

WACHOVIA CORP NEW
Form 424B5
August 30, 2006
Table of Contents

PROSPECTUS SUPPLEMENT
(To prospectus dated May 13, 2005)

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-123311

\$3,944,704

Wachovia Corporation

10% Callable Enhanced Yield Securities

Linked to the Common Stock of eBay Inc.

due September 5, 2007

Issuer: Wachovia Corporation

Principal Amount: The initial public offering price and principal amount of each security is \$27.17, which is equal to the closing price of the Underlying Stock on August 29, 2006.

Maturity Date: September 5, 2007

Interest: 10% per annum, payable quarterly

Interest Payment Dates: March 5, June 5, September 5 and December 5, beginning on December 5, 2006

Underlying Stock: eBay Inc. common stock. eBay Inc. has no obligations relating to, and does not sponsor or endorse, the securities.

Payment at Maturity: On the maturity date, if not previously called by us for the call price, you will receive for each security you hold a number of shares of the Underlying Stock equal to the exchange ratio, as determined on the valuation date, plus any accrued but unpaid interest in cash. The exchange ratio equals one share of the Underlying Stock for each security, subject to certain adjustments. *If the closing price of the Underlying Stock at maturity is less than the initial stock price, the value per share of the Underlying Stock you receive at maturity will be less than the initial public offering price and you will lose some or all of your principal (but you will still receive any accrued but unpaid interest in cash).*

Issuer Call Right: Beginning on March 1, 2007, we have the right to call the securities, in whole, but not in part, at any time and pay you the call price, which will be calculated by the calculation agent. The call price will be an amount of cash per security that, together with all of the interest paid on each security to and including the call date, gives you a specified yield to call of 25% on the initial public offering price of each security from and including the date of issuance to but excluding the call date. The calculation of the call price for any call date takes into account the time value of all the payments made per security from the date of issuance to and including the call date. If we decide to call the securities, we will give you notice at least 10 but not more than 30 calendar days before the call date specified in the notice of call.

Listing: The securities will not be listed or displayed on any securities exchange, the Nasdaq National Market or any electronic communications network.

Pricing Date: August 29, 2006

Expected Settlement Date: September 1, 2006

CUSIP Number: 929903771

For a detailed description of the terms of the securities, see Summary Information beginning on page S-1 and Specific Terms of the Securities beginning on page S-12.

Investing in the securities involves risks. See Risk Factors beginning on page S-7.

| | Per Security | Total |
|---|--------------|-----------------|
| Public Offering Price | 100.00% | \$ 3,944,704.00 |
| Underwriting Discount and Commission ⁽¹⁾ | 2.25% | \$ 88,572.43 |
| Proceeds to Wachovia Corporation ⁽¹⁾ | 97.75% | \$ 3,856,131.57 |

⁽¹⁾ If the securities are sold on an agency basis only, the underwriting discount will be 2.00%, as described under Supplemental Plan of Distribution . In that case, proceeds to be received by Wachovia will be 98.00%.

The securities solely represent senior, unsecured debt obligations of Wachovia and are not the obligation of, or guaranteed by, any other entity. The securities are not deposits or accounts and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

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

Wachovia may use this prospectus supplement in the initial sale of the securities. In addition, Wachovia Capital Markets, LLC or any other broker-dealer affiliate of Wachovia may use this prospectus supplement in a market-making or other transaction in any security after its initial sale. *Unless Wachovia or its agent informs the purchaser otherwise in the confirmation of sale, this prospectus supplement is being used in a market-making transaction.*

Wachovia Securities

The date of this prospectus supplement is August 29, 2006.

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

| | |
|--|--------------------|
| <u>Summary Information</u> | Page S-1 |
| <u>Risk Factors</u> | S-7 |
| <u>Specific Terms of the Securities</u> | S-12 |
| <u>The Underlying Stock</u> | S-23 |
| <u>Supplemental Tax Considerations</u> | S-24 |
| <u>Employee Retirement Income Security Act</u> | S-26 |
| <u>Use of Proceeds and Hedging</u> | S-28 |
| <u>Supplemental Plan of Distribution</u> | S-28 |
| <u>Recent Developments</u> | S-30 |
| <u>Annex A</u> | A-1 |

Prospectus

| | |
|--|-------------|
| | Page |
| About This Prospectus | 1 |
| Where You Can Find More Information | 3 |
| Forward-Looking Statements | 4 |
| Wachovia Corporation | 4 |
| Risk Factors | 5 |
| Use of Proceeds | 9 |
| Consolidated Earnings Ratios | 9 |
| Selected Consolidated Condensed Financial Data | 10 |
| Capitalization | 11 |
| Regulatory Considerations | 11 |
| Description of the Notes We May Offer | 12 |
| Global Notes | 45 |
| United States Taxation | 49 |
| Proposed European Union Directive on Taxation of Savings | 62 |
| Employee Retirement Income Security Act | 62 |
| Plan of Distribution | 64 |
| Validity of the Notes | 69 |
| Experts | 70 |
| Listing and General Information | 70 |

Unless otherwise indicated, you may rely on the information contained in this prospectus supplement and the accompanying prospectus. Neither we nor the underwriter has authorized anyone to provide information different from that contained in this prospectus supplement and the accompanying prospectus. When you make a decision about whether to invest in the securities, you should not rely upon any information other than the information in this prospectus supplement and the accompanying prospectus. Neither the delivery of this prospectus supplement nor sale of the securities means that information contained in this prospectus supplement or the accompanying prospectus is correct after their respective dates. This prospectus supplement and the accompanying prospectus are not an offer to sell or solicitation of an offer to buy the securities in any circumstances under which the offer of solicitation is unlawful.

