BB&T CORP
Form S-4/A
April 20, 2006

**As Filed with the Securities and Exchange Commission on April 20, 2006**

**Registration No. 333-132044**

**SECURITIES AND EXCHANGE COMMISSION**
**WASHINGTON, D.C. 20549**

**Pre-Effective Amendment No. 3**
**To**
**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)* | *(IRS Employer Identification No.)* |

**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)*

**M. Patricia Oliver, Esq.**
**Executive Vice President, General Counsel,**
**Secretary and Chief Corporate Governance Officer**
**BB&T Corporation**
**200 West Second Street**
**Winston-Salem, North Carolina 27101**
**Phone: (336) 733-2000**
**Fax: (336) 733-2189**
*(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:***

| **Paul D. Freshour, Esq.** | **Ralph F. MacDonald, III** | **Elizabeth O. Derrick, Esq.** |
|---|---|---|
| **Arnold & Porter llp** | **Alston & Bird LLP** | **Womble Carlyle Sandridge & Rice, PLLC** |
| **1600 Tysons Blvd.** | **One Atlantic Center** | **1201 West Peachtree St.,** |
| **Suite 900** | **1201 West Peachtree St.** | **Suite 3500** |
| **McLean, Virginia 22102** | **Atlanta, Georgia 30309** | **Atlanta, Georgia 30309** |
| **Phone: (703) 720-7008** | **Phone: (404) 881-7582** | **Phone: (404) 888-7433** |
| **Fax: (703) 720-7399** | **Fax: (404) 253-8272** | **Fax: (404) 870-4824** |

**Approximate date of commencement of proposed sale 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: o .

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 registration statement for the same offering. o

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. o

**CALCULATION OF REGISTRATION FEE**

| Title of each Class of Securities to be Registered | Amount to be Registered | Proposed maximum offering price per unit | Proposed maximum aggregate offering price(2) | Amount of registration fee |
|---|---|---|---|---|
| Common Stock, par value $5.00 per share | 14,963,129 | (1) | $587,238,206 | $62,835(3) |

(1) Not applicable.

(2) Computed in accordance with Rule 457(f) based on the average high ($26.07) and low ($25.74) sales price of the common stock of Main Street Banks, Inc. on February 21, 2006 as reported on NASDAQ National Market. Solely for the purposes of calculating the registration fee, the proposed maximum aggregate offering price is equal to the aggregate value of the estimated maximum number of shares of Main Street common stock that may be exchanged in connection with the merger.

(3) Previously paid.

**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, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

**3500 Lenox Road**
**Atlanta, Georgia 30326**
**Telephone: (770) 786-3441**
**Facsimile: (770) 786-9789**

To the Shareholders of Main Street Banks, Inc.:

The Board of Directors of Main Street Banks, Inc. has unanimously approved a merger combining Main Street and BB&T Corporation. **In the merger, you will receive ..6602 shares of BB&T common stock for each share of Main Street common stock that you own plus cash instead of any fractional shares.**

BB&T common stock is listed on the New York Stock Exchange ( NYSE ) under the symbol BBT. On December 14, 2005, the last full NYSE trading day before public announcement of the merger, the closing price of BB&T common stock was $43.17. On **[ ]**, 2006, the latest practicable date prior to the printing of this document, the closing price of BB&T common stock was **$[ ]**. Based on the .6602 exchange ratio, the closing price of BB&T common stock on December 14, 2005, and the number of fully diluted shares of Main Street common stock outstanding on that date, the implied dollar value of the BB&T merger consideration was approximately $28.50 per share of Main Street common stock, and the implied transaction value was approximately $622.7 million. BB&T expects to issue approximately **[ ]** million shares of common stock in the merger (excluding any shares of BB&T common stock issued as a result of the exercise of Main Street stock options prior to the merger), which will represent approximately **[ ]**% of the outstanding BB&T common stock following completion of the merger.

The price of BB&T common stock will fluctuate prior to completion of the merger. Main Street shareholders do not have the right to seek an appraisal of the value of their Main Street shares in the merger.

We expect the merger to generally be tax-free with respect to the BB&T common stock you receive and taxable with respect to cash you receive for fractional shares.

At the special meeting you will consider and vote on the merger. **The merger cannot be completed unless holders of at least a majority of the shares of Main Street common stock entitled to vote approve the merger.**

**The special meeting will be held at 10:00 a.m., Eastern time, on [ , 2006] at 1201 West Peachtree Street, One Atlantic Center, Suite 3500, Atlanta, Georgia. You are cordially invited to attend.**

This proxy statement/ prospectus provides you with detailed information about the proposed merger. We encourage you to read this entire document carefully.

**Your vote is very important.** Whether or not you plan to attend the meeting, please take the time to vote by completing and mailing the enclosed proxy card. **If your shares are held in street name, you must instruct your broker to vote, or your shares will not be voted by your broker. If you fail to vote, the effect will be the same as a vote against the merger and the merger agreement.**

**The Main Street Board of Directors has unanimously determined that the merger is advisable and in the best interests of Main Street and its shareholders, and has unanimously approved the merger agreement. Accordingly, on behalf of the Main Street Board of Directors, I urge you to vote FOR approval and adoption of the merger and the merger agreement.**

Sincerely,

Samuel B. Hay III
*President and Chief Executive Officer*

This proxy statement/ prospectus is dated **[ , 2006]** and is expected to be first mailed to shareholders of Main Street on or about **[ , 2006]**.

Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved of the merger or 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.

**ADDITIONAL INFORMATION**

This proxy statement/ prospectus incorporates important business and financial information about BB&T and Main Street from other documents that are not included in or delivered with this proxy statement/ prospectus. This information is available to you without charge upon your written or oral request. You may obtain copies of those documents by accessing the Securities and Exchange Commission s Internet website maintained at http://www.sec.gov or by requesting copies in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

**BB&T Corporation**
Investor Relations
150 South Stratford Road, Suite 300
Winston-Salem, North Carolina 27104
(336) 733-3058

**Main Street Banks, Inc.**
Investor Relations
3500 Lenox Road
Atlanta, Georgia 30326
(770) 786-3441

If you would like to request documents, please do so by , 2006 in order to receive them before the special meeting. If you request any documents incorporated by reference from us, we will mail them to you promptly by first class mail or similar means.

*See* Where You Can Find More Information on pages [ ].

**3500 Lenox Road**
**Atlanta, Georgia 30326**
**Telephone: (770) 786-3441**
**Facsimile: (770) 786-9789**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**
**To Be Held On [ ], 2006**

Main Street Banks, Inc. will hold its special meeting of shareholders on [ ], 2006 at 10:00 a.m. Eastern time, at 1201 West Peachtree Street, One Atlantic Center, Suite 3500, Atlanta, Georgia, for the following purposes:

To consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of December 14, 2005, between Main Street Banks, Inc. and BB&T Corporation, providing for the merger of Main Street with and into BB&T. In the merger, each share of Main Street common stock will be converted into the right to receive .6602 shares of BB&T common stock. A copy of the merger agreement is attached as Appendix A to the accompanying proxy statement/ prospectus.

To approve the adjournment of the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the above proposal.

To transact any other business that may properly come before the meeting or any adjournment or postponement of the meeting.

Additional information about the proposals set forth above may be found in the accompanying proxy statement/ prospectus. Please carefully review the accompanying proxy statement/ prospectus and merger agreement attached as Appendix A to the accompanying proxy statement/ prospectus.

Holders of shares of Main Street common stock as of the close of business on March 17, 2006, the record date, are entitled to notice of the meeting and to vote at the meeting or any adjournments or postponements of 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.

**The Main Street Board of Directors has unanimously determined that the merger is advisable and in the best interests of Main Street and its shareholders, and has unanimously approved the merger agreement. Accordingly, on behalf of the Main Street Board of Directors, I urge you to vote FOR approval and adoption of the merger and the merger agreement.**

**You are strongly urged to vote FOR the above proposals.** All Main Street shareholders, whether or not they expect to attend the special meeting in person, are requested to complete, date, sign, and return the enclosed form of proxy in the accompanying envelope, which requires no postage if mailed in the United States. You may revoke your proxy at any time before the vote is taken by filing with Main Street s Secretary an instrument of revocation or a duly executed form of proxy bearing a later date, or by voting in person at the special meeting or by oral revocation in person to any of the persons named on the enclosed proxy card at the special meeting. Attendance at the meeting, however, will not by itself revoke a proxy.

By Order of the Board of Directors

Samuel B. Hay III
*Chief Executive Officer and President*

Atlanta, Georgia
[ ], 2006

**Regardless of the number of shares you hold, your vote is very important. Please complete, sign, date and promptly return the proxy card in the enclosed envelope so that your shares will be represented, whether or not you plan to attend the special meeting. Failure to secure a quorum on the date set for the special meeting will require an adjournment that will cause us to incur considerable additional expense.**

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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 [ ] .

**Holders of Main Street Common Stock Will Receive Shares of BB&T Common Stock in the Merger (see page [ ] ).**

Under the merger agreement, if the merger is completed, you will receive .6602 shares of BB&T common stock in exchange for each of your shares of Main Street common stock.

No fractional shares of BB&T common stock will be issued in connection with the merger. Instead, cash will be paid for any fractional share of BB&T common stock to which you would otherwise be entitled.

The table below shows the closing price of BB&T common stock, Main Street common stock and the equivalent price per share of Main Street common stock on December 14, 2005 (the last full NYSE and NASDAQ National Market ( NASDAQ ) trading day before public announcement of the merger) and on [ ], 2006 (the last practicable trading date prior to the date of this proxy statement/ prospectus). The equivalent price per share of Main Street common stock is calculated by multiplying the BB&T per share closing price by the exchange ratio of ..6602, which is the number of shares of BB&T common stock that Main Street shareholders will receive in the merger for each share of Main Street common stock that they own.

| | December 14, 2005 | [ ], 2006 |
|---|---|---|
| BB&T | $43.17 | |
| Main Street | $28.73 | |
| Equivalent Price Per Share of Main Street Common Stock | $28.50 | |

Because the .6602 exchange ratio is fixed, but the market price of BB&T will fluctuate prior to the merger, the equivalent price per share of Main Street common stock will also fluctuate prior to the merger, and you will not know the final equivalent price per share of Main Street common stock when you vote upon the merger.

Set forth below is a table showing a range of prices for a share of BB&T common stock and the corresponding equivalent price per share of Main Street common stock that is to be converted into BB&T common stock in the merger. The table does not reflect the fact that cash will be paid instead of fractional shares.

| Closing Price Per Share of BB&T Common Stock | Equivalent Price Per Share of Main Street Common Stock |
|---|---|
| $50.00 | $33.01 |
| 49.00 | 32.35 |
| 48.00 | 31.69 |
| 47.00 | 31.03 |
| 46.00 | 30.37 |
| 45.00 | 29.71 |
| 44.00 | 29.05 |
| 43.00 | 28.39 |
| 42.00 | 27.73 |
| 41.00 | 27.07 |
| 40.00 | 26.41 |
| 39.00 | 25.75 |
| 38.00 | 25.09 |
| 37.00 | 24.43 |

| | |
|---|---|
| 36.00 | 23.77 |
| 35.00 | 23.11 |

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BB&T common stock is traded on the NYSE under the symbol BBT. Main Street common stock is traded on the NASDAQ under the symbol MSBK. We urge you to obtain information on the market value of BB&T and Main Street common stock that is more recent than that provided in this proxy statement/ prospectus. You should obtain current stock price quotations from a newspaper, the Internet or your broker. The merger agreement does not include a price based-termination right or other protection against declines in the market value of BB&T common stock.

**Each Main Street shareholder should complete, date and sign the enclosed proxy and return it promptly in the prepaid, pre-addressed envelope provided.**

Please do not send in your Main Street stock certificates at this time. You will receive instructions from BB&T shortly after the merger is completed telling you how to exchange your Main Street common stock certificates for merger consideration.

**You Generally Will Not Be Subject to Federal Income Tax on Shares Received in the Merger (page [ ]).**

For federal income tax purposes, the merger will be treated as a reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code ). As a result, except for cash paid instead of fractional shares, you generally will not recognize any taxable gain or loss on the conversion of your shares of Main Street common stock into shares of BB&T common stock in 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 for assistance in understanding fully how the merger will affect you.

**BB&T Expects to Continue to Pay Quarterly Dividends.**

BB&T currently pays regular quarterly cash dividends of $0.38 per share of its common stock, or $.25 per equivalent share of Main Street common stock, and, over the past five years, has had a dividend payout ratio typically in the range of 40% to 50% of earnings and a compound annualized dividend growth rate of 11.2%. BB&T has increased its quarterly cash dividend payments for 34 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, BB&T s financial condition, earnings, regulatory limitations or other factors.

**Main Street s Board of Directors Unanimously Recommends Shareholder Approval (page [ ]).**

The Main Street Board of Directors believes that the merger is in the best interests of Main Street shareholders and unanimously recommends that you vote FOR approval and adoption of the merger and the merger agreement.

**Main Street s Board of Directors Received a Fairness Opinion from Burke Capital Group, L.L.C. (page [ ]; Appendix B).**

Main Street s financial advisor, Burke Capital Group, L.L.C. ( Burke Capital ), has given an opinion to the Main Street Board of Directors that, as of December 14, 2005 (the date the merger agreement was executed) and based on and subject to the considerations described in its opinion, the merger consideration was fair from a financial point of view to holders of shares of Main Street common stock. The full text of this opinion is attached as Appendix B to this proxy statement/ prospectus. We encourage you to read the opinion carefully to understand the assumptions made, matters considered and limitations of the review undertaken by Burke Capital in rendering its fairness opinion. The opinion of Burke Capital has not been updated prior to the date of this document and does not reflect any change in circumstances after December 14, 2005. Upon completion of the merger, Burke Capital will be entitled to a fee in the amount of 0.65% of the gross value of all securities delivered by BB&T to Main Street shareholders plus reimbursement of its reasonable expenses up to $30,000. Based on the five day average closing price of BB&T common stock as of April 10, 2006, Burke Capital would be entitled to a fee of $3,767,235, of which $300,000 was previously paid in connection with Burke Capital delivering the fairness opinion to Main Street.

**Main Street Shareholders Do Not Have Dissent and Appraisal Rights (page [ ]).**

Main Street shareholders do not have the right to dissent from the merger and demand an appraisal of the fair value of their shares in connection with the merger.

**Main Street Shareholders Will Vote on the Merger at the Special Shareholders Meeting to be Held on [ ], 2006 (page [ ]).**

Main Street will hold a special shareholders meeting at 10:00 a.m., Eastern time, on [ ], 2006 at 1201 West Peachtree Street, One Atlantic Center, Suite 3500, Atlanta, Georgia. At the meeting, you will vote on the merger agreement, the proposal to adjourn the special meeting, if necessary, to solicit additional proxies to approve the matters being voted upon at the meeting and any other business that properly arises.

**The Companies (pages [ ]).**

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

BB&T is a financial holding company headquartered in Winston-Salem, North Carolina. BB&T conducts its business operations primarily through its commercial bank subsidiaries, which have offices in North Carolina, South Carolina, Virginia, Maryland, Georgia, West Virginia, Tennessee, Kentucky, Alabama, Florida, Indiana and Washington, D.C. Substantially all of the loans by BB&T s bank and nonbank subsidiaries are to businesses and individuals in these market areas. BB&T s principal bank subsidiaries are Branch Banking and Trust Company ( Branch Bank ), Branch Banking and Trust Company of South Carolina, Branch Banking and Trust Company of Virginia, and BB&T Bankcard Corporation. BB&T s principal assets are all of the issued and outstanding shares of common stock of its subsidiary banks and its nonbank subsidiaries. As of December 31, 2005, BB&T had consolidated total assets of $109.2 billion, consolidated net loans of $75.0 billion, consolidated deposits of $74.3 billion and consolidated shareholders equity of $11.1 billion.

**Main Street Banks, Inc.**
3500 Lenox Road
Atlanta, Georgia 30326
(770) 786-3441

Main Street is a financial holding company operating in the Atlanta, Georgia and Athens, Georgia metropolitan areas. Main Street conducts its business operations primarily through its wholly-owned bank subsidiary, Main Street Bank. Main Street also engages in insurance agency services and payroll processing through its wholly-owned nonbank subsidiaries, Main Street Insurance Services, Inc. and MSB Payroll Solutions, L.L.C., respectively. Main Street provides a broad range of commercial banking, mortgage banking, investment brokerage services and insurance agency services to its retail and commercial customers. As of December 31, 2005, Main Street had consolidated total assets of $2.35 billion, consolidated net loans of $1.78 billion, consolidated deposits of $1.73 billion and consolidated shareholders equity of $295 million.

**The Merger (page [ ]).**

If Main Street shareholders approve the merger agreement at the special meeting, subject to the receipt of necessary regulatory approvals, Main Street will merge into BB&T, with BB&T being the surviving corporation in the merger. Main Street s banking and other subsidiaries, through which it operates, will become wholly owned subsidiaries of BB&T. We currently expect to complete the merger in the second quarter of 2006.

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

**A Vote of a Majority of the Outstanding Shares of Main Street Common Stock Is Required to Approve the Merger (page [ ]).**

Approval of the merger agreement requires the affirmative vote of the holders of at least a majority of the outstanding shares of Main Street common stock entitled to vote. If you fail to vote or abstain, it will have the effect of a vote against the merger agreement. At the record date, the directors and executive officers of Main Street and their affiliates together owned approximately 25.8% of the Main Street common stock entitled to vote at the meeting. Main Street s directors, acting as shareholders, have agreed to vote all shares over which such directors have voting control in favor of the merger and not to transfer any such shares prior to the effective time of the merger. Main Street expects that its directors and executive officers who are able to vote their shares in favor of the merger agreement will do so, although none of them has entered into any agreements obligating them to vote their shares in favor of the merger agreement. Robert R. Fowler III, Director, Chairman of the Executive Committee, and former Chairman of Main Street, intends to vote in favor of the merger all of the approximately 1,308,415 shares (6.1% of the total shares outstanding) of Main Street common stock that he owns personally or holds as a general partner, together with those shares that he holds as executor of, and as trustee of trusts established under, his late mother s will. Mr. Fowler also is the trustee under several trusts established under his late father s will that hold approximately 2,589,000 shares (12.0% of the total outstanding shares). The trusts under Mr. Fowler s father s will provide certain restrictions concerning the voting of shares held by these trusts, but Mr. Fowler is reviewing these trusts with a view to voting the shares held by these trusts in favor of the Merger, if possible.

Brokers who hold shares of Main Street common stock as nominees will not have authority to vote those shares 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. Shares that are not voted because you do not instruct your broker will have the effect of a vote against the merger and the merger agreement.

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

**The Record Date Has Been Set at March 17, 2006; Main Street Shareholders Will Have One Vote per Share of Main Street Common Stock (page [ ]).**

If you owned shares of Main Street common stock at the close of business on March 17, 2006, which is the record date, you are entitled to vote on the merger agreement, the proposal to adjourn the special meeting, if necessary, to solicit additional proxies to approve the matters being voted upon at the meeting and any other matters that properly may be considered at the meeting.

On the record date, there were 21,562,341 shares of Main Street common stock outstanding. At the meeting, you will have one vote for each share of Main Street common stock that you owned on the record date.

**Certain Interests of Main Street Directors and Executive Officers in the Merger that Differ From Your Interests (page [ ]).**

Some of Main Street s directors and executive officers have interests in the merger that differ from, or are in addition to, their interests as Main Street shareholders. In the case of some executive officers and directors of Main Street, these interests exist because of rights under existing employment agreements with, and benefit and compensation plans of, Main Street, as well as under employment agreements or consulting agreements that Samuel B. Hay III, Chief Executive Officer and President of Main Street, Edward C. Milligan, Chairman of Main Street, and Robert R. Fowler, Director, Chairman of the Executive Committee, and former Chairman of Main Street, have entered into with Branch Bank, a wholly owned subsidiary of BB&T, that will become effective upon completion of the merger. The employment and/or consulting agreements between Messrs. Hay, Milligan, and Fowler and Branch Bank were a condition of BB&T s entering into the merger agreement. In addition, stock options and shares of restricted stock awarded under Main Street s stock option plans provide for accelerated vesting upon the completion of the merger.

*Existing Employment Agreements with Main Street.* Messrs. Hay, Milligan, and Fowler s existing employment agreements with Main Street will be terminated upon completion of the merger. The termination of each employment agreement will obligate Main Street to make certain payments to each executive and will cause each executive s outstanding stock options and other incentive awards to immediately vest and any restrictions on awards of restricted stock to lapse. Messrs. Hay, Milligan, and Fowler have agreed to amend their existing employment agreements with Main Street prior to the closing of the merger to reduce the amounts of these payments by an aggregate amount of $1 million in order to fund Main Street s share of an Employee Assistance Program. *See* Employee Assistance Program on page [ ]. Upon completion of the merger, under the terms of their respective employment agreements, as amended, Messrs. Hay, Milligan and Fowler will receive lump sum payments in the amounts of $1,480,187, $1,745,409 and $150,881, respectively.

Upon completion of the merger, David W. Brooks, Executive Vice President and Chief Financial Officer of Main Street, and Gary Austin, Executive Vice President, Risk Manager and Corporate Secretary of Main Street, will have the right to terminate their existing employment agreements with Main Street for good reason which generally is defined in each of their respective employment agreements to mean an adverse change in position or responsibility, a reduction in base salary, elimination of any material employee benefits, relocation outside of the Atlanta, Georgia metropolitan area or material breach of the employment agreement by Main Street. If Messrs. Brooks and Austin terminate their employment agreements for good reason, Main Street expects that each of Messrs. Brooks and Austin will receive a termination payment of $1,147,163 and $500,000, respectively.

*Claims Agreements with Main Street.* Main Street entered into Claims Agreements that modify its existing employment agreements with Max S. Crowe, Executive Vice President and Chief Banking Officer, John T. Monroe, Executive Vice President and Chief Credit Officer, and Richard A. Blair, Executive Vice President, Administration and Operations. The Claims Agreements clarify and reduce the consideration payable to each officer in the event of a change of control under their existing employment agreements, and provide waivers and releases of claims to additional or different consideration from that provided in the Claims Agreements. Under the Claims Agreements, upon completion of the merger, Messrs. Crowe, Monroe, and Blair are entitled to lump sum payments of $1,257,702, $623,630 and $502,192, respectively.

*Employment and Consulting Agreements with Branch Bank.* Main Street s President and Chief Executive Officer, Samuel B. Hay III, has entered into an employment agreement with Branch Bank. The employment agreement provides that Mr. Hay will serve as an Executive Vice President of Branch Bank for a term lasting up to five years following the completion of the merger. However, on the six-month anniversary of the completion of the merger, Mr. Hay may elect to relinquish his position as an employee and become an independent contractor to Branch Bank. Whether Mr. Hay remains an employee of Branch Bank or elects to become an independent contractor, the maximum term of the employment agreement will be five years, unless the parties agree in writing to extend the term of the agreement.

For his services as an Executive Vice President, Mr. Hay will receive a minimum annual base salary of $315,000. In addition, while Mr. Hay is employed by Branch Bank, he will be eligible to receive incentive compensation (such as stock options, restricted stock and other equity awards) and employee retirement benefits on the same terms as similarly situated officers of Branch Bank.

