

WACHOVIA CORP NEW
Form 424B2
November 15, 2007
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Filed Pursuant to Rule 424(b)(2)

Registration No. 333-140491

Registration No. 333-140491-06

Calculation of Registration Fee

	Maximum Aggregate	Amount of
Title of Each Class of Securities Offered	Offering Price	Registration
7.85% Trust Preferred Securities	\$862,500,000	Fee(1) \$26,478.75

(1) The filing fee of \$26,478.75 is calculated in accordance with Rule 457(r) and the Securities Act of 1933.

Prospectus Supplement to Prospectus dated February 7, 2007.

Wachovia Capital Trust X

30,000,000 Securities

7.85% Trust Preferred Securities

(liquidation amount \$25 per security)

fully and unconditionally guaranteed, as described herein,

by

Wachovia Corporation

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Wachovia Capital Trust X, a Delaware statutory trust, will issue the Trust Preferred Securities. Each Trust Preferred Security represents an undivided beneficial interest in the Trust. The only assets of the Trust will be the 7.85% Extendible Long Term Subordinated Notes issued by Wachovia Corporation, which we refer to as the LoTSM. * The Trust will pay distributions on the Trust Preferred Securities only from the proceeds, if any, of interest payments on the LoTSM.

The LoTSM will bear interest from the date they are issued until their repayment or earlier redemption at the annual rate of 7.85% of their principal amount, payable quarterly in arrears on each March 15, June 15, September 15 and December 15, beginning on March 15, 2008. Wachovia has the right, on one or more occasions, to defer the payment of interest on the LoTSM for up to 20 consecutive interest periods or, if earlier, until the first interest payment date on which it pays current interest without being subject to its obligations under the alternative payment mechanism described in this prospectus supplement and for up to 40 consecutive interest periods without giving rise to an event of default. In the event of Wachovia's bankruptcy, holders of the LoTSM will have a limited claim for deferred interest.

The principal amount of the LoTSM will become due on December 15, 2047, the scheduled maturity date, to the extent that Wachovia has received proceeds from the sale of certain qualifying capital securities during a 180-day period ending on a notice date not more than 15 or less than 10 business days prior to such date. Wachovia will use its commercially reasonable efforts, subject to certain market disruption events, to sell enough qualifying capital securities to permit repayment of the LoTSM in full on the scheduled maturity date. If any amount is not paid on the scheduled maturity date, it will remain outstanding and Wachovia will continue to use its commercially reasonable efforts to sell enough qualifying capital securities to permit repayment of the LoTSM in full. Wachovia must pay any remaining principal and interest in full on the LoTSM on the final repayment date whether or not it has sold qualifying capital securities. The final repayment date is initially December 1, 2067, but may be extended at Wachovia's option for up to two additional 10-year periods upon the satisfaction of certain criteria described in this prospectus supplement.

At Wachovia's option, the Trust Preferred Securities may be redeemed (i) at 100% of their liquidation amount on or after December 15, 2012 or after the occurrence of a tax event, capital treatment event or investment company event, as described herein, or (ii) at a make-whole redemption price after the occurrence of a rating agency event, as described herein, in each case plus accrued and unpaid distributions through the date of redemption.

The LoTSM will be subordinated upon Wachovia's liquidation to all of its existing and future senior and subordinated debt other than any debt that by its terms does not rank senior to the LoTSM upon Wachovia's liquidation, but will rank equally upon Wachovia's liquidation with its Remarketable Junior Subordinated Notes due 2042 held by Wachovia Capital Trust III, its 6.375% Extendible Long Term Subordinated Notes held by Wachovia Capital Trust IV and its 6.375% Extendible Long Term Subordinated Notes held by Wachovia Capital Trust IX (and Wachovia's guarantees of those trusts' securities), and will be effectively subordinated to all liabilities of its subsidiaries. As a result, the Trust Preferred Securities also will be effectively subordinated to the same debt and liabilities. Wachovia will guarantee the Trust Preferred Securities on a subordinated basis to the extent described in this prospectus supplement.

The Trust Preferred Securities and the LoTSM are not deposits or other obligations of a bank. They are not insured by the FDIC or any other government agency.

The Trust will apply to list the Trust Preferred Securities on the New York Stock Exchange under the symbol WBPrD. Trading of the Trust Preferred Securities on the New York Stock Exchange is expected to begin within 30 days after they are first issued.

See **Risk Factors** beginning on page S-8 of this prospectus supplement to read about factors you should consider before buying the Trust Preferred Securities.

These securities have not been approved or disapproved by the Securities and Exchange Commission, any state securities commission or the Commissioner of Insurance of the state of North Carolina nor have these organizations determined if this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Trust Preferred Security	Discounts and Commissions	Total (1)(2)
Initial public offering price	\$ 25	(2)	\$ 750,000,000
Proceeds, before expenses and commissions, to Wachovia Corporation	\$ 25	(2)	\$ 750,000,000

- (1) The initial public offering price does not include accrued distributions, if any, on the Trust Preferred Securities from November 21, 2007 to the date of delivery.
- (2) In view of the fact that the proceeds of the sale of the Trust Preferred Securities will be invested in the LoTSM, Wachovia has agreed to pay the underwriters, as compensation for arranging the investment therein of such proceeds, \$0.7875 per Trust Preferred Security (or \$23,625,000 in the aggregate). See Underwriting.

The underwriters expect to deliver the Trust Preferred Securities in book-entry form only through the facilities of The Depository Trust Company against payment in New York, New York on November 21, 2007.

To the extent that the underwriters sell more than 30,000,000 Trust Preferred Securities, the underwriters have the option to purchase up to an additional 4,500,000 Trust Preferred Securities from Wachovia Capital Trust X at the initial public offering price and receive from Wachovia Corporation \$0.7875 per Trust Preferred Security as compensation for arranging the investment of the proceeds of such sale in LoTSM.

Wachovia Securities

Sole Structuring Coordinator & Sole Bookrunner

Senior Co-Managers

Citi

Merrill Lynch & Co.

Morgan Stanley

UBS Investment Bank

Junior Co-Managers

Banc of America Securities LLC

Barclays Capital

Deutsche Bank Securities

Fifth Third Securities, Inc.

ING Wholesale Banking

KeyBanc Capital Markets

Lehman Brothers

National City Capital Markets

Popular Securities

RBC Capital Markets

RBS Greenwich Capital

Wells Fargo Securities

Prospectus Supplement dated November 14, 2007

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NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS SUPPLEMENT, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS PROSPECTUS SUPPLEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF ANY OFFER TO BUY ANY SECURITIES OTHER THAN THE SECURITIES TO WHICH IT RELATES OR AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SUCH SECURITIES IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF WACHOVIA OR THE TRUST SINCE THE DATE HEREOF OR THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of this offering. The second part is the prospectus, which describes more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with additional information described under the heading *Where You Can Find More Information* below.

When acquiring any securities discussed in this prospectus supplement, you should rely only on the information provided in this prospectus supplement and the accompanying prospectus, including the information incorporated by reference, and the final term sheet, which will contain solely a description of the LoTSSM and the Trust Preferred Securities and will be made available to you at the time of pricing. Neither Wachovia 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 supplement or any document incorporated by reference is accurate or complete at any date other than the date mentioned on the cover page of these documents.

One or more of Wachovia's subsidiaries, including Wachovia Capital Markets, LLC, 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 supplement and the accompanying prospectus in those transactions. Any sale by a subsidiary will be made at the prevailing market price at the time of sale. Wachovia Capital Markets, LLC and Wachovia Securities, LLC each conduct business under the name *Wachovia Securities*. Any reference in this prospectus supplement to *Wachovia Securities* means Wachovia Capital Markets, LLC and not Wachovia Securities, LLC, unless otherwise mentioned or unless the context requires otherwise.

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

If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

FORWARD-LOOKING STATEMENTS

This prospectus supplement contains or incorporates statements that are forward-looking statements. 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 words. Our actual results, 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 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 supplement and the accompanying prospectus. You should not place undue reliance on any forward-looking statement, which speaks only as of the date made. You should refer to Wachovia's periodic and current reports filed with the SEC for specific risks that could cause actual results to be significantly different from those expressed or implied by these forward-looking statements.

WHERE YOU CAN FIND MORE INFORMATION

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Wachovia files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or *SEC*. You may read and copy any document Wachovia files at the

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SEC's public reference room at 100 F Street, N.E., Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. In addition, Wachovia's SEC filings are available to the public at the SEC's website at <http://www.sec.gov>. You can also inspect reports, proxy statements and other information about Wachovia at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York.

The SEC allows Wachovia to incorporate by reference into this prospectus supplement the information in documents Wachovia files with it. This means that Wachovia 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 supplement and should be read with the same care. When Wachovia updates 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 supplement 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 supplement and information incorporated by reference into this prospectus supplement, you should rely on the information contained in the document that was filed later. Wachovia incorporates by reference the documents listed below and any documents it files with the SEC in the future (except, in either case, for such information that is deemed furnished to the SEC) under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act until the offering of securities by means of this prospectus supplement is completed:

Annual Report on Form 10-K for the year ended December 31, 2006;

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2007, June 30, 2007 and September 30, 2007; and

Current Reports on Form 8-K filed on January 23, 2007, February 13, 2007, February 15, 2007, February 21, 2007, April 16, 2007, April 18, 2007, May 8, 2007, May 31, 2007, June 28, 2007, July 20, 2007, August 21, 2007, October 19, 2007 and November 9, 2007.

You may obtain any of the documents incorporated by reference in this prospectus supplement through Wachovia's website, www.wachovia.com/investor. In addition, you may request a copy of these filings and copies of the documents referenced herein, at no cost, by writing or telephoning us at the following address:

Wachovia Corporation

Investor Relations

301 South College Street

Charlotte, North Carolina 28288-0206

(704) 374-6782

Other than any documents expressly incorporated by reference, the information on Wachovia's website and any other website that is referred to in this prospectus supplement is not part of this prospectus supplement.

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SUMMARY

This summary highlights information contained elsewhere, or incorporated by reference, in this prospectus supplement. As a result, it does not contain all of the information that may be important to you or that you should consider before investing in the Trust Preferred Securities or the LoTSSM. You should read this entire prospectus supplement and accompanying prospectus, including the Risk Factors section and the documents incorporated by reference, which are described under Where You Can Find More Information.

Wachovia Corporation

Wachovia is a financial holding company organized under the laws of North Carolina and registered under the Bank Holding Company Act. Wachovia has approximately 3,400 full service financial centers, approximately 800 retail brokerage offices and approximately 5,100 ATM locations. Wachovia offers a comprehensive line of consumer and commercial banking products and services, personal and commercial trust, investment advisory, insurance, securities brokerage, investment banking, mortgage, credit card, cash management, international banking and other financial services.

At September 30, 2007, Wachovia had consolidated total assets of \$754.2 billion, consolidated total deposits of \$421.9 billion and consolidated stockholders' equity of \$70.1 billion. Based on total assets at September 30, 2007, Wachovia was the fourth largest bank holding company in the United States.

Wachovia's principal executive office is: Wachovia Corporation, 301 South College Street, Charlotte, North Carolina 28288, telephone number: (704) 374-6161.

Wachovia Capital Trust X

The Trust is a statutory trust formed under Delaware law pursuant to a trust agreement by Wachovia, as sponsor of the Trust, and the property trustee, the Delaware trustee and the administrative trustees. The Trust exists for the exclusive purposes of:

issuing the Trust Preferred Securities and common securities representing undivided beneficial interests in the Trust;

investing the gross proceeds of the Trust Preferred Securities and the common securities in the LoTSSM; and

engaging in only those activities convenient, necessary or incidental thereto.

The Trust's business and affairs will be conducted by its trustees, each appointed by Wachovia as sponsor of the Trust. The trustees will be U.S. Bank National Association, as the *property trustee*, U.S. Bank Trust National Association, as the *Delaware trustee*, and two or more individual trustees, or *administrative trustees*, who are employees or officers of or affiliated with Wachovia.

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The principal executive office of the Trust is c/o Wachovia Corporation, 301 South College Street, Charlotte, North Carolina 28288, telephone number: (704) 374-6161.

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The Trust Preferred Securities

Each Trust Preferred Security represents an undivided beneficial interest in the Trust.

The Trust will sell the Trust Preferred Securities to the public and its common securities to Wachovia. The Trust will use the proceeds from those sales to purchase \$750,010,000 aggregate principal amount of 7.85% Extendible Long Term Subordinated Notes of Wachovia, which we refer to in this prospectus supplement as the *LoTSSM*. Wachovia will pay interest on the *LoTSSM* at the same rate and on the same dates as the Trust makes payments on the Trust Preferred Securities. The Trust will use the payments it receives on the *LoTSSM* to make the corresponding payments on the Trust Preferred Securities.

The underwriters have the option to purchase up to an additional 4,500,000 Trust Preferred Securities, or \$112,500,000 in the aggregate. The Trust will use the proceeds from those additional Trust Preferred Securities to purchase an additional corresponding amount of *LoTSSM*.

Distributions

If you purchase Trust Preferred Securities, you will be entitled to receive periodic distributions on the stated liquidation amount of \$25 per Trust Preferred Security (the *liquidation amount*) on the same payment dates and in the same amounts as Wachovia pays interest to the Trust on a principal amount of *LoTSSM* equal to the liquidation amount of such Trust Preferred Security. Distributions will accumulate from November 21, 2007. The Trust will make distribution payments on the Trust Preferred Securities quarterly in arrears on each March 15, June 15, September 15 and December 15, beginning on March 15, 2008. If Wachovia defers payment of interest on the *LoTSSM*, distributions by the Trust on the Trust Preferred Securities will also be deferred.

Deferral of Distributions

Wachovia has the right, on one or more occasions, to defer the payment of interest on the *LoTSSM* for up to 20 consecutive quarterly interest periods without being subject to its obligations described under Description of the *LoTSSM* Alternative Payment Mechanism, and for up to 40 consecutive quarterly interest periods without giving rise to an event of default under the terms of the *LoTSSM* or the Trust Preferred Securities. However, no interest deferral may extend beyond the repayment or redemption of the *LoTSSM*.

If Wachovia exercises its right to defer interest payments on the *LoTSSM*, the Trust will also defer paying a corresponding amount of distributions on the Trust Preferred Securities during that deferral period.

Although neither Wachovia nor the Trust will be required to make any interest or distribution payments during a deferral period other than pursuant to the alternative payment mechanism, interest on the *LoTSSM* will continue to accrue during deferral periods and, as a result, distributions on the Trust Preferred Securities will continue to accumulate at the interest rate on the *LoTSSM*, compounded on each distribution date.

Following the earlier of (i) the fifth anniversary of the commencement of a deferral period or (ii) a payment of current interest on the LoTSSM, Wachovia will be required, with certain exceptions, to pay deferred interest pursuant to the alternative payment mechanism described under Description of the LoTSSM Alternative Payment Mechanism. At any time during a deferral period, Wachovia may not pay deferred interest on the LoTSSM except pursuant to the alternative payment mechanism, subject to limited exceptions. However, it may pay current interest on any interest payment date out of any source of funds free of the limitations of the alternative payment mechanism, even if that interest payment date is during a deferral period.

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If Wachovia defers payments of interest on the LoTSSM, the LoTSSM will be treated as being issued with original issue discount for United States federal income tax purposes. This means that you must include interest income with respect to the deferred distributions on your Trust Preferred Securities in gross income for United States federal income tax purposes, prior to receiving any cash distributions. See [Certain United States Federal Income Tax Consequences](#) [United States Holders](#) [Interest Income](#) and [Original Issue Discount](#).

Redemption of Trust Preferred Securities

The Trust will use the proceeds of any repayment or redemption of the LoTSSM to redeem, on a proportionate basis, an equal amount of Trust Preferred Securities and common securities.

For a description of Wachovia's rights to redeem the LoTSSM, see [Description of the LoTSSM Redemption](#).

Under the current rules of the Board of Governors of the Federal Reserve System (referred to collectively with the Federal Reserve Bank of Richmond, or any successor federal bank regulatory agency having primary jurisdiction over Wachovia, as the *Federal Reserve*), Federal Reserve approval is generally required for the early redemption of preferred stock or trust preferred securities included in regulatory capital. However, under current guidelines, rules and regulations, Federal Reserve approval is not required for the redemption of the Trust Preferred Securities on or after the scheduled maturity date in connection with the repayment of the LoTSSM since, in this case, the redemption would not be an early redemption but would be pursuant to Wachovia's contractual obligation to repay the LoTSSM, subject to the limitations described under [Description of the LoTSSM Repayment of Principal](#), on the scheduled maturity date.

Liquidation of the Trust and Distribution of LoTSSM to Holders

Wachovia may elect to dissolve the Trust at any time and, after satisfaction of the Trust's liabilities, to cause the property trustee to distribute the LoTSSM to the holders of the Trust Preferred Securities and common securities. However, if then required under the risk-based capital guidelines or policies of the Federal Reserve applicable to bank holding companies, it must obtain the approval of the Federal Reserve prior to making that election.

Further Issues

The Trust has the right to issue additional Trust Preferred Securities of this series in the future, subject to the conditions described under [Description of the Trust Preferred Securities Further Issues](#). Any such additional Trust Preferred Securities will have the same terms as the Trust Preferred Securities being offered by this prospectus supplement but may be offered at a different offering price and accrue distributions from a different date than the Trust Preferred Securities being offered hereby. If issued, any such additional Trust Preferred Securities will become part of the same series as the Trust Preferred Securities being offered hereby to the extent such securities bear the same CUSIP number.

Book-Entry

The Trust Preferred Securities will be represented by one or more global securities registered in the name of and deposited with The Depository Trust Company (*DTC*) or its nominee. This means that you will not receive a certificate for your Trust Preferred Securities and Trust Preferred Securities will not be registered in your name, except under certain limited circumstances described in Book-Entry System.

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Listing

Wachovia will apply to list the Trust Preferred Securities on the New York Stock Exchange. Trading in the Trust Preferred Securities is expected to commence within 30 days after they are first issued.

The LoTSSM

Repayment of Principal

Wachovia must repay the principal amount of the LoTSSM, together with accrued and unpaid interest, on December 15, 2047, or if that date is not a business day, the next business day (the *scheduled maturity date*), subject to the limitations described below.

Wachovia is required to repay the LoTSSM on the scheduled maturity date to the extent of the net proceeds that it has raised from the issuance of *qualifying capital securities*, as described under Replacement Capital Covenant, during a 180-day period ending on a notice date not more than 15 or less than 10 business days prior to such date. If it has not raised sufficient net proceeds to permit repayment of all principal and accrued and unpaid interest on the LoTSSM on the scheduled maturity date, it will repay the LoTSSM to the extent of the net proceeds it has raised and the unpaid portion will remain outstanding. Wachovia will be required to repay the unpaid portion of the LoTSSM on each subsequent interest payment date to the extent of the net proceeds it receives from any subsequent issuance of qualifying capital securities or upon the earliest to occur of:

the redemption of the LoTSSM;

an event of default that results in acceleration of the LoTSSM; and

December 1, 2067, or if that date is not a business day, the next business day, provided that such date may be extended at Wachovia's option for up to two additional 10-year periods upon the satisfaction of certain criteria, as described under Description of the LoTSSM Repayment of Principal (as extended, if applicable, the *final repayment date*).

