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WACHOVIA CORP NEW  
Form S-3/A  
October 29, 2001

As filed with the Securities and Exchange Commission on October 29, 2001

Registration No. 333-72350

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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
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AMENDMENT NO. 1

TO

FORM S-3  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933  
-----

WACHOVIA CORPORATION  
(Formerly named First Union Corporation)  
(Exact name of registrant as specified in its charter)  
-----

North Carolina 56-0898180  
(State or Other Jurisdiction of (IRS Employer  
Incorporation or Organization) Identification Number)  
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WACHOVIA CAPITAL TRUST II  
(Exact Name of Registrant as Specified in Its Charter)  
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Delaware 56-6494470  
(State or Other Jurisdiction of (IRS Employer  
Incorporation or Organization) Identification Number)  
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CENTRAL FIDELITY CAPITAL TRUST I  
(Exact Name of Registrant as Specified in Its Charter)  
-----

Delaware 54-1848917  
(State or Other Jurisdiction of (IRS Employer  
Incorporation or Organization) Identification Number)  
-----

One First Union Center  
Charlotte, North Carolina 28288-0013  
(704) 374-6828  
(Address, including zip code, and telephone number, including area code, of  
registrant's principal executive offices)  
-----

Mark C. Treanor, Esq.  
Executive Vice President, Secretary and General Counsel  
Wachovia Corporation  
One First Union Center  
Charlotte, North Carolina 28288-0013

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(704) 374-6828

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Copy to:

Mark J. Menting, Esq.  
Sullivan & Cromwell  
125 Broad Street  
New York, New York 10004-2498  
(212) 558-4859  
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Approximate date of commencement of proposed sale to the public: From time to time after the effective date of the Registration Statement as determined by market conditions.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

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Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration
Junior Subordinated Deferrable Interest Debentures of Wachovia Corporation.....	\$0			\$0
Preferred Securities of Wachovia Capital Trust II.....	\$0			\$0
Guarantees of Preferred Securities of Wachovia Capital Trust II by Wachovia Corporation(2).....	N/A			N/A
Floating Rate Junior Subordinated Debt Securities, Series A, of				

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Wachovia Corporation(3).....	\$0	\$0
-----		
Floating Rate Capital Trust Pass-through Securities, Series A, of Central Fidelity Capital Trust I(3)..	\$0	\$0
-----		
Guarantee of Wachovia Corporation with respect to Floating Rate Capital Trust Pass-through Securities, Series A(3).....	N/A	N/A
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(1) This registration statement relates only to market-making transactions by and through affiliates of the registrants of (A) the Floating Rate Capital Securities, previously registered by Wachovia Corporation and Wachovia Capital Trust II pursuant to the Registration Statement on Form S-3 (Registration Nos. 333-19365 and 333-19365-01) and (B) the Floating Rate Capital Trust Pass-through Securities, Series A previously registered by Central Fidelity Banks, Inc. and Central Fidelity Capital Trust I pursuant to the Registration Statement on Form S-4 (Registration Nos. 333-28917 and 333-28917-01).

(2) This Registration Statement is deemed to cover the Junior Subordinated Deferrable Interest Debentures of Wachovia Corporation, the rights of holder of the Junior Subordinated Deferrable Interest Debentures of Wachovia Corporation under the related Indenture, the rights of the holder of the Preferred Securities of Wachovia Capital Trust II under the Declaration, the rights of holders of Preferred Securities under the Guarantee of Wachovia Corporation, which taken together, fully irrevocably and unconditionally guarantee all of the respective obligations of Wachovia Capital Trust II under the Preferred Securities.

(3) This Registration Statement is deemed to cover the Floating Rate Junior Subordinated Debt Securities, Series A of Wachovia Corporation, the rights of holders of such Floating Rate Junior Subordinated Debt Securities, Series A under the related Indenture, the rights of holders of Floating Rate Capital Trust Pass-through Securities, Series A of Central Fidelity Capital Trust I under the Amended and Restated Declaration of Trust of Central Fidelity Capital Trust I and the rights of holders of the Floating Rate Capital Trust Pass-through Securities, Series A under the Guarantee of Wachovia Corporation, which taken together fully and unconditionally guarantee the obligations of Central Fidelity Capital Trust I under the Floating Rate Capital Trust Pass-through Securities, Series A.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any State.

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SUBJECT TO COMPLETION, DATED OCTOBER 29, 2001

\$300,000,000

WACHOVIA CAPITAL TRUST II

Floating Rate Capital Securities  
(Liquidation Amount \$1,000 per Capital security)

Fully and unconditionally guaranteed, as described in this Prospectus, by

WACHOVIA CORPORATION  
(Formerly named First Union Corporation)

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This Prospectus covers the remarketing from time to time of the Floating Rate Capital Securities (the "Capital Securities") by First Union Securities, Inc., an affiliate of Wachovia Corporation (formerly named First Union Corporation) ("Wachovia") and Wachovia Capital Trust II. The Capital Securities were originally offered pursuant to the Prospectus Supplement, dated January 28, 1997, and Base Prospectus, dated January 22, 1997, attached to this Prospectus and constituting a part of this Prospectus. References to the former Wachovia Corporation or the Corporation in the attached Prospectus Supplement and Base Prospectus refer, where applicable, to Wachovia.

See "Risk Factors" beginning on page S-5 of the attached Prospectus Supplement, dated January 28, 1997, for a discussion of certain factors that you should consider before investing in the Capital Securities.

THESE SECURITIES ARE NOT DEPOSITS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER FEDERAL AGENCY.

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NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER REGULATORY BODY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Prospectus will be used by First Union Securities, Inc., an indirect, wholly-owned subsidiary of Wachovia Corporation, in connection with offers and sales related to market-making and other transactions in the Capital Securities. First Union Securities, Inc. may act as principal or agent in these transactions. The sales may be made at prices related to prevailing market rates at the time of sale or otherwise. Wachovia Corporation conducts its investment banking, institutional, and capital markets businesses through its various bank, broker-dealer and nonbank subsidiaries (including First Union Securities, Inc.) under the trade name "Wachovia Securities." Unless otherwise stated, any reference to "Wachovia Securities" is not intended to be a reference to Wachovia Securities, Inc., member NASD/SIPC, a separate broker-dealer subsidiary of Wachovia Corporation and sister affiliate of First Union Securities, Inc. which is not participating in the market-making transactions.

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WACHOVIA SECURITIES

The date of this Prospectus is October , 2001.

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### WACHOVIA CORPORATION

Wachovia was incorporated under the laws of North Carolina in 1967. We are registered as a financial holding company and a bank holding company under the Bank Holding Company Act of 1956, as amended, and are supervised and regulated by the Board of Governors of the Federal Reserve System. Our banking and securities subsidiaries are supervised and regulated by various federal and state banking and securities regulatory authorities. On September 1, 2001, the former Wachovia Corporation (which we refer to as "Legacy Wachovia") merged with and into First Union Corporation, and First Union Corporation changed its name to "Wachovia Corporation". As used in this prospectus, the terms "Wachovia", "we", "our" and "us" refer to Wachovia Corporation, the holding company, and not the consolidated entity.

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

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

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

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

Wachovia and its affiliates had completed numerous acquisitions of financial services institutions since 1985. These financial services institutions either have merged into Wachovia or are wholly-owned subsidiaries of Wachovia. Wachovia acquired Legacy Wachovia on September 1, 2001, by merging Legacy Wachovia into Wachovia. As a result of this merger, Wachovia is responsible for the obligations of Legacy Wachovia with respect to the Capital Securities.

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### CONSOLIDATED RATIOS OF EARNINGS TO FIXED CHARGES

The following table provides Wachovia's consolidated ratios of earnings to fixed charges:

	Six Months Ended June 30, 2001	Years Ended December 31,				
		2000	1999	1998	1997	1996
Consolidated Ratios of Earnings to Fixed Charges						
Excluding interest on deposits.....	1.86x	1.13x	2.29x	2.13x	2.50x	2.58x
Including interest on deposits.....	1.39x	1.06x	1.62x	1.51x	1.57x	1.56x

For purposes of computing these ratios:

- . earnings represent income from continuing operations before extraordinary items and cumulative effect of a change in accounting principle, plus income taxes and fixed charges (excluding capitalized interest);
- . fixed charges, excluding interest on deposits, represent interest (including capitalized interest), one-third of rents and all amortization of debt issuance costs;
- . fixed charges, including interest on deposits, represent all interest (including capitalized interest), one-third of rents and all amortization of debt issuance costs.

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

#### INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

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

The SEC allows us to "incorporate by reference" into this prospectus the information in documents we file with it. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus and should be read with the same care. When we update the information contained in documents that have been incorporated by reference by making future filings with the SEC the information incorporated by reference in this prospectus is considered to be automatically updated and superseded. In other words, in the case of a conflict or inconsistency between information contained in this prospectus and information incorporated by reference into this prospectus, you should rely on the information contained in the document that was filed later. We incorporate by reference the documents listed below:

- . First Union's Annual Report on Form 10-K for the fiscal year ended December 31, 2000;

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- . First Union's Quarterly Reports on Form 10-Q for the periods ended March 31, 2001 (as amended on June 26, 2001) and June 30, 2001;
- . First Union's Current Reports on Form 8-K dated January 18, 2001, April 15, 2001, April 16, 2001 (as amended on June 25, 2001), May 15, 2001 (as amended on June 25, 2001), July 12, 2001, July 20, 2001, August 30, 2001, September 6, 2001 and October 23, 2001;
- . All documents filed with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, after the date of the initial registration statement and before effectiveness of the registration statement, and after the date of this prospectus and before the termination of this offering.

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

Corporate Relations  
Wachovia Corporation  
One First Union Center  
301 South College Street  
Charlotte, North Carolina 28288-0206  
Telephone: (704) 374-6782

### CERTAIN FEDERAL INCOME TAX CONSEQUENCES

This section describes the material United States federal income tax consequences of owning the Capital Securities. It is the opinion of Sullivan & Cromwell, special tax counsel to Wachovia and to Wachovia Capital Trust II (the "Trust"). It applies to you only if you hold the Capital Securities as capital assets for tax purposes. This section does not apply to you if you are a member of a class of holders subject to special rules, such as:

- . a dealer in securities or currencies,
- . a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings,
- . a bank,
- . a life insurance company,
- . a thrift institution,
- . a regulated investment company,
- . a real estate investment trust,
- . a tax-exempt organization,
- . a person that owns Capital Securities that are a hedge or that are hedged against interest rate risks,



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- . a person that owns Capital Securities as part of a straddle or conversion transaction for tax purposes, or
- . a person whose functional currency for tax purposes is not the U.S. dollar.

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

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

### United States Holders

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

- . a citizen or resident of the United States,
- . a domestic corporation,
- . an estate whose income is subject to United States federal income tax regardless of its source, or

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

If you are not a United States holder, this subsection does not apply to you and you should refer to "--United States Alien Holders" below.

