# BB&T Corporation

Dodd-Frank Act Company-run Stress Test Disclosure
March 5, 2015

## Introduction

BB&T Corporation (BB&T) is one of the largest financial services holding companies in the U.S. with $186.8 billion in assets and market capitalization of $28.0 billion, as of December 31, 2014. Based in Winston-Salem, N.C., the company operates 1,839 financial centers in 12 states and Washington, D.C., and offers a full range of consumer and commercial banking, securities brokerage, asset management, mortgage and insurance products and services. A *Fortune 500* company, BB&T has been recognized for outstanding client satisfaction by J.D. Power and Associates, the U.S. Small Business Administration, Greenwich Associates, and others.

As one of the largest banking organizations, BB&T is subject to the Comprehensive Capital Analysis and Review (CCAR) and is required to provide company-run stress test disclosures under the Dodd-Frank Wall Street Reform and Consumer Protection Act (DFA) twice a year. This document provides the results of BB&T's DFA year-end company-run stress test under a hypothetical macroeconomic scenario determined by bank regulators. This disclosure precedes BB&T's planned release of its CCAR results, which are expected to be available March 11. The CCAR stress test includes BB&T's planned capital actions for the year including dividend increases, share buybacks, and other potential actions.

For its company-run stress tests, BB&T developed stress testing models specific to the company that considered each applicable risk in the scenario. These models were designed to capture BB&T's exposures and the effect of the stress scenario on the company's performance in light of BB&T's particular mix of assets and businesses and the specific effects on the markets where BB&T operates. The DFA stress test results presented are not intended to be an indicator of the Federal Reserve Board's (Fed's) decision on a bank's capital plan, and investors should not make any inference about BB&T's CCAR capital request or the likelihood of receiving no objection from the Fed. In addition, the results here are not comparable to the results presented by other institutions or to prior periods.

This document includes a discussion of the company-run stress test results under the Supervisory Severely Adverse scenario as required by the DFA and forms the basis of most of the discussion on the following pages.

The March 2014 DFA stress test results and the March 2015 DFA stress test results may not be comparable. The supervisory scenario is not a forecast of anticipated economic conditions; therefore, estimates produced under the company-run stress test are not forecasts of expected losses, revenues, net income before taxes, or capital ratios. For additional financial information about BB&T, please visit www.BBT.com/about.

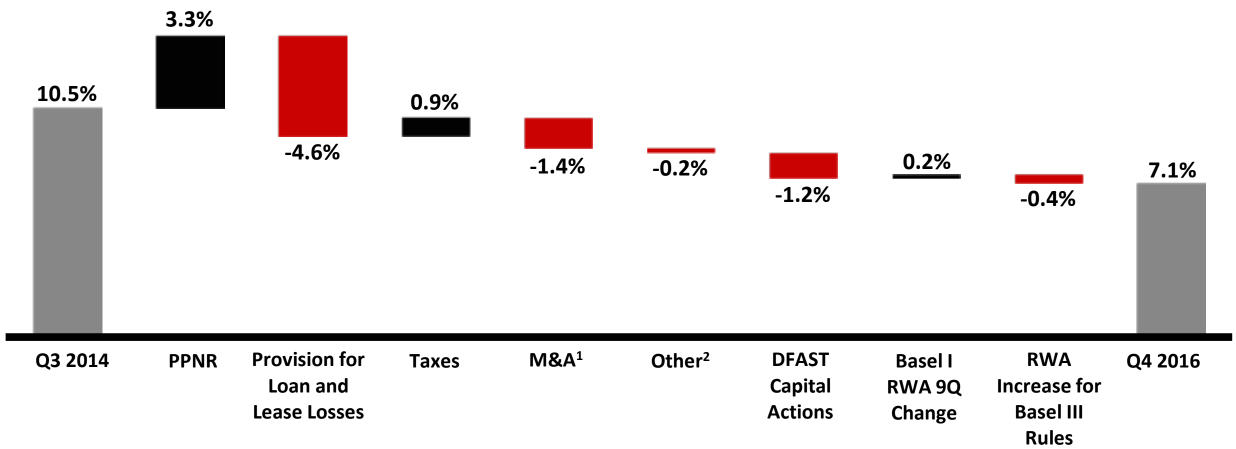
## Summary of Results

BB&T's performance under the Supervisory Severely Adverse scenario indicated that BB&T would maintain strong capital levels to withstand a severe recession. Results showed a significant reduction in net income, which was driven by high unemployment levels, a decline in housing prices, a flat yield curve, and a combination of other stressed economic factors.

