BB&T CORP
Form 424B5
December 18, 2003
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Filed pursuant to Rule 424(b)(5)

Registration No. 333-105129

PROSPECTUS SUPPLEMENT

(To Prospectus Dated December 16, 2003)

$1,000,000,000

5.20% Subordinated Notes due 2015

The notes will bear interest at the rate of 5.20% per year. Interest on the notes is payable on June 23 and December 23 of each year, beginning on June 23, 2004. The notes will mature on December 23, 2015. The notes are not subject to redemption at the option of BB&T Corporation, or repayment at the option of the holders, prior to maturity. There is no sinking fund for the notes.

The notes will be direct, unsecured subordinated debt obligations of BB&T Corporation.

The notes are not deposits or other obligations of a depository institution and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Payment of principal of the notes may be accelerated only in certain events involving BB&T Corporation s bankruptcy, insolvency or reorganization that constitute an event of default under the notes and the subordinated indenture. There is no right of acceleration in the case of a default in the payment of principal of or interest on the notes or in the performance of any of BB&T Corporation s covenants contained in the notes or the subordinated indenture.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined if this prospectus supplement or the prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Public Offering Price	99.603%	$ 996,030,000
Underwriting Discount	0.475%	$ 4,750,000
Proceeds to BB&T Corporation (before expenses)	99.128%	$ 991,280,000

The public offering price set forth above does not include accrued interest, if any. Interest on the notes will accrue from December 23, 2003 and must be paid by the purchaser if the notes are delivered after December 23, 2003.

The underwriters are offering the notes subject to various conditions. Delivery of the notes, in book-entry form only, will be made through The Depository Trust Company and its participants, including Clearstream Banking, *société anonyme* and Euroclear Bank S.A./N.V., on or about December 23, 2003.

Joint Book-Running Managers

Bear, Stearns & Co. Inc. **BB&T Capital Markets**

UBS Investment Bank

Citigroup

Friedman Billings Ramsey

Keefe, Bruyette & Woods, Inc.

Morgan Stanley

Sandler O Neill & Partners, L.P.

December 16, 2003

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus supplement and the accompanying prospectus. This prospectus supplement and the accompanying prospectus may only be used where it is legal to sell these securities. The information contained in this prospectus supplement and the accompanying prospectus is accurate only as of the date of this prospectus supplement and the date of the accompanying prospectus, regardless of the time of delivery of this prospectus supplement or any sales of the notes.

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In this prospectus supplement and the accompanying prospectus, the Company, BB&T, we and us refer to BB&T Corporation. When we refer t you in this prospectus supplement and the accompanying prospectus, we mean potential investors in the notes.

The notes are offered globally for sale in those jurisdictions in the United States, Canada, Europe, Asia and elsewhere where it is lawful to make such offers. See Underwriting.

The distribution of this prospectus supplement and prospectus and the offering of the notes in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement and the prospectus come should inform themselves about and observe any such restrictions. This prospectus supplement and the prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. See Underwriting.

References herein to $ and dollars are to the currency of the United States.

We file annual, quarterly and special reports and other information with the Securities and Exchange Commission. You may read and copy any document filed by BB&T at the SEC s public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. SEC filings are also available to the public on the SEC s Internet website at http:\\www.sec.gov.

You may also inspect reports, proxy statements and other information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus, and information that we file with the SEC later will automatically update and supersede this information. We incorporate by reference the BB&T documents listed below and any future filings made by BB&T with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (other than information in such future filings deemed, under SEC rules, not to have been filed) until this offering is completed. The documents we incorporate by reference are:

(1) our annual report on Form 10-K for the year ended December 31, 2002;

(2) our quarterly reports on Form 10-Q for the quarters ended March 31, 2003, June 30, 2003, and September 30, 2003; and

(3) our current reports on Form 8-K filed on January 13, 2003, July 2, 2003, July 8, 2003, August 27, 2003, September 15, 2003, November 19, 2003 and December 11, 2003.

We will provide without charge to each person (including any beneficial owner), on the written or oral request of any such person, a copy of any or all of these filings (other than exhibits to such documents, unless that exhibit is specifically incorporated by reference to that filing). Requests should be directed to: BB&T Corporation, 150 South Stratford Road, Suite 400, Winston-Salem, North Carolina 27104, Attention: Investor Relations, Telephone: (336) 733-3058.

