

BB&T CORP
Form 8-K
February 07, 2002

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

**Form 8-K
Current Report**

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

February 7, 2002

Date of Report (Date of earliest event reported)

BB&T Corporation

(Exact name of registrant as specified in its charter)

Commission file number : 1-10853

North Carolina
(State of incorporation)

56-0939887
(I.R.S. Employer Identification No.)

200 West Second Street
Winston-Salem, North Carolina
(Address of principal executive offices)

27101
(Zip Code)

(336) 733-2000

(Registrant's telephone number, including area code)

This Form 8-K has 41 pages.

ITEM 5. OTHER EVENTS

The purpose of this Current Report on Form 8-K is to file presentation materials from BB&T's 2002 Investor Conference, held on February 7, 2002.

EXHIBIT INDEX

BB&T

Financial Services

Investor and Analyst Conference

February 7, 2002

Financial Services Mission

- Offer a comprehensive selection of specialized financial services to the marketplace
 - Deliver to our external and internal clients the highest quality products and services available
 - Assist clients in achieving financial success '
 - Attract, retain, and fully develop the capabilities of highly qualified and motivated professionals in both management and production roles
-

Market Coverage

Where we are

Financial Services

Reports to: Henry G. Williamson, Jr.

BB&T

Generation of Noninterest Income

| Fee Ratio | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>2001</u> | 2002 <u>Plan</u> |
|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------------------|
| Restated | 23.6 % | 26.5 % | 29.5 % | 30.3 % | 33.4 % | |
| Originally Reported | 26.9 | 28.4 | 31.5 | 31.7 | 33.4 | 35.0 % |
| | | Goal = 40% | | | | |

Financial Services

Enhanced Revenue Growth

Financial Services

Progressive Earnings

Key Focus & Challenge Areas for 2002

- Growing fee-based revenue in a recessionary business environment
- Increasing the scale of our insurance operations by:
 - * Increasing the number of planned acquisitions from 10 to 15 annually
 - * Make one or more large acquisitions (integrate CRC)
 - * Focus on internal growth rate (10% in 2002)
- Enhance our Asset Management capabilities
 - * Acquire asset management firms with assets under management of \$750MM to \$2B
 - * Improve our equity management capabilities

Key Focus & Challenge Areas for 2002

- Improve the profitability of Scott and Stringfellow (Private Client Group)
 - * Reduce overhead
 - * Move toward fee-based pricing vs. transaction pricing
 - * Improve accountability for profitability within the branch network
- Improve the profitability of BB&T Capital Markets
 - * Better research alignment with BB&T's lending strategy (industry segments)
 - * More focus on structured finance
 - * Keep fixed income platform flexible to respond to market conditions
 - * Continue focus on M&A opportunities

BB&T Investment Services, Inc.

BB&T Investment Services Overview

- Fully registered broker-dealer headquartered in Charlotte with Investment Counselors selling to bank clients
- Full-service and discount brokerage capability
- Over 155,000 clients with invested assets which exceed \$4B
- Average ticket size = \$38K
- Typical branch franchise per IC = 5-6

BB&T Investment Services Revenue Growth

BB&T Investment Services

Profitability Growth

Key Focus & Challenge Areas for 2002

- Enhance Internet trading site
 - Fully execute/integrate the Smart Money Manager initiative (a bank sponsored asset management account)
 - Capitalize upon growth opportunity in new markets while maintaining profitability goals
-

BB&T

Treasury Services

Treasury Services

- Headquartered in Charlotte
- Total staff of 303
 - * Sales consultants in 18 cities including:
 - Charlotte, Charleston, W.VA., Atlanta, Wilson, Knoxville, Raleigh, Washington, DC, Baltimore and Columbia
 - * Product management and development centralized in Charlotte
 - Cash management
 - Depository products
 - Transaction services
 - Information/imaging
 - * Cash Management operations
 - Charlotte, Charleston, W.VA. And Winchester, VA

Treasury Services Net Fee Revenue

Treasury Services Profitability Growth

Key Focus & Challenge Areas for 2002

- Executing and improving browser-based technologies - Cash Manager Online
 - Consolidating operations to improve efficiency and reduce costs
 - Continuation of faster than industry-standard growth rates for Cash Management and Commercial Deposit revenue (focus on new markets)
-

Scott & Stringfellow (Private Client Group)

Scott & Stringfellow Private Client Group

- Headquartered in Richmond, VA - established 1893
- One of the oldest continuous members of the New York Stock Exchange
- Full-service brokerage firm
- 654 employees (retail & support)
- 40 retail branches located in VA, NC, & SC