Table of Contents

SUMMARY INFORMATION

This summary includes questions and answers that highlight selected information from this prospectus supplement and the accompanying prospectus to help you understand the 10% Callable Enhanced Yield Securities Linked to the Common Stock of eBay Inc. due September 5, 2007, which we refer to as the securities. You should carefully read this prospectus supplement and the accompanying prospectus to fully understand the terms of the securities as well as the tax and other considerations that are important to you in making a decision about whether to invest in the securities. You should carefully review the section Risk Factors in this prospectus supplement and the accompanying prospectus, which highlights certain risks associated with an investment in the securities, to determine whether an investment in the securities is appropriate for you.

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus supplement to Wachovia, we, us and our or similar references mean Wachovia Corporation and its subsidiaries. Unless otherwise mentioned or unless the context requires otherwise, all references to WBNA mean Wachovia Bank, National Association. Wachovia Capital Markets, LLC is an indirect, wholly owned subsidiary of Wachovia Corporation. Wachovia Corporation conducts its investment banking, capital markets and retail brokerage activities through its various broker-dealer, bank and non-bank subsidiaries, including Wachovia Capital Markets, LLC, under the trade name Wachovia Securities. Any reference to Wachovia Securities in this prospectus supplement does not, however, refer to Wachovia Securities, LLC, a member of the New York Stock Exchange and the Securities Investor Protection Corporation, to Wachovia Securities Financial Network, LLC, a member of the National Association of Securities Dealers, Inc. and the Securities Investor Protection Corporation, or to broker-dealer affiliates of Wachovia Corporation and Wachovia Capital Markets, LLC. All references to this prospectus supplement mean the pricing supplement contemplated in the accompanying prospectus.

What are the securities?

The securities offered by this prospectus supplement will be issued by Wachovia Corporation and will mature on September 5, 2007. The securities may be called by us beginning on March 1, 2007. The return on the securities is linked to the price performance of the common stock of eBay Inc., which we refer to as the Underlying Stock Issuer.

As discussed in the accompanying prospectus, the securities are debt securities and are part of a series of debt securities entitled Medium-Term Notes, Series G that Wachovia Corporation may issue from time to time. The securities will rank equally with all other unsecured and unsubordinated debt of Wachovia Corporation. For more details, see Specific Terms of the Securities beginning on page S-12.

The initial public offering price and principal amount of each security is \$27.17, which is equal to the closing price per share of the Underlying Stock on August 29, 2006. We refer to the closing price per share of the Underlying Stock on August 29, 2006 as the initial stock price.

You may transfer only whole securities. Wachovia Corporation will issue the securities in the form of a global certificate, which will be held by The Depository Trust Company, also known as DTC, or its nominee. Direct and indirect participants in DTC will record your ownership of the securities.

Are the securities principal protected?

No, the securities do not guarantee any return of principal at maturity. Instead, the securities will pay at maturity a number of shares of the Underlying Stock, subject to our call right. *If the closing price of the Underlying Stock at maturity is less than the initial stock price, the value per share of the Underlying Stock you receive at maturity will be less than the initial public offering price and you will lose some or all of your principal.*

Will I receive interest on the securities?

The securities will bear interest at a rate of 10% per annum payable on each of March 5, June 5, September 5 and December 5, beginning on December 5, 2006. The interest rate on the securities is higher than the dividend yield of the Underlying Stock. The interest rate is also higher than the interest we would pay on a

Table of Contents

conventional fixed-rate, principal protected debt security. *If we call the securities, we will pay in cash any accrued but unpaid interest on the securities to but excluding the call date.*

How is Wachovia able to offer a 10% interest rate on the securities?

Wachovia is able to offer a 10% interest rate on the securities because the securities are riskier than conventional principal protected debt securities. As previously described, the return on the securities is linked to the price performance of the Underlying Stock. The interest rate on the securities reflects both the fact that the performance of the securities does not reflect dividends, if any, payable on the Underlying Stock and the value of our right to call the securities at the yield to call. In general, for any given yield to call, the more volatile the Underlying Stock is or is expected to be, the higher the interest rate.

What will I receive upon maturity of the securities?

On the maturity date, if we have not called the securities for the call price, you will receive a number of shares of the Underlying Stock for each security you hold equal to the exchange ratio, as determined on the valuation date, plus any accrued but unpaid interest in cash. Unlike ordinary debt securities, the return of your principal is not guaranteed. *If the closing price of the Underlying Stock at maturity is less than the initial stock price, the value per share of the Underlying Stock you receive at maturity will be less than the initial public offering price and you will lose some or all of your principal.*

The maturity date is September 5, 2007, subject to extension if the valuation date is postponed as described below or if the final call notice date is postponed as described below in Specific Terms of the Securities Issuer Call Right. If the valuation date is postponed, then the maturity date of the securities will be postponed by an equal number of trading days. If the final call notice date is postponed and we elect to call the securities, the maturity date will be postponed so that it will be the tenth calendar day following the final call notice date as postponed.

The exchange ratio is equal to one share of Underlying Stock for each security, subject to adjustment for certain corporate events relating to eBay Inc., as described in this prospectus supplement under Specific Terms of the Securities Antidilution Adjustments.

The valuation date means the second trading day prior to the maturity date. However, if that date occurs on a day on which the calculation agent has determined that a market disruption event has occurred or is continuing, then the valuation date will be the next succeeding trading day on which the calculation agent has determined that a market disruption event has not occurred or is not continuing. *If the valuation date is postponed, then the maturity date of the securities will be postponed by an equal number of trading days.*

A trading day means a day, as determined by the calculation agent, on which trading is generally conducted on the New York Stock Exchange, Inc. (NYSE), the American Stock Exchange, the Nasdaq National Market, the Chicago Board Mercantile Exchange and the Chicago Board of Options Exchange and in the over-the-counter market for equity securities in the United States.

A business day means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in New York City generally are authorized or obligated by law, regulation or executive order to close.

If the calculation of the number of shares of the Underlying Stock per security on the valuation date results in fractional shares, such fractional shares will be paid in U.S. dollar amounts equal to the fractional number of shares multiplied by the closing price per share of the Underlying Stock on the valuation date.

