

BB&T CORP
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May 22, 2002

BB&T to acquire First South Bank parent Regional Financial Corp. of Tallahassee, Fla.

WINSTON-SALEM, N.C. BB&T Corporation (NYSE: BBT) today said it plans to buy privately held Regional Financial Corporation of Tallahassee, Fla., in a \$274.6 million stock swap. The acquisition would give BB&T entry into Florida.

Regional Financial Corporation is the holding company for First South Bank, a \$1.6 billion thrift and one of the largest mortgage originators in Florida. First South operates 11 full-service retail branches, three limited-service branches, and eight mortgage loan production offices in Tallahassee and the Florida Panhandle, Jacksonville, and along the Gulf Coast from Beverly Hills to Naples.

BB&T will issue 7.265 million shares of its stock in exchange for all outstanding shares of Regional Financial Corporation. The transaction has been approved by the directors of both companies. The transaction value is based on BB&T's closing price Tuesday of \$37.80.

"This is an important acquisition because it gives us entry into some of Florida's most economically attractive markets and provides a firm foundation for future expansion in one of the nation's fastest growing states," said BB&T Chairman and Chief Executive Officer John Allison.

"First South Bank is certainly a high-performing organization with a compatible culture, excellent credit quality and client service, and a very visible presence in the markets it serves."

In 2001, First South was the No. 3 residential lender and the No. 1 construction lender in the counties it serves. It was acquired by Regional Financial Corporation in 1995.

First South holds the No. 1 deposit market share in the zip codes in which it provides deposit services. Its overall footprint covers the northeast portion of the state from Fernandina Beach through Jacksonville to St. Augustine. It has a major presence in west Florida in Tallahassee, Pensacola, Ft. Walton, Destin and Panama City. And it has a strong southwest presence beginning in Ocala and Beverly Hills and moving south through Spring Hill, New Port Richey, Holiday, Clearwater, Bradenton, Sarasota, Venice, Ft. Myers and Naples.

First South customers in those markets will be introduced to BB&T's strong branch-based sales culture and its broad product and services line, including insurance, mutual funds, trust, online banking, annuities, investment banking, retail brokerage, treasury services, leasing and international banking.

"Since real estate is Florida's primary business, our highly focused business model has been very efficient," said First South Chief Executive Officer Edgar Moore. "But the great thing about this merger is the many cross-selling opportunities that will come from leveraging our customer base.

"BB&T's unique community banking structure and highly attentive approach to client service will be the perfect complement to our brand of relationship-driven banking."

BB&T will add a Tallahassee-based community bank region to its network. First South President William T. Mattice will serve as the new region's president. BB&T divides its 10-state banking network into autonomous regions which operate like community banks. Nearly all lending decisions are made locally.

Wyndham M. Manning, First South's senior executive vice president of Mortgage Lending, will serve as mortgage lending manager of the new region.

BB&T also will create an area advisory board for the new region. First South board members will be asked to serve on the new board.

More jobs were created in Florida in 2001 than any other state in the nation. In 2000, Florida ranked first in the Southeast and fourth in the nation in total personal income.

The merger, which is subject to regulatory and Regional Financial Corporation shareholder approval, is expected to be completed in the third quarter.

Winston-Salem-based BB&T Corporation operates more than 1,100 banking offices in the Carolinas, Georgia, Virginia, Maryland, West Virginia, Kentucky, Tennessee, Alabama, Indiana and Washington, D.C.

With \$74.9 billion in assets as of March 31, BB&T Corporation is the nation's 13th largest financial holding company. Barron's, a Dow Jones weekly, recently ranked BB&T as the second highest performing financial institution in the country. More information is available at www.BB&T.com.

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This press release contains forward-looking statements as defined by federal securities laws. These statements may address issues that involve significant risks, uncertainties, estimates and assumptions made by management. Actual results could differ materially from current projections.

Please refer to BB&T's filings with the Securities and Exchange Commission (SEC) for a summary of important factors that could affect BB&T's forward-looking statements. BB&T undertakes no obligation to revise these statements following the date of this press release.

BB&T's news releases are available at no charge through PR Newswire's Company News On-Call facsimile service. For a menu of BB&T's news releases or to retrieve a specific release call 1-800-758-5804, extension 809325.

A registration statement relating to any future resale of the shares issued in this acquisition will be filed with the SEC after the closing of the private placement in connection with this acquisition. These securities may not be sold nor may offers to buy be accepted prior to the time that the registration statement becomes effective.

This announcement shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state. Any offering of BB&T securities under the resale registration statement will be made only by means of a prospectus.

