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**Resolution Plan**  
**Public Executive Summary**  
**2015**  
**165(d)**

**Forward Looking Information**

This document contains “forward-looking statements”, within the meaning of the Private Securities Litigation Reform Act of 1995, with respect to the financial condition, results of operations and businesses of BB&T. Statements that are not historical or current facts or statements about beliefs and expectations are forward-looking statements. Words such as “anticipates,” “believes,” “estimates,” “expects,” “forecasts,” “intends,” “plans,” “projects,” “may,” “will,” “should,” “could,” and other similar expressions are intended to identify these forward-looking statements. Forward-looking statements involve certain risks and uncertainties and are based on the beliefs and assumptions of the management of BB&T, and the information available to management at the time that this document was prepared. Factors that may cause actual results to differ materially from those contemplated by such forward looking statements are more fully described in BB&T’s Annual Report on Form 10-K for the year ended December 31, 2014 and BB&T’s Quarterly Reports on Form 10-Q under the section entitled Item 1A “Risk Factors”, and from time to time, in other filings with the Securities and Exchange Commission. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Actual results may differ materially from those expressed in, or implied by, any forward-looking statements. Except to the extent required by applicable law or regulation, BB&T undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

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## Section 1: Introduction

To promote financial stability, section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) and the related rule (“165(d) Rule”) require each bank holding company with consolidated assets<sup>1</sup> of \$50 billion or more (“Covered Company”) to periodically submit to the Board of Governors of the Federal Reserve System (“Federal Reserve”) and the Federal Deposit Insurance Corporation (“FDIC”), a plan for that company’s rapid and orderly resolution in the event of material financial distress or failure (“165(d) Resolution Plan”). As such, and due to its size, BB&T Corporation is a Covered Company and, therefore, has developed a 165(d) Resolution Plan under the Dodd-Frank Act and the 165(d) Rule.

Additionally, the FDIC has adopted a rule (“IDI Rule”) for insured depository institutions (“IDI”) requiring each IDI with \$50 billion or more in total assets<sup>2</sup> (a covered IDI (“CIDI”)) to periodically submit a resolution plan (“IDI Resolution Plan”) to the FDIC. The IDI Rule is designed to ensure that depositors receive prompt access to their insured deposits in the event of an IDI’s failure and to enable the FDIC to perform its resolution functions efficiently. Branch Banking and Trust Company, with more than \$50 billion in total assets, is considered a CIDI and, therefore, has developed an IDI Resolution Plan to meet the requirements of the IDI Rule.

In the unlikely event of material financial distress or failure, BB&T’s<sup>3</sup> 165(d) Resolution Plan provides for the resolution of BB&T Corporation and its Material Entities (listed in Section 2), in a rapid and orderly way, without posing systemic risk to the larger financial system and without the need for extraordinary government support. The 165(d) Resolution Plan includes resolution strategies involving liquidation under the United States Bankruptcy Code (the “Bankruptcy Code”) and receivership under the Federal Deposit Insurance Act (“FDIA”), as amended.

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<sup>1</sup> For covered companies with less than \$100B in total nonbank assets that predominately operate through one or more insured depository institutions (*i.e.*, the company’s insured depository institution subsidiaries comprise at least 85 percent of its total consolidated assets), the Federal Reserve and the FDIC have tailored the resolution plan requirements to focus on the nonbank operations of the covered company.

<sup>2</sup> An insured depository institution with \$50 billion or more in total assets, as determined based upon the average of the institution’s four most recent Reports of Condition and Income (Call Reports) or Thrift Financial Reports (TFR), as applicable to the insured depository institution.

<sup>3</sup> BB&T refers to BB&T Corporation and its subsidiaries collectively.

In conformance with the 165(d) Rule, and guidance provided by the Federal Reserve, BB&T's 165(d) Resolution Plan assumes a series of hypothetical material financial events that specifically and singularly affects specific Core Business Lines<sup>4</sup> of BB&T (*i.e.*, idiosyncratic events), that the idiosyncratic events occur at a time when general macroeconomic conditions are consistent with the severely adverse economic scenario<sup>5</sup>, and that BB&T has not taken steps to enhance its capital or liquidity position. In addition, BB&T qualitatively considers the impact of the idiosyncratic events on BB&T during baseline and adverse economic scenarios.

Unless otherwise indicated, information provided in this Public Section<sup>6</sup> is as of December 31, 2014.

## **Business Overview**

BB&T, one of the largest financial services holding companies in the U.S., had approximately \$186.8 billion in assets and a market capitalization of \$28.0 billion, as of December 31, 2014. Branch Banking and Trust Company, BB&T's primary banking subsidiary and its largest subsidiary, was chartered in 1872 and is the oldest bank headquartered in North Carolina. Branch Banking and Trust Company 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, through more than 1,800 offices. Branch Banking and Trust Company is organized as a group of community banking regions, each with a regional president, which provides for local decision making and close proximity to the client. Branch Banking and Trust Company is consistently recognized for outstanding client satisfaction.

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<sup>4</sup> As defined by the 165(d) Rule, Core Business Lines means "those business lines of the covered company, including associated operations, services, functions and support, that, in the view of the covered company, upon failure would result in a material loss of revenue, profit, or franchise value."

<sup>5</sup> 2015 Supervisory Scenarios for Annual Stress Tests Required under the Dodd-Frank Act Stress Testing Rules and the Capital Plan Rule published by the Board of Governors of the Federal Reserve System on October 23, 2014.

<sup>6</sup> The Public Section refers to the respective public executive summary required under the Rules.

BB&T Corporation operates its business through six reportable operating segments, (as identified in its 2014 Annual Report on Form 10-K):

- **Community Banking** serves individual and business clients by offering a variety of loan and deposit products, and other financial services;
- **Residential Mortgage Banking** retains and services mortgage loans originated by BB&T, as well as those purchased from various correspondent originators;
- **Dealer Financial Services** originates loans to consumers on a prime and non-prime basis for the purchase of automobiles, and also finances the purchase of boats and recreational vehicles;
- **Insurance Services** is an insurance agency / brokerage network that provides property and casualty, life, and employee benefits to businesses and individuals. In addition, Insurance Services provides small business and corporate services, such as workers compensation and professional liability, as well as surety coverage and title insurance<sup>7</sup>;
- **Specialized Lending** consists of lines of business and subsidiaries that provide specialty finance products to consumers and businesses. The lines of business include Commercial Finance, Mortgage Warehouse Lending, Sheffield Financial, and Governmental Finance. Operating subsidiaries include BB&T Equipment Finance, which provides equipment leasing largely within BB&T's banking footprint; Prime Rate Premium Finance Corporation, which includes AFCO and CAFO, providing insurance premium finance; and Grandbridge, a full-service commercial mortgage banking lender providing loans on a national basis; and
- **Financial Services** provides asset management / investment advisory services, securities brokerage services, wealth management / private banking services, capital markets services, corporate banking, retirement and institutional trust services, and private equity investments to its clients.

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<sup>7</sup> On June 1, 2015 BB&T announced it had completed the sale of BB&T Corp.'s direct subsidiary AmCo Holding Company, and its direct subsidiary, American Coastal Insurance Company. The sale of American Coastal Insurance Company eliminates BB&T's exposure to future potential underwriting losses.