What will I receive if Wachovia calls the securities?

On any trading day on or after March 1, 2007 to and including the maturity date (as it may be extended regardless of whether the maturity date is a trading day), we may call the securities, in whole, but not in part, for the call price. If we call the securities, you will receive for each security a call price in cash that, together with all

Table of Contents

other payments made on the securities from the settlement date to and including the call date, will provide the yield to call on the securities.

The yield to call is 25% per annum. The calculation of the yield to call takes into account the initial public offering price of the securities, the time remaining to maturity, and the amount and timing of interest payments made on the securities, as well as the call price.

The call notice date is the trading day on which we issue our notice of call, which must be at least 10 but not more than 30 days prior to the call date. The final call notice date is September 5, 2007, provided, however, that if such day is not a trading day or is a day on which the calculation agent has determined that a market disruption event has occurred or is continuing, the final call notice date will be the immediately succeeding trading day on which the calculation agent determines that a market disruption event does not occur or is not continuing.

The call date is the day we specify in our notice of call which may be any trading day from and after March 1, 2007 to and including the maturity date (as it may be extended regardless of whether the maturity date is a trading day).

The call price with respect to any call date is an amount of cash per security equal to the amount necessary so that the sum of the present values of all cash flows on each security to and including the call date (i.e., the call price and all of the interest payments, including any accrued but unpaid interest payable on the call date), discounted to the settlement date at the yield to call, equals the initial public offering price of the securities, as determined by the calculation agent. For a description of how the call price is determined, see Annex A beginning on page A-1.

The notice of call means our notice delivered to the paying agent announcing that we have decided to call the securities and specifying a call date and a call price.

The opportunity to participate in the possible increases in the price of the Underlying Stock through an investment in the securities is limited because the amount you receive if we call the securities will never result in a total yield to call of more than 25% compounded annually, even though you bear the full risk of a decline in the price of the Underlying Stock.

If we call the securities, we will do the following:

on the call notice date, send a notice of call announcing that we have decided to call the securities;

specify in the notice of call a call date when you will receive payment in exchange for delivering your securities to the paying agent;
and

specify in the notice of call the call price that we will pay to you in exchange for each security.

If we call the securities, the call price and any accrued but unpaid interest on the securities will be delivered to the DTC, as holder of the securities, on the call date fixed by us and set forth in our notice of call, upon delivery of the securities to the paying agent, on our behalf. We will, or will cause, the paying agent to, deliver such cash to DTC, as holder of the securities. We expect such amount of cash will be distributed to investors on the call date in accordance with the standard rules and procedures of DTC and its direct and indirect participants.

Hypothetical Call Prices

Set forth below are hypothetical call prices for the month-start and mid-month from March 1, 2007 (the first call date) through September 5, 2007 (the last call date). If we elect to exercise our call right, the call price will be disclosed in the notice of call we deliver to DTC in connection with our call of the securities.

Table of Contents

| | |
|-------------------|--|
| Settlement date: | September 1, 2006 |
| Principal amount: | \$27.17 per security |
| Yield to call: | 25.00% (computed on the basis of a 360-day year of twelve 30-day months, compounded annually) |

| Call date | Call price per security | Interest payable on call date per security | Final amount payable per security ⁽¹⁾ |
|------------------------------------|-------------------------|--|--|
| March 1, 2007 (first call date) | \$ 28.9796 | \$ 0.6491 | \$ 29.6287 |
| March 16, 2007 | \$ 29.1385 | \$ 0.0832 | \$ 29.2217 |
| March 31, 2007 | \$ 29.2983 | \$ 0.1962 | \$ 29.4945 |
| April 16, 2007 | \$ 29.4606 | \$ 0.3094 | \$ 29.7700 |
| May 1, 2007 | \$ 29.6255 | \$ 0.4226 | \$ 30.0481 |
| May 16, 2007 | \$ 29.7929 | \$ 0.5359 | \$ 30.3288 |
| June 1, 2007 | \$ 29.9630 | \$ 0.6491 | \$ 30.6121 |
| June 16, 2007 | \$ 30.1311 | \$ 0.0832 | \$ 30.2143 |
| July 1, 2007 | \$ 30.3001 | \$ 0.1962 | \$ 30.4963 |
| July 17, 2007 | \$ 30.4718 | \$ 0.3094 | \$ 30.7812 |
| August 1, 2007 | \$ 30.6461 | \$ 0.4226 | \$ 31.0687 |
| August 16, 2007 | \$ 30.8231 | \$ 0.5359 | \$ 31.3590 |
| September 5, 2007 (last call date) | \$ 31.0512 | \$ 0.6793 | \$ 31.7305 |

(1) The final amount payable per security is the amount received by the holder on the call date which equals the call price plus the accrued but unpaid interest payable on the call date per security and does not include prior interest payments made on the securities.

For more information regarding the determination of the call price and an example of how the call price is calculated, see Annex A beginning on page A-1.

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

We have designed the securities for investors who are willing to make an investment that is exposed to the full downside performance risk of the Underlying Stock and the potential loss of some or all of the value of their principal, who expect to participate in only limited appreciation in the price of the Underlying Stock and who are willing to receive shares of the Underlying Stock as the return on their investment if the securities are not called. In exchange for participating in limited appreciation in the price of the Underlying Stock, and in lieu of dividends, if any, payable on the Underlying Stock, investors in the securities will receive quarterly interest payments at a rate of 10% per year so long as the securities have not been called by us. The securities have been designed to outperform the price performance of the Underlying Stock at maturity so long as the Underlying Stock does not appreciate over the term of the securities by an amount that exceeds the yield to call, which is 25% per year, inclusive of interest paid over the term of the securities.

