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BB&T CORP  
Form S-4  
December 18, 2001

As Filed with the Securities and Exchange Commission on December 18, 2001  
Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM S-4  
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

BB&T CORPORATION  
(Exact name of registrant as specified in its charter)

North Carolina	6060	56-0939887
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

200 West Second Street  
Winston-Salem, North Carolina 27101  
(336) 733-2000  
(Address, including Zip Code, and telephone number, including  
area code, of registrant's principal executive offices)

Jerone C. Herring, Esq.  
200 West Second Street, 3rd Floor  
Winston-Salem, North Carolina 27101  
(336) 733-2180  
(Name, address, including Zip Code, and telephone number,  
including area code, of agent for service)

The Commission is requested to send copies of  
all communications to:

Peter A. Zorn, Esq.  
Womble Carlyle Sandridge & Rice, PLLC  
200 West Second Street, 17th Floor  
Winston-Salem, North Carolina 27101

Alan K. McDonald  
Frost Brown Todd LLC  
400 W. Market Street, 32nd Floor  
Louisville, Kentucky 40202

Approximate date of commencement of proposed sale of the securities to the  
public: As soon as practicable after the effective date of this Registration  
Statement.

If the securities being registered on this Form are being offered in connection  
with the formation of a holding company and there is compliance with General  
Instruction G, 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, check the following box and  
list the Securities Act registration statement number of the earlier effective

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registration statement for the same offering: [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) 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: [ ]

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 CALCULATION OF REGISTRATION FEE  
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Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock, par value \$5.00 per share(1).....	9,148,208	(2)	\$301,885,499.01(3)	\$72,151

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- (1) Each share of the registrant's common stock includes one preferred share purchase right.
  - (2) Not applicable.
  - (3) Computed in accordance with Rule 457(f) based on the average of the high (\$32.20) and low (\$32.11) sales price of the common stock of Mid-America Bancorp on December 13, 2001 as reported on the American Stock Exchange and the amount of cash expected to be paid by the registrant in the merger transaction.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

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[LOGO]  
 [MID-AMERICA BANCORP LOGO]  
 Special Meeting of Shareholders  
 MERGER PROPOSAL -- YOUR VOTE IS VERY IMPORTANT

The Board of Directors of Mid-America Bancorp has unanimously approved a merger combining MAB and BB&T Corporation. For each share of MAB common stock that you own, you will receive in the merger .7187 of a share of BB&T common stock and \$8.13 in cash, with the amount of cash subject to adjustment depending on the result, and to a potential escrow depending on the status, of certain pending litigation, all as discussed in more detail in this proxy

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statement/prospectus. You will receive cash instead of any fractional share of BB&T common stock that would otherwise be issued.

You generally will not recognize gain or loss for federal income tax purposes on your receipt of the BB&T common stock, but will be taxed to the extent of the cash that you receive.

The merger will join MAB's strengths as a metropolitan bank serving the Louisville, Kentucky area with BB&T's position as a leading bank throughout the Carolinas, West Virginia, Virginia, Washington D.C. and parts of Maryland, Georgia, Alabama, Kentucky and Tennessee.

At the special meeting, you will consider and vote on the merger agreement and related plan of merger. The merger cannot be completed unless holders of at least a majority of the shares of MAB common stock entitled to vote approve the merger agreement and plan of merger. MAB's Board of Directors believes the merger is in the best interests of MAB shareholders and unanimously recommends that the shareholders vote to approve the merger agreement and plan of merger. No vote of BB&T shareholders is required to approve the merger agreement and plan of merger.

BB&T common stock is listed on the New York Stock Exchange under the symbol "BBT." On \_\_\_\_\_, 2002, the closing price of BB&T common stock was \$ \_\_\_\_\_. This price will, however, fluctuate between now and the date of the merger.

The special meeting will be held at \_\_\_\_\_ : \_\_\_\_\_.m., Eastern time, on \_\_\_\_\_, 2002 at \_\_\_\_\_.

This proxy statement/prospectus provides you with detailed information about the proposed merger. We encourage you to read this entire document carefully. In addition, this proxy statement/prospectus incorporates important business and financial information about BB&T and MAB from other documents that we have not included in the proxy statement/prospectus. You may obtain copies of these other documents without charge by requesting them in writing or by telephone at any time prior to [insert date five business days prior to meeting], 2002 from the appropriate company at the following addresses:

BB&T Corporation	Mid-America Bancorp
Shareholder Reporting	Attn: Steven A. Small
Post Office Box 1290	Chief Financial Officer
Winston-Salem,	P.O. Box 1101
North Carolina 27102	Louisville, KY 40201
(336) 733-3021	(502) 589-3351

Whether or not you plan to attend the meeting, please take the time to vote by completing and mailing the enclosed proxy card to us. If you fail to return your proxy card and fail to vote in person, the effect will be the same as a vote against the merger agreement and plan of merger. Your vote is very important. You can revoke your proxy at any time before its exercise by filing a written revocation with, or by delivering a later-dated proxy to, MAB's Corporate Secretary before the meeting or by attending the meeting and voting in person. If your shares are registered in street name, you will need additional documentation from the record holder to vote in person at the meeting.

On behalf of the Board of Directors of MAB, I urge you to vote "FOR" approval and adoption of the merger agreement.

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[Sig. to come]

R.K. Guillaume

Vice Chairman and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved of the BB&T common stock to be issued in the merger or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The shares of BB&T common stock to be issued in the merger are not savings or deposit accounts or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This proxy statement/prospectus is dated \_\_\_\_\_, 2002 and is expected to be first mailed to shareholders of MAB on or about \_\_\_\_\_, 2002.

MID-AMERICA BANCORP  
500 West Broadway  
Louisville, Kentucky 40202

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NOTICE OF SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON \_\_\_\_\_, 2002  
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Mid-America Bancorp will hold a special meeting of shareholders on \_\_\_\_\_, 2002 at \_\_\_\_\_ : \_\_\_\_\_ .m. Eastern time, at \_\_\_\_\_, for the following purposes:

- . To consider and vote upon a proposal to approve the Agreement and Plan of Reorganization, dated as of November 7, 2001, between MAB and BB&T Corporation and a related plan of merger providing for the merger of MAB into BB&T. In the merger, each share of MAB common stock will be converted into the right to receive:
  - . .7187 of a share of BB&T common stock;
  - . \$8.13 in cash, subject to adjustment depending on the result, and to a potential escrow depending on the status, of certain pending litigation as discussed in more detail in the accompanying proxy statement/prospectus; and
  - . cash instead of any fractional share of BB&T common stock; and
- . To transact any other business that may properly come before the meeting or any adjournment or postponement of the meeting.

A copy of the merger agreement and related plan of merger is attached as Appendix A to the accompanying proxy statement/prospectus.

Holders of shares of MAB common stock as of the close of business on \_\_\_\_\_, 2002 are entitled to notice of the meeting and to vote at the meeting. If your shares are not registered in your own name, you will need additional documentation from the record holder in order to vote personally at the meeting.

Each holder of shares of MAB common stock has the right to dissent to the merger and to demand payment of the fair value of all of the holder's MAB shares if the merger is completed. The right of any MAB shareholder to dissent requires strict compliance with the provisions of Sections 271B.13-010 through

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271B.13-310 of the Kentucky Business Corporation Act, the full text of which is attached to the accompanying proxy statement/prospectus as Appendix B. Any MAB shareholder who is considering exercising rights of dissent and appraisal under the KBCA should consult its legal advisors.

A proxy card is enclosed. To ensure that your vote is counted, please complete, sign, date and return the proxy card in the enclosed, postage-paid return envelope, whether or not you plan to attend the meeting in person. You may revoke your proxy at any time before it is voted at the meeting. If you attend the meeting, you may revoke your proxy and vote your shares in person. However, attendance at the meeting will not by itself revoke a proxy.

By Order of the Board of Directors

R.K. Guillaume  
Vice Chairman and Chief Executive  
Officer

Louisville, Kentucky  
, 2002

Please complete, sign, date and return the enclosed proxy card promptly in the envelope provided, whether or not you plan to attend the meeting.

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### A WARNING ABOUT FORWARD-LOOKING INFORMATION

BB&T and MAB have each made forward-looking statements in this document and in other documents to which this document refers that are subject to risks and uncertainties. These statements are based on the beliefs and assumptions of the managements of BB&T and MAB and on information currently available to them or, in the case of information that appears under the heading "The Merger--Background of and Reasons for the Merger" on page , information that was available to the managements of BB&T and MAB as of the date of the merger agreement, and should be read in connection with the notices about forward-looking statements made by each of BB&T and MAB in its reports filed under the Securities Exchange Act of 1934. Forward-looking statements include the information concerning possible or assumed future results of operations of BB&T or MAB set forth under "Summary" and "The Merger--Background of and Reasons for the Merger" and statements preceded by, followed by or that include the words "believes," "expects," "assumes," "anticipates," "intends," "plans," "estimates" or other similar expressions. See "Where You Can Find More Information" on page .

BB&T and MAB have made statements in this document and in other documents to which this document refers regarding estimated earnings per share of BB&T and MAB on a stand-alone basis, expected cost savings from the merger, estimated charges relating to the merger, estimated increases in MAB's fee income ratio, the anticipated accretive effect of the merger and BB&T's anticipated performance in future periods. With respect to estimated cost savings and charges, BB&T has made assumptions about, among other things, the extent of operational overlap between BB&T and MAB, the amount of general and administrative expense consolidation, costs relating to converting MAB's bank operations and data processing to BB&T's systems, the size of anticipated reductions in fixed labor costs, the amount of severance expenses, the extent of the charges that may be necessary to align the companies' respective accounting reserve policies and the costs related to the merger. The realization of cost savings and the amount of merger-related charges are subject to the risk that the foregoing assumptions prove to be incorrect, and actual results may be materially different from those expressed or implied by the forward-looking statements.

Any statements in this document about the anticipated accretive effect of the merger and BB&T's anticipated performance in future periods are subject to risks relating to, among other things, the following:

- . expected cost savings from the merger or other previously announced mergers may not be fully realized or realized within the expected time-frame;
- . the loss of deposits, customers or revenues following the merger or other previously announced mergers may be greater than expected;
- . competitive pressures among financial institutions may increase significantly;
- . costs or difficulties related to the integration of the businesses of BB&T and its merger partners, including MAB, may be greater than expected;
- . changes in the interest rate environment may reduce margins or the volumes or values of loans made or held;
- . general economic or business conditions, either nationally or regionally, may be less favorable than expected, resulting in, among other things, a deterioration in credit quality or a reduced demand for

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credit;

- . legislative or regulatory changes, including changes in accounting standards, may adversely affect the businesses in which BB&T and MAB are engaged;
- . adverse changes may occur in the securities markets; and

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- . competitors of BB&T may have greater financial resources and develop products that enable such competitors to compete more successfully than BB&T.

Management of each of BB&T and MAB believes the forward-looking statements about its company are reasonable; however, shareholders of MAB should not place undue reliance on them. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. The future results and shareholder values of BB&T following completion of the merger may differ materially from those expressed or implied in these forward-looking statements. Many of the factors that will determine these results and values are beyond the ability of BB&T and MAB to control or predict.

