21.39%
1,378.53	50.00%	\$13.00	30.00%	13.54%	23.28%

(1) The annualized rates of return specified in the preceding table are calculated on a semiannual bond equivalent basis.

(2) This rate of return assumes:

a percentage change in the aggregate price of the stocks that equals the percentage change in the Index starting level to the relevant hypothetical Index ending level;

a constant dividend yield of 1.76% per annum, paid quarterly from the date of initial delivery of the notes, applied to the level of the Index at the end of each quarter assuming this level increases or decreases linearly from the Index starting level to the applicable hypothetical Index ending level;

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no transaction fees or expenses; and

an investment term from May •, 2003 to May •, 2005.

(3) This is the hypothetical Index starting level.

The above figures are for purposes of illustration only. We cannot predict the actual Index ending level at maturity or the market value of your notes, nor can we predict the relationship between the Index level and the market value of your notes at any time prior to the stated maturity date. The actual amount that a holder of the notes will receive at stated maturity and the rate of return on the notes will depend on the Index starting level and on the actual Index ending level determined by the calculation agent as described above. Moreover, the assumptions on which the hypothetical returns are based may turn out to be inaccurate. Consequently, the amount of cash to be paid in respect of your notes on the stated maturity date may be very different from the information reflected in the table above.

THE S&P 500® INDEX

We have obtained all information regarding the Index contained in this prospectus supplement, including its make-up, method of calculation and changes in its components, from publicly available information. That information reflects the policies of, and is subject to change by, Standard & Poor's. Standard & Poor's has no obligation to continue to publish, and may discontinue publication of, the Index. We do not assume any responsibility for the accuracy or completeness of such information.

The Index is determined, comprised and calculated by Standard & Poor's without regard to the notes. The Index is intended to provide an indication of the pattern of common stock price movement. The calculation of the level of the Index, discussed below in further detail, is based on the relative value of the aggregate market value of the common stocks of 500 companies as of a particular time compared to the aggregate average market value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. As of March 31, 2003, 424 companies or 84.9% of the Index traded on the New York Stock Exchange; 74 companies or 14.9% of the Index traded on The Nasdaq Stock Market; and 2 companies or 0.2% of the Index traded on the American Stock Exchange. As of March 31, 2003, the aggregate market value of the 500 companies included in the Index represented approximately 77% of the aggregate market value of stocks included in the Standard & Poor's Stock Guide Database of domestic common stocks traded in the United States, excluding American depositary receipts and shares of real estate investment trusts, limited partnerships and mutual funds. Standard & Poor's chooses companies for inclusion in the Index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of the New York Stock Exchange, which Standard & Poor's uses as an assumed model for the composition of the total market. Relevant criteria employed by Standard & Poor's include the viability of the particular company, the extent to which that company represents the industry group to which it is assigned, the extent to which the market price of that company's common stock is generally responsive to changes in the affairs of the respective industry and the market value and trading activity of the common stock of that company. Ten main groups of companies comprise the Index with the number of companies as of March 31, 2003 included in each group indicated in parentheses: consumer discretionary (89), consumer staples (35), energy (23), financials (81), health care (47), industrials (66), information technology (74), materials (34), telecommunication services (12) and utilities (37). Standard & Poor's may from time to time, in its sole discretion, add companies to, or delete companies from, the Index to achieve the objectives stated above.

The level of the Index at any time does not reflect the payment of dividends on the stocks included in the Index (each, a component stock). Because of this factor, the return on the notes will not be the same as the return you would receive if you were to purchase these stocks and hold them for a period equal to the term of the offered notes.

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Computation of the Index

Standard & Poor's currently computes the S&P 500 Index as of a particular time as follows:

the product of the market price per share and the number of then outstanding shares of each component stock is determined as of that time (referred to as the market value of that stock);

the market values of all component stocks as of that time are aggregated;

the mean average of the market values as of each week in the base period of the years 1941 through 1943 of the common stock of each company in a group of 500 substantially similar companies is determined;

the mean average market values of all these common stocks over the base period are aggregated (the aggregate amount being referred to as the base value);

the current aggregate market value of all component stocks is divided by the base value; and

the resulting quotient, expressed in decimals, is multiplied by ten.

While Standard & Poor's currently employs the above methodology to calculate the Index, no assurance can be given that Standard & Poor's will not modify or change this methodology in a manner that may affect the payment amount for the notes upon maturity or otherwise.

