July 17, 2008

FOR IMMEDIATE RELEASE

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BB&T reports net income of $428 million;
Earnings per share total $.78 for the 2nd quarter

WINSTON-SALEM, N.C. -- BB&T Corporation (NYSE: BBT) reported today net income for the second quarter of 2008 totaling $428 million, or $.78 per diluted share, compared with $458 million, or $.83 per diluted share, earned during the second quarter of 2007. These results reflect decreases of 6.6% and 6.0%, respectively, compared to the same quarter last year.

BB&T's second quarter net income produced annualized returns on average assets and average shareholders' equity of 1.27% and 13.27%, respectively, compared to prior year returns of 1.47% and 15.18%, respectively.

Operating earnings for the second quarter of 2008 totaled $377 million, or $.69 per diluted share, excluding a $30 million after-tax gain from the sale of Visa stock, a $22 million after-tax gain from an extinguishment of debt and $1 million in net after-tax merger-related and restructuring charges. Operating earnings for the second quarter of 2007 totaled $461 million, or $.83 per diluted share, excluding $3 million in net after-tax merger-related and restructuring charges.

GAAP and operating results include a $330 million provision for credit losses. The provision exceeded net charge-offs by $160 million and resulted in an increase in the allowance for loan and lease losses as a percentage of loans and leases held for investment to 1.33%.

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 $392 million for the second quarter of 2008 compared to $477 million earned in the second quarter of 2007. Cash basis operating diluted earnings per share totaled $.71 for the second quarter of 2008 compared to $.86 earned during the same period in 2007. Cash basis operating earnings for the second quarter of 2008 produced annualized returns on average tangible assets and average tangible shareholders' equity of 1.22% and 21.44%, respectively, compared to prior year returns of 1.61% and 28.48%, respectively.

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“While we continue to be affected by the challenges of the current credit cycle, the encouraging news is that our core operations are producing solid results,” said Chairman and Chief Executive Officer John A. Allison. “Nonperforming assets and net charge-offs continued to increase during the quarter, as did the provision for credit losses. We remain focused on client service and are partnering with our clients to prudently work through the challenging economic environment. In addition, we are working to aggressively deal with problem assets, and believe our credit issues are manageable.

“Revenue growth was solid during the quarter, driven primarily by an increase in net interest income and an improvement in our net interest margin to 3.65%. Also, we enjoyed healthy loan growth and improved noninterest income as many of our fee income businesses turned in strong performances this quarter. Finally, we were very pleased to increase the quarterly cash dividend, extending a long history of dividend increases. Despite the numerous challenges being faced by the financial services industry, BB&T is stable, financially sound and has healthy capital levels.”

For the first six months of 2008, BB&T’s net income was $856 million compared to $879 million earned in the first six months of 2007, a decrease of 2.6%. Diluted earnings per share for the first half of 2008 totaled $1.56 compared to $1.60 earned during the same period in 2007. Excluding merger-related and restructuring charges or credits and nonrecurring items, operating earnings for the first half of 2008 totaled $778 million, or $1.42 per diluted share, compared to $886 million, or $1.61 per diluted share, earned during the first six months of 2007.

Nonperforming Assets and Credit Losses Increase

BB&T’s nonperforming asset levels and credit losses increased further in the second quarter of 2008 compared to the first quarter of 2008. Nonperforming assets, as a percentage of total assets, increased to .95% at June 30, compared to .73% at March 31 and .33% at June 30, 2007. Annualized net charge-offs were .72% of average loans and leases for the second quarter of 2008, up from .54% in the first quarter of 2008 and .35% in the second quarter of 2007. Excluding losses incurred by BB&T’s specialized lending subsidiaries, annualized net charge-offs for the current quarter were .53% of average loans and leases compared to .32% in the first quarter of 2008 and .20% in the second quarter of 2007.

The provision for credit losses totaled $330 million in the second quarter of 2008, an increase of $242 million compared to the same quarter last year, and exceeded net charge-offs by $160 million in the current quarter. 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.

Net interest margin improves to 3.65%

BB&T’s fully taxable equivalent net interest income totaled $1.1 billion for the second quarter, an increase of 10.7% compared to the same quarter of 2007. The net interest margin was 3.65% for the current quarter, up 11 basis points from 3.54% for the first quarter of 2008. The increase marks the third consecutive quarter that BB&T’s margin has improved. Management currently anticipates some continued expansion of the net interest margin for the remainder of the year.