Wachovia will use its commercially reasonable efforts, subject to a *market disruption event*, as described under Description of the LoTSSM Market Disruption Events, to raise sufficient net proceeds from the issuance of qualifying capital securities in a 180-day period ending on a notice date not more than 15 or less than 10 business days prior to the scheduled maturity date to permit repayment of the LoTSSM in full on the scheduled maturity date in accordance with the preceding paragraph. If Wachovia is unable for any reason to raise sufficient proceeds, it will use its commercially reasonable efforts, subject to a market disruption event, to raise sufficient proceeds from the sale of qualifying capital securities to permit repayment of the LoTSSM on the following interest payment date, and on each interest payment date thereafter, until the LoTSSM are paid in full.

Any unpaid principal amount of the LoTSSM, together with accrued and unpaid interest, will be due and payable on the final repayment date, regardless of the amount of qualifying capital securities or qualifying APM securities Wachovia has issued and sold by that time.

Wachovia is not required to issue any securities pursuant to the obligation described above other than qualifying capital securities.

Under the current risk-based capital adequacy guidelines of the Federal Reserve, Federal Reserve approval is generally required for the early redemption of preferred stock or trust preferred securities included in regulatory capital. However, under current guidelines, rules and regulations, Federal Reserve approval is not required for the redemption of the Trust Preferred Securities on or after the scheduled

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maturity date in connection with the repayment of the LoTSSM as described above since, in this case, the redemption would not be an early redemption but would be pursuant to Wachovia's contractual obligation to repay the LoTSSM.

Interest

The LoTSSM will bear interest at the annual rate of 7.85%. Interest on the LoTSSM will accrue from November 21, 2007. Wachovia will pay that interest quarterly in arrears on March 15, June 15, September 15 and December 15 of each year (we refer to these dates as *interest payment dates*), beginning on March 15, 2008.

Subordination

The LoTSSM will be unsecured and will be deeply subordinated upon Wachovia's liquidation, including to all of its existing and future senior and subordinated debt, but will rank equally upon liquidation with its Remarketable Junior Subordinated Notes due 2042 held by Wachovia Capital Trust III, its 6.375% Extendible Long Term Subordinated Notes held by Wachovia Capital Trust IV, its 6.375% Extendible Long Term Subordinated Notes held by Wachovia Capital Trust IX and Wachovia's guarantees of the trust preferred securities issued by such trusts (collectively, the *existing parity obligations*), and will be effectively subordinated to all liabilities of its subsidiaries. Substantially all of Wachovia's existing indebtedness is senior and subordinated debt. See Description of the LoTSSM Subordination for the definition of *senior and subordinated debt*.

Certain Payment Restrictions Applicable to Wachovia

During any period in which Wachovia has given notice of its election to defer interest payments on the LoTSSM but the related deferral period has not yet commenced or a deferral period is continuing, Wachovia generally may not make payments on or redeem or repurchase its capital stock or its debt securities or guarantees ranking *pari passu* with or junior to the LoTSSM, subject to the exceptions described under Description of the LoTSSM Dividend and Other Payment Stoppages during Interest Deferral and under Certain Other Circumstances. In addition, if any deferral period lasts longer than one year, Wachovia generally may not repurchase or acquire any securities ranking *pari passu* with or junior to any qualifying APM securities, the proceeds of which were used to settle deferred interest during the relevant deferral period before the first anniversary of the date on which all deferred interest has been paid. We define qualifying APM securities under Description of the LoTSSM Alternative Payment Mechanism.

The terms of the LoTSSM permit Wachovia to make any payment of current or deferred interest on its debt securities or guarantees that rank on a parity with the LoTSSM upon its liquidation (*parity securities*) so long as the payment is made *pro rata* to the amounts due on parity securities (including the LoTSSM), subject to the limitations described in the last paragraph under Description of the LoTSSM Alternative Payment Mechanism to the extent that it applies, and any payment of deferred interest on parity securities outstanding on the date hereof that, if not made, would cause it to breach the terms of the instrument governing such parity securities.

Redemption of LoTSSM

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Wachovia may elect to redeem any or all of the LoTSSM at any time on or after December 15, 2012 and it may elect to redeem all, but not less than all, of the LoTSSM at any time prior to such date if certain changes occur relating to the capital treatment or tax treatment of the Trust Preferred Securities, investment company laws or the rating agency equity credit accorded to the Trust Preferred Securities. The redemption price of the

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LoTSSM will be equal to their principal amount (or, in the case of a redemption in connection with changes in the rating agency credit accorded to the Trust Preferred Securities, a make-whole redemption price), plus accrued and unpaid interest thereon through the date of redemption. For a description of the events that would permit redemption of the LoTSSM prior to December 15, 2012 and the make-whole redemption price, see Description of the LoTSSM Redemption.

Wachovia will be subject to its obligations under the replacement capital covenant (as described below) if it elects to redeem any or all of the LoTSSM at any time on or after the earlier of the date that is 30 years prior to the final repayment date and the scheduled maturity date and prior to the later of the date that is 20 years prior to the final repayment date and December 15, 2057. In addition, under the current risk-based capital adequacy guidelines of the Federal Reserve applicable to bank holding companies, Federal Reserve approval is generally required for the early redemption of preferred stock or trust preferred securities included in regulatory capital. Accordingly, Federal Reserve approval would generally be required for the redemption of the LoTSSM prior to the scheduled maturity date.

Events of Default

The following events are *events of default* with respect to the LoTSSM

default in the payment of interest, including compounded interest, in full on any LoTSSM for a period of 30 days after the conclusion of a 10-year period following the commencement of any deferral period;

bankruptcy of Wachovia; or

receivership of Wachovia Bank, National Association.

If an event of default under the indenture occurs and continues, the indenture trustee or the holders of at least 25% in aggregate principal amount of the outstanding LoTSSM may declare the entire principal and all accrued but unpaid interest of all LoTSSM to be due and payable immediately. If the indenture trustee or the holders of LoTSSM do not make such declaration and the LoTSSM are beneficially owned by the Trust or a trustee of the Trust, the property trustee or the holders of at least 25% in aggregate liquidation amount of the Trust Preferred Securities shall have such right.

Tax Treatment

In connection with the issuance of the LoTSSM, Simpson Thacher & Bartlett LLP, Wachovia's tax counsel, has advised us that, under current law and assuming full compliance with the terms of the indenture and other relevant documents, and based on the representations, facts and assumptions set forth in its opinion, although the matter is not free from doubt, the LoTSSM will be characterized as indebtedness for United States federal income tax purposes. The Trust Preferred Securities are novel financial instruments, and there is no statutory, judicial or administrative authority that directly addresses the United States federal income tax treatment of securities similar to the Trust Preferred Securities. Thus, no assurance can be given that the Internal Revenue Service or a court will agree with this characterization. By purchasing the Trust Preferred Securities, each holder of the Trust Preferred Securities agrees, and Wachovia and the Trust agree, to treat the LoTSSM as indebtedness for all United States federal income tax purposes. See Certain United States Federal Income Tax Consequences.

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Replacement Capital Covenant

Wachovia will enter into a replacement capital covenant for the benefit of persons that buy, hold or sell a specified series of its long-term indebtedness ranking senior to the LoTSSM (or in certain limited cases long-term indebtedness of its subsidiary, Wachovia Bank, National Association.) in which it will agree that neither it nor any of its subsidiaries shall repay, redeem or purchase the LoTSSM or Trust Preferred Securities at any time on or after the earlier of the date that is 30 years prior to the final repayment date and the scheduled maturity date and prior to the later of the date that is 20 years prior to the final repayment date and December 15, 2057 unless the principal amount repaid or the applicable redemption or purchase price does not exceed a maximum amount determined by reference to the aggregate amount of net cash proceeds Wachovia has received from the sale of common stock, rights to acquire common stock, mandatorily convertible preferred stock, debt exchangeable for common equity, debt exchangeable for preferred equity, qualifying preferred stock, REIT preferred securities and certain qualifying capital securities and the market value of common stock that Wachovia has delivered as consideration for property or assets in an arm's length transaction or issued in connection with the conversion or exchange of certain securities within the 180-day period (or after the scheduled maturity date, the 90-day period) prior to delivery of notice of such repayment or redemption or the date of such purchase.

The replacement capital covenant, including the definitions of common stock, mandatorily convertible preferred stock, debt exchangeable for common equity, debt exchangeable for preferred equity, qualifying preferred stock, REIT preferred securities, qualifying capital securities and other important terms, is described in more detail under Replacement Capital Covenant.

If an event of default resulting in the acceleration of the LoTSSM occurs, Wachovia will not have to comply with the replacement capital covenant. Wachovia's covenant in the replacement capital covenant will run only to the benefit of the covered debtholders. It may not be enforced by the holders of the Trust Preferred Securities or the LoTSSM. The initial covered debt is Wachovia's Floating Rate Junior Subordinated Deferrable Interest Debentures due January 15, 2027, owned of record by Wachovia Capital Trust II, the trust preferred securities of which have CUSIP No. 929768AA7.

Guarantee by Wachovia

Wachovia will fully and unconditionally guarantee payment of amounts due under the Trust Preferred Securities on a subordinated basis and to the extent the Trust has funds available for payment of those amounts. We refer to this obligation as the *guarantee*. However, the guarantee does not cover payments if the Trust does not have sufficient funds to make the distribution payments, including, for example, if Wachovia has failed to pay to the Trust amounts due under the LoTSSM or if it elects to defer payment of interest under the LoTSSM.

As issuer of the LoTSSM, Wachovia is also obligated to pay the expenses and other obligations of the Trust, other than its obligations to make payments on the Trust Preferred Securities.

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RISK FACTORS

An investment in the Trust Preferred Securities is subject to the risks described below. You should carefully review the following risk factors and other information contained in this prospectus supplement, in documents incorporated by reference in this prospectus supplement and in the accompanying prospectus before deciding whether this investment is suited to your particular circumstances. In addition, because each Trust Preferred Security sold in the offering will represent a beneficial interest in the Trust, which will own the LoTSSM, you are also making an investment decision with regard to the LoTSSM, as well as Wachovia's guarantee of the Trust's obligations. You should carefully review all the information in this prospectus supplement about all of these securities.

The indenture does not limit the amount of indebtedness for money borrowed Wachovia may issue that ranks senior to the LoTSSM upon its liquidation or in right of payment as to principal or interest.

The LoTSSM will be subordinate and junior upon Wachovia's liquidation to its obligations under all of its indebtedness for money borrowed that is not by its terms made *pari passu* with or junior to the LoTSSM upon liquidation, which will include \$2.3 billion of junior subordinated debt securities underlying outstanding traditional trust preferred securities. At September 30, 2007, Wachovia's indebtedness for money borrowed ranking senior to the LoTSSM on liquidation, on a parent only basis, was \$52.8 billion. The LoTSSM will rank *pari passu* with the existing parity obligations.

Parity securities means debt securities or guarantees that rank on a parity with the LoTSSM upon Wachovia's liquidation and include the existing parity obligations. Wachovia may issue or have outstanding parity securities as to which it is required to make payments of interest during a deferral period on the LoTSSM that, if not made, would cause it to breach the terms of the instrument governing such parity securities. The terms of the LoTSSM permit Wachovia to make any payment of deferred interest on parity securities outstanding on the date hereof that, if not made, would cause it to breach the terms of the instrument governing such parity securities. They also permit Wachovia to make any payment of current or deferred interest on parity securities and on the LoTSSM during a deferral period that is made *pro rata* to the amounts due on such parity securities and the LoTSSM, subject to the limitations described in the last paragraph under "Description of the LoTSSM Alternative Payment Mechanism" to the extent that it applies.

The LoTSSM beneficially owned by the Trust will be effectively subordinated to the obligations of Wachovia's subsidiaries.

Wachovia receives a significant portion of its revenue from dividends from its subsidiaries. Because it is a holding company, its right to participate in any distribution of the assets of its banking or nonbanking subsidiaries, upon a subsidiary's dissolution, winding-up, liquidation or reorganization or otherwise, and thus your ability to benefit indirectly from such distribution, is subject to the prior claims of creditors of any such subsidiary, except to the extent that Wachovia may be a creditor of that subsidiary and its claims are recognized. There are legal limitations on the extent to which some of its subsidiaries may extend credit, pay dividends or otherwise supply funds to, or engage in transactions with, it or some of its other subsidiaries. Wachovia's subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay amounts due under Wachovia's contracts or otherwise to make any funds available to it. Accordingly, the payments on the LoTSSM, and therefore the Trust Preferred Securities, effectively will be subordinated to all existing and future liabilities of Wachovia's subsidiaries.

Wachovia's ability to make distributions on or redeem the Trust Preferred Securities is restricted.

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Federal banking authorities will have the right to examine the Trust and its activities because it is Wachovia's subsidiary. Under certain circumstances, including any determination that Wachovia's

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relationship to the Trust would result in an unsafe and unsound banking practice, these banking authorities have the authority to issue orders that could restrict the Trust's ability to make distributions on or to redeem the Trust Preferred Securities.

Wachovia guarantees distributions on the Trust Preferred Securities only if the Trust has cash available.

If you hold any of the Trust Preferred Securities, Wachovia will guarantee you, on an unsecured and junior subordinated basis, the payment of the following:

any accumulated and unpaid distributions required to be paid on the Trust Preferred Securities, to the extent the Trust has funds available to make the payment;

the redemption price for any Trust Preferred Securities called for redemption, to the extent the Trust has funds available to make the payment; and

upon a voluntary or involuntary dissolution, winding-up or liquidation of the Trust, other than in connection with a distribution of corresponding assets to holders of Trust Preferred Securities, the lesser of:

the aggregate of the stated liquidation amount and all accumulated and unpaid distributions on the Trust Preferred Securities to the date of payment, to the extent the Trust has funds available to make the payment; and

the amount of assets of the Trust remaining available for distribution to holders of the Trust Preferred Securities upon liquidation of the Trust.

If Wachovia does not make a required interest payment on the LoTSSM or elects to defer interest payments on the LoTSSM, the Trust will not have sufficient funds to make the related distribution on the Trust Preferred Securities. The guarantee does not cover payments on the Trust Preferred Securities when the Trust does not have sufficient funds to make them. If Wachovia does not pay any amounts on the LoTSSM when due, holders of the Trust Preferred Securities will have to rely on the enforcement by the property trustee of the property trustee's rights as owner of the LoTSSM, or proceed directly against Wachovia for payment of any amounts due on the LoTSSM.

Wachovia's obligations under the guarantee are unsecured and are subordinated to and junior in right of payment to all of its secured and senior indebtedness, and will rank *pari passu* with its guarantees of the existing parity obligations and any similar guarantees it issues in the future.

Wachovia may redeem the LoTSSM before December 15, 2012 if there is a challenge to their tax characterization or certain other events occur.

Wachovia may redeem any or all of the LoTSSM at any time on or after December 15, 2012 and it may elect to redeem all, but not less than all, of the LoTSSM before such date if certain changes occur relating to the capital treatment or tax treatment of the Trust Preferred Securities, investment company laws or the rating agency credit accorded to the Trust Preferred Securities. The redemption price for the LoTSSM will be equal to their principal amount or, in the case of a redemption in connection with changes in the rating agency credit accorded to the Trust

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Preferred Securities, a make-whole redemption price, in each case plus accrued and unpaid interest through the date of redemption. If the Trust Preferred Securities were redeemed, the redemption would be a taxable event to you. In addition, you might not be able to reinvest the money you receive upon redemption of the Trust Preferred Securities at the same rate as the rate of return on the Trust Preferred Securities. See Description of the LoTSSM Redemption.

An IRS pronouncement or threatened challenge resulting in a tax event could occur at any time. Similarly, changes in rating agency methodology for assigning equity credit to the LoTSSM, changes or proposed changes in the treatment of the LoTSSM for Federal Reserve capital adequacy purposes, and changes

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relating to the treatment of the trust as an investment company, could result in the LoTSSM being redeemed earlier than would otherwise be the case. See Description of the LoTSSM Redemption for a further description of those events.

Wachovia's right to redeem the LoTSSM on or after the scheduled maturity date is limited by the replacement capital covenant.

As described above, Wachovia may redeem any or all of LoTSSM at any time on or after December 15, 2012, including on or after the scheduled maturity date. However, the replacement capital covenant described under Replacement Capital Covenant will limit its right to redeem or purchase LoTSSM at any time on or after the earlier of the date that is 30 years prior to the final repayment date and the scheduled maturity date and prior to the later of the date that is 20 years prior to the final repayment date and December 15, 2057. In the replacement capital covenant, Wachovia covenants, for the benefit of holders of a designated series of its indebtedness that ranks senior to the LoTSSM, or in certain limited cases holders of a designated series of indebtedness of Wachovia Bank, National Association, that neither it nor any of its subsidiaries will redeem, repay or purchase the LoTSSM or the Trust Preferred Securities unless the principal amount repaid or the applicable redemption or purchase price does not exceed a maximum amount determined by reference to the aggregate amount of net cash proceeds it receives from the sale of certain replacement capital securities and the market value of certain issuances of common stock within the 180-day period (or after the scheduled maturity date, the 90-day period) prior to the delivery of notice of such repayment or redemption or the date of such purchase. Accordingly, there could be circumstances in which it would be in the interest of both you and Wachovia that some or all of the LoTSSM or the Trust Preferred Securities be redeemed, and sufficient cash is available for that purpose, but Wachovia will be restricted from doing so because it did not obtain proceeds from the sale of replacement capital securities, which are described in Replacement Capital Covenant, within the relevant period.

Wachovia's obligation to repay the LoTSSM on the scheduled maturity date is subject to issuance of qualifying capital securities.

Wachovia's obligation to repay the LoTSSM on the scheduled maturity date of December 15, 2047 is limited. Wachovia is required to repay the LoTSSM on the scheduled maturity date to the extent that it has raised sufficient net proceeds from the issuance of qualifying capital securities (as defined under Replacement Capital Covenant) within a 180-day period ending on a notice date not more than 15 or less than 10 business days prior to such date. If it has not raised sufficient proceeds from the issuance of qualifying capital securities to permit repayment of the LoTSSM on the scheduled maturity date, it will repay the LoTSSM to the extent of the net proceeds it has received and the unpaid portion will remain outstanding. Moreover, Wachovia may only pay deferred interest out of the net proceeds from the sale of qualifying APM securities, as described under Wachovia's ability to pay deferred interest is limited by the terms of the alternative payment mechanism, and is subject to market disruption events and other factors beyond its control. Wachovia will be required to repay the unpaid portion of the LoTSSM on each subsequent interest payment date to the extent of net proceeds it receives from any subsequent issuance of qualifying capital securities until: (i) it has raised sufficient net proceeds to permit repayment in full in accordance with this requirement, (ii) payment of the LoTSSM is accelerated upon the occurrence of an event of default or (iii) the final repayment date for the LoTSSM. Wachovia's ability to issue qualifying capital securities in connection with this obligation to repay the LoTSSM will depend on, among other things, market conditions at the time the obligation arises, as well as the acceptability to prospective investors of the terms of these qualifying capital securities. Although Wachovia has agreed to use its commercially reasonable efforts to issue sufficient qualifying capital securities to repay the LoTSSM during the 180-day period referred to above and from quarter to quarter thereafter until the LoTSSM are repaid in full, its failure to do so would not be an event of default or give rise to a right of acceleration or similar remedy until the final repayment date, and it will be excused from using its commercially reasonable efforts if certain market disruption events occur.