Standard & Poor's adjusts the foregoing formula to offset the effects of changes in the market value of a component stock that are determined by Standard & Poor's to be arbitrary or not due to true market fluctuations. These changes may result from causes such as:

the issuance of stock dividends;

the granting to shareholders of rights to purchase additional shares of stock;

the purchase of shares by employees pursuant to employee benefit plans;

consolidations and acquisitions;

the granting to shareholders of rights to purchase other securities of the issuer;

the substitution by Standard & Poor's of particular component stocks in the Index; and

other reasons.

In these cases, Standard & Poor's first recalculates the aggregate market value of all component stocks, after taking account of the new market price per share of the particular component stock or the new number of outstanding shares of that stock or both, as the case may be, and then determines the new base value in accordance with the following formula:

$$\text{Old Base Value} \times \left(\frac{\text{New Market Value}}{\text{Old Market Value}} \right) = \text{New Base Value}$$

The result is that the base value is adjusted in proportion to any change in the aggregate market value of all component stocks resulting from the causes referred to above to the extent necessary to negate the effects of these causes upon the Index.

Historical Closing Levels of the Index

Since its inception, the level of the Index has experienced significant fluctuations. Any historical upward or downward trend in the closing level of the Index during any period shown below is not an indication that the closing level of the Index is more or less likely to increase or decrease at any time during the term of the notes. The historical Index levels do not give an indication of future levels of the Index. We

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cannot make any assurance that the future levels of the Index or the trading prices of the component stocks will result in holders of the notes receiving an amount greater than the principal amount of their notes on the maturity date. We do not make any representation to you as to the performance of the Index.

We obtained the closing levels of the Index listed below from Bloomberg Financial Services, without independent verification. The actual level of the Index at or near maturity of the notes may bear little relation to the historical levels shown below.

The graphic below illustrates the month end levels of the Index from January 1980 through March 2003.

The following table sets forth the level of the Index at the end of each month, in the period from January 1996 through March 2003. This historical data on the Index is not indicative of the future levels of the Index or what the market value of the notes may be. Any historical upward or downward trend in the level of the Index during any period set forth below is not any indication that the level of the Index is more or less likely to increase or decrease at any time during the term of the notes.

Month-End Closing Levels of the Index

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
January	636.02	786.16	980.28	1279.64	1394.46	1366.01	1130.20	855.70
February	640.43	790.82	1049.34	1238.33	1366.42	1239.94	1106.73	841.15
March	645.50	757.12	1101.75	1286.37	1498.58	1160.33	1147.39	848.18
April	654.17	801.34	1111.75	1335.18	1452.43	1249.46	1076.92	
May	669.12	848.28	1090.82	1301.84	1420.60	1255.82	1067.14	
June	670.63	885.14	1133.84	1372.71	1454.60	1224.42	989.82	
July	639.95	954.29	1120.67	1328.72	1430.83	1211.23	911.62	
August	651.99	899.47	957.28	1320.41	1517.68	1133.58	916.07	
September	687.31	947.28	1017.01	1282.71	1436.51	1040.94	815.28	
October	705.27	914.62	1098.67	1362.93	1429.40	1059.78	885.76	
November	757.02	955.40	1163.63	1388.91	1314.95	1139.45	936.31	
December	740.74	970.43	1229.23	1469.25	1320.28	1148.08	879.82	

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The following graph sets forth the level of the Index at the end of each month presented in the previous table. Past movements of the Index are not indicative of the future Index levels. On April 23, 2003, the closing level of the Index was 919.02.

License Agreement

Standard & Poor's does not guarantee the accuracy and/or the completeness of the Index or any data included in the Index. S&P makes no warranty, express or implied, as to results to be obtained by the calculation agent, holders of the notes, or any other person or entity from the use of the Index or any data included in the Index in connection with the rights licensed under the license agreement described in this prospectus supplement or for any other use. S&P makes no express or implied warranties, and hereby expressly disclaims all warranties of merchantability or fitness for a particular purpose with respect to the Index or any data included in the Index. Without limiting any of the above information, in no event shall S&P have any liability for any special, punitive, indirect or consequential damages, including lost profits, even if notified of the possibility of these damages.

S&P and WBNA have entered into a non-exclusive license agreement providing for the license to WBNA, its subsidiaries and affiliates, in exchange for a fee, of the right to use indices owned and published by S&P in connection with some securities, including the notes.

The notes are not sponsored, endorsed, sold or promoted by S&P. S&P makes no representation or warranty, express or implied, to the holders of the notes or any member of the public regarding the advisability of investing in securities generally or in the notes particularly or the ability of the Index to track general stock market performance. S&P's only relationship to WBNA (other than transactions entered into in the ordinary course of business) is the licensing of certain servicemarks and trade names of S&P and of the Index which is determined, composed and calculated by S&P without regard to WBNA or the notes. S&P has no obligation to take the needs of WBNA or the holders of the notes into consideration in determining, composing or calculating the Index. S&P is not responsible for and has not participated in the determination of the timing of the sale of the notes, prices at which the notes are to initially be sold, or quantities of the notes to be issued or in the determination or calculation of the equation by which the notes are to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of the notes.

