



**Resolution Plan
Public Executive Summary
2014
IDI**

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, 2013 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, the Federal Deposit Insurance Corporation (“FDIC”) has adopted a rule (“IDI Rule”) for insured depository institutions (“IDI”) requiring each IDI with \$50 billion or more in total assets¹ (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.

Additionally, Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) and the related rule (“165(d) Rule”, and together with the IDI Rule, the “Rules”) require each bank holding company with consolidated assets² of \$50 billion or more (“Covered Company”) to periodically submit to the Board of Governors of the Federal Reserve System (“Federal Reserve”) and the FDIC, a plan for that Covered 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 separately submitted a 165(d) Resolution Plan to meet the requirements of the Dodd-Frank Act and the 165(d) Rule.

In the unlikely event of material financial distress or failure, BB&T’s³ IDI Resolution Plan provides for the resolution of Branch Banking and Trust Company and its Material Entity (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 IDI Resolution Plan includes resolution strategies involving receivership under the Federal Deposit Insurance Act (“FDIA”), as amended, and reorganization or liquidation under the United States Bankruptcy Code (the “Bankruptcy Code”).

¹ 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.

² Determined based on the average of the company's four most recent Consolidated Financial Statements for Bank Holding Companies as reported on the Federal Reserve's Form FR Y-9C.

³ BB&T refers to BB&T Corporation and its subsidiaries collectively.

In conformance with the IDI Rule, and guidance provided by the FDIC, the IDI Resolution Plan assumes a hypothetical material financial event that specifically and singularly affects BB&T (*i.e.*, an idiosyncratic event), that the idiosyncratic event may occur at a time when general macroeconomic conditions are consistent with either baseline, adverse, or severely adverse economic scenarios⁴, and that BB&T has not taken steps to enhance its capital or liquidity position.

Unless otherwise indicated, information provided in this Public Section⁵ is as of December 31, 2013.

Business Overview

BB&T, one of the largest financial services holding companies in the U.S., had approximately \$183.0 billion in assets and a market capitalization of \$26.4 billion, as of December 31, 2013. 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.

BB&T Corporation operates its business through six reportable operating segments, (as identified in its 2013 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;

⁴ 2014 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 November 1, 2013

⁵ The Public Section refers to the respective public executive summary required under the Rules.

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 underwrites a limited amount of property and casualty coverage. 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 (“LOBs”) and subsidiaries that provide specialty finance products to consumers and businesses. The LOBs 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 financing, 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 LOBs 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 / 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.

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 IDI Rule, Branch Banking and Trust Company is required to have a comprehensive plan that provides for resolution under receivership of the FDIA, and the 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 IDI Resolution Plan has been filed in accordance with the requirements of the IDI Rule. In the unlikely event that Branch Banking and Trust Company 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 IDI Resolution Plan provides for the continuation of Branch Banking and Trust Company's business operations and the orderly transfer of Branch Banking and Trust Company and its subsidiaries' clients, client accounts, client securities, and other property to other providers with minimal disruption. The IDI Resolution Plan allows for Branch Banking and Trust Company to be resolved without requiring extraordinary government support and in a manner that would not result in losses to the Deposit Insurance Fund.⁶

⁶ 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 depositors in the event of failure of an insured depository institution.

Section 2: The Names of Material Entities

As defined by the IDI Rule, a Material Entity means “a company that is significant to a Critical Service⁷ or Core Business Line⁸.” BB&T has identified the following three Material Entities for the IDI 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) of the Dodd-Frank Act 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”).

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 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.

In addition to the IDI Resolution Plan’s Material Entity designations (BB&T Corporation, Branch Banking and Trust Company, and BB&T Insurance Holdings, Inc.), BB&T has identified Regional Acceptance Corporation, a wholly owned subsidiary of BB&T Corporation, as a Material Entity under the 165(d) Rule. Regional Acceptance Corporation specializes in indirect

⁷ As defined by the IDI Rule, Critical Services means “services and operations of the CIDI, such as servicing, information technology support and operations, human resources, and personnel that are necessary to continue the day-to-day operation of the CIDI.”