All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this document and attributable to BB&T or MAB or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Neither BB&T nor MAB undertakes any obligation to release publicly any revisions to such forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

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### SUMMARY

This summary highlights selected information from this proxy statement/prospectus and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should read carefully this entire document and the documents to which we refer you. See "Where You Can Find More Information" on page .

#### What You will Receive in the Merger

If the merger is completed, you will receive .7187 of a share of BB&T common stock and \$8.13 in cash, subject to adjustment and a potential escrow as described below, for each share of MAB common stock you own. You will receive cash instead of any fractional share of BB&T common stock that would otherwise be issued.

If all potential MAB liabilities (excluding nominal liabilities) arising from the Kentucky Central Life Insurance Company litigation commenced against MAB on December 10, 1993 (including certain ancillary claims) are fully and finally settled by MAB on or before the date the merger is completed, the amount of cash that you will receive for each share of MAB common stock that you own will be:

- . if the settlement amount is less than \$32,000,000, increased by 50% of



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the amount of the difference between \$32,000,000 and the settlement amount divided by the number of shares of MAB common stock outstanding on the date the merger is completed, assuming the exercise of all outstanding MAB stock options; or

- . if the settlement amount is more than \$32,000,000, decreased by 50% of the amount of the difference between the settlement amount and \$32,000,000 divided by the number of shares of MAB common stock outstanding on the date the merger is completed, assuming the exercise of all outstanding MAB stock options.

The settlement amount will include all costs and expenses incurred by MAB in connection with the litigation and all related claims from January 1, 2002 until the date the merger is completed, less all amounts recovered before the date the merger is completed by MAB in connection with the litigation and the MAB loan that underlies the litigation.

If all potential liabilities (excluding nominal liabilities) arising from that litigation (including certain ancillary claims) are not fully and finally settled by MAB on or before the date the merger is completed:

- . the amount of cash that you will receive for each share of MAB common stock that you own will be decreased by an amount equal to \$5,000,000 divided by the number of shares of MAB common stock outstanding on the date the merger is completed, assuming the exercise of all outstanding MAB stock options (estimated to be approximately \$.41 per share of MAB common stock);
- . BB&T will deliver \$5,000,000 to an escrow agent to be held pursuant to the terms of a contingent payment and escrow agreement pending full and final settlement of all potential liabilities arising out of the litigation; and
- . when all potential liabilities arising from the litigation are fully and finally settled, if the settlement amount (which will include all costs and expenses incurred by MAB or BB&T in connection with the litigation and all related claims from January 1, 2002 until the settlement date, less all amounts recovered before the settlement date by MAB or BB&T in connection with the litigation and the MAB loan that underlies the litigation) is:
  - . more than \$32,000,000, the cash portion of the merger consideration will be increased by an amount, not to exceed \$5,000,000, equal to \$5,000,000 less 50% of the difference between the settlement amount and

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\$32,000,000 divided by the number of shares of MAB common stock outstanding on the date the merger was completed, assuming the exercise of all MAB stock options outstanding as of the date the merger was completed, and that amount per share will be distributed to those MAB shareholders as of the date the merger was completed pursuant to the terms of the contingent payment and escrow agreement, with the remaining amount in escrow being returned to BBT or

- . \$32,000,000 or less, the cash portion of the merger consideration will be increased by an amount equal to \$5,000,000 plus 50% of the difference between \$32,000,000 and the settlement amount divided by the number of shares of MAB common stock outstanding on the date the merger was completed, assuming the exercise of all MAB stock options

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outstanding on the date the merger was completed, and that amount per share will be distributed to those MAB shareholders as of the date the merger was completed pursuant to the terms of the contingent payment and escrow agreement.

No interest will be paid on any increase to the amount of cash that you receive for each share of MAB common stock as a result of the litigation.

The number of shares of BB&T common stock that you will receive for each share of MAB common stock that you own is not subject to adjustment as a result of the litigation, except as provided below for holders of MAB stock options.

A holder of an MAB stock option assumed by BB&T who exercises the option after the merger is completed will be entitled to receive the adjustment to the merger consideration resulting from the litigation, if any, in the form of a number of additional shares of BB&T common stock equal to the product of:

- . the number of shares of MAB common stock that were subject to the unexercised portion of the MAB stock option immediately before the merger was completed times
- . the adjustment amount per MAB share calculated as provided above divided by the closing price of BB&T common stock on the New York Stock Exchange on the date the settlement amount is determined, rounded down to the nearest whole share.

If there is an adjustment, each holder of an MAB stock option assumed by BB&T who:

- . exercised his or her option before the adjustment was determined will receive, at the same time that the MAB shareholders receive the adjustment, the percentage of the additional adjustment shares that the aggregate number of shares for which he or she exercised the option after the merger was completed is of the total number of shares subject to the unexercised portion of the option as of the date the merger was completed (after giving effect to the merger), rounded to the nearest whole share (but not to exceed the number of adjustment shares calculated as provided above); and
- . exercises his or her option after the adjustment is determined will receive, each time he or she exercises the option, the percentage of the additional adjustment shares that the number of shares for which he or she exercises the option is of the total number of shares subject to the unexercised portion of the option at the time of exercise, rounded to the nearest whole share (but not to exceed the number of adjustment shares calculated as provided above).

For a description of the conversion of MAB stock options into BB&T stock options in the merger, see "Effect of Employee Benefits Plans and Stock Options--Stock Options" on page . For a description of the Kentucky Central Life Insurance Company litigation, see "Information About MAB--Legal Proceedings" on page .

No Federal Income Tax on Shares Received in Merger; Cash Received in Merger is Taxable (Page )

Neither company is required to complete the merger unless it receives a legal opinion from BB&T's counsel to the effect that, based on certain facts, representations and assumptions, the merger will be treated as a

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"reorganization" for federal income tax purposes. Therefore, we expect that, for federal income tax purposes, you generally will not recognize any gain or loss on the conversion of shares of MAB common stock into shares of BB&T common stock. You will be taxed, however, to the extent of the cash you receive for each share of MAB common stock, the cash you receive instead of any fractional share of BB&T common stock that would otherwise be issued, and the cash you receive if you properly exercise your right to dissent to the merger. Tax matters are complicated, and the tax consequences of the merger may vary among shareholders. We urge you to contact your own tax advisor to understand fully how the merger will affect you.

### BB&T Dividend Policy Following the Merger

BB&T currently pays regular quarterly dividends of \$0.26 per share of its common stock and, over the past five years, has had a dividend payout ratio in the range of approximately 39% to 40% of recurring earnings and a compound annualized dividend growth rate of 14.0%. BB&T has increased its quarterly cash dividend payments for 29 consecutive years. BB&T expects that it will continue to pay quarterly dividends consistent with this payout ratio, but may change that policy based on business conditions or its financial condition, earnings or other factors.

### MAB Board of Directors Unanimously Recommends Shareholder Approval (Page )

The MAB Board of Directors believes that the merger is in the best interests of MAB shareholders and unanimously recommends that you vote "FOR" approval of the merger agreement and related plan of merger. The MAB Board believes that, as a result of the merger, you will be able to achieve greater value than you would if MAB remained independent.

### Merger Consideration Fair to Shareholders According to MAB's Financial Advisor (Page )

MAB's financial advisor, Professional Bank Services, Incorporated has given an opinion to the MAB Board, [which it has confirmed as of the date of this proxy statement/prospectus] [to be updated], that the consideration to be received in the merger is fair from a financial point of view to you as holders of MAB common stock. The full text of this opinion is attached as Appendix C to this proxy statement/prospectus. We encourage you to read the opinion and the related discussion of the analyses underlying the opinion carefully to understand the assumptions made, matters considered and limitations of the review undertaken by PBS in rendering its fairness opinion.

As compensation for the fairness opinion and other financial advisory services provided by PBS in connection with the merger, MAB has paid PBS \$75,000 as of the date of this proxy statement/prospectus and, upon completion of the merger, will pay to PBS 0.1875% to 0.3125% of the aggregate merger consideration value based on a prescribed formula that takes into account MAB's trailing twelve-month core income and earnings before the merger. As an example, based on MAB's trailing twelve-month core income and earnings as of September 30, 2001 and an assumed BB&T common stock price of \$ (BB&T's closing price on , 2002), PBS would receive \$ upon completion of the merger. In addition, MAB has agreed to reimburse PBS for its out-of-pocket expenses, up to \$3,000, and to indemnify PBS, its directors, officers, and employees against certain liabilities.

### MAB Shareholders Have the Right to Dissent from the Merger (Page )

Under Kentucky law, if you do not vote for the merger and you properly exercise rights to dissent to the merger and to demand the fair value of your shares of MAB common stock, you may have the right to obtain a cash payment for the fair value of your shares. To exercise these rights, you must comply with

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the procedural requirements of the Kentucky Business Corporation Act, the relevant sections of which we have attached to this proxy statement/prospectus as Appendix B. We cannot

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predict what the "fair value" of MAB common stock resulting from the required appraisal proceedings would be. Failure to take timely and properly any of the steps required under the KBCA may result in a loss of dissenters' rights.

Meeting to be held \_\_\_\_\_, 2002 (Page \_\_\_\_\_)

MAB will hold the special shareholders' meeting at \_\_\_\_\_ : \_\_\_\_\_ .m., Eastern time, on \_\_\_\_\_, \_\_\_\_\_, 2002 at \_\_\_\_\_. At the meeting, you will vote on the merger agreement and plan of merger and conduct any other business that properly arises.

The Companies (Page \_\_\_\_\_)

BB&T Corporation  
200 West Second Street  
Winston-Salem, North Carolina 27101  
(336) 733-2000

BB&T is a multi-bank holding company with more than \$70.3 billion in assets. It is the fourth largest financial holding company in the Southeast and, through its banking subsidiaries, operates 1,083 branch offices in the Carolinas, Georgia, Virginia, Maryland, West Virginia, Tennessee, Kentucky, Alabama and Washington, D.C. BB&T ranks first in deposit market share in West Virginia, and third in North Carolina and South Carolina, and maintains a significant market presence in Virginia, Maryland, Georgia and Washington, D.C. If the merger and BB&T's previously announced agreement to acquire Owensboro, Kentucky-based AREA Bancshares Corporation are both completed, BB&T would become the fourth largest financial holding company in deposit market share in Kentucky.

Mid-America Bancorp  
500 West Broadway  
Louisville, Kentucky 40202  
(502) 589-3351

MAB, a \$1.8 billion holding company, operates thirty banking offices in the metropolitan Louisville area through Bank of Louisville, its primary subsidiary, which ranks fourth in deposit share in the Louisville market. Bank of Louisville is engaged in a wide range of commercial, trust, and personal banking activities. MAB also operates Mid-America Gift Certificate Company, which is engaged in the issuance and sale of gift certificates throughout the United States.

The Merger (Page \_\_\_\_\_)

In the merger, MAB will merge into BB&T, and MAB's subsidiaries, through which it operates, will become wholly owned subsidiaries of BB&T. If the MAB shareholders approve the merger agreement and plan of merger at the special meeting, we currently expect to complete the merger in the first quarter of 2002.

We have included the merger agreement and plan of merger as Appendix A to this proxy statement/prospectus. We encourage you to read the merger agreement and plan of merger in full, as it is the legal document that governs the merger.