Moreover, at or around the time of issuance of the Trust Preferred Securities, Wachovia will enter into the replacement capital covenant pursuant to which Wachovia will covenant that neither it nor any of its

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subsidiaries will repay, redeem or purchase LoTSSM or Trust Preferred Securities at any time on or after the earlier of the date that is 30 years prior to the final repayment date and the scheduled maturity date and prior to the later of the date that is 20 years prior to the final repayment date and December 15, 2057 unless during the applicable measurement period Wachovia or its subsidiaries have issued certain amounts of common stock or received sufficient proceeds from the sale of replacement capital securities. Under the replacement capital covenant, the principal amount of LoTSSM that Wachovia may repay during the period described above may be based on the net cash proceeds from issuances of various securities in addition to qualifying capital securities and the market value of common stock that Wachovia has delivered as consideration for property or assets in an arm's length transaction or issued in connection with the conversion or exchange of certain securities. Wachovia may, however, modify the replacement capital covenant without your consent if the modification does not further restrict its ability to repay the LoTSSM in connection with an issuance of qualifying capital securities. See Replacement Capital Covenant.

Wachovia has no obligation to issue any securities other than qualifying capital securities in connection with its obligation to repay the LoTSSM on or after the scheduled maturity date.

Wachovia has the right to defer interest for 10 years without causing an event of default.

Wachovia has the right to defer interest on the LoTSSM for up to 40 consecutive quarterly interest periods. Although it would be subject to the alternative payment mechanism after the earlier of the fifth anniversary of the commencement of the deferral period and the first interest payment date on which it makes any payment of current interest during a deferral period, if it is unable to raise sufficient eligible proceeds, it may fail to pay accrued interest on the LoTSSM for a period of up to 10 consecutive years without causing an event of default. During any such deferral period, holders of Trust Preferred Securities will receive limited or no current payments on the Trust Preferred Securities and, so long as Wachovia is otherwise in compliance with its obligations, such holders will have no remedies against the Trust or Wachovia for nonpayment unless it fails to pay all deferred interest (including compounded interest) within 30 days of the conclusion of a 10-year deferral period.

Wachovia's ability to pay deferred interest is limited by the terms of the alternative payment mechanism, and is subject to market disruption events and other factors beyond its control.

If Wachovia elects to defer interest payments, it will not be permitted to pay deferred interest on the LoTSSM (and compounded interest thereon) during the deferral period, which may last up to 10 years, from any source other than the issuance of common stock, qualifying preferred stock up to the preferred stock issuance cap and qualifying warrants (each as defined under Description of the LoTSSM Alternative Payment Mechanism) unless a supervisory event has occurred and is continuing (*i.e.*, the Federal Reserve has disapproved of such issuance or disapproved of the use of proceeds of such issuance to pay deferred interest), in the case of certain business combinations or if an event of default has occurred and is continuing, in which case Wachovia will be permitted, but not required, to pay deferred interest with cash from any source, all as described under Description of the LoTSSM Alternative Payment Mechanism. Common stock, qualifying preferred stock and qualifying warrants issuable under the alternative payment mechanism are referred to as *qualifying APM securities*. The *preferred stock issuance cap* limits the net proceeds of the issuance of qualifying preferred stock that Wachovia may apply to the payment of deferred interest with respect to all deferral periods to 25% of the aggregate principal amount of the LoTSSM initially issued. The occurrence of a market disruption event or supervisory event may prevent or delay a sale of qualifying APM securities pursuant to the alternative payment mechanism and, accordingly, the payment of deferred interest on the LoTSSM. Market disruption events include events and circumstances both within and beyond Wachovia's control, such as the failure to obtain approval of a regulatory body or governmental authority to issue qualifying APM securities or shareholder consent to increase the shares available for issuance in a sufficient amount, in each case notwithstanding its commercially reasonable efforts. Moreover, Wachovia may encounter difficulties in successfully marketing its qualifying APM securities, particularly during times it is

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subject to the restrictions on dividends as a result of the deferral of interest. If Wachovia does not sell sufficient qualifying APM securities to fund deferred interest payments in these circumstances (other than as a result of a supervisory event), Wachovia will not be permitted to pay deferred interest to the Trust and, accordingly, no payment of distributions may be made on the Trust Preferred Securities, even if it has cash available from other sources. See Description of the LoTSSM Option to Defer Interest Payments, Alternative Payment Mechanism and Market Disruption Events.

The terms of Wachovia's outstanding junior subordinated debentures prohibit it from making any payment of principal or interest on the LoTSSM or the guarantee relating to the Trust Preferred Securities and from repaying, redeeming or repurchasing any LoTSSM if it has actual knowledge of any event that would be an event of default under any indenture governing those debentures or at any time when it has deferred interest thereunder.

Wachovia must notify the Federal Reserve before using the alternative payment mechanism and may not use it if the Federal Reserve shall have disapproved.

The indenture for the LoTSSM provides that Wachovia must notify the Federal Reserve if the alternative payment mechanism is applicable and that it may not sell its qualifying APM securities or apply any eligible proceeds to pay interest pursuant to the alternative payment mechanism if a supervisory event has occurred and is continuing (*i.e.*, the Federal Reserve has disapproved of such issuance or disapproved of the use of proceeds of such issuance to pay deferred interest). The Federal Reserve may allow the issuance of qualifying APM securities, but not allow use of the proceeds to pay deferred interest on the LoTSSM and require that the proceeds be applied to other purposes, including supporting a troubled bank subsidiary. Accordingly, if Wachovia elects to defer interest on the LoTSSM and the Federal Reserve disapproves of the issuance of qualifying APM securities or the application of the proceeds to pay deferred interest, it may be unable to pay the deferred interest on the LoTSSM.

Wachovia may continue to defer interest in the event of Federal Reserve disapproval of all or part of the alternative payment mechanism until 10 years have elapsed since the beginning of the deferral period without triggering an event of default under the indenture. As a result, Wachovia could defer interest for up to 10 years without being required to sell qualifying APM securities and apply the proceeds to pay deferred interest.

The indenture limits Wachovia's obligation to raise proceeds from the sale of common stock to pay deferred interest during the first five years of a deferral period and generally does not obligate it to issue qualifying warrants.

The indenture limits Wachovia's obligation to raise proceeds from the sale of shares of common stock to pay deferred interest during the first five years of any deferral period (including compounded interest thereon) in excess of an amount we refer to as the *common equity issuance cap*. The common equity issuance cap takes into account all sales of common stock and qualifying warrants under the alternative payment mechanism for that deferral period. Once Wachovia reaches the common equity issuance cap for a deferral period, it will no longer be obligated to sell common stock to pay deferred interest relating to such deferral period unless such deferral extends beyond the date which is five years following its commencement. Although Wachovia has the right to sell common stock if it has reached the common equity issuance cap, it has no obligation to do so. In addition, the sale of qualifying warrants to raise proceeds to pay deferred interest is an option that Wachovia has, but in general it is not obligated to sell qualifying warrants and no party may require it to. See Description of the LoTSSM Alternative Payment Mechanism.

Wachovia has the ability under certain circumstances to narrow the definition of qualifying APM securities.

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Wachovia may, without the consent of the holders of the Trust Preferred Securities or the LoTSSM, amend the definition of qualifying APM securities for the purposes of the alternative payment mechanism

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to eliminate common stock or qualifying warrants (but not both) from the definition if an accounting standard or interpretive guidance of an existing standard issued by an organization or regulator that has responsibility for establishing or interpreting accounting standards in the United States becomes effective such that there is more than an insubstantial risk of a reduction in Wachovia's earnings per share as calculated in accordance with generally accepted accounting principles in the United States. The elimination of either common stock or qualifying warrants from the definition of qualifying APM securities, together with continued application of the preferred stock issuance cap, may make it more difficult for Wachovia to succeed in selling sufficient qualifying APM securities to fund the payment of deferred interest.

Deferral of interest payments could adversely affect the market price of the Trust Preferred Securities.

Wachovia currently does not intend to exercise its right to defer payments of interest on the LoTSSM. However, if it exercises that right in the future, the market price of the Trust Preferred Securities is likely to be affected. As a result of the existence of this deferral right, the market price of the Trust Preferred Securities, payments on which depend solely on payments being made on the LoTSSM, may be more volatile than the market prices of other securities that are not subject to optional deferral. If Wachovia does defer interest on the LoTSSM and you elect to sell Trust Preferred Securities during the deferral period, you may not receive the same return on your investment as a holder that continues to hold its Trust Preferred Securities until the payment of interest at the end of the deferral period.

If Wachovia does defer interest payments on the LoTSSM, you will be required to accrue income, in the form of original issue discount, for United States federal income tax purposes during the period of the deferral in respect of your proportionate share of the LoTSSM, even if you normally report income when received and even though you may not receive the cash attributable to that income during the deferral period. You will also not receive the cash distribution related to any accrued and unpaid interest from the Trust if you sell the Trust Preferred Securities before the record date for any deferred distributions, even if you held the Trust Preferred Securities on the date that the payments would normally have been paid. See [Certain United States Federal Income Tax Consequences](#) [United States Holders](#) [Interest Income and Original Issue Discount](#).

Claims for deferred interest would be limited upon bankruptcy, insolvency or receivership.

In certain events of Wachovia's bankruptcy, insolvency or receivership prior to the redemption or repayment of any LoTSSM, whether voluntary or not, a holder of LoTSSM will have no claim for, and thus no right to receive, deferred and unpaid interest (including compounded interest thereon) that has not been settled through the application of the alternative payment mechanism to the extent the amount of such interest exceeds the sum of (x) two years of accumulated and unpaid interest (including compounded interest thereon) on the LoTSSM and (y) an amount equal to such holder's *pro rata* share of the excess, if any, of the preferred stock issuance cap over the aggregate amount of net proceeds from the sale of qualifying preferred stock that Wachovia has applied to pay such deferred interest pursuant to the alternative payment mechanism. Each holder of LoTSSM is deemed to agree, however, that, to the extent the claim for deferred interest exceeds the amount set forth in clause (x), the amount it receives in respect of such excess shall not exceed the amount it would have received had the claim for such excess ranked *pari passu* with the interests of the holders, if any, of qualifying preferred stock.

Holders of the Trust Preferred Securities have limited rights under the LoTSSM.

Except as described below, you, as a holder of the Trust Preferred Securities, will not be able to exercise directly any other rights with respect to the LoTSSM.

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If an event of default under the Trust Agreement were to occur and be continuing, holders of the Trust Preferred Securities would rely on the enforcement by the property trustee of its rights as the registered holder of the LoTSSM against Wachovia. In addition, the holders of a majority in liquidation amount of the

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Trust Preferred Securities would have the right to direct the time, method and place of conducting any proceeding for any remedy available to the property trustee or to direct the exercise of any trust or power conferred upon the property trustee under the Trust Agreement, including the right to direct the property trustee to exercise the remedies available to it as the holder of the LoTSSM.

The indenture for the LoTSSM provides that the indenture trustee must give holders notice of all defaults or events of default within 30 days after they become known to the indenture trustee. However, except in the cases of a default or an event of default in payment on the LoTSSM, the indenture trustee will be protected in withholding the notice if its responsible officers determine that withholding of the notice is in the interest of the holders.

If the property trustee were to fail to enforce its rights under the LoTSSM in respect of an indenture event of default after a record holder of the Trust Preferred Securities has made a written request, that record holder may, to the extent permitted by applicable law, institute a legal proceeding against Wachovia to enforce the property trustee's rights under the LoTSSM. In addition, if Wachovia were to fail to pay interest or principal on the LoTSSM on the date that interest or principal is otherwise payable, except for deferrals permitted by the Trust Agreement and the indenture, and this failure to pay were continuing, holders of the Trust Preferred Securities may directly institute a proceeding for enforcement of Wachovia's obligations to issue qualifying APM securities pursuant to the alternative payment mechanism or to use commercially reasonable efforts to sell qualifying capital securities as described under Description of the LoTSSM Repayment of Principal, in each case subject to a market disruption event, and for payment of the principal or interest on the LoTSSM having a principal amount equal to the aggregate liquidation amount of their Trust Preferred Securities (a *direct action*) after the respective due dates specified in the LoTSSM. In connection with a direct action, Wachovia would have the right under the indenture and the Trust Agreement to set off any payment made to that holder by it.

The property trustee, as holder of the LoTSSM on behalf of the Trust, has only limited rights of acceleration.

The property trustee, as holder of the LoTSSM on behalf of the Trust, may accelerate payment of the principal and accrued and unpaid interest on the LoTSSM only upon the occurrence and continuation of an indenture event of default. An indenture event of default is generally limited to payment defaults after giving effect to Wachovia's deferral rights, and specific events of bankruptcy, insolvency and reorganization relating to Wachovia or the receivership of its lead bank.

There is no right of acceleration upon Wachovia's breach of other covenants under the indenture or default on its payment obligations under the guarantee. In addition, the indenture does not protect holders from a sudden and dramatic decline in credit quality resulting from takeovers, recapitalizations, or similar restructurings or other highly leveraged transactions.

The secondary market for the Trust Preferred Securities may be illiquid.

We are unable to predict how the Trust Preferred Securities will trade in the secondary market or whether that market will be liquid or illiquid. There is currently no secondary market for the Trust Preferred Securities. Although Wachovia will apply to list the Trust Preferred Securities on the New York Stock Exchange, we can give you no assurance as to the liquidity of any market that may develop for the Trust Preferred Securities.

There can be no assurance that the Internal Revenue Service or a court will agree with the characterization of the LoTSSM as indebtedness for United States federal income tax purposes.

The Trust Preferred Securities are novel financial instruments, and there is no statutory, judicial or administrative authority that directly addresses the United States federal income tax treatment of securities

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similar to the Trust Preferred Securities. Thus, no assurance can be given that the Internal Revenue Service or a court will agree with the characterization of the LoTSSM as indebtedness for United States federal income tax purposes. If, contrary to the opinion of Wachovia's tax counsel, the LoTSSM were recharacterized as equity of Wachovia, payments on the LoTSSM to non-United States holders would generally be subject to the United States federal withholding tax at a rate of 30% (or such lower applicable tax treaty rate). See Certain United States Federal Income Tax Consequences. In addition, upon a tax event Wachovia will be entitled to redeem the LoTSSM before December 15, 2012, at 100% of their principal amount, plus accrued and unpaid interest to the date of redemption.

A dissolution of the Trust may affect the value of your investment.

A dissolution of the Trust may affect the market price of your investment. The Trust will be dissolved prior to the redemption of all the LoTSSM upon a bankruptcy, dissolution or liquidation of Wachovia or the entry of an order for dissolution of the Trust by a court. If the Trust dissolves, holders of Trust Preferred Securities will receive \$25 principal amount of LoTSSM for each Trust Preferred Security. The LoTSSM will not be listed on a national securities exchange or quoted on any automated interdealer quotation system unless Wachovia determines to list them and they meet the applicable criteria and are accepted for listing and quotation. For these reasons, the LoTSSM may be less liquid than the Trust Preferred Securities and you may not be able to sell them for as much as you would have been able to sell the Trust Preferred Securities.

The general level of interest rates and Wachovia's credit quality will directly affect the value of the Trust Preferred Securities.

The trading prices of the Trust Preferred Securities will be directly affected by, among other things, interest rates generally and Wachovia's credit quality. It is impossible to predict whether interest rates will rise or fall. Wachovia's operating results and prospects and economic, financial and other factors will affect the value of the Trust Preferred Securities.

General market conditions and unpredictable factors could adversely affect market prices for the Trust Preferred Securities.

There can be no assurance about the market prices for the Trust Preferred Securities. Several factors, many of which are beyond our control, will influence the market value of the Trust Preferred Securities. Factors that might influence the market value of the Trust Preferred Securities include:

whether Wachovia is deferring interest or is likely to defer interest on the LoTSSM;

Wachovia's creditworthiness;

the market for similar securities; and

economic, financial, geopolitical, regulatory or judicial events that affect Wachovia or the financial markets generally.

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Accordingly, the Trust Preferred Securities that an investor purchases, whether in this offering or in the secondary market, may trade at a discount to their cost.

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WACHOVIA CORPORATION

Wachovia was incorporated under the laws of North Carolina in 1967. Wachovia is registered as a financial holding company and a bank holding company under the Bank Holding Company Act of 1956, as amended, and is supervised and regulated by the Federal Reserve. Its 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 Alabama, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Kansas, Maryland, Mississippi, Nevada, New Jersey, New York, Pennsylvania, South Carolina, Tennessee, Texas, 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 lending, 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 United States. Since November 1985, Wachovia has completed over 100 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, the General Bank, Wealth Management, the Corporate and Investment Bank, and Capital Management. When consistent with its overall business strategy, Wachovia may consider the disposition of certain of its assets, branches, subsidiaries or lines of business. Wachovia continues to routinely explore acquisition opportunities, particularly in areas that would complement its 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 its subsidiaries are a source of funds to pay dividends on its common and preferred stock and debt service on its debt. Various federal and state statutes and regulations limit the amount of dividends that Wachovia's banking and other subsidiaries may pay to it without regulatory approval.

THE TRUST

The following is a summary of some of the terms of the Trust. This summary, together with the summary of some of the provisions of the related documents described below, contains a description of the material terms of the Trust but is not necessarily complete. We refer you to the documents referred to in the following description, copies of which are available upon request as described under [Where You Can Find More Information](#).

Wachovia Capital Trust X, or the *Trust*, is a statutory trust organized under Delaware law pursuant to a Trust Agreement, signed by Wachovia, as sponsor of the Trust, and the Delaware trustee and the filing of a certificate of trust with the Delaware Secretary of State. The Trust Agreement of the Trust will be amended and restated in its entirety by Wachovia, the Delaware trustee, the property trustee and the

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administrative trustees before the issuance of the Trust Preferred Securities. We refer to the Trust Agreement, as so amended and restated, as the *Trust Agreement*. The Trust Agreement will be qualified as an indenture under the Trust Indenture Act of 1939, as amended, or *Trust Indenture Act*.

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The Trust was established solely for the following purposes:

issuing the Trust Preferred Securities and common securities representing undivided beneficial interests in the Trust;

investing the gross proceeds of the Trust Preferred Securities and the common securities in the LoTSSM; and

engaging in only those activities convenient, necessary or incidental thereto.

Wachovia will own all of the Trust's common securities, either directly or indirectly. The common securities rank equally with the Trust Preferred Securities and the Trust will make payment on its Trust securities *pro rata*, except that upon certain events of default under the Trust Agreement relating to payment defaults on the LoTSSM, the rights of the holders of the common securities to payment in respect of distributions and payments upon liquidation and otherwise will be subordinated to the rights of the holders of the Trust Preferred Securities. Wachovia will acquire common securities in an aggregate liquidation amount equal to \$10,000.