⁸ As defined by the IDI Rule, Core Business Line means “those business lines of the CIDI, including associated operations, services, functions, and support that, in the view of the CIDI, upon failure would result in material loss of revenue, profit, or franchise value.”

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. Regional Acceptance Corporation is further discussed in the Public Section of BB&T's 165(d) Resolution Plan.

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 IDI 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. In addition, Insurance Services underwrites a limited amount of property and casualty coverage.

Specialized Lending consists of LOBs and subsidiaries that provide specialty finance products to consumers and businesses. The LOBs 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 LOBs 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.

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, 2013 and 2012. 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 2013 Annual Report on Form 10-K and other BB&T reports filed pursuant to the Securities Exchange Act of 1934, as amended.⁹

⁹ For more detailed information, and to view the complete filings, see www.sec.gov.

Table 1: BB&T Corporation Summarized Consolidated Balance Sheets
(dollars in millions)¹⁰

	December 31,	
	2013	2012
Assets		
Cash and due from banks	\$ 1,565	\$ 1,975
Interest-bearing deposits with banks	452	942
Federal funds sold and securities purchased under resale agreements or similar arrangements	148	122
Restricted cash	422	750
Trading securities at fair value	381	497
Securities available for sale at fair value	22,104	25,137
Securities held to maturity	18,101	13,594
Loans held for sale at fair value	1,222	3,761
Loans and leases held for investment	115,917	114,603
Allowance for loan and lease losses	(1,732)	(2,018)
Loans and leases held for investment, net of allowance	<u>114,185</u>	<u>112,585</u>
FDIC loss share receivable	174	479
Premises and equipment	1,869	1,888
Goodwill	6,814	6,804
Core deposit and other intangible assets	569	673
Residential mortgage servicing rights at fair value	1,047	627
Other assets	<u>13,957</u>	<u>14,665</u>
Total assets	<u>\$ 183,010</u>	<u>\$ 184,499</u>
Liabilities and Shareholders' Equity		
Deposits:		
Noninterest-bearing deposits	\$ 34,972	\$ 32,452
Interest-bearing deposits, excluding time deposits \$100,000 and greater	78,452	81,295
Time deposits \$100,000 and greater	<u>14,051</u>	<u>19,328</u>
Total deposits	<u>127,475</u>	<u>133,075</u>
Short-term borrowings	4,138	2,864
Long-term debt	21,493	19,114
Accounts payable and other liabilities	<u>7,095</u>	<u>8,223</u>
Total liabilities	<u>160,201</u>	<u>163,276</u>
Shareholders' equity	<u>22,809</u>	<u>21,223</u>
Total liabilities and shareholders' equity	<u>\$ 183,010</u>	<u>\$ 184,499</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.

¹⁰ Amounts may not sum due to rounding.

BB&T Capital Ratios

The regulatory capital ratios of BB&T Corporation for December 31, 2013 and 2012 are provided in Table 2.

Table 2: BB&T Corporation Capital Ratios

BB&T Corporation Capital Ratios	December 31,	
	2013	2012
Risk-based:		
Tier I capital	11.8%	10.5%
Total capital	14.3	13.4
Tier I common capital	9.9	9.0
Leverage Capital	9.3	8.2

Table 3 presents Branch Banking and Trust Company's Summarized Consolidated Balance Sheets as of December 31, 2013 and 2012. 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 2013 FFIEC-031 Annual Consolidated Reports of Condition and Income.¹¹

¹¹ Further detail is available at www.FFIEC.gov.