Projected changes in capital in the Supervisory Severely Adverse scenario were driven primarily by reduced levels of net income available to common shareholders. The effects of the Supervisory Severely Adverse scenario on net income include higher loan charge-offs, increased foreclosure expenses and a higher provision for loan and lease losses. BB&T net interest income was impacted negatively by increased nonperforming loans and flat yield curve. Capital levels were further reduced by disallowed deferred tax assets (DTAs) and higher risk-weighted assets. Please refer to the table of loan losses in the Credit Loss Forecasts section below for the composition of projected loan charge-offs.

The pending acquisitions of The Bank of Kentucky, Citi Texas branches, and Susquehanna Bancshares, Inc., are reflected in the stress test results.

The chart below shows material impacts to BB&T's common equity Tier 1 capital ratio under the Supervisory Severely Adverse scenario.




1 Includes equity issued, regulatory deductions, one-time expenses, and risk-weighted assets associated with acquisitions.
2 Includes losses on securities, net income attributable to minority interests, changes in equity related to equity-based compensation, and regulatory deductions excluding M&A-related deductions.

| Actual Q3 2014 and Projected Q4 2016 Risk-weighted Assets | | | |
|---|---|---|---|
| | | Projected Q4 2016 | |
| | Actual Q3 2014 | Current general risk-based approach | Basel III standardized approach |
| **BB&T Corporation** | | | |
| Risk-weighted assets (billions of dollars) | 140.5 | 154.1 | 160.9 |
| **Branch Banking and Trust Company** | | | |
| Risk-weighted assets (billions of dollars) | 136.6 | 150.7 | 157.4 |

1 Risk-weighted assets are calculated under the transition rules for the Basel III standardized capital approach.

## Risks

BB&T administers its company-run stress tests through its Capital Adequacy Process (CAP). The CAP identifies and quantifies the company's material risks under different hypothetical risk events prescribed by the Supervisory Severely Adverse scenario. These risks range from idiosyncratic risks (geographic footprint and credit portfolio concentrations) to broad economic, political, and regulatory and compliance risks that BB&T believes may impact the company. The types of risks addressed by the company-run stress tests under the Supervisory Severely Adverse scenario are listed below.

> **Credit Risk –** The risk to earnings or capital arising from the default, inability, or unwillingness of a borrower, obligor, or counterparty to meet the terms of any financial obligation with BB&T or otherwise perform as agreed.
>
> **Market Risk –** The risk to earnings or capital arising from changes in the market value of portfolios, securities, or other financial instruments due to changes in the level, volatility, or correlations among financial market rates or prices, including interest rates, foreign exchange rates, equity prices, commodity prices, or other relevant rates or prices.
>
> **Liquidity Risk –** The risk to ongoing operations, arising from the inability to accommodate liability maturities, deposit withdrawals, fund asset growth, or meet contractual obligations when they come due.
>
> **Operational Risk –** The risk to earnings or capital arising from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, which is the risk of loss arising from defective transactions, litigation or claims made, or the failure to adequately protect company-owned assets.
>
> **Compliance Risk –** The risk to earnings, capital, or reputation arising from violations of or noncompliance with current and changing laws, regulations, supervisory guidance, regulatory expectations, or the rules, standards, or codes of conduct of self-regulatory organizations.
>
> **Strategic Risk –** The risk to earnings, capital, enterprise value, and to the achievement of BB&T's Vision, Mission, Purpose and business objectives consistent with our Values that arises from BB&T's business strategy, adverse business decisions, improper or ineffective implementation of decisions, or lack of responsiveness to changes in the business environment.
>
> **Reputation Risk –** The risk to earnings, capital, enterprise value, the BB&T brand, and public confidence arising from negative publicity or public opinion, whether real or perceived, regarding BB&T's business practices, products and services, transactions, or other activities undertaken by BB&T, its representatives, or its partners.