Scott and Stringfellow Private Client Group

Scott and Stringfellow: Private Client Group P&L

| | 2001 <u>Actual</u> | 2002 <u>Budget</u> | <u>Variance \$</u> | <u>Variance %</u> |
|--------------------------------------|-----------------------|-----------------------|---------------------|-------------------|
| Non-Interest Revenue | 80,371,232 | 92,256,585 | 11,885,353 | 14.79 % |
| Net Interest Revenue | 4,776,621 | 4,861,365 | 84,744 | 1.77 % |
| Net Revenues | 85,147,854 | 97,117,950 | 11,970,096 | 14.06 % |
| Non-Discretionary Operating Expenses | 6,175,315 | 6,473,607 | 298,292 | 4.83 % |
| Discretionary Operating Expenses | 83,204,499 | 81,180,023 | (2,024,476) | -2.43 % |
| Total Expenses | 89,379,813 | 87,653,630 | (1,726,183) | -1.93 % |
| Net Operating Income | (4,231,960) | 9,464,320 | 13,696,280 | N/A |

Key Focus & Challenge Areas for 2002

- Improve the profitability of Scott and Stringfellow (Private Client Group)
 - * Reduce overhead

- * Move toward fee-based pricing vs. transaction pricing
- * Produce at least a 7% NOI
- Execute branch decentralization initiative
 - * Improve accountability for profitability within the branch network
- Evaluate self-clearing infrastructure
- Continue integration strategy with BB&T
 - * Management Development Program

BB&T Capital Markets

BB&T Capital Markets Securities Group

- Headquartered in Richmond with offices in Charlotte, Boca Raton, Nashville, Charleston SC, Columbus OH, Atlanta, & Washington DC
- 54 institutional fixed income salesmen
- 13 institutional equity salesmen
- 149 investment banking and security industry professionals

BB&T Capital Markets: Securities Group P&L

| | 2001 | 2002 | | |
|----------------------|----------------------|----------------------|---------------------------|--------------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Variance \$</u> | <u>Variance %</u> |
| Non-Interest Revenue | 57,187,296 | 69,299,613 | 12,112,317 | 21.18 % |
| Net Interest Revenue | 2,156,343 | 2,671,448 | 515,105 | 23.89 % |
| Net Revenues | 59,343,639 | 71,971,061 | 12,627,422 | 21.28 % |
| | 1,980,838 | 2,260,026 | 279,188 | 14.09 % |

| | 2001 | 2002 | | |
|--------------------------------------|------------|------------|-----------|--------|
| Non-Discretionary Operating Expenses | | | | |
| Discretionary Operating Expenses | 58,183,734 | 60,886,627 | 2,702,893 | 4.65 % |
| Total Expenses | 60,164,572 | 63,146,653 | 2,982,081 | 4.96 % |
| Net Operating Income | (820,933) | 8,824,408 | 9,645,341 | N/A |

Key Focus & Challenge Areas for 2002

- Improve the profitability of BB&T Capital Markets
 - * Better research alignment with BB&T's lending strategy (industry segments)
 - * More focus on structured finance
 - * Keep fixed income platform flexible to respond to market conditions
 - * Continue focus on M&A opportunities
- Effectively execute IRM (Integrated Relationship Management) with banking network
- Continue integration with BB&T
 - * Training of corporate bankers
 - * Recognition programs - referrals
 - * Management Development Program
 - * Where feasible, back office support functions integrated into BB&T

BB&T Trust Division

BB&T Trust Overview

- Headquartered in Raleigh, NC
- Assets managed and administered currently exceed \$16.6B

- BB&T proprietary mutual funds and annuity products - \$4B
- North Carolina State 401(k) plan with \$2.3B in assets

BB&T Trust Assets

BB&T Trust Revenue Growth

BB&T Trust Profitability Growth

Key Focus & Challenge Areas for 2002

- Enhance our Asset Management capabilities
 - * Acquire asset management firms with assets under management of \$750MM to \$2B
 - Southeastern Trust Company
 - Virginia Investment Counselors
 - * Improve our equity management capabilities
- Successfully complete the integration of acquired asset management/trust operations with a focus on improved profitability
- Capitalize on the growth opportunities in new markets

BB&T Insurance Services, Inc.

BB&T Insurance Services

- Headquartered in Raleigh - staff of 1,344
 - Largest retail broker in the Carolinas and Virginia and 10th largest in the country.
 - 69 agencies
 - Diverse product offerings
 - * Property and Casualty
 - * Personal Lines
 - * Life and Financial Planning
 - * Employee Benefits
 - * Title
 - * Surety
-

BB&T Insurance Services Agency Locations

BB&T Insurance Services Revenue Growth

BB&T Insurance Services

Profitability Growth

Key Focus & Challenge Areas for 2002

- Successfully integrating CRC
 - Identifying high quality, large acquisition targets in addition to the small to medium sized strategically located agencies
 - Acquiring and converting 15 agencies by year-end
 - Focus on internal growth rate (10% in 2002)
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BB&T

Financial Services

S I G N A T U R E

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BB&T CORPORATION
(Registrant)

By: /S/ SHERRY A. KELLETT

Sherry A. Kellett
Senior Executive Vice President and Controller
(Principal Accounting Officer)

Date: February 7, 2002