The securities are not designed for, and are not a suitable investment for, investors who seek principal protection or who are unwilling to make an investment that is exposed to the full downside performance risk of the Underlying Stock. The securities are also not designed for, and may not be a suitable investment for, investors who seek the full upside appreciation in the market price of the Underlying Stock, and in particular for those investors who expect the Underlying Stock to appreciate over the term of the securities by an amount that exceeds the yield to call. The securities may not be a suitable investment for investors who prefer the lower risk of fixed income investments with comparable maturities issued by companies with comparable credit ratings, or who are unable or unwilling to hold the securities to maturity.

Table of Contents

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

The market value of the securities may fluctuate during the term of the securities. Several factors and their interrelationship will influence the market value of the securities, including the market price of the Underlying Stock, dividend yields on the Underlying Stock, the time remaining to maturity of the securities, interest and yield rates in the market and the volatility of the market price of the Underlying Stock. If you sell your securities prior to maturity or, if we exercise our call right, you may have to sell them at a discount. Depending on the impact of these factors, you may receive less than the principal amount in any sale of your securities before the maturity date of the securities and less than what you would have received had you held the securities until maturity. For more details, see **Risk Factors**. Many factors affect the market value of the securities.

Who is eBay Inc.?

According to publicly available information, the Underlying Stock Issuer has three primary businesses: the eBay Marketplaces, Payments and Communications. The eBay Marketplaces segments provide the infrastructure to enable online commerce in a variety of formats, including the traditional auction platform, along with our other online platforms, such as Rent.com, Shopping.com, Kijiji, mobile.de, and Marktplaats.nl. The Payments segment, which consists of its PayPal, Inc. business, enables individuals or businesses to securely, easily and quickly send and receive payments online. The Communications segment, which consists of its Skype Technologies SA (Skype) business, enables Voice over Internet Protocol calls between Skype users, as well as provides low-cost connectivity to traditional fixed-line and mobile telephones.

Because the Underlying Stock is registered under the Securities Exchange Act of 1934, as amended (the Exchange Act), the Underlying Stock Issuer is required to file periodically certain financial and other information specified by the Securities and Exchange Commission (the SEC). Information provided to or filed with the SEC by the Underlying Stock Issuer can be located by reference to SEC file number 000-24821 and inspected at the SEC 's public reference facilities or accessed over the Internet through the SEC 's website. The address of the SEC 's website is <http://www.sec.gov>. In addition, information regarding the Underlying Stock may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated information. We make no representation or warranty as to the accuracy or completeness of any such information. For further information, please see the section entitled **The Underlying Stock** **The Underlying Stock Issuer** in this prospectus supplement.

What is the Underlying Stock Issuer 's role in the securities?

The Underlying Stock Issuer has no obligations relating to the securities or amounts to be paid to you, including no obligation to take the needs of Wachovia or of holders of the securities into consideration for any reason. The Underlying Stock Issuer will not receive any of the proceeds of the offering of the securities, is not responsible for, and has not participated in, the offering of the securities and is not responsible for, and will not participate in, the determination of whether to call the securities or the calculation of the call price, or the determination or calculation of the amount of shares of the Underlying Stock you will receive on the securities at maturity. Wachovia is not affiliated with the Underlying Stock Issuer.

How has the Underlying Stock performed historically?

You can find a table with the high, low and closing prices per share of the Underlying Stock during each calendar quarter from calendar year 2003 to the present in the section entitled **The Underlying Stock** **Historical Data** in this prospectus supplement. We obtained the historical information from Bloomberg Financial Markets, without independent verification. You should not take the performance of the Underlying Stock as an indication of how the Underlying Stock will perform in the future.

What about taxes?

The United States federal income tax consequences of an investment in the securities are complex and uncertain. Wachovia intends to treat the securities for all tax purposes as pre-paid income-bearing forward contracts. Under this characterization of the securities, if you are a United States holder: (i) you will likely be taxed on the quarterly coupon payments you receive on the securities as ordinary income in accordance with

Table of Contents

your regular method of accounting for United States federal income tax purposes, (ii) you would recognize capital gain or loss on the sale, redemption or exchange of your securities prior to maturity in an amount equal to the difference between the amount you realize on the sale or exchange (other than amounts in respect of accrued interest, which are likely to be taxed as ordinary income) and your United States federal income tax basis in the securities, and (iii) if you receive Underlying Stock at maturity, you would generally not recognize any taxable income, gain or loss at maturity, except with respect to your receipt of accrued interest and cash in lieu of fractional shares. If you are a United States alien holder, quarterly coupon payments on your securities may be subject to a 30% withholding tax and no Additional Amounts (as defined in the accompanying prospectus) will be paid.

For further discussion, see Supplemental Tax Considerations beginning on page S-24.

Will the securities be listed on a stock exchange?

The securities will not be listed or displayed on any securities exchange, the Nasdaq National Market or any electronic communications network. There can be no assurance that a liquid trading market will develop for the securities. Accordingly, if you sell your securities prior to maturity, you may have to sell them at a substantial loss. You should review the section entitled Risk Factors There may not be an active trading market for the securities in this prospectus supplement.

Are there any risks associated with my investment?

Yes, an investment in the securities is subject to significant risks, including the risk of loss of some or all of your principal. We urge you to read the detailed explanation of risks in Risk Factors beginning on page S-7.

How to reach us

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

S-6

Table of Contents

RISK FACTORS

An investment in the securities is subject to the risks described below, as well as the risks described under Risk Factors Risks Related to Indexed Notes in the accompanying prospectus. Your securities are a riskier investment than ordinary debt securities because there is no guaranteed return of principal. Also, your securities are not equivalent to investing directly in the Underlying Stock to which your securities are linked. You should carefully consider whether the securities are suited to your particular circumstances.