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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 advisers 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 upon 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).

In the opinion of our counsel, Sullivan & Cromwell LLP, it would be reasonable to treat the notes as a pre-paid cash-settled forward contract linked to the level of the Index and the terms of the notes require you and us (in the absence of an administrative or judicial ruling to the contrary) to treat the notes for all tax purposes in accordance with such characterization. If the notes are so treated, you will recognize capital gain or loss upon the sale or maturity of your notes (which will be long-term capital gain or loss if you hold your notes for more than one year) in an amount equal to the difference between the amount you receive at such time and your tax basis in the notes. In general, your tax basis in your notes will be equal to the price you paid for them. The deductibility of capital losses is subject to limitations.

Alternative Treatments. In the opinion of our counsel, Sullivan & Cromwell LLP, it would also be reasonable to treat the notes as a single debt instrument subject to the special tax rules governing contingent debt instruments. 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 upon 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. Any gain you recognize upon 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

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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 adviser as to the possible application of such rules to you.

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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 characterize your notes in part as a non-equity option that is subject to special mark-to-market rules under Section 1256 of the Internal Revenue Code. You should consult your tax adviser as to the tax consequences of such characterization and any possible alternative characterizations of your notes for U.S. federal income tax purposes.

United States Alien Holders. If you are a United States alien holder, you will not be subject to United States withholding tax with respect to payments on your notes but you will be subject to generally applicable information reporting and backup withholding requirements with respect to payments on your notes unless you comply with certain certification and identification requirements as to your foreign status.

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, by regulation or otherwise, cause payments with respect to the notes to become subject to withholding tax, we will withhold tax at the applicable statutory rate. 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:

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

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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 those notes on behalf of or with plan assets of any plan or plan asset entity 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. In addition, any purchaser or holder of the notes or any interest in the notes which is a non-ERISA arrangement will be deemed to have represented by its purchase and holding of the notes that its purchase and holding will not violate the provisions 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 redemption 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 redemption amount we will pay on the notes at maturity. See Risk Factors Purchases and sales by us or our affiliates may affect your return and Potential conflicts of interest could arise for a discussion of these adverse effects.

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SUPPLEMENTAL PLAN OF DISTRIBUTION

Wachovia Securities, Inc., the underwriter of the offering, has agreed, subject to the terms and conditions of the distribution agreement and a terms agreement, to purchase from Wachovia \$• aggregate principal amount of notes. On June 15, 2002, First Union Securities, Inc. merged with Wachovia Securities, Inc., with Wachovia Securities, Inc. as the surviving entity. The distribution agreement provides that the obligations of the underwriter are subject to certain conditions and that the underwriter will be obligated to purchase all of the notes if any are purchased.

The underwriter 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 and that it may offer a part of the notes to certain dealers at a price that represents a concession not in excess of •% of the original public offering price of the notes. After the initial public offering, the public offering price and concession may be changed. The underwriter is offering the notes subject to receipt and acceptance and subject to the underwriter's right to reject any order in whole or in part. Proceeds to be received by Wachovia will be net of the underwriting discount and expenses payable by Wachovia.

Wachovia Securities, Inc. may use this prospectus supplement and the accompanying prospectus for offers and sales related to market-making transactions in the notes. Wachovia Securities, Inc. 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.

The participation of Wachovia Securities in the offer and sale of the notes must comply with the requirements of Rule 2720 of the National Association of Securities Dealers, Inc. regarding underwriting securities of an affiliate. Wachovia Securities will not execute a transaction in the notes in a discretionary account without the prior specific written approval of such member's customer.

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\$4,000,000,000

WACHOVIA CORPORATION

(Formerly named First Union Corporation)

Senior Global Medium-Term Notes, Series E

and

Subordinated Global Medium-Term Notes, Series F

Terms of Sale

Wachovia Corporation may from time to time offer and sell notes with various terms, including the following:

stated maturity of 9 months or longer	amount of principal or interest may be determined by reference to an index or formula
fixed or floating interest rate, zero-coupon or issued with original issue discount; a floating interest rate may be based on:	book-entry form only through The Depository Trust Company
commercial paper rate	redemption at the option of Wachovia or repayment at the option of the holder
prime rate	interest on notes paid monthly, quarterly, semi-annually or annually
LIBOR	denominations of \$1,000 and multiples of \$1,000

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EURIBOR	denominated in a currency other than U.S dollars or in a composite currency
treasury rate	
	settlement in immediately available funds
CMT rate	
CD rate	
federal funds rate	
ranked as senior or subordinated indebtedness of Wachovia	

The final terms of each note will be included in a pricing supplement. Wachovia will receive between \$3,995,000,000 and \$3,960,000,000 of the proceeds from the sale of the notes, after paying the agents' commissions of between \$5,000,000 and \$40,000,000.