A seventh segment, Other, Treasury & Corporate is the combination of 1) operating entities that do not meet the quantitative or qualitative thresholds for disclosure; 2) BB&T's Treasury function, which is responsible for the management of the securities portfolios, overall balance sheet funding and liquidity, and overall management of interest rate risk; 3) the corporate functions and expenses that have not been allocated to the business segments; and 4) intercompany eliminations including intersegment net referral fees and net intersegment interest income (expense).

Under the requirements of the Dodd-Frank Act and the 165(d) Rule, BB&T Corporation is required to have a comprehensive plan that provides for resolution under the Bankruptcy Code and other applicable insolvency regimes for other Material Entities, in a rapid and orderly manner that BB&T believes would not pose systemic risk to the U.S. financial system. BB&T's 165(d) Resolution Plan has been submitted in accordance with the requirements of the 165(d) Rule. In the unlikely event that BB&T Corporation were to default on its obligations, or be in danger of default, and neither its recovery plan nor another private sector alternative was available to prevent the default, the 165(d) Resolution Plan provides for the continuation of BB&T Corporation's business operations and the orderly transfer of BB&T Corporation and its subsidiaries' clients, client accounts, client securities, and other property to other providers with minimal disruption. The 165(d) Resolution Plan allows for BB&T Corporation to be resolved under the Bankruptcy Code (or other applicable resolution regimes), without requiring extraordinary government support.

## Section 2: The Names of Material Entities

As defined by the 165(d) Rule, a Material Entity means “a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation<sup>8</sup> or core business line.<sup>9</sup>” BB&T has identified the following Material Entities for the 165(d) Resolution Plan:

- **BB&T Corporation** is the financial holding company and parent company for BB&T, and is considered the Covered Company under Section 165(d) Rule and a Material Entity under the IDI Rule. BB&T Corporation is incorporated under North Carolina (“NC”) law, and is subject to supervision by the Federal Reserve.
- **Branch Banking and Trust Company** is a wholly owned, state-chartered banking subsidiary of BB&T Corporation and, for purposes of the IDI Rule, is the CIDI. Branch Banking and Trust Company is a commercial bank that provides a wide range of products and services including traditional banking, specialized lending, insurance, and investment and trust services for retail and commercial clients through branches within its traditional bank footprint. Branch Banking and Trust Company is subject to supervision by the FDIC, the NC Commissioner of Banks (“NCCOB”), and the Consumer Financial Protection Bureau (“CFPB”).
- **Regional Acceptance Corporation** is a wholly owned subsidiary of BB&T Corporation which specializes in indirect financing for consumer purchases of primarily mid-model and late-model used automobiles. Regional Acceptance Corporation is incorporated in NC and subject to supervision by the Federal Reserve.
- **BB&T Insurance Holdings, Inc.** is a wholly owned subsidiary of Branch Banking and Trust Company and offers a wide variety of insurance products nationwide through BB&T Insurance Holdings’ various subsidiaries. BB&T Insurance Holdings serves as

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<sup>8</sup> As defined by the 165(d) Rule, Critical Operations means “those operations of the covered company, including associated services, functions and support, the failure or discontinuance of which, in the view of the covered company or as jointly directed by the Federal Reserve and the FDIC, would pose a threat to the financial stability of the United States.”

<sup>9</sup> As defined by the 165(d) Rule, Core Business Lines means “those business lines of the covered company, including associated operations, services, functions and support, that, in the view of the covered company, upon failure would result in a material loss of revenue, profit, or franchise value.”



the holding company for most of the insurance operations within BB&T. BB&T Insurance Holdings is subject to supervision by various state insurance commissioners.

## Section 3: Description of Core Business Lines

BB&T is a values-driven, highly profitable growth organization offering a full range of consumer and commercial banking, securities brokerage, asset management, mortgage, and insurance products and services. BB&T provides these products and services through various operating segments. BB&T determined that its six reportable operating segments meet the definition of a Core Business Line for the 165(d) Resolution Plan. Descriptions of these Core Business Lines are as follows:

- **Community Banking** serves individual and business clients by offering a variety of loan and deposit products, and other financial services through the retail branch network. Community Banking is primarily responsible for serving client relationships and, therefore, is credited with certain revenue from the Residential Mortgage Banking, Financial Services, Insurance Services, Specialized Lending, and other segments, which is reflected in net referral fees;
- **Residential Mortgage Banking** retains and services mortgage loans originated by BB&T, as well as those purchased from various correspondent originators. Mortgage loan products include fixed and adjustable rate government and conventional loans for the purpose of constructing, purchasing, or refinancing residential properties. Substantially all of the properties are owner occupied. BB&T generally retains the servicing rights to loans sold. Residential Mortgage Banking earns interest on loans, earns fees from the origination and servicing of mortgage loans, and recognizes gains or losses related to mortgage loans held for sale;
- **Dealer Financial Services** originates loans to consumers, on a prime and non-prime basis, for the purchase of automobiles. Such loans are originated on an indirect basis through approved franchised and independent automobile dealers throughout the BB&T market area, and nationally through Regional Acceptance Corporation. Dealer Financial Services also originates loans for the purchase of boats and recreational vehicles originated through dealers in BB&T's market area. In addition, financing and servicing to dealers for their inventories is jointly provided by the Dealer Financial Services and Community Banking Core Business Lines;

- **Insurance Services** is an insurance agency and brokerage network that provides insurance products (*e.g.*, property and casualty, life) and employee benefits to businesses and individuals. It also provides small business and corporate services, such as workers compensation and professional liability, as well as surety coverage and title insurance;
- **Specialized Lending** consists of lines of business and subsidiaries that provide specialty finance products to consumers and businesses. The lines of business include Commercial Finance, Mortgage Warehouse Lending, Sheffield Financial, and Governmental Finance. Commercial Finance structures and manages asset-based working capital financing, supply chain financing, export-import finance, accounts receivable management and credit enhancement. Mortgage Warehouse Lending provides short-term lending solutions to finance first-lien residential mortgage loans held for sale by independent mortgage companies. Sheffield Financial is a dealer-based financier of equipment for both small businesses and consumers. Governmental Finance provides tax-exempt financing to meet the capital project needs of local governments. Operating subsidiaries include BB&T Equipment Finance, which provides equipment leasing largely within BB&T's banking footprint; Prime Rate Premium Finance Corporation, which includes AFCO and CAFO, insurance premium finance lines of business that provide funding to businesses in the United States and Canada and to consumers in certain markets within BB&T's banking footprint; and Grandbridge, a full-service commercial mortgage banking lender providing loans on a national basis; and
- **Financial Services** provides asset management and investment advisory services, securities brokerage services, wealth management and private banking services, capital markets services, corporate banking, retirement and institutional trust services, and private equity investments to its clients, which, in addition to its other offerings, allows BB&T to offer a full array of products and services to meet the financial needs of its clients.

## Section 4: Summary Financial Information

Table 1 presents BB&T Corporation's Summarized Consolidated Balance Sheets as of December 31, 2014 and 2013. The amounts were derived from the consolidated balance sheets included in BB&T Corporation's Annual Report on Form 10-K, and include certain reclassifications to conform to BB&T's current presentation. For a more detailed discussion on the Consolidated Balance Sheets, please refer to BB&T Corporation's 2014 Annual Report on Form 10-K and other BB&T reports filed pursuant to the Securities Exchange Act of 1934.<sup>10</sup>

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<sup>10</sup> For more detailed information, and to view the complete filings, see [www.sec.gov](http://www.sec.gov).