If Mr. Hay elects to become an independent contractor to Branch Bank, he will be paid $300,000 annually in exchange for providing consulting services and as consideration for noncompetition and other covenants contained in the employment agreement. As an independent contractor, Mr. Hay will not be eligible to participate in any of Branch Bank s employee benefit plans, except for elective coverage under group health plan benefits.

Branch Bank and Mr. Hay each will have certain rights to terminate the employment agreement and Mr. Hay may be entitled to certain payments following termination. For a complete discussion please *see* page [ ].

Each of Edward C. Milligan, Chairman of Main Street, and Robert R. Fowler, Director, Chairman of the Executive Committee, and former Chairman of Main Street, has entered into a consulting agreement with

Branch Bank. The term of each consulting agreement commences on the completion of the merger and lasts for three years, unless the agreement is earlier terminated in accordance with its terms. Under each respective agreement, Mr. Milligan will be paid a total of $900,000 and Mr. Fowler will be paid a total of $875,565 in thirty-six (36) equal monthly installments in exchange for providing consulting services and in consideration of noncompetition, nonsolicitation, confidentiality and other covenants contained in each respective consulting agreement.

BB&T also will cause Branch Bank to offer to enter into a three-year employment/consulting agreement with Max S. Crowe, Executive Vice President and Chief Banking Officer of Main Street.

In addition, BB&T will cause Branch Bank to offer at-will employment to David W. Brooks, Executive Vice President and Chief Financial Officer of Main Street, John T. Monroe, Executive Vice President and Chief Credit Officer of Main Street, Gary S. Austin, Executive Vice President, Risk Management of Main Street, and Richard A. Blair, Executive Vice President, Administration and Operations of Main Street.

*Board of Directors of Branch Bank.* Following completion of the merger, BB&T will cause the Branch Bank Board of Directors to elect Robert R. Fowler to serve on the Branch Bank Board of Directors until the next Branch Bank annual meeting of shareholders. Members of the Branch Bank Board of Directors who are not employees of, or under contract with, BB&T or an affiliate are entitled to receive fees for services as a director in accordance with the policies of BB&T as in effect from time to time. During calendar year 2005, with the exception of a few directors, members of the Branch Bank Board of Directors received an annual retainer fee equal to $5,000 and attendance fees equal to $1,000 for each board or committee meeting that the board member attended. So long as Mr. Fowler s consulting agreement remains in effect he will not be eligible to receive these board fees.

*Advisory Board.* Following completion of the merger, BB&T will cause the election of Edward C. Milligan to the BB&T Georgia State Board and other members of the Main Street Board of Directors will be offered positions on the BB&T advisory board serving the region formerly served by Main Street for such period of time as determined by BB&T. BB&T will pay compensation to such directors for their service on such BB&T local advisory boards for a period of two years after completion of the merger in the form of an annual retainer equal to the amount of fees each director received for serving on the Main Street Board of Directors in 2005. Five of these directors will be entitled to receive an annual retainer in the amount of $27,400. One of these directors will be entitled to receive an annual retainer in the amount of $33,400, which reflects his prior service and compensation as Chairman of Main Street s Audit Committee. After the expiration of such two-year period, if a director continues to serve on the local advisory board, BB&T will pay compensation to such director for his or her service on the BB&T local advisory board consistent with BB&T s fee policies for advisory board members.

The Main Street Board of Directors 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 these arrangements are described under the heading Certain Interests of Main Street s Directors and Officers in the Merger on page **[ ]**.

**BB&T Will Assume Main Street Stock Options (page [ ]).**

When the merger is completed, outstanding options to purchase Main Street common stock with respect to Main Street common stock granted to Main Street employees and directors under Main Street s equity-based plans will be assumed by BB&T and become options in respect of BB&T common stock (or substitute options to acquire BB&T common stock will be granted). At its election, BB&T may substitute, as of the effective time of the merger, options under the BB&T Corporation 2004 Stock Incentive Plan or any other duly adopted comparable plan for all or a part of the Main Street stock options, subject to certain conditions provided for in the merger agreement. The number of shares subject to these options (and the exercise price thereof), will be adjusted to reflect the exchange ratio. Most stock options awarded to Main Street employees and directors provide for accelerated vesting upon a transaction such as the merger.

**Regulatory Approvals We Must Obtain for the Merger to Occur (page [ ]).**

The merger is subject to the approval of, or notice to, certain regulatory authorities, including the Board of Governors of the Federal Reserve ( Federal Reserve ), the Virginia Bureau of Financial Institutions and the Georgia Department of Banking and Finance. All such approvals have been received and all applicable waiting periods have expired.

**There Are Other Conditions That Must Be Satisfied or Waived Before BB&T and Main Street Are Able To Complete the Merger (page [ ]).**

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

- approval of the merger agreement by the holders of a majority of Main Street s outstanding common stock;
- the continuing accuracy of the parties representations in the merger agreement;
- compliance, in all material respects, by each party with its obligations and covenants under the merger agreement;
- 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;
- the approval for listing on the NYSE of the shares of BB&T common stock issuable pursuant to the merger agreement; and
- the absence of any order, decree or injunction of a court or agency of competent jurisdiction which enjoins or prohibits completion of the transactions contemplated by the merger agreement.

**Termination of the Merger Agreement (pages [ ]).**

We can mutually agree at any time to terminate the merger agreement without completing the merger. Either company also can unilaterally terminate the merger agreement if:

- the merger is not completed by July 1, 2006;
- the shareholders of Main Street do not approve the merger;
- any condition that must be satisfied to complete the merger cannot be satisfied or fulfilled;
- 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; or
- any of the required regulatory approvals are denied, and the time period for appeals and requests for reconsideration have expired.

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 may also terminate the merger agreement if, prior to the completion of the merger, the Main Street Board of Directors:

- withdraws its recommendation or refuses to recommend, without any adverse conditions or qualifications, to the shareholders of Main Street that they approve the merger agreement; or
- recommends the approval of a competing acquisition proposal for Main Street.

**BB&T and Main Street May Amend the Merger Agreement (page [ ]).**

BB&T and Main Street can agree to amend the merger agreement in any way, except that after the shareholders meeting we cannot amend the agreement to decrease or adversely affect the consideration that

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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.

**In Some Circumstances Main Street May Be Required to Pay BB&T a Termination Fee (page [ ]).**

Under the limited circumstances described below, Main Street will be required to pay to BB&T a termination fee of $20 million.

The termination fee would be payable if the merger agreement is terminated for one of the following reasons:

BB&T terminates because Main Street is in material breach of the merger agreement and such breach is not cured or cannot be cured;

BB&T terminates because prior to the Main Street shareholders meeting, the Main Street Board of Directors withdrew or disclosed its intention to withdraw or materially and adversely modify its recommendation, or refused to recommend, without any adverse conditions or qualifications, to the Main Street shareholders that they vote to approve the merger, or recommended to Main Street shareholders that they approve an acquisition of Main Street by a third party; or

Either Main Street or BB&T terminates because the Main Street shareholders did not vote to approve the merger agreement.

AND

Prior to such termination an acquisition proposal by a third party with respect to Main Street has been commenced, publicly proposed or publicly disclosed.

AND

Within 12 months of termination of the merger agreement, Main Street completes or enters into a definitive agreement with another party with respect to the acquisition of Main Street.

The termination fee also would be payable by Main Street to BB&T if:

after receiving an acquisition proposal from a third party, the Main Street Board does not take action to convene the Main Street shareholders meeting and/or recommend that Main Street shareholders adopt the merger agreement;

AND

within 12 months of termination of the merger agreement, Main Street completes or enters into a definitive agreement with another party with respect to the acquisition of Main Street, except that BB&T would not be entitled to a termination fee under this scenario if the merger agreement is terminated by mutual consent of BB&T and Main Street or because any governmental approval required to complete the merger is denied by final, nonappealable action of a governmental authority.

The termination fee, which was a condition of BB&T s willingness to enter into the merger agreement, limits the ability of Main Street to pursue competing acquisition proposals and discourages other companies from offering to acquire Main Street.

**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 Main Street. 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. Based on a closing price of $[ ] of BB&T common stock on the NYSE on [ ], 2006, management of BB&T estimates that the total merger consideration (including issuance of common stock and assumption of options on common stock) if the closing occurred on such date would be approximately $[ ] million (based on the number of fully diluted shares of Main Street outstanding on that date). Utilizing information as of December 31, 2005 estimated goodwill and other intangibles are currently expected to total approximately $328.0 million. BB&T will include in its consolidated results of operations the results of Main Street s operations after the merger is completed. Due to the fact that the proposed transaction is not material to BB&T, no pro forma financial information is included in this proxy statement/ prospectus, except to the extent included under Comparative Per Share Data on page **[ ]** of this proxy statement/ prospectus.

**Share Price Information.**

BB&T common stock is traded on the NYSE under the symbol BBT. On December 14, 2005, the last full NYSE trading day before public announcement of the merger, BB&T common stock closed at $43.17. On [ ], 2006, BB&T common stock closed at the end of regular trading at [$ ]. The market price of BB&T will fluctuate prior to the merger. You should obtain current stock price quotations from a newspaper, the Internet or your broker.

Main Street s common stock is publicly traded on the NASDAQ under the symbol MSBK. On December 14, 2005, the last full NASDAQ trading day before public announcement of the merger, Main Street common stock closed at $28.73. On [ , ], 2006, Main Street common stock closed at [$ ].

**There are Differences Between the Rights of BB&T s and Main Street s Shareholders (page [ ]).**

The rights of Main Street shareholders are currently governed by Main Street s Articles of Incorporation, Bylaws and the Georgia Business Corporation Code. Following the merger, Main Street shareholders will become BB&T shareholders, and their rights will be governed by BB&T s Articles of Incorporation, Bylaws and the North Carolina Business Corporation Act. There are differences between the rights of BB&T shareholders and the rights of Main Street shareholders. A discussion of the rights of BB&T and Main Street shareholders is set forth in Comparison of the Rights of BB&T Shareholders and Main Street Shareholders on page **[ ]**.

**BB&T Common Stock Issued in the Merger will be Listed on the NYSE.**

BB&T will list the shares of its common stock to be issued in the merger on the NYSE.

**What You Need to Do Now.**

After you have carefully read this document, please vote your shares of Main Street common stock by completing, signing, dating and mailing the enclosed proxy form in the return envelope provided as soon as possible so that your shares will be represented at the special meeting. If you sign and send in your proxy and do not indicate how you want to vote, your proxy will be counted as a vote in favor of the proposals. If you do not vote or you abstain, it will have the effect of a vote against the merger proposal.

After the merger, you will have to surrender your Main Street common stock certificates in order to receive new certificates representing the number of shares of common stock of BB&T or any cash you are entitled to receive in the merger. Please do not send certificates until after receipt of written instructions from BB&T following completion of the merger.

**Comparative Market Prices and Dividends.**

BB&T common stock is listed on the NYSE under the symbol BBT, and Main Street common stock is listed on the NASDAQ under the symbol MSBK. The table below shows the high and low sales prices of BB&T common stock and Main Street common stock and cash dividends paid per share for the last two fiscal years plus the interim period for the first quarter of 2006. The merger agreement restricts Main Street s ability to increase dividends; however, Main Street was permitted to pay and has paid a quarterly dividend in the first quarter 2006 up to $0.16775 per share of Main Street common stock, which is an increase from the immediately preceding dividend paid in 2005.

| | BB&T | | | Main Street | | |
|---|---|---|---|---|---|---|
| | **High** | **Low** | **Cash Dividend** | **High** | **Low** | **Cash Dividend** |
| Quarter Ended | | | | | | |
| June 30, 2006 (through April , 2006) | | | | | | |
| March 31, 2006 | $42.85 | $38.24 | $0.38 | | | $ 0.165 |
| Quarter Ended | | | | | | |
| March 31, 2005 | $42.24 | $37.68 | $0.35 | $35.34 | $26.35 | $0.1525 |
| June 30, 2005 | 40.95 | 37.04 | 0.35 | 26.46 | 22.58 | 0.1525 |
| September 30, 2005 | 43.00 | 38.56 | 0.38 | 28.48 | 25.27 | 0.1525 |
| December 31, 2005 | 43.92 | 37.39 | 0.38 | 29.01 | 25.00 | 0.1525 |
| For year 2005 | $43.92 | $37.04 | $1.46 | $35.34 | $22.58 | $ 0.61 |
| Quarter Ended | | | | | | |
| March 31, 2004 | $38.80 | $34.48 | $0.32 | $27.50 | $24.90 | $ 0.135 |
| June 30, 2004 | 37.91 | 33.02 | 0.32 | 28.82 | 25.62 | 0.135 |
| September 30, 2004 | 40.46 | 36.38 | 0.35 | 30.60 | 26.46 | 0.135 |
| December 31, 2004 | 43.25 | 38.67 | 0.35 | 34.93 | 28.55 | 0.135 |
| For year 2004 | $43.25 | $33.02 | $1.34 | $34.93 | $24.90 | $ 0.54 |

The table below shows the closing price of BB&T common stock and Main Street common stock on December 14, 2005, the last full NYSE and NASDAQ trading day before public announcement of the proposed merger.

| | |
|---|---|
| BB&T historical | $ 43.17 |
| Main Street historical | $ 28.73 |
| Main Street pro forma equivalent(1) | $ 28.50 |

(1) Reflects the pro-forma equivalent closing price of the BB&T common stock that would be received by Main Street shareholders in the merger based on an exchange ratio of .6602 shares of BB&T common stock for each share of Main Street common stock.

**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 Main Street s audited financial statements for 2001 through 2005. 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 and incorporated by reference into this proxy statement/ prospectus. *See* Where You Can Find More Information on page [ ]. You should not rely on the historical information as being indicative of results expected for any future interim period.

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

| | As of and For the Year Ended December 31 | | | | |
|---|---|---|---|---|---|
| | **2005** | **2004** | **2003** | **2002** | **2001** |
| Net interest income | $ 3,524,873 | $ 3,348,223 | $ 3,082,005 | $ 2,747,460 | $ 2,433,679 |
| Net income | 1,653,769 | 1,558,375 | 1,064,903 | 1,303,009 | 973,638 |
| Basic earnings per share | 3.02 | 2.82 | 2.09 | 2.75 | 2.15 |
| Diluted earnings per share | 3.00 | 2.80 | 2.07 | 2.72 | 2.12 |
| Cash dividends per share | 1.46 | 1.34 | 1.22 | 1.10 | 0.98 |
| Book value per share | 20.49 | 19.76 | 18.33 | 15.70 | 13.50 |
| Total assets | 109,169,759 | 100,508,641 | 90,466,613 | 80,216,816 | 70,869,945 |
| Long-term debt | $ 13,118,559 | $ 11,419,624 | $ 10,807,700 | $ 13,587,841 | $ 11,721,076 |

**Main Street Historical Financial Information**
**(Dollars in thousands, except for per share amounts)**

| | As of and For the Year Ended December 31 | | | | |
|---|---|---|---|---|---|
| | **2005** | **2004** | **2003** | **2002** | **2001** |
| Net interest income | $ 91,133 | $ 82,409 | $ 71,370 | $ 54,298 | $ 49,530 |
| Net income | 29,395 | 30,950 | 26,699 | 20,471 | 14,347 |
| Basic earnings per share | 1.37 | 1.59 | 1.49 | 1.30 | 0.92 |
| Diluted earnings per share | 1.35 | 1.54 | 1.44 | 1.26 | 0.89 |
| Cash dividends per share | 0.61 | 0.54 | 0.48 | 0.42 | 0.36 |
| Book value per share | 13.73 | 13.14 | 10.68 | 8.11 | 6.70 |
| Total assets | 2,350,518 | 2,326,442 | 1,971,765 | 1,381,990 | 1,110,168 |
| Long-term debt | $ 239,582 | $ 252,617 | $ 191,605 | $ 55,155 | $ 75,121 |

**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 the 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. The pro forma calculations reflect that all Main Street shareholders will receive per share stock consideration of .6602 shares of BB&T common stock for each outstanding share of Main Street common stock (an aggregate of [ ] million shares of BB&T common stock). We assume that the merger occurred as of the beginning of the fiscal periods presented (or in the case of shareholders equity, as of the date specified). 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.

| | **At or for the year ended December 31, 2005** |
|---|---|
| **Earnings per common share:** | |
| Basic: | |
| BB&T historical | $ 3.02 |
| Main Street historical | 1.37 |
| Pro Forma combined | 3.02 |
| Main Street pro forma equivalent of one Main Street common share | 1.99 |
| Diluted: | |
| BB&T historical | 3.00 |
| Main Street historical | 1.35 |
| Pro Forma combined | 2.99 |
| Main Street pro forma equivalent of one Main Street common share | 1.98 |
| **Cash dividends paid per common share (note 1):** | |
| BB&T historical | 1.46 |
| Main Street historical | 0.61 |
| Pro Forma combined | 1.46 |
| Main Street pro forma equivalent of one Main Street common share | .9639 |
| **Shareholders equity per common share:** | |
| BB&T historical | 20.49 |
| Main Street historical | 13.73 |
| Pro Forma combined | 21.09 |
| Main Street pro forma equivalent of one Main Street common share | 13.92 |

**Note 1:** The pro forma combined information incorporates historical dividends of BB&T because BB&T currently has no intention of changing its dividend policy as a result of the merger. The merger agreement permits Main Street to pay quarterly cash dividends in an amount not to exceed the per share amount declared and paid in accordance with past practices, provided that Main Street may pay a quarterly dividend in the first quarter 2006 up to $0.16775 per share of Main Street common stock, which is an increase from the immediately preceding dividend paid in 2005.

**Recent Developments.**

On January 12, 2006, BB&T Corporation announced that it would acquire privately held First Citizens Bancorp in a $142.6 million transaction that would strengthen BB&T s presence in east Tennessee, including the fast growing Interstate 75 corridor between Knoxville and Chattanooga. With $686 million in assets as of September 30, 2005, Cleveland-based First Citizens Bancorp is the fourth largest bank in east Tennessee. First Citizens shareholders can elect to receive either 1.30 shares of BB&T common stock for each of their shares or a cash option. The cash amount would be BB&T s average share price for a five-day period prior to closing multiplied by 1.30 (limited to 25 percent of First Citizens shares outstanding at closing).

## RISK FACTORS

In addition to the other information included in this proxy statement/prospectus, you should carefully consider the matters described below in determining whether to approve the merger agreement. Please also refer to the additional risk factors identified in A Warning About Forward-Looking Information on page and in the periodic reports and other documents of BB&T and Main Street incorporated by reference into this document and listed in Where You Can Find More Information on page .

***Because the Market Price of BB&T Common Stock may Fluctuate, You Cannot be Sure of the Market Value of the BB&T Common Stock that You Will Receive in the Merger.***

You will receive .6602 shares of BB&T common stock for each share of Main Street common stock if the merger is completed. The merger agreement does not provide for any adjustment to the exchange ratio for changes in the stock price of either of Main Street s or BB&T s stock. Changes in the price of BB&T common stock from the date of the merger agreement, from the date of this proxy statement/prospectus and from the date of the special meeting will affect the value of the merger consideration that you receive in the merger. On December 14, 2005, the day before the merger was announced, the per share closing price for BB&T common stock on the New York Stock Exchange was $43.17, or an equivalent price per share of Main Street common stock of $28.50. On April , 2006, the most recent practicable date before the mailing of this proxy statement/prospectus, the closing price was $ , or an equivalent price per share of Main Street common stock of $ . BB&T s common stock price may increase or decrease before and after the merger due to a variety of factors, including, without limitation, general market and economic conditions, changes in BB&T s businesses, operations and prospects and regulatory considerations. Many of these factors are beyond BB&T s control.

***Main Street Shareholders Will Receive Shares in the Merger with a Pro Forma Equivalent Tangible Book Value per Share Less than the Tangible Book Value per Share of the Shares they Own Prior to the Merger.***

As of December 31, 2005, the tangible net book value per share of Main Street common stock was $8.99 and the tangible net book value per share of BB&T common stock was $11.76. After giving effect to the exchange ratio of .6602, the pro forma equivalent tangible net book value per share of BB&T common stock for each share of Main Street common stock would be $7.76, or approximately 13.7% less than the tangible net book value per share of Main Street common stock.

***Main Street s Executive Officers and Directors Have Interests in the Merger in Addition to or Different from Your Interest as a Main Street Shareholder.***

Main Street s board of directors directed the negotiation of the merger agreement with BB&T, approved the agreement and is recommending that Main Street shareholders vote for the merger agreement. In considering these facts and the other information contained in this proxy statement/prospectus, you should be aware that certain of Main Street s executive officers and directors have economic interests in the merger in addition to the interests that they share with you as a Main Street shareholder. As described in detail under the heading The Merger Certain Interests of Main Street s Directors and Officers in the Merger on page , there are substantial financial interests to be conveyed to certain executive officers of Main Street under the terms of certain existing employment agreements and due to the accelerated vesting of Main Street stock options and restricted stock awards. In addition, as a condition to BB&T s willingness to enter into the merger agreement, certain executive officers and directors of Main Street have entered into employment and/or consulting agreements with Branch Bank to be effective following the merger. Certain of the directors of Main Street will serve on a Branch Bank local advisory board following the merger and will receive compensation that is the same as they received as directors of Main Street for the two years following the effective time of the merger for such service equal to the compensation they have received from their service on the Main Street board of directors. See The Merger Certain Interests of Main Street s Directors and Officers in the Merger Advisory Boards.

***The Fairness Opinion Obtained by Main Street From its Financial Advisor Will not Reflect Changes in Circumstances Prior to the Merger.***

Burke Capital Group, L.L.C., the financial advisor to Main Street, has delivered a fairness opinion to the Board of Directors of Main Street. The opinion states that as of December 14, 2005, the exchange ratio in the merger is fair from a financial point of view to Main Street s shareholders. The opinion does not reflect changes that may occur or may have occurred after December 14, 2005, including changes to the operations and prospects of Main Street or BB&T, changes in general market and economic conditions or other factors. Because Main Street does not plan to ask Burke Capital to update its opinion, the December 14, 2005 opinion may not accurately address the fairness of the merger consideration, from a financial point of view, at the time the merger is completed.

***Main Street s Shareholders Will Not Control BB&T s Future Operations.***

Following the merger, Main Street shareholders in the aggregate will become the owners of approximately 2.5% of the outstanding shares of BB&T common stock. Accordingly, former Main Street shareholders will not have a significant impact on the election of directors or on whether future BB&T proposals to its shareholders are approved or rejected.

## A WARNING ABOUT FORWARD-LOOKING INFORMATION

BB&T and Main Street 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 Main Street 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 Main Street as of the date of the merger agreement, and should be read in conjunction with the notices about forward-looking statements made by BB&T and Main Street in their reports filed under the Securities Exchange Act of 1934, as amended. Forward-looking statements include the information concerning possible or assumed future results of operations of BB&T or Main Street 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, indicates, anticipates, intends, plans, projects, es similar expressions. *See* Where You Can Find More Information on page [ ].

