

WACHOVIA CORP NEW
Form 424B2
March 30, 2005
Filed pursuant to Rule 424(b)(2)
Registration No. 333-122140

WACHOVIA CORPORATION

Wachovia Corporation has acquired financial services institutions that have issued unsecured debt securities consisting of the senior debt securities and subordinated debt securities listed below. As a result of these acquisitions, Wachovia Corporation has assumed these debt securities as indicated below.

WACHOVIA CORPORATION

Assumed Debt Securities

Senior Debt Securities

\$550,000,000 of 7.45% Global Senior Notes of the former Wachovia Corporation due July 15, 2005
\$200,000,000 of 6.625% Senior Notes of the former Wachovia Corporation due November 15, 2006

Subordinated Debt Securities

\$175,000,000 of 6⁵/₈% Notes of CoreStates Capital Corp. due March 15, 2005
\$200,000,000 of 6.75% Medium-Term Notes of CoreStates Capital Corp. due November 15, 2006
\$250,000,000 of 6.80% Subordinated Notes of the former Wachovia Corporation due June 1, 2005
\$350,000,000 of 6¹/₄% Subordinated Notes of the former Wachovia Corporation due August 4, 2008
\$400,000,000 of 5⁵/₈% Subordinated Notes of the former Wachovia Corporation due December 15, 2008
\$250,000,000 of 6³/₈% Subordinated Notes of the former Wachovia Corporation due February 1, 2009
\$400,000,000 of 6.150% Subordinated Notes of the former Wachovia Corporation due March 15, 2009
\$250,000,000 of 6.605% Subordinated Notes of the former Wachovia Corporation due October 1, 2025
\$400,000,000 of 5.80% Subordinated Notes of SouthTrust Corporation due June 15, 2014

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

Edgar Filing: WACHOVIA CORP NEW - Form 424B2

This prospectus has been prepared in connection with offers and sales related to market-making and other transactions in the debt securities listed above and will be used by Wachovia Capital Markets, LLC, and Wachovia Securities, LLC, each an indirect, wholly-owned subsidiary of Wachovia Corporation. Wachovia Capital Markets, LLC or Wachovia Securities, LLC may act as principal or agent in these transactions. The sales may be made at prices related to prevailing market rates at the time of sale or otherwise. Wachovia Corporation conducts its investment banking, institutional and capital markets businesses through its various bank, broker-dealer and non-bank subsidiaries (including Wachovia Capital Markets, LLC and Wachovia Securities, LLC) under the trade name Wachovia Securities .

WACHOVIA SECURITIES

The date of this prospectus is February 9, 2005.

TABLE OF CONTENTS

WACHOVIA CORPORATION	1
CONSOLIDATED RATIOS OF EARNINGS TO FIXED CHARGES	1
GENERAL INFORMATION REGARDING THE DEBT SECURITIES	2
Subordination of the Subordinated Debt Securities Generally	3
Book-Entry Debt Securities	3
UNITED STATES TAXATION	7
United States Holders	7
Certain United States Federal Income Tax Consequences to United States Alien Holders	9
DESCRIPTION OF ASSUMED SENIOR DEBT SECURITIES	12
Legacy Wachovia Senior Notes	12
DESCRIPTION OF ASSUMED SUBORDINATED DEBT SECURITIES	19
CoreStates Subordinated Notes	19
Legacy Wachovia Subordinated Notes	24
SouthTrust Subordinated Notes	31
WHERE YOU CAN FIND MORE INFORMATION	36
EXPERTS	36
PLAN OF DISTRIBUTION	37
VALIDITY OF SECURITIES	37

WACHOVIA CORPORATION

Wachovia was incorporated under the laws of North Carolina in 1967 and is registered as a financial holding company and a bank holding company under the Bank Holding Company Act. Prior to our merger in September 2001 with the former Wachovia Corporation (which we also refer to as Legacy Wachovia), Wachovia's name was First Union Corporation. Wachovia provides a wide range of commercial and retail banking and trust services through full-service banking offices in Alabama, Connecticut, Delaware, Florida, Georgia, Maryland, Mississippi, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, Virginia and Washington, D.C. Wachovia also provides various other financial services, including asset and wealth management, mortgage banking, credit card, investment banking, investment advisory, home equity lending, asset-based lending, leasing, insurance, international and securities brokerage services through its subsidiaries. As used in this prospectus, the terms Wachovia, we, our and us refer to Wachovia Corporation, the holding company, and not the consolidated entity.

Wachovia's principal executive offices are located at One Wachovia Center, Charlotte, North Carolina 28288-0013, and our telephone number is (704) 374-6565.