The Trust's business and affairs will be conducted by its trustees, each appointed by Wachovia, as sponsor of the Trust. The trustees will be U.S. Bank National Association, as the property trustee, or *property trustee*, and U.S. Bank Trust National Association, as the Delaware trustee, or *Delaware trustee*, and two or more individual trustees, or *administrative trustees*, who are employees or officers of or affiliated with Wachovia. The property trustee will act as sole trustee under the Trust Agreement for purposes of compliance with the Trust Indenture Act and will also act as trustee under the guarantee and the indenture. See Description of the Guarantee.

Unless an event of default under the indenture has occurred and is continuing at a time that the Trust owns any LoTSSM, the holders of the common securities will be entitled to appoint, remove or replace the property trustee and/or the Delaware trustee.

The property trustee and/or the Delaware trustee may be removed or replaced for cause by the holders of a majority in liquidation amount of the Trust Preferred Securities. In addition, holders of a majority in liquidation amount of the Trust Preferred Securities will be entitled to appoint, remove or replace the property trustee and/or the Delaware trustee if an event of default under the indenture has occurred and is continuing.

The right to vote to appoint, remove or replace the administrative trustees is vested exclusively in the holders of the Trust's common securities, and in no event will the holders of the Trust Preferred Securities have such right.

The Trust is a finance subsidiary of Wachovia within the meaning of Rule 3-10 of Regulation S-X under the Securities Act of 1933, or *Securities Act*. As a result, no separate financial statements of the Trust are included in this prospectus supplement, and Wachovia does not expect that the Trust will file reports with the SEC under the Securities Exchange Act of 1934, or *Exchange Act*.

The Trust is perpetual, but may be dissolved earlier as provided in the Trust Agreement.

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Wachovia will pay all fees and expenses related to the Trust and the offering of the Trust Preferred Securities.

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USE OF PROCEEDS

The Trust will invest the proceeds from its sale of the Trust Preferred Securities through the underwriters to investors and its common securities to Wachovia in the LoTSSM issued by Wachovia. Wachovia expects to use the net proceeds it will receive upon issuance of the LoTSSM, expected to be approximately \$725,820,000 after underwriting commissions and estimated expenses, for general corporate purposes.

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The following is selected consolidated condensed financial information for Wachovia for the nine months ended September 30, 2007 and the year ended December 31, 2006. The summary below should be read in conjunction with Wachovia's consolidated financial statements, and the related notes thereto, and the other detailed information contained in its 2007 Third Quarter Report on Form 10-Q and in its 2006 Annual Report on Form 10-K.

<i>(In millions, except per share data)</i>	Nine Months Ended September 30, 2007	Year Ended December 31, 2006
CONSOLIDATED CONDENSED SUMMARIES OF INCOME		
Interest income	\$ 31,321	\$ 32,265
Interest expense	17,821	17,016
Net interest income	13,500	15,249
Provision for credit losses	764	434
Net interest income after provision for credit losses	12,736	14,815
Securities gains	42	118
Fee and other income	10,626	14,427
Merger-related and restructuring expenses	78	179
Other noninterest expense	13,855	17,297
Minority interest in income of consolidated subsidiaries	464	414
Income from continuing operations before income taxes	9,007	11,470
Income taxes	2,746	3,725
Income from continuing operations	6,261	7,745
Discontinued operations, net of income taxes		46
Net income	\$ 6,261	\$ 7,791
PER COMMON SHARE DATA		
Basic		
Income from continuing operations	\$ 3.31	\$ 4.70
Net income	3.31	4.72
Diluted earnings		
Income from continuing operations	3.26	4.61
Net income	3.26	4.63
Cash dividends	\$ 1.76	\$ 2.14
Average common shares Basic	1,890	1,651
Average common shares Diluted	1,918	1,681
CONSOLIDATED CONDENSED PERIOD-END BALANCE SHEETS		
ASSETS		
Cash and cash equivalents	\$ 29,125	\$ 34,916
Trading account assets	53,969	45,529
Securities	111,827	108,619
Loans, net of unearned income	449,206	420,158
Allowance for loan losses	(3,505)	(3,360)
Loans, net	445,701	416,798

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Loans held for sale	21,431	12,568
Goodwill	38,848	38,379
Other intangible assets	1,380	1,635
Other assets	51,887	48,677
	<hr/>	<hr/>
Total assets	\$ 754,168	\$ 707,121
	<hr/>	<hr/>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits	421,937	407,458
Short-term borrowings	62,714	49,157
Trading account liabilities	17,771	18,228
Other liabilities	19,727	20,867
Long-term debt	158,584	138,594
	<hr/>	<hr/>
Total liabilities	680,733	634,304
Minority interest in net assets of consolidated subsidiaries	3,295	3,101
Stockholders' equity	70,140	69,716
	<hr/>	<hr/>
Total liabilities and stockholders' equity	\$ 754,168	\$ 707,121
	<hr/>	<hr/>

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Wachovia's consolidated actual unaudited capitalization as of September 30, 2007, and its capitalization as adjusted to give effect to the sale of the securities offered hereby, are presented below. See Use of Proceeds.

	September 30, 2007	
	Actual	Adjusted
<i>(In millions, except per share data)</i>		
Long-term Debt:		
Senior and subordinated debt	\$ 154,408	\$ 154,408
LoTS SM and <i>Pari Passu</i> Securities	4,176	4,926
Total long-term debt	158,584	159,334
Stockholders' Equity:		
Dividend Equalization Preferred shares, no par value, 97 million shares issued and outstanding		
Non-Cumulative Perpetual Class A Preferred Stock, Series I, \$100,000 liquidation preference per share, 25,010 shares authorized		
Common stock, \$3.33 1/3 par value, 3 billion shares authorized, 1.901 billion shares outstanding	6,336	6,336
Paid-in capital	51,885	51,885
Retained earnings	14,670	14,670
Accumulated other comprehensive income, net	(2,751)	(2,751)
Total stockholders' equity	70,140	70,140
Total long-term debt and stockholders' equity	\$ 228,724	\$ 229,474

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REGULATORY CONSIDERATIONS

The Federal Reserve regulates, supervises and examines Wachovia as a financial holding company and a bank holding company under the Bank Holding Company Act. For a discussion of the material elements of the regulatory framework applicable to financial holding companies, bank holding companies and their subsidiaries and specific information relevant to Wachovia, please refer to Wachovia's annual report on Form 10-K for the fiscal year ended December 31, 2006, and any subsequent reports it files with the SEC, which are incorporated by reference in this prospectus supplement. This regulatory framework is intended primarily for the protection of depositors and the federal deposit insurance funds and not for the protection of security holders. As a result of this regulatory framework, Wachovia's earnings are affected by actions of the Federal Reserve and the Office of Comptroller of the Currency, which regulates its national banking subsidiaries, the Office of Thrift Supervision, which regulates its federal savings bank subsidiaries, the Federal Deposit Insurance Corporation, which insures the deposits of its banking subsidiaries within certain limits, and the SEC, which regulates the activities of certain subsidiaries engaged in the securities business.

Wachovia's earnings are also affected by general economic conditions, its management policies and legislative action.

In addition, there are numerous governmental requirements and regulations that affect Wachovia's business activities. A change in applicable statutes, regulations or regulatory policy may have a material effect on Wachovia's business.

Depository institutions, like Wachovia's bank subsidiaries, are also affected by various federal laws, including those relating to consumer protection and similar matters. Wachovia also has other financial services subsidiaries regulated, supervised and examined by the Federal Reserve, as well as other relevant state and federal regulatory agencies and self-regulatory organizations. Wachovia's non-bank subsidiaries may be subject to other laws and regulations of the federal government or the various states in which they are authorized to do business.

ACCOUNTING TREATMENT; REGULATORY CAPITAL

The Trust will not be consolidated on Wachovia's balance sheet as a result of the accounting changes reflected in FASB Interpretation No. 46, Consolidation of Variable Interest Entities, as revised in December 2003. Accordingly, for balance sheet purposes Wachovia will recognize the aggregate principal amount, net of discount, of the LoTSSM it issues to the Trust as a liability and the amount it invests in the Trust's common securities as an asset. The interest paid on the LoTSSM will be recorded as interest expense on Wachovia's income statement.

On March 1, 2005, the Federal Reserve adopted amendments to its risk-based capital guidelines. Among other things, the amendments confirm the continuing inclusion of outstanding and prospective issuances of trust preferred securities in the Tier 1 capital of bank holding companies, but make the qualitative requirements for trust preferred securities issued on or after April 15, 2005 more restrictive in certain respects and make the quantitative limits applicable to the aggregate amount of trust preferred securities and other restricted core capital elements that may be included in Tier 1 capital of bank holding companies more restrictive. The Trust Preferred Securities will qualify as Tier 1 capital for Wachovia.

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DESCRIPTION OF THE TRUST PREFERRED SECURITIES

The following is a brief description of the terms of the Trust Preferred Securities and of the Trust Agreement under which they are issued. It does not purport to be complete in all respects. This description is subject to and qualified in its entirety by reference to the Trust Agreement, which has been filed with the SEC and incorporated by reference into the registration statement to which this prospectus supplement relates and copies of which are available upon request from Wachovia.

General

The Trust Preferred Securities will be issued pursuant to the Trust Agreement. The property trustee, U.S. Bank National Association, will act as indenture trustee for the Trust Preferred Securities under the Trust Agreement for purposes of compliance with the provisions of the Trust Indenture Act. The terms of the Trust Preferred Securities will include those stated in the Trust Agreement, including any amendments thereto, and those made part of the Trust Agreement by the Trust Indenture Act and the Delaware Statutory Trust Act. The Trust will own all of Wachovia's 7.85% Extendible Long Term Subordinated Notes, or *LoTS*

In addition to the Trust Preferred Securities, the Trust Agreement authorizes the administrative trustees of the Trust to issue common securities on behalf of the Trust. Wachovia will own directly or indirectly all of the Trust's common securities. The common securities rank on a parity, and payments upon redemption, liquidation or otherwise will be made on a proportionate basis, with the Trust Preferred Securities except as set forth under *Ranking of Common Securities*. The Trust Agreement does not permit the Trust to issue any securities other than the common securities and the Trust Preferred Securities or to incur any indebtedness.

The payment of distributions out of money held by the Trust, and payments upon redemption of the Trust Preferred Securities or liquidation of the Trust, are guaranteed by Wachovia to the extent described under *Description of the Guarantee*. The guarantee, when taken together with Wachovia's obligations under the *LoTS* and the indenture and its obligations under the Trust Agreement, including its obligations to pay costs, expenses, debts and liabilities of the Trust, other than with respect to the common securities and the Trust Preferred Securities, has the effect of providing a full and unconditional guarantee of amounts due on the Trust Preferred Securities. U.S. Bank National Association, as the guarantee trustee, will hold the guarantee for the benefit of the holders of the Trust Preferred Securities. The guarantee does not cover payment of distributions when the Trust does not have sufficient available funds to pay those distributions. In that case, except in the limited circumstances in which the holder may take direct action, the remedy of a holder of the Trust Preferred Securities is to vote to direct the property trustee to enforce the property trustee's rights under the *LoTS*.

The term *holder* in this prospectus supplement with respect to a registered Trust Preferred Security means the person in whose name such Trust Preferred Security is registered in the security register. The Trust Preferred Securities will be held in book-entry form only, as described under *Book-Entry System*, except in the circumstances described in that section, and will be held in the name of The Depository Trust Company (*DTC*) or its nominee.

The Trust will apply to list the Trust Preferred Securities on the New York Stock Exchange.

Distributions

A holder of record of the Trust Preferred Securities will be entitled to receive periodic distributions on the stated liquidation amount of \$25 per Trust Preferred Security on the same payment dates and in the same amounts as Wachovia pays interest on a principal amount of LoTSSM equal to the liquidation amount of such Trust Preferred Security. Distributions will accumulate from November 21, 2007. The Trust will make

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distribution payments on the Trust Preferred Securities quarterly in arrears, on each March 15, June 15, September 15 and December 15, beginning on March 15, 2008. If Wachovia defers payment of interest on the LoTSSM, distributions by the Trust on the Trust Preferred Securities will also be deferred.

On each distribution date, the Trust will pay the applicable distribution to the holders of the Trust Preferred Securities on the record date for that distribution date, which shall be the last day of the month immediately preceding the month in which the distribution date falls, whether or not a business day. Distributions on the Trust Preferred Securities will be cumulative. The Trust Preferred Securities will be effectively subordinated to the same debts and liabilities to which the LoTSSM are subordinated, as described under *Description of the LoTSSM Subordination*.

For purposes of this prospectus supplement, *business day* means any day other than a Saturday, Sunday or other day on which banking institutions in New York, New York, Charlotte, North Carolina, or Wilmington, Delaware are authorized or required by law or executive order to remain closed.

In the event that any date on which distributions are payable on the Trust Preferred Securities is not a business day, then payment of the distribution will be made on the next succeeding business day, and no additional amount will accrue for such delay. Each date on which distributions are payable in accordance with the foregoing is referred to as a *distribution date*. The term *distribution* includes any interest payable on unpaid distributions unless otherwise stated. The period beginning on and including November 21, 2007 and ending on but excluding the first distribution date, March 15, 2008, and each period after that period beginning on and including a distribution date and ending on but excluding the next distribution date is called a *distribution period*. Distributions to which holders of Trust Preferred Securities are entitled but are not paid will accumulate additional distributions at the annual rate.

The funds available to the Trust for distribution to holders of the Trust Preferred Securities will be limited to payments under the LoTSSM. If Wachovia does not make interest payments on the LoTSSM, the property trustee will not have funds available to pay distributions on the Trust Preferred Securities. The Trust will pay distributions through the property trustee, which will hold amounts received from the LoTSSM in a payment account for the benefit of the holders of the Trust Preferred Securities and the common securities.

Deferral of Distributions

Wachovia has the right, on one or more occasions, to defer payment of interest on the LoTSSM for up to 40 consecutive quarterly interest periods, as described under *Description of the LoTSSM Option to Defer Interest Payments*. If it exercises this right, the Trust will also defer paying a corresponding amount of distributions on the Trust Preferred Securities during that period of deferral. No deferral period may extend beyond the final repayment date of the LoTSSM or the earlier repayment or redemption in full of the LoTSSM.

Although neither Wachovia nor the Trust will be required to make interest or distribution payments during deferral periods other than pursuant to the alternative payment mechanism described under *Description of the LoTSSM Alternative Payment Mechanism*, interest on the LoTSSM will continue to accrue during deferral periods and, as a result, distributions on the Trust Preferred Securities will continue to accumulate at the annual rate for the LoTSSM, compounded on each interest payment date. References to *accumulated and unpaid distributions* in this prospectus supplement include all accumulated and unpaid distributions, including compounded amounts thereon.

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If the Trust defers distributions, the accumulated and unpaid distributions will be paid on the distribution payment date following the last day of the deferral period to the holders on the record date for that distribution payment date. Upon termination of a deferral period and payment of all amounts due on the Trust Preferred Securities, Wachovia may elect to begin a new deferral period.

If Wachovia exercises its deferral right, then during any deferral period, it generally may not make payments on or redeem or repurchase its capital stock or its debt securities or guarantees ranking *pari passu*

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with or junior to the LoTSSM upon its liquidation, subject to certain limited exceptions, as described under Description of the LoTSSM Dividend and Other Payment Stoppages during Interest Deferral and under Certain Other Circumstances.

Redemption

If Wachovia repays or redeems the LoTSSM, in whole or in part, whether at, prior to or after the scheduled maturity date, the property trustee will use the proceeds of that repayment or redemption to redeem a liquidation amount of Trust Preferred Securities and common securities equal to the principal amount of LoTSSM redeemed or repaid.

Under the current risk-based capital adequacy guidelines of the Federal Reserve applicable to bank holding companies, Federal Reserve approval is generally required for the early redemption or repurchase of preferred stock or trust preferred securities included in regulatory capital. However, under current guidelines, rules and regulations, Federal Reserve approval is not required for the redemption of the Trust Preferred Securities on or after the scheduled maturity date in connection with the repayment of the LoTSSM since, in this case, the redemption would not be an early redemption but would be pursuant to our contractual obligation to repay the LoTSSM, subject to the limitations described under Description of the LoTSSM Repayment of Principal, on the scheduled maturity date.

The redemption price per Trust Preferred Security will equal \$25 (or in the case of a redemption pursuant to a rating agency event, the make-whole redemption price) plus accumulated but unpaid distributions to the date of payment. If less than all Trust Preferred Securities and common securities are redeemed, the amount of each to be redeemed will be allocated *pro rata* based upon the total amount of Trust Preferred Securities and common securities outstanding, except in the case of a payment default, as set forth under Ranking of Common Securities.

Redemption Procedures

Notice of any redemption will be mailed by the property trustee at least 30 days but not more than 60 days before the redemption date to the registered address of each holder of Trust Preferred Securities to be redeemed. Notwithstanding the foregoing, notice of any redemption of Trust Preferred Securities relating to the repayment of the LoTSSM will be mailed at least 10 but not more than 15 business days before the redemption date to the registered address of each holder of Trust Preferred Securities to be redeemed.

If (i) the Trust gives a notice of redemption of Trust Preferred Securities for cash and (ii) Wachovia has paid to the property trustee, or the paying agent on behalf of the property trustee, a sufficient amount of cash in connection with the related redemption or maturity of the LoTSSM, then on the redemption date, the property trustee, or the paying agent on behalf of the property trustee, will irrevocably deposit with DTC funds sufficient to pay the redemption price for the Trust Preferred Securities being redeemed. See Book-Entry System. The Trust will also give DTC irrevocable instructions and authority to pay the redemption amount in immediately available funds to the beneficial owners of the global securities representing the Trust Preferred Securities. Distributions to be paid on or before the redemption date for any Trust Preferred Securities called for redemption will be payable to the holders as of the record dates for the related dates of distribution. If the Trust Preferred Securities called for redemption are no longer in book-entry form, the property trustee, to the extent funds are available, will irrevocably deposit with the paying agent for the Trust Preferred Securities funds sufficient to pay the applicable redemption price and will give such paying agent irrevocable instructions and authority to pay the redemption price to the holders thereof upon surrender of their certificates evidencing the Trust Preferred Securities.

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If notice of redemption shall have been given and funds deposited as required, then upon the date of such deposit:

all rights of the holders of such Trust Preferred Securities called for redemption will cease, except the right of the holders of such Trust Preferred Securities to receive the redemption price and any distribution payable in respect of the Trust Preferred Securities on or prior to the redemption date, but without interest on such redemption price; and

the Trust Preferred Securities called for redemption will cease to be outstanding.

If any redemption date is not a business day, then the redemption amount will be payable on the next business day (and without any interest or other payment in respect of any such delay).