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

The terms of the securities differ from those of ordinary debt securities in that we will not pay you a fixed amount at maturity. With an investment in the securities, you bear the risk of losing some or all of the value of your principal. At maturity, if the securities have not been previously called by us, the amount that you will receive will be a number of shares of the Underlying Stock for each security you hold equal to the exchange ratio. If the closing price of the Underlying Stock on the maturity date is less than the initial stock price, we will pay you an amount of shares of the Underlying Stock equal to the exchange ratio for each security you hold, plus cash in lieu of any fractional shares, with a value that is less than the principal amount of the securities.

Your appreciation potential is limited by the call right

The appreciation potential of the securities is limited by our call right. We may call the securities at any time on or after March 1, 2007, including on the maturity date. If we exercise our call right, you will receive the call price described under Specific Terms of the Securities Issuer Call Right beginning on page S-14 and you will not receive any shares of the Underlying Stock. The payment you will receive in the event that we exercise our call right will depend upon the call date and will be an amount of cash per security that, together with all of the interest paid on the security to and including the call date, represents a specified yield to call. The yield to call is 25% per annum on the initial public offering price of the securities from the settlement date to but excluding the call date. If we call the securities, you should not expect to obtain a total yield (including interest payments) of more than 25% per annum (compounded annually) on the initial public offering price, even though you bear the full risk of a decline in the market price of the Underlying Stock.

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

Your return will not reflect the return you would realize if you actually owned and held the Underlying Stock for a similar period. The securities represent senior unsecured obligations of ours and do not represent or convey any rights of ownership in the Underlying Stock, other than the right to receive a payment at maturity in shares of the Underlying Stock (provided that we have not called the securities). Even though the securities are linked to the performance of the Underlying Stock, you will not be entitled to receive any dividend payments or other distributions on the Underlying Stock and, as a holder of the securities, you will not have voting rights or any other rights that holders of the Underlying Stock may have. If the return on the Underlying Stock over the term of the securities exceeds the principal amount of the securities and the interest payments you receive (and if the securities are called, the call price plus the interest payments you receive), your return on the securities at maturity will be less than the return on a direct investment in the Underlying Stock without taking into account taxes and other costs related to such a direct investment. Even if the market price of the Underlying Stock increases above the initial stock price during the term of the securities, the market value of the securities may not increase by the same amount. It is also possible for the market price of the Underlying Stock to increase while the market value of the securities declines.

There may not be an active trading market for the securities

The securities will not be listed or displayed on any securities exchange, the Nasdaq National Market or any electronic communications network. There can be no assurance that a liquid trading market will develop for the securities. The development of a trading market for the securities will depend on our financial performance and other factors such as the increase, if any, in the market price of the Underlying Stock. Even if a secondary market for the securities develops, it may not provide significant liquidity and transaction costs in any secondary market could be high. As a result, the difference between bid and asked prices for the securities in any secondary market

Table of Contents

could be substantial. If you sell your securities before maturity, you may have to do so at a discount from the initial public offering price, and, as a result, you may suffer substantial losses.

Wachovia Capital Markets, LLC and other broker-dealer affiliates of Wachovia currently intend to make a market for the securities, although they are not required to do so and may stop any such market-making activities at any time. As market makers, trading of the securities may cause Wachovia Capital Markets, LLC or any other broker-dealer affiliates of Wachovia to have long or short positions in the securities. The supply and demand for the securities, including inventory positions of market makers, may affect the secondary market for the securities.

Many factors affect the market value of the securities

The market value of the securities will be affected by factors that interrelate in complex ways. It is important for you to understand that the effect of one factor may offset the increase in the market value of the securities caused by another factor and that the effect of one factor may compound the decrease in the market value of the securities caused by another factor. We expect that the market value of the securities will depend substantially on the market price of the Underlying Stock at any time during the term of the securities relative to the initial stock price. If you choose to sell your securities when the market price of the Underlying Stock exceeds or is equal to the initial stock price, you may receive substantially less than the amount that would be payable at maturity based on this market price because of the expectation that the market price of the Underlying Stock will continue to fluctuate until the final stock price is determined. In addition, we believe that other factors that may influence the value of the securities include:

the volatility (frequency and magnitude of changes in market price) of the Underlying Stock and in particular market expectations regarding the volatility of the Underlying Stock;

interest rates generally as well as changes in interest rates and the yield curve;

the dividend yield on the Underlying Stock;

the time remaining to maturity and the fact that we can call the securities;

our creditworthiness, as represented by our credit ratings or as otherwise perceived in the market; and

geopolitical, economic, financial, political, regulatory or judicial events as well as other conditions that affect stock markets in general and that may affect the Underlying Stock Issuer and the market price of the Underlying Stock.

Wachovia and its affiliates have no affiliation with the Underlying Stock Issuer and are not responsible for its public disclosure of information

Wachovia and its affiliates are not affiliated with the Underlying Stock Issuer in any way and have no ability to control or predict its actions, including any corporate actions of the type that would require the calculation agent to adjust the exchange ratio, and have no ability to control the public disclosure of these corporate actions or any events or circumstances affecting them.

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

This prospectus supplement relates only to the securities and does not relate to the Underlying Stock. We have derived the information about the Underlying Stock Issuer in this prospectus supplement from publicly

Table of Contents

available documents, without independent verification. We have not participated in the preparation of any of the documents or made any due diligence investigation or any inquiry of the Underlying Stock Issuer in connection with the offering of the securities. Neither we nor any of our affiliates assumes any responsibility for the adequacy or accuracy of the information about the Underlying Stock Issuer contained in this prospectus supplement. Furthermore, we do not know whether the Underlying Stock Issuer has disclosed all events occurring before the date of this prospectus supplement including events that could affect the accuracy or completeness of the publicly available documents referred to above and the market price of the Underlying Stock. You, as an investor in the securities, should investigate the Underlying Stock Issuer on your own.