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Majority Shareholder Vote Required (Page )

Approval of the merger agreement and plan of merger requires the affirmative vote of the holders of a majority of the outstanding shares of MAB common stock entitled to vote. If you fail to vote, it will have the effect of a vote against the merger agreement and the merger. At the record date, the directors and executive officers of MAB and their affiliates together owned about [24.3]% of the MAB common stock entitled to vote at the meeting, and we expect them to vote their shares in favor of the merger agreement and plan of merger. [to be updated]

Brokers who hold shares of MAB stock as nominees will not have authority to vote them on the merger unless the beneficial owners of those shares provide voting instructions. If you hold your shares in street name, please see the voting form provided by your broker for additional information regarding the voting of your shares. If your shares are not registered in your name, you will need additional documentation from your record holder to vote the shares in person.

The merger does not require the approval of BB&T's shareholders.

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Record Date Set at , 2002; One Vote per Share of MAB Stock (Page )

If you owned shares of MAB common stock at the close of business on , 2002, the record date, you are entitled to vote on the merger agreement and plan of merger and any other matters that may be properly considered at the meeting.

On the record date, there were [11,282,333] shares of MAB common stock outstanding. At the meeting, you will have one vote for each share of MAB common stock that you owned on the record date. [to be updated]

Interests of MAB Directors and Officers in the Merger that Differ From Your Interests (Page )

As described below, some of MAB's directors and officers have interests in the merger that differ from, or are in addition to, the interests of other MAB shareholders.

Stock Options. When the MAB Board approved the merger agreement, all of the previously unvested stock options granted under MAB's 1991 and 1995 Incentive Stock Option Plans became vested. Executive officers of MAB held options to purchase 322,712 shares of MAB common stock that vested when the MAB Board approved the merger agreement.

Employment Agreement. MAB's Chief Executive Officer, R.K. Guillaume, has entered into an employment agreement with Branch Banking and Trust Company, BB&T's North Carolina-chartered bank subsidiary, which will become effective upon completion of the merger if he is then employed by MAB. The employment term will extend for forty months after the merger is completed or, if sooner, until the date Mr. Guillaume elects to become an independent consultant under the agreement. Mr. Guillaume may elect to become a consultant at any time after the earlier of eighteen months after the merger is completed or the 61st day after conversion of the data services systems of MAB to the data services systems of BB&T, in which event his consulting term will extend until the fortieth month after the merger is completed.

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Mr. Guillaume's employment agreement may provide severance payments and other benefits if his employment is terminated following the merger.

Advisory Boards. Following completion of the merger, Branch Banking and Trust Company will establish a state Advisory Board for Kentucky and will offer Bertram W. Klein, MAB's Chairman, a seat on that Advisory Board. Branch Banking and Trust Company will also establish a regional Advisory Board for the Louisville market area, and the members of the MAB Board will be offered a position on either the state or regional Advisory Board.

For two years following the merger, the Advisory Board members who are neither employees of, or under contract with, BB&T or any of its affiliates and who continue to serve will receive fees equal in amount to the retainer and schedule of attendance fees for directors of MAB in effect on October 1, 2001. Membership on any Advisory Board is conditional on execution of a noncompetition agreement with BB&T.

The MAB Board was aware of these and other interests and considered them when it approved and adopted the merger agreement.

The material terms and financial provisions of Mr. Guillaume's employment agreement and the other arrangements set forth above are described under the heading "Interests of MAB's Directors and Officers in the Merger" on page .

Regulatory Approvals We Must Obtain for the Merger to Occur (Page )

The merger cannot be completed unless the Board of Governors of the Federal Reserve System approves it. We have filed an application with the Federal Reserve Board seeking its approval. In addition, the merger is subject to the approval of, or notice to, certain state regulatory authorities, and we have made or will make the necessary filings with those authorities.

Although we do not know of any reason why we would not obtain these regulatory approvals in a timely manner, we cannot be certain when we will obtain them or that we will obtain them at all. [to be updated]

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Other Conditions that Must be Satisfied for the Merger to Occur (Page )

A number of other conditions must be met for us to complete the merger, including:

- . approval of the merger agreement by the MAB shareholders;
- . receipt of the opinion of BB&T's counsel concerning the tax consequences of the merger;
- . the continuing accuracy of the parties' representations in the merger agreement; and
- . the continuing effectiveness of the registration statement filed with the Securities and Exchange Commission covering the shares of BB&T common stock to be issued in the merger.

Termination and Amendment of the Merger Agreement (Page )

BB&T and MAB can mutually agree at any time to terminate the merger agreement without completing the merger. Either of us can also unilaterally

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terminate the merger agreement if:

- . the merger is not completed by September 30, 2002;
- . any condition to our obligation to complete the merger is not met; or
- . the other company violates, in a material way, any of its representations, warranties or obligations under the merger agreement and the violation is not cured in a timely fashion.

In addition, MAB can seek to terminate the merger agreement if both: the value of .7187 of a share of BB&T common stock (determined based on the average reported closing price of BB&T common stock over a five-day pricing period ending ten days before the date set for completion of the merger) is below \$19.52 (which equates to the value of a whole share of BB&T common stock of \$27.16); and the stock prices of certain specified publicly traded bank holding companies have not experienced similar relative declines since November 6, 2001.

If this were to happen, BB&T could choose to proceed with the merger by increasing the amount of BB&T common stock into which each share of MAB common stock would convert in the merger to a number of shares valued (based on the average reported closing price of BB&T common stock over the five-day pricing period) at not less than \$19.52. If BB&T were to choose not to increase the number of BB&T shares of common stock into which each share of MAB common stock would convert, MAB could then terminate the merger agreement.

Generally, the company seeking to terminate cannot itself be in violation of the merger agreement in a way that would allow the other party to terminate.

BB&T and MAB can agree to amend the merger agreement in any way, except that after the shareholders' meeting we cannot decrease the amount or modify the form of the consideration that you will receive in the merger. Either company can waive any of the requirements of the other company contained in the merger agreement, except that neither company can waive any required regulatory approval. Neither company intends to waive the condition that it receives a tax opinion. If a tax opinion from either BB&T's counsel or MAB's counsel is not available and the MAB Board determines to proceed with the merger, MAB will inform you and ask you to vote again on the merger agreement.

Option Agreement (Page )

As a condition to its offer to acquire MAB, and to discourage other companies from attempting to acquire MAB, BB&T required MAB to grant BB&T a stock option that allows BB&T to buy up to 2,200,000 shares of MAB's common stock. The exercise price of the option is \$25.75 per share. Generally, BB&T can exercise the option only if another party attempts to acquire control of MAB. As of the date of this proxy statement/prospectus, we do not believe that has occurred.

BB&T to Use Purchase Accounting Treatment (Page )

BB&T will account for the merger using the purchase method of accounting. Under the purchase

method, BB&T will record, at fair value, the acquired assets and assumed liabilities of MAB. To the extent the total purchase price exceeds the fair value of tangible and identifiable intangible assets acquired over the liabilities assumed, BB&T will record goodwill. BB&T will include in its

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consolidated results of operations the results of MAB's operations after the merger is completed.

Share Price Information (Page )

MAB common stock is traded on the American Stock Exchange under the symbol "MAB," and BB&T common stock is traded on the New York Stock Exchange under the symbol "BBT." On November 7, 2001, the last full trading day before public announcement of the proposed merger, MAB common stock closed at \$24.15, and BB&T common stock closed at \$34.01. On , 2002, MAB common stock closed at \$ , and BB&T common stock closed at \$ .

Listing of BB&T Common Stock

BB&T will list the shares of its common stock to be issued in the merger on the New York Stock Exchange.

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Comparative Market Prices and Dividends

BB&T common stock is listed on the New York Stock Exchange under the symbol "BBT," and MAB common stock is included in the American Stock Exchange under the symbol "MAB." The table below shows the high and low sales prices of BB&T common stock and MAB common stock and cash dividends paid per share for the last two fiscal years plus the interim period [to be updated]. The merger agreement restricts MAB's ability to increase dividends. See page .

	BB&T			MAB		
	High	Low	Cash Dividend	High	Low	Cash Dividend
Quarter Ended						
March 31, 2002.....						
(through January , 2002)						
Quarter Ended						
March 31, 2001.....	\$37.875	\$31.42	\$ .23	\$28.00	\$21.55	\$.24
June 30, 2001.....	37.08	33.73	.23	28.95	22.55	.24
September 30, 2001.....	38.48	33.57	.26	28.00	23.40	.24
December 31, 2001.....						.24
(through December ,						
2001)						
For the year 2001.....						
Quarter Ended						
March 31, 2000.....	\$29.25	\$21.6875	\$ .20	\$27.91	\$21.85	\$.2233
June 30, 2000.....	31.875	23.875	.20	25.24	22.21	.2233
September 30, 2000.....	30.4375	23.8125	.23	26.94	23.06	.2233
December 31, 2000.....	38.25	26.5625	.23	25.55	21.13	.2233
For the year 2000.....	38.25	21.6875	.86	27.91	21.13	.8932
Quarter Ended						
March 31, 1999.....	\$40.625	\$34.5625	\$.175	\$27.10	\$21.97	\$.2073
June 30, 1999.....	40.25	33.50	.175	25.04	21.85	.2073
September 30, 1999.....	36.6875	30.1875	.20	24.39	21.68	.2073
December 31, 1999.....	37.125	27.1875	.20	33.62	22.03	.2073
For the year 1999.....	40.625	27.1875	.75	33.62	21.68	.8292



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The table below shows the closing prices of BB&T common stock and MAB common stock on November 7, 2001, the last full trading day before public announcement of the proposed merger.

BB&T historical.....	\$34.01
MAB historical.....	\$24.15
MAB pro forma equivalent*.....	\$32.57

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 \*calculated by multiplying BB&T's per share closing price by .7187 and adding \$8.13

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### Selected Consolidated Financial Data

We are providing the following information to help you analyze the financial aspects of the merger. We derived this information from BB&T's and MAB's audited financial statements for 1996 through 2000 and unaudited financial statements for the nine months ended September 30, 2001. This information is only a summary, and you should read it in conjunction with our historical financial statements and the related notes contained in the annual and quarterly reports and other documents that we have filed with the Securities and Exchange Commission. See "Where You Can Find More Information" on page . You should not rely on the nine-month information as being indicative of results expected for the entire year or for any future interim period.

#### BB&T--Historical Financial Information (Dollars in thousands, except for per share amounts)

	As of/For the Nine Months Ended September 30,		As of/For the Years Ended December 31,			
	2001	2000	2000	1999	1998	1997
Net interest income.....	\$ 1,802,334	\$ 1,740,080	\$ 2,314,698	\$ 2,194,709	\$ 2,008,220	\$ 1,856,142
Net income.....	695,695	466,766	698,488	778,725	720,964	565,103
Basic earnings per share.....	1.54	1.03	1.55	1.74	1.63	1.29
Diluted earnings per share.....	1.51	1.02	1.53	1.71	1.60	1.26
Cash dividends paid per share.....	.72	.63	.86	.75	.66	.58
Book value per share....	13.18	11.03	11.96	10.30	10.33	9.38
Total assets.....	70,309,046	63,808,683	66,552,823	59,380,433	54,373,105	49,240,765
Long-term debt.....	11,408,329	8,675,769	8,646,018	6,222,561	5,561,216	4,202,137

#### MAB--Historical Financial Information (Dollars in thousands, except for per share amounts)

	As of/For the Nine Months Ended September 30,		As of/For the Years Ended December 31,			
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	2001	2000	2000	1999	1998	1997
Net interest income..... \$	49,475	\$ 51,279	\$ 67,985	\$ 64,960	\$ 59,692	\$ 57,519
Net income.....	17,964	19,508	4,651	22,375	20,213	17,915
Basic earnings per share.....	1.63	1.78	.42	2.05	1.86	1.68
Diluted earnings per share.....	1.61	1.75	.42	2.02	1.83	1.65
Cash dividends paid per share.....	.72	.669	.893	.829	.769	.693
Book value per share....	17.30	17.53	16.21	16.29	15.40	14.42
Total assets.....	1,757,168	1,560,059	1,803,950	1,744,706	1,594,763	1,509,579
Long-term debt.....	73,357	63,697	61,954	68,389	74,862	63,165

Comparative Per Share Data

We have summarized below the per share information for our companies on a historical, pro forma combined and equivalent basis. You should read this information in conjunction with our historical financial statements (and related notes) contained in the annual and quarterly reports and other documents we have filed with the Securities and Exchange Commission. See "Where You Can Find More Information" on page .