If payment of the redemption amount for any LoTSSM called for redemption is improperly withheld or refused and accordingly the redemption amount of the Trust Preferred Securities is not paid either by the Trust or by Wachovia under the guarantee, then interest on the LoTSSM will continue to accrue and distributions on the Trust Preferred Securities called for redemption will continue to accumulate at the annual rate, compounded on each distribution date, from the original redemption date scheduled to the actual date of payment. In this case, the actual payment date will be considered the redemption date for purposes of calculating the redemption amount.

If less than all of the LoTSSM are to be redeemed or repaid on any date, the property trustee will select the particular Trust Preferred Securities to be redeemed not more than 60 days before the redemption date from the outstanding Trust Preferred Securities not previously called for redemption by any method the property trustee deems fair and appropriate, or if the Trust Preferred Securities are in book-entry only form, in accordance with the procedures of DTC. See Book-Entry System.

For all purposes of the Trust Agreement, unless the context otherwise requires, all provisions relating to the redemption of Trust Preferred Securities shall relate, in the case of any Trust Preferred Securities redeemed or to be redeemed only in part, to the portion of the aggregate liquidation amount of Trust Preferred Securities that has been or is to be redeemed.

Subject to applicable law, including, without limitation, U.S. federal securities laws and, at any time on and after the earlier of the date that is 30 years prior to the final repayment date and the scheduled maturity date and prior to the later of the date that is 20 years prior to the final repayment date and December 15, 2057, the replacement capital covenant, and subject to the Federal Reserve's risk-based capital guidelines and policies applicable to bank holding companies, Wachovia or its affiliates may at any time and from time to time purchase outstanding Trust Preferred Securities by tender, in the open market or by private agreement. Under the current risk-based capital adequacy guidelines of the Federal Reserve applicable to bank holding companies, Federal Reserve approval is required for a purchase of outstanding Trust Preferred Securities by tender, in the open market or by private agreement prior to the scheduled maturity date.

Optional Liquidation of Trust and Distribution of LoTSSM to Holders

Under the Trust Agreement, the Trust shall dissolve upon the first to occur of:

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certain events of bankruptcy, dissolution or liquidation of Wachovia;

the written direction from Wachovia, as holder of the Trust's common securities, to the property trustee to dissolve the Trust and distribute a like amount of the LoTSSM to the holders of the Trust Preferred Securities and common securities, subject to Wachovia's having received any required prior approval of the Federal Reserve;

redemption of all of the Trust Preferred Securities as described under "Redemption"; or

the entry of an order for the dissolution of the Trust by a court of competent jurisdiction.

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Except as set forth in the next sentence, if an early dissolution occurs as described above, the property trustee will liquidate the Trust as expeditiously as possible by distributing, after satisfaction of liabilities to creditors of the Trust as provided by applicable law, to the holders of the Trust Preferred Securities and common securities a like amount of the LoTSSM. If the property trustee determines that such distribution is not possible or if the early dissolution occurs as a result of the redemption of Trust Preferred Securities, then the holders will be entitled to receive out of the assets of the Trust available for distribution to holders and after satisfaction of liabilities to creditors of the Trust as provided by applicable law, an amount equal to the aggregate liquidation amount plus accrued and unpaid distributions to the date of payment. If the Trust has insufficient assets available to pay in full such aggregate liquidation distribution, then the amounts payable directly by the Trust on its Trust Preferred Securities and common securities shall be paid on a *pro rata* basis, except as set forth under Ranking of Common Securities.

After the liquidation date fixed for any distribution of LoTSSM to holders of Trust Preferred Securities:

the Trust Preferred Securities will no longer be deemed to be outstanding;

DTC or its nominee, as the record holder of the Trust Preferred Securities, will receive a registered global certificate or certificates representing the LoTSSM to be delivered upon such distribution;

any certificates representing the Trust Preferred Securities not held by DTC or its nominee or surrendered to the exchange agent will be deemed to represent LoTSSM having a principal amount equal to the stated liquidation amount of such Trust Preferred Securities, and bearing accrued and unpaid interest in an amount equal to the accrued and unpaid distributions on such Trust Preferred Securities until such certificates are so surrendered for transfer or reissuance; and

all rights of the holders of the Trust Preferred Securities will cease, except the right to receive LoTSSM upon such surrender.

Under current United States federal income tax law, and assuming, as expected, the Trust is treated as a grantor trust, a distribution of LoTSSM in exchange for the Trust Preferred Securities would not be a taxable event to you. See Certain United States Federal Income Tax Consequences United States Holders Distribution of LoTSSM or Cash to Holders of Trust Preferred Securities.

Ranking of Common Securities

Payment of distributions on, and the redemption price of and the liquidation distribution in respect of, Trust Preferred Securities and common securities, as applicable, shall be made *pro rata* based on the liquidation amount of the Trust Preferred Securities and common securities, except upon the occurrence and continuation of a payment default on the LoTSSM, the rights of the holders of the common securities to payment in respect of distributions and payments upon liquidation, redemption and otherwise will be subordinated to the rights of the holders of the Trust Preferred Securities.

In the case of any event of default under the Trust Agreement resulting from an event of default under the indenture for the LoTSSM, Wachovia, as holder of the Trust's common securities, will have no right to act with respect to any such event of default under the Trust Agreement until the effect of all such events of default with respect to the Trust Preferred Securities have been cured, waived or otherwise eliminated. Until all events of default under the Trust Agreement with respect to the Trust Preferred Securities have been so cured, waived or otherwise eliminated, the property trustee shall act solely on behalf of the holders of Trust Preferred Securities and not on Wachovia's behalf, and only the holders of the Trust Preferred Securities will have the right to direct the property trustee to act on their behalf.

If an early dissolution event occurs in respect of the Trust, no liquidation distributions shall be made on the Trust's common securities unless full liquidation distributions are made on the Trust Preferred Securities.

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Events of Default under Trust Agreement

Any one of the following events constitutes an event of default under the Trust Agreement, or a *Trust Event of Default*, regardless of the reason for such event of default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

the occurrence of an event of default under the indenture with respect to the LoTSSM beneficially owned by the Trust;

the default by the Trust in the payment of any distribution on any Trust security of the Trust when such becomes due and payable, and continuation of such default for a period of 30 days;

the default by the Trust in the payment of any redemption price of any Trust security of the Trust when such becomes due and payable;

the failure to perform or the breach, in any material respect, of any other covenant or warranty of the trustees in the Trust Agreement for 90 days after the defaulting trustee or trustees have received written notice of the failure to perform or breach in the manner specified in such Trust Agreement; or

the occurrence of certain events of bankruptcy or insolvency with respect to the property trustee and Wachovia's failure to appoint a successor property trustee within 90 days.

Within 30 days after any Trust Event of Default actually known to the property trustee occurs, the property trustee will transmit notice of such Trust Event of Default to the holders of the Trust Securities and to the administrative trustees, unless such Trust Event of Default shall have been cured or waived. Wachovia, as sponsor, and the administrative trustees are required to file annually with the property trustee a certificate as to whether or not it or they are in compliance with all the conditions and covenants applicable to it and to them under the Trust Agreement.

The existence of a Trust Event of Default under the Trust Agreement, in and of itself, with respect to the LoTSSM does not entitle the holders of the Trust Preferred Securities to accelerate the maturity of such LoTSSM.

An event of default under the indenture for the LoTSSM with respect to Wachovia's failure to pay interest that Wachovia is otherwise obligated to pay on the LoTSSM in full within 30 days after the conclusion of a deferral period that continues for 10 years entitles the property trustee, as sole holder of the LoTSSM, to declare the LoTSSM due and payable under the indenture. For a more complete description of remedies available upon the occurrence of an event of default with respect to the LoTSSM, see *Description of the LoTSSM Events of Default; Waiver and Notice* and *Relationship among Trust Preferred Securities, LoTSSM and Guarantee*.

Removal of Trustees

Unless an event of default under the indenture has occurred and is continuing, the property trustee and/or the Delaware trustee may be removed at any time by Wachovia, the holder of the Trust's common securities. The property trustee and the Delaware trustee may be removed by the

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holders of a majority in liquidation amount of the outstanding Trust Preferred Securities for cause or by the holders of a majority in liquidation amount of the Trust Preferred Securities if an event of default under the indenture has occurred and is continuing. In no event will the holders of the Trust Preferred Securities have the right to vote to appoint, remove or replace the administrative trustees, which voting rights are vested exclusively in Wachovia, as the holder of the common securities. No resignation or removal of a trustee and no appointment of a successor trustee shall be effective until the acceptance of appointment by the successor trustee in accordance with the provisions of the Trust Agreement.

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Co-Trustees and Separate Property Trustee

Unless an event of default under the indenture shall have occurred and be continuing, at any time or from time to time, for the purpose of meeting the legal requirements of the Trust Indenture Act or of any jurisdiction in which any part of the Trust property may at the time be located, Wachovia, as the holder of the Trust's common securities, and the administrative trustees shall have the power to appoint one or more persons either to act as a co-trustee, jointly with the property trustee, of all or any part of such Trust property, or to act as separate trustee of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such person or persons in such capacity any property, title, right or power deemed necessary or desirable, subject to the provisions of such Trust Agreement. If an event of default under the indenture has occurred and is continuing, the property trustee alone shall have power to make such appointment.

Merger or Consolidation of Trustees

Any person into which the property trustee or the Delaware trustee, if not a natural person, may be merged or converted or with which it may be consolidated, or any person resulting from any merger, conversion or consolidation to which such trustee shall be a party, or any person succeeding to all or substantially all the corporate trust business of such trustee, shall be the successor of such trustee under the Trust Agreement, provided that such person shall be otherwise qualified and eligible.

Mergers, Consolidations, Amalgamations or Replacements of the Trust

The Trust may not merge with or into, consolidate, amalgamate, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to Wachovia or any other person, except as described below or as otherwise described in the Trust Agreement. The Trust may, at Wachovia's request, with the consent of the administrative trustees but without the consent of the holders of the Trust Preferred Securities, the property trustee or the Delaware trustee, merge with or into, consolidate, amalgamate, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to, a successor trust organized as such under the laws of any state if:

such successor entity either:

expressly assumes all of the obligations of the Trust with respect to the Trust Preferred Securities, or

substitutes for the Trust Preferred Securities other securities having substantially the same terms as the Trust Preferred Securities, or the *successor securities*, so long as the successor securities rank the same as the Trust Preferred Securities in priority with respect to distributions and payments upon liquidation, redemption and otherwise;

a trustee of such successor entity possessing the same powers and duties as the property trustee is appointed to hold the LoTSSM then held by or on behalf of the property trustee;

such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not cause the Trust Preferred Securities, including any successor securities, to be downgraded by any nationally recognized statistical rating organization;

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such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the holders of Trust Preferred Securities, including any successor securities, in any material respect;

such successor entity has purposes substantially identical to those of the Trust;

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prior to such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease, the property trustee has received an opinion from counsel to the Trust experienced in such matters to the effect that:

such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the holders of Trust Preferred Securities, including any Successor Securities, in any material respect, and

following such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease, neither the Trust nor such successor entity will be required to register as an investment company under the Investment Company Act of 1940, or *Investment Company Act* ;

the Trust has received an opinion of counsel experienced in such matters that such merger, consolidation, amalgamation, conveyance, transfer or lease will not cause the Trust or the successor entity to be classified other than as a grantor trust for U.S. federal income tax purposes; and

Wachovia or any permitted successor or assignee owns all of the common securities of such successor entity and guarantees the obligations of such successor entity under the Successor Securities at least to the extent provided by the guarantee.

Notwithstanding the foregoing, the Trust may not, except with the consent of holders of 100% in liquidation amount of the Trust Preferred Securities, consolidate, amalgamate, merge with or into, or be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it if such consolidation, amalgamation, merger, replacement, conveyance, transfer or lease would cause the Trust or the successor entity to be classified as other than a grantor trust for U.S. federal income tax purposes.

Voting Rights; Amendment of the Trust Agreement

Except as provided herein and under Description of the Guarantee Amendments and Assignment and as otherwise required by law and the Trust Agreement, the holders of the Trust Preferred Securities will have no voting rights or control over the administration, operation or management of the Trust or the obligations of the parties to the Trust Agreement, including in respect of LoTSSM beneficially owned by the Trust. Under the Trust Agreement, however, the property trustee will be required to obtain their consent before exercising some of its rights in respect of these securities.

Trust Agreement. Wachovia and the administrative trustees may amend the Trust Agreement without the consent of the holders of the Trust Preferred Securities, the property trustee or the Delaware trustee, unless in the case of the first two bullets below such amendment will materially and adversely affect the interests of any holder of Trust Preferred Securities or the property trustee or the Delaware trustee or impose any additional duty or obligation on the property trustee or the Delaware trustee, to:

cure any ambiguity, correct or supplement any provisions in the Trust Agreement that may be inconsistent with any other provision, or to make any other provisions with respect to matters or questions arising under such Trust Agreement, which may not be inconsistent with the other provisions of the Trust Agreement;

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modify, eliminate or add to any provisions of the Trust Agreement to such extent as shall be necessary to ensure that the Trust will be classified for U.S. federal income tax purposes as a grantor trust and not as an association or a partnership at all times that any Trust securities are outstanding, to ensure that the Trust will not be required to register as an investment company under the Investment Company Act or to ensure the treatment of the Trust Preferred Securities as Tier 1 capital under prevailing Federal Reserve rules and regulations;

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provide that certificates for the Trust Preferred Securities may be executed by an administrative trustee by facsimile signature instead of manual signature, in which case such amendment(s) shall also provide for the appointment by Wachovia of an authentication agent and certain related provisions;

require that holders that are not U.S. persons for U.S. federal income tax purposes irrevocably appoint a U.S. person to exercise any voting rights to ensure that the Trust will not be treated as a foreign trust for U.S. federal income tax purposes; or

conform the terms of the Trust Agreement to the description of the Trust Agreement, the Trust Preferred Securities and the Trust's common securities in this prospectus supplement, in the manner provided in the Trust Agreement.

Any such amendment shall become effective when notice thereof is given to the property trustee, the Delaware trustee and the holders of the Trust Preferred Securities.

Wachovia and the administrative trustees may generally amend the Trust Agreement with the consent of holders representing not less than a majority, based upon liquidation amounts, of the outstanding Trust Preferred Securities affected by the amendments; provided that the trustees of the Trust have received an opinion of counsel to the effect that such amendment or the exercise of any power granted to the trustees of the Trust or the administrative trustees in accordance with such amendment will not affect the Trust's status as a grantor trust for U.S. federal income tax purposes or affect the Trust's exemption from status as an investment company under the Investment Company Act.

However, without the consent of each affected holder of Trust securities, the Trust Agreement may not be amended to:

change the amount or timing, or otherwise adversely affect the amount, of any distribution required to be made in respect of Trust securities as of a specified date; or

restrict the right of a holder of Trust securities to institute a suit for the enforcement of any such payment on or after such date.

Indenture and LoTSSM. So long as the property trustee holds any LoTSSM, the trustees of the Trust may not, without obtaining the prior approval of the holders of a majority in aggregate liquidation amount of all outstanding Trust Preferred Securities:

direct the time, method and place of conducting any proceeding for any remedy available to the indenture trustee for the LoTSSM, or execute any trust or power conferred on the indenture trustee with respect to such LoTSSM;

waive any past default that is waivable under the indenture;

exercise any right to rescind or annul a declaration that the principal of all the LoTSSM is due and payable; or

consent to any amendment, modification or termination of the indenture or such LoTSSM, where such consent by the holders of the LoTSSM shall be required.

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If a consent under the indenture would require the consent of each holder of LoTSSM affected thereby, no such consent may be given by the property trustee without the prior consent of each holder of the Trust Preferred Securities.

The property trustee will notify each holder of Trust Preferred Securities of any notice of default with respect to the LoTSSM. In addition to obtaining the foregoing approvals of the holders of the Trust Preferred Securities, before taking any of the foregoing actions, the administrative trustees of the Trust will obtain an

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opinion of counsel experienced in such matters to the effect that such action would not cause the Trust to be classified as other than a grantor trust for U.S. federal income tax purposes. The property trustee may not revoke any action previously authorized or approved by a vote of the holders of the Trust Preferred Securities except by subsequent vote of the holders of the Trust Preferred Securities.

General. Any required approval of holders of Trust Preferred Securities may be given at a meeting of holders of Trust Preferred Securities convened for such purpose or pursuant to written consent. The property trustee will cause a notice of any meeting at which holders of Trust Preferred Securities are entitled to vote, or of any matter upon which action by written consent of such holders is to be taken, to be given to each record holder of Trust Preferred Securities in the manner set forth in the Trust Agreement.

No vote or consent of the holders of Trust Preferred Securities will be required for the Trust to redeem and cancel the Trust Preferred Securities in accordance with the Trust Agreement.

Notwithstanding that holders of the Trust Preferred Securities are entitled to vote or consent under any of the circumstances described above, any of the Trust Preferred Securities that are beneficially owned by Wachovia or its affiliates or the trustees or any of their affiliates, shall, for purposes of such vote or consent, be treated as if they were not outstanding.

Payment and Paying Agent

Payments on the Trust Preferred Securities shall be made to DTC, which shall credit the relevant accounts on the applicable distribution dates. If any Trust Preferred Securities are not held by DTC, such payments shall be made by check mailed to the address of the holder as such address shall appear on the register.

The paying agent shall initially be U.S. Bank National Association and any co-paying agent chosen by the property trustee and acceptable to Wachovia and to the administrative trustees. The paying agent shall be permitted to resign as paying agent upon 30 days' written notice to the administrative trustees and to the property trustee. In the event that U.S. Bank National Association shall no longer be the paying agent, the property trustee will appoint a successor to act as paying agent, which will be a bank or trust company acceptable to the administrative trustees and to Wachovia.

Registrar and Transfer Agent

U.S. Bank National Association will act as registrar and transfer agent, or *Transfer Agent*, for the Trust Preferred Securities.

Registration of transfers of Trust Preferred Securities will be effected without charge by or on behalf of the Trust, but upon payment of any tax or other governmental charges that may be imposed in connection with any transfer or exchange. Neither the Trust nor the Transfer Agent shall be required to register the transfer of or exchange any Trust security during a period beginning at the opening of business 15 days before the day of selection for redemption of Trust securities and ending at the close of business on the day of mailing of notice of redemption or to transfer or exchange any Trust security so selected for redemption in whole or in part, except, in the case of any Trust security to be redeemed in part, any

portion thereof not to be redeemed.

Any Trust Preferred Securities can be exchanged for other Trust Preferred Securities so long as such other Trust Preferred Securities are denominated in authorized denominations and have the same aggregate liquidation amount and same terms as the Trust Preferred Securities that were surrendered for exchange. The Trust Preferred Securities may be presented for registration of transfer, duly endorsed or accompanied by a satisfactory written instrument of transfer, at the office or agency maintained by Wachovia for that purpose

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in a place of payment. There will be no service charge for any registration of transfer or exchange of the Trust Preferred Securities, but the Trust may require holders to pay any tax or other governmental charge payable in connection with a transfer or exchange of the Trust Preferred Securities. Wachovia may at any time rescind the designation or approve a change in the location of any office or agency, in addition to the security registrar, designated by it where holders can surrender the Trust Preferred Securities for registration of transfer or exchange. However, the Trust will be required to maintain an office or agency in each place of payment for the Trust Preferred Securities.