BB&T addressed each of the above risk types in its company-run stress tests. BB&T's credit loss models are specifically designed to capture credit risk and potential effects on the performance of the bank's portfolios and revenue generating activities. Balance sheet projections and trading activities account for market risk in the stress scenario. BB&T's liquidity management process takes liquidity risk into account within the projections of costs and sources of funding on the balance sheet. For the company-run stress tests, BB&T supplemented the stress scenario with hypothetical operational loss events, including events related to pending acquisitions, of which the company analyzes as part of its risk management program to capture risks relevant to the bank's operations, incorporating considerations of reputation risk into analyses of potential revenue loss. To address compliance risk, BB&T also supplemented the stress scenario with hypothetical regulatory risk events designed to stress revenue projections in light of changes in banking regulations. BB&T addressed strategic risk in the stress scenario by modifying loan and deposit initiatives to preserve capital and enhance liquidity.

## Supervisory Severely Adverse Scenario Design

For its company-run stress tests, BB&T used macroeconomic scenarios distributed by regulatory agencies on October 23, 2014.[1] BB&T further defined the scenario to include regional variables that provide more complete detail to the regulatory scenario. The scenario uses hypothetical operational, compliance, and strategic loss events designed specifically to capture BB&T's vulnerabilities to increase its severity.

The Supervisory Severely Adverse scenario features a substantial weakening in global economic activity with conditions similar to post-war U.S. recessions. The unemployment rate also is noted as the primary macroeconomic driver in the approach. The scenario assumes:

- Real GDP declines 4.6% (cumulative) from third quarter of 2014 to fourth quarter of 2015 then improves by 2.1% in 2016.
- Unemployment rate rises rapidly to 10.1% by the second quarter of 2016, averaging 9.1% in 2015 and 10.0% in 2016.
- CPI inflation increases to 4.3% for the fourth quarter of 2014. However, it declines thereafter to 1.1% by the fourth quarter of 2015, averaging 1.8% in 2015 and 1.9% in 2016.
- Equity prices fall cumulatively 57.9% from third quarter of 2014 to fourth quarter of 2015. The index[2] hits a low in the fourth quarter of 2015, but remains above the low seen in the Great Recession. Equity prices start to rebound in 2016 increasing 33.8% during the year. The equity market volatility index increases more than 465% in the fourth quarter of 2014, then declines slightly in 2015 but at elevated levels, gradually returning to current levels by the end of 2016.
- Nominal home prices decline each quarter with a cumulative decline of 25.4% through the end of 2016. Prices fall below the lowest level seen in the Great Recession (2007-2009) in the second quarter of 2016 and continue to decline through the end of 2016.
- Commercial real estate prices decline 35.4% starting in the first quarter of 2015 to their trough in the third quarter of 2016.
- Short-term Treasury rates remain near zero throughout the scenario. The prime rate remains unchanged through the scenario.
- Long-term Treasury yields drop 160 basis points in the fourth quarter of 2014 to yield 0.9%, before increasing gradually 100 basis points over the next two years to 1.9% by the end of 2016. Mortgage rates increase to 5.0% by the third quarter of 2015 before

[1] Descriptions of the supervisory scenarios are available at http://www.federalreserve.gov/newsevents/press/bcreg/bcreg20141023a1.pdf
[2] For supervisory scenarios, the Dow Jones Total Stock Market Index was used.

declining slightly in 2016. Mortgage spreads to Treasury yields increase almost 200 basis points by the first quarter for 2015, averaging 3.6% in 2015 and 3.1% in 2016.

- BBB corporate spread increases rapidly by 330 basis points through the third quarter of 2015, then declines by 140 basis points through the fourth quarter of 2016.

