

BB&T TO ACQUIRE MAIN STREET BANKS INC. OF METRO ATLANTA

BB&T Corporation today said it plans to buy Main Street Banks Inc. of Atlanta in a \$622.7 million stock swap that would strengthen its presence in some of the most economically vibrant communities in the country.

The merger would bump BB&T from sixth to fifth in deposit market share in both metropolitan Atlanta and Georgia. It would mark the first bank acquisition for BB&T since it acquired St. Petersburg, Fla.-based Republic Bancshares in April 2004.

With \$2.5 billion in assets, Main Street Banks is the largest community bank in metro Atlanta. It operates 24 full-service banking centers and five insurance offices in the Atlanta and Athens, Ga., metropolitan statistical areas.

The transaction, approved by the directors of both companies, is valued at \$28.50 per Main Street share based on BB&T's closing price Wednesday of \$43.17. The exchange ratio will be fixed at 0.6602 of a share of BB&T stock for each share of Main Street stock. The merger, which is subject to regulatory and shareholder approval, is expected to be completed in the second quarter of 2006. Main Street shareholders will receive a 64.5 percent increase in dividend income, once the transaction is complete.

"Our acquisition strategy remains the same -- to pursue very high quality banks and thrifts that improve our financial performance and franchise value," said BB&T Chairman and Chief Executive Officer John Allison. "So we could not be more pleased with the prospects of a merger with Main Street Banks, one of the best community banking franchises in the Southeast. This merger will enhance our ongoing commitment to organic growth by adding state-of-the art, strategically located branches in some of the fastest growing and economically attractive communities you'll find anywhere."

Main Street operates four branches in Fulton County, three in Cobb County, three in Newton County, three in Rockdale County, two in Forsyth County, two in DeKalb County, two in Gwinnett County, two in Walton County, one in Barrow County and two in metro Athens, Ga., located east of greater Atlanta.

The Atlanta metropolitan statistical area, the second largest in the Southeast, is home to nearly five million people. The metro area's population has increased 34 percent since 1994. Bank deposits in this market are approximately \$95 billion.

With an estimated 2005 median household income of \$76,878, Atlanta is ranked as the second wealthiest metro area in the Southeast. It was ranked as the nation's "Best City for Doing Business" by Inc. magazine and is the No. 3 city in the country for most Fortune 500 company headquarters with 13.

Main Street is ranked No. 1 in deposit market share for community banks in four metro Atlanta counties. It also has a strong presence in Athens, named the top small metro area for relocating families by the Worldwide Employee Relocation Council.

"Like BB&T, Main Street is known for highly personal service, top-tier profitability, excellent growth and solid credit quality," said Sam Hay, president and chief executive officer of Main Street Banks. "So this is a great fit. We bring market area demographics that are among the best in the country. And in BB&T we'll have a partner with a broad array of financial products and services that we'll now be able to offer our existing client base. We've been largely focused on real estate lending and developing small business relationships, areas where we've seen great success. Now we'll have truly unlimited opportunities in arenas such as commercial and industrial lending, brokerage and asset management."

Main Street customers 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.

Main Street was founded as The Bank of Covington in 1901. It changed its name to Main Street Banks in 1996. In May 2000, it entered into a merger of equals with Kennesaw, Ga.-based First Sterling Banks Inc., creating a \$900 million bank with 21 branches. First Sterling was

the surviving entity in the merger of equals and adopted Main Street's name. Since then, Main Street has acquired three Atlanta-based banks (the last in May 2003) and three independent insurance agencies.

Robert Fowler, chairman of the executive committee of the Main Street Banks board and a former chairman and chief executive officer of Main Street Banks, will be offered a position on the Branch Banking and Trust Company board of directors for BB&T's lead bank subsidiary. Edward Milligan, chairman and former chief executive officer of Main Street Banks, will be offered a seat on BB&T's Georgia state board. Sam Hay will become a BB&T executive vice president.

The remaining members of the Main Street board of directors will be asked to serve on BB&T's local advisory boards for metro Atlanta.

The merger would increase BB&T's deposits in Georgia to nearly \$6.5 billion. BB&T expects a 35 percent cost savings in the first year after systems conversion.

BB&T bought 17 banks and thrifts from 2000 to 2004 before announcing a moratorium on bank acquisitions to refocus on organic revenue growth and expense control.

Winston-Salem-based BB&T Corporation and its subsidiaries offer full-service commercial and retail banking and additional financial services such as insurance, investments, retail brokerage, corporate finance, consumer finance, treasury services, international banking, leasing and trust.

BB&T operates more than 1,400 financial centers in the Carolinas, Virginia, Maryland, West Virginia, Kentucky, Tennessee, Georgia, Florida, Alabama, Indiana and Washington, D.C.

With \$107.1 billion in assets, BB&T Corp. is the nation's ninth largest financial holding company.