**Table 1: BB&T Corporation Summarized Consolidated Balance Sheets**  
(Dollars in millions)

	December 31,	
	2014	2013
<b>Assets</b>		
Cash and due from banks	\$ 1,639	\$ 1,565
Interest-bearing deposits with banks	529	452
Federal funds sold and securities purchased under resale agreements or similar arrangements	157	148
Restricted cash	374	422
Securities available for sale at fair value	20,907	22,104
Securities held to maturity	20,240	18,101
Loans held for sale at fair value	1,423	1,222
Loans and leases held for investment	119,884	115,917
Allowance for loan and lease losses	(1,474)	(1,732)
Loans and leases held for investment, net of allowance	<u>118,410</u>	<u>114,185</u>
Premises and equipment	1,827	1,869
Goodwill	6,869	6,814
Core deposit and other intangible assets	505	569
Residential mortgage servicing rights at fair value	844	1,047
Other assets	<u>13,090</u>	<u>14,512</u>
Total assets	<u>\$ 186,814</u>	<u>\$ 183,010</u>
<b>Liabilities and Shareholders' Equity</b>		
Deposits:		
Noninterest-bearing deposits	\$ 38,786	\$ 34,972
Interest-bearing deposits	<u>90,254</u>	<u>92,503</u>
Total deposits	<u>129,040</u>	<u>127,475</u>
Short-term borrowings	3,717	4,138
Long-term debt	23,312	21,493
Accounts payable and other liabilities	<u>6,319</u>	<u>7,095</u>
Total liabilities	<u>162,388</u>	<u>160,201</u>
Shareholders' equity <sup>11</sup>	<u>24,426</u>	<u>22,809</u>
Total liabilities and shareholders' equity	<u>\$ 186,814</u>	<u>\$ 183,010</u>

The Notes to the Consolidated Financial Statements included in BB&T's Annual Report on Form 10-K are an integral part of the financial statements.

## BB&T Capital Ratios

<sup>11</sup> In January 2014, the FASB issued new guidance related to Investments in Qualified Affordable Housing Projects. The new guidance allows an entity, provided certain criteria are met, to elect the proportional amortization method to account for these investments. The proportional amortization method allows an entity to amortize the initial cost of the investment in proportion to the amount of tax credits and other tax benefits received and recognize the net investment performance in the income statement as a component of the provision for income taxes. This guidance is effective for interim and annual reporting periods beginning after December 15, 2014. See Note 15 of the 2014 BB&T Corporation Annual Report on Form 10-K, "Commitments and Contingencies", for the estimated impact of the adoption of this guidance.

The regulatory capital ratios of BB&T Corporation for December 31, 2014 and 2013 are provided in Table 2.

**Table 2: BB&T Corporation Capital Ratios<sup>12</sup>**

BB&T Corporation Capital Ratios	December 31,	
	2014	2013
Risk-based:		
Tier 1 Common Capital Ratio	10.6%	9.9%
Tier 1 Capital Ratio	12.4%	11.8%
Total Risk-Based Capital Ratio	14.9%	14.3%
Common Equity Tier 1 Capital Ratio <sup>13</sup>	10.3%	9.7%
Leverage Ratio	9.9%	9.3%

Table 3 presents Branch Banking and Trust Company's Summarized Consolidated Balance Sheets as of December 31, 2014 and 2013. This summarized information has been presented on the same basis as BB&T's financial information in Table 1. For additional information, please refer to Branch Banking and Trust Company's 2014 FFIEC-031 Annual Consolidated Reports of Condition and Income.<sup>14</sup>

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<sup>12</sup> The Basel III capital requirements became effective on January 1, 2015. As a result, capital data for periods prior to January 1, 2015 are based on the former requirements under Basel I.

<sup>13</sup> Common Equity Tier 1 Capital Ratio is reported on a fully phased-in basis.

<sup>14</sup> Further detail is available at [www.FFIEC.gov](http://www.FFIEC.gov).

**Table 3: Branch Banking and Trust Company Summarized Consolidated Balance Sheets**

(Unaudited, dollars in millions)

	<b>December 31,</b>	
	<b>2014</b>	<b>2013</b>
<b>Assets</b>		
Cash and due from banks	\$ 1,603	1,138
Interest-bearing deposits with banks	518	448
Restricted cash	374	422
Securities available for sale at fair value	20,672	22,064
Securities held to maturity	20,217	18,065
Loans held for sale at fair value	1,423	1,222
Loans and leases held for investment	116,697	112,951
Allowance for loan and lease losses	(1,273)	(1,547)
Loans and leases, net of allowance	<u>115,424</u>	<u>111,404</u>
Premises and equipment	1,815	1,856
Goodwill	6,657	6,603
Core deposit and other intangible assets	492	554
Residential mortgage servicing rights at fair value	844	1,047
Other assets	12,469	14,303
Total assets	<u>\$ 182,508</u>	<u>\$ 179,126</u>
<b>Liabilities and Shareholders' Equity</b>		
Deposits:		
Noninterest-bearing deposits	\$ 38,866	\$ 34,973
Interest-bearing deposits	98,112	98,585
Total deposits	<u>136,978</u>	<u>133,558</u>
Short-term borrowings	3,518	3,950
Long-term debt	13,231	12,461
Accounts payable and other liabilities	6,119	6,843
Total liabilities	<u>159,846</u>	<u>156,812</u>
Shareholders' equity	22,662	22,314
Total liabilities and shareholders' equity	<u>\$ 182,508</u>	<u>\$ 179,126</u>

Table 4 presents capital information for Branch Banking and Trust Company as of December 31, 2014 and 2013.

**Table 4: Branch Banking and Trust Company Capital Ratios**

	December 31, 2014	December 31, 2013
Risk-based:		
Tier 1 Common Capital Ratio	11.7%	9.7%
Tier 1 Capital Ratio	11.7%	11.9%
Total Risk-Based Capital Ratio	13.4%	13.4%
Common Equity Tier 1 Capital Ratio <sup>15</sup>	11.3%	9.4%
Leverage Ratio	9.3%	9.4%

### Capital Management

BB&T is strongly committed to maintaining a robust capital adequacy assessment process and operating in a safe and sound manner. Historically, BB&T has operated well in excess of minimum capital requirements. BB&T shared the second highest average debt rating among regional banks as of December 31, 2014.

BB&T has a comprehensive capital planning process that is capable of evaluating BB&T’s capital needs in normal and stressed conditions, as well as evaluating the impact that strategic acquisitions would have on its current and forecasted capital position. BB&T’s capital planning process is fully integrated into its corporate risk governance process including active board and executive management participation, a dedicated capital planning function, visibility in senior risk committees, and integration with BB&T’s risk appetite.

BB&T performs stress testing on its capital levels semi-annually, at a minimum, and is required to submit its capital plans to the banking regulators. BB&T’s capital deployment plan, in order of preference, is to focus on organic growth, dividends, strategic opportunities, and share repurchases.

In connection with the 2015 Comprehensive Capital Analysis and Review (“CCAR”),<sup>16</sup> the Federal Reserve projected BB&T Corporation’s capital ratios to be at the middle of BB&T’s

<sup>15</sup> Common Equity Tier 1 Capital Ratio is reported on a fully phased-in basis.