BB&T and Main Street have made statements in this document and in other documents to which this document refers regarding estimated earnings per share of BB&T on a stand-alone basis, expected cost savings from the merger, estimated merger or restructuring charges, estimated increases in Main Street s fee income ratio and net interest margin, the anticipated accretive effect of the merger and BB&T s anticipated performance in future periods. With respect to estimated cost savings and merger or restructuring charges, BB&T has made assumptions about, among other things, the extent of operational overlap between BB&T and Main Street, the amount of general and administrative expense consolidation, costs relating to converting Main Street s bank operations and data processing to BB&T s systems, the size of anticipated reductions in fixed labor costs, the amount of severance expense, the extent of the charges that may be necessary to align the companies respective accounting policies and the costs related to the merger. The realization of cost savings and the amount of merger or restructuring charges are subject to the risk that the foregoing assumptions are inaccurate 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 possibilities:

- expected cost savings from the merger or other previously announced mergers may not be fully realized or realized within the expected time frame;
- deposit attrition, customer loss or revenue loss following proposed mergers may be greater than expected;
- competitive pressure among depository and other financial institutions, especially those targeted at Main Street s customers, may increase significantly;
- costs or difficulties related to the integration of the businesses of BB&T and its merger partners, including Main Street, may be greater than expected;
- changes in the interest rate environment may reduce margins;
- 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 credit;
- legislative or regulatory changes, including changes in accounting standards, may adversely affect the businesses in which BB&T and Main Street are engaged;
- adverse changes may occur in the securities markets; and

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

Management of each of BB&T and Main Street believes the forward-looking statements about its company in this document are reasonable; however, shareholders of Main Street 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 stock valuations 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 BB&T s and Main Street s ability 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 Main Street 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 Main Street 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.

## SPECIAL SHAREHOLDERS MEETING

### General

This proxy statement/ prospectus is being furnished to you in connection with the solicitation of proxies by the Main Street Board of Directors from holders of Main Street common stock, for use at the special meeting of shareholders to be held at 1201 West Peachtree Street, One Atlantic Center, Suite 3500, Atlanta, Georgia on [ ], 2006 at 10:00 a.m., Eastern time, and at any adjournments or postponements of the special meeting. At the special meeting of shareholders, holders of Main Street common stock will be asked to vote upon the following proposals:

- approval and adoption of the Agreement and Plan of Merger, dated December 14, 2005 between BB&T and Main Street pursuant to which Main Street would merge with and into BB&T. In this proxy statement/ prospectus, we refer to the Agreement and Plan of Merger as the merger agreement. A copy of the merger agreement is attached hereto as Appendix A;

- approval of the adjournment of the special meeting, if necessary, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to approve the above proposal; and

- such other matters as may properly come before the special meeting.

Proxies may be voted on other matters that may properly come before the special meeting, if any, at the discretion of the proxy holders. The Main Street Board of Directors knows of no such other matters except those incidental to the conduct of the special meeting.

### Who Can Vote at the Special Meeting

The Main Street Board of Directors has fixed the close of business (5:00 p.m., Eastern Standard Time) on March 17, 2006 as the record date for determining the holders of Main Street common stock entitled to notice of, and to vote at, the special meeting. Only holders of record of Main Street common stock at the close of business on the record date will be entitled to notice of, and to vote at, the special meeting.

On the record date, there were 21,562,341 shares of Main Street common stock issued and outstanding and entitled to vote at the special meeting, held by approximately 1,770 holders of record. Holders of record of Main Street common stock are entitled to one vote per share on any matter which may properly come before the special meeting. Votes may be cast at the special meeting in person or by proxy.

The presence at the special meeting, either in person or by proxy, of the holders of a majority of the outstanding Main Street common stock entitled to vote, is necessary to constitute a quorum in order to transact business at the special meeting. However, in the event that a quorum is not present at the special meeting, it is expected that the special meeting will be adjourned or postponed in order to solicit additional proxies.

**Attending the Special Meeting**

If you are a beneficial owner of Main Street 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 special meeting. A recent brokerage statement or letter from a bank or broker are examples of proof of ownership.

**Vote Required**

The presence, in person or by properly executed proxy, of a majority of the Main Street common stock entitled to vote is necessary to constitute a quorum at the special meeting. All votes for or against, as well as all abstentions, will be counted for the purpose of determining whether a quorum is present. Brokers who hold shares of Main Street common stock as nominees will not have discretionary authority to vote such shares in the absence of instructions from the beneficial owners of those shares. Any shares which are not voted because the nominee-broker lacks such discretionary authority ( broker non-votes ) will nevertheless be counted for the purpose of determining whether a quorum is present.

Approval and adoption of the merger agreement will require the affirmative vote of holders of a majority of the shares of Main Street common stock entitled to vote on the record date. In determining whether the proposal to approve and adopt the merger agreement has received the requisite number of affirmative votes, broker non-votes and abstentions will have the same effect as a vote against the proposal.

Approval of the proposal to adjourn the special meeting, if necessary, to solicit additional proxies, and action on any other matter that is properly presented at the special meeting for consideration of the shareholders require the affirmative vote of a majority of the votes cast at the special meeting. Because the required vote is based on the affirmative vote of a majority of the votes cast, failures to vote, abstentions and broker non-votes will not be treated as votes cast and, therefore, will have no effect on either the proposal to adjourn the special meeting, if necessary, to solicit additional proxies, or any other matter that is properly presented. The Main Street Board of Directors is not aware of any other business to be presented at the special meeting other than as described above and other than matters incidental to the conduct of the special meeting.

As noted above, failures to vote, abstentions and broker non-votes will have the same effect as votes against the merger agreement. Accordingly, the Main Street Board of Directors urges you to complete, date and sign the accompanying proxy and return it promptly in the enclosed postage prepaid envelope or to otherwise vote your shares in another approved manner.

**You should <u>not</u> return your stock certificates with your proxy cards.** The procedure for surrendering your stock certificates is described under The Merger Exchange of Main Street Stock Certificates on page [ ].

As of the record date, Main Street s directors and executive officers and their affiliates may be deemed to be the beneficial owners of approximately 25.8% of the outstanding shares of Main Street common stock (not including shares that may be acquired upon the exercise of stock options). As of the record date, the directors and officers of BB&T, their affiliates, BB&T and its subsidiaries owned less than 1% of the outstanding shares of Main Street common stock. Main Street expects that its directors and executive officers who are able to vote their shares in favor of the merger agreement will do so, although none of them has entered into any agreements obligating them to vote their shares in favor of the merger agreement. Robert R. Fowler III, Director, Chairman of the Executive Committee, and former Chairman of Main Street, intends to vote in favor of the merger all of the approximately 1,308,415 shares (6.1% of the total shares outstanding) of Main Street common stock that he owns personally or holds as a general partner, together with those shares that he holds as executor of, and as trustee of trusts established under, his late mother s will. Mr. Fowler also is the trustee under several trusts established under his late father s will that hold approximately 2,589,000 shares (12.0% of the total outstanding shares). The trusts under Mr. Fowler s father s will provide certain restrictions concerning the voting of shares held by these trusts, but Mr. Fowler is reviewing these trusts with a view to voting the shares held by these trusts in favor of the merger, if possible.

**How to Vote in Person**

If your shares are registered directly in your name, you are considered the shareholder of record, and you may vote in person at the special meeting. If you want to vote your shares of Main Street common stock held in street name in person at the special meeting, you will have to get a written proxy in your name from the broker, bank or other nominee who holds your shares. The grant of a proxy on the enclosed proxy card does not preclude a shareholder from voting in person.

**How to Vote by Proxy**

Whether you hold shares directly as the shareholder of record or beneficially in street name, you may direct how your shares are voted without attending the special meeting. If you are a shareholder of record, you may vote by any of the methods described below. If you hold shares beneficially in street name, you may vote by submitting voting instructions to your broker, trustee or nominee. For directions on how to vote, please refer to the instructions below and those included on your proxy card. For shares of Main Street common stock held beneficially in street name, please review the voting instruction card provided by your bank or brokerage firm.

*Voting over the Internet.* Shareholders of record of Main Street common stock with Internet access may submit proxies from any location in the world by following the Vote by Internet instructions on their proxy cards. Most of Main Street s shareholders who hold shares beneficially in street name may be able to vote by accessing the website specified on the voting instruction cards provided by their bank or brokerage firm. Please check the voting instruction card for Internet voting availability.

*Voting by Telephone.* Shareholders of record of Main Street common stock who live in the United States or Canada may submit proxies by following the Vote by Phone instructions on their proxy cards. Most of Main Street s shareholders who hold shares beneficially in street name may be able to vote by phone by calling the number specified on the voting instruction cards provided by their bank or brokerage firm. Please check the voting instruction card for telephone voting availability.

*Voting by Mail.* Shareholders of record of Main Street common stock may submit proxies by completing, signing and dating the enclosed proxy card and mailing them in the accompanying pre-addressed envelopes. Main Street s shareholders who hold shares beneficially in street name may vote by mail by completing, signing and dating the voting instruction cards provided by their bank or brokerage firm and mailing them in the accompanying pre-addressed envelopes.

**How Proxies Work**

Shares represented by properly submitted proxies received in time for the special meeting will be voted at the special meeting in the manner specified by such proxies unless the proxies are revoked as described below. If your proxy is properly executed but does not contain voting instructions, your proxy will be voted **FOR** approval of the merger agreement and **FOR** approval of the proposal to adjourn the special meeting, if necessary, to solicit additional proxies.

If other matters are properly presented before the special meeting, the persons named in such proxy will have authority to vote in accordance with their judgment on any other such matters. It is not expected that any matter other than as described in this proxy statement/ prospectus will be brought before the special meeting.

**How to Revoke a Proxy**

You may revoke a proxy at any time prior to your proxy being voted at the special meeting by:

- prior to the special meeting, delivering a written notice of revocation bearing a later date or time than the proxy to 3500 Lenox Road, Atlanta, Georgia 30326, Attention: Corporate Secretary;

- prior to the special meeting, submitting another proxy by mail or by hand delivery that is later dated and that is properly signed, dated and completed; or oral revocation at the special meeting in person to any of the persons named on the enclosed proxy card. Attendance at the special meeting will not by itself constitute revocation of a proxy; you must specifically revoke as described above.

Any proxy submitted over the Internet or by telephone also may be revoked by submitting a new proxy over the Internet or by telephone.

**Solicitation of Proxies**

BB&T and Main Street will each pay 50% of the cost of printing this proxy statement/ prospectus, and Main Street will pay all other costs of soliciting proxies from record and beneficial owners of Main Street common stock. Directors, officers and other employees of Main Street or its subsidiaries may solicit proxies personally, by telephone, by facsimile or otherwise. None of these people will receive any special compensation for solicitation activities. Main Street has hired Georgeson Shareholder Services, a proxy solicitation firm, to assist in soliciting proxies for a fee of $8,500 plus $5.00 per call made or received by the firm and reimbursement of reasonable expenses. Main Street 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 Main Street will reimburse these record holders for their reasonable out-of-pocket expenses.

If Main Street s shareholders vote to adjourn the special meeting, if necessary, to solicit additional proxies, the special meeting may be adjourned without notice, other than by an announcement made at the special meeting. Any adjournment or postponement of the special meeting for the purpose of soliciting additional proxies will allow Main Street shareholders who have already sent in their proxies to revoke them at any time prior to their use.

**Recommendation of the Main Street Board of Directors**

The Main Street Board of Directors has unanimously approved the merger agreement and believes that the proposed transaction is fair to and in the best interests of Main Street and its shareholders. **The Main Street Board of Directors unanimously recommends that Main Street s shareholders vote FOR approval of the merger agreement.** *See* The Merger Background of and Reasons for the Merger on page [ ]. Members of Main Street s Board of Directors will receive benefits from the merger that are in addition to those received by other Main Street shareholders. These benefits are described in the Certain Interests of Main Street s Directors and Officers in the Merger section beginning on page [ ].

## 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

The merger agreement provides for the merger of Main Street into BB&T, with BB&T being the surviving corporation in the merger. Main Street is a Georgia corporation which is governed by the Georgia Business Corporation Code ( GBCC ), Main Street s Articles of Incorporation and Main Street s Bylaws. BB&T is a North Carolina corporation which is governed by the North Carolina Business Corporation Act ( NCBCA ), BB&T s Articles of Incorporation and BB&T s Bylaws. On the effective date of the merger, each share of Main Street common stock then issued and outstanding will be converted into, and exchanged for, the right to receive .6602 shares of BB&T common stock. Shares held by Main Street or BB&T, other than shares held in a fiduciary capacity or as collateral for debts previously contracted, will not be converted to BB&T common stock.

### Background of and Reasons for the Merger

Main Street s Board of Directors has periodically explored and assessed strategic options available to achieve Main Street s ultimate goals of fully utilizing its capital, achieving a 15% return on equity, and maximizing shareholder value. These strategic discussions have included the possibility of accelerating branch openings, acquisitions of smaller institutions by Main Street, business combinations involving Main Street and other equally-sized financial institutions, and a possible sale of Main Street to a larger regional or national financial institution.

In August 2005, the Main Street Board of Directors decided it was appropriate to engage an investment banking firm to advise it on its strategic alternatives. After considering several alternatives, the Main Street Board of Directors decided to engage Burke Capital as its financial advisor based on its extensive merger advisory experience and other significant qualifications. Burke Capital has a detailed knowledge of Main Street, is extremely familiar with the Atlanta banking market, and has significant knowledge of many potential partners for a merger or sale of Main Street. At this time, the Main Street Board of Directors also created a strategy committee composed of T. Ken Driskell, Robert R. Fowler III, Edward C. Milligan, and Samuel B. Hay III to evaluate the advice of Burke Capital and make recommendations to the full Main Street Board of Directors on strategic options.

In the following weeks, Main Street provided Burke Capital with detailed reports regarding Main Street including: company history, markets, management, past and current financial performance, projected financial performance, business plan, asset quality, and branch locations. Mr. Hay and David W. Brooks II, Main Street s Chief Financial Officer, regularly met with Burke Capital and helped compile a confidential information statement on Main Street to be used by Burke Capital in assessing strategic alternatives and to provide to potential partners who may have an interest in learning more about Main Street. Burke Capital also worked to develop a list of potential partners who may have an interest in acquiring Main Street and developed comparison analyses of each of these companies based on available financial performance as well as stock characteristics.

In late September 2005, Burke Capital contacted sixteen bank holding companies about their potential interest in acquiring Main Street. Eight of these companies indicated an interest. Burke Capital entered into confidentiality agreements on behalf of Main Street with each of these companies and provided each with a confidential information statement. In late October 2005, several of these companies indicated an interest in conducting detailed due diligence, one of which was BB&T.

Main Street provided an internal forecast to all eight parties that executed confidentiality agreements, including BB&T. The internal forecast included estimated quarterly income statement and balance sheet results and performance metrics through December 31, 2006. The forecast was based upon certain key assumptions that included a stable net interest margin of 4.25%, net charge offs of 0.25%, a constant ratio of loan loss reserves/total loans of 1.41%, constant share count and a tax rate of 31%. The forecast was consistent with Main Street s published guidance and its historical profitability and growth rates at the time these were prepared and delivered. The forecast was prepared with respect to management s beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates, intentions, and future performance at the time this information was provided in September 2005, and involved known and unknown risks, uncertainties and other factors, many of which are beyond management s control, and the actual results, performance or achievements of Main Street may be materially different from forecast results, performance or achievements expressed or implied by such forecast. *See* A Warning About Forward Looking Information. A summary of the significant projections included in Main Street s forecast provided to the eight parties that executed confidentiality agreements is shown below.

**Main Street Banks, Inc.**
**Summary of Financial Projections**

| | 2005 | | 2006 | | | | |
|---|---|---|---|---|---|---|---|
| **Summary of Financial Projections ($M)** | **3Q** | **4Q** | **1Q** | **2Q** | **3Q** | **4Q** | **2006Y** |
| ***Balance Sheet*** | | | | | | | |
| Loans | $ 1,790 | $ 1,837 | $ 1,907 | $ 1,983 | $ 2,059 | $ 2,136 | $ 2,136 |
| Deposits | 1,764 | 1,810 | 1,880 | 1,955 | 2,029 | 2,115 | 2,115 |
| Equity | 292 | 298 | 303 | 309 | 316 | 323 | 323 |
| Total Assets | 2,415 | 2,477 | 2,555 | 2,648 | 2,743 | 2,850 | 2,850 |
| ***Income Statement*** | | | | | | | |
| **Net Income** | $ 8.3 | $ 8.5 | $ 8.7 | $ 9.1 | $ 10.0 | $ 10.4 | $ 38.3 |
| **Diluted EPS** | $ 0.38 | $ 0.39 | $ 0.40 | $ 0.42 | $ 0.46 | $ 0.48 | $ 1.75 |

The information set forth in the table above has not been updated since September 2005 and Main Street s financial condition and results of operations since that date have been affected by the announcement of the merger, among other things. This information is provided for historical purposes only to enable Main Street shareholders to view information provided to potential buyers, and does not represent management s current views or estimates.

In late October 2005, Burke Capital received three preliminary indications of interest and shared these preliminary indications with the Board s strategy committee. Burke Capital received two written indications of interest, one from BB&T proposing an exchange ratio with an implied value of $28.50 per share, and one from another bank holding company of $29.00 per share. Burke Capital also received a general verbal indication of potential interest of an aggregate price in the range of approximately $600 - $650 million for all of the equity of Main Street (or approximately $27.50 - $29.73 per share) from another bank holding company. This verbal indication of interest did not include the form of merger consideration or any other specific terms for the Main Street Board of Directors to consider. This bank holding company further indicated to Burke Capital that it was not in a position to proceed with the process and was uncertain when it could proceed if at all. Burke Capital provided the strategy committee with a comparison of the indications of interest, highlighting the differences in pricing and proposal terms, and of the business and financial performance of each company. Burke Capital also provided an analysis of the cost savings in each proposal as a means of gauging a transaction s impact on Main Street employees. The strategy committee discussed its obligations to give due consideration to all relevant factors, including the short-term and long-term social and economic interests of Main Street s employees, customers, shareholders, other constituents and the communities within which it operates. Additionally, Burke Capital assessed the indications of interest in relation to the future value of Main Street as an independent entity as well as other comparable precedent

transactions. The strategy committee voted unanimously to allow the parties who had submitted written indications of interest to conduct due diligence on Main Street and submit revised expressions of interest once the due diligence was completed. The strategy committee believed that this process was necessary in order for the Main Street Board of Directors to accurately and completely discharge their fiduciary duties.

In early November 2005, the strategy committee updated the Main Street Board of Directors on the ongoing efforts of the strategy committee and Burke Capital. The Main Street Board of Directors reviewed materials provided by Burke Capital and consulted with its legal counsel regarding its fiduciary duties in considering a business combination transaction or sale of the business under Georgia law and Main Street s Articles of Incorporation. The Main Street Board of Directors discussed the alternatives in detail and the likely impact a sale of Main Street would have on Main Street s employees, customers, communities, and shareholders.

By the middle of November 2005, the two parties who had submitted preliminary indications of interest had completed due diligence on Main Street. BB&T submitted a revised indication of interest proposing an exchange ratio with an implied value of $28.50 per share. The other bank holding company that completed due diligence did not submit a revised written indication of interest and informed Burke Capital that it would not make a formal written offer to the Board of Directors of Main Street or proceed with merger negotiations. The strategy committee at this point evaluated the best options for Main Street, including continuing as an independent entity, postponing the process until the first quarter of 2006, and continuing with due diligence investigations and entering merger negotiations. The strategy committee reviewed the alternatives in full and decided to present these alternatives to the Main Street Board of Directors.

Beginning on November 28, 2005, the Main Street Board of Directors held a two-day meeting to consider the alternatives presented by the strategy committee, including the offer by BB&T proposing an exchange ratio with an implied value of $28.50 per share of Main Street common stock payable in shares of BB&T common stock. BB&T was the only company that submitted a formal offer to the Main Street Board of Directors following the conclusion of the due diligence process. The Main Street Board of Directors noted that other preliminary indications of interest had not materialized into formal offers and that at the conclusion of the extensive process conducted by Burke Capital, the BB&T written offer was the only offer (written or verbal) for the Main Street Board of Directors to consider.

Burke Capital explained BB&T s proposal in detail and gave an extensive analysis of BB&T, its business and prospects, as well as the terms of the proposal. After considering the alternatives and factors discussed below in *Main Street s Reasons for the Merger,* the Main Street Board of Directors authorized Burke Capital and the management of Main Street to continue discussions with BB&T regarding a business combination involving BB&T and Main Street on the terms proposed by BB&T.

In early December 2005, Mr. Hay and representatives of Burke Capital spoke with Mr. Burney Warren, Executive Vice President, Mergers & Acquisitions of BB&T, and other senior executives of BB&T. After discussing the terms of BB&T s proposal, they determined to commence mutual due diligence investigations and negotiations regarding preparing definitive documentation for a potential merger. Over the next few weeks, senior management of BB&T and Burke Capital and senior management of Main Street conducted their respective due diligence investigations. Also during this time, Main Street management and Burke Capital held a series of discussions with BB&T management about the proposed combination, including further negotiations regarding the principal financial and business terms of the transaction, and Main Street consulted with its legal advisors concerning BB&T s proposal, including the proposed terms of the merger, an employee assistance program, and the proposed employment arrangements with certain senior executive officers of Main Street. While these discussions proceeded, legal counsel to BB&T and Main Street began to draft definitive documentation with respect to the proposed merger.

On December 14, 2005, the Main Street Board of Directors met with certain members of Main Street s senior management and Main Street s outside legal and financial advisors. The members of the strategy committee reviewed with the Main Street Board of Directors information regarding BB&T, Main Street, and the terms of the proposed transaction. Burke Capital reviewed with the Main Street Board of Directors additional information, including financial information regarding BB&T and Main Street and the transaction,

as well as information regarding peer companies and comparable transactions. Burke Capital rendered to the Main Street Board of Directors its oral opinion (subsequently confirmed in writing) that, as of the date of its opinion and based upon and subject to the considerations described in its opinion and other matters as Burke Capital considered relevant, the proposed merger consideration was fair, from a financial point of view, to holders of Main Street common stock. Legal counsel to Main Street discussed with the Main Street Board of Directors the legal standards applicable to its decisions and actions with respect to the proposed transactions and reviewed the legal terms of the proposed merger and the related agreements.

The Main Street Board of Directors noted that the consideration being offered by BB&T in relation to the trading value of Main Street was 1.35% less than the closing market price of Main Street s common stock the prior day. However, it was also noted that the transaction price was 0.99% above the previous week s average closing price of Main Street, 3.49% above the average weekly closing price of Main Street one month prior, and 7.26% above the average weekly closing price of Main Street two months prior. It was noted that Main Street s closing stock price had increased more than its peers over the last month, and that while the transaction price represented a 1.35% discount to the closing price the previous day, the transaction price was above the average closing price for Main Street in the recent past.

The Main Street Board of Directors also considered the liquidity of BB&T s stock relative to the liquidity of Main Street common stock. BB&T s average daily trading volume over the prior three months was 1,676,568 shares compared to Main Street s average daily trading volume at 33,553 shares. The Main Street Board of Directors noted that Main Street s common stock was relatively less liquid which could generate more volatility.

The Main Street Board of Directors further considered that:

- Main Street shareholders would receive an immediate dividend per share upgrade of 64.85%; and,

- Main Street shareholders would receive an immediate earnings per share upgrade of 37.9% based on last twelve months earnings, and 41.56% based on expected 2005 earnings.