The pro forma combined information gives effect to the merger accounted for as a purchase, assuming that .7187 of a share of BB&T common stock is issued for each outstanding share of MAB common stock and that the merger was completed at the beginning of the periods presented. Pro forma equivalent of one MAB

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common share amounts are calculated by multiplying the pro forma basic and diluted earnings per share, BB&T's historical per share dividend and the pro forma shareholders' equity by .7187, giving effect to the additional pro forma intangible amortization and to pro forma interest cost associated with funding the merger at 6.75%, a rate that approximates BB&T's average cost of funds, so that the per share amounts equate to the respective values for one share of MAB common stock.

You should not rely on the pro forma information as being indicative of the historical results that we would have had if we had been combined or the future results that we will experience after the merger, nor should you rely on the nine-month information as being indicative of results expected for the entire year or for any future interim period.

As of/For the Nine Months Ended September 30, 2001	As of/For the Year Ended December 31, 2000
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Earnings per common share:

Basic

BB&T historical.....	\$ 1.54	\$ 1.55
MAB historical.....	1.63	.42

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Pro forma combined.....	1.52	1.50
Pro forma equivalent of one MAB common share....	1.09	1.07
Diluted		
BB&T historical.....	\$ 1.51	\$ 1.53
MAB historical.....	1.61	.42
Pro forma combined.....	1.50	1.50
Pro forma equivalent of one MAB common share....	1.08	1.08
Cash dividends declared per common share:		
BB&T historical.....	\$ 0.72	\$ 0.86
MAB historical.....	.72	.893
Pro forma combined.....	.72	.86
Pro forma equivalent of one MAB common share.....	.52	.62
Shareholders' equity per common share:		
BB&T historical.....	\$13.18	\$11.96
MAB historical.....	17.30	16.21
Pro forma combined.....	13.37	12.14
Pro forma equivalent of one MAB common share.....	9.61	8.72

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### MEETING OF SHAREHOLDERS

#### General

We are providing this proxy statement/prospectus to MAB shareholders of record as of \_\_\_\_\_, 2002, along with a form of proxy that the MAB Board is soliciting for use at a special meeting of shareholders of MAB to be held on \_\_\_\_\_, 2002 at \_\_\_\_\_: \_\_\_\_\_ .m., Eastern time, at \_\_\_\_\_. At the meeting, the shareholders of MAB will vote upon a proposal to approve the agreement and plan of reorganization, dated as of November 7, 2001, and the related plan of merger pursuant to which MAB would merge into BB&T. In this proxy statement/prospectus, we refer to the reorganization agreement and related plan of merger as the "merger agreement." Proxies may be voted on other matters that may properly come before the meeting, if any, at the discretion of the proxy holders. The MAB Board knows of no such other matters other than those incidental to the conduct of the meeting. A copy of the merger agreement is attached as Appendix A.

#### Who Can Vote at the Meeting

You are entitled to vote your MAB common stock if the records of MAB show that you owned shares of MAB common stock on the record date, which is \_\_\_\_\_, 2002. On the record date, there were [11,282,333] shares of MAB common stock outstanding, held by approximately [922] holders of record. Each share of MAB common stock is entitled to one vote on each matter submitted at the meeting. [to be updated]

#### Attending the Meeting

If you are a beneficial owner of MAB common stock held by a broker, bank or other nominee (i.e., in "street name"), you will need proof of ownership to be admitted to the meeting. Examples of proof of ownership include a recent brokerage statement or letter from a bank or broker. If your shares of MAB common stock are held in street name and you want to vote those shares in person at the meeting, you will have to get a written proxy in your name from the broker, bank or other nominee who holds your shares.

#### Vote Required

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Approval of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of MAB common stock entitled to vote. If you do not vote your shares or if you abstain, it will have the same effect as a vote "against" the merger agreement.

The proposal to adopt the merger agreement is a "non-discretionary" item, meaning that brokerage firms cannot vote shares in their discretion on behalf of a client if the client has not given voting instructions. Accordingly, shares held in street name that have been designated by brokers on proxy cards as not voted with respect to that proposal ("broker non-vote shares") will not be counted as votes cast on it.

Action on any other matter that is properly presented at the meeting for consideration of the shareholders will be approved if a quorum is present for that matter and the votes cast favoring the action exceed the votes cast opposing the action. A quorum will be present for a particular matter if a majority of the outstanding shares of MAB common stock entitled to vote on that matter is represented at the meeting in person or by proxy. For purposes of determining whether a quorum is present for a particular matter, shares with respect to which proxies have been marked as abstentions will be treated as shares present, but broker non-vote shares will not be treated as shares present. The MAB Board is not aware of any other business to be presented at the meeting other than matters incidental to the conduct of the meeting.

Because approval of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of MAB common stock entitled to vote, abstentions and broker non-vote shares will have the same effect as votes against the merger. Accordingly, the MAB Board urges you to

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complete, date and sign the accompanying proxy and return it promptly in the enclosed postage-prepaid envelope.

You should not return your stock certificates with your proxy cards. The procedure for surrendering your stock certificates is described under "The Merger--Exchange of MAB Stock Certificates" on page .

As of the record date, the directors and executive officers of MAB and their affiliates beneficially owned a total of [2,737,632] shares, or [24.3%], of the issued and outstanding shares of MAB common stock (not including shares that may be acquired upon the exercise of stock options). [to be updated] The directors and executive officers of BB&T, their affiliates, BB&T and its subsidiaries owned less than 1% of the outstanding shares of MAB common stock, excluding shares subject to the stock option granted to BB&T in connection with the merger agreement and described under the heading "Stock Option Agreement" on page .

### Voting and Revocation of Proxies

The shares of MAB stock represented by properly completed proxies received at or before the time for the meeting (or any adjournment) will be voted as directed by the respective shareholders unless the proxies are revoked as described below. If no instructions are given, executed proxies will be voted "FOR" approval of the merger agreement. Proxies marked "FOR" approval of the merger agreement and executed but unmarked proxies will be voted in the discretion of the proxy holders named in the proxies as to any proposed adjournment of the meeting. Proxies that are voted "AGAINST" approval of the merger agreement will not be voted in favor of any motion to adjourn the meeting to solicit more votes in favor of the merger. The proxies will be voted in the discretion of the proxy holders on other matters, if any, that are

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properly presented at the meeting and voted upon.

You may revoke your proxy at any time before the vote is taken at the meeting. To revoke your proxy, you must either: notify the Corporate Secretary of MAB in writing at MAB's principal executive offices; submit a later-dated proxy to the Corporate Secretary of MAB; or attend the meeting and vote your shares in person. Your attendance at the meeting will not automatically revoke your proxy. If you hold your shares in street name, please see the voting form provided by your broker for additional information regarding the voting of your shares.

Your broker may allow you to deliver your voting instructions via the telephone or the internet. Please see the voting instruction form from your broker. If your shares are not registered in your name, you will need additional documentation from your record holder to vote the shares in person.

### Solicitation of Proxies

BB&T and MAB will each pay 50% of the cost of printing this proxy statement/prospectus, and MAB will pay all other costs of soliciting proxies. Directors, officers and other employees of MAB or its subsidiaries may solicit proxies personally, by telephone or facsimile or otherwise. None of these people will receive any special compensation for solicitation activities. MAB will arrange with brokerage firms and other custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of stock held of record by such brokerage firms and other custodians, nominees and fiduciaries, and MAB will reimburse these record holders for their reasonable out-of-pocket expenses.

### Recommendation of the MAB Board

The MAB Board has approved the merger agreement and believes that the proposed transaction is fair to and in the best interests of MAB and its shareholders. The MAB Board unanimously recommends that MAB's shareholders vote "FOR" approval of the merger agreement.

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### THE MERGER

The following information describes the material aspects of the merger. This description does not purport to be complete and is qualified in its entirety by reference to the appendices to this proxy statement/prospectus, including the merger agreement, which is attached to this proxy statement/prospectus as Appendix A and incorporated herein by reference. All shareholders are urged to read the appendices in their entirety.

### General

In the merger, MAB will be merged into BB&T. Shareholders of MAB will receive as merger consideration .7187 of a share of BB&T common stock and \$8.13 in cash (subject to adjustment depending on the result, and to a potential escrow depending on the status, of certain pending litigation as discussed in more detail in this proxy statement/prospectus) for each share of MAB common stock, plus cash instead of any fractional share of BB&T common stock that would otherwise be issued. See " --Merger Consideration" on page . During the third quarter of 2002, BB&T intends to merge MAB's subsidiary bank into Branch Banking and Trust Company, BB&T's North Carolina-chartered bank subsidiary. Until then, MAB's subsidiary banks will operate as separate subsidiaries of BB&T.

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### Background and Reasons for the Merger

#### Background

For approximately five years, MAB has been the largest independent banking institution headquartered in Louisville, Kentucky. Perceiving this position as likely to increase interest in MAB among financial institutions interested in entering or expanding their presence in the growing Louisville market, the MAB Board responded by undertaking a long-term assessment of MAB's strategic alternatives, including remaining independent. As part of this process, the MAB Board established a shareholder rights plan in January 1998, adopted other anti-takeover provisions at its April 1999 annual meeting, formed a merger and acquisition committee in April 1999, and engaged Professional Bank Services (PBS) in July 1999 to assist MAB in evaluating strategic alternatives.

As part of the ongoing planning, Chartwell Capital, which had advised MAB on financial matters since 1991, and PBS identified several regional bank holding companies that they viewed as potential acquirors, analyzed developments in the local and regional banking markets from time to time with MAB executives, and periodically contacted representatives of the identified companies to assess their interest in exploring a transaction with MAB. MAB held several substantive discussions with one such potential acquiror, who conducted a due diligence review of MAB. These discussions terminated in November 1999, and the other party expressed little interest in renewing discussions when contacted by MAB's financial advisors periodically over the next eighteen months.

After discussions among MAB's executives and financial advisors about the current banking climate, representatives of PBS contacted BB&T's mergers and acquisitions manager on July 18, 2001. After some brief telephone conferences for scheduling purposes, Burney Warren, Executive Vice President of BB&T, met with MAB's Vice Chairman R.K. Guillaume in Louisville on July 26, 2001 to discuss BB&T and to tour MAB's offices. Later that day, Mr. Guillaume reviewed the discussions with Bertram W. Klein, MAB's Chairman.