Wachovia continually evaluates its operations and organizational structures to ensure they are closely aligned with its goal of maximizing performance in core business lines. When consistent with overall business strategy, Wachovia may consider the disposition of certain assets, branches, subsidiaries or lines of business. While acquisitions are no longer a primary business activity, Wachovia continues to explore routinely acquisition opportunities, particularly in areas that would complement core business lines, and frequently conducts 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.

Wachovia and its affiliates have completed numerous acquisitions of financial services institutions since 1985. These financial services institutions either have merged into Wachovia or wholly-owned subsidiaries of Wachovia. See General Information Regarding the Debt Securities for a brief description of the acquisitions of the entities that originally issued the debt securities covered by this prospectus.

CONSOLIDATED EARNINGS RATIOS

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

Nine Months Ended September 30,	Year Ended December 31,				
2004	2003	2002	2001	2000	1999

Consolidated Ratios of Earnings to Fixed Charges and Preferred Stock Dividends

Edgar Filing: WACHOVIA CORP NEW - Form 424B2

Excluding interest on deposits	4.03x	3.63	2.93	1.61	1.13	2.29
Including interest on deposits	2.45x	2.30	1.80	1.27	1.06	1.62

For purposes of computing these ratios:

earnings represent income from continuing operations before extraordinary items and cumulative effect of a change in accounting principle, plus income taxes and fixed charges;

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.

GENERAL INFORMATION REGARDING THE DEBT SECURITIES

The debt securities covered by this prospectus were issued by financial services institutions which were subsequently acquired by Wachovia.

Wachovia acquired CoreStates Financial Corp. on April 28, 1998, by merging CoreStates into Wachovia. CoreStates Capital Corp. became a wholly-owned subsidiary of Wachovia as a result of the CoreStates acquisition, and merged into Wachovia on May 15, 1998.

Wachovia acquired Legacy Wachovia on September 1, 2001, by merging Legacy Wachovia into Wachovia.

Wachovia acquired SouthTrust Corporation on November 1, 2004, by merging SouthTrust into Wachovia.

As a result of these mergers, Wachovia is responsible for the obligations of CoreStates, CoreStates Capital Corp., Legacy Wachovia, and SouthTrust with respect to their debt securities.

The debt securities covered by this prospectus are not deposits or other obligations of a bank and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The debt securities covered by this prospectus have been issued under various indentures between the issuers and the trustees named in this prospectus. A copy of each indenture is incorporated by reference as an exhibit to the registration statement of which this prospectus is a part. As used in this prospectus, the term issuer refers to Wachovia.

The descriptions of the debt securities and the indentures in this prospectus are only summaries. These descriptions are not complete and are qualified by reference to the indentures, including the definitions of certain terms used in this prospectus. Section references in this prospectus refer to sections of the applicable indenture.

None of the indentures limits the amount of debt securities or of any particular series of debt securities which may be issued under that indenture and each provides that debt securities issued under such indenture may be issued from time to time in one or more series. None of the indentures limits the amount of other debt that may be issued by the issuer or contains financial or similar restrictive covenants relating to the issuer. The issuer expects to incur additional indebtedness.

Wachovia is a legal entity separate and distinct from its subsidiaries. Therefore, the rights of Wachovia to participate in any distribution of assets of any subsidiary upon its liquidation or reorganization or otherwise would be subject to the prior claims of creditors of that subsidiary, except to the extent that Wachovia itself may be recognized as a creditor of that subsidiary. The ability of holders of debt securities to benefit indirectly from any such distribution may therefore be limited. Claims on Wachovia's subsidiary banks by other creditors include indebtedness and substantial obligations with respect to deposit liabilities and federal funds purchased, securities sold under repurchase agreements, other short-term borrowings and various other financial obligations.

Except as otherwise specified in this prospectus, none of the debt securities are:

redeemable prior to maturity;

subject to repayment at the option of the holders prior to maturity; or

entitled to the benefit of any sinking fund.

Wachovia or its affiliates may at any time repurchase the debt securities at any price, in the open market or otherwise. Debt securities purchased by Wachovia may be held, resold or surrendered to the applicable trustee for cancellation.

Except as otherwise specified in this prospectus, interest on the debt securities is computed on the basis of a 360-day year of twelve 30-day months.

Subordination of the Subordinated Debt Securities Generally

The obligations of the issuer to pay the principal of and interest on any subordinated debt securities covered by this prospectus are subordinate and junior in right of payment to all Senior Indebtedness of Wachovia, as defined in each subordinated indenture. A description of the subordination provisions of each particular series of subordinated debt securities, and of the definition of Senior Indebtedness with respect to that series, is included below under Description of Assumed Subordinated Debt Securities .