<sup>16</sup> Results of the 2015 Dodd-Frank Act Stress Test are published by the Board of Governors of the Federal Reserve System on its webpage at [www.federalreserve.gov](http://www.federalreserve.gov).



peer group<sup>17</sup> under the Supervisory Severely Adverse scenario<sup>18</sup> with capital actions. In addition, BB&T was one of two peer banks projected to remain profitable in the stressed scenario. BB&T Corporation had the second highest pre-tax, pre-provision net revenue as a percentage of average assets and second highest profitability ratio among BB&T's peer group in the test.

The maintenance of appropriate levels of capital is a management priority and the level of capital is monitored and evaluated on a regular basis. BB&T's principal goals related to the maintenance of capital are to provide adequate capital to support BB&T's risk profile consistent with the Board-approved risk appetite; provide financial flexibility to support future growth and client needs; comply with relevant laws, regulations, and supervisory guidance; achieve optimal credit ratings for BB&T Corporation and its subsidiaries; and provide a competitive return to shareholders.

Management regularly monitors the capital position of both BB&T Corporation and Branch Banking and Trust Company, using operating forecasts and plans, as well as stressed scenarios. Management's overriding policy is to maintain capital levels in excess of the operating capital guidelines and the regulatory "well capitalized"<sup>19</sup> levels. Additionally, it is management's intent to maintain Branch Banking and Trust Company's capital levels commensurate with BB&T's risk appetite and risk profile, and the expectations of stakeholders. Management has implemented stressed capital ratio minimum guidelines to evaluate whether capital levels are sufficient to withstand the impact of plausible, severe economic downturns, or bank-specific events. Table 5 presents BB&T's internal capital guidelines.

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<sup>17</sup> For the 2015 Dodd-Frank Act Stress Test, BB&T's peer group included CMA, FITB, HBAN, KEY, MTB, PNC, RF, STI, USB, and ZION.

<sup>18</sup> The Supervisory Severely Adverse scenario as defined by the Federal Reserve. Further detail is available on the Federal Reserve's webpage at [www.federalreserve.gov](http://www.federalreserve.gov).

<sup>19</sup> "Well capitalized," as defined by the Federal Reserve as of December 31, 2014 (12 CFR 280.43(b)(1)), requires the following: Leverage Ratio  $\geq 5\%$ , Tier 1 Capital Ratio  $\geq 6\%$ , and Total Risk-Based Capital  $\geq 10\%$ .

**Table 5: BB&T’s Internal Capital Guidelines**

<b>BB&amp;T’s Internal Capital Guidelines</b>	<b>Operating</b>	<b>Stressed</b>
Tier 1 Capital Ratio	10.0%	7.5%
Total Risk Based Capital Ratio	12.0	9.5
Leverage Capital Ratio <sup>20</sup>	7.0	5.0
Common Equity Tier I Capital Ratio	8.5	6.0

## **Liquidity Planning and Funding**

### Liquidity Planning

BB&T undertakes comprehensive liquidity planning to ensure the availability of liquidity to support its ongoing operations. BB&T uses the following tools to ensure the availability of liquidity to meet client needs:

- Cash flow forecasts including inflows and outflows at Branch Banking and Trust Company and BB&T Corporation over a two year horizon;
- A buffer of high quality liquid assets and cash sufficient to cover 30 days of net cash outflows under stress conditions;
- Cash reserves at BB&T Corporation sufficient to cover one year of cash outflow assuming no inflows (including a target of two years of cash);
- Simulations of its balance sheet growth and mix, including the potential for deposit clients to withdraw deposits in significant quantity, testing of its contingency funding plan using a simulation exercise, and an annual liquidity simulation exercise; and
- Liquidity modeling integrated into the CCAR stress testing used to measure capital adequacy. This allows the firm to test liquidity vulnerability under extreme stress conditions.

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<sup>20</sup> During 2015 BB&T increased its minimum leverage capital internal guidelines to reflect an operating minimum of 8.0% and a stressed minimum of 5.5%.

## Funding

BB&T considers deposits to be its primary source of funds for lending and investing activities. Scheduled payments, prepayments, and maturities from BB&T's portfolios of loans and investment securities also provide a stable source of funds. FHLB advances, other secured borrowings, Federal funds purchased and other short-term borrowed funds, as well as longer-term debt issued through the capital markets, all provide supplemental liquidity sources. BB&T's funding activities are monitored and governed through BB&T's overall asset / liability management process.

BB&T manages cash levels at BB&T Corporation to cover a minimum of one year of projected contractual cash outflows, which includes unfunded external commitments, debt service, preferred dividends, and scheduled debt maturities, without the benefit of new cash infusions. Generally, BB&T Corporation maintains a significant buffer<sup>21</sup> above the projected one year of contractual cash outflows, including a target of eighteen months and a non-policy operating guideline of twenty-four months of cash. As of December 31, 2014 and 2013, BB&T Corporation had 31 months and 27 months, respectively of cash on hand to satisfy projected contractual cash outflows.

The following is a brief description of the various sources of funds available to and used by BB&T.

## Deposits

Branch Banking and Trust Company attracts deposits primarily from clients within its branch network by offering a broad selection of deposit instruments to individuals and businesses, including noninterest-bearing checking accounts, interest-bearing checking accounts, savings accounts, money market deposit accounts, certificates of deposit, and individual retirement accounts.

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<sup>21</sup> In determining the buffer, BB&T considers cash for common dividends, unfunded commitments to affiliates, being a source of strength to its banking subsidiary, and being able to withstand sustained market disruptions which may limit access to the credit markets.

Total deposits at December 31, 2014, were \$129.0 billion, an increase of \$1.6 billion, or 1.2%, compared to year-end 2013. Noninterest-bearing deposits totaled \$38.8 billion at December 31, 2014, an increase of \$3.8 billion, or 10.9%, from December 31, 2013. Interest-bearing accounts decreased \$2.2 billion, or 2.4%. For the year ended December 31, 2014, total deposits averaged \$129.1 billion, an increase of \$522 million, or 0.4%, compared to 2013.

## Short-term Borrowings

BB&T uses various types of short-term borrowings to meet funding needs. While deposits remain the primary source for funding loan originations, BB&T uses short-term borrowings as a supplementary funding source for loan growth and other balance sheet management purposes. Short-term borrowings were 1.8% of total funding on average in 2014, as compared to 2.5% in 2013. The types of short-term borrowings that have been used, or may be used, include federal funds purchased, securities sold under repurchase agreements, master notes, commercial paper, U.S. Treasury tax and loan deposit notes, negotiable certificates of deposit, and short-term bank notes. Securities sold under repurchase agreements are reflected as collateralized borrowings on BB&T's balance sheet. Average short-term borrowings in 2014 were \$3.4 billion, a decrease of \$1.0 billion, or 23.3%, compared to 2013. Short-term borrowings were \$3.7 billion at December 31, 2014.

## Long-term Debt

BB&T uses long-term debt to provide both funding and, to a lesser extent, regulatory capital. During 2014, long-term debt represented 12.0% of average total funding, compared to 10.6% during 2013. At December 31, 2014, long-term debt totaled \$23.3 billion, an increase of \$1.8 billion compared to year-end 2013. BB&T's average cost of long-term debt was 2.4% in 2014, a decrease of 0.7% from 2013.

