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FOR IMMEDIATE RELEASE

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**BB&T reports increase in 1<sup>st</sup> quarter earnings**  
***Net income totals \$428 million, up 1.7% compared to 2007***

WINSTON-SALEM, N.C. -- BB&T Corporation (NYSE: BBT) reported today net income for the first quarter of 2008 totaling \$428 million, or \$.78 per diluted share, compared with \$421 million, or \$.77 per diluted share, earned during the first quarter of 2007. These results reflect increases of 1.7% and 1.3%, respectively, compared to the first quarter last year.

BB&T's first quarter net income produced annualized returns on average assets and average shareholders' equity of 1.29% and 13.30%, respectively, compared to prior year returns of 1.41% and 14.81%, respectively.

Operating earnings for the first quarter of 2008 totaled \$401 million, or \$.73 per diluted share, excluding \$30 million in net after-tax income associated with the initial public offering by Visa and \$3 million in net after-tax merger-related and restructuring charges. Operating earnings for the first quarter of 2007 totaled \$425 million, or \$.78 per diluted share, excluding \$4 million in net after-tax merger-related and restructuring charges. These results reflect decreases of 5.6% and 6.4%, respectively, compared to the same period last year.

GAAP and operating results include \$43 million in securities gains, a \$12 million charge resulting from a valuation adjustment for bank owned life insurance, a \$6 million reduction in earnings from trading activities and \$223 million in provision for credit losses, all on a pre-tax basis. The securities gains resulted from a sale of available-for-sale securities, which allowed reinvestment at higher rates of return with no additional credit risk. The provision for credit losses exceeded net charge-offs by \$98 million, which resulted in an increase in the allowance for loan and lease losses as a percentage of loans and leases held for investment to 1.19%.

Cash basis operating results exclude the unamortized balances of intangibles from assets and shareholders' equity, and exclude the amortization of intangibles, the net amortization of purchase accounting mark-to-market adjustments, merger-related and restructuring charges or credits and nonrecurring items from earnings. Cash basis operating earnings totaled \$418 million for the first quarter of 2008, a decrease of 5.2% compared to the first quarter of 2007. Cash basis operating diluted earnings

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per share totaled \$.76 for the first quarter of 2008, a decrease of 6.2% compared to \$.81 earned during the same period in 2007. Cash basis operating earnings for the first quarter of 2008 produced annualized returns on average tangible assets and average tangible shareholders' equity of 1.32% and 22.81%, respectively, compared to prior year returns of 1.54% and 28.20%, respectively.

"I am pleased to report solid first quarter results, particularly given the ongoing challenges in residential real estate markets and the broader financial markets," said Chairman and Chief Executive Officer John A. Allison. "Our core businesses are performing reasonably well, producing healthy loan growth and improved revenue growth during the quarter. We are also benefiting from a liability sensitive balance sheet, which generated a very positive improvement in our net interest margin during the quarter. While market conditions are challenging, they have provided opportunities for BB&T to develop new client relationships and I believe we will emerge from this credit cycle a stronger institution."

### **Net Interest Margin Improves to 3.54%**

BB&T's fully taxable equivalent net interest income totaled \$1.0 billion for the first quarter, an increase of 7.4% compared to the same quarter of 2007. The net interest margin was 3.54% for the current quarter, up 8 basis points from 3.46% in the fourth quarter of 2007. The increase reflects benefits realized from BB&T's liability sensitive balance sheet, as short-term interest rates have decreased this quarter, and effective control of liability costs. The increase marks the second consecutive quarter that BB&T's margin has improved.

### **Nonperforming Assets and Credit Losses Affected by Economic Conditions**

"We experienced significant credit deterioration during the first quarter," said Allison. "While we expect further increases in nonperforming assets and charge-offs going forward, we continue to believe that these issues will be manageable. We have added resources in our special assets group, and are working with our clients to assist them during this challenging economic environment."

BB&T's nonperforming asset levels and credit losses increased further in the first quarter of 2008 compared to the fourth quarter of 2007. Nonperforming assets, as a percentage of total assets, increased to .73% at Mar. 31, compared to .52% at Dec. 31, 2007, and .30% at Mar. 31, 2007. Annualized net charge-offs were .54% of average loans and leases for the first quarter of 2008, up from .48% in the fourth quarter of 2007, and .29% in the first quarter of 2007. Excluding losses incurred by BB&T's specialized lending subsidiaries, annualized net charge-offs for the current quarter were .32% of average loans and leases compared to .28% in the fourth quarter last year, and .13% in the first quarter of 2007.

The provision for credit losses totaled \$223 million in the first quarter of 2008, an increase of \$152 million compared to the same quarter last year, and exceeded net charge-offs by \$98 million in the current quarter. The higher provision included an \$84 million increase that resulted from the allowance for loan and lease losses increasing to 1.19% of loans and leases held for investment at Mar. 31, compared to 1.10% at Dec. 31, 2007. The increases in net charge-offs, nonperforming assets and the provision for credit losses were largely driven by continued challenges in residential real estate markets with the largest concentration of credit issues occurring in Georgia, Florida and metro Washington, D.C.

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## **Loan Growth Remains Healthy – Up 9.2%**

Average loans and leases totaled \$92.7 billion for the first quarter of 2008, reflecting an increase of \$7.8 billion, or 9.2%, compared to the first quarter of 2007. This increase was composed of growth in average commercial loans and leases, which increased \$4.4 billion, or 10.8%; average mortgage loans, which increased \$2.1 billion, or 12.7%; average consumer loans, which increased \$879 million, or 3.9%; and growth in average loans originated by BB&T's specialized lending subsidiaries, which increased \$425 million, or 8.7%, compared to the first quarter last year.