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FORWARD-LOOKING INFORMATION

This prospectus supplement incorporates and contains forward-looking statements about our financial condition, results of operations and business. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of our management and on the information available to management at the time that these disclosures were prepared. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, among others, the following:

- Competitive pressures among depository and other financial institutions may increase significantly.

- Changes in the interest rate environment may reduce net interest margins and/or the volumes and values of loans made or held as well as the value of other financial assets held.

- General economic or business conditions, either nationally or regionally, may be less favorable than expected, resulting in, among other things, a deterioration in credit quality or a reduced demand for credit or other services, or both.

- Legislative or regulatory changes, including changes in accounting standards, may adversely affect the businesses in which we are engaged.

- Costs or difficulties related to the integration of our businesses and our merger partners may be greater than expected.

- Expected cost savings associated with pending or recently completed mergers may not be fully realized or realized within the expected time frame.

- Deposit attrition, customer loss or revenue loss following pending or recently completed mergers may be greater than expected.

- Our competitors may have greater financial resources and develop products that enable them to compete more successfully than we are able to.

- Adverse changes may occur in the securities markets.

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BB&T CORPORATION

We are a financial holding company headquartered in Winston-Salem, North Carolina. We conduct our business operations primarily through our commercial banking subsidiaries, which have branches in North Carolina, South Carolina, Virginia, Maryland, West Virginia, Kentucky, Tennessee, Georgia, Florida, Alabama, Indiana and Washington, D.C. Our principal banking subsidiaries, Branch Banking and Trust Company (Branch Bank), Branch Banking and Trust Company of South Carolina (BB&T-SC) and Branch Banking and Trust Company of Virginia (BB&T-VA), provide a wide range of banking services to individuals and businesses. Our subsidiary banks offer a variety of loans to businesses and consumers, including an array of mortgage loan products. Our loans are primarily to individuals residing in the market areas described above or to businesses that are located in this geographical area. Our banking subsidiaries also market trust services and a wide range of deposit services to individuals and businesses. Our commercial banking units or their subsidiaries offer, among other services, lease financing to businesses and municipal governments; discount brokerage services and sales of annuities and mutual funds; life insurance, property and casualty insurance, health insurance and commercial general liability insurance on an agency basis; insurance premium financing; arranging permanent financing for commercial real estate and providing loan servicing for third-party investors; and direct consumer finance loans to individuals. Our direct nonbank subsidiaries provide a variety of financial services, including automobile lending, equipment financing, factoring, leasing, asset management, full-service securities brokerage and capital market services.

We have consummated acquisitions of over 55 community banks and thrifts, 60 insurance agencies and 20 non-bank financial services providers over the last 15 years. We expect, in the long-term, to continue to take advantage of the consolidation in the financial services industry and expand and enhance our 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 our earnings per share or book value. 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, are also typically anticipated.

Our executive offices are located at 200 West Second Street, Winston-Salem, North Carolina 27101, and our telephone number is (336) 733-2000.

RECENT DEVELOPMENTS

Pending Acquisitions

On November 11, 2003, we announced our intention to purchase McGriff, Seibels & Williams, Inc., of Birmingham, Alabama. McGriff is a privately-held commercial insurance broker with projected 2003 premiums of $1.8 billion, making it the 13th largest insurance broker in the nation. Its specialty areas include energy, marine, financial services, commercial, construction, surety, employee benefits, healthcare and public entity. We will issue between 7.8 million and 8.7 million shares of our common stock, depending on the average closing price of our common stock prior to the closing date, and $50 million in cash to complete the acquisition. The transaction also allows for an additional payment to McGriff s shareholders of up to $102 million in cash over a five-year period if McGriff exceeds certain performance targets. The merger, although approved by both our board of directors and the board of directors of McGriff, remains subject to regulatory approval and the approval of McGriff s shareholders. The merger will create the sixth largest insurance broker in the nation and is expected to be completed in the first quarter of 2004.