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BB&T's Fee-Based Businesses Produce Solid Quarterly Growth Rates

On an operating basis, noninterest income increased $51 million, or 7.0%, during the second quarter of 2008 compared to 2007. These increases include higher revenues generated by BB&T's insurance operations, service charges on deposit accounts and other nondeposit fees and commissions as well as a solid performance from BB&T's mortgage banking operations.

Income from BB&T's insurance operations increased 3.5% to a record $237 million in the current quarter compared with $229 million earned during the second quarter last year. 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 $172 million for the second quarter of 2008, an increase of 13.9% compared to $151 million earned in the same quarter last year. This increase was primarily attributable to growth in revenues from overdraft items.

Other nondeposit fees and commissions totaled $139 million for the second quarter of 2008, an increase of 9.4% compared to the second quarter of 2007. This increase was generated primarily by growth in bankcard income and debit card related services.

Revenues from mortgage banking operations totaled $57 million for the second quarter of 2008, an increase of $26 million, or 83.9%, compared to the second quarter of 2007. This increase reflects the adoption of fair value accounting standards and the net change in the mortgage servicing rights valuation. Fair value accounting increased mortgage banking income by $19 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 $5 million decline compared to the second quarter of 2007. Excluding the impact of these items, mortgage banking income increased $12 million, or 37.5%, compared to the same period last year. The growth in mortgage is primarily due to increased income from loan servicing.

Other noninterest income, on an operating basis, totaled $39 million for the second quarter of 2008 compared to $61 million earned in the same quarter last year, a decrease of 36.1%. The adoption of fair value accounting standards resulted in a decline of $6 million in other income. In addition, net revenues from BB&T's venture capital investments declined $15 million, and earnings from investments in low income housing partnerships that generate tax benefits declined $13 million compared to the second quarter of 2007.

Loan Growth Remains Healthy – Up 9.1%

Average loans and leases totaled $94.9 billion for the second quarter of 2008, reflecting an increase of $7.9 billion, or 9.1%, compared to the second quarter of 2007. This increase was composed of growth in average commercial loans and leases, which increased $5.2 billion, or 12.3%; average mortgage loans, which increased $1.7 billion, or 9.7%; average sales finance loans, which increased $365 million, or 6.3%; average revolving credit loans, which increased $211 million, or 14.9%; average direct retail loans, which increased $146 million, or 0.9%; and growth in average loans originated by BB&T's specialized lending subsidiaries, which increased $371 million, or 7.3%, compared to the second quarter last year.

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BB&T Increases Quarterly Cash Dividend; Capital Levels Remain Strong

On June 24, BB&T's Board of Directors approved a 2.2% increase in the quarterly cash dividend paid to shareholders. The increase, to $.47 per share, marks the 37th consecutive year that BB&T has raised its cash dividend to shareholders. BB&T has paid a cash dividend to shareholders every year since 1903. The 10-year compound growth rate for BB&T's quarterly dividend payment is 10.4%. This excellent dividend paying history has gained BB&T recognition as a Mergent Dividend Achiever and a Standard and Poor's Dividend Aristocrat.

BB&T's tangible and regulatory capital levels remained healthy at June 30. BB&T's tangible capital ratio was 5.7% at June 30, and the Tier 1 leverage ratio was 7.2%. In addition, BB&T's Tier 1 risk-based capital and total risk-based capital ratios were 8.9% and 14.1%, respectively. BB&T's risk-based capital ratios are significantly higher than an average of its peers, and remain well above regulatory standards for well-capitalized banks.

BB&T Continues to Expand Insurance Business

On June 2, BB&T Insurance Services continued its expansion with the acquisition of UnionBanc Insurance Services Inc. of San Diego, Ca. This acquisition will strengthen BB&T's overall investment in insurance on the West Coast.

At June 30, BB&T had $136.5 billion in assets and operated 1,489 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 July 16 was $24.50 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.

Earnings Webcast

To hear a live webcast of BB&T's second quarter 2008 earnings conference call at 11:00 a.m. (EDT) today, please visit our Web site at www.BBT.com. Replays of the conference call will be available through our Web site until 5 p.m. (EDT) on Friday, Aug. 1.

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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.