Under the circumstances described below, holders of all Senior Indebtedness, as defined in each applicable indenture, will first be entitled to receive payment in full of all amounts due or to become due before the holders of subordinated debt securities will be entitled to receive any payment. These circumstances include:

any payment or distribution of assets to creditors upon liquidation, dissolution, winding up, reorganization, assignment for the benefit of creditors, marshalling of assets or any bankruptcy, insolvency or similar proceedings of an issuer, and

acceleration of the maturity of any subordinated debt securities.

As a result of this subordination in favor of the holders of Senior Indebtedness, creditors of an issuer who are not holders of Senior Indebtedness or holders of the subordinated debt securities may recover less, proportionally, than the holders of Senior Indebtedness and may recover more, proportionally, than the holders of the subordinated debt securities. Creditors of an issuer other than holders of Senior Indebtedness, as defined in each subordinated indenture, are not entitled to the benefits of the subordination provisions of that subordinated indenture. As a result of the differing definitions of Senior Indebtedness in the various subordinated indentures, obligations of an issuer may be considered Senior Indebtedness with respect to some subordinated debt securities and not with respect to others. Therefore, some creditors of an issuer may recover more or less, proportionally, than other creditors.

Edgar Filing: WACHOVIA CORP NEW - Form 424B2

None of the subordinated indentures limits the amount of additional Senior Indebtedness that may be issued or other obligations that may be incurred by the issuer. Wachovia currently has an effective shelf registration statement under which it may issue debt securities that are senior to the subordinated debt securities. Wachovia expects to issue additional indebtedness and incur other obligations, some of which may constitute Senior Indebtedness under the subordinated indentures.

Book-Entry Debt Securities

Except as otherwise specified in this prospectus with respect to any series of notes, each series of the notes will be represented by one or more fully registered global securities which will be deposited with, or on behalf of, The Depository Trust Company (the "DTC") and registered in the name of Cede & Co., DTC's nominee. Beneficial interests in the registered global securities will be represented through book-entry

accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors in the Legacy Wachovia 7.45% Global Senior Notes due July 15, 2005 may elect to hold interests in the registered global securities held by DTC through Clearstream Banking AG (Clearstream) or Euroclear Bank S.A./N.V., as operator of the Euroclear System (the Euroclear operator), if they are participants in such systems, or indirectly through organizations which are participants in such systems. Clearstream and the Euroclear operator will hold interests on behalf of their participants through customers securities accounts in Clearstream s and the Euroclear operator s names on the books of their respective depositaries, which in turn will hold such interests in customers securities accounts in the depositaries names on the books of DTC. Citibank, N.A. will act as depositary for Clearstream and The Chase Manhattan Bank will act as depositary for the Euroclear operator (in such capacities, the U.S. depositaries). The discussion under Clearstream and Euroclear Clearance and Settlement Procedures applies only to the Legacy Wachovia 7.45% Global Senior Notes due July 15, 2005.

No person that acquires a beneficial interest in the notes will be entitled to receive a certificate representing that person s interest in the notes except as described in this prospectus. Unless and until definitive securities are issued under the limited circumstances described below, all references to actions by holders of securities issued in global form shall refer to actions taken by DTC upon instructions from its participants, and all references to payments and notices to holders shall refer to payments and notices to DTC or Cede & Co., as the registered holder of the notes.

DTC has informed Wachovia that DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that DTC participants deposit with DTC. DTC also facilitates the settlement among DTC participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in DTC participants accounts, thereby eliminating the need for physical movement of securities certificates. Participants include securities brokers and dealers, banks, trust companies, and clearing corporations and may include other organizations. DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc., the American Stock Exchange, LLC and the National Association of Securities Dealers, Inc. Indirect access to the DTC system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly. The rules applicable to DTC and DTC participants are on file with the Commission.

Persons that are not participants or indirect participants but desire to purchase, sell or otherwise transfer ownership of, or other interests in, notes may do so only through participants and indirect participants. Ownership of book-entry debt securities by participants is evidenced only by records maintained by DTC or its nominee. Ownership of book-entry debt securities by persons that hold interests through participants will be evidenced only by records maintained by such participant. Transfers of such ownership interests will be effected only through records maintained by DTC or its nominee or the participants, as applicable. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in definitive form. These laws may limit the ability to transfer book-entry debt securities.