BB&T management also included four company-specific idiosyncratic events and three systemic regulatory risk events, including events related to pending acquisitions, in the stress scenario.

Key macroeconomic variable paths under the Supervisory Severely Adverse scenario are detailed in the table below.

**Supervisory Severely Adverse Scenario – Paths of Selected Macroeconomic Variables**

| Quarter Ending | 3-month T-bill Yield | 10-year T-bond Yield | 30-year Mortgage Rate | CoreLogic HPI Cumulative Change | Real GDP Annualized Change | Unemployment Rate National | Unemployment Rate Regional | Dow Jones Cumulative Change |
|---|---|---|---|---|---|---|---|---|
| 9/30/2014 | 0.03% | 2.50% | 4.1% | - | 3.1% | 6.1% | 6.6% | - |
| 12/31/2014 | 0.10% | 0.90% | 4.2% | (1.5%) | (3.9%) | 6.9% | 7.4% | (16.3%) |
| 3/31/2015 | 0.10% | 1.00% | 4.6% | (4.7%) | (6.1%) | 8.0% | 8.4% | (38.9%) |
| 6/30/2015 | 0.10% | 1.20% | 4.8% | (8.4%) | (3.9%) | 8.8% | 9.2% | (50.2%) |
| 9/30/2015 | 0.10% | 1.30% | 5.0% | (12.4%) | (3.2%) | 9.5% | 9.9% | (57.1%) |
| 12/31/2015 | 0.10% | 1.50% | 5.0% | (16.2%) | (1.5%) | 9.9% | 10.3% | (57.9%) |
| 3/31/2016 | 0.10% | 1.50% | 4.9% | (19.6%) | 1.2% | 10.0% | 10.4% | (55.6%) |
| 6/30/2016 | 0.10% | 1.60% | 4.8% | (22.5%) | 1.2% | 10.1% | 10.5% | (53.0%) |
| 9/30/2016 | 0.10% | 1.80% | 4.8% | (24.2%) | 3.0% | 10.0% | 10.3% | (48.8%) |
| 12/31/2016 | 0.10% | 1.90% | 4.7% | (25.4%) | 3.0% | 9.9% | 10.2% | (43.7%) |

## Methodologies

BB&T's methodologies focus on defining the relationship between macroeconomic variables assumed by the scenario and BB&T's activities to estimate potential outcomes for the scenario. The stress testing process relies on a combination of econometric models, other quantitative methods, and qualitative assessments to produce the hypothetical stressed outcomes. The effect of model sensitivity, limitations, and assumptions are factored into projections to account for the inherent uncertainties that exist in such an exercise.

In addition, BB&T's stress testing framework uses qualitative components intended to enhance the rigor of the process. In most cases, qualitative assessments are used to decrease revenue projections or increase loss estimates under the scenario. BB&T believes the involvement of qualitative assessment in considering the stress scenario and possible outcomes improves the capital adequacy assessment. The qualitative reviews are performed by BB&T senior management across the organization including risk management, finance, and the lines of business.

As required by the Fed in its instructions for the 2015 stress tests, institutions are required to incorporate any proposed business changes in their stress test results. Accordingly, BB&T's capital plan submission included a pro forma projection of assets, results of operations, and net capital issuance incorporating the pending acquisitions. The net change in capital from business combinations accounts for the credit mark, interest rate mark, and the DTA related to the mark.

The methodologies applied to generate BB&T's results under the scenario are segmented into four broad categories, discussed below.

**Balance Sheet**

The balance sheet and net interest income under stressed economic conditions were projected for loans, securities, deposits, and borrowings based on a combination of econometric models, other quantitative methods, and qualitative assessments. Models and other quantitative methods projected average outstanding balances for each loan and deposit category based on historical relationships with macroeconomic variables in the scenario. Qualitative adjustments took into consideration the mortgage loan production pipeline and net charge-offs, expected BB&T initiatives, and assumptions regarding pricing spreads and new debt issuances. These adjustments were modified for the stressed macroeconomic scenario based on the likelihood of execution. For example, a BB&T initiative to grow deposits in a baseline scenario may be unlikely to succeed in a severe recession.