The Main Street Board of Directors concluded that the immediate earnings and dividend upgrades were of more significance to Main Street shareholders both in the short and long-term than the book value per share downgrade of approximately 0.62%, and tangible book value per share downgrade of 11.84%.

The Main Street Board of Directors also considered the size of BB&T and its diversified geographic markets and diversified business lines. In the current competitive environment, the Main Street Board of Directors noted that partnering with a larger organization such as BB&T would likely improve Main Street s ability to compete in its markets by providing additional products, increased lending limits, better training for personnel, and greater resources in general.

The Main Street Board of Directors considered the risk that Main Street may not achieve its business plan given its size, lack of scale and the relative size of its market presence and name recognition and the increasing competition faced in its markets.

Following review and discussion among the members of the Main Street Board of Directors, the Main Street Board of Directors voted to approve the merger agreement with BB&T, subject to final determination of the exchange ratio within parameters established by the Main Street Board of Directors.

The merger, the merger agreement and the transactions contemplated by that agreement were approved by the BB&T Board of Directors at a meeting held on December 14, 2005, subject to final determination of the exchange ratio within a range approved by the BB&T Board of Directors.

Following the determination of the exchange ratio after the close of regular trading of the NYSE and the NASDAQ, Main Street and BB&T and their counsel finalized, executed, and delivered the definitive agreements for the transaction, including the merger agreement and the employment and consulting agreements with Messrs. Hay, Milligan, and Fowler, which were a condition of BB&T s willingness to enter into the merger agreement.

The transaction was announced on December 15, 2005 by a joint press release issued by BB&T and Main Street before the beginning of trading on the NYSE and the NASDAQ.

*Main Street s Reasons for the Merger*

In reaching its decision to approve the merger agreement and recommend the merger to its shareholders, the Main Street Board of Directors consulted with certain members of Main Street s management as well as its legal and financial advisors, and considered a number of factors, including:

the merits of other strategic options available to Main Street, including continuing as an independent entity while making certain changes to its current strategic plans;

Burke Capital s detailed analysis of similar transactions which demonstrated that the principal financial and business terms of the merger were comparable;

the opinion delivered to Main Street by Burke Capital, to the effect that, as of December 14, 2005, and based upon and subject to the considerations set forth in the opinion, the merger consideration specified in the merger agreement was fair from a financial point of view to the holders of shares of Main Street common stock;

that Main Street shareholders would receive, as BB&T shareholders, an earnings per share upgrade of approximately 38%, based on Main Street s and BB&T s respective stated earnings for the previous 12 months, and a dividend upgrade of approximately 65%, based on Main Street s and BB&T s respective dividend rates as of December 14, 2005;

the low probability of receiving more favorable merger offers from other financial institutions in the near future due to the thorough market-testing process that the Main Street Board of Directors had completed;

BB&T s positive record in providing severance, training and job opportunities for employees displaced in previous acquisitions;

the expected compatibility of cultures, management, and similar business philosophies of Main Street and BB&T;

the employee benefits that current employees of Main Street would receive as employees of BB&T and BB&T s willingness to give such employees credit for past service to Main Street and to include Main Street employees in the BB&T pension plan;

BB&T s willingness to match up to $1 million of funds from Main Street to provide $2 million for an employee assistance program for Main Street employees adversely affected by the merger (Main Street s share of the fund will come from Messrs. Hay, Milligan, and Fowler s agreement to amend their existing employment agreements with Main Street to reduce the amounts due upon the termination of such employment agreements);

the potential benefits to customers due to BB&T s sizeable share of the Atlanta market, extensive branch network, high level of expertise, broad line of products and services, and higher lending limits;

the benefits to the communities in which Main Street operates due to the expected effects on Main Street s employees and customers;

the information regarding BB&T s financial condition, operations, culture, and business philosophy learned in meetings between Mr. Hay and Burke Capital and the executive management of BB&T;

Main Street s due diligence review of BB&T and its knowledge of BB&T, including BB&T s track record of completing and integrating bank acquisitions;

the regulatory and other approvals required in connection with the merger and the significant likelihood that, once the definitive merger agreement had been entered into, the merger would be completed;

the expected treatment of the merger as a reorganization for United States federal income tax purposes which would generally allow Main Street shareholders receiving BB&T common stock in the merger to avoid recognizing gain or loss upon the conversion of shares of Main Street common stock into such shares of BB&T common stock;

the tangible book value of the Main Street common stock of $8.84 per share relative to the pro forma equivalent tangible book value of the BB&T stock of $7.78 per share to be received by Main Street shareholders in the merger, representing a 12.0% downgrade, and the book value of the Main Street common stock of $13.60 per share relative to the pro forma equivalent book value of the BB&T stock of $13.49 per share to be received by Main Street shareholders in the merger, representing a 0.8% downgrade;

the lower price to aggregate stated equity multiple of the BB&T merger consideration (2.14x) as compared to the median price to aggregate stated equity multiples of the consideration received in 59 comparable U.S. transactions (2.55x) and 13 comparable southeast transactions (2.68x), and the implied valuation per share associated with the lower price to aggregate stated equity of the BB&T merger consideration ($28.50 per share) as compared to the implied valuation per share associated with the median price to aggregate stated equity multiples in 59 comparable U.S. transactions ($33.85 per share) and 13 comparable southeast transactions ($35.53 per share);

Main Street s tangible equity contribution in the merger (2.86%) being greater than the Main Street shareholders pro forma ownership percentage of BB&T in the merger (2.55%);

the market price of Main Street common stock of $28.89 per share relative to the market value of the .6602 shares of BB&T common stock of $28.50 as of December 14, 2005;

the absence of any mechanism to adjust the exchange ratio at the closing of the merger if the market price of BB&T increases or decreases;

the challenges of combining the businesses, assets and workforces of the two companies and BB&T s successful experience in this regard; and

the proposed employment arrangements with Messrs. Hay, Milligan, and Fowler, and the fact that some of Main Street s directors and executive officers have other interests in the merger that are in addition to their interests as Main Street shareholders. *See* Certain Interests of Main Street s Directors and Officers in the Merger beginning on page .

The foregoing discussion of the factors considered by the Main Street Board of Directors is not intended to be exhaustive, but, rather, includes all material factors considered by the Main Street Board of Directors. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the Main Street Board of Directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The Main Street Board of Directors considered in their analysis of the materials presented by Burke Capital all of the factors that did not support a recommendation to the Main Street shareholders to approve the proposed merger. These factors included the fact that relative to the respective closing prices on the day before the transaction was announced, there was no premium being paid to the Main Street shareholders in the merger and that the market price of Main Street common stock was slightly higher than the offer from BB&T for the Main Street common stock at the time the merger agreement was signed. The Board also considered the fact that the pro forma equivalent book value per share and the pro forma equivalent tangible book value per share of BB&T common stock was less than the per share book value and the per share tangible book value of Main Street common stock, the fact that the price to aggregate stated equity multiple and the associated implied value of the BB&T merger consideration was less than the median price to aggregate stated equity multiples and associated implied values of the consideration received in 59 comparable U.S. transactions and 13 comparable southeast transactions, and the fact that Main Street s tangible equity contribution in the merger was higher than the Main Street shareholders pro forma ownership percentage of BB&T in the merger. Another factor considered by the Board was the absence of any adjustment to the exchange ratio if the market price of BB&T common stock declined prior to the closing of the merger. After careful consideration of the issues described above and the potential short and long-term economic effect on Main Street shareholders, the Main Street Board of Directors concluded that the overall potential benefits of the merger outweighed the negative factors.

**For the reasons set forth above, the Main Street Board of Directors has unanimously approved and adopted the merger agreement as advisable and in the best interests of Main Street and its shareholders and unanimously recommends that the Main Street shareholders vote FOR the approval and adoption 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 $500 million to $15 billion asset size range. BB&T s management believes that the acquisition of Main Street is consistent with this strategy, and will enable BB&T to accomplish its goal of expanding its presence in Georgia, increasing BB&T market share in the Atlanta metropolitan area and giving BB&T a strong presence in the Athens metropolitan area. The merger also provides BB&T with an opportunity to sell its array of banking and insurance products to Main Street s client base.

In evaluating the merger, BB&T analyzed the projected financial effects of the merger against established investment criteria which BB&T consistently applies, using the assumptions described below in Assumptions Made By BB&T. BB&T does not require that every individual investment criterion be met, and a failure to meet one of the criteria may be offset or compensated for by favorable results in evaluating other criteria. Overall, giving effect to the failure to meet certain individual criteria and the favorable results in evaluating other criteria, the BB&T Board of Directors determined that its established investment criteria were met. Below are BB&T s eight investment criteria (listed in order of importance) and the projected results of the Main Street merger with respect to each as presented to BB&T:

*Criterion:* The transaction must be accretive to cash earnings per share by the second full year following the merger. BB&T s analysis indicated that the merger would be accretive to cash earnings per share the second full year following the merger.

*Criterion:* The transaction must be accretive to earnings per share, as determined in accordance with generally accepted accounting principles, by the third full year following the merger. BB&T s analysis indicated that the merger would be accretive in the second full year following the merger.

*Criterion:* The projected performance of Main Street must conform to BB&T s internal rate of return criteria. BB&T s current minimum internal rate of return for this type of investment is 15% or better. BB&T s analysis indicated the projected internal rate of return of Main Street will be better than 15%.

*Criterion:* The transaction must be accretive to cash basis return on equity by the third full year following the merger. BB&T s analysis indicated that the merger would be immediately accretive to cash basis return on equity.

*Criterion:* The transaction must be accretive to cash basis return on assets by the third full year following the merger. BB&T s analysis indicated that the merger would be accretive to cash basis return on assets in the second full year following the merger.

*Criterion:* The transaction must be accretive to tangible book value by the fifth full year following the merger. BB&T s analysis indicated that the merger would be accretive to tangible book value in the fifth full year following the merger.

*Criterion:* The combined leverage ratio following the merger must not be below 7%. BB&T s analysis indicated that the combined leverage ratio will remain over 7%.

*Criterion:* The transaction must create accelerated dividend growth potential for current BB&T shareholders by the fifth full year following the merger. BB&T s analysis indicated that the merger will create accelerated dividend growth in first full year following the merger.

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 **[ ]**.

In reaching its determination that the merger agreement is fair to, and in the best interests of, BB&T and its shareholders, the BB&T Board of Directors considered the above factors, as well as the following:

The acquisition is consistent with BB&T s strategy of pursuing in-market (Carolinas/ Virginia/ West Virginia/ D.C./ Maryland/ Georgia/ Kentucky/ Tennessee/ Florida) and contiguous state acquisitions of high quality banks and thrifts.

The acquisition is consistent with past acquisitions that have been successfully executed.

The transaction will provide BB&T with the following:

- the opportunity to sell a broad array of banking and insurance products to Main Street s client base;
- an expanded presence in Georgia, with its market share rank increasing to fifth from sixth in the state;
- an increase in market share rank to fifth from sixth in the Atlanta metropolitan area; and
- an increase in market share rank to seventh from 12th in the Athens metropolitan area.

The terms of the merger, including the exchange ratio, were the result of arms length negotiations between representatives of Main Street and representatives of BB&T. The BB&T Board of Directors did not assign any specific weight to the factors in its consideration. The Board collectively made its determination with respect to the merger based on the conclusion reached by its members, in light of the factors that each of them considered appropriate, that the merger is in the best interests of the shareholders of BB&T.

*Assumptions Made by BB&T*

For the purpose of the analysis, described above in BB&T s Reasons for the Merger, BB&T made the following assumptions:

- BB&T s earnings per share ( EPS ) for 2006 would be in line with the estimate published by First Call Corporation of $3.30;
- BB&T s earnings per share for subsequent years are based upon an assumption that income statement and balance sheet growth would be at an annual rate of 10.0%;
- Main Street s 2006 projected financial statements were based on Main Street s EPS on a stand-alone basis for 2006 being $1.68, as estimated by First Call Corporation;
- Annual pre-tax cost savings of approximately 35% of Main Street s 2006 estimated noninterest expense base (realized in the first 12 months of operations following conversion of Main Street s systems to BB&T s systems);
- Income statement and balance sheet growth rates, except for noninterest income and noninterest expense, attributable to Main Street would be 5% in year one and 10% in year two, 15% in years three through five, and 10% in all years thereafter. Main Street s noninterest income was projected to grow to achieve a fee income ratio of 30% in year five and at 10% in each year thereafter;
- Main Street s 2006 core net interest margin (non-fully taxable equivalent) was estimated at 4.24% for 2006 and for the remainder of the model years; and
- One-time after-taxes merger-related charges of $39.9 million.

**Opinion of Main Street s Financial Advisor**

Main Street retained Burke Capital Group, L.L.C. ( Burke Capital ) in August, 2005 to act as its financial advisor in connection with considering strategic alternatives, including a possible business combination. Burke Capital is a nationally recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Burke Capital is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

Burke Capital acted as financial advisor to Main Street in connection with the proposed merger with BB&T and participated in certain of the negotiations leading to the merger agreement. In connection with Burke Capital s engagement, Main Street asked Burke Capital to evaluate the fairness of the merger consideration to Main Street s shareholders from a financial point of view. At the December 14, 2005 meeting of Main Street s Board of Directors held to evaluate the terms of the merger and the merger agreement, Burke Capital delivered to the board its oral and written opinions that, based upon and subject to the factors, assumptions, procedures, limitations, qualifications and other matters set forth in its opinion, the merger consideration was fair to Main Street s shareholders from a financial point of view. At this meeting, the Main Street Board of Directors voted to approve the merger and executed the merger agreement on the same day.

**The full text of Burke Capital s written opinion is attached as Appendix B to this proxy statement/ prospectus. The opinion outlines matters considered and qualifications and limitations on the review undertaken by Burke Capital in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the opinion. We urge you to read the entire opinion carefully in connection with your consideration of the proposed merger.**

**Burke Capital s opinion speaks only as of the date of the opinion. The opinion was directed to the Main Street Board of Directors and is directed only to the fairness of the merger consideration to Main Street shareholders from a financial point of view. It does not address the underlying business decision of Main Street to engage in the merger or any other aspect of the merger or merger agreement and is not a recommendation to any Main Street shareholder as to how such shareholder should vote at the shareholder meeting with respect to the merger, or any other matter.**

In connection with rendering its December 14, 2005 opinion, Burke Capital reviewed and considered, among other things:

The merger agreement and certain of the schedules thereto;

Certain publicly available financial statements and other historical financial information of Main Street that it deemed relevant;

Projected earnings estimates for Main Street prepared by and reviewed with senior management of Main Street and the views of senior management regarding Main Street s business, financial condition, results of operations and future prospects;

Internal financial and operating information with respect to the business, operations and prospects of Main Street furnished to Burke Capital by Main Street that is not publicly available;

Certain publicly available financial statements and other historical financial information of BB&T that it deemed relevant;

The reported prices and trading activity of BB&T s common stock, as well as dividends paid on BB&T common stock, and compared those prices and activity and dividends with other publicly-traded companies that Burke Capital deemed relevant;

The pro forma financial impact of the merger on BB&T s ability to complete a transaction from a regulatory standpoint, based on assumptions determined by senior management of Main Street and Burke Capital;

The financial terms of other recent business combinations in the commercial banking industry, to the extent publicly available and deemed relevant by Burke Capital;

The current market environment generally and the banking environment in particular;

Such other information, financial studies, analyses and investigations and financial, economic and market criteria as it considered relevant.

Burke Capital held discussions with certain members of the senior managements of Main Street and BB&T regarding their assessment of the strategic rationale for, and the potential benefits of, the merger and the past and current business operations, financial condition and future prospects of their respective companies. In connection with Burke Capital s review, it relied upon the accuracy and completeness of all of the financial, accounting, legal, tax and other information discussed with or reviewed by it.

Main Street s Board of Directors did not limit the investigations made or the procedures followed by Burke Capital in giving its opinion.

In performing its reviews and analyses and in rendering its opinion, Burke Capital assumed and relied, without assuming any responsibility for independent verification, upon the accuracy and completeness of all the financial information, analyses and other information that was publicly available or otherwise furnished to, reviewed by or discussed with it and further relied on the assurances of management of Main Street and BB&T that they were not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to financial forecasts and other information and data relating to Main Street and

BB&T, reviewed by or discussed with it, Burke Capital was advised by the respective managements of Main Street and BB&T that such forecasts and other information and data were reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of Main Street and BB&T as to the future financial performance of their respective organizations, the potential strategic implications and operational benefits anticipated to result from the proposed transaction and the other matters covered thereby. Burke Capital was not asked to and did not independently verify the accuracy or completeness of such information and it did not assume responsibility or liability for the accuracy or completeness of any of such information. Burke Capital did not make an independent evaluation or appraisal of the assets, the collateral securing assets or the liabilities, contingent or otherwise, of Main Street or BB&T or any of their respective subsidiaries, or the ability to collect any such assets, nor was it furnished with any such evaluations or appraisals. Burke Capital is not an expert in the evaluation of allowances for loan losses and it did not make an independent evaluation of the adequacy of the allowance for loan losses of Main Street or BB&T, nor did it review any individual credit files relating to Main Street or BB&T. With Main Street s consent, Burke Capital assumed that the respective allowances for loan losses for both Main Street and BB&T were adequate to cover such losses and will be adequate on a pro forma basis for the combined entity. In addition, Burke Capital did not conduct any physical inspection of the properties or facilities of Main Street or BB&T. Burke Capital is not an accounting firm and it relied on the reports of the independent accountants of Main Street and BB&T for the accuracy and completeness of the financial statements furnished to it.

Burke Capital s opinion was necessarily based upon financial information, and market, economic and other conditions, as these existed on, and could be evaluated as of, the date of its opinion. Burke Capital assumed, in all respects material to its analysis, that all of the representations and warranties contained in the merger agreement and all related agreements are true and correct, that each party to such agreements will perform all of the covenants required to be performed by such party under such agreements and that the conditions precedent in the merger agreement are not waived. Burke Capital also assumed that there has been no material change in Main Street s and BB&T s financial condition, results of operations, business or prospects since the date of the last financial statements made available to them, and that Main Street and BB&T will remain as going concerns for all periods relevant to its analyses. Burke Capital further assumed that, in the course of obtaining the necessary regulatory and third party approvals, consents and releases for the merger and the related transactions, no delay, limitation, restriction or condition will be imposed that would have a material adverse effect on Main Street or BB&T or the contemplated benefits of the proposed transaction in any way meaningful to its analysis.

In rendering its December 14, 2005 opinion, Burke Capital performed a variety of financial analyses. The following is a summary of the material analyses performed by Burke Capital, but is not a complete description of all the analyses underlying Burke Capital s opinion. The summary includes information presented in tabular format. In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. Burke Capital believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion. Also, no company included in Burke Capital s comparative analyses described below is identical to Main Street or BB&T and no transaction is identical to the merger. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values or merger transaction values, as the case may be, of Main Street or BB&T and the companies to which they are being compared.

The internal earnings projections provided by Main Street were relied upon by Burke Capital in its analyses. Burke Capital assumed that such projected performance would be achieved, and expressed no opinion as to such financial projections or the assumptions on which they were based. The financial

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projections furnished to Burke Capital by Main Street were prepared for internal purposes only and not with a view towards public disclosure. These projections, as well as the other estimates used by Burke Capital in its analyses, were based on numerous variables and assumptions which are inherently uncertain and, accordingly, actual results could vary materially from those set forth in such projections.

In performing its analyses, Burke Capital also made numerous assumptions with respect to industry performance, business and economic conditions and various other matters, many of which cannot be predicted and are beyond the control of Main Street, BB&T and Burke Capital. The analyses performed by Burke Capital are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by such analyses. Burke Capital prepared its analyses solely for purposes of rendering its opinion and provided such analyses to the Main Street Board of Directors at the December 14, 2005 meeting. Estimates on the values of companies are not appraisals and do not necessarily reflect the prices at which companies or their securities may actually be sold. Such estimates are inherently subject to uncertainty and actual values may be materially different. Accordingly, Burke Capital s analyses do not necessarily reflect the value of Main Street s common stock or BB&T s common stock or the prices at which Main Street s or BB&T s common stock may be sold at any time. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Main Street, BB&T or Burke Capital or any other person assumes responsibility if future results are materially different from those forecast.

*Summary of Proposed Merger*

Burke Capital reviewed the financial terms of the proposed transaction whereby the holders of Main Street common stock shall be entitled to receive .6602 shares of BB&T common stock in exchange for their shares of Main Street common stock. Based upon the terms of the merger agreement and BB&T s closing stock price of $43.17 on December 14, 2005, Burke Capital calculated a transaction value of $622,734,229 or $28.50 per Main Street share at the close of business on December 14, 2005. The merger was announced before the stock market opened on December 15, 2005. Utilizing Main Street s publicly available financial information on the date of announcement, which was September 30, 2005 unaudited financial information, Burke Capital calculated the following ratios:

| | |
|---|---|
| **Deal Value Considerations:** | |
| Offer Price/Common Share | $ 28.50 |
| Aggregate Value for Common Shares | $ 612,328,363 |
| Aggregate Value for Outstanding Options | $ 10,405,866 |
| Total Transaction Value | **$ 622,734,229** |
| **Deal Multiples:** | |
| Transaction Value/LTM Net Income | 20.60x |
| Transaction Value/2006 Projected Net Income | 17.17x |
| Transaction Value/Book Value | 2.13x |
| Transaction Value/Tangible Book Value | 3.28x |
| Core Deposit Premium | 31.34% |

The fully diluted share count is based upon Main Street s 21,484,577 outstanding common shares and 965,219 outstanding options to purchase common shares at a weighted average strike price of $17.72 outstanding as of the date of the announcement.

*Summary of Southeastern Precedent Transactions and Discounted Cash Flow Analyses*

Burke Capital analyzed the merger using a number of generally accepted valuation methodologies. Each method and the associated results are described in detail in the following analysis. Burke Capital summarized portions of its detailed analyses and calculated the implied minimum, median and maximum per share values for Main Street that corresponded with values derived through its Southeastern precedent transactions and discounted cash flow analyses.

Specifically, Burke Capital calculated the minimum, median and maximum per share values for Main Street based upon the financial terms of Southeastern bank transactions that were publicly announced after January 1, 2000. The per share values for Main Street implied by Southeastern bank transactions ranged from $19.81 to $50.58 with a median of $35.53 based upon price/total book multiples, $16.09 to $39.47 with a median of $24.68 based upon price/tangible book multiples, $17.94 to $43.39 with a median of $28.15 based upon price/latest twelve months earnings multiples, $16.11 to $27.87 with a median of $22.15 based upon core deposit premiums, and $17.60 to $41.99 with a median of $26.68 based upon price/assets.

Burke Capital also calculated the minimum, median and maximum per share values for Main Street using a discounted cash flow analysis. Burke Capital estimated the present value of the future stream of earnings and dividends that Main Street could produce over the next five years based upon an internal earnings and balance sheet forecast for 2005 2010. Burke Capital performed discounted cash flow analyses based upon terminal values to both earnings and tangible equity. The per share values for Main Street calculated using the discounted cash flow analysis ranged from $19.24 to $30.58 with a median of $24.57 based upon tangible equity, and $20.62 to $36.16 with a median of $27.93 based upon earnings.