Under the rules, regulations and procedures creating and affecting DTC and its operations as currently in effect, DTC will be required to make book-entry transfers of notes among participants and to receive and transmit payments to participants. DTC rules require participants and indirect participants with which beneficial note owners have accounts to make book-entry transfers and receive and transmit payments on behalf of their respective account holders.

Under a book-entry format, holders may experience some delay in their receipt of payments, as such payments will be forwarded by the Wachovia designated agent to Cede & Co., as nominee for DTC. DTC will forward such payments to its participants, who will then forward them to indirect participants or holders.

Payments by participants to owners of book-entry debt securities held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in street name . These payments will be the responsibility of the participants.

Because DTC can act only on behalf of

participants, who in turn act only on behalf of participants or indirect participants and

certain banks, trust companies and other persons approved by it,

the ability of a beneficial owner of securities issued in global form to pledge such securities to persons or entities that do not participate in the DTC system may be limited due to the unavailability of physical certificates for these securities.

Holders of notes held in book-entry form will not be recognized by the relevant trustee or depository as registered holders of the notes entitled to the benefits of the applicable indenture. Beneficial owners that are not participants will be permitted to exercise their rights only indirectly through and according to the procedures of participants and, if applicable, indirect participants.

A global security will be exchangeable for the relevant definitive notes registered in the names of persons other than DTC or its nominee only if

DTC notifies Wachovia that it is unwilling or unable to continue as depository for that global security or if DTC ceases to be a clearing agency registered under the Exchange Act when DTC is required to be so registered;

Wachovia executes and delivers to the relevant trustee an order complying with the requirements of the relevant indenture that this global security shall be so exchangeable; or

there has occurred and is continuing an event of default or an event that, with the giving of notice or lapse of time, or both, would constitute an event of default with respect to the note.

Any global security that is exchangeable under the preceding sentence will be exchangeable for notes registered in such names as DTC directs.

Upon the occurrence of any event described in the above paragraph, DTC is generally required to notify all participants of the availability of definitive notes. Upon DTC surrendering the global security representing the securities and delivery of instructions for re-registration, the relevant trustee will reissue the notes as definitive notes, and then will recognize the holders of such definitive notes as registered holders of notes entitled to the benefits of the relevant indenture.

Except as described above, the global security may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC or to a successor depository Wachovia appoints. Except as described above, DTC may not sell, assign, transfer or otherwise convey any beneficial interest in a global security evidencing all or part of any notes unless the beneficial interest is in an amount equal to an authorized denomination for these notes.

Edgar Filing: WACHOVIA CORP NEW - Form 424B2

Initial settlement for the notes will be made in immediately available funds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC's rules and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System.

None of Wachovia, the relevant trustee, or any agent of any of them, will have any responsibility or liability for any aspect of DTC's or any participant's records relating to, or for payments made on account of, beneficial interests in a global security, or for maintaining, supervising or reviewing any records relating to such beneficial interests.

Clearstream and the Euroclear operator have informed Wachovia that Clearstream and the Euroclear operator each hold securities for their customers and facilitate the clearance and settlement of securities

transactions by electronic book-entry transfer between their respective account holders. Clearstream and the Euroclear operator provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream and the Euroclear operator also deal with domestic securities markets in several countries through established depository and custodial relationships. Clearstream and the Euroclear operator have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Clearstream and the Euroclear operator customers are world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Clearstream and the Euroclear operator is available to other institutions which clear through or maintain a custodial relationship with an account holder of either system.

Clearstream and Euroclear Clearance and Settlement

Title to book-entry interests in the notes will pass by book-entry registration of the transfer within the records of Clearstream, Euroclear or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the notes may be transferred within Clearstream and within Euroclear and between Clearstream and Euroclear in accordance with procedures established for these purposes by Clearstream and Euroclear. Book-entry interests in the notes may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfers of book-entry interests in the notes among Clearstream and Euroclear and DTC may be effected in accordance with procedures established for this purpose by Clearstream, Euroclear and DTC.

Secondary market trading between Clearstream customers and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear and will be settled using the procedures applicable to conventional Eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through DTC on the one hand, and directly or indirectly through Clearstream customers or Euroclear participants, on the other, will be effected through DTC in accordance with DTC's rules on behalf of the relevant European international clearing system by its U.S. depository; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. depository to take action to effect final settlement on its behalf by delivering interests in the securities to or receiving interests in the notes from DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream customers and Euroclear participants may not deliver instructions directly to their respective U.S. depositories.