BB&T used qualitative reviews of interest rate levels and other macroeconomic variables to ensure balance sheet results were consistent with the stress scenario being modeled. Liquidity management took into consideration the qualitative factors relevant to the scenario. The securities portfolio and wholesale funding sources were reviewed for their applicability to the scenario along with the relative pricing of instruments used for liquidity management.

Net interest income was based on the projected balance sheet and pricing spreads unique to the scenario.

**Income Statement**

BB&T's noninterest income and expense are projected using a combination of econometric models and other quantitative methods. Lines of business forecasters review these estimates and provide qualitative adjustments to reflect the likely outcomes under the stress scenario. These estimates are reviewed by management and are entered into a central reporting platform that aggregates the income statement.

To increase the level of governance and promote effective review and challenge, management conducts challenge meetings for the critical steps of the stress testing process, including the income statement forecast. Results and overlays from the lines of business are discussed and adjustments are made to the overlays to align the models' projections with the conditions of the scenario.

Projected losses, revenue, and income before tax for the Supervisory Severely Adverse scenario are provided in the table below.

| Projected Losses, Revenue, and Net Income before Taxes through Q4 2016 – BB&T Corporation | | |
|---|---|---|
| | Amount ($ in billions) | Percent of Average Assets[1] |
| Pre-provision Net Revenue[2] | 4.9 | 2.5% |
| Other Revenue[3] | - | - |
| Provisions | (7.2) | (3.6%) |
| Realized Gains/(Losses) on Securities (AFS/HTM) | (0.2) | (0.1%) |
| Trading and Counterparty Losses[4] | - | - |
| Other Gains/(Losses)[5] | - | - |
| Net Income Before Taxes | (2.5) | (1.3%) |

[1] Calculated on a cumulative basis over the 9-quarter period (not annualized). Numbers may not total due to rounding.
[2] Pre-provision net revenue includes losses from operational risk events and mortgage put-back expenses.
[3] Other revenue includes one-time income and (expense) items not included in pre-provision net revenue.
[4] BB&T Corporation is not subject to the market shock component of the stress test.
[5] Other losses/gains includes projected change in fair value of loans held for sale and loans held for investment measured under the fair-value option, and goodwill impairment losses.

## Credit Loss Forecasts

BB&T has developed and maintains models for use in forecasting loan and lease losses. The credit loss forecasting models used the projected portfolio balances from the balance sheet baseline forecast, as described above, and the macroeconomic scenarios contemplated by the stressed scenario as their primary inputs. Macroeconomic variables affect loan and lease loss forecasts through one of two approaches, both of which are used commonly in the banking industry.

In the first approach, several models utilize probability of default, loss given default, and exposure at default assumptions. This loss forecast approach was used in the portfolio credit-rating migration models that project the percentage of the portfolio that would default due to economic stress. This approach also was used in the loan-level models that utilize detailed account information to produce credit loss forecasts.

In the second approach, certain models follow a net charge-off framework, in which charge-offs were calculated as a percentage of balances. This approach was applied at either a portfolio or segmented portfolio level.

For both approaches, the primary driver of credit losses forecasted for a loan portfolio was the macroeconomic scenario and the current composition of the loan portfolio. For purposes of stress testing, BB&T segmented its loan portfolio between commercial and retail loans. The methodologies and key macroeconomic variables used to calculate loan loss projections were as follows:

- Commercial Portfolios
  BB&T segmented its commercial portfolios to include commercial credit exposure across products including Commercial and Industrial (C&I) and Commercial Real Estate (CRE). The commercial loss forecasting models are multi-component frameworks that forecast milestones in a loan's lifecycle including ratings transition, utilization, and loss given default. BB&T estimated default risk via forecasts of risk grade and default migrations as a function of macroeconomic conditions. Default risk was modeled by segment. While most segments used multiple and diverse macroeconomic factors to predict loan losses,

the primary macroeconomic loss driver for the C&I portfolio was regional unemployment. For CRE the primary default risk drivers were the regional unemployment rate and rent/property value growth rates.