Information Concerning the Property Trustee

Other than during the occurrence and continuance of a Trust Event of Default, the property trustee undertakes to perform only the duties that are specifically set forth in the Trust Agreement. After a Trust Event of Default, the property trustee must exercise the same degree of care and skill as a prudent individual would exercise or use in the conduct of his or her own affairs. Subject to this provision, the property trustee is under no obligation to exercise any of the powers vested in it by the Trust Agreement at the request of any holder of Trust Preferred Securities unless it is offered indemnity satisfactory to it by such holder against the costs, expenses and liabilities that might be incurred. If no Trust Event of Default has occurred and is continuing and the property trustee is required to decide between alternative courses of action, construe ambiguous provisions in the Trust Agreement or is unsure of the application of any provision of the Trust Agreement, and the matter is not one upon which holders of Trust Preferred Securities are entitled under the Trust Agreement to vote, then the property trustee will take any action that Wachovia directs. If it does not provide direction, the property trustee may take or refrain from taking any action that it deems advisable and in the interests of the holders of the Trust Preferred Securities and will have no liability except for its own bad faith, negligence or willful misconduct.

Wachovia and its affiliates may maintain certain accounts and other banking relationships with the property trustee and its affiliates in the ordinary course of business.

Governing Law

The Trust Agreement will be governed by and construed in accordance with the laws of Delaware.

Miscellaneous

The administrative trustees are authorized and directed to conduct the affairs of and to operate the Trust in such a way that it will not be required to register as an investment company under the Investment Company Act and will not be characterized as other than a grantor trust for U.S. federal income tax purposes. The administrative trustees are authorized and directed to conduct their affairs so that the LoTSSM will be treated as indebtedness of Wachovia for U.S. federal income tax purposes.

In this regard, Wachovia and the administrative trustees are authorized to take any action, not inconsistent with applicable law, the certificate of trust of the Trust or the Trust Agreement, that Wachovia and the administrative trustees determine to be necessary or desirable to achieve such end, as long as such action does not materially and adversely affect the interests of the holders of the Trust Preferred Securities.

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Holders of the Trust Preferred Securities have no preemptive or similar rights. The Trust Preferred Securities are not convertible into or exchangeable for Wachovia common stock or preferred stock.

Subject to the replacement capital covenant and to the Federal Reserve's risk-based capital guidelines and policies applicable to bank holding companies, Wachovia or its affiliates may from time to time purchase any of the Trust Preferred Securities that are then outstanding by tender, in the open market or by private agreement.

The Trust may not borrow money or issue debt or mortgage or pledge any of its assets.

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Further Issues

The Trust has the right to issue additional Trust Preferred Securities in the future, provided that the Trust receives an opinion of counsel experienced in such matters that after the issuance the Trust will not be taxable as a corporation for United States federal income tax purposes and that the issuance will not result in the recognition of any gain or loss to existing holders, the Trust receives an opinion of counsel experienced in such matters that after the issuance the Trust will not be required to register as an investment company under the Investment Company Act, and the Trust concurrently purchases a like amount of LoTSSM.

Any such additional Trust Preferred Securities will have the same terms as the Trust Preferred Securities being offered by this prospectus supplement but may be offered at a different offering price and accrue distributions from a different date than the Trust Preferred Securities being offered hereby. If issued, any such additional Trust Preferred Securities will become part of the same series as the Trust Preferred Securities being offered hereby.

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DESCRIPTION OF THE LOTSSM

The following is a brief description of the terms of the LoTSSM and the indenture. It does not purport to be complete in all respects. This description is subject to and qualified in its entirety by reference to the LoTSSM and the indenture, which has been filed with the SEC and incorporated by reference into the registration statement to which this prospectus supplement relates and copies of which are available upon request from Wachovia.

The LoTSSM will be issued pursuant to the junior subordinated indenture, dated as of February 1, 2006, between Wachovia and U.S. Bank National Association, as indenture trustee. We refer to the junior subordinated indenture, as amended and supplemented (including by a supplemental indenture, to be dated as of November 21, 2007), as the *indenture*, and to U.S. Bank National Association or its successor, as indenture trustee, as the *indenture trustee*. You should read the indenture for provisions that may be important to you.

When we use the term *holder* in this prospectus supplement with respect to a registered LoTSSM, we mean the person in whose name such LoTSSM is registered in the security register.

The indenture does not limit the amount of debt that Wachovia or its subsidiaries may incur either under the indenture or other indentures to which Wachovia is or becomes a party. The LoTSSM are not convertible into or exchangeable for Wachovia's common stock or authorized preferred stock.

General

The LoTSSM will be unsecured and will be deeply subordinated upon Wachovia's liquidation (whether in bankruptcy or otherwise) to all of its indebtedness for money borrowed, including \$2.3 billion of junior subordinated debt securities underlying outstanding traditional trust preferred securities of Wachovia and other subordinated debt that is not by its terms expressly made *pari passu* with or junior to the LoTSSM upon liquidation. The LoTSSM will be *pari passu* with the existing parity obligations and other *Pari Passu* Securities, as defined under Subordination.

Interest Rate and Interest Payment Dates

The LoTSSM will bear interest at the annual rate of 7.85% and Wachovia will pay interest quarterly in arrears on March 15, June 15, September 15 and December 15 of each year, beginning on March 15, 2008. These dates are referred to as *interest payment dates* and the period beginning on and including November 21, 2007 and ending on but excluding the first interest payment date, March 15, 2008, and each successive period beginning on and including an interest payment date and ending on but excluding the next interest payment date is referred to as an *interest period*. The amount of interest payable will be computed on the basis of a 360-day year consisting of twelve 30-day months. In the event that any interest payment date would otherwise fall on a day that is not a business day, the interest payment due on that date will be postponed to the next day that is a business day and no interest will accrue as a result of that postponement.

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Accrued interest that is not paid on the applicable interest payment date will bear additional interest, to the extent permitted by law, at the same annual rate, from the relevant interest payment date, compounded on each subsequent interest payment date. The term *interest* refers not only to regularly scheduled interest payments but also to interest on interest payments not paid on the applicable interest payment date.

Option to Defer Interest Payments

Wachovia may on one or more occasions defer payment of interest on the LoTSSM for up to 40 consecutive interest periods. It may defer payment of interest prior to, on or after the scheduled maturity date. Wachovia may not defer interest beyond the final repayment date, as defined under Repayment of

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Principal, or the earlier repayment in full or redemption of the LoTSSM. Wachovia has no present intention of exercising its right to defer payments of interest on the LoTSSM.

Deferred interest on the LoTSSM will bear interest at the annual rate of 7.85%, compounded on each interest payment date, subject to applicable law. As used in this prospectus supplement, a *deferral period* refers to the period beginning on an interest payment date with respect to which Wachovia elects to defer interest and ending on the earlier of (i) the tenth anniversary of that interest payment date and (ii) the next interest payment date on which it has paid the deferred amount, all deferred amounts with respect to any subsequent period and all other accrued interest on the LoTSSM.

Wachovia has agreed in the indenture that, subject to the occurrence and continuation of a supervisory event or a market disruption event (each as described further below):

immediately following the first interest payment date during the deferral period on which Wachovia elects to pay current interest or, if earlier, the fifth anniversary of the beginning of the deferral period, it will be required to sell qualifying APM securities pursuant to the alternative payment mechanism and apply the eligible proceeds to the payment of any deferred interest (and compounded interest thereon) on the next interest payment date, and this requirement will continue in effect until the end of the deferral period; and

Wachovia will not pay deferred interest on the LoTSSM (and compounded interest thereon) prior to the final repayment date from any source other than eligible proceeds, except as contemplated by the following two paragraphs or at any time an event of default has occurred and is continuing.

Wachovia may pay current interest at all times from any available funds.

If a supervisory event, as defined under Alternative Payment Mechanism, has occurred and is continuing, then Wachovia may (but is not obligated to) pay deferred interest with cash from any source without a breach of its obligations under the indenture. In addition, if Wachovia sells qualifying APM securities pursuant to the alternative payment mechanism but a supervisory event arises from the Federal Reserve disapproving the use of the proceeds to pay deferred interest, it may use the proceeds for other purposes and continue to defer interest without a breach of its obligations under the indenture.

If Wachovia is involved in a merger, consolidation, amalgamation or conveyance, transfer or lease of assets substantially as an entirety to any other person (a *business combination*) where immediately after the consummation of the business combination more than 50% of the surviving entity's voting stock is owned by the shareholders of the other party to the business combination, then the foregoing rules with respect to the alternative payment mechanism and payment of interest during a deferral period will not apply to any deferral period that is terminated on the next interest payment date following the date of consummation of the business combination (or if later, at any time within 90 days following the date of consummation of the business combination). The settlement of all deferred interest, whether it occurs on an interest payment date or another date, will immediately terminate the deferral period. Wachovia will establish a special record date for the payment of any deferred interest pursuant to this paragraph on a date other than an interest payment date, which record date shall also be a special record date for the payment of the corresponding distribution on the Trust Preferred Securities.

Although Wachovia's failure to comply with the foregoing rules with respect to the alternative payment mechanism and payment of interest during a deferral period will be a breach of the indenture, it will not constitute an event of default under the indenture or give rise to a right of

acceleration or similar remedy.

If Wachovia has paid all deferred interest (and compounded interest thereon) on the LoTSSM, it can again defer interest payments on the LoTSSM as described above.

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If the property trustee, on behalf of the Trust, is the sole holder of the LoTSSM, Wachovia will give the property trustee and the relevant Delaware trustee written notice of its election to commence or extend a deferral period at least five business days before the earlier of:

the next succeeding date on which the distributions on the Trust Preferred Securities are payable; and

the date the property trustee is required to give notice to holders of the Trust Preferred Securities of the record or payment date for the related distribution.

The property trustee will give notice of Wachovia's election of a deferral period to the holders of the Trust Preferred Securities.

If the property trustee, on behalf of the Trust, is not the sole holder of the LoTSSM, Wachovia will give the holders of the LoTSSM and the indenture trustee written notice of its election of a deferral period at least five business days before the next interest payment date.

Dividend and Other Payment Stoppages during Interest Deferral and under Certain Other Circumstances

Wachovia will agree that, so long as any LoTSSM remain outstanding, if it has given notice of its election to defer interest payments on the LoTSSM but the related deferral period has not yet commenced or a deferral period is continuing, then it will not, and will not permit any of its subsidiaries to:

declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any shares of its capital stock;

make any payment of principal of, or interest or premium, if any, on, or repay, purchase or redeem any parity securities or any of its debt securities that rank upon its liquidation junior in interest to the LoTSSM; or

make any payments under any guarantee by Wachovia that ranks junior upon Wachovia's liquidation to the guarantee related to the LoTSSM.

The restrictions listed above do not apply to:

any repurchase, redemption or other acquisition of shares of its capital stock in connection with:

any employment contract, benefit plan or other similar arrangement with or for the benefit of any one or more employees, officers, directors, consultants or independent contractors;

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the satisfaction of its obligations pursuant to any contract entered into in the ordinary course prior to the beginning of the deferral period;

a dividend reinvestment or shareholder purchase plan; or

the issuance of its capital stock, or securities convertible into or exercisable for such capital stock, as consideration in an acquisition transaction entered into prior to the applicable deferral period;

any exchange, redemption or conversion of any class or series of its capital stock, or the capital stock of one of its subsidiaries, for any other class or series of its capital stock, or of any class or series of its indebtedness for any class or series of its capital stock;

any purchase of fractional interests in shares of its capital stock pursuant to the conversion or exchange provisions of such capital stock or the securities being converted or exchanged;

any declaration of a dividend in connection with any shareholder rights plan, or the issuance of rights, stock or other property under any shareholder rights plan, or the redemption or repurchase of rights pursuant thereto;

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payments by Wachovia under any guarantee agreement executed for the benefit of the holders of the Trust Preferred Securities;

any dividend in the form of stock, warrants, options or other rights where the dividend stock or stock issuable upon exercise of such warrants, options or other rights is the same stock as that on which the dividend is being paid or ranks equally with or junior to such stock;

any payment of current or deferred interest on parity securities that is made *pro rata* to the amounts due on such parity securities (including the LoTSSM), provided that such payments are made in accordance with the last paragraph under Alternative Payment Mechanism to the extent it applies, and any payments of deferred interest on parity securities outstanding on the date hereof that, if not made, would cause Wachovia to breach the terms of the instrument governing such parity securities; or

any payment of principal in respect of parity securities having an earlier scheduled maturity date than the LoTSSM or the same scheduled maturity date as the LoTSSM, as required under a provision of such parity securities that is substantially the same as the provision described under Repayment of Principal, and, in the case of parity securities having the same scheduled maturity date as the LoTSSM, that is made on a *pro rata* basis among such parity securities and the LoTSSM.

Wachovia's outstanding junior subordinated debt securities generally contain comparable provisions that will restrict the payment of principal of, and interest on, and the repurchase or redemption of, any of the LoTSSM as well as any guarantee payments on the guarantee of the LoTSSM if circumstances comparable to the foregoing occur with respect to those securities.

In addition, if any deferral period lasts longer than one year, Wachovia may not repurchase or acquire any securities ranking *pari passu* with or junior to any qualifying APM securities the proceeds of which were used to settle deferred interest during the relevant deferral period before the first anniversary of the date on which all deferred interest has been paid, subject to the exceptions listed above. However, if Wachovia is involved in a business combination where immediately after its consummation more than 50% of the surviving entity's voting stock is owned by the shareholders of the other party to the business combination, then the one-year restriction on such repurchases will not apply to any deferral period that is terminated on the next interest payment date following the date of consummation of the business combination (or if later, at any time within 90 days following the date of consummation of the business combination).

Alternative Payment Mechanism

Subject to the conditions described in Option to Defer Interest Payments and to the exclusions described in this section and in Market Disruption Events, if Wachovia defers interest on the LoTSSM, it will be required, commencing not later than (i) the first interest payment date on which it pays current interest (which it may do from any source of funds) or (ii) the fifth anniversary of the commencement of the deferral period, to issue qualifying APM securities until Wachovia has raised an amount of eligible proceeds at least equal to the aggregate amount of accrued and unpaid deferred interest, including compounded interest, on the LoTSSM. This method of funding the payment of accrued and unpaid interest is referred to as the *alternative payment mechanism*.

Except as provided below, Wachovia has agreed to apply eligible proceeds raised during any deferral period pursuant to the alternative payment mechanism to pay deferred interest (and compounded interest) on the LoTSSM.

Notwithstanding (and as a qualification to) the foregoing, under the alternative payment mechanism:

Wachovia may (but is not obligated to) pay deferred interest with cash from any source if a supervisory event has occurred and is continuing;

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Wachovia is not required to issue common stock (or, if it has amended the definition of qualifying APM securities to eliminate common stock, as discussed below, qualifying warrants) during the first five years of any deferral period (including compounded interest thereon) if the net proceeds of any issuance of common stock (or, if it has amended the definition of qualifying APM securities to eliminate common stock, as discussed below, qualifying warrants) applied during such deferral period to pay interest on the LoTSSM pursuant to the alternative payment mechanism, together with the net proceeds of all prior issuances of common stock and qualifying warrants so applied during that deferral period, would exceed an amount equal to 2% of the product of the average of the current stock market prices of its common stock on the 10 consecutive trading days ending on the second trading day immediately preceding the date of issuance of such securities multiplied by the total number of issued and outstanding shares of its common stock as of the date of its then most recent publicly available consolidated financial statements (the *common equity issuance cap*);

Wachovia is not permitted to issue qualifying preferred stock to the extent that the net proceeds of any issuance of qualifying preferred stock applied to pay interest on the LoTSSM pursuant to the alternative payment mechanism, together with the net proceeds of all prior issuances of qualifying preferred stock so applied during the current and all prior deferral periods, would exceed 25% of the aggregate principal amount of the LoTSSM initially issued under the indenture (the *preferred stock issuance cap*); and

so long as the definition of qualifying APM securities has not been amended to eliminate common stock, as discussed below, the sale of qualifying warrants to pay deferred interest is an option that may be exercised at Wachovia's sole discretion, and it will not be obligated to sell qualifying warrants or to apply the proceeds of any such sale to pay deferred interest on the LoTSSM, and no class of investors in its securities, or any other party, may require it to issue qualifying warrants.

Once Wachovia reaches the common equity issuance cap for a deferral period, it will not be required to issue more common stock (or, if it has amended the definition of qualifying APM securities to eliminate common stock, as discussed below, qualifying warrants) under the alternative payment mechanism during the first five years of such deferral period even if the amount referred to in the second bullet point above subsequently increases because of a subsequent increase in the current stock market price of Wachovia's common stock or the number of outstanding shares of its common stock. The common equity issuance cap will cease to apply after the fifth anniversary of the commencement of any deferral period, at which point Wachovia must pay any deferred interest regardless of the time at which it was deferred, using the alternative payment mechanism, subject to any supervisory event or market disruption event. In addition, if the common equity issuance cap is reached during a deferral period and Wachovia subsequently repays all deferred interest, the common equity issuance cap will cease to apply at the termination of such deferral period and will not apply again unless and until it starts a new deferral period.

Eligible proceeds means, for each relevant interest payment date, the net proceeds (after underwriters' or placement agents' fees, commissions or discounts and other expenses relating to the issuance or sale) Wachovia has received during the 180-day period prior to that interest payment date from the issuance or sale of qualifying APM securities (in the case of qualifying preferred stock, up to the preferred stock issuance cap), in each case to persons that are not its subsidiaries.

Qualifying APM securities means common stock, qualifying preferred stock and qualifying warrants, provided that Wachovia may, without the consent of the holders of the Trust Preferred Securities or the LoTSSM, amend the definition of qualifying APM securities to eliminate common stock or qualifying warrants (but not both) from the definition if an accounting standard or interpretive guidance of an existing standard issued by an organization or regulator that has responsibility for establishing or interpreting accounting standards in the United States becomes effective such that there is more than an insubstantial risk of a

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reduction in Wachovia's earnings per share as calculated in accordance with generally accepted accounting principles in the United States. Wachovia will promptly notify the holders of the LoTSSM, and the trustees of the Trust will promptly notify the holders of the Trust Preferred Securities, in the manner contemplated in the indenture and the Trust Agreement, of such change.

Qualifying preferred stock means non-cumulative perpetual preferred stock that (1) contains no remedies other than permitted remedies and (2) (a) is not redeemable, (b) is subject to intent-based replacement disclosure and has a provision that prohibits Wachovia from making any distributions thereon upon its failure to satisfy one or more financial tests set forth therein or (c) is subject to a qualifying replacement capital covenant, as such terms are defined under Replacement Capital Covenant.