### Classification of the Junior Subordinated Debentures and the Trust

Under current law and assuming continued compliance with the terms of the Declaration, the Trust will not be classified as an association taxable as a corporation for United States federal income tax purposes. Moreover, the Trust should be classified as a grantor trust, and if not so classified will be classified as a partnership, for United States federal income tax purposes. As a result, each beneficial owner of the Capital Securities (each a "Securityholder") that is a United States holder will be required to include in its gross income its pro rata share of the interest income, including original issue discount ("OID"), paid or accrued with respect to the Junior Subordinated Debentures, whether or not cash is actually distributed to the Securityholder. See "--Interest Income and Original Issue Discount" below. The following discussion assumes that the Trust will be classified as a grantor trust for federal income tax purposes. The Junior Subordinated Debentures are properly classified as indebtedness of Wachovia for United States federal income tax purposes.

### Interest Income and Original Issue Discount

Under applicable U.S. Treasury regulations, a contingency under which stated

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interest may not be timely paid is ignored in determining whether a debt instrument is issued with OID if the contingency is "remote". Wachovia has not exercised its option to defer payments and has concluded that the likelihood of its exercising this option is remote. Assuming that Wachovia's conclusion is correct, as of the date of this prospectus, the Junior Subordinated Debentures would not be considered to have been issued or reissued with OID, although the Internal Revenue Service could take the position that the Junior Subordinated Debentures were issued with OID at the time of their original issuance.

The following discussion assumes that unless and until Wachovia exercises its option to defer interest on the Junior Subordinated Debentures, the Junior Subordinated Debentures will not be treated as issued or reissued with OID other than de minimis OID.

Under U.S. Treasury regulations, if Wachovia exercised its option to defer any payment of interest, the Junior Subordinated Debentures would be treated as reissued with OID, and, thereafter, all stated interest on the Junior Subordinated Debentures would be treated as OID as long as the Junior Subordinated Debentures remained outstanding. In such an event, all of a United States holder's taxable interest income with respect to the Junior Subordinated Debentures would be accounted for as OID on an economic accrual basis regardless of such holder's method of tax accounting, and actual distributions of stated interest would not be reported separately as taxable income. Consequently, a United States holder would be required to include OID in gross income even though Wachovia would not make any actual cash payments during an extension period.

Because income on the Capital Securities will generally constitute interest, holders that are corporations will not be entitled to the dividend-received deduction with respect to any income recognized with respect to the Capital Securities.

### Market Discount and Purchase Premium

The following discussion of market discount and purchase premium assumes that the Trust is properly treated as a grantor trust for United States federal income tax purposes. If the Internal Revenue Service were to determine that the Trust should not be treated as a grantor trust, but should instead be treated as a partnership, the following discussion may not apply. See below for a discussion of the application of the market discount and purchase premium rules if the Trust is properly treated as a partnership.

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Market Discount. A United States holder will be treated as if such holder purchased its pro rata share of the underlying Junior Subordinated Debentures at a market discount, and the Junior Subordinated Debentures represented by such holder's Capital Security will be market discount securities if the difference between the Junior Subordinated Debenture's stated redemption price at maturity or revised issue price and the purchase price for a Capital Security that is allocable to such Junior Subordinated Debenture is equal to or greater than 1/4 of 1 percent of the Junior Subordinated Debenture's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Junior Subordinated Debenture's maturity. To determine the revised issue price of a Junior Subordinated Debenture for these purposes, a holder must generally add any OID that has accrued on that Junior Subordinated Debenture to its issue price and subtract any payments on the Junior Subordinated Debentures that are not qualified stated interest.

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If a Junior Subordinated Debenture's stated redemption price at maturity or its revised issue price exceeds the purchase allocable to such debenture by less than 1/4 of 1 percent multiplied by the number of complete years to the Junior Subordinated Debenture's maturity, the excess constitutes de minimis market discount, and the rules discussed below are not applicable.

A United States holder must treat any gain recognized on the maturity or disposition of a Capital Security as ordinary income to the extent of the accrued market discount on the underlying Junior Subordinated Debentures allocable to such security. Alternatively, a United States holder may elect to include a Junior Subordinated Debenture's market discount in income currently over the life of a Junior Subordinated Debenture. If a United States holder makes this election, it will apply to all debt instruments with market discount that the United States holder acquires on or after the first day of the first taxable year to which the election applies. A United States holder may not revoke this election without the consent of the Internal Revenue Service. If you own a market discount security and do not make this election, you will generally be required to defer deductions for interest on borrowings allocable to Capital Securities for which the underlying Junior Subordinated Debentures are market discount securities in an amount not exceeding the accrued market discount on the Junior Subordinated Debentures until the maturity of the Junior Subordinated Debentures or the disposition of the Capital Securities.

Market discount will accrue on a straight-line basis unless a United States holder elects to accrue market discount using a constant-yield method. If a holder makes this election, it will apply only to the Junior Subordinated Debentures with respect to which it is made. Once made such election may not be revoked.

**Purchase Premium.** If the purchase price allocable to a Junior Subordinated Debenture is an amount in excess of a Junior Subordinated Debenture's principal amount, a United States holder may elect to treat the excess as amortizable bond premium. If a holder makes this election, the holder will reduce the amount required to be included in income each year with respect to interest earned by the amount of amortizable bond premium allocable to that year, based on the underlying Junior Subordinated Debenture's yield to maturity. If a United States holder makes an election to amortize bond premium, it will apply to all debt instruments, other than debt instruments the interest on which is excludible from gross income, held by such holder at the beginning of the first taxable year to which the election applies and to any debt instruments that the holder acquires thereafter. A holder may not revoke an election without the consent of the Internal Revenue Service.

### Distributions of the Junior Subordinated Debentures to Holders of Capital Securities

A distribution by the Trust of the Junior Subordinated Debentures, as described in the Prospectus Supplement dated January 22, 1997 under the caption "Description of Capital Securities--Liquidation of the Trust and Distribution of Junior Subordinated Debentures", will be non-taxable and will result in a United States holder receiving directly its pro rata share of the Junior Subordinated Debentures previously held indirectly through the Trust, with a holding period and aggregate adjusted tax basis equal to the holding period and aggregate adjusted tax basis such United States holder had in its Capital Securities immediately before such distribution. If, however, the liquidation of the Trust were to occur because the Trust was subject to United States federal income tax with respect to income accrued or received on the Junior Subordinated Debentures, the

distribution of Junior Subordinated Debentures to United States holders by the Trust would be a taxable event to the Trust and to each United States holder, and each United States holder would recognize gain or loss as if the United States holder had exchanged its Capital Securities for the Junior Subordinated Debentures it received upon the liquidation of the Trust. A United States holder will include interest in respect of the Junior Subordinated Debentures received from the Trust in the manner described above under "--Interest Income and Original Issue Discount".

#### Sale or Redemption of the Capital Securities

Gain or loss will be recognized by a United States holder on a sale, exchange or other disposition of the Capital Securities (including a redemption for cash) in an amount equal to the difference between the amount realized and the United States holder's adjusted tax basis in the Capital Securities sold or so redeemed. A United States holder's adjusted tax basis in the Capital Securities generally will be its initial purchase price, increased by any market discount or OID previously included in such United States holder's gross income to the date of disposition and decreased by distributions or other payments received on the Capital Securities other than payments of stated interest and any amortizable bond premium applied to reduce the United States holder's pro rata share of any interest on the Junior Subordinated Debentures. Gain or loss recognized by a United States holder on the Capital Securities generally will be taxable as capital gain or loss (except to the extent any amount realized is treated as a payment of accrued interest with respect to such United States holder's pro rata share of the Junior Subordinated Debentures or as described above under the heading "--Market Discount and Purchase Premium--Market Discount") and generally will be long-term capital gain or loss if the Capital Securities have been held for more than one year.

Should Wachovia exercise its option to defer any payment of interest on the Junior Subordinated Debentures, the Capital Securities may trade at a price that does not fully reflect the value of accrued but unpaid interest with respect to the underlying Junior Subordinated Debentures. In the event of such a deferral, a Securityholder that disposes of its Capital Securities between record dates for payments of distributions (and consequently does not receive a distribution from the Trust for the period prior to such disposition) will nevertheless be required to include in income as ordinary income accrued but unpaid interest on the Junior Subordinated Debentures through the date of disposition and to add such amount to its adjusted tax basis in its Capital Securities disposed of. Such United States holder would recognize a capital loss on the disposition of its Capital Securities to the extent the selling price (which may not fully reflect the value of accrued but unpaid interest) is less than the United States holder's adjusted tax basis in the Capital Securities (which will include accrued but unpaid interest). Subject to certain limited exceptions, capital losses cannot be applied to offset ordinary income for United States federal income tax purposes.

#### United States Alien Holders

This subsection describes the tax consequences to a United States alien holder. A United States alien holder is a holder that is the beneficial owner of a Capital Security and is, for United States federal income tax purposes:

- . a nonresident alien individual,
- . a foreign corporation,

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- . a foreign partnership, or
- . an estate or trust that in either case is not subject to United States federal income tax on a net income basis on income or gain from a Capital Security.

If you are a United States holder, this subsection does not apply to you.

Under United States federal income tax law, and subject to the discussion of backup withholding below, if you are a United States alien holder of a Capital Security:

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- . the Trust and other U.S. payors generally will not be required to deduct United States withholding tax from payments of principal, premium, if any, and interest, including OID, if, in the case of payments of interest:
    - 1.the United States alien holder does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of Wachovia entitled to vote,
    - 2.the United States alien holder is not a controlled foreign corporation that is related to Wachovia through stock ownership, and
    - 3.the U.S. payor does not have actual knowledge or reason to know that the holder is a United States person and:
      - a.the United States alien holder has furnished to the U.S. payor an Internal Revenue Service Form W-8BEN or an acceptable substitute form upon which such holder certifies, under penalties of perjury, that the holder is a non-United States person,
      - b.in the case of payments made outside the United States to a holder at an offshore account (generally, an account maintained by a holder at a bank or other financial institution at any location outside the United States), the holder has furnished to the U.S. payor documentation that establishes the holder's identity and status as a non-United States person,
      - c.the U.S. payor has received a withholding certificate (furnished on an appropriate Internal Revenue Service Form W-8 or an acceptable substitute form) from a person claiming to be:
        - i.a withholding foreign partnership (generally a foreign partnership that has entered into an agreement with the Internal Revenue Service to assume primary withholding responsibility with respect to distributions and guaranteed payments it makes to its partners),
        - ii.a qualified intermediary (generally a non-United States financial institution or clearing organization or a non-United States branch or office of a United States financial institution or clearing organization that is a party to a withholding agreement with the Internal Revenue Service), or
        - iii.a U.S. branch of a non-United States bank or of a non-United States insurance company,
- and the withholding foreign partnership, qualified intermediary or

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U.S. branch has received documentation upon which it may rely to treat the payment as made to a non-United States person in accordance with U.S. Treasury regulations (or, in the case of a qualified intermediary, in accordance with its agreement with the Internal Revenue Service),

- d. the U.S. payor receives a statement from a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business:
    - i. certifying to the U.S. payor under penalties of perjury that an Internal Revenue Service Form W-8BEN or an acceptable substitute form has been received from you by it or by a similar financial institution between it and you, and
    - ii. to which is attached a copy of the Internal Revenue Service Form W-8BEN or acceptable substitute form, or
  - e. the U.S. payor otherwise possesses documentation upon which it may rely to treat the payment as made to a non-United States person in accordance with U.S. Treasury regulations; and
- . no deduction for any United States federal withholding tax will be made from any gain that you realize on the sale or exchange of your Capital Security.