Specialized lines of business with limited loss history were forecasted using the models for the broader commercial portfolio. For example, losses on the portfolio of BB&T's specialty commercial real estate finance business were estimated using the CRE loss model; while losses on the portfolio for BB&T's insurance premium financing business were estimated using the C&I loss model.

- Retail Portfolios
  The retail portfolios include direct retail lending, revolving credit, residential mortgage, sales finance, and other loans originated by certain retail-oriented subsidiaries. BB&T retail portfolios often were segmented by loan-level characteristics. For portfolio histories that include credit factors, loan vintages were used as another segmentation factor. Key macroeconomic drivers for retail loss forecasts included the regional unemployment rates and home price indices.

In addition to the econometric modeling approaches described above, BB&T made quantitative adjustments to model outputs to capture other risks in the scenario. These quantitative adjustments and other qualitative adjustments were reviewed by management to ensure the impact was consistent with the scenario.

*Loss Forecasting Process*
Credit loss forecasts were inputs to both the balance sheet and income statement projection processes. The credit loss forecasting models for the loan portfolios projected loan losses and nonaccrual balances over a 13-quarter stress horizon and included new loan projections for each period. Modeled results projected beyond the ninth quarter of the scenario were used to calculate loan loss provision expense on the income statement and allowance for loan and lease losses on the balance sheet.

Macroeconomic factors drove all the credit loss models. The more material economic drivers in the credit models were trends in unemployment, home prices, and other variables that characterized the overall health of the economy (e.g., disposable income and consumer price inflation).

Projected loan losses by loan type for the Supervisory Severely Adverse scenario are shown in the table below.

| Projected Loan Losses, by Type of Loans, Q4 2014-Q4 2016 – BB&T Corporation | Amount ($ in billions) | Portfolio Loss Rates (%)[2] |
|---|---|---|
| Loan Losses[1] | 4.9 | 3.9% |
| First Lien Mortgages, Domestic | 0.6 | 2.0% |
| Junior Liens and HELOCs, Domestic | 0.2 | 2.9% |
| Commercial and Industrial | 0.9 | 4.7% |
| Commercial Real Estate | 1.5 | 4.5% |
| Credit Cards | 0.2 | 10.0% |
| Other Consumer | 1.0 | 5.9% |
| Other Loans | 0.3 | 2.5% |

[1] Commercial and Industrial loans include small and medium enterprise loans and corporate cards. Average loan balances used to calculate portfolio loss rates exclude loans held for sale and loans held for investment under the fair-value option.

[2] Cumulative loss rates over the 9-quarter period.

## Changes in Capital and Capital Ratios

Capital levels were forecasted based on income and balance sheet projections. The process produced capital level projections over a nine-quarter horizon by forecasting quarterly changes in capital levels and added those changes to actual balances.

Forecasted changes in capital levels began with a forecast of changes in total common equity. This was determined by adding projected net income available to common shareholders and changes to equity resulting from issuances and equity-based compensation and subtracting cash dividends to common shareholders and share repurchases. Changes in accumulated other comprehensive income were estimated by adding projected changes in unrealized gains and losses on available-for-sale securities, unrealized gains and losses on derivatives held as cash flow hedges, and accumulated net gains and losses related to the pension asset.

Changes in Tier 1 common and common equity Tier 1 capital were determined by adding the aforementioned changes in common equity and subtracting changes in regulatory deductions. Regulatory deductions under current rules applicable to BB&T Corporation and Branch Banking and Trust Company (Branch Bank) include goodwill and other intangible assets, net of associated deferred tax liabilities (DTL), unrealized gains and losses on available-for-sale items, gains and losses on cash flow hedges, accumulated net gains and losses related to the pension asset, disallowed deferred tax assets, disallowed servicing assets, and nonfinancial equity investments.

Disallowed goodwill and other intangible assets were projected to decrease by the amount of the amortization of intangible assets included in the net income forecast and increase by goodwill and other intangible assets resulting from planned acquisitions.