Wachovia has filed an application to list notes issued under this prospectus on the Luxembourg Stock Exchange. The Luxembourg Stock Exchange has advised us that with respect to notes so listed, this prospectus is valid for one year from the date of this prospectus.

Prior to September 1, 2001, our company was named First Union Corporation. We changed our name on September 1, 2001, following our merger with the former Wachovia Corporation.

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 the securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

These securities will be our unsecured obligations and will not be savings accounts, deposits or other obligations of any bank or non-bank subsidiary of ours and are not insured by the Federal Deposit Insurance Corporation, the Bank Insurance Fund or any other governmental agency.

Wachovia may sell the notes directly or through one or more agents or dealers, including the agents listed below. The agents are not required to sell any particular amount of the notes.

Wachovia may use this prospectus in the initial sale of any notes. In addition, First Union Securities, Inc. or any other affiliate of Wachovia may use this prospectus 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 or pricing supplement, this prospectus is being used in a market-making transaction.*

Wachovia Securities

This prospectus is dated May 31, 2002

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ABOUT THIS PROSPECTUS

General

This document is called a prospectus and is part of a registration statement that we filed with the SEC using a shelf registration or continuous offering process. Under this shelf registration, we may from time to time sell any combination of the securities described in this prospectus in one or more offerings up to a total dollar amount of \$4,000,000,000.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities we will provide a pricing supplement containing specific information about the terms of the securities being offered. That pricing supplement may include a discussion of any risk factors or other special considerations that apply to those securities. The pricing supplement may also add, update or change the information in this prospectus. If there is any inconsistency between the information in this prospectus and any pricing supplement, you should rely on the information in that pricing supplement. You should read both this prospectus and any pricing supplement together with additional information described under the heading **Where You Can Find More Information**.

The registration statement containing this prospectus, including exhibits to the registration statement, provides additional information about us and the securities offered under this prospectus. The registration statement can be read at the SEC web site or at the SEC offices mentioned under the heading **Where You Can Find More Information**.

When acquiring any securities discussed in this prospectus, you should rely only on the information provided in this prospectus and in any pricing supplement, including the information incorporated by reference. Neither we nor any underwriters or agents have authorized anyone to provide you with different information. We are not offering the securities in any state where the offer is prohibited. You should not assume that the information in this prospectus, any pricing supplement or any document incorporated by reference is truthful or complete at any date other than the date mentioned on the cover page of these documents.

We may sell securities to underwriters who will sell the securities to the public on terms fixed at the time of sale. In addition, the securities may be sold by us directly or through dealers or agents designated from time to time, which agents may be our affiliates. If we, directly or through agents, solicit offers to purchase the securities, we reserve the sole right to accept and, together with our agents, to reject, in whole or in part, any of those offers.

The pricing supplement will contain the names of the underwriters, dealers or agents, if any, together with the terms of offering, the compensation of those underwriters and the net proceeds to us. Any underwriters, dealers or agents participating in the offering may be deemed underwriters within the meaning of the Securities Act of 1933 (the **Securities Act**).

One or more of our subsidiaries, including First Union Securities, Inc., may buy and sell any of the securities after the securities are issued as part of their business as a broker-dealer. Those subsidiaries may use this prospectus and the related pricing supplement in those transactions. Any sale by a subsidiary will be made at the prevailing market price at the time of sale. Unless otherwise mentioned or unless the context requires otherwise, any reference in this prospectus to **Wachovia Securities** means First Union Securities, Inc. and does not mean Wachovia Securities, Inc., a broker-dealer subsidiary of Wachovia which is not participating in this offering.

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Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus to Wachovia , we , us , our or similar references mean Wachovia Corporation and its subsidiaries.

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Selling Restrictions Outside the United States

Offers and sales of the notes are subject to restrictions in the United Kingdom. The distribution of this prospectus and the offering of the notes in certain other jurisdictions may also be restricted by law. This prospectus does not constitute an offer of, or an invitation on Wachovia's behalf or on behalf of the agents or any of them to subscribe to or purchase, any of the notes. This prospectus may not be used for or in connection with an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Please refer to the section entitled "Plan of Distribution".