On December 2, 2003, we announced our intention to purchase Republic Bancshares Inc. (Nasdaq: REPB), of St. Petersburg, Florida, in a transaction valued at $436 million. Republic Bancshares currently operates 71

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banking offices along the Gulf Coast and in central and southern Florida, and consummation of this transaction would increase the number of our branches in Florida to 89. Shareholders of Republic Bancshares will be permitted to exchange their shares based on one of the following two options: (i) a fixed exchange ratio of 0.81 of a share of BB&T stock for each share of Republic Bancshares stock, or (ii) a fixed cash price of $31.79 per share, with the aggregate cash available generally limited to 40% of the transaction value. The merger, although approved both by our board of directors and the board of directors of Republic Bancshares, remains subject to regulatory approval and the approval of Republic Bancshares shareholders and is expected to be completed in the second quarter of 2004.

Third Quarter Financial Results

Net income for the third quarter of 2003 totaled $115.9 million, a decrease of 64.7% compared to $328.2 million earned in the third quarter of 2002. On a diluted per share basis, net income for the third quarter of 2003 was $0.21, a decrease of 69.1% compared to $0.68 earned in the comparable period of 2002.

For the first nine months of 2003, net income was $759.9 million, a decrease of 21.3% compared to $965.8 million earned in the first nine months of 2002. On a diluted per share basis, net income was $1.51 for the nine months ended September 30, 2003, a decrease of 25.2% compared to $2.02 earned in the first nine months of 2002.

Share Repurchase Program

We have periodically repurchased shares of our own common stock. From January 1, 2003 through December 16, 2003, we repurchased 21.5 million shares of common stock. During the years ended December 31, 2002, 2001 and 2000, we repurchased 21.8 million shares, 14.0 million shares and 7.1 million shares of common stock, respectively. In accordance with North Carolina law, repurchased shares cannot be held as treasury stock, but revert to the status of authorized and unissued shares upon repurchase.

On August 26, 2003, our board of directors authorized the repurchase of up to 50 million shares of BB&T common stock. As of December 16, 2003, 46.7 million shares remained available for repurchase pursuant to the August 26, 2003 board resolution.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The financial information which is set forth below as of and for the nine months ended September 30, 2003 and 2002 has been derived from the unaudited consolidated financial statements and notes thereto as set forth in our quarterly report on Form 10-Q for the quarter ended September 30, 2003. The financial information which is set forth below as of and for each of the three years ended December 31, 2002, 2001 and 2000 has been derived from the consolidated financial statements and notes thereto as set forth in our current report on Form 8-K filed on December 11, 2003, which includes financial information for each of the two years ended December 31, 2001 and 2000. Results for the nine months ended September 30, 2003 are not necessarily indicative of the results that may be expected for any other interim period or for the year 2003 as a whole. Our current report on Form 8-K filed on December 11, 2003 and quarterly reports on Form 10-Q for the quarters ended March 31, June 30 and September 30, 2003 are incorporated herein by reference. All of the consolidated financial information presented below is qualified in its entirety by the detailed information and financial statements included in the documents referred to under Incorporation of Certain Documents by Reference in this prospectus supplement.

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BB&T Corporation Selected Historical Consolidated Financial Information

(Dollars in thousands, except per share data)