Because of time-zone differences, credits of interests in the notes received in Clearstream or Euroclear as a result of a transaction with a DTC participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions involving interests in such notes settled during such processing will be reported to the relevant Clearstream customers or Euroclear participants on such business day. Cash received in Clearstream or Euroclear as a result of sales of interests in the notes by or through a Clearstream customer or a Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of interests in the notes among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be changed or discontinued at any time.

UNITED STATES TAXATION

This section describes the material United States federal income tax consequences of owning the debt securities covered by this prospectus. It is the opinion of Sullivan & Cromwell LLP, counsel to Wachovia. This section applies to you only if you hold your notes as capital assets for tax purposes. This section does not apply to you if you are a member of a class of holders subject to special rules, such as:

a dealer in securities or currencies,

a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings,

a bank,

a life insurance company,

a tax-exempt organization,

a person that owns notes that are a hedge of or that are hedged against interest rate risks,

a person that owns notes as part of a straddle or conversion transaction for tax purposes, or

a person whose functional currency for tax purposes is not the U.S. dollar.

This section is based on the Internal Revenue Code of 1986, as amended (the Code), its legislative history, existing and proposed regulations under the Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

If a partnership holds the notes, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the notes should consult its tax advisor with regard to the United States federal income tax treatment of an investment in the notes.

Please consult your own tax advisor concerning the consequences of owning these notes in your particular circumstances under the Code and the laws of any other taxing jurisdiction.

United States Holders

This subsection describes the tax consequences to a United States holder. You are a United States holder if you are a beneficial owner of a note and you are:

Edgar Filing: WACHOVIA CORP NEW - Form 424B2

a citizen or resident of the United States,

a domestic corporation,

an estate whose income is subject to United States federal income tax regardless of its source, or

a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust.

If you are not a United States holder, this subsection does not apply to you and you should refer to [Certain United States Federal Income Tax Consequences to United States Alien Holders](#) below.

Payments of Interest

You will be taxed on any interest on your note as ordinary income at the time you receive the interest or when it accrues, depending on your method of accounting for tax purposes. In addition, if you acquire your note at a price other than the initial offering price, the rules relating to market discount or amortizable bond premium may also apply to your note.

Market Discount

You will be treated as if you purchased your note at a market discount, and your note will be a market discount note if the difference between the note's stated redemption price at maturity and the price you paid for your note is equal to or greater than 1/4 of 1 percent of your note's stated redemption price at maturity multiplied by the number of complete years to the note's maturity.

If your note's stated redemption price at maturity exceeds the price you paid for the note by less than 1/4 of 1 percent multiplied by the number of complete years to the note's maturity, the excess constitutes *de minimis* market discount, and the rules discussed below are not applicable to you.

You must treat any gain you recognize on the maturity or disposition of your market discount note as ordinary income to the extent of the accrued market discount on your note. Alternatively, you may elect to include market discount in income currently over the life of your note. If you make this election, it will apply to all debt instruments with market discount that you acquire on or after the first day of the first taxable year to which the election applies. You may not revoke this election without the consent of the Internal Revenue Service. If you own a market discount note and do not make this election, you will generally be required to defer deductions for interest on borrowings allocable to your note in an amount not exceeding the accrued market discount on your note until the maturity or disposition of your note.

You will accrue market discount on your market discount note on a straight-line basis unless you elect to accrue market discount using a constant-yield method. If you make this election, it will apply only to the note with respect to which it is made and you may not revoke it.

Notes Purchased at a Premium

If you purchase your note for an amount in excess of its principal amount, you may elect to treat the excess as amortizable bond premium. If you make this election, you will reduce the amount required to be included in your income each year with respect to interest on your note by the amount of amortizable bond premium allocable to that year, based on your note's yield to maturity. If you make an election to amortize bond premium, the election will apply to all debt instruments, other than debt instruments the interest on which is excludable from gross income, that you hold at the beginning of the first taxable year to which the election applies or that you thereafter acquire, and you may not revoke it without the consent of the Internal Revenue Service.

Purchase, Sale and Retirement of the Notes

Your tax basis in your note will generally be the U.S. dollar cost, as defined below, of your note, adjusted by:

adding any market discount and *de minimis* market discount previously included in income with respect to your note, and then

subtracting any amortizable bond premium applied to reduce interest on your note.

Edgar Filing: WACHOVIA CORP NEW - Form 424B2

You will generally recognize gain or loss on the sale or retirement of your note equal to the difference between the amount you realize on the sale or retirement and your tax basis in your note.

You will recognize capital gain or loss when you sell or retire your note, except to the extent:

described above under **Market Discount** ,

attributable to accrued but unpaid interest.

Capital gain of a noncorporate United States holder is generally taxed at more favorable rates where the property is held more than one year.

