

BB&T CORP  
Form 11-K  
June 23, 2006

**Securities and Exchange Commission  
Washington, D.C. 20549**

**Form 11-K**

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**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended: December 31, 2005**

**Commission file number 1-10853**

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BB&T Corporation 401(k) Savings Plan  
(Full title of the plan)

BB&T Corporation  
(Name of issuer of securities)

200 West Second Street  
Winston-Salem, NC 27101  
(Address of issuer's principal executive offices)

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**BB&T Corporation  
401(k) Savings Plan  
Financial Statements and Supplemental Schedule  
Years Ended December 31, 2005 and 2004**

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# BB&T Corporation 401(k) Savings Plan

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December 31, 2005 and 2004

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\*Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.

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## Report of Independent Registered Public Accounting Firm

To the Participants, Administrator and  
BB&T Corporation Retirement Plans Committee  
BB&T Corporation 401(k) Savings Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the BB&T Corporation 401(k) Savings Plan (the Plan) at December 31, 2005 and 2004 and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe

that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of Schedule of Assets (Held at End of Year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/S/ PricewaterhouseCoopers LLP

Charlotte, North Carolina

June 16, 2006

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**BB&T Corporation 401(k) Savings Plan**  
**Statements of Net Assets Available for Benefits**  
**December 31, 2005 and 2004**

	<u>2005</u>	<u>2004</u>
<b>Assets</b>		
Investments, at fair value		
Common/collective trust		
BB&T Common Stock Fund	\$ 854,860,640	\$ 867,040,476
BB&T Common Stock	11,519,198	13,346,216
Mutual funds	636,014,636	605,839,445
Self-directed investments	22,806,399	
Participant loans	24,420,084	23,095,882
Investments, at contract value		
One-year bank investment contract	69,655,618	45,222,204
Total assets	<u>1,619,276,575</u>	<u>1,554,544,223</u>
<b>Liabilities</b>		
Accrued expenses	351,862	381,177
Net assets available for benefits	<u>\$ 1,618,924,713</u>	<u>\$ 1,554,163,046</u>

The accompanying notes are an integral part of these financial statements.

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**BB&T Corporation 401(k) Savings Plan**  
**Statements of Changes in Net Assets Available for Benefits**  
**Years Ended December 31, 2005 and 2004**


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	<u>2005</u>	<u>2004</u>
<b>Additions to net assets attributable to:</b>		
Investment income		
Interest	\$ 5,935,709	\$ 1,874,687
Dividends	73,537,955	36,540,879
Net (depreciation) appreciation in fair value of investments	<u>(11,407,825)</u>	<u>108,616,170</u>
Total income	<u>68,065,839</u>	<u>147,031,736</u>
Contributions		
Employer	48,216,227	46,093,045
Employee	69,214,339	65,076,723
Rollovers	<u>3,924,484</u>	<u>2,197,911</u>
Total contributions	<u>121,355,050</u>	<u>113,367,679</u>
Total additions	<u>189,420,889</u>	<u>260,399,415</u>
<b>Deductions from net assets attributable to:</b>		
Benefits paid to participants	131,576,752	127,656,559
Administrative expenses	<u>1,741,165</u>	<u>2,255,628</u>
Total deductions	<u>133,317,917</u>	<u>129,912,187</u>
Net increase prior to transfers from other plans	56,102,972	130,487,228
Transfers from other plans	<u>8,658,695</u>	<u>19,139,658</u>
Net increase	64,761,667	149,626,886
<b>Net assets available for benefits</b>		
Beginning of year	<u>1,554,163,046</u>	<u>1,404,536,160</u>
End of year	<u>\$ 1,618,924,713</u>	<u>\$ 1,554,163,046</u>

The accompanying notes are an integral part of these financial statements.

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**BB&T Corporation 401(k) Savings Plan**  
**Notes to Financial Statements**  
**Years Ended December 31, 2005 and 2004**


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**1. Description of the BB&T Corporation 401(k) Savings Plan**

The following description of the BB&T Corporation 401(k) Savings Plan (the Plan ) provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan s provisions.

### **General**

The Plan is a defined contribution plan sponsored by BB&T Corporation (the Corporation or Plan Sponsor ). The Plan was established effective July 1, 1982, was most recently amended effective October 25, 2005, and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ( ERISA ).

### **Eligibility for Participation**

The Plan covers all employees of participating subsidiaries who meet age and service requirements. Employees are eligible to make salary reduction contributions after 90 days of employment with the Corporation. Employees are eligible to receive matching contributions after attaining the age of 21 with one year of continuous employment in which they have worked at least 1,000 hours. Participation in the Plan is based on voluntary election by each employee.