You have limited antidilution protection

WBNA, as calculation agent for your securities, will, in its sole discretion, adjust the exchange ratio for certain events affecting the Underlying Stock, such as stock splits and stock dividends, and certain other corporate actions involving the Underlying Stock Issuer, such as mergers. However, the calculation agent is not required to make an adjustment for every corporate event that can affect the Underlying Stock. For example, the calculation agent is not required to make any adjustments to the exchange ratio if the Underlying Stock Issuer or anyone else makes a partial tender or partial exchange offer for the Underlying Stock. If an event occurs that does not require the calculation agent to adjust the exchange ratio, and, therefore, the amount of shares of the Underlying Stock payable at maturity, the market value of the securities may be materially and adversely affected. You should refer to Specific Terms of the Securities Antidilution Adjustments beginning on page S-17 for a description of the general circumstances in which the calculation agent will make adjustments to the exchange ratio.

The securities may become exchangeable into the common stock of companies other than the Underlying Stock Issuer

Following certain corporate events relating to the Underlying Stock issuer, such as a merger event where holders of the Underlying Stock would receive all or a substantial portion of their consideration in cash or a significant cash dividend or distribution of property with respect to the Underlying Stock, you will receive at maturity the common stock of three companies in the same industry group, as the Underlying Stock issuer in lieu of, or in addition to, the Underlying Stock. Following certain other corporate events, such as a stock for stock merger where the Underlying Stock Issuer is not the surviving entity, you will receive at maturity the common stock of a successor corporation to the Underlying Stock Issuer. We describe the specific corporate events that can lead to these adjustments and the procedures for selecting those other reference stocks in the section of this prospectus supplement called Specific Terms of the Securities Antidilution Adjustments beginning on page S-17. The occurrence of such corporate events and the consequent adjustments may materially and adversely affect the market price of the securities.

Historical performance of the Underlying Stock should not be taken as an indication of its future performance during the term of the securities

It is impossible to predict whether the market price of the Underlying Stock will rise or fall. The Underlying Stock has performed differently in the past and is expected to perform differently in the future. The market price of the Underlying Stock will be influenced by complex and interrelated political, economic, financial and other factors that can affect the Underlying Stock Issuer. You should refer to The Underlying Stock beginning on page S-23 for a description of the Underlying Stock Issuer and historical data on the Underlying Stock.

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

As described below under Use of Proceeds and Hedging on page S-28 we or one or more of our affiliates may hedge our obligations under the securities by purchasing the Underlying Stock, futures or options on the Underlying Stock or other derivative instruments with returns linked or related to changes in the market price of the Underlying Stock, and we may adjust these hedges by, among other things, purchasing or selling the Underlying Stock, futures, options or other derivative instruments with returns linked to the Underlying Stock at any time. Although they are not expected to, any of these hedging activities may adversely affect the market price of the Underlying Stock and, therefore, the market value of the securities. It is possible that we or one or

Table of Contents

more of our affiliates could receive substantial returns from these hedging activities while the market value of the securities declines.

The inclusion of commissions and projected profits from hedging in the initial public offering price is likely to adversely affect secondary market prices

Assuming no change in market conditions or any other relevant factors, the price, if any, at which Wachovia is willing to purchase the securities in secondary market transactions will likely be lower than the initial public offering price included, and secondary market prices are likely to exclude, commissions paid with respect to the securities, as well as the projected profit included in the cost of hedging our obligations under the securities. In addition, any such prices may differ from values determined by pricing models used by Wachovia, as a result of dealer discounts, mark-ups or other transactions.

The calculation agent may postpone the valuation date and, therefore, the determination of the number of shares of the Underlying Stock that you will receive and the maturity date if a market disruption event occurs on the valuation date

The valuation date and, therefore, the determination of the number of shares of the Underlying Stock that you will receive may be postponed if the calculation agent determines that a market disruption event has occurred or is continuing on the valuation date. If a postponement occurs, the calculation agent will determine the number of shares of the Underlying Stock that you will receive on the next succeeding trading day on which the calculation agent determines that a market disruption event does not occur or is not continuing. As a result, the maturity date for the securities would also be postponed. You will not be entitled to any compensation from us or the calculation agent for any loss suffered as a result of the occurrence of a market disruption event, any resulting delay in payment or any change in the market price of the Underlying Stock resulting from the postponement of the valuation date. See [Specific Terms of the Securities Market Disruption Event](#) beginning on page S-15.

Potential conflicts of interest could arise

Our subsidiary, WBNA, is our agent for the purposes of calculating the number of shares of the Underlying Stock that you will receive, the amount of shares of the Underlying Stock you will receive on the securities at maturity and the call price. Under certain circumstances, WBNA's role as our subsidiary and its responsibilities as calculation agent for the securities could give rise to conflicts of interest. These conflicts could occur, for instance, in connection with its determination as to whether the number of shares of Underlying Stock that you will receive at maturity, if the Securities have not been previously called by us, can be calculated on the valuation date. See the section entitled [Specific Terms of the Securities Market Disruption Event](#) beginning on page S-15. WBNA is required to carry out its duties as calculation agent in good faith and using its reasonable judgment.

Wachovia or its affiliates may presently or from time to time engage in business with the Underlying Stock Issuer. This business may include extending loans to, or making equity investments in, the Underlying Stock Issuer or providing advisory services to the Underlying Stock Issuer, including merger and acquisition advisory services. In the course of business, Wachovia or its affiliates may acquire non-public information relating to the Underlying Stock Issuer and, in addition, one or more affiliates of Wachovia may publish research reports about the Underlying Stock Issuer. Wachovia does not make any representation to any purchasers of the securities regarding any matters whatsoever relating to the Underlying Stock Issuer. Any prospective purchaser of the securities should undertake an independent investigation of the Underlying Stock Issuer as in its judgment is appropriate to make an informed decision regarding an investment in the securities.