Backup Withholding and Information Reporting

In general, if you are a noncorporate United States holder, we are required to report to the Internal Revenue Service all payments of principal, any premium and interest on your note. In addition, we and other payors are required to report to the Internal Revenue Service any payment of proceeds of the sale of your note before maturity within the United States. Additionally, backup withholding will apply to any payments if you fail to provide an accurate taxpayer identification number, or you are notified by the Internal Revenue Service that you have failed to report all interest and dividends required to be shown on your federal income tax returns.

Certain United States Federal Income Tax Consequences to United States Alien Holders

The following summarizes certain United States federal income tax consequences of the ownership of notes described in this prospectus to United States alien holders. You are a United States alien holder if you are the beneficial owner of a note and are, for United States federal income tax purposes:

a nonresident alien individual,

a foreign corporation, or

an estate or trust that in either case is not subject to United States federal income tax on a net income basis on income or gain from a note.

Except where noted, this summary deals only with notes held as capital assets and does not deal with special situations (including if you are a controlled foreign corporation , passive foreign investment company or foreign personal holding company).

The discussion below is based upon the provisions of the Code, and regulations, rulings and judicial decisions as of the date of this prospectus. Those authorities may be changed, perhaps retroactively, so as to result in United States federal income tax consequences different from those discussed below.

If you are considering the purchase of the notes described in this prospectus, you should consult your own tax advisors concerning the tax consequences to you in light of your particular situation.

U.S. Federal Withholding Tax

Under United States federal income tax law, and subject to the discussion of backup withholding below, if you are a non-United States holder of a note:

Edgar Filing: WACHOVIA CORP NEW - Form 424B2

we, and other U.S. payors generally, will not be required to deduct United States withholding tax from payments of principal, premium, if any, and interest, to you if, in the case of payments of interest:

1. you do not actually or constructively own 10% or more of the total combined voting power of all classes of stock of Wachovia entitled to vote,
2. you are not a controlled foreign corporation that is related to Wachovia through stock ownership, and
3. the U.S. payor does not have actual knowledge or reason to know that you are a United States person and:
 - a. you have furnished to the U.S. payor an Internal Revenue Service Form W-8BEN or an acceptable substitute form upon which you certify, under penalties of perjury, that you are (or, in the case of a United States alien holder that is a partnership or an estate or trust, such forms certifying that each partner in the partnership or beneficiary of the estate or trust is) a non-United States person,

- b. in the case of payments made outside the United States to you at an offshore account (generally, an account maintained by you at a bank or other financial institution at any location outside the United States), you have furnished to the U.S. payor documentation that establishes your identity and your status as the beneficial owner of the payment for United States federal income tax purposes and as a non-United States person,
- c. the U.S. payor has received a withholding certificate (furnished on an appropriate Internal Revenue Service Form W-8 or an acceptable substitute form) from a person claiming to be:
 - i. a withholding foreign partnership (generally a foreign partnership that has entered into an agreement with the Internal Revenue Service to assume primary withholding responsibility with respect to distributions and guaranteed payments it makes to its partners),
 - ii. a qualified intermediary (generally a non-United States financial institution or clearing organization or a non-United States branch or office of a United States financial institution or clearing organization that is a party to a withholding agreement with the Internal Revenue Service), or
 - iii. a U.S. branch of a non-United States bank or of a non-United States insurance company, and the withholding foreign partnership, qualified intermediary or U.S. branch has received documentation upon which it may rely to treat the payment as made to a non-United States person that is, for United States federal income tax purposes, the beneficial owner of the payment on the notes in accordance with U.S. Treasury regulations (or, in the case of a qualified intermediary, in accordance with its agreement with the Internal Revenue Service),
- d. the U.S. payor receives a statement from a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business,
 - i. certifying to the U.S. payor under penalties of perjury that an Internal Revenue Service Form W-8BEN or an acceptable substitute form has been received from you by it or by a similar financial institution between it and you, and
 - ii. to which is attached a copy of the Internal Revenue Service Form W-8BEN or acceptable substitute form, or
- e. the U.S. payor otherwise possesses documentation upon which it may rely to treat the payment as made to a non-United States person that is, for United States federal income tax purposes, the beneficial owner of the payment on the notes in accordance with U.S. Treasury regulations;

no deduction for any United States federal withholding tax will be made from any gain that you realize on the sale or exchange of your note.

