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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

March 28, 2019

GREGG RICHARD, STAFF DIRECTOR
MARK E. POWDEN, DEMOCRATIC STAFF DIRECTOR

Kelly S. King
Chair and CEO
BB&T Corporation
200 West Second Street
P.O. Box 1250
Winston-Salem, NC 27102-1250

William H. Rogers Jr.
Chair and CEO
SunTrust Banks, Inc.
SunTrust Plaza
303 Peachtree Street Northeast
Atlanta, GA 30308-3201

Dear Messrs. King and Rogers:

BB&T Corporation and SunTrust Banks, Inc. recently announced their intention to merge, and the merger application has now been filed with the Federal Reserve Board and the Federal Deposit Insurance Corporation. This announcement is concerning because it comes shortly after Congress provided significant giveaways to institutions with under \$250 billion in assets. The merger also deserves scrutiny because it would be of a magnitude that we have not seen since the financial crisis, creating the sixth largest bank in the country.

It is critical that we understand this merger's impact on employees, consumers and the communities you serve. When announcing the proposed merger, your banks touted the combined entity's large size, the location and core functions of a new headquarters and current home markets, the expected dividends and other returns to shareholders, and the potential for increased technological innovation. The banks also noted that they expected the proposed merger to deliver approximately \$1.6 billion in annual net pre-tax cost savings, primarily from facilities, information technology, shared services, retail banking, and third-party vendors.

You did not provide information on how the proposed merger would affect employees, bank branches, or the communities your banks serve. Specifically, you did not describe how innovation, automation, overlapping footprints, and operational efficiency would impact the banks' workforce. Nor did you describe how an increased focus on technology would influence brick and mortar branches. You did not mention the consequences to consumers and small businesses of reduced competition in shared markets. You also failed to make clear the anticipated effects of the merger on the people who rely on your banks in their daily lives.

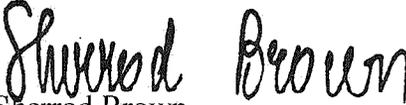
Accordingly, I request more information to understand the proposed merger's impact on your employees, customers, and communities you serve. Please answer the following questions by April 15, 2019.

1. What are the effects of the proposed merger on the banks' workforce? How many SunTrust and BB&T employees will be retained by the combined entity? What efforts will be made to relocate or reassign employees whose jobs are eliminated or modified by the merger?

2. How will the approximately \$1.6 billion in annual cost savings in the categories listed above be allocated? How will the cost savings from “facilities” and “retail banking” be generated? How much of that will be directly reinvested in the communities you serve?
3. How will legacy information technology systems supporting core banking functions be integrated and at what cost? How will this affect the bank’s other proposed investments in technology?
4. SunTrust and BB&T currently compete in many of the same markets. What changes in the provision and costs of financial services are anticipated for the banks’ current customers, and how will these changes be achieved?
5. How many brick and mortar branches will be eliminated, immediately and over the next ten years? Approximately how many branches in rural and LMI areas?
6. Which products or services, if any, will be eliminated after the merger? What are the combined entity’s plans to expand into new product lines or services?
7. What steps will the combined entity take to maintain close ties to customers and communities within the existing bank footprints?
8. What will be the benefits of the proposed merger to families and small businesses?

In your announcement, you highlighted enormous benefits to your shareholders. The benefits of the merger to employees, and working families and their communities, are less clear. Your responses to this letter will be helpful in evaluating the full effect of this proposed merger.

Sincerely,


Sherrod Brown
Ranking Member