As long as the notes are listed on the Luxembourg Stock Exchange, a supplemental prospectus will be prepared and filed with the Luxembourg Stock Exchange in the event of a material change in the financial condition of Wachovia that is not reflected in this prospectus, for the use in connection with any subsequent issue of debt securities to be listed on the Luxembourg Stock Exchange. As long as the notes are listed on the Luxembourg Stock Exchange, if the terms and conditions of the notes are modified or amended in a manner which would make this prospectus materially inaccurate or misleading, a new prospectus or supplemental prospectus will be prepared.

Wachovia accepts responsibility for the information contained in this prospectus. The Luxembourg Stock Exchange takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss no matter how arising from or in reliance upon the whole or any part of the contents of this prospectus.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC's public reference room in Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. In addition, our SEC filings are available to the public at the SEC's web site at <http://www.sec.gov>. You can also inspect reports, proxy statements and other information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York.

The SEC allows us to incorporate by reference into this prospectus the information in documents we file with it. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus and should be read with the same care. When we update the information contained in documents that have been incorporated by reference by making future filings with the SEC the information incorporated by reference in this prospectus is considered to be automatically updated and superseded. In other words, in the case of a conflict or inconsistency between information contained in this prospectus and information incorporated by reference into this prospectus, you should rely on the information contained in the document that was filed later. We incorporate by reference the documents listed below and any documents we file with the SEC in the future under Section 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 (the Exchange Act) until our offering is completed:

Annual Report on Form 10-K for the year ended December 31, 2001;

Quarterly Report on Form 10-Q for the quarter ended March 31, 2002; and

Current Reports on Form 8-K dated August 30, 2001, September 6, 2001, January 23, 2002 and April 18, 2002.

You may request a copy of these filings, other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing, at no cost, by writing to or telephoning us at the following address:

Corporate Relations

Wachovia Corporation

One Wachovia Center

301 South College Street

Charlotte, North Carolina 28288-0206

(704) 374-6782

As long as the notes are listed on the Luxembourg Stock Exchange, you may also obtain documents incorporated by reference in this prospectus free of charge from the Luxembourg Listing Agent or the Luxembourg Paying Agent and Transfer Agent.

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FORWARD-LOOKING STATEMENTS

This prospectus and applicable pricing supplements contain or incorporate statements that are forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements can be identified by the use of forward-looking language such as will likely result, may, are expected to, is anticipated, estimate, projected, intends to, or other similar words. Our actual performance or achievements could be significantly different from the results expressed in or implied by these forward-looking statements. These statements are subject to certain risks and uncertainties, including but not limited to certain risks described in the pricing supplement or the documents incorporated by reference. When considering these forward-looking statements, you should keep in mind these risks, uncertainties and other cautionary statements made in this prospectus and the pricing supplements. You should not place undue reliance on any forward-looking statement, which speaks only as of the date made. You should refer to our periodic and current reports filed with the SEC for specific risks which could cause actual results to be significantly different from those expressed or implied by these forward-looking statements.

WACHOVIA CORPORATION

Wachovia was incorporated under the laws of North Carolina in 1967. We are registered as a financial holding company and a bank holding company under the Bank Holding Company Act of 1956, as amended, and are supervised and regulated by the Board of Governors of the Federal Reserve System. Our banking and securities subsidiaries are supervised and regulated by various federal and state banking and securities regulatory authorities. On September 1, 2001, the former Wachovia Corporation merged with and into First Union Corporation, and First Union Corporation changed its name to Wachovia Corporation.

In addition to North Carolina, Wachovia's full-service banking subsidiaries operate in Connecticut, Delaware, Florida, Georgia, Maryland, New Jersey, New York, Pennsylvania, South Carolina, Virginia and Washington, D.C. These full-service banking subsidiaries provide a wide range of commercial and retail banking and trust services. Wachovia also provides various other financial services, including mortgage banking, home equity lending, leasing, investment banking, insurance and securities brokerage services through other subsidiaries.

In 1985, the Supreme Court upheld regional interstate banking legislation. Since then, Wachovia has concentrated its efforts on building a large regional banking organization in what it perceives to be some of the better banking markets in the eastern United States. Since November 1985, Wachovia has completed over 90 banking-related acquisitions.

Wachovia continually evaluates its business operations and organizational structures to ensure they are aligned closely with its goal of maximizing performance in its core business lines, Capital Management, Wealth Management, the General Bank and Corporate and Investment Banking. When consistent with our overall business strategy, we may consider the disposition of certain of our assets, branches, subsidiaries or lines of business. We continue to routinely explore acquisition opportunities, particularly in areas that would complement our core business lines, and frequently conduct due diligence activities in connection with possible acquisitions. As a result, acquisition discussions and, in some cases, negotiations frequently take place, and future acquisitions involving cash, debt or equity securities can be expected.