Qualifying warrants means net share settled warrants to purchase Wachovia's common stock that (1) have an exercise price greater than the current stock market price (as defined below) of its common stock, and (2) Wachovia is not entitled to redeem for cash and the holders of which are not entitled to require it to repurchase for cash in any circumstances. Wachovia will be required to use commercially reasonable efforts, subject to the common equity issuance cap, to set the terms of the qualifying warrants so as to raise sufficient proceeds from their issuance to pay all deferred interest on the LoTSSM in accordance with the alternative payment mechanism. Wachovia intends that any qualifying warrants issued in accordance with the alternative payment mechanism will have exercise prices at least 10% above the current stock market price of its common stock on the date of issuance. The *current stock market price* of Wachovia common stock on any date shall be the closing sale price per share (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions by the New York Stock Exchange or, if its common stock is not then listed on the New York Stock Exchange, as reported by the principal U.S. securities exchange on which its common stock is traded. If its common stock is not listed on any U.S. securities exchange on the relevant date, the *current stock market price* shall be the last quoted bid price for its common stock in the over-the-counter market on the relevant date as reported by the National Quotation Bureau or similar organization. If Wachovia's common stock is not so quoted, the *current stock market price* shall be the average of the mid-point of the last bid and ask prices for its common stock on the relevant date from each of at least three nationally recognized independent investment banking firms selected by it for this purpose.

A *supervisory event* shall commence upon the date Wachovia has notified the Federal Reserve of its intention and affirmatively requested Federal Reserve approval both (1) to sell qualifying APM securities and (2) to apply the net proceeds of such sale to pay deferred interest on the LoTSSM, and Wachovia has been notified that the Federal Reserve disapproves of either action mentioned in that notice. A supervisory event shall cease on the business day following the earlier to occur of (a) the tenth anniversary of the commencement of any deferral period, or (b) the day on which the Federal Reserve notifies Wachovia in writing that it no longer disapproves of its intention to both (i) issue or sell qualifying APM securities and (ii) apply the net proceeds from such sale to pay deferred interest on the LoTSSM. The occurrence and continuation of a supervisory event will excuse Wachovia from its obligation to sell qualifying APM securities and to apply the net proceeds of such sale to pay deferred interest on the LoTSSM and will permit it to pay deferred interest using cash from any other source without breaching its obligations under the indenture. Because a supervisory event will exist if the Federal Reserve disapproves of either of these requests, the Federal Reserve will be able, without triggering a default under the indenture, to permit Wachovia to sell qualifying APM securities but to prohibit it from applying the proceeds to pay deferred interest on the LoTSSM.

Although Wachovia's failure to comply with its obligations with respect to the alternative payment mechanism will breach the indenture, it will not constitute an event of default thereunder or give rise to a right of acceleration or similar remedy. The remedies of holders of the LoTSSM and the Trust Preferred Securities will be limited in such circumstances as described under Risk Factors. The property trustee, as holder of the LoTSSM on behalf of the Trust, has only limited rights of acceleration.

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If, due to a market disruption event or otherwise, Wachovia were able to raise some, but not all, eligible proceeds necessary to pay all deferred interest (including compounded interest thereon) on any interest payment date, it will apply any available eligible proceeds to pay accrued and unpaid interest on the applicable interest payment date in chronological order based on the date each payment was first deferred, subject to the common equity issuance cap and preferred stock issuance cap, and each holder of Trust Preferred Securities will be entitled to receive a *pro rata* share of any amounts received on the LoTSSM. If Wachovia has outstanding parity securities under which it is obligated to sell securities that are qualifying APM securities and apply the net proceeds to the payment of deferred interest or distributions, then on any date and for any period the amount of net proceeds received by it from those sales and available for payment of the deferred interest and distributions shall be applied to the LoTSSM and those other parity securities on a *pro rata* basis up to the common equity issuance cap or the preferred stock issuance cap, as applicable (or comparable provisions in the instruments governing those parity securities), in proportion to the total amounts of accrued and unpaid interest that are due on the LoTSSM and such securities at such time, or on such other basis as the Federal Reserve may approve. The existing parity obligations obligate Wachovia to sell certain qualifying APM securities and apply the net proceeds to the payment of deferred interest or distributions on the *pro rata* basis described above for the parity securities.

Market Disruption Events

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

trading in securities generally (or in Wachovia's common stock or preferred stock specifically) on the New York Stock Exchange or any other national securities exchange, or in the over-the-counter market, on which its common stock and/or preferred stock is then listed or traded shall have been suspended or its settlement generally shall have been materially disrupted or minimum prices shall have been established on any such exchange or market by the relevant exchange or by any other regulatory body or governmental agency having jurisdiction, and the establishment of such minimum prices materially disrupts or otherwise has a material adverse effect on trading in, or the issuance and sale of, Wachovia's qualifying APM securities or qualifying capital securities, as the case may be;

Wachovia would be required to obtain the consent or approval of a regulatory body (including, without limitation, any securities exchange) or governmental authority to issue or sell qualifying APM securities pursuant to the alternative payment mechanism or to issue qualifying capital securities pursuant to its repayment obligations described under Repayment of Principal, as the case may be, and that consent or approval has not yet been obtained notwithstanding its commercially reasonable efforts to obtain that consent or approval;

the number of shares necessary to raise sufficient proceeds to pay the deferred interest payments would exceed Wachovia's shares available for issuance (as defined below) and consent of its shareholders to increase the amount of authorized shares has not been obtained (Wachovia having used commercially reasonable efforts to obtain such consent); provided that this market disruption event will not relieve Wachovia of its obligation to issue the number of shares available for issuance and to apply the proceeds thereof in partial payment of deferred interest;

a banking moratorium shall have been declared by the federal or state authorities of the United States and such moratorium materially disrupts or otherwise has a material adverse effect on trading in, or the issuance and sale of, Wachovia's qualifying APM securities or qualifying capital securities, as the case may be;

a material disruption shall have occurred in commercial banking or securities settlement or clearance services in the United States and such disruption materially disrupts or otherwise has a material adverse effect on trading in, or the issuance and sale of, Wachovia's qualifying APM securities or qualifying capital securities, as the case may be;

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the United States shall have become engaged in hostilities, there shall have been an escalation in hostilities involving the United States, there shall have been a declaration of a national emergency or war by the United States or there shall have occurred any other national or international calamity or crisis and such event materially disrupts or otherwise has a material adverse effect on trading in, or the issuance and sale of, Wachovia's qualifying APM securities or qualifying capital securities, as the case may be;

there shall have occurred such a material adverse change in general domestic or international economic, political or financial conditions, including without limitation as a result of terrorist activities, and such change materially disrupts or otherwise has a material adverse effect on the issuance and sale of Wachovia's qualifying APM securities or qualifying capital securities, as the case may be;

an event occurs and is continuing as a result of which the offering document for the offer and sale of qualifying APM securities or qualifying capital securities, as the case may be, would, in Wachovia's reasonable judgment, contain an untrue statement of a material fact or omit to state a material fact required to be stated in that offering document or necessary to make the statements in that offering document not misleading and either (a) the disclosure of that event at such time, in Wachovia's reasonable judgment, is not otherwise required by law and would have a material adverse effect on its business or (b) the disclosure relates to a previously undisclosed proposed or pending material business transaction, the disclosure of which would impede Wachovia's ability to consummate that transaction, provided that no single suspension period described in this bullet shall exceed 90 consecutive days and multiple suspension periods described in this bullet shall not exceed an aggregate of 90 days in any 180-day period; or

Wachovia reasonably believes that the offering document for the offer and the sale of its qualifying APM securities or qualifying capital securities, as the case may be, would not be in compliance with a rule or regulation of the SEC (for reasons other than those described in the immediately preceding bullet) and it is unable to comply with such rule or regulation or such compliance is unduly burdensome, provided that no single suspension period described in this bullet shall exceed 90 consecutive days and multiple suspension periods described in this bullet shall not exceed an aggregate of 90 days in any 180-day period.

Wachovia will be excused from its obligations under the alternative payment mechanism in respect of any interest payment date if it provides written certification to the indenture trustee (which the indenture trustee will promptly forward upon receipt to each holder of record of Trust Preferred Securities) no more than 15 and no less than 10 business days in advance of that interest payment date certifying that:

a market disruption event or supervisory event was existing after the immediately preceding interest payment date; and

either (a) the market disruption event or supervisory event continued for the entire period from the business day immediately following the preceding interest payment date to the business day immediately preceding the date on which that certification is provided or (b) the market disruption event or supervisory event continued for only part of this period, but Wachovia was unable to raise sufficient eligible proceeds during the rest of that period to pay all accrued and unpaid interest.

Wachovia will not be excused from its obligations under the alternative payment mechanism if it determines not to pursue or complete the sale of qualifying APM securities due to pricing, dividend rate or dilution considerations.

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Obligation to Seek Shareholder Approval to Increase Authorized Shares

Under the indenture, Wachovia will be required to use commercially reasonable efforts to seek shareholder approval to amend its articles of incorporation to increase the number of its authorized shares if, at any date, the shares available for issuance (as defined below) fall below the greater of:

110 million shares or, if Wachovia has amended the definition of *qualifying APM securities* to eliminate common stock, 220 million shares (as adjusted for any stock split, reverse stock split, stock dividend, reclassification, recapitalization, split-up, combination, exchange of shares or similar transaction), and

three times the number of shares that it would need to issue to raise sufficient proceeds to pay (assuming a price per share equal to the average trading price of its shares over the 10 trading day period preceding such date):

any then outstanding deferred interest on the LoTSSM, *plus*

twelve additional months of deferred interest on the LoTSSM.

If the Trust issues additional Trust Preferred Securities, the number of shares referred to in the first bullet above will be increased proportionately to the number of such additional Trust Preferred Securities.

Wachovia's failure to use commercially reasonable efforts to seek shareholder approval to increase the number of authorized shares would constitute a breach under the indenture, but would not constitute an event of default under the indenture or give rise to a right of acceleration or similar remedy.

Wachovia's *shares available for issuance* will be calculated in two steps. First, Wachovia will deduct from the number of its authorized and unissued shares the maximum number of shares of common stock that can be issued under existing reservations and commitments under which it is able to determine such maximum number. After deducting that number of shares from its authorized and unissued shares, Wachovia will allocate on a *pro rata* basis or such other basis as it determines is appropriate, the remaining available shares to the alternative payment mechanism and to any other similar commitment that is of an indeterminate nature and under which it is then required to issue shares. The definition of shares available for issuance will have the effect of giving absolute priority for issuance to those reservations and commitments under which it is able to determine the maximum number of shares issuable irrespective of when they were entered into.

Wachovia will be permitted to modify the definition of shares available for issuance and the related provisions of the indenture without the consent of holders of the Trust Preferred Securities or LoTSSM, provided that (i) it has determined, in its reasonable discretion, that such modification is not materially adverse to such holders, (ii) the rating agencies then rating the Trust Preferred Securities confirm the then current ratings of the Trust Preferred Securities and (iii) the number of shares available for issuance after giving effect to such modification will not fall below the then applicable threshold set forth in the third preceding paragraph.

Repayment of Principal

Scheduled maturity. Wachovia must repay the principal amount of the LoTSSM, together with accrued and unpaid interest, on December 15, 2047, or if that date is not a business day, the following business day (*scheduled maturity date*), subject to the limitations described below.

Wachovia's obligation to repay the LoTSSM on the scheduled maturity date is limited. The indenture requires that Wachovia repay the LoTSSM on the scheduled maturity date to the extent of the net proceeds it has received from the issuance of qualifying capital securities, as these terms are defined under Replacement

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Capital Covenant, during a 180-day period ending on a notice date not more than 15 and not less than 10 business days prior to the scheduled maturity date. If it has not sold sufficient qualifying capital securities to permit repayment of all principal and accrued and unpaid interest on the LoTSSM on the scheduled maturity date and has not otherwise voluntarily redeemed the LoTSSM, the unpaid amount will remain outstanding. Wachovia will be required to repay the unpaid portion of the LoTSSM on each subsequent interest payment date to the extent of the net proceeds it receives from any subsequent issuance of qualifying capital securities or upon the earliest to occur of the redemption of the LoTSSM, an event of default that results in acceleration of the LoTSSM or the final repayment date. Wachovia's right to redeem, repay or purchase LoTSSM or Trust Preferred Securities at any time on or after the earlier of the date that is 30 years prior to the final repayment date and the scheduled maturity date and prior to the later of the date that is 20 years prior to the final repayment date and December 15, 2057 is subject to its covenant described under Replacement Capital Covenant.

Wachovia will agree in the indenture to use its commercially reasonable efforts (except as described below) to raise sufficient net proceeds from the issuance of qualifying capital securities in a 180-day period ending on a notice date not more than 15 and not less than 10 business days prior to the scheduled maturity date to permit repayment of the LoTSSM in full on this date in accordance with the above requirement. Wachovia will further agree in the indenture that if it is unable for any reason to raise sufficient proceeds to permit payment in full on the scheduled maturity date, it will use its commercially reasonable efforts (except as described below) to raise sufficient proceeds from the sale of qualifying capital securities to permit repayment on the next interest payment date, and on each interest payment date thereafter, until it repays the LoTSSM in full, it redeems the LoTSSM, an event of default that results in acceleration of the LoTSSM occurs or the final repayment date. Wachovia's failure to use its commercially reasonable efforts to raise these proceeds would be a breach of covenant under the indenture. However, in no event will such failure be an event of default thereunder.

Although under the replacement capital covenant the principal amount of LoTSSM that Wachovia may redeem or repay during the period described above may be based on the net cash proceeds from certain issuances during the applicable measurement period of common stock, rights to acquire common stock, mandatorily convertible preferred stock, debt exchangeable for common equity, debt exchangeable for preferred equity and REIT preferred securities in addition to qualifying capital securities, Wachovia is not required under the indenture to use commercially reasonable efforts to issue any securities other than qualifying capital securities in connection with the above obligation.

Wachovia will deliver to the indenture trustee and the holders of the LoTSSM a notice of repayment at least 10 but not more than 30 days before the scheduled repayment date. If any LoTSSM are to be repaid in part only, the notice of repayment will state the portion of the principal amount thereof to be repaid.

Wachovia generally may amend or supplement the replacement capital covenant without the consent of the holders of the LoTSSM or the Trust Preferred Securities. However, with respect to qualifying capital securities, Wachovia has agreed in the indenture for the LoTSSM that it will not amend the replacement capital covenant to impose additional restrictions on the type or amount of qualifying capital securities that it may include for purposes of determining whether or to what extent the repayment, redemption or purchase of the LoTSSM or Trust Preferred Securities is permitted, except with the consent of holders of a majority by liquidation amount of the Trust Preferred Securities or, if the LoTSSM have been distributed by the Trust, a majority by principal amount of the LoTSSM.

In addition, under the current risk-based capital adequacy guidelines of the Federal Reserve, Federal Reserve approval is generally required for the early redemption of preferred stock or trust preferred securities included in regulatory capital. However, under current guidelines, rules and regulations, Federal Reserve approval is not required for the redemption of the Trust Preferred Securities on or after the scheduled maturity date in connection with the repayment of the LoTSSM as described above since, in this case, the

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redemption would not be an early redemption but would be pursuant to Wachovia's contractual obligation to repay the LoTSSM.

Commercially reasonable efforts to sell qualifying capital securities means commercially reasonable efforts to complete the offer and sale of qualifying capital securities to third parties that are not subsidiaries of Wachovia in public offerings or private placements. Wachovia will not be considered to have made commercially reasonable efforts to effect a sale of qualifying capital securities if it determines not to pursue or complete such sale due to pricing, coupon, dividend rate or dilution considerations.

Wachovia will be excused from its obligation under the indenture to use commercially reasonable efforts to sell qualifying capital securities to permit repayment of the LoTSSM if it provides written certification to the indenture trustee (which certification will be forwarded to each holder of record of Trust Preferred Securities) no more than 15 and no less than 10 business days in advance of the required repayment date certifying that:

a market disruption event was existing during the 180-day period preceding the date of the certificate or, in the case of any required repayment date after the scheduled maturity date, the 90-day period preceding the date of the certificate; and

either (a) the market disruption event continued for the entire 180-day period or 90-day period, as the case may be, or (b) the market disruption event continued for only part of the period, but it was unable after commercially reasonable efforts to sell sufficient qualifying capital securities during the rest of that period to permit repayment of the LoTSSM in full.

Payments in respect of the LoTSSM on and after the scheduled maturity date will be applied, first, to deferred interest (including compounded interest thereon) to the extent of eligible proceeds under the alternative payment mechanism, second, to pay current interest that Wachovia is not paying from other sources and, third, to repay the principal of the LoTSSM; provided that if it is obligated to sell qualifying capital securities and make payments of principal on any outstanding securities in addition to the LoTSSM in respect thereof, then on any date and for any period, such payments will be made first on any parity securities having an earlier scheduled maturity date than the LoTSSM and then on the LoTSSM and those other securities having the same scheduled maturity date as the LoTSSM *pro rata* in accordance with their respective outstanding principal amounts and no such payment will be made on any other securities having a later scheduled maturity date until the principal of the LoTSSM has been paid in full, except to the extent permitted under Dividend and Other Payment Stoppages during Interest Deferral and under Certain Other Circumstances and the last paragraph under Alternative Payment Mechanism. If Wachovia raises less than \$5 million of net proceeds from the sale of qualifying capital securities during the relevant 180-day or 90-day period, Wachovia will not be required to repay any LoTSSM on the scheduled maturity date or the next interest payment date, as applicable. On the next interest payment date as of which it has raised at least \$5 million of net proceeds during the 180-day period preceding the applicable notice date (or, if shorter, the period since it last delivered to the trustee a notice of repayment of any principal amount of LoTSSM), it will be required to repay a principal amount of the LoTSSM equal to the entire net proceeds from the sale of qualifying capital securities during such 180-day or shorter period, together with accrued and unpaid interest thereon, subject in the case of deferred interest to the alternative payment mechanism.

Wachovia's 7.85% Extendible Long Term Subordinated Notes contain comparable repayment provisions and an earlier scheduled maturity date. Accordingly, to the extent they are outstanding on the scheduled maturity date of the LoTSSM, in connection with any issuance of qualifying capital securities we will be required to repay them before repaying the LoTSSM.

Final repayment date. Any principal amount of the LoTSSM, together with accrued and unpaid interest, will be due and payable on the final repayment date for the LoTSSM, regardless of the amount of qualifying capital securities or qualifying APM securities Wachovia has issued and sold by that time. Initially, the final repayment date will be December 1, 2067. Wachovia may elect to extend the final repayment date up to two times in 10-year increments on either or both of December 15, 2017 and December 15, 2027 (each, an

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extension date), and as a result the final repayment date may be extended to December 1, 2077 or December 1, 2087, if all the following criteria are satisfied:

on the applicable extension date the LoTSSM are rated at least Baa3 by Moody's Investors Service, Inc. (*Moody's*) or BBB- by either of Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. (*S&P*), or Fitch Ratings Ltd. (*Fitch*) or, if any of Moody's, S&P and Fitch (or their respective successors) is no longer in existence, the equivalent rating by any other nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Exchange Act; and

during the three years prior to the applicable extension date:

no event of default has occurred or is occurring in respect of any payment obligation on, or financial covenant in, any of Wachovia's then outstanding debt for money borrowed having an aggregate principal amount of \$100 million or greater; and

it did not have (and does not currently have) any outstanding deferred payments under any of its then outstanding preferred stock or debt for money borrowed.

From and after the applicable extension date the final repayment date will be the final repayment date as so extended.