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

(Unaudited, dollars in millions)¹⁰

	December 31,	
	2013	2012
Assets		
Cash and due from banks	\$ 1,138	\$ 1,966
Interest-bearing deposits with banks	448	894
Restricted cash	422	750
Trading assets at fair value	671	224
Securities available for sale at fair value	22,064	24,998
Securities held to maturity	18,065	13,557
Loans held for sale at fair value	1,222	3,761
Loans and leases	112,951	111,744
Allowance for loan and lease losses	(1,547)	(1,866)
Loans and leases, net of allowance	111,404	109,878
FDIC loss share receivable	174	479
Premises and equipment	1,856	1,876
Goodwill	6,603	6,592
Core deposit and other intangible assets	554	655
Residential mortgage servicing rights at fair value	1,047	627
Other assets	13,460	13,289
Total assets	<u>\$ 179,126</u>	<u>\$ 179,546</u>
Liabilities and Shareholders' Equity		
Deposits:		
Noninterest-bearing deposits	\$ 34,973	\$ 32,457
Interest-bearing deposits	98,585	105,014
Total deposits	133,558	137,471
Short-term borrowings	3,950	2,675
Long-term debt	12,461	10,547
Accounts payable and other liabilities	6,843	6,994
Total liabilities	156,812	157,687
Shareholders' equity	22,314	21,859
Total liabilities and shareholders' equity	<u>\$ 179,126</u>	<u>\$ 179,546</u>

Table 4 presents capital information for Branch Banking and Trust Company as of December 31, 2013 and 2012.

Table 4: Branch Banking and Trust Company Capital Ratios

	December 31, 2013	December 31, 2012
Risk-based:	%	%
Tier 1	11.9	11.2
Total	13.4	13.0
Leverage Capital	9.4	8.6

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’s relative credit ratings improved during the economic recession of 2008 and 2009, and through the following recovery years. Additionally, BB&T shared the second highest average debt rating among regional banks as of December 31, 2013.

BB&T periodically performs stress testing on its capital levels 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 2014 Comprehensive Capital Analysis and Review (“CCAR”),¹² the Federal Reserve projected BB&T Corporation’s Tier 1 common ratio to be among the top of BB&T’s peer group¹³ under the Supervisory Severely Adverse scenario¹⁴ with capital actions. In addition, BB&T Corporation’s Tier 1 common ratio was projected to be the least sensitive to the stressed environment. BB&T Corporation had the third highest pre-tax, pre-provision net revenue as a percentage of average assets and lowest loan losses as a percentage of average loans among BB&T’s peer group in the test.

¹² Results of the 2014 Dodd-Frank Act Stress Test are published by the Board of Governors of the Federal Reserve System on its webpage at www.federalreserve.gov.

¹³ For the 2014 Dodd-Frank Act Stress Test, BB&T’s peer group included KEY, RF, STI, FITB, PNC, and USB.

¹⁴ 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.

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”¹⁵ 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.

Table 5: BB&T’s Internal Capital Guidelines

BB&T’s Internal Capital Guidelines	Operating	Stressed
Tier 1 Capital Ratio	10.0%	7.5%
Total Capital Ratio	12.0	9.5
Leverage Capital Ratio	7.0	5.0
Tier 1 Common Equity Ratio	8.5	6.0

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

¹⁵ “Well capitalized,” as defined by the Federal Reserve as of December 31, 2013 (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%.

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 buffer¹⁶ 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, 2013 and 2012, BB&T Corporation had 27 months and 35 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.

Total deposits at December 31, 2013, were \$127.5 billion, a decrease of \$5.6 billion, or 4.2%, compared to year-end 2012. Noninterest-bearing deposits totaled \$35.0 billion at December 31, 2013, an increase of \$2.5 billion, or 7.8%, from December 31, 2012. Interest-bearing accounts decreased \$8.1 billion, or 8.1%. For the year ended December 31, 2013, total deposits averaged \$128.6 billion, an increase of \$938 million, or 0.7%, compared to 2012.

¹⁶ 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.

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 2.46% of total funding on average in 2013, as compared to 1.91% in 2012. 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 2013 were \$4.46 billion, an increase of \$1.05 billion, or 30.8%, compared to 2012. Short-term borrowings were \$4.1 billion at December 31, 2013.

Long-term Debt

BB&T uses long-term debt to provide both funding and, to a lesser extent, regulatory capital. During 2013, long-term debt represented 10.6% of average total funding, compared to 11.6% during 2012. At December 31, 2013, long-term debt totaled \$21.5 billion, an increase of \$2.4 billion compared to year-end 2012. BB&T's average cost of long-term debt was 3.0% in 2013, unchanged from 2012.