Burke Capital noted that the merger price of $28.50 per share of Main Street was greater than the median implied value in all of the valuation methodologies it performed for Southeastern transactions and discounted cash flow analyses with the exception of price/total book value based upon Southeastern transactions. The merger price was less than the median implied total book value per share derived from Southeastern transactions.

*Analysis of Main Street*

Comparable Trading Valuation Analysis

Burke Capital used publicly available information to compare selected trading statistics for Main Street with similar statistics for selected publicly traded companies with operating profiles reasonably comparable to that of Main Street. Burke Capital analyzed the trading statistics of two comparable peer groups.

Peer Group A

Peer Group A consisted of Main Street and 53 bank holding companies, which we refer to as the Main Street Peer Group A. This Peer Group consisted of all Southeastern banks with assets between $1 billion and $10 billion located in Alabama, Arkansas, Washington DC, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia.

Peer Group B

Peer Group B consisted of Main Street and 15 bank holding companies, which we refer to as the Main Street Peer Group B. This Peer Group consisted of Southeastern banks located in Georgia, North Carolina, South Carolina, Tennessee and Virginia with assets between $1 billion and $10 billion and having earned at least 100 basis points (1.00%) on average assets for the trailing twelve months.

The analysis calculated the median trading characteristics of Main Street and both Peer Groups, based upon the latest publicly available financial data and closing prices as of December 13, 2005. The following table sets forth the comparative data.

| | | **Peer Group A** | | **Peer Group B** | |
|---|---|---|---|---|---|
| | **Main Street Banks, Inc.** | **Peer Group Medians** | **Quartile** | **Peer Group Medians** | **Quartile** |
| ***Trading Characteristics*** | | | | | |
| Price/Book | 2.13x | 2.00x | 2 | 2.15x | 2 |
| Price/Tangible Book | 3.28x | 2.57x | 1 | 2.67x | 1 |
| Price/LTM Core EPS | 20.20x | 17.10x | 2 | 17.20x | 1 |
| Price/2005E EPS | 20.30x | 16.40x | 1 | 16.85x | 1 |
| Price/2006E EPS | 17.30x | 14.80x | 1 | 14.75x | 1 |
| Market Capitalization | $617 | $325 | 1 | $344 | 1 |
| Current Dividend Yield | 2.10% | 2.04% | 2 | 1.87% | 2 |
| 3 mo Avg Trading Vol | 33,553 | 14,793 | 2 | 14,569 | 1 |
| Weekly Vol/ Shares Outstanding | 0.78% | 0.62% | 2 | 0.66% | 1 |

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Main Street s common stock trading characteristics ranked within the first or second quartile among all trading metrics compared to both Peer Groups. Burke Capital then compared Main Street s stock price performance over one month, three month and six month time periods to various industry benchmarks. The results of this relative stock price performance analysis are shown below.

| | Stock Price Performance | | |
|---|---|---|---|
| | **One Month** | **Three Month** | **Six Month** |
| S&P 500 | 2.73% | 2.94% | 5.55% |
| S&P Banking Index | 1.39% | 5.50% | 1.57% |
| Main Street | 6.33% | 5.05% | 19.13% |

Burke Capital noted that Main Street s stock price outperformed the selected indexes over the one month and six month time frames leading up to the date when Burke Capital delivered its oral opinion to the board, which was December 14, 2005. Main Street s stock price performance was in line with the indexes over a three month time period.

*Market Premium Analysis*

Burke Capital compared BB&T s offer price to Main Street s recent stock price activity. Burke Capital analyzed Main Street s stock price 1 day prior to announcement, as well as Main Street s average weekly stock price 1 week, 1 month and 2 months prior to announcement. The following chart illustrates BB&T s offer compared with Main Street stock price performance for various periods.

| | **BB&T Offer** | **MSBK Stock Price** | **Premium** |
|---|---|---|---|
| 1-Day | $28.50 | $28.89 | **-1.35%** |
| 1-Week (average week) | $28.50 | $28.22 | **0.99%** |
| 1-Month (average week) | $28.50 | $27.54 | **3.49%** |
| 2-Month (average week) | $28.50 | $26.57 | **7.26%** |

Burke Capital noted that BB&T s offer price represented a slight discount to Main Street s price 1 day prior to announcement, but the offer price represented a premium to Main Street s average weekly price 1 week, 1 month and 2 months prior to the announcement.

*Financial Upgrades Analysis*

Burke Capital reviewed Main Street s and BB&T s historical, current and projected financial performance on a per share basis. Burke Capital compared Main Street s pro forma per share financials to its stand-alone values to determine the financial upgrades/ downgrades on selected metrics. Burke Capital noted that the merger represented substantial earnings per share and dividend per share upgrades for Main Street shareholders although the book value and tangible book per share represented downgrades.

| Earnings/Share Upgrades | | | | |
|---|---|---|---|---|
| **Latest Twelve** | **2005** | **Book Value/** | **Tangible Book Value/** | **Annual Dividend/** |

| | Months | Estimated | Share | Share | Share |
|---|---|---|---|---|---|
| BB&T Per Share Financials | $ 2.96 | $ 3.06 | $ 20.43 | $ 11.78 | $ 1.52 |
| Merger Exchange Ratio | 0.6602 | 0.6602 | 0.6602 | 0.6602 | 0.6602 |
| **Main Street Pro Forma** | **$ 1.95** | **$ 2.02** | **$ 13.49** | **$ 7.78** | **$ 1.00** |
| Main Street Standalone | $ 1.42 | $ 1.43 | $ 13.60 | $ 8.84 | $ 0.61 |
| Financial Upgrade/ Downgrade | 37.6% | 41.3% | -0.8% | -12.0% | 64.5% |

*Analysis of Selected Merger Transactions*

In order to address the specific valuation considerations within the market that Main Street serves, Burke Capital selected a group of comparable merger and acquisition transactions and compared the pricing multiples to the multiples implied by the merger consideration. Specifically, Burke Capital selected bank merger and acquisition transactions according to the following criteria:

Merger and acquisition transactions announced after January 1, 2000, excluding sellers designated as Subchapter S corporations.

Sellers with assets between $1 billion and $10 billion.

Sellers with returns on average assets ( ROAA ) greater than 100 basis points in the latest quarter prior to announcement.

Sellers located within the U.S.

Burke Capital identified 59 transactions fitting the criteria listed above as being comparable to the proposed merger. Additionally, Burke Capital selected a subset of these transactions that included sellers located within Alabama, Arkansas, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia only. The Southeastern subset included 13 transactions fitting the criteria listed above as being comparable to the proposed merger.

Burke Capital reviewed the multiples of transaction value at announcement to last twelve months earnings, transaction value to book value, transaction value to tangible book value, and book premium to core deposits and computed high, low, mean, median, and quartile multiples and premiums for the transactions. These median multiples and premiums were applied to Main Street s financial information as of and for the period ended September 30, 2005 and were used to impute transaction values. As illustrated in the following table, Burke Capital derived an imputed range of values per share of Main Street s common stock of $22.15 to $35.53 based upon the median multiples of the selected U.S. and Southeastern transactions.

| | | **Median Valuation in Comparable Transactions** | |
|---|---|---|---|
| | **BB&T Merger Consideration** | **59 U.S. Transactions** | **13 Southeast Transactions** |
| ***Multiple Comparison*** | | | |
| Price/LTM Earnings | 20.62x | 18.46x | 20.36x |
| Price/Aggregate Stated Equity | 2.14x | 2.55x | 2.68x |
| Price/Tangible Book | 3.28x | 2.76x | 2.83x |
| Core Deposit Premium | 31.52% | 23.36% | 21.16% |
| Price/Assets | 25.19% | 22.14% | 23.54% |
| ***Implied Valuation/ Share*** | | | |
| Price/LTM Earnings | $28.50 | $25.59 | $28.15 |
| Price/Aggregate Stated Equity | 28.50 | 33.85 | 35.53 |
| Price/Tangible Book | 28.50 | 24.03 | 24.68 |
| Core Deposit Premium | 28.50 | 23.50 | 22.15 |
| Price/Assets | 28.50 | 25.13 | 26.68 |
| Average Valuation | $28.50 | $26.42 | $27.44 |

The analysis showed that the merger consideration represented multiples of earnings, tangible book value, price to assets and a core deposit premium that are all above the corresponding median values for the U.S. and Southeastern comparable transactions. The merger consideration per share of $28.50 is above the average range of values imputed by the median multiples of the comparable transactions.

*Discounted Cash Flow Analysis*

Using a discounted cash flow analysis, Burke Capital estimated the present value of the future stream of earnings and dividends that Main Street could produce over the next five years based upon an internal earnings and balance sheet forecast for 2005 - 2010. Burke Capital performed discounted cash flow analyses based upon terminal values to both earnings and tangible equity.

In order to derive the terminal value of Main Street s earnings stream beyond 2009, Burke Capital assumed terminal value multiples ranging from 12.0x to 20.0x of fiscal year 2010 net income. The dividend streams and terminal values were then discounted to present values using different estimated discount rates (ranging from 12.0% to 15.0%) chosen to reflect different assumptions regarding the required rates of return to holders or prospective buyers of Main Street common stock. This discounted cash flow analysis indicated a value range between $20.62 and $36.16 per share of Main Street common stock. Burke Capital also applied terminal value multiples ranging from 2.00x to 3.00x fiscal year-end 2010 tangible equity. The dividend streams and terminal values of equity were then discounted to present values using discount rates ranging from 12.0% to 15.0%. The discounted cash flow analysis based terminal values to equity ranged from $19.24 to $30.58.

The value of the consideration offered by BB&T to Main Street in the merger is $28.50 per share of Main Street common stock, which is within the range of values imputed from the discounted cash flow analysis.

*Contribution Analysis*

Burke Capital computed the contribution of Main Street and BB&T to various elements of the pro forma entity s income statement, balance sheet and market capitalization, excluding estimated cost savings and operating synergies. The following table compares the pro forma ownership in the combined company, based upon the exchange ratio, to each company s respective contribution to each element of the analysis.

| | Contribution | |
|---|---|---|
| | **BB&T** | **Main Street** |
| Pro Forma Ownership | **97.45%** | **2.55%** |
| **Earnings (000 s):** | | |
| LTM Earnings Stated | **98.21%** | **1.79%** |
| 2005E Earnings | **98.21%** | **1.79%** |
| 2006E Earnings | **97.95%** | **2.05%** |
| **Balance Sheet (9/30/2005) (000 s):** | | |
| Loans | **97.60%** | **2.40%** |
| Assets | **97.74%** | **2.26%** |
| Deposits | **97.64%** | **2.36%** |
| Equity | **97.46%** | **2.54%** |
| Tangible Equity | **97.14%** | **2.86%** |

The contribution analysis indicated that the pro forma ownership of BB&T common stock issuable to Main Street shareholders in the merger was greater than the earnings, loans, assets and deposits contributed to BB&T by Main Street. Main Street s equity contribution was approximately the same as its pro forma ownership percentage. The tangible equity contribution was slightly higher than the pro forma ownership.

*Analysis of BB&T*

<u>Comparable Trading Valuation Analysis</u>

Burke Capital used publicly available information to compare selected trading statistics for BB&T with similar statistics for selected publicly traded companies with operating profiles reasonably comparable to that

of BB&T. The group consisted of BB&T and 13 bank holding companies, which we refer to as the BB&T Peer Group. The BB&T Peer Group consisted of all continental U.S. banks with assets between $50 billion and $200 billion.

| | Peer Group Medians | BB&T Corporation | Quartile |
|---|---|---|---|
| ***Trading Characteristics*** | | | |
| Price/Book | 2.09x | 2.08x | 3 |
| Price/Tangible Book | 2.90x | 3.60x | 2 |
| Price/LTM Core EPS | 13.80x | 14.10x | 2 |
| Price/2005E EPS | 13.40x | 13.90x | 2 |
| Price/2006E EPS | 12.60x | 12.80x | 2 |
| Market Capitalization | $15,441 | $22,977 | 1 |
| Current Dividend Yield | 3.19% | 3.58% | 2 |
| 3 mo Avg Trading Vol | 1,371,959 | 1,676,568 | 2 |
| Weekly Vol/ Shares Outstanding | 1.69% | 1.55% | 3 |

BB&T s trading statistics are in line with the selected peer group.

Burke Capital compared BB&T s stock price performance over one month, three month and six month time periods to various industry benchmarks. The results of this relative stock price performance analysis are shown below.

| | Stock Price Performance | | |
|---|---|---|---|
| | One Month | Three Month | Six Month |
| S&P 500 | 2.73% | 2.94% | 5.55% |
| S&P Banking Index | 1.39% | 5.50% | 1.57% |
| BB&T | -0.39% | 6.50% | 9.06% |

Burke Capital noted that BB&T s stock price significantly outperformed the selected indexes over three month and six month time frames leading up to the date when the merger agreement was signed, which was December 14, 2005. BB&T s stock price performance was slightly lower than the indexes over a one month time period.

*Other Analyses and Factors*

Burke Capital took into consideration various other factors and analyses, including: historical market prices and trading volumes for BB&T s common stock; movements in the common stock of selected publicly-traded companies and movements in the S&P Bank Index.

*Information Regarding Burke Capital*

The engagement letter between Burke Capital and Main Street provides that Main Street will pay Burke Capital a transaction fee equal to 0.65% of the aggregate consideration paid by any acquirer of Main Street, payable upon the completion of the merger. Based on the five day average closing price of BB&T common stock as of April 10, 2006, Burke Capital would be entitled to a fee of $3,767,235, of which $300,000 was previously paid in connection with Burke Capital delivering the fairness opinion to Main Street. In addition, Main Street has agreed to reimburse Burke Capital for its reasonable expenses incurred in connection with its engagement, including reasonable attorneys fees and disbursements, and to indemnify Burke Capital against specific liabilities and expenses relating to or arising out of its engagement, including liabilities under the federal securities laws.

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**Merger Consideration**

Under the merger agreement, you will receive .6602 shares of BB&T common stock in exchange for each of your shares of Main Street common stock.

No fractional shares of BB&T common stock will be issued in connection with the merger. Instead, cash will be paid for any fractional share of BB&T common stock to which you would otherwise be entitled.

BB&T common stock is listed for quotation on the NYSE under the symbol BBT. On December 14, 2005, which was the last trading day prior to the announcement of the merger, the price of BB&T common stock closed at $43.17 per share, and on [ ], 2006, the price of BB&T common stock closed at [$ ] per share. The value of the BB&T common stock you receive in the merger at the effective time of the merger will depend on the market value of BB&T common stock at that time.

You should be aware that the market value of a share of BB&T common stock will fluctuate, and neither BB&T nor Main Street can give you any assurance as to what the price of BB&T common stock will be when the merger becomes effective or when certificates for those shares are delivered following surrender in exchange of your certificates for shares of BB&T common 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 [ ].

**Exchange of Main Street Stock Certificates**

When the merger is completed, without any action on the part of Main Street or the Main Street shareholders, shares of Main Street 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, including cash instead of any fractional share of BB&T common stock that would otherwise be issued. Promptly after the merger becomes effective, BB&T will deliver or mail to you a form of letter of transmittal and instructions for surrender of your Main Street stock certificates. When you properly surrender your certificates, or provide other satisfactory evidence of ownership, and return the letter of transmittal duly 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 and cash in lieu of a fractional share, if any, to which you are entitled, subject to any applicable escheat laws.

**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 Main Street 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 any cash payable for fractional shares as part of the merger consideration. With respect to any Main Street 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, and evidence reasonably satisfactory to BB&T of ownership of the shares in question. After the merger is completed, Main Street s transfer books will be closed and no transfer of the shares of Main Street stock outstanding immediately before the time that the merger becomes effective will be made on BB&T s stock transfer books.

To the extent permitted by law, after the merger becomes effective, 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 Main Street stock are converted, regardless of whether you have exchanged your Main Street stock certificates for BB&T stock certificates. Whenever BB&T declares a dividend or other distribution on the BB&T common stock which has a record date after the merger becomes effective, the declaration will include dividends or other distributions on all shares of BB&T common stock issuable under 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 Main Street stock certificate for exchange as described above. Upon surrender of your Main Street stock certificate, the certificate representing the BB&T common stock into which your shares of Main Street stock have been converted, together with cash instead of any fractional share of BB&T common stock to which you would otherwise be entitled and any undelivered dividends, will be delivered and paid to you, without interest.

**Effective Date and Time of the Merger**

The merger agreement provides that the merger will be completed on a date selected by BB&T that is no later than the 30th business day following the satisfaction or waiver of the conditions to the completion of the merger (other than conditions that by their nature are to be satisfied on the closing date); or a later date mutually acceptable to the parties. The merger will become effective at the time and date specified in the articles of merger to be filed with the North Carolina Secretary of State and the Georgia Secretary of State. It is currently anticipated that the merger will become effective in the second quarter of 2006, assuming all conditions to the respective obligations of BB&T and Main Street to complete the merger have been satisfied.

**Conditions to the Merger**

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

approval of the shareholders of Main Street of the merger agreement;

BB&T s registration statement on Form S-4 relating to the merger must be effective under the Securities Act of 1933, and no stop order suspending the effectiveness of the registration statement shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the Securities and Exchange Commission;

all regulatory approvals required to consummate the merger shall have been obtained and shall remain in full force and effect and all statutory waiting periods required by such regulatory approvals shall have expired and no such approvals shall contain (i) any conditions, restrictions or requirements that the BB&T Board of Directors reasonably determines would either, before or after the completion of the merger, have a material adverse effect on BB&T or (ii) any conditions, restrictions or requirements that are not customary and usual for approvals of such type and that the BB&T Board of Directors reasonably determines would either, before or after the completion of the merger, have a material adverse effect on BB&T;

no governmental authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, judgment, decree, injunction or other order (whether temporary, preliminary or permanent) that is in effect and prohibits consummation of the merger; and

the shares of BB&T common stock issuable pursuant to the merger must have been approved for listing on the NYSE, subject to official notice of issuance.

The obligations of Main Street to carry out the transactions contemplated by the merger agreement are subject to the satisfaction of the following additional conditions at or before the time the merger becomes effective, unless, where permissible, waived by Main Street:

the representations and warranties of BB&T in the merger agreement shall be true and correct as of the date of the merger agreement and as of the closing of the merger, except for such inaccuracies in the representations and warranties that, individually or in the aggregate, have not had or are not reasonably likely to have a material adverse effect on BB&T;

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; and

Main Street must have received closing certificates with respect to accuracy of representations and warranties and compliance with covenants from BB&T.

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 becomes effective, unless, where permissible, waived by BB&T:

- the representations and warranties of Main Street in the merger agreement shall be true and correct as of the date of the merger agreement and as of the closing of the merger, except for such inaccuracies in the representations and warranties that, individually or in the aggregate, have not had or are not reasonably likely to have a material adverse effect on Main Street (other than Main Street s capitalization which may only have *de minimus* variations);

- Main Street 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 specified affiliates of Main Street concerning their shares of Main Street common stock and the shares of BB&T common stock to be received by them;

- BB&T must have received closing certificates from Main Street with respect to accuracy of representations and warranties and compliance with covenants; and

- BB&T must have received an opinion of Womble Carlyle Sandridge & Rice, PLLC, counsel to Main Street, regarding matters specified in the merger agreement.

**Representations and Warranties**

The merger agreement contains representations and warranties by Main Street and BB&T regarding various legal, financial, business and regulatory matters. The representations and warranties will not survive after the merger. The full text of these representations and warranties can be found in the merger agreement attached as Appendix A.

This proxy statement/ prospectus contains a description of the representations, warranties and covenants made in the merger agreement, and in agreements, some of which are attached or filed as exhibits to the registration statement of which this proxy statement/ prospectus is a part or are incorporated by reference into this proxy statement/ prospectus. These representations, warranties and agreements have been made solely for the benefit of the other party to such agreements, may be subject to important qualifications, exceptions and limitations agreed to by the contracting parties, and may not be complete, and such representations, warranties and agreements therefore should not be relied on by any other person. Any such covenants, representations or warranties may have been qualified or superseded by disclosures contained in separate schedules or exhibits not filed with or incorporated by reference in this proxy statement/ prospectus, may reflect the parties negotiated risk allocation in the particular transaction rather than facts, may be qualified by materiality standards that differ from those that you may consider material, may not be true as of the date of this proxy statement/ prospectus or any other date, and are subject to amendments, changes or waivers by the parties.

**Covenants; Conduct of Main Street s and BB&T s Businesses Before the Merger Becomes Effective**

Each of Main Street and BB&T has agreed:

- to use reasonable best efforts in good faith to satisfy the conditions necessary to complete the transactions contemplated by the merger agreement as soon as is reasonably practicable; and

- not to take any action that would adversely affect the desired income tax consequences of the merger.

Except with the prior written consent of BB&T, until the merger is effective, neither Main Street nor any of its subsidiaries may:

conduct their businesses other than in the ordinary and usual course;

fail to use reasonable efforts to preserve intact their business organizations and assets and maintain their rights, franchises and existing relations with customers, suppliers, employees and business associates;

voluntarily take any action likely to have an adverse effect upon Main Street s ability to perform any of its material obligations under the merger agreement;

enter into any new material line of business;

materially change its lending, investment, underwriting, risk, asset liability management or other banking and operating policies, except as required by applicable law, regulation or policies imposed by any governmental authority;

issue any shares of capital stock, other than in connection with the exercise of outstanding options or, consistent with past practice, in connection with awards of restricted stock and stock options to directors, officers, and employees under the Main Street stock option plans;

incur additional indebtedness other than in the ordinary course of business;

sell or otherwise dispose of any material assets, acquire any materials assets or make certain capital expenditures;

increase the compensation or fringe benefits of its directors, officers or employees except in a manner consistent with past practice; or

declare or pay any dividends or other distributions on capital stock other than quarterly cash dividends in an amount not to exceed the per share amount declared and paid in accordance with past practices, provided that Main Street may pay a quarterly dividend in the first quarter 2006 up to $0.16775 per share of Main Street common stock, which is an increase from the immediately preceding dividend paid in 2005. Main Street and BB&T will coordinate their dividends pending the merger so that Main Street shareholders will receive, during the quarter in which the merger becomes effective, a dividend from either BB&T or Main Street, but not both.

Except with the consent of Main Street, until the merger is effective, neither BB&T nor any of its subsidiaries may:

declare, set aside, make or pay any extraordinary or special dividends on shares of BB&T common stock or make any other extraordinary or special distributions in respect of any of its capital stock; or

amend the BB&T Articles of Incorporation, BB&T Bylaws or the Articles of Incorporation or Bylaws of any BB&T subsidiaries in a manner that would adversely affect the economic or other benefits of the merger to the holders of Main Street common stock or to the employees of Main Street and Main Street s subsidiaries.

**No Solicitation of Other Acquisition Proposals by Main Street**

Main Street may not solicit or encourage inquiries or proposals with respect to, or engage in any negotiations concerning, or provide any confidential information to, or have any discussions with, any person relating to any acquisition proposal, except to the extent that the Main Street Board, after consultation with independent legal counsel, determines in good faith that it is probable that the failure to take such action would be a breach of its fiduciary duties under applicable Georgia law and Main Street s Articles of Incorporation. Upon execution of the merger agreement, Main Street agreed to immediately cease and cause to be terminated any activities, discussions or negotiations conducted prior to the date of the merger agreement with any parties other than BB&T with respect to any acquisition proposal and to use its reasonable best efforts to enforce any confidentiality or similar agreement relating to any acquisition proposal.