U.S. Federal Estate Tax

A note held by an individual who at death is not a citizen or resident of the United States will not be includible in the individual's gross estate for United States federal estate tax purposes if:

Edgar Filing: WACHOVIA CORP NEW - Form 424B2

the decedent did not actually or constructively own 10% or more of the total combined voting power of all classes of stock of Wachovia entitled to vote at the time of death and

the income on the note would not have been effectively connected with a United States trade or business of the decedent at the same time.

U.S. Federal Income Tax

If you are engaged in a trade or business in the United States and interest on the notes described in this prospectus is effectively connected with the conduct of that trade or business (although exempt from the 30% withholding tax), you will be subject to U.S. federal income tax on that interest on a net income basis in the same manner as if you were a U.S. person as defined under the Code. In addition, if you are a foreign corporation, you may be subject to a branch profits tax equal to 30% (or lower applicable treaty rate) of your earnings and profits for the taxable year, subject to adjustments, that are effectively connected with the conduct by you of a trade or business in the United States. For this purpose, interest on notes as described in this prospectus will be included in earnings and profits.

Any gain realized by you on the disposition of the notes as described in this prospectus generally will not be subject to U.S. federal income or withholding tax unless:

that gain or income is effectively connected with the conduct of a trade or business in the United States by you; or

you are an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met.

Information Reporting and Backup Withholding

In general, if you are a non-United States person, payments of principal, premium or interest made by us and other payors to you will not be subject to backup withholding and information reporting, provided that the certification requirements described above under U.S. Federal Withholding Tax are satisfied or you otherwise establish an exemption. However, we and other payors are required to report payments of interest on your notes on Internal Revenue Service Form 1042-S even if the payments are not otherwise subject to information reporting requirements. In addition, payment of the proceeds from the sale of notes effected at a United States office of a broker will not be subject to backup withholding and information reporting provided that:

the broker does not have actual knowledge or reason to know that you are a United States person and you have furnished to the broker:

an appropriate Internal Revenue Service Form W-8 or an acceptable substitute form upon which you certify, under penalties of perjury, that you are not a United States person, or

other documentation upon which it may rely to treat the payment as made to a non-United States person in accordance with U.S. Treasury regulations, or

you otherwise establish an exemption.

If you fail to establish an exemption and the broker does not possess adequate documentation of your status as a non-United States person, the payments may be subject to information reporting and backup withholding. However, backup withholding will not apply with respect to payments made to an offshore account maintained by you unless the broker has actual knowledge that you are a United States person.

Edgar Filing: WACHOVIA CORP NEW - Form 424B2

In general, payment of the proceeds from the sale of notes effected at a foreign office of a broker will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker will be subject to information reporting and backup withholding if:

the proceeds are transferred to an account maintained by you in the United States,

the payment of proceeds or the confirmation of the sale is mailed to you at a United States address, or

the sale has some other specified connection with the United States as provided in U.S. Treasury regulations,

unless the broker does not have actual knowledge or reason to know that you are a United States person and the documentation requirements described above (relating to a sale of notes effected at a United States office of a broker) are met or you otherwise establish an exemption.

In addition, payment of the proceeds from the sale of notes effected at a foreign office of a broker will be subject to information reporting if the broker is:

a United States person,

a controlled foreign corporation for United States tax purposes,

a foreign person 50% or more of whose gross income is effectively connected with the conduct of a United States trade or business for a specified three-year period, or

a foreign partnership, if at any time during its tax year,

one or more of its partners are U.S. persons, as defined in U.S. Treasury regulations, who in the aggregate hold more than 50% of the income or capital interest in the partnership, or

such foreign partnership is engaged in the conduct of a United States trade or business,

unless the broker does not have actual knowledge or reason to know that you are a United States person and the documentation requirements described above (relating to a sale of notes effected at a United States office of a broker) are met or you otherwise establish an exemption. Backup withholding will apply if the sale is subject to information reporting and the broker has actual knowledge that you are a United States person.

DESCRIPTION OF ASSUMED SENIOR DEBT SECURITIES

The following descriptions of the terms of the particular series of senior debt securities are only summaries. These descriptions are not complete and are qualified in their entirety by reference to the applicable indentures and the applicable series of senior debt securities.

<u>Securities</u>	<u>Issue Date</u>	<u>Interest Payment Dates</u>	<u>Regular Record Dates</u>
7.45% Global Senior Notes of Legacy Wachovia due July 15, 2005	July 13, 2000	January 15 and June 15	January 1 and June 1
6.625% Senior Notes of Legacy Wachovia due November 15, 2006	November 15, 1996	November 15 and May 15	November 1 and May 1

Legacy Wachovia Senior Notes

Legacy Wachovia 7.45% Global Senior Notes

The Legacy Wachovia 7.45% Global Senior Notes due July 15, 2005 were issued on July 13, 2000 and will mature on July 15, 2005. The Legacy Wachovia 7.45% Global Senior Notes are limited to \$550 million aggregate principal amount.