Tax consequences are uncertain

You should consider the tax consequences of investing in the securities, significant aspects of which are uncertain. If you are a United States alien holder, quarterly coupon payments on your securities may be subject to a 30% withholding tax and no Additional Amounts (as defined in the accompanying prospectus) will be paid. See [Supplemental Tax Considerations](#) beginning on page S-24.

Table of Contents

Certain considerations for insurance companies and employee benefit plans

A fiduciary of a pension plan or other employee benefit plan that is subject to the prohibited transaction rules of the Employee Retirement Income Security Act of 1974, as amended, which we call "ERISA", or the Internal Revenue Code of 1986, as amended, and that is considering purchasing the securities with the assets of such a plan, should consult with its counsel regarding whether the purchase or holding of the securities could become a "prohibited transaction" under ERISA, the Internal Revenue Code or any substantially similar prohibition. These prohibitions are discussed in further detail under "Employee Retirement Income Security Act" beginning on page S-26.

S-11

Table of Contents

SPECIFIC TERMS OF THE SECURITIES

*Please note that in this section entitled **Specific Terms of the Securities**, references to **holders** mean those who own securities registered in their own names, on the books that we or the trustee maintain for this purpose, and not indirect holders who own beneficial interests in securities registered in street name or in securities issued in book-entry form through The Depository Trust Company. Please review the special considerations that apply to indirect holders in the accompanying prospectus, under **Legal Ownership**.*

The securities are part of a series of debt securities, entitled **Medium-Term Notes, Series G**, that we may issue under the indenture from time to time as described in the accompanying prospectus. The securities are also **Indexed Notes** and **Senior Notes**, each as described in the accompanying prospectus.

This prospectus supplement summarizes specific financial and other terms that apply to the securities. Terms that apply generally to all **Medium-Term Notes, Series G**, are described in **Description of the Notes We May Offer** in the accompanying prospectus. The terms described here supplement those described in the accompanying prospectus and, if the terms described there are inconsistent with those described here, the terms described here are controlling.

We describe the terms of the securities in more detail below.

Interest

The securities will bear interest at a rate of 10% per annum payable on each of March 5, June 5, September 5 and December 5, beginning on December 5, 2006 and ending on September 5, 2007 (the maturity date). If we call the securities, we will pay in cash any accrued but unpaid interest on the securities to but excluding the call date.

If the maturity date is postponed due to a postponement of the valuation date or otherwise, we will pay interest on the maturity date as postponed rather than on September 5, 2007 (the scheduled maturity date), but no interest will accrue on the securities or on such payment during the period from or after September 5, 2007.

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

In the event that we call the securities, no interest payment date will occur after the call notice date, except for any interest payment date for which the call notice date falls on or after the **ex-interest** date for the related interest payment, in which case the related interest payment will be made on such interest payment date. In addition, any accrued but unpaid interest payable on the call date, if any, will be payable to the person to whom the call price is payable. The **ex-interest** date for any interest payment is the date on which purchase transactions in the securities no longer carry the right to receive such interest payment. If the final call notice date is postponed as described below under **Issuer Call Right**, any accrued but unpaid interest payable on the call date will equal any accrued but unpaid interest that would otherwise have been payable on September 5, 2007.

Denominations

Wachovia will issue each security in a principal amount of \$27.17 and integral multiples thereof.

Offering Price

The initial public offering price and principal amount of each security is \$27.17, which is equal to the closing price per share of the Underlying Stock on August 29, 2006.

Table of Contents

Payment at Maturity

On the maturity date, if we have not called the securities for the call price, you will receive a number of shares of the Underlying Stock for each security you hold equal to the exchange ratio, as determined on the valuation date, plus any accrued but unpaid interest in cash. Unlike ordinary debt securities, the return of your principal is not guaranteed. ***If the closing price of the Underlying Stock at maturity is less than the initial stock price, the value per share of the Underlying Stock you receive at maturity will be less than the initial public offering price and you will lose some or all of your principal.***

The Underlying Stock means the common stock of the Underlying Stock Issuer, CUSIP Number 278642103. In the event of the occurrence of certain corporate events in respect of the Underlying Stock Issuer described in the section entitled Antidilution Adjustments Adjustments for Reorganization Events on page S-21, the securities may become redeemable for shares of common stock of one or more issuers in addition to, or in lieu of, the Underlying Stock. If any such event occurs, references to Underlying Stock in this prospectus supplement will mean, for purposes of determining the number of shares of stock to be delivered to an investor on the maturity date, the shares of common stock of such additional issuers or issuers, as well as the original Underlying Stock if the original Underlying Stock remains outstanding.

The Underlying Stock Issuer means eBay Inc. In the event of the occurrence of certain corporate events in respect of the Underlying Stock Issuer described in the section entitled Antidilution Adjustments Adjustments for Reorganization Events, the securities may become redeemable for shares of common stock of one or more issuers in addition to, or in lieu of, the Underlying Stock. If any such event occurs, references to Underlying Stock Issuer in this prospectus supplement will mean, as the context requires, such additional issuer or issuers, as well as the original Underlying Stock Issuer if the original Underlying Stock remains outstanding.

The maturity date is September 5, 2007, subject to extension if the valuation date is postponed as described below or if the final call notice date is postponed as described below under Issuer Call Right. If the valuation date is postponed, then the maturity date of the securities will be postponed by an equal number of trading days. If the final call notice date is postponed and we elect to call the securities, the maturity date will be postponed so that it will be the tenth calendar day following the final call notice date as postponed.

The exchange ratio is equal to one share of Underlying Stock for each security, subject to adjustment for certain corporate events relating to eBay Inc., the Underlying Stock Issuer, as described in this prospectus supplement under Antidilution Adjustments

The valuation date means the second trading day prior to the maturity date. However, if that date occurs on a day on which the calculation agent has determined that a market disruption event has occurred or is continuing, then the valuation date will be the next succeeding trading day on which the calculation agent has determined that a market disruption event has not occurred or is not continuing. *If the valuation date is postponed, then the maturity date of the securities will be postponed by an equal number of trading days.*

A trading day means a day, as determined by the calculation agent, on which trading is generally conducted on the New York Stock Exchange, Inc. (NYSE), the American Stock Exchange, the Nasdaq National Market, the Chicago Board Mercantile Exchange and the Chicago Board of Options Exchange and in the over-the-counter market for equity securities in the United States.