BB&T's long-term debt consists primarily of FHLB advances, which represented 37.7% of total outstanding long-term debt at December 31, 2013; senior notes of BB&T Corporation, which represented 30.5% of the year-end balance; subordinated notes of BB&T Corporation, which represented 10.1% of the year-end balance; senior notes of Branch Bank, which represented 14.7% of total outstanding long-term debt at December 31, 2013 and subordinated notes of Branch Bank, which represented 4.6% of total outstanding long-term debt at December 31, 2013.

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 derivatives¹⁷. 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. As of December 31, 2013, all derivative activity with external counterparties was conducted through Branch Banking and Trust Company.

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

¹⁷ 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, 2013			December 31, 2012			
	Notional Amount	Fair Value ¹⁸		Notional Amount	Fair Value ¹⁸		
		Gain	Loss		Gain	Loss	
(Dollars in millions)							
Cash Flow Hedges: ¹⁹							
Interest rate contracts:							
Pay fixed swaps	3 month LIBOR funding	\$ 4,300	\$ —	\$ (203)	\$ 6,035	\$ —	\$ (298)
Fair Value Hedges:							
Interest rate contracts:							
Receive fixed swaps and option trades	Long-term debt	6,822	102	(3)	800	182	—
Pay fixed swaps	Commercial loans	178	—	(3)	187	—	(7)
Pay fixed swaps	Municipal securities	345	—	(83)	345	—	(153)
Total		7,345	102	(89)	1,332	182	(160)
Not Designated as Hedges:							
Client-related and other risk management:							
Interest rate contracts:							
Receive fixed swaps		8,619	370	(37)	9,352	687	—
Pay fixed swaps		8,401	31	(396)	9,464	—	(717)
Other swaps		1,586	6	(8)	—	—	—
Other		424	2	(2)	3,400	24	(28)
Foreign exchange contracts		384	2	(3)	534	4	(3)
Total		19,414	411	(446)	22,750	715	(748)
Mortgage Banking:							
Interest rate contracts:							
Interest rate lock commitments		1,869	3	(14)	6,064	55	(1)
When issued securities, forward rate agreements and forward commitments		3,100	34	(7)	8,886	10	(19)
Swaps, options and futures		531	8	(7)	215	6	(2)
Total		5,500	45	(28)	15,165	71	(22)
MSRs:							
Interest rate contracts:							
Receive fixed swaps		6,139	36	(141)	5,178	110	(27)
Pay fixed swaps		5,449	89	(29)	5,389	7	(94)
Option trades		9,415	181	(31)	14,510	363	(88)
Futures contracts		—	—	—	30	—	—
When issued securities, forward rate agreements and forward commitments		1,756	—	(3)	2,406	2	—
Total		22,759	306	(204)	27,513	482	(209)
Total non-hedging derivatives		47,673	762	(678)	65,428	1,268	(979)
Total Derivatives		\$ 59,318	\$ 864	\$ (970)	\$ 72,795	\$ 1,450	\$ (1,437)
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							
			(514)	514	(797)	797	
			(44)	386	(41)	607	
			306	(70)	612	(33)	

¹⁸ 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.

¹⁹ 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

Branch Banking and Trust Company maintains memberships and / or direct access to a number of payment, clearing, and settlement systems and Financial Market Utilities²⁰ to facilitate transferring, clearing, and settling payments, securities, and other financial transactions for clients and on behalf of Branch Banking and Trust Company. Table 7 identifies the notable payment, clearing, and settlement systems and Financial Market Utilities that Branch Banking and Trust Company utilizes.

Table 7: Notable Payment, Clearing, and Settlement Systems and Financial Market Utilities Utilized by Branch Banking and Trust Company

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.

²⁰ 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, is 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
Branch Banking and Trust Company	Fixed Income Clearing Corporation (“FICC-MBSD”)	Securities Settlement	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.
Branch Banking and Trust Company	The Depository Trust Company (“DTC”)	Securities Settlement	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.
Branch Banking and Trust Company	Visa Inc.	Payments	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.

Section 7: Description of Foreign Operations

Branch Banking and Trust Company has limited foreign operations, most notably insurance premium finance in Canada through CAFO, Inc.²¹ 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, 2013, CAFO had \$306 million in net loans outstanding.