Main Street must promptly advise BB&T of the receipt by Main Street of any acquisition proposal and the substance thereof (including the identity of the person making such acquisition proposal), and advise BB&T of any material developments with respect to such acquisition proposal promptly.

Acquisition proposal means any tender or exchange offer, proposal for a merger, consolidation or other business combination involving Main Street or any of its subsidiaries, or any proposal or offer to acquire in any manner a substantial equity interest in, or a substantial portion of the assets or deposits of, Main Street or any of its subsidiaries, other than the transactions contemplated by the merger agreement.

**Waiver; Amendment; Termination; Expenses**

Except with respect to any required regulatory approval, BB&T or Main Street may at any time (whether before or after approval of the merger agreement by the Main Street shareholders) extend the time for the performance of any of the obligations or other acts of the other party and may waive:

any inaccuracies of the other party in the representations or warranties contained in the merger agreement or any document delivered pursuant to the merger agreement;

compliance with any of the covenants, undertakings or agreements of the other party, or satisfaction of any of the conditions precedent to its obligations, contained in the merger agreement; or

the performance by the other party of any of its obligations set out in the merger agreement.

The parties may also mutually amend or supplement the merger agreement in writing at any time. However, no extension, waiver, amendment or supplement which would reduce the merger consideration to be provided to holders of Main Street common stock upon completion of the merger may be made after the Main Street shareholders approve the merger agreement. In order to be valid, the waiving party must provide a written waiver to the other party.

The merger agreement may be terminated, and the merger may be abandoned:

at any time before the merger becomes effective, by the mutual consent in writing of BB&T and Main Street;

at any time before the merger becomes effective, by BB&T or Main Street in the event of either: (i) a breach by the other party of any representation or warranty contained in the merger agreement, which breach cannot be or has not been cured within 30 days after the giving of written notice to the breaching party of such breach; or (ii) a material breach by the other party of any of the covenants or agreements contained in the merger agreement, which breach cannot be or has not been cured within 30 days after the giving of written notice to the breaching party of such breach, *provided that* (A) such breach would entitle the non-breaching party not to consummate the merger, and (B) the terminating party is not itself in material breach of any provision of the merger agreement;

at any time before the merger becomes effective, by BB&T or Main Street, if its Board of Directors so determines by vote of a majority of the members of its entire Board, in the event that the merger is not consummated by July 1, 2006, except to the extent that the failure of the merger to be consummated arises out of or results from the knowing action or inaction of the party seeking to terminate the merger agreement;

by Main Street or BB&T in the event (i) the approval of any governmental authority required for consummation of the merger and the other transactions contemplated by the merger agreement shall have been denied by final nonappealable action of such governmental authority; (ii) the Main Street shareholders fail to adopt the merger agreement at the Main Street shareholders meeting and approve the merger; or (iii) any of the closing conditions have not been met as required by the merger agreement; or

by BB&T, if (i) the Main Street Board of Directors submits the merger agreement to its shareholders without a recommendation for approval or with any adverse conditions on, or qualifications of, such recommendation for approval; (ii) the Main Street Board of Directors otherwise withdraws or

materially and adversely modifies (or discloses its intention to withdraw or materially and adversely modify) its recommendation; or (iii) the Main Street Board of Directors recommends to its shareholders an acquisition proposal other than the merger.

If the merger agreement is terminated pursuant to any of the provisions described above, the merger agreement will become void and have no effect, except that (a) provisions in the merger agreement relating to confidentiality, the termination fee and expenses will survive the termination and (b) a termination for an uncured breach of a covenant or agreement or inaccuracy in a representation or warranty will not relieve the breaching party from liability for that breach or inaccuracy.

Each party will pay the expenses it incurs in connection with the merger agreement and the merger, except that printing expenses and Securities and Exchange Commission filing fees incurred in connection with the registration statement and this proxy statement/ prospectus will be paid 50% by BB&T and 50% by Main Street.

**Termination Fee**

Under the circumstances described below, Main Street will be required to pay to BB&T a termination fee of $20 million.

The termination fee would be payable IF the merger agreement is terminated for one of the following reasons:

BB&T terminates because Main Street is in material breach of the merger agreement and such breach is not cured or cannot be cured;

BB&T terminates because prior to the Main Street shareholders meeting, the Main Street Board of Directors withdrew or disclosed its intention to withdraw or materially and adversely modify its recommendation, or refused to recommend, without any adverse conditions or qualifications, to the Main Street shareholders that they vote to approve the merger, or recommended to Main Street shareholders that they approve an acquisition of Main Street by a third party; or

Either Main Street or BB&T terminates because the Main Street shareholders did not vote to approve the merger agreement.

AND

Prior to such termination an acquisition proposal by a third party with respect to Main Street has been commenced, publicly proposed or publicly disclosed.

AND

Within 12 months of termination of the merger agreement, Main Street completes or enters into a definitive agreement with another party with respect to the acquisition of Main Street.

The termination fee also would be payable to BB&T IF

after receiving an acquisition proposal from a third party, the Main Street Board does not take action to convene the Main Street shareholders meeting and/or recommend that Main Street shareholders adopt the merger agreement;

AND

within 12 months of termination of the merger agreement, Main Street completes or enters into a definitive agreement with another party with respect to the acquisition of Main Street, except that under this scenario BB&T would not be entitled to a termination fee if the merger agreement is terminated by mutual consent of BB&T and Main Street or because any regulatory approval required to complete the merger is denied by final, nonappealable action of a governmental authority.

The termination fee, which was a condition of BB&T s willingness to enter into the merger agreement, limits the ability of Main Street to pursue competing acquisition proposals and discourages other companies from offering to acquire Main Street.

**Certain Interests of Main Street s Directors and Officers in the Merger**

Some of Main Street s directors and executive officers have interests in the merger that differ from, or are in addition to, their interests as Main Street shareholders. In the case of some executive officers of Main Street, these interests exist because of rights under existing employment agreements with and benefit and compensation plans of Main Street, as well as under employment agreements or consulting agreements that Samuel B. Hay III, Edward C. Milligan and Robert R. Fowler have entered into with Branch Bank, a wholly owned subsidiary of BB&T, that will become effective upon completion of the merger. The employment and/or consulting agreements between each of Messrs. Hay, Milligan, and Fowler and Branch Bank were a condition of BB&T s willingness to enter into the merger agreement. In addition, stock options and shares of restricted stock awarded under Main Street s stock option plans to most executive officers and employees provide for accelerated vesting upon the completion of the merger.

*Existing Employment Agreements with Main Street*

Messrs. Hay, Milligan and Fowler s existing employment agreements with Main Street will be terminated upon completion of the merger. The termination of each employment agreement will obligate Main Street to make certain payments to each executive and will cause each executive s outstanding stock options and other incentive awards to immediately vest and any restrictions on awards of restricted stock to lapse. Messrs. Hay, Milligan and Fowler have agreed to amend their existing employment agreements with Main Street prior to the closing of the merger to reduce the amounts of these payments by an aggregate amount of $1 million in order to fund Main Street s share of an Employee Assistance Program. *See* Employee Assistance Program on page **[ ].** Upon completion of the merger, under the terms of their respective employment agreements, as amended, each of Messrs. Hay, Milligan and Fowler will receive a lump-sum payment in the amounts of $1,480,187, $1,745,409 and $150,881, respectively.

Upon completion of the merger, David W. Brooks, Executive Vice President and Chief Financial Officer of Main Street, and Gary Austin, Executive Vice President, Risk Manager, and Corporate Secretary of Main Street, will have the right to terminate their existing employment agreements with Main Street for good reason which generally is defined in each of their respective employment agreements to mean an adverse change in position or responsibility, a reduction in base salary, elimination of any material employee benefits, relocation outside of the Atlanta, Georgia metropolitan area or material breach of the employment agreement by Main Street. If Messrs. Brooks and Austin terminate their employment agreements for good reason, Main Street expects that each of Messrs. Brooks and Austin will receive a termination payment of $1,147,163 and $500,000, respectively.

*Claims Agreements with Main Street*

Main Street entered into Claims Agreements that modify its existing employment agreements with Max S. Crowe, Executive Vice President and Chief Banking Officer, John T. Monroe, Executive Vice President and Chief Credit Officer, and Richard A. Blair, Executive Vice President, Administration and Operations. The Claims Agreements clarify and reduce the consideration payable to each officer in the event of a change of control under their existing employment agreements, and provide waivers and releases of claims to additional or different consideration from that provided in the Claims Agreements. The Claims Agreements also provide for the acceleration of certain benefits to such officers in connection with each officer s agreement to (i) continue his service with Main Street through the closing of the merger; and (ii) general releases of claims against Main Street and BB&T. Under the Claims Agreements, upon completion of the merger, Messrs. Crowe, Monroe, and Blair are entitled to lump sum payments of $1,257,702, $623,630 and $502,192, respectively.

*New Employment and Consulting Agreements with Branch Bank*

Main Street s President and Chief Executive Officer, Samuel B. Hay III, has entered into an employment agreement with Branch Bank. The employment agreement provides that Mr. Hay will serve as an Executive Vice President of Branch Bank for a term lasting up to five years following the completion of the merger. However, on the six-month anniversary of the completion of the merger, Mr. Hay may elect to relinquish his position as an employee and become an independent contractor to Branch Bank. Whether Mr. Hay remains an employee of Branch Bank or elects to become an independent contractor, the maximum term of the employment agreement will be five years, unless the parties agree in writing to extend the term of the agreement.

During any period that Mr. Hay serves as an Executive Vice President of Branch Bank, he will perform his assigned duties in the Atlanta, Georgia metropolitan area and he will report to the Georgia State Regional President of Branch Bank. While Mr. Hay is employed by Branch Bank, he will receive a minimum annual base salary of $315,000 and will be eligible to receive incentive compensation (such as stock options, restricted stock and other equity awards) on the same terms as similarly situated officers of Branch Bank. As an employee, Mr. Hay also will be eligible to receive employee retirement benefits (including deferred compensation) and group employee benefits such as sick leave, vacation, group disability and health, life, and accident insurance and similar indirect compensation that Branch Bank may from time to time extend to similarly situated officers of Branch Bank.

If, on the six-month anniversary of the completion of the merger, Mr. Hay elects to become an independent contractor to Branch Bank, he will be paid $300,000 annually in exchange for providing consulting services and as consideration for noncompetition and other covenants contained in the employment agreement. As an independent contractor, Mr. Hay will not be eligible to participate in any of Branch Bank s employee benefit plans, except for elective coverage under group health plan benefits.

In the event that, in accordance with the terms of the employment agreement, Mr. Hay s employment or consulting relationship is terminated by Branch Bank for just cause, or if Mr. Hay voluntarily terminates his employment or consulting relationship, Mr. Hay shall have no right to render services or to receive compensation or other benefits under the employment agreement for any period after such termination.

In the event that Branch Bank terminates Mr. Hay s employment due to Mr. Hay s disability or other than for just cause, or in the event Mr. Hay terminates his employment due to a material breach by Branch Bank of the employment agreement that is not remedied by Branch Bank within 30 days following written notice of such breach, Mr. Hay will continue to receive his base salary and annual cash bonuses for the remaining period of the employment agreement, and the cash bonuses will equal the highest amount of cash bonus paid to Mr. Hay during his employment by Branch Bank. Mr. Hay s termination compensation will not include any equity-based compensation and in order to receive the termination compensation, Mr. Hay must comply with noncompetition, nonsolicitation, confidentiality and other covenants in the employment agreement. Mr. Hay would continue to participate in Branch Bank s group health plan and group life insurance plan for all periods Mr. Hay receives termination compensation. In all events, if Mr. Hay were to breach the noncompetition, nonsolicitation, confidentiality and other covenants in the employment agreement during the period that he is receiving termination compensation, Mr. Hay would not be entitled to receive any further termination compensation or benefits.

Edward C. Milligan, Chairman of Main Street, has entered into a consulting agreement with Branch Bank. The term of the consulting agreement will commence on the completion of the merger and last for three years, unless the agreement is earlier terminated in accordance with its terms. Mr. Milligan will be paid a total of $900,000 in thirty-six (36) equal monthly installments of $25,000 in exchange for providing consulting services, and in consideration of noncompetition, nonsolicitation, confidentiality and other covenants contained in the consulting agreement. Payments to Mr. Milligan under the agreement will cease if the agreement is terminated early for any reason other than a voluntary termination of the consulting agreement by Branch Bank without cause. During the term of the consulting agreement, Mr. Milligan also will be entitled to participate in the group health plan in which Branch Bank officers participate.

Robert R. Fowler, a Director of Main Street, has entered into a consulting agreement with Branch Bank with terms identical to Mr. Milligan s consulting agreement, except that (i) Mr. Fowler will be paid a total of $875,565, in thirty-six (36) equal monthly installments of $24,321.25, and (ii) Mr. Fowler will elect group health plan continuation coverage ( COBRA coverage ) which BB&T will make available to Mr. Fowler during the term of the consulting agreement at a cost no greater than the cost of group health plan benefits to officers of Branch Bank and (iii) after expiration of COBRA coverage, Branch Bank will pay Mr. Fowler during the term of the consulting agreement, a monthly amount equal to the employer cost BB&T would bear for group health plan coverage if Mr. Fowler were an employee of Branch Bank.

BB&T also will cause Branch Bank to offer to enter into a three-year employment/consulting agreement with Max S. Crowe, Executive Vice President and Chief Banking Officer of Main Street.

In addition, BB&T will cause Branch Bank to offer at-will employment to David W. Brooks, Executive Vice President and Chief Financial Officer of Main Street, John T. Monroe, Executive Vice President and Chief Credit Officer of Main Street, Gary S. Austin, Executive Vice President, Risk Management of Main Street, and Richard A. Blair, Executive Vice President, Administration and Operations of Main Street.

*Equity-Based Awards*

The merger agreement provides that, upon completion of the merger, each then outstanding and unexercised stock option to acquire shares of Main Street common stock will cease to represent the right to acquire or receive shares of Main Street common stock. Each such stock option will be converted into, and become a right to acquire or receive, the number of shares of (or, in the case of stock appreciation rights, a payment in respect of) BB&T common stock equal to the product of the number of shares of Main Street common stock subject to such option and the exchange ratio, with the exercise price of each converted stock option per share of BB&T common stock equaling the per share exercise price of the Main Street stock option divided by the exchange ratio. *See* Effect on Employee Benefit Plans and Options Stock Options on page [ ].

Pursuant to the terms of Main Street s stock option award agreements with its officers, directors, and employees, stock options subject to such agreements will fully vest and become exercisable upon the effective time of the merger. As of January 19, 2006, the number of unvested stock options to acquire shares of Main Street common stock that will become vested and exercisable in connection with the merger is approximately 334,000.

*Board of Directors of Branch Bank*

Following completion of the merger, Branch Bank will elect Robert R. Fowler to serve on the Branch Bank Board of Directors for an initial term ending on the next Branch Bank annual meeting of shareholders. Mr. Fowler is expected to be reelected at this annual meeting, and be elected to additional one year terms thereafter. Members of the Branch Bank Board of Directors who are not employees of, or under contract with, BB&T or an affiliate are entitled to receive fees for services as a director in accordance with the policies of BB&T as in effect from time to time. During calendar year 2005, with the exception of a few directors, members of the Branch Bank Board of Directors received an annual retainer fee equal to $5,000 and attendance fees equal to $1,000 for each board or committee meeting that the board member attended. So long as Mr. Fowler s consulting agreement remains in effect he will not be eligible to receive these board fees.

*Advisory Boards*

Following completion of the merger, Edward C. Milligan will be elected to serve on the BB&T Georgia State Board and other members of the Main Street Board of Directors will be offered a position on the BB&T advisory board serving the region formerly served by Main Street for such period of time as determined by BB&T. For a period of two years after completion of the merger, BB&T will pay compensation to such directors for their service on such BB&T local advisory board in the form of an annual retainer equal to the amount of fees each director received for serving on the Main Street Board of Directors in 2005. Five of these directors will be entitled to receive an annual retainer in the amount of $27,400. One of these directors will be entitled to receive an annual retainer in the amount of $33,400, which reflects his service and compensation as Chairman of Main Street s Audit Committee. After the expiration of such two-year period, if a director continues to serve on the local advisory board, BB&T will pay compensation to such directors for his or her service on the BB&T local advisory board consistent with BB&T s fee policies for advisory board members. Membership on any advisory board is conditioned upon execution of a noncompetition agreement with BB&T.

*Indemnification of Directors and Officers; Insurance*

BB&T has also agreed to indemnify all individuals who are or have been officers, directors or employees of Main Street or a Main Street subsidiary before the merger becomes effective from any acts or omissions in such capacities before the merger becomes effective to the extent such indemnification is permitted by law. The merger agreement provides that BB&T will maintain directors and officers liability insurance covering directors and officers of Main Street for acts or omissions or alleged acts or omissions occurring before the merger becomes effective for a period of three years from the expiration of the current term of Main Street s policy. This insurance will provide at least the same coverage and amounts as contained in Main Street s policy on the date of the merger agreement, unless the annual premium on the policy would exceed 110% of the annual premium payments on Main Street s policy, in which case BB&T would maintain the most advantageous policies of directors and officers liability insurance obtainable for a premium equal to that amount.

**Material Federal Income Tax Consequences of the Merger**

The following is a summary of the material anticipated U.S. federal income tax consequences of the merger generally applicable to holders of Main Street common stock and to BB&T and Main Street. This summary is not intended to be a complete description of all of the U.S. federal income tax consequences of the merger, and no information is provided with respect to the tax consequences of the merger under any other tax laws, including applicable state, local and foreign tax laws. In addition, the following discussion may not be applicable to certain specific categories of shareholders, including but not limited to:

- dealers in securities or foreign currencies, financial institutions, insurance companies or tax exempt organizations;
- persons who are not United States persons (as defined in Section 7701(a)(30) of the Internal Revenue Code);
- persons who are subject to alternative minimum tax, or who elect to apply a mark-to-market method of accounting;
- holders of options granted by Main Street, or persons who acquired Main Street stock pursuant to employee stock options or otherwise as compensation;
- persons who do not hold their shares as capital assets; or
- persons who hold their shares as part of a hedge, constructive sale, straddle, conversion transaction or other integrated transaction.

This discussion is based on the Internal Revenue Code, applicable Department of Treasury regulations, judicial authority, and administrative rulings and practice, all as in effect as of the date of this document, as well as representations, covenants, and assumptions as to factual matters provided by BB&T and Main Street to Arnold & Porter llp , special tax counsel to BB&T. Future legislative, judicial, or administrative changes or interpretations, which may or may not be retroactive, or the failure of any such factual representations, covenants or assumptions to be true, accurate, and complete in all material respects, may adversely affect the accuracy of the statements and conclusions described in this discussion.

No ruling has been or will be requested from the Internal Revenue Service with respect to the tax consequences of the merger. Moreover, the opinion of Arnold & Porter llp , special tax counsel to BB&T,

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described in this discussion is not binding on the Internal Revenue Service, and the opinion would not prevent the Internal Revenue Service from challenging the U.S. federal income tax treatment of the merger. The U.S. federal income tax laws are complex, and a shareholder s individual circumstances may affect the shareholder s tax consequences. Consequently, each Main Street shareholder is urged to consult his or her own tax advisor regarding the tax consequences, including the applicable U.S. federal, state, local and foreign tax consequences, of the merger to him or her.

*Material Tax Consequences of the Merger*

In the opinion of Arnold & Porter llp , special tax counsel to BB&T:

the merger will be treated as a reorganization under Section 368(a) of the Internal Revenue Code;

each of BB&T and Main Street will be a party to that reorganization within the meaning of Section 368(b) of the Internal Revenue Code;

no gain or loss will be recognized by BB&T or Main Street as a result of the merger, except for amounts resulting from any required change in accounting methods or any income or deferred gain recognized under the relevant consolidated return regulations;

the shareholders of Main Street who receive BB&T common stock in exchange for their Main Street common stock will recognize no gain or loss for federal income tax purposes;

the aggregate tax basis of the BB&T common stock received by a Main Street shareholder (including any fractional share interest deemed received and redeemed as described below) will be the same as the aggregate tax basis of the Main Street common stock surrendered in exchange; and

the holding period for BB&T common stock received (including any fractional share interest deemed received and redeemed as described below) in exchange for shares of Main Street common stock will include the period during which the shareholder held the shares of Main Street common stock surrendered in exchange therefor.

*Cash Received Instead of a Fractional Share of BB&T Common Stock.* A shareholder of Main Street who receives cash instead of a fractional share of BB&T common stock will be treated as having received the fractional share pursuant to the merger and then as having exchanged the fractional share for cash in a redemption by BB&T subject to Section 302 of the Internal Revenue Code. As a result, a Main Street stockholder will generally recognize gain or loss equal to the difference between the amount of cash received and the portion of the basis of the shares of BB&T common stock allocable to his or her fractional interest. This gain or loss will generally be capital gain or loss, and will be long-term capital gain or loss if the Main Street common stock was held by the shareholder as a capital asset for more than one year as of the effective date of the merger.

*Backup Withholding*

Backup withholding at the applicable rate will generally apply to merger consideration that includes cash if the exchanging Main Street shareholder fails to properly certify that it is not subject to backup withholding, generally on a substitute Internal Revenue Service ( IRS ) Form W-9. Certain holders, including, among others, U.S. corporations, are not subject to backup withholding, but they may still need to furnish a substitute IRS Form W-9 or otherwise establish an exemption. Any amount withheld as backup withholding from payments to an exchanging Main Street shareholder will be creditable against the shareholder s U.S. federal income tax liability, provided that it timely furnishes the required information to the IRS. Main Street shareholders should consult their tax advisors as to their qualifications for exemption from backup withholding and the procedure for obtaining such an exemption.

**Tax matters are very complicated, and the tax consequences of the merger to each holder of Main Street common stock will depend on the facts of that shareholder s particular situation. The United States federal income tax discussion set forth above does not address all United States federal income tax consequences that may be relevant to a particular holder and may not be applicable to holders in**

**special situations. Holders of Main Street common stock are urged to consult their own tax advisors regarding the specific tax consequences of the merger.**

**Regulatory Considerations**

*The Merger*

The merger is subject to approval by the Federal Reserve under the Bank Holding Company Act (the BHC Act ) and where a transaction, such as the merger, is the acquisition by a bank holding company of a bank located in a state other than the home state of the bank holding company (in this case North Carolina), the BHC Act authorizes the Federal Reserve to approve the transaction without regard to whether such transaction is prohibited under state law, as long as certain limitations are met. In considering the approval of the merger, the BHC Act requires the Federal Reserve to review the financial condition and future prospects of BB&T and Main Street and their respective subsidiary banks, the managerial resources, the convenience and needs of the communities to be served, and the merging parties effectiveness in combating money laundering activities.

The Federal Reserve is also required to evaluate whether the merger would result in a monopoly or would be in furtherance of any combination or conspiracy or attempt to monopolize the business of banking in any part of the United States or otherwise would substantially lessen competition or tend to create a monopoly which in any manner would be in restraint of trade. If the Federal Reserve determines that an acquisition would substantially lessen competition, it will not approve the transaction unless it finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the communities to be served.