BB&T

and

Regional Financial Corporation

Holding Company for First South Bank

Tallahassee, Florida

Expanding a Great Franchise

Analyst Presentation
May 22, 2002

Forward-Looking Information

BB&T has made forward-looking statements in the accompanying analyst presentation materials that are subject to risks and uncertainties. These statements are based on the beliefs and assumptions of the management of BB&T, and on the information available to management at the time the analyst presentation materials were prepared. In particular, the analyst materials in this report include statements regarding estimated earnings per share of BB&T on a stand alone basis, expected cost savings from the merger, estimated restructuring charges relating to the merger, estimated increases in Regional Financial Corporation's fee income ratio, the anticipated accretive effect of the merger, and BB&T's anticipated performance in future periods. With respect to estimated cost savings and restructuring charges, BB&T has made assumptions about, among other things, the extent of operational overlap between BB&T and Regional Financial Corporation, the amount of general and administrative expense consolidation, costs relating to converting Regional Financial Corporation's bank operations and data processing to BB&T's systems, the size of anticipated reductions in fixed labor costs, the amount of severance expenses, the extent of the charges that may be necessary to align the companies' respective accounting reserve policies, and the cost related to the merger. The realization of cost savings and the amount of restructuring charges are subject to the risk that the foregoing assumptions are inaccurate.

Any statements in the accompanying exhibit regarding the anticipated accretive effect of the merger and BB&T's anticipated performance in future periods are subject to risks relating to, among other things, the following

possibilities: (1) expected cost savings from this merger or other previously announced mergers may not be fully realized or realized within the expected time frame; (2) deposit attrition, customer loss or revenue loss following proposed mergers may be greater than expected; (3) competitive pressure among depository and other financial institutions may increase significantly; (4) costs or difficulties related to the integration of the businesses of BB&T and its merger partners, including Regional Financial Corporation, may be greater than expected; (5) changes in the interest rate environment may reduce margins; (6) general economic or business conditions, either nationally or regionally, may be less favorable than expected, resulting in, among other things, a deterioration in credit quality, or a reduced demand for credit; (7) legislative or regulatory changes, including changes in accounting standards, may adversely affect the businesses in which BB&T and Regional Financial Corporation are engaged; (8) adverse changes may occur in the securities markets; and (9) competitors of BB&T and Regional Financial Corporation may have greater financial resources and develop products that enable such competitors to compete more successfully than BB&T and Regional Financial Corporation.

BB&T believes these forward-looking statements are reasonable; however, undue reliance should not be placed on such forward-looking statements, which are based on current expectations. Such statements are not guarantees of performance. They involve risks, uncertainties and assumptions. The future results and shareholder value of BB&T following completion of the merger may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results and values are beyond management's ability to control or predict.

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Outline

- Background and transaction terms
- Financial Data
- Rationale and strategic objectives
- Investment criteria
- Summary

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BB&T Corporation (BBT)

- \$74.9 billion financial holding company
- 1,128 branch locations in NC, SC, VA, GA, MD, WV, KY, TN, AL, IN and the District of Columbia

For 3 months
ended 03/31/02*

| | |
|-------------------------------|--------|
| • ROA | 1.75% |
| • Cash Basis ROA | 1.80% |
| • ROE | 19.39% |
| • Cash Basis ROE | 23.46% |
| • Cash Basis Efficiency Ratio | 50.10% |

* Recurring earnings

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Regional Financial Corporation

- Regional Financial ("RFC"), a privately held corporation, is the holding company for First South Bank
- First South Bank is a \$1.6 billion bank with 11 full-service offices, 3 limited-service offices and 8 mortgage loan offices in Florida serving Tallahassee and the Panhandle, Jacksonville, and the Gulf Coast from Beverly Hills to Naples
- In 2001, First South was the number 3 originator of residential lending activity and was the number 1 originator of construction/permanent loans in its counties of operation

For 3 months
ended 03/31/02*

| | |
|-------------------------------|--------|
| • ROA | 1.11% |
| • Cash Basis ROA | 1.11% |
| • ROE | 18.54% |
| • Cash Basis ROE | 18.54% |
| • Cash Basis Efficiency Ratio | 44.08% |

*Recurring earnings

Pro Forma Company Profile

- Size: \$76.5 billion in assets
\$18.5 billion in market capitalization*
- Offices:

| | |
|------------|----------|
| NC: | 335 |
| VA: | 246 |
| GA: | 123 |
| KY: | 110 |
| SC: | 94 |
| WV: | 90 |
| MD: | 82 |
| TN: | 38 |
| FL: | 11 |
| DC: | 7 |
| AL: | 2 |
| <u>IN:</u> | <u>1</u> |
| Total | 1,139 |

*Based on closing prices as of 05/21/02

Terms of the Transaction

Terms of the Transaction

- Purchase price: \$274.6 million*
- Consideration: 7,265,521 shares of BB&T stock will be issued for all outstanding shares of Regional Financial Corporation
- Structure: Tax-free exchange of stock equal to 100% of purchase price
- Accounting Treatment: Transaction will be accounted for as a purchase
- Termination Fee: If Regional Financial completes a transaction with another institution, they will be required to pay a termination fee of \$11 million
- Expected closing: Third quarter 2002