Wachovia is a separate and distinct legal entity from its banking and other subsidiaries. Dividends received from our subsidiaries are our principal source of funds to pay dividends on our common and preferred stock and debt service on our debt. Various federal and state statutes and regulations limit the amount of dividends that our banking and other subsidiaries may pay to us without regulatory approval.

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RISK FACTORS

Our Credit Ratings May Not Reflect All Risks of An Investment in the Notes

The credit ratings of our medium-term note program may not reflect the potential impact of all risks related to structure and other factors on any trading market for, or trading value of, your notes. In addition, real or anticipated changes in our credit ratings will generally effect any trading market for, or trading value of, your notes.

Risks Relating to Indexed Notes

We use the term “indexed notes” to mean notes whose value is linked to an underlying property or index. Indexed notes may present a high level of risk, and those who invest in indexed notes may lose their entire investment. In addition, the treatment of indexed notes for U.S. federal income tax purposes is often unclear due to the absence of any authority specifically addressing the issues presented by any particular indexed note. Thus, if you propose to invest in indexed notes, you should independently evaluate the federal income tax consequences of purchasing an indexed note that apply in your particular circumstances. You should also read “United States Taxation” for a discussion of U.S. tax matters.

Investors in Indexed Notes Could Lose Their Investment

The amount of principal and/or interest payable on an indexed note and the cash value or physical settlement value of a physically settled note will be determined by reference to the price, value or level of one or more securities, currencies, commodities or other properties, any other financial, economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance, and/or one or more indices or baskets of any of these items. We refer to each of these as an “index”. The direction and magnitude of the change in the price, value or level of the relevant index will determine the amount of principal and/or interest payable on the indexed note, and the cash value or physical settlement value of a physically settled note. The terms of a particular indexed note may or may not include a guaranteed return of a percentage of the face amount at maturity or a minimum interest rate. Thus, if you purchase an indexed note, you may lose all or a portion of the principal or other amount you invest and may receive no interest on your investment.

The Issuer of a Security or Currency That Serves as an Index Could Take Actions That May Adversely Affect an Indexed Note

The issuer of a security that serves as an index or part of an index for an indexed note will have no involvement in the offer and sale of the indexed note and no obligations to the holder of the indexed note. The issuer may take actions, such as a merger or sale of assets, without regard to the interests of the holder. Any of these actions could adversely affect the value of a note indexed to that security or to an index of which that security is a component.

If the index for an indexed note includes a non-U.S. dollar currency or other asset denominated in a non-U.S. dollar currency, the government that issues that currency will also have no involvement in the offer and sale of the indexed note and no obligations to the holder of the indexed note. That government may take actions that could adversely affect the value of the note. See “Risks Relating to Notes Denominated or Payable

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in or Linked to a Non-U.S. Dollar Currency below for more information about these kinds of government actions.

An Indexed Note May Be Linked to a Volatile Index, Which Could Hurt Your Investment

Some indices are highly volatile, which means that their value may change significantly, up or down, over a short period of time. The amount of principal or interest that can be expected to become payable on an

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indexed note may vary substantially from time to time. Because the amounts payable with respect to an indexed note are generally calculated based on the value or level of the relevant index on a specified date or over a limited period of time, volatility in the index increases the risk that the return on the indexed note may be adversely affected by a fluctuation in the level of the relevant index.

The volatility of an index may be affected by political or economic events, including governmental actions, or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of an indexed note.

An Index to Which a Note Is Linked Could Be Changed or Become Unavailable

Some indices compiled by us or our affiliates or third parties may consist of or refer to several or many different securities, commodities or currencies or other instruments or measures. The compiler of such an index typically reserves the right to alter the composition of the index and the manner in which the value or level of the index is calculated. An alteration may result in a decrease in the value of or return on an indexed note that is linked to the index. The indices for our indexed notes may include published indices of this kind or customized indices developed by us or our affiliates in connection with particular issues of indexed notes.

A published index may become unavailable, or a customized index may become impossible to calculate in the normal manner, due to events such as war, natural disasters, cessation of publication of the index or a suspension or disruption of trading in one or more securities, commodities or currencies or other instruments or measures on which the index is based. If an index becomes unavailable or impossible to calculate in the normal manner, the terms of a particular indexed note may allow us to delay determining the amount payable as principal or interest on an indexed note, or we may use an alternative method to determine the value of the unavailable index. Alternative methods of valuation are generally intended to produce a value similar to the value resulting from reference to the relevant index. However, it is unlikely that any alternative method of valuation we use will produce a value identical to the value that the actual index would produce. If we use an alternative method of valuation for a note linked to an index of this kind, the value of the note, or the rate of return on it, may be lower than it otherwise would be.