In addition to filing the required application with the Federal Reserve, BB&T also must provide notice of the merger to the Georgia Department of Banking and Finance under Title 7 of the Official Code of Georgia, which allows a bank holding company, such as BB&T, to acquire a bank in Georgia, such as Main Street Bank. When evaluating the merger, the Georgia Department will look at factors such as the effect of the transaction on competition, the convenience and needs of the community to be served, the financial history of the merging financial institutions, the condition of the merging financial institutions, including capital, management, and earnings prospects, the existence of insider transactions and the adequacy of disclosure of the terms of the merger.

BB&T also is required to provide notice to the Virginia Bureau of Financial Institutions of the Virginia State Corporation Commission under the bank holding company act provisions of the Virginia Code, which permit an out-of-state bank holding company that controls a Virginia bank, such as BB&T, to acquire banks outside of Virginia, such as Main Street Bank, if the Bureau approves the transaction. The Bureau is required to approve the transaction if it determines that the transaction would not be detrimental to the safety and soundness of the Virginia bank.

BB&T has filed the required applications and notices with the Federal Reserve, the Georgia Department of Banking and Finance, and the Virginia Bureau of Financial Institutions, and all of these applications and notices have been approved and all applicable waiting periods have expired.

**Accounting Treatment**

BB&T will account for the merger using the purchase method of accounting. Under this accounting method, BB&T would record the acquired identifiable assets and liabilities assumed at their fair market value at the time the merger is completed. Any excess of the cost of Main Street over the sum of the fair values of tangible and identifiable intangible assets less liabilities assumed would be recorded as goodwill. Based on information as of [ ], management of BB&T estimates that the total merger consideration (including issuance of common stock and assumption of options on common stock) will be approximately $[ ] million. Utilizing information as of December 31, 2005, estimated goodwill and other intangibles would total approximately $328.0 million. BB&T s reported income would include the operations of Main Street after the merger. Financial statements of BB&T issued after completion of the merger would reflect the impact of the merger with Main Street. Financial statements of BB&T issued before completion of the merger would not be restated retroactively to reflect Main Street s historical financial position or results of operations. The unaudited pro forma financial information contained in this proxy statement/ prospectus has been prepared using the purchase method of accounting. *See* Summary Comparative Per Share Data on page [ ].

**Effect on Employee Benefit Plans and Stock Options**

*Employee Benefit Plans*

As of a date (the benefit plan determination date ) determined by BB&T to be not later than 60 days after the closing of the merger, BB&T will cause Main Street s 401(k) plan either to be merged with BB&T s 401(k) plan or to be frozen, as determined by BB&T and subject to receipt of applicable governmental approvals. Each employee of Main Street or any Main Street subsidiary at the time the merger becomes effective who: (a) is a participant in Main Street s 401(k) plan; (b) becomes an employee of BB&T or a BB&T subsidiary (a BB&T employer ) at the time the merger becomes effective (a transferred employee ), and (c) continues in the employment of a BB&T employer until the benefit plan determination date, will be eligible to participate in BB&T s 401(k) plan as of the benefit plan determination date. Any other former employee of Main Street will be eligible to participate in BB&T s 401(k) plan upon complying with the eligibility requirements. All rights to participate in BB&T s 401(k) plan are subject to BB&T s right to amend or terminate the plan. BB&T will maintain Main Street s 401(k) plan and any related supplemental plans for the benefit of participating employees until the benefit plan determination date. In administering BB&T s 401(k) plan and any related supplemental or excess benefit plan of BB&T, excess benefit defined contribution service with Main Street and its subsidiaries will be deemed to be service with BB&T for participation and vesting purposes, but not for purposes of benefit accrual.

Each transferred employee shall also be included in any defined benefit plan sponsored or maintained by any BB&T employer following the effective time of the merger in accordance with the terms of such plan. The transferred employees shall receive credit for service with Main Street and its subsidiaries (and any predecessor entities to the extent such service was recognized by Main Street) prior to the effective time of the merger for purposes of participation, eligibility and vesting (but not for purposes of benefit accrual) under such defined benefit plan to the same extent as if such service were with the BB&T employer.

Each transferred employee will be eligible to participate in group hospitalization, medical, dental, life, disability and other welfare benefit plans and programs available to employees of the BB&T employer as of the benefit plan determination date with respect to each such plan or program, conditional upon the transferred employee s being employed by the BB&T employer as of the benefit plan date and subject to complying with eligibility requirements of the respective plans and programs. BB&T will cause the BB&T employer to continue the Main Street welfare plans and programs in effect for the benefit of the transferred employees so long as they remain eligible to participate and until they become eligible to participate in the corresponding plan or program maintained by the BB&T employer (and, with respect to any such plan or program, subject to complying with eligibility requirements and subject to the right of the BB&T employer to terminate the plan or program). Main Street retirees and transferred employees who are participating or are eligible to participate in the Main Street retiree medical benefits plan will automatically become participants in or eligible to participate in the BB&T retiree medical benefits plan as of the benefit plan determination date applicable to such plan. For purposes of administering these plans and programs, service with Main Street will be deemed to be service with the BB&T employer for the purpose of determining eligibility to participate, vesting (if applicable), benefit accruals (solely for purposes of vacation and service awards), commencement of benefits and benefit subsidies in such plans and programs. BB&T will, or will cause another BB&T employer to, reduce any pre-existing conditions or limitations and eligibility waiting periods under any group health plans of a BB&T employer by applying the creditable coverage as described under the provisions of HIPAA with respect to the transferred employees. BB&T will give transferred employees and retirees of Main Street who are participants in or eligible to participate in the Main Street retiree medical benefits plan credit for the plan year in which each becomes a participant in the BB&T plan towards applicable deductibles and out-of-pocket limits for expenses incurred in such year under the Main Street plan.

Except to the extent of commitments in the merger agreement or other contractual commitments specifically made or assumed by BB&T, no BB&T employer will have any obligation arising from the merger to continue any transferred employees in its employ or in any specific job or to provide to any transferred employee any specified level of compensation or any incentive payments, benefits or perquisites. Each transferred employee who is terminated by a BB&T employer after the merger becomes effective, excluding any employee who has a then-existing contract providing for severance, will be entitled to severance pay in accordance with the general severance policy maintained by BB&T, if and to the extent that the employee is entitled to severance pay under the applicable policy. Such employee s service with Main Street will be aggregated with BB&T service for purposes of determining the amount of severance pay, if any, under the applicable severance policy.

BB&T has agreed to honor all employment agreements, severance agreements and deferred compensation agreements and plans that Main Street and its subsidiaries have with or in place for their current and former employees and directors and which have been disclosed to BB&T pursuant to the merger agreement, except to the extent any agreements are superseded or terminated when the merger becomes effective or thereafter. Except as these agreements may provide otherwise, and except as otherwise described above, (i) the transferred employees will be eligible to participate in all other employee benefit and compensation plans provided to similarly situated employees of BB&T, subject to complying with eligibility requirements, (ii) service with Main Street will be deemed to be service with BB&T for the purpose of determining eligibility to participate and vesting (if applicable), and (iii) the employee benefit plans of Main Street will be frozen, terminated or merged into comparable plans of BB&T, as BB&T may determine in its sole discretion.

*Stock Options*

At the time the merger becomes effective, whether or not then exercisable, each outstanding option to purchase shares of Main Street Common Stock under the Main Street stock option plans shall be converted into and become rights with respect to BB&T common stock, and BB&T shall assume each Main Street stock option in accordance with the terms of the Main Street stock option plans, except that (i) BB&T and its Compensation Committee shall be substituted for Main Street and the relevant committee of Main Street s Board of Directors for purposes of administering the Main Street stock option plans, (ii) each Main Street stock option assumed by BB&T may be exercised solely for shares of BB&T common stock, (iii) the number of shares of BB&T common stock subject to each such Main Street stock option shall be the number of whole shares of BB&T common stock (omitting any fractional share) determined by multiplying the number of shares of Main Street common stock subject to such Main Street stock option immediately prior to merger by the stock exchange ratio, and (iv) the per share exercise price under each such Main Street stock option shall be adjusted by dividing the per share exercise price under each such Main Street stock option by the stock exchange ratio and rounding up to the nearest cent.

As an alternative, BB&T may, at its election, as of the effective time of the merger substitute options under the BB&T Corporation 2004 Stock Incentive Plan or any other duly adopted comparable plan for all or a part of the Main Street stock options, subject to the following conditions: (A) the requirements of (iii) and (iv) above shall be met; (B) such substitution shall not constitute a modification, extension or renewal of any of the Main Street stock options and shall be tax neutral to the option holder; and (C) the substituted options shall continue in effect on the same terms and conditions as provided in the Main Street stock option agreements and the Main Street stock option plans governing each Main Street stock option.

BB&T shall cause each grant of a converted or substitute option to any individual who subsequent to the merger will be a director or officer of BB&T (as construed under SEC Rule 16b-3), as a condition to such conversion or substitution, to be approved in accordance with the provisions of Rule 16b-3. Each Main Street stock option that is an incentive stock option shall be adjusted as required by Section 424 of the Internal Revenue Code, and the related Treasury Regulations, so as to continue as an incentive stock option under Section 424(a) of the Code, and so as not to constitute a modification, extension or renewal of the option within the meaning of Section 424(h) of the Code. Each Main Street stock option that is intended to be exempt from the application of Code Section 409A and related regulations or other guidance shall be subject to adjustment as necessary in order to comply with Prop. Reg. § 1.409A-1(b)(5)(v)(D), or any successor provisions. BB&T and Main Street agree to take all necessary steps to effectuate the foregoing as set forth in the merger agreement.

BB&T has reserved and shall continue to reserve adequate shares of BB&T common stock for delivery upon exercise of any converted or substitute options. Within five business days after the completion of the merger, if BB&T has not already done so, BB&T shall file a registration statement on Form S-3 or Form S-8, as the case may be, with respect to the shares of BB&T common stock subject to converted or substitute options and shall use its reasonable efforts to maintain the effectiveness of such registration statement for so long as such converted or substitute options remain outstanding. With respect to those individuals, if any, who subsequent to the merger may be subject to the reporting requirements under Section 16(a) of the Securities Exchange Act of 1934, BB&T shall administer the Main Street stock option plans assumed pursuant to the merger agreement (or the BB&T option plan, if applicable) in a manner that complies with Rule 16b-3 promulgated under the Securities Exchange Act to the extent necessary to preserve for such individuals the benefits of Rule 16b-3 to the extent such benefits were available to them prior to the merger.

BB&T will deliver to each Main Street employee who receives converted or substitute options an appropriate notice setting forth the employee s rights with respect to the converted or substitute options.

As of January 19, 2006, options to purchase an aggregate of approximately 334,000 shares of Main Street common stock may be outstanding at the effective time of the merger. Any shares of Main Street common stock issued pursuant to the exercise of stock options under the Main Street stock option plans before the effective time of the merger will be converted into shares of BB&T common stock in the same manner as other outstanding shares of Main Street common stock.

Eligibility to receive stock option grants after the merger will be determined by BB&T in accordance with its plans and procedures and subject to any contractual obligations.

**Employee Assistance Program**

Main Street and BB&T have agreed to each contribute $1 million to be held by Branch Bank in escrow to provide a broad range of short and long term employee assistance to Main Street employees whose employment is terminated as a result of the merger and community reinvestment assistance to the communities served by Main Street and its subsidiaries. Main Street expects to fund its share of the program from a $1 million aggregate reduction in the amounts payable to Messrs. Hay, Milligan and Fowler when their respective employment agreements with Main Street are amended prior to the closing of the merger.

**Restrictions on Resales by Affiliates**

The shares of BB&T common stock to be issued in the merger will be registered under the Securities Act of 1933 and will be freely transferable, except any shares received by any shareholder who may be deemed to be an affiliate of Main Street at the effective time of the merger for purposes of Rule 145 under the Securities Act. Affiliates of Main Street may sell their shares of BB&T common stock acquired in the merger only in transactions registered under the Securities Act or permitted by the resale provisions of Rule 145 under the Securities Act or as otherwise permitted by the Securities Act. Persons who may be deemed affiliates of Main Street generally include individuals or entities that directly, or indirectly through one or more intermediaries, control, are controlled by or are under common control with Main Street and include directors and executive officers of Main Street. In addition, any executive officer or director of Main Street who becomes an affiliate of BB&T will be required to comply with the resale requirements under

Rule 144 of the Securities Act. The restrictions on resales by an affiliate extend also to related parties of the affiliate, including parties related by marriage who live in the same home as the affiliate.

Main Street has agreed to use its best efforts to cause each of its affiliates to deliver to BB&T a written agreement to the effect generally that he or she will not offer to sell, transfer or otherwise dispose of any shares of BB&T common stock issued to that person in the merger, except in compliance with the Securities Act and the related rules and regulations.

**No Appraisal or Dissenters Rights**

Main Street shareholders do not have any right to dissent from the merger and demand an appraisal of their shares of Main Street common stock. *See* Comparison of the Rights of BB&T Shareholders and Main Street Shareholders Shareholders Rights of Dissent and Appraisal Main Street on page **[ ]**.

# INFORMATION ABOUT BB&T

## General

BB&T is a financial holding company headquartered in Winston-Salem, North Carolina. BB&T conducts its business operations primarily through its commercial bank subsidiaries, which have offices in North Carolina, South Carolina, Virginia, Maryland, Georgia, West Virginia, Tennessee, Kentucky, Alabama, Florida, Indiana and Washington, D.C. Substantially all of the loans by BB&T s bank and nonbank subsidiaries are to businesses and individuals in these market areas. BB&T s principal bank subsidiaries are Branch Bank, Branch Banking and Trust Company of South Carolina ( Branch Bank-SC ), Branch Banking and Trust Company of Virginia ( Branch Bank-VA ), and BB&T Bankcard Corporation. BB&T s principal assets are all of the issued and outstanding shares of common stock of its subsidiary banks and its nonbank subsidiaries.

As of December 31, 2005, BB&T had consolidated total assets of $109.2 billion, consolidated net loans of $75.0 billion, consolidated deposits of $74.3 billion and consolidated shareholders equity of $11.1 billion.

## Operating Subsidiaries

The principal operating subsidiaries of BB&T include the following:

Branch Banking and Trust Company, Winston-Salem, North Carolina

Branch Banking and Trust Company of South Carolina, Greenville, South Carolina

Branch Banking and Trust Company of Virginia, Richmond, Virginia

BB&T Bankcard Corporation, Columbus, Georgia

Scott & Stringfellow, Inc., Richmond, Virginia

Regional Acceptance Corporation, Greenville, North Carolina

Sheffield Financial LLC, Clemmons, North Carolina

MidAmerica Gift Certificate Company, Louisville, Kentucky

BB&T Asset Management, Inc., Raleigh, North Carolina

*Branch Bank*

Branch Bank, our largest subsidiary, was chartered in 1872 and is the oldest bank headquartered in North Carolina. As of December 31, 2005, Branch Bank operated banking offices in the following geographic markets:

| States | Offices |
|---|---|
| North Carolina | 334 |
| Maryland | 127 |
| Georgia | 119 |
| Kentucky | 92 |
| Florida | 90 |
| West Virginia | 80 |
| Tennessee | 47 |
| District of Columbia | 9 |
| Alabama | 2 |
| Indiana | 1 |

| | |
|---|---|
| Total | 901 |

Branch Bank provides a wide range of banking and trust services for retail and commercial clients in its geographic markets, including small and mid-size businesses, public agencies, local governments and individuals. Branch Bank s principal operating subsidiaries include:

BB&T Leasing Corporation, based in Charlotte, North Carolina, which provides lease financing to commercial businesses;

BB&T Investment Services, Inc., a registered broker-dealer located in Charlotte, North Carolina, which offers clients non-deposit investment alternatives, including discount brokerage services, equities, fixed-rate and variable-rate annuities, mutual funds and government and municipal bonds;

BB&T Insurance Services, Inc., headquartered in Raleigh, North Carolina, which offers property and casualty, life, health, employee benefits, commercial general liability, surety, title and other insurance products through its agency network;

Stanley, Hunt, DuPree & Rhine, Inc., with dual headquarters in Greensboro, North Carolina and Greenville, South Carolina, which offers flexible benefit plans, and investment advisory, actuarial and benefit consulting services;

Prime Rate Premium Finance Corporation, Inc., located in Florence, South Carolina, which provides insurance premium financing primarily to clients in BB&T s geographic markets;

Laureate Capital, LLC, located in Charlotte, North Carolina, which specializes in arranging and servicing commercial mortgage loans;

Lendmark Financial Services, Inc., located in Conyers, Georgia, which offers alternative consumer and mortgage loans to clients unable to meet BB&T s normal credit and mortgage loan underwriting guidelines;

CRC Insurance Services, Inc., based in Birmingham, Alabama, which is a wholesale insurance broker authorized to do business nationwide; and

McGriff, Seibels & Williams, Inc., based in Birmingham, Alabama, which is authorized to do business nationwide and specializes in providing insurance products on an agency basis to large commercial and energy clients, including many Fortune 500 companies.

*Branch Bank-SC, Branch Bank-VA and BB&T Bankcard Corporation*

Branch Bank-SC provides a wide range of banking and trust services to retail and commercial clients, including small and mid-size businesses, public agencies, local governments and individuals through 99 banking offices (as of December 31, 2005) located in the State of South Carolina. Branch Bank-VA offers a full range of commercial and retail banking services through 404 banking offices (as of December 31, 2005) located in the Commonwealth of Virginia. BB&T Bankcard Corporation is a special purpose credit card bank.

*Major Nonbank Subsidiaries*

BB&T also has a number of nonbank subsidiaries, including:

Scott & Stringfellow, Inc., which is a registered investment banking and full-service brokerage firm that provides services in retail brokerage, equity and debt underwriting, investment advice, corporate finance and equity research; and facilitates the origination, trading and distribution of fixed-income securities and equity products in both the public and private capital markets. It also has a public finance department that provides investment banking, financial advisory services and debt underwriting services to a variety of regional taxable and tax-exempt issuers; Scott & Stringfellow s investment banking and corporate and public finance areas do business as BB&T Capital Markets;

Regional Acceptance Corporation, which specializes in indirect financing for consumer purchases of primarily mid-model and late-model used automobiles;

Sheffield Financial LLC, which specializes in loans to individuals and small commercial lawn care businesses across the country for the purchase of outdoor power equipment and power sport equipment; and

MidAmerica Gift Certificate Company, which specializes in the issuance and sale of retail gift certificates and giftcards through a nationwide network of authorized mall agents.

BB&T Asset Management, Inc., which is an independent Registered Investment Advisor and the advisor to the BB&T Funds, provides tailored investment management solutions to meet the specific needs and objectives of individual and institutional clients through a full range of investment strategies, including domestic and international equity and fixed income investing.

*Services*

The primary services offered by BB&T s subsidiaries include:

small business lending

commercial middle market lending

real estate lending

retail lending

home equity lending

sales finance

home mortgage lending

commercial mortgage lending

leasing

asset management

retail and wholesale agency insurance

institutional trust services

wealth management/ private banking

investment brokerage services

capital markets services

factoring

asset-based lending

international banking services

treasury services

- electronic payment services
- credit and debit card services
- consumer finance
- payroll processing

**Merger Strategy**

BB&T is a regional financial holding company. The core of its business and franchise was created by the merger-of-equals between BB&T and Southern National Corporation in 1995 and the acquisition of

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United Carolina Bancshares in 1997. BB&T has maintained a long-term focus on a strategy that includes expanding and diversifying the BB&T franchise in terms of revenues, profitability and asset size. Tangible evidence of this focus is the growth in average total assets, loans and deposits, which have increased over the last five years at compound annual rates of 11.1%, 11.3%, and 11.2%, respectively.

BB&T s growth in business, profitability and market share over the past several years was enhanced significantly by mergers and acquisitions. Management made a strategic decision not to pursue bank or thrift acquisitions during 2004 and 2005, instead focusing on fully integrating recent mergers and improving internal growth. Management intends to resume strategic mergers and acquisitions, including bank and thrift acquisitions primarily within BB&T s existing footprint, and, in fact, recently announced plans to acquire two banks. BB&T will continue to pursue economically advantageous acquisitions of insurance agencies, asset managers, consumer and commercial finance companies and other strategic opportunities to grow existing product lines and expand into related financial businesses. BB&T s acquisition strategy is focused on three primary objectives:

- to pursue acquisitions of banks and thrifts in the Carolinas, Virginia, Maryland, Washington, D.C., Georgia, West Virginia, Tennessee, Kentucky, and Florida with assets of $500 million to $15 billion, with an informal target of growing approximately 5% of BB&T s assets through acquisition;

- to acquire companies in niche markets that provide products or services that can be offered through the existing distribution system to BB&T s current customer base; and

- to consider strategic nonbank acquisitions in markets that are economically feasible and provide positive long-term benefits.

BB&T consummated acquisitions of 53 community banks and thrifts, 77 insurance agencies and 28 nonbank financial services providers over the last 15 years. BB&T expects, in the long-term, to continue to take advantage of the consolidation in the financial services industry and expand and enhance its franchise through mergers and acquisitions. The consideration paid for these acquisitions may be in the form of cash, debt or BB&T stock. The amount of consideration paid to complete these transactions may be in excess of the book value of the underlying net assets acquired, which could have a dilutive effect on BB&T s earnings. In addition, acquisitions often result in significant front-end charges against earnings; however, cost savings and revenue enhancements, especially incident to in-market bank and thrift acquisitions, also are typically anticipated.

**Pending Acquisition**

On January 12, 2006, BB&T Corporation announced that it would acquire privately held First Citizens Bancorp, of Cleveland, Tennessee in a $142.6 million transaction that would strengthen BB&T s presence in east Tennessee, including the fast growing Interstate 75 corridor between Knoxville and Chattanooga. With $686 million in assets as of September 30, 2005, Cleveland-based First Citizens Bancorp is the fourth largest bank in east Tennessee. First Citizens shareholders can elect to receive either 1.30 shares of BB&T common stock for each of their shares or a cash option. The cash amount would be BB&T s average share price for a five-day period prior to closing multiplied by 1.30 (limited to 25 percent of First Citizens shares outstanding at closing).

## INFORMATION ABOUT MAIN STREET

### General

Main Street is a financial holding company operating in the Atlanta, Georgia and Athens, Georgia metropolitan areas. Main Street conducts its business operations primarily through its wholly-owned bank subsidiary, Main Street Bank. Main Street also engages in insurance agency services, and payroll processing through its wholly-owned nonbank subsidiaries, Main Street Insurance Services, Inc. and MSB Payroll Solutions, LLC, respectively. Main Street provides a broad range of commercial banking, mortgage banking, investment brokerage services and insurance agency services to its retail and commercial customers.

As of December 31, 2005, Main Street had consolidated total assets of $2.35 billion, consolidated net loans of $1.78 billion, consolidated deposits of $1.73 billion and consolidated shareholders equity of $295 million.

Main Street s primary lending activities include real estate loans (consisting of commercial real estate, residential mortgages, and construction loans), commercial loans and industrial loans to small and medium-sized businesses and consumer loans. As of December 31, 2005, commercial real estate loans were the largest portion of Main Street s loan portfolio at approximately 49.73%, with residential mortgage, construction, commercial and industrial, and consumer loans comprising 16.15%, 25.23%, 6.89%, and 2.18% of the total loan portfolio, respectively. Unearned income and deferred loan fees carry a credit balance and comprise -0.19% of the loan portfolio. Of Main Street s commercial real estate loans, approximately 57% are owner occupied. Approximately 99% of Main Street s loan portfolio is collateralized or guaranteed by the obligors.