*Based on BB&T's closing stock price of \$37.80 as of 05/21/02

Pricing

| | |
|------------------------------|-----------------|
| • Purchase price | \$274.6 million |
| • Price/03-31-02 stated book | 2.82x |
| • Price/LTM EPS | 16.83x |
| • Price/LTM Core EPS | 16.83x |
| • Price/2002 EPS estimate | 16.59x |
| • BB&T shares issued | 7.27 million |

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Acquisition Comparables*

Comparable Bank/Thrift Acquisitions Announced in Florida since January 1, 2001 with Seller Assets over \$50 Million

| <u>Buyer</u> | <u>Seller</u> | <u>Date Announced</u> | <u>Total Assets (\$M)</u> | <u>Deal Value (\$M)</u> | <u>Deal Assets Value (%)</u> | <u>Deal Stock Pr (%)</u> | <u>Deal Pr/Bk (%)</u> | <u>Deal Tg Bk (%)</u> | <u>Deal Pr/Pr (%)</u> | <u>Deal LTM EPS (x)</u> | <u>Deal LTM Core EPS (x)</u> |
|-----------------------------|---------------------------------|-----------------------|---------------------------|-------------------------|------------------------------|--------------------------|-----------------------|-----------------------|-----------------------|-------------------------|------------------------------|
| CIB Marine Bancshares, Inc. | Citrus Financial Services, Inc. | 03/06/2001 | 93.6 | 15.2 | 16.2 | NA | 173.4 | 173.4 | | NM | NA |
| Colonial BancGroup, Inc. | Manufacturers Bancshares, Inc. | 06/18/2001 | 271.8 | 54.4 | 20.0 | NA | 300.9 | 306.2 | | 21.7 | NA |
| Synovus Financial Corp. | FABP Bancshares, Inc. | 06/29/2001 | 294.5 | 100.0 | 34.0 | NA | 391.0 | 391.0 | | 22.0 | NA |
| Banc Corporation | CF Bancshares, Inc. | 08/09/2001 | 99.0 | 15.5 | 15.7 | NA | 214.8 | 214.8 | | 17.0 | NA |
| BankAtlantic Bancorp, Inc. | Community Savings Bankshares, | 09/10/2001 | 948.3 | 170.6 | 18.0 | 31.0 | 141.5 | 141.5 | | 28.4 | 26.8 |

Comparable Bank/Thrift Acquisitions Announced in Florida since January 1, 2001 with Seller Assets over \$50 Millio

| | | | | | | | | | | |
|----------------------------|-----------------------------------|------------|-------|-------|------|-----|-------|-------|------|----|
| F.N.B. Corporation | Inc. Central Bank Shares, Inc. | 11/07/2001 | 232.0 | 80.0 | 34.5 | NA | 340.7 | 340.7 | 28.4 | NA |
| South Financial Group Inc. | Gulf West Banks, Inc. | 03/21/2002 | 516.0 | 115.9 | 22.5 | 3.1 | 285.2 | 294.5 | 23.0 | NA |

| | | | | | | | | | | |
|---------|--|--|-------|-------|------|------|-------|-------|------|------|
| Maximum | | | 948.3 | 170.6 | 34.5 | 31.0 | 391.0 | 391.0 | 28.4 | 26.8 |
| Minimum | | | 93.6 | 15.2 | 15.7 | 3.1 | 141.5 | 141.5 | 17.0 | 26.8 |

| | | | | | | | | | | |
|---------|--|--|-------|------|------|------|-------|-------|------|------|
| Average | | | 350.8 | 78.8 | 23.0 | 17.1 | 263.9 | 266.0 | 23.4 | 26.8 |
|---------|--|--|-------|------|------|------|-------|-------|------|------|

| | | | | | | | | | | |
|--------|--|--|-------|------|------|------|-------|-------|------|------|
| Median | | | 271.8 | 80.0 | 20.0 | 17.1 | 285.2 | 294.5 | 22.5 | 26.8 |
|--------|--|--|-------|------|------|------|-------|-------|------|------|

Deal Price:
\$274,636,694

| | | | | | | | | | | |
|-----------|--------------------------------------|--|---------|-------|------|----|-------|-------|------|------|
| BB&T Corp | Regional Financial Corporation | | 1,585.4 | 274.6 | 17.3 | NA | 281.9 | 286.4 | 16.8 | 16.8 |
|-----------|--------------------------------------|--|---------|-------|------|----|-------|-------|------|------|

Over/(Under)
Average
Comparables

(5.6) NA 17.9 20.4 (6.6) (9.9)

*Source for Acquisition Comparables: SNL Financial

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Financial Data

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Financial Summary

For The Three Months Ended:

ROA

| | |
|-------------------|-------------------|
| BB&T* | RFC* |
| <u>(03/31/02)</u> | <u>(03/31/02)</u> |
| 1.75% | 1.11% |

| | | |
|---------------------------|--------|-------|
| Cash Basis ROA | 1.80 | 1.11 |
| ROE | 19.39 | 18.54 |
| Cash Basis ROE | 23.46 | 18.54 |
| Net interest margin (FTE) | 4.26 | 2.01 |
| CB Efficiency ratio | 50.10 | 44.08 |
| Net charge-offs | .48 | .01 |
| Reserve/NPLs | 198.89 | 78.43 |
| NPAs/assets | .56 | .66 |