Some indexed notes are linked to indices that are not commonly used or that have been developed only recently. The lack of a trading history may make it difficult to anticipate the volatility or other risks associated with an indexed note of this kind. In addition, trading in these indices or their underlying stocks, commodities or currencies or other instruments or measures, or options or futures contracts on these stocks, commodities or currencies or other instruments or measures, may be limited, which could increase their volatility and decrease the value of the related indexed notes or the rates of return on them.

We May Engage in Hedging Activities that Could Adversely Affect an Indexed Note

In order to hedge an exposure on a particular indexed note, we may, directly or through our affiliates, enter into transactions involving the securities, commodities or currencies or other instruments or measures that underlie the index for the note, or involving derivative instruments, such as swaps, options or futures, on the index or any of its component items. By engaging in transactions of this kind, we could adversely affect the value of an indexed note. It is possible that we could achieve substantial returns from our hedging transactions while the value of the indexed note may decline.

Information About Indices May Not Be Indicative of Future Performance

If we issue an indexed note, we may include historical information about the relevant index in the relevant pricing supplement. Any information about indices that we may provide will be furnished as a matter of information only, and you should not regard the information as indicative of the range of, or trends in, fluctuations in the relevant index that may occur in the future.

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We May Have Conflicts of Interest Regarding an Indexed Note

First Union Securities, Inc. and our other affiliates may have conflicts of interest with respect to some indexed notes. First Union Securities, Inc. and our other affiliates may engage in trading, including trading for hedging purposes, for their proprietary accounts or for other accounts under their management, in indexed notes and in the securities, commodities or currencies or other instruments or measures on which the index is based or in other derivative instruments related to the index or its component items. These trading activities could adversely affect the value of indexed notes. We and our affiliates may also issue or underwrite securities or derivative instruments that are linked to the same index as one or more indexed notes. By introducing competing products into the marketplace in this manner, we could adversely affect the value of an indexed note.

Wachovia Bank, N.A. (formerly named First Union National Bank) or another of our affiliates may serve as calculation agent for the indexed notes and may have considerable discretion in calculating the amounts payable in respect of the notes. To the extent that Wachovia Bank, N.A. or another of our affiliates calculates or compiles a particular index, it may also have considerable discretion in performing the calculation or compilation of the index. Exercising discretion in this manner could adversely affect the value of an indexed note based on the index or the rate of return on the security.

Risks Relating to Notes Denominated or Payable in or Linked to a Non-U.S. Dollar Currency

If you intend to invest in a non-U.S. dollar note e.g., a note whose principal and/or interest is payable in a currency other than U.S. dollars or that may be settled by delivery of or reference to a non-U.S. dollar currency or property denominated in or otherwise linked to a non-U.S. dollar currency you should consult your own financial and legal advisors as to the currency risks entailed by your investment. Notes of this kind may not be an appropriate investment for investors who are unsophisticated with respect to non-U.S. dollar currency transactions.

An Investment in a Non-U.S. Dollar Note Involves Currency-Related Risks

An investment in a non-U.S. dollar note entails significant risks that are not associated with a similar investment in a note that is payable solely in U.S. dollars and where settlement value is not otherwise based on a non-U.S. dollar currency. These risks include the possibility of significant changes in rates of exchange between the U.S. dollar and the various non-U.S. dollar currencies or composite currencies and the possibility of the imposition or modification of foreign exchange controls or other conditions by either the United States or non-U.S. governments. These risks generally depend on factors over which we have no control, such as economic and political events and the supply of and demand for the relevant currencies in the global markets.

Changes in Currency Exchange Rates Can Be Volatile and Unpredictable

Rates of exchange between the U.S. dollar and many other currencies have been highly volatile, and this volatility may continue and perhaps spread to other currencies in the future. Fluctuations in currency exchange rates could adversely affect an investment in a note denominated in, or where value is otherwise linked to, a specified currency other than U.S. dollars. Depreciation of the specified currency against the U.S. dollar could result in a decrease in the U.S. dollar-equivalent value of payments on the note, including the principal payable at maturity. That in turn

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could cause the market value of the note to fall. Depreciation of the specified currency against the U.S. dollar could result in a loss to the investor on a U.S. dollar basis.

In courts outside of New York, investors may not be able to obtain judgment in a specified currency other than U.S. dollars. For example, a judgment for money in an action based on a non-U.S. dollar note in many other U.S. federal or state courts ordinarily would be enforced in the United States only in U.S. dollars.