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### Backup Withholding and Information Reporting

Generally, income on the Capital Securities will be reported to Securityholders on Form 1099, which form should be mailed to Securityholders by January 31 following each calendar year. Payments made on, and proceeds from the sale of, the Capital Securities may be subject to backup withholding tax unless the Securityholder complies with certain certification requirements. Any withheld amounts will be allowed as a credit against the Securityholder's United States federal income tax liability, provided the required information is furnished to the Internal Revenue Service on a timely basis.

### EXPERTS

The consolidated balance sheets of Wachovia Corporation (formerly named First Union Corporation) as of December 31, 2000 and 1999, and the related consolidated statements of income, changes in stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2000, included in Wachovia's 2000 Annual Report to Stockholders which is included in Wachovia's Annual Report on Form 10-K for the year ended December 31, 2000, and incorporated by reference in this prospectus, have been incorporated by reference in this prospectus in reliance upon the report of KPMG LLP, independent certified public accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The restated audited financial statements of Wachovia Corporation at December

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31, 2000 and 1999, and for each of the three years in the period ended December 31, 2000, included in Wachovia Corporation's (formerly named First Union Corporation) Current Report on Form 8-K dated August 30, 2001 and incorporated by reference herein, have been incorporated by reference herein in reliance upon the report of Ernst & Young LLP, independent auditors. The restated audited financial statements referred to above are included in reliance upon such report given on the authority of said firm as experts in accounting and auditing.

### PLAN OF DISTRIBUTION

This prospectus will be used by First Union Securities, Inc., an indirect, wholly-owned subsidiary of Wachovia, in connection with offers and sales related to market-making and other transactions in the Capital Securities. First Union Securities, Inc. may act as principal or agent in such transactions. Sales will be made at prices relating to prevailing market prices at the time of sale or otherwise. First Union Securities, Inc. will not receive any compensation from Wachovia for engaging in those transactions.

Wachovia conducts its investment banking, institutional and capital markets businesses through its various bank, broker-dealer and nonbank subsidiaries (including First Union Securities, Inc.) under the trade name of "Wachovia Securities." Any reference to "Wachovia Securities" is not intended to be a reference to Wachovia Securities, Inc., member NASD/SIPC, a separate broker-dealer subsidiary of Wachovia and sister affiliate of First Union Securities, Inc., which is not participating in the market-making transactions.

### VALIDITY OF SECURITIES

The validity of the Capital Securities and the guarantee and assumptions of the Capital Securities and the guarantee by Wachovia has been passed upon for Wachovia by Ross E. Jeffries, Esq., Senior Vice President and Assistant General Counsel of Wachovia. Mr. Jeffries owns shares of Wachovia's common stock and holds options to purchase additional shares of such common stock.

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FILED PURSUANT TO RULE 424(B) (5)  
REGISTRATION NOS. 33-19365 AND 33-19365-01

PROSPECTUS SUPPLEMENT

(To Base Prospectus dated January 22, 1997)

\$300,000,000

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Wachovia Capital Trust II  
 Floating Rate Capital Securities  
 (Liquidation Amount \$1,000 per Capital Security)

fully and unconditionally guaranteed, as described herein, by

Wachovia Corporation

The Floating Rate Capital Securities (the "Capital Securities") offered hereby represent preferred beneficial interests in Wachovia Capital Trust II, a statutory business trust formed under the laws of the State of Delaware (the "Trust"). Wachovia Corporation, a North Carolina corporation ("Wachovia" or the "Corporation"), will be the owner of all the beneficial interests represented by common securities of the Trust (the "Common Securities")  
 (Continued on next page)

See "Risk Factors" beginning on page S-5 hereof for certain information relevant to an investment in the Capital Securities.

THESE SECURITIES ARE NOT DEPOSITS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE BASE PROSPECTUS TO WHICH IT RELATES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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	Initial Public Offering Price (1)	Underwriting Commission (2)	Proceeds To Trust (3) (4)
Per Capital Security	\$988.40	(3)	\$988.40
Total.....	\$296,520,000	(3)	\$296,520,000

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- (1) Plus accrued distributions, if any, from January 31, 1997.
- (2) The Trust and the Corporation have each agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Underwriting."
- (3) In view of the fact that the proceeds of the sale of the Capital Securities will be invested in the Junior Subordinated Debentures, the Corporation has agreed to pay to the Underwriters as compensation for their arranging the investment therein of such proceeds \$10.00 per Capital Security (or \$3,000,000 in the aggregate). See "Underwriting."
- (4) Expenses of the offering which are payable by the Corporation are estimated



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to be \$386,909, a portion of which will be reimbursed by the Underwriters. See "Underwriting."

The Capital Securities are offered, subject to prior sale, when, as and if accepted by the Underwriters named herein and subject to their right to reject orders in whole or in part. It is expected that delivery of the Capital Securities will be made on or about January 31, 1997 through the book entry facilities of The Depository Trust Company in New York, New York, against payment therefor in immediately available funds.

The date of this Prospectus Supplement is January 28, 1997.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE CAPITAL SECURITIES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED IN THE OVER THE COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

(cover page continued)

and, together with the Capital Securities, the "Trust Securities"). The Trust exists for the sole purpose of issuing the Trust Securities and investing the proceeds thereof in Floating Rate Junior Subordinated Deferrable Interest Debentures (the "Junior Subordinated Debentures"), to be issued by the Corporation. The Junior Subordinated Debentures will mature on January 15, 2027 (such date, the "Stated Maturity Date"). The Capital Securities will have a preference over the Common Securities under certain circumstances with respect to cash distributions and amounts payable on liquidation, redemption or otherwise. See "Description of Preferred Securities--Subordination of Common Securities" in the accompanying Base Prospectus.

Holders of the Trust Securities will be entitled to receive cumulative cash distributions, accumulating from the date of original issuance and payable quarterly in arrears on the 15th day of January, April, July and October of each year, commencing April 15, 1997, at a rate per annum reset quarterly equal to LIBOR (as defined herein) plus .50% (the "Distribution Rate") on the Liquidation Amount of \$1,000 per Trust Security ("Distributions"). So long as no Debenture Event of Default (as defined herein) has occurred and is continuing, the Corporation will have the right to defer payments of interest on the Junior Subordinated Debentures at any time or from time to time for a period not exceeding 20 consecutive quarterly periods with respect to each deferral period (each, an "Extension Period"), provided that no Extension Period may extend beyond the Stated Maturity Date of the Junior Subordinated Debentures. Upon the termination of any such Extension Period and the payment of all amounts then due, the Corporation may elect to begin a new Extension Period subject to the requirements set forth herein. If and for so long as interest payments on the Junior Subordinated Debentures are so deferred, Distributions on the Trust Securities will also be deferred and the Corporation will not be permitted, subject to certain exceptions described herein, to declare or pay any cash distributions with respect to the Corporation's capital stock or to make any payment with respect to debt securities of the Corporation that rank pari passu with or junior to the Junior Subordinated Debentures. During an Extension Period, interest on the Junior Subordinated Debentures will continue to accrue (and the amount of Distributions to which holders of the

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Trust Securities are entitled will continue to accumulate) at the applicable periodic Distribution Rate, compounded quarterly from the relevant payment date for such interest, and holders of Trust Securities will be required to accrue interest income for United States federal income tax purposes. See "Description of Junior Subordinated Debentures--Option to Extend Interest Payment Date" in this Prospectus Supplement and "Certain Federal Income Tax Consequences--United States Holders--Interest Income and Original Issue Discount" in the accompanying Prospectus.

The Corporation will, through the Guarantee, the Common Guarantee, the Declaration, the Junior Subordinated Debentures and the Indenture (each as defined herein), taken together, fully, irrevocably and unconditionally guarantee all of the Trust's obligations under the Trust Securities. See "Relationship Among the Preferred Securities, the Corresponding Junior Subordinated Debentures and the Guarantees--Full and Unconditional Guarantee" in the accompanying Prospectus. The Guarantee and the Common Guarantee will guarantee the payments of Distributions and payments on liquidation or redemption of the Trust Securities, but in each case only to the extent that the Trust holds funds on hand legally available therefor and has failed to make such payments, as described herein. See "Description of Guarantees" in the accompanying Base Prospectus. If the Corporation fails to make a required payment on the Junior Subordinated Debentures, the Trust will not have sufficient funds to make the related payments, including Distributions on the Trust Securities. The Guarantee and the Common Guarantee will not cover any such payment when the Trust does not have sufficient funds legally available therefor. In such event, a holder of Capital Securities may institute a legal proceeding directly against the Corporation to enforce payment to such holder of accrued but unpaid interest on Junior Subordinated

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Debentures with a principal amount equal to the Liquidation Amount of the Capital Securities held by such holder. See "Description of Junior Subordinated Debentures--Enforcement of Certain Rights By Holders of Preferred Securities" in the accompanying Base Prospectus. The obligations of the Corporation under the Guarantee and the Junior Subordinated Debentures will be unsecured and subordinate and rank junior in right of payment to the extent and in the manner set forth in the Indenture to all Senior Indebtedness of the Corporation (as defined in "Description of Junior Subordinated Debentures--Subordination" in the accompanying Base Prospectus), which totalled approximately \$1.635 billion at September 30, 1996 (exclusive of \$200,000,000 of 6.625% Senior Notes due November 15, 2006 which were issued by the Corporation on November 12, 1996).

The Trust Securities will be subject to mandatory redemption in a Like Amount (as defined herein), in whole but not in part, on the Stated Maturity Date upon repayment of the Junior Subordinated Debentures at a redemption price equal to the principal amount of, plus accrued interest on, the Junior Subordinated Debentures (the "Maturity Redemption Price"). In addition, the Trust Securities will be subject to mandatory redemption in a Like Amount (i) in whole but not in part, at any time before January 15, 2007, contemporaneously with the optional prepayment of the Junior Subordinated Debentures, upon the occurrence and continuation of a Special Event (as defined herein), and (ii) in whole or in part, on or after January 15, 2007, contemporaneously with the optional prepayment by the Corporation of the Junior Subordinated Debentures, in each case at a redemption price equal to the

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Prepayment Price (as defined herein) (the "Early Redemption Price"). Any of the Maturity Redemption Price and the Early Redemption Price may be referred to herein as the "Redemption Price." See "Description of Capital Securities--Redemption" and "Description of the Junior Subordinated Debentures--Optional Prepayment" and "--Special Event Prepayment."