*Recurring earnings

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Capital Strength

| | BB&T (03/31/02) | RFC (03/31/02) |
|--------------------------|--------------------|-------------------|
| Equity/assets | 9.4% | 6.2% |
| Leverage capital ratio | 7.7% | 6.0% |
| Total risk-based capital | 13.4% | 11.1% |

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Rationale For Acquisition

- BB&T has an announced strategy to pursue in-market (Carolinas/Virginia/West Virginia/DC/Maryland/Georgia/Kentucky/Tennessee) and contiguous state acquisitions of high

quality banks and thrifts in the \$250 million to \$10 billion range. The acquisition of Regional Financial Corporation is consistent with this strategy.

- This acquisition is very consistent with past acquisitions which we have successfully executed, i.e. it fits our model.
- Regional Financial gives BB&T entry into high growth and economically attractive markets in Florida.

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Strategic Objectives

The key strategic objectives achieved in this acquisition:

- Provides BB&T with entry into the high growth and economically attractive markets of Tallahassee and the Panhandle, Jacksonville, and the Gulf Coast from Beverly Hills to Naples
- Improves efficiency
 - 10% cost savings fully realized in the first 12 months of operations following conversion
- Utilizes Regional Financial Corporation's branch franchise to sell BB&T's broad array of retail and commercial banking products to their existing customer base and expand the reach of the branch beyond Regional Financial Corporation's traditional customer
- Increases product and market penetration through the use of BB&T's world standard sales system
-

Leverages on BB&T's expertise in mortgage production and the cross-sell of mortgage customers into 5+ service households

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Franchise Enhancement

- Provides BB&T with entry into Florida, specifically in the economically attractive markets of Tallahassee and the Panhandle, Jacksonville, and the Gulf Coast from Beverly Hills to Naples
- Continues BB&T's expansion into economically strong contiguous markets
- Regional Financial Corporation's excellent branch facilities provides BB&T with a firm foundation for future expansion in key Florida markets

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Efficiency Improvement

Targeted Annual Cost Savings

\$1.9 million or approximately

10% of Regional Financial's expense base

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One-Time After-Tax Charges

**One-time after-tax merger-related charges
\$6.2 million**

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Branch Locations

Economic Vitality Map

Market Characteristics

- Florida had the 2nd highest per capita income in the Southeast and was ranked 24th in the nation in 2000. Total personal income in 2000 ranked Florida the 4th highest in the nation and the highest in the Southeast.

- In terms of new job creation, in 2000, Florida ranked 3rd highest in the nation and the highest in the Southeast.
- Nearly 98.0% of Florida's business establishments are small, employing 100 or fewer employees.
- For the year 2001, Florida had the highest number of new jobs created in the nation. Florida tied with Alaska and Wyoming for the highest job growth rate in the nation.
- Florida had seven metros among the top twenty in the nation in terms of the total number of net new jobs created from December 2000 to December 2001. Included in those seven were Tampa-St. Petersburg-Clearwater (1st), Jacksonville (12th), and Sarasota-Bradenton (20th).

Source: eflorida.com

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BB&T Investment Criteria

- Cash Basis EPS (accretive by year 2)
- GAAP EPS (accretive by year 4)
- Internal rate of return (15% or better)
- Cash Basis ROE (accretive by year 3)
- Cash Basis ROA (accretive by year 3)
- Tangible book value per share (accretive by year 5)
- Must not cause combined leverage capital ratio to go below 7%

Criteria are listed in order of importance. There are sometimes trade-offs among criteria.

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Assumptions

- BB&T's 2002 EPS is based on a First Call estimate of \$2.77 and subsequent years are based on 12% income statement and balance sheet growth.
- RFC's 2002 projected financial statements are based on RFC's internal management forecast. This budget produces net income of \$16.6 million.
- 10% annual cost savings of the 2001 noninterest expense base were used in the valuation.
- Growth Rates - The balance sheet and income statement items are projected to grow by 12% in all years, except for the following adjustments:
 - Noninterest Income: RFC's core fee income ratio is estimated at 29.3% in 2002, and then is incrementally raised (prior to the margin enhancement cited below) to 35% by year five and held constant thereafter.
 - Net Interest Margin: The core net margin is estimated at 2.52% (non-FTE) in 2002 and then is incrementally raised to 4.20% (non-FTE) by year five, and held at this level in all remaining years.
- Projected Net Charge-Off Rates - The net charge-off rate was increased to .35% by year 3, and held at this level for all remaining years.
- Projected Loan Loss Allowance - An allowance of 1.30% was assumed in all years.