Main Street offers a full range of deposit accounts and services to both individuals and businesses. Main Street s deposit accounts have a wide range of interest rates and terms and consist of transaction and time deposits and certificates of deposit. Consistent with Main Street s strategy, it continues to focus on increasing the transaction accounts component of its deposit mix. As of December 31, 2005, transaction accounts comprised 49.59% of total deposits, while savings, time deposits and jumbo time deposits comprised 2.52%, 25.41% and 22.47% of total deposits, respectively.

Main Street s insurance agency provides a variety of insurance agency services to individuals and businesses. Consumer insurance products include life, health, homeowners, automobile and umbrella liability coverage. Commercial insurance products include property, general liability, workers compensation, and group life and health coverage. Main Street also provides its customers with comprehensive investment brokerage services through an arrangement between Main Street Bank and INVEST Financial Corporation, an unaffiliated securities broker-dealer. Investment products and services include stocks and bonds, mutual funds, annuities, 401(k) plans, life insurance, individual retirement accounts, simplified employee pension accounts, and estate and financial planning.

Main Street s other subsidiary, MSB Payroll Solutions, L.L.C., provides payroll and related processing for its business customers.

### Primary Market Area and Branch Locations

Main Street considers its primary market area to be the Atlanta Metropolitan Statistical Area, or MSA, and, to a lesser extent, the Athens, Georgia MSA. According to the 2000 United States Census data, the Atlanta MSA had a population of approximately 4.1 million. According to the Census data, four of the counties in Main Street s primary market area ranked in the top 10 fastest growing United States counties. Additionally, according to SNL Financial, Atlanta s population increased nearly 70% between 1990 and 2005, and is projected to grow an additional 17% by 2010, as compared to 5.3% for the United States, 6.1% for the Southeast and 11% for Georgia. Atlanta has a thriving and diversified business mix that includes domestic and international manufacturers, distributors, high-tech firms and corporate and regional business headquarters. Atlanta is home to 14 Fortune 500 companies and 24 Fortune 1,000 companies. According to Department of Labor statistics, Atlanta ranked first in the nation for job growth from 1991 to 2001, adding roughly 700,000 new jobs, and is forecasted to gain 52,500 new jobs in 2005. SNL Financial also reports that in addition to strong population growth, Atlanta is also the second wealthiest MSA in the Southeast, with an estimated median household income of $62,156 in 2005, an increase of 20% since 2000.

Main Street s corporate headquarters are located at 3500 Lenox Road, Atlanta, Georgia. The main office of Main Street Bank is located at 1134 Clark Street, Covington, Georgia. Main Street Bank has 24 banking centers and three free-standing ATMs located in Barrow, Clarke, Cobb, DeKalb, Forsyth, Fulton, Gwinnett, Newton, Rockdale and Walton counties, Georgia. An additional banking center is under construction and is expected to be completed in April 2006.

**Lending Activity**

The following table summarizes Main Street Bank s loan portfolio by collateral type as of the dates indicated ($ in thousands):

| | December 31, | | | | |
|---|---|---|---|---|---|
| | **2005** | **2004** | **2003** | **2002** | **2001** |
| | (Dollars in Thousands) | | | | |
| **Loan Type** | | | | | |
| Commercial and industrial | $ 124,124 | $ 127,476 | $ 118,243 | $ 104,062 | $ 68,320 |
| Real estate construction | 454,805 | 401,815 | 304,046 | 238,415 | 173,464 |
| Real estate residential mortgage | 291,156 | 288,703 | 269,358 | 198,400 | 152,226 |
| Commercial real estate | 896,473 | 846,945 | 711,209 | 404,630 | 366,003 |
| Consumer and other | 39,312 | 36,966 | 41,650 | 38,387 | 53,075 |
| Unearned income and deferred loan fees | (3,358) | (2,870) | (1,180) | (1,407) | (1,642) |
| **Loans, net of unearned income** | $ 1,802,512 | $ 1,699,035 | $ 1,443,326 | $ 982,487 | $ 811,446 |
| **Mortgage loans held-for-sale** | $ 8,072 | $ 4,563 | $ 5,671 | $ 8,176 | $ 9,194 |
| **Percent of loans category to total loans** | | | | | |
| Commercial and industrial | 6,89% | 7.50% | 8.19% | 10.59% | 8.42% |
| Real estate construction | 25.23% | 23.65% | 21.07% | 24.27% | 21.38% |
| Real estate residential mortgage | 16.15% | 16.99% | 18.66% | 20.19% | 18.76% |
| Commercial real estate | 49.73% | 49.85% | 49.28% | 41.18% | 45.10% |
| Consumer and other | 2.18% | 2.18% | 2.88% | 3.91% | 6.54% |
| Unearned income and deferred loan fees | -0.19% | -0.17% | -0.08% | -0.14% | -0.20% |
| Loans, net of unearned income | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

## DESCRIPTION OF BB&T CAPITAL STOCK

### General

The authorized capital stock of BB&T consists of 1,000,000,000 shares of BB&T common stock, par value $5.00 per share, and 5,000,000 shares of preferred stock, par value $5.00 per share. As of [ ], 2006, there were [ ] shares of BB&T common stock issued and outstanding, which excludes shares expected to be issued in pending acquisitions. There were no shares of BB&T preferred stock issued and outstanding as of such date. Based on the number of shares of Main Street common stock outstanding at the record date, it is estimated that approximately [ ] shares of BB&T common stock would be issued in the merger (including as a result of the conversion of Main Street stock options).

### BB&T Common Stock

Each share of BB&T common stock is entitled to one vote on all matters submitted to a vote at any meeting of shareholders. Holders of BB&T common stock are entitled to receive dividends when, as, and if declared by the BB&T Board of Directors out of funds legally available for the payment of dividends and, upon liquidation, to receive pro rata all assets, if any, of BB&T available for distribution after the payment of necessary expenses and all prior claims. Holders of BB&T common stock have no preemptive rights to subscribe for any additional securities of any class that BB&T may issue, nor any conversion, redemption or sinking fund rights. Holders of BB&T common stock have no right to cumulate votes in the election of directors. The rights and privileges of holders of BB&T common stock are subject to any preferences that the BB&T Board of Directors may set for any series of BB&T preferred stock that BB&T may issue in the future.

The transfer agent and registrar for BB&T common stock is Branch Bank. BB&T intends to apply for the listing on the NYSE, subject to official notice of issuance, of the shares of BB&T common stock to be issued in the merger.

### BB&T Preferred Stock

Under BB&T s Articles of Incorporation, BB&T may issue shares of BB&T preferred stock in one or more series as may be determined by the BB&T Board of Directors or a duly authorized committee. The BB&T Board of Directors or committee thereof may also establish, from time to time, the number of shares to be included in each series and may fix the designation, powers, preferences and rights of the shares of each such series and any qualifications, limitations or restrictions thereof, and may increase or decrease the number of shares of any series without any further vote or action by the shareholders. Any BB&T preferred stock issued may rank senior to BB&T common stock with respect to the payment of dividends or amounts paid upon liquidation, dissolution or winding up of BB&T, or both. In addition, any shares of BB&T preferred stock may have class or series voting rights. Under certain circumstances, the issuance of shares of BB&T preferred stock, or merely the existing authorization of the BB&T Board of Directors to issue shares of BB&T preferred stock, may tend to discourage or impede a merger or other change in control of BB&T.

### Anti-takeover Provisions

Provisions of the NCBCA and BB&T s Articles of Incorporation and Bylaws described below may be deemed to have an anti-takeover effect and, together with the ability of the BB&T Board of Directors to issue shares of BB&T preferred stock and to set the voting rights, preferences and other terms of BB&T preferred stock, may delay or prevent takeover attempts not first approved by the BB&T Board of Directors. These provisions also could delay or deter the removal of incumbent directors or the assumption of control by shareholders. BB&T believes that these provisions are appropriate to protect the interests of BB&T and its shareholders.

*Control Share Acquisition Act*

The Control Share Acquisition Act of the NCBCA may make an unsolicited attempt to gain control of BB&T more difficult by restricting the right of specified shareholders to vote newly acquired large blocks of stock. For a description of this statute, *see* Comparison of the Rights of BB&T Shareholders and Main Street Shareholders Anti-takeover Statutes on page **[ ]**.

*Provisions Regarding the BB&T Board of Directors*

BB&T s Articles of Incorporation and Bylaws separate the BB&T Board of Directors into classes and permit the removal of directors only for cause. This could make it more difficult for a third party to acquire, or discourage a third party from acquiring control of BB&T. For a description of these provisions, *see* Comparison of the Rights of BB&T Shareholders and Main Street Shareholders-Board of Directors on page **[ ]**.

*Meeting of Shareholders; Shareholders Nominations and Proposals*

Under BB&T s Bylaws, meetings of the shareholders may be called only by the Chief Executive Officer, President, Secretary or the BB&T Board of Directors. Shareholders of BB&T may not request that a special meeting of shareholders be called. This provision could delay until the next annual shareholders meeting shareholder actions that are favored by the holders of a majority of the outstanding voting securities of BB&T.

The procedures governing the submission of nominations for directors and other proposals by shareholders may also have a deterrent effect on shareholder actions designed to result in a change of control in BB&T. *See* Comparison of the Rights of BB&T Shareholders and Main Street Shareholders-Shareholder Nominations and Shareholder Proposals on page **[ ]**.

## COMPARISON OF THE RIGHTS OF BB&T SHAREHOLDERS AND MAIN STREET SHAREHOLDERS

When the merger becomes effective, holders of Main Street common stock will become shareholders of BB&T. The following is a summary of the material differences between the rights of holders of BB&T common stock and holders of Main Street common stock. Because BB&T is incorporated under the laws of North Carolina and Main Street is incorporated under the laws of Georgia, the differences in the rights of holders of BB&T common stock and those of holders of Main Street common stock arise from differing provisions of the NCBCA and the GBCC, in addition to differing provisions of their respective Articles of Incorporation and Bylaws.

The following summary does not purport to be a complete statement of the provisions affecting, and differences between, the rights of holders of BB&T common stock and holders of Main Street common stock. The identification of specific provisions or differences is not meant to indicate that other equally or more significant differences do not exist. This summary is qualified in its entirety by reference to the NCBCA and the GBCC and the respective governing corporate documents of BB&T and Main Street, to which the shareholders of Main Street are referred.

**Summary of Material Differences of the Rights of BB&T and Main Street Shareholders**

(A more complete description of the items in this chart immediately follows.)

| | **BB&T** | **Main Street** |
|---|---|---|
| Authorized Capital Stock | 1,000,000,000 shares common stock<br>5,000,000 shares preferred stock | 50,000,000 shares of common stock |
| Special Meetings of Shareholders | May be called by the Chairman of the Board, Chief Executive Officer, President, Chief Operating Officer, Secretary, or the Board of Directors | May be called by the President, the Board of Directors, or shareholders owning an aggregate of not less than two-thirds of the outstanding capital stock |
| Board of Directors | Minimum size is three<br>Maximum size is 30<br>Current size is 15<br>Divided into three classes<br>May be removed with or without cause at a shareholders meeting where the number of votes cast to remove a director exceeds the number of votes cast not to remove a director | Minimum size is five<br>Maximum size is 25<br>Current size is nine<br>Divided into three classes<br>May be removed with cause by the affirmative vote of a majority of the shares then entitled to vote at an election of directors<br>May be removed without cause by the affirmative vote of two-thirds of the shares then entitled to vote at an election of directors or by the affirmative vote of a majority of all the Directors |
| Dividends and Other Distributions | Subject to statutory and regulatory restrictions | Subject to substantially similar statutory and regulatory restrictions |
| Shareholder Nominations and Shareholder Proposals | Bylaws establish advance notice procedures for shareholder proposals and for the nomination of candidates for election as directors<br>Proposals must comply with Rule 14a-8 under the Securities Exchange Act of 1934 | No established advance notice procedures<br>Proposals must comply with Rule 14a-8 under the Securities Exchange Act of 1934 |
| Discharge of Duties; Exculpation and Indemnification | Directors must discharge duties according to NCBCA<br>Directors have no personal liability for monetary damages for certain breaches of duty as a director<br>BB&T will indemnify directors and officers against liabilities arising out of his or her status as a director or | Directors must discharge duties according to GBCC<br>Similarly, directors have no personal liability for monetary damages for certain breaches of duty as a director<br>Main Street will indemnify directors and officers against |

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|---|---|---|
| | officer to the fullest extent permitted under applicable law subject to certain exceptions | liabilities arising out of their status as a director or officer for acts believed in good faith to be in or not opposed to the best interests of Main Street subject to certain exceptions |

| | BB&T | Main Street |
|---|---|---|
| Mergers, Share Exchanges and Sales of Assets | Must be approved by a majority of shareholders except approval of a merger by shareholders of the surviving corporation is not required under certain circumstances | Substantially the same except, in addition, holders of at least two-thirds of the issued and outstanding shares entitled to vote or more than two-thirds of the Main Street directors then in office must approve the transaction |
| Anti-Takeover Statutes | North Carolina Control Share Acquisition Act applies to BB&T<br>BB&T has opted out of the North Carolina Shareholder Protection Act | Anti-takeover provisions of the GBCC including control share and fair price provisions require a corporation to adopt bylaws expressly providing for their application. Main Street has not adopted such bylaws. |
| Amendments to Articles of Incorporation and Bylaws | Articles may be amended upon approval by a majority of the votes cast within each voting group entitled to vote<br>Directors and shareholders may each amend Bylaws, provided that, subject to certain exceptions, Directors may not amend a Bylaw adopted by shareholders | Amendment of Articles is substantially the same except that certain Articles may only be amended by supermajority votes of either the directors or shareholders<br>Directors or shareholders may amend Bylaws by the affirmative vote at a meeting of the Directors or shareholders |
| Consideration of Business Combinations | Articles and Bylaws do not set forth specific considerations | Articles set forth specific considerations including effects on employees, customers, shareholder, and other Main Street constituents |
| Shareholders Rights of Dissent and Appraisal | No rights available in the merger | No rights available in the merger |

**Authorized Capital Stock**

*BB&T*

BB&T s authorized capital stock consists of 1,000,000,000 shares of BB&T common stock, par value $5.00 per share, and 5,000,000 shares of BB&T preferred stock, par value $5.00 per share. BB&T s Articles of Incorporation authorize the BB&T Board of Directors to issue shares of BB&T preferred stock in one or more series and to fix the designation, powers, preferences, and rights of the shares of BB&T preferred stock in each series. As of February 28, 2006, there were 535,418,674 shares of BB&T common stock outstanding, which excludes shares expected to be issued in pending acquisitions. No shares of BB&T preferred stock were issued and outstanding as of that date.

*Main Street*

Main Street s authorized capital stock consists of 50,000,000 shares of Main Street common stock, no par value per share. As of December 31, 2005, there were 21,502,227 shares of Main Street common stock outstanding.

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**Special Meetings of Shareholders**

*BB&T*

BB&T s Bylaws provide that special meetings of the shareholders of BB&T may be called at any time by BB&T s Chairman of the Board, Chief Executive Officer, President, Chief Operating Officer, Secretary, or the Board of Directors.

*Main Street*

Main Street s Bylaws provide that special meetings of the shareholders of Main Street may be called at any time by Main Street s President and the Board of Directors and shall be called upon the written request of any one or more shareholders owning an aggregate of not less than two-thirds of the outstanding capital stock of Main Street.

**Board of Directors**

*BB&T*

BB&T s Bylaws provide for a board of directors consisting of not less than three nor more than 30 members as determined from time to time by resolution of a majority of the members of the BB&T Board of Directors or by resolution of the shareholders of BB&T. Currently, the BB&T Board of Directors consists of 15 directors. The BB&T Board of Directors is divided into three classes, with directors serving staggered three-year terms and each class being as nearly equal in number as possible. Under BB&T s Bylaws, directors may be removed with or without cause at a properly called shareholders meeting where the number of votes cast to remove a director exceeds the number of votes cast not to remove a director.

*Main Street*

Main Street s Bylaws provide for a board of directors consisting of not less than five and not more than 25 members. Main Street s Bylaws require any change in the number of directors be approved by the affirmative vote of holders of two-thirds of the shares then entitled to vote at an election of directors. Currently, the Main Street Board of Directors consists of nine directors. Main Street s Articles of Incorporation and Bylaws provide that shareholders may remove directors with cause by the affirmative vote of a majority of the shares then entitled to vote at an election of directors and without cause by the affirmative vote of holders of two-thirds of the shares then entitled to vote at an election of directors. Main Street s Articles of Incorporation provide that the Board of Directors may remove a director for cause by the affirmative vote of a majority of all the Directors then in office.

**Dividends and Other Distributions**

*BB&T*

The NCBCA prohibits a North Carolina corporation from making any distributions to shareholders, including the payment of cash dividends, that would render it unable to pay its debts as they become due in the usual course of business or that would result in its total assets being less than the sum of its total liabilities plus the amount that would be needed, if it were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution. The ability of BB&T to pay distributions to the holders of BB&T common stock will depend to a large extent upon the amount of dividends its bank subsidiaries, which are subject to restrictions imposed by regulatory authorities, pay to BB&T. In addition, the Federal Reserve could oppose a distribution by BB&T if it determined that such a distribution would harm BB&T s ability to support its bank subsidiaries.

*Main Street*

The GBCC prohibits a Georgia corporation from making any distribution to shareholders, including the payment of cash dividends, if, after giving effect to the distribution, the corporation would not be able to pay its debts as they become due in the usual course of business or the corporation s total assets would be less than the sum of its total liabilities plus the amount that would be needed, if the corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution. Main Street s ability to pay distributions is likewise dependent upon the amount of dividends its receives from its bank subsidiary. Main Street and its bank subsidiary are subject to similar restrictions imposed by regulatory authorities.

**Shareholder Nominations and Shareholder Proposals**

*BB&T*

BB&T s Bylaws establish advance notice procedures for shareholder proposals and the nomination, other than by or at the direction of the BB&T Board of Directors or one of its committees, of candidates for election as directors. BB&T s Bylaws provide that a shareholder wishing to nominate a candidate for election to the BB&T Board of Directors must, in the case of an annual meeting, submit the nomination in writing to the Secretary of BB&T at least 60 days but no more than 90 days in advance of the first anniversary of the notice date of BB&T s proxy statement for the preceding year s annual meeting, and, in the case of a special meeting, submit the notification no later than the tenth day following the notice date of such special meeting. The notification must contain biographical information about the candidate and the shareholder s name, shareholdings, and any material interests of the shareholder in the nomination. Nominations that are not made in accordance with the foregoing provisions may be ruled out of order by the presiding officer or the Chairman of the meeting. In addition, a shareholder intending to make a proposal for consideration at a regularly scheduled annual or special meeting of shareholders must notify the Secretary of BB&T within the same timeframe as for director nominations. The notice for a shareholder proposal generally must contain: (a) a brief description of the proposal, (b) the name, address, and shareholdings of the shareholder submitting the proposal, and (c) any material interest of the shareholder in the proposal.

In accordance with Securities and Exchange Commission Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the Exchange Act ), shareholder proposals intended to be included in the proxy statement and presented at a regularly scheduled annual meeting must be received by BB&T at least 120 days before the anniversary of the date that the previous year s proxy statement was first mailed to shareholders. As provided in rules promulgated under the Exchange Act, if the annual meeting date has been changed by more than 30 days from the date of the prior year s meeting, or for special meetings, the proposal must be submitted within a reasonable time before BB&T begins to print and mail its proxy materials.

*Main Street*

Main Street s Bylaws do not establish advance notice procedures for shareholder proposals and the nomination, other than by or at the direction of the Main Street Board of Directors or one of its committees, of candidates for election as directors.

Main Street shareholders wishing to submit proposals to be included in the proxy statement and be presented at a regularly scheduled annual meeting of the Main Street shareholders are subject to same requirements under Exchange Act Rule 14a-8 as BB&T shareholders.

**Discharge of Duties; Exculpation and Indemnification**

*BB&T*

The NCBCA requires that a director of a North Carolina corporation discharge his or her duties as a director: (a) in good faith; (b) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (c) in a manner the director reasonably believes to be in the best interests of the corporation. The NCBCA expressly provides that the duties of a director weighing a change of control situation are not different, nor is the standard of care any higher, than that which is otherwise provided.

BB&T s Articles of Incorporation provide that, to the fullest extent permitted by applicable law, no director of BB&T will have any personal liability for monetary damages for breach of a duty as a director.

BB&T s Bylaws require BB&T to indemnify its directors and officers, to the fullest extent permitted by applicable law, against liabilities arising out of his or her status as a director or officer, excluding any liability relating to activities that were at the time taken known or believed by such person to be clearly in conflict with the best interests of BB&T. The NCBCA permits a corporation to indemnify or agree to indemnify an individual who is or was a director, officer, employee or agent against liability and expenses in any proceeding (including a proceeding brought on behalf of the corporation itself) arising out of their status as such or their activities in any of the foregoing capacities, except for activities which were at the time taken known or believed by him to be clearly in conflict with the best interests of the corporation. Further, the NCBCA requires a corporation to indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he or she was a party because he or she is or was a director of the corporation against reasonable expenses incurred by him in connection with the proceeding.

*Main Street*

The GBCC requires that a director of a Georgia corporation discharge his or her duties as a director, including his or her duties as a member of a committee: (a) in a manner he or she believes in good faith to be in the best interests of the corporation; and (b) with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

Main Street s Articles of Incorporation provide that a director is not personally liable for monetary damages to Main Street or its shareholders for breach of any duty as a director, except for liability for: (a) any appropriation, in violation of his or her duties, of any business opportunity of Main Street; (b) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (c) the types of liability set forth in Section 14-2-832 of the GBCC dealing with unlawful distributions of corporate assets to shareholders; or (d) any transaction from which the director derived an improper material tangible personal benefit. The GBCC provides that a corporation must indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he or she was a party because he or she was a director of the corporation against reasonable expenses incurred by the director in connection with the proceeding. Main Street s Bylaws require Main Street to indemnify its directors against liabilities arising out of his or her status as a director if he or she acted in a manner he or she believed in good faith to be in or not opposed to the best interests of Main Street, and, in the case of any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. Main Street s Bylaws provide that Main Street may not indemnify a director in connection with a proceeding by or in the right of Main Street in which the director was adjudged liable to Main Street or any other proceeding in which he or she was adjudged liable on the basis that a personal benefit was improperly received by him. Main Street s Bylaws provide similar indemnification rights to its officers.

**Mergers, Share Exchanges and Sales of Assets**

*BB&T*

The NCBCA generally requires that any merger, share exchange or sale of all or substantially all the assets of a corporation other than in the ordinary course of business must be approved by the affirmative vote of the majority of the issued and outstanding shares of each voting group entitled to vote. Approval of a merger by the shareholders of the surviving corporation is not required in certain instances, however, including a merger in which the number of voting shares outstanding immediately after the merger, plus the number of voting shares issuable as a result of the merger, does not exceed by more than 20% the total number of voting shares of the surviving corporation outstanding immediately before the merger. BB&T is also subject to certain statutory anti-takeover provisions.