Subject to the Corporation having received prior approval of the Board of Governors of the Federal Reserve System (the "Federal Reserve"), if then required under applicable capital guidelines or policies of the Federal Reserve, the Junior Subordinated Debentures will be prepayable prior to the Stated Maturity Date at the option of the Corporation (i) on or after January 15, 2007, in whole or in part, or (ii) at any time before January 15, 2007, in whole but not in part, upon the occurrence and continuation of a Special Event, in each case at a prepayment price (the "Prepayment Price") equal to 100% of the principal amount of the Junior Subordinated Debentures so redeemed plus accrued and unpaid interest thereon to the date of prepayment. See "Description of Junior Subordinated Debentures--Optional Prepayment" and "--Special Event Prepayment."

The Corporation, as the direct or indirect holder of the outstanding Common Securities, will have the right at any time to terminate the Trust and cause a Like Amount of the Junior Subordinated Debentures to be distributed to the holders of the Trust Securities in liquidation of the Trust, subject to (i) the Corporation having received an opinion of counsel to the effect that such distribution will not be a taxable event to holders of the Capital Securities and (ii) the prior approval of the Federal Reserve, if then required under applicable capital guidelines or policies of the Federal Reserve. Unless the Junior Subordinated Debentures are distributed to the holders of the Trust Securities, in the event of a liquidation of the Trust as described herein, after satisfaction of liabilities to creditors of the Trust as required by applicable law, the holders of the Capital Securities generally will be entitled to receive a Liquidation Amount of \$1,000 per Capital Security plus accumulated and unpaid Distributions thereon to the date of payment. See "Description of Preferred Securities--Liquidation Distribution upon Termination" in the accompanying Base Prospectus and "Certain Federal Income Tax Consequences--United States Holders--Distributions of the Junior Subordinated Debentures to Holders of Capital Securities" in the accompanying Prospectus.

NO DEALER, SALESPERSON OR OTHER INDIVIDUAL HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS SUPPLEMENT OR THE BASE PROSPECTUS IN CONNECTION WITH THE OFFER MADE BY THIS PROSPECTUS SUPPLEMENT AND THE BASE PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CORPORATION, THE TRUST OR THE UNDERWRITERS. NEITHER THE DELIVERY OF

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THIS PROSPECTUS SUPPLEMENT AND THE BASE PROSPECTUS NOR ANY SALE MADE HEREUNDER AND THEREUNDER SHALL UNDER ANY CIRCUMSTANCE CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CORPORATION OR THE TRUST SINCE THE DATE HEREOF. THIS PROSPECTUS SUPPLEMENT AND THE BASE PROSPECTUS DO NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH

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OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

The information in this Prospectus Supplement supplements, and should be read in conjunction with, the information contained in the accompanying Base Prospectus. As used herein, (i) the "Indenture" means the Indenture, to be dated as of January 31, 1997 (the "Original Indenture"), as amended and supplemented from time to time, between the Corporation and The First National Bank of Chicago, as trustee (the "Debenture Trustee"), as supplemented by the supplemental indenture, to be dated January 31, 1997 (the "First Supplemental Indenture" and together with the Original Indenture, the "Indenture") relating to the Junior Subordinated Debentures, (ii) the "Declaration" means the Amended and Restated Declaration of Trust relating to the Trust among the Corporation, as Sponsor, The First National Bank of Chicago, as Property Trustee (the "Property Trustee"), First Chicago Delaware Inc., as Delaware Trustee (the "Delaware Trustee"), and the Administrative Trustees named therein (collectively, with the Property Trustee and Delaware Trustee, the "Issuer Trustees"), (iii) the "Guarantee" means the Guarantee Agreement relating to the Capital Securities between the Corporation and The First National Bank of Chicago, as trustee (the "Guarantee Trustee") and (iv) the "Common Guarantee" means the Guarantee Agreement relating to the Common Securities between the Corporation and The First National Bank of Chicago, as trustee. Each of the other capitalized terms used in this Prospectus Supplement and not otherwise defined in this Prospectus Supplement has the meaning set forth in the accompanying Base Prospectus.

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### RISK FACTORS

Prospective purchasers of Capital Securities should carefully review the information contained elsewhere in this Prospectus Supplement and in the accompanying Base Prospectus and should particularly consider the following matters. In addition, because holders of Capital Securities may receive Junior Subordinated Debentures in exchange therefor upon liquidation of the Trust, prospective purchasers of Capital Securities are also making an investment decision with regard to the Junior Subordinated Debentures and should carefully review all the information regarding the Junior Subordinated Debentures contained herein.

#### Ranking of Subordinate Obligations Under the Guarantee and Junior Subordinated Debentures

The obligations of the Corporation under the Guarantee and under the Junior Subordinated Debentures will be unsecured and subordinate and rank junior in right of payment to the extent and in the manner set forth in the Indenture to all present and future Senior Indebtedness of the Corporation. No payment may be made of the principal of, or premium, if any, or interest on the Junior Subordinated Debentures, or in respect of any redemption, retirement, purchase or other acquisition of any of the Junior Subordinated Debentures, at any time when (i) there is a default in the payment of the principal of, or premium, if any, or interest on or otherwise in respect of any Senior Indebtedness, whether at maturity or at a date fixed for prepayment or by declaration or otherwise, or (ii) any event of default with respect to any Senior Indebtedness has

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occurred and is continuing, or would occur as a result of such payment on the Junior Subordinated Debentures or any redemption, retirement, purchase or other acquisition of any of the Junior Subordinated Debentures, permitting the holders of such Senior Indebtedness (or a trustee on behalf of the holders thereof) to accelerate the maturity thereof. At September 30, 1996, the aggregate principal amount of outstanding Senior Indebtedness of the Corporation was approximately \$1.635 billion (exclusive of \$200,000,000 of 6.625% Senior Notes due November 15, 2006 which were issued by the Corporation on November 12, 1996). Because the Corporation is a bank holding company, the right of the Corporation to participate in any distribution of assets of any subsidiary upon such subsidiary's liquidation or reorganization or otherwise (and thus the ability of holders of the Capital Securities to benefit indirectly from such distribution) is subject to the prior claims of creditors of that subsidiary, except to the extent that the Corporation may itself be recognized as a creditor of that subsidiary. At September 30, 1996, the subsidiaries of the Corporation had total liabilities (excluding liabilities owed to the Corporation) of approximately \$41.786 billion. Accordingly, the Junior Subordinated Debentures will be effectively subordinated to all existing and future liabilities of the Corporation's subsidiaries, and holders of Junior Subordinated Debentures should look only to the assets of the Corporation for payments on the Junior Subordinated Debentures. None of the Indenture, the Guarantee, the Common Guarantee or the Declaration places any limitation on the amount of secured or unsecured debt, including Senior Indebtedness, that may be incurred by the Corporation or any of its subsidiaries. See "Description of the Guarantees--Status of the Guarantees" and "Description of the Junior Subordinated Debentures--Subordination" in the accompanying Base Prospectus.

The ability of the Trust to pay amounts due on the Capital Securities is dependent upon the Corporation making payments on the Junior Subordinated Debentures as and when required.

### Option to Extend Interest Payment Period; Tax Considerations

So long as no Debenture Event of Default shall have occurred and be continuing, the Corporation will have the right under the Indenture to defer payments of interest on the Junior Subordinated Debentures at any time or from time to time for a period not exceeding 20 consecutive quarterly periods with respect to each Extension Period, provided that no Extension Period may extend beyond the Stated Maturity Date. Upon any such deferral, quarterly Distributions on the Capital Securities by the Trust will be deferred (and the amount of Distributions to which holders of the Capital Securities are entitled will accumulate additional Distributions thereon at the applicable periodic Distribution Rate, compounded quarterly from the relevant payment date for such Distributions) during any such Extension Period.

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The Corporation may extend any existing Extension Period, provided that such extension does not cause such Extension Period to exceed 20 consecutive quarterly periods or to extend beyond the Stated Maturity Date. Upon the expiration of any Extension Period and the payment of all interest then accrued and unpaid on the Junior Subordinated Debentures (together with interest thereon at the applicable Interest Rate (as defined herein), compounded quarterly from the interest payment date for such interest, to the extent permitted by applicable law), the Corporation may elect to begin a new Extension Period, subject to the above requirements. There is no limitation on the number of times that the Corporation may elect to begin an Extension Period. See "Description of Capital Securities--Distributions" and "Description

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of Junior Subordinated Debentures--Option to Extend Interest Payment Date."

The Corporation has no current plan to exercise its right to defer payments of interest on the Junior Subordinated Debentures. However, should the Corporation exercise its right to defer payments of interest on the Junior Subordinated Debentures, each holder of Capital Securities will be required to accrue income (as original issue discount ("OID")) in respect of the deferred stated interest allocable to its Capital Securities for United States federal income tax purposes, which will be allocated but not distributed to holders of Capital Securities. As a result, during an Extension Period, each holder of Capital Securities will recognize income for United States federal income tax purposes in advance of the receipt of cash and will not receive the cash related to such income from the Trust if the holder disposes of the Capital Securities prior to the record date for the payment of Distributions. See "Certain Federal Income Tax Consequences--United States Holders--Interest Income and Original Issue Discount" and "--Sale or Redemption of the Capital Securities'" in the accompanying Prospectus.

Should the Corporation elect to exercise its right to defer payments of interest on the Junior Subordinated Debentures, the market price of the Capital Securities is likely to be affected. A holder that disposes of its Capital Securities during an Extension Period, therefore, might not receive the same return on its investment as a holder that continues to hold its Capital Securities. In addition, the mere existence of the Corporation's right to defer payments of interest on the Junior Subordinated Debentures may cause the market price of the Capital Securities to be more volatile than the market prices of other securities on which OID accrues that are not subject to such deferrals.

### Redemption or Distribution

Upon the occurrence and continuation of a Special Event (including a Tax Event or a Regulatory Capital Event, in each case, as defined under "Description of Junior Subordinated Debentures--Special Event Prepayment"), prior to January 15, 2007 the Corporation will have the right to prepay the Junior Subordinated Debentures in whole (but not in part) at the Prepayment Price within 90 days following the occurrence of such Special Event and therefore cause a mandatory redemption of the Capital Securities at the Early Redemption Price. On or after January 15, 2007, the Corporation may redeem the Junior Subordinated Debentures in whole or in part for any reason and thereby cause an optional redemption of the Capital Securities, in whole or in part, at the Early Redemption Price. The Corporation also will have the right at any time to terminate the Trust and, after satisfaction of claims of creditors as provided by applicable law, to cause the Junior Subordinated Debentures to be distributed to the holders of the Trust Securities. Any such distribution or redemption is subject to the Corporation having received prior approval of the Federal Reserve to do so if then required under applicable guidelines or policies of the Federal Reserve. See "Description of Capital Securities--Redemption" and "--Liquidation of the Trust and Distribution of the Junior Subordinated Debentures."