After this initial meeting, Chartwell and PBS independently analyzed the financial and stock price performance of BB&T and bank holding companies identified as potential acquirors of MAB. Their analyses included an estimate of the value each potential acquiror could pay per share of MAB common stock without earnings dilution. Each advisor concluded that BB&T was among the most attractive potential acquirors in the group and recommended that MAB continue its discussions with BB&T.

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On September 4, 2001, Messrs. Klein and Guillaume met with BB&T's Chairman John A. Allison, its President Kelly S. King and other BB&T executives in Winston-Salem, North Carolina. The meeting principally focused on providing a more detailed introduction to BB&T, its philosophy and operations.

Mr. Warren traveled to Louisville on September 18 after a meeting scheduled for September 11 was postponed. Mr. Warren met with Mr. Guillaume and representatives of PBS and Chartwell at PBS's offices in Louisville where he presented an initial acquisition proposal from BB&T. Mr. Klein participated by telephone. After this meeting, BB&T signed a confidentiality agreement with MAB, and MAB delivered detailed financial and operational information for BB&T's review.

During the next two weeks PBS and Chartwell analyzed the financial model underlying the BB&T proposal and the assumptions on which the model was based. During this time representatives of PBS had several conversations with Mr.

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Warren to review the BB&T model and assumptions. On October 5, 2001 Mr. Guillaume and representatives of PBS and Chartwell met in Winston-Salem for a negotiating session with BB&T executives.

During the next two weeks Mr. Guillaume, PBS and Chartwell continued negotiations with BB&T officers, during which the parties resolved many of the key structural terms of the proposal. On October 24, 2001, MAB and BB&T directed their respective legal counsel to commence the preparation and negotiation of definitive transaction documents for consideration by the MAB board at a meeting tentatively targeted for November 6.

On October 25, 2001, MAB's merger and acquisition committee met to review the terms of the proposal by BB&T. Three outside committee members and Messrs. Guillaume and Klein participated, together with four other senior MAB executives and financial and legal advisors. Following presentations analyzing the proposal, the Committee authorized Mr. Guillaume and MAB's financial and legal advisors to negotiate the terms of definitive transaction agreements in substantially the terms presented at the meeting.

From October 26 until November 4, MAB and BB&T executives and their advisors negotiated the terms of the merger agreement and the related transaction documents. From October 29 to October 31, BB&T employees conducted a detailed due diligence review of MAB in Louisville. On November 1, Mr. Guillaume, Mr. Thayer of Chartwell and several representatives of PBS conducted financial due diligence on behalf of MAB at BB&T's headquarters in Winston-Salem.

On November 2, Mr. Warren advised Mr. Guillaume that BB&T expected to enter into an acquisition agreement with a second bank holding company concurrently with the agreement with MAB. Mr. Warren and Mr. Guillaume agreed to reschedule the meeting of the MAB Board to November 7 as a result of this development. On November 5, Mr. Warren advised Mr. Guillaume that the second bank holding company was AREA Bancshares of Owensboro, Kentucky.

On November 5, 2001, the merger and acquisition committee held a second meeting. Three outside directors participated along with the five committee members, the MAB executives and financial and legal advisors who had participated in the October 25 meeting. All participants signed a confidentiality agreement with BB&T as a condition to the disclosure of the impending transaction with AREA Bancshares. At the meeting, Mr. Guillaume and the financial and legal advisors presented an analysis of the terms of the merger and the AREA Bancshares transaction and reviewed the material terms of the merger agreement. In particular, the Committee analyzed and discussed pricing alternatives for determining the stock and cash components of the merger consideration. The Committee voted to recommend that the transaction with BB&T be approved by the full MAB Board, with any alternative under the pricing formula to be determined after the close of trading in BB&T stock on November 7, 2001.

After the meeting, MAB executives and legal advisors and their BB&T counterparts negotiated the final terms of the pricing formula, adjustments for the cash consideration related to the Kentucky Central litigation, and the terms of the related escrow.

The MAB Board met at 2:30 p.m. on November 7, 2001, with 19 of the 20 directors present. At the meeting, Mr. Guillaume discussed MAB's strategic planning process and reviewed the financial performance, philosophy and business operations of BB&T. Representatives of Chartwell and PBS reviewed MAB's various strategic alternatives, analyzed the financial terms of the BB&T proposal and BB&T's acquisition of AREA Bancshares, and reviewed BB&T's

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historical financial and stock price performance. PBS delivered its opinion, both orally and in writing, that the terms of the proposed merger with BB&T were fair to the shareholders of MAB from a financial perspective. Representatives of Frost Brown Todd reviewed the fiduciary duties of directors in evaluating acquisition proposals and the material nonfinancial terms of the merger agreement and related transaction documents. Shortly after 4:00 p.m. the meeting briefly adjourned to obtain the closing trading price of BB&T stock, and the Committee then recommended that the pricing formula be based on the November 6 closing price. After an extended period for questions and discussion, the MAB Board unanimously voted to approve the merger agreement and recommended that MAB shareholders vote in favor of the merger agreement at a special meeting expected to be held in the first quarter of 2002.

After the meeting, executive officers of MAB and BB&T signed the definitive merger agreement and related documents. At 6:00 p.m. that evening, the BB&T executives attended a meeting of MAB officers and made a presentation about BB&T and the plan to integrate the two institutions after the merger.

BB&T issued press releases before the opening of trading on November 8, 2001 announcing the proposed transactions with MAB and AREA Bancshares.

### MAB's Reasons for the Merger and Recommendation of Directors

The MAB Board considered several factors in determining that the merger with BB&T is [fair] to, and in the best interests of, MAB and its shareholders. The MAB Board did not assign any specific or relative weight to the factors in its consideration. The material factors considered by the MAB Board included the following:

- . An assessment of the current banking environment and MAB's strategic alternatives to the merger. The MAB Board noted that the earnings per share of BB&T and other potential acquirors have been increasing at a faster rate than the earnings per share of MAB. Therefore, the MAB Board believed an acquiror would not likely be willing to pay more to acquire MAB in the future if MAB chose to remain independent at this time.
- . BB&T's financial performance, stock price, prospects, asset quality and strategic direction, both on a historical and forward-looking basis.
- . The financial terms of the merger, including the stock exchange ratio, the payment of a portion of the merger consideration in cash, and the ability of MAB to terminate the merger agreement in the event of a significant decline in the value of BB&T stock relative to other comparable financial institutions.
- . BB&T's dividend rate, which is approximately the same as MAB's rate and higher than the rate paid by other potential acquirors. Therefore, the dividends per share received by MAB shareholders would not immediately decrease as a result of the merger.
- . BB&T's customer service-oriented culture and philosophy and the fact that the merger represents a significant market expansion for BB&T. In the MAB Board's view, the merger would likely provide greater opportunities for MAB's employees than would a transaction with an acquiror already present in the Louisville market.
- . The impact of the proposed transaction on MAB's customers and the metropolitan Louisville community.
- . The desire of the Klein family, which owns more than 20% of the outstanding MAB shares, and other shareholders to increase the liquidity of their shares.



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- . The opinion of Professional Bank Services that the consideration to be received by MAB shareholders in the merger is fair from a financial perspective.

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Based upon its consideration of the preceding factors, and in light of any other factors that individual directors considered as appropriate, the MAB Board unanimously approved the merger agreement and the merger as being in the best interests of MAB and its shareholders.

The MAB Board unanimously recommends that you vote "FOR" the approval of the merger agreement.

### BB&T's Reasons for the Merger

One of BB&T's announced objectives is to pursue in-market and contiguous state acquisitions of banks and thrifts in the \$250 million to \$10 billion asset size range. BB&T's management believes that MAB is a quality institution that provides personal, attentive service to its clients and that its acquisition will enable BB&T to expand its presence into the economically viable, fast-growing Louisville market.

In connection with BB&T's consideration of the merger, its management analyzed certain investment criteria designed to assess the impact of the merger on BB&T and its shareholders. For the purpose of this analysis, BB&T made the following assumptions:

- . BB&T's 2001 earnings per share is based on the First Call estimate of \$2.40 and subsequent years are based on 12% income statement and balance sheet growth;
- . MAB's 2001 fully diluted core earnings per share, prior to effects of the merger, is based on MAB management's estimate of \$2.15;
- . Annual cost savings of approximately \$10.2 million, or 20% of MAB's expense base, would be fully realized in the first 12 months of operations following conversion of MAB's data services systems to those of BBT
- . Income statement and balance sheet growth rates would be 12% in year 1, 15% for years 2 through 4 and 12% for all years thereafter, except that MAB's non interest income would grow to achieve a fee income ratio of 30% by year 5 and MAB's net interest margin would be incrementally raised to 4.10% in year 3 and held constant thereafter;
- . Core deposit intangibles would be amortized over ten years using the sum of the years digits method;
- . MAB's loan loss allowance would be conformed to BB&T's loan loss allowance policies;
- . MAB's net charge-off rate for loan losses would be raised incrementally to 0.35% in 2004 and held constant thereafter; and
- . 25% of the merger consideration would be paid in cash and 75% would be paid in shares of BB&T common stock.

Using the above assumptions, BB&T analyzed the merger to determine whether it would have an accretive or dilutive effect on estimated earnings per share,

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return on equity, return on assets and book value per share, as well as its effect on BB&T's leverage capital ratio. This analysis indicated that the merger would:

- . be accretive to earnings per share in year 2 and to cash basis earnings per share in year 1;
- . be accretive to cash basis return on equity in all years;
- . be accretive to cash basis return on assets in year 5;
- . be accretive to book value per share in all years; and
- . result in a combined leverage ratio that remains over 7%.

In conducting its analysis, BB&T excluded the effect of estimated one-time after-tax charges of \$10.0 million related to completing the merger on earnings per share, return on assets and return on equity, as well as cash basis earnings per share, cash basis return on assets and cash basis return on equity.

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In addition to the analysis described above, BB&T performed an internal rate of return analysis for the merger. The purpose of this analysis was to determine if the projected performance of MAB, after applying the assumptions described above, conforms to BB&T's criteria. BB&T's current minimum internal rate of return requirement for this type of investment is 15%. The analysis performed in connection with the MAB merger indicated that the projected internal rate of return is 19.77%.

None of the above information has been updated since the date of the merger agreement. There can be no certainty that actual results will be consistent with the results described above. For more information concerning the factors that could affect actual results, see "A Warning About Forward-Looking Information" on page iv.

### Opinion of MAB's Financial Advisor

Professional Bank Services, Inc. was engaged by MAB to advise the MAB Board as to the fairness of the merger consideration, from a financial perspective, to be received by MAB shareholders.

PBS is a bank consulting firm with offices in Louisville, Nashville, Orlando and New York. As part of its investment banking business, PBS regularly engages in reviewing the fairness of financial institution acquisition transactions from a financial perspective and valuing financial institutions and other businesses and their securities in connection with mergers, acquisitions, estate settlements, and other transactions. Neither PBS nor any of its affiliates has a material financial interest in MAB or BB&T. PBS was selected to advise the MAB Board based upon its familiarity with Kentucky financial institutions and knowledge of the banking industry as a whole.