## **BB&T's Fee Income Producing Businesses Enjoy Healthy Growth**

On an operating basis, noninterest income increased \$85 million, or 13.0%, during the first quarter of 2008 compared to 2007. These increases include the impact of securities gains, higher revenues from BB&T's insurance operations, service charges on deposit accounts, and other nondeposit fees and commissions, as well as solid performances from both BB&T's investment banking and brokerage operations and mortgage banking operations.

Commissions from BB&T's insurance operations increased 7.6% to \$212 million in the current quarter compared with \$197 million earned in the first quarter of 2007. This increase was primarily the result of new product initiatives that were introduced during the second half of 2007.

Service charges on deposit accounts totaled \$154 million for the first quarter of 2008, an increase of 11.6% compared to \$138 million earned in the same quarter last year. This increase was attributable to growth in revenues from overdraft items.

Other nondeposit fees and commissions totaled \$128 million for the first quarter of 2008, an increase of 12.3% compared to the first quarter of 2007. This increase was generated primarily by growth in bankcard income and debit card related services.

BB&T's investment banking and brokerage operations produced increased revenues as fees increased 4.9% to \$86 million compared to \$82 million earned in the same quarter last year. This increase was primarily driven by increased sales at BB&T Investment Services.

Revenues from mortgage banking operations totaled \$59 million for the first quarter of 2008, an increase of \$29 million, or 96.7% compared to the first quarter of 2007. This increase was affected by the adoption of new fair value accounting standards and the net change in the mortgage servicing rights valuation. Fair value accounting increased mortgage banking income by \$31 million, and also resulted in a \$16 million increase in personnel expense during the quarter. The net change in the valuation of mortgage servicing rights resulted in a \$6 million decline compared to the first quarter of 2007. Excluding the impact of these items, mortgage banking income increased \$4 million, or 15.4%, compared to the same period last year.

Other noninterest income, on an operating basis, totaled \$15 million for the first quarter of 2008 compared to \$62 million earned in the same quarter last year, a decrease of 75.8%. This decrease resulted from a decline of \$15 million in bank owned life insurance, a prior-period sale of an insurance operation which produced a gain of \$19 million in the first quarter last year, a \$6 million reduction in income from trading activities and a \$6 million charge related to the adoption of fair value accounting.

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## Capital Levels Remain Very Strong

BB&T's tangible and regulatory capital levels exceeded all internal targets and remained very strong at Mar. 31. BB&T's tangible capital ratio was 5.6% at Mar. 31, and the Tier 1 leverage ratio was 7.3%. In addition, BB&T's Tier 1 risk-based capital and total risk-based capital ratios were 9.0% and 14.1%, respectively, all very healthy capital levels. Given these strong capital levels, management anticipates that BB&T will provide some increase in the cash dividend during 2008, which will mark the 37<sup>th</sup> consecutive year that BB&T has increased its dividend. This excellent history has gained BB&T recognition as a Merger Dividend Achiever and a Standard and Poors Dividend Aristocrat.

## BB&T Expands Insurance Business

BB&T expanded its Florida insurance operations with the acquisition of Burkey Risk Services of metro Orlando. Burkey Risk Services provides risk management and employee benefits services. BB&T also acquired Savannah Reinsurance Underwriting Management LLC, a reinsurance broker based in Stamford, Ct. Also, in early January 2008, BB&T Insurance Services expanded its metro Atlanta operation with the acquisitions of Ott & Company of Alpharetta, Ga., and Ramsay Title Group of Norcross, Ga.

At Mar. 31, BB&T had \$136.4 billion in assets and operated 1,494 banking offices in the Carolinas, Virginia, West Virginia, Kentucky, Georgia, Maryland, Tennessee, Florida, Alabama, Indiana and Washington, D.C. BB&T's common stock is traded on the New York Stock Exchange under the trading symbol BBT. The closing price of BB&T's common stock on Apr. 16 was \$32.60 per share.

For additional information about BB&T's financial performance, company news, products and services, please visit our Web site at [www.BBT.com](http://www.BBT.com).

## Earnings Webcast

To hear a live webcast of BB&T's first quarter 2008 earnings conference call at 11:00 a.m. (EDT) today, please visit our Web site at [www.BBT.com](http://www.BBT.com). Replays of the conference call will be available through our Web site until 5 p.m. (EDT) on Friday, May 2.

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*Risk-based capital ratios are preliminary.*

*This press release contains financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America ("GAAP"). BB&T's management uses these "non-GAAP" measures in their analysis of the Corporation's performance. Non-GAAP measures typically adjust GAAP performance measures to exclude the effects of charges, expenses and gains related to the consummation of mergers and acquisitions, and costs related to the integration of merged entities, as well as the amortization of intangibles and purchase accounting mark-to-market adjustments in the case of "cash basis" performance measures. These non-GAAP measures may also exclude other significant gains, losses or expenses that are unusual in nature and not expected to recur. Since these items and their impact on BB&T's performance are difficult to predict, management believes presentations of financial measures excluding the impact of these items provide useful supplemental information that is important for a proper understanding of the operating results of BB&T's core businesses. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.*

*This press release contains certain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These statements may address issues that involve significant risks, uncertainties, estimates and assumptions made by management. Actual results may differ materially from current projections. Please refer to BB&T's filings with the Securities and Exchange Commission for a summary of important factors that may affect BB&T's forward-looking statements. BB&T undertakes no obligation to revise these statements following the date of this press release.*