Under current United States federal income tax law, a distribution of Junior Subordinated Debentures upon the dissolution of the Trust would not be a taxable event to holders of the Capital Securities. If, however, the Trust is characterized for United States federal income tax purposes as an association taxable as a corporation at the time of dissolution of the Trust, the distribution of the Junior Subordinated Debentures may constitute a taxable event to holders of Capital Securities. Moreover, upon the occurrence of a Special Event, a dissolution of the Trust in which holders of the Capital Securities receive cash would be a taxable event to such holders. See "Certain

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Federal Income Tax Consequences--United States Holders--Distributions of the Junior Subordinated Debentures to Holders of Capital Securities" in the accompanying Prospectus.

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There can be no assurance as to the market prices for the Capital Securities or the Junior Subordinated Debentures that may be distributed in exchange for Capital Securities if a dissolution or liquidation of the Trust were to occur. Accordingly, the Capital Securities or the Junior Subordinated Debentures may trade at a discount to the price that an investor pays to purchase the Capital Securities offered hereby. Because holders of Capital Securities may receive Junior Subordinated Debentures, prospective purchasers of Capital Securities are also making an investment decision with regard to the Junior Subordinated Debentures and should carefully review all the information regarding the Junior Subordinated Debentures contained herein. See "Description of Capital Securities--Redemption" and "--Liquidation of the Trust and Distribution of the Junior Subordinated Debentures" and "Description of Junior Subordinated Debentures."

On March 19, 1996, as part of President Clinton's Fiscal 1997 Budget Proposal, the Treasury Department proposed legislation (the "Proposed Legislation") which would, among other things, generally deny corporate issuers a deduction for interest in respect of certain debt obligations, such as the Junior Subordinated Debentures, issued on or after December 7, 1995 if such debt obligations have a maximum term in excess of 20 years and are not shown as indebtedness on the issuer's applicable consolidated balance sheet. In addition, the Proposed Legislation would generally deny corporate issuers a deduction for interest in respect of certain debt obligations, such as the Junior Subordinated Debentures, issued on or after December 7, 1995 if such debt obligations have a weighted average maturity of more than 40 years. On March 29, 1996, Senate Finance Committee Chairman William V. Roth, Jr. and House Ways and Means Committee Chairman Bill Archer issued a joint statement (the "Joint Statement") indicating their intent that the Proposed Legislation, if adopted by either of the tax-writing committees of Congress, would have an effective date that is no earlier than the date of "appropriate Congressional action." In addition, subsequent to the publication of the Joint Statement, Senator Daniel Patrick Moynihan and Representatives Sam M. Gibbons and Charles B. Rangel wrote letters to the Treasury Department (the "Democrat Letters"), which concurred with the view expressed in the Joint Statement. If the principles contained in the Joint Statement and the Democrat Letters were followed and if the Proposed Legislation were enacted, such legislation would not apply to the Junior Subordinated Debentures. There can be no assurance, however, that the effective date guidance contained in the Joint Statement and the Democrat Letters will be incorporated into the Proposed Legislation, if enacted, or that other legislation enacted after the date hereof will not otherwise adversely affect the ability of the Corporation to deduct the interest payable on the Junior Subordinated Debentures. Such a change could give rise to a Tax Event, which may permit the Corporation, upon approval of the Federal Reserve if then required under applicable capital guidelines or policies of the Federal Reserve, to cause a redemption of the Trust Securities at the Early Redemption Price by electing to prepay the Junior Subordinated Debentures at the Prepayment Price. See "Description of Capital Securities--Redemption," and "Description of Junior Subordinated Debentures--Special Event Prepayment."

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### Possible Adverse Effect on Market Prices

There can be no assurance as to the market prices for Capital Securities or Junior Subordinated Debentures distributed to the holders of Capital Securities if a termination of the Trust were to occur. Accordingly, the Capital Securities or the Junior Subordinated Debentures may trade at a discount from the price that the investor paid to purchase the Capital Securities offered hereby. Because holders of Capital Securities may receive Junior Subordinated Debentures in liquidation of the Trust and because Distributions are otherwise limited to payments on the Junior Subordinated Debentures, prospective purchasers of Capital Securities are also making an investment decision with regard to the Junior Subordinated Debentures and should carefully review all the information regarding the Junior Subordinated Debentures contained herein. See "Description of Junior Subordinated Debentures."

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### Rights Under the Guarantee

The Guarantee will be qualified as an indenture under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). The First National Bank of Chicago will act as indenture trustee under the Guarantee (the "Guarantee Trustee") for the purpose of compliance with the Trust Indenture Act and will hold the Guarantee for the benefit of the holders of the Capital Securities. The First National Bank of Chicago will also act as Property Trustee under the Declaration and as Debenture Trustee under the Indenture. First Chicago Delaware Inc. will act as Delaware Trustee under the Declaration. The Guarantee will guarantee to the holders of the Capital Securities the following payments, to the extent not paid by the Trust: (i) any accumulated and unpaid Distributions required to be paid on the Capital Securities, to the extent that the Trust has funds on hand legally available therefor; (ii) the applicable Redemption Price with respect to any Capital Securities called for redemption, to the extent that the Trust has funds on hand legally available therefor; and (iii) upon a voluntary or involuntary termination, winding up or liquidation of the Trust (unless the Junior Subordinated Debentures are distributed to holders of the Capital Securities), the lesser of (a) the aggregate of the Liquidation Amount and all accumulated and unpaid Distributions to the date of payment, to the extent that the Trust has funds on hand legally available therefor on such date and (b) the amount of assets of the Trust remaining available for distribution to holders of the Capital Securities on such date. The holders of a majority in Liquidation Amount of the Capital Securities will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee in respect of the Guarantee or to direct the exercise of any trust power conferred upon the Guarantee Trustee. Any holder of the Capital Securities may institute a legal proceeding directly against the Corporation to enforce its rights under the Guarantee without first instituting a legal proceeding against the Trust, the Guarantee Trustee or any other person or entity. If the Corporation defaults on its obligation to pay amounts payable under the Junior Subordinated Debentures, the Trust will not have sufficient funds for the payment of Distributions or amounts payable on redemption of the Capital Securities or otherwise, and, in such event, holders of the Capital Securities will not be able to rely upon the Guarantee for payment of such amounts. Instead, in the event a Debenture Event of Default shall have occurred and be continuing and such event is attributable to the failure of the Corporation to pay principal of or premium, if any, or interest on the Junior Subordinated Debentures on the payment date on which such payment is due and payable, then a holder of Capital Securities may institute a legal proceeding directly against the Corporation for enforcement of payment to such holder of the principal of or premium, if any, or interest on such Junior



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Subordinated Debentures having a principal amount equal to the Liquidation Amount of the Capital Securities of such holder (a "Direct Action"). Notwithstanding any payments made to a holder of Capital Securities by the Corporation in connection with a Direct Action, the Corporation shall remain obligated to pay the principal of and premium, if any, and interest on the Junior Subordinated Debentures, and the Corporation shall be subrogated to the rights of the holder of such Capital Securities with respect to payments on the Capital Securities to the extent of any payments made by the Corporation to such holder in any Direct Action. Except as described herein, holders of Capital Securities will not be able to exercise directly any other remedy available to the holders of the Junior Subordinated Debentures or to assert directly any other rights in respect of the Junior Subordinated Debentures. See "Description of Junior Subordinated Debentures--Enforcement of Certain Rights by Holders of Preferred Securities" and "--Debenture Events of Default" and "Description of Guarantees" in the accompanying Base Prospectus. The Declaration will provide that each holder of Capital Securities by acceptance thereof agrees to the provisions of the Indenture.

### Limited Voting Rights

Holders of Capital Securities generally will have voting rights relating only to the modification of the terms of the Capital Securities, the termination or liquidation of the Trust, and the exercise of the Trust's rights as holder of the Junior Subordinated Debentures. Holders of Capital Securities will not be entitled to vote to appoint, remove or replace, or to increase or decrease the number of, the Issuer Trustees, which voting rights are vested exclusively in the holder of the Common Securities, except as described under "Description of Preferred Securities--Removal of Issuer Trustees" in the accompanying Base Prospectus. The Property Trustee, the Administrative Trustees and the Corporation may amend the Declaration without the consent of holders of Capital Securities to ensure that the Trust will be classified for United States federal income tax purposes as a

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grantor trust even if such action adversely affects the interests of such holders. See "Description of Preferred Securities--Voting Rights; Amendment of each Declaration" in the accompanying Base Prospectus.

### Trading Price

The Corporation does not intend to have the Capital Securities listed on the New York Stock Exchange or any other securities exchange. There is no existing market for the Capital Securities and there can be no assurance as to the liquidity of any markets that may develop for the Capital Securities, the ability of the holders to sell their Capital Securities or at what price holders of the Capital Securities will be able to sell their Capital Securities as the case may be. Future trading prices of the Capital Securities will depend on many factors including, among other things, prevailing interest rates, the Corporation's operating results, and the market for similar securities. The Underwriters have informed the Trust and the Corporation that they intend to make a market in the Capital Securities as permitted by applicable laws and regulations. However, the Underwriters are not obligated to do so and any such market making activity may be terminated at any time without notice to the holders of the Capital Securities.

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The Capital Securities may trade at a price that does not fully reflect the value of accrued but unpaid interest with respect to the underlying Junior Subordinated Debentures. A holder who uses the accrual method of accounting for tax purposes (and a cash method holder, if the Junior Subordinated Debentures are deemed to have been issued with OID) and who disposes of its Capital Securities between record dates for payments of distributions thereon will be required to include accrued but unpaid interest on the Junior Subordinated Debentures through the date of disposition in income as ordinary income (i.e., interest or, possibly, OID), and to add such amount to its adjusted tax basis in its share of the underlying Junior Subordinated Debentures deemed disposed of. To the extent the selling price is less than the holder's adjusted tax basis (which will include all accrued but unpaid interest), a holder will recognize a capital loss. Subject to certain limited exceptions, capital losses cannot be applied to offset ordinary income for United States federal income tax purposes. See "Certain Federal Income Tax Consequences--United States Holders--Interest Income and Original Issue Discount" and "--Sale or Redemption of the Capital Securities" in the accompanying Prospectus.