BB&T's long-term debt consists primarily of senior notes of BB&T Corporation, which represented 32.7% of the year-end balance; FHLB advances, which represented 27.9% of total outstanding long-term debt at December 31, 2014; senior notes of Branch Bank, which represented 19.5% of total outstanding long-term debt at December 31, 2014; subordinated notes of BB&T Corporation, which represented 9.3% of the year-end balance; subordinated notes of

Branch Bank, which represented 7.9%; and other amounts totaling 2.7% of total outstanding long-term debt at December 31, 2014.

**Section 5: Description of Derivatives and Hedging Activities****Derivative Financial Instruments**

A derivative is a financial instrument that derives its cash flows, and therefore its value, by reference to an underlying instrument, index, or referenced interest rate. These instruments include interest rate swaps, caps, floors, collars, financial forwards and futures contracts, swaptions, when-issued securities, foreign exchange contracts, and options written and purchased. BB&T uses derivative activities for hedging purposes. BB&T does not make markets (but does provide derivative execution for loan clients for which it hedges each transaction and maintains no residual interest rate risk after executing the offsetting hedge), and does not take its own position in derivatives<sup>22</sup>. BB&T uses derivatives primarily to manage economic risk related to securities, commercial loans, mortgage servicing rights (“MSRs”) and mortgage banking operations, long-term debt, and other funding sources. Additionally, BB&T uses derivatives to facilitate transactions on behalf of its clients. The fair value of derivatives in a gain or loss position is included in other assets or liabilities, respectively, on BB&T Corporation’s Consolidated Balance Sheets.

BB&T classifies its derivative financial instruments as either (1) a hedge of an exposure to potential changes in the fair value of a recorded asset or liability (“fair value hedge”), (2) a hedge of an exposure to potential changes in the cash flows of a recognized asset, liability, or forecasted transaction (“cash flow hedge”), (3) a hedge of a net investment in a subsidiary, or (4) derivatives not designated as hedges. Changes in the fair value of derivatives not designated as hedges are recognized in current period earnings. BB&T has master netting agreements with the derivatives dealers with which it does business, but reflects derivatives on a gross basis on BB&T Corporation’s Consolidated Balance Sheets.

Table 6 provides information concerning BB&T’s derivative financial instruments and related hedged items as of the dates indicated.

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<sup>22</sup> Trades that pre-date 2009 were macro hedged (*i.e.*, are not directly offset by a dealer trade).

**Table 6: BB&T's Derivative Classifications and Hedging Relationships**

Hedged Item or Transaction	December 31, 2014			December 31, 2013			
	Notional Amount	Fair Value <sup>23</sup>		Notional Amount	Fair Value <sup>23</sup>		
		Gain	Loss		Gain	Loss	
(Dollars in millions)							
Cash Flow Hedges: <sup>24</sup>							
Interest rate contracts:							
Pay fixed swaps	3 month LIBOR funding	\$ 9,300	\$ —	\$ (289)	\$ 4,300	\$ —	\$ (203)
Fair Value Hedges:							
Interest rate contracts:							
Receive fixed swaps and option trades	Long-term debt	11,902	269	(5)	6,822	102	(3)
Pay fixed swaps	Commercial loans	161	—	(3)	178	—	(3)
Pay fixed swaps	Municipal securities	336	—	(126)	345	—	(83)
Total		12,399	269	(134)	7,345	102	(89)
Not Designated as Hedges:							
Client-related and other risk management:							
Interest rate contracts:							
Receive fixed swaps		7,995	350	(3)	8,619	370	(37)
Pay fixed swaps		8,163	1	(375)	8,401	31	(396)
Other swaps		1,372	5	(7)	1,586	6	(8)
Other		528	1	(1)	424	2	(2)
Forward Commitments		5,326	10	(12)	—	—	—
Foreign exchange contracts		571	8	(6)	384	2	(3)
Total		23,955	375	(404)	19,414	411	(446)
Mortgage Banking:							
Interest rate contracts:							
Interest rate lock commitments		1,566	20	—	1,869	3	(14)
When issued securities, forward rate agreements and forward commitments		2,623	3	(25)	3,100	34	(7)
Other		916	7	—	531	8	(7)
Total		5,105	30	(25)	5,500	45	(28)
MSRs:							
Interest rate contracts:							
Receive fixed swaps		4,119	215	(1)	6,139	36	(141)
Pay fixed swaps		4,362	1	(124)	5,449	89	(29)
Option trades		9,350	229	(36)	9,415	181	(31)
When issued securities, forward rate agreements and forward commitments		3,731	3	—	1,756	—	(3)
Total		21,562	448	(161)	22,759	306	(204)
Total non-hedging derivatives		50,622	853	(590)	47,673	762	(678)
Total Derivatives		\$ 72,321	\$ 1,122	\$ (1,013)	\$ 59,318	\$ 864	\$ (970)
Gross amounts not offset in the consolidated Balance Sheets:							
Amounts subject to master netting arrangement not offset due to policy election							
Cash collateral received / posted							
Net Amount							
		(629)	629		(514)	514	
		(190)	342		(44)	386	
		303	(42)		306	(70)	

<sup>23</sup> Derivatives in a gain position are recorded as Other assets, and derivatives in a loss position are recorded as Other liabilities on the Consolidated Balance Sheets. Applies to all periods presented.

<sup>24</sup> Cash flow hedges are hedging the first un-hedged forecasted settlements associated with the listed hedged item descriptions.

## Section 6: Memberships in Material Payment, Clearing and Settlement Systems

BB&T maintains memberships and / or direct access to a number of payment, clearing, and settlement systems and Financial Market Utilities<sup>25</sup> to facilitate transferring, clearing, and settling payments, securities, and other financial transactions for clients and on behalf of Branch Banking and Trust Company and BB&T Securities, LLC (a direct subsidiary of BB&T Corporation). Table 7 identifies the notable payment, clearing, and settlement systems and Financial Market Utilities that BB&T utilizes.

**Table 7: Notable Payment, Clearing, and Settlement Systems and Financial Market Utilities Utilized by BB&T**

Member Entity	Payment, Clearing, and Settlement System / Financial Market Utility Name	Payment, Clearing, and Settlement System / Financial Market Utility Function	Payment, Clearing, and Settlement System / Financial Market Utility Description
Branch Banking and Trust Company	Fedwire Funds Services	Payments / Clearing / Settlements	Fedwire Funds is a wire transfer services provider that is owned and operated by the Federal Reserve Banks. Fedwire Funds is a real-time gross settlement system. Fedwire Funds processes the purchase and sale of federal funds; the purchase, sale and financing of securities transactions; the disbursement or repayment of loans; the settlement of domestic and cross-border U.S. dollar commercial transactions; and the settlement of real estate transactions and other high-value, time-critical payments. Fedwire Funds has not been designated as a systemically important financial market utility by the Financial Stability Oversight Council.

<sup>25</sup> Payment, clearing, and settlement systems and Financial Market Utilities are multilateral systems that provide the essential infrastructure for transferring, clearing, and settling payments, securities, and other financial transactions among financial institutions or between financial institutions and the system.