Branch Banking and Trust Company 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.

²¹ 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 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 Officers²² of BB&T Corporation and Branch Banking and Trust Company.

Table 8: Executive Officers of Branch Banking and Trust Company and BB&T Corporation as of June 30, 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</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 Banking²³</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 Services Manager</i>	W. Rufus Yates <i>Senior Executive Vice President and BB&T Securities President and CEO and Capital Markets Manager</i>

²² Executive Officers of Branch Banking and Trust Company are also Executive Officers of BB&T Corporation.

²³ Ricky Brown was named President, Branch Banking and Trust Company on August 27, 2014.

Table 9 describes the members of the Branch Banking and Trust Company Board of Directors.

Table 9: Branch Banking and Trust Company Board of Directors²⁴ as of June 30, 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 Financial Services Roundtable 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 Halcyon, LLC Ocho Company, LP
K. David Boyer, Jr., Oakton, VA	Chief Executive Officer of GlobalWatch Technologies, Inc.	GlobalWatch Technologies, Inc. Institute of Caribbean Studies Honorary Advisory Board Virginia Community Development Corporation Commonwealth of Virginia Treasury Board
Anna R. Cablik, Marietta, GA	President of Anasteel & Supply Company, LLC and Anatek, Inc.	Georgia Power Company
Ronald E. Deal, Hickory, NC	Chairman of Wesley Hall, Inc.	Wake Forest University
James A. Faulkner, Dahlonega, GA	Retired	University of North Georgia Real Estate Foundation, Inc. Advisory Board of the BB&T Center for Ethical Business Leadership, University of North Georgia Hospital Authority of Lumpkin County University of North Georgia Foundation - Dahlonega, 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)	Project HOPE American Telemedicine Association MAXIMUS Federal Services, Inc. Boston University Texas Research & Technology Foundation Texas Biomedical Research Institute Southwest Research Institute

²⁴ Members of Branch Banking and Trust Company’s Board of Directors also serve as members of BB&T Corporation’s Board of Directors, (collectively “Boards of Directors”).

Board Member / Residency	Position	Other Boards Served
Eric C. Kendrick, Arlington, VA	President of Mereck Associates, Inc., Old Dominion Warehouse Corporation, Upton Corporation and Murteck Construction Company, Inc.	Mereck Associates, Inc. Old Dominion Warehouse Corporation Upton Corporation Murteck Construction Company, Inc.
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	Consultant	Winston-Salem Alliance Winston-Salem Business, Inc. Board of Advisors

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.

The activities of the RRPO are supervised by the Treasurer, and the resolution planning process is under the supervision of BB&T’s Chief Financial Officer, Chief Risk Officer, General Counsel, Enterprise Risk Manager, and the other members of the Executive Management Team. The process is reviewed with the Risk Committees of the Boards of Directors and updates on progress are made regularly throughout the year. The IDI Resolution Plan has been approved by Branch Banking and Trust Company’s Board of Directors.

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 IDI 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 IDI Resolution Plan provides for the rapid and orderly resolution of Branch Banking and Trust Company and the other Material Entities, as defined under the IDI Rule, without extraordinary government support or impact to the Deposit Insurance Fund. The resolution strategies are summarized below:

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, 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, or, alternatively, segment Branch Banking and Trust Company into discrete parts and sell those parts in multiple transactions;

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; 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. Alternatively, BB&T Insurance Holdings, Inc. could be reorganized or liquidated under Chapter 11 of the Bankruptcy Code.

In the event of the failure of Regional Acceptance Corporation, defined by BB&T as a Material Entity under the 165(d) Rule, Regional Acceptance Corporation could be sold to a third-party

purchaser, or alternatively, Regional Acceptance Corporation could be reorganized or liquidated under Chapter 11 of the Bankruptcy Code.

Section 13: Conclusion

BB&T believes that the strength of the company, including its diversified revenue stream, strong capital base, balanced funding mix, and granular loan portfolio, make 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 Branch Banking and Trust Company could be achieved in a rapid and orderly manner, would provide depositors access to their funds within one business day, and would have no impact on the FDIC's Deposit Insurance Fund.