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### WACHOVIA CAPITAL TRUST II

The Trust is a statutory business trust formed under Delaware law pursuant to (i) a declaration of trust, dated as of January 6, 1997, executed by the Corporation, as Sponsor, the Delaware Trustee and the Administrative Trustees named therein (the "Initial Declaration"), and (ii) the filing of a certificate of trust with the Secretary of State of the State of Delaware on January 6, 1997. The Initial Declaration will be replaced by an amended and restated declaration of trust executed on or prior to January 31, 1997 (the "Issue Date") by the Corporation, as Sponsor, and the Issuer Trustees (the "Declaration"). The Trust exists for the exclusive purposes of (i) issuing and selling the Trust Securities, which represent undivided beneficial interests in the assets of the Trust, (ii) investing the gross proceeds from the sale of the Trust Securities in the Junior Subordinated Debentures and (iii) engaging in only those other activities necessary, advisable or incidental thereto. Accordingly, the Junior Subordinated Debentures will be the sole assets of the Trust and payments under the Junior Subordinated Debentures will be the sole revenues of the Trust. All of the Common Securities will be owned directly or indirectly by the Corporation. The Common Securities will rank pari passu, and payments will be made thereon pro rata, with the Capital Securities, except that upon the occurrence and during the continuance of an Event of Default under the Declaration resulting from a Debenture Event of Default, the rights of the Corporation as holder of the Common Securities to payments in respect of Distributions and payments upon liquidation, redemption or otherwise will be subordinated and rank junior to the rights of the holders of the Capital Securities. See "Description of Preferred Securities--Subordination of Common Securities" in the accompanying Base Prospectus. The Corporation will acquire, directly or indirectly, Common Securities in a Liquidation Amount equal to at least 3% of the total capital of the Trust. The Trust has a term of 55 years, but may terminate earlier as provided in the Declaration. The Trust's business and affairs will be conducted by the Issuer Trustees appointed by the Corporation as the direct or indirect holder of the Common Securities. The Issuer Trustees will be The First National Bank of Chicago as the Property Trustee (the "Property Trustee"), First Chicago Delaware Inc. as the Delaware Trustee (the "Delaware Trustee"), and three individual trustees (the "Administrative Trustees"). The First National Bank of Chicago, as Property

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Trustee, will act as sole indenture trustee under the Declaration. The First National Bank of Chicago will also act as indenture trustee under the Guarantee and the Indenture. See "Description of the Guarantee" and "Description of Junior Subordinated Debentures." The holder of the Common Securities of the Trust or, if an Event of Default under the Declaration has occurred and is continuing, the holders of a majority in Liquidation Amount of the Capital Securities, will be entitled to appoint, remove or replace the Property Trustee and/or the Delaware Trustee. In no event will the holders of the Capital Securities have the right to vote to appoint, remove or replace the Administrative Trustees; such voting rights will be vested exclusively in the holder of the Common Securities. The duties and obligations of each Issuer Trustee are governed by the Declaration. The Corporation will pay, directly or indirectly, all fees, expenses, debts and obligations (other than the Trust Securities) related to the Trust and the offering of the Capital Securities, including all ongoing costs, expenses and liabilities of the Trust. The principal executive office of the Trust is Wachovia Capital Trust II, c/o Wachovia Corporation, 100 North Main Street, Winston-Salem, North Carolina 27150, Attention: Chief Financial Officer. See "The Trusts" in the accompanying Base Prospectus.

It is anticipated that the Trust will not be subject to the reporting requirements under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

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### WACHOVIA CORPORATION

Wachovia Corporation ("Wachovia" or the "Corporation"), a North Carolina corporation, is an interstate bank holding company with dual headquarters in Atlanta, Georgia and Winston-Salem, North Carolina, serving regional, national and international markets. The Corporation has three principal banking subsidiaries, Wachovia Bank of Georgia, N.A. ("Wachovia Bank of Georgia"), Wachovia Bank of North Carolina, N.A. ("Wachovia Bank of North Carolina") and Wachovia Bank of South Carolina, N.A. ("Wachovia Bank of South Carolina" and together with Wachovia Bank of Georgia and Wachovia Bank of North Carolina, the "Banks"), the assets of which together, as of September 30, 1996, constituted substantially all of the assets of the Corporation. Wachovia's common stock is traded on the New York Stock Exchange under the symbol WB. Wachovia is a registered bank holding company under the Bank Holding Company Act of 1956, as amended, and is a savings and loan holding company within the meaning of the Home Owners' Loan Act of 1933, as amended.

The Banks had a total of 486 offices as of September 30, 1996. As of September 30, 1996, Wachovia Bank of Georgia had 125 offices in 49 Georgia cities and communities, Wachovia Bank of North Carolina had 219 offices in 95 North Carolina cities and communities, and Wachovia Bank of South Carolina had 142 offices in 64 South Carolina cities and communities. Subsidiaries of the Corporation have domestic representative offices in Chicago and New York City; international representative offices in New York City, London and Tokyo; foreign branch offices in Grand Cayman; residential mortgage loan offices in Florida, Georgia, North Carolina and South Carolina; operations centers in Atlanta, Georgia, Charlotte, Greenville, Raleigh and Winston-Salem, North Carolina, and Columbia, South Carolina; a major credit card operation in Delaware; and a credit life and accident insurance company in Georgia.

At September 30, 1996, on a consolidated basis, Wachovia had total assets of \$47.5 billion, deposits of \$27.4 billion, and a market capitalization of \$8.2

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billion. Based on its consolidated asset size and market capitalization at September 30, 1996, Wachovia was ranked 20th and 21st, respectively, among domestic U.S. bank holding companies.

The Banks serve domestic U.S. retail and mid-market corporate customers in their home markets. Also, at September 30, 1996, the Banks administered trust assets totaling over \$93.3 billion, including more than \$23.0 billion in assets under discretionary management, and provided a comprehensive array of trust related services and products to institutional and retail clients. Other major subsidiaries of the Corporation include Wachovia Corporate Services, Inc. which directs large corporate and institutional relationship management and business development in national and international markets; Wachovia Leasing Corporation which provides corporate leasing services; Wachovia Operational Services Corporation which provides remittance processing services for customers through three operations centers; and Wachovia Investments, Inc. which offers brokerage services to institutional and retail clients.

During January 1997, the Board of Directors of the Corporation and the Board of Directors of each of the Banks approved a plan of merger whereby Wachovia Bank of Georgia and Wachovia Bank of South Carolina would be merged with and into Wachovia Bank of North Carolina, which, as the survivor, would change its name to Wachovia Bank, National Association. The resulting bank will continue to operate in the states in which the Banks currently operate. The proposed merger will build on the many efficiencies the Banks have already achieved through standardization of operations and delivery systems and will result in additional cost savings from consolidated financial reporting and reduced regulatory fees. The proposed merger, which is subject to regulatory approvals, is currently expected to take place on or after June 1, 1997 pursuant to the authority of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 and applicable state interstate banking legislation.

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### USE OF PROCEEDS

The proceeds to the Trust (without giving effect to expenses of the offering payable by the Corporation) from the offering of the Capital Securities will be \$296,520,000. All of the proceeds from the sale of Capital Securities (together with the proceeds of the Common Securities) will be invested by the Trust in the Junior Subordinated Debentures. The Corporation intends that the net proceeds from the sale of the Junior Subordinated Debentures will be used for general corporate purposes, which may include, but not be limited to, investments in and advances to the Corporation's subsidiaries and the redemption of certain of the Corporation's outstanding debt securities. The precise amount and timing of the application of such net proceeds used for such corporate purposes will depend on the funding requirements and the availability of other funds to the Corporation and its subsidiaries. Pending such application by the Corporation, such net proceeds may be temporarily invested in short-term interest bearing securities. The Capital Securities will be eligible to qualify as Tier I Capital under the capital guidelines of the Federal Reserve, provided that under current Federal Reserve guidelines no more than 25% of the Corporation's Tier I Capital may comprise Capital Securities and other capital securities and cumulative preferred stock of the Corporation.

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### RATIO OF EARNINGS TO FIXED CHARGES

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The following table sets forth the Corporation's consolidated ratios of earnings to fixed charges for the respective periods indicated.

	Nine Months					
	Ended September 30, 1996	Years Ended December 31, -----				
		1995	1994	1993	1992	1991
	-----	----	----	----	----	----
Ratio of Earnings to Fixed Charges:						
Excluding interest on deposits.....	2.14x	2.13	2.48	3.32	3.57	1.71
Including interest on deposits.....	1.55x	1.54	1.72	1.81	1.61	1.19

For purposes of computing the ratios of earnings to fixed charges, earnings represent net income (loss) before extraordinary items and cumulative effect of changes in accounting principles plus applicable income taxes and fixed charges. Fixed charges, excluding interest on deposits, include gross interest expense (other than on deposits) and the proportion deemed representative of the interest factor of rent expense, net of income from subleases. Fixed charges, including gross interest on deposits, include all interest expense and the proportion deemed representative of the interest factor of rent expense, net of income from subleases.

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CAPITALIZATION

The following table sets forth the actual unaudited consolidated capitalization of the Corporation at September 30, 1996, as adjusted to give effect to (i) the consummation of the offering of Capital Securities and the application of the estimated net proceeds from the sale of the Capital Securities and (ii) the offering of \$300 million of 7.64% Capital Securities of Wachovia Capital Trust I on December 16, 1996 and the application of the net proceeds from the sale of such Capital Securities. The table should be read in conjunction with the Corporation's consolidated financial statements and notes thereto included in the documents incorporated by reference herein. See "Incorporation of Certain Documents by Reference."

	At September 30, 1996	
	Actual	As Adjusted
	-----	-----
	(in thousands)	
Long-Term Debt (1).....	\$6,171,070	\$ 6,171,070
Redeemable Capital		
Securities of Subsidiaries (2).....	--	600,000
	-----	-----
Total Long-Term Debt.....	6,171,070	6,771,070
Stockholders' Equity		
Preferred Stock.....	--	--
Common Stock at \$5 par value.....	826,067	826,067

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Capital surplus.....	500,613	500,613
Retained earnings.....	2,369,590	2,369,590
Net unrealized gain (loss) on securities	32,924	32,924
Total stockholders' equity.....	3,729,194	3,729,194
	-----	-----
Total.....	\$9,900,264	\$10,500,264
	=====	=====

- 
- (1) Not reflected in this table are \$200 million Wachovia Corporation 6.625% Senior Notes due November 15, 2006, issued November 12, 1996.
- (2) The Capital Securities will be issued by Wachovia Capital Trust II. Wachovia Capital Trust II will invest the proceeds of the offering of the Capital Securities, together with the amounts to be paid by the Corporation for Wachovia Capital Trust II's Common Securities, in \$309.28 million of Floating Rate Junior Subordinated Deferrable Interest Debentures Due January 15, 2027 of the Corporation. The Floating Rate Junior Subordinated Deferrable Interest Debentures Due January 15, 2027 will bear interest at a floating rate and will mature on January 15, 2027. Wachovia Capital Trust II will be a subsidiary of the Corporation and will hold the Floating Rate Junior Subordinated Deferrable Interest Debentures Due January 15, 2027 as its sole asset.
- On December 16, 1996, Wachovia Capital Trust I issued \$300 million of 7.64% Capital Securities. Wachovia Capital Trust I invested the proceeds of the offering of such Capital Securities, together with \$9.28 million paid by the Corporation for Wachovia Capital Trust I's Common Securities, in \$309.28 million of 7.64% Junior Subordinated Deferrable Interest Debentures Due January 15, 2027 of the Corporation. The 7.64% Junior Subordinated Deferrable Interest Debentures Due January 15, 2027 will bear interest at a rate of 7.64% per annum and will mature on January 15, 2027. Wachovia Capital Trust I is a subsidiary of the Corporation and holds the 7.64% Junior Subordinated Deferrable Interest Debentures Due January 15, 2027 as its sole asset.