Member Entity	Payment, Clearing, and Settlement System / Financial Market Utility Name	Payment, Clearing, and Settlement System / Financial Market Utility Function	Payment, Clearing, and Settlement System / Financial Market Utility Description
Branch Banking and Trust Company	Fedwire Securities Service	Securities Processing	Fedwire Securities is a national securities book entry system that is owned and operated by the Federal Reserve Banks. Fedwire Securities conducts real-time transfers of securities and related funds on a gross basis. Fedwire Securities provides for the issuance, maintenance, safekeeping, transfer, and settlement for Treasury securities, for many federal government agency and government-sponsored enterprise securities and for certain international organizations' securities. Fedwire Securities has not been designated as a systemically important financial market utility by the Financial Stability Oversight Council.
Branch Banking and Trust Company	Electronic Payments Network ("EPN")	ACH Transactions	EPN is an electronic payment system providing automated clearing house ("ACH") services. EPN facilitates exchanges of batched debit and credit payments among business, consumer and government accounts. The system processes pre-authorized recurring payments such as payroll, Social Security, mortgage and utility payments, as well as non-recurring payments such as telephone-initiated payments and the conversion of checks into ACH payments at lockboxes and points of sale. It also processes inbound and outbound cross-border ACH payments through foreign gateway operators. EPN has not been designated as a systemically important Financial Market Utility by the Financial Stability Oversight Council.
Branch Banking and Trust Company	Clearing House Interbank Payments System ("CHIPS")	Wire Transfer	CHIPS, a U.S. payments system, are a service of The Clearing House. CHIPS is a large-value wire transfer payment system with real-time final net settlement of payments. Payments become final on completion of settlement, which occurs throughout the day. CHIPS processes a large proportion of U.S. dollar cross-border payments and an increasing volume of U.S. domestic payments. CHIPS has been designated as a systemically important Financial Market Utility by the Financial Stability Oversight Council.
Branch Banking and Trust Company	Small Value Payments Corporation ("SVPCO")	Check Clearing	SVPCO, a U.S. Check Image Exchange system, is a service of The Clearing House. SVPCO is a check clearing exchange system that does a net settlement between the exchanging banks on a business day basis. SVPCO currently serves 37 domestic depository institutions. SVPCO has not been designated as a systemically important Financial Market Utility by the Financial Stability Oversight Council.

Member Entity	Payment, Clearing, and Settlement System / Financial Market Utility Name	Payment, Clearing, and Settlement System / Financial Market Utility Function	Payment, Clearing, and Settlement System / Financial Market Utility Description
<p>Branch Banking and Trust Company</p> <p>BB&amp;T Securities, LLC</p>	<p>Fixed Income Clearing Corporation (“FICC-MBSD”)</p>	<p>Securities Settlement</p>	<p>FICC, a U.S. securities clearing agency, is a subsidiary of the Depository Trust and Clearing Corporation (“DTCC”) which, in turn, is owned by its users, including major banks, broker-dealers and other financial institutions. FICC operates two divisions, the Government Securities Division (“GSD”) and the Mortgage Backed Securities Division (“MBSD”). Each division offers services to its members pursuant to separate rules and procedures. Branch Banking and Trust Company primarily utilizes MBSD. MBSD is a central counterparty and provides real-time trade matching, netting, and clearing services for the mortgage-backed securities market. FICC has been designated by the Financial Stability Oversight Council as a systemically important Financial Market Utility.</p>
<p>Branch Banking and Trust Company</p> <p>BB&amp;T Securities, LLC</p>	<p>The Depository Trust Company (“DTC”)</p> <p>National Securities Clearing Corporation (“NSCC”)</p>	<p>Securities Settlement</p>	<p>DTC is a central securities depository providing depository and book-entry services for eligible securities and other financial assets to its participants, which are principally banks and broker-dealers. DTC processes the movement of securities for trades that are cleared and settled in the Continuous Net Settlement system operated by its affiliate National Securities Clearing Corporation (“NSCC”), a central counterparty for the clearance of trades in U.S. cash markets; processes transactions settled in Canadian dollars through its interface with CDS Clearing and Depository Services, Inc.; provides settlement services for institutional trades (which typically involve money and securities transfers between custodian banks and broker-dealers); and provides for the settlement of issuances and maturities of money market instruments. DTC has been designated by the Financial Stability Oversight Council as a systemically important Financial Market Utility.</p>
<p>Branch Banking and Trust Company</p>	<p>Visa Inc.</p>	<p>Payments</p>	<p>Visa Inc. (“Visa”) is a global payments technology company that connects consumers, businesses, financial institutions, and governments in more than 200 countries and territories, enabling them to use electronic payments instead of cash and checks. Visa has not been designated as a systemically important Financial Market Utility by the Financial Stability Oversight Council.</p>

## Section 7: Description of Foreign Operations

BB&T has limited foreign operations, most notably insurance premium finance in Canada through CAFO, Inc.,<sup>26</sup> an indirect subsidiary of Branch Banking and Trust Company. CAFO, Inc. offers financing of property and casualty insurance premiums and originates the vast majority of these loans through long-standing relationships with independent agents and brokers throughout Canada. CAFO, Inc. conducts its operations from three Canadian offices in Toronto, Montréal, and Edmonton. At December 31, 2014, CAFO had \$284 million in net loans outstanding.

BB&T has other minor foreign operations including:

- A Cayman Islands branch license that allows Branch Banking and Trust Company to participate in the interdealer market for buying and selling Eurodollars; and
- BB&T Insurance Holdings, Inc., a designated Material Entity and subsidiary of Branch Banking and Trust Company, has one subsidiary organized under a foreign jurisdiction:
  - McGriff, Seibels & Williams de Mexico Intermediario de Reasaguro, S.A. de C.V. (“McGriff de Mexico”) is the Mexican-based subsidiary of McGriff, Seibels & Williams, Inc. (“McGriff”), a retail insurance broker, used to service McGriff clients that have operations in Mexico.
- Regional Acceptance Corporation has limited cross-border exposure through one of its subsidiaries, Regional Fidelity Reinsurance, Ltd., organized in the Turks and Caicos Islands, which is now an inactive subsidiary of Regional Acceptance Corporation.

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<sup>26</sup> CAFO, Inc., a corporation organized under the laws of Ontario, Canada, is a subsidiary of CAFO Holdings Company, a Nova Scotia corporation, which is a subsidiary of CAFO US Holdings, Inc., a U.S. entity organized under the laws of NC. CAFO US Holdings, Inc. is a subsidiary of Prime Rate Premium Finance Corporation, Inc., which is a subsidiary of Branch Banking and Trust Company.

**Section 8: Material Supervisory Authorities**

As a financial holding company, BB&T Corporation is subject to regulation under the Bank Holding Company Act and the examination and reporting requirements of the Federal Reserve. In addition, BB&T Corporation, as parent company to Branch Banking and Trust Company, is subject to federal and state banking laws and regulations. BB&T Corporation and certain of its subsidiaries and affiliates, including those that engage in securities underwriting, dealing, brokerage, investment advisory and insurance activities, are subject to regulation, supervision, and examination by state and federal regulatory authorities, including the Securities and Exchange Commission (“SEC”), Financial Industry Regulatory Authority (“FINRA”), New York Stock Exchange (“NYSE”), and various state insurance and securities regulators.