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Earnings Per Share Impact

| Accretion (Dilution) | Pro Forma | Accretion (Dilution) |
|-------------------------|-----------|-------------------------|
|-------------------------|-----------|-------------------------|

| | Pro Forma <u>EPS</u> | Pro Forma <u>Shares</u> | Cash Basis <u>EPS</u> | Pro Forma <u>Shares</u> |
|-------------------------|-------------------------|----------------------------|--------------------------|----------------------------|
| 2003 | 3.09 | (0.015) | 3.15 | (0.004) |
| 2004 | 3.47 | (0.004) | 3.53 | 0.006 |
| 2005 | 3.90 | 0.006 | 3.96 | 0.015 |
| 2006 | 4.38 | 0.023 | 4.44 | 0.030 |
| 2007 | 4.93 | 0.044 | 4.99 | 0.050 |
| 2008 | 5.52 | 0.052 | 5.58 | 0.057 |
| 2009 | 6.18 | 0.060 | 6.24 | 0.064 |
| 2010 | 6.93 | 0.070 | 6.98 | 0.072 |
| 2011 | 7.76 | 0.080 | 7.82 | 0.082 |
| 2012 | 8.69 | 0.092 | 8.75 | 0.092 |
| Internal Rate of Return | | <u>21.51%</u> | | |

ROE Impact 1

| | Pro Forma <u>ROE (%)</u> | <u>Change</u> | Pro Forma Cash Basis <u>ROE (%)</u> | <u>Change</u> |
|------|-----------------------------|---------------|---|---------------|
| 2003 | 18.86 | (0.50) | 24.32 | 0.14 |
| 2004 | 18.89 | (0.37) | 23.51 | 0.17 |
| 2005 | 18.82 | (0.28) | 22.72 | 0.18 |
| 2006 | 18.73 | (0.18) | 22.01 | 0.21 |
| 2007 | 18.64 | (0.09) | 21.42 | 0.23 |
| 2008 | 18.51 | (0.07) | 20.87 | 0.20 |
| 2009 | 18.39 | (0.06) | 20.40 | 0.17 |
| 2010 | 18.29 | (0.05) | 20.00 | 0.14 |
| 2011 | 18.19 | (0.04) | 19.67 | 0.12 |

| | | | | |
|------|-------|--------|-------|------|
| 2012 | 18.11 | (0.03) | 19.38 | 0.11 |
|------|-------|--------|-------|------|

1 The decrease in ROE results from the build up in equity relative to assets. If consistent with attaining and maintaining a leverage capital ratio of at least 7%, BB&T may choose to leverage the balance sheet further through repurchase of its stock.

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ROA Impact

| | Pro Forma <u>ROA (%)</u> | <u>Change</u> | Pro Forma Cash Basis <u>ROA (%)</u> | <u>Change</u> |
|------|-----------------------------|---------------|---|---------------|
| 2003 | 1.67 | (0.02) | 1.74 | (0.01) |
| 2004 | 1.68 | (0.01) | 1.74 | (0.00) |
| 2005 | 1.69 | (0.01) | 1.74 | (0.00) |
| 2006 | 1.70 | 0.00 | 1.75 | 0.01 |
| 2007 | 1.71 | 0.01 | 1.75 | 0.01 |
| 2008 | 1.71 | 0.01 | 1.75 | 0.01 |
| 2009 | 1.72 | 0.01 | 1.75 | 0.01 |
| 2010 | 1.72 | 0.01 | 1.75 | 0.01 |
| 2011 | 1.72 | 0.01 | 1.74 | 0.01 |
| 2012 | 1.72 | 0.01 | 1.74 | 0.01 |

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Book Value/Capital Impact

| | Pro Forma <u>Stated Book Value Per Share</u> | | Pro Forma <u>Tangible Book Value Per Share</u> | | Pro Forma* |
|------|---|--------------------------------|---|--------------------------------|--------------------------|
| | <u>Stated</u> | Accretion <u>(Dilution)</u> | <u>Tangible</u> | Accretion <u>(Dilution)</u> | Leverage <u>Ratio</u> |
| 2003 | 17.54 | 0.34 | 14.12 | (0.09) | 7.41 |
| 2004 | 19.70 | 0.34 | 16.35 | (0.08) | 7.70 |
| 2005 | 22.27 | 0.34 | 18.98 | (0.07) | 8.02 |
| 2006 | 25.15 | 0.35 | 21.93 | (0.05) | 8.31 |
| 2007 | 28.40 | 0.38 | 25.24 | (0.01) | 8.56 |
| 2008 | 32.03 | 0.41 | 28.93 | 0.03 | 8.79 |
| 2009 | 36.11 | 0.45 | 33.07 | 0.08 | 8.99 |
| 2010 | 40.67 | 0.50 | 37.69 | 0.13 | 9.17 |
| 2011 | 45.79 | 0.56 | 42.87 | 0.19 | 9.32 |
| 2012 | 51.52 | 0.62 | 48.65 | 0.25 | 9.46 |