PBS delivered a written fairness opinion to the MAB Board on November 7, 2001 at a special meeting of the MAB Board. [PBS has affirmed its fairness opinion as of the date of this proxy statement/prospectus.] [to be updated] A copy of the fairness opinion, which includes a summary of the assumptions made and information analyzed in deriving the fairness opinion, is attached as Appendix C to this proxy statement/prospectus and should be read in its entirety.

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In arriving at its fairness opinion, PBS reviewed certain publicly available business and financial information relating to MAB and BB&T. PBS considered certain financial data of MAB and BB&T, compared that data with similar data for certain other publicly traded banks and bank holding companies and considered the financial terms of certain other comparable financial institution transactions in the United States effected since January 1, 2000 in which the selling institution was publicly traded and had total assets between \$1.0 billion and \$2.5 billion. PBS also considered such other information, financial studies, analyses and investigations and financial, economic and market criteria that it deemed relevant. In connection with its review, PBS did not independently verify the foregoing information and relied on such information as being complete and accurate in all material respects. Financial forecasts prepared by PBS were based on assumptions believed by PBS to be reasonable and to reflect currently available information. PBS did not make an independent evaluation or appraisal of the assets of MAB or BB&T.

As part of preparing this fairness opinion, PBS took into consideration the results of contacts made with other financial institutions by Investment Bank Services, Inc. (IBS), a wholly owned subsidiary of PBS, which was engaged by MAB in August of 1999 to explore MAB's strategic alternatives including the possible sale of MAB.

For purposes of this fairness opinion, PBS performed a review and analysis of the historic performance of MAB and its wholly owned subsidiary, Bank of Louisville based in Louisville, Kentucky, including:

- . Audited Annual Reports, Form 10Ks and Proxy Statements of MAB for 1997, 1998, 1999 and 2000.
- . The last six Form 10-Qs through September 30, 2001, filed by MAB with the SEC.

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- . Consolidated Report of Condition and Income (CALL REPORT) dated December 31, 1999, March 31, 2000, June 30, 2000, September 30, 2000, December 31, 2000, March 31, 2001 and June 30, 2001 of the Bank of Louisville.
- . Holding Company FR Y-9 (CALL REPORT) dated December 31, 1999, March 31, 2000, June 30, 2000, September 30, 2000, December 31, 2000, March 31, 2001 and June 30, 2001.
- . Uniform Holding Company Performance Reports for December 31, 2000 and June 30, 2001 for MAB.
- . Year-end December 31, 2000 and June 30, 2001 year to date general ledger and income statement reports for all MAB subsidiaries and for MAB on a consolidated basis.
- . June 30, 2001 securities portfolio listing including market valuation and maturity distribution information and interest rate risk management documents.
- . June 30, 2001 quarterly and monthly loan loss reserve analysis.
- . Most recent available business plans and internally prepared budgets and earnings forecasts of MAB.
- . The merger agreement.

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PBS reviewed and tabulated statistical data regarding the loan portfolio, securities portfolio and other performance ratios and statistics. Financial projections were prepared and analyzed as were other financial studies, analyses and investigations deemed relevant for the purposes of this opinion. In its review of the aforementioned information, PBS took into account its assessment of general market and financial conditions, its experience in other transactions, and its knowledge of the banking industry generally.

A limited scope due diligence review of BB&T was performed by PBS, including during a visit to BB&T, on November 1, 2001 utilizing various management and financial data for BB&T. PBS also reviewed data concerning each significant BB&T bank and non-bank subsidiary. The review focused on various financial and other data which included: BB&T's 2000 annual report; 2001 Proxy Statement; March 31, 2001, June 30, 2001 and September 30, 2001 quarterly earnings releases; Asset/Liability Committee Information Package dated October 25, 2001; various asset quality related reports; and information regarding BB&T's corporate structure, loan portfolio management, capital management, merger and acquisition activity and pending litigation. In addition, PBS reviewed BB&T's Audited Annual Reports, Form 10Ks and Proxy Statements for 1997, 1998, 1999 and 2000 and the last six Form 10-Qs through June 30, 2001, filed by BB&T with the SEC.

In connection with rendering the fairness opinion and preparing its written and oral presentation to the MAB Board, PBS performed a variety of financial analyses, including those summarized herein. The summary does not purport to be a complete description of the analyses performed by PBS in this regard. The preparation of a fairness opinion involves various determinations as to the most appropriate and relevant methods of financial analysis and the application of these methods to the particular circumstances, and, therefore, such an opinion is not readily susceptible to summary description. Accordingly, notwithstanding the separate factors summarized below, PBS believes that its analyses must be considered as a whole and that selecting portions of its analyses and of the factors considered by it, without considering all analyses and factors, could create an incomplete view of the evaluation process underlying its opinion. In performing its analyses, PBS made numerous assumptions with respect to industry performance, business and economic conditions and other matters, many of which are beyond MAB's or BB&T's control. The analyses performed by PBS are not necessarily indicative of actual values or future results which may be significantly more or less favorable than suggested by such analyses. In addition, analyses relating to the values of businesses do not purport to be appraisals or to reflect the process by which businesses actually may be sold.

**Acquisition Comparison Analysis:** In performing this analysis, PBS reviewed all bank and thrift transactions in the United States since January 1, 2000 in which the selling institution was publicly traded and its assets were between \$1.0 billion and \$2.5 billion. There were 20 financial institution acquisition transactions

which met these criteria and for which detailed financial information was available. The purpose of the analysis was to obtain an evaluation range based on these acquisition transactions. Median multiples of core earnings (earnings excluding non-recurring items), book value, deposits, franchise premium to core deposits (transaction value minus the target's tangible book value divided by the target's deposits excluding brokered certificates of deposit and certificates of deposit over \$100,000), and purchase price premium over the seller's market trading price one day prior to announcement were calculated. These median transaction multiples were utilized in obtaining a range for the

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acquisition value of MAB. In addition to analyzing these transactions, PBS performed separate comparable analyses for acquisitions which, like the proposed merger with BB&T, (i) were market expansion transactions for the acquiror, (ii) were purchase accounting transactions, (iii) involved a selling institution headquartered in the Midwest, and (iv) were announced since January 1, 2001. A custom peer group of seven transactions involving institutions which exhibited similar financial and operating characteristics of MAB was constructed and analyzed. The following table includes a summary of the median pricing multiples of the analyses described above:

### MEDIAN PRICING MULTIPLES OF COMPARABLE TRANSACTIONS

Comparison Type	Number Of Deals	Median Price/Book	Median Price/Core EPS	Median Price/ Deposits	Franchise Premium/Core Deposits	Price/ Prior Day Close
All US Since 1/1/00.....	20	199.5%	17.63X	21.71%	14.72%	26.55%
Market Expansion.....	5	198.0	15.57	22.99	14.99	25.30
Purchase Accounting.....	13	188.1	16.02	19.03	9.76	31.67
Midwest Region.....	7	191.9	15.69	22.99	14.77	21.72
Since 1/1/01.....	9	188.1	15.24	19.03	8.58	25.85
Custom Peer.....	7	201.0	15.37	24.40	17.08	25.58
Mid-America Bancorp.....		189.0%	15.95X	34.34%	19.34%	38.72%

Utilizing the valuation multiples of the proposed transaction, the following table demonstrates the percentile ranking of MAB's proposed merger with BB&T as compared to the transactions set forth above.

### PROPOSED TRANSACTION MULTIPLES PERCENTILE RANKINGS

Comparison Type	Median Price/Book	Median Price/Core EPS	Median Price/ Deposits	Franchise Premium/Core Deposits	Price/ Prior Day Close
All US Since 1/1/00.....	38.10%	32.00%	90.70%	75.90%	72.80%
Market Expansion.....	45.40	54.80	66.60	68.40	84.20
Purchase Accounting.....	52.00	49.50	96.30	95.10	55.80
Midwest Region.....	48.90	52.10	92.00	76.50	85.90
Since 1/1/01.....	50.80	61.60	94.40	94.80	64.30
Custom Peer.....	32.20	61.10	92.60	90.30	68.20

Financial Institution Comparison: As part of this analysis, PBS analyzed the historical performance of BB&T's stock price and pricing multiples and compared the financial performance of BB&T to fifteen publicly traded banking institutions with assets between \$25.0 billion and \$100.0 billion in order to determine BB&T's financial performance relative to comparable institutions. The following table demonstrates selective performance measures from this analysis.

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Company Name	Total Assets YTD (\$000)	Core ROAA YTD (%)	Core ROAE YTD (%)	Net Efficiency		Price/ LTM Core EPS (x)	Price/ Book (%)	Projected EPS Growth Next Year (%)
				Margin YTD (%)	Ratio YTD (%)			
AmSouth Bancorporation..	38,264,805	1.36	18.17	4.06	52.63	12.64	211.18	8.33
Bank of New York Company.....	89,390,000	1.77	22.70	2.73	50.26	18.64	399.20	8.21
UnionBanCal Corporation.....	35,239,224	1.30	13.17	4.89	55.68	14.81	142.86	12.37
Comerica Incorporated...	49,733,368	1.59	16.62	4.59	48.08	11.11	170.60	6.34
Fifth Third Bancorp.....	70,118,176	1.71	16.96	3.78	48.01	27.14	438.64	15.68
KeyCorp.....	84,419,000	0.63	8.17	3.74	59.00	13.94	137.35	34.68
M&T Bank Corporation....	31,139,058	1.22	12.62	4.18	49.73	18.29	219.30	10.70
Mellon Financial Corporation.....	37,297,000	1.89	19.41	2.92	66.70	20.74	449.67	14.38
National City Corporation.....	96,179,874	1.32	17.56	4.03	55.37	13.61	226.96	7.08
Northern Trust Corporation.....	35,124,400	1.44	19.88	2.01	61.31	23.21	437.34	8.56
PNC Financial Services Group.....	71,944,000	1.46	15.36	3.77	60.27	15.28	237.37	8.03
Regions Financial Corporation.....	45,684,013	1.15	13.84	3.62	59.74	11.99	158.18	6.09
SouthTrust Corporation..	47,267,906	1.18	15.23	3.51	51.83	14.52	197.72	9.94
State Street Corporation.....	73,176,000	0.89	17.40	1.65	73.36	24.19	382.48	10.55
Union Planters Corporation.....	33,386,841	1.30	14.61	4.13	54.82	12.95	177.64	11.25
Median.....	47,267,906	1.32	16.62	3.77	55.37	14.81	219.30	9.94
BB&T Corporation.....	70,309,046	1.57	18.87	4.16	48.45	14.05	246.21	11.72
Percentile Ranking.....	65.00%	77.40%	82.60%	82.80%	8.70%	37.00%	64.70%	74.40%

Pro Forma Merger Analysis: PBS compared the historical performance of MAB to that of BB&T and other regional holding companies. This analysis included, among other things, a comparison of profitability, asset quality and capital measures. In addition, the contribution of MAB and BB&T to the income statement and balance sheet of the pro forma combined company was analyzed.

The effect of the merger on the historical and pro forma financial data of MAB was prepared and analyzed. MAB's historical financial data was compared to pro forma combined historical and projected earnings, book value and dividends per share. The following table provides the historical and pro forma core earnings per share, dividends and book value of MAB assuming the merger consideration paid by BB&T in the merger was 100% stock.