	As of/For the Nine Months Ended September 30,		As of/For the Years Ended December 31,		
	2003	**2002**	**2002**	**2001**	**2000**
Income Statement Data:					
Total interest income	$ 3,198,979	$ 3,330,822	$ 4,434,044	$ 4,848,615	$ 4,878,409
Total interest expense	996,923	1,291,433	1,686,584	2,414,936	2,433,679
Net interest income	2,202,056	2,039,389	2,747,460	2,433,679	2,314,497
Provision for loan and lease losses	189,500	179,000	263,700	224,318	147,187
Net interest income after provision for loan and lease losses	2,012,556	1,860,389	2,483,760	2,209,361	2,167,310
Noninterest income	1,418,120	1,135,774	1,692,475	1,380,339	846,787
Noninterest expense	2,371,974	1,665,892	2,385,538	2,229,272	2,001,091
Provision for income taxes	298,826	374,297	497,468	386,790	314,518
Income before cumulative effect of change in accounting principle	759,876	955,974	1,293,229	973,638	698,488
Cumulative effect of change in accounting principle		9,780	9,780		
Net income	$ 759,876	$ 965,754	$ 1,303,009	$ 973,638	$ 698,488
Balance Sheet Data:					
Total assets	$ 90,355,131	$ 78,186,831	$ 80,216,816	$ 70,869,945	$ 66,552,823
Securities	16,800,151	16,589,107	17,803,488	16,759,855	15,949,944
Loans and leases, net of unearned income	61,172,477	53,064,701	53,518,013	47,443,173	44,827,075
Deposits	61,295,298	49,811,471	51,280,016	44,733,275	43,877,319
Long-term debt	9,837,910	13,384,826	13,587,841	11,721,076	8,646,018
Shareholders equity	10,214,832	7,534,817	7,387,914	6,150,209	5,419,809
Performance Ratios:					
Net income as a percentage of: (1)					
Average total assets	1.21%	1.72%	1.72%	1.41%	1.13%
Average shareholders equity	11.97	18.44	18.32	16.78	14.22
Net interest margin	4.12	4.26	4.25	4.17	4.25
Asset Quality Ratios: (2)					
Nonperforming assets	$ 447,113	$ 425,271	$ 451,664	$ 373,571	$ 236,329
Net charge-offs/average loans and leases	.43%	.48%	.48%	.40%	.27%
Nonperforming assets/loans and leases plus foreclosed property	.73	.80	.84	.79	.53
Allowances for losses/loans and leases	1.29	1.36	1.35	1.36	1.29
Allowances for losses/nonaccrual and restructured loans and leases	2.22x	2.00x	1.93x	2.04x	3.19x
Capital Ratios:					
Tier 1 risk-based capital	9.6%	9.7%	9.2%	9.8%	9.7%

Total risk-based capital (3)	13.3	13.5	13.4	13.3	12.2
Tier 1 leverage	7.2	7.3	6.9	7.2	7.3

(1) Returns for the nine-month periods of 2003 and 2002 are annualized.

(2) Items referring to loans and leases are net of unearned income and include loans held for sale.

(3) Our total regulatory capital (used to calculate our total risk-based capital ratio) as reported in our filings with the Federal Reserve Board includes approximately $634.8 million of subordinated notes outstanding under our subordinated indenture as of December 31, 2000 and between $1.2 billion and $1.5 billion of subordinated notes outstanding under our subordinated indenture as of the end of all other periods shown in the table above. We have determined that these notes include certain provisions that do not comply with the Federal Reserve Board s Tier 2 capital guidelines. We have been instructed by the Federal Reserve Board staff to exclude such notes from our calculation of Tier 2 capital and total regulatory capital for purposes of our future Federal Reserve filings. The exclusion of such notes from our total regulatory capital as of September 30, 2003 would have reduced our total risk-based capital ratio to 11.19%. After giving effect to the exclusion of these subordinated notes, we remain well-capitalized in accordance with Federal Reserve guidelines. The exclusion of these notes from our regulatory capital does not affect the rights of the noteholders in any way and BB&T remains in full compliance with all terms of the notes outstanding under our subordinated indenture. The subordinated indenture under which these notes were issued will be amended, and we will take such other action as is necessary, to make the provisions referred to above inapplicable to any future subordinated notes issued under the subordinated indenture, including the notes offered by this prospectus supplement. Accordingly, the notes offered by this prospectus supplement are expected to qualify as Tier 2 capital.

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CAPITALIZATION

The following table sets forth the consolidated capitalization of BB&T and its subsidiaries at September 30, 2003 and as adjusted as of that date to give effect to the offering of the notes pursuant to this prospectus supplement and the application of the net proceeds therefrom. The table should be read in conjunction with our consolidated financial statements and notes thereto and consolidated financial data included in the documents incorporated by reference herein. See Incorporation of Certain Documents by Reference in this prospectus supplement. All dollar amounts are stated in thousands of U.S. dollars. Other than as set forth in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein, there has been no material change in our consolidated capitalization since September 30, 2003.

	September 30, 2003	
	Actual	**As Adjusted**
Long-term Debt:		
Long-term debt	$ 9,837,910	$ 9,837,910
5.20% Subordinated Notes due 2015		1,000,000
Total long-term debt &nbs		