### **Contributions**

Participants may elect to contribute between 1 percent and 25 percent, in whole percentages, of their eligible earnings, as defined in the Plan agreement, on a pre-tax basis subject to certain Internal Revenue Code ( IRC ) limitations. The Corporation matches dollar-for-dollar up to 6 percent of compensation that a participant contributes to the Plan.

Participants may make changes in their contribution percentage at any time. Allocations among fund options offered by the Plan may be changed on a daily basis. Participants may also contribute funds from other tax-qualified plans as rollover contributions.

### **Vesting**

Participants are vested immediately in their contributions, employer matching contributions and actual earnings allocated to their account.

### **Participant Loans**

Participants may borrow from their account balances an amount not to exceed the lesser of \$50,000 or 50 percent of their account balance. The minimum loan amount allowed by the Plan is \$1,000. Only one loan can be taken during the Plan year and a participant may have only one loan outstanding at any time. The interest rate charged on amounts borrowed is equal to the Corporation s prime lending rate plus 1 percent at the loan origination date. Loans from merged plans are carried at the terms and conditions that were set by the predecessor plans.

### **Payment of Benefits**

Upon termination, a participant may elect to have distributions paid from their account in installments, a lump sum or any combination of the two. Retired participants may elect installment payments to occur over a period not to exceed the participant's life expectancy, or the life expectancy of the participant and beneficiary. Hardship withdrawals are allowed by the Plan in accordance with Plan provisions and Internal Revenue Service ( IRS ) regulations. Benefit claims are recorded when they have been approved for payment and paid by the Plan.

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## **BB&T Corporation 401(k) Savings Plan**

### **Notes to Financial Statements**

**Years Ended December 31, 2005 and 2004**

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#### **Participant Accounts**

Each participant's separate account is credited with the participant's contribution and allocations of matching contributions, earnings on the account and administrative expenses. Allocations of earnings and expenses are based upon the market activity and fees of the investment options selected by the participant. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

#### **Forfeitures**

Forfeitures represent nonvested employer matching contributions of participants in predecessor plans that have terminated their employment with their employer. At December 31, 2005 and 2004, forfeited accounts totalled \$62,743 and \$168,137, respectively. This account can be used to reduce employer contributions. In 2005, employer contributions were reduced by \$163,681 from the forfeiture account.

## **2. Summary of Significant Accounting Policies**

#### **Basis of Accounting**

The Plan's financial statements have been prepared using the accrual basis of accounting.

#### **Administrative Expenses**

The Plan Sponsor may elect, but is not required, to pay recordkeeping and other administrative expenses incurred by the Plan. The Plan Sponsor has elected to pay certain administrative fees related to professional services provided to the Plan. Trustee fees and recordkeeping charges for services rendered by the Corporation's Trust Division are paid by the Plan (see Note 9).

#### **Investment Valuation and Income Recognition**

Participants may direct the investment of their contributions as well as employer matching contributions among fourteen mutual funds, the common stock fund and a bank investment contract (the one-year BIC ), each offering

different degrees of risk and return. Effective January 1, 2005, a self-directed brokerage investment option was added to the Plan. Effective December 31, 2004, the Small Company Growth Fund was closed to new investments. As of July 31, 2005, any remaining investment in this fund was transferred to the One-Year BIC.

The Plan's investments are stated at fair value except for its benefit-responsive bank investment contract, which is valued at contract value (see Note 3). The fair value of common stock and investments in the self-directed brokerage account was determined by closing prices at the end of the Plan year. Shares of mutual funds are valued at the net asset value of the shares held by the Plan at year end. Investments in participant loans are stated at the outstanding balances, which approximate fair market value.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is accrued when earned. Dividend income on mutual funds is recorded on the ex-dividend date. Capital gain distributions on mutual funds are included in dividend income. Dividend income on BB&T Corporation common stock is recorded on the payable date. The Plan presents in the statement of changes in net assets available for benefits the net appreciation in the fair value of its investments, which consists of the realized gains or losses and unrealized appreciation or depreciation on investments held at year end.

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## **BB&T Corporation 401(k) Savings Plan**

### **Notes to Financial Statements**

### **Years Ended December 31, 2005 and 2004**

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#### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for plan benefits at the dates of the financial statements and the reported changes in net assets available for benefits during the reported periods. Actual results could differ from those estimates.

#### **Concentration of Credit Risk**

Concentrations of credit risk that arise from financial instruments exist for groups of counterparties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Financial instruments which potentially subject the Plan to concentration of credit risk consist principally of mutual funds, the common/collective trust fund, the one-year BIC and common stock investments.

#### **New Accounting Pronouncement**

On December 29, 2005, The Financial Accounting Standards Board (FASB) released FASB Staff Position Nos. AAG INV-1 and SOP 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans (FSP). The FSP clarifies the definition of fully benefit-responsive investment contracts for contracts held by defined contribution plans. The FSP also establishes enhanced financial statement presentation and disclosure requirements for defined contribution plans subject to the FSP effective for financial statements issued for periods ending after December 15, 2006. We don't anticipate that the adoption of this FSP

will have a significant impact on the financial statements of the Plan.

### Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

### 3. Bank Investment Contract

The Plan invests in a fully benefit-responsive bank investment contract guaranteed by the Corporation. The contract is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment without penalty. The fair value of the investment contracts at December 31, 2005 and 2004 was \$69,655,618 and \$45,222,204, respectively.

There are no reserves for credit risk of the contract issuer or otherwise. The average yield and crediting interest rates were approximately 2.89 percent and 2.85 percent, respectively, in 2005, and 1.41 percent and 1.40 percent, respectively, in 2004. The interest rate is reset annually based on December 1<sup>st</sup> market yields for one-year maturity investments.

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## BB&T Corporation 401(k) Savings Plan

### Notes to Financial Statements

#### Years Ended December 31, 2005 and 2004

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### 4. Transfers from Other Plans

During 2005 and 2004, BB&T Corporation authorized the transfer of participant accounts from various acquired company plans into the Plan. Participant account balances including investments and loans receivable were transferred from the various plans at various dates during 2005 and 2004 as follows:

	<b>2005</b>
Surety Land Title 401(k) Plan	\$ 861,760
Lighthouse Title L. P. Profit Sharing Plan & Trust	628,338
L. W. Legge Agency, Inc. 401(k) Retirement Plan	2,764,306
Langan Insurance, Benefits & Mortgages 401(k) PSP	1,496,356
The Bank of Louisville Savings Plan	2,907,935
	<u>\$ 8,658,695</u>

	<b>2004</b>
Republic Bank Employee Savings Plan	\$ 7,708,515
Old Colony Insurance Service 401(k) Salary Reduction Plan	2,820,204

Reclassifications

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	<b>2005</b>
VBA Defined Contribution Plan for James River Bankshares, Inc.	1,887,389
Jackson Holding Co., Inc. 401(k) Plan	1,694,438
Carolina Insurance Consultants, Inc. 401(k) Plan	1,556,865
Iler, Wall & Shonter Insurance, Inc. 401(k) Retirement Plan	1,534,977
deGarmo & Kelleher Profit Sharing Plan	929,119
Capitol Premium Profit Sharing 401(k) Plan	542,327
Cromwell 401(k) Plan	465,824
	<u>\$ 19,139,658</u>

## 5. Investments

The following presents investments that represent five percent or more of the Plan's net assets in one or both years at December 31, 2005 and 2004:

	<u>2005</u>	<u>2004</u>
BB&T Corporation Common Stock Fund, 59,864,190 and 60,505,267 shares, respectively	\$ 854,860,640	\$ 867,040,476
BB&T Large Company Value Fund, 9,476,394 and 8,663,514 shares, respectively	173,323,241	161,487,910
BB&T U.S. Treasury Money Market Fund, 104,450,524 and 99,008,464 shares, respectively	104,450,524	99,008,464

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## BB&T Corporation 401(k) Savings Plan

### Notes to Financial Statements

#### Years Ended December 31, 2005 and 2004

The fair market value of the BB&T Corporation Common Stock Fund of \$854,860,640 and \$867,040,476, at December 31, 2005 and 2004, respectively, which includes cash balances of \$3,450,990 and \$2,383,801 respectively, is allocated to participants' accounts on a unitized basis.

During 2005 and 2004, the Plan's investments (including investments bought, sold, and held during the year) appreciated (depreciated) in value as follows:

	<u>2005</u>	<u>2004</u>
Net appreciation (depreciation) in fair value of investments:		
Mutual funds	\$ (11,393,522)	\$ 36,144,273
Common/collective trust	(817,843)	71,398,801
BB&T Corporation common stock	(126,500)	1,073,096
Self-directed investments	930,040	
	<u>\$ (11,407,825)</u>	<u>\$ 108,616,170</u>

## 6. Nonparticipant-Directed Investments

A portion of the Plan consists of balances from various employee stock ownership plans that were transferred into the Plan ( Old ESOP ). Information about the net assets and the significant components of the changes in net assets relating to the Old ESOP s investment in the Corporation s common stock, whose fair value is determined based on closing prices at the end of the Plan year, is as follows:

	December 31,	
	2005	2004
Net Assets:		
BB&T Corporation Common Stock	\$ 11,519,198	\$ 13,346,216
	<u>2005</u>	<u>2004</u>
Changes in Net Assets:		
Dividends	\$ 434,953	\$ 436,852
Net (depreciation) appreciation	(126,500)	1,073,096
Benefits paid to participants	(2,066,766)	(1,107,686)
Transfers to participant-directed investments	(68,705)	(66,573)
	<u>\$ (1,827,018)</u>	<u>\$ 335,689</u>

## 7. Tax Status

The IRS has determined and informed the Plan Sponsor by letter dated October 22, 2004, that the Plan is designed in accordance with applicable sections of the IRC. The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable provisions of the IRC. Therefore, no provision for income taxes has been included in the Plan s financial statements.