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SUMMARY FINANCIAL DATA

The summary below should be read in connection with the financial information included in the Corporation's 1995 Annual Report on Form 10-K. The summary below should also be read in conjunction with the financial information contained in the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 1996. Interim unaudited data for the nine months ended September 30, 1996 and 1995 reflect, in the opinion of management of the Corporation, all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of such data. Results for the nine months ended September 30, 1996 are not necessarily indicative of results which may be expected for any other interim period or for the year as a whole.

Nine Months Ended		Year Ended December 3			
September 30,					
1996	1995	1995	1994	1993	19
-----					

(unaudited)  
(dollars in millions, except per share d

Income Statement Data:

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Net interest revenue.....	\$ 1,150	\$ 1,074	\$ 1,441	\$ 1,324	\$ 1,284	\$ 1,150
Provision for credit losses.....	103	74	104	72	93	103
Net interest revenue after provision for credit losses.....	1,047	1,000	1,337	1,252	1,191	1,047
Noninterest income.....	582	547	736	607	628	582
Noninterest expense.....	935	889	1,204	1,098	1,131	935
Income (Loss) before income taxes, extraordinary items & cumulative effect of changes in accounting principles.....	694	658	869	761	688	694
Provision for (Benefit from) income taxes.....	220	202	266	222	196	220
Income (Loss) before extraordinary items & cumulative effect of changes in accounting principles.....	474	456	603	539	492	474
Extraordinary items, net of tax.....						
Cumulative effect of changes in accounting principles, net.....						
Net income (Loss).....	\$ 474	\$ 456	\$ 603	\$ 539	\$ 492	\$ 474
Per common share:						
Income (Loss) before extraordinary items & cumulative effect of changes in accounting principles:						
Primary.....	\$ 2.79	\$ 2.65	\$ 3.50	\$ 3.13	\$ 2.83	\$ 2.79
Fully diluted.....	2.78	2.64	3.49	3.12	2.81	2.78
Net Income (Loss):						
Primary.....	2.79	2.65	3.50	3.13	2.83	2.79
Fully diluted.....	2.78	2.64	3.49	3.12	2.81	2.78
Book value.....	22.57	21.24	22.15	19.23	17.61	22.57
Cash dividends declared.....	1.12	1.02	1.38	1.23	1.11	1.12
Average number of common shares (in thousands):						
Primary.....	169,758	171,993	172,089	172,339	173,941	169,758
Fully diluted.....	170,251	172,882	172,957	172,951	175,198	170,251
Average Balance Sheet Data:						
Loans and lease financing.....	\$ 29,963	\$ 27,180	\$ 27,505	\$ 24,213	\$ 21,546	\$ 29,963
Total earning assets.....	40,270	36,420	36,997	32,794	29,780	40,270
Total assets.....	45,059	40,797	41,473	37,029	33,629	45,059
Deposits.....	26,028	23,654	24,262	22,315	22,373	26,028
Long-term debt.....	6,025	4,797	4,902	4,350	2,073	6,025
Stockholders' equity.....	3,654	3,354	3,410	3,096	2,872	3,654

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ACCOUNTING TREATMENT

For financial reporting purposes the Trust will be treated as a subsidiary of the Corporation and, accordingly, the accounts of the Trust will be included in the consolidated financial statements of the Corporation. The Capital Securities will be included as a component of long-term debt in a separate line item in the consolidated balance sheets of the Corporation, and appropriate disclosures about the Capital Securities, the Guarantee and the Junior Subordinated Debentures will be included in the notes to the consolidated financial statements. For financial reporting purposes, the Corporation will record Distributions payable on the Capital Securities as an expense in the consolidated statements of income.

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The Corporation has agreed that future financial reports of the Corporation will: (i) present the preferred securities issued by other trusts created by the Corporation on the Corporation's balance sheet as a component of long-term debt in a separate line item; (ii) include in a footnote to the financial statements disclosure that the sole assets of the trusts are the junior subordinated debentures and the related expense agreement (specifying as to each trust the principal amount, interest rate and maturity date of junior subordinated debentures held); and (iii) if Staff Accounting Bulletin 53 treatment is sought, include, in an audited footnote to the financial statements, disclosure that (a) the trusts are wholly owned, (b) the sole assets of the trusts are the junior subordinated debentures (specifying as to each trust the principal amount, interest rate and maturity date of the junior subordinated debentures held) and the related expense agreement, and (c) the obligations of the Corporation under the junior subordinated debentures, the relevant indenture, trust agreement and guarantee, in the aggregate, constitute a full and unconditional guarantee by the Corporation of such trust's obligations under the preferred securities issued by such trust.

### DESCRIPTION OF CAPITAL SECURITIES

#### General

The following summary of certain terms and provisions of the Capital Securities supplements the description of the terms and provisions of the Preferred Securities set forth in the accompanying Base Prospectus under the heading "Description of Preferred Securities," to which description reference is hereby made. This summary of certain terms and provisions of the Capital Securities, which describes the material provisions thereof, does not purport to be complete and is subject to, and qualified in its entirety by reference to, the Declaration, to which reference is hereby made. The form of the Declaration has been filed as an exhibit to the Registration Statement of which this Prospectus Supplement and the accompanying Base Prospectus form a part.

#### Distributions

The Capital Securities represent beneficial ownership interests in the Trust, and Distributions on each Capital Security will be payable at a rate per annum reset quarterly equal to LIBOR plus .50% (the "Distribution Rate") on the stated Liquidation Amount of \$1,000, payable quarterly in arrears on January 15, April 15, July 15 and October 15 of each year (each, a "Distribution Date"), to the holders of the Capital Securities on the relevant record dates. The record dates for the Capital Securities will be, for so long as the Capital Securities remain in book-entry form, one Business Day (as defined in the accompanying Base Prospectus) prior to the relevant Distribution Date (as defined herein) and, in the event the Capital Securities are not in book-entry form, the first day of the month in which the relevant Distribution Date (as defined herein) falls. Distributions will accumulate from and including the next preceding Distribution Date in respect of which a Distribution has been paid (or from the date of original issuance, if no Distributions have been paid) to but excluding the related Distribution Date or Stated Maturity Date, as the case may be. The first Distribution Date for the Capital Securities will be April 15, 1997. The amount of Distributions payable for any period will be computed on the basis of the actual number of days elapsed in such period and a year of 360 days. In the event that any Distribution Date is not a Business Day (as defined herein), then such Distribution Date will be postponed to the next succeeding day that is a Business



Day, except that if such Business Day falls in the next succeeding calendar month, such Distribution Date will be the immediately preceding Business Day. If the Stated Maturity Date falls on a day that is not a Business Day, payment of the Distributions payable on such date will be made on the next succeeding day that is a Business Day, and no interest or other payment will accumulate for the period from and after the Stated Maturity Date. A "Business Day" shall mean any day other than a Saturday or a Sunday, or a day on which banking institutions in New York, New York or Winston-Salem, North Carolina are authorized or required by law to close. See "Description of Preferred Securities--Distributions" in the accompanying Base Prospectus.

So long as no Debenture Event of Default under the Indenture has occurred and is continuing, the Corporation has the right under the Indenture to defer the payment of interest on the Junior Subordinated Debentures at any time or from time to time for a period not exceeding 20 consecutive quarterly periods with respect to each Extension Period, provided that no Extension Period may extend beyond the Stated Maturity Date of the Junior Subordinated Debentures. Upon any such election, quarterly Distributions on the Capital Securities by the Trust will be deferred during such Extension Period. Distributions to which holders of the Capital Securities are entitled will accumulate additional Distributions thereon at the then applicable periodic Distribution Rate, compounded quarterly from the relevant Distribution Date. The term "Distributions" as used herein shall include any such additional Distributions. During any such Extension Period, the Corporation may extend such Extension Period, provided that such extension does not cause such Extension Period to exceed 20 consecutive quarterly periods including the first quarterly period during such Extension Period or to extend beyond the Stated Maturity Date. Upon the termination of any such Extension Period and the payment of all amounts then due, and subject to the foregoing limitations, the Corporation may elect to begin a new Extension Period. The Corporation must give the Property Trustee, the Administrative Trustees and the Debenture Trustee notice of its election of any Extension Period or any extension thereof at least five Business Days prior to the earlier of (i) the date the Distributions on the Capital Securities would have been payable except for the election to begin or extend such Extension Period and (ii) the date the Administrative Trustees are required to give notice to any securities exchange or to holders of the Capital Securities of the record date or the date such Distributions are payable, but in any event not less than five Business Days prior to such record date. There is no limitation on the number of times that the Corporation may elect to begin an Extension Period. See "Description of Junior Subordinated Debentures--Option to Extend Interest Payment Date" in this Prospectus Supplement and "Certain Federal Income Tax Consequences--United States Holders--Interest Income and Original Issue Discount" in the accompanying Prospectus.

During any such Extension Period, the Corporation may not (i) declare or pay any dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of the Corporation's capital stock or (ii) make any payment of principal of or premium, if any, or interest on or repay, repurchase or redeem any debt securities of the Corporation (including other junior subordinated debentures issued by the Corporation) that rank pari passu with or junior in right of payment to the Junior Subordinated Debentures or (iii) make any guarantee payments with respect to any guarantee by the Corporation of the debt securities of any subsidiary of the Corporation if such guarantee ranks pari passu with or junior in right of payment to the Junior Subordinated Debentures (other than (a) dividends or distributions in shares

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of, or options, warrants or rights to subscribe for or purchase shares of, common stock of the Corporation, (b) any declaration of a dividend in connection with the implementation of a stockholders' rights plan, or the issuance of stock under any such plan in the future, or the redemption or repurchase of any such rights pursuant thereto, (c) payments under the Guarantee, (d) as a result of a reclassification of the Corporation's capital stock or the exchange or conversion of one class, or series of the Corporation's capital stock for another class or series of the Corporation's capital stock, (e) the purchase of fractional interests in shares of the Corporation's capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged, and (f) purchases of common stock related to the issuance of common stock or rights under any of the Corporation's benefit plans for its directors, officers or employees or any of the Corporation's dividend reinvestment plans).

Although the Corporation may in the future exercise its option to defer payments of interest on the Junior Subordinated Debentures, the Corporation has no such current intention.