*BB&T's goal is to manage its leverage ratio to between 7% and 8%

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Summary

- The acquisition of Regional Financial Corporation is a strong strategic fit:
 - It helps accomplish our goal of entering the Florida market
 - It fits culturally and geographically
 - This is the type of merger we have consistently, successfully executed
- Overall Investment Criteria are met:
 - Cash Basis EPS accretive in year 2 and GAAP EPS accretive in year 3

IRR 21.51%

Cash ROE accretive in all years

Cash ROA accretive in year 4

Tangible book value accretive in year 6

Combined leverage ratio remains above 7%

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Appendix

- Historical Financial Data
- Glossary
- Securities Disclosure
- Where to go for additional information about BB&T

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Regional Financial Corporation

Financial Summary

| | 1999 | % Change | 2000 | % Change | 2001 | % Change | Three months ended March 31, 2001 | Three months ended March 31, 2002 | 3/31/02 vs. 3/31/01 % change |
|--|-----------|-------------|-----------|-------------|-----------|-------------|---|---|--|
| Earnings Summary (In thousands) | | | | | | | | | |
| Interest Income (FTE) | \$ 52,288 | 18.9 % | \$ 83,697 | 60.1 % | \$ 96,158 | 14.9 % | \$ 24,994 | \$ 21,191 | -15.2 % |

| | | | | | | | Three months | Three months | 3/31/02 |
|---|--------|---------|--------|---------|---------|---------|-----------------|-----------------|---------|
| Interest on loans & leases | | | | | | | | | |
| Interest & dividends on securities | 5,455 | 172.2 % | 5,885 | 7.9 % | 3,250 | -44.8 % | 1,017 | 483 | -52.5 % |
| Interest on temporary investments | 4,080 | 57.5 % | 2,738 | -32.9 % | 4,591 | 67.7% | 1,347 | 845 | -37.3 % |
| Total interest income (FTE) | 61,823 | 27.3 % | 92,320 | 49.3 % | 103,999 | 12.7 % | 27,358 | 22,519 | -17.7 % |
| Interest Expense | | | | | | | | | |
| Interest expense on deposit accounts | 35,613 | 24.7 % | 51,280 | 44.0 % | 52,693 | 2.8 % | 14,790 | 9,070 | -38.7 % |
| Interest on short-term borrowings | 9,181 | 33.3 % | 16,346 | 78.0 % | 23,323 | 42.7 % | 6,298 | 5,651 | -10.3 % |
| Interest on long-term debt | 51 | N/A | 518 | 915.7 % | 1,043 | 101.4 % | 294 | 101 | -65.6 % |
| Total interest expense | 44,845 | 26.5 % | 68,144 | 52.0 % | 77,059 | 13.1 % | 21,382 | 14,822 | -30.7 % |
| Net interest income | 16,978 | 29.7 % | 24,176 | 42.4 % | 26,940 | 11.4 % | 5,976 | 7,697 | 28.8 % |
| Provision for loan losses | 1,200 | 0.0 % | 1,583 | 31.9 % | 1,200 | -24.2 % | 300 | 300 | 0.0 % |
| Net interest income after provision | 15,778 | 32.7 % | 22,593 | 43.2 % | 25,740 | 13.9 % | 5,676 | 7,397 | 30.3 % |
| Noninterest Income | | | | | | | | | |
| Service charges on deposit accounts | 114 | 29.5 % | 156 | 36.8 % | 167 | 7.1 % | 42 | 41 | -2.4 % |
| Non-deposit fees and commissions | 9,077 | 1.5 % | 6,568 | -27.6 % | 14,594 | 122.2 % | 2,609 | 4,890 | 87.4 % |
| G / (L) on sale | 393 | 835.7 % | 221 | -43.8 % | 5 | -97.7 % | -- | -- | N/A |

Three months **Three months** **3/31/02**

| | | | | | | | | | |
|---|-----------------|---------------|-----------------|----------------|------------------|----------------|-----------------|-----------------|---------------|
| of real estate & securities | | | | | | | | | |
| Other operating income | 605 | 30150.0 % | 1,119 | 85.0 % | 1,473 | 31.6 % | 463 | 473 | 2.2 % |
| Total noninterest income | 10,189 | 12.3 % | 8,064 | -20.9 % | 16,239 | 101.4 % | 3,114 | 5,404 | 73.5 % |
| Noninterest Expense | | | | | | | | | |
| Personnel | 7,108 | 41.6 % | 7,764 | 9.2 % | 8,843 | 13.9 % | 2,309 | 3,288 | 42.4 % |
| Occupancy & equipment | 3,129 | 41.3 % | 3,675 | 17.4 % | 3,699 | 0.7 % | 913 | 956 | 4.7 % |
| FDIC premiums | 556 | 29.3 % | 378 | -32.0 % | 453 | 19.8 % | 108 | 120 | 11.1 % |
| Other operating expenses | 3,842 | 13.5 % | 5,177 | 34.7 % | 5,761 | 11.3 % | 1,238 | 1,395 | 12.7 % |
| Total noninterest expense | 14,635 | 32.5 % | 16,994 | 16.1 % | 18,756 | 10.4 % | 4,568 | 5,759 | 26.1 % |
| Net income before taxes | 11,332 | 14.2 % | 13,663 | 20.6 % | 23,223 | 70.0 % | 4,222 | 7,042 | 66.8 % |
| Income taxes | 4,083 | | 5,278 | | 8,873 | | 1,757 | 2,605 | |
| Net income before nonrecurring charges | 7,249 | 17.0 % | 8,385 | 15.7 % | 14,350 | 71.1 % | 2,465 | 4,437 | 80.0 % |
| Nonrecurring charges | -- | | -- | | -- | | -- | -- | |
| Net income | \$ 7,249 | 17.0 % | \$ 8,385 | 15.7 % | \$ 14,350 | 71.1 % | \$ 2,465 | \$ 4,437 | 80.0 % |