Branch Banking and Trust Company, a state-chartered commercial bank and BB&T Corporation’s largest subsidiary, is subject to regulation, supervision, and examination by the FDIC, the NCCOB, and the CFPB. State and federal laws govern the activities in which Branch Banking and Trust Company engages, the investments it makes, and the aggregate amount of loans it may grant to one borrower. Various federal and state consumer protection and compliance laws and regulations also affect its operations. Banking regulators also have broad enforcement powers over Branch Banking and Trust Company, including the power to impose fines and other civil and criminal penalties, and to appoint a receiver in order to protect the assets of any such institution for the benefit of depositors and other creditors. Additionally, Federal Reserve actions affect Branch Banking and Trust Company as the Federal Reserve attempts to influence economic growth and stability through monetary supply and credit availability.

## Section 9: Principal Officers

Table 8 identifies the Executive Officers<sup>27</sup> of BB&T Corporation and Branch Banking and Trust Company.

**Table 8: Executive Officers of BB&T Corporation and Branch Banking and Trust Company as of December 31, 2014**

Executive Officer and Title	
Kelly S. King <i>Chairman and Chief Executive Officer</i>	
Christopher L. Henson <i>Chief Operating Officer</i>	Robert J. Johnson, Jr. <i>Senior Executive Vice President, General Counsel, Secretary and Chief Corporate Governance Officer (BB&amp;T Corporation)</i> <i>Senior Executive Vice President, General Counsel and Secretary (Branch Banking and Trust Company)</i>
Daryl N. Bible <i>Senior Executive Vice President and Chief Financial Officer</i>	Clarke R. Starnes, III <i>Senior Executive Vice President and Chief Risk Officer</i>
Ricky K. Brown <i>Senior Executive Vice President and President, Community Banking (BB&amp;T Corporation)</i> <i>President of Branch Banking and Trust Company (Branch Banking and Trust Company)</i>	Steven B. Wiggs <i>Senior Executive Vice President and Chief Marketing Officer and Lending Group Manager</i>
Barbara F. Duck <i>Senior Executive Vice President and Enterprise Risk Manager</i>	Cynthia A. Williams <i>Senior Executive Vice President and Chief Corporate Communications Officer</i>
Donna C. Goodrich <i>Senior Executive Vice President and Deposit and Operations Services Manager</i>	W. Rufus Yates <i>Senior Executive Vice President and BB&amp;T Securities President and CEO and Capital Markets Manager</i>

<sup>27</sup> Executive Officers of BB&T Corporation are also Executive Officers of Branch Banking and Trust Company.

Table 9 describes the members of the BB&T Corporation’s Board of Directors.

**Table 9: BB&T Corporation’s Board of Directors<sup>28</sup> as of December 31, 2014**

Board Member / Residency	Position	Other Boards Served
Kelly S. King, Winston-Salem, NC	Chairman and Chief Executive Officer of BB&T Corporation and Branch Banking and Trust Company	Federal Advisory Council to the Board of Governors of the Federal Reserve System The Clearing House ECU National Leadership Advisory Council Piedmont Triad Partnership Triangle Community Foundation Leadership Council High Point University National Board of Advisors
Jennifer S. Banner, Knoxville, TN	President and Chief Executive Officer of SchaadSource, LLC Chief Executive Officer of Schaad Family Office, LLC and Schaad Companies, LLC	Knoxville Entrepreneur Center Webb School of Knoxville Catholic Diocese of Knoxville Diocese Finance Council Federal Reserve Bank of Atlanta-Nashville Branch Ocho Company, General Partnership
K. David Boyer, Jr., Oakton, VA	Chief Executive Officer of GlobalWatch Technologies, Inc.	GlobalWatch Technologies, Inc. Virginia Community Development Corporation
Anna R. Cablik, Marietta, GA	President of Anasteel & Supply Company, LLC and Anatek, Inc.	Georgia Power Company Woodruff Arts Center Walden University Management Advisory Board
Ronald E. Deal, Hickory, NC	Chairman of Wesley Hall, Inc.	Wake Forest University
James A. Faulkner, Dahlonega, GA	Retired	Georgia Interfaith Ministries, Inc. University of North Georgia Real Estate Foundation, Inc. Advisory Board of the BB&T Center for Ethical Business Leadership, University of North Georgia University of North Georgia Foundation, Inc.
I. Patricia Henry, Stone Mountain, GA	Retired	
John P. Howe III, M.D., Washington, DC	President of Project HOPE (Health Opportunities for People Everywhere) (retired March 31, 2015)	Project HOPE MAXIMUS Federal Services, Inc. Boston University Texas Research & Technology Foundation Texas Biomedical Research Institute Southwest Research Institute
Eric C. Kendrick, Arlington, VA	President of Mereco Associates, Inc., Old Dominion Warehouse Corporation, Upton Corporation and Murteck Construction Company, Inc.	Mereco Associates, Inc. Old Dominion Warehouse Corporation Upton Corporation Murteck Construction Company, Inc.

<sup>28</sup> Members of BB&T Corporation’s Board of Directors also serve as members of Branch Banking and Trust Company’s Board of Directors, (collectively “Boards of Directors”).

Board Member / Residency	Position	Other Boards Served
Louis B. Lynn, Columbia, SC	President and Chief Executive Officer of ENVIRO AgScience, Inc.	South Carolina State Workforce Development Board Clemson University
Edward C. Milligan, Marietta, GA	Retired	
Charles A. Patton, Hopewell, VA	Manages personal real estate and financial assets	
Nido R. Qubein, High Point, NC	President of High Point University	Dots, LLC La-Z-Boy Incorporated Great Harvest Bread Company High Point Community Foundation National Speakers Association Foundation
Tollie W. Rich, Jr., Cape Coral, FL	Retired	Virginia Beach Resort & Conference Center Hotel Association Condominium Marjac Resort Hotel Condominium Association, Inc.
Thomas E. Skains, Charlotte, NC	Chairman, President and Chief Executive Officer of Piedmont Natural Gas Company, Inc.	Charlotte Center City Partners TreeCharlotte Bechtler Museum of Modern Art Advisory Council Charlotte Chamber of Commerce Charlotte Sports Foundation American Gas Foundation Gas Technology Institute American Gas Association
Thomas N. Thompson, Owensboro, KY	President of Thompson Homes, Inc. and Member of the Kentucky House of Representatives	Brescia University Diversified Management, Inc. Keeneland Trace Homeowners Association, Inc. Fiddlesticks Homeowners Association, Inc. Audubon Enterprises, Inc. Martin-Thompson, Inc.
Edwin H. Welch, Ph.D., Charleston, WV	President of the University of Charleston	Mountain East Conference, Inc. Council of Presidents for the Association of Governing Boards Independent College Enterprise, Inc CAMC Health Education and Research Institute, Inc. CAMC Health System, Inc. Appalachian College Association West Virginia Independent Colleges and Universities
Stephen T. Williams, Winston-Salem, NC	Co-manager of Williams Development Group, LLC	

**Section 10: Resolution Planning Corporate Governance Structure and Processes**

Resolution planning at BB&T is coordinated by the Recovery and Resolution Planning Office (“RRPO”) led by a senior officer of BB&T in the Chief Financial Officer’s organization. This officer works closely with senior management to ensure that BB&T is adopting business organizational strategies, policies, and procedures that appropriately address the challenges faced in establishing a robust and credible resolution planning structure.

The RRPO partners with the management teams of each of the Core Business Lines as well as with the management teams of the Critical Services, which include Audit Services, Deposit Services, Electronic Delivery Channels, Financial Management, Funds Management, Human Systems, IT Services, Legal, Payment Solutions, Processing Services, Risk Management Organization, and Support Services to assess resolution planning strategies. The RRPO is responsible for compiling, reviewing, and maintaining all resolution-related information.