The Legacy Wachovia 7.45% Global Senior Notes bear interest at a rate of 7.45% per year, payable semiannually on January 15 and June 15 of each year to the registered holders at the close of business on the preceding January 1 or June 1.

Legacy Wachovia 6.625% Senior Notes

The Legacy Wachovia 6.625% Senior Notes due November 15, 2006, were issued on November 15, 1996 and will mature on November 15, 2006. The Legacy Wachovia 6.625% Senior Notes are limited to \$200 million aggregate principal amount.

The Legacy Wachovia 6.625% Senior Notes bear interest at the rate of 6.625% per year payable semiannually on November 15 and May 15 of each year to the registered holder at the close of business on the preceding May 1 or November 1.

The 6.625% Senior Notes are not redeemable before maturity. The 7.45% Global Senior Notes are not redeemable before maturity, except under the circumstances described in *Redemption for Tax Reasons* below.

Certain Provisions Applicable to the Legacy Wachovia 7.45% Global Senior Notes

The following discussions under the headings *Redemption for Tax Reasons* and *Payment of Additional Amounts* are applicable only to the 7.45% Global Senior Notes (the Legacy Wachovia redeemable senior notes).

Redemption for Tax Reasons

If (1) as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of the United States (or any political subdivision or taxing authority thereof or therein), or any change in, or amendments to, the official position regarding the application or interpretation of such laws, regulations or rulings, which change or amendment is announced or becomes effective with respect to the 7.45% Global Senior Notes, on or after July 6, 2000, Wachovia becomes or will become obligated to pay additional amounts as described under the heading *Payment of Additional Amounts* below, or (2) any act is taken by a taxing authority of the United States with respect to the 7.45% Global Senior Notes, on or after July 6, 2000, whether or not such act is taken with respect to Wachovia or any affiliate, that results in a substantial probability that Wachovia will or may be required to pay such additional amounts, then Wachovia may, at its option, redeem the Legacy Wachovia redeemable senior notes, in whole but not in part, on not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 100% of the principal amount of the Legacy Wachovia redeemable senior notes, together with interest accrued but unpaid thereon to the date fixed for redemption; provided that Wachovia determines, in its reasonable business judgment, that the obligation to pay such additional amounts cannot be avoided by the use of reasonable measures available to it, not including substitution of the obligor under the Legacy Wachovia redeemable senior notes. No redemption pursuant to (2) above may be made unless Wachovia has received an opinion of independent counsel to the effect that an act taken by a taxing authority of the United States results in a substantial probability that it will or may be required to pay the additional amounts described under the heading *Payment of Additional Amounts* below and Wachovia has delivered to the trustee a certificate, signed by a duly authorized officer, stating that based on such opinion Wachovia is entitled to redeem the Legacy Wachovia redeemable senior notes pursuant to their terms.

Payment of Additional Amounts

Wachovia or any successor corporation will, subject to the exceptions and limitations set forth below, pay as additional interest on the Legacy Wachovia redeemable senior notes debt securities such additional amounts as are necessary in order that the net payment by Wachovia or any successor corporation or a paying agent of the principal of and interest on the Legacy Wachovia redeemable senior notes to a holder who is not (a) a citizen or resident of the United States, (b) a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof, (c) an estate the income of which is subject to United States federal income taxation regardless of its source, or (d) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust or if the trust elects under United States Treasury Regulations to be treated as a U.S. person, after deduction for any present or future tax, assessment or governmental charge of the United States or a political subdivision or taxing authority thereof or therein or any jurisdiction from or through which payment on the Legacy Wachovia redeemable

senior notes is made by Wachovia or any successor corporation or its paying agent in its capacity as such or any political subdivision or governmental authority thereof or therein having the power to tax, or any other jurisdiction in which Wachovia or any successor corporation is organized, or any political subdivision or governmental authority thereof or therein having the power to tax, will not be less than the amount provided in the Legacy Wachovia redeemable senior notes then due and payable; provided, however, that the foregoing obligation to pay additional amounts will not apply:

(1) to a tax, assessment or governmental charge that is imposed or withheld solely by reason of the holder, or a fiduciary, settlor, beneficiary, member or shareholder of the holder if the holder is an estate, trust, partnership or corporation, or a person holding a power over an estate or trust administered by a fiduciary holder, being considered as:

being or having been present or engaged in trade or business in the United States or having had a permanent establishment in the United States;