Regulatory deductions from common equity Tier 1 capital under the revised capital rule that are applicable to BB&T Corporation and Branch Bank include goodwill and other intangible assets, net of associated DTLs, unrealized gains and losses on available-for-sale items, gains and losses on cash flow hedges, accumulated net gains and losses related to the pension asset, DTAs that arise from net operating loss (NOL) and tax credit carry forwards and threshold deductions.

Tier 1 capital was calculated by adding projections of preferred equity to projections of Tier 1 common capital. Additional Tier 1 capital deductions under the revised capital rule include DTAs that arise from NOL and tax credit carry forwards not deducted from common equity Tier 1 capital. For BB&T Corporation, 50% of the minimum regulatory capital requirement of insurance underwriting subsidiaries also is deducted from Tier 1 capital.

Changes to Tier 2 capital were determined by adding projected changes in subordinated debt includible in Tier 2 capital and the amount of the allowance for loan and lease losses includible in Tier 2 capital.

Projections in changes of risk-weighted assets (RWA) were based on quarterly changes in balance sheet items and regulatory risk weights. RWA was calculated under both current and revised regulatory capital frameworks.

Projected capital ratios for the Supervisory Severely Adverse scenario, including the impact of BB&T's pending acquisitions, are shown in the table below.

**Projected Stressed Capital Ratios through Q4 2016**

| | Actual | Stressed Capital Ratios[1] | |
|---|---|---|---|
| | Q3 2014 | Q4 2016 | Minimum[2] |
| **BB&T Corporation** | | | |
| Tier 1 Common Ratio (%)[3] | 10.5% | 7.3% | 7.3% |
| Common Equity Tier 1 Ratio (%) | 10.5% | 7.1% | 7.1% |
| Tier 1 Risk-based Capital Ratio (%) | 12.4% | 8.4% | 8.4% |
| Total Risk-based Capital Ratio (%) | 15.1% | 10.5% | 10.5% |
| Tier 1 Leverage Ratio (%) | 9.7% | 6.8% | 6.8% |
| **Branch Banking and Trust Company** | | | |
| Tier 1 Common Ratio (%)[3] | 11.8% | 9.4% | 9.4% |
| Common Equity Tier 1 Ratio (%) | 11.8% | 8.8% | 8.8% |
| Tier 1 Risk-based Capital Ratio (%) | 11.8% | 8.8% | 8.8% |
| Total Risk-based Capital Ratio (%) | 13.6% | 11.8% | 11.5% |
| Tier 1 Leverage Ratio (%) | 9.2% | 7.1% | 7.1% |

[1] The BB&T Corporation capital ratios are calculated using capital action assumptions provided within the Dodd-Frank Act stress testing rule. The Branch Banking and Trust Company capital ratios are calculated using alternative capital actions that the company would undertake during a stressed period.

[2] All bank holding companies (BHCs) are subject to the common equity tier 1 ratio each quarter beginning in 2015. The minimum common equity tier 1 capital ratio presented is for the period Q1 2015 to Q4 2016. All other minimum capital ratios presented are for the period Q3 2014 to Q4 2016 and do not necessarily occur in the same quarter.

[3] The Tier 1 common ratio is under Basel I; all other ratios are Basel III transition ratios.

*CAUTIONARY STATEMENTS*

*The capital ratios presented herein are calculated using capital action assumptions provided within the Dodd-Frank Act stress testing rules. These projections represent hypothetical estimates that involve economic outcomes that are more adverse than expected. These estimates are not forecasts of actual expected losses, revenues, net income before taxes, or capital ratios.*

*If this scenario, or one comparable, were to occur, BB&T could either underperform or over-perform relative to the presented results. The results of the scenario are not intended to be a forecast of BB&T's expected future economic or financial conditions. The results reflect* *theoretical performance under the prescribed hypothetical scenario. BB&T's future financial results will be influenced by actual economic and financial conditions and various other factors as described in its reports filed with the Securities and Exchange Commission and available at www.sec.gov.*

*This report contains financial information and performance measures determined by methods other than in accordance with accounting principles generally accepted in the United States of America. This report 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 other 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 report.*