A business day means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in New York City generally are authorized or obligated by law, regulation or executive order to close.

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

Table of Contents

If the calculation of the number of shares of the Underlying Stock per security on the valuation date results in fractional shares, such fractional shares will be paid in U.S. dollar amounts equal to the fractional number of shares multiplied by the closing price per share of the Underlying Stock on the valuation date.

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

U.S. Bank National Association will serve as the U.S. registrar and the domestic paying agent.

If Wachovia determines that it is prohibited from delivering shares of the Underlying Stock, or that it would otherwise be unduly burdensome to deliver shares of the Underlying Stock, then on the maturity date, it will pay an amount in cash for each security equal to the closing price of the Underlying Stock on the valuation date multiplied by the number of shares of the Underlying Stock that correspond to such security, plus any accrued but unpaid interest in cash. Any such determination will be made in the sole discretion of Wachovia.

Issuer Call Right

On any trading day on or after March 1, 2007 to and including the maturity date (as it may be extended regardless of whether the maturity date is a trading day), we may call the securities, in whole, but not in part, for the call price. If we call the securities, you will receive for each security a call price in cash that, together with all other payments made on the securities from the settlement date to and including the call date, will provide the yield to call on the securities.

The yield to call is 25% per annum. The calculation of the yield to call takes into account the initial public offering price of the securities, the time to the call date, and the amount and timing of interest payments on the securities, as well as the call price.

The call notice date is the trading day on which we issue our notice of call, which must be at least 10 but not more than 30 calendar days prior to the call date. The final call notice date is September 5, 2007, provided, however, that if such day is not a trading day or is a day on which the calculation agent has determined that a market disruption event has occurred or is continuing, the final call notice date will be the immediately succeeding trading day on which the calculation agent determines that a market disruption event does not occur or is not continuing.

The call date is the day we specify in our notice of call which may be any trading day from and after March 1, 2007 to and including the maturity date (as it may be extended regardless of whether the maturity date is a trading day).

The call price with respect to any call date is an amount of cash per security equal to the amount necessary so that the sum of the present values of all cash flows on each security to and including the call date (i.e., the call price and all of the interest payments, including any accrued but unpaid interest payable on the call date), discounted to the settlement date at the yield to call, equals the initial public offering price of the securities, as determined by the calculation agent. For a description of how the call price is determined, see Annex A beginning on page A-1.

The notice of call means our notice delivered to the paying agent announcing that we have decided to call the securities and specifying a call date and a call price.

The opportunity to participate in the possible increases in the price of the Underlying Stock through an investment in the securities is limited because the amount you receive if we call the securities will never result in a total yield to call of more than 25% compounded annually, even though you bear the full risk of a decline in the price of the Underlying Stock.

If we call the securities, we will do the following:

Table of Contents

on the call notice date, send a notice of call announcing that we have decided to call the securities;

specify in the notice of call a call date when you will receive payment in exchange for delivering your securities to the paying agent;
and

specify in the call notice the call price that we will pay to you in exchange for each security.

If we call the securities, the call price and any accrued but unpaid interest on the securities will be delivered to DTC, as holder of the securities, on the call date fixed by us and set forth in our notice of call, upon delivery of the securities to the paying agent, on our behalf. We will, or will cause, the paying agent to, deliver such cash to DTC, as holder of the securities. We expect such amount of cash will be distributed to investors on the call date in accordance with the standard rules and procedures of DTC and its direct and indirect participants.

Closing Price

The closing price for one share of the Underlying Stock (or one unit of any other security for which a closing price must be determined) on any trading day means:

if the Underlying Stock (or any such other security) is listed or admitted to trading on a national securities exchange, the last reported sale price, regular way, of the principal trading session on such day on the principal United States securities exchange registered under the Exchange Act, on which the Underlying Stock (or any such other security) is listed or admitted to trading,

if the Underlying Stock (or any such other security) is a security of the Nasdaq National Market (and provided that the Nasdaq National Market is not then a national securities exchange), the Nasdaq official closing price published by The Nasdaq Stock Market, Inc. on such day, or

if the Underlying Stock (or any such other security) is neither listed or admitted to trading on any national securities exchange nor a security of the Nasdaq National Market but is included in the OTC Bulletin Board Service (the OTC Bulletin Board) operated by the National Association of Securities Dealers, Inc. (the NASD), the last reported sale price of the principal trading session on the OTC Bulletin Board on such day.

If the Underlying Stock (or any such other security) is listed or admitted to trading on any national securities exchange or is a security of the Nasdaq National Market but the last reported sale price or Nasdaq official closing price, as applicable, is not available pursuant to the preceding sentence, then the closing price for one share of the Underlying Stock (or one unit of any such other security) on any trading day will mean the last reported sale price of the principal trading session on the over-the-counter market as reported on the Nasdaq National Market or the OTC Bulletin Board on such day.

If the last reported sale price or Nasdaq official closing price, as applicable, for the Underlying Stock (or any such other security) is not available pursuant to either of the two preceding sentences, then the closing price for any trading day will be the mean, as determined by the calculation agent, of the bid prices for the Underlying Stock (or any such other security) obtained from as many recognized dealers in such security, but not exceeding three, as will make such bid prices available to the calculation agent. Bids of Wachovia Capital Markets, LLC or any of its affiliates may be included in the calculation of such mean, but only to the extent that any such bid is the highest of the bids obtained. The term security of the Nasdaq National Market will include a security included in any successor to such system, and the term OTC Bulletin Board Service will include any successor service thereto.

Market Disruption Event

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