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The date used to determine the rate of conversion of the currency in which any particular note is denominated into U.S. dollars will depend upon various factors, including which court renders the judgment.

Information About Exchange Rates May Not Be Indicative of Future Performance

If we issue a non-U.S. dollar note, we may include in the relevant pricing supplement a currency supplement that provides information about historical exchange rates for the relevant non-U.S. dollar currency or currencies. Any information about exchange rates that we may provide will be furnished as a matter of information only, and you should not regard the information as indicative of the range of, or trends in, fluctuations in currency exchange rates that may occur in the future. That rate will likely differ from the exchange rate used under the terms that apply to a particular note.

Table of Contents**USE OF PROCEEDS**

Wachovia currently intends to use the net proceeds from the sale of any notes for general corporate purposes, which may include:

reducing debt;

investments at the holding company level;

investing in, or extending credit to, our operating subsidiaries;

acquisitions;

stock repurchases; and

other purposes as mentioned in any pricing supplement.

Pending such use, we may temporarily invest the net proceeds. The precise amounts and timing of the application of proceeds will depend upon our funding requirements and the availability of other funds. Except as mentioned in any pricing supplement, specific allocations of the proceeds to such purposes will not have been made at the date of that pricing supplement.

Based upon our historical and anticipated future growth and our financial needs, we may engage in additional financings of a character and amount that we determine as the need arises.

CONSOLIDATED EARNINGS RATIOS

The following table provides Wachovia's consolidated ratios of earnings to fixed charges and preferred stock dividends:

	Three Months Ended March 31,	Years Ended December 31,				
	2002	2001	2000	1999	1998	1997
Consolidated Ratios of Earnings to Fixed Charges and Preferred Stock Dividends						
Excluding interest on deposits	3.20x	1.61	1.13	2.29	2.13	2.50
Including interest on deposits	1.88x	1.27	1.06	1.62	1.51	1.57

For purposes of computing these ratios

earnings represent income from continuing operations before extraordinary items and cumulative effect of a change in accounting principles, plus income taxes and fixed charges (excluding capitalized interest);

fixed charges, excluding interest on deposits, represent interest (including capitalized interest), one-third of rents and all amortization of debt issuance costs; and

fixed charges, including interest on deposits, represent all interest (including capitalized interest), one-third of rents and all amortization of debt issuance costs.

One-third of rents is used because it is the proportion deemed representative of the interest factor.

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The following is selected unaudited consolidated condensed financial information for Wachovia for the three months ended March 31, 2002, and for the year ended December 31, 2001. The summary below should be read in conjunction with the consolidated financial statements of Wachovia, and the related notes thereto, and the other detailed information contained in Wachovia's March 31, 2002 Quarterly Report on Form 10-Q and 2001 Annual Report on Form 10-K.

	Three Months Ended March 31, 2002	Year Ended December 31, 2001(a)
(In millions, except per share data)		
CONSOLIDATED CONDENSED SUMMARIES OF INCOME		
Interest income	\$ 3,903	\$ 16,100
Interest expense	1,477	8,325
Net interest income	2,426	7,775
Provision for loan losses	339	1,947
Net interest income after provision for loan losses	2,087	5,828
Securities transactions	(6)	(67)
Noninterest income	2,033	6,363
Merger-related and restructuring charges	(8)	106
Noninterest expense	2,777	9,725
Income before income taxes	1,345	2,293
Income taxes	432	674
Net income	913	1,619
Dividends on preferred stock	6	6
Net income available to common stockholders	\$ 907	\$ 1,613
PER COMMON SHARE DATA		
Basic earnings	\$ 0.67	\$ 1.47
Diluted earnings	0.66	1.45
Cash dividends	0.24	0.96
Average common shares - basic	1,355	1,096
Average common shares - diluted	\$ 1,366	\$ 1,105
CONSOLIDATED CONDENSED PERIOD-END BALANCE SHEETS		
Cash and cash equivalents	\$ 26,548	\$ 34,711
Trading account assets	28,227	25,386
Securities	57,382	58,467
Loans, net of unearned income	162,294	163,801
Allowance for loan losses	(2,986)	(2,995)
Loans, net	159,308	160,806
Goodwill and other intangibles	12,716	12,772
Other assets	35,672	38,310
Total assets	\$ 319,853	\$ 330,452
Deposits	180,033	187,453

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Short-term borrowings	46,559	44,385
Trading account liabilities	10,261	11,437
Other liabilities	14,279	16,989
Long-term debt	39,936	41,733
Total liabilities		