Redemption

The LoTSSM:

are repayable on the scheduled maturity date or thereafter as described under **Repayment of Principal** ;

are redeemable, in whole or in part, at Wachovia's option at any time on or after December 15, 2012, including on or after the scheduled maturity date;

are redeemable, in whole but not in part, after the occurrence of a tax event, a rating agency event, a capital treatment event or an investment company event, as described below; and

are not subject to any sinking fund or similar provisions.

Any redemption or repayment of the LoTSSM at any time on or after the earlier of the date that is 30 years prior to the final repayment date and the scheduled maturity date and prior to the later of the date that is 20 years prior to the final repayment date and December 15, 2057 is subject to Wachovia's obligations under the replacement capital covenant as described under **Replacement Capital Covenant**. Moreover, under the current risk-based capital adequacy guidelines of the Federal Reserve, Federal Reserve approval is generally required for the early redemption of preferred stock or trust preferred securities included in regulatory capital. However, Federal Reserve approval is not required for the redemption of the Trust Preferred Securities on or after the scheduled maturity date in connection with the repayment of the LoTSSM since, in this case, the redemption would not be an early redemption but would be pursuant to Wachovia's contractual obligation to repay the LoTSSM, subject to the

limitations described under Repayment of Principal, on the scheduled maturity date.

The redemption price of the LoTSSM will be equal to (i) 100% of the principal amount of the LoTSSM being redeemed or (ii) in the case of a redemption after the occurrence of a rating agency event, a *make-whole redemption price* equal to (x) 100% of the principal amount of the LoTSSM being redeemed or (y) if greater, the sum of the present values of the remaining scheduled payments of principal (discounted from December 15, 2012) and interest that would have been payable to and including December 15, 2012 (discounted from their respective interest payment dates) on the LoTSSM to be redeemed (not including any portion of such payments of interest accrued to the redemption date) to the redemption date on a quarterly basis (assuming a 360-day year consisting of twelve 30-day months) at the treasury rate plus 50 basis points, as calculated by the premium calculation agent, in each case plus accrued and unpaid interest to the redemption date.

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Tax event means that Wachovia has requested and received an opinion of counsel experienced in such matters to the effect that, as a result of any:

amendment to or change (including any announced prospective change) in the laws or regulations of the United States or any political subdivision or taxing authority of or in the United States that is enacted or issued or becomes effective after the initial issuance of the Trust Preferred Securities;

proposed change in those laws or regulations that is announced after the initial issuance of the Trust Preferred Securities;

official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced after the initial issuance of the Trust Preferred Securities; or

threatened challenge asserted in connection with an audit of the Trust, Wachovia or its subsidiaries, or a threatened challenge asserted in writing against any other taxpayer that has raised capital through the issuance of securities that are substantially similar to the LoTSSM or the Trust Preferred Securities;

there is more than an insubstantial increase in risk that:

the Trust is or will be subject to United States federal income tax with respect to income received or accrued on the LoTSSM;

interest payable by Wachovia on the LoTSSM is not, or will not be, deductible by Wachovia, in whole or in part, for United States federal income tax purposes; or

the Trust is or will be subject to more than a *de minimis* amount of other taxes, duties or other governmental charges.

If Wachovia redeems the LoTSSM pursuant to a tax event of the type described in the second or fourth bullet point above, it intends to do so only with the proceeds of replacement capital securities that have terms and provisions at the time of redemption that are as or more equity-like than the LoTSSM then being redeemed, raised within 180 days prior to the applicable redemption.

A *rating agency event* means an amendment, clarification or change has occurred in the equity criteria for securities such as the LoTSSM of any nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Exchange Act that then publishes a rating for Wachovia (a *rating agency*), which amendment, clarification or change results in (i) the length of time for which such current criteria are scheduled to be in effect being shortened with respect to the LoTSSM or (ii) a lower equity credit for the LoTSSM than the then respective equity credit assigned by such rating agency on the closing date of this offering.

Capital treatment event means Wachovia's reasonable determination that, as a result of the occurrence of any amendment to, or change (including any announced prospective change) in, the laws (or any rules or regulations thereunder) of the United States or any political subdivision thereof or therein, or as a result of any official or administrative pronouncement or action or judicial decision interpreting or applying such laws, rules or regulations, which amendment or change is effective or which pronouncement, action or decision is announced on or after the date of issuance of the Trust Preferred Securities, there is more than an insubstantial risk that Wachovia will not be entitled to treat an amount equal to the aggregate liquidation amount of the Trust Preferred Securities as Tier 1 capital (or the then equivalent thereof) for

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purposes of the capital adequacy guidelines of the Federal Reserve, as then in effect and applicable to Wachovia.

Investment company event means the receipt by the Trust of an opinion of counsel experienced in such matters to the effect that, as a result of any amendment to, or change (including any announced prospective

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change) in, the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein, or as a result of any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or which pronouncement or decision is announced on or after the date of issuance of the Trust Preferred Securities, there is more than an insubstantial risk that the Trust is or will be considered an investment company that is required to be registered under the Investment Company Act.

Treasury rate means the semi-annual equivalent yield to maturity of the treasury security that corresponds to the treasury price (calculated in accordance with standard market practice and computed as of the second trading day preceding the redemption date).

Treasury security means the United States Treasury security that the treasury dealer determines would be appropriate to use, at the time of determination and in accordance with standard market practice, in pricing the LoTSSM being redeemed in a tender offer based on a spread to United States Treasury yields.

Treasury price means the bid-side price for the treasury security as of the third trading day preceding the redemption date, as set forth in the daily statistical release (or any successor release) published in the Wall Street Journal in the table entitled Treasury Bonds, Notes, and Bills, as determined by the treasury dealer, except that: (i) if that release (or any successor release) is not published or does not contain that price information on that trading day; or (ii) if the treasury dealer determines that the price information is not reasonably reflective of the actual bid-side price of the treasury security prevailing at 3:30 p.m., New York City time, on that trading day, then treasury price will instead mean the bid-side price for the treasury security at or around 3:30 p.m., New York City time, on that trading day (expressed on a next trading day settlement basis) as determined by the treasury dealer through such alternative means as the treasury dealer considers to be appropriate under the circumstances.

Treasury dealer means U.S. Bank National Association (or its successor) or, if U.S. Bank National Association (or its successor) refuses to act as treasury dealer for this purpose or ceases to be a primary U.S. Government securities dealer, another nationally recognized investment banking firm that is a primary U.S. Government securities dealer specified by us for these purposes.

Wachovia will notify the Trust of the make-whole redemption price promptly after the calculation thereof and the Trustee will have no responsibility for calculating the make-whole redemption price.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of LoTSSM to be redeemed at its registered address. Unless Wachovia defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the LoTSSM or portions thereof called for redemption.

Wachovia may not redeem the LoTSSM in part if the principal amount has been accelerated and such acceleration has not been rescinded or unless all accrued and unpaid interest, including deferred interest, has been paid in full on all outstanding LoTSSM for all interest periods terminating on or before the redemption date.

In the event of any redemption, neither Wachovia nor the indenture trustee will be required to:

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issue, register the transfer of, or exchange, LoTSSM during a period beginning at the opening of business 15 days before the day of selection for redemption of LoTSSM and ending at the close of business on the day of mailing of notice of redemption; or

transfer or exchange any LoTSSM so selected for redemption, except, in the case of any LoTSSM being redeemed in part, any portion thereof not to be redeemed.

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Subordination

Wachovia's obligations to pay interest on, and principal of, the LoTSSM are subordinate and junior in right of payment and upon liquidation to all its senior and subordinated debt, whether now outstanding or subsequently incurred, including:

\$52.8 billion of its indebtedness for money borrowed, including \$2.3 billion of junior subordinated debt securities underlying outstanding traditional trust preferred securities of Wachovia and other indebtedness evidenced by bonds, debentures, notes or similar instruments,

similar obligations arising from off-balance sheet guarantees and direct credit substitutes,

obligations associated with derivative products including but not limited to interest rate and foreign exchange contracts and futures contracts relating to mortgages, commodity contracts, capital lease obligations, and

guarantees of any of the foregoing;

but not including trade accounts payable and accrued liabilities arising in the ordinary course of business or the existing parity obligations or other debt securities and guarantees that by their terms rank *pari passu* with or junior to the LoTSSM. Wachovia's obligations to which the LoTSSM are subordinated upon liquidation are referred to as its *senior and subordinated debt*.

The LoTSSM and the guarantee will rank equally upon liquidation and in right of payment with any *Pari Passu Securities*, which means (i) indebtedness that, among other things, (a) qualifies or is issued to financing vehicles issuing securities that qualify as Tier 1 capital of Wachovia under the capital guidelines of the Federal Reserve and (b) by its terms ranks equally with the LoTSSM in right of payment and upon liquidation; and (ii) guarantees of indebtedness described in clause (i) or securities issued by one or more financing vehicles described in clause (i). *Pari Passu Securities* does not include Wachovia's junior subordinated debentures or guarantees issued in connection with Wachovia's outstanding traditional trust preferred securities, each of which ranks senior to the Trust Preferred Securities, or any junior subordinated debentures or guarantees that may be issued in the future in connection with traditional trust preferred securities, but does include the existing parity obligations. All liabilities of Wachovia's subsidiaries including trade accounts payable and accrued liabilities arising in the ordinary course of business are effectively senior to the LoTSSM to the extent of the assets of such subsidiaries.

Notwithstanding the foregoing or any other provision of the indenture, provided that Wachovia is not subject to a bankruptcy, insolvency, liquidation or similar proceeding, it may pay interest or principal on parity securities, as that term is defined under Dividend and Other Payment Stoppages during Interest Deferral and under Certain Other Circumstances, in accordance with that section and free of the limitations described in the preceding paragraph.

In addition, Wachovia will not incur any additional indebtedness for borrowed money that ranks *pari passu* with or junior to the LoTSSM except in compliance with applicable Federal Reserve regulations and guidelines.

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If certain events in bankruptcy, insolvency or reorganization occur, Wachovia will first pay all senior and subordinated debt, including any interest accrued after the events occur, in full before it makes any payment or distribution, whether in cash, securities or other property, on account of the principal of or interest on the LoTSSM. In such an event, it will pay or deliver directly to the holders of senior and subordinated debt and of other indebtedness described in the previous sentence any payment or distribution otherwise payable or deliverable to holders of the LoTSSM. Wachovia will make the payments to the holders of

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senior and subordinated debt according to priorities existing among those holders until it has paid all senior and subordinated debt, including accrued interest, in full. Notwithstanding the subordination provisions discussed in this paragraph, it may make payments or distributions on the LoTSSM so long as:

the payments or distributions consist of securities issued by Wachovia or another company in connection with a plan of reorganization or readjustment; and

payment on those securities is subordinate to outstanding senior and subordinated debt and any securities issued with respect to senior and subordinated debt under such plan of reorganization or readjustment at least to the same extent provided in the subordination provisions of the LoTSSM.

If such events in bankruptcy, insolvency or reorganization occur, after Wachovia has paid in full all amounts owed on senior and subordinated debt, the holders of LoTSSM together with the holders of any of its other obligations ranking equal with the LoTSSM will be entitled to receive from its remaining assets any principal or interest due at that time on the LoTSSM and such other obligations before it makes any payment or other distribution on account of any of its capital stock or obligations ranking junior to the LoTSSM.

If Wachovia violates the indenture by making a payment or distribution to holders of the LoTSSM before Wachovia has paid all the senior and subordinated debt in full, then such holders of the LoTSSM will have to pay or transfer the payments or distributions to the trustee in bankruptcy, receiver, liquidating trustee or other person distributing its assets for payment of the senior and subordinated debt. Notwithstanding the subordination provisions discussed in this paragraph, holders of LoTSSM will not be required to pay, or transfer payments or distributions to, holders of senior and subordinated debt so long as:

the payments or distributions consist of securities issued by Wachovia or another company in connection with a plan of reorganization or readjustment; and

payment on those securities is subordinate to outstanding senior and subordinated debt and any securities issued with respect to senior and subordinated debt under such plan of reorganization or readjustment at least to the same extent provided in the subordination provisions of the LoTSSM.

Because of the subordination, if Wachovia becomes insolvent, holders of senior and subordinated debt may receive more, ratably, and holders of the LoTSSM having a claim pursuant to those securities may receive less, ratably, than its other creditors, including trade creditors. This type of subordination will not prevent an event of default from occurring under the indenture in connection with the LoTSSM.

Wachovia may modify or amend the indenture as provided under Modification of Indenture. However, the modification or amendment may not, without the consent of the holders of all senior and subordinated debt outstanding, modify any of the provisions of the indenture relating to the subordination of the LoTSSM in a manner that would adversely affect the holders of senior and subordinated debt.

The indenture places no limitation on the amount of senior and subordinated debt that Wachovia may incur. Wachovia expects from time to time to incur additional indebtedness and other obligations constituting senior and subordinated debt.

Limitation on Claims in the Event of Bankruptcy, Insolvency or Receivership

The indenture provides that a holder of LoTSSM, by that holder's acceptance of the LoTSSM, agrees that in certain events of bankruptcy, insolvency or receivership prior to the redemption or repayment of its LoTSSM, that holder of LoTSSM will have no claim for, and thus no right to receive, optionally deferred and unpaid interest (including compounded interest thereon) that has not been settled through the application of the alternative payment mechanism to the extent the amount of such interest exceeds the sum of (x) two

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years of accumulated and unpaid interest (including compounded interest thereon) on the LoTSSM and (y) an amount equal to such holder's *pro rata* share of the excess, if any, of the preferred stock issuance cap over the aggregate amount of net proceeds from the sale of qualifying preferred stock that Wachovia has applied to pay such deferred interest pursuant to the alternative payment mechanism. Each holder of LoTSSM is deemed to agree that, to the extent the claim for such deferred interest exceeds the amount set forth in clause (x), the amount it receives in respect of such excess shall not exceed the amount it would have received had the claim for such excess ranked *pari passu* with the interests of the holders, if any, of qualifying preferred stock.

Payment; Exchange; Transfer

If the Trust is dissolved and the LoTSSM are distributed to the holders of the Trust Preferred Securities, Wachovia will appoint a paying agent from whom holders of LoTSSM can receive payment of the principal of and interest on the LoTSSM. It may elect to pay any interest on the LoTSSM by mailing a check to the person listed as the owner of the LoTSSM in the security register or by wire transfer to an account designated by that person in writing not less than 10 days before the date of the interest payment. One of Wachovia's affiliates may serve as the paying agent under the indenture. It will pay interest on the LoTSSM.

on an interest payment date to the person in whose name that LoTSSM is registered at the close of business on the record date relating to that interest payment date; and

on the date of maturity or earlier redemption or repayment to the person who surrenders such LoTSSM at the office of the appointed paying agent.

Any money that Wachovia pays to a paying agent for the purpose of making payments on the LoTSSM and that remains unclaimed two years after the payments were due will, at its request, be returned to Wachovia and after that time any holder of such LoTSSM can only look to Wachovia for the payments on such LoTSSM.

Any LoTSSM can be exchanged for other LoTSSM so long as such other LoTSSM are denominated in authorized denominations and have the same aggregate principal amount and same terms as the LoTSSM that were surrendered for exchange. The LoTSSM may be presented for registration of transfer, duly endorsed or accompanied by a satisfactory written instrument of transfer, at the office or agency maintained by Wachovia for that purpose in a place of payment. There will be no service charge for any registration of transfer or exchange of the LoTSSM, but Wachovia may require holders to pay any tax or other governmental charge payable in connection with a transfer or exchange of the LoTSSM. It may at any time rescind the designation or approve a change in the location of any office or agency, in addition to the security registrar, designated by Wachovia where holders can surrender the LoTSSM for registration of transfer or exchange. However, Wachovia will be required to maintain an office or agency in each place of payment for the LoTSSM.

Denominations

The LoTSSM will be issued only in registered form, without coupons, in denominations of \$25 each or multiples of \$25.

Limitation on Mergers and Sales of Assets

The indenture generally permits a consolidation or merger between Wachovia and another entity. It also permits the sale or transfer by Wachovia of all or substantially all of its property and assets. These transactions are permitted if:

the resulting or acquiring entity, if other than Wachovia, is organized and existing under the laws of a domestic jurisdiction and assumes all of its responsibilities and liabilities under the indenture, including the payment of all amounts due on the debt securities and performance of the covenants in the indenture;

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immediately after the transaction, and giving effect to the transaction, no event of default under the indenture exists; and

certain other conditions as prescribed in the indenture are met.

If Wachovia consolidates or merges with or into any other entity or sells or leases all or substantially all of its assets according to the terms and conditions of the indenture, the resulting or acquiring entity will be substituted for Wachovia in such indenture with the same effect as if it had been an original party to the indenture. As a result, such successor entity may exercise Wachovia's rights and powers under the indenture, in Wachovia's name and, except in the case of a lease of all or substantially all of its properties and assets, it will be released from all of its liabilities and obligations under the indenture and under the LoTSSM.

Events of Default; Waiver and Notice

The following events are *events of default* with respect to the LoTSSM

default in the payment of interest, including compounded interest, in full on any LoTSSM for a period of 30 days after the conclusion of a 10-year period following the commencement of any deferral period;

bankruptcy of Wachovia; or

receivership of Wachovia Bank, National Association.

The indenture for the LoTSSM provides that the indenture trustee must give holders notice of all defaults or events of default within 30 days after it becomes actually known to a responsible officer of the indenture trustee. However, except in the cases of a default or an event of default in payment on the LoTSSM, the indenture trustee will be protected in withholding the notice if its responsible officers determine that withholding of the notice is in the interest of such holders.

If an event of default under the indenture occurs and continues, the indenture trustee or the holders of at least 25% in aggregate principal amount of the outstanding LoTSSM may declare the entire principal and all accrued but unpaid interest on all LoTSSM to be due and payable immediately. If the indenture trustee or the holders of LoTSSM do not make such declaration and the LoTSSM are beneficially owned by the Trust or a trustee of the Trust, the property trustee or the holders of at least 25% in aggregate liquidation amount of the Trust Preferred Securities shall have such right.

If such a declaration occurs, the holders of a majority of the aggregate principal amount of the outstanding LoTSSM can, subject to certain conditions (including, if the LoTSSM are held by the Trust or a trustee of the Trust, the consent of the holders of at least a majority in aggregate liquidation amount of the Trust Preferred Securities), rescind the declaration. If the holders of the LoTSSM do not rescind such declaration and the LoTSSM are beneficially owned by the Trust or property trustee of the Trust, the holders of at least a majority in aggregate liquidation amount of the Trust Preferred Securities shall have such right.

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The holders of a majority in aggregate principal amount of the outstanding LoTSSM may waive any past default, except:

a default in payment of principal or interest; or

a default under any provision of the indenture that itself cannot be modified or amended without the consent of the holder of each outstanding LoTSSM.

If the LoTSSM are beneficially owned by the Trust or a trustee of the Trust, any such waiver shall require the consent of the holders of at least a majority in aggregate liquidation amount of the Trust Preferred Securities.

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The holders of a majority in principal amount of the LoTSSM shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the indenture trustee.