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## BB&T Corporation 401(k) Savings Plan

### Notes to Financial Statements

#### Years Ended December 31, 2005 and 2004

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## 8. Plan Termination

Although it has not expressed any intent to do so, the Plan Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, assets of the Plan would be distributed in accordance with the Plan agreement.

## 9. Party-In-Interest Transactions

Included in Plan assets are mutual funds sponsored by a subsidiary of the Corporation of \$636,014,636 and \$605,839,445 at December 31, 2005 and 2004, respectively, and bank investment contracts issued by a subsidiary of the Corporation of \$69,655,618 and \$45,222,204 at December 31, 2005 and 2004, respectively. The Plan received cash dividends of \$42,461,052 and \$7,966,690 on its investments in BB&T-sponsored mutual funds

during 2005 and 2004, respectively, interest of \$2,833,675 and \$774,578 on its investment in the U.S. Treasury Money Market Fund during 2005 and 2004, respectively, and interest of \$1,556,382 and \$584,190 on its investment in the bank investment contract during 2005 and 2004, respectively.

In addition, the Plan invests in the Corporation's common stock, as indicated in Notes 5 and 6. The Plan received cash dividends of \$31,076,903 and \$28,574,189 on its investment in BB&T Corporation common stock during 2005 and 2004, respectively.

The costs of administrative services rendered by the Corporation's Trust Division for the years ended December 31, 2005 and 2004 were \$1,741,165 and \$2,255,628, respectively (see Note 2).

### BB&T Corporation 401(k) Savings Plan Schedule of Assets (Held At End of Year) December 31, 2005

(a)	(b)	(c)	(d)	(e)	
	Identity of Issuer Borrower, Lessor or Similar Party	Description of Investment, including Maturity Date, Rate of Contract, Collateral, Par or Maturity Value	Number of Shares/Units	Cost	Current Value
BB&T * Corporation	Common Stock Fund	Common/Collective Trust	59,864,190	**	\$ 854,860,640
BB&T * Corporation	Common Stock	Common Stock	274,815	\$8,334,924	11,519,198
BB&T * Corporation	U.S. Treasury Money Market Fund	Mutual Fund	104,450,524	**	104,450,524
BB&T * Corporation	Short-term U.S. Government Income Fund	Mutual Fund	633,343	**	5,997,754
BB&T * Corporation	Intermediate U.S. Government Bond Fund	Mutual Fund	5,208,607	**	51,825,642
BB&T * Corporation	Total Return Bond	Mutual Fund	1,452,816	**	14,833,251
BB&T * Corporation	Capital Manager Conservative Fund	Mutual Fund	3,619,415	**	35,578,845
BB&T * Corporation	Capital Manager Moderate Fund	Mutual Fund	1,239,195	**	12,206,067
BB&T * Corporation	Capital Manager Growth Fund	Mutual Fund	1,112,763	**	10,827,182
BB&T * Corporation	Capital Manager Equity Fund	Mutual Fund	740,001	**	8,073,411
BB&T * Corporation	Mid Cap Value Fund	Mutual Fund	4,087,308	**	50,192,137
BB&T * Corporation	Mid Cap Growth Fund	Mutual Fund	2,297,129	**	30,919,353
BB&T * Corporation	Large Company Value Fund	Mutual Fund	9,476,394	**	173,323,241

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(a)	(b)	(c)	(d)	(e)
* BB&T Corporation	Large Company Growth Fund	Mutual Fund	7,633,270	** 70,226,086
* BB&T Corporation	International Equity Fund	Mutual Fund	2,767,094	** 27,947,649
* BB&T Corporation	Equity Index Fund	Mutual Fund	4,721,513	** 39,613,494
				<u>636,014,636</u>
Plan Participants		Self-directed investments		** 22,806,399
Plan Participants		Participant loans ( 4.00% to 10.50% due thru April 2027)		** 24,420,084
* BB&T Corporation	One-Year Bank Investment Contract	Bank Investment Contract	69,655,618	** 69,655,618
				<u>\$1,619,276,575</u>

\* Party in interest  
 \*\*Cost is omitted because the investment is participant-directed.

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**Signatures**

Pursuant to the requirements of the Securities Exchange Act of 1934, the BB&T Corporation Retirement Plans Committee has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

BB&T 401 (k) Savings Plan

June 23, 2006

/S/ Steven L. Reeder  
 Senior Vice President & Benefits Manager