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The revenue of the Trust available for distribution to holders of the Capital Securities will be limited to payments under the Junior Subordinated Debentures in which the Trust will invest the proceeds from the issuance and sale of the Trust Securities. See "Description of Junior Subordinated Debentures--General." If the Corporation does not make interest payments on the Junior Subordinated Debentures, the Property Trustee will not have funds available to pay Distributions on the Capital Securities. The payment of Distributions (if and to the extent the Trust has funds on hand legally available for the payment of such Distributions) will be guaranteed by the Corporation on a limited basis as set forth herein under "Description of the Guarantee."

### Distribution Rate

LIBOR, the Distribution period and the amount of Distribution payable in respect of each Distribution period will be calculated by The First National Bank of Chicago, as Calculation Agent, in the same manner as LIBOR, the interest period and the interest payable in respect of each interest period for the Junior Subordinated Debentures, as described under "Description of Junior Subordinated Debentures--Interest Rate."

### Redemption

Upon the repayment on the Stated Maturity Date or prepayment prior to the Stated Maturity Date of the Junior Subordinated Debentures, the proceeds from such repayment or prepayment shall be applied by the Property Trustee to redeem a Like Amount (as defined below) of the Trust Securities, upon not less than 30 nor more than 60 days' notice of a date of redemption (the "Redemption Date") at the applicable Redemption Price, which shall be equal to (i) in the case of the repayment of the Junior Subordinated Debentures on the Stated Maturity Date, the Maturity Redemption Price (equal to the principal of and accrued interest on the Junior Subordinated Debentures), (ii) in the case of (A) the optional prepayment of the Junior Subordinated Debentures prior to January 15, 2007 upon the occurrence and continuation of a Special Event, or (B) the optional prepayment of the Junior Subordinated Debentures other than as contemplated in clause (ii) (A) above, the Early Redemption Price (equal to the Prepayment Price in respect of the Junior Subordinated Debentures). See "Description of Junior Subordinated Debentures--Optional Prepayment" and

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"--Special Event Prepayment."

"Like Amount" means (i) with respect to a redemption of the Trust Securities, Trust Securities having a Liquidation Amount equal to the principal amount of Junior Subordinated Debentures to be paid in accordance with their terms and (ii) with respect to a distribution of Junior Subordinated Debentures upon the liquidation of the Trust, Junior Subordinated Debentures having a principal amount equal to the Liquidation Amount of the Trust Securities of the holder to whom such Junior Subordinated Debentures are distributed.

The Corporation will have the option to prepay the Junior Subordinated Debentures, (i) in whole or in part, on or after January 15, 2007, and (ii) in whole but not in part, at any time prior to January 15, 2007, upon the occurrence of a Special Event, in each case at the Prepayment Price, and in each case subject to receipt of prior approval by the Federal Reserve if then required under applicable capital guidelines or policies of the Federal Reserve.

Liquidation of the Trust and Distribution of Junior Subordinated Debentures

The Corporation will have the right at any time to terminate the Trust and cause the Junior Subordinated Debentures to be distributed to the holders of the Capital Securities in exchange therefor upon liquidation of the Trust. Such right is subject to (i) the Corporation having received an opinion of counsel to the effect that such distribution will not be a taxable event to holders of Capital Securities and (ii) the prior approval of the Federal Reserve if then required under applicable capital guidelines or policies of the Federal Reserve.

If the Corporation elects not to prepay the Junior Subordinated Debentures prior to maturity in accordance with their terms and either elects not to or is unable to liquidate the Trust and distribute the Junior Subordinated Debentures to holders of the Trust Securities, the Trust Securities will remain outstanding until the repayment of the Junior Subordinated Debentures on the Stated Maturity Date.

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Liquidation Value

The amount payable on the Capital Securities in the event of any liquidation of the Trust is \$1,000 per Capital Security plus accumulated and unpaid Distributions, which amount may be paid in the form of a distribution of a Like Amount of Junior Subordinated Debentures, subject to certain exceptions. See "Description of Preferred Securities--Liquidation Distribution Upon Termination" in the accompanying Base Prospectus.

Registration of Capital Securities

The Capital Securities will be represented by global certificates registered in the name of The Depository Trust Company ("DTC") or its nominee. Beneficial interests in the Capital Securities will be shown on, and transfers thereof will be effected only through, records maintained by participants in DTC. Except as described below and in the accompanying Base Prospectus, Capital Securities in certificated form will not be issued in exchange for the global certificates. See "Book-Entry Issuance" in the accompanying Base Prospectus.

A global security shall be exchangeable for Capital Securities registered in the names of persons other than DTC or its nominee only if (i) DTC notifies the Trust that it is unwilling or unable to continue as a depository for such global security and no successor depository shall have been appointed, or if at any time DTC ceases to be a clearing agency registered under the Exchange Act at a time when DTC is required to be so registered to act as such depository, (ii) the Trust in its sole discretion determines that such global security shall be so exchangeable or (iii) there shall have occurred and be continuing an event of default under the Indenture with respect to the Junior Subordinated Debentures. Any global security that is exchangeable pursuant to the preceding sentence shall be exchangeable for definitive certificates registered in such names as DTC shall direct. It is expected that such instructions will be based upon directions received by DTC from its Participants (as defined in the accompanying Base Prospectus) with respect to ownership of beneficial interests in such global security. In the event that Capital Securities are issued in definitive form, such Capital Securities will be in denominations of \$1,000 and integral multiples thereof and may be transferred or exchanged at the offices described below.

Payments on Capital Securities represented by a global security will be made to DTC, as the depository for the Capital Securities. In the event Capital Securities are issued in certificated form, the Liquidation Amount and Distributions will be payable, the transfer of the Capital Securities will be registrable, and Capital Securities will be exchangeable for Capital Securities of other denominations of a like aggregate Liquidation Amount, at the corporate office of the Property Trustee in New York, New York, or at the offices of any paying agent or transfer agent appointed by the Administrative Trustees, provided that payment of any Distribution may be made at the option of the Administrative Trustees by check mailed to the address of the persons entitled thereto or by wire transfer. In addition, if the Capital Securities are issued in certificated form, the record dates for payment of Distributions will be the first day of the month in which the relevant Distribution payment is scheduled to be paid. For a description of DTC and the terms of the depository arrangements relating to payments, transfers, voting rights, redemptions and other notices and other matters, see "Book-Entry Issuance" in the accompanying Base Prospectus.

#### DESCRIPTION OF JUNIOR SUBORDINATED DEBENTURES

##### General

The following summary of certain terms and provisions of the Junior Subordinated Debentures supplements the description of the terms and provisions of the Corresponding Junior Subordinated Debentures (as defined in the accompanying Base Prospectus) set forth in the accompanying Base Prospectus under the heading "Description of Junior Subordinated Debentures" to which description reference is hereby made. The summary of certain terms and provisions of the Junior Subordinated Debentures set forth below, which describes the material provisions thereof, does not purport to be complete and is subject to, and qualified in its entirety by reference to, the Indenture, to which reference is hereby made. The form of Indenture has been filed as an exhibit to the Registration Statement of which this Prospectus Supplement and accompanying Base Prospectus form a part.

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Concurrently with the issuance of the Capital Securities, the Trust will invest the proceeds thereof, together with the consideration paid by the Corporation for the Common Securities, in the Junior Subordinated Debentures issued by the Corporation. The Junior Subordinated Debentures will bear interest at a rate per annum reset quarterly equal to LIBOR plus .50% (the "Interest Rate") on the principal amount thereof, payable quarterly in arrears on January 15, April 15, July 15 and October 15 of each year (each, an "Interest Payment Date"), commencing April 15, 1997, to the person in whose name each Junior Subordinated Debenture is registered at the close of business on the Business Day next preceding such Interest Payment Date. It is anticipated that, until the liquidation, if any, of the Trust, each Junior Subordinated Debenture will be held in the name of the Property Trustee in trust for the benefit of the holders of the Trust Securities. The amount of interest payable for any period will be computed on the basis of the actual number of days elapsed in such period and a year of 360-days. In the event that any Interest Payment Date is not a Business Day, such Interest Payment Date will be postponed to the next succeeding day that is a Business Day, except that if such Business Day falls in the next succeeding calendar month, such Interest Payment Date will be the immediately preceding Business Day. If the maturity date for the Junior Subordinated Debentures falls on a day that is not a Business Day, payment of interest on such date will be made on the next succeeding day that is a Business Day, and no interest or other payment will accrue for the period from and after such maturity date. Accrued interest that is not paid on the applicable Interest Payment Date will bear additional interest on the amount thereof (to the extent permitted by law) at the Interest Rate, compounded quarterly from the relevant Interest Payment Date. The term "interest" as used herein shall include quarterly interest payments, interest on quarterly interest payments not paid on the applicable Interest Payment Date and Additional Sums (as defined below), as applicable.

The Junior Subordinated Debentures will be issued in denominations of \$1,000 and integral multiples thereof. The Junior Subordinated Debentures will mature on January 15, 2027.

The Junior Subordinated Debentures will rank *pari passu* with all other junior subordinated debentures to be issued by the Corporation and will be unsecured and subordinate and rank junior in right of payment to the extent and in the manner set forth in the Indenture to all Senior Indebtedness of the Corporation. See "Description of Junior Subordinated Debentures--Subordination" in the accompanying Base Prospectus. The Corporation is a non-operating holding company and almost all of the operating assets of the Corporation and its consolidated subsidiaries are owned by such subsidiaries. The Corporation relies primarily on dividends from such subsidiaries to meet its obligations. The Corporation is a legal entity separate and distinct from its banking and non-banking affiliates. The principal sources of the Corporation's income are dividends, interest and fees from its banking and non-banking affiliates. The Banks are subject to certain restrictions imposed by federal law on any extensions of credit to, and certain other transactions with, the Corporation and certain other affiliates, and on investments in stock or other securities thereof. Such restrictions prevent the Corporation and such other affiliates from borrowing from the Banks unless the loans are secured by various types of collateral. Further, such secured loans, other transactions and investments by any of the Banks are generally limited in amount as to the Corporation and as to each of such other affiliates to 10% of such Bank's capital and surplus and as to the Corporation and all of such other affiliates to an aggregate of 20% of such Bank's capital and surplus. In addition, payment of dividends to the Corporation by the Banks is subject to ongoing review by banking regulators and is subject to various statutory limitations and in certain circumstances

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requires approval by banking regulatory authorities. Because the Corporation is a holding company, the right of the Corporation to participate in any distribution of assets of any subsidiary upon such subsidiary's liquidation or reorganization or otherwise is subject to the prior claims of creditors of the subsidiary, except to the extent the Corporation may itself be recognized as a creditor of that subsidiary. Accordingly, the Junior Subordinated Debentures will be effectively subordinated to all existing and future liabilities of the Corporation's subsidiaries, and holders of Junior Subordinated Debentures should look only to the assets of the Corporation for payments on the Junior Subordinated Debentures. The Indenture does not limit the incurrence or issuance of other secured or unsecured debt of the Corporation, including Senior Indebtedness. See "Description of Junior Subo