PRO FORMA FINANCIAL ANALYSIS

Comparison Type	1998	1999	2000	YTD 2001
Mid-America Bancorp Historical Core EPS*.....	\$ 1.64	\$ 1.84	\$ 2.13	\$ 1.61
Mid-America Bancorp Pro Forma Core EPS.....	1.59	1.80	2.04	1.67
Mid-America Bancorp Historical Book Value.....	\$15.40	\$16.29	\$16.21	\$17.30

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Mid-America Bancorp Pro Forma Book Value.....	10.35	10.37	11.97	13.09
Mid-America Bancorp Historical Dividends.....	\$ 0.77	\$ 0.83	\$ 0.89	\$ 0.96
Mid-America Bancorp Pro Forma Dividends.....	0.65	0.72	0.82	1.00

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\* Source: SNL Securities LC

Other Considerations: In determining the fairness of the proposed transaction, PBS also took into consideration BB&T's projected growth in earnings per share relative to MAB and other financial institutions and analyzed the projected earnings growth of BB&T and MAB and the future expected decline in the exchange ratio based on these relative growth rates, assuming that BB&T would not be willing to accept additional earnings per share dilution beyond what results from the proposed merger with MAB.

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The fairness opinion is directed only to the question of whether the consideration to be received by MAB's shareholders under the merger agreement is fair and equitable from a financial perspective and does not constitute a recommendation to any MAB shareholder to vote in favor of the merger. No limitations were imposed on PBS regarding the scope of its investigation or otherwise by MAB

Based on the results of the various analyses described above, PBS concluded that the consideration to be received by MAB's shareholders under the merger agreement is fair and equitable from a financial perspective to the shareholders of MAB.

Based on MAB's trailing twelve-month core income and earnings as of September 30, 2001 and BB&T's closing stock price on \_\_\_\_\_, 2002 of \$ \_\_\_\_\_, PBS and IBS would receive fees of approximately \$ \_\_\_\_\_ for all services performed in connection with the sale of MAB and the rendering of the fairness opinion. In addition, MAB has agreed to indemnify PBS and IBS and their directors, officers and employees from liability in connection with the transaction and to hold PBS and IBS harmless from any losses, actions, claims, damages, expenses or liabilities related to any of PBS' or IBS' acts or decisions made in good faith and in the best interest of MAB.

### Merger Consideration

Upon completion of the merger, each outstanding share of MAB common stock will be converted into the right to receive .7187 of a share of BB&T common stock (this is referred to in this proxy statement/prospectus as the "stock exchange ratio") and \$8.13 in cash, plus cash in lieu of any fractional share of BB&T common stock that would otherwise be issued. The stock exchange ratio is fixed, except in the limited circumstances described below under "--Stock Exchange Ratio." The cash portion of the merger consideration is subject to adjustment depending on the result, and to a potential escrow depending on the status, of claims arising from the Kentucky Central Life Insurance Company (KCLIC) litigation commenced against MAB on December 10, 1993, including certain ancillary claims, as described in more detail below under "--Cash Portion of the Merger Consideration" on page \_\_\_\_\_.

### Stock Exchange Ratio

Under no circumstances would the stock exchange ratio be lower than .7187 of a share of BB&T common stock for each share of MAB common stock. The stock exchange ratio could be higher than .7187 of a share of BB&T common stock for each share of MAB common stock only if MAB elected to terminate the merger agreement under the circumstances described below and BB&T then elected to

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avoid termination of the merger agreement by increasing the stock exchange ratio.

MAB may, by giving notice to BB&T during the five-day period following the tenth calendar day preceding the expected closing date determined pursuant to the merger agreement, elect to terminate the merger agreement and abandon the merger if both:

- . the product of .7187 times the average 4:00 p.m. closing price per share of BB&T common stock on the New York Stock Exchange for the five trading days ending on the last trading day before the tenth calendar day preceding the expected closing date is less than \$19.52; and
- . the result obtained by dividing the average closing price per share of BB&T common stock over the five-day period described above by \$33.95 is less than 80% of the result obtained by dividing:
  - . the weighted average of the closing sales prices of the 11 publicly-traded bank holding companies designated in the merger agreement (weighted based on their respective outstanding shares of common stock) on the tenth calendar day preceding the expected closing date by
  - . the weighted average of the closing sales prices of those 11 bank holding companies on November 6, 2001;

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provided that, if, during the relevant period, there is any public announcement of a proposal for any of the specified bank holding companies to be acquired or for any of them to acquire another company or companies in a transaction with a value exceeding 25% of the acquiror's market capitalization, that bank holding company will be removed from the determination and the remaining bank holding companies will be re-weighted accordingly.

In such event, BB&T would have a five-day period in which to elect to increase the stock exchange ratio so that the product of the stock exchange ratio times the average closing price of BB&T common stock, valued over the prescribed pricing period, is at least \$19.52. BB&T would have no obligation to elect to increase the stock exchange ratio. If BB&T were to elect to increase the stock exchange ratio, it would do so by giving notice to MAB of the revised stock exchange ratio, and MAB would then be required to proceed with the merger with the adjusted stock exchange ratio in accordance with all other terms of the merger agreement. MAB could withdraw its notice of termination at any time during the five-day period following the date that satisfaction of these conditions is determined and elect to proceed with the merger with the stock exchange ratio of .7187. If the date set previously set for completion of the merger were to occur during the five-day period in which such option is in effect, the date would be extended to a date selected by BB&T no more than ten days following the last day of such five-day period.

These conditions reflect the parties' agreement that MAB's shareholders will assume certain risks of decline in the market value of BB&T common stock. If the value of BB&T common stock were to decline so that the implied market value of the BB&T common stock to be received for each share of MAB common stock were to be less than \$19.52, but the average closing price of BB&T common stock over the prescribed pricing period did not reflect a decline in the price of BB&T common stock from \$33.95 that is more than 20% greater than the decline in the stock prices of the specified bank holding companies, then MAB's shareholders would continue to assume the risk of decline in the value of BB&T common stock.



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If the MAB Board elects to terminate the merger agreement because of a decline in the price of BB&T common stock, BB&T may avoid termination by increasing the stock exchange ratio. In deciding whether to increase the stock exchange ratio, the principal factors BB&T would consider include the projected effect of the merger on BB&T's pro forma earnings and book value per share and whether BB&T's assessment of MAB's earning potential as part of BB&T justifies the issuance of a greater number of shares of BB&T common stock. MAB may, at any time prior to the lapse of the five-day period commencing on the date that satisfaction of the conditions is determined, elect to withdraw its election to terminate and to proceed with the merger without adjustment. In making this determination, the principal factors the MAB Board would consider include whether the merger remains in the best interest of MAB and its shareholders, despite the decline in the BB&T common stock price, and whether the consideration to be received by MAB shareholders remains fair from a financial point of view. Prior to making any decision to terminate the merger agreement or to proceed with the merger without adjustment of the stock exchange ratio, the MAB Board would consult with its financial and other advisors and would consider all financial and other information it deemed relevant to its decision, including considerations relating to the necessity or desirability of resoliciting MAB shareholders under the circumstances. If MAB elected not to exercise its right to terminate the merger agreement, the stock exchange ratio would remain .7187 of a share of BB&T common stock for each share of MAB common stock.

You should be aware that the market value of a share of BB&T common stock will fluctuate and that neither BB&T nor MAB can give you any assurance as to what the price of BB&T common stock will be when the merger is completed or when certificates for those shares are delivered following surrender and exchange of your certificates for shares of MAB stock. We urge you to obtain information on the market value of BB&T common stock that is more recent than that provided in this proxy statement/prospectus. See "Summary--Comparative Market Prices and Dividends" on page .

No fractional shares of BB&T common stock will be issued in the merger. If you would otherwise be entitled to a fractional share of BB&T common stock in the merger, you will be paid an amount in cash determined by multiplying the fractional part of the share of BB&T common stock by the closing price per

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share of BB&T common stock on the NYSE at 4:00 p.m., Eastern time, on the date the merger is completed as reported on NYSEnet.com.

### Cash Portion of the Merger Consideration

If all potential MAB liabilities (excluding nominal liabilities) arising from the KCLIC litigation are fully and finally settled before the merger is completed, then the cash portion of the merger consideration that each MAB shareholder will receive for each share of MAB common stock will be:

- . if the settlement amount is less than \$32,000,000, increased by 50% of the amount of the difference between \$32,000,000 and the settlement amount divided by the number of shares of MAB common stock outstanding on the date the merger is completed, assuming the exercise of all MAB stock options outstanding as of the date the merger is completed; or
- . if the settlement amount is more than \$32,000,000, decreased by 50% of the amount of the difference between the settlement amount and \$32,000,000 divided by the number of shares of MAB common stock outstanding on the date the merger is completed, assuming the exercise

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of all MAB stock options outstanding as of the date the merger is completed.

The settlement amount will include all costs and expenses incurred by MAB in connection with the KCLIC litigation and all related claims from January 1, 2002 until the date the merger is completed, less all amounts recovered before the date the merger is completed by MAB in connection with the litigation and the MAB loan that underlies the litigation.

If all potential liabilities (excluding nominal liabilities) arising from the KCLIC litigation are not fully and finally settled before the merger is completed, then:

- . the cash portion of the merger consideration that MAB shareholders will receive for each share of MAB common stock will be decreased by an amount equal to \$5,000,000 divided by the number of shares of MAB common stock outstanding on the date the merger is completed, assuming the exercise of all MAB stock options outstanding on the date the merger is completed (estimated to be approximately \$0.41 per share of MAB common stock);
- . BB&T will deliver \$5,000,000 to Branch Banking and Trust Company, which will hold that amount as escrow agent pursuant to the terms of a contingent payment and escrow agreement pending full and final settlement of all potential liabilities arising out of the KCLIC litigation;
- . when all potential liabilities arising from the litigation are fully and finally settled, if the settlement amount (which will include all costs and expenses incurred by MAB or BB&T in connection with the litigation and all related claims from January 1, 2002 until the settlement date, less all amounts recovered before the settlement date by MAB or BB&T in connection with the litigation and the MAB loan that underlies the litigation) is:
  - . more than \$32,000,000, the cash portion of the merger consideration will be increased by an amount, not to exceed \$5,000,000, equal to \$5,000,000 less 50% of the difference between the settlement amount and \$32,000,000 divided by the number of shares of MAB common stock outstanding on the date the merger was completed, assuming the exercise of all MAB stock options outstanding as of the date the merger was completed, and that amount per share will be distributed to those MAB shareholders as of the date the merger was completed pursuant to the terms of the contingent payment and escrow agreement, with the remaining amount in escrow being returned to BBT or
  - . \$32,000,000 or less, the cash portion of the merger consideration will be increased by an amount equal to \$5,000,000 plus 50% of the difference between \$32,000,000 and the settlement amount divided by the number of shares of MAB common stock outstanding on the date the merger was completed, assuming the exercise of all outstanding MAB stock options, and that amount will be

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distributed to those MAB shareholders as of the date the merger was completed pursuant to the terms of the contingent payment and escrow agreement; and

- . a holder of an MAB stock option assumed by BB&T who exercises the option

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after the merger is completed will be entitled to receive the adjustment to the merger consideration resulting from the KCLIC litigation, if any, in the form of a number of additional shares of BB&T common stock equal to the product of:

- . the number of shares of MAB common stock that were subject to the unexercised portion of the MAB stock option immediately before the date the merger was completed times
- . the adjustment amount per MAB share calculated as provided above divided by the closing price of BB&T common stock on the New York Stock Exchange on the date the settlement amount is determined, rounded down to the nearest whole share.