Regional Financial Corporation

Financial Summary

| | 1999 | % Change | 2000 | % Change | 2001 | % Change | Three months ended March 31, 2001 | Three months ended March 31, 2002 | 3/31/02 vs. 3/31/01 Change |
|---|------------|-------------|--------------|-------------|--------------|-------------|--|--|-------------------------------------|
| Average Balance Sheet | | | | | | | | | |
| <i>(In thousands)</i> | | | | | | | | | |
| Assets | | | | | | | | | |
| Loans | \$ 758,221 | 20.6% | \$ 1,120,006 | 47.7% | \$ 1,353,090 | 20.8% | \$ 1,335,883 | \$ 1,269,568 | -5.0% |
| Securities | 79,380 | 161.1% | 69,688 | -12.2% | 28,784 | -58.7% | 41,144 | 40,057 | -2.6% |
| Other earning assets | 89,540 | 56.5% | 65,056 | -27.3% | 151,766 | 133.3% | 134,553 | 218,960 | 62.7% |
| Total interest-earning assets | 927,141 | 29.4% | 1,254,750 | 35.3% | 1,533,640 | 22.2% | 1,511,580 | 1,528,585 | 1.1% |
| Goodwill & other intangibles | 1,878 | -8.3% | 1,710 | -8.9% | 1,541 | -9.9% | 1,604 | 1,463 | -8.8% |
| Other assets | 46,031 | 101.5% | 59,281 | 28.8% | 67,625 | 14.1% | 66,377 | 70,249 | 5.8% |
| Total assets | \$ 975,050 | 31.5% | \$ 1,315,741 | 34.9% | \$ 1,602,806 | 21.8% | \$ 1,579,561 | \$ 1,600,297 | 1.3% |
| Net interest margin | 1.83% | | 1.93% | | 1.76% | -8.8% | 1.58% | 2.01% | 27.4% |
| Liabilities & Shareholders' Equity | | | | | | | | | |
| Interest-bearing deposits: | | | | | | | | | |
| Money Market & NOW | \$ 211,928 | 75.7% | \$ 298,332 | 40.8% | \$ 351,905 | 18.0% | \$ 289,826 | \$ 421,874 | 45.6% |
| Savings | 11,888 | -0.2% | 7,962 | -33.0% | 7,433 | -6.6% | 6,630 | 11,713 | 76.7% |
| CD's and other time | 486,502 | 21.6% | 605,207 | 24.4% | 669,823 | 10.7% | 718,355 | 597,564 | -16.8% |
| Total interest-bearing deposits | 710,318 | 33.4% | 911,501 | 28.3% | 1,029,161 | 12.9% | 1,014,811 | 1,031,151 | 1.6% |
| Short-term borrowed funds | -- | N/A | 11,325 | N/A | -- | -100.0% | -- | -- | N/A |
| Long-term debt | 172,708 | 33.7% | 273,917 | 58.6% | 431,050 | 57.4% | 434,667 | 424,800 | -2.3% |

| | | | | | | | | | |
|--|------------|-------|--------------|-------|--------------|-------|--------------|--------------|--------|
| Total interest-bearing liabilities | 883,026 | 33.4% | 1,196,743 | 35.5% | 1,460,211 | 22.0% | 1,449,478 | 1,455,951 | 0.4% |
| Demand deposits | 27,873 | -2.0% | 32,446 | 16.4% | 39,938 | 23.1% | 36,692 | 32,507 | -11.4% |
| Other liabilities | 9,233 | 12.2% | 13,942 | 51.0% | 17,911 | 28.5% | 14,046 | 16,133 | 14.9% |
| Total liabilities | 920,132 | 31.7% | 1,243,131 | 35.1% | 1,518,060 | 22.1% | 1,500,216 | 1,504,591 | 0.3% |
| Common equity | 54,918 | 28.1% | 72,610 | 32.2% | 84,746 | 16.7% | 79,345 | 95,706 | 20.6% |
| Total equity | 54,918 | 28.1% | 72,610 | 32.2% | 84,746 | 16.7% | 79,345 | 95,706 | 20.6% |
| Total liabilities & shareholders' equity | \$ 975,050 | 31.5% | \$ 1,315,741 | 34.9% | \$ 1,602,806 | 21.8% | \$ 1,579,561 | \$ 1,600,297 | 1.3% |