To support the sustainability of its resolution planning, BB&T considers resolution planning processes in its ongoing, day-to-day business processes, reporting, and governance.

Key participants in the resolution governance structure and processes include the Board of Directors of BB&T Corporation and Branch Banking and Trust Company, committees of the Board of Directors, senior leadership, and all relevant support groups, risk groups and lines of business. Each of these groups has been appropriately engaged in the preparation of BB&T’s 165(d) Resolution Plan.

The activities of the RRPO are supervised by the Treasurer, and the resolution planning process is under the oversight of the RRP Steering Committee which is chaired by BB&T’s Chief Financial Officer, and includes BB&T’s Chief Risk Officer, General Counsel, Enterprise Risk Manager, and the other members of senior leadership representing various Core Business Lines and Critical Services. The process is reviewed with the Risk Committees of the Boards of Directors and updates on progress are made regularly throughout the year. The 165(d) Resolution Plan has been approved by the Board of Directors of BB&T Corporation.



**Section 11: Description of Material Management Information Systems**

BB&T's management information systems ("MIS") comprises a large portfolio of applications that are primarily owned or licensed by Branch Banking and Trust Company. These applications allow the Core Business Lines and Critical Services to conduct business, fulfill reporting requirements, and perform other day-to-day activities. These applications are supported by infrastructure managed within Branch Banking and Trust Company. MIS reporting, both standard and ad hoc, provides status on systems such as uptime / downtime, number of users, and efficiency. In many cases, data is also reported from warehouse / datamart environments. MIS reports are generated by both the Core Business Lines and Critical Services in order to analyze, measure, and manage their functions. To appropriately govern its applications and the supporting infrastructure, BB&T has implemented numerous policies and standards to consistently secure, support, and manage MIS.

MIS risk is governed by corporate risk management policies and managed by an IT risk framework. Disaster recovery and business continuity plans are continually reassessed in order to provide stability should a disaster occur. BB&T manages application risk through an application tier structure. This structure provides standards and requirements for application availability and disaster recovery based on criticality.

## Section 12: High Level Description of Resolution Strategies

As required by the 165(d) Rule, BB&T has developed strategies for the resolution of its Material Entities. These strategies were developed assuming a hypothetical idiosyncratic failure had occurred at Branch Banking and Trust Company. The 165(d) Resolution Plan provides for the rapid and orderly resolution of BB&T Corporation and the other Material Entities, as defined under the 165(d) Rule, without extraordinary government support or impact to the broader U.S. economy. The resolution strategies are summarized below:

- **BB&T Corporation:** In the event of its failure, BB&T Corporation would be resolved under Chapter 11 of the Bankruptcy Code and its assets liquidated through a Section 363 sales process;
- **Branch Banking and Trust Company (CIDI):** In the event of its failure, Branch Banking and Trust Company would be subject to the FDIC receivership process under the FDIA. BB&T has developed resolution strategies for Branch Banking and Trust Company by identifying a range of sale and disposition options for the FDIC to consider. The options identified are intended to achieve maximum value for the receivership, incur the least cost to the FDIC's Deposit Insurance Fund,<sup>29</sup> ensure clients have access to their insured deposits within one business day, and limit contagion and loss of franchise value that might be caused by a lengthy resolution process. The options for the sale and disposition of Branch Banking and Trust Company include strategies to either maintain Branch Banking and Trust Company as a whole bank and transition it to another owner ("Resolution Weekend Sale"), or, alternatively, segment Branch Banking and Trust Company into discrete parts and sell those parts in multiple transactions ("Multiple-Acquirer Sale"), which could include an Initial Public Offering ("IPO"), or liquidate ("Liquidation");
- **Regional Acceptance Corporation:** In the event of the failure of Regional Acceptance Corporation, defined by BB&T as a Material Entity under the 165(d) Rule, Regional

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<sup>29</sup> The FDIC's Deposit Insurance Fund is funded by insurance payments made by FDIC-covered banks. The Deposit Insurance Fund is set aside to protect insured depositors in the event of failure of an insured depository institution.

Acceptance Corporation could be marketed and sold to a third-party purchaser through the Section 363 sales process of the BB&T Corp. Chapter 11 bankruptcy; and

- **BB&T Insurance Holdings, Inc.:** In the event of the failure of BB&T Insurance Holdings, Inc., a purchaser would be sought for the business either with Branch Banking and Trust Company, or on a standalone basis.

## Section 13: Conclusion

BB&T has historically maintained a simple corporate structure and has made changes to further simplify its structure as a result of its Resolution Planning activities. Activities among companies under a corporate umbrella can increase the complexity of resolving a financial company that fails. These relationships are referred to as interconnections. BB&T's use of subsidiary companies is limited and thus does not add significantly to the complexity of resolving BB&T under the remote chance that Branch Banking and Trust Company enters receivership. BB&T's most complex interconnection in receivership would be the separation of Branch Banking and Trust Company from BB&T Corporation, its parent company. In the event BB&T were to fail, BB&T Corporation and its non-bank subsidiaries would be subject to bankruptcy law, and Branch Banking and Trust Company and its subsidiaries would be subject to receivership under the FDIA. BB&T's resolution plan specifically deals with the separation of these corporate entities including cross-support of people, systems, and other processes that would be impacted by the different regimes that govern the hypothetical failure of BB&T Corporation or Branch Banking and Trust Company.

BB&T has limited systemic importance as a financial intermediary. Systemically important financial institutions<sup>30</sup> (e.g., major payment and clearing firms, major derivative counterparties, and major providers of liquidity to the industry) are generally engaged in activities that widely impact the financial system. The failure of a systemically important financial institution could potentially impact the financial stability of the United States. BB&T does not engage in these activities as a provider of services to other financial firms. BB&T, through Branch Banking and Trust Company, and its non-bank subsidiaries, provides traditional loan and deposit products, securities brokerage, trust services, and insurance brokerage for commercial and retail clients. A failure of BB&T would not create a systemic risk to the stability of the U.S. Financial System based upon the lack of interconnections that would represent a material exposure to other major financial institutions.

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<sup>30</sup> The Basel Committee has identified factors for assessing whether a financial institution is systemically important: its size, its complexity, its interconnectedness, the lack of readily available substitutes for the financial infrastructure it provides, and its global (cross-jurisdictional) activity.

BB&T believes its simple business model, lack of systemic industry interconnections, limited use of subsidiary companies, and strong resolution planning governance, would enable BB&T to be resolved under the resolution regimes available to regulators.

BB&T believes that the strength of the company, including its diversified revenue stream, strong capital base, balanced funding mix, and granular loan portfolio, makes its failure highly unlikely. BB&T's relatively straightforward organizational structure is evidenced by the fact that most of the operations of Branch Banking and Trust Company are housed in, and owned by, Branch Banking and Trust Company; the Material Entities are largely self-supporting in terms of funding; and the interconnections that exist between Branch Banking and Trust Company and the other Material Entities would be easily addressed in the event of a failure. Due to this straightforward organizational structure, it is expected that the resolution of BB&T Corporation could be achieved in a rapid and orderly manner, would provide depositors access to their funds within one business day, and would have limited to no impact to the broader U.S. economy.