If there is an adjustment, each holder of an MAB stock option assumed by BB&T who:

- . exercised his or her option before the adjustment was determined will receive, at the same time that the MAB shareholders receive the adjustment, the percentage of the additional adjustment shares that the aggregate number of shares for which he or she exercised the option after the merger was completed is of the total number of shares subject to the unexercised portion of the option as of the date the merger was completed (after giving effect to the merger), rounded to the nearest whole share (but not to exceed the number of adjustment shares calculated as provided above); and
- . exercises his or her option after the adjustment is determined will receive, each time he or she exercises the option, the percentage of the additional adjustment shares that the number of shares for which he or she exercises the option is of the total number of shares subject to the unexercised portion of the option at the time of exercise, rounded to the nearest whole share (but not to exceed the number of adjustment shares calculated as provided above).

The right of those MAB shareholders and those holders of MAB stock options as of the date the merger was completed to receive additional merger consideration, if any, after all potential liabilities arising from the litigation are fully and finally settled is not transferable or assignable except at death under applicable laws of descent and distribution and except by operation of law.

The contingent payment and escrow agreement is attached as Annex B to the merger agreement, and the merger agreement is attached as Appendix A to this proxy statement/prospectus. For a description of the KCLIC litigation, see "Information About MAB--Legal Proceedings" on page .

If the merger is completed after June 30, 2002 and, as of that date, BB&T does not have the right to terminate the merger agreement by its terms, the amount of cash payable to holders of shares of MAB common stock will be increased by an amount equal to simple interest at the prime rate reported by Branch Banking and Trust Company on July 1, 2002, except that this interest increase will not apply to any increase in the cash portion of the merger consideration payable as a result of the KCLIC litigation or to any amounts paid under the contingent payment and escrow agreement.

### Exchange of MAB Stock Certificates

When the merger is completed, without any action on the part of MAB or the MAB shareholders, shares of MAB common stock will be converted into and will represent the right to receive, upon surrender of the certificate representing such shares as described below, the merger consideration described above

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(consisting of cash, whole shares of BB&T common stock and cash instead of any fractional share that would otherwise be issued). Promptly after the merger is completed, BB&T will deliver or mail to you a form of letter of transmittal and instructions for surrender of your MAB stock certificates. When you properly surrender your certificates or provide other satisfactory evidence of ownership, and return the letter of transmittal duly

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executed and completed in accordance with its instructions and any other documents as may be reasonably requested, BB&T will promptly deliver to you the merger consideration to which you are entitled. If all potential MAB liabilities (excluding nominal liabilities) arising from the KCLIC litigation are not fully and finally settled prior to the date the merger is completed, you may, depending on the settlement amount, receive additional merger consideration after all such potential liabilities are settled. See "Merger Consideration-- Cash Portion of the Merger Consideration" on page .

You should not send in your stock certificates until you receive the letter of transmittal and instructions.

After the merger is completed, and until surrendered as described above, each outstanding MAB stock certificate will be deemed for all purposes to represent only the right to receive the merger consideration. No interest will be paid or accrued on the cash portion of the merger consideration (unless the merger is completed after June 30, 2002 and certain other conditions are met, in which case a portion of the cash portion of the merger consideration will accrue simple interest as provided under "Merger Consideration--Cash Portion of the Merger Consideration" on page ) or any cash payable for fractional shares as part of the merger consideration. With respect to any MAB stock certificate that has been lost or destroyed, BB&T will pay the merger consideration attributable to the shares represented by such certificate upon receipt of a surety bond or other adequate indemnity, as required in accordance with BB&T's standard policy with respect to lost certificates generally, and evidence reasonably satisfactory to BB&T of ownership of the shares in question. After the merger is completed, MAB's transfer books will be closed and no transfer of shares of MAB stock will be made on BB&T's stock transfer books.

If MAB declares a dividend on the MAB common stock as permitted by the merger agreement with a record date before the time the merger is completed, and that dividend has not been paid before the merger is completed, BB&T will pay the dividend to the former MAB shareholders.

To the extent permitted by law, after the merger is completed, you will be entitled to vote at any meeting of BB&T shareholders the number of whole shares of BB&T common stock into which your shares of MAB stock are converted, regardless of whether you have exchanged your MAB stock certificates for BB&T stock certificates. Whenever BB&T declares a dividend or other distribution on the BB&T common stock that has a record date after the merger is completed, the declaration will include dividends or other distributions on all shares of BB&T common stock issuable pursuant to the merger agreement. However, no dividend or other distribution payable to the holders of record of BB&T common stock will be delivered to you until you surrender your MAB stock certificate for exchange as described above. Upon surrender of your MAB stock certificate, the certificate representing the BB&T common stock into which your shares of MAB stock have been converted, together with the other merger consideration and any undelivered dividends, will be delivered and paid to you without interest.

The Merger Agreement

Effective Date and Time of the Merger

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The merger agreement provides that the closing of the merger will take place on a business day designated by BB&T that is within 30 days following the satisfaction of the conditions to the completion of the merger, or a later date mutually acceptable to the parties, subject to certain limitations provided in the merger agreement. The merger will become effective at the time and date specified in the articles of merger to be filed with the Secretary of State of North Carolina and the Secretary of State of the Commonwealth of Kentucky. It is currently anticipated that the filing of the articles of merger will take place in 2002, assuming all conditions to the respective obligations of BB&T and MAB to complete the merger have been satisfied.

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### Conditions to the Merger

The obligations of BB&T and MAB to carry out the merger are subject to satisfaction (or, if permissible, waiver) of the following conditions at or before the time the merger is completed:

- . all corporate action necessary to authorize the performance of the merger agreement must have been duly and validly taken, including the approval of the shareholders of MAB of the merger agreement;
- . BB&T's registration statement on Form S-4 relating to the merger (including any post-effective amendments) must be effective under the Securities Act of 1933, no proceedings may be pending or, to BB&T's knowledge, threatened by the Securities and Exchange Commission to suspend the effectiveness of the registration statement, and the BB&T common stock to be issued in the merger must either have been registered or exempt from registration under applicable state securities laws;
- . the parties must have received all regulatory approvals required in connection with the transactions contemplated by the merger agreement, all notice periods and waiting periods required with respect to the approvals must have passed and all approvals must be in effect;
- . neither BB&T nor MAB nor any of their respective subsidiaries may be subject to any order, decree or injunction of a court or agency of competent jurisdiction that enjoins or prohibits completion of the transactions provided in the merger agreement;
- . MAB and BB&T must have received an opinion of BB&T's legal counsel, in form and substance satisfactory to MAB and BB&T, to the effect that the merger will constitute one or more reorganizations under Section 368 of the Internal Revenue Code and that the shareholders of MAB will not recognize any gain or loss to the extent that they exchange shares of MAB common stock for shares of BB&T common stock; and
- . MAB, BB&T and Branch Banking and Trust Company, as escrow agent, shall have executed and delivered the contingent payment and escrow agreement.

The obligations of MAB to carry out the transactions in the merger agreement are subject to the satisfaction of the following additional conditions at or before the time the merger is completed, unless, where permissible, waived by MAB:

- . BB&T must have performed in all material respects all obligations and complied in all material respects with all covenants required by the merger agreement;

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- . the shares of BB&T common stock to be issued in the merger must have been approved for listing on the NYSE, subject to official notice of issuance; and
- . MAB must have received certain closing certificates from BB&T and legal opinions from BB&T's counsel.

All representations and warranties of BB&T will be evaluated as of the date of the merger agreement and at the time the merger is completed as though made at the time the merger is completed (or, in the case of any representation and warranty that specifically relates to an earlier date, on the date designated), except as otherwise provided in the merger agreement or consented to in writing by MAB. The representations and warranties of BB&T concerning the following must be true and correct (except for inaccuracies which are de minimis):

- . its capitalization;
- . its and its subsidiaries' organization and authority to conduct business;
- . its authorization of, and the binding nature of, the merger agreement; and
- . the absence of any conflict between the transactions in the merger agreement and BB&T's articles of incorporation or bylaws.

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Moreover, there must not be inaccuracies in the representations and warranties of BB&T in the merger agreement that, individually or in the aggregate, have or are reasonably likely to have a material adverse effect on BB&T and its subsidiaries taken as a whole.

The obligations of BB&T to carry out the transactions in the merger agreement are subject to satisfaction of the following additional conditions at or before the time the merger is completed, unless, where permissible, waived by BB&T:

- . no regulatory approval may have imposed any condition or requirement that, in the reasonable opinion of the BB&T Board, would so materially adversely affect the business or economic benefits to BB&T of the transactions in the merger agreement as to render the consummation of such transactions inadvisable or unduly burdensome;
- . MAB must have performed in all material respects all of its obligations and complied in all material respects with all of its covenants required by the merger agreement;
- . BB&T must have received agreements from certain affiliates of MAB concerning their shares of MAB common stock and the shares of BB&T common stock to be received by them;
- . BB&T must have received certain closing certificates from MAB and legal opinions from MAB's counsel;
- . BB&T must have received a certificate from MAB certifying that the KCLIC litigation has or has not been fully and finally settled and, if the KCLIC litigation has been fully and finally settled, certifying the amount of all costs and expenses (including, without limitation, interest and legal fees) incurred by MAB in connection with the KCLIC

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litigation and all related claims during the period beginning on January 1, 2002 and ending on the date the merger is completed and the amount recovered on or before the date the merger is completed by MAB, if any, in connection with the KCLIC litigation and the loan underlying the KCLIC litigation, together with a signed copy of the settlement agreement;

- . unless R.K. Guillaume has died or become disabled, BB&T must have received a certificate from him to the effect that his employment agreement with Branch Banking and Trust Company is effective and that he will accept employment with Branch Banking and Trust Company; and
- . Bertram W. Klein must have executed a prescribed noncompetition agreement with BB&T.

All representations and warranties of MAB will be evaluated at the date of the merger agreement and at the time the merger is completed as though made at the time the merger is completed (or, in the case of any representation and warranty that specifically relates to an earlier date, on the date designated), except as otherwise provided in the merger agreement or consented to in writing by BB&T. The representations and warranties of MAB concerning the following must be true and correct (except for inaccuracies which are de minimis in amount):

- . its capitalization;
- . its and its subsidiaries' organization and authority to conduct business;
- . its ownership of its subsidiaries and other equity interests;
- . its authorization of, and the binding nature of, the merger agreement;
- . the absence of conflict between the transactions in the merger agreement and MAB's articles of incorporation or bylaws;
- . its forbearance from taking any actions that would negatively affect the tax-free treatment of the merger or the receipt of necessary regulatory approvals; and
- . actions taken to exempt the merger from any applicable anti-takeover laws.

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Moreover, there must not be inaccuracies in the representations and warranties of MAB in the merger agreement that, individually or in the aggregate, have or are reasonably likely to have a material adverse effect on MAB and its subsidiaries taken as a whole (evaluated without regard to whether the merger is co completed).

### Conduct of MAB's and BB&T's Businesses Before the Merger

Except with the consent of BB&T, before the merger is effective neither MAB nor any of its subsidiaries may:

- . carry on its business exce