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Regional Financial Corporation

Financial Summary

| | 1999 | % Change | 2000 | % Change | 2001 | % Change | Three months ended March 31, 2001 | Three months ended March 31, 2002 | 3/31/02 vs. 3/31/01 Change |
|---|---------|-------------|---------|-------------|---------|-------------|--|--|-------------------------------------|
| Ratio Analysis | | | | | | | | | |
| ROA | 0.74 % | | 0.64 % | | 0.90 % | | 0.62 % | 1.11 % | |
| ROCE | 13.20 % | | 11.55 % | | 16.93 % | | 12.43 % | 18.54 % | |
| Efficiency ratio | 54.7 % | | 53.1 % | | 43.4 % | | 50.3 % | 44.1 % | |
| Adj. noninterest income / Adj. revenues | 36.6 % | | 24.5 % | | 37.6 % | | 34.3 % | 41.2 % | |
| Average equity / | 5.6 % | | 5.5 % | | 5.3 % | | 5.0 % | 6.0 % | |

| Average assets | | | | | | | | | | | |
|---------------------------|----|-----------|--------|--------------|--------|--------------|--------|--------------|----|--------------|--------|
| Credit Quality | | | | | | | | | | | |
| <i>(In thousands)</i> | | | | | | | | | | | |
| Beginning | \$ | 3,188 | \$ | 4,188 | \$ | 5,181 | \$ | 5,181 | \$ | 6,336 | |
| Provision | | 1,200 | | 1,583 | | 1,200 | | 300 | | 300 | |
| Acquired allowance | | -- | | -- | | -- | | -- | | -- | |
| Net charge-offs | | (200) | | (590) | | (45) | | -- | | (37) | |
| Ending allowance | \$ | 4,188 | \$ | 5,181 | \$ | 6,336 | \$ | 5,481 | | 6,599 | |
| Allowance | | 0.48 % | | 0.40 % | | 0.47 % | | 0.40 % | | 0.53 % | |
| Charge-off rate | | 0.03 % | | 0.05 % | | 0.00 % | | 0.00 % | | 0.01 % | |
| Period end loans & leases | \$ | 864,935 | 19.6 % | \$ 1,285,333 | 48.6 % | \$ 1,355,590 | 5.5 % | \$ 1,368,736 | | \$ 1,245,168 | -9.0 % |
| Period end common equity | \$ | 58,263 | 14.2 % | \$ 77,203 | 32.5 % | \$ 92,897 | 20.3 % | \$ 80,436 | | \$ 97,438 | 21.1 % |
| Period end total assets | \$ | 1,065,069 | 19.3 % | \$ 1,460,018 | 37.1 % | \$ 1,605,781 | 10.0 % | \$ 1,643,103 | | \$ 1,585,363 | -3.5 % |

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Glossary

Return on Assets recurring earnings for the period as a percentage of average assets for the period.

Return on Equity recurring earnings for the period as a percentage of average common equity for the period.

Cash Basis Performance Results and Ratios These calculations exclude the effect on net income of amortization expense applicable to certain intangible assets. The ratios also exclude the effect of the unamortized balances of these intangibles from assets and equity.

Efficiency Ratio calculated as recurring noninterest expense as a percentage of the sum of recurring net interest income on a fully taxable equivalent basis and recurring noninterest income.

Leverage Capital Ratio Common shareholders' equity excluding unrealized securities gains and losses and certain

intangible assets as a percentage of average assets for the most recent quarter less certain intangible assets.

Total Risk-Based Capital Ratio The sum of shareholders' equity, a qualifying portion of subordinated debt and a qualifying portion of the allowance for loan and lease losses as a percentage of risk-weighted assets.

Net Charge-Off Ratio Loan losses net of recoveries as a percentage of average loans and leases.

Internal Rate of Return The interest rate that equates the present value of future returns to the investment outlay. An investment is considered acceptable if its IRR exceeds the required return. The investment is defined as the market value of the stock and/or other consideration to be received by the selling shareholders.

Recurring Results or Ratios earnings excluding charges and expenses principally related to completing mergers and acquisitions.

Certain of the ratios discussed above may be annualized if the applicable periods are less than a full year.

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A registration statement relating to any future resales of the shares issued in this acquisition will be filed with the Securities and Exchange Commission (SEC) after the closing of the private placement in connection with this acquisition. These securities may not be sold nor may offers to buy be accepted prior to the time that the registration statement becomes effective. This announcement shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such State. Any offering of BB&T securities under the resale registration statement will be made only by means of a prospectus.

In addition to the proposed registration statement, BB&T files annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information filed by BB&T at the SEC's public reference rooms at 450 Fifth Street, N.W., Washington, D.C. 20549 or at the SEC's other public reference rooms in New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. BB&T's filings with the SEC are also available to the public from commercial document-retrieval services and on the SEC's